



dotcom
Distribution

Unwrapping the Customer Experience

**An analysis of how eCommerce
packaging influences social sharing
of product images**

Dotcom Distribution Packaging Report 2015

Executive Summary

Given the rate at which social media users share and consume content, consumers have an incredible amount of power to shape brand perception. When customers share images and videos of products or packages on social media, they're reaching a network of thousands of other consumers who are much more likely to trust their peers than they would brands. Still, the motivation behind a consumer's decision to share a branded image or video on social media is unclear, and brands are in need of more insight.

Dotcom Distribution surveyed more than 500 online shoppers to uncover their brand packaging expectations and motivations for sharing branded images on social media. The resulting Dotcom Distribution Packaging Report illustrates how packaging impacts brand perception, why consumers share branded images on social media and how these images influence purchase decisions:

- Premium packaging that is gift-like, branded or fancier than brown box packaging exceeds customer expectations and creates a memorable experience.
- The excitement generated from a premium-packaged product encourages consumers to share their experience on social media sites as they would any other meaningful life event.
- Consumers look to social media content posted by their peers when researching products they want to purchase online.
- Most consumers admit to being influenced to make a purchase after viewing an image or video of a product they were researching online.
- Premium packaging creates an opportunity for social sharing, and those images and videos shared on social media are likely to influence new customers to make a purchase.

Key Findings

- **Premium packaging improves brand perception**

Sixty-one percent of online shoppers say that it makes the brand seem more upscale.

- **Premium packaging creates a memorable experience**

Forty-nine percent of online shoppers say that premium packaging gets them more excited about opening a package.

- **Premium packaging encourages product recommendations**

Forty percent of online shoppers say branded packaging makes them more likely to recommend a product to friends.

- **Packaging matters more for upscale brands**

Thirty-eight percent of online shoppers think premium packaging is important for luxury goods.

- **Consumers are sharing unboxing experiences online**

Thirty-nine percent of online shoppers have shared a product image or video on social media, and almost a quarter of customers who haven't shared a product image would be more likely to do so as a result of pretty packaging.

- **A desire to show off and recommend motivates shoppers to share**

Fifty-nine percent of those who have shared an image online did so to show it off. Fifty-four percent did so to recommend the product to family or friends.

- **Shoppers use social media for research**

More than half of online shoppers have used social media to find a photo or video of a product they were thinking about buying.

- **Social sharing encourages purchases**

Sixty-one percent of online shoppers were convinced to buy a product after looking up images and videos on social media.

- **Unboxing videos are here to stay**

One in three online shoppers have watched an unboxing video online.

- **Unboxing videos elicit an emotional response**

After watching an unboxing video, 55 percent of online shoppers felt intrigued and 41 percent felt excited.

Stand Out from Boring Brown Boxes

In the age of Amazon, it's no surprise that online shoppers have low expectations for packaging. Most consumers assume the products they order online will arrive in a standard brown box, probably with a smile on the side and bubble wrap inside. They generally feel indifferent toward how the box looks. In fact, the Dotcom Distribution Packaging Report found that the majority of consumers actually prefer a traditional brown delivery box over branded, gift-like packaging for most orders.

Consumers also don't make purchase decisions based on the box. About two-thirds of online shoppers say packaging doesn't make them any more or less likely to buy from the same retailer again — meaning brands won't necessarily lose sales because of brown boxes. The experience has become so common that consumers don't give it a second thought.

But, that doesn't mean packaging doesn't matter for eCommerce brands. There are two important areas where specialty packaging can give retailers a big boost and help them stand out in sea of generic brown boxes.



Why Packaging Still Matters in eCommerce

Although consumers often don't think twice about brown boxes, they do pay attention when a brand breaks the mold. According to the Dotcom Distribution Packaging Report, branded packaging makes a huge difference when it comes to brand image and customer recommendations, which are amplified by social media.

