

## CASE STUDY



## The Sizable Impact of Size Guides

Increasing product net revenue using returns analytics enables a leading apparel retailer to rapidly isolate problem products.

By adding size guides, the retailer saved over \$800K in just one month!

Avoiding thousands of returns, making approximately 3,500 customers happier.

## BACKGROUND

A leading \$5B US apparel retailer with a reputation for providing a best-in-class customer experience via access to both exclusive and emerging brands came to Returnalyze with a problem.

Over the past few years, this retailer experienced increased return rates accompanied by rising costs to restock and ship products. As a result, their bottom line was negatively impacted. Their goal was to drive net revenue by leveraging data to identify and resolve return issues.

Returnalyze processed this retailer's data and analyzed numerous retail performance factors, such as:

- . Customer Experience
- . Product Details
- . Returns Performance
- . Website features
- . Shipping Data
- . Size and Fit analysis
- . Net revenue

After reviewing the data, Returnalyze identified several products that were responsible for high return rates and poor customer reviews.

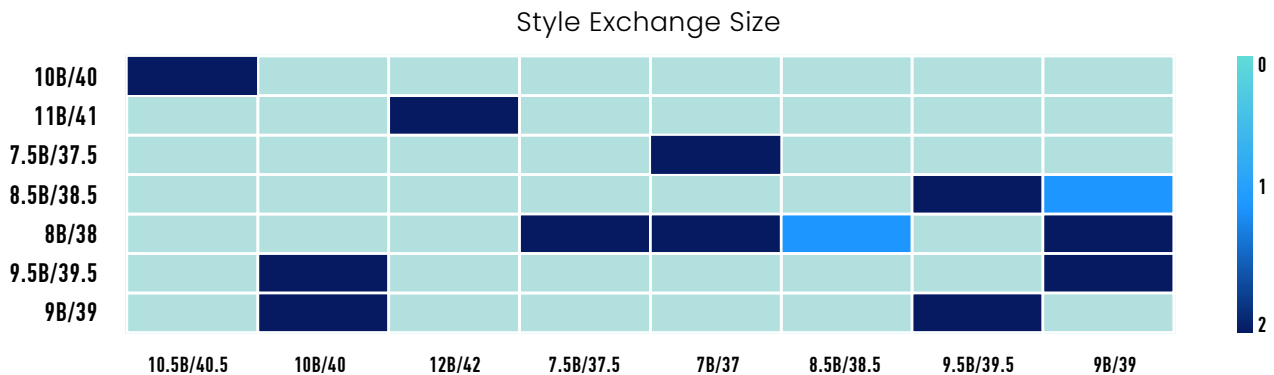
<p><b>GOAL</b></p> <p>Reduce returns to improve bottom line and improve customer experience.</p>	<p><b>STRATEGY</b></p> <p>Quantify product net revenue and identify root cause of highly returned products.</p>	<p><b>RESULTS</b></p> <p>One Month &gt; \$800,000 savings in addition to significant operational savings.</p> <p>Annual Impact &gt; \$4.5 million in savings.</p>
--	---	---

**STRATEGY**

Returnalyze reviewed products with high returns and applied its AI outlier detection model to find that the majority of items did not include a size guide on the website product page. As a result, customers were confused about which size to order, causing high return rates.

A size guide is imperative to assist customers in finding the right product. Sizing can vary by brand, department, gender, fabric, and product style type. Providing specific product size guides is an impactful way to reduce return rates. Returnalyze identified high-selling products that would benefit most from introducing size guides.

Often, retailers invest effort and marketing dollars into products with the highest sales numbers, without factoring in return rates. However, top line sales numbers do not provide the complete profitability picture. Returnalyze measures net revenue on individual products while factoring in return costs. This allows Returnalyze to identify products that would greatly benefit from including a size guide.



# RESULTS

The retailer leveraged Returnalyze's insights and recommendations and implemented them over the course of one week. The changes included adding size guides to recommended products as well as overall size and fit details to the website.

**In just one month, the retailer saved \$800,000 in addition to significant operational savings. The annual estimated impact of acting on Returnalyze recommendations is \$4.5 million in savings.**

In addition to significantly improving their bottom line, the retailer improved their customer experience by simply offering additional product details around size and fit. This allowed customers to make more informed purchasing decisions which ultimately reduced the retailer's return rate. It also had the added benefit of increasing the likelihood of repeat purchases since customers were able to find the correct size during the first purchase without having to make a return or exchange. Returnalyze made additional recommendations which resulted in significant recoverable revenue opportunities in other parts of the retailer's business such as product assortment, customer experience, operations, and marketing.



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

---

**Insights@Returnalyze.com**

**(877) 651-4411**

**[Returnalyze.com](https://Returnalyze.com)**