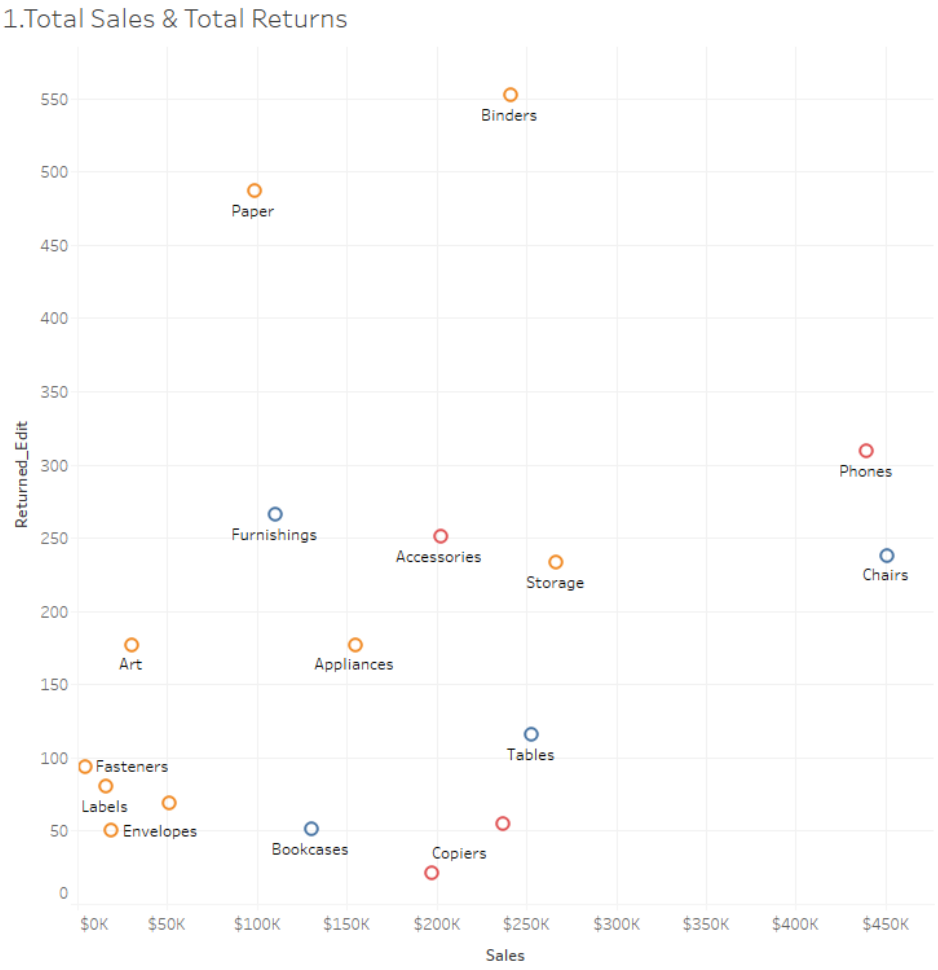
Superstore Returns Analysis

Identifying possible causes and solutions for reducing Returned Orders.

Outline

- Correlation Between Total Sales & Total Returns by Sub-Category
- Return Rate by Product Category
- Customer Return Analysis
- Regional Insights Analysis
- Monthly Trend in Return Analysis
- Return Rate vs Total Sales Analysis
- Conclusion

Correlation Between Total Sales & Total Returns by Sub-Category



Insights:

High Returns with Moderate Sales-Binders and Paper

These issues could be due to factors such as poor quality, incorrect shipments, or high return policies.

High Sales, Moderate Returns- Phones and Chairs

These are likely strong performers with decent customer satisfaction or necessity-driven demand.

Low Returns and Sales- Sub-categories like Labels, Envelopes, Bookcases, Machines, Copiers, etc.

These are stable but low-volume items—considered “low risk” in terms of returns.

