

RESEARCH

## Premium packaging spurs brand ambassadorship: report

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*Promotional image for Net-A-Porter premier delivery service*

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By SARAH JONES

Premium packaging can make a brand appear more upscale to an online shopper, and can help an ecommerce order make more of an impact on the recipient, according to a new report from Dotcom Distribution.

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**Luxury Daily**

Going above and beyond the brown box with branded or gift-like packaging is more expected from luxury brands, with 38 percent of consumers saying they believe it is important for high-end products. This attention to detail is noted by consumers, and can make them more likely to broadcast, share and recommend a brand's products to others.

"Packaging is part of the 'unboxing' experience, making it one of the best ways to appeal to consumers' senses and build brand loyalty," said Maria Haggerty, CEO of Dotcom Distribution, Edison, NJ. "Luxury brands need to consider the type of image they want to portray to their customers.

"Dotcom Distribution's study found that more than one-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," she said. "Luxury brands spend countless dollars sourcing the best materials and pushing the best marketing and advertising, but that effort shouldn't stop once the purchase has been made. Consumers take in every last detail as they evaluate whether a brand is for people like them.

"From the online retailer's perspective, customers may engage with a well-designed unboxing experience because of the increased amount of pleasure experienced as compared to normal shopping. The evidence shows we are chemically programmed to repeat a pleasurable experience. Therefore, retailers can anticipate some amount of future benefit from the 'addictive' qualities of dopamine released during unboxing as customers' brains are essentially trained to seek out the experience again."

For its "**Unwrapping the Consumer Experience**" packaging report for 2015, Dotcom Distribution surveyed 524 consumers who shop have shopped online in the past year, polling them on their expectations and buying habits. Sixty-eight percent of respondents were between the ages of 30 and 59, and 23 percent had purchased luxury goods online in the last 12 months.

Visually appealing

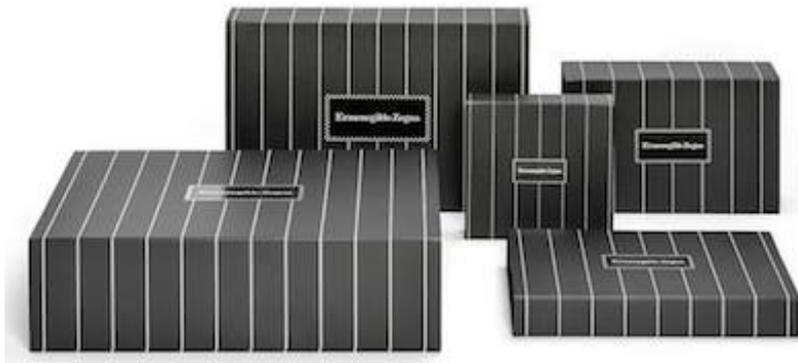
Consumers typically expect the merchandise they order online to arrive in a plain brown box. For most orders, they actually prefer this boxing, but for luxury goods, 38 percent say that branded packaging is very or extremely important, the most of any product category.

Since consumers are not expecting more than the standard, this gives brands the opportunity to surprise and delight. Forty-nine percent of shoppers agreed that they are more excited to open a package when it appears in premium packaging.

Of the 34 percent of consumers who say that packaging has an impact on their perception of a brand, the opinion formed is one of a more upscale brand that is worth the cost.

"Forty-four percent of shoppers said that branded packaging reinforced that the product is worth the cost," Ms. Haggerty said. "This is especially crucial for luxury brands.

"Luxury items are expensive and consumers have less pricey alternatives," she said. "If a luxury retailer makes their customer believe that they are providing a truly elevated experience, they will feel better about their purchase upon arrival and be more motivated to shop there again in the future. Packaging is the ultimate form of branding especially in ecommerce."



### *Zegna e-commerce packaging*

Two thirds of consumers say that a brand's packaging will not affect whether or not they buy from them again. However, it can mean the difference between a consumer becoming a brand ambassador or not.

"Brands need to be concerned with social sharing because consumers use social for research before making purchases," Ms. Haggerty said. "Brands can no longer assume that consumers are only using their online materials to make their decisions. Social media provides unbiased reviews from real users that shoppers find more trustworthy. If a consumer has had a pleasant (or unpleasant experience) with your brand, there is a pretty good chance this has been documented on social media.

