

HENKEL

Amazon Chargeback Analysis

Get to know Team 6!



Smridhi Mangla

Born and raised in India, I graduated in 2016 with my Bachelor's in Computer Science. To date, I have over 3 years of professional experience working as a Business Analyst. During this time I have been exposed to a variety of analytical tools and have worked within the industries aviation, retail, and financial services.



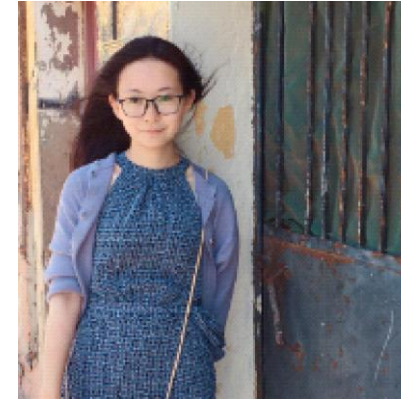
Stephanie Wallace

Born and raised in Connecticut, I graduated from UCONN in 2010 with my Bachelor's in Actuarial Science & Mathematics and a Minor in Economics. With over 10 years of Financial Services and Insurance experience, I have spent the last 6 years working for Travelers as a Director supporting the Business Performance Analytics team within Risk Control.



Hanbo Shen

Born and raised in China, I graduated in 2019 with my Bachelor's in Marketing Management. To-date, I have professional experience working for Lifeng in the marketing research department where I have utilized a variety of analytical tools to provide statistical insight and to perform competitive analysis.



Xiaoyue Wang

Holding a Master's Degree in Arabic Language and Literature, I worked as both an international news journalist and a Tech column editor. With a career path shift to business analytics, I endeavor to combine data science with my qualitative and macroscopic analysis background to tell the relevant data-driven story with helpful business insights.



Zhihao Jin

Born and raised in China, I graduated in 2018 with my Bachelor's in Economics and Finance. Following my undergraduate career, I embarked on a Master's in Financial Analysis which I completed in 2019. My professional experiences to date include time spent as a Business Analyst working for a Commercial Bank, Securities Company, and most recently, an insurance company.

Last Time

- 95% of chargebacks driven by 4 key issue types:
 - PO On-Time Accuracy (44%)
 - ASN Accuracy (22%)
 - Prep - Bagging (22%)
 - Rejected PO Rate (6%)
- 93% of chargebacks fall within 2 vendor codes:
 - DIAW7 (58%)
 - SUNFQ (35%)
- Identified 4 major wholistic chargeback drivers; issue type, vendor code, fulfillment center (city & state), and brand/product

Close to \$3M of Chargebacks Over Past 12 Months, 20% Reversed

Rolling 12 Month Chargeback Breakout:

Chargeback Status	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Grand Total
Charged	\$76,496	\$82,118	\$91,885	\$134,246	\$80,082	\$140,647	\$219,234	\$248,122	\$375,854	\$311,183	\$208,513	\$351,655	\$2,320,034
Dispute denied	\$0	\$0	\$2	\$858	\$3,540	\$8,405	\$4,750	\$172	\$0	\$0	\$0	\$30,884	\$48,609
Reversed	\$197	\$2,091	\$4,429	\$4,582	\$1,809	\$13,104	\$131,134	\$134,762	\$20,660	\$30,258	\$25,261	\$35,317	\$403,605
Dispute approved	\$0	\$0	\$0	\$0	\$0	\$130	\$126,568	\$72,111	\$0	\$0	\$0	\$0	\$198,808
Chargebacks	\$76,693	\$84,208	\$96,316	\$139,686	\$85,432	\$162,284	\$481,685	\$455,166	\$396,514	\$341,442	\$233,774	\$417,856	\$2,971,056
Remaining Charges	\$76,496	\$82,118	\$91,887	\$135,103	\$83,622	\$149,051	\$223,984	\$248,294	\$375,854	\$311,183	\$208,513	\$382,539	\$2,368,643
Reversed Charges	\$197	\$2,091	\$4,429	\$4,582	\$1,809	\$13,233	\$257,701	\$206,872	\$20,660	\$30,258	\$25,261	\$35,317	\$602,413
% Reversed Charges	0%	2%	5%	3%	2%	8%	53%	45%	5%	9%	11%	8%	20%

Key Definitions

- Chargebacks: summation of financial charges with a chargeback status of either “Charged”, “Dispute Denied”, “Reversed”, and “Dispute Approved”.
- Reversed Charges: summation of financial charges with a chargeback status of either “Reversed” or “Dispute Approved”.
- Remaining Charges: *Chargebacks* minus *Reversed Charges*.
- Subsequent analyses will focus on the create date time period from **Oct 2019** to **Sep 2020** unless otherwise noted.

