

FRUSTRATION FREE PACKAGING

On-demand packaging is reducing waste and cost while also improving the experience for the e-commerce consumer. *MHD* finds out more.

Recent research by Packsize, a global packing solutions and packaging automation supplier, revealed that the second most common complaint for an e-commerce customer is about the packaging not being suitable for the product.

Nearly every online consumer can relate to the frustration of receiving a small item in a box big enough for a several pairs of shoes and since COVID-19 Australian consumers are shopping online more than ever before. We're now comfortable ordering almost anything online, from toiletries to gym equipment to furniture to pantry goods.

For retailers and the logistics providers fulfilling these orders, on-demand packaging is providing significant benefits related to cost, customer satisfaction and reducing waste thus reducing our environmental impact.

Sean Ledbury, Managing Director at Packsize Australia says the driving principle behind the global on-demand packaging provider was to reduce waste from tertiary packaging.

"Historically, manufacturers or

distributors would buy boxes of a varying size and volume, and they would select a box and use void fill to make it fit," he says.

Realising that there had to be a better way, the founders of Packsize created the first on-demand packaging solution.

"Our solution has a constant feed of corrugated board being fed into a machine that will cut the exact size box needed for the particular order. We're building a box that is exactly the right size for the product, so you greatly reduce or completely eliminate the need for void fill," Sean says.

Void fill is often made up of plastic and is largely unrecyclable, so by creating a better fitting box, there is also the added benefit of sustainability. "Our mission is 'Smarter Packaging for a Healthy Planet'," Sean says.

Producing a box that is the right size for the product, also has the roll-on effect of saving transport costs by using less space in a truck, container or aircraft.

Furthermore, with a box that is made specifically for its contents, there is less chance for the product to get damaged.

"Our packaging solution saves

packaging costs of between 20 to 30 per cent, but it also enables our customers to ship 30 per cent more orders per container or truck. So, they can save costs, reduce their environmental footprint and also greatly improve the end customer experience," Sean says.

E-COMMERCE AND COVID-19

Packsize entered the Australian market five years ago and has seen rapid growth in this region. "As the e-commerce market grows here, so has our business," Sean says.

With COVID-19 pushing e-commerce volumes to a record high, Sean says the business has grown significantly since the pandemic reached Australia.

"E-commerce is a big driver for us and COVID has created a huge demand in our goods and services," he says.

The reason for this is two-fold, while many retailers are dealing with a much higher percentage of their sales through their online store, creating a need for more on-demand packaging, there is also the issue of many businesses looking for cost-effective solutions.

"There have been two drivers for our growth over this past year, of course there is the increase in e-commerce but there is also a desire for businesses to become leaner," Sean says.

Some of Packsize's new business in Australia has come from organisations who have contracted during this time but are looking at ways to reduce cost.

A further benefit for businesses who are looking to reduce costs but may not have the capital available to invest in new machines or products is that Packsize offers a model whereby the customer does not need to purchase the machine.

"The most common way that we go to market is that we place the machine with no capital outlay required by our customer. We find our customers are able to make packaging cost savings of around 20 to 30 per cent without any

investment at all," Sean says.

This also comes into play as customers start to see spikes in demand. "We have machines that can do 200 boxes an hour up to 1,200 boxes an hour. So, if a customer is seeing their volume increase, we can come in and swap out a machine to give them more capacity and this doesn't need to cost them anything," he says.

This also creates opportunities for retailers to explore installing on-demand packaging capabilities in the back of a bricks and mortar store to fulfil orders from a central location or service click and collect orders, an option that many retailers are currently exploring.

THE ABILITY TO SERVICE REMOTELY

Packsize has a footprint across the entire country and has customers and service technicians in both rural and urban areas of nearly every state.

For many businesses, COVID-19 restrictions made servicing customers extremely difficult. However, for Packsize it was not an issue. "We have



Packsize's on-demand packaging solution reduces waste and the environmental impact of packaging.

remote access to every single one of our machines so if there were any issues and we could not get onsite; we could help them remotely. In fact, 95 per cent of issues can be dealt with remotely so we can just connect to that particular customer and fix it," Sean says.

Many packaging providers have followed in Packsize's footsteps in offering on-demand packaging and

Sean says this has been a shift for the industry into establishing more sustainable practices.

"Packsize invented on-demand packaging to reduce waste and the environmental impact of packaging. We're proud to say that we have done not only that but have also reduced costs and improved the end-customer experience as well," Sean concludes. ■



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