



# The Ultimate Guide to Managing Returns in a Delivery Business



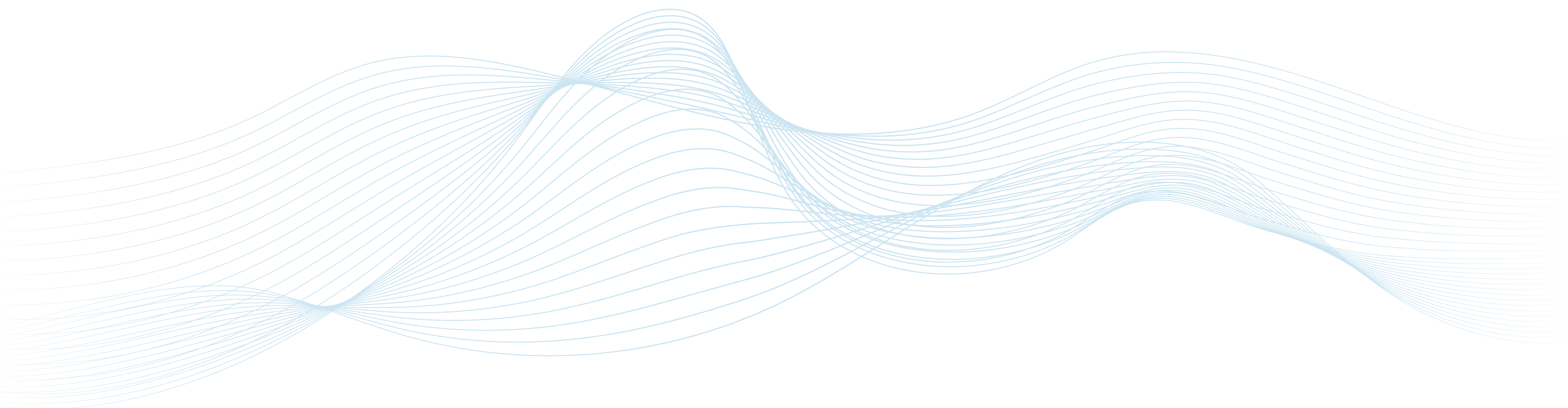


# Introduction

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Managing returns is crucial to any eCommerce or even a brick-and-mortar store's business operations. Companies offering the service understand how vital it is to minimize their losses by keeping the customers on board for more future purchases.

However, only some companies have the experience or resources to execute an efficient returns management program in their business. Consequently, they outsource the process to a shipping company that manages it for them. The upside of using their services is that a company saves resources on hiring new staff, training them, and having a cost-effective option to ship merchandise returns to its source.





# Understanding the Returns Process

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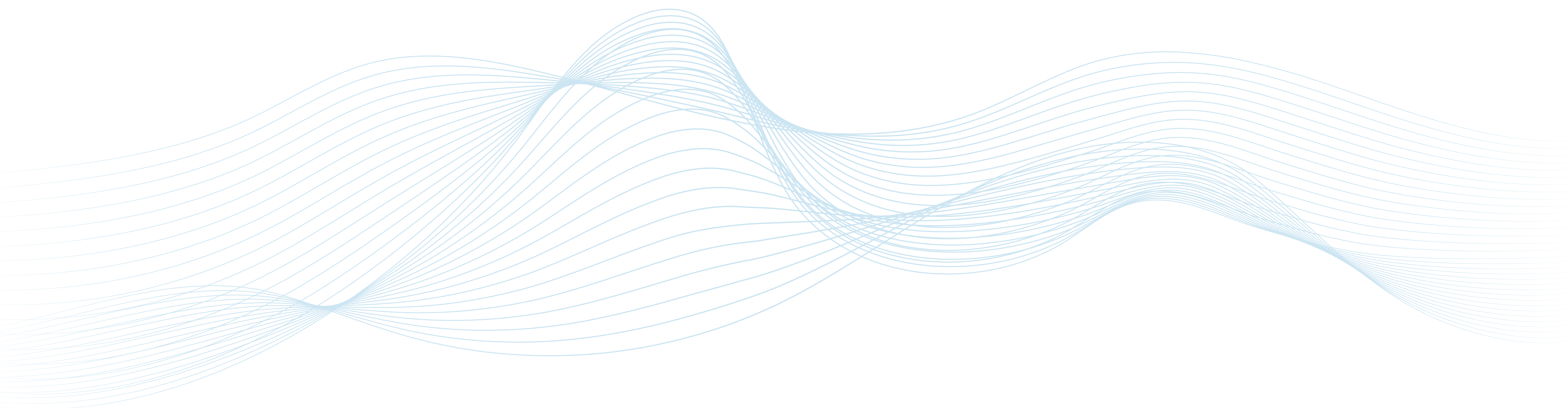
In a nutshell, it is a reverse logistics process and encompasses a wide range of activities like:

