D2 WORLDWIDE

*Strong **partnership** results in amazing **returns reduction***

Challenges:

- Staggeringly high product returns threatened to erode brand image and erase healthy profit margins

Approach:

- Applied proven methodology to analyze data, identify key drivers, define actionable recommendations
- Took a collaborative approach to set priorities and execute primary recommendations

Results:

↓

Reduced product returns

$60m

$60 million+ in returns savings

1k

Identified 1,000+ product findings for improvements

In the summer of 2013, the CTO of an information technology company shared growing concerns about challenging product returns. D2 President Tony Olson described a unique, holistic D2 methodology that leverages data and human insight to drive an optimized customer experience. The CTO pulled in the Corporate President and VP of Product Marketing. Even though it was unusual for this company to use outside resources, after hearing more about the D2 methodology and reviewing case studies, they decided to give D2 a chance.

Our approach

Since return reduction was the major emphasis, the Director of Returns was appointed as internal project leader. Working with her, we proposed that the effort be broken into two phases. Phase one was to find all the data, understand sources, learn what was missing, then clean, process, and analyze it. Phase two was to publish analysis results in executive level snapshots. This provided focus and prioritization on product areas where we needed to concentrate. The snapshots led to behavioral science and communications studies, adjusted per data findings, and customized to meet problems at hand.

Phase 1: Analyze and find data → **Phase 2:** Publish results and execute

A continual flow of new data and ongoing analysis allowed us to focus on the highest-priority product opportunities. It also allowed us to adapt behavioral science and communications study efforts to best fit the problem at hand. All this was done in collaboration with our client. Together, we made sure that all projects were first approved, then completed on time, and within budget. Over the course of Phase Two, we ran 29 projects and uncovered over a thousand findings. These findings led to a series of recommendations and, finally, changes. Some were made to existing products, while others were fed forward to impact new follow-on products.

The results

With the increase in sales from one year to the next, if the return rate had remained unchanged, this company would have experienced a 50% higher return rate than they did. Not only did the number of returns not rise at the same rate as sales, they actually dropped YOY. As a result, our client **saw a $60 million+ positive impact.** That doesn't even take into account any impact product improvements had on the increased sales volume.

We suspect more positive impacts around tech calls and customer ratings, but don't have the data yet see tremendous potential for more should the work continue. In a more recent call to the Director of Returns, the outsource vendor handling product returns complained, "We can't turn a profit with so few returns to process!" Now that is a nice problem to have.

SALES

RETURNS

January February March April May June July August September October November December

Phase 1:
Analyze and find data → **Phase 2:**
Publish results and execute → **The result:**
Over $60 million positive impacts

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