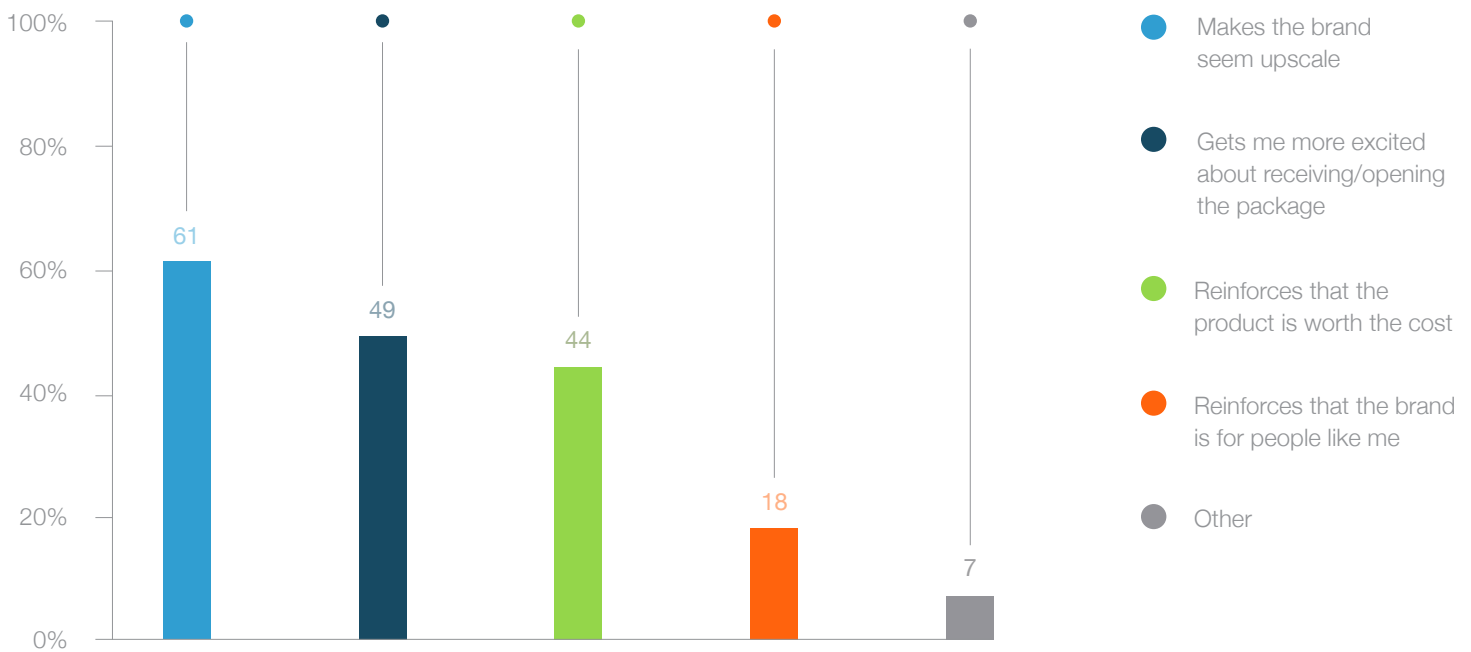
Brand Image

While standard brown boxes remain the status quo, premium packaging leaves a lasting impression. More than a third of online shoppers say the use of branded packaging for online orders affects their perception of a brand or retailer, with more than 60 percent of that group saying premium boxes and wrapping materials make the brand seem more upscale. Online shoppers also get more excited about receiving and opening orders with branded packaging, and feel like they're getting more value for their money.



How does the packaging affect your perception of the brand? Check all that apply.

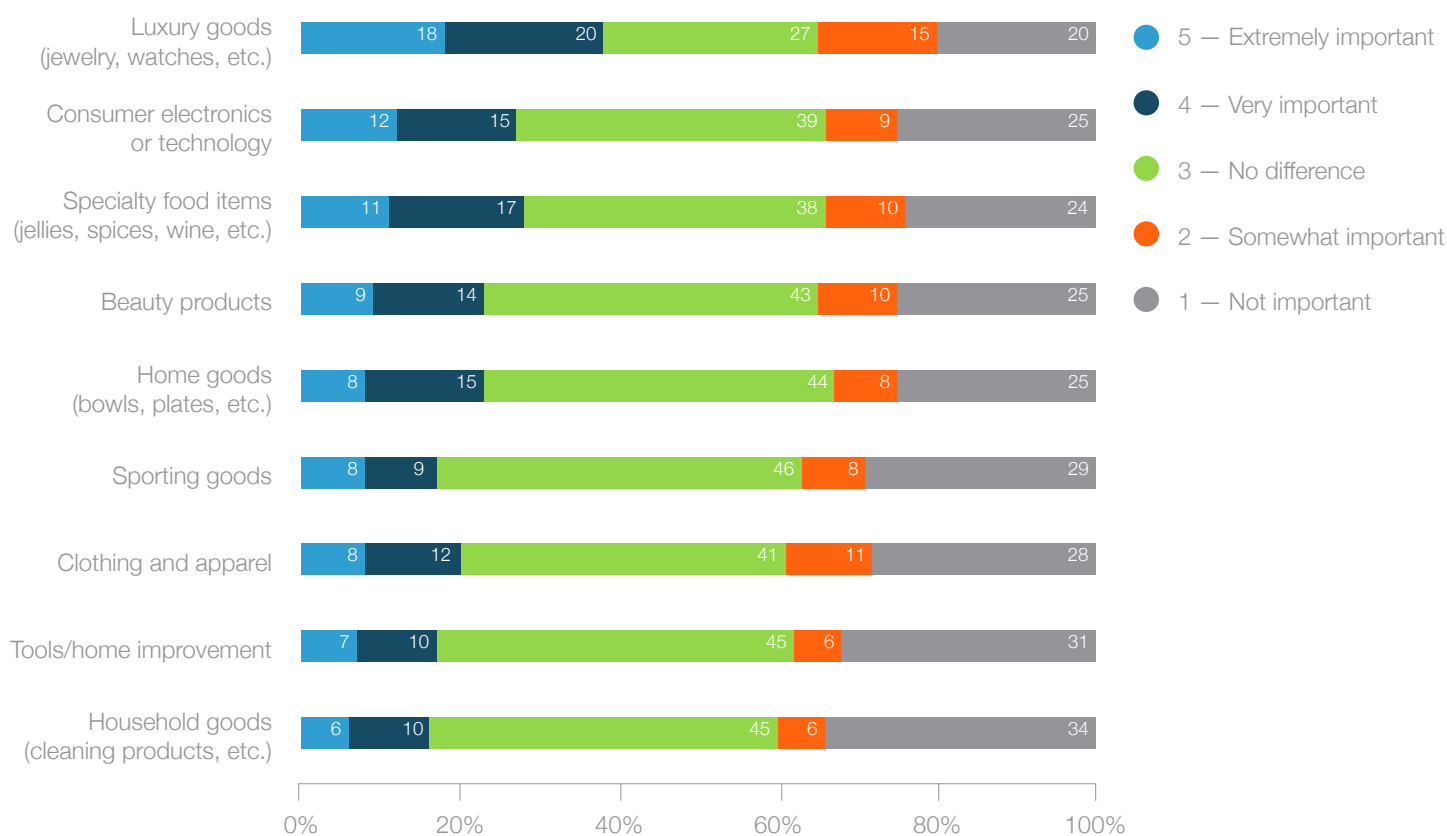
(Of those who said packaging impacts brand perception)



