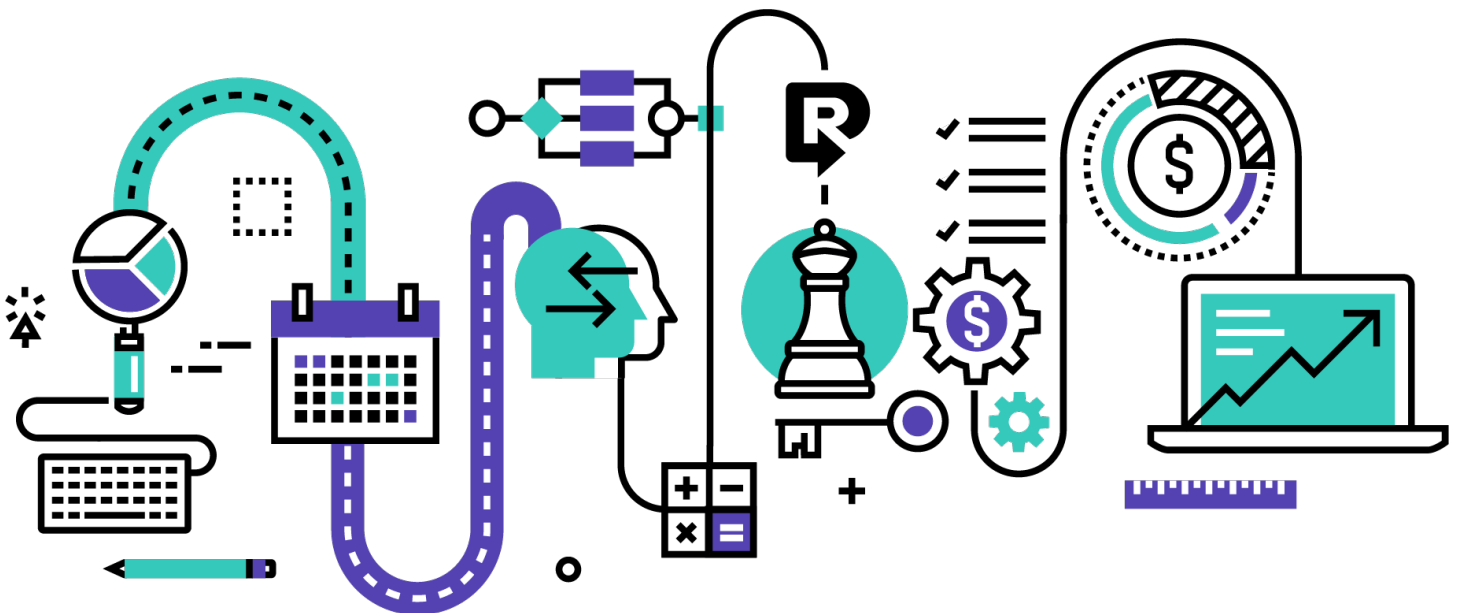


# The Ultimate Guide to Managing Warranty Requests



How to use warranty returns automation and data to save time, money and future-proof your business.

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# Why Warranties Have Become So Popular



With the rise of ecommerce, customers are increasingly gravitating toward brands with warranties to protect their purchases.

According to Allied Market Research, the extended warranty market is projected to reach a value of \$170 billion by 2027. And that's just extended warranties. The total warranty market is worth much more with third-party warranties, ADH plans, and other repair or replacement warranties.

Retailers are paying more attention to their warranty workflows because it offers three significant competitive advantages:

1

### Life-long Customers

Nearly 50% of consumers are more likely to choose brands that offer protection plans. With product protection, more shoppers are likely to convert to customers.

2

### A Stellar Customer Experience

By following through with the promises made in your warranty policy, you prove you're dependable, prioritize customer satisfaction and keep your customers happy.

3

### Skyrocketing Profits

The post-purchase experience can drive sales that otherwise wouldn't have been made, converting shoppers into repeat customers.

As an ecommerce retailer, you can either embrace the tools necessary to understand warranty workflows or be left behind as your competitors take advantage of the opportunity.

# Simplify Operations with Warranty Requests



Up until now, warranties have been considered separate from returns. But this can be a major obstacle to the entire warranty industry. Here's why.

With warranties, the customer doesn't want to get rid of the product. Instead, they want a problem solved.

