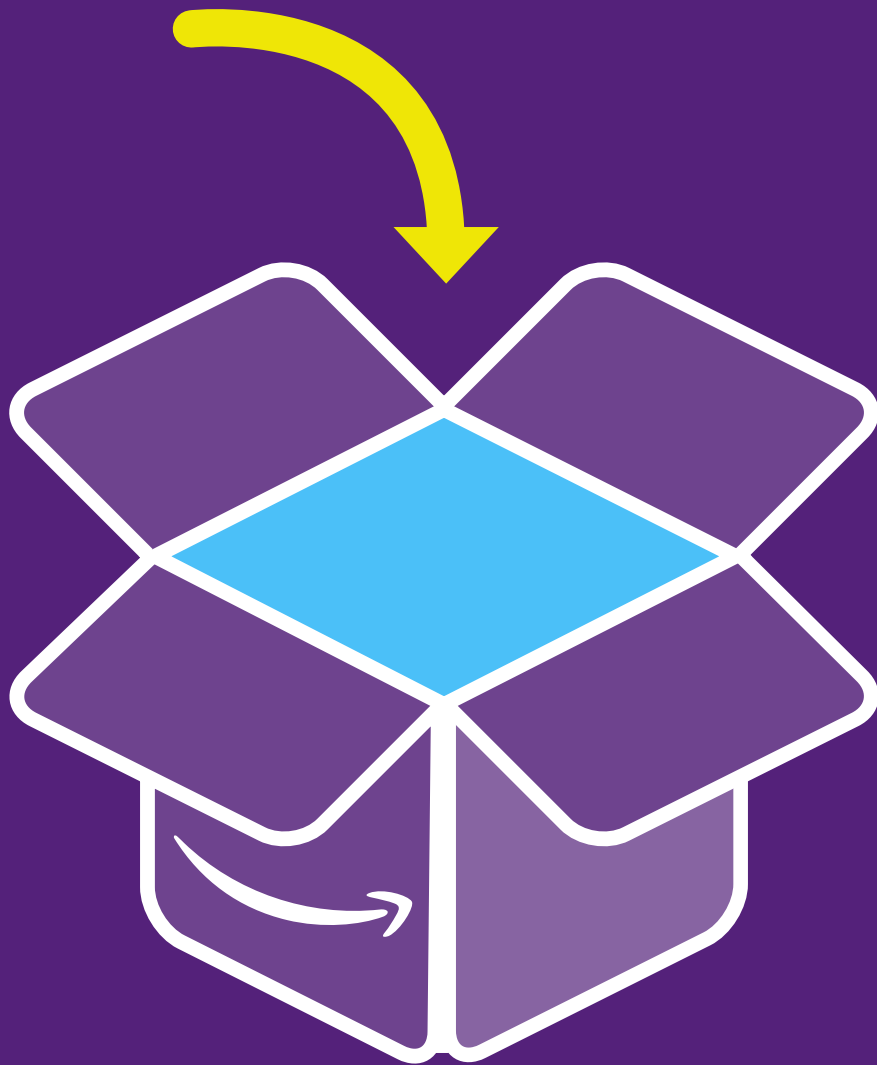
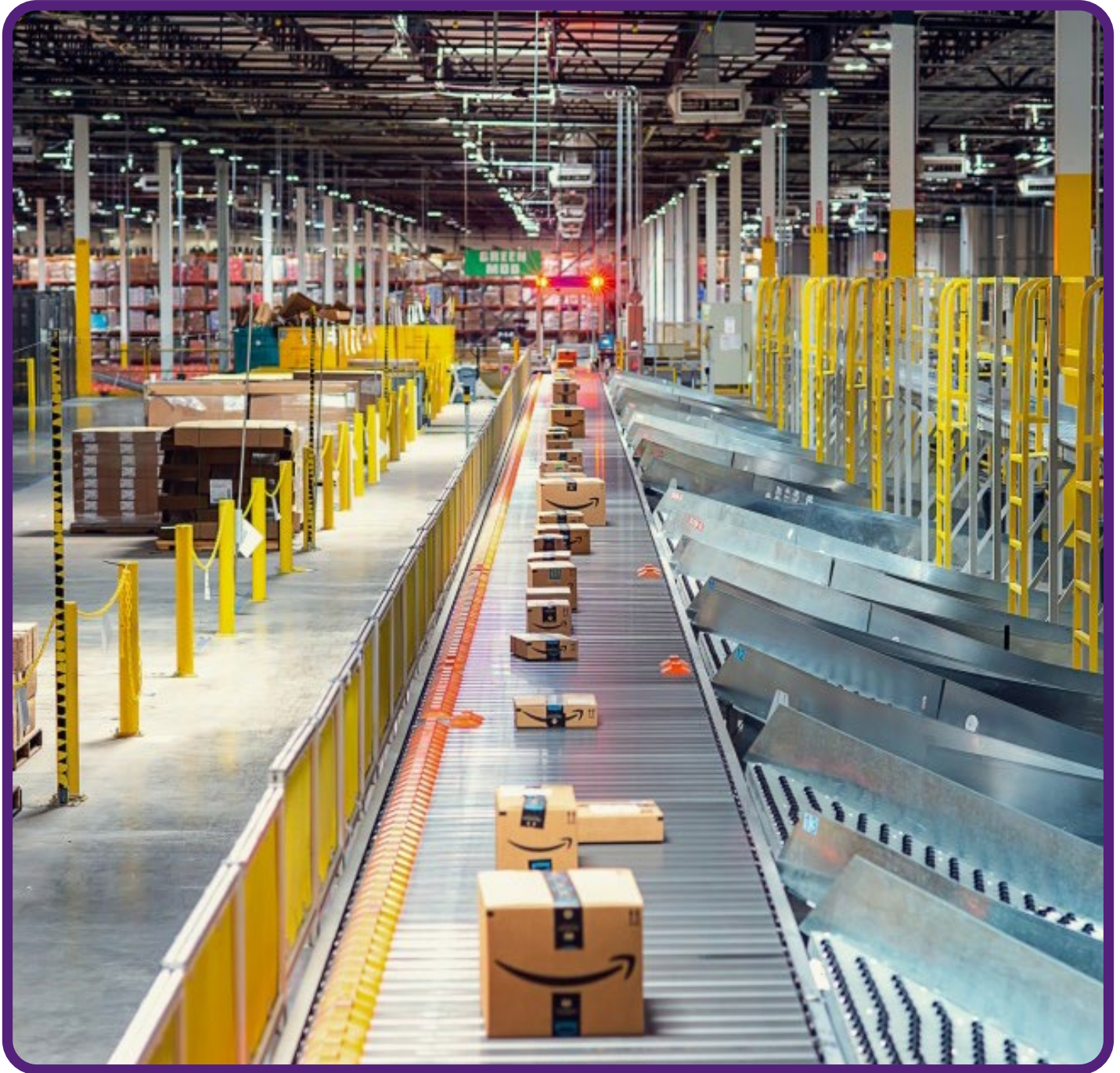


