



ComCap Webinar Series – Returns 2020

A conversation with returns innovators as we prepare for the “perfect storm” challenging retailers and logistics providers this holiday season

Post-pandemic reverse logistics - a conversation with returns innovators

Wednesday, October 14th, 9AM PT



Aron Bohlig
Founder



Moderator



Kunal Thakkar
COO

PENROSE HILL

Moderator



Tim Robinson
Chief Executive

Duddle.

Logistics & Supply Chain



David Sobie
Co-Founder

h. Happy Returns

*Consumer Services,
Logistics & Returns*



Rob Zomok
President

INMAR.
intelligence

*Information Technology
& Services*



Tobin Moore
CEO & Co-Founder

optoro

*Reverse Logistics &
Inventory Management*

**E-COMMERCE RETURNS:
DELIGHTING CONSUMERS,
NOT DILUTING PROFITS**



**FREE
RETURNS
DO NOT COME
FOR FREE
SO.....**



DESIGN THE PROCESS TO DELIVER EQUIVALENT OR GREATER VALUE



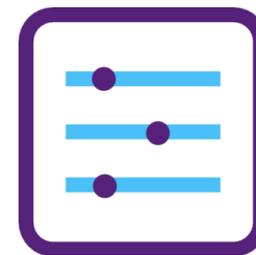
Procure rich data and insight at both product and consumer level (consumer generated insight)



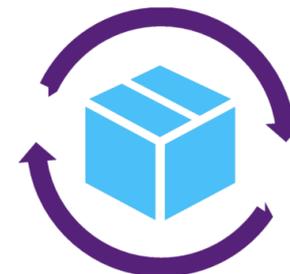
Use that data to save the full price sale if not this time every other time there after (exchanges, store vouchers, loyalty points)



Use the digital connection with the consumer to encourage and incentivise faster turn-round of unwanted purchases



Design returns options to suit different consumer groups or products



Reduce waste and cost through better orchestrated reprocessing routes

A DODDLE & AMAZON EXAMPLE:

2018

We launched “packaging free returns” with Amazon

- Amazing consumer experience
- Significant reduction in the cost of reprocessing those returns
- Data allowed items to be individually routed at first touch point without shipping packaging or labels

2020

We are piloting self service returns with Amazon in the US

- Leveraging Amazon store estate at low cost
- Keeping digital consumers in digital journeys until the end
- Build in all of the benefits of packaging and label free experience





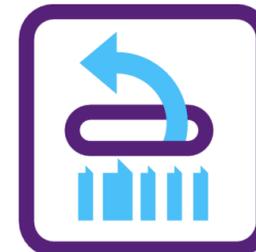
SMART DIGITAL CARRIERS ARE UNLOCKING VALUE TOO



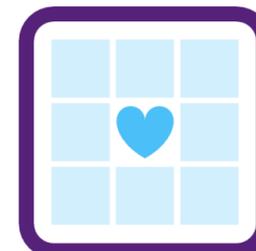
Carrier grade portal that can be deployed across multiple brands



Carrier can steer its first mile costs down through promotion and adoption of accesspoints



Carrier can drive efficiency in its hubs through wide scale adoption of consistent digital labelling (not historically been the case with returns)



Delivering real tangible value back to a retailer that differentiates the carrier brand



Use returns traffic to build valuable partnerships with brick and mortar retailers... extend your first mile footprint at little or no cost

RETURNS STATS

Which, if any, of the following would you prefer retailers to offer when returning an item?*



*Those surveyed were asked to select all that apply.
Source: YouGovPlc.



