Rediscover Returns from the USPS

MTAC
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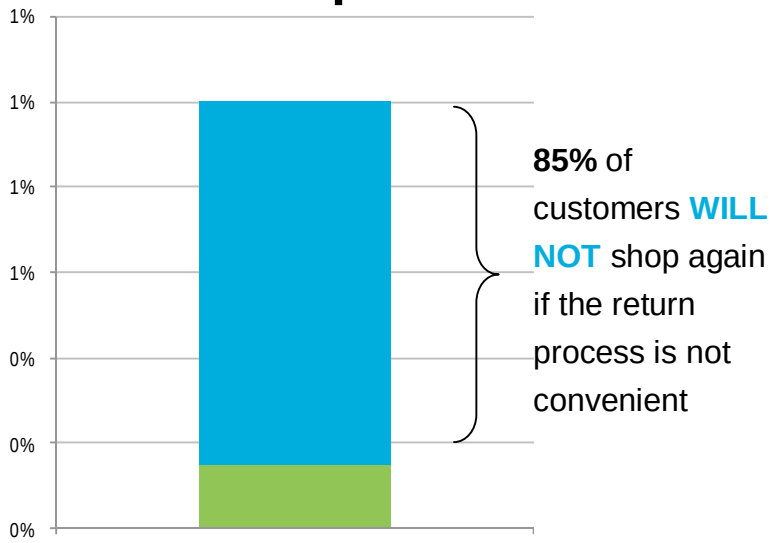
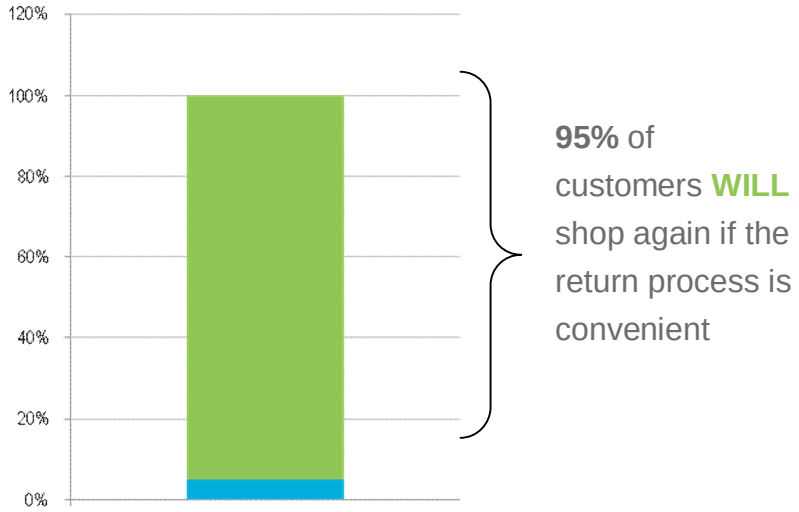
Merchant Policy & Strategies

The advantages of a positive returns experience are clear – the customer returns to shop again with merchant

