

# 9 Tips to Recover More Revenue from Returns

Online shopping now accounts for about 20% of all retail sales, and ecommerce purchases are returned 3-4x as frequently as in-store purchases. With this surge in returns, businesses can be left with a “black hole”—many items that are sent back to retailers or manufacturers are simply destroyed or liquidated for a fraction of their original price. Thankfully, there are a number of strategies to improve your reverse logistics operations in a way that lowers costs and boosts profitability.



73%

Of shoppers say the returns experience affects their likelihood to purchase from a retailer again.<sup>1</sup>



\$428B

Consumers returned \$428 billion worth of items in 2020.<sup>2</sup>



62%

of shoppers have purchased an item in multiple sizes or colors with the plan to return some items.<sup>3</sup>

## 9 Strategies to Recover More Revenue from Returns



### 1. Improve inventory visibility

To increase the chances of reselling products at full price and minimize obsolete inventory, items need to be made available again across all sales channels—and quickly.



### 2. Offer omnichannel returns

Consumers have come to expect support for returns across channels. Accepting returns through all channels can increase average order values and customer lifetime values.



### 3. Promote exchanges and upsells

Exchanges and upsells are obvious ways to save money when a customer brings something back, but these opportunities are often missed because you don't have the inventory visibility.



### 4. Validate all returned goods

Many businesses lose far more money to fraudulent returns than they realize, and validating any items brought back by having a record of customer orders prevents that.



### 5. Create the right returns policy

Retailers must strike the right balance with a policy that isn't so lenient that people will take advantage of it but also isn't strict enough to deter initial or repeat purchases.



### 6. Consider a partner

For a company that is just beginning to address reverse logistics challenges, a smart first move is to hire a partner that specializes in this area.



### 7. Reuse, recycle and salvage items whenever possible

Businesses that can repurpose or recycle goods unable to be resold at full price can build positive brand equity with customers while also saving money.



### 8. Minimize product touches

The fewer times an item moves after it's returned, the more room there is to recover some of the money lost on a return. Drop ship from the store rather than sending back to the warehouse to reduce handling.



### 9. Consider the full lifecycle and feedback in product development

Thinking about an item's end of life when its first designed can help reduce waste.

The right software can simplify the returns process and increase profitability by ensuring items are immediately returned to inventory and available to sell. With it, companies can accept returns from all channels, complete exchanges, manage the credit and how the return will be handled, and set returns process rules. NetSuite eliminates common points of failure with disparate systems, ensuring that returns are managed accurately and saleable items make it back into available-to-promise (ATP) inventory without delay.

#### Benefits of using NetSuite for Returns Management:

- **Save the Sale.** Customer service reps have all the information and inventory visibility they need to offer alternative products and fulfillment options to convert returns into exchanges.
- **Return Anywhere.** Deliver efficient, consistent return and exchange experiences across all selling channels with a single, unified system.
- **Increase Inventory Turn.** Make items returned in store available across all channels to minimize [obsolete inventory](#).

#### Citations:

- <sup>1</sup> USPS
- <sup>2</sup> National Retail Federation
- <sup>3</sup> DigitalCommerce360