REUSABLE SHIPPING SYSTEMS - FRONTEND INTEGRATION AND ONBOARDING

Situation and experiences
from the perspective of RePack

Authors: Christof Trowitz (RePack), Dr.-Ing. Till Zimmermann (Ökopol)

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1 Front-end integration for online retailers

With regard to frontend integration, RePack has made further developments based on the experience gained from the pilot tests.

1.1 Initial situation

One obstacle for online retailers to offer reusable packaging is the integration into the storefront of the online shop. It is necessary to provide online retailers with sufficient support to easily and quickly integrate RePack into the storefront.

Nowadays, universal plug-ins are expected for standard solutions, which the online retailer can install in the shop environment with just a few clicks. Software-as-a-Service (SaaS) shop platforms in particular usually have certification processes to ensure quality and compatibility with the shop system and also other plugins.

Many retailers shy away from customising the checkout. Some SaaS platforms, such as Shopify, do not allow any customisation of the checkout in the basic version.

RePack can basically be integrated in the storefront in various ways.

- Integration in the checkout via shipping methods
- Integration in the checkout via a checkbox
- Integration in the checkout via Active Choice (YES or NO) buttons
- Integration before the checkout via Active Choice query via pop-up

1.2 Integration via shipping method

RePack can be integrated very easily by adding it as another shipping method.

Advantages of integration via shipping methods

- Shipping methods are a standard feature in every webshop.
- Usually, no technical know-how is needed.
- Shop managers can make the settings themselves.
- In most cases, a customisable country-product matrix is integrated, which can be used to exclude certain countries, product groups or individual products (including dimensions and weights) from the shipping method or from RePack.

Disadvantages of integration via shipping methods

- The standard shipping method is usually already preset (DHL or "standard shipping").
- Little or no explanatory text, links or images can be integrated.
- The shipping method generally receives little attention.
- In cases where standard shipping already costs money (e.g. €4.95), the RePack option seems disproportionately expensive (e.g. standard shipping €4.95 + €3.50 = €8.45). This is a psychological hurdle. The last point can possibly be addressed by separating shipping and RePack.

Overall, the disadvantages often outweigh the advantages, so that the RePack selection rate (i.e. the rate of end customers who actually choose RePack) is up to 3 percent.