"Social media allows brands to build brand advocates and reach new audiences. Brand advocates have been found to be worth up to five times the usual lifetime value of a customer to the retailer."

About 40 percent of consumers say that branded packaging makes them more likely to recommend a product to a friend. Thirty-nine percent of consumers have shared a photo or video of their latest buy on social media, with about half doing so to make a recommendation.

These posts are also reaching an audience outside of a consumer's circle. In the last year, more than half of consumers have looked for images of products they were thinking of buying on social media, and 61 percent who searched said it convinced them to make the purchase.

Thirty-five percent of consumers have watched an unboxing video on YouTube, with 55 percent of those that have saying it persuaded them to buy, and most coming away with positive perceptions of the brand featured and feelings of intrigue and excitement. Of those who watched, 18 percent say they did so to experience something they cannot afford, and 33 percent wanted to vicariously experience the box opening.

Consumers are 1.5 times more likely to share a product image online if the purchase came from a branded box. For those who have never posted such content before, 21

percent said visually appealing packaging would make them want to share.

Other reasons for first-time product posts are the quality of the product, incentives from the company or a custom hashtag.

Net-A-Porter's black-and-white boxes, which feature prominently in its advertising, prompt social media sharing. Consumers with new packages frequently post their purchases with the hashtag #TheNetSet, creating a community.

#TheNETSet: <http://bit.ly/18wNAH7>It's the holidays! What have you been buying this festive season? Share your purchases with us to join our style community.#NETAPORTER

Posted by [NET-A-PORTER.COM](http://NET-A-PORTER.COM) on [Tuesday, December 17, 2013](#)

Other ways to boost positive word-of-mouth online include making sure to get the order right, neatly arranging products within boxes with thought to the unboxing experience, adding in extras such as samples to the order and adding a personal note.

"In a separate study, we found that when consumers have pleasurable experiences, dopamine, serotonin and oxytocin is released causing a boost in mood," Ms. Haggerty said. "Because the release of oxytocin has been documented to increase the desire to form bonds, to reduce social fears, and to enhance trust and empathy, it certainly covers the list of environmental factors needed to create the perfect environment for sharing a personal experience with strangers."

Once consumers have shared, broadcasting their posts on the brand's own channels can make them feel appreciated and boost the likelihood of them doing so again.

Have you indulged in a little online shopping courtesy of #Harrods.com?  
If so, share pictures of your purchases on...

Posted by [Harrods](#) on [Sunday, February 15, 2015](#)

### Lasting impact

Packaging is one of the few touch points outside of the store and branded Web sites that upscale brands can directly control and therefore cannot afford to skimp on extending the luxury experience after customers leave the store.

As luxury shopping bags make their way out of the store, into the streets and into people's homes, luxury brands need to ensure that the packaging is reminiscent of the brand's style and standards. A number of luxury brands have established their shopping bags as iconic symbols to the affluent consumer ([see story](#)).

Feeling pressure from major ecommerce players such as Amazon, retailers are putting

more focus on their shipping services, rolling out expedited options to compete.

However, for a luxury retailer, it is not always easy to prepare deliveries to a high standard in a timely manner, due to their in-store team being pulled in multiple directions with day-to-day operations. Looking to solve this problem is Wrap & Send, a dedicated packaging service which works with clients including Bloomingdale's and Saks Fifth Avenue to prepare items to ship, upholding the in-store image that retailers work hard to build ([see story](#)).

Providing a well-rounded positive experience via ecommerce shipments can have a lasting impact.

"Package interiors and exteriors should be attractive and use high-quality materials so consumers know they are getting the best and also feel good at the same time," Ms. Haggerty said. "Retailers should also consider the tactile experience of unboxing the order as well as how it appears. Every detail from the sound the tissue paper makes to the ease of opening the wrapping affects the customer experience.

"Other details like eco-friendly packaging, free extras and personalized notes further elevate unboxing and confirm for the shopper that they have invested in a luxury product," she said.

"If retailers create an experience that their shoppers want to repeat, they can expect them to act accordingly and show their excitement to their social media followers."

Final Take

*Sarah Jones, staff reporter on Luxury Daily, New York*

Embedded Video: <https://www.youtube.com/embed/Hsu2xNiQtJQ>

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