

**UNBOXING THE FUTURE OF**

# **REVERSE LOGISTICS:**

**MASTERING RETURNS  
IN THE DIGITAL AGE**



**Microlistics**  
WISETECH GLOBAL GROUP



# RETURNS GONE *WILD*

**CONSUMER DEMAND IS DRIVING THE RISE OF ECOMMERCE**, causing a shift from B2B fulfillment to B2C delivery directly to the consumer. This shift is presenting modern executives in retail, eCommerce, transport & logistics, and others who work in returns, with a number of challenges.

One of the biggest challenges is the need to meet rising consumer expectations. Consumers today expect fast, convenient, and affordable delivery. They also expect to be able to easily return items if they are not satisfied with them. This is putting a lot of pressure on retailers and logistics providers to streamline their operations and make it easier

for consumers to get the products they want, when they want them. For example, a recent study found that 30% of online purchases are returned, compared to just 8.89% of in-store purchases.

Another challenge is the increasing complexity of the returns process. In the past, returns were typically handled by retailers. However, with the rise of ecommerce, many returns are now handled by third-party logistics providers (3PLs). This can make it more difficult to track and manage returns, and it can also lead to delays and increased costs.

Finally, the rise of ecommerce is also leading to an increase in the volume of returns. In 2022, approximately 3.5 billion items were returned in the United States alone. This represents about 16.5% of all retail sales. The return rate for online purchases is significantly higher, at around 30%.

These are just a few of the challenges that modern executives are facing in the returns landscape. In this eBook, we will discuss these challenges in more detail and offer some solutions for overcoming them.

**IN THE UNITED STATES,  
APPROXIMATELY**

***3.5 BILLION  
ITEMS ARE  
RETURNED  
EACH YEAR.***

This represents about **16.5%** of all retail sales. The return rate for online purchases is significantly higher, at around **30%**.

- NATIONAL RETAIL FEDERATION

# WHAT THE CUSTOMER *WANTS*

The challenges of returns can have a significant impact on the bottom line of businesses. The cost of processing a return can range from 20% to 65% of the item's original value. Additionally, returned items that cannot be resold at full price often have to be sold at a discount or even donated to charity. Returns can also disrupt the supply chain and lead to lost sales.

Despite the challenges, returns are a reality of the ecommerce business. Businesses need to find ways to manage returns efficiently and effectively in order to minimize the impact on their bottom line.



## RETAIL CONSUMER BEHAVIOR

**79%**

of online shoppers say that a free & easy return policy is important to them when making a purchase

(\*BAYMARD INSTITUTE)

**67%**

of people are more likely to shop with a retailer that offers free returns.

(\*NATIONAL RETAIL FEDERATION)

**46%**

of online shoppers have abandoned a shopping cart because the return policy was not clear or convenient

(\*BAYMARD INSTITUTE)

# RETURN *TO* SENDER

There are a number of things that businesses can do to manage returns more effectively. One important step is to make it easy for customers to return items. Businesses can do this by offering free returns, providing clear and concise return instructions, and making it easy for customers to track the status of their returns.

Another important step is to reduce the number of returns in the first place. Businesses can do this by providing accurate and detailed product descriptions, using high-quality photos, and offering sizing guides. Businesses can also use data analytics to identify trends in returns and make improvements to their products and services.

We discuss more ways executives can handle Amazon-era return volumes and expectations on the next page.

**THE COST OF PROCESSING A RETURN CAN RANGE FROM *20% TO 65%* OF THE ITEM'S ORIGINAL VALUE**



# AMAZON-ERA EXPECTATIONS

It's clear that consumers not only expect, but demand that returns are fast, free and easy. Executives who manage returns, regardless of industry, will do well to keep up with the latest industry trends, utilizing tools and technology that keep up with the fast-paced landscape of consumer expectations.

36%

OF EXECUTIVES ARE UNSATISFIED WITH THEIR CURRENT WAY OF COMMUNICATING WITH CUSTOMERS DURING RETURNS PROCESSES.

70%

OF EXECUTIVES REPORTED LOSS ASSOCIATED WITH HUMAN ERROR OR ITEMS BEING DAMAGED OR LOST IN TRANSIT.

-23' BLUESTAR NATION SURVEY DATA

## HOW TO MEET CONSUMER DEMANDS

### FACILITATE RETURN OPTIONS DURING THE FULFILLMENT PROCESS.

This includes printing return labels, allowing customer service to generate labels, and providing self-serve portals. By making it easy for customers to return items, businesses can reduce the number of abandoned carts and improve the customer experience.

### ENSURE RETURNED GOODS ARE RECEIVED EFFICIENTLY.

This includes tying a returned item back to the original shipment, scanning to capture the order number or tracking number, and having upstream and downstream visibility. By efficiently receiving returned goods, businesses can reduce the amount of time it takes to process returns and get items back into stock.

### RESTOCKING RETURNED GOODS EFFECTIVELY.

This includes performing quality assurance to determine if the item can be restocked and sold again, repairing, repackaging, and putting-away returned items, and updating inventory counts. By effectively restocking returned goods, businesses can minimize the impact of returns on their bottom line.

### HANDLING HIGH RETURN VOLUMES EFFICIENTLY.

This includes having a system in place to quickly and accurately process returns, and having enough staff on hand to handle the workload. By efficiently handling high return volumes, businesses can avoid disruptions to their operations and maintain a high level of customer satisfaction.

