



RETURNS REVOLUTION

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HOW TO BUILD A BUSINESS CASE FOR RETURNS

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How and why WiggleCRC made a business case for returns...

WiggleCRC – Who are we and what do we do?

WiggleCRC

- Wiggle '99
- Chain Reaction Cycles '89

6m Parcels annually

14 Core territories

108 Total countries

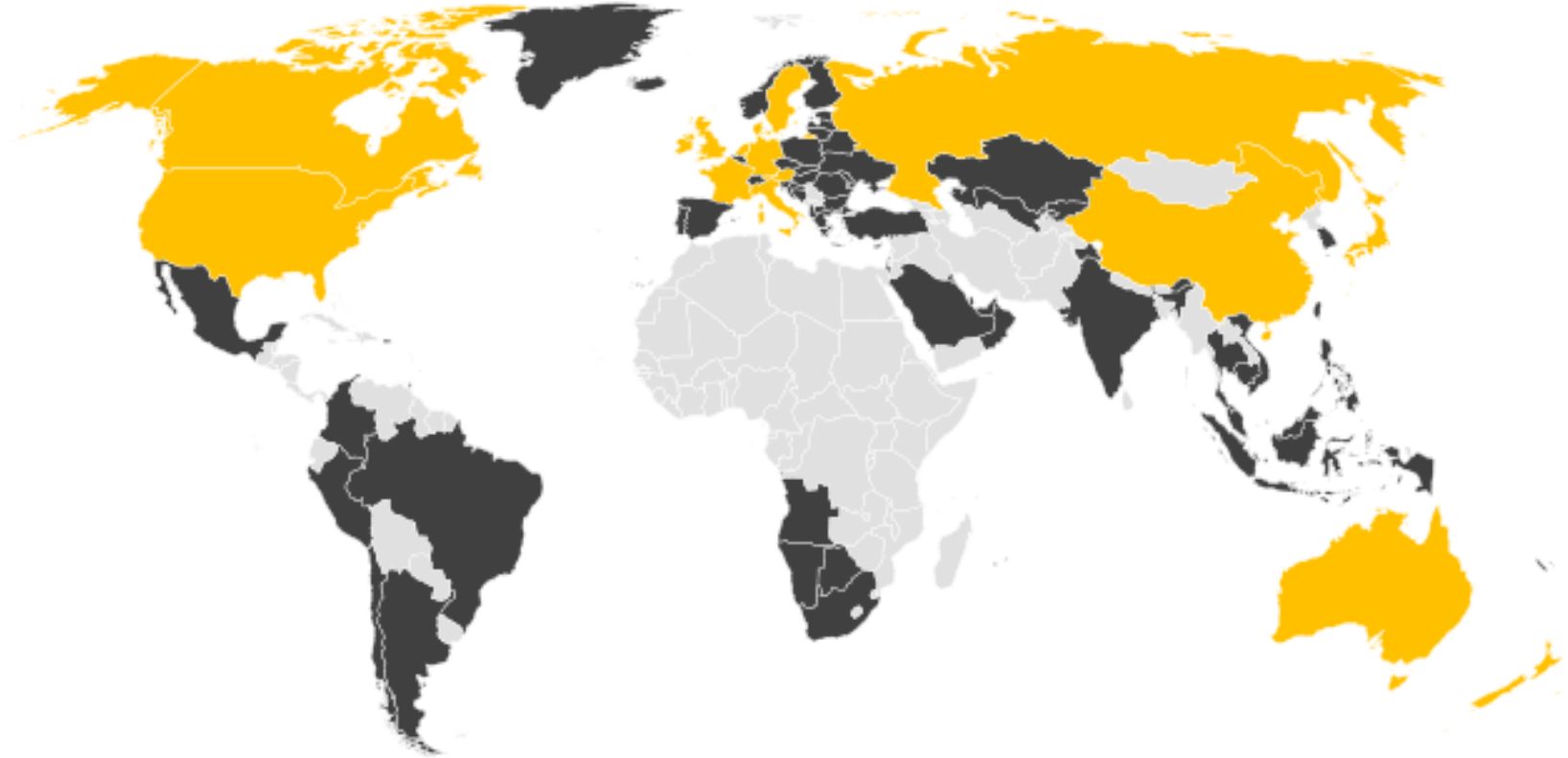
365 Day return policy

Free returns in UK & Europe

- End to end services
- Subsidised returns RoW
- In-country hubs

9-10% Returns rate

Returns were a relative afterthought...