Premium packaging is especially important for lifestyle brands that sell an experience as much as they sell a product. While consumers don't care about branded packaging for commodities such as household goods and tools, they do value a more personal touch for more personal products.

In particular, almost 40 percent of consumers think premium packaging is important for luxury goods. Specialty food items and beauty products also rank in the top five product categories, two other lifestyle product categories where brand image and customer loyalty can be big differentiators.

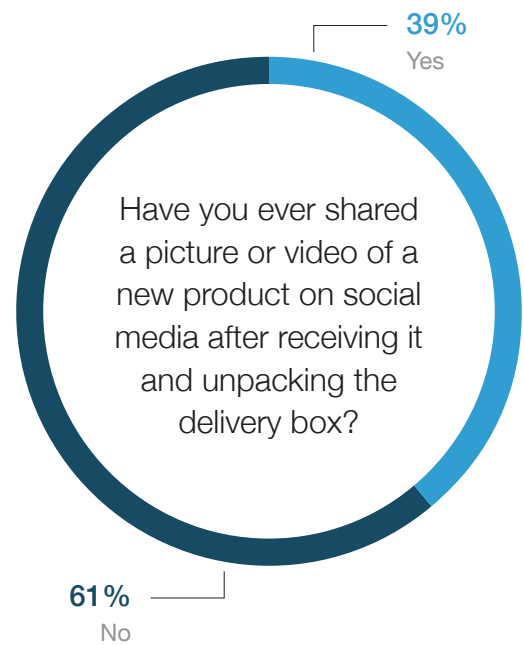
When ordering a product online, how important is premium packaging (unique, branded or gift-like boxes) for the following product categories?