Recommendation Action:

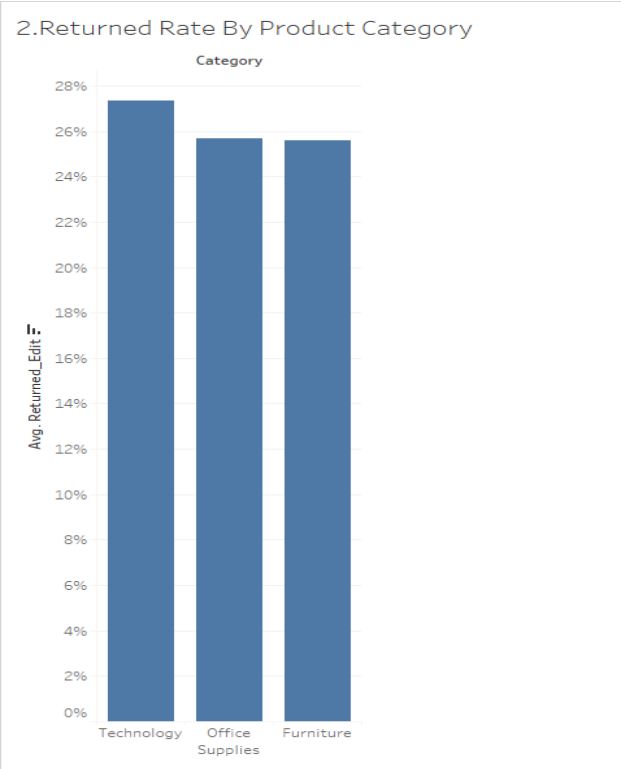
For Paper and Binders-to improve product descriptions and enhance quality checks, and revise return policies.

Phones and Chairs-Boost with marketing efforts, bundle with accessories, and offer volume discounts.

Labels, Envelopes, and Copiers- consider phasing out, rebranding or bundling to increase appeal.

Furnishings and Accessories- try small-scale marketing and see if they can be pushed into high-sales as it is low low-return quadrant.

Return Rate by Product Category



Insights:

Technology has the highest return rate (~27%)-This could indicate product dissatisfaction, compatibility issues, or buyer's remorse due to higher prices.

Office Supplies and Furniture have slightly lower but similar return rates (~25%)-These categories may be more predictable or consistent in customer expectations, but still show a significant return volume.

Minimal variation across categories- Although Technology leads, the gap is relatively small, suggesting systemic return behavior rather than a category-specific problem.

Recommendation Action:

Investigate reasons: functionality, shipping damage, and misleading descriptions.

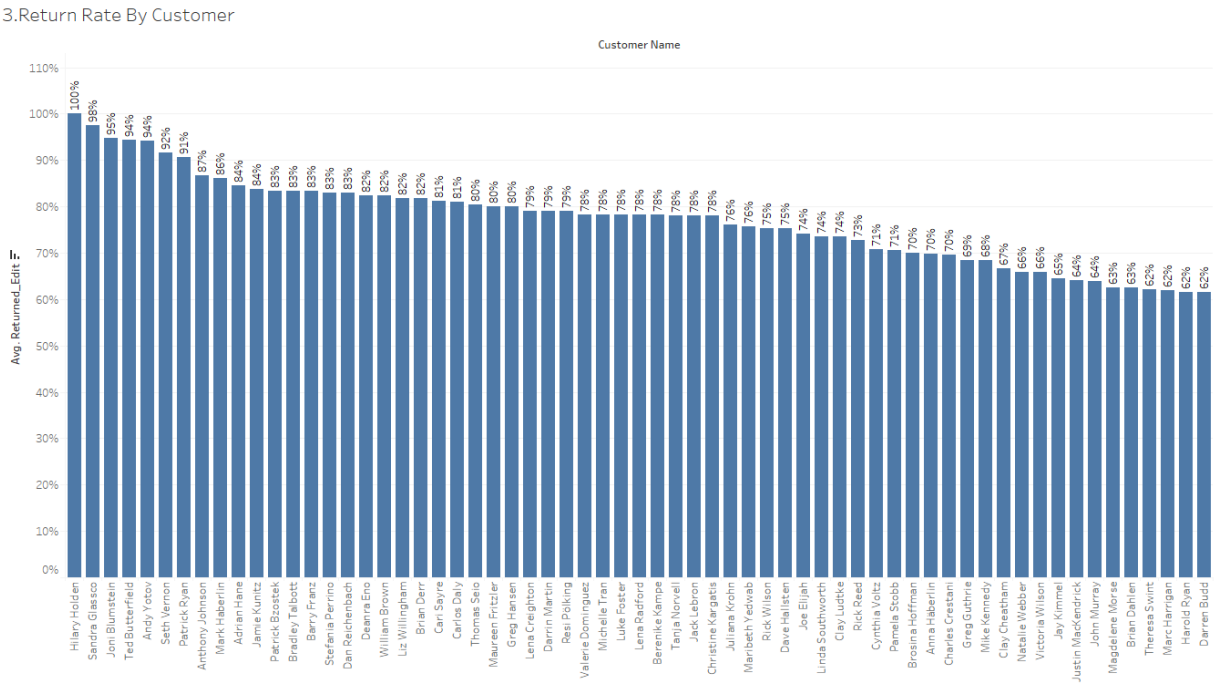
Improve Product Descriptions and Visuals- Ensure that all product listings (especially in Technology) are clear, detailed, and include accurate images/videos.

