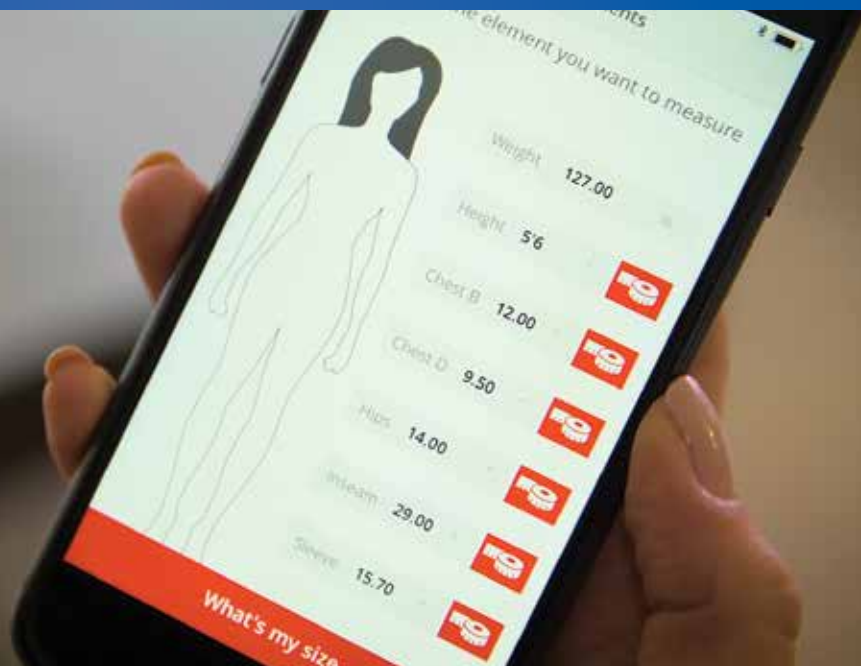


Sizing Up Return's Impact on Logistics

By Ronen Luzon , CEO, MySize

ARTICLE



The reverse logistics industry has a focus of cleaning up the returns process. But as ecommerce is projected to [grow exponentially](#), the supply chain is not as smooth as it used to be. From fit issues with retail apparel, to parcel delivery companies struggling to keep up with the demand, everyone is looking for solutions throughout the process to improve efficiency and increase their bottom line, and many are turning to data.

RETAIL'S RETURNS ISSUE

We all know the issue – you've been shopping online for some new clothes for your big night out. You find some great options, order multiple sizes to ensure you have something that fits, and even pay for expedited shipping to ensure everything arrives in time.

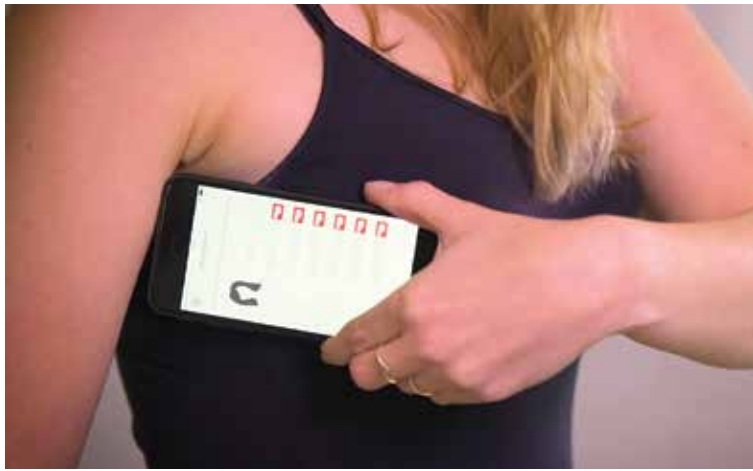
It's the online equivalent to being in a dressing room in a brick-and-mortar store, but it's also online retail's most prevalent problem. The lack of a true sizing system results in buyer confusion, and often, the ordering of an ill-fitting item. Then it's the retailer left to pick up the tab for the cost of return shipping, as well as resending a new item if it's required.

It's been reported that 20-30% of online apparel orders are being returned (with 70% of those returns due to problems with fit), costing the retailer anywhere from \$3 to \$12 per order. One [study cites total expenses](#) to e-retailers from apparel returns at \$1.4 billion dollars, roughly 2.5% of the total online revenue (\$60B) of apparel and accessories in 2015.



Returns have become such an expensive issue we've begun to see legacy retailers change decades old return policies in order to cut costs. For the last 100 years, L.L Bean had accepted returns of basically any item, purchased at any time, with or without a receipt. But over the last five years, the [Company reported](#) losing \$250 million worth of returned items that could not be resold.

But many retailers still offer free returns for merchandise purchased online, putting a significant dent into the bottom line of a booming industry.



SIZING UP A FIX

The growth of online shopping has resulted in not just an increase in returns, but an increase in the parcel delivery business, which is [poised to grow to \\$343B globally](#) by 2020. Many logistics professionals realize that a package's dimensions and weight can make all of the difference in the cost of shipping – and subsequently, their revenues. The dimensions of a package are critical, since you aren't just measuring a box – you are essentially buying the amount of space you will need on the truck, airplane or ship that will be transporting your package.

[My Size, Inc.](#) offers efficient solutions to the escalating costs associated with sizing and measurement issues by providing users with the ability to accurately measure everything from everyday objects to body measurements with the quick movement of a smartphone. Their application, [BoxSizeID](#), provides users with the ability to instantly measure packages by utilizing the phone's internal sensors combined with a proprietary and patent-pending algorithm to provide

accurate measurements and calculate shipping fees. This technology can be utilized to get a true sizing right from a mobile device, in a matter of minutes.

By embedding the technology in their own app (or a white label app), [BoxSizeID](#) offers shipping companies, and even retailers, a variety of precise logistical data to more efficiently manage their shipping and returns processes. This provides a customized solution that becomes critical to [eliminating the inefficiencies](#) in the shipping industry, while also improving the bottom line.

The sizing and return issue has created a sizeable market opportunity for technology companies that can provide a solution enabling those in reverse logistics an opportunity to recoup these losses and continue to drive innovation.



Ronen Luzon is the CEO of [MySize](#), a developer of proprietary smartphone measurement applications.

