



UPS Capital®

CASE STUDY

Behind the Seams

How Buru is building a heritage brand by taking back control of the supply chain, with a focus on customer experience and operational risk.



\$15.3B

Projected U.S. chargeback value by 2026.



Avg. Chargeback value: **\$110**

Source: Mastercard & Datas Insights

Why supply chain control matters to customer experience and operational risk

What do operational risk and customer experience have to do with supply chain control?

Imagine you're running a small business during your first peak-season launch. Inventory is tight, cash flow matters, and momentum is fragile. Then one high-value order turns into credit card fraud.

That single action doesn't just reverse a payment. It triggers fees, freezes funds, strains relationships with processors, and puts future payouts at risk. In extreme cases, it can bankrupt a business by Friday.

And the reality is, it's never a single customer.



According to Mastercard and Datas Insights research, the average chargeback value for U.S. merchants is **\$110**, and the U.S. chargeback value is projected to reach about **\$15.3 billion** by 2026.



In an exclusive interview with Brett H., owner and co-founder at Buru, he explained how customer lifetime value, experience, and operational risk are deeply intertwined, emphasizing that true supply chain control reassures stakeholders about Buru's resilience and long-term stability.

Designing for Real Life, Not Disposable Volume



The founders at Buru were never trying to chase disposable volume. They wanted to serve a specific customer better. They had launched apparel businesses before and had seen failures tied to manufacturing breakdowns. Their lesson was simple: **outsource the wrong things, and you can break a promising brand.**



For Buru, lived experience at the intersection of fashion and changing lifestyle needs helped define that purpose. They do not believe the world is returning to a time when everyone dresses up for a red-eye flight, but they do see grounded, everyday challenges that still need to be solved. For Buru, one of those challenges first revealed itself in a restaurant.



Feeding a newborn is beautiful. It becomes more complicated when you're wearing a high-neck dress. Suddenly, more flexible fits and stain-resistant materials that are easier to clean feel like a eureka moment for mothers looking for attire that is both effortless and functional.



Each Buru piece is inspired by real family moments and memories. Design got the company moving. But as Brett told us, if the product is your brand, losing control of manufacturing can become existential. So Buru eventually transitioned into **building its own production capacity in Los Angeles.**



Buru's supply chain advantage, and its impact on customer experience and operational risk, did not come from a growth hack. It came from **deciding which parts of the business were too important to keep at arm's length.**

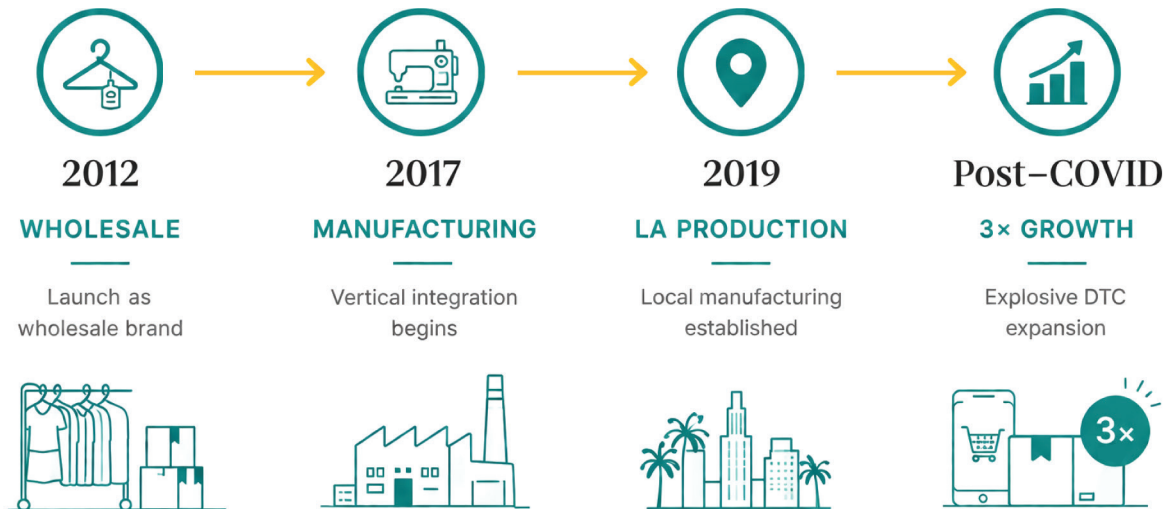


From curated wholesale to original design, demand-building, and gradually owning more of the process, that was the moment Buru stopped acting like a retailer and started operating like a company **building strategic control into its business model.**



