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Many unhappy returns.

Now that the end-of-year holiday season is well over, I hope everyone received what they wanted. For those who did not you probably did what an increasing number of people are doing each year: returning gifts.

According to an article by Los Angeles Times writer Shan Li, \$284 billion of merchandise was returned in 2014 in the United States according to retail industry consultancy Retail Equation, a 13% increase from 2013's \$267 billion. And according to consulting firm Kurt Salmon, whereas 9% of overall retail sales are returned, as much as one-third of online sales are returned. For the average retailer, the cost of returns is 4.4% of revenue. As brick-and-mortar stores try and compete with online retailers, the brick-and-mortar retailers are introducing more lenient return policies as a means of enticing customers to return to their stores.

Granted, some returned items can be returned to stock and resold as new, and other returns will find their way to outlet stores or liquidators. Consumers should be wary about where they shop, knowing that shopping at an outlet store might mean that they are purchasing a returned item.

But according to the National Retail Federation, fraud in returns will cost retailers \$2.2 billion, up from \$1.9 billion last year, writes Kaitlyn McAvoy in her December 24, 2015 post on Spend Matters (<http://spendmatters.com>). Retailers expect 3.5% of all returns to be fraudulent per the National Retail Federation. McAvoy goes on the list several types of return frauds that retailers will be on the lookout for, and they include frauds perpetrated by both consumers and employees alike.

Without spoiling McAvoy's post: the most returned item is clothing. Hmm ... seems to make sense ... sizes vary so much by manufacturer and peoples' tastes can be so fickle. And the increased use of electronic receipts (e-receipts) has had a negative effect on reducing fraud. Apparently e-receipts are an enabler of return fraud, maybe because they are easier to forge than paper receipts.

So gather your unwanted gifts and head to local retailer or online merchant for the annual exchange. Be honest because Santa Claus is most certainly watching, and he knows just who is naughty and nice. After all, you don't want to receive a returned gift next year, do you?

To read Kaitlyn McAvoy's entire Spend Matters post, please go to:
<http://spendmatters.com/2015/12/24/fraudulent-returns-cost-retailers-2-2-billion/>

Thanks.

Norman Katz, CFE, CFS, CCS, MOS
 Katzscan Inc.
 954-942-4141



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