Packaging Influences Customer Recommendations

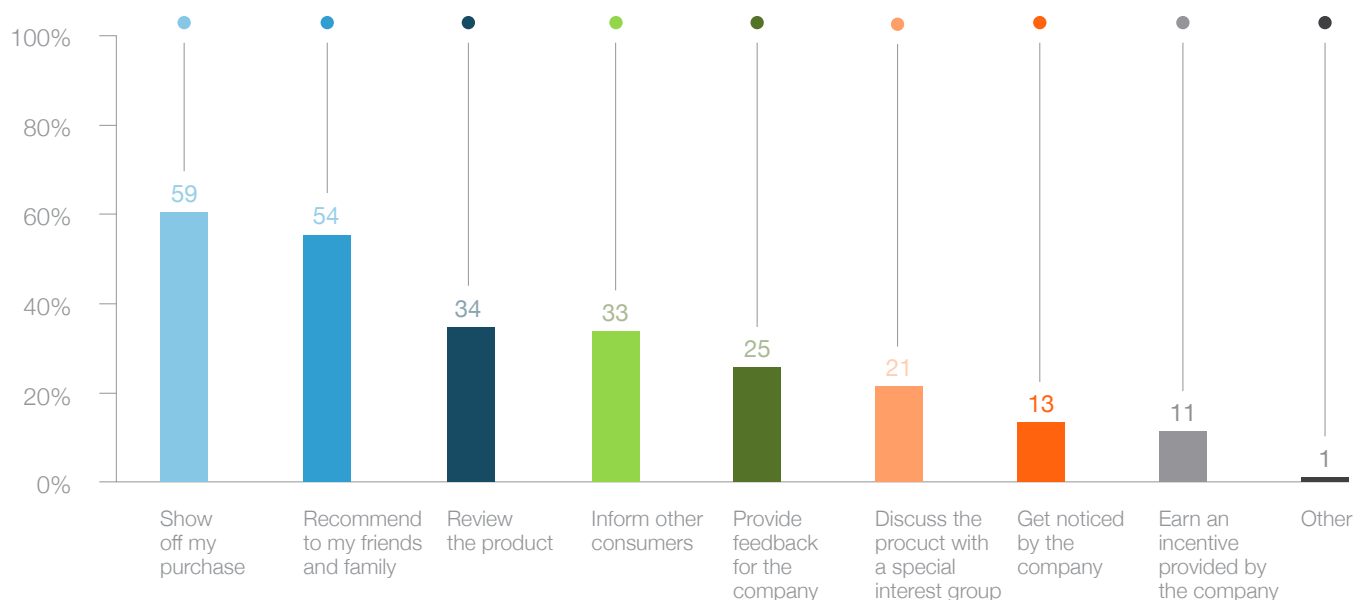
In addition to shaping brand perception, premium retail packaging for online orders also influences whether customers act as brand ambassadors. Almost 40 percent of online shoppers say branded packaging makes them more likely to recommend a product to friends — a huge advantage over traditional brown boxes.

In the digital age, that product recommendation or customer referral often happens on social media. Four in 10 online shoppers have shared a picture or video of a new product on social media, with more than half of those consumers saying they did so to make a recommendation to friends and family.



What motivated you to share the picture of a new product? Check all that apply.

(Of those who shared an unboxing photo)



Those who have shared packaging images on social media sites tend to prefer more visual mediums. Among those who have shared pictures or videos of a new product in branded packaging on social media, 84 percent have done so on Facebook, followed by Twitter (32 percent), Instagram (31 percent), YouTube (28 percent) and Pinterest (20 percent). This bodes well for premium packaging brands because consumers want to share visually appealing images. If packaging lends itself well

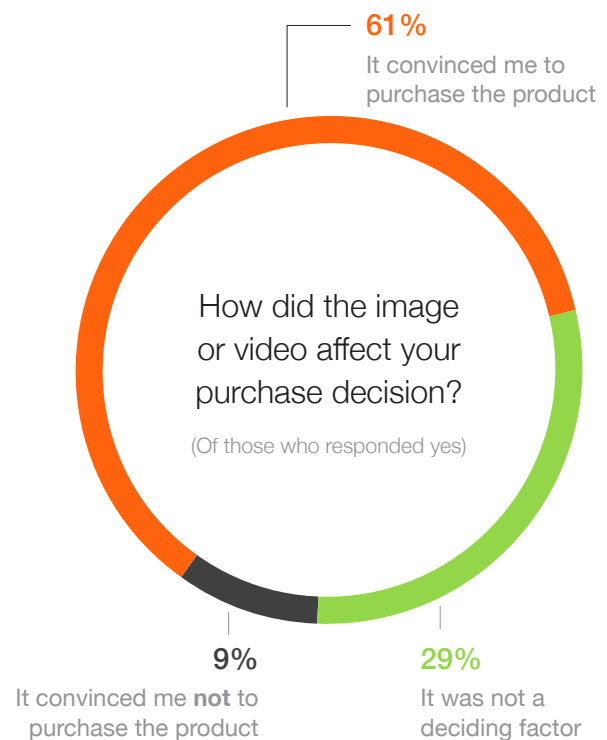
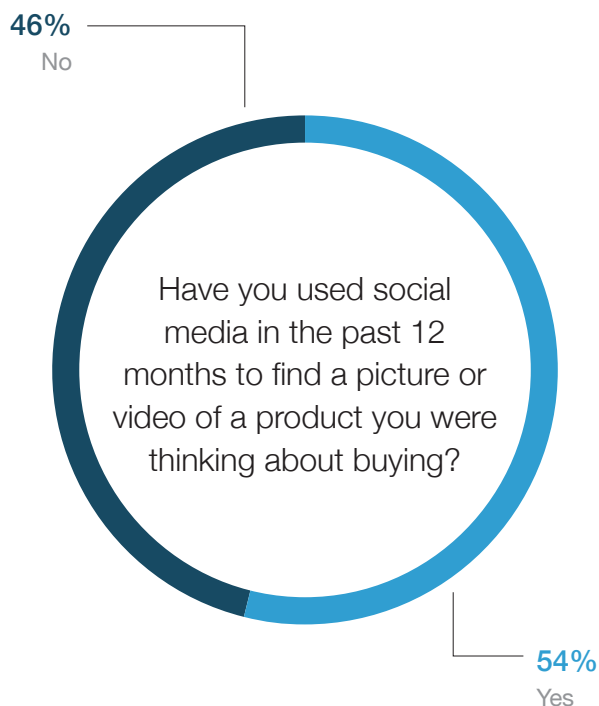
to a photo, consumers are likely to voluntarily share the product or packaging on social media.