- Picking up the order from the customer
- Sending the product back to the seller
- Sending material back into the supply chain
- Managing exchange products at the time of delivery
- Minimizing the loss in the supply chain

But why are returns prevalent? Well, in the past few years, the landscape of online shopping has transformed, and people today are spoiled with choices from a wide range of sellers. In reality, it only takes one bad experience with a brand for a customer to leave them forever. So many sellers are trying to mitigate that scenario by providing easy returns to their customers.

According to CBRE, nearly 30% of online products are returned compared to a 9% return rate across brick-and-mortar stores.

Moreover, these numbers witness a significant jump after the festive season, and products are returned at a staggering 125% higher in the first quarter compared to the rest of the year.





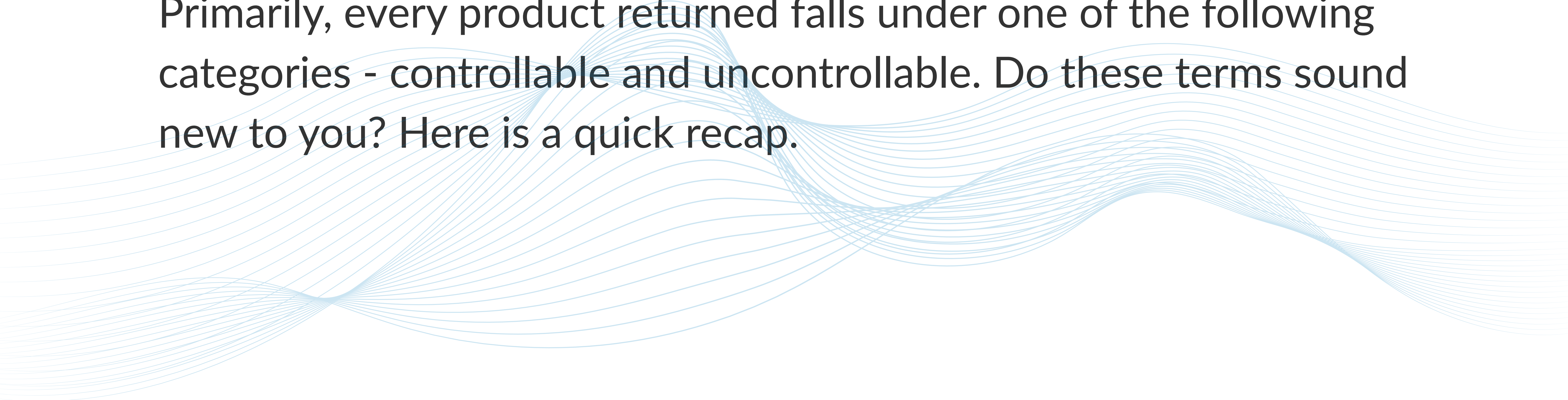
Some of the most significant reasons behind returns include:

- General dislike of the product
- Improper fit to the user
- Preference-based discrepancies
- The product doesn't match the description mentioned online
- Faulty products
- Failure to deliver the products at the right time and address to the customer

However, apart from the genuine reasons mentioned above, some customers also tend to abuse the return policy. How? For example, a customer orders multiple product variations, receives them, tries them all, keeps the best, and returns the rest. It is cruel of a customer to do so, but if they cannot try the products in the flesh, they can justify their actions to an extent.