THANKS

TIM ROBINSON

Reverse Logistics & Returns

Comcap Webinar | October 2020



Happy Returns

Returns are broken for online shoppers

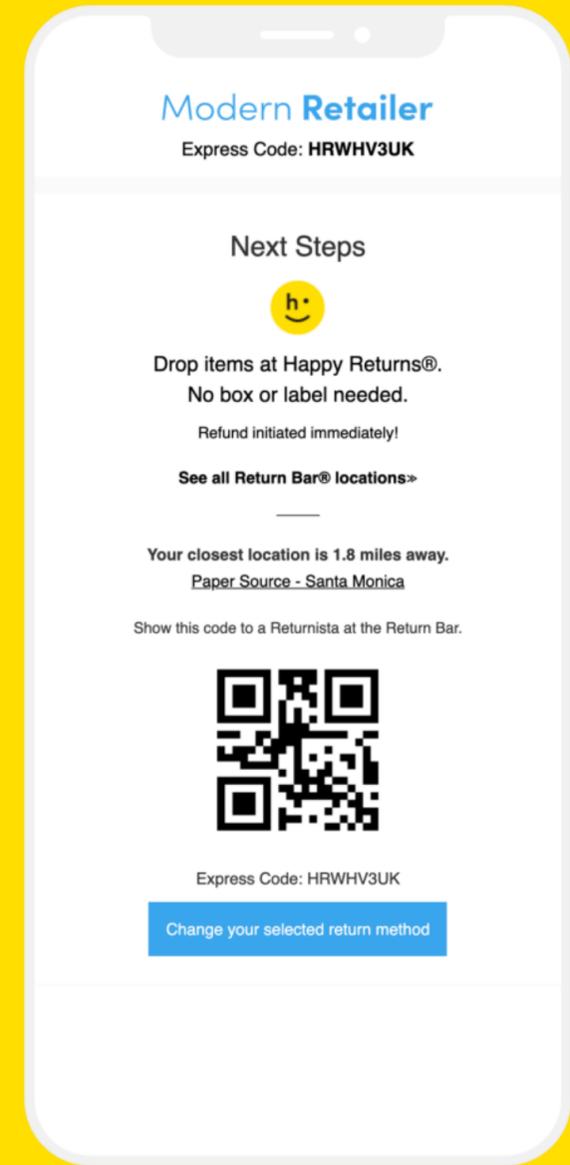
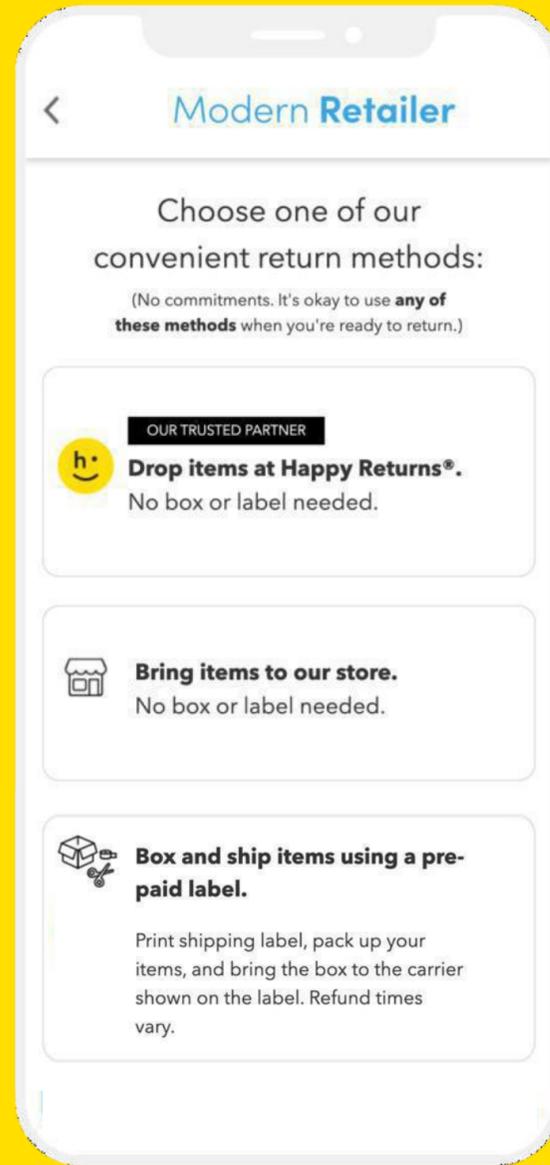
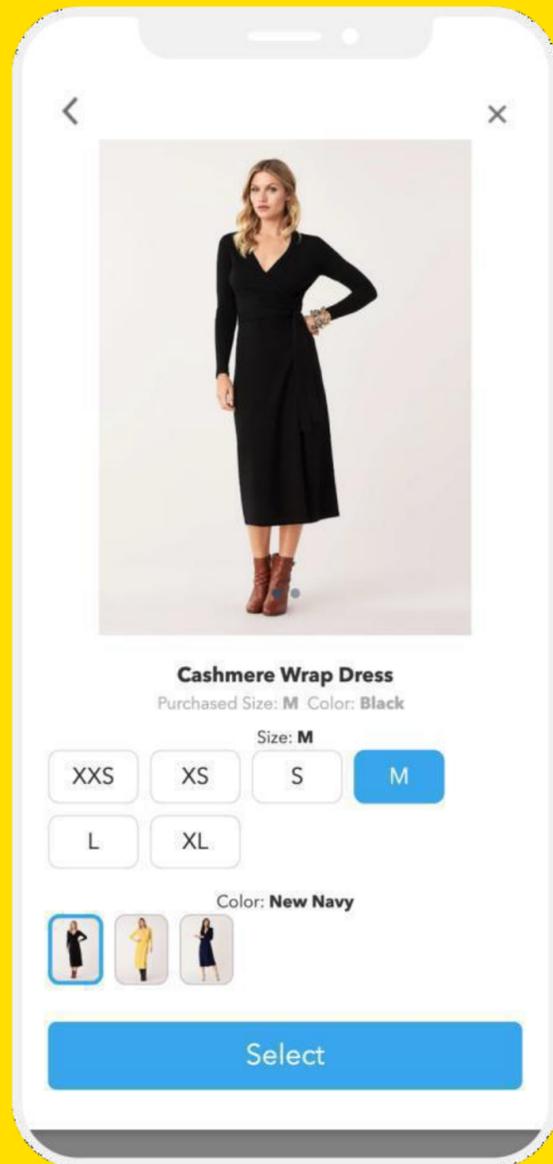
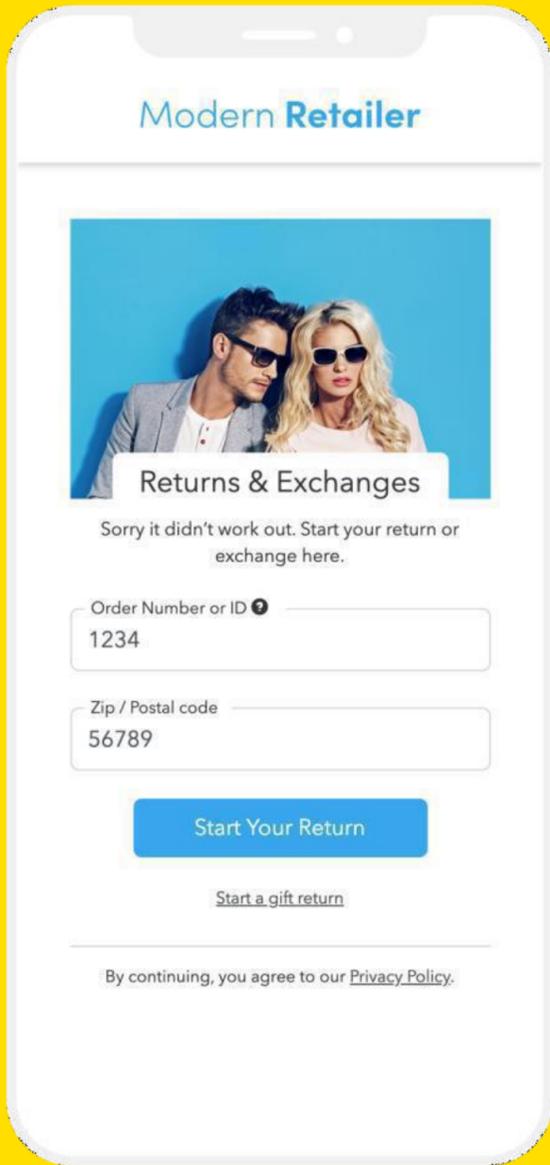