LEARN RETURNS THE AMAZON WAY.



 **Doddle**

LEARN RETURNS THE AMAZON WAY






Introduction

Being a retailer is challenging enough without having to reinvent the wheel, so a great way to keep on top of your competitive advantage is to look to turn your gaze upwards and take a closer look at what industry leaders are doing. Chances are you'll discover some excellent best practice, particularly from the 'Big Three' – Amazon, Walmart and ASOS – who are all innovators, have a good mix of online and stores,

but, crucially, understand the value of the return journey. This is something we can all agree is one of retailer's biggest stumbling blocks on the road to profit. Here we examine how they operate their returns and what retailers can take away from the actions of market leaders.

WHAT DO THEY OFFER?

	Walmart 	amazon 	asos 
Length of Policy	90 days	30 days	45 days
Refund proposition	Refund made via the same payment method, or store credit.	Frequently instant refunds, made to the same payment method.	Refund via payment method when returned within 28 days, refund via gift voucher thereafter.
Channel options	Stores, FedEx or USPS locations (i.e. post offices).	Mail, Amazon Hub Counter locations (in other retailers' stores, gas stations and other local businesses), Amazon Lockers, Hermes and Royal Mail drop-offs.	Asda, Hermes (store and collections), Collect Plus, Inpost Lockers and Royal Mail locations.
Paperless?	Customers need to print a label unless using the app.	Paperless.	Paperless.

WHAT'S THE CUSTOMER JOURNEY?