## Minimizing Returns

Companies need help finding a way to minimize the returns. However, if they create a strict returns policy, there is a good chance that they will discourage shoppers from purchasing again from them, bringing a lot of negative word of mouth for the brand. Primarily, every product returned falls under one of the following categories - controllable and uncontrollable. Do these terms sound new to you? Here is a quick recap.

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## Controllable Returns

These are the returns that sellers can avoid if they optimize their operations and implement high-quality control. These returns are a result of factors such as:

- Bad packaging
- Incorrect product representations
- Manufacturing defects in the product
- Mishandling of delicate products
- Failure to execute white-glove delivery for high-value products
- Lack of two-men crews for installation of bulky goods post delivery
- Availability of the same product at a better price from another seller

## Uncontrollable Returns

These are the returns that are not in the seller's control. Such returns are a result of factors like

- Customers changing their minds about a product
- If a customer doesn't need the product when it arrives
- The customer is not available at the time of delivery and isn't able to reschedule
- The shipping company failed to deliver the product on the promised date and time
- Wrong products are delivered to the customer
- Lack of a proper order fulfillment process



# How Can Companies Mitigate Returns?

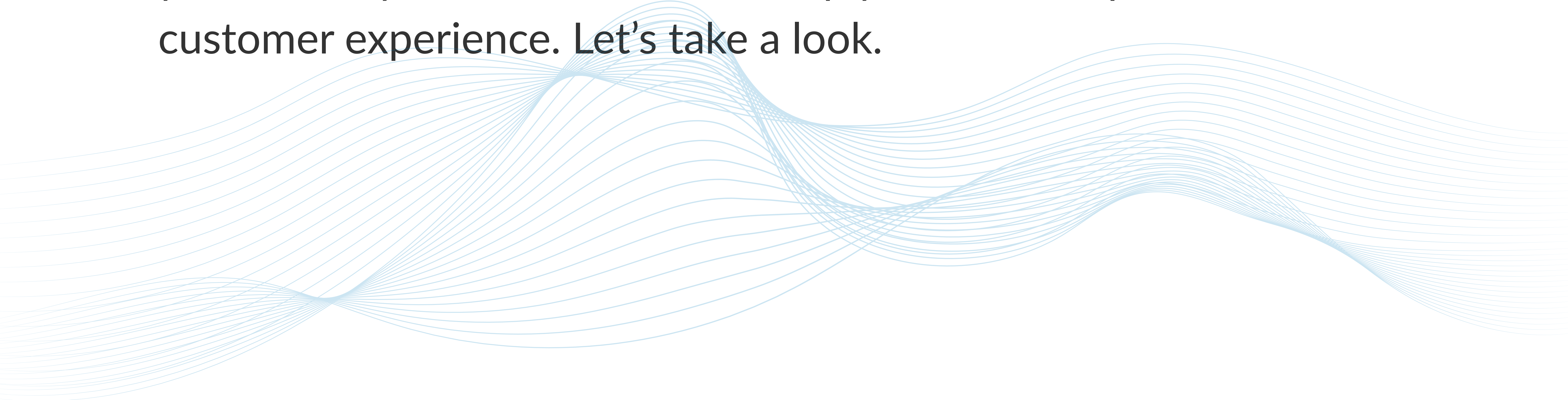
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While it is impossible to have zero returns in a business, companies often try their best to keep the figure as low as possible. However, above all the reasons mentioned above, over 23% of the returns result from wrong product delivery. So, brands should immediately ensure that they ship the right products every time using a quality-oriented order fulfillment process.

If you also operate an eCommerce business, you should implement a well-defined workflow that checks the goods on multiple stages. You should also establish a standard operating procedure (SOP) to eliminate errors in the process. Integrating a delivery management system like NetworkON is one of the best ways to go down this route.

A delivery management system optimizes supply chain operations and automates several repetitive tasks, thus reducing the risk of human errors.

Now that you have an overview of why and how returns matter to your business, it is time to dive into some sure-shot ways to help you reduce your return rate and help you deliver a positive customer experience. Let's take a look.

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## Accurate Product Listings and Descriptions

Misrepresenting a product on your eCommerce website will damage your reputation beyond expectations. Therefore, it is vital that you ensure every product on your platform has an accurate description.

Invest in a copywriter to have well-written product descriptions containing all the crucial information about the product. Highlight the key features of your products and ensure that the listing communicates information about materials used, product dimensions, usability, and more.