**Returns are complex
and expensive for retailers**



**Returns are wasteful
for the planet**

Happy Returns WE MAKE  RETURNS
BEAUTIFUL— FOR SHOPPERS, RETAILERS,
PARTNERS AND THE  PLANET



Best-in-class returns portal software



Anationwide network for box-free return drop off



Efficient reverse logistics powered by proprietary software



“ The best return experience ever. Not even Amazon makes returns this easy. ”

A brand that shoppers know & trust

Happy Returns makes returns beautiful for every stakeholder

Stakeholder	Beautiful Returns Are...
Shoppers	Friction Free
Retailers	Lowest Cost
Location Partners	Foot Traffic Driver
The Planet	Sustainable



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ComCap Reverse Logistics and Returns Webinar 2020

**Rob Zomok, President
Inmar Supply Tech**

October 14, 2020

INMAR COMPANY OVERVIEW

WE HAVE A
40-YEAR HISTORY
AS THE TRUSTED
INTERMEDIARY
MANAGING OVER
\$120 BILLION DOLLARS
OF COMMERCE

We help brands, retailers, healthcare companies and government entities drive profitable growth by accelerating commerce thru data-driven, strategic insights.

These insights inform the solutions we create and help our clients focus on the customers they serve.

90%
OF CPG'S
IN U.S.

40K
RETAIL
LOCATIONS

161M
eCOMMERCE
TRANSACTIONS

400M
PRODUCT
RETURNS

UNPARALLELED VALUE RECOVERY FOR RETAILERS AND CPGs

- RETAIL AND E-COMMERCE RETURNS MANAGEMENT
- SUPPLY CHAIN PERFORMANCE ANALYTICS
- LIQUIDATION & RE-MARKETING
- RECALLS & MARKET ACTIONS

