



Unboxing Star Ratings: How Packaging Influences Online Sales

by Pregis

As consumers, we are aware that for most of what we purchase online there is an opportunity to rate the product using a point system and provide written feedback about our experience.

However, how many of us actually consider how the review influences future sales of that product? Further, how the protective packaging choices will impact the likelihood that the product will be reviewed, as well as the positive or negative content of the review itself.

What attributes matter?

Northwestern University's [Spiegel Research Center](#) has been at the forefront of answering questions about how consumers engage with brands and how that engagement shapes customer value since 2011. This research found that not only are reviews extremely valuable in influencing purchase decisions, but the degree of impact on customer perception was affected by several factors including:

- Price of the product – reviews impact sales more for higher priced items
- Degree of uncertainty or risk involved in the purchase
- Average star rating - 5 stars may be too good to be true
- Number of total reviews & presence of negative reviews

Online reviews: new word-of-mouth marketing

Most online sales portals use a point system to enable consumers to indicate their level of satisfaction. Many also allow you to search by “star” rating. For example, a search on Amazon for “women’s running shoes” returns more than 40,000 results. By narrowing the search to 3-star ratings and up, the selection is cut down to 10,000.

The right packaging components can help influence the ratings/sales outcome

Unhappy customers are much more likely to give you a 1-star rating and write a scathing review. Don't give them a reason to do so. Here are some tips that will help improve your chances of a high-rating.



Damages. Damaged goods and related returns can decimate your profit and destroy any chance of a repeat purchase. Selecting the right protective packaging materials, can help eliminate damages and boost customer lifetime value.



Use sustainable packaging materials. Choose sustainable packaging options that does not compromise package integrity whenever possible.



Provide recycling instructions. Demonstrate to your customers that their environmental concerns are also yours. Recycling instructions show them that your materials have been thoughtfully selected.



Curate the unboxing experience.

It's important to design an experience for your customers that aligns with your brand.



Right-size your packaging. With an increasing number of consumers focused on environmental issues, make sure the protective packaging type and size selected isn't going to be considered “over packaging” and wasteful.



Cause partnerships. Consider aligning with packaging material/systems manufacturers who share your passion for charitable giving. Whether it be a focus on providing clean water to developing countries or support of military organizations, your packaging material selection is one more way to communicate mutual core values.

The top 10 search results have a rating between 4.3 and 5 stars. That's where you want your product to be ranked in order to increase your chances of a sale.

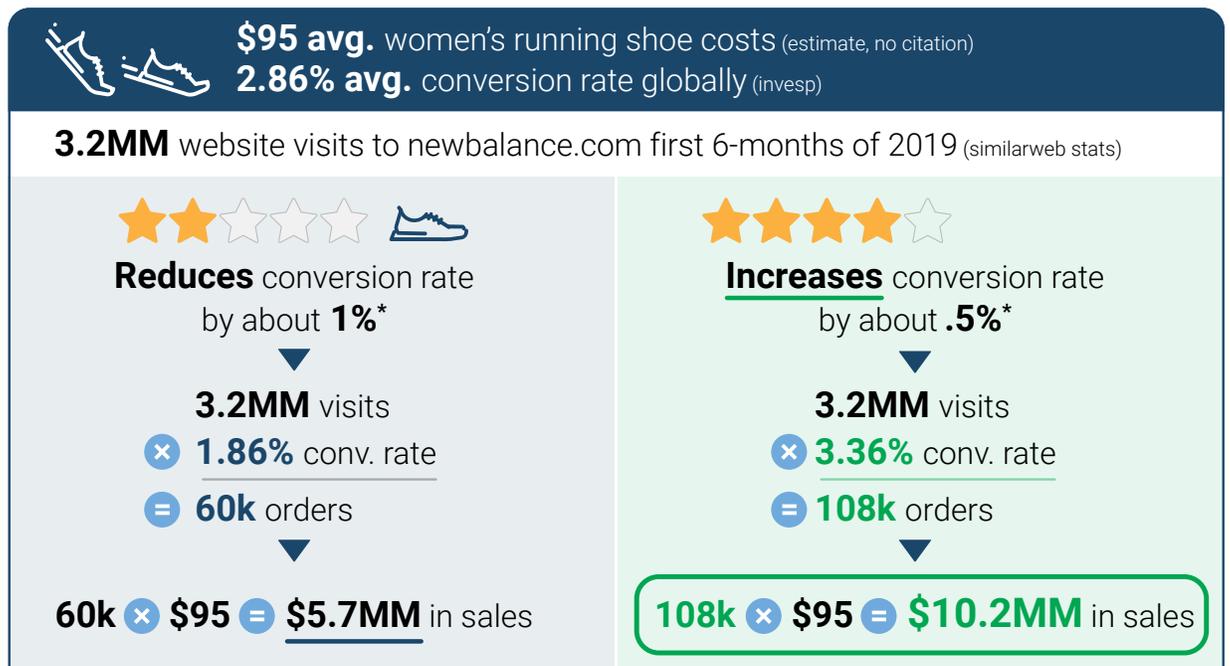
Many sites are now using algorithms which favor criteria such as "verified buyers" and more recent purchases. Some also can detect computer generated and other fake reviews.

