Tech Mahindra
BUSINESS PROCESS SERVICES

Leverage Digital Technologies to Reduce Costs and Bring Efficiency to Your Returns Management Process

Connected World.
Connected Experiences.

What is the Current State of the Retail/Ecommerce Industry?

The retail industry has a cardinal rule, a sale is not complete unless the customer intends to keep the product. Due to increasing competition, ecommerce/retail players are under immense pressure to enhance the customer experience by following a "No Question Asked" returns policy. This leads to the scenario of average returns in the ecommerce industry hovering between 20% - 25%. However, this also leads to a higher growth in the retail/ecommerce industry.

What is the Current State of Returns?

Some segments like apparels and electronics suffer more, while groceries and staples have lower returns. Payment method is a problem for returns because close to 40% of all transactions are cash on delivery in developing countries like India, where digital money/card has very less penetration or in Islamic countries, where rules force you to pay back at the point of return processing. Sometimes more often than not, we end up generating avoidable returns. For instance, customers who have had issues with the size and shape in the past tend to purchase multiple sizes or when they are unsure of delivery timelines, so that they can return the wrong sizes or products which are delivered late. Alternatively, there are also situations where we do not have the right AR/VR solution in place or have asymmetric information or false information of goods. This misleads the consumer and adds to the excess returns.

Importance of Reverse Logistics

In the present scenario, returns management is an excellent marketing strategy. For example, 92% of consumers will buy something again if returns processing is very easy. A classic case, where a company is using returns as an advantage is Warby Parker, the company is sending 5 frames (you get to keep only 1), But it's the way it has been positioned to the consumer where the difference has come in. Apart from the fact that returns is more of a regulatory compliance, some companies are still trying to position it as profitability through asset recovery, something which leads to increased shareholder value.

What are the Opportunities?

Opportunities are immense, every wrongful return that has been generated due to circumstances, which are avoidable, falls in its ambit. This situation will only grow bigger as companies will scramble against each other and will try to make their returns policies more hassle free.

Challenges

There are multiple challenges with the following aspects as far as returns are concerned:

- Customer behavior and demographics
- Asymmetric information
- Incorrect/delays in processing of customer refunds
- Limited after sales service and support

The way the system deals with the problem is simple.

It provides a system-based solution, which studies the purchase behavior of the customers, the returns information of the product, and the transaction type. Basis this information the system is able to take deeply personalized, system-based actions in relation to the individual transaction. The actions lead to reduction in returns. The system also has a self-learning algorithm. In case, the action is very complex or needs manual intervention, the transaction is routed accordingly.

It helps to get access to instant analytical solution that is based on the data which has been gathered through transactions. This real time analytics helps one to start taking decisions instantly. Not only that, this is a form of prescriptive analytics, where the most effective solution is prescribed.
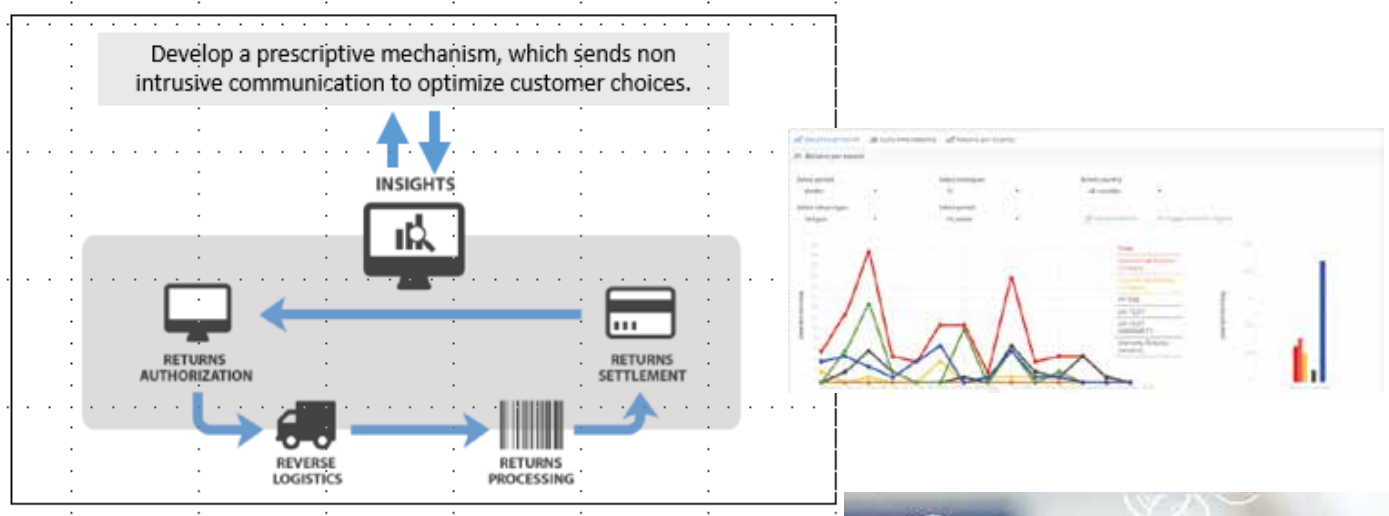
What TechMBPS Levers can be used in this Situation?

- Tech Mahindra's proprietary mASTER FRAMEWORK ensures the returns management process is transitioned in 6 to 8 weeks. We provide several decades of process management expertise to identify cost take out opportunities.

Analysis → **Solution** → **Transition** → **Relationship** → **Execution**

- TechM's PRISM (Big Data Analytics) Platform empowers business users with Self Service Predictive Analytics
- TechM offers an in-house e-commerce solution and digital retail services (Bio Agency) to enhance service and user experience design across both digital and physical interaction points.
- Tech Mahindra to manage refunds/returns of the company. We have a proven record of handling returns with CSAT>80% for one of the fastest growing e-commerce giants.
- TechM offers to set up an outbound helpdesk, which would handle all escalations and call customers to understand the reason of return. This would also increase customer engagement and in turn reduce churn.
- The entire platform for managing the returns of mobile phones for the client is being run on SMART CHECK, it is a mobile diagnostic platform being used and developed by TechM partner Blanco Software.

Benefits Delivered

- Simplified and optimized processes
- Built highly customized solution as per client's requirements
- Identified waste in the existing processes and eliminated it using an automated solution to reduce manual effort
- 24% increase in the positive response rate (PRR) of the process
- 14% increase in the volume serviced by TechMBPS over the period of a year

About Tech Mahindra Business Process Services

Tech Mahindra Business Process Services is the BPO or BPM arm of Tech Mahindra – a USD 4.6 billion company with 117,200+ professionals across 90 countries, helping over 885 global customers

including fortune 500 companies. Tech Mahindra is amongst the Forbes list of Fab 50 companies in Asia 2016 list & in India's Top 50 Super Companies of 2016.

Entering a new era of transformations, Tech Mahindra Business Process Services has re-focussed energies towards 'Creating memorable digital experiences everyday' for customers.

We are part of the USD 19 billion Mahindra Group that employs more than 200,000 people across 100 countries. The Mahindra Group operates in key industries that drive economic growth, enjoying a leadership

position in tractors, utility vehicles, information technology, financial services and vacation ownership.

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