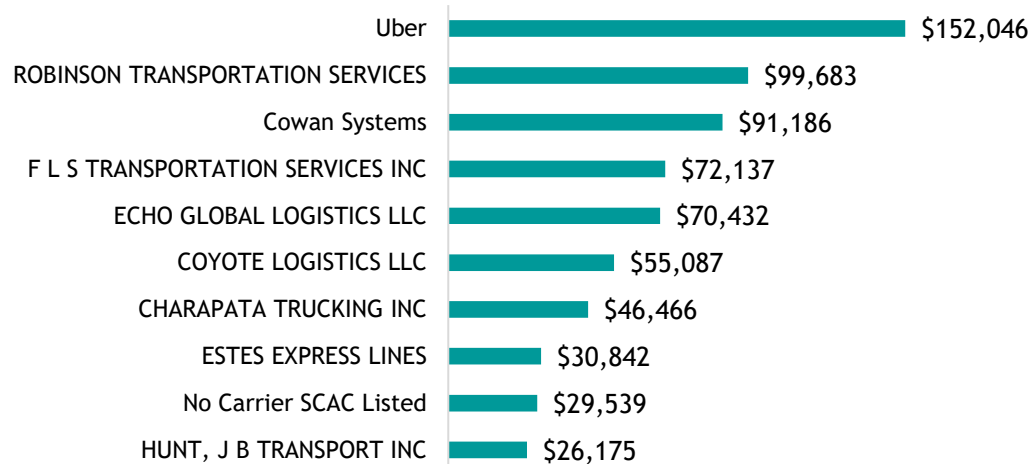
Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

\$900K+ Chargeback Dollars Due to Not Filled PO On-Time Accuracy Sub-Type

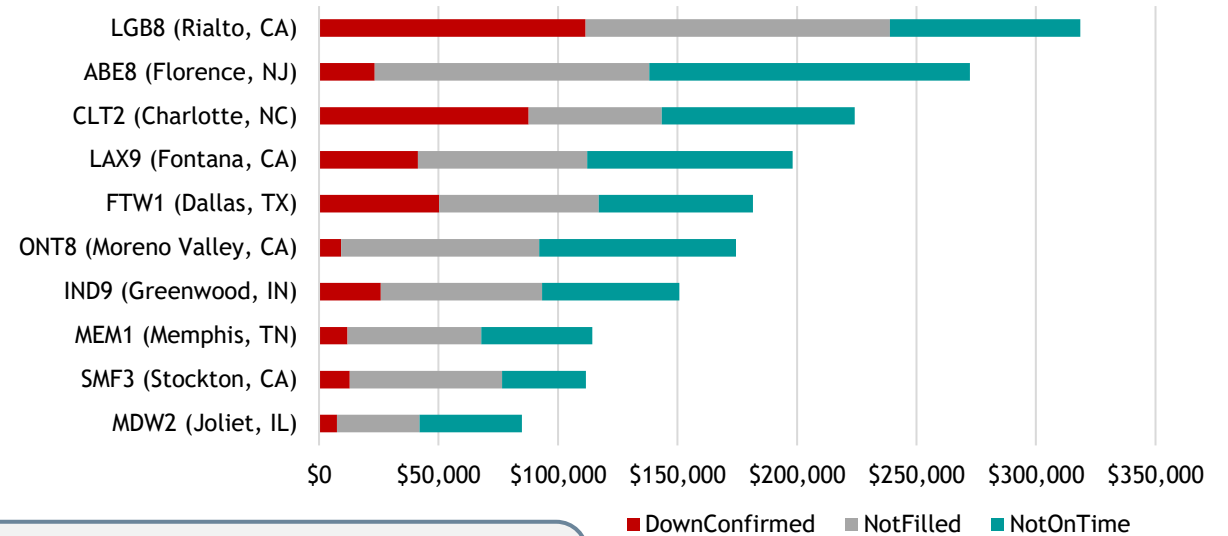
PO On-Time Key Breakout:

Issue Sub-Type	% Chargebacks	Chargebacks	% Issues	Issues	Avg. \$ / Issue
NotFilled	43%	\$938,993	13%	3,589	\$261.63
NotOnTime	39%	\$860,995	81%	22,294	\$38.62
DownConfirmed	18%	\$403,206	6%	1,614	\$249.82
Grand Total	100%	\$2,203,193	100%	27,497	\$80.12

Top 10 Carriers by Chargeback Dollars for Not On-Time



Top 10 Fulfillment Centers by Chargeback Dollars



- **Uber:** LAX9 (Fontana, CA), LGB8 (Rialto, CA), ABE8 (Florence, NJ)
- **Robinson Transportation Services:** ONT8 (Moreno Valley, CA), CLT2 (Charlotte, NC), FTW1 (Dallas, TX)
- **Cowan Systems:** LAS1 (Henderson, NV)

