



**BUREAU
VERITAS**

Consumer Returns Analysis

Proven strategy to address returns and increase customer satisfaction

BUSINESS CHALLENGE

In the United States, consumers returned 16.6% of all products sold at retail in 2021. As companies take notice of the financial loss that product returns represent, it is no longer practical to accept the situation without acting. Companies are now challenged with taking a proactive approach and implementing a program that will help reduce returns, improve profitability and protect their reputation.



BUREAU VERITAS SOLUTION

Bureau Veritas has created a Returns Analysis process, which focuses on the root cause of the problem and how the deficiencies, perceived or real, of the product can be prevented. Our process starts with a detailed inspection and review of a population of returned samples to identify the reason or reasons for customer dissatisfaction.

What does a Returns Analysis program look like?

The BV Solutions team has experience managing return analysis programs using the following structures:

- **Distribution Center Collection** – retailers, vendors or manufacturers collect returned product at their distribution centers and ship batches of returned products to the BV Buffalo Laboratory for analysis.
- **Bureau Veritas Collection** – retailers, vendors or manufacturers direct the end consumer to return product directly to the BV Buffalo Laboratory for analysis.

The team is able to extract critical information from the following sources:

1. An initial visual inspection along with specific functional/performance testing are utilized to analyze the returned samples. The analysis is able to sort out “rentals,” or customers who use the item and return it when they’re done with it, and help to bucket legitimate returns based on the real issues.
2. Voice of the customer databases such as Bizarre Voice can be used to identify focus points for the physical inspection and testing.
3. Online reviews are used to collect customer feedback trends over time along with star ratings
4. Point of Return data collected from the customer about the specific reason for a return provides valuable information and an easy cross-check against what is found upon analysis of the sample

How To Use Returns Analysis Information

Returns Analysis results can be provided to a vendor or manufacturer to assist them in improving their product. It offers reliable, objective data that allows for meaningful corrective and preventative actions. We are able to support follow up meetings with vendors to explain the findings of the report and answer any questions. The findings would then typically be followed through a Corrective Action process to improve the product. Finally, the improved product would be tested and returns information monitored to determine the economic impact of the changes.

Why Focus on Product Returns

Reverse logistics is an extremely expensive and time-consuming process for retailers. It requires extra personnel, space and resources that could be more effectively be applied elsewhere. Perhaps most importantly, poor customer satisfaction and returns damage customer’s opinions of brands and retailers. If the product being returned is a private branded product from the retailer, then it is doing double reputational damage.



Key Benefits of Returns Analysis

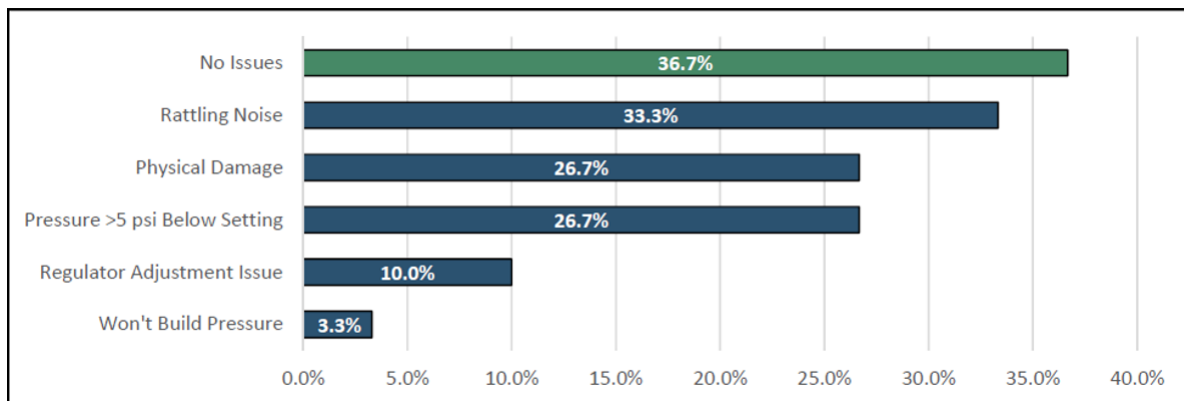
- Improved profitability through reduction in product return rate
- Identification of poorly performing vendors that can be avoided or mentored
- Updating inspection and testing processes to guard against reoccurrences of poor quality product
- Reduction of inspection requirements for good vendors while refocusing on those vendors with questionable histories
- Improved customer satisfaction as the result of better quality product at a reduced price

How is Returns Analysis different from Failure Analysis?

A failure analysis is a deep dive of a particular product that has failed or malfunctioned. It is especially used when a product has failed in a way that could represent a safety hazard to customers, although it can be used in any other instance of a failure as well. A Failure Analysis project operates on a tighter timeline, as dictated by the nature of the failure. Therefore, a smaller number of returned units are evaluated more deeply, while simultaneously trying to replicate the failure using pristine samples. BV offers this service as well.

Report Deliverable Examples

At the request of a client, thirty (30) customer-returned samples were submitted to identify and categorize any failures present. The samples were visually inspected, tested, and had photographs taken of any visible failure they displayed. The following tables are a sample of the results summary.



Sample	Won't Build Pressure	Physical Damage	Rattling Noise	Regulator Adjustment Issue	Pressure >5 psi Below Setting	No Issues	Actual Pressure @90 psi Setting	Details/Comments	Customer Return Reason
1		✓					90	Plastic over pressure gauge cracked. No operational issues.	Air won't come out
2						✓	85	No issues other than slight deviation in output pressure gauge from actual reading.	Air won't come out
3			✓				90	Unit vibrates enough to wander. Rattling noise can be heard when the unit nears cut-out pressure.	Strange sound
4			✓				90	Unit vibrates enough to wander. Rattling noise can be heard when the unit nears cut-out pressure.	Strange sound + overheat
5			✓				87	Rattles at high pressure. Felt air being released under regulator pressure gauge.	It leaks

CONTACT

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FOR MORE INFORMATION

Please visit: <https://www.cps.bureauveritas.com/needs/consumer-returns-analysis>