



SABAI CASE STUDY

SUSTAINABLE FURNITURE BRAND'S RESALE PROGRAM

Maintains High Gross Recovery of 70% at Only a 30% Discount

When brands first start to explore the concept of circular programs they naturally are drawn to the beginning of the manufacturing process. Resourcing and suppliers becomes the focus of initial programs. However, brands quickly learn this isn't the easiest place to start. Manufacturing sustainable materials is terribly complicated.



TO ILLUSTRATE...

while one material may be more ecologically friendly to create, transporting it could be more harmful to the environment. And vetting suppliers on how they offset these impacts is a challenge in itself.

But resourcing materials wasn't intimidating to Sabai Design's cofounder Phantila Phataraprasit. Phantila was attending law school when she decided to start the comprehensively sustainable furniture business. She had grown up running ecolodges with her mother in Thailand and understood the patience required for a sustainable business.



"I felt comfortable resourcing materials because I learned early on that it's a labor of love. It's impossible to perfect everything at once so when you're working with suppliers you need to understand you may be working together to create something that's the first of its kind and that takes time."

PUSHING CIRCULARITY IN THE POST-PURCHASE EXPERIENCE

Ensuring items continued to grow with their existing owner or potentially with a new owner was just as important to Phantila.

"In terms of feeding consumer's natural desire for change, we designed products so they can change the entire color by purchasing new slipcovers or legs. And I knew early on that we wanted a resale channel for the products that eventually get entirely switched out."

But generally speaking, anything that manages reverse logistics/take back programs has been really tough. And product companies need vendors who are innovating and can provide solutions at scale.

KNOWING WHEN TO BRING IN EXPERTS

"When we initially launched we didn't have repair and resale established. Those are logistically really heavy lifts. Which is why we ultimately partnered with FloorFound to handle resale."

FloorFound and Sabai always felt like a very organic partnership. And from the start there was always mutual admiration and respect for what's ultimately an aligned goal to help the planet, according to FloorFound's cofounder and VP of Client Success, Ryan Matthews.



"Sabai is a brand that continuously pushes the limits of circularity," Ryan said.

"They just became B-corp certified which is incredibly difficult; they work with external partners to evaluate the lifecycle products to determine how we can be more sustainable; and they fiercely welcome a dialogue with customers identifying further areas of improvement. I had no doubt that Sabai's recommerce presence would be wildly successful."

With FloorFound's help Sabai launched its recommerce program, <u>Sabai Revive</u>, 1 year ago. Sabai as a client has consistently had the highest gross recovery and the lowest discount rate - customers shopping their program are willing to pay for their recommerce returns (30% discount, 70% gross recovery) They also have some of the quickest turnaround.

ON AVERAGE IT TAKES 12 DAYS TO SELL A SABAI PIECES

which means super fast turnaround, lesser storage fees from additional days in warehouse.



Last May, Sabai and FloorFound partnered with another circular company Cambian Carbon to host its first IRL (in real life) space. The pop-up shop in NYC was the first time customers have been able to touch and see <u>Sabai's</u> <u>product line of sustainable sofas and chairs.</u>

WHAT ADVICE DOES SABAI HAVE FOR OTHER BRANDS?



Phantila encourages brands to take ownership of the resale model as it allows them to generate sales while mitigating the sale of the new product.

"BY TAKING OWNERSHIP OF RESALE YOU CAN KEEP ITEMS OUT OF LANDFILLS AND GIVE THAT PRODUCT A NEW LIFE, WHILE ACTUALLY GENERATING NEW REVENUE WITHOUT SELLING A NEW PRODUCT."

LEARN MORE ABOUT WHAT OWNING YOUR RESALE PROGRAM COULD LOOK LIKE.