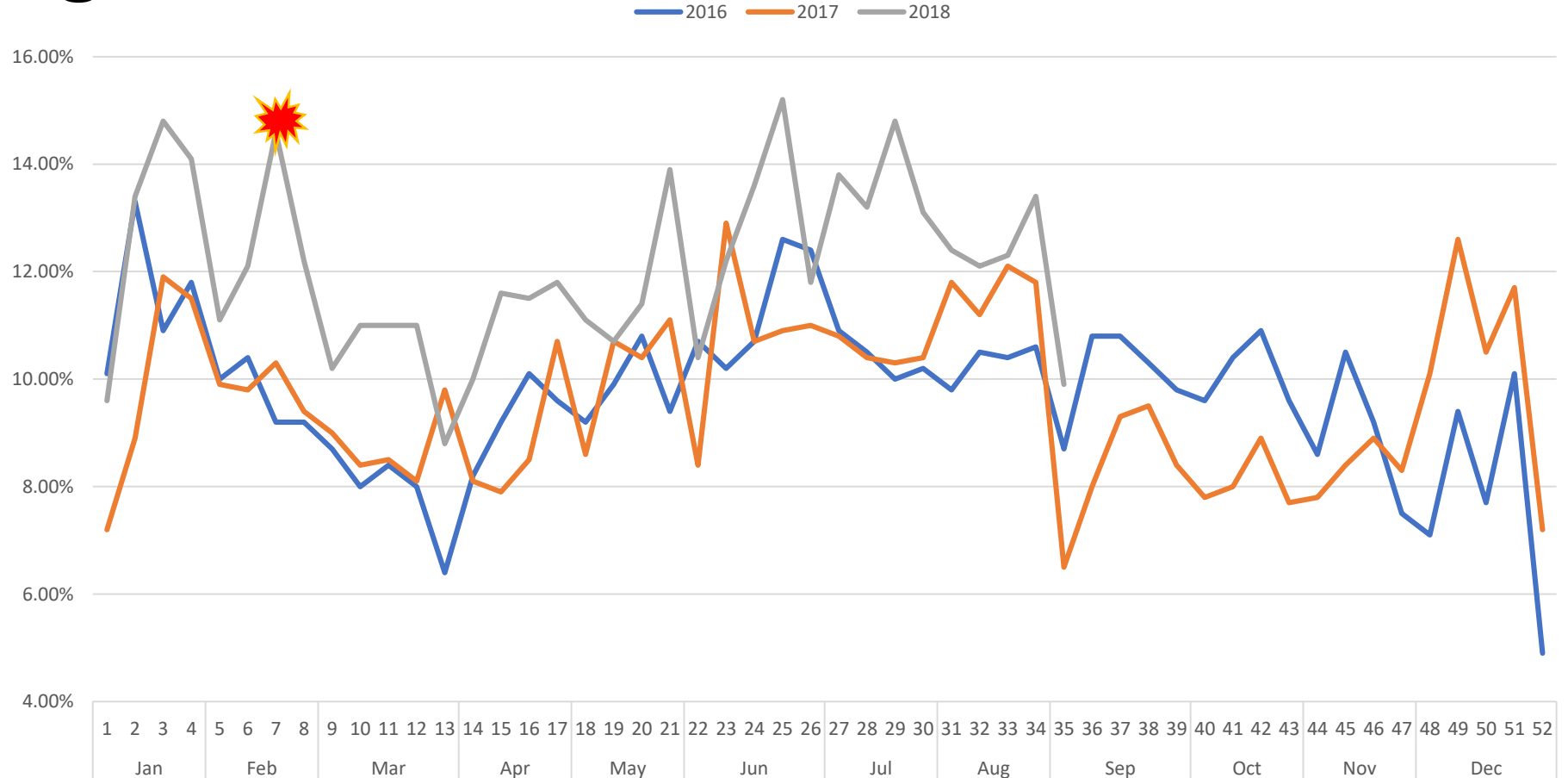


What changed?