When it comes to extending the excitement of a brand experience beyond purchase, retailers should focus on getting customers to share images and videos of their products on social media. Not only does social sharing keep customers engaged post purchase, but it also acts as a powerful marketing tool for other potential customers using social media as a resource for research.

Social Sharing Influences Purchase Decisions

When customers are excited about a product, it's important for retail brands that these shoppers share their feelings and recommendations with others. In a world where it's difficult for brands to organically integrate themselves into personal conversations on social media, encouraging a customer to independently mention a brand is the ultimate marketing win.

The Dotcom Distribution Packaging Report found that consumers are using social media as a primary research channel, often relying on the photos and videos of their peers — not brands — to make purchase decisions. More than half of online shoppers have used social media to find a photo or video of a product they were thinking about buying, and six out of 10 of those consumers say the image or video convinced them to purchase the product.



Similarly, more than a third of online shoppers have watched an unboxing video, or footage of a consumer opening and unpacking a new product. More than half

were convinced to buy a product as a result of watching an unboxing video.

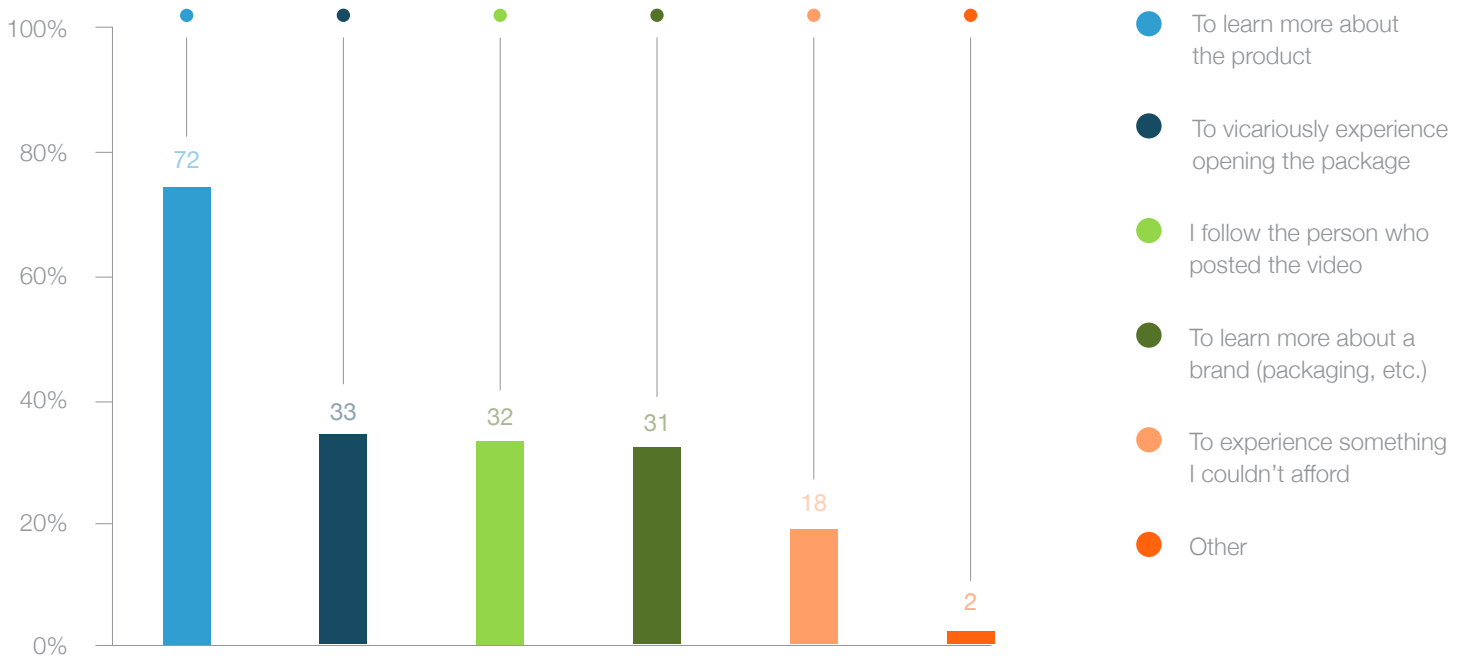


More than two-thirds of those who have watched an unboxing video did so to learn more about the product. After watching, most respondents reported feeling intrigued or excited, showing the emotional connection online shoppers make to products and brands through

social media. Consumers are looking to these videos to learn more about products specifically when they are interested in making a purchase, and most of the time, they feel positively toward the brand after watching.