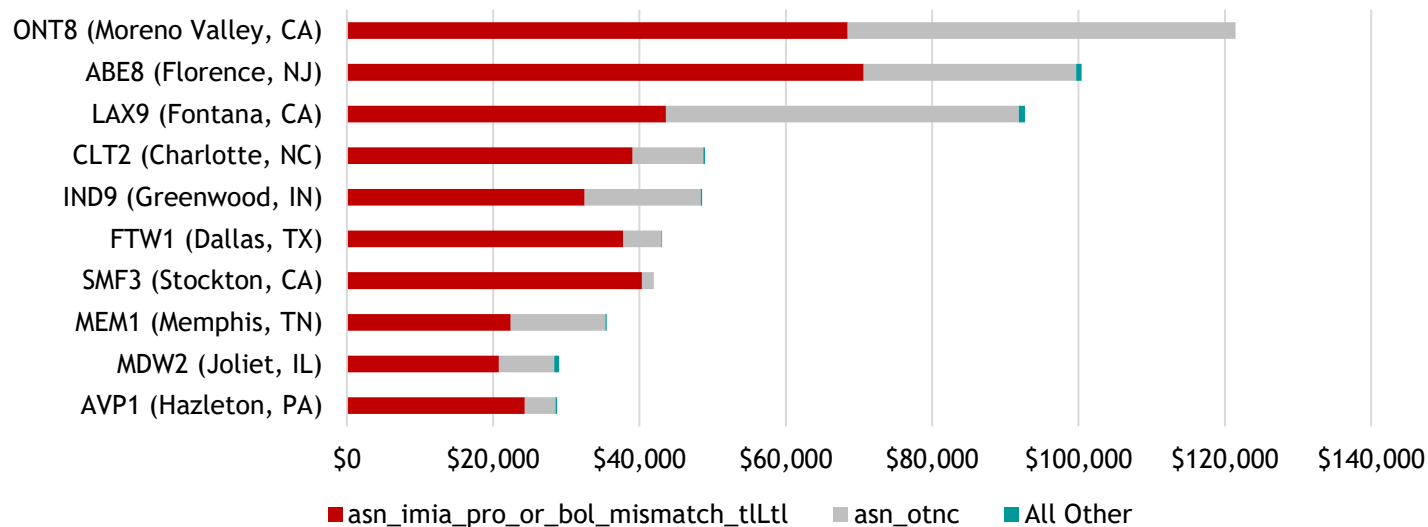
Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

Two Sub Issues Drive Close to 100% ASN Accuracy Chargeback Dollars

ASN Accuracy Key Breakout:

Issue Sub-Type	% Chargebacks	Chargebacks	% Issues	Issues	Avg. \$ / Issue
asn_imia_pro_or_bol_mismatch_tLtl	65%	\$423,001	53%	4,563	\$92.70
asn_otnc	35%	\$225,685	46%	4,012	\$56.25
asn_imia_unit_count_mismatch	0%	\$1,600	1%	46	\$34.79
asn_imia_invalid_expiration_date	0%	\$1,561	0%	12	\$130.10
asn_imia_missing_expiration_date	0%	\$327	0%	29	\$11.28
asn_imia_invalid_or_missing_arn	0%	\$6	0%	1	\$5.53
Grand Total	100%	\$652,180	100%	8,663	\$75.28

Top 10 Fulfillment Centers by Chargeback Dollars



Top two issue sub-types have relatively consistent frequency, with “mismatch carrier appointment data” 65% higher from an average dollar per issue perspective.

Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

64% of Prep-Bagging Chargebacks Driven by 10 Products

Prep-Bagging Key Breakout:

Brand	% Chargebacks	Chargebacks	% Issues	Issues	Avg. \$ / Issue
SOFT SCRUB	29%	\$192,688	19%	2,193	\$87.87
PUREX	22%	\$146,345	26%	2,971	\$49.26
PERSIL	16%	\$106,489	23%	2,680	\$39.73
ALL DETERGENT	11%	\$70,404	10%	1,202	\$58.57
SNUGGLE	10%	\$65,597	7%	771	\$85.08
RENUZIT	9%	\$57,115	12%	1,346	\$42.43
ZOUT	4%	\$26,890	4%	479	\$56.14
Grand Total	100%	\$665,527	100%	11,642	\$57.17

Amazon charges on average \$0.50 per bag per item; when fulfilling high-volume or frequently shipped orders, this cost quickly adds up.