For example, if you are dealing in apparel, it is wise to include a size conversion chart to help the users find the right fit. Also, try to provide at least five to six pictures of a product in the gallery and, if possible, have an informative video in the section.

## Sort Out Your Packaging

If your customers are returning products due to damaged products, then it is time to take a closer look at the packaging. A lot can happen between a product being picked up from a warehouse and delivered to the customer.

Therefore, having protective packaging is the best way to ensure that none of the products are damaged in transit. This is especially important for electronic products like smartphones. Try to provide the right cushioning for the products, and also work on making the packages waterproof.



## Welcome Customer Feedback

Listening to your customers is one of the best ways to know the weaknesses of your delivery process. If you identify their pain points and understand the reasons behind a return, you can implement measures to solve the problems.

You can also integrate the reason for return in your website or app to get a quick response from the customers, as they might feel pressured if they have to answer the questions over email or on the phone. Some of the most common examples of reasons for a return include:

- Incorrect size of the product
- Damaged packaging
- Found the same product at a lower price
- The customer doesn't need the product anymore
- The product won't reach them in time
- Wrong item delivered
- The delivery partner did not call to schedule the delivery, etc.

Now that you clearly understand the basics, it is time to move on to the elephant in the room, i.e., effectively creating and communicating your brand's return policy to the customer.



# Creating and Communicating a Return Policy to the Customers

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Many business owners seem defensive about the idea of product returns. But if you want to succeed in the hyperactive eCommerce environment, you need to accept that returns are a part of the business and play a massive role in delivering the right customer experience.

So, when penning down your company's return policy, make sure that the customers do not feel intimidated when trying to return products. Let's look at how you can create a working return policy that states the rules clearly and is accessible to your customers.

First, do not create strict rules and unrealistic requirements to reduce the return rate. Many customers don't feel comfortable shipping from a brand that doesn't have an agreeable return policy. Instead, use your return policy to differentiate your brand from the competition and prevent customers from switching to the competition.

According to a survey by Optoro, over 97% of customers continue shopping from a brand that offers a positive return experience. Customers who see options like longer return windows and free returns are likely to stick to your brand and increase the customer lifetime value with your company. So, when setting up your return policy, make sure you factor in the cost of returns within your operating expenses and the pricing of your products.



Remember, online shopping is more than just sending products to your customers via a courier, today, it is more about delivering an experience. When done correctly, a good returns policy can increase your sales and positively impact your bottom line.

With that in mind, here are some valuable tips for drafting the perfect return policy for your brand.

## Eligible Products

Not all products can give you enough margins to support returns. Identify the products that are not economically viable for a return and exclude them from the list of eligible products. However, make sure you mention the same on the product's listing and in your return policy draft.

## Refund Methods

Usually, customers prefer to receive their money back via their original payment method. However, you can also offer them alternatives like 100% redeemable store credit on their next purchase, a gift card of the same amount, or an exchange for a product. Keeping the funds locked in store credit encourages customers to buy again from your brand, and you can work on delivering a better experience next time.



## Clarify Return Fees

If you are charging a return fee (restocking fee), let the customers know about it upfront. Refrain from burying these terms deep into the fine lines of the return policy, or you will lose a customer forever.

If you are dealing with a regular customer and the reason for the return is genuine, you can always keep a communication line open to waive off the said charges in case the customer wants to opt for store credit.

## Condition of Products Eligible for Return

At times people will try to abuse the return policy. This is an authentic scenario for apparel companies as customers order a dress, wear it on occasion and then return it.

Create precise basic requirements like having tags intact for clothes, a shutter count check for cameras, or receiving the product in the original packaging. However, being too lenient in this regard can cost a lot of money, so your policy should also look after your interests without harassing the customer.

Brick-and-mortar stores should also take vital measures like requiring a receipt for an exchange or return. If you offer returns without a receipt, an excellent way to avoid fraud is to provide a store credit to your customers.



## Return Windows

Different businesses offer varying return windows for their products. Typically, retailers accept returns within two weeks or 30 or even 60 days of the purchase date. Many brands have orchestrated customer loyalty on the back long return windows. Still, you should avoid falling into the trap of offering unrealistic return windows if your products are not eligible for the same.

