

## Is your Returns an Overlooked DIM Weight Cost Savings Opportunity?

Recently, I surveyed a group of Supply Chain professionals asking, how many have focused their efforts on minimizing DIM weight charges on returns?

Surprisingly, the answer was very few since returns can be as high as 35% for some ecommerce companies.

Returns represent a major opportunity to increase customer retention and reduce costs. Especially, in ecommerce because the customer determines the shipping container and ultimately the shipping cost. For many, these costs have increased due to the new DIM weight shipping pricing

What can you do to minimize these costs?

1. Make it easy - Provide clear returns shipping and handling instructions on the packing slip, online, and customer service including:
  - How to package the return
  - What packaging to use. If it is one item from a multi-item order needs to be returned recommend using a smaller package
  - A preprinted return label
2. If you are a retailer, recommend the option to return the item to the store.
3. Evaluate and select the best return shipping option. Don't be afraid to have different return shipping options for different products. In fact, it may make sense considering DIM weight.
4. Audit your returns shipping costs to determine if changes need to be made. For example, if you find several returns coming back in different boxes that are causing you increased shipping costs, you may need to develop a different solution.
5. The best defense is a great offense. Be more proactive in returns analysis and correction. Consider a Returns Reduction program to focus more activities on decreasing returns.
  - How well your returns form assists you in collecting information to take corrective action? For example, is your other category over 25%?
  - How good are your returns processors at determining which items are returned to stock? Audit product returned to stock.
  - How often do you review each reason code, for example, preventable errors?

Don't let your Returns be an profit drain as a result of preventable DIM weight shipping costs.