

“The launch of Avon’s e-Z Returns program through the use of Manhattan’s Reverse Logistics Management solution has been a huge breakthrough for our business.”

Roosevelt Tolliver, VP of Global Business Transformation
Avon Retail



Avon Corporation transforms reverse logistics channel with Manhattan Associates

CUMBERSOME RETURNS SYSTEM DEFIES “NO HASSLE RETURNS” PROMISE

The world’s leading direct seller of beauty and related products, Avon markets to women around the world through a global network of sales representatives, including 600,000 in the United States alone. Part of the appeal of the Avon sales model is the company’s “no questions asked” return policy. Representatives can assure their customers that their money will be refunded in full if a product is returned for any reason.

Avon became aware of challenges in their returns process that made it difficult to deliver on the “no hassle returns” promise to their sales associates. Returns often took two months to process. Shrinkage and product loss throughout the reverse logistics channel resulted in growing customer dissatisfaction. Issues related to the company’s campaign-based pricing sometimes made it difficult to know how much to refund when the product underwent several discounts throughout the year. The president of Avon, North America, determined that the company should invest in a returns solution that would transform the reverse logistics process to dramatically improve representative and customer satisfaction.

REVERSE LOGISTICS MANAGEMENT SOLVES BOTH MAJOR CHALLENGES TO AVON’S RETURNS SYSTEM

Avon conducted a thorough search and selected Manhattan’s Reverse Logistics Management solution, in part based on the flexible design of the solution. Avon faced both inbound and processing-related challenges. The company implemented the solution’s inbound functionality first to solve the immediate customer-facing issues and later dealt with other returns issues within the returns processing facility.

AVON

Headquarters: New York, NY

Size of return center:
120,000 square feet

Manhattan solutions:
Reverse Logistics Management

Challenge:

Avon’s return system was slow and suffered from shrinkage and product loss, resulting in customer and sales representative dissatisfaction.

Goal:

Avon wanted to deliver on its “no hassle returns” policy for sales representatives and ensure accurate refunds to customers.

Solution:

Manhattan provided flexibility to address both inbound and processing-related problems within the reverse logistics system.

Result:

Sales representative satisfaction with Avon’s e-Z Returns now garners a 90% approval rating, up from 40%. The entire returns process shrank from 60 days to just one week.

NEW SYSTEM MATCHES RETURNS TO ORIGINAL INVOICES ONLINE AND SIMPLIFIES RETURN PROCESS

Thousands of Avon representatives routinely hit the YourAvon.com web site each day to conduct various aspects of their business, including returns. The chameleon-like nature of the Reverse Logistics Management inbound component made it easy to configure to match the look and feel of the parent web site.

On the site, Avon representatives search their prior orders for the products they wish to return. Reverse Logistics Management's tight integration with Avon's Order Management System enables the representatives to see their prior invoices. As a result, representatives can ensure that return quantities and prices match up with prior purchases.

Once a representative has selected the items to be returned, the Reverse Logistics Management shipping wizard allows the representative to build a return shipment and print carrier-compliant labeling. Avon offers a choice of carriers via Reverse Logistics Management—representatives can choose between the SmartLabel® by Newgistics and standard UPS labeling. Both are pre-paid by Avon and the shipping cost is deducted from any refund due to the representative. With the SmartLabel®, Avon representatives also have the convenience of simply dropping the returned merchandise in a mailbox (versus having to locate a UPS drop box.)

Avon takes full responsibility for the return once it is scanned. Reverse Logistics Management constantly tracks the package during the trip back to the return center. This limits the number of misplaced packages and the return center typically has several days' notice of the volume of returns expected.

SALES REPRESENTATIVES REPORT 90% SATISFACTION AS RETURN PROCESS SHRINKS TO JUST ONE WEEK

From the launch of the pilot phase of its e-Z Returns program through its national rollout, Avon received very positive responses from their sales force. Users polled during detailed marketing clinics on the system's usability and performance gave the new system a 90% approval rating, up from 40%.

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“Returns had been one of the top three sources of sales force dissatisfaction—but not anymore. Now, representatives receive immediate account updates when submitting credit requests and we have complete visibility and control of the returns shipment. This has truly been a ‘win-win’ situation—our representatives now enjoy a greatly enhanced level of service and our internal processing efficiency has also improved with the new program.”

Roosevelt Tolliver, VP of Global Business Transformation
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Along with the accolades from a satisfied sales force, Avon also reaped benefits from a more streamlined, automated returns process. A much higher percentage of returned packages can be opened, scanned and processed in record time as the new labeling immediately locates invoice records and eliminates laborious manual searches. As a result, the returns process—which previously took more than 60 days—now takes only one week.

Sales representatives receive immediate credit on their returns instead of waiting two weeks to receive a credit. Also, because Avon typically knows return volumes days in advance, staffing can be managed more effectively than in the past. Avon expects the internal operating efficiency of their returns center to increase at least 30% with the new solution in place.