Optimize Return Policies- Offer clearer guidelines to reduce return abuse and introduce restocking fees selectively, or incentives for exchanges instead of refunds.

Enhance Customer Education- provide buyers with setup guides or compatibility checks, especially for tech products, and offer live chat or Q&A options during purchase.

Monitor Packaging & Logistics- For all categories, ensure products are packed securely to reduce damage-related returns.

Customer Return Analysis



Insights:

High Returners:

Hilary Holden has a perfect return rate of 1.00, meaning every purchase was returned. The top 5 customers (Hilary Holden, Sandra Glosco, Jon Burnstein, Ted Butterfield, Ashly Kodok) all have return rates above 0.94, indicating potential issues like dissatisfaction, fraud, or incorrect product targeting.

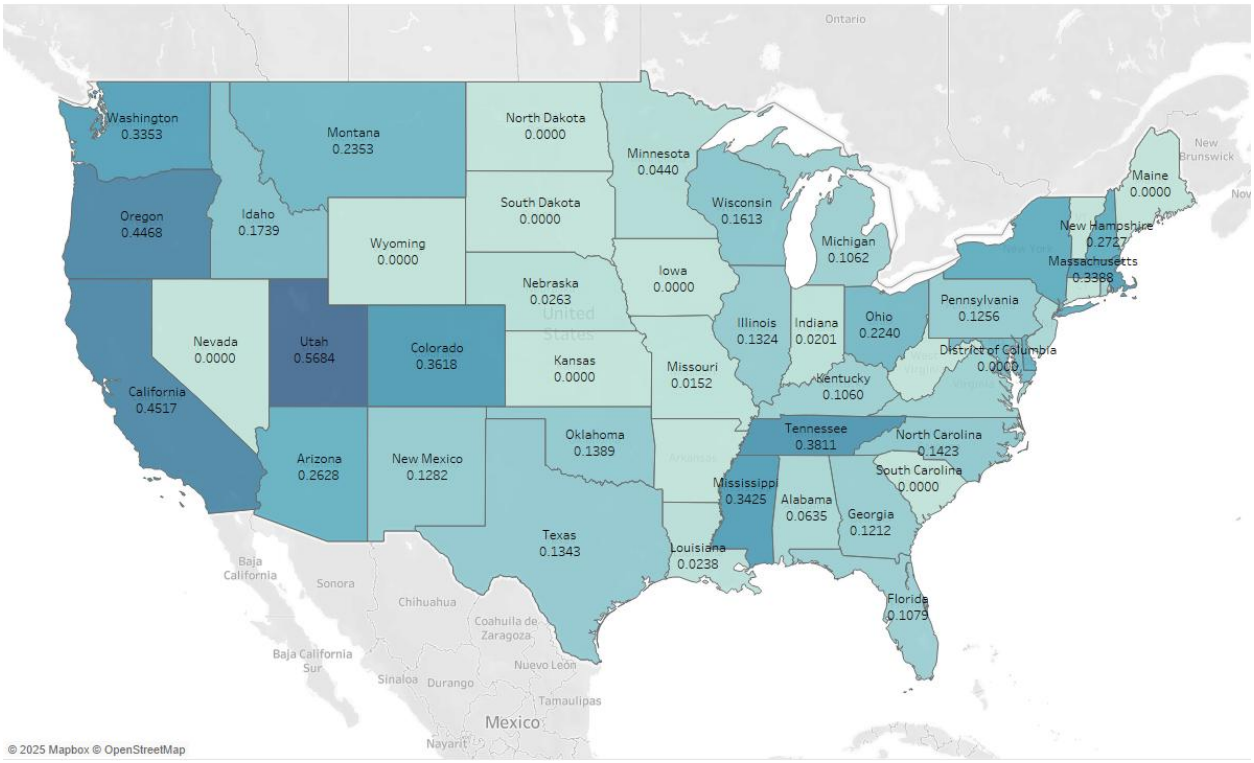
Recommendation Action:

Reach out to top returners (like Hilary Holden) to understand their reason and offer support or incentives for feedback to improve product fit.

