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Amazon Wants to Deliver Your Order Without a Box, But Neighbors May See Your Snore Strips

The retail giant is reducing packaging on millions of deliveries

By Sebastian Herrera Follow

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Millions of <u>Amazon</u> AMZN -1.39% • orders are arriving on doorsteps across the U.S. without any extra packaging. A new television may sit in the manufacturer's box at the door. A blender appears as if it were picked off a store shelf. The same for a box of baby wipes or trash bags.

The change represents the next frontier in the tech giant's overhaul of its delivery processes, one Chief Executive Andy Jassy hopes will appeal to customers who are put off by the volume of Amazon-branded boxes they receive and discard every week.

The company in the past year revamped its logistics network, enabling faster and more efficient deliveries. Eliminating or reducing packaging has become increasingly important for the company to maintain its dominance, reduce costs and reach its goals related to its climate impact.

"The recognition by a number of senior leaders was just that this is becoming more and more important," said Pat Lindner, who Amazon hired last year as its first vice president of packaging and innovation. "There's a significant need for our company to take the next step in innovation around packaging."

About 11% of items that the company delivers now arrive without extra packaging, or what the company calls "ships in own container," Amazon said. Customers typically are able to choose at checkout if they want extra packaging or prefer their order without it.



At its testing facility in Sumner, Wash., Amazon tests if packages can survive delivery unscathed. This Compression Tester simulates stacking in vertical compression, explained Rett Bruce, a senior lab technician. PHOTO: KHOLOOD EID FOR THE WALL STREET JOURNAL

Challenges range from practical to emotional. Amazon needs to help its suppliers create packaging that is both sturdy enough to ship on its own while not adding extra material to undercut its whole purpose of doing away with packaging. And it needs to determine whether customers might not want to have, for instance, a giant package of toilet paper sitting on their doorsteps for all their neighbors to see.

Amazon is using its formidable clout with packaged-goods companies and other suppliers and vendors, as well as incentives, to get them to improve their packaging to survive shipping. Vendors on the site, for example, can get incentives to eliminate the extra packaging layer.

While Amazon is losing some branding power from cutting back on its signature brown boxes, it is betting that the elimination of extra packaging will create goodwill with its customers, many of whom, it said, have asked the company for such changes.

"Sometimes you get a giant box with a very little item that, quite frankly, wasn't breakable in the first place. And you wonder why they used all that material," said Kenneth Levine, a 76-year-old in River Vale, N.J., who said he receives Amazon packages about once a week. He has yet to notice the option to reduce packaging at checkout, but said he

would be open to it for reasonable and non-fragile items, like books.

There is also some chatter online that leaving deliveries visible could lead to other issues.

"The manufacturer's box doesn't have anything holding it shut, and isn't designed to have a shipping label slapped on it," a user on X, formerly Twitter, wrote, attaching a picture of a computer part shipped without an Amazon box.

"Amazon didn't put my vacuum in an Amazon box — I'm gonna be PISSED if someone steals my package by the time I get home," another user <u>posted</u>.

Amazon Help's X account responded to both, citing its "Frustration-Free Packaging" that reduces the amount of packaging material.

The company sees its packaging initiative as a critical evolution after the success of fast-shipping efforts, Lindner said in an interview. Amazon in the past year has doubled down on getting items to customers quickly by overhauling its delivery operations to reduce how far products travel across the U.S. In its new regionalized model, many items stay near one of eight regions, The Wall Street Journal reported <u>earlier this year</u>.

The massive growth in the company's warehouse network throughout the pandemic—it roughly doubled its U.S. warehouse space in two years—helps, Lindner said. The less an item has to travel, the easier it is to move without extra packaging. Amazon has cut the distance items travel from fulfillment centers to customers 15%, and decreased "touches," or how often a package is handled, 12%.

Amazon tests packages to be eligible to ship without a container, and it says that the system has improved through the use of artificial intelligence. The company performs up to 19 different tests at a facility near its Seattle headquarters that include compressing items, vibrations and drops from different angles.

One item the company put through its system was a package of screwdrivers. The screwdrivers were originally packaged using soft plastic that made it hazardous to ship without extra protection. Amazon helped the vendor, which it declined to name, design a new, six-sided container that would require no extra packaging.

Then the company used AI to identify other vendors with similar screwdrivers and shared the new container design with them. The company reduced the size of the package by

more than half to about 125 cubic inches, making it less expensive to ship. For 100,000 of the screwdriver packages shipped across a 12-month span, the cost savings through an incentives program tied to the initiative would total about \$34,000, Amazon said.

"There's a lot of stuff that we can do on the packaging design for things you never would have expected were even possible," such as wine glasses, Lindner said. Amazon hasn't been able to yet figure out how to eliminate extra packaging for some fragile items such as vinyl records.

Brita, a seller of filtered water pitchers owned by Clorox, changed its packaging to be eligible for Amazon's program. The company began with its 6- and 10-cup pitchers.

Brita's designs for physical stores and e-commerce are different, said Kirstin Ganz, the company's brand director. To change its packaging for e-commerce, the challenge is to maintain the allure of unboxing without compromising the structure of the box. Brita's change included making its box open like a gift box to keep that unboxing experience a customer would have otherwise had with tearing open an Amazon box.

"Finding an e-commerce solution that delivers that sustainability, that safe shipping and that great unboxing experience is complex to achieve," Ganz said. "It took us some time to get there."

Amazon said it made its packaging changes in part because of feedback from customer surveys. The company in recent years has seen a decline in customer satisfaction on product quality and shopping experience, the Journal reported last year.

—Lindsey Choo contributed to this article.

If Amazon successfully delivers more items in just the manufacturer's packaging, there will be fewer loads with its signature brown boxes like this one that a delivery worker pulls in New York City. PHOTO: BRENDAN MCDERMID/REUTERS

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Brita made its box open like a gift box to recreate the customer experience of tearing open an Amazon box.

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