SETTING THE STANDARD FOR SUSTAINABILITY WITH E-COMMERCE RETURNS MEDIA, POS AND E-COMMERCE TECHNOLOGY

\$2.5B+
IN RETURNS

400M
RETURNS SCANNED
ANNUALLY

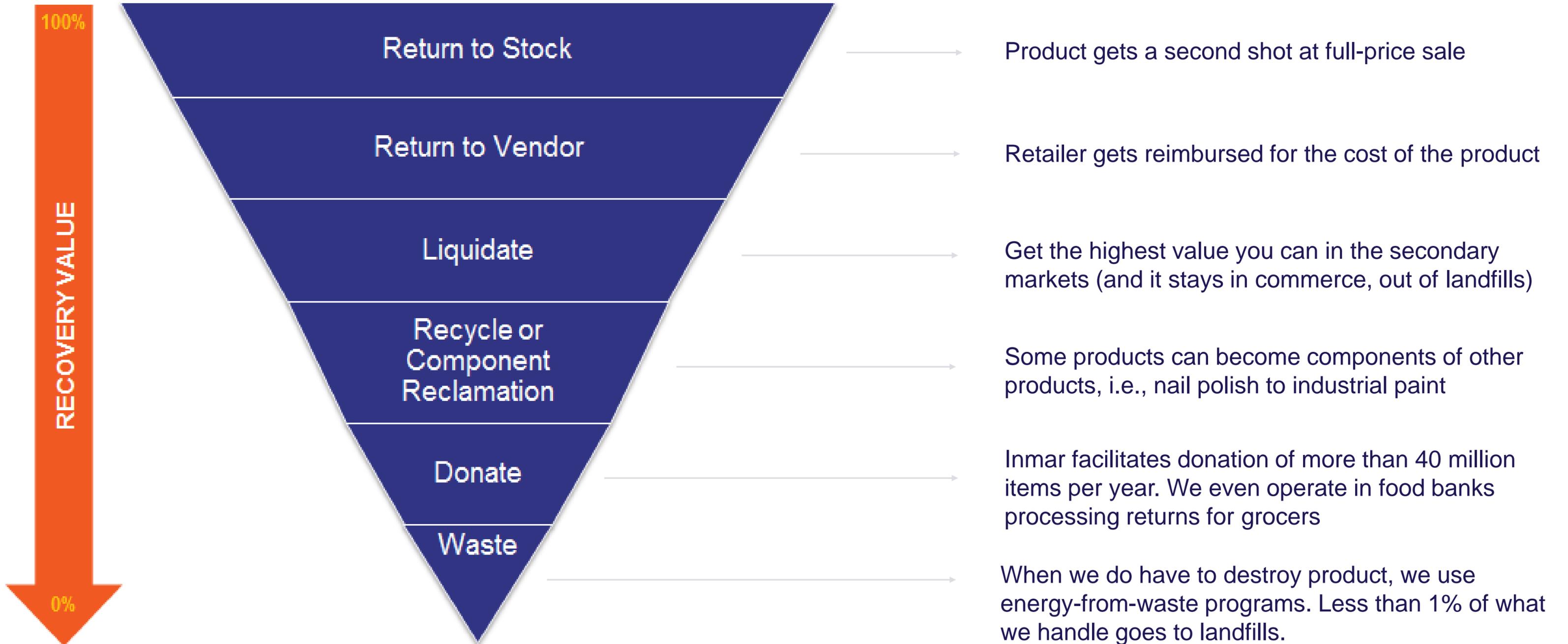
40M
UNITS RECALLED
PRODUCTS

\$3.5B
KEPT FROM
LANDFILL

HOW YOU PROCESS RETURNS DIRECTLY IMPACTS VALUE RECOVERY

WHEN YOU DECIDE THIS...

SOMETHING BETTER HAPPENS...



\$45M RETURNS BACKLOG RELIEVED, 95% OF E-COMM RETURNS SENT BACK TO FULFILLMENT

A major-brand omnichannel apparel seller had a 650,000-unit returns backlog blocking new volumes of forward-bound product volume from new, higher corporate sales directives for retail and online business. Returns were being liquidated at an unacceptable level of value loss.

- Inmar was easily interfaced with the company's existing returns initiation platform to **automate issuing receipts and credits for online and in-store returns**
- Shifting returns processing to Inmar returns facilities, Inmar replicated the inspection process for evaluating product for return-to-stock and other dispositions, **clearing a \$45M returns backlog of 650,000 units in a matter of weeks**
- Unparalleled data visibility enabled a significantly **deeper view of return trends and product performance by reasons for return, category, store, quality, and more.**
- New process efficiency and data capture enabled **95% of online returns to go back to fulfillment**
- Labor relief allowed redeployment of **130+ client employees and DC space from returns to focusing on forward flows sending full-value product to retail sale**

MAJOR RETAILER SAVES MILLIONS IN OPERATING EXPENSES, FREIGHT AND SALVAGE



REDUCED FREIGHT EXPENSES: \$10 MILLION

Freight expense was about 1% less – 0.6% vs 1.6% – of the value of the goods returned



INCREASE SALVAGE RECOVERY: \$10 MILLION

Increase salvage recovery by 200 bps or about \$10M



SAVINGS IN OPERATING EXPENSES: \$7 MILLION

Only spend 0.7% more in Opex while achieving higher return volume

- Expanded data visibility to item-level detail now facilitates **better business decisions through 18 live dashboards delivering 110+ individual dynamic reports**
- Both corporate management and depot managers can now access data and work on the fly to fine-tune **details and issues that were previously unknown to the business**

SUMMARY:

BETTER FOR YOUR CUSTOMERS, BETTER FOR YOUR BUSINESS

A returned purchase is not a failure, it's an opportunity:

- Engage with and delight your customers with easy, convenient returns
- Recover remarkably more value from returns
- Greatly reduce the operational and business cost of returns
- Get deeper visibility and new perspectives on your business through unparalleled data on returns



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Q & A

The Leading Returns Platform



From customer return initiation to warehouse processing and reCommerce, we offer a **powerful solution for retailers and brands to improve outcomes and reduce waste** across all points of the returns process.



