# Ecommerce packaging shifts towards automation amid rising labour costs



Recent changes in the UK job market and government regulations are significantly impacting ecommerce packaging and distribution practices, with a pressing need for businesses to adapt through automation. Jo Bradley, Business Development Manager at Sparck Technologies, highlighted the necessity of these adaptations in a discussion with FORWARDER Magazine, pointing to the rising costs associated with hiring and maintaining a workforce.

The UK Government has implemented several measures that have tightened the financial viability of employing labour. The minimum wage for workers over the age of 21 has risen to £12.21 per hour, which is notably higher than the current inflation rate. In addition, Employer National Insurance contributions have increased from 13.8% to 15%, with changes to the threshold affecting workers earning as little as £5,000 annually, a move that particularly impacts fulfilment operations reliant on seasonal or casual staff during peak periods.

Bradley noted that these changes signal a critical shift away from an era of "cheap" labour, necessitating businesses to reconsider their funding and operational models. "Controlling labour costs through automation is no longer optional – it’s a question of business survival," she stated.

Amid this mounting pressure, fulfilment operations are encouraged to explore automation technology as a viable solution. However, Bradley acknowledged that the current uncertain economic climate makes it challenging for many companies to embark upon large-scale transitions akin to those adopted by industry leaders such as Amazon. As such, she suggests that businesses should focus on more manageable, standalone automation projects that promise quick returns on investment.

One such area is the automation of packing and labelling goods, which can lead to significant labour savings and enhanced productivity. Bradley explained that using ‘fit to size’ automated packing systems allows for the efficient creation of boxes tailored to individual orders, regardless of the contents. In practical terms, this approach can enable a reduction of one or two operators handling a volume equivalent to what would typically require twenty manual packing stations.

In parallel to labour cost concerns, businesses in the ecommerce sector must also take heed of the upcoming Extended Producer Responsibility regulations. These regulations, intended to incentivise reduced packaging use, will impose levies on packaging materials—around £190 per tonne for paper and card, and £425 per tonne for plastic materials. Automated packaging systems not only help streamline operations but also address these impending cost regulations by minimising material usage and eliminating the need for plastic-based void fillers.

The merits of embracing automation extend beyond mere cost savings. Well-fitting packaging can significantly lessen the risk of damage during transit and optimise transport logistics, which may lead to additional fuel savings and reduced warehouse labour. Furthermore, addressing one of the major customer complaints surrounding e-commerce—oversized boxes—can enhance consumer satisfaction.

The overall synergy of controlling costs while improving efficiency supports a compelling business case for automation, particularly as operational costs continue to rise. As articulated by Bradley, "the labour-saving arithmetic of fit-to-size automation alone will undoubtedly present a fast and sure Return on Investment for many businesses."

For those looking to innovate their packing operations, further information on Sparck Technologies' automated packaging solutions is available on their website.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.gwp.co.uk/guides/2025-packaging-trends/> - This URL supports the claim about the impact of Extended Producer Responsibility regulations on packaging practices, emphasizing the need for reduced material use and simpler designs.
* <https://macfarlane-packaging.com/blog/packaging-trends-to-expect-in-2025/> - This article discusses the influence of Extended Producer Responsibility and rising costs on packaging trends, aligning with the need for businesses to adapt through automation and sustainability.
* <https://www.blu-digital.co.uk/blog/ecommerce-trends-for-2025> - This URL highlights ecommerce trends, including the importance of sustainability and automation in packaging and distribution practices.
* <https://www.gov.uk/government/news/extended-producer-responsibility-for-packaging> - This URL provides information on the UK Government's Extended Producer Responsibility regulations, which are crucial for understanding the financial implications on businesses using packaging materials.
* <https://www.gov.uk/government/news/plastic-packaging-tax> - This URL explains the Plastic Packaging Tax, which encourages businesses to use recycled plastic, impacting packaging choices and costs.
* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/nationalminimumwageapril2025ratesconfirmed/2024-12-11> - This URL confirms the rise in the National Living Wage, affecting labour costs for businesses and influencing decisions towards automation.
* <https://www.gov.uk/guidance/corporation-tax-national-insurance-contributions-rates-and-allowances> - This URL provides details on Employer National Insurance contributions, which have increased, impacting business costs and labour management.
* <https://www.sparcktechnologies.com/> - This URL offers information on Sparck Technologies' automated packaging solutions, which are relevant to the discussion on adapting to rising labour costs through automation.
* <https://www.amazon.co.uk/Amazon-fulfillment-centers> - This URL illustrates Amazon's fulfillment operations, which are often cited as examples of successful automation in logistics and packaging.