Top 10 Products by Chargeback Dollars for Prep-Bagging

Soft Scrub Multi-Purpose Kitchen and Bathroom Cleanser with Oxi, 36 Ounce (Pack of 1)	\$83,914
Purex Liquid Natural Elements Laundry Detergent, Linen & Lilies, 75 oz (50 loads)	\$64,291
Soft Scrub All Purpose Surface Cleanser, Lemon, 24 Fluid Ounces	\$52,836
Renuzit Adjustable Air Freshener Gel, After The Rain, 7 Ounces (6 Count)	\$47,770
Purex Liquid Laundry Detergent for Baby, 75 Fluid Ounces, 50 Loads	\$43,286
Snuggle Plus Super Fresh Liquid Fabric Softener with Odor Eliminating Technology, 31.7 Fluid Ounces...	\$39,481
All Liquid Laundry Detergent, Free Clear for Sensitive Skin, 58 Loads, 88 Fluid Ounce	\$35,725
Persil ProClean Power-Liquid Laundry Detergent, Intense Fresh, 150 Fluid Ounces, 96 Loads	\$18,918
Soft Scrub In-Tank Toilet Cleaner Duo-Cubes, Alpine Fresh, 2 Count	\$18,792

Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

18% of Rejected PO Rate Chargebacks Driven by All Mighty Pacs Laundry Detergent

Rejected PO Rate Key Breakout:

Vendor code	Brand	% Chargebacks	Chargebacks	% Issues	Issues	Avg. \$ / Issue
SUNFQ	ALL DETERGENT	42%	\$222,042	14%	705	\$314.95
	SNUGGLE	8%	\$43,150	14%	701	\$61.56
	SUNFQ Total	50%	\$265,193	28%	1,406	\$188.61
DIAW7	PERSIL	19%	\$100,276	19%	959	\$104.56
	PUREX	11%	\$58,554	14%	690	\$84.86
	20 MULE TEAM	7%	\$35,487	13%	665	\$53.36
	SOFT SCRUB	5%	\$28,024	13%	663	\$42.27
	COMBAT	5%	\$25,079	7%	357	\$70.25
	RENUZIT	3%	\$16,265	5%	251	\$64.80
	ZOUT	0%	\$549	0%	24	\$22.87
	DIAW7 Total	50%	\$264,234	72%	3,609	\$73.22
Grand Total		100%	\$529,427	100%	5,015	\$105.57

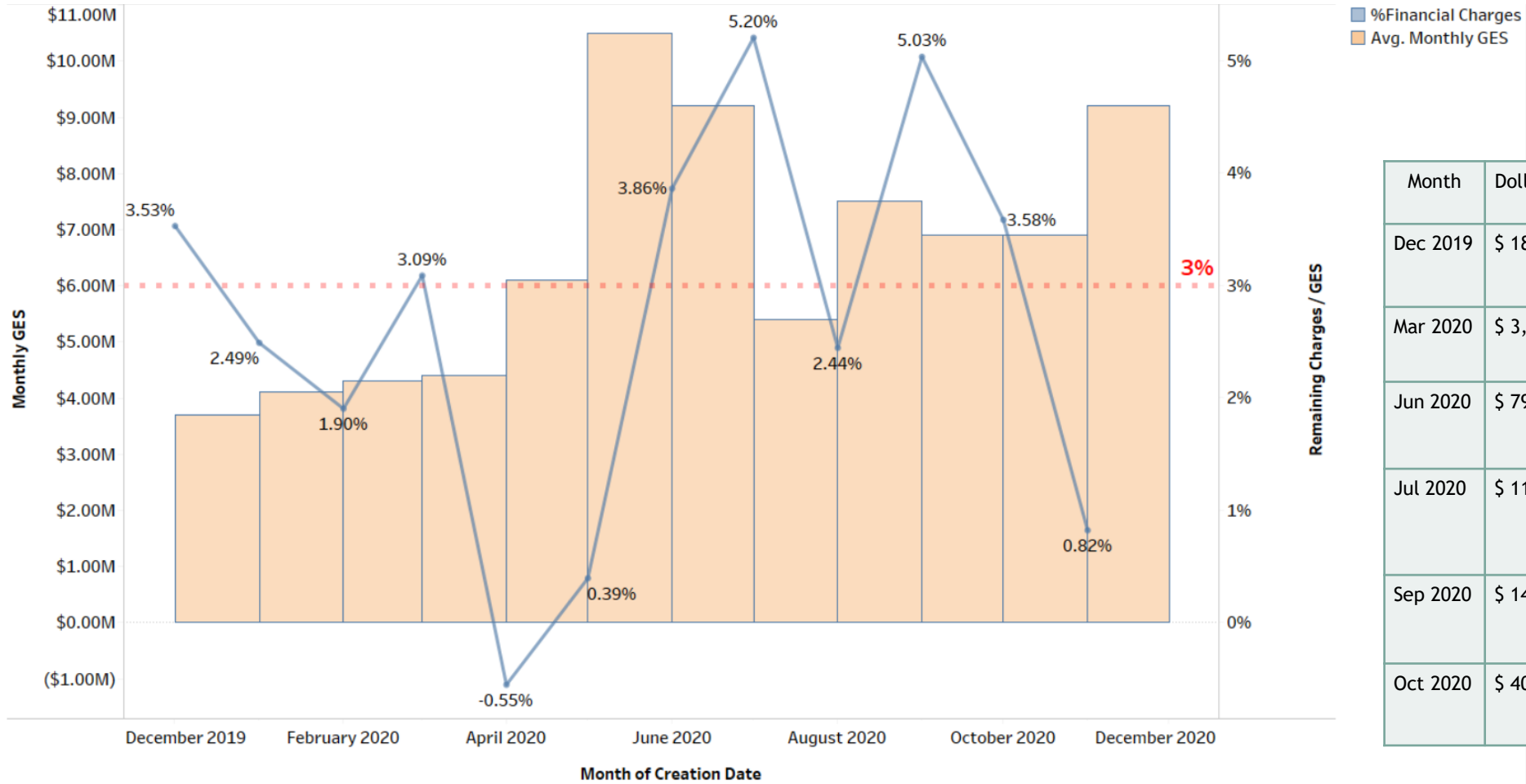
ALL Detergent averages close to \$315 per issue; which is two times as high as the overall average for this issue type.