Tobin Moore
CEO & Co-Founder

Platform in use by top retailers



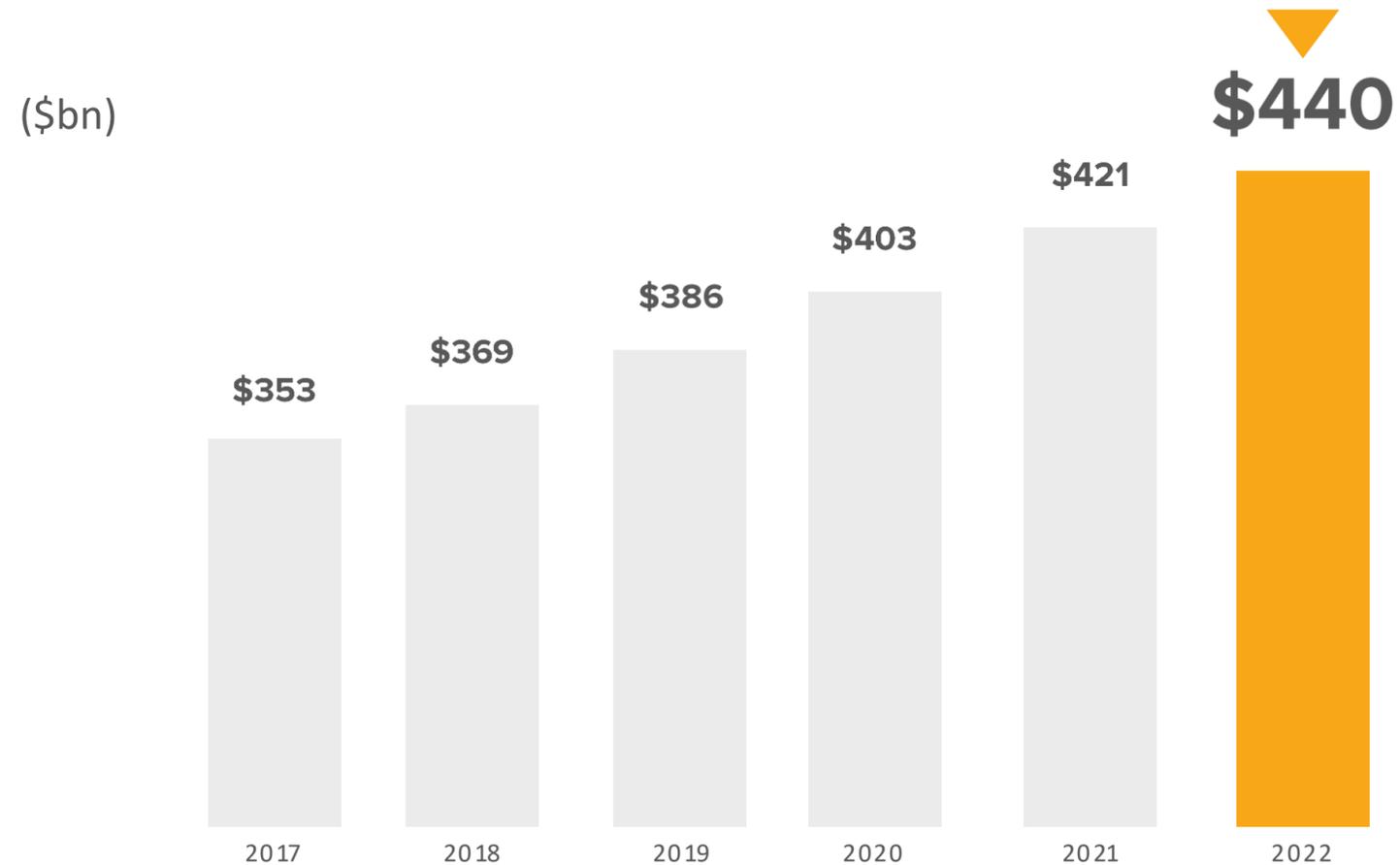
Technology & sustainability investors



Awards and recognition



Returns are a huge and growing problem, exacerbated by COVID-19



Returns are expected to **exceed \$400B** in 2020

▶ **11%**

average return rate across all categories

▶ **25%+**

average return rate for eCommerce

▶ **89%**

of consumers returned a holiday gift last year

▶ **5B lbs.**

of waste generated per year from returns in the U.S.

Source: NRF (2018), Invesp (2019)

Returns experience is a make-or-break moment



95%

of consumers say **they'll buy again** if they have a positive returns experience

15%

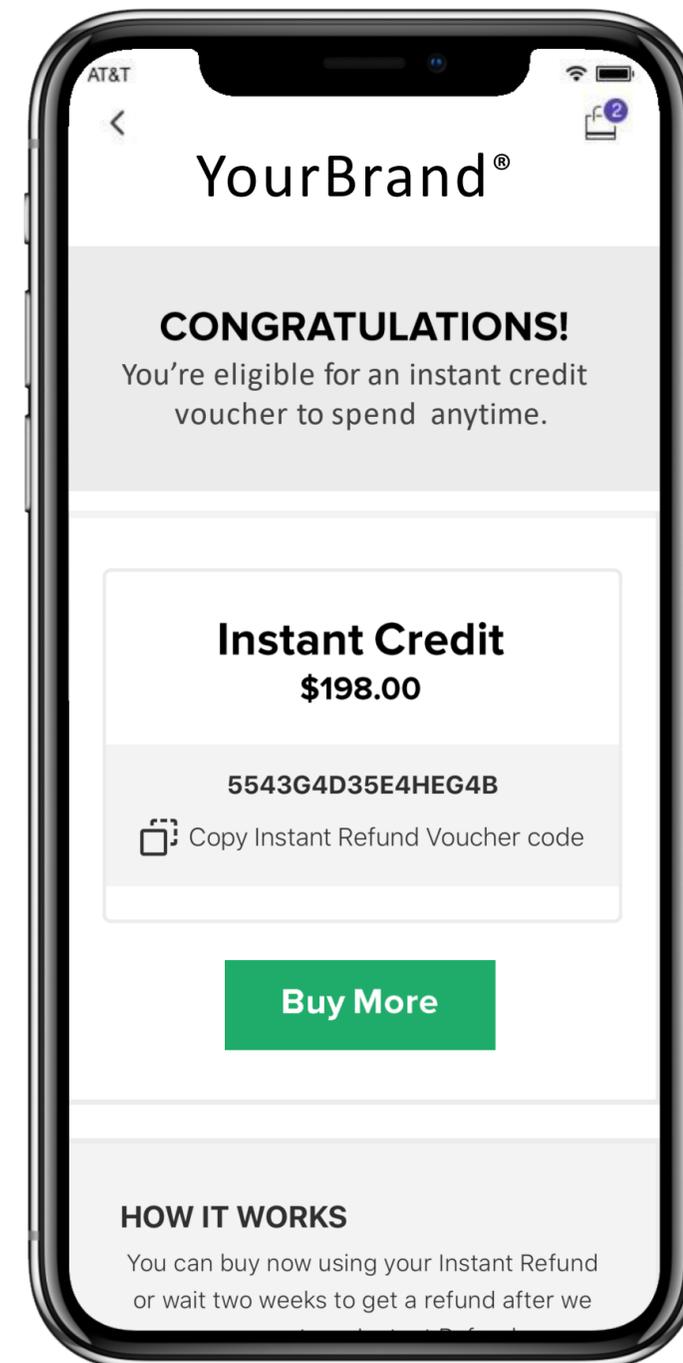
churn rate, with new customers **4x** as likely to never shop again

