








































Reimagine Returns

 A Workbook

A practical resource to guide internal conversations, uncover challenges in your returns processes and prioritize where to start your journey to recovering maximum value from returns.





Refashion returns

It's no secret that returns are one of the biggest challenges facing the world's retailers.

Buying trends and product seasons come and go with increasing speed today. That means retailers must get returned products back in stores, or back into online inventories, as quickly as possible to capture the fleeting resale opportunity. As the hours and days tick by, retailers' potential profit margins on returned merchandise steadily decline.

In recent research, 68% of retailers said they're prioritizing upgrading their returns capabilities within the next six months. If you're in this majority, this workbook is for you.

Here you will find:

- Questions to ask across functions to uncover challenges
- Data needed to help build the business case for change
- Returns processes that are currently operating well
- Opportunities for improvement.

You will also find an example cost-savings scenario for a \$1 billion fashion retailer after they tailored their returns process to fit—when you've gathered your data you can calculate your own cost-savings here with our online calculator.

Happy working!

Questions to ask

Knowing who to talk to and what questions to ask can be tricky. Here are eight business areas that are worth a conversation and some questions to ask them.

1. Stores

What challenges are you experiencing with managing returns in store?

What impact are returns having on your checkout queues and staff?

Do you receive returns that are not stocked in store?

How do you know where to restock a return?

What is the average time to process a return?

2. E-commerce

How do you enforce returns policies?

What visibility do you have of your end-to-end returns journey?

What is your average cost per return?

How does the returns process differ between online and offline sales?

How are you using returns data to reduce returns?

3. Operations

What impact is handling returns having on your warehouse processes?

What percentage of returns are blind receipts?

How much longer do blind receipts take to process than known returns?

How do staff disposition returned items consistently?

How much revenue is being lost through not reselling at full price due to slow turnaround of stock?

4. Planning

How does your returns data support your inventory forecasting?

How are you using returns data and trends to feed into future assortment planning?

How do returns volumes influence your allocation and replenishment decisions?

How do returns spikes influence your markdown strategy?

More questions to ask

5. Supply chain

How easy is it for you to manage returns as an integrated part of your supply chain?

How much time and cost is wasted transporting returned goods between locations?

How do you know where to direct returns to recover maximum value?

How easy is it for you to add new PUDO locations and couriers to your returns process?

6. Finance

What visibility do you have of the returns impact on your sales revenue?

What is your total value of goods returned annually? As a percentage of revenue?

What customer returns and behaviour data are you able to analyze and act on?

How do you use your customer returns data to make better business decisions?

7. Customer Services

How often do customers complain about your returns and/or refunds process?

How easy is it to see where a return is on its journey?

How are you providing sustainability credentials to your customers?

Do your competitors offer more customer-friendly returns policies and processes?

8. IT

How joined up are your online and offline returns processes with your systems and data?

What customer returns and behavior data are you able to mine and analyze?

How do you use your customer returns data to support business decisions?

Is your returns data integrated into your supply chain as a single integrated view?

Additional notes...

Returns data to gather

Knowing the right data points upon which to make strategic decisions is important. Not all may be available or relevant, fill in what you can.

A. Vital Data

Revenue in scope	Average basket value
% Gross margin	Average returns value
Inventory in scope	Number of stores
Returns volume	Cost per returns label
% Returns rate	Hourly store associate rate

B. Customer service data

- % returns which result in CS call
- Average cost per CS call
- % calls related to returns tracking
- % calls related to how to return
- % calls related to refund

C. Returns data

- Cost per home pick up
- Cost per local carrier pick up
- Cost per store pick up
- % returns outside returns window
- % returns received considered non-returnable

D. Other important data

- Warehouse costs as a % of total costs

We can provide industry benchmarks for any missing data in your organization.

Reasons to celebrate

Through all those questions and data gathering you will have unearthed a lot of information about your returns journey—both from a customer and process viewpoint. Before we look at areas for improvement let's first look for things that are already working well.

Tick all that apply

Make a note of other champion moments here...

- Customers find our returns process easy
- Customer refunds are processed quickly
- We don't have an issue with fraudulent returns
- We already capture a lot of returns data
- We don't destroy many returned products
- Our CS agents are providing great customer care
- Our staff understand the returns process
- We're reselling a lot of returned items
- We don't have any high volume returned items
- We don't have any out-of-policy returns
- We can track the returns journey end-to-end
- Our returns process is paper-free
- Our returns process uses existing transport networks
- Our returns process is working brilliantly
- Our warehouse staff know what to do with returns

Keep a note of your successful areas: customer-care, fraud prevention, colleague training, sustainability, etc.

Opportunities for change

If you have the perfect returns process, congratulations! However, we know that's unlikely, so we've listed some of the most profitable opportunities for change for you to consider across your business.

Tick all that apply

Make a note of any other opportunities here...

