

**OPTIMIZING  
THE  
SURPRISING  
RISE OF  
RETURNS**

The background features a series of parallel diagonal stripes. From top-left to bottom-right, the stripes are dark blue, teal, and light grey. The stripes are of varying widths and are set against a white background.

## OVERVIEW

*For the past couple of years, consumer electronics and retail product returns have increased at an alarming rate throughout the merchants and OEM's alike. With increasingly tighter margins and ferocious competitors, resolving the complexities and optimizing a solution can pay huge dividends in reducing expenses, maximizing return on investment, brand appeal coupled with customer loyalty along with channel security. The results, increased customer satisfaction leading to future revenue streams.*

*With changes in consumer behavior because of COVID, product returns are on the rise as traditional retail shifts to online shopping. Many customers no longer can try or test their products of interest or even look at the item before they pull the trigger on purchasing it. According to Digital Commerce 360 News consumers spent \$861.12 billion online with U.S merchants, up 44% year over year according to estimates.*

*That is the highest annual U.S. ecommerce growth in at least two decades. With the growth, retailers also saw an increase in returns of online purchases as the pandemic forced more consumers to buy online. According to the National Retail Federation (NRF), consumers returned an estimated \$428 billion in merchandise, more than double in 2020 from 2019.*



# **“The management & remarketing of product returns has a dramatic affect on NEW product sales and the channels they support”**

Marcus Vertun  
Segue Corporation Vice President

*“Retailers view the return process as an opportunity to further engage with customers, as it provides additional points of contact for retailers to enhance the overall consumer experience” said Mark Matthews NRF Vice President of Research development and Industry Analysis. With consumer electronics representing the largest share of US retail sales at 22% in 2020, eMarketer estimates \$189 billion in online sales. Conversely, returns from online purchases accounted for \$94.16 billion of the \$428 billion in merchandise returned in 2020.*

*Revenue in the Consumer Electronics segment is projected to reach \$415 billion in 2021. With returns increasing at record pace, it is even more critical for OEM’s to ensure true “discipline of their supply chain management” said Marcus Vertun Segue Corporation Vice President of Sales and Purchasing. “The days of cookie cutter supply chain solutions no longer effectively do the job. “Each solution must be tailored to the OEM’s goals and objectives since the management & remarketing of product returns has a dramatic affect on NEW product sales”*

*In order to achieve an optimized supply chain solution, each OEM must focus on four key business pillars:*

- 1. Reduce time and expense*
- 2. Maximize Return-on-Investment (ROI)*
- 3. Brand integrity & security*
- 4. Channel protection & management*

*In addition to the key business pillars and custom optimized solutions, many OEM's are now also faced with environmental impact. The OEM's who are proactively focused on environmentally conscious solutions will capture significant strategic advantages. Segue Corporation works closely with their OEM partners on what they call the 3R's:*

- Reduce*
- Re-use*
- Recycle*

*By offering the 3R's and facilitating all reverse logistic services under one roof Segue reduces time, expenses, and environmental footprint. Then formulaically aligning recertified strategies with NEW Segue ensures dual revenue and profit centers, along with channel integrity, to its partners.*

*Managing returns is a major challenge, especially while retailers and OEM's are also looking to differentiate the consumer experience during the return process. Segue Corporation can help address those challenges through their tailor made and fully optimized return solutions.*

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## **SEGUE OVERVIEW**

*Segue Corporation has been custom tailoring supply chain solutions for over 34 years. "Segue's focus is on the discipline of supply chain management; the design, planning, pricing, execution, control and monitoring of supply chain activities" said Steve Vertun Segue Corporation CEO & Founder. Each solution is custom crafted to meet our OEM partner needs and formulaically driven to ensure optimization without intersection or compression to their OEM partners NEW product sale, critical to the success of any reverse logistics solution.*