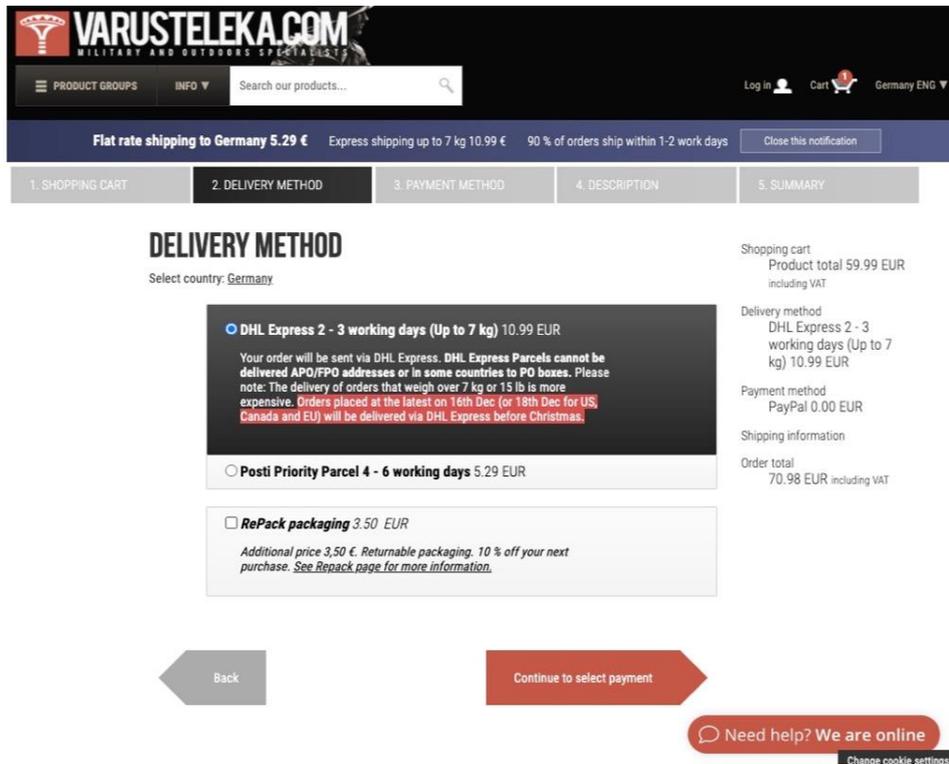## 1.3 Integration via checkbox

A quite simple possibility is an integration of a RePack checkbox within the checkout process.

However, experience shows that such a checkbox is often overlooked. The conversion rate is regularly between 3 and 8 %.

An intervention in the checkout represents a technical IT intervention in the checkout, which is a hurdle for some retailers. Some shop systems, such as Shopify, do not allow any intervention in the checkout.

Figure 1: Example - Checkout Varusteleka

1.4   Integration via Active Choice (Pop up)

A better option than a checkbox, which can be optionally clicked by the end customer, is a so-called active choice query, where customers MUST answer in any case - either with YES or with NO.

RePack has developed a simple plugin that pops up when the checkout is clicked. Enough explanatory text and an image can be inserted here to help customers understand the MWV. Online retailers using this plugin have a conversion rate between 20 and 35%.

The Avocado Store Pilot (see Avocadostore 2020) was a special case, initially only one button was displayed in the checkout. However, if customers did NOT click on the button, a pop-up was then displayed, through which the customers had to choose YES or NO again. The conversion rate was 38%.

Due to the fact that the Shopify shop system does not allow any modifications in the checkout process within the standard version, the plugin was placed BEFORE the checkout. The pop-up appears as soon as the customer clicks on the "Checkout" button. With this approach, retailers can also use the pop-up if they have completely replaced checkouts, such as Klarna Checkout or Paypal Quick Checkout, where no changes can be made anyway.