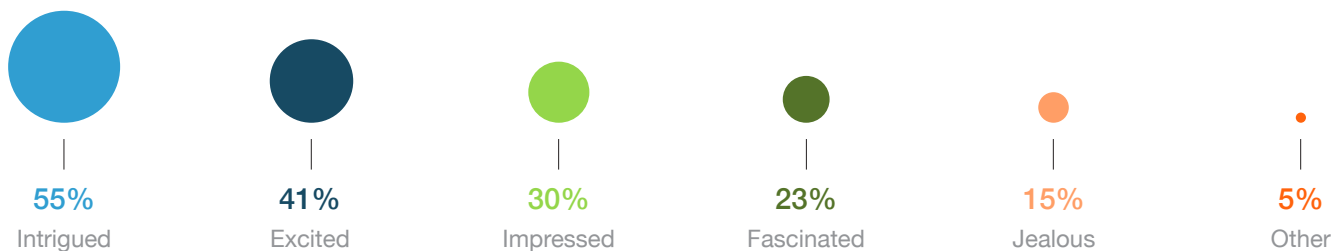
Why did you watch the unboxing video? Check all that apply.

(Of those who watched unboxing videos)



How did you feel while watching the video? Check all that apply.

(Of those who watched unboxing videos)

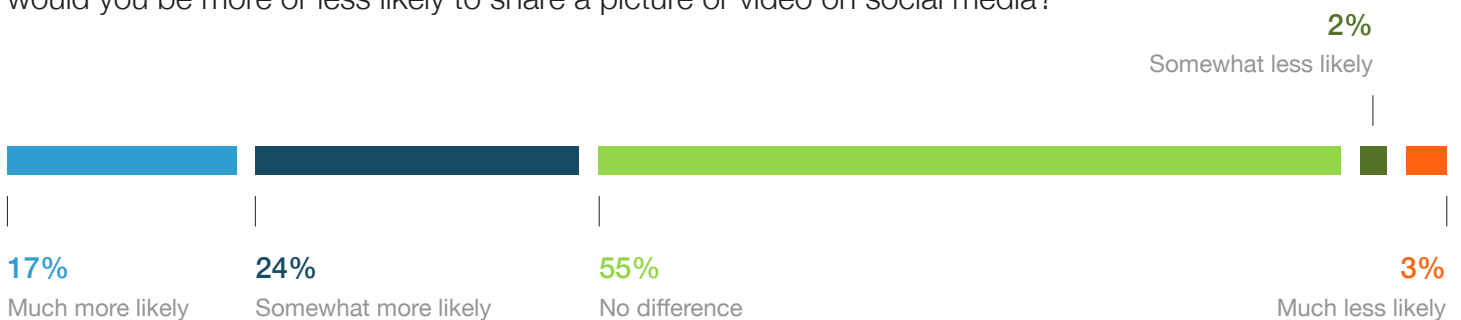


With product images and videos acting as powerful purchase drivers, retailers should take intentional steps to increase the likelihood that customers will share their experiences online. Most of the time, consumers need a reason to show off a product — it needs to be exceptional for them to make an effort to share an image or video with their social networks.

The Dotcom Distribution Packaging Report found that consumers are 1.5 times more likely to share pictures of gift-like boxes on social media than traditional brown boxes. And 40 percent of online shoppers say branded packaging would make them more likely to share a product image or video on social media.



If you ordered a product online and it came in a branded or gift-like box, would you be more or less likely to share a picture or video on social media?

