



Balance Supply Chain Costs with **Customer Experience**

Be careful about letting logistics cost controls erode customer satisfaction. By prioritizing shipping for suits and other celebration clothing, Perry Ellis was able to improve the customer experience for over 1,600 customers.

BACKGROUND

Perry Ellis is a leading designer, and manufacturer of a broad line of high quality men's and women's apparel, accessories and fragrances. Its portfolio of internationally recognized brands includes Perry Ellis®, An Original Penguin® by Munsingwear®, Laundry by Shelli Segal®, Rafaella®, Cubavera®, Ben Hogan®, Savane®, Grand Slam®, John Henry®, Manhattan®, Axist® and Farah®. Customers rely on Perry for apparel that makes a stylish impression, especially for celebrations and events.

SITUATION

Over a two month period, Perry Ellis experienced increased return rates and cancellations accompanied by rising costs to restock and ship products. As a result, their bottom line was negatively impacted with declining customer experience. Returnalyze processed Perry's data and analyzed numerous retail performance factors, such as:

- . **Customer Experience**
- . **Product Details**
- . **Returns Performance**
- . **Shipping Data**
- . **Net revenue**

SITUATION

After reviewing the data, Returnalyze identified several products that were responsible for high return rates and poor customer reviews. Returnalyze identified 1 & 2 week ship delays led to higher return rates. The majority of these delays were impacting the suit category. Return rates for 1 week ship delays were 25% higher and return rates for 2 week ship delays were 14% higher. Of significant concern, 52% of customers impacted were first time buyers. These buyers had a return rate that was almost 2X of existing customers. Equally distressing, 8% of items were returned because they were no longer needed – demonstrating the impact of delayed shipping on event attire.

STRATEGY

The client quickly took corrective action with the warehouses and had them prioritize shipping occasion type items, such as suits. By doing this, it increased the chance of the item getting to the customer in time for their event, leading to a reduction in returns.

RESULTS

By acting quickly, Perry Ellis reduced the return rate for shipping delays, recouping over **\$50K** in recoverable revenue during the two month period. Just as importantly, over **1600** customers had an improved customer experience. Balancing supply chain costs with customer experience resulted in an increase in net revenue as well.

“It was incredible to see the speed at which Returnalyze was able to pinpoint the problem, identify necessary corrective actions and impose such a positive impact on customer experience. We are ecstatic with the improved performance in Men’s Suits and event attire, especially with the critical first time buyer segment.”

JAY NIGRELLI. SVP OF ECOMMERCE AT PERRY ELLIS



Contact Us if you are interested in learning more about taking control of your returns

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