Impact of a negative returns experience



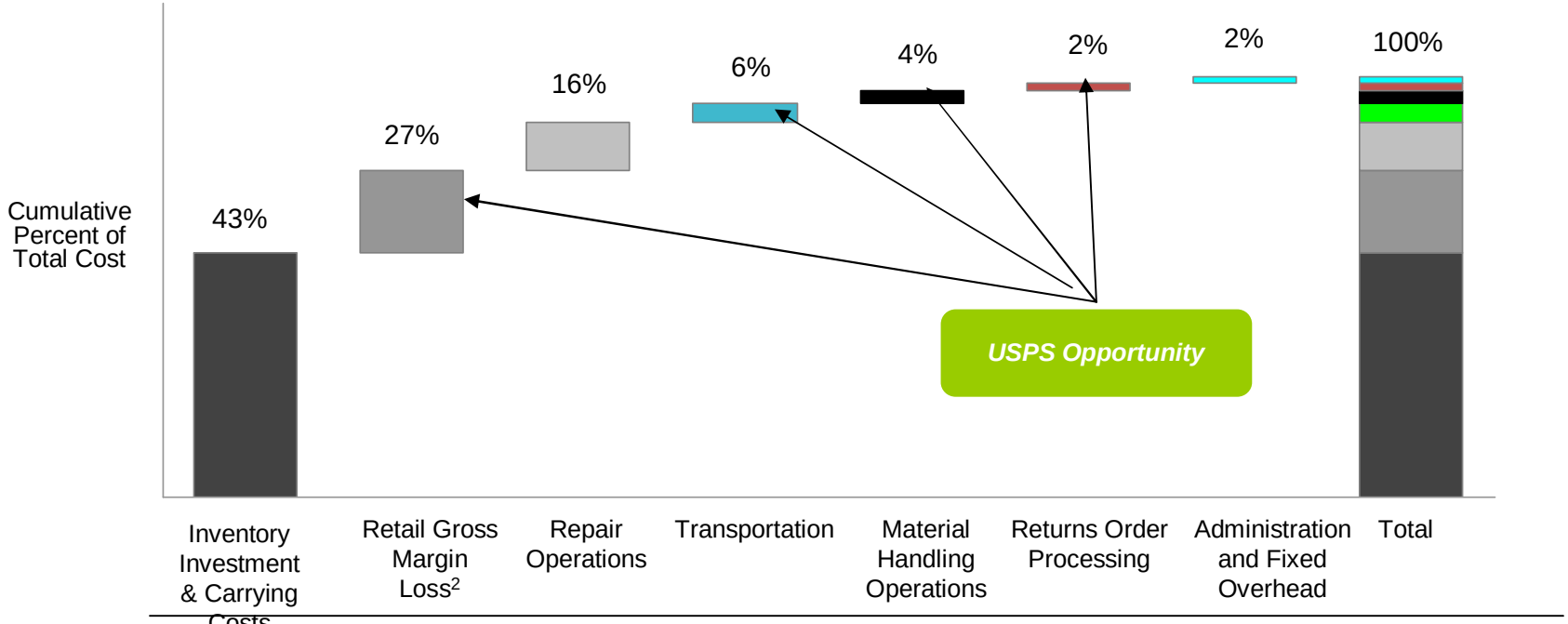
Impact of a positive returns experience



Note: Repeat purchases by existing customers require up to 90% less marketing effort than new purchases.

U.S. companies are estimated to spend $45B annually on reverse logistics – mostly in areas other than shipping

Typical Cost Distribution for Reverse Logistics[1]



USPS Solutions

- Retail Gross Margin Loss:
  - Convenient entry (Carrier / P.O. drop off)
  - ROYO visibility
  - Dynamic Routing
  - Secure Packaging
- Transportation:
  - Multiple shipping options
- Material Handling Operations:
  - Secure Packaging
- Returns Order Processing:
  - Automate RMA

[1] Source: WebMethods and Accenture Research
[2] Given shorter life cycle products lose value if reverse logistics is not efficient, e.g. apparels tend to lose value given seasonal turnaround

Merchant Policy & Strategies

Although merchant preference is shifting toward convenience labels, ROYO remains significant percentage.

59%
of merchants

Convenience Labels

Merchant pays shipper

Permit

41%
of merchants

ROYO

Consumer pays shipper

POS | **APC** | **CNS**

* In some cases, consumers elect not to use the convenience label and choose ROYO instead.

A. ROYO – Return On Your Own

Kohl's Example – ROYO using packing slip

KOHLS.com
expect **great** things

E-mail us at order.accuracy.help@kohls.com
Call us toll-free 1-866-887-8884

RECEIPT ID#:
ORDER#:
SHIPPING#:

Returns ship to: Kohl's Return Center
3550 Salzman Road
Middletown, Ohio
45044-9401

ra:

Ship to:

Sold to:

Thank you for your order!
We hope you enjoy your purchase from Kohls.com
Use this form to return your online purchase(s)
by mail or at any one of our stores nationwide.

- Merchant provides destination address
- Recommending "mail" as the choice
- Consumer pays for shipping

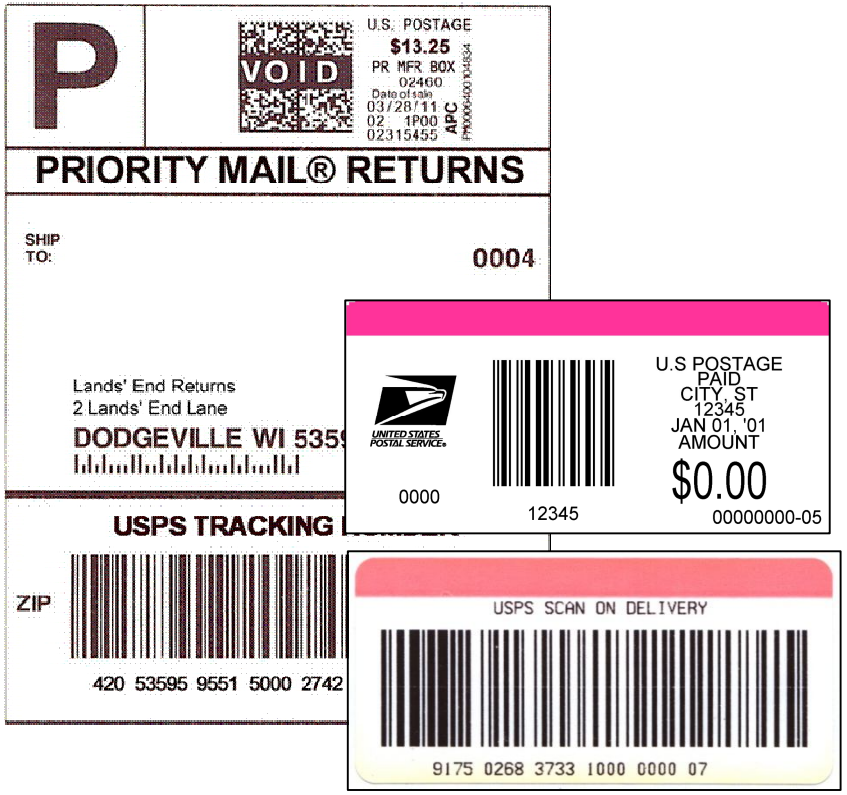
New USPS Solutions

A. ROYO – Return On Your Own

Goal is to own the consumer, make ROYO more attractive to the merchant with value-added features