If the product is your brand, losing control of manufacturing can become existential.

The Evolution of Control



Buru took its first steps in 2012, buying wholesale to curate style for customers looking for clothing that matched the lives they were leading. The model worked, but sustaining it pointed toward a high-effort, low-margin future. That was when the team realized survival would require control.

Less than five years later, the brand had built an outsourced manufacturing supply chain that was achieving an impressive 80% sell-through in an average of three weeks. These were predominantly capsule collections produced overseas.

Just a few years later, before the COVID-19 pandemic catastrophically froze the global supply chain, Buru activated domestic, in-house manufacturing—relocating to Los Angeles, purchasing a building, and acquiring more than 20 industrial sewing machines to own the means of production.

In the aftermath of the pandemic, the supply chain autonomy Buru built proved advantageous. Leveraging that edge, the brand began purchasing “dead stock” fabric in Los Angeles and designing pieces around materials already in hand. Staying true to its original mission—to design and produce family-centric, functional style with lasting appeal—Buru saw revenue triple within 18 months.

For Buru, supply chain control became a growth engine—ensuring resilience, speed, and agility, which are vital for maintaining customer trust and operational stability during market disruptions

*“ Control wasn’t a feature.
It became our future.”*

The Logistics as a Customer Experience Strategy

On the logistics side, Buru started humbly, operating out of a garage in Kentucky. Brett was adamant: during that startup phase, one of the brand's primary goals was always to deliver a 10-out-of-10 customer experience. UPS proved to be an excellent business partner. Because of its volume, Buru had the benefit of a dedicated UPS account representative—even if it was one of the few “conference rooms” with a rolling aluminum door.

Partnering with UPS gave Buru shipping rates competitive with Shopify and other platforms while allowing the brand to avoid tying its logistics entirely to its website platform. Brett highlighted that UPS's domestic ground reliability fosters confidence in Buru's ability to deliver consistently, reassuring stakeholders about operational dependability.

Often, the supply chain problems merchants most underestimate are the ones that emerge after the order ships. Brett explained that attention had to extend across the logistics lifecycle, not just production and fulfillment.

By this point, Buru had become a complex operation: DTC ecommerce, company-owned retail, pop-ups, and wholesale. As shipping volume and operational complexity increased, post-purchase risk became more consequential.

Brett said the team had already learned how to control production. Now it needed better visibility into delivery problems, missing packages, and customer recovery. Implementing digital tools for real-time tracking reassures stakeholders that Buru is proactively managing post-shipment risks, supporting sustainable growth.

Trust is either reinforced, or lost with each order, and operational blind spots can become customer-service crises. By this stage, Buru was already shipping at scale and, at one point, moving more than \$20,000 worth of inventory for pop-up operations. In that context, a lost or delayed shipment is more than an inconvenience.



At scale, risk becomes real.

A single disruption can ripple across your entire business.

Where Scale Introduces Friction

Buru isn't alone. Retailers and manufacturers in apparel and beyond face similar scaling challenges. The model is compelling: multiple nationwide pop-ups each year, putting products in front of real customers so they can touch and feel them and build more than just digital awareness.



Then comes execution—a mix of owned fleets and traditional carriers deployed nationwide and managed by staff. At that level of planned scale, risk enters the equation. Shipping massive boxes or containers to warehouses, distribution nodes, events, or partner retailers puts a great deal of inventory into a metaphorical small basket. A significant loss can take a real toll.



