TAILORED PACKAGING SERVICES TO INCREASE PROFIT AND SPEED TO MARKET

visit www.dhl.com/supplychain
Changes in our society and economy are bringing rapid and wide-ranging changes for businesses, with direct impacts on your packaging. Those who are agile and innovative can seize opportunities to become more efficient, effective and profitable.

**Rapid technology development**
Whether it’s at home, in the manufacturing or in the retail environment, technology is changing the way we interact and do business.

Shopping decisions are increasingly made before a consumer gets to store. We seek out product information before purchase and share opinions via social media to approve and validate our buying decisions. As a result, demands on brands are changing and communication with and between consumers is starting earlier in the process and continuing far beyond the point of purchase.

This creates opportunities for more engagement with your customers. Packaging can be used to support online campaigns and allow more interactive and personalized customer communication.

**Changing economics**
Fewer natural resources and market fluctuations along with global and local regulations have driven up manufacturing, packaging and transportation costs.

Only by understanding the entire supply chain, local regulations and the impact of packaging throughout can new opportunities be realized.

**Focus on sustainability**
Companies are increasingly expected to be transparent about the environmental impact of their products, for example by labeling carbon emissions. Sustainability will become a key buying criterion, with carbon emissions having a price tag.

As a wide array of packaging materials with claimed environmental benefits present themselves, it is vital to understand and measure their impact upon the whole supply chain and their long-term viability.

**Changing society**
The world’s population is changing, with far-reaching effects. For example, ageing populations and longer life expectancy in many countries will drive demand for pharmaceutical products. Products with specific health benefits packed in different formats such as smaller packs with clearer information will be needed.

The ability of packaging to communicate with users in new ways allows the pharmaceutical sector, for example, to use packs which help to make life easier and add value for the older population, for example by automatically communicating with healthcare workers.
New packaging technologies and trends can help to transform your business – by improving information flows, changing the relationships with your consumers and reducing your environmental impact.

**Intelligent and active packaging**
Used in combination with a detailed understanding of your entire supply chain, intelligent and active packaging can provide answers to rising food safety concerns, demographic and economic changes and increasing health awareness. It does more than hold, present and protect your products. Sometimes known as ‘smart’ packaging, it usually measures or senses something related to the product itself or the atmosphere in or around the packaging.

**Interactive packaging**
The increasing use of smart phones and the development of QR codes provide opportunities for consumer goods manufacturers to interact with consumers in store, on the go and at home. Marketing teams use the technology to deliver promotions and offers, increasing consumer loyalty and adding online brand interaction through social media and other online tools.

**Sustainable packaging**
Flexible packaging formats, such as pouches used in place of traditional jars for coffee, are increasing in popularity as they can help to cut the amount of material used and can lower the carbon impact of goods, both through the supply chain and at the point of recycling or disposal by the consumer. New, more sustainable packaging materials are developed constantly.

**Mass customization**
A one-size-fits-all approach to packaging is no longer viable, and new developments enable the production of personalized or customized goods that meet consumers’ diverse and changing needs. Web-based applications allow consumers to design their own products and packs by choosing colors, text and even adding their own images. This trend has the potential to lead not just to personalized packs but, ultimately, personalized products.

**Mass customization in action**
Mass customization is helping to transform every day products into special and novel gifts. For example, a leading manufacturer of razors has used product and packaging mass customization to run high value promotions through its Facebook page. Working with DHL Supply Chain, it ran a competition for 2,000 entrants to win a razor with their name on it in special packs. The campaign gathered the entrants’ personal details to refine and extend future marketing activity.
As a packaging partner respected and trusted by some of the world's biggest brands, we understand the challenges and trends in your business. We create competitive advantage for our customers with tailored, low risk, end-to-end solutions, enabled by our global network of expertise and experience. By establishing consistency and leveraging best practice globally, we provide solutions that bring design to life and create value in labor.

We have more than 120 operational packaging services sites throughout the world, working for some of the top consumer brands as well as life sciences and healthcare companies and automotive customers.