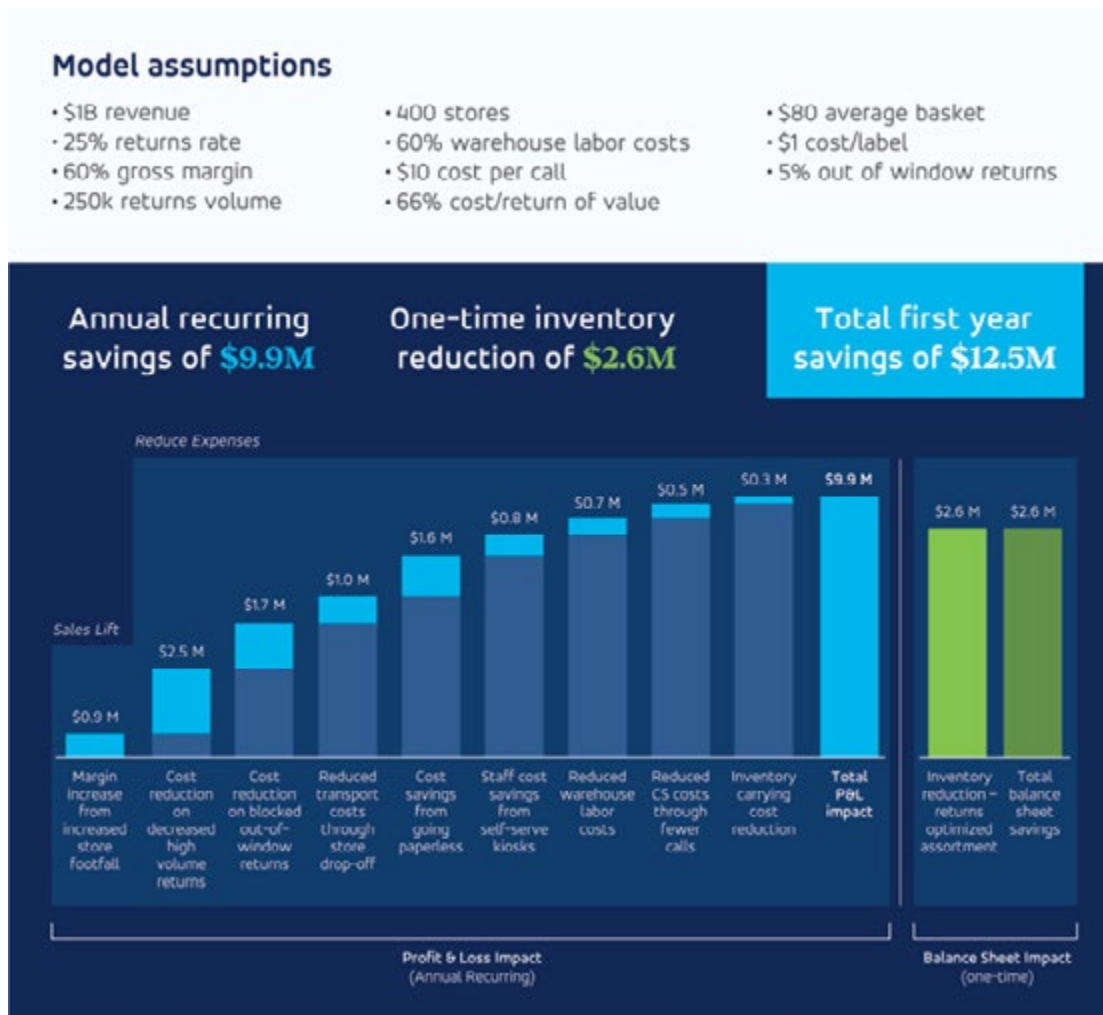
- Printerless and labelless returns options
- Buy online return in store incentives
- Refund/credit options
- Returnless refunds
- Digitalized store and warehouse returns processing
- Prioritized returns back on sale
- In-store drop-off kiosks for staffless returns
- Easy exchanges
- Better use of customer returns data to drive decisions
- Returns decisioning across the end-to-end process
- Automated returns/refund communications
- Returns policies that vary by customer behaviour
- AI-driven returns processes that vary by item being returned
- Connected returns back into inventory and planning processes
- Automated returns processes across supply chain

We can work with you to identify these opportunities and prioritize them for fastest implementation and greatest output.

A \$1B retailer

Sometimes, although we know something needs to change, we need the hard numbers to help us get it to the top of the agenda. We're here to help you do that. Having run returns discovery programmes for many large retailers we know the stats and are happy to share.

What could be your annual savings with a tailored returns process?



Contact us today to work through your tailored returns value model.



What's next?

Option 1 (most popular choice)

- Complete the workbook
- Email retail-returns@blueyonder.com
- Claim your free discovery workshop to work through a priority plan.

Option 2

Option 3

Do nothing and hope that returns will go away (unlikely).