For businesses in growth mode, a \$20,000 loss can be a serious disruption. And just like our earlier chargeback analogy, those downstream risks remain. It is not only large shipments that carry exposure. The same exceptions occur on smaller orders as well, and together they add up to a broader systemic risk that must be analyzed and mitigated.



The breaking point happens downstream, too. At the delivery and customer-experience level, packages inevitably get lost, damaged, or delayed. Even after delivery, orders can still be exposed to fraud-based financial losses. Brett described an industry-standard claim-resolution window of 36 to 48 hours, or longer. Within that window, operations can stall, critical inventory can be frozen, and customer experience can deteriorate. That is doubly important when your margin for error is close to zero.

The Insurance Paradigm Shift: Route vs. UPS Capital

Back to the Buru story: Brett told us that before working directly with UPS Capital, the brand had partnered with Route to solve its shipping-insurance challenge—hoping for a frictionless customer experience, faster resolutions, and support that dovetailed with Buru’s internal business processes.

For the organization, that meant access to claims visibility, inventory sync, resolution speed, and brand protection. As Brett put it, Buru’s product is the brand. Those attributes make or break a risk strategy.


Buru did not switch providers because the concept of package protection was wrong. The problem was the additional layer between the brand and the customer experience. With Route, Brett explained, that claims could be approved or denied without the team knowing.

The solution lacked the inventory and operational context needed to support Buru’s actual business decisions.

Brett said Buru’s previous claims workflow could absorb 20 to 25 minutes per claim, stretched across two to three days just to work through the process, and still take at least a week to reach resolution.


20-25
minutes
per claim


2-3
days
to process


7+
days
to reach resolution



“

Buru’s product is the brand. Those attributes make or break a risk strategy






Operational Visibility

The shift to UPS Capital appealed to Brett not only because Buru was already using UPS successfully for domestic ground shipments, but because the relationship aligned more closely with his operational goals. Since the change, Buru’s claims are now **filed in minutes**, and typically **resolved within 24 hours**.

Claims moved faster, and resolution was clearer. Buru’s operations team could decide how to handle the customer immediately. The team could choose to **refund or replace with confidence** because coverage was dependable, and replacement shipments could be expedited and discounted under the policy’s expedited replacement clauses.

For Buru, shipping insurance finally became a **framework for real-time reputation management**. UPS Capital removed hesitation from service recovery: instead of debating whether to make the customer whole, the operations team could act first and reconcile the claim afterward.

That control changes customer recovery in practical terms: Buru says roughly **20% of affected orders** can now be **replaced immediately**, whereas previously, that number was effectively zero. Brett estimates that “at least half of the refunds issued under the prior model could have been preserved as exchanges or gift-card-based resolutions, if we had inventory-aware control over the outcome.”

	Competitors	 UPS Capital®
 Claim Visibility	Claims may be denied without merchant knowledge.	Total merchant visibility.
 Inventory Sync	Customers may receive unwanted refunds because the app lacks insight into available exchange inventory.	The merchant dictates resolution based on actual stock.
 Resolution Speed	Frustrating 48-hour lag times.	Near-immediate resolution. “If they want a replacement, we send it out overnight because we know we’re covered.”
 Brand Protection	Outsourced customer service may hurt brand equity.	Control your desired outcomes to orders with claims or exceptions like refunds or exchanges.

The Threat of Friendly Fraud

That initial worst-case chargeback scenario from the top of the story was not simply hypothetical. It was Brett’s example of how Buru thinks about operational risk. With unlimited opportunity for incoming orders, malicious actors—or customers engaging in friendly fraud—can cause significant financial harm to a merchant through repeated chargeback claims.

As Brett put it, “it’s a scary naked position to feel as a retailer.” For many e-commerce retailers, the most dangerous blind spot is not a lost package. It is a chargeback.

A typical chargeback scenario unfolds in four stages:



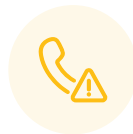
1

A scammer purchases a gift card, creating a detached transaction layer.