Top 10 Products by Chargeback Dollars for Rejected PO Rate

all Mighty Pacs Laundry Detergent, Free Clear for Sensitive Skin, 67 Count, 2 Tubs, 134 Total...	\$95,710
Persil Liquid Laundry Detergent, ProClean Original Scent, 2X Concentrated, 110 Loads	\$43,833
all Liquid Laundry Detergent, Free Clear for Sensitive Skin, 2X Concentrated, 110 Loads	\$36,449
20 Mule Team Borax Laundry Booster 65oz (Pack of 4)	\$29,068
All Mighty Pacs Laundry Detergent 4 in 1 Stainlifter, Tub, 60 Count	\$28,861
Purex Liquid Laundry Detergent, Baby Soft, 2X Concentrated, 2 Count, 220 Total Loads	\$22,534
Persil ProClean Discs Laundry Detergent, Original, 40 Count, Pack of 2, 80 Total Loads	\$20,962
All Mighty Pacs Laundry Detergent, 4 in 1 with Oxi, Tub, 60 Count	\$17,828
Persil Proclean Discs Laundry Detergent, Original, 62 Count	\$14,551
Combat Max 12 Month Roach Killing Bait, Small Roach Bait Station, Child-Resistant, 18 Count	\$11,739
Purex Liquid Laundry Detergent for Baby, 75 Fluid Ounces, 50 Loads	\$11,560

Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

6 Months Greater Than 3% Goal



Month	Dollars Above Goal	Issue Type (Sub-Issue) Drivers
Dec 2019	\$ 180,412	PO On-Time (Not On-Time) ASN Accuracy (ASN OTNC) Prep-bagging
Mar 2020	\$ 3,960	PO On-Time (Not On-Time) Prep-Bagging
Jun 2020	\$ 79,120	ASN Accuracy (BOL Mismatch) Prep-Bagging Rejected PO Rate
Jul 2020	\$ 118,800	PO On-Time (Not On-Time) ASN Accuracy (BOL Mismatch) Prep-Bagging Rejected PO Rate
Sep 2020	\$ 140,070	PO On-Time (Not On-Time) PO On-Time (Not Filled) Prep-Bagging
Oct 2020	\$ 40,020	PO On-Time (Not On-Time) PO On-Time (Down Confirmed) Prep-Bagging

Note: Amazon Chargebacks Information associated with create dates from December 2019 to November 2020.

Recommendations for Chargeback Avoidance / Minimization

PO On-Time Accuracy :

- Track % of confirmed products that arrive within the purchase window; if the trailing four week average is greater than 90%, Amazon will waive this chargeback on any orders not delivered on-time within the current week. Analyze carriers in conjunction with this metric to re-evaluate go-forward utilization.
- Put a few days allowance on receive dates when filling out purchase orders.
- Request Amazon provides carrier information for more than just “Not On-Time” issue sub-type.

ASN Accuracy:

- Ensure an ASN is submitted on a recently shipped order before it reaches the fulfillment center by verifying recent orders in Vendor Central. If missing upon review, submit one manually before Amazon receives the shipment to avoid an ASN related chargeback.

Prep-Bagging:

- Verify Soft Scrub multi-purpose and all-purpose liquid cleansers, Purex liquid laundry detergents, and Renuzit adjustable air freshener gel follow Amazon prep-bagging specifications.

Rejected PO Rate:

- Maintain inventory records and make sure to accept what orders you can and backorder the orders you cannot fulfill; Amazon asks that you accept or backorder at least 80% of an order to avoid the chargeback.