Implement stricter return policies for repeat high-return customers and monitor for fraudulent behavior if return patterns seem suspiciously high.

Audit the products purchased by high-returning-rate customers to check for potential quality or mismatch issues.

Regional Insights Analysis



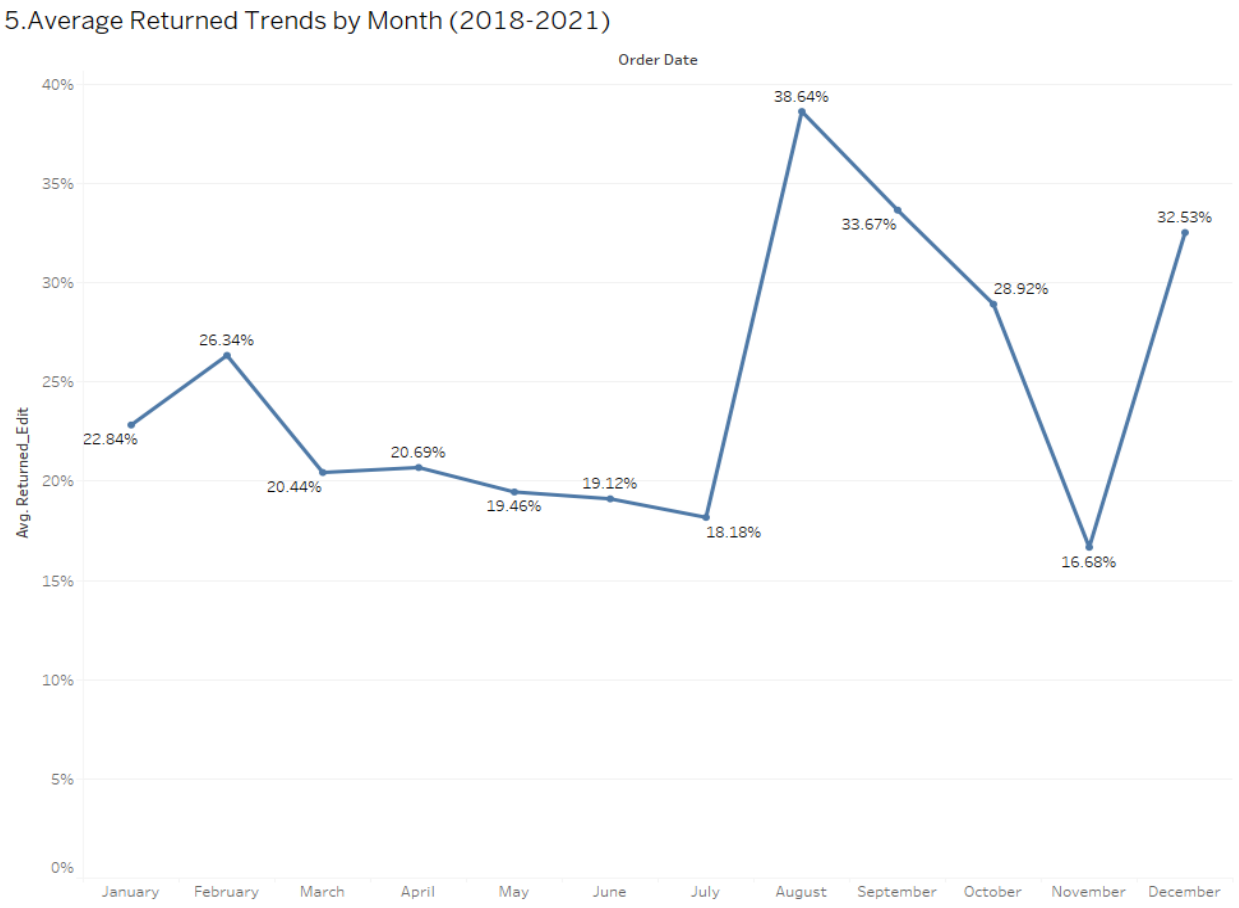
Insight:

High Returns: Utah (56%), California (45%), Oregon (44%).

Recommendation Action:

Investigate high-return regions and replicate best practices from low-return areas to reduce geographic disparities in returns.

Monthly Trend in Return Analysis



Insights:

Peaks: August (38.64%), September (33.67%), December (32.53%).

Lows: July (18.18%), November (16.68%).

