

INSIGHTS ON THE IMPACT OF COVID-19 ON PACKAGING



MARGARET HERNDON
Chief Marketing Officer

Our global team of 50,000 works together every day to connect people to products through sustainable, fiber-based packaging, which gives us a particularly interesting view into the big shifts taking place across retail and e-commerce. As chief marketing officer, my team and I are responsible for supporting profitable and sustainable growth by identifying insight-driven market opportunities, building awareness and demand for WestRock's differentiated solutions and driving strategic customer engagement. One of the ways we do this is through developing insights about consumers' packaging needs and supporting our customers in meeting these needs. That's where our purpose comes in—finding innovative, safe and sustainable ways to make those connections.

COVID-19 has given our purpose of Connecting People to Products™ a deeper meaning. During the pandemic, packaging is playing an increasingly vital role in consumers' lives. E-commerce spending is up 44%, from \$598 billion in 2019 to \$861 billion in 2020.* And packaging has really stepped up to support this shift—as a representative of the brand on the consumer's doorstep and as a strong and flexible container through an



increasingly complex supply chain.

We're proud to have stood—at a safe distance of course—alongside our customers through this period of drastic change. In the early days of the pandemic, we ensured essential products like food, personal protective equipment and hand sanitizer reached consumers, businesses and healthcare providers on the

front lines. And as the pandemic has continued, we are supporting our healthcare customers with packaging for COVID-19 testing kits, treatments and—we are incredibly proud to say—vaccines.

I'd like to take a moment to reflect on what we have learned over the last year. How did the role of packaging change in consumers' minds? What did this mean for our customers? And how can we apply these lessons to connect people to products even more safely, even more sustainably—in brighter days ahead?

These learnings are informed by a combination of our on-the-ground experience and our WestRock Pulse Packaging Survey, which measured the impact of COVID-19 on consumer attitudes toward packaging.

*Source: Digital Commerce 360

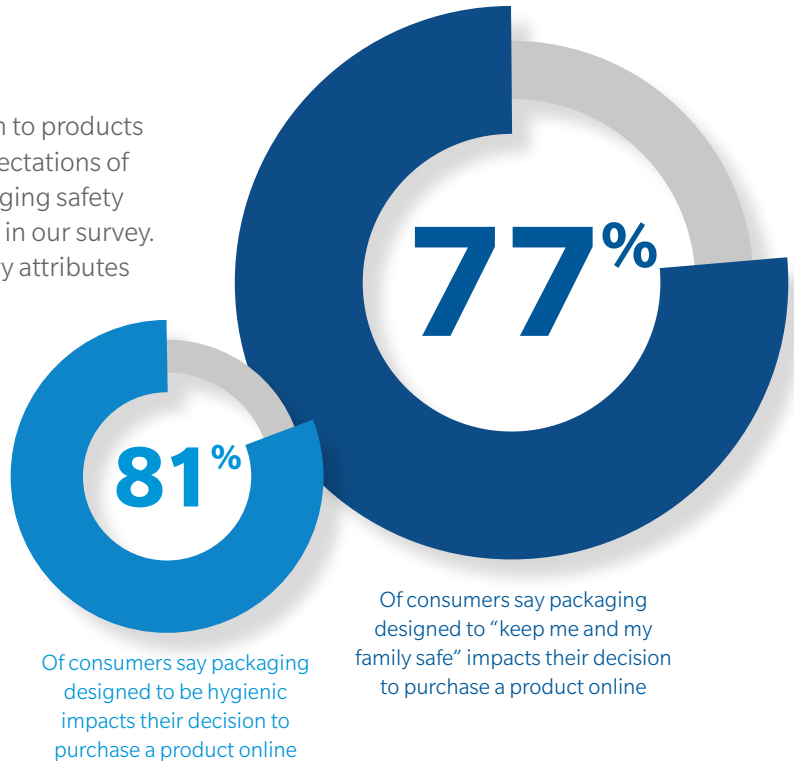
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SAFETY FIRST

Consumers want packaging to connect them to products safely. Consumers have always had high expectations of safety in packaging—scores related to packaging safety were high pre-COVID-19 and remained high in our survey. However, the importance of several key safety attributes increased, especially when it comes to brand trust.

And, consumers showed interest in several new safety measures, especially online.

We saw this data in action with increased demand for our sustainable, tamper-proof food delivery packaging [BioPak-Protect™](#), which ensures food safety through third-party delivery services.



CONNECTED PACKAGING

Another area in which our innovation teams are focusing is connected packaging, which allows consumers to learn more about a product without having to touch it, through mobile and digital devices.

VIEW IN WEB AR



See our paperboard six-pack carrier [CanCollar®](#) come to life by scanning the QR code.

