



## Reduce Returns, Prevent Shrink, and Improve Service

Returns are not just a cost of doing business; return fraud and abuse is a multi-billion dollar annual problem. As a typical retailer, it could account for as much as 1% of your annual revenue, adding to your shrink and reducing your net sales.

### BRICK-AND-MORTAR OR ECOMMERCE SHOPPER



Returns Product  
Provides Receipt  
Provides Consumer Info



### EMPLOYEE



Scans Product  
Scans Receipt  
Enters Consumer Info



### REAL-TIME OPTIMIZATION



### AUTHORIZE



Approved



Warned



Declined

## Verify Helps Identify Consumer Behavior to Stop Loss

Return fraud and abuse cut into profits, but retailers may want to avoid drastic restrictions on return policies since these often drive away more revenue than they save. How can retailers protect margin without deterring good consumers? With Verify®, the patented software component of the Appriss Retail performance optimization platform, retailers can intelligently authorize merchandise returns from any channel. A real-time, consumer-based return authorization system, Verify uses predictive algorithms and statistical models to help distinguish and deter fraudulent and abusive return behavior at that retailer.

Verify is the most widely used return solution in the industry, prompting the *Wall Street Journal* to state that Verify Return Authorization "can now be found in every mall in America." The return process is optimized because the Verify analytical modeling accounts for numerous factors including your return policies, consumers' purchase and return behaviors with your brand, and geographic risk fraud trends, all of which help Verify make the best recommendations for you to balance consumer service and fraud/abuse prevention.

## Proven Results and Guaranteed ROI

Verify helps you achieve important goals including: individually addressing potentially fraudulent returners, reducing the number of unprofitable consumers, stopping the financial drain from returns, and considerably improving margin dollars. The science behind the optimization allows you to be confident of the results and simplifies your internal justification. Our experience shows:

- Most consumers are unaffected; only the outliers (the 1% of your returners whose behaviors indicate fraud/abuse) are recommended for denial.
- 8.2% reduction in return dollars. Reduced returns equal increased net sales.
- 12.95% relative shrink reduction.
- Significant and measurable ROI with almost immediate payback.
- Self-funding, so it will not detract from other budgeted items.
- Results can be guaranteed to remove risk.
- Capability to quickly validate expected results before you purchase.

## Advantages

### Loss Prevention

- Consumers in any channel who are considered a high risk for fraudulent or abusive returns can be identified.
- Helps to deter all types of return fraud and abuse for receipted and non-receipted returns.
  - Wardrobing or Renting.
  - Employee fraud.
  - Receipt fraud.
  - Returning stolen merchandise (Shoplifting).
  - Price switching or price arbitrage.
- Helps employees enforce the retailer's basic return policy.
- Permits you to make return decisions by SKU, date, geography, etc.
- Proven correlation between reducing returns and reducing shrink.

### Operational

- Post-return purchasing remains strong after implementing Verify.
- Our consumer call center answers consumer questions, shifting the burden away from your store associates to our specialists.

### Technical

- Rapid project times. Initial analysis performed with minimal impact on IT resources. Deployment takes weeks, not months.
- Implements as SaaS and operates on standalone terminals or integrated with your existing POS/ecommerce.

### Financial

- Aids in significantly reducing return value (return rate), directly improving net sales, shrink, and margin.
- Self funding, don't have to find other budgets to pay for it.
- Significant ROI and rapid payback.
- Sales preservation from reduced returns.

## How Verify Works

Traditional return practices are flawed because they don't really consider the activities of the returner. Consumer-based return authorization is much more effective because it reviews consumer behavior and detects patterns of fraud and abuse before too much damage is done.

1. Consumer is identified from original receipt with Receipt Triangulation™ or by the cashier entering the consumer's information.
2. Return transaction information is also captured: employee ID, receipted or non-receipted, original transaction number, and more. Verify does not retrieve or retain gender, race, nationality, physical characteristics, or marital status from consumer IDs.
3. All information is instantly forwarded to a Verify server and Consumer Linking™ is used to identify all known purchases and returns at that retailer.
4. The recommendation occurs while the consumer is at the counter by accessing their known behavior at that retailer and applying individual and geographic risk fraud trends to detect patterns of fraud and abuse as well as violations of your return policy.
5. Within milliseconds, Verify returns a recommendation to the cashier to accept the return (about 99% of the time), deny it, or provide a warning to the consumer that future returns may be denied for a period of time.
6. If a warning or denial is issued by the retailer, the consumer receives a printed courtesy notice directing them to contact Appriss Retail's consumer call center for more information.
  - A warning is preferred to an outright denial because it fosters the perception of better consumer service. In fact, warnings are required by law in some locations.

## Improve Consumer Service at the Refunds Desk

- Offer more lenient and flexible return policies, while mitigating the risk of fraud and abuse.
- Apply fair and consistent return process and unbiased recommendations.
- Don't create or allow a blanket policy to penalize all of your consumers because of the misdeeds of 1% of all returners.
- Ability to identify and treat your best consumers as such; use their purchase history and/or loyalty info to craft customized return privileges for those who deserve it most.

## Optimizing Your Return Process Is Easy

Return optimization will help you reduce return rates and drive millions out of your shrink and other costs. As an expert in retail returns, Appriss Retail delivers best practices to help you establish the optimal rate of merchandise returns necessary to guarantee your revenue objectives are met while still protecting the important relationships with your good consumers.

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