	Walmart 	amazon 	asos 
Visit	Visit Walmart.com to book return	Visit Amazon account page	Visit ASOS account page, but not necessary.
Action	Print barcode or use the Mobile Express App to pre-book a USPS or FedEx return.	Select item to return and submit reason. Select return method.	Returns are booked online, generating an email with a QR code, which is scanned at parcel handover.
Time to refund	2/3 weeks Instantly via the app	Credit to account: on receipt of goods. Payment Card: receipt plus 5-7 days.	Within 10 working days.

POINTS OF DIFFERENTIATION



Walmart 

While not hugely differentiated, their **90-day policy** is the longest of the three retailers and they have a huge competitive advantage in their **store footprint**. However, use of paper returns slips, alongside limited returns options and partners creates quite a restrictive model.



amazon 

It's worth noting that Amazon's returns journey is **highly variable** – some may require a printed returns authorisation and the cost of returns can change depending on the return reason (e.g. For issues with a defective product or misleading description, return options are free, but if a customer simply no longer requires the item, the return cost will then be deducted from the refund). That said, this allows the recovery of some costs, and the promise of **instant refunds** based on certain conditions also supports this. Thanks to its pick-up and drop-off (**PUDO**) **network** and extensive partnerships, Amazon also has a huge number of drop-off points, but this is necessary to compensate for lack of stores.

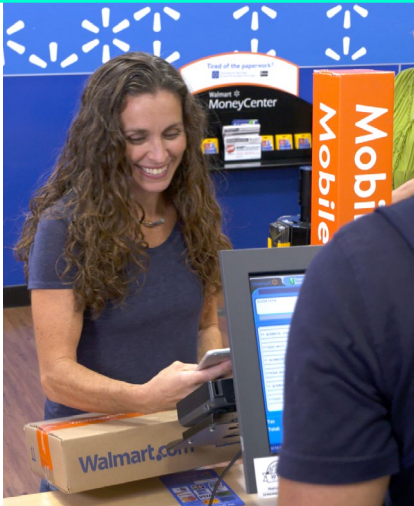


asos

Customers enjoy a wide variety of return options thanks to multiple major partnerships. Data-driven insights are applied to filter customers abusing the returns system (see more on this later) and two tiers of refunds encourage faster returns (returns within 28 days are refunded by the method used to pay, returns after then are refunded via gift voucher balance).

SHAPING THE JOURNEY THROUGH TECH

Walmart



Walmart customers can access 'Mobile Express Returns' from their app to easily book a return in advance. It simply generates a QR code which is scanned at drop off and refunds appear instantly in the app after handoff.

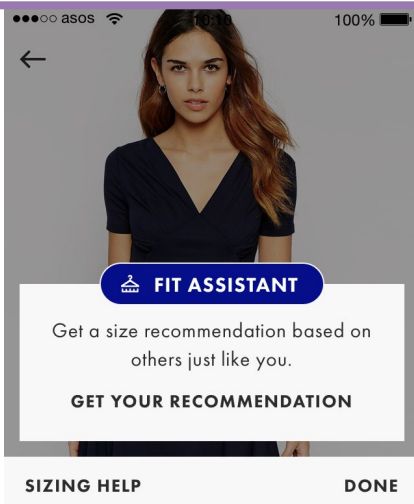
They claim that this reduces transaction times by an average of 74%, from 4 minutes to just 63 seconds, with the fastest returns happening in around 30 seconds.

amazon



Amazon understandably don't like to share the details of their algorithmic personalisation and recommendation engines, but you don't need a PhD in Artificial Intelligence to know how effective they are in judging the path of the returns journey. For example, higher value customers are more likely to be offered instant refunds than infrequent shoppers. The Amazon Locker and Counter solutions extend its real-world footprint, making more locations available for shoppers to return their items. This extension is underpinned by a proprietary PUDO technology, allowing them to open new locations and manage inventory throughout the network.

asos



Helping to get the purchase right first time is the ASOS 'Fit Assistant' virtual helper, which recommends the perfect size based on similar customers' experiences. Reports suggest that ASOS is also trialling a paperless returns system using QR code scanning, similar to Walmart's Mobile Express Returns (also notably similar to Doodle's Digital Returns).