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Clicking on the checkout icon will bring up a plugin with the Active Choice selection. If you click on YES, a RePack is added to the shopping cart as an item.
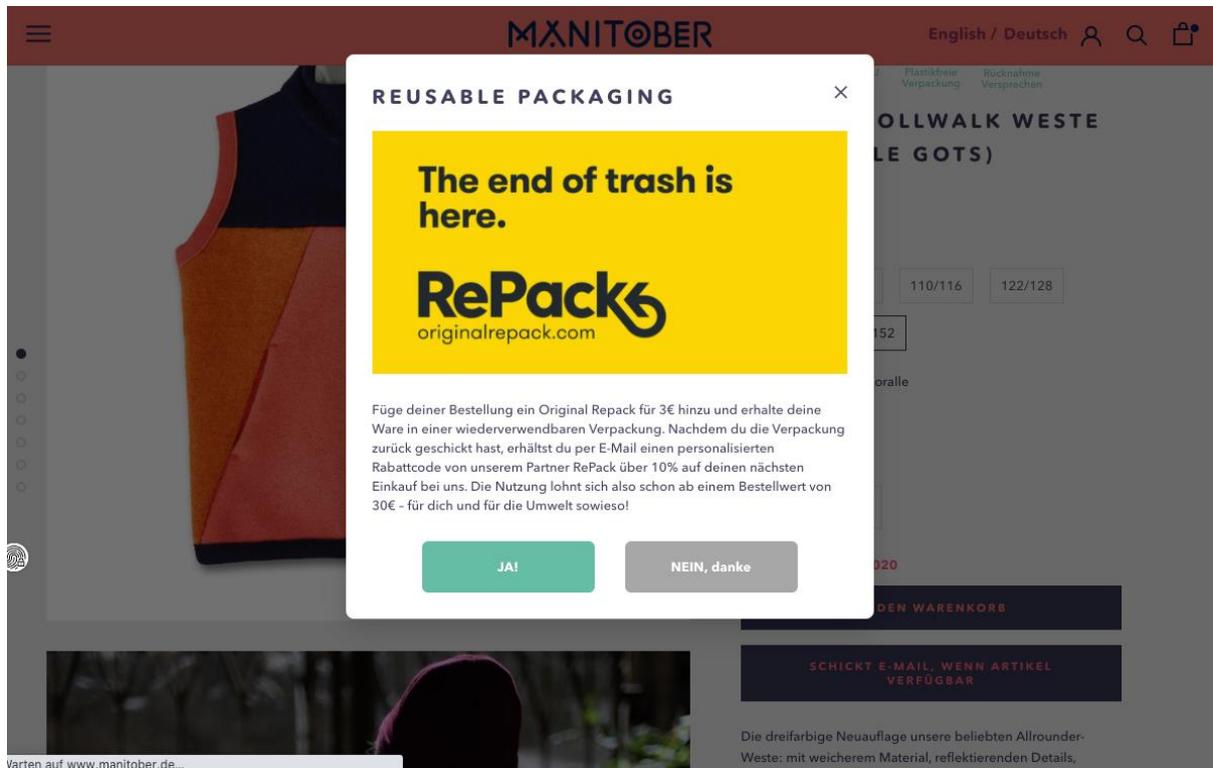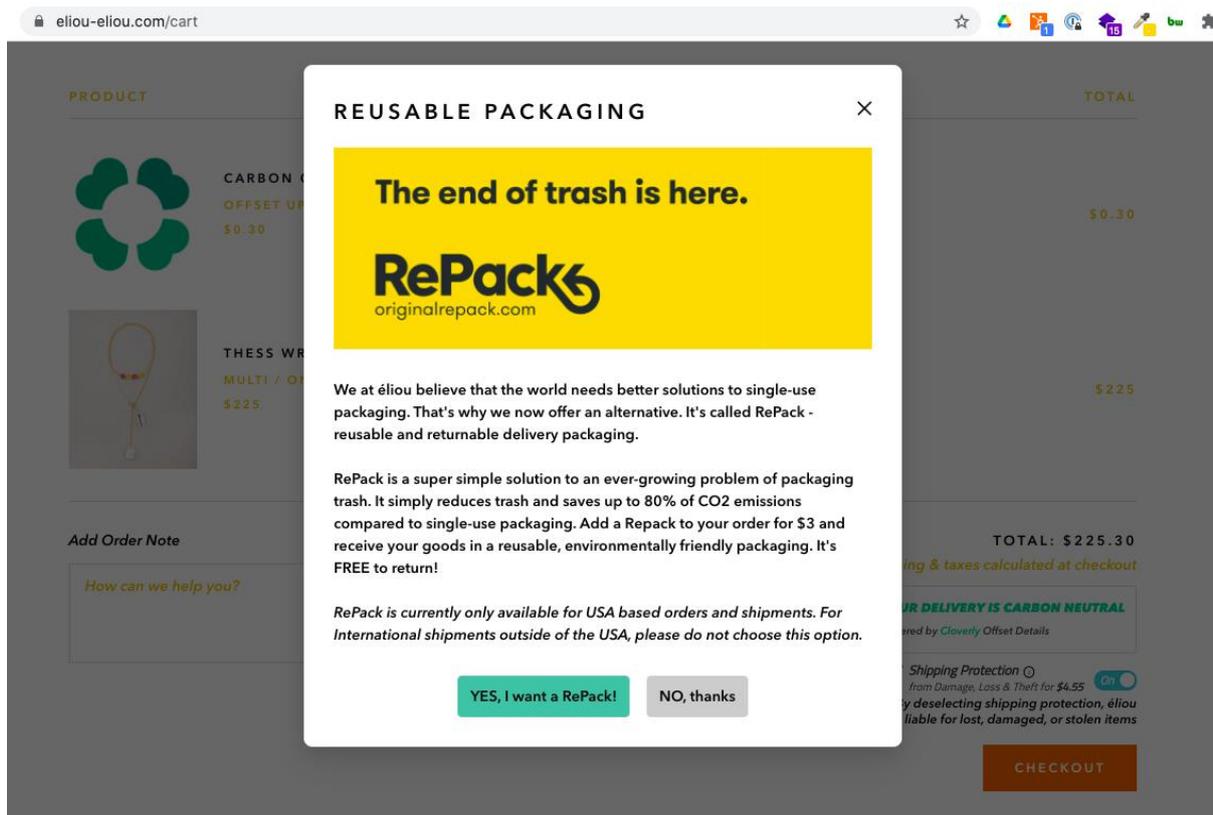
Figure 2: Example - Active Choice (Pop-up)

