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What is your returns provider giving you for Christmas this year?

'Tis the season for explosive shopping followed by excessive returns and expensive processing costs. However, returns don't have to be retailers' nightmare before Christmas. Organizations can work with experienced returns management providers to sleep easier knowing they have meaningful support before the annual returns blitz begins.

Fortunately, goTRG's recent survey revealed 56%¹ of retailers are investing in third-party support and intelligent software to minimize returns, cut costs, and recover higher profits in the secondary market. The days of accepting returns as a cost of business are gone. Retailers' and manufacturers' next challenge is finding the right partner to deliver the systems and services they need.

Here we offer 12 gifts that only the best returns providers can give this holiday season (and beyond).



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On the
FIRST DAY
of christmas,
my returns
provider
gave to me...

Returns management headache free

Effective returns management partners don't provide a singular product or service. They offer a circular end-to-end solution comprising intelligent software, reverse supply chain services, and reCommerce support to transform returns from a total loss to a revenue opportunity. Returns management providers that support retailers from the moment their customer initiates a return can help drive 60% average recoveries, eliminate millions in wasted costs, and replace error-prone systems with data-driven precision.



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On the
SECOND DAY
of christmas,
my returns
provider
gave to me...

Award-winning capabilities

Returns management providers must deliver proven results backed by experience, certifications, and recognitions for excellence in innovation, supply chain, and impact. Some necessary certificates to look for include R2 for responsible recycling practices, ISO 14001 for effective environmental management systems, and certified refurbisher designations from top brands like Apple, Microsoft, and Lenovo.

Inc 5000's Fastest Growing Companies award, Fast Company's Most Innovative Companies award, and Supply & Demand Chain Executive's Green Supply Chain honor are among the top industry achievements.



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On the
THIRD DAY
of christmas,
my returns
provider
gave to me...

Returns savings under the tree

Retailers pay an average of 55% of a product's resale value in returns management and shipping costs because they lack the infrastructure and intelligence to route items efficiently to the best locations. These multi-stop, multi-touch expenses can even exceed the products' resale value, leading to total losses. Fortunately, returns management providers with global infrastructure and data-driven software can eliminate these inefficiencies, reducing total processing costs by 50% more.



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On the
FOURTH DAY
of christmas,
my returns
provider
gave to me...

Shared workspace transparency

Returns providers must be able to give their retail partners the gift of collaborative returns management portals. These shared workspaces, backed by intelligent disposition engines, allow retailers and vendors to execute contractual agreements and fully manage the returns authorization process. These tools also enable retailers to track every product movement from an open, dynamic workspace, driving smarter and more profitable returns decisions every step of the way.



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On the
FIFTH DAY
of christmas,
my returns
provider
gave to me...

Data to route returns masterfully

Effective returns providers must have an arsenal of data to masterfully route returns to the most efficient and economical path possible. Known as disposition engines, these data-driven systems use product attributes like reverse processing costs and resale value to help retailers and manufacturers determine the most efficient resale path, eliminating unnecessary transportation costs and improving recovery and velocity.



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On the
SIXTH DAY
of christmas,
my returns
provider
gave to me...

Consolidation capabilities

Returns management companies must be able to solve retailers' reverse infrastructure and logistics challenges. Providers must have multiple warehouses strategically located across the country. Notably, providers must also have economies of scale, allowing them to consolidate returns in nearby facilities where they can receive, process, refurbish (if needed), resell, and ship directly from a single location. Consolidation capabilities significantly reduce transportation costs, the most expensive aspect of returns management.



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On the
SEVENTH DAY
of christmas,
my returns
provider
gave to me...

Rapid returns velocity

Retailers often spend three to four weeks processing and shipping returns before sending items back to shelves, back to vendors, landfills, or liquidation channels. This lengthy back-to-market cycle requires multiple costly touchpoints while the aging inventory loses value by the day. That's why retailers need partners that can give them the gift of efficiency, reducing staffing reliance and cutting the reverse lifecycle to a week or less.



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On the
EIGHTH DAY
of christmas,
my returns
provider
gave to me...

Value-adds to boost profitability

Retailers must demand to work with reverse logistics providers that do more than route products from point A to Z. Along the way, the best partners must intelligently receive, sort, inspect, data wipe, refurbish, repair, repackage, fulfill and transport these items to their final profitable destination. These providers should only touch products they can add value to and transform those used items to "like-new," commanding the highest possible resale price.



On the
NINTH DAY
of christmas,
my returns
provider
gave to me...

Profits and sustainability

From financial costs to transportation emissions and product trash, returns create extraordinary waste. In fact, 6+ billion pounds³ of returns ended up in landfills last year because retailers didn't have the support to intelligently and sustainably keep these products in the circular economy. With the right third-party assistance this year, retailers can spare millions of products from landfills, cut transportation emissions, and costs, and recover maximum margins on the secondary market.



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On the
TENTH DAY
of christmas,
my returns
provider
gave to me...

Increased warehouse capacity

Retailers must save their finite warehouse space to store and fulfill high-value, brand-new inventory. To offload their returns and excess stock, they need global returns partners with dedicated space. The best providers will offer multiple centers of excellence across North America to ease this physical burden.



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On the
ELEVENTH DAY
of christmas,
my returns
provider
gave to me...

More product visibility

Retailers need to know whether their returns disposition strategies are optimized and which resale channels deliver the most profitable outcomes. The right returns partner will have fully integrated software, connecting and tracking all activities related to handling the reverse flow of products. These tools will provide retailers and manufacturers with instant analytics to continuously improve business performance.



On the
TWELFTH DAY
of christmas,
my returns
provider
gave to me...

Happy customers and loyalty

Customers want a seamless returns experience⁴, and they'll reward retailers that meet their needs. That's why the best returns providers build consumer-facing software to optimize the process. For example, integrated website plugins simplify returns and speed up refunds by directing customers to nearby drop-off locations and providing shipping labels that direct products back to the closest return center.

The bottom line

This holiday season, Deloitte predicts retail sales⁵ will increase 4% to 6% for \$1.45 to \$1.47 trillion. At an industry average 20% return rate, retailers should expect billions of dollars of unwanted merchandise. Right now, as many organizations are planning their budgets for 2023, retailers should think critically about prioritizing their reverse supply chain to minimize the financial impact of returns in the year ahead. Fortunately, 67% of retailers told us that they have allocated investment dollars to their reverse supply chain, with 57% allocating between \$1 million – \$5 million.

So, as you look to get the maximum ROI out of dollars spent, know **what your returns provider should be giving to you this Christmas and beyond** — a sound reverse strategy that keeps customers happy, reduces costs, creates efficiencies, and co-invests in a profitable and sustainable future.

Sources

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