



PACKAGED WISDOM – MONDI'S E-COMMERCE REPORT

Mondi Group has released the results of its fifth annual e-commerce report, which details overall trends, analysis and customer attitudes regarding e-commerce and how packaging affects their entire experience. This annual online survey was conducted during the last quarter of 2023 and includes the views of 6,000 consumers. The study and resulting report are based on the desire to provide e-commerce brands with key information on best meeting consumer needs. This latest report also includes country-specific results for six major markets, including Czech Republic, France, Germany, Poland, Sweden and Turkey.

"We felt compelled to share more than just packaging trends to shed light on spending habits, shopping frequency, social commerce use, and behaviour related to recycling and reuse," says Nedim Nisic, eCommerce director, Mondi Group. "The result is a treasure trove of data useful for every e-commerce company, not only those trying to satisfy consumers' packaging demands but to influence the entire experience. We also wanted to promote collaboration among the packaging industry, e-commerce

platforms, and other key stakeholders to meet consumer expectations and sustainability efforts."

Emerging trends and newer insights include what's happening around social commerce, recommerce and sustainability movements across generations. Overall, the report looks at four key areas: consumer online shopping behaviour, attitudes towards packaging and unboxing experiences, perceptions and behaviours towards recycling and reusing, and the future of eCommerce packaging.

Social Commerce behaviour drives a significant amount of purchases

Almost half (44%) of consumers have bought via social commerce in the past 12 months, with Facebook and Instagram accounting for the majority of purchases, while TikTok ranked at 20%. The trend is particularly strong among Millennials and Gen Z, who predominantly spend on fashion. The younger cohort spent most of their money on fashion products (approximately 60%) in the last 12 months, compared to cosmetics, grooming, sports and leisure, technology, and homeware, which all sit between 30-40% combined.



Decline in online shopping overall frequency and Gen X looking for best pricing

Despite a decline in shopping frequency due to economic constraints, 38% of consumers maintain their online shopping habits, driven by the search for better prices and value. The frequency of shopping online has fallen a little in 2023. This is likely to be due to shoppers continuing to head back to the store as buying behaviours have returned to more of a pre-pandemic norm, as well as perhaps shoppers cutting back their online spending as they have had to cope with the increased cost of living. But they still shop online regularly, with a quarter doing so at least once a week. The timesaving and home-delivery conveniences of online shopping are particularly attractive to all cohorts, and Gen X is known to be the most cost-conscious compared to other generations.

Nisic added, "This survey indicates that social commerce is becoming more mainstream and fashion is clearly a growth driver. We see online retailers focusing heavily on the digital shopping experience and a seamless experience with social media channels is a must going forward."

Packaging quality and recyclability are essential factors in the purchase decision; who bears the cost of returns?

Customers prioritise packaging quality and eco-friendliness, with 88% valuing protective packaging and a substantial portion considering recyclability important. Regional differences exist, with Turkish consumers showing a high demand for resealable packaging. The growth

of recommerce markets indicates a consumer preference for reusable packaging, meaning that eCommerce retailers need to consider post-purchase behaviour and align with sustainability demands in the circular economy. Traditionally, returns have been free since this encourages purchases. With rising costs and as related sustainability issues rise, 39% of survey respondents say they don't want to pay for returns, with Millennials and Gen Z most accepting to bear this cost.

Almost half won't shop again with a brand if the packaging does not meet expectations.

Unsurprisingly, given they are the generations who have grown up with the concept of unboxing rather than simply the opening of a parcel, it's again Millennials and Gen Z that most highly rate the importance of packaging to the unboxing experience—with two-thirds (66%) of Gen Z and 65% of Millennials rating it important or very important, compared to only 46% of Boomers. A negative unboxing experience, with overpackaging being the most referenced grievance, shows nearly half (47%) saying it could put them off buying again. In comparison, 45% say they would not buy again from a brand whose packing is challenging to recycle.

Overall, there is a substantial focus on sustainability and environmentally friendly packaging without compromising paper quality, protection capabilities, or the overall unboxing experience. The report suggests that nearly 60% of consumers expect compostable or recyclable packaging in the near future.