

Refund Management is a collection of tools used with Engage Return Authorization that augment point-of-service functions and simplify the management of receipts and tenders during the return process.

**Benefit:**

Improved consumer service and more accurate controls within your brand.

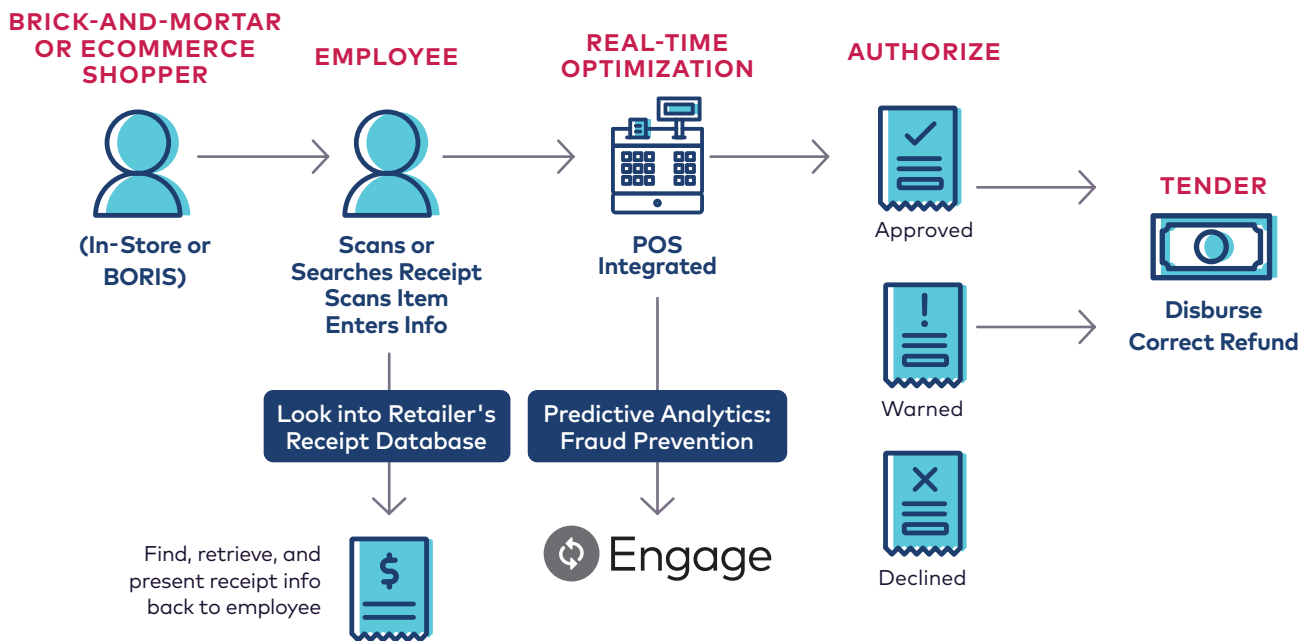
## Refund Management

Your ecommerce and store point-of-sale systems should be configurable and reliable when processing merchandise returns, exchanges, and refunds, or you may risk consumer complaints, revenue shortages, or employee induced shrink.

### RECEIPT AND TENDER CONTROL FOR ANY CHANNEL

When you use Appriss® Retail's Engage Return Authorization solution, Refund Management can be configured to manage your receipts, tender types, and amounts correctly, free from guesswork or manipulation. This can be very beneficial if your current system lacks this capability. To start, you just need to provide Engage with information on your original sales transactions and valid return tender types and ensure that the returned item SKU(s) is captured during the return transaction. Then, during each subsequent transaction, Engage's customized and model-driven analytics help you to consider multiple variables, such as the return merchandise item(s) and price(s), the quantity and types of original tenders, and your tender policies in the refund management process.

Engage can help you manage refunds from any channel and across channels such as buy-online-return-in-store (BORIS). For the sake of brevity, we will refer to refunds being made within the store and through the POS. However, you could implement Refund Management for your ecommerce support system.



