

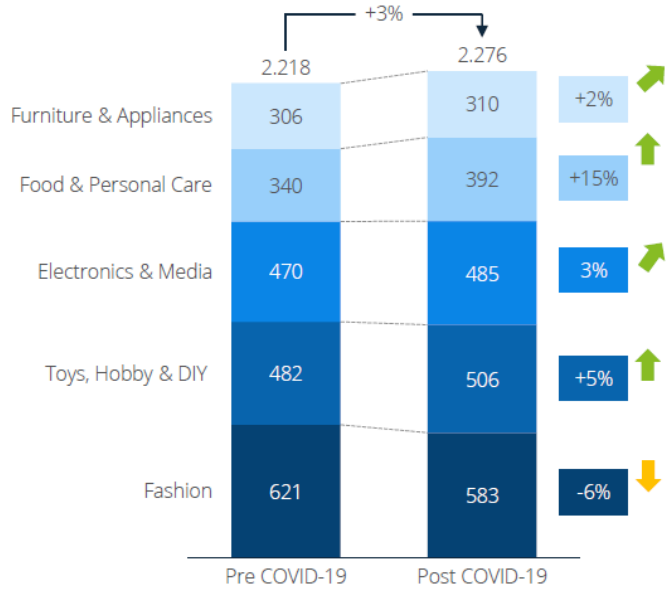
Rethinking Packaging for e-commerce

sitma



The e-commerce landscape: Growth and Covid-19 push

Global² eCommerce revenue forecast 2020 in billion US\$



As consumers are avoiding in-store purchases, e-commerce sales are increasing by 2%

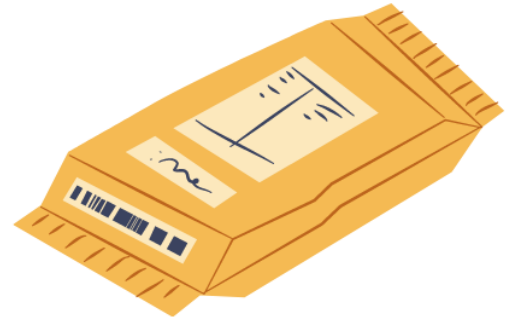
- The biggest winner in e-commerce is Food & Personal Care:
 - Online sales of groceries are surging
 - Hygiene products are in demand both online & offline
- Due to the lockdown, the segment Toys, Hobby & DIY has also benefited second most
- Fashion is expected to be the most negatively-affected category with declining revenues of 6%

The **Unboxing** experience

The packaging and the unboxing have become so important in the customer experience and the handling processes that Amazon has been offering a frustration-free packaging (FFP) option in the U.S. since 2007. In 2018, the online vendor started the incentive program in other five European countries (France, Germany, Italy, Spain, and the UK).

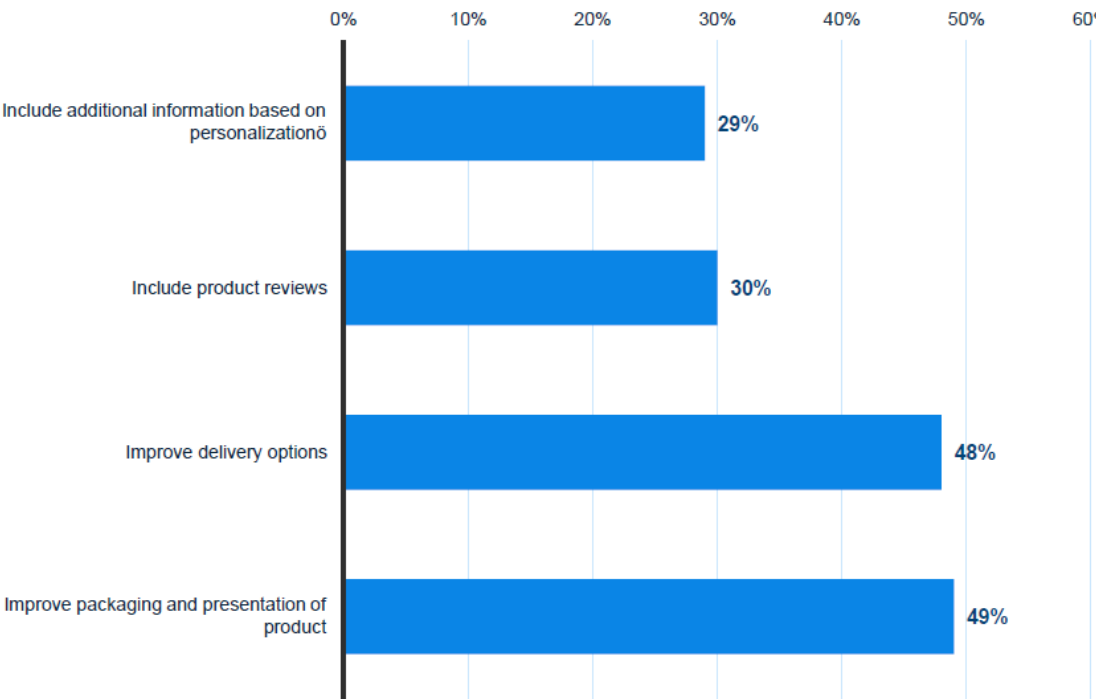
The requirements for the FFP certification are *durability* along the delivery, *sustainability*, and *functionality*. These three concepts are also the essential requirements that **paper packaging** needs to fulfil and enhance in the next years.

