



## Reduce Returns and Delight Your Best Consumers

Returns are not just a cost of doing business; returns are a multi-billion dollar annual dilemma. On average, 20% of a retailer's consumers make returns, often your "best" consumers. Collectively, they represent millions of interactions — a chance to shape purchasing behavior, influence your brand, drive net sales, and reduce loss.

### BRICK-AND-MORTAR OR ECOMMERCE SHOPPER



Returns Product Provides Receipt Provides Consumer Info



REAL-TIME OPTIMIZATION





### **AUTHORIZE**







Approved

Declined

## **Engage Return Authorization**

Returns cut into profits, but retailers may want to avoid drastic restrictions on return policies since these often drive away more revenue than they save. How can retailers protect margin without deterring good consumers?

### **ENABLE FLEXIBLE RETURN POLICIES**

Consumer-friendly and flexible return practices are essential for driving sales, but operating such an environment is too complex with simple, across-the-board return policies. With Appriss® Engage Return Authorization, retailers can intelligently authorize merchandise returns from any channel. A real-time, consumer-based return authorization system, Engage uses predictive algorithms and statistical models to help reduce returns and distinguish and deter fraudulent and abusive return behavior in-store, online, or in the call center.

### **IDENTIFY CONSUMER BEHAVIOR TO STOP LOSS**

Engage is the most widely used return solution in the industry and has proven effective in achieving optimal return rates at major retailers. Engage analytical modeling accounts for numerous factors including your return policies, consumers' purchase and return behaviors with your brand, and potential risk trends, all of which help Engage make the best recommendations for you to balance consumer service and fraud/abuse prevention.

### PROVEN RESULTS AND GUARANTEED ROI

Engage allows you to offer a better return experience to your good consumers while helping you to achieve important goals: stop the financial drain of return fraud, mitigate risk by limiting abusive returners, and reduce the number of unprofitable consumers. The science behind the optimization allows you to be confident of the results and simplifies your internal justification. Our experience shows:

- 99% of consumers—your best consumers—are affected positively.
- 8.2% reduction in return dollars. Reduced returns equal increased net sales.
- 12.95% relative shrink reduction.
- Significant and measurable ROI with almost immediate payback.



### How Engage Return Authorization Works

Traditional return practices are flawed because they don't really consider the activities of the returner. Consumer-based return authorization is much more effective because it reviews consumer behavior and detects patterns of fraud and abuse before too much damage is done.

- Consumer is identified from original receipt with Receipt Triangulation™ or by entering the consumer's information.
- 2. Return transaction information is also captured: ecommerce or store, receipted or non-receipted, original transaction number, and more. Engage does not retrieve or retain gender, race, nationality, physical characteristics, or marital status from consumer IDs.
- **3.** All information is instantly forwarded to an Engage server and Consumer Linking<sup>™</sup> is used to identify all known purchases and returns at that retailer.
- 4. The recommendation occurs while the consumer is present by accessing their known behavior at that retailer and applying individual and potential risk trends to detect patterns of fraud and abuse as well as violations of your return policy.
- 5. Within milliseconds, Engage returns a recommendation to accept the return (about 99% of the time), deny it, or provide a warning to the consumer that future returns may be denied for a period of time.
- 6. If a warning or denial is issued by the retailer, the consumer receives a courtesy notice directing them to contact Appriss Retail's consumer call center for more information.
  - Consumers perceive warnings as better service than a denial. Warnings are a patented feature of Engage; in fact, they are required by law in some locations.

## Improve Consumer Service for Returns

Engage helps you to relax your in-store and ecommerce return policies, remove inflexible rules, and build consumer loyalty.

- Treat best consumers as such; use their purchase history and/or loyalty information at your brand to craft customized return privileges for those who deserve it most.
- Offer more lenient and flexible return policies, while mitigating the risk of fraud and abuse.
  - Apply a fair and consistent return process with unbiased decision making. Don't penalize all consumers with a blanket policy because of the misdeeds of 1% of returners.
- Simplify buy-online-return-in-store (BORIS) and buy-online-return-online (BORO).
  - Reduce tender restrictions
  - Run more flexible promotions
  - Eliminate re-stocking fees
  - Improve refund speed

# Optimizing Your Return Process Is Easy

Return authorization will help you reduce return rates, increase net sales, and drive millions out of your shrink and other costs. As an expert in retail returns, Appriss Retail delivers best practices to help you establish the optimal rate of merchandise returns necessary to guarantee your revenue objectives are met while still protecting the important relationships with your good consumers.





## **Advantages**

### **Loss Prevention**

- Consumers in any channels whose behavior is considered a high risk for fraudulent or abusive returns can be identified.
- Helps to deter all types of return fraud and abuse for receipted, nonreceipted, online, or in-store returns.
  - Wardrobing or Renting
  - Employee fraud
  - Receipt fraud
  - Returning stolen merchandise (Shoplifting)
  - Price switching or price arbitrage
- Helps employees enforce the retailer's basic return policy.
- Permits you to make return decisions by SKU, date, geography, etc.
- Proven correlation between reducing returns and reducing shrink.

### Operational

- Post-return purchasing remains strong after implementing Engage.
- Our consumer call center answers consumer questions, shifting the burden away from your store associates to our specialists.

### **Technical**

- Rapid project times. Initial analysis performed with minimal impact on IT resources. Deployment takes weeks, not months.
- Implements as SaaS and operates on standalone terminals or integrated with your existing POS/ ecommerce.

#### **Financial**

- Aids in significantly reducing return value (return rate), directly improving net sales, shrink, and margin.
- Self funding, don't have to find other budgets to pay for it.
- Significant ROI and rapid payback.
- Sales preservation from reduced returns.



Leveraging more than 20 years of data science expertise, Appriss Retail transforms ecommerce and omnichannel consumer interactions by providing real-time, actionable recommendations that reduce fraud, drive efficiency, and maximize profitability. The company's Al-driven, SaaS platform generates analytical insights and recommendations at more than 150,000 physical and online retail locations in 45 countries across six continents.

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