**Is that receipt real?**

Before accepting a receipt at face value, consider:

1. Many POS systems lack a centralized receipt history, making it nearly impossible to validate the receipt and items purchased, thus exposing you to over-return situations.
2. "Shoplifting" uses legitimate (often discarded or stolen) receipts to shoplift specific items for a refund.
3. Existing receipts can be altered to enable reuse.
4. Today's color printers and software make it easy to create high-quality fake receipts.
5. Many web sites exist for creating false receipts or illicit trading receipts for shoplifting purposes.

**RECEIPT SEARCH AND LOOK-UP: IMPROVE CONSUMER SERVICE**

Receipt search and look-up can return a complete record of the original sales receipt to your POS or service desk. This will enable your associates to search for receipts by credit card, debit card, loyalty card, or consumer ID. Locating missing receipts helps your chain deliver better customer service at the point-of-return, and helps reduce your occurrence of non-receipted returns.

RECEIPT LOOK-UP HELPS YOU	BENEFITS
<ul style="list-style-type: none"> <li>▪ Search for receipts by credit card, debit card, loyalty card, consumer ID number</li> <li>▪ Reprint a lost receipt</li> <li>▪ Look-up item prices</li> <li>▪ Look-up tender type(s) and amount(s)</li> <li>▪ Prevent invalid and over return situations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Helps relieve consumers of the uncomfortable position of not having a receipt</li> <li>▪ Helps validate original item quantity and price, avoiding issues</li> <li>▪ Helps simplify the refund tender management process</li> </ul>

**GETTING STARTED WITH RECEIPT SEARCH AND LOOK-UP**

Set-up starts with a regular and on-going transmission of your sales transactions (your t-log) to Engage. Appriss Retail stores your brand's transactions in its own centralized receipt database and is ready for instant access.

**RECEIPT LOOK-UP—WHEN YOU HAVE THE RECEIPT**

The POS terminal can look-up the receipt in your receipt database, including return history, by scanning the bar code on the original sales receipt provided by the shopper. Engage can locate the receipt and send back complete details including all items, prices, discounts, taxes, consumer records, tenders, and any returns already made against the receipt.

- If the receipt is found, items already returned are deducted from the "available quantity per item" and the tender amounts already returned are deducted from the available amount per tender. This gives the employee enough information to ensure the consumer is only permitted to return the outstanding items on a receipt, and for the correct amounts.
- If the receipt is not found, messages can be sent back to POS to either present data (for example, "Receipt Not Found") or to make a recommendation (such as: Process this as a non-receipted return).

**RECEIPT SEARCH—WHEN YOU DO NOT HAVE THE RECEIPT**

The POS terminal can help locate a missing receipt by searching your receipt database for matching receipts using 1) a credit/debit card, loyalty card, or employee ID, and 2) a scan of one or more items the consumer wishes to return. Engage helps you to locate all receipts for the consumer that contain the provided items and applies retailer specific logic to help to determine which single receipt, or subset of receipts, to send back to the POS for review by the associate.

- If the receipt is found, the receipt details returned are the same as for receipt look-up above, but there may be multiple receipts and the POS presents these to the associate for additional verification with the consumer.
- If the receipt is not found, messages can be sent back to POS to either present data (for example, "Receipt Not Found") or to make a recommendation (such as: Process this as a non-receipted return).

## SIMPLIFY COMPLEX RETURNS

Refund Management can also help streamline complex processes. For example, some retailers may allow consumers to return from receipted and non-receipted purchases or make returns from multiple receipts.

## TENDER MANAGEMENT: OPTIMIZE RECOMMENDATIONS AND CLOSE LOOPHOLES

Tender accuracy, both in amount and type, can be an important consideration to minimize exposure on merchandise return transactions. Purchases may include multiple tender types (including foreign currency), and refund amounts are impacted by company policies that account for original transaction details such as item price, discounts, and sales tax. Coupled with the fact that many POS systems are not optimized to address these complicated transactions, retailers are often forced to rely on store associates to attempt to process the refund properly.

## GETTING STARTED WITH TENDER MANAGEMENT

Set-up starts with a list of original sale and corresponding allowable return tenders that are uploaded (and regularly updated) to Engage. Secondly, Appriss Retail configures a tender algorithm, based on your specific policies and decision criteria, that helps you to manage: totaling, division across multiple tenders, and tender type selection hierarchy.

