

**Sofa . . . So Good**

**Manna Distribution Services**



*"The high speed, white glove home delivery leader"*

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*Slow transit, damage, order cancellations, and the “new frugality” attack one company’s margins. Here is what they did about it.*

**A**nationally known furniture manufacturer had established a strong relationship as a supplier to a nationwide wholesale club chain with 500 stores. Moderately priced upholstered pieces were the manufacturer’s staple. The business was brisk and had it not been for a high degree of buyer’s remorse returns and customer refusals due to damage, the picture might have been brighter for the manufacturer.

As it was, however, by the spring of 2009, the manufacturer was experiencing painfully slow transit times and remorse and damage returns averaging 12 percent, which far outpaced the national average return rate of between

6 and 7 percent. That, coupled with a liberal and flexible returns policy on the part of the wholesale club, was gnawing away at margins that were already under assault by an economic downturn and the battered consumer’s “new frugality.” Rather than expanding the business with the wholesale club, the

manufacturer was considering abandoning the relationship completely.

Manna Distribution Services offered a solution. Manna visited the manufacturer’s warehouse in Los Angeles to examine the existing packaging protecting various pieces of furniture and review the shipper’s processes. Sofas, for example, were merely placed in plastic bags and sent into the transit system virtually unprotected. By its nature, furniture is highly susceptible to damage that occurs throughout the transit system, and it is clearly not cheap

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to replace. Minimizing the damage by improving the packaging was clearly the first step in resolving the manufacturer's problems.

Manna's packaging requirements included a cardboard sleeve over the factory's plastic bag, and then banding to a right-sized skid. The cardboard offered additional protection from dirt and rubbing against other pieces during transit, and the banding and skid offered greater stability and increased portability by forklift.

Manna also began an inspection program at the destination market warehouse. Placing more responsibility on the delivery driver for unpacking and inspecting each piece, and ensuring its pristine condition *before* entering the buyer's home has resulted in a much lower return rate. Buyers anticipate and pay for perfect furniture pieces, and this practice helps eliminate

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unhappy surprises at delivery. Damaged pieces are set aside, not delivered. The seller is contacted for disposition and the buyer notified of a delay. If necessary, pieces are expedited to the buyer so delays are minimized.

But these steps were only part of the equation. The manufacturer's painfully slow transit (14-21 days) was leaving the door open to buyer's remorse returns and cancellations. Major retailers and ecommerce sellers recognize that the 6th day from the date of purchase is the tipping point for buyers who are on the brink. If the product has not arrived by the 6th day, the likelihood of order cancellation or product refusal increases. That means, of course, lost sales, and fewer repeat customers.

Using the customer's LA warehouse as an origin point, Manna began a nationwide shipping program with transit times averaging between 2 and 5 days and improved the customer's overall communication with the buyer by engaging Manna's call center and its automated email program. The customer's shoppers who provided an email address were also directed to Manna's self-

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scheduling website, [www.ScheduleMyDelivery.com](http://www.ScheduleMyDelivery.com), which allowed them to select the best date and time window in which to take the final delivery.

Shoppers are highly receptive to scheduling their own delivery dates online. Manna's statistics show that 74% of those who receive an email notice inviting them to go to the self-scheduling website do so and make use of the convenience. (When consignees receive an automated email reminding them to go to the self-scheduling site, the percentage jumps an additional 11 points.) While selecting the delivery date and window, buyers could also opt-in to Manna's automated text messaging service that reminds them that the delivery will take place the next day. The text messaging service is an option that is less intrusive than a phone call, more readily noticeable than an email, and provides a textual reminder stored in the shopper's phone.

*"... Speed in transit, improved communications, scheduling while the furniture is in transit, improved packaging, and deluxing at the destination warehouse all helped increase the manufacturer's sales."*

This increase in communication brings buyers more directly into the delivery process and keeps them informed of progress. Manna also offers a day-of-delivery pre-call program in many markets, which helps eliminate inbound calls to the seller. Manna believes that regular

communication with the shopper is key to preempting buyer's remorse, and the belief held true with this manufacturer's customers. Overall order cancellations and remorse returns plummeted to less than 2 percent.

Speed in transit, improved communications, scheduling while the furniture is in transit, improved packaging, and inspection at the destination warehouse all helped increase the manufacturer's sales and as a result the company is now expanding its relationship with the wholesale club chain.



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