



Shoppers Win—and Win Again—with Gilt’s Returns Program

For Gilt customers, shopping the chic flash sale website isn’t just about saving big on high-end designer brands. It’s also about winning.

Besides making high fashion more accessible, the wildly popular private sale site also turns shopping into a sort of competition. Most new sales start promptly at noon, and merchandise can sell out fast—so shoppers must be quick to click once the clock strikes 12:00 p.m. ET.

Sometime later come the inevitable returns, a fact of life in the fashion industry. Statistics show return rates for apparel ordered online typically exceed the eCommerce industry average.

But by partnering with Newgistics for returns management, Gilt has improved both its efficiency and the shopping experience—ensuring customers win even when they need to send an item back.

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CHRISTOPHER HALKYARD
Chief Supply Chain Officer, Gilt

CHALLENGE

- » Poor advance visibility into returns coming back
- » Inefficient workforce management
- » Delayed customer refunds

SOLUTION

- » Streamline returns process with Newgistics
- » Gain advance notice of returns with *Newgistics SmartLabel®* technology
- » Keep customers informed on return status

RESULTS

- » Improved labor planning
- » Refunds issued to customers faster
- » Better customer experience

Rapid Growth & Returns Challenges

Since launching in 2007, Gilt has briskly built its members-only customer base—which now numbers in the high single-digit millions. That rapid growth made Gilt’s previous return solution, provided by another shipping company, increasingly problematic.

“When you’re sending out thousands and thousands of units a day, it becomes a logistical challenge to deal with returns,” explains Christopher Halkyard, Gilt’s Chief Supply Chain Officer. “The only thing that makes that challenge more difficult is unforecasted volume coming in.”

Yet unforecasted volume is what Gilt got, with little advance visibility into returns headed back to its distribution centers. That prevented Gilt from maximizing labor productivity, and the inefficiency slowed customer refunds.

Simplicity & Visibility

In 2011, Gilt switched to Newgistics for returns management. Now shoppers print a prepaid, preaddressed *Newgistics SmartLabel*® from Gilt’s online return center and affix it to the original package. Customers can conveniently leave the return in the mailbox for free home pickup by the U.S. Postal Service®, bring it to a Post Office™ or drop it in a blue USPS® collection box.

Newgistics then retrieves the parcel from the USPS for processing and informs Gilt when it will arrive at one of the merchant’s distribution centers as part of a scheduled daily drop-off. That advance visibility is made possible by the richly detailed data embedded in the *Newgistics SmartLabel* barcode.

Advantages for All

Gilt’s partnership with Newgistics benefits the merchant and its customers in multiple ways. First, knowing what’s coming back and when allows Gilt to make more informed staffing decisions. Item-level visibility also helps Gilt preserve sales by accelerating the process of getting merchandise back into stock and out to other customers.

Newgistics helps Gilt improve customer service as well, since both shoppers and call-center representatives can easily track packages through the online return center. Upon receiving notice of a return, Gilt even emails customers proactively to reassure them their parcels are in transit—a service the merchant couldn’t previously provide.

Not least of all, Gilt’s improved efficiency in processing returns accelerates customer refunds.

“We try to get refunds back to our customers as soon as possible, so they can come back and buy from us again,” says Halkyard. “By streamlining our returns process, Newgistics helps us do that.”