Or [click here](#) to view in Web 3D on your computer

OPEN the camera on your phone

SCAN the QR code & click link

POINT your screen at a flat surface

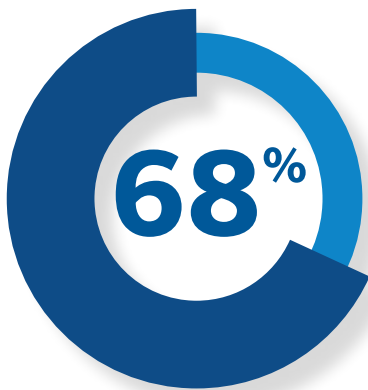


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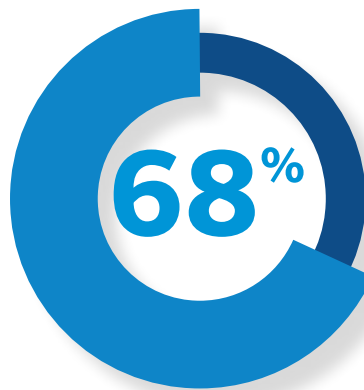


A SUSTAINABLE BALANCE

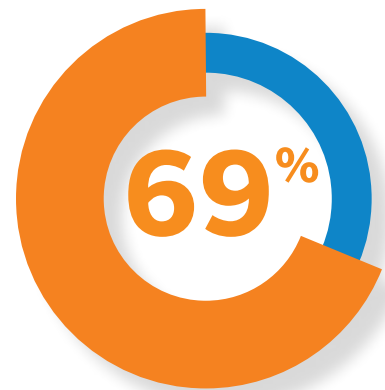
Our data show that consumers still have high expectations of brands when it comes to sustainable packaging. Amid the COVID-19 pandemic, 82% of consumers agreed that it is important for brands to balance safety and concern for the environment when designing product packaging. Consumers insist on both. In fact, many sustainability-related packaging features are more impactful today than they were before COVID-19.



Of consumers say packaging designed to be environmentally friendly impacts brand trust (+7pp from 61% in 2019)

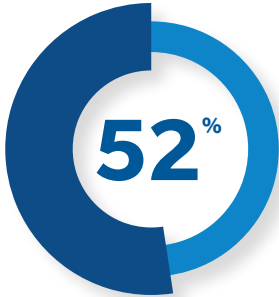


Of consumers say packaging that can be easily recycled or composted impacts product satisfaction (+7pp from 61% in 2019)

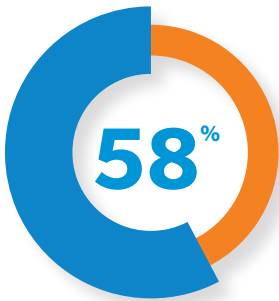


Of consumers say packaging designed to be environmentally friendly impacts their decision to purchase a product online

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Of consumers say packaging with a unique shape and appearance that catches their attention impacts their decision to purchase a product online (+9pp v 2019)



Of consumers say packaging with a brand look and feel that is aesthetically pleasing impacts their decision to purchase a product online (+8pp v 2019)

THE STAYING POWER OF ONLINE SHOPPING

While consumers are ordering more online, they are receiving products in a couple different ways: via third-party delivery to their homes or by picking up curbside. This second category, coined BOPIS (buy online, pick up in store), encompasses curbside pick-up and ship-to-store options, and it exploded in popularity in 2020. While many consumers tried these services for safety reasons in the early days of the pandemic, they're sticking with them because of convenience.

We're partnering with our customers to figure out what it means to connect people to products in this new shopping ecosystem. It's an exciting time, and there is a lot to discover. But what we do know is this: packaging is really important in this hybrid retail environment. Importantly for brands, several features related to packaging aesthetics saw significant gains in impact for online purchase decisions.

Our packaging design and brand engagement teams are supporting our customers to develop packaging that delivers a seamless brand experience whether it's on a shelf, in a "pickup lane" or on a front porch. And our automation, e-commerce and Victory Packaging teams are working with our customers on the back end of those supply chains to lower complexity and cost.

WHAT'S NEXT

Our experience through the pandemic and our data have shown us that when brands deliver on safety, sustainability and convenience through packaging, it can influence purchasing behavior, product satisfaction and brand trust— even more than before COVID-19. *Even more than before* is a key piece for me. That's what this is really about—how can we help our customers not only endure this challenging time, but come out even stronger on the other side?

I think the most important lesson we have learned is that when it comes to connecting people to products, as much as it's about products and packaging, it's really about people—about creating a workplace where diversity is celebrated, partnering with our customers to solve big challenges and ensuring we all have the things we need and care about.

Connecting people to products begins with us. Let's get started. And, let's keep going.

To learn more about WestRock's insights about the impact of COVID-19 on consumer attitudes toward packaging, please visit <https://www.westrock.com/pulse>