Nick's Corner

Stores Have a Mission: Getting You to Keep That Thing You Bought Online

The surge in pandemic-fuelled online shopping has created a new urgency to solve a decades-old problem: **_returns_**.

Companies such as Walmart Inc. and Amazon.com Inc. are telling customers to keep unwanted items. Some retailers are introducing virtual dressing rooms and made-to-measure clothing so that shoppers keep more of what they buy. Others are scoring shoppers based on their return rates, much the way credit-ratings firms tally consumers' creditworthiness.

Behind the push is a painful economic reality of e-commerce. The share of online purchases that are returned averages 30% or higher, depending on the category, three times the rate in physical stores, according to industry executives.
"There was a huge shift to online shopping, and the numbers won't go back to where they were before the pandemic,". Consumers got comfortable buying everything from groceries to makeup online, as brick-and-mortar stores temporarily shut, and anxiety mounted about spending time indoors. In a recent survey 42% of consumers said they plan to shop even more online once the pandemic ends than they do now.

That shopping shift is placing more importance on solving a problem that dates to the early days of online shopping. Free shipping and other accommodating return policies have gotten consumers used to ordering multiple sizes and colours and returning what they don't want. The number of e-commerce packages returned in 2020 rose 70% from 2019, according to Narvar Inc., which processes retail returns. One of the top reasons is improper fit.

For a typical retailer, every $1 million reduction in returns can translate to $500,000 added to the bottom line. "Consumers are looking to recapture some of the magic that happens when you walk into a store and can try things on," said Raghav Sharma, a co-founder of Perfitly LLC, a technology company that powers virtual fitting rooms for retailers. Replicating the in-store experience online is tricky. The technology is still nascent, customers don't always measure their bodies accurately, and they can get annoyed if the process is too long and cumbersome. Yet there are signs that virtual try-ons are gaining traction.

Ulta Beauty Inc. introduced virtual makeup try-ons, Levi Strauss & Co. and Tommy Hilfiger are using a tool that lets shoppers see how clothes look on various digitally rendered body types by displaying clothes on different body types with technology used for military mapping applied to the topography of human bodies.
Another way is through bespoke clothing, which has moved beyond luxury labels. Amazon is selling made-to-measure T-shirts, and H&M Group is testing custom-made button-down shirts and bespoke jeans.
At least 90% of customers don't give the right reason for why they are returning. They tend to pick the first answer in the drop-down box.

To solve the returns problem, retailers need to know why shoppers are sending products back. KeepScore, which measures consumer returns much the way credit-ratings firms track creditworthiness by scouring product reviews, social-media, and call-centre data to determine why products are sent back. It also tries to ferret out serial returners or those who tend to return only in certain categories. Customers with a bad KeepScore might not get offered special discounts.

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Client Services

FinSwitch is live with the read-only phase of the FinSwitch Chain, its blockchain project. We are providing clients plenty of time to get familiar with the new platform well before the go-live date. We again urge clients to login and familiarise themselves with the new platform.

In preparation for the go live, estimated for the last quarter of 2021, we would like to make clients aware of the following:

Login to the Chain
- Clients to contact Client Services to receive password in order to login.
- Login using: web.finswitch-chain.finswitch.com

Supported Browsers
- Microsoft Edge, Chrome & Firefox (latest versions) will be the only supported browsers.

Currency Code
- The R currency code will not be accepted in blockchain. All currency codes must be changed from R to ZAR.

Fund Migration/Off Boarding – New Requirement!!
All off-boarding ManCo's must ensure the following when making the fund/s inactive:
- JSE code must match the Fund code (i.e. if OLD_ was prefixed to the fund code, it must be added to the JSE code as well)
- Change the fund type to "Other".

Mobile Number Update
- Mobile numbers are a mandatory requirement for logging into Production.
- "Contact Number" must be updated with mobile number.

Training Documentation
- Mini videos and a training presentation are available on FinSwitch under "Communication", "Documents."

Best Wishes
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