Additionally, the packaging is part of the shopping experience, which is often influenced by individuals' preferences and convictions. The sustainability of paper packaging is not just an attractive feature, but also a crucial fact when compared to other materials.



How e-retailers can improve the open-the-box experience

Share of respondents



WE CAN DO IT



WE CAN DO IT



SORRY, THIS IS NOT OUR BUSINESS

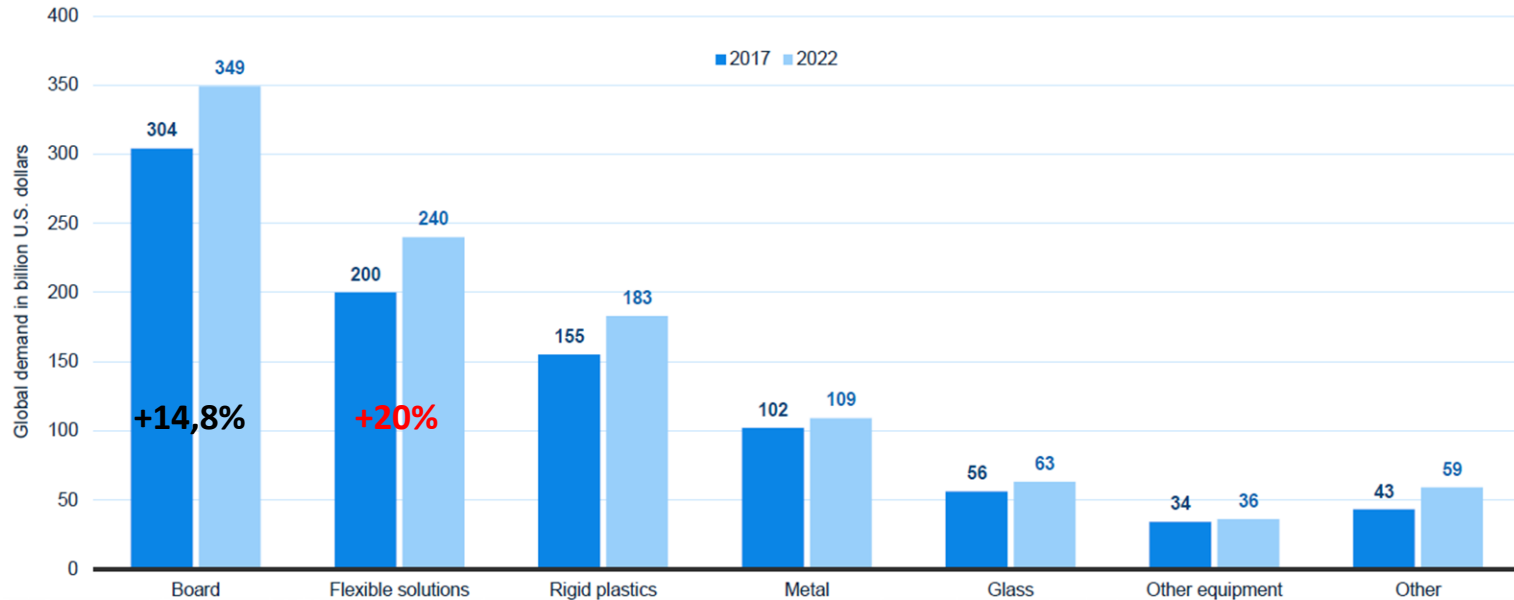


WE CAN DO IT



Rigid or Flexible?

Global packaging demand 2017-2022 by material (in U.S. dollars)



The Perfect Fit

Flexible packaging used for e-commerce simultaneously enables both the **optimization of packaging functionality** and the **best use of resources**. This has the potential to provide considerable economic, environmental and social benefits.

