

#### Case Study



# How Gap Japan used Digital Returns to achieve ecommerce success

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— Kazutoshi Mochizuki, Logistics Director, Gap Japan K.K.

# Gap's Challenges:

- Improve ecommerce customer experience by digitising the returns journey.
- Ensure smooth coordination between customers, distribution centres and the call centre.
- Improve the speed of returns processing.

#### What the Digital Returns solution enables

- Returns can be booked online via the digital returns portal.
- Returns can be sent from TA-Q-BIN drop-off points, PUDO locations, parcel lockers, FamilyMart convenience stores, at home or at other designated locations, with no label required.
- Merchants log in to their portal to see incoming returns in advance of their arrival, streamlining inspection of returned goods and improving restocking speed.
- Merchants can analyse returns trends using the dashboards and analysis provided in the portal.

#### Outcomes:



Increased

conversion rate in
the online store



Reduced **cost** of returns



Reduced **number of complaints** related to returns



Improved customer experience



Reduced **time for restocking** of returned goods



Improved **staffing efficiency** 





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# The challenge: improving customer experience in returns:

"The return rate on Japanese EC sites is a few percent, but double-digit returns are common in the US. Even if it doesn't increase to that level in Japan, we believe there is actually a bit more need for returns, especially for clothes. On the other hand, I think that the feeling that what if the size or colour doesn't fit, or that it's a hassle to return the item, may lead to hesitation in making a purchase" says Kazutoshi Mochizuki, Logistics Director, Gap Japan K.K.

While Gap Japan offered instore returns, the postal returns process required customers to call a customer support line to arrange a pick-up. Improving the returns process was essential to making the Gap online store more convenient and to increase conversion.

"Returns were one of the most time consuming and inefficient operations in our distribution centres and call centres. We are working to save energy by reducing the operating hours of our distribution centres and to create a shift system that makes it easier for staff to work. However, because no one knew when and how many returns would arrive, there were many cases of unexpected increases in overtime work and an unbalanced workload," Mochizuki says.

Gap Japan disclosed its challenges with returns to Yamato Transport, its carrier partner. Yamato Transport proposed the adoption of a digital returns platform, powered by Doddle's technology — the first of its kind in Japanese ecommerce.

#### Customer benefit:

"After three weeks of implementation, about 90% of our returns were via the digital returns and dispatch service. I realised that customers had been waiting for it. The fact that it can be done on a smartphone or PC, and that there are more options for pick-up methods, makes it possible to make returns that suit your lifestyle, and eliminates the need for time consuming procedures, is a big change," says Mochizuki.



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We have also been able to reduce the cost of returns, and the introduction of the service has led to an increase in the purchase rate of our official online store.

# Digitising to reduce cost and increase efficiency:

Meanwhile, at distribution centres that accept returns, digitalisation has made it possible to check the quantity of returns and other information by date and time. This has improved the speed of the process from inspection to restocking, enabling seasonal products to be resold without missing sales opportunities.

The centre has also made it possible to systematically organise staffing shifts, Improving the work/life balance for staff.

Digitising and making returns easier for customers has not lead to a significant increase in return rates — but it has resulted in some unexpected benefits.

"When dealing with returns, we sometimes receive strong letters of complaint from customers, or returns that are in a messy package. Those 'angry returns' have dropped dramatically. For the customer, the return itself is stressful in the first place. I could see how adding more stress to the process was having a negative impact on the customer experience and how this improvement has had a positive impact. The mental load of not only the customers but also the staff who deal with them has been greatly reduced, for which we are grateful," Mochizuki says.

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