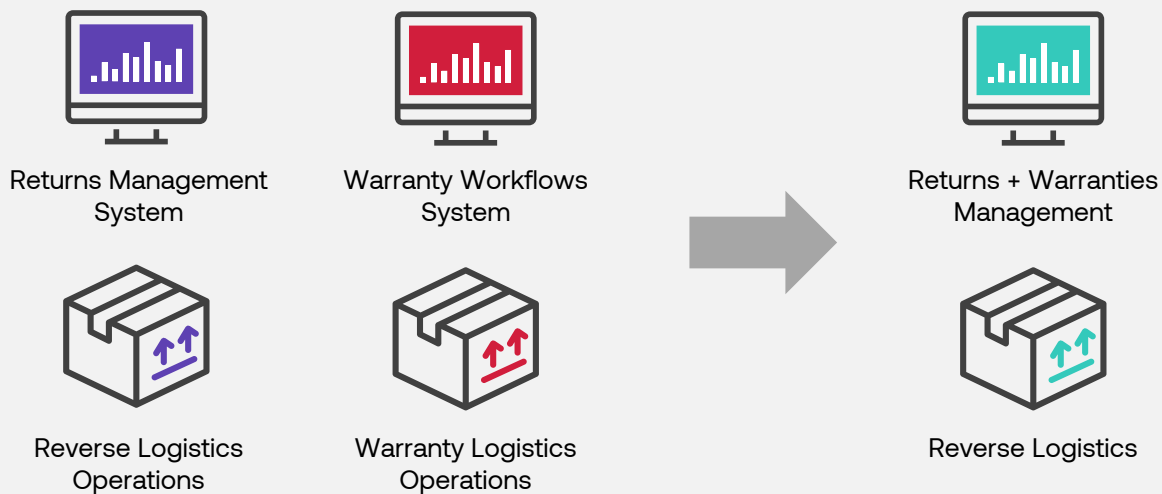
Still, managing warranties operationally looks the same as managing other return types.

Both indicate something wrong with the product, require getting information from the customer about

the original purchase, and rely on having a system for reverse logistics in place (funneling the products backward through the supply chain).

Categorizing warranties as a return type makes your life as an ecommerce retailer a lot easier because you can manage everything under one system and run your business more efficiently.

## How Looking at Warranties as a Return Type Simplifies Operations



A streamlined workflow will consequently make your customers a lot happier. But don't just take our word for it. Let's take a look at what the difference really looks like.

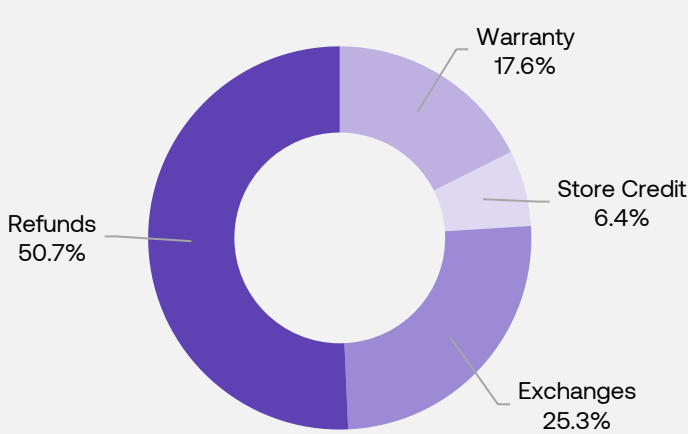
# Warranty Requests Impact Customers' Return Behavior



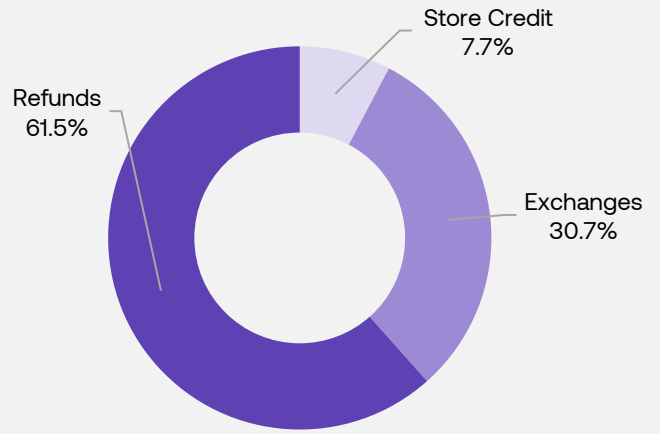
Many retailers try to avoid returns like the plague, seeing it as a type of failure. But instead of trying to eliminate returns, your company should ask:

**“How do I manage my returns to increase the bottom line?”**

We’ve spent years gathering data on returns behavior to answer that very question, and the findings were surprising. When warranties are added as a return option, processed **refunds plummeted by 30%.**