By its very nature, flexible packaging is **highly adaptable**. Clever design can drive further sustainability benefits. These benefits range from **appropriate portion sizes** and **re-closable solutions** that minimize waste.

The flexible and light-weighting package can dramatically **reduce the environmental impacts** related to the packaging materials, but also provides significant advantages for **product storage** and **transport**.



Why choose **flexible packaging** in the e-commerce sector

- Perfect flexibility: combination of materials to meet the customers' needs
- Perfect product-to-package ratio, reducing excess packaging and allowing for a range of different packaging sizes
- Reducing the impact from materials production, transportation and other impacts along the value chain
- Possibility to use eco-friendly packaging materials
- Parcel volume optimization
- Minimizing waste and ensuring optimized recovery



Retail-shaped packaging

The consumer goods sector accounts for the biggest share of the global packaging demand, with almost 60 percent. The trends in the retail industry and the changing purchase behaviours are the biggest growth drivers of the different **paper packaging** formats.

By 2025, in Europe, the estimated tertiary(*) paper packaging demand will be pushed to 4.2 billion metric tons, due to the increase in the e-commerce penetration rate.

Printing processes in packaging is also a specific step of manufacturing process which involves the containerboard more than other materials because the whole packaging surface can be easily used to present the product and display information.

Over the next years, paper packaging will benefit the most from digital printing. In fact, this printing process provides more opportunities in terms of cost saving and product customization. Also, it will integrate better with other Industry 4.0 processes.



*Tertiary packaging: Packaging used to handle, protect or transport a series of product units. The corrugated boxes used to deliver products from e-commerce are tertiary packaging.

Let's do some clarity

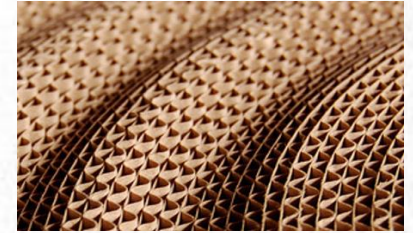
Graphic paper

Used for printed media. Graphic paper includes newsprint paper, used for printing newspapers, as well as other uncoated and coated printing papers.



Containerboard

Type of paperboard specially produced for the manufacture of corrugated containers.



Paperboard

Raw material used to manufacture the paper packaging products. It is thicker than normal paper. Boards are made from either virgin fibres or from a mix of recycled and virgin fibres.



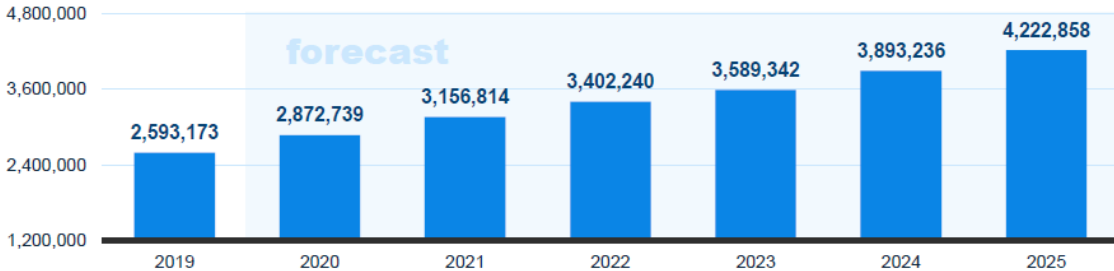
Corrugated Cardboard

Packaging made of three layers of paper to provide the required strength properties.

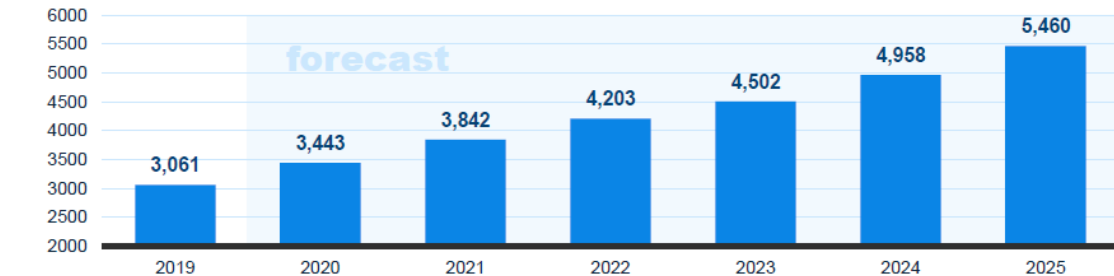


Future of e-commerce paper packaging, in EU

Paper packaging consumption in metric tons



Paper packaging consumption in million euros



Estimated consumption and revenues of tertiary paper packaging induced by e-commerce in the EU 2019-2025

Source STATISTA: Data are calculated based on the price per ton, number of parcels sent, and average weight of a parcel package. The price per ton was generated using official CEPI data for revenue and production of the respective in-scope paper materials. The price was forecast by using historic Eurostat data on the price development for manufacture of paper and paperboard. The numbers of parcels sent are taken from PostEurope, the official European association of postal operators, and forecast according to the expectations for e-commerce development. The average weight of a parcel package is based on the 14 most important product groups of European e-commerce.



