



Peak Season Playbook

Automated Packaging to Tackle
Peak Season Challenges as
Ecommerce Demands Rise

Online fulfillment is facing a new reality.

One of frequent and dramatic spikes in demand as consumer behavior shifts based on health and economic conditions, or time of year. This continues to cause significant supply chain challenges for ecommerce retailers, especially in the packing and shipping areas.

How can companies successfully navigate these extreme purchasing peaks when labor resources are reduced or unavailable, social distancing guidelines are in place, shipping prices are increasing, and demand just keeps growing?



US ecommerce market is expected to exceed sales of **\$599.2 billion by 2024** up from \$365.2 billion in 2019.



Black Friday online sales reached \$7.4 billion in 2019, while online shoppers spent a record **\$9.4 billion** on Cyber Monday.

The name of the game is getting the order to the customer at the fastest and most efficient means possible.

This can be hard when purchasing activity is not spread evenly throughout the year. Many ecommerce retailers have focused on picking productivity more than the parcel packaging area to aid in managing these swings.

In many cases, the parcel packaging area is very labor intensive, has a significant impact on shipping costs and greatly affects the end-user's unboxing experience. By ignoring this area, ecommerce retailers can have detrimental effects on their bottom line as it relates to labor and shipping costs, warehouse efficiencies and the customer experience.

Black Friday and Cyber Monday have become notorious seasonal events. However, this is far from being the only peak anymore.

Christmas and Easter are fairly predictable, but retailers also face sudden surges in demand as a result of unexpected events, including economic, health, weather, sports or fashion. These events can cause permanent shifts in consumer behaviors, shifting buying patterns from stores to ecommerce. Couple that with ever-tightening delivery promises and peaks are no longer measured in weeks or days, but sometimes by the hour.

Peaks stress test the whole fulfillment and delivery process, and nowhere is this more acutely felt than in the

packing area. Constructing boxes, packing, weighing, sealing and labeling manually is a slow process, and few shippers have either the physical space or the available labor to create additional packing stations for what may be only a few days, weeks or months of work. Finding a flexible labor force available at short notice is also becoming increasingly difficult.

How will ecommerce retailers cope with the new reality of frequent and dramatic spikes in consumer demand?



The 2019 November 'mega peak' grew 16.4% based on the online sales performance of over 170 retailers.

The case for automation in the packing area is compelling.

However, simple size-constrained machines using only one size of box does not cater to the wide variety of products and order sizes experienced by most online retailers. If demand for smaller items to be packed exceeds the capacity of the relevant machine, the shipper has no option but to move up a box size, or two, or three.

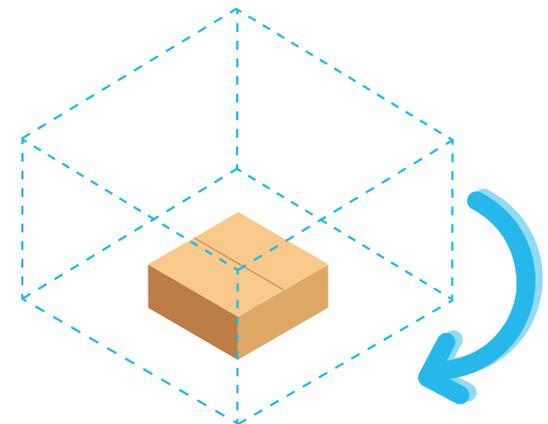
In addition, excess packaging clogs up the recycling loop. Oversize boxes fill up roll cages and dispatch bays and require more delivery vehicles and drivers to fulfil orders, which has a negative impact on the environment. Much of the void fill used for packing is essentially non-recyclable, but without it, the damage rate for small items slamming about in large boxes is high, becomes unacceptable to consumers and

creates an ever-bigger returns problem.

Packaging waste doesn't play well with consumers either. There are thousands of "unboxing" videos online showing customer reactions to large parcels with small items inside. From sarcastic comments to questioning the shipper's priority on the environment, customer satisfaction is lost – even if the product was delivered on time and without any damage. To make matters worse, the large parcels are also greatly impacting shipping costs for retailers due to DIM weight charges and the vast amount of unnecessary shipping materials used. Add today's warehouse labor challenges and retailers certainly have their hands full.



60% of ecommerce deliveries are by volume at least a quarter composed of **bubble-wrap, polystyrene beads or just fresh air.**



Your game-changing solution? High-velocity, efficient and economical automated packaging.

Packaging by Quadiant has two reliable high-velocity fit-to-size automated packaging solutions, the CVP Everest and CVP Impack. The CVP Impack packs up to 500 tailor-made parcels per hour requiring only one operator while the CVP Everest auto-boxes up to 1,100 parcels per hour and uses two operators.

These auto-boxing technologies take a three-dimensional scan of the single- or multi-item order of hard or soft goods as it moves down the conveyor. Customized fit-to-size corrugate for the box and lid is cut and creased to size, erected around the item(s) and the lid sealed. Parcels are weighed, labelled and transferred to shipping for destination sortation.

Automated packaging solutions like the CVP Everest and Impack optimize order fulfillment in one seamless process, decrease the reliance on labor along with costs and reduce package volume while boosting sustainability efforts.



Right-sized boxes lead to big benefits.

Using a right-sized box means your products will be packaged more securely and cost effectively. Custom, fit-to-size packaging machines will pack a broad range of items using one or two operators, from headphones to a vacuum cleaner, and allow for even greater shipping efficiencies.

The CVP Automated Packaging Solutions have the fastest, most agile throughput on the market today, backed by proven customer data and a dedicated service and support team. Auto-boxing will create less waste, reduce product damage, save on labor and shipping costs, and generate repeat business to save your company valuable dollars while ensuring all steps of the packing process are optimized.



Up to 500 boxes per hour

cvp impact
by Quadient



Up to 1,100 boxes per hour

cvp everest
by Quadient



High-Velocity Packaging
allows later cut-off times due to the speed of packaging, enabling same day delivery



Less Shipping volume
due to an optimized sized box



Alleviate Peak Season
challenges with auto-boxing, meeting higher customer and company demands



Less Corrugate & Material
usage due to a smaller customized box



Improve Customer Experience
with branded corrugate, customized enclosures and strong shipping-proof boxes



Ease Labor Concerns
when labor resources are unavailable and social distancing is required



Reduce Shipping Costs
and DIM Weight Charges



Strengthen Sustainability
as consumers want to purchase from eco-friendly companies

Conclusion

With long-term shifts in consumer behavior, online retailers will turn to packaging automation for stability, efficiency and cost savings.

By choosing an automated solution to right-size ecommerce deliveries, retailers can meet their fulfilment promises, even in the peaks, while respecting the environment, reducing transit damage, and saving money. Even operating 'off-peak' at well below capacity, there is a rapid return on investment in the form of material savings, shipping costs and labor resources.



Quadiant

Quadiant is the driving force behind the world's most meaningful customer experiences, by focusing on four key solution areas including Customer Experience Management, Business Process Automation, Mail-related Solutions, Automated Packaging Solutions and Parcel Locker Solutions, Quadiant helps simplify the connection between people and what matters. Quadiant supports hundreds of thousands of customers worldwide in their quest to create relevant, personalised connections and achieve customer experience excellence. Quadiant is listed in compartment B of Euronext Paris (QDT) and belongs to the SBF 120 index.

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