

TURN RETURNS INTO REVENUE

Engage Incentive Optimization

Appriss[®] Engage Incentive Optimization uses return and purchase data to deliver personalized incentives, such as exclusive offers for returning items in-store. This strategy helps you recapture revenue, strengthen customer loyalty, and drive profitability.

The Challenge

A customer returning an item without making a new purchase represents a missed opportunity to recover potential revenue. While our data shows that, on average, 21% of customers make a purchase during a return,¹ the majority leave without buying anything else. This trend can significantly impact profitability, especially when factoring in the costs of processing returns, such as shipping, inspection, and restocking. Turning returns into repeat business is essential to protecting margins and driving growth.

The Solution

Engage Incentive Optimization converts returns into a sales opportunity. By analyzing behavior in real-time, it delivers personalized offers right at the point of return, encouraging customers to buy something else immediately.

These incentives aren't random; they're tailored to each shopper's preferences, whether it's promoting seasonal items or encouraging loyalty. The result? Customers feel valued and are more likely to make a purchase, recapturing lost revenue on the spot. Consumers who used the offers increased their incremental spending by more than 34% the day of the return and continued to shop more frequently—spending more money—during the following weeks.

Powered by Appriss Retail's Linking System, which uses artificial intelligence and advanced data models, retailers using this solution see higher transaction values, stronger margins, and results within hours—turning a potential loss into profit.



Engage Incentive Optimization

is a module within the Appriss Engage solution that applies AI modules to shopper interactions to offer dynamic incentives based on shopper profiles.

BENEFIT:

Retailers typically convert 21% of returns into a same-visit sale following a return. Appriss Engage Incentive Optimization increases that conversion rate by 34%, raising total conversion to 28%—driving more revenue and higher margins.

¹ Appriss Retail customer data

How Engage Incentive Optimization Works

Engage uses the information available at the time of purchase or return to deliver targeted, relevant incentives that will quickly help drive new revenue — within hours of a return. It works by itself or with other Appriss Retail platform solutions to evaluate and act on each transaction in real time.

Determine your objectives. Goals can be based on the need to increase margin, drive traffic, make Buy-Online-Return-In-Store (BORIS) returns more profitable, move soon-to-be-discounted items, or other critical initiatives. They may be common across the chain or unique to a region, district, or ecommerce transaction. Engage supports both retailer-funded and vendor-funded incentives.

Identify the variables that drive your sales. Working with your CRM system or by itself, Engage intelligently delivers offers to the consumer making the purchase or return, both in thanks for continued patronage and to drive new sales and margin (or other objectives) based on shopping behavior. Targeted rewards are driven by items purchased or returned, loyalty program membership, location, transaction date/time, and many more variables.

Select the right targeted incentive. Engage's AI models predict the shopper's chance of purchasing and extend an appropriate, optimized offer — dynamically selected to encourage that customer to act in a manner that meets your objectives, such as maximizing margin. If it isn't determined that the consumer is likely to make a purchase even with an incentive, no incentive is issued.