THE DATA-DRIVEN ADVANTAGE



It's a no-brainer that every aspect of the retail experience benefits from analysis and even a traditional bricks and mortar retailer like Walmart can see how a digital experience drives exceptional customer insights across the returns journey. This visibility of customer behaviour is the driving force behind Amazon's algorithmic approach and has heavily informed the ASOS approach of limiting returns by ensuring that customers don't select the wrong size in the first place.

In a trailblazing act that many will no doubt follow, ASOS also announced plans to blacklist abusive returners. This in itself highlights their profoundly important ability to segment customers by combining returns data, purchase frequency and average basket value information – creating a predictive model of the volume of returns which, in turn, can help to track which groups of customers are more likely to do so.

This knowledge means that ASOS have a clearer understanding of the true profitability of their customers and can target their marketing spend accordingly. For example, advertising to infrequent shoppers infrequently might seem appropriate as a way to encourage more purchases, but if this group also returns products at a higher than average rate, then the investment may not add value.

Discover more about the importance of returns data on our [website](#).

CONNECTING ONLINE TO OFFLINE

The role of the store is multi-faceted and retail leaders are using this to great advantage, not just in the returns space but through Click & Collect and creative multipurpose uses of their footprint, such as adding additional services. Customers at Topshop in Oxford Street can visit a hairdressers or piercing studio and grab a coffee with friends, all without leaving the store. Others sharply focus on their perfect location and offering, shutting those that don't fit the model. Returns play a part in the rounded store experience and staff should be able to execute a smooth returns process that fits in with the overall experience of the store – whether that's through a member of staff or using a self-service option that avoids tiresome queues.

In fact, using stores as inventory locations is an obvious choice. After all, why send returns back to the warehouse when they could go straight back onto shelves? This may not be appropriate 100% of the time, but even a proportion could cut logistics costs, emissions and congestion. Incentivising customers to return in-store might seem excessive, but the increased likelihood of further purchases gained from a quick visit quickly makes it worthwhile.



5 key takeaways from the Big Three

- 1. MAKE RETURNS DIGITAL.** They're easier for customers and easier to track, manage and understand.
- 2. USE THE DATA.** Turbo charge your understanding of the customer and develop better loyalty and experiences.
- 3. CHOOSE ONE PLATFORM.** Use a platform that allows you to manage returns through all channels in one place and keeps stock synchronised, so that you have a much clearer visibility of stock movements and returns.
- 4. GO PAPERLESS.** It immediately saves on label costs and encourages customers towards digital returns.
- 5. SAY MORE.** Improve the communications experience around returns.

MORE WAYS TO 'MEET OR BEAT' THE LEADERS

**75% OF SHOPPERS
WOULD PREFER TO
DROP OFF RETURNS
TO A STORE**



Leverage your bricks and mortar

Amazon identified its weakness early on and, as a result, is on course to have the world's largest PUDO network. Having stock and staff in as many locations as possible is a powerful weapon in ecommerce, especially as Click & Collect surges in popularity. Store drop-offs are also a convenient and preferred option for shoppers, with eMarketer reporting that **75% of shoppers would prefer to drop off returns to a store**.

Using stores to competitive advantage, while investing in the technology to track stock movements, can really make the most of any existing collections and returns infrastructure and offer something your online only competitors cannot match. Even if Amazon reaches a point where it has more PUDO locations than many retailers have stores, the experience of dropping off a return will never be the same as an instore 'welcome back' – not to mention the massive opportunities for upselling.

Use the human touch

There's a reason why big brands create '**experience**' stores. Knowledgeable, efficient and welcoming staff play a powerful part in the shopping experience and these valuable in-store brand ambassadors are definitely worth investing in.



Offer longer return periods

Direct to Consumer brands are showing that a relentless **focus on customer** needs pays off. Longer and longer return periods (e.g. the Casper mattress 100-day trial) are becoming the norm, along with no-questions-asked, free returns. On the face of it, this sounds like an almost catastrophically expensive exercise, but by using your data wisely and adapting to customer segments, while also following the Amazon playbook of 'refund by return reason', it's entirely possible to reduce expenditure without compromising the loyalty and lifetime value of your customer.

Doddle is a technology provider supporting retailers with delivery, returns, and fulfilment from stores. Our unique intersection of experience with customers, retailers, carriers and technology means our partners can make powerful lasting impressions and continually earn customers' loyalty. Find out how we can help to make returns a powerful, profitable way to deliver great experiences for your customers.