Optoro provides an end-to-end solution for returns



A great returns experience includes a **branded returns portal** and **instant, risk-free exchanges**

- Self-service online returns portal
- Configurable return policies, reason codes, routing
- **Instant credit** offered customers to drive exchanges and save the sale
- **3x** increased return-to-repurchase conversion rate + **23% AOV lift**



Branded returns portal



Powered by  returnly



Great returns management includes **returns processing**

- Reduce costs from returns with streamlined processing and automated decision-making
- Free up “forward” space & labor
- Flexibility to use software in-house or in our network of returns centers

Returns Processing

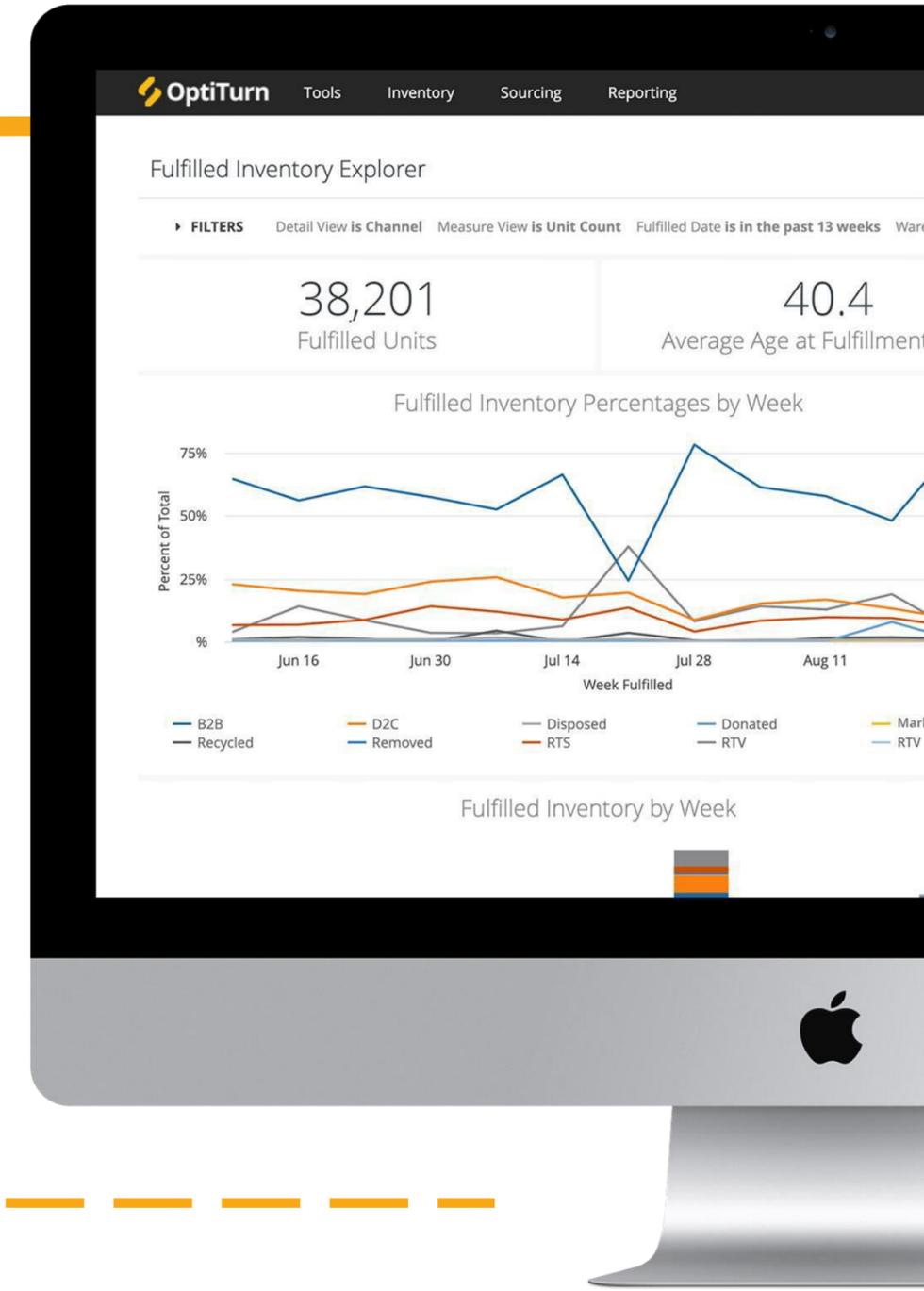


Great returns management includes a **robust disposition engine & visibility**

- Automated routing to most profitable demand channel
- Flexible, SKU-level rules engine
- Dynamic controls
- Real-time, unit-level visibility