Dashboard View #1

Amazon Chargeback Executive Summary

Year of Creation Date

○ 2019

● 2020

Vendor code

All

Issue Type

■ ASN Accuracy

■ PO On-Time Accuracy

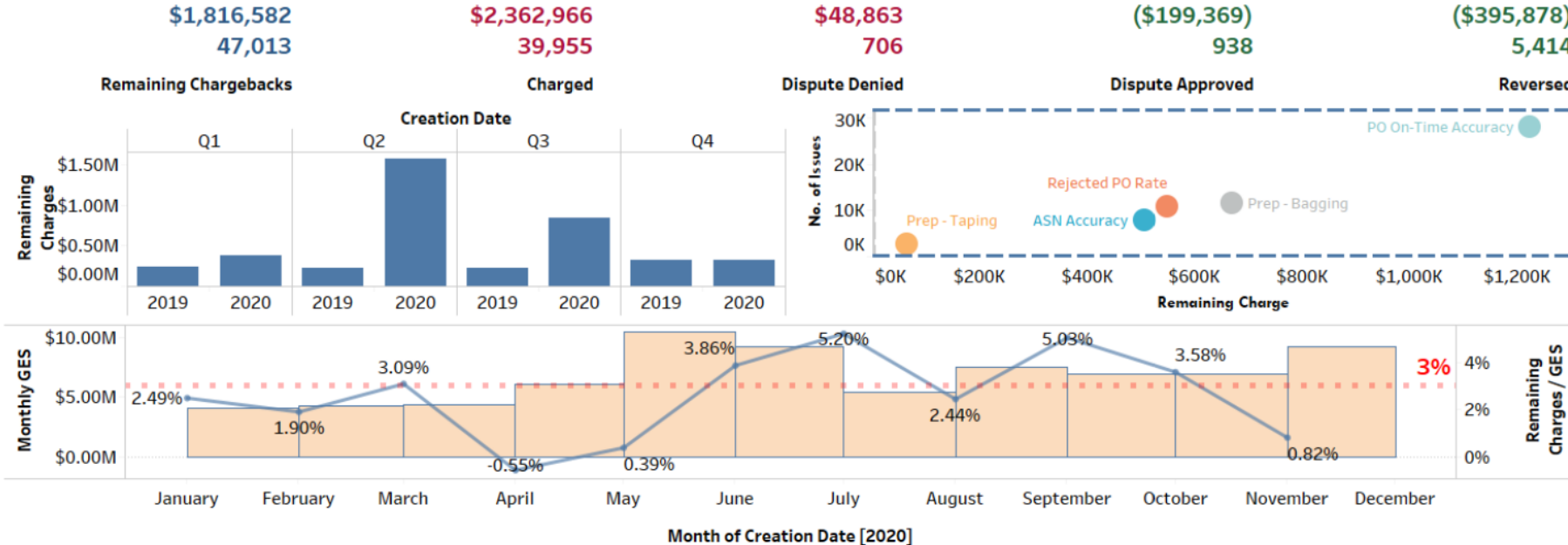
■ Prep - Bagging

■ Prep - Taping

■ Rejected PO Rate

■ %Financial Charges

■ Avg. Monthly GES



Status	Creation Date 2020										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Charged	3,751 \$104,167	3,338 \$80,082	4,162 \$140,647	1,876 \$219,234	2,167 \$248,122	3,509 \$375,854	4,078 \$311,183	3,493 \$208,513	6,591 \$351,655	5,307 \$247,970	1,683 \$75,538
Dispute approved	5 (\$561)		24 (\$130)	706 (\$126,568)	203 (\$72,111)						
Dispute denied	49 \$1,114	180 \$3,540	171 \$8,405	161 \$4,750	35 \$172				110 \$30,884		
Reversed	124 (\$2,695)	96 (\$1,809)	520 (\$13,104)	434 (\$131,134)	429 (\$134,762)	83 (\$20,660)	1,394 (\$30,258)	1,747 (\$25,261)	466 (\$35,317)	106 (\$824)	15 (\$54)

Key Terms:

1) All monetary amount reflected in this dashboard is measured by Remaining Charges (Charged+ Dispute Denied - Dispute Approved - Reversed)
2) No. of Remaining Charges = No. of Charged+ No. of Dispute Denied + No. of Dispute Approved + No. of Reversed

Dashboard View #2

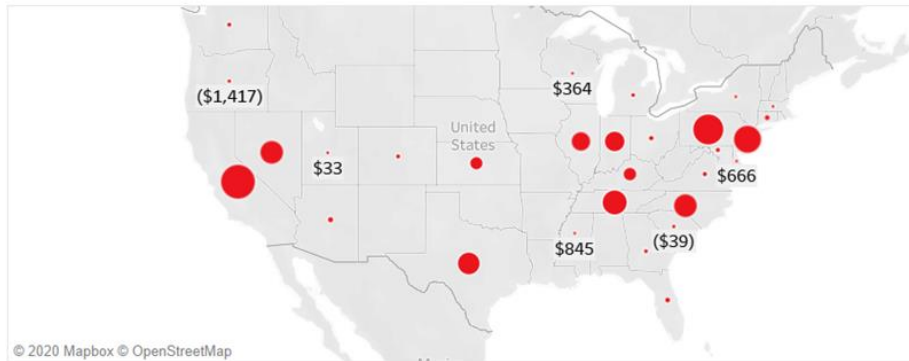
Chargeback Root Cause Report

Related Carriers	Related Fulfillment Centers	Related Products	Related Sub-Issue Types	Remaining Charges
94	135	462	10	\$2,697,551