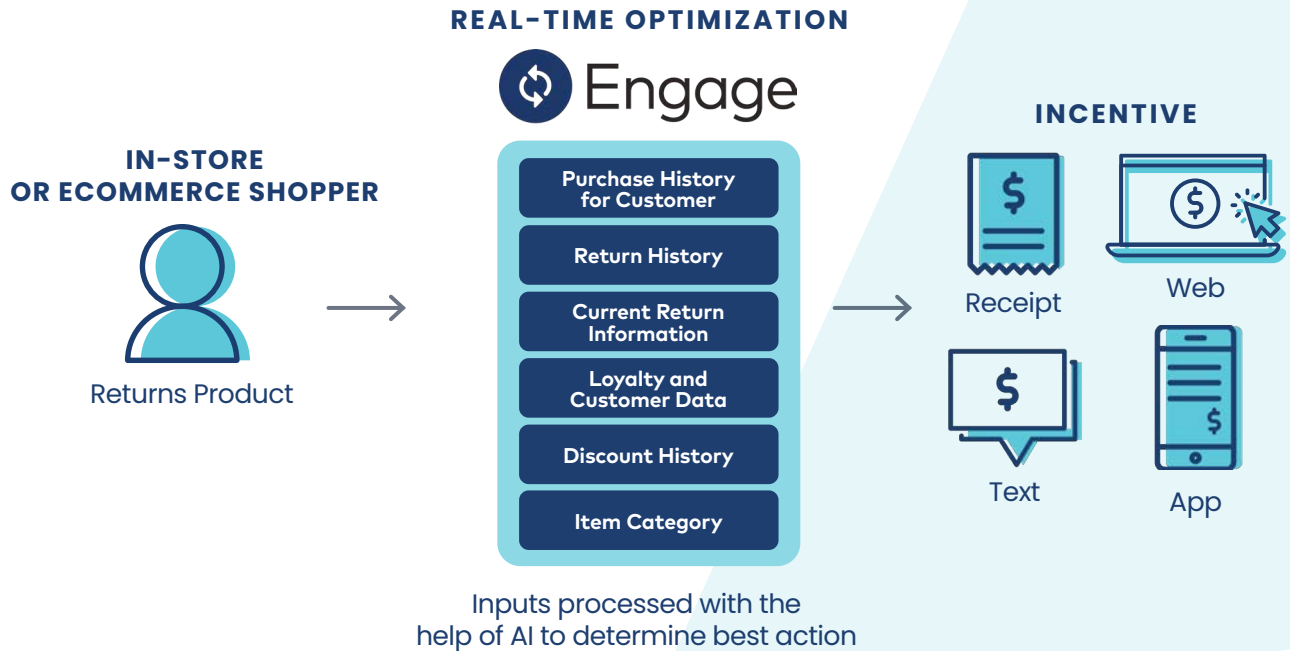
Deliver the incentive. The offer may be delivered via receipt, app, or mobile phone, and is valid for a specific time period, encouraging fast action. Performed as an extension of the sale or return transaction, Engage requires little additional training for your store staff.

It's under your control. This entire process can operate in automated fashion, or you can take a more hands-on control over the offers, products, segments, and other levers that are used to generate incentives.

Margin-Positive Returns and Long-Term Value

Returns bring more foot traffic, creating opportunities to build customer loyalty and drive larger future purchases. A refund, however, negatively impacts your profits. The pain is especially sharp when the store must accept merchandise it never sold initially, as in a BORIS transaction. Engage Incentive Optimization changes that dynamic. Its targeted incentives increase conversions, incremental gross profit, and revenue within hours of the return, helping your performance statistics. The lasting impact on consumer behavior is distinct as shown by fully attributable increases in visits, spend, and margin contribution for weeks after receiving the incentive. You gain insights and the consumer gains a truly differentiating experience.

Engage Incentive Optimization in Action



Key Features of Engage

Targeted Incentives in Real-Time:

- ◆ Leverages AI to deliver personalized offers during returns, driving new revenue and enhancing customer loyalty within hours of the returns visit.

Flexible and Goal-Oriented:

- ◆ Supports retailer-funded or vendor-funded incentives tailored to objectives like increasing margins, driving traffic, or making BORIS returns more profitable.

Optimized for Maximum Impact:

- ◆ AI models predict purchase likelihood and dynamically issue incentives to maximize margin while minimizing unnecessary costs.



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Our commitment to data privacy and security is embedded in every part of our business.

For detailed technical information, visit: docs.apprissretailcloud.com

For detailed infosec information, visit: trustportal.apprissretail.com

Appriss Retail helps retailers protect themselves against fraud and abuse across all transaction channels. With more than 20 years of retail data science expertise and experience, we've built a robust omnichannel intelligence platform that is trusted by over 60 of the top 100 U.S. retailers, covering 40 percent of all U.S. omnichannel sales. Globally, Appriss Retail reaches 45 countries across six continents. The company provides relevant and actionable intelligence to retailer's operations, finance, marketing, and loss prevention teams. Appriss Retail's performance-improvement solutions yield measurable results with a significant return on investment. For more information about Appriss Retail, visit apprissretail.com or our [LinkedIn page](#).

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