However, you can capitalize on long return windows when dealing with orders placed during the festive season. Brands like Walmart and Apple extend their return windows for products purchased in October and after to be returned by January. It encourages customers to buy more gifts for others and enables your brand to stay competitive.

## Convenience

The detail is in fine print. Many brands advertise “hassle-free returns”, but lack the resources to do a free pickup from the customer. Hassle-free returns are also different from free returns, and often customers are asked to print a label and ship the goods back at their own expense, leading to distrust towards a brand.

Refrain from misinforming the customers with marketing jargon and clearly clarify the terms of a return in your policy. Also, If you are a business with an omnichannel presence, you can provide added convenience to your customers by accepting returns at the nearest store.



# Return Policy Communication

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Once you have carefully drafted a return policy framework, it is time to move to the hard part - communicating it to your customers.

A clear and comprehensive return policy encourages trust amongst your customers and builds solid grounds for brand loyalty. However, your policy should always use professional and appropriate language when explaining the terms and conditions.

Your policy should not greet customers with an aggressive tone with phrases like, “we will not be responsible for” or “you will be required to”. Instead, you should use a friendlier tone to communicate your message.

Also, ensure you do not copy your returns policy entirely from another website or brand. You can use them as a reference to understand what the competition offers but always find ways to improve their offerings. Moreover, copying the text on their website in its entirety will diminish your position on search engine results, leading to reduced traffic on your website.

The next step in ensuring your website attracts more customers is to link your returns policy to every page on your website or mobile application. Customers should not have to wander across pages to find it, and you should never try to hide it on purpose on the FAQ page.



In the case of brick-and-mortar stores, you should always keep a physical copy of your returns policy handy. In fact, you should summarize it in bullet points and display it at the cash counter, the entrance, or both places.

## Points to Include in a Returns Policy

When you draft your return policy, ensure it covers all the details and conveys them quickly to the customers. Here are the crucial points to include when drafting your return policy.

- List of items eligible for return
- List of items not eligible for return and exchange
- A clear return window for every product type in your catalog
- Condition requirements for a product to be eligible for return (intact price tags, accompanied with original packaging, condition issues, purchase receipt, and more)
- Compensation method for a return (full refund, partial refund, money credited to source, exchange with products of similar value, store credit, etc.)
- The process to initiate a return on online and offline purchases
- Who bears the expense of reverse shipping
- A step-by-step guide to printing a shipping label
- Geographical areas that are eligible to initiate returns and refunds



# Integrate Technology to Process Returns Efficiently

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Leaving a product in the customer's hand for a long time without issuing a refund is a clear route to losing brand loyalty. Moreover, the more time an item spends in the reverse logistics system, the more it costs your company.

The best way to expedite this process is to integrate your existing POS and CRM systems with delivery management software.

NetworkON is an AI-powered delivery management system that enables you to manage and optimize every aspect of your logistics process and orchestrate reverse logistics seamlessly.

A logistics company can use NetworkON to streamline last-mile delivery and reverse logistics to create a completely transparent moving supply chain. Here are some of the most remarkable features NetworkON offers for businesses of different sizes.

- Automatic order scheduling and assignment to the delivery partners
- AI-powered route optimization and geofencing capabilities to orchestrate faster deliveries
- Automatic order rescheduling capabilities to ensure goods are delivered on the first attempt
- A clear line of communication between the stakeholders of a delivery
- Robust fleet management capabilities to manage staff and vehicles



- Easy execution of white glove delivery orders for large and bulky goods delivery
- Real-time tracking of orders in transit using complex algorithms
- Providing accurate ETAs about a delivery to customers (B2B and B2C environments)
- Easy integration with existing POS, CRM, and marketing automation systems using the NetworkON marketplace
- Generating digital proof of delivery using barcode scans, photographs, and e-signatures to avoid being scammed by notorious customers

These are some of the most notable features NetworkON offers. You can learn more about the software here.

Connect with us today for a free demo and see how your business can function with a supercharged delivery management platform at your fingertips. To schedule a free demo, email us at [info@networkon.io](mailto:info@networkon.io) or visit our website.

