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OUT OF THE BOX

Amazon eliminates wrapping paper ahead of the holidays in an attempt to accelerate fulfillment and advance its sustainability strategy. **BY LEENARAO**

WHEN AMAZON SHIPS millions of gifts to customer doorsteps this holiday season, one thing will be noticeably missing from the majority of the brown cardboard boxes emblazoned with its logo: wrapping paper.

For the first time, the e-commerce juggernaut—which saw last year’s holiday-quarter sales increase 22%, to \$35.7 billion—is ditching its customary blue-and-gold wrapping paper in the U.S., Mexico, and Canada. Instead, Amazon will offer velvet gift bags in five sizes and three colors (red, silver, and blue) to fit presents of different shapes and sizes, ranging from a palm-size BB-8 droid replica from *Star Wars* to a DJI Phantom Drone. Pricing for the

velvet bags will range from \$3.49 to \$5.99—the same as what gift wrap cost previously.

“Our guiding North Star is the minimization of packaging,” says Kara Hurst, Amazon’s director of worldwide sustainability and social responsibility. “Wrapping paper has no value.”

Hurst joined Amazon two years ago in her current role, which was new for the 22-year-old company. Her mission: to help Amazon become more environmentally conscious as it looks to scale a multibillion-dollar e-commerce business as Walmart and Target try to threaten its lead. A big part of her job, Hurst explains, is determining how to streamline the packaging of millions of goods shipped each year.

In a small laboratory in Seattle, Hurst has a team tasked solely with brainstorming strategies to improve Amazon’s packaging. She is more acutely focused on Amazon’s 123 fulfillment centers worldwide—massive warehouses in which a mix of robots, industrial machines, and humans package and sort orders.

This holiday season robots will be working full-time as Amazon doubles down on deploying “frustration-free packaging,” explains Hurst. This type of packaging debuted in 2008, using recyclable cardboard while excluding excess materials, such as extra internal boxes and the plastic casings found around batteries. All box forms can be opened by hand without a box cutter. This year, Amazon says, more than 1 million items will be shipped with frustration-free packaging, instead of hundreds of thousands in years past.

But Amazon isn’t turning to environmentally friendlier practices purely out of altruism. “They can save money by reducing packaging costs and increase room on trucks for more sales by making packages smaller,” says Colin Sebastian, a senior equity research analyst with Robert W. Baird.

While Hurst declined to place a number on the benefits of eliminating wrapping paper and superfluous boxes, she confirms that there is a “definite cost savings for the company.”

Sebastian concurs: “This is classic Amazon.” ■

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