2

An item is shipped from the merchant, and proof of delivery is recorded.



3

The moment the item arrives, the “customer” calls their payment provider and claims fraud.



4

Funds are instantly pulled from the merchant, and an immediate fine is levied. Zero questions asked — zero merchant recourse.

Of course, merchants have been implementing systems to mitigate this risk for decades. Before more recent digital solutions for chargeback protection, those internal processes often looked like this:



The merchant manually collects customer data and maintains a living record — formal or informal — of potential behavioral flags.



The merchant manually responds to the chargeback and attempts a rebuttal.



There is little to no process review of the rebuttal itself. The claim often ends in an automatic loss.



The risk isn’t theoretical. Brett says Buru lost roughly 75% of chargeback disputes, which is exactly why better intelligence tools matter before an order ships.

The Threat of Friendly Fraud

Even as digital and AI tools have become more widely available, the lack of a stronger risk strategy means that even savvy retailers still view chargebacks as a black hole. As Brett described it, “[it’s like] you attach all these things, prove it was delivered, and can still lose.”

What Brett was getting at is that **visibility and control** over any chargeback solution—including how digitally flagged orders are handled—are essential for growth. That is why we used the gift-card scenario above.

There is **mathematical certainty** that some orders will result in chargebacks. Even when an order is flagged—or likely to become a chargeback—it may still need to ship under the business’s rules.

An order paid with a gift card may be flagged, and it may also come from a customer who eventually spends hundreds of times the average order value over a decade. Holding or delaying that order—even with the potential risk of a chargeback, with an average charge of \$110—may not align with an **LTV growth strategy**. That friction could permanently alienate a new customer.

The ability to decide how your risk solutions behave based on **your own variables and business** rules will be a requirement of future risk strategies.

As Buru’s experience shows, post-delivery operational risk must be treated as strategically as the logistics and fulfillment aspects of the supply chain. Controlling the supply chain may mean seeking protection **beyond insuring the shipment itself**. Shipping insurance does not cover financial losses from chargebacks after delivery.

Before the rise of e-commerce, risk was mostly physical: inventory, production, transit, and so on. As we move deeper into the era of digital commerce, **risk is informational as well**. The merchant who sees more can respond faster and preserve more margin.



Bridging Risk with Intelligence

As merchants adopt more digital visibility tools into their technology stacks, it will become increasingly clear that fulfilling an online order is always a leap of faith. On one side of that abyss is the **decision to ship**. On the other side is **revenue**.

UPS Capital's Risk Intelligence **builds a bridge of data** across that divide, so merchants are less likely to fall. The solution gives human operators at the merchant level more confidence to ship high-value orders and fulfill greater volumes.

Because in the real world, as Buru can attest, a flagged order may still belong to a highly lucrative lifetime customer. Risk Intelligence does not get in the way of those decisions. **It supports them with structured data signals.**

Those signal sources—including UPS address-confidence data—help **build the bridge across the chargeback abyss.**

Intelligent Risk Management turns that leap into **confident action**



Visibility

See more



Protection

Beyond shipping



Growth

Secure value



Control

Set your rules



Control: the New Growth Advantage

INSIGHT

From this exclusive interview with Brett, it is clear that Buru is building toward **heritage-brand status** on a foundation of customer service and operational discipline. Its partnership goes beyond individual service providers; it also reflects the deeper support structure UPS Capital has offered businesses for decades.

By **reducing financial uncertainty** in its decision-making, Buru has **strengthened customer service, tightened control** over the supply chain, and **sharpened its operational risk management**.



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This case study is based on an interview with Brett H., owner and co-founder of Buru, conducted by UPS Capital. Buru is a UPS Capital customer. The views expressed are the interviewee's own and reflect Buru's individual experience, which may not be representative of all customers.

Statistics and performance figures cited in this case study reflect the individual experience of the featured merchant and may not be representative of all customers. Individual results may vary. Claims processing data is based on information provided by the featured merchant. The chargeback statistics cited herein are derived from Mastercard and Datos.