### TENDER CRITERIA

Initially, there is a short list of tender criteria that need to be outlined and addressed by you in order to smoothly integrate tender management into your return processing.

- Factoring of discounts, promotional prices, and sales taxes across returned items.
- Allocating multiple instances of same tender type (for example, two different credit cards on the same transaction).
- Allocating across different tender types (for example, building a refund tender hierarchy).
- Configuring tender return limits (for example, only allowing up to \$100 in cash to be disbursed on any single return).
- Determining acceptable foreign currencies and structuring currency conversion processes.

### SUBSTITUTE TENDERS

It is also important for you to clarify all substitution tender types for original tenders that include limitations; examples are shown in the following table.

TENDER TYPE	ISSUE TO ADDRESS WITH APPRISS RETAIL
Unknown (non-receipted)	Need to determine alternate tender(s), typically merchandise credit.
Personal check	Need to determine alternate tender(s), typically merchandise credit or a check mailed from the corporate office.
Gift receipt	Need to determine alternate tender(s), typically merchandise credit.
Foreign currency	Need to determine alternate tender(s), typically cash.
Other payment	Need to determine alternate tender(s).

## LOW PRICE LOOK-UP

For non-receipted returns, some POS systems have difficulty maintaining a price look-up table in order to determine item prices. Therefore, low price look-up will search the Engage receipt history to find and present to your associate the lowest sale price for an item in a store/district/region over the last 90 days.

The first search is typically in that specific store’s receipt history, to account for price variations across the retailer’s chain. However, since not all items are on sale in all stores—but returns are accepted in any store—if a lowest price cannot be determined for the store, Engage can be set-up to help you check for the lowest price for the district, then the region, and finally the entire chain.

## EXAMPLE TENDER MANAGEMENT SCENARIOS

RETURN TENDER SITUATION	DESCRIPTION	ENGAGE HELPS YOUR SYSTEM TO:
Receipted, single, original tender	<p>Shopper returns an item(s) that was originally purchased on a single tender type that has no retailer and/or payment type limitations.</p> <ul style="list-style-type: none"> <li>For example, cash or credit/debit card.</li> </ul>	<ul style="list-style-type: none"> <li>Calculate sub-totals of items and tax.</li> <li>Summarize return total amount for sales associate.</li> <li>Send recommended tender type(s) to associate.                             <ul style="list-style-type: none"> <li>Consumer may be allowed a choice, depending on original tender types.</li> </ul> </li> <li>Store associate completes return on selected tender type.</li> </ul>
Receipted, single, restricted original tender	<p>Shopper returns an item(s) that was originally purchased on a single tender type that includes retailer and/or payment type limitations.</p> <ul style="list-style-type: none"> <li>For example, personal check can only be refunded to a merchandise credit gift card or corporate office mailed check.</li> </ul>	<ul style="list-style-type: none"> <li>Calculate sub-totals of items and tax.</li> <li>Summarize return total amount for sales associate.</li> <li>Send recommended tender type(s) to associate.                             <ul style="list-style-type: none"> <li>Consumer may be allowed a choice, depending on original tender types.</li> </ul> </li> <li>Store associate completes return on selected tender type.</li> </ul>
Receipted, multiple, original tenders	<p>Shopper returns an item(s) that was originally purchased with multiple tender types that have no retailer and/or payment type limitations.</p> <ul style="list-style-type: none"> <li>For example, cash and credit card.</li> </ul>	<ul style="list-style-type: none"> <li>Calculate sub-totals of items and tax.</li> <li>Summarize return total amount for sales associate.</li> <li>Factor total by tender types, following precedence defined by the retailer.</li> <li>Send recommended tender types and amounts to associate.                             <ul style="list-style-type: none"> <li>Consumer may be allowed a choice, depending on original tender types.</li> </ul> </li> <li>Store associate completes return on selected tender type(s).</li> </ul>
Receipted, multiple, restricted original tender(s)	<p>Shopper returns an item(s) that was originally purchased with multiple tender types, in which one or more include retailer and/or payment type limitations.</p> <ul style="list-style-type: none"> <li>For example, cash and personal check.</li> </ul>	<ul style="list-style-type: none"> <li>Calculate sub-totals of items and tax.</li> <li>Summarize return total amount for sales associate.</li> <li>Factor total by tender types, following precedence defined by the retailer.</li> <li>Send recommended tender types and amounts to associate.                             <ul style="list-style-type: none"> <li>Consumer may be allowed a choice, depending on original tender types.</li> </ul> </li> <li>Store associate completes return on selected tender type(s).</li> </ul>
Non-receipted, original tender unknown	<p>Shopper returns an item(s) that was originally purchased on an unknown tender type.</p> <ul style="list-style-type: none"> <li>Retailer policies typically cover tender type(s) for this situation, for example merchandise credit.</li> </ul>	<ul style="list-style-type: none"> <li>Look-up refund amount based on recent sales activity for the item and policies defined by the retailer.</li> <li>Calculate sub-totals of items and tax.</li> <li>Summarize return total amount for sales associate.</li> <li>Send recommended tender type(s) to associate.                             <ul style="list-style-type: none"> <li>Consumer may be allowed a choice, depending on the situation.</li> </ul> </li> <li>Store associate completes return on selected tender type.</li> </ul>

