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Introduction

What You Need to Know About Reverse Logistics to Lower Costs & Make Customers Happier

Is your company's reverse logistics chain a cost center? It doesn't have to be. When executed correctly, the [reverse logistics](#) chain is a profit center, not a cost center.

Learn about the benefits of reverse logistics and how to better harness its advantages for your business to lower costs and make customers happier.

What is Reverse Logistics?

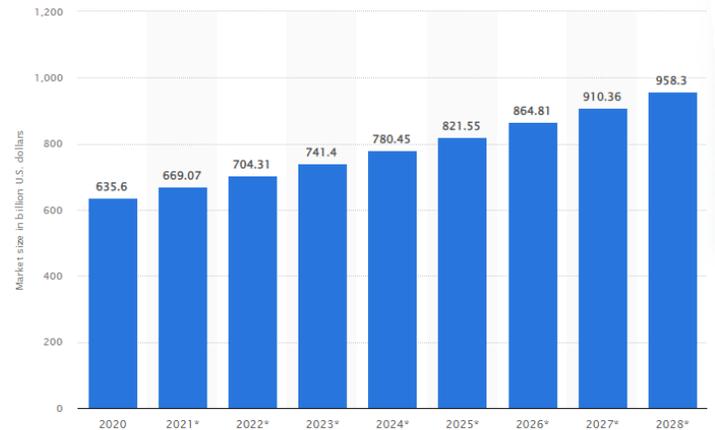
“Worldwide, returns are almost worth a trillion dollars annually and have become increasingly common with the growth of e-commerce.”

Reverse logistics is a set of activities that moves goods from the end user back to the seller or manufacture including returns from retail and e-commerce. The goal of reverse logistics is to recapture the most value from a returned product by reselling or properly dispose of it once it reaches the end of its useful life. The reverse logistics process involves various steps but generally includes warehousing, product repair and refurbishment, repackaging, recycling, disposal, remarketing, and resale. The term “reverse logistics” wasn’t coined until 1992. Still, the process was already well underway since early retailers like Sears Roebuck and Montgomery Ward began delivering goods by railway in the late 19th century.

Fast forward, and the global reverse logistics market was valued at \$635.6 billion in 2020 and is projected to reach \$958.3 billion in 2028, registering a CAGR of 5.6%

reports [Allied Market Research](#). Though in-demand, reverse logistics isn’t always correctly operationalized. You must work with a seasoned RL company, such as [Segue Corp](#), with over three decades of end-to-end logistics solutions and strategy.

Size of the reverse logistics market worldwide from 2020 to 2028 (in billion U.S. dollars). From Statista 2022.



Why is Reverse Logistics Important?

The importance of reverse logistics rests in its ability to maintain an efficient flow of goods. As a result, the company retains product value that would have otherwise been lost. Improving reverse logistics can help a company increase revenue by up to 5% of total sales, reports [UPS](#).

At Segue, we implement tailor-made, ecologically conscious, and scalable reverse logistic solutions. In return, our partners maximize the value of their returns, reduce operational expenses, lessen their environmental impact, protect brand integrity, and enhance customer experience.

Reverse Logistics Benefits

Maximize the Value of Returns

For every \$1 billion in sales, the average retailer incurs \$106 million in merchandise returns, reports the [National Retail Federation](#) (NRF). An option reverse logistics strategy ensures that these valuable returns, many of which are new or like-new, don't go to waste.

Reverse logistics partners like Segue seamlessly sort, document, repair, and remarket returned merchandise in secondary markets-and secondary markets are booming.

A [2019 study](#) by researchers from Arizona State University and Colorado State University determined the value of the U.S. secondary market to be \$633 billion. Over the last 11 years, the secondary market has grown 6.8% on an average yearly basis. Retailers can recoup anywhere from 12 to 25%, sometimes more, of an item's original cost on the secondary market.

At [Segue](#), we get your product reconciled, repaired, and resold faster and more profitably than other logistics companies and re-utilize as much material as possible. We aim to reduce waste by utilizing as many parts from non-working units as possible. Not only are we helping sustain the planet, but we are also increasing yields of returned products and, thereby, your ROI.

Without an optimized reverse logistics strategy, every step in the returns process can cost you-customer service, shipping, transportation, warehousing, and disposal. But when you reclaim valuable parts from returned items or repair and resell them, you can harness value from an item that would've been a complete loss if disposed of when returned.

Increase Sustainability

Reverse logistics is inherently sustainable as the mission is to reduce waste.

By recycling or giving a returned product a second (and useful) life, reverse logistics lessen a company's environmental impact and improve sustainability in the eye of the customer. The latter is especially important, as customers prefer to purchase from eco-minded companies.

Sixty-six percent of North Americans prefer to buy from sustainable brands, reports [Barrons](#), and 69% would willingly pay a premium for recycled products.

Thanks to Segue's optimized reverse logistics process, 95% of our clients returned and excess inventory was kept out of landfills, 5+ million units have been recycled/recertified, and 31+ million pounds of waste has been diverted from landfills over the last 34 years.

How much of your returned, excess and end of life inventory is being squandered instead of recycled or resold?

Better Customer Experience

Improving the returns process increases customer loyalty and encourages positive feedback, and happy customers ultimately spend more money with you.

Happy customers buy 50% more frequently, spend 200% more each year, and are five times more likely to display brand loyalty, [Rosetta](#) reports.

Segue offers customized supply chain solutions to manage the return, recertification, and recommerce of returned products so customers keep coming back. Then, when new customers purchase your refurbished products, they have an exceptional experience with your brand.

Segue's direct relationships with today's most desired brands provide our partners with the best marketplace options. Our entire sales strategy ensures that our OEM partners' A-channel, brand name business, and reputation are 100% protected.

Conclusion

For 34 years and counting, [Segue Corp.](#) has implemented ecologically conscious and scalable reverse logistics solutions. As a result, our partners maximize the value of their returns, reduce operational expenses and environmental impact, protect brand integrity, and enhance their customer experience.

About Segue Corp.

For over 34 years, Segue Corp. has provided global custom-tailored supply chain solutions. Our relentless focus on reducing environment impact, re-using and recycling has been the key driver to our recertification, distribution, 3PL, and channel management solutions. Segue's industry-recognized supply chain solutions and sustainability efforts has garnered partnerships with top-tired consumer brands offering alternative and incremental Recertified products.

Today, our global portfolio of brand partnerships offer a wide variety of product categories such as consumer electronics, personal computers and accessories, gaming gear, and lifestyle products including luggage and apparel.

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