

## **Rethinking Packaging: DHL Trend Report discovers how e-commerce era drives wave of sustainability and efficiency**

- **DHL survey reveals that packaging will be in the spotlight over the next five years as companies and customers demand sustainable packaging materials and less waste**
- **Fast-tracked e-commerce deliveries require adoption of packaging optimization, automation, smart-packaging solutions and new conveniences to ensure outstanding customer experience**
- **DHL calls its customers and partners to collaborate on rethinking packaging to drive innovation in logistics operations**

**Bonn, December 9, 2019:** DHL has released “Rethinking Packaging”, a new Trend Report that offers a comprehensive look at the future of packaging in the logistics industry. The report breaks down the trends accelerating the need to rethink packaging, how industries and their packaging needs are evolving, and provides insights on how packaging innovations will shape greener and more efficient logistics operations across all sectors.

Driven by globalization and e-commerce, the overall volume of products shipped is rising, and packages are traveling further through longer, more complex cross-border logistics networks. A survey conducted by DHL on its customers and partners shows that for nine out of 10 companies, packaging will play an important role in the next three to five years. Fast-tracked deliveries and increasingly popular subscriptions services result in frequent single-item shipments, contributing to more carbon emissions and packaging waste. The expanded variety of e-commerce products has led to new challenges in shipping and packaging. Surveyed customers see themselves confronted with maintaining a reasonable spend on packaging, the number of shipments damaged in transit, as well as optimizing the available transport capacity.

Demand for more sustainable shipping is driving new efforts to minimize waste, promote green materials, and implement convenient recovery systems. Leading retailers are answering these expectations by providing hassle-free and recyclable materials, capitalizing on the new opportunity to delight the customer with aesthetically pleasing accessible packaging features.

Matthias Heutger, SVP, Global Head of Innovation & Commercial Development, DHL, explains: “The Trend Report and our customer survey illustrate just how important easy, recyclable, and

robust packaging is to an overall positive customer experience. The acceleration of changing needs of companies, consumers, and the wider environment however increase costs and reduce effectiveness. We believe that the adoption of new packaging optimization tools, materials, and handling technologies will significantly boost efficiency and productivity. That in turn, will drive changes in the operation of supply chains and logistics processes.”

Across industries, increasing demands are being placed on packaging. In the automotive and technology sectors, supply chains must evolve to accommodate growing volumes of delicate, high-value components. In healthcare, logistics professionals must ensure safe and compliant delivery of lifesaving medicines and devices to hospitals, communities, and patients’ homes. As e-commerce usurps traditional retail, the package on the doorstep is now a critical touchpoint between consumers and brands.

## **Implications for the logistics industry**

The logistics industry will play a key role in reducing the cost, inconvenience, and environmental impact of packaging. It must adopt new technologies, materials and processes across the value chain:

- **Packaging optimization**

Shipments that are not completely filled up are a major cause of product damage and detriment to cost and sustainability measures. Therefore, companies are introducing software that expertly calculates the best possible ratio of items, cartons, and pallets and then communicates the results directly to pickers. OptiCarton for example, DHL’s innovative package density optimization tool, maximizes carton and pallet space by more efficiently selecting and arranging packages based on size and weight.

- **Packaging automation**

Automated unloading processes, end-of-line packing and labeling systems, and collaborative robots to relieve the burden of seasonal packaging and hiring needs will enable companies to balance the growing e-commerce market with an aging workforce.

- **Sustainable packaging material**

In the DHL customer survey, the majority of respondents said that the introduction of sustainable packaging materials is their number one near-future packaging priority. Research into green alternatives to plastic shrink wrap and single-use plastic envelopes, as well as sustainable groceries’ packaging is ramping up while at the same time, balancing cost and customer convenience is proving challenging for retailers.



- **Reusable packaging and reverse logistics**

The adoption of reusable materials and closed-loop recycling programs to eliminate waste has increased lately, some challenges however remain. Industries considering building an economically viable reusable packaging system need to think about required size of the packaging material pool, the design of systems for cleaning, inspecting, and maintaining containers, and the cost, speed, and ease of use of reverse logistics processes.

- **Smart packaging**

Smart-packaging technologies such as smart labels or tags and last mile product protection measures strengthen the connection between the customer, the supply chain, and the package via real-time updates on its condition and location.

The Trend Report demonstrates that the entire purpose of packaging has evolved. Reaching the next step in packaging performance will require close collaboration between supply chain experts, packaging specialists, and customers.

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**Note to editors:**

The Trend Report: “Rethinking Packaging – A DHL perspective on the future of packaging in the logistics industry” is available for free download at <http://logistics.dhl/rethinking-packaging>

**Media Contact:**

Deutsche Post DHL Group  
Media Relations  
Sabine Hartmann  
Phone: +49 228 182-9944  
E-mail: [pressestelle@dpdhl.com](mailto:pressestelle@dpdhl.com)

On the Internet: [dpdhl.de/press](http://dpdhl.de/press)

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**50 Years DHL**

In 2019 DHL is celebrating 50 years since the company’s founding by three entrepreneurs in San Francisco in 1969. DHL began as a disruptor to the traditional delivery industry, circumventing



bureaucracy with an innovative new service to deliver documents by air overnight. Since then, DHL has grown into a globe-spanning family of DHL companies with about 380,000 employees in over 220 countries and territories that covers the entire spectrum of logistics and supply chain services. DHL's customer-centricity and can-do culture have fueled five decades of innovation – from the DHL 1000, one of the first word processing computers in the world, to using the purpose built StreetScooter, an environmentally friendly delivery vehicle powered by an electric drive and developed by Deutsche Post DHL Group. With the Mission 2050 commitment to reach zero group-wide emissions by 2050, DHL is continuing to be a trailblazer in the logistics industry.

## **DHL – The logistics company for the world**

**DHL** is the leading global brand in the logistics industry. Our DHL family of divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 380,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as “The logistics company for the world”.

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 61 billion euros in 2018.