Figure 3: Example - Active Choice (Pop-up)

2   Frontend Integration / Plugins (Shopify)

2.1   Initial situation

Online retailers shy away from the work and resources required to integrate a RePack option into their webshop. Nowadays it is common that there are standardised plug-ins for standard products, which can be installed by the webshop administrators simply by clicking and then configured via a setup in the shop backend.

2.2   Solution approach

RePack has developed a first plugin for the SaaS platform Shopify, which can be installed quite easily and offers a good user experience. When clicking on the checkout button, a pop-up appears asking the end customer whether they want the order to be delivered in a RePack or not. The query is an active choice query, which means that the customers have to give an answer (Yes/NO). The RePack selection rate with this plugin is typically between 20 and 35%.

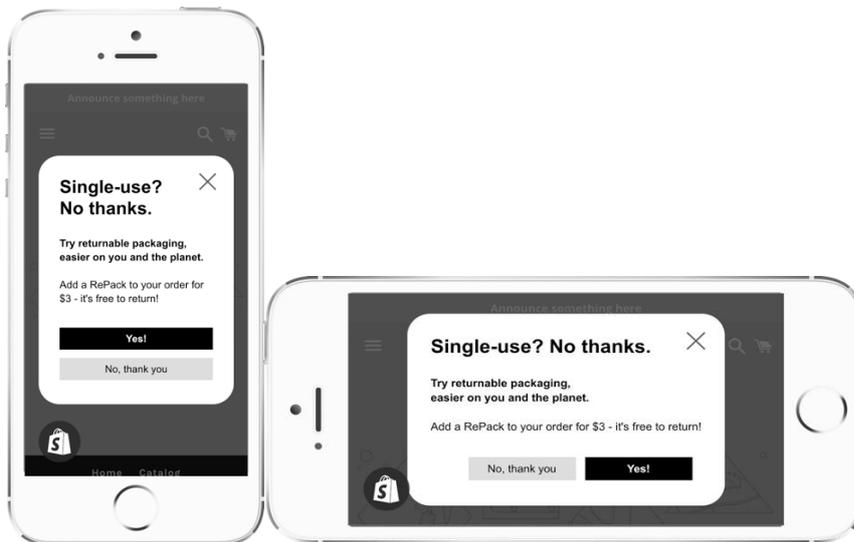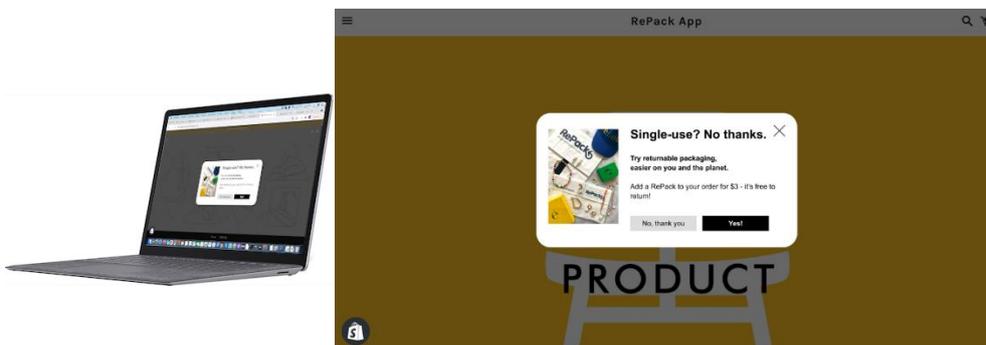**Figure 4: Active choice query - RePack x Shopify - 1**

Figure 5: Active choice query - RePack x Shopify - 2

2.3   Significance for the project and outlook

The simple and uncomplicated possibility of integration into shop systems is of outstanding importance for the project.