When you take into consideration that, according to a [2018 BrightLocal survey](#), 91% of 18-34 year olds trust online reviews as much as personal recommendations, it's easy to see how critical your product rating is to your sales.

Positive review benefits

Simply put, higher star ratings lead to higher conversion rates (the percent of website visitors that turn into customers). According to Invesp, the [average e-commerce conversion rate](#) is 2.86% globally, 2.63% in the United States. Star ratings are the most critical to consumers who are searching for products that have safety attributes, fall into a higher price range or have been recently launched.

Using women's running shoes as an example again, we find significant variance in conversion rates based on the product star rating. [The expected difference between shoes with a 2-star and 4-star rating is about 1.5%](#). This difference translates to a potential impact of \$4.5MM over 6-months for a company like New Balance.



*Spiegel Research Center

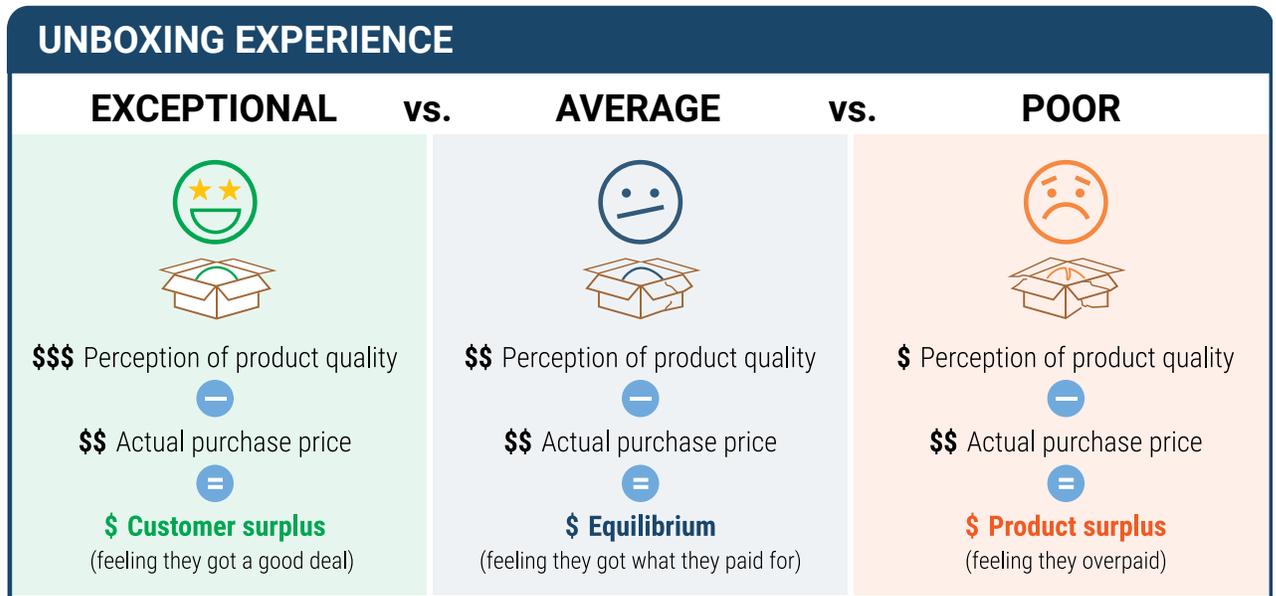
Do people post about positive experiences?

