



Shop Divvy sets new standards for shipping electronics.

Shop Divvy has positioned itself to be an electronic manufacturer's "best friend." As an authorized dealer for several well-known and respected consumer electronics brands, Shop Divvy is able to expedite the recertification of product returns to a high quality, sellable state with the manufacturer's warranty intact.

And while Shop Divvy's team of shipping and fulfillment, warehouse, and customer service people were all dedicated to those core values, they were plagued by on-going shipping damage claims.

You see, while the manufacturer's packaging was designed to securely

transport pallets of consumer electronic goods, and were adequate for shoppers at brick-and-mortar stores to carry out, it was failing to protect the contents when orders were shipped using Shop Divvy's small package carriers.

You can just imagine the damage flat screen televisions encountered. And as technology progressed and screens became thinner and bigger, damages were also increasing to the point that something just had to change. Shop Divvy sat down with their UPS team to find a way.



Casey McKewon, Ken Maxwell, Dave Jacobson, and Keith Thomas in Shop Divvy's main distribution and receiving center.

Challenge

Reduce or eliminate damages occurring when shipping flat, large screen televisions and other consumer electronics.

Solution

UPS® Package Solutions conducted comprehensive package testing to determine what packaging and package preparation would best protect Shop Divvy shipments.

In just one year, Shop Divvy had filed more than 500 claims for damaged shipments with all of its carriers. Damages were rampant and were primarily occurring when Shop Divvy shipped its larger, flat screen televisions — at the time, 55" screens.

"We just could not keep filling out damage claims and hoping that the next shipment arrived OK," said Casey McKewon, Director of Business Development.

UPS had noticed the frequent damages as well, and was equally committed to tackling this problem.

Shop Divvy and UPS both needed to reduce the occurrence and expenses attached to a damage, such as loss of customer satisfaction and retention, reorder, inventory control and returns management.

If successful, reducing damages would bring about savings on everything from the actual packaging itself to the resources used to produce, manufacture and transport the goods. There would also be an opportunity to uncover further cost reductions, waste minimization, and operational efficiencies.

The experts go to work

There were a lot of options of where to start looking for a solution, but the obvious one was the packaging. Shop Divvy sent samples of their most damaged large screen television to the UPS® Packaging Solutions testing facility outside of Chicago. Here, UPS package engineers got to look at what was really going on and what was causing the high occurrence of damages.

Shop Divvy sent both televisions and sound bars for International Safe Transit Association (ISTA) testing. With 50% of sound systems and 40% of televisions failing the standard testing there were definitely problems with the packaging.

"They were at a disadvantage because they did not have access to the right-sized shipping containers," said Michael Spencer, UPS Package Engineer, "because of the void space inside an incorrectly sized shipping box, what protection that existed, was just not adequate."

Testing to the ISTA standard and advice from UPS package engineers gave Shop Divvy the insight they needed to make some changes. The first recommendation was to increase the strength and durability of the shipping cardboard. That recommendation was followed up with a suggestion to change the type



Casey McKewon & Dave Jacobson of Shop Divvy show off their new protective packaging.

of foam packing material used to a more resilient and advanced form of foam material. The last recommendation UPS made for Shop Divvy was to eliminate void space wherever possible, including in the manufacturer's packaging. Combined, these recommendations would enable Shop Divvy's televisions and other consumer electronic product shipments arrive safely and securely to their end customer.

Results meet expectations

Shop Divvy saw a real reduction in damages, and a similar increase in customer satisfaction. All they had to do was just listen to their own customers' feedback to know that Shop Divvy was on to something. "We saw comments like 'Divvy stands behind their products,' 'Careful packing, 'the packaging was excellent and seemed really secure,'" said Robert Gutierrez Director of Logistics for Vizio, "and we are shipping even more larger sized, flat screen televisions."

On top of the great customer feedback they were receiving, Shop Divvy inadvertently turned the industry on its head. Shop Divvy, with the support of their UPS team, has basically revolutionized television shipping for the small package environment.

As they continue to add new products, Shop Divvy sends each product to the UPS Packaging Solutions testing facility for ISTA tests and recommendations.

They have been so successful with their new packaging material and procedures that several television manufacturers have consulted with them for their own packaging procedures and expertise.

Success follows.

Shop Divvy made a change in their packaging and improved their packing techniques.

And the result?

- Improved customer satisfaction
- Enhanced protection for consumer electronics in the small package environment
- Damage claims that were in double digit percentages, dropped almost immediately to less than 1%