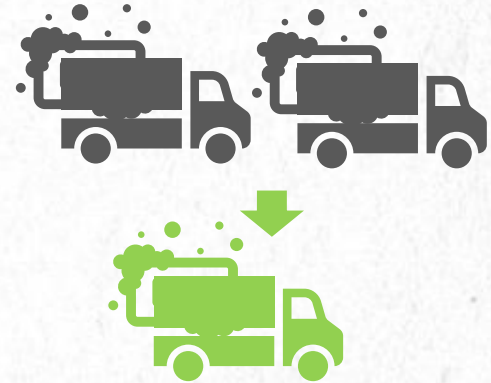
Sitma's Unique Selling Proposition



**Eco-friendly
packaging materials**



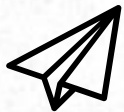
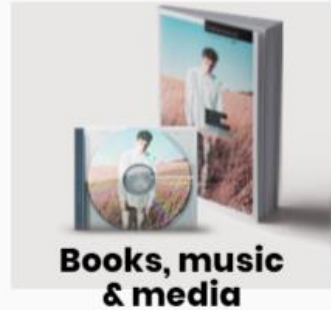
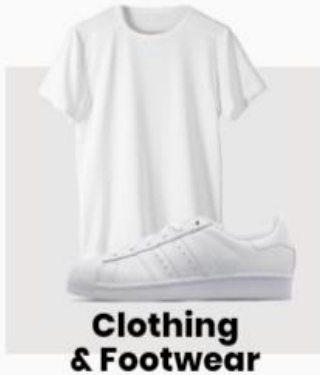
**Data management and
track & trace technologies**



**Parcel volume optimization
for truck loading reduction**

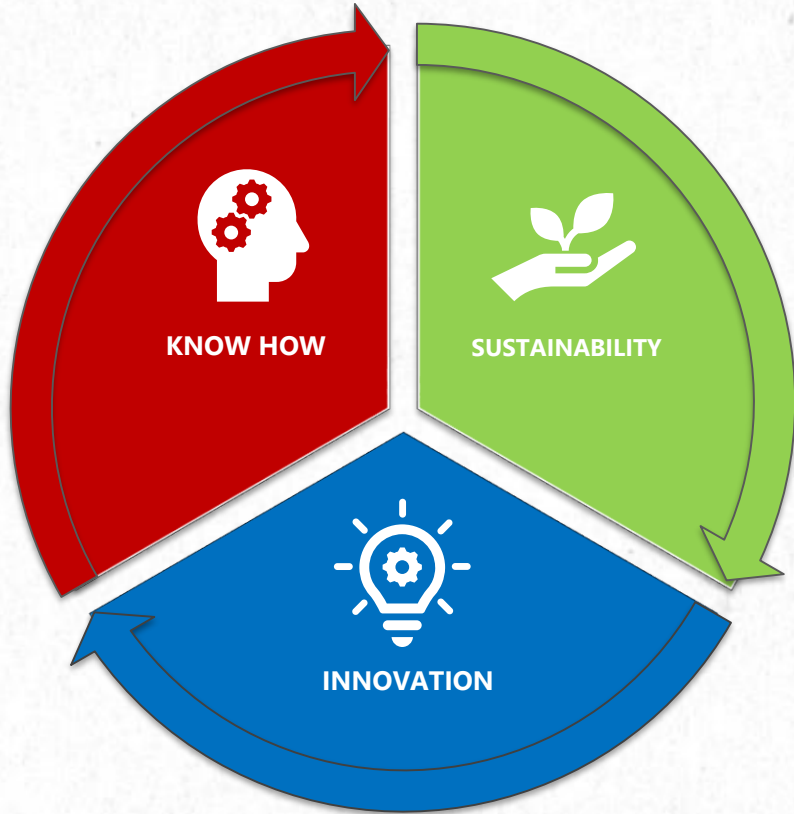
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WE WILL CREATE YOUR OWN SAMPLES**





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