SmartDisposition®
Routing & visibility

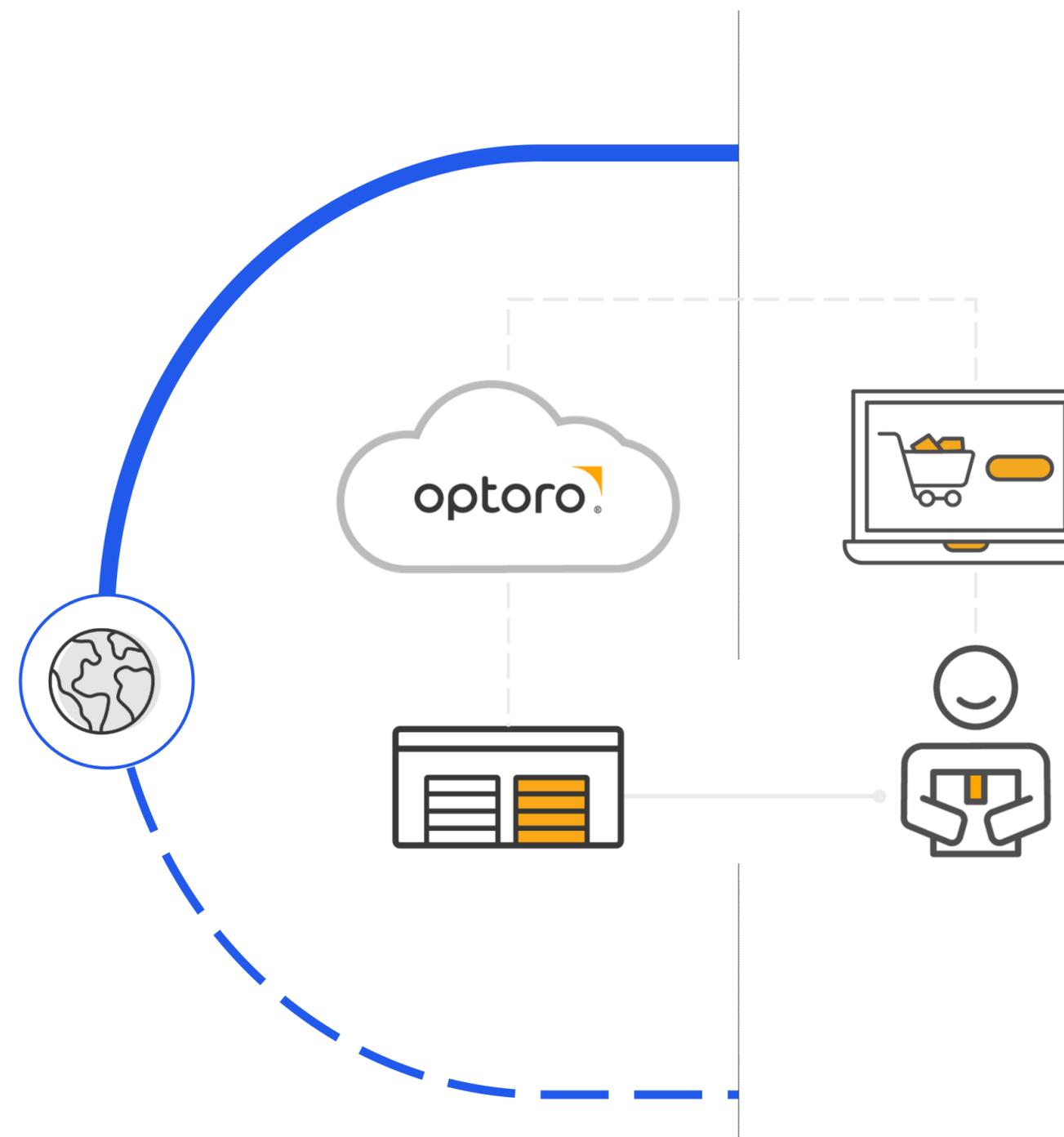




Great reCommerce includes drop shipping

- Reduce out-of-stock from tied up inventory
- Improve profitability and efficiency
- Connect primary & secondary channels
- Avoid additional shipments back to your facility