Returns Rate

2016 to 2017 – comfortable, trending flat, similar YoY phasing (seasonal)

2017 to 2018 – significant Q1 jump, trending unfavourably YtD, YoY phasing on a similar curve for H1, H2 initially presenting a challenge...



How did we react?

Analysis – where has the 30% come from?

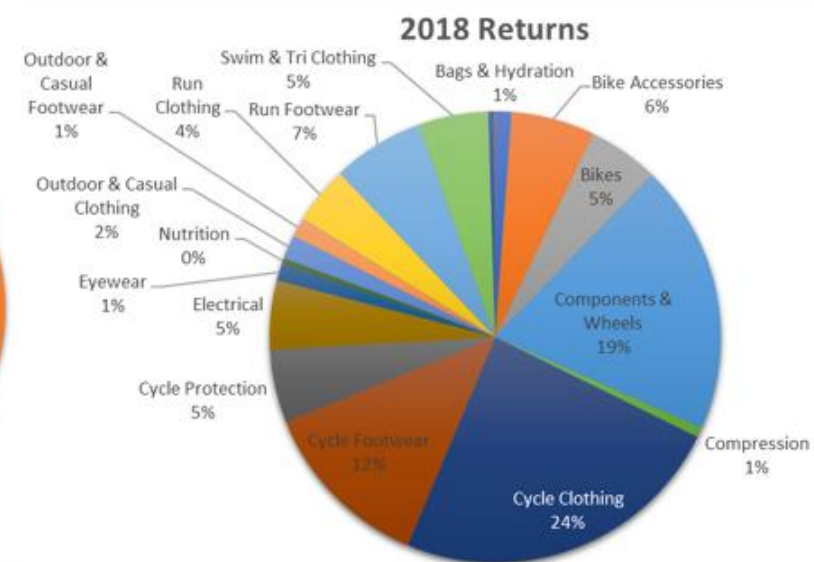
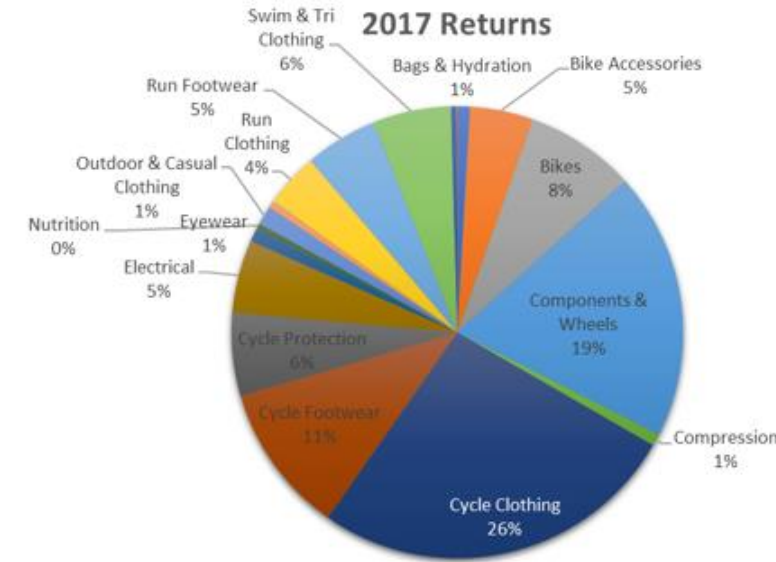
- 5% = shift in territory sales
- 2% = shift in product categories