Consumers expect to receive a product that delivers on whatever attributes have been promised by the sales copy. Receiving a "good" product is what consumers expect from the transaction. However, when a product far exceeds expectations that is when the consumer is motivated to write about their "above and beyond" experience.

One reason why consumers typically don't post positive reviews is the subliminal concern that the product will somehow end up disappointing them as usage continues. They don't want to risk their personal online reputation by getting on a positive soapbox that they will later regret.

The unboxing experience

But there is also another critical "tool" that can help sway perception by providing a memorable/sharable experience—packaging components.



The initial unboxing experience has become an opportunity to influence the consumer's perception of product value. The goal is for them to feel that they have received a "good deal" by getting a high-quality product at a fair price. This not only increases their likelihood to repurchase, but raises their future willingness to pay for the product.

For many, the unboxing experience replicates the feeling one experiences on a birthday or other gift-giving holiday, except you get to experience it on any day of the year. Tens of thousands YouTube videos have been posted which are dedicated to the "unboxing experience." Posters take viewers step-by-step through the entire experience of opening the box and unveiling the contents. One only needs to experience a few of these videos to "feel" how excited each packaging component makes the recipient, and how appropriately placed protective packaging materials add to the perceived value of the product.

Likelihood of posting negative experiences

A significantly higher number of people will post about a negative experience vs. a positive one. There tends to be a "tribal" approach to online engagement. We want to protect others in our social network from experiencing the same negative situation.

Simply put, lower stars result in lower conversation rates, which means fewer sales. (Interestingly, a perfect

5 star rating has a slight conversation rate drop off because many consumers don't believe that any product is perfect.)

According to the [Spiegel Research Center](#) research, products typically peak at a 4.2 to 4.7 rating.

Goal: hitting the sweet spot

So, what's the key to reaching and keeping the optimum 4.2 to 4.7 star rating? It boils down to 40 positive customer experiences for each negative one according to [Andrew Thomas](#), founder of Skybell Video. He notes that because customers are 10% as likely to post about a positive experience vs. a negative one, 40 positive experiences only result in four positive reviews. Assuming those are 5-star reviews, they would balance out one 1-star review by averaging 4.2 stars.

Pregis can help you meet your e-commerce goals

Do you want to boost your conversion rate by influencing customers' unboxing experience and online reviews? We are here to help.

Pregis offers a wide range of protective packaging solutions to solve your toughest business challenges. Our team of packaging professionals can help you improve performance, minimize damages, reduce costs and boost your customer satisfaction.

We offer full service package design and testing services at the Pregis IQ staffed with ISTA-certified packaging engineers. Our teams will deploy package engineering tools to achieve performance-oriented, cost-effective protective packaging solutions. The facility features an at home customer experience center to allow ecommerce retailers to gain firsthand knowledge of the unboxing moment.

Please contact Pregis for a no-cost audit of your current e-commerce packaging.

Contact Pregis:

www.pregis.com

Influencer Outlook

According to an article in Brandpreneur, **47%** of consumers are fatigued with repetitive influencer posts. Further, **23%** believe that the quality of influencers is dropping. **Organic content** is expected to lead the charge in the future. When you consider that there are **95 million** Instagram posts per day and more than a billion YouTube views annually, it becomes clear that **peer-to-peer content** will significantly impact purchasing going forward.