As a result you can depend on us to deliver on our promises, bringing unrivalled sustainable solutions.

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**Case Study: Global IT product and service provider**

“The DHL Supply Chain solution has allowed us to deal with market fluctuation very effectively. The scalable packaging line has enabled the rapid scale production capacity to respond to the consumer and retail demand, whilst ensuring the reduction of fixed operations costs.”

Global IT product and service provider on dealing with fluctuating demand

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**Case Study: Leading global food manufacturer**

“By enlisting DHL, we have been able to make substantial cost savings throughout the entire supply chain – from reducing the amount of materials required for secondary packaging to streamlining our labor costs. This has enabled us to deliver products to markets faster.”

Leading global food manufacturer on growing business in developing markets
We can make sure that you source the right materials from the right provider at the right time to suit your business. That’s because we have experience working with global packaging providers.

Materials management
We use our global storage and distribution network to make sure your packaging materials and products are in the right place at the right time. The flexibility means you can cope with demand fluctuations generated by, for example, promotions or product launches in new markets.

Procurement
Our procurement services give you the benefits of our economies of scale, driving down costs and improving your margins. We handle the process efficiently and effectively, from initial consultation and demand planning to negotiation, buying, tracking, receiving and incoming inspection. It provides you with the right option with the right quality, reliability and the right price.

Warehousing and distribution are at the heart of our solutions. Our size and flexibility mean that you can deal effectively with peaks and troughs in demand by using our shared warehousing and distribution networks. We can improve your efficiency by integrating outsourced packing operations into our distribution centers.

We maximize availability at every stage in your supply chain by taking responsibility for product or component storage and delivery. Using the most efficient mix of carriers and fleet resources, we optimize all movements, keeping costs to a minimum without impacting service quality.
Packaging materials have traditionally been the focus when targeting cost savings in packaging. But costs of packaging logistics, assembly, inventory, obsolescence, returns and procurement are far greater. For example, improving efficiency to reduce packaging inventories could have a much wider benefit than simply changing a packaging format.

This means that reducing supply chain and packaging costs is about more than just sourcing the cheapest packaging material.

We take care of all these aspects and enable you to focus on your core business. As a supply chain expert and packaging material neutral supplier we are the one stop shop for solutions that help you to:

- Increase your profit
- Reduce total supply chain and labor costs
- Increase speed to market
- Enhance the product appearance at point of sale
- Reduce your carbon footprint
- Increase visibility and flexibility
- Seize the latest packaging trends

**Case Study: Top FMCG brand owner**

"By implementing DHL’s standardized packaging solution, which is engineered to reduce labor and transportation costs, across multi-regions we have been able to make substantial cost savings. We’ve already witnessed an approximate 40% reduction in fulfillment costs in Canada, and hope to replicate this across the rest of North America."

Top FMCG brand owner on reducing costs across multiple markets

**Total cost of packaging**
We have outlined some of the packaging challenges and trends that your business is facing and detailed our portfolio of packaging and supply chain services and solutions. How is DHL Packaging Services a perfect fit for your business?

**Challenges brought by change**
Our flexibility and scale help businesses to keep up in a rapidly changing world. We can help you to make sure that your business can adapt to different demands brought about by technological, environmental, economic and societal changes. Seize the opportunity by responding to change.

**Supply chain challenges**
Every change in the supply chain has an impact on your packaging – and your packaging has the power to transform your supply chain. We can help you adapt your packaging and your supply chain to meet changing demands. This helps you to improve the efficiency and effectiveness of your business.

**Packaging trends**
Understanding packaging trends and their impact on the entire supply chain lets you make the right decisions. Use our global experience to choose the right options and bring maximum value to your products.

"Innovative packaging solutions with improvements in several key areas of product performance along with growing applications in end-use sectors, including food & beverage, health & beauty, and pharmaceuticals, are expected to boost market prospects."

Source: Companies & Markets

We support the world’s top consumer goods, healthcare and life sciences companies from more than 120 operational sites throughout the world. Our skills, resources and experience will improve your business as you rise to the new challenges and opportunities facing your market.