

Stand and Deliver

NET PROFITS: WHAT HAPPENS WHEN WEB MERCHANTS MAKE DELIVERY PROMISES THEY CAN'T KEEP?

STAPLES RECENTLY HAD TO PAY \$850,000 to settle an FTC Mail or Telephone Order Merchandise Rule complaint. Why? Because the company failed to keep its product delivery promises.

By **Melissa Campanelli**

Specifically, Staples claimed on its Web site that it could deliver products in just one day—when, in fact, the offer applied only to customers living within 20 miles of a Staples retail store, and it applied only Monday through Friday.

Is your Web site misleading your customers? Even if it's unintentional, doing so could land your business in hot water. "Delivery or shipping promises have to be based on fact, not hope," says Laura Fremont, an attorney with the FTC Western Region office in San Francisco. "If you are going to say 'We'll get this to you in one day or 10 weeks,' you have to have a pretty good reason to believe you can achieve that."

Keeping Promises

One company that's careful about its delivery claims is Delightful Deliveries Inc. (www.delightfuldeliveries.com) in Syosset, New York. The company's virtual gourmet store offers food gifts, gift baskets and desserts. Orders are sent to



SITE SAVVY: Eric Lituchy knows that keeping your site's delivery promises is not only smart—it's also the law.

the company's partners—such as Mrs. Fields Original Cookies and Omaha Steaks—which then ship deliveries directly to customers. Currently, the company has 25 partners and sells 1,000 products. Sales are projected to reach \$3 million to \$4 million this year.

The Web site lets customers choose an arrival date for a product based on specific cut-off times, says Eric Lituchy, CEO and co-founder. In addition, every vendor "has to give us a set time that they will take an order and guarantee [when] it will ship out, so we can put that on our site and tell our customers accurate information," Lituchy says.

One problem spotted early on has since been fixed. "In the past, customers would order something at 11 [p.m.] and choose next-day delivery, even though we couldn't deliver the next day because

our cut-off time may have been noon the day before," says Lituchy, 34. The exception wasn't made clear to patrons, and Delightful Deliveries received complaints. But the company's site has since eliminated the problem—it now calculates, based on delivery cut-off times, when a product will arrive.

Lituchy says he knew about the Mail or Telephone Order Merchandise Rule, and it was "definitely a consideration" when changing his Web site's policies. "[But] our customers' needs were the driving force," he says. "It's important to do what's best for the customers."

After all, the rule is common sense: Tell your customers the truth about your delivery promises. Do this, and everyone—you, your customers and the government—will be satisfied.

MELISSA CAMPANELLI is a marketing and technology writer in Brooklyn, New York.

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