Working group formed, covering;

- Commercial Team – product view
- Intl Marketing teams – Proposition view
- Customer services – sentiment & reaction
- Ops & Logistics – inherit all systems
- Finance – governance

Aggressive time frame – move quickly and reign it in

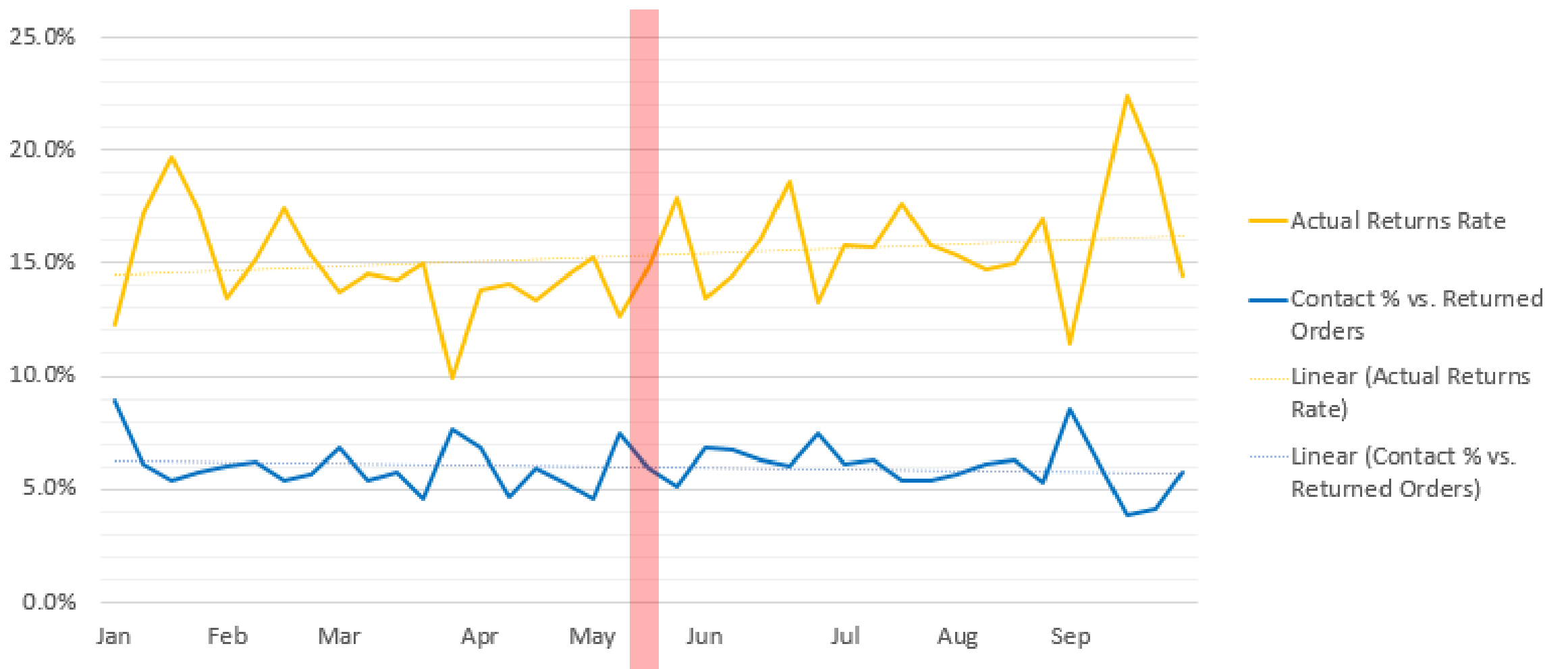
Deep dive into proposition “*What does good look like?*” – competitors & wider market, gaps in current offering..