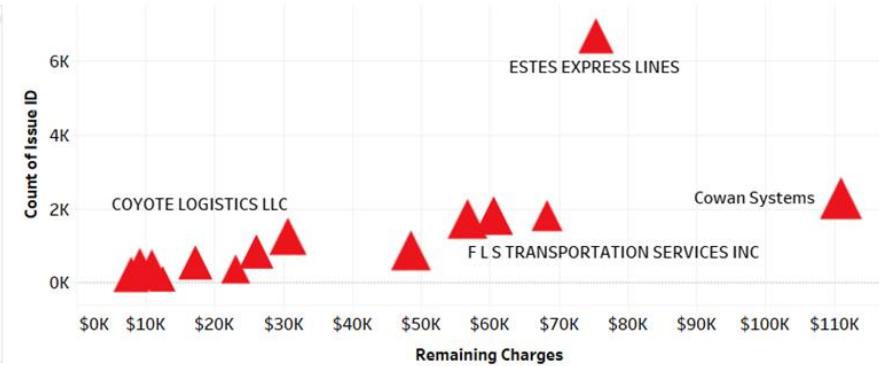
Month, Year of Creation Date
(All)

Remaining Charges
(\$49K) \$3,300K

Geographic Distribution of Fulfillment Center



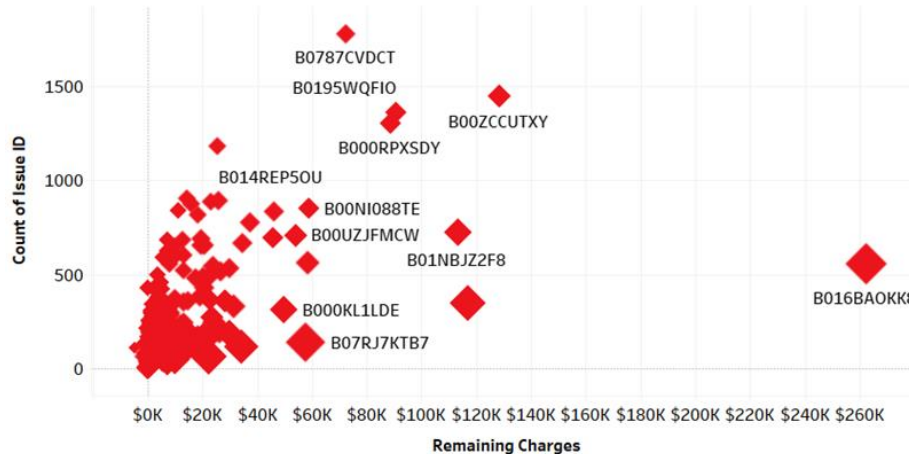
Carriers Not On Time



Vendor code
☒ (All)
☒ DIAW7
☒ DIKIA
☒ G3FSW
☒ HEXYS
☒ HEZSS

Status
☒ (All)
☒ Charged
☒ Dispute approved
☒ Dispute denied
☒ Reversed

Products



Subtypes of Non-Compliance



Issue type
☒ (All)
☒ ASN Accuracy
☒ PO On-Time Accuracy
☒ Prep - Bagging
☒ Prep - Taping
☒ Rejected PO Rate

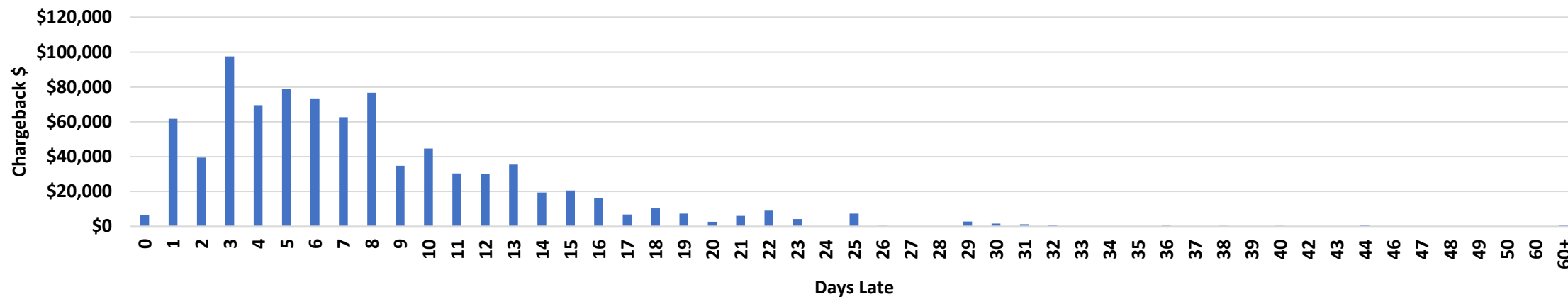
Notes:
In the carrier graph, size of the triangle represents for avg. days late; in the fulfillment center map, size of dots represents for the amount of remaining charges; in all other graphs, size of shape represents for remaining charges per item of issue.

