Keep Your Products “Sold” and Avoid Returns

Product returns cost UK retailers and manufacturers up to £100 million every year. Returns are caused by many factors—impulse purchases of un-needed products, low-price guarantees that the retailer was not able to fulfill, or poor product quality.

While there’s some awareness of these issues, there are other hidden reasons for returns. If you look closely you will find that buyers also return products when they are simply unable to get help from the contact center or website on how to install, troubleshoot, and use them. This you can tackle.

Industry data show that 90% of electronic products returned are not actually faulty, resulting in millions of pounds in returns processing and reverse logistics costs. It’s time to look beyond the obvious, and focus on customer service to reduce returns and keep the products “sold.”

Consumer products are getting more complex, increasing the need for help in using them. Moreover, as these products get sold to broader segments of the population, the need for handholding will increase. When increased product complexity is not backed up with knowledgeable customer support, product return rates surge.

When consumers get stuck they simply call up or visit the website for help. When they are not able to get answers they require they simply send the product back. Most manufacturers and retailers have a returns-friendly sales policy to reduce purchase barriers.

While this may improve sales, these businesses will have to eat the “hard” cost of lost sales and returns processing, and the “soft” cost of poor customer experiences and reduced brand loyalty.

Organizations cannot address product quality directly or deal with consumer fickleness, but they can help resolve customer queries on product features, benefits, usage, and troubleshooting, and thus reduce returns significantly. Here are some proven best practices for success that we have compiled from our clients.

1. Clone your best problem solvers

Not all customer service agents are created equal. The best ones are able to troubleshoot effectively and efficiently by asking the right questions at the right time, and others are not. Such problem solving expertise can be captured in knowledge management systems and served up to all agents at the point of their interactions with customers, effectively “cloning” your best agents.
2. Give consumers a GPS for web self-service

The curse of many websites today is that consumers cannot find what they need. Keyword search is not intelligent and tends to dump irrelevant “hits” on the time-constrained customer. Intelligent search technologies can guide consumers in their search process, similar to how a GPS guides a car driver, offering a good understanding of the intent, and keeping them on target.

3. Crowd-source and crowd-push help

Online forums are a great complement to your existing customer service strategy—a place where customers are happy to help their peers with answers and tips.

Forward-looking customer service organizations are taking it a step further by “crowdsourcing,” i.e. harvesting answers from these forums and publishing them as trusted content after “scrubbing” them for quality. B2C businesses are also “crowd-pushing,” i.e. publishing trusted answers to social networks such as Facebook and Twitter, convenient touch-points where the consumer “lives” in this day and age.

4. Manage your SKUs and pricing wisely

Your own brand is closely tied to the brands that you carry. Watch your returns closely and analyze by product categories and brands. You are better off jettisoning SKUs that are experiencing high returns as a pattern. If you are a retailer with a low-price guarantee, you better deliver on that promise.

“Mystery-shopping” on an ongoing basis at competing eCommerce sites or retail outlets will give you a feel for competitor pricing, which you can then use as a reference point to sustain your low-price leadership.

5. Use field service as the second layer of defense against returns

This can be accomplished in two steps:

- **Field service avoidance:** In the case of big-ticket items, manufacturers and retailers can reduce unnecessary “truck rolls” or field visits through effective problem resolution by contact center agents or on their website.

- **First-Visit Resolution (FVR):** In instances where a problem cannot be resolved in the contact center or website, knowledge management systems are able to increase the odds of resolution in the first field service truck roll by suggesting the right spare parts, tools, and problem-fix to field technicians.

So when it comes to reducing returns and keeping products sold, look beyond the obvious! Improving your customer service through your contact centers, website, and social channels might very well be a good place to start.

About eGain

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