Turning Reaction into Action

1. Data improvement – gain clarity on reasons for return through rationalisation of choice
2. Tighter review process on product ranges – content improvement, supplier negotiation
3. Logistics services tender – challenge the base costs
4. **Remove ‘UK label in a box’, offering only the online journey...**

UK Reaction to Label Removal



Turning Reaction into Action

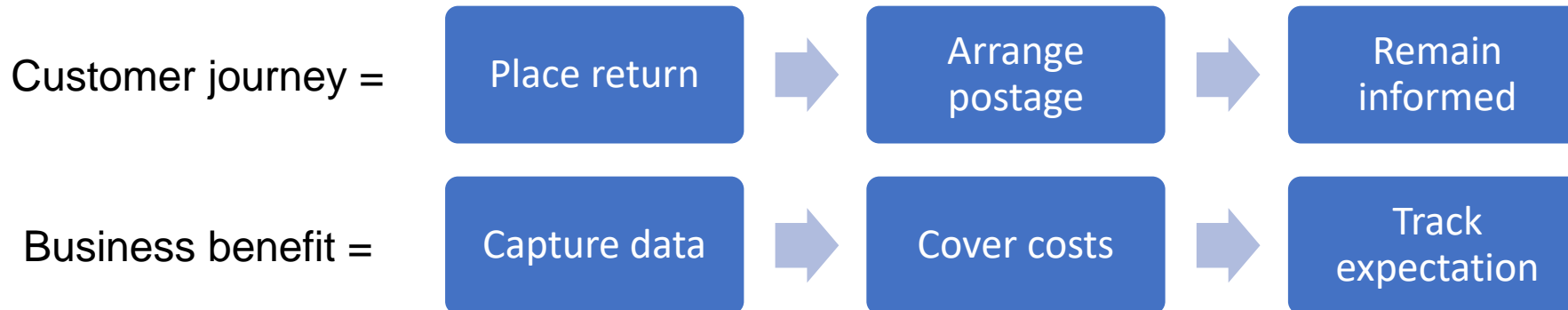
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5. Is a 365 day policy needed?

All territories: 43 out of 72 competitors (60%) offer a 30 day or less customer refund policy. Only 9 competitors offer a 365 + policy to the customer (12%)

6. Enhance the online journey

5% of returns come back to the business after the 30 days.



What next?

Free returns – necessary?

UK – Yes

- Sparse PUDO footprint – akin to owning our own store network..
- High density PUDO footprint – keep the variety but apply fees for the convenience

Core EU markets – Yes and No

- Germany, France, Sweden and The Netherlands – Primary competition (& wider retail market) dictate as necessary to be free
- RoE – Not so much...

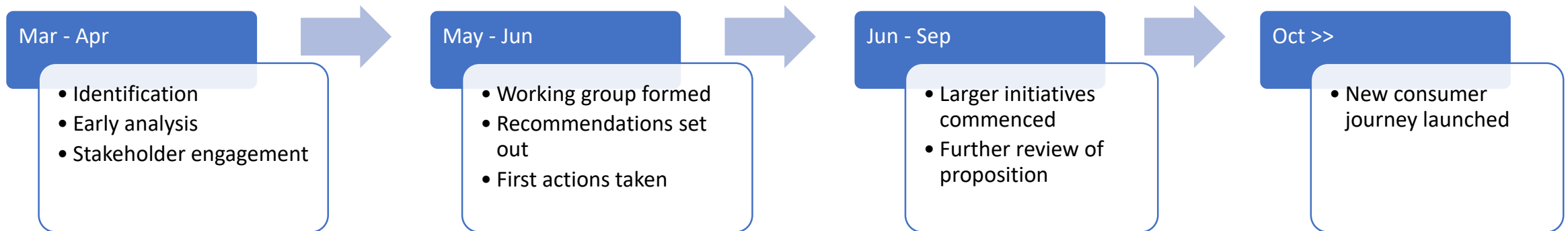
RoW – No

- Subsidised or fully consumer paid – irrelevant, simply match the market or offer better than accessible to consumers

Why? Recap



How?





Thank you