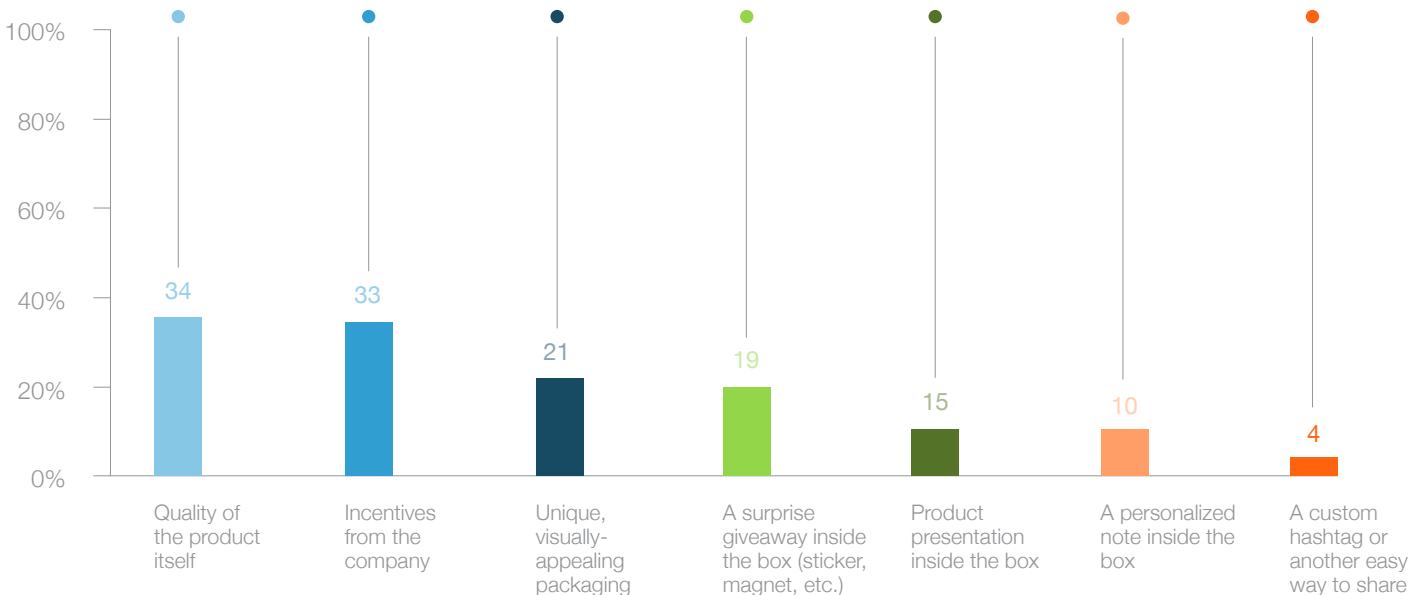


Even the 60 percent of consumers who have never shared a picture or video of a product on social media can be motivated to do so for the first time if retailers push the right buttons. When asked what would make them

likely to share a product image or video with their social networks for the first time, about a third of those holdouts cited product quality, followed by incentives from the retailer and visually-appealing packaging.

What would make you more likely to share a picture or video of a new product on social media?
Check all that apply.

(Of those who haven't shared branded images)



While product quality is the obvious primary motivator for social sharing, the Dotcom findings make it clear that brands that give their customers additional reasons to share will have more success and ensure their products are found when online shoppers turn to social media for

research. With an intentional plan in place to encourage social sharing, online retailers can extend the brand experience and create word-of-mouth marketing that capitalizes on customer excitement.

How to Encourage Social Sharing

When consumers share product or packaging images on social media, it essentially serves as a brand recommendation for their networks of thousands of potential customers. Yet, brands are often at a loss for how to actually motivate consumers to make the decision to discuss a positive experience with a brand on social media. Here are some practical tips for retailers hoping to excite their customers during the unboxing experience and encourage them to share:

- **Get the product right**

A mistake in the order will ruin a customer's experience with your brand regardless of how exciting the product's packaging is and how well it's presented. Consumers aren't afraid to share via social if their order arrives late, damaged or is otherwise subpar.

- **Don't neglect package interiors**

The way your products are displayed within the box makes a difference when it comes to social sharing. If a product's display lends itself well for a photo, a customer is more likely to share it on visual social media sites. Products should be artfully arranged or nestled inside the box rather than thrown in in any order.

- **Include more giveaways**

In general, it's hard to overdo it when it comes to packaging extras. You're already restricted by the package size, so make the most of it when it comes to colored tissue paper, filler and ribbon. Offer your customers stickers, trading cards, temporary tattoos, samples and other branded items that remind your customers of the product and experience during their everyday lives.

- **Think through the unboxing experience**

What do you want your customer to see first? A neatly tied ribbon? A personal note? Nothing ruins the unboxing experience like unpacking the return slip before the actual product, so guide your customer through the process rather than leaving it to chance. Pack in reverse order by considering your customer's first actions.

- **Add a personal touch**

A personalized note or sticker will further enhance a customer's experience and excite him or her about your brand. Depending on your goals, you may want to place this note front and center so your voice is present throughout unboxing.

- **Use premium packaging for the box**

Packaging should be a part of the experience, not just a vessel for it. Pretty packaging improves perception of product quality and overall brand and encourages sharing.

Go beyond “brown boxing” and rethink your perception of “premium” packaging. Premium doesn't have to mean expensive, nor should it look different from the rest of your brand.

- **Include a call to action or incentive for sharing**

Give customers a hashtag that reminds them to share their memorable experiences about your brand or provide some sort of monetary incentive if they share (a coupon, for example). Assume that customers are going to share your product, so show them how. Feature customer photos prominently on your social channels as an incentive for sharing.