Dropship fulfillment

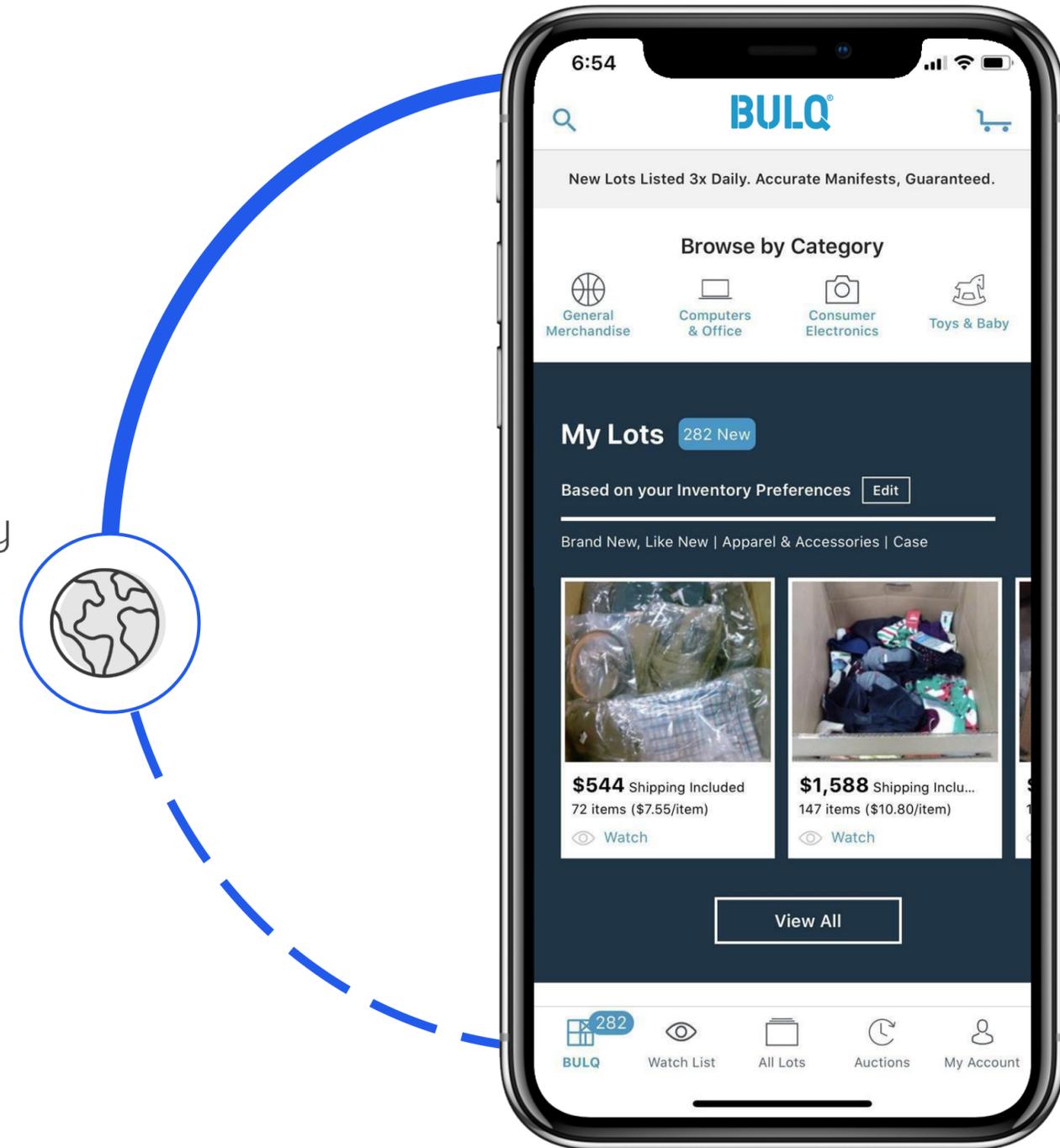


Great reCommerce includes integrated secondary channels

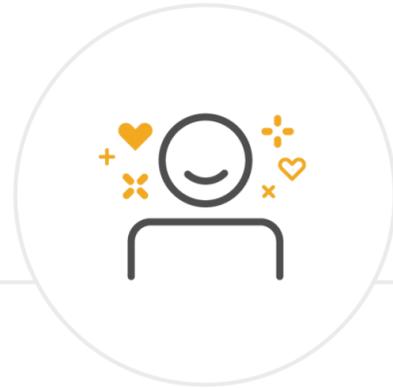
- Cross-marketplace listings
- Connect all primary and secondary channels
- Avoid additional shipments back to your facility
- Turnkey access to Optoro D2C & B2B recommerce channels
- Contribute to circularity by avoiding additional shipments back to your facility

Secondary demand channels and tools

BLINQ
BULQ

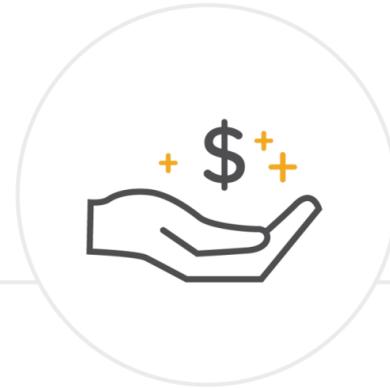


Optoro helps you transform returns into a strategic advantage



Hyper-Loyal Customers

- **90+** CSAT for returns
- **2-3x** repurchase rate
- **20%+** AOV



Profitable Growth

- Fewer contacts, space, labor
- **20%+** lower returns costs
- **5%+** higher top-line



Healthier Planet

- **30-50%** less landfill
- **70%** lower CO₂
- **50%** fewer boxes

Thank You