APPENDIX

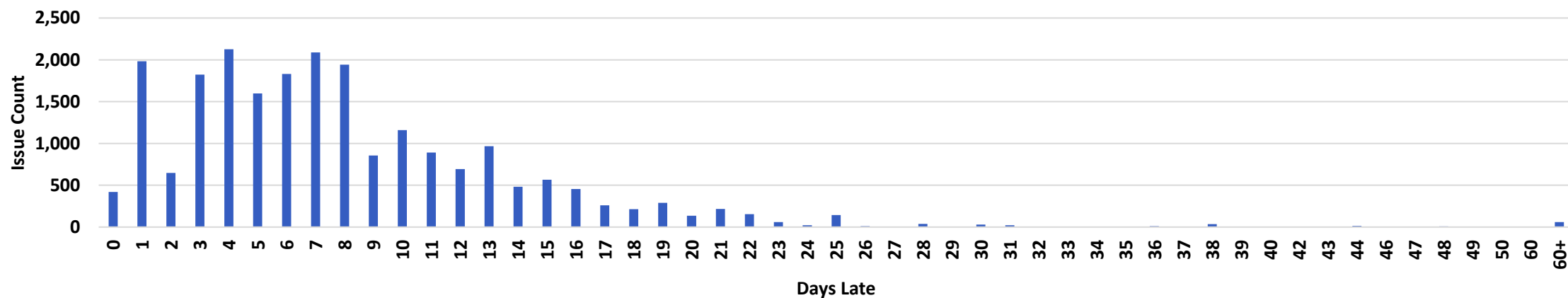
Additional Analytical Views

PO On-Time Accuracy - Not On-Time: Days Late Distribution

Not On-Time Distribution of Days Late by Chargeback \$



Not On-Time Distribution of Days Late by Issue Count



Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.

PO On-Time Accuracy - Not On-Time: Intersection Fulfillment Center with Carrier

Intersection of Top 10 Fulfillment Centers with Top 10 Carriers:

Top 10 Fulfillment Centers	Top 10 Carriers									
	Uber	Cowan Systems	ROBINSON TRANSPORTATION SERVICES	ECHO GLOBAL LOGISTICS LLC	F L S TRANSPORTATION SERVICES INC	COYOTE LOGISTICS LLC	CHARAPATA TRUCKING INC	No Carrier SCAC Listed	HUNT, J B TRANSPORT INC	ESTES EXPRESS LINES
ONT8 (Moreno Valley, CA)	\$0	\$0	\$24,353	\$0	\$1,801	\$23,638	\$29,671	\$36	\$0	\$64
CLT2 (Charlotte, NC)	\$15,251	\$11,162	\$18,776	\$5,823	\$5,181	\$4,526	\$3,632	\$5,482	\$3,404	\$34
FTW1 (Dallas, TX)	\$6,103	\$2,598	\$13,094	\$24,048	\$1,029	\$484	\$30	\$6,867	\$1,777	\$419
AVP1 (Hazleton, PA)	\$1,947	\$3,901	\$10,108	\$2,216	\$6,804	\$0	\$1,725	\$720	\$0	\$1,499
IND9 (Greenwood, IN)	\$6,130	\$5,632	\$8,714	\$8,677	\$6,978	\$4,923	\$1	\$2,438	\$0	\$1,012
ABE8 (Florence, NJ)	\$22,637	\$12,691	\$7,804	\$11,708	\$27,265	\$8,226	\$797	\$3,690	\$8,957	\$356
MDW2 (Joliet, IL)	\$3,401	\$2,091	\$3,434	\$4,603	\$5,167	\$4,005	\$8,029	\$3,202	\$0	\$5,109
LAS1 (Henderson, NV)	\$1,314	\$45,394	\$116	\$273	\$381	\$0	\$0	\$1,600	\$0	\$706
LAX9 (Fontana, CA)	\$53,235	\$0	\$0	\$7,674	\$7,774	\$0	\$161	\$1,776	\$0	\$798
LGB8 (Rialto, CA)	\$35,130	\$4,426	\$0	\$2,061	\$4,480	\$6,573	\$443	\$404	\$0	\$332

Note: Amazon Chargebacks Information associated with create dates from October 2019 to September 2020.