Recommendations:

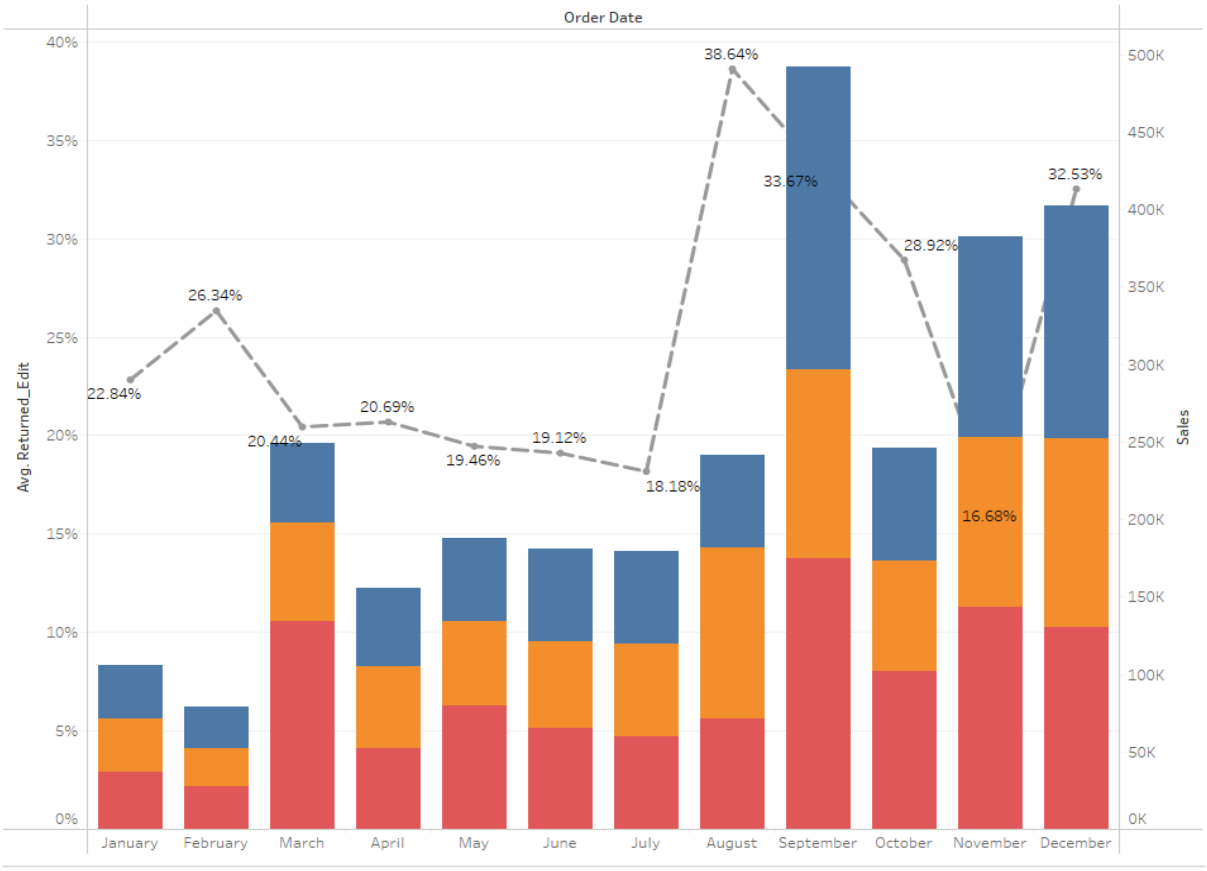
Investigate the factors behind the August peak and November dip to identify seasonal trends or operational issues.

Enhance monitoring and support during November to find out the root cause of the low return rate.

Analyze customer feedback or product data from August and December to replicate successful strategies.

Consider targeted promotions or improvements in late fall to stabilize the return rate.

Return Rate vs Total Sales Analysis



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Conclusion

Dashboard Deployment:

Roll out the interactive dashboard for continuous oversight.

Educate teams on leveraging filters to evaluate and respond to insights.

Focused Initiatives:

Enhance product quality in subcategories with elevated return rates.

Tackle regional issues with customized approaches.

Refine return policies to better manage frequent returners.

Seasonal Strategy:

Bolster return handling during high-demand months.

Coordinate inventory and customer support with observed trends.

Objective:

Lower return rates, boost operational efficiency, and elevate customer satisfaction.