## HOW ENGAGE RETURN AUTHORIZATION REFUND MANAGEMENT WORKS

Below is a simple example of one variation of an overall refund management example; implementations are flexible and incorporate your necessary business rules, policies, and technical constraints.

1. Shopper arrives with merchandise return and original sales receipt.
2. Associate scans receipt bar code (or enters receipt number)
3. Receipt look-up helps query Engage on Appriss Retail's servers.
4. Receipt is located in your Engage receipt database (which contains only your company's transactions) via receipt number and presented back to store associate.
  - 4a. If receipt is not located, the associate can perform a receipt search.
5. Associate scans item bar code(s) and captures other information for Engage processing.
6. Data is sent to Engage on Appriss Retail's servers.
7. Engage helps process the data using all triangulated consumer IDs and linked behavior.
  - 7a. The Engage predictive model (customized for you) helps you to analyze the identified individual's complete history at your business, data from this specific return transaction, current store and associate return activity, geographic risk trends, and your company guidelines. It all happens in the background, instantly, invisible to the consumer.
8. The tender algorithm begins after the authorization process and helps you to:
  - 8a. Calculate sub-totals of items and tax.
  - 8b. Summarize the total return dollar amount.
  - 8c. Factor the return total by tender types, if multiple original tenders were used.
  - 8d. Determine the recommended tender type(s) and amount(s) by type for the store associate.
9. Within milliseconds, Engage helps present the return authorization response (approve, warn, deny), the return dollar amount, and the recommended tender type(s) to the associate for communication to the shopper.
  - 9a. Engage offers you the option of adding a special prompt for the store manager to approve or override on tender recommendations.

## COMBINING WITH ENGAGE RETURN AUTHORIZATION

Refund Management is a powerful and proven tool for helping you to prevent receipt fraud in your current return process. It lets you meet receipt and tender issues head-on. It helps you stop falsification and/or misuse (potentially even on the first occurrence) and can lead to your making considerable improvement in margins. Combining it with Engage Return Authorization creates a complete, optimized solution that helps you reduce return rates and drive millions out of your costs.

- Identify receipts that are considered high risk for potentially fraudulent and/or abusive returns.
- Deter receipt fraud and abuse.
  - False/invalid/forged receipts.
  - Over-use/misuse.
  - Employee-shopper collusion.
- Prohibit receipts that violate your basic return policy or the law, like liquor.
- Remove guesswork from the returns process, using objective and verifiable data to determine whether a receipt is valid or not, and the amount and tender type are correct.
- Solution is invisible to good consumers while still deterring receipt fraud and abuse when required.



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 AI-driven, SaaS platform generates analytical insights and recommendations at more than 150,000 physical and online retail locations in 45 countries across six continents.

[apprissretail.com](https://apprissretail.com)

[ContactUs@ApprissRetail.com](mailto:ContactUs@ApprissRetail.com)

Americas +1 949 262 5100

EMEA +44 (0)20 7430 0715

Asia/Pacific +1 949 262 5100

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