

# Carat





Returns Optimization

## Preserve Sales and Decrease Costs

Reduce returns at the point of customer purchase or return through targeted, relevant incentives for “high returner” profiles. Carat utilizes AI-powered, machine-learning data analytics to evaluate sales and return activity at your business, as well as within your peer group, to pinpoint the most active, high-impact returner profiles.

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### Merchant Benefits

-  Multimillion \$ sales preservation potential from 10% returns behavior change<sup>1</sup>
-  Lower operational costs (That is, shipping, processing and stocking)
-  Improved customer loyalty due to better consumer value and experience
-  Reduction in environmental impact because of returns

Sources:

<sup>1</sup> Fiserv data; individual results may vary.

<sup>2</sup> National Retailer Foundation and Apriss Retail press release.

<sup>3</sup> Incisiv – Newmine State of Industry Report 2021.

<sup>4</sup> PYMNTS.com



### Returns Challenges and Opportunities

**\$430B**

Value of merchandise returned to U.S. retailers in 2020<sup>2</sup>

**5%–25%**

Annual sales lost due to returns<sup>2</sup>

**\$125B**

Estimated savings retailers can make focusing on returns reduction<sup>3</sup>

**45%**

Shoppers willing to keep purchase if offered a 10% discount<sup>4</sup>



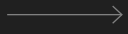
## Real-time Data Exchange Powers Returns Optimization Use Cases

Our omnichannel solution enables merchants to identify, differentiate and influence shopping behavior to minimize in-store and online returns, plus track and measure the ROI of analytics-driven incentives.

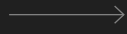
### 1. Point-of-sale, “no return” purchase optimization



Customer initiates purchase at store or online



Merchant engages Carat through Commerce Hub



Carat Analytics returns customer profile

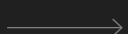


Based on customer profile, merchants can offer incentives to targeted segments to help prevent returns

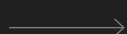
### 2. Post-purchase optimization



Customer initiates return at store or online



Merchant engages Carat through Commerce Hub



Carat Analytics recommends return incentives based on customer profile

## Leverage the Most Robust Data Pool for Best Results

We analyze billions of in-store and eCommerce transactions, access millions of consumer profiles and combine payments data across merchants to provide actionable insights that drive operational optimization as well as growth.

### Scale of Data

- **\$3T+** merchant spend
- **4 of 10** U.S. transactions processed
- **500M+** cards used at POS and eCom
- **\$2B** in returns
- **50M** return transactions

### Powerful Partnerships

- **1,000+** enterprise customers
- Serve majority of **Fortune 50** companies
- **6M** merchant locations
- **4,000+** financial institutions