# KEY BENEFITS OF *DIGITAL-AGE REVERSE LOGISTICS*



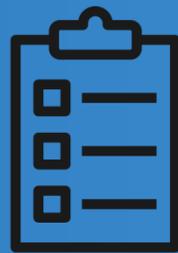
## FEWER ABANDONED SHOPPING CARTS AND LOYAL, REPEAT CUSTOMERS:

When customers are confident that they can easily return items if they are not satisfied with them, they are more likely to complete their purchases. Additionally, customers who are well-informed of their orders and returns from beginning to end - are more likely to return to that business in the future.



## ACCURATE INVENTORY COUNTS:

By accurately tracking returned items, businesses can ensure that their inventory counts are always up-to-date. This can help to improve order fulfillment accuracy and reduce the risk of stockouts.



## EFFICIENT, AUTOMATED WORKFLOWS TO REDUCE COST-TO-SERVE AND PRESERVE MARGINS:

By automating the returns process, businesses can reduce the amount of time and labor required to process returns. This can lead to significant cost savings and help businesses to preserve their margins.



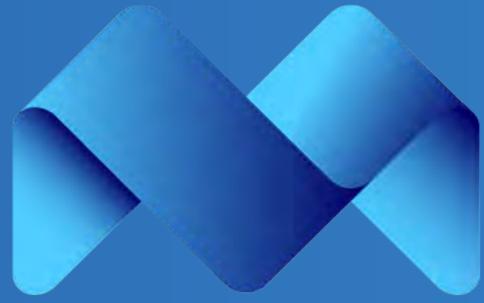
## DATA INTEGRITY BETWEEN MANUFACTURER, RETAILER (SUPPLIER OR WHOLESALER), AND 3PL PROVIDER:

When all parties involved in the returns process have access to the same data, it is easier to track and manage returns. This can help to reduce errors and delays, and improve the overall efficiency of the returns process.



## LESS WASTE DUE TO FEWER PITCHED GOODS:

When businesses can efficiently process and restock returned items, they are less likely to need to pitch those items. This can help to reduce waste and improve the company's environmental footprint.



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# **MICROLISTICS** **WMS FOR REVERSE** **LOGISTICS**

**Microlistics WMS is a comprehensive warehouse management software that offers a variety of capabilities for returns management, including real-time visibility and efficient ingestion of returns, support for order consolidation and quality checks, and integration with other systems. These capabilities can help businesses to reduce the cost of returns and improve the efficiency of their returns process.**



## **EFFICIENT AND ACCURATE RETURNS TRACKING:**

Microlistics software enables real-time visibility into returns, efficient and accurate ingestion of returns, and quality and integrity checks. This helps businesses to get returned products back into stock quickly and minimize the cost of returns.



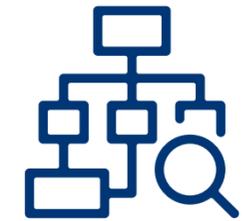
## **DATA-DRIVEN INSIGHTS:**

Microlistics software can generate reports on returns data and be used with data analytics tools to predict returns. This information can help businesses to identify areas where they can improve their products or services and plan their inventory levels and resources accordingly.



## **AUTOMATED RETURNS PROCESSING:**

Microlistics software allows users to set up automated returns processing rules, which can reduce the amount of manual intervention required and improve the efficiency of the returns process.



## **INTEGRATION WITH OTHER SYSTEMS:**

Microlistics software integrates with other systems, such as inventory management systems, order management systems, and accounting systems, which can help businesses to streamline their returns process and improve their overall efficiency.



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**Microlistics, Zebra Technologies, and Newcastle Systems have partnered to provide businesses with a comprehensive returns management solution.** Microlistics WMS, Zebra's rugged mobile computers and tablets, and Newcastle's mobile powered workstations work together to help businesses reduce the cost of returns, improve the efficiency of their returns process, and provide them with the insights they need to make better decisions about their products and services.

## WMS, SCANNING & PRINTING ON THE GO WITH NEWCASTLE + ZEBRA TECHNOLOGIES

Zebra's hardware is designed for the most on-demand and rugged warehouse environments. Featuring durable designs, powerful processors, fast wireless connectivity, advanced barcode scanning capabilities, and long battery life to help workers stay mobile, connected, and productive.

# NEWCASTLE POWERED WORKSTATIONS

Reverse logistics is complicated enough without extra steps. Boost your team's productivity by eliminating wasted time spent walking to and from fixed workstations. Newcastle's powered mobile workstations provide everything your workers need to stay on task, wherever they are. With their ergonomic design and integrated power supply, employees can effortlessly move these workstations throughout your return's facility - reducing downtime and increasing productivity. Less walking means more working.



### ZT200 SERIES PRINTERS:

Designed for durability and ease of use, the ZT200 Series is the perfect choice for demanding environments.



### ET4X RUGGED TABLETS:

Rugged, lightweight, and versatile tablets designed for use in a variety of settings.



### DS3600 SERIES ULTRA-RUGGED BARCODE SCANNERS:

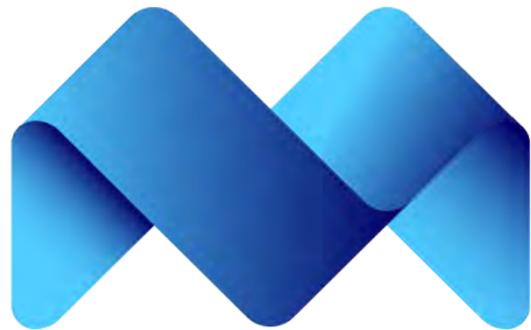
These scanners stand up to harsh conditions, read at astonishing lengths and speeds, and give workers nonstop, full-shift power

# WHO CAN *HELP?*



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