



# Bringing a California Style to Customers Worldwide

California-based online fashion retailer Tobi provides fashionable clothes designed for teens and college-aged consumers at great value. From the outset, the retailer offered free returns, realizing the value it would offer to their customers. But returns can be expensive—as any retailer knows, free returns are never really free. Tobi struggled to control costs with the bulk rate the company had with its initial partner, the U.S. Postal Service®.

The limited tracking visibility that Tobi was able to provide to customers prompted frequent customer inquiries, with questions on returns being the third most frequent inquiry. This lack of clarity around the returns process negatively affected the customer experience, leaving customers wondering when they would receive a refund or a replacement item. Tobi team members also struggled with this lack of visibility.

# TOBI

## CHALLENGE

- » Containing the costs of offering free returns was a struggle
- » Customers had limited visibility into tracking packages, leading to tracking inquiries and status updates that often tied up Tobi Customer Care

## SOLUTION

- » Engage with Newgistics as a third-party returns provider
- » Implement automated Transit Triggers® emails that alert customers upon Newgistics' first scan of a package
- » Introduce Newgistics Shipment Manager™ portal
- » Send branded reminder emails after a customer has downloaded a return label but not yet put it in the mail
- » Give customer service team access to Newgistics Shipment Manager portal and easily generated reports

## RESULTS

- » 10% reduction in the cost of returns packages
- » 15% reduction of inbound inquiries related to returns
- » Improved inventory planning to expedite returns to re-sale
- » Branded reminder emails create another touchpoint with the customer, delivering better customer care and additional marketing opportunities
- » Improved visibility helps customer service more easily assist customers during the returns process and create a better overall experience

## Overhauling the Returns Process

As a growing online retailer, Tobi prided itself on its commitment to its customers, but realized it would need to find a way to control the costs associated with offering free returns if it expected to maintain its trajectory. Tobi needed the right returns partner and engaged with Newgistics in January 2015 to overhaul its returns process. It implemented a solution for customers to download and print a Newgistics SmartLabel® from the newly introduced Newgistics Shipment Manager™ portal, put it on their return and drop it in the mail at home, at work or at any U.S. Post Office™.

Next, Newgistics helped Tobi implement its Transit Triggers® program, which sends automated emails containing tracking information to customers upon the first scan of the Newgistics SmartLabel. This allows customers to follow their return in-transit and have a better idea of when their return will make it back to Tobi's distribution center.

And since it's not unusual for customers to begin the returns process and then forget to take the final steps and drop the return in the mail, a branded email reminder is sent to the customer if the printed label hasn't been scanned within three days.

Along with improved visibility on the customer side, the customer service team benefits from the Newgistics Shipment Manager portal, which allows them to track in-transit returns and gives them the ability to easily generate reports.

## Happy Customers, Happy Team

Within a year after Tobi began working with Newgistics to overhaul its returns process, the online retailer experienced a 10 percent reduction in the cost of return packages.

"It is our mission to provide great clothes at great value, and offering free returns is a huge part of the full customer experience," said Matt Ziser, Vice President of Operations at Tobi. "Newgistics has helped us control costs in a way that will help us scale. And having access to Newgistics' consulting support to troubleshoot a challenge or analyze data has helped us continue to make the right strategic decisions as our business expands."

The Transit Triggers program and Newgistics SmartLabel technology have given customers more visibility into the journey of their returns, leading to a 15 percent reduction of inbound calls related to returns. Customers can now see where their return is in-transit and gain insight into when their package will arrive. In addition, the branded reminder emails sent to customers who have printed labels but haven't yet put the return in the mail have created another brand touchpoint, enriching the customer journey.

"We've only just begun to track the benefits we've seen from our new returns program," said Ziser. "Newgistics has become a trusted partner that's proven it can help us achieve our main mission—to always provide our customers the most enjoyable and seamless experience possible."