The further roadmap foresees the following developments:

- Certification of the plugin by Shopify so that it appears in the official Shopify Plugin Store and can be easily installed by the shop administrators themselves.
- Extension of the plugin with a user-friendly backend.
- Extension of the plugin with exclusion rules, with which shopping baskets can be excluded from RePack according to various criteria. This functionality was already important in the Avocadostore pilot test.
- Ongoing optimisations and adaptations to 99% of all popular Shopify themes.
- Transfer of experience to other shop systems, for example WooCommerce, Shopware, Magento, Salesforce CommerceCloud, PrestaShop, etc.
- API-based transmission of shop data to RePack, for example, exact selection rate, product return rate, email addresses or RePack IDs of RePack orders.

3 Education / Decision Making / Onboarding - Customer Administration Panel

3.1 Initial situation

We see the entire process of **education, decision-making** and **onboarding** on the part of the online retailer as an essential success factor for the spread of reusable systems.

The entire RePack system affects many business areas of the online retailer, the interrelationships of which he can lose track of or which he does not fully understand at first go. In addition, the retailer usually has to set up a project that involves many business areas (web design, IT, logistics, fulfilment service providers, marketing) and thus many people. These business units usually each pursue their own priorities. Long project delays of several months or years are not uncommon.

Larger online retailers often have many people involved, but no single person responsible for the issue of returnable packaging. Small and very small online retailers often find the decision much easier, but the onboarding effort including education is often disproportionate to the revenue.

3.2 Education / Decision Making / Onboarding

If RePack provides complete information about onboarding and all implications for the retailer early on in the process, this can act as a deterrent for being too complicated. RePack has gained experience in this over the years and has repeatedly reduced and modified the publicly available information on this.

However, if RePack provides too little information, questions and uncertainties arise over time and the process is also slowed down.

There needs to be a good balance between completeness and simplicity in guiding clients towards the decision and then onboarding.

It turned out that the reward system in particular can be a decision blocker, especially when it comes to collecting and submitting RePack IDs. The procedural intervention in the packing process and the connected IT systems that is necessary to capture the RePack IDs is often shied away from. The Reward System, especially the "Reward on Return" method, is therefore only illustrated as "optional". The favourite reward method is now "Reward on Trust", where no RePack IDs have to be recorded, only email addresses.

Customers must not be deterred from the outset, nor must too many questions remain, so that the onboarding process does not become confusing and too many human resources have to be spent on answering all the individual questions. Especially for small retailers, the effort of personal support is usually not worth it. Without onboarding supported by RePack, however, there is a great risk that the implementation on the part of the online retailers will turn out poorly and lead to dissatisfaction on all sides.

The process has been illustrated in various ways at RePack in the past and has been modified again and again. Aids include the CRM and a marketing automation platform, various controlled email templates, PPT presentations, online forms and personal contacts via telephone or video telephony.

3.3   Solution approach via an integrated Customer Admin Panel

The problem can be solved by providing customers with an integrated, well-visualised and largely automated process for education / decision-making / onboarding.

This integrated process should be implemented via a protected Customer Admin Panel, which presents all components and options of the reusable system to the customers in a clear and meaningful sequence and didactics. The tool should enable efficient and effective project management for the customers and at the same time give RePack the opportunity to maintain an overview of the various customer processes.

This Customer Admin Panel also serves as an administration tool for the ongoing RePack operation - for example, for statistics, repeat orders, manual registration processes, support requests, etc.

4 Bibliography

Avocadostore (2020): Praxpack-Pilot. Ergebnisse. Hamburg. Online verfügbar unter https://www.praxpack.de/fileadmin/user_upload/materialien/praxpack_Ergebnisse_Pilottest_Avocadostore_2 020_webversion.pdf, zuletzt geprüft am 11.08.2021.