



Newgistics combines technology and logistics to offer the most efficient, comprehensive returns management services suite in the direct retail industry.

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# Returns Management: An Untapped Opportunity

Returns are the next frontier for supply chain optimization, and returns management has become a leading operational priority for today's organizations. According to the U.S. Census, last year's number of returned packages was 500 million; Forrester research expects that number to skyrocket to 615 million within three years. That doesn't include the 41 percent of online buyers who, according to PricewaterhouseCoopers, wanted to return a package but didn't because of the hassle involved. Newgistics' SmartLabel™ Return Management Service addresses the frustration of returns for both businesses and customers. Newgistics has developed patent-pending technology and business intelligence integration to create value with early returns information and positively impact customer service and operational efficiencies.

## Newgistics: The Leader in Returns Management for Direct Retailers

Traditionally, returns are considered a "cost of doing business" rather than a revenue stream. Yet ignoring the reverse supply chain could be a lost opportunity to improve margins. Many retailers handle returns as individual transactions and fail to consider the entire "returns process," which begins with the original order. Newgistics creates value in returns management by significantly improving the customer's return experience, increasing customer loyalty and revenue while creating shareholder value through operational efficiencies and improved return on assets.

Newgistics' suite of services includes an intelligent bar-coded return SmartLabel, end-to-end transportation and processing services, reporting and notifications – all supported by an integrated technology framework and a national logistics platform. Processing services include Advance Return Notification and field-based dispositioning. In addition, Newgistics will analyze the direct retailer's returns process and make recommendations based on industry best practices.

## SmartLabel: The Customer's Most Convenient Return Option

It is not enough to provide customers exceptional service at the point of sale. Today, retailers must

provide an exceptional returns service. The reward is increased customer loyalty and sales.

Newgistics' SmartLabel provides the platform for Newgistics' returns management services. SmartLabel is a pre-paid, pre-addressed return-shipping label that is integrated with the packing slip and shipped with the customer's merchandise. SmartLabel's dynamic bar code links the package to the customers' order summary and provides package visibility to client retailers early in the returns process. This visibility enables customer service call centers to address a customer's exchange or credit needs proactively, increasing customer satisfaction and eliminating the need for additional customer inquiries. Typically, clients see a 70 percent usage rate of the SmartLabel returns service by their customers within 120 days of launch.

## Newgistics' Strategic Partners

Newgistics has established strategic relationships with leading industry partners to design and deliver its offering. Partners RR Donnelley Logistics and USF Processors provide the operational network scale, low-cost transportation, and material handling and processing services. The USPS provides the "last mile" coverage in the operational network, ensuring customer satisfaction through its unmatched package drop-off convenience.

## Implementation: Going Beyond the Basics to Ensure Success

Before implementing a direct retailer with SmartLabel, Newgistics performs a discovery process to prepare a customized analysis of the current returns system. The Returns Management Index™ (RMI) – a framework developed by Newgistics – focuses on two primary areas of the returns process: the customer experience, which impacts revenue and loyalty; and operational efficiency, which impacts costs and profitability. Scorecards for both areas measure and evaluate the retailer's returns management performance against the best practices of the direct retail industry.

Based on the discovery process and returns management analysis, Newgistics recommends implementing a best practices program that turns retailers' returns processes into a competitive advantage.