Premium packaging creates an experience for consumers that is not unlike the personal life events that they are already willing to share on social media sites. When their packaging expectations are exceeded and they share images or videos of their purchase on social media sites, your customers generate authentic word-of-mouth marketing. Undecided consumers are looking to these unboxing videos and other images shared by peers online to make purchasing decisions. And most importantly, these visuals convert them. To create a lasting impression that encourages social sharing, and ultimately word-of mouth-marketing, brands need to excite their customers and give them an opportunity to share.

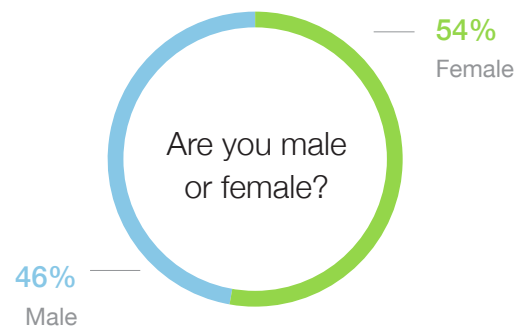
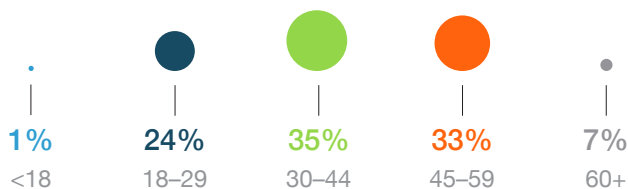
Methodology

In March of 2015, Dotcom Distribution surveyed 524 consumers who have shopped online in the past year about their packaging expectations and social media research and sharing habits.

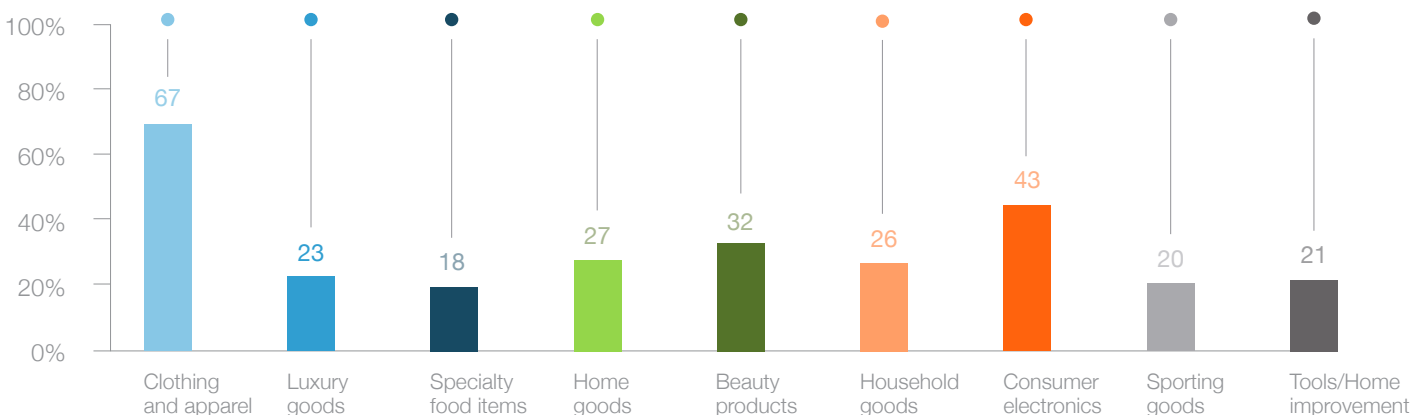
The sample of consumers who completed the online survey reported to have shopped online for a variety of different products in the past 12 months. Most reported to have purchased clothing and apparel, but the product categories were evenly distributed. The margin of error for n=500 is 4.4 percent at a 95 percent confidence level.

The age and gender breakdown of survey respondents was as follows:

Age



Which of the following kinds of products have you purchased online in the past 12 months?
Check all that apply.



About Dotcom Distribution

Dotcom Distribution is a premier B2B and B2C provider of logistics, fulfillment and photography services to growing retailers and manufacturers. With a boutique feel and enterprise scale, Dotcom works with brands such as Adore Me, Bliss and Carol's Daughter to deliver on brand experience from order fulfillment to package delivery. Dotcom leverages its strategically located Edison, NJ warehouse to provide most clients with same-day order shipping and an average 1- to 3-day delivery times via standard ground service to 70 percent of the U.S. population.

On par with New York City studios, Dotcom's on-site photo studio offers creative services that drive eCommerce conversions at significant cost savings. Including model staffing and stylists, 360Plus camera views, video capabilities and retouching, Dotcom's photo studio customizes photo shoots per individual retailer requests. Dotcom's combination of fulfillment services and e-commerce photography enables retailers to more efficiently engage with and deliver packages to consumers.

For more information on Dotcom Distribution's logistics and photography services, contact us at info@dotcomdistribution.com or visit dotcomdist.com.