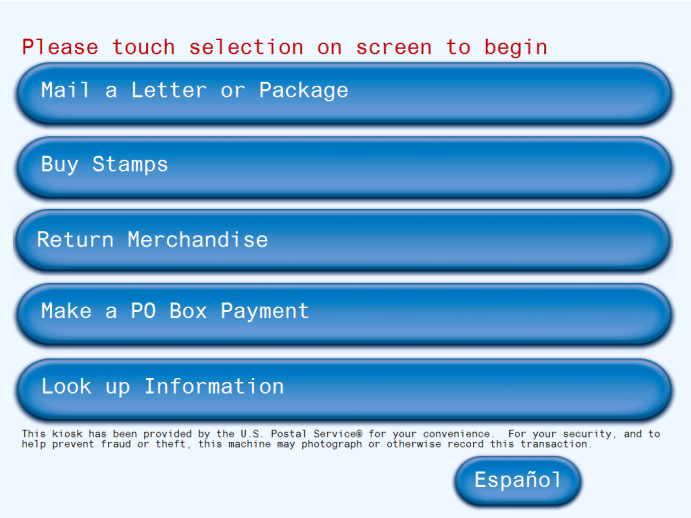
ROYO Returns at Retail

- Launched in November 2011 on POS and APC
- Offers consumer free tracking, integrated with transaction
- Also provides in-bound tracking data to destination merchant
- Makes ROYO value proposition similar to that of prepaid label
- Offered for merchants featuring USPS brand as “preferred”



A. ROYO – Return On Your Own

For the first time, APC's feature a Returns option on the initial screen.

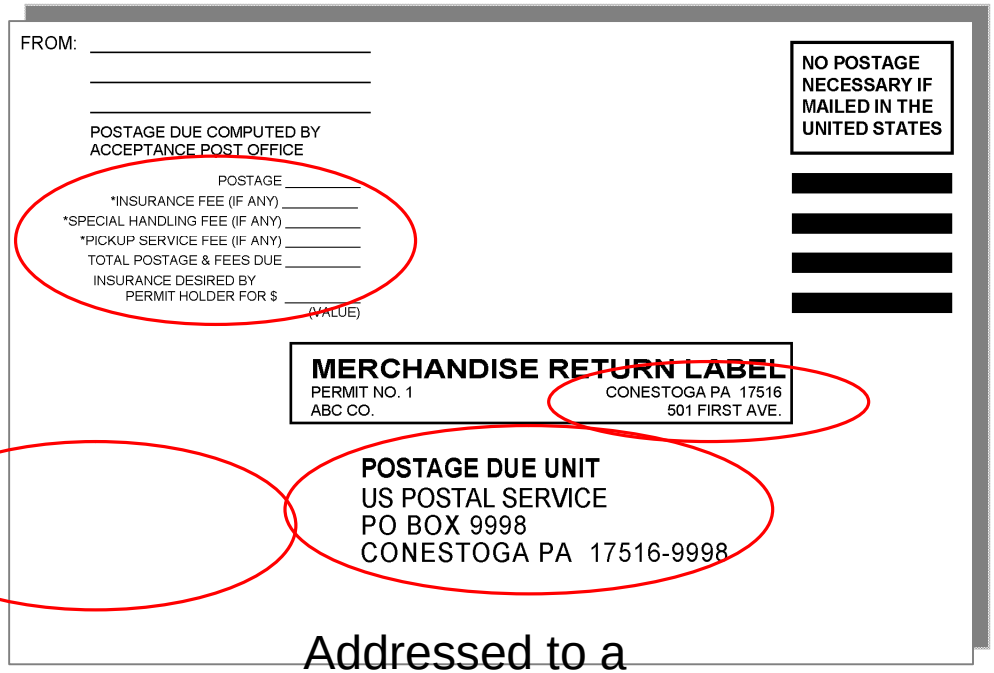


B. Convenience Labels

The old MRS label features several key elements that can result in slow, expensive processes.

Traditional MRS Label

For use in manual weighing/rating function



Local permit opened where manual rating takes place

No barcode!

Addressed to a post office, not a customer address

New USPS Solutions

B. Convenience Labels

In September, we launched a new Cloud-hosted tool for label printing and distribution to round out our capabilities.

Cloud Label Printing Tool

- Consumer able to print label via merchant website
- Merchant call center agent able to email label to consumer
- Every label features IMpb used for tracking and payment
- Requires minimal technology investment of the merchant
- Quick install, easy start-up