ReturnLogic Return Type Breakdown (with Warranty Returns)



ReturnLogic Return Type Breakdown (without Warranty Returns)

Source: ReturnLogic Internal Data

# Warranty Requests Impact Customers' Return Behavior



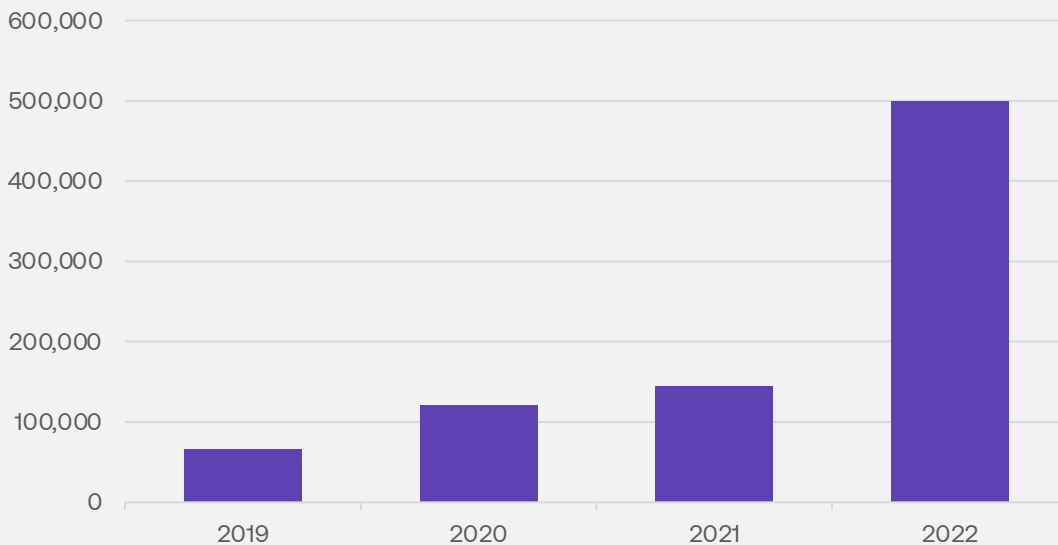
The reason for this is simple: warranties give you a chance to fulfill your customer's original purchase. If given a choice, it's likely that they would rather you repair or replace whatever's wrong with the product than give up the item entirely.

The proof is in the pudding. In the three years that we have offered warranties as a return type, overall warranty returns have increased by nearly 2000%, totaling 500,000 processed warranty returns to date!

**Keeping your products in the hands of your customers will increase your bottom line because:**

- You're not sending money back on a returned sale
- You're improving customer satisfaction and loyalty
- You're keeping your customers coming back for more

Overall Processed Warranty Returns



Source: ReturnLogic Internal Data

# The Benefits of Automating Your Warranty Workflows



The primary benefit of treating warranties as a return type results from optimizing your warranty workflow.

When it comes to warranties, the management process looks the same as it does for returns. And just like returns, automating your approach will make warranties work for you rather than becoming an obstacle in your business.

Here's how:

### Save time and money

It takes about 15 minutes on average to process a warranty return manually, costing \$3,750 in labor costs for every 1,000 manually processed warranty returns.

### Enhance customer experience

Automation ensures quick invoicing to your customers. On top of that, it'll equip your service team with all the information needed for handling a warranty return, such as order information and customer history.

### Ensure legitimate requests

Automating returns will allow you to get proof of purchase from your customers when processing a warranty.

### Improve marketing lists

Processing a warranty puts you back in contact with your customer. Automating that process will keep the customer's contact information in the system.

### Resolve returns faster

Lastly, automating your warranty processing will make resolving each return exponentially quicker. As a result, your time is freed up for more pressing matters. With all this added time on your hands, you can focus on finding new ways to grow your business.

When it comes to your warranties, automation is the clear answer to optimize your workflow.

## Average Money Saved Per 1,000 Returns:

# \$3,750

1,000 returns x 15 min. per return = **15,000 minutes**

15,000 minutes ÷ 60 minutes per hour = **250 hours**

250 hours x \$15 per hour (Labor) = **\$3,750**



# What an Automated Warranty Workflow Looks Like



Traditionally, warranties have been handled manually on paper or spreadsheets - separate from other returns because no other solution existed.

Now, you can send customers to a branded returns portal where shoppers can choose whether to file a warranty claim or process a different return type.

Customers simply have to log in to the returns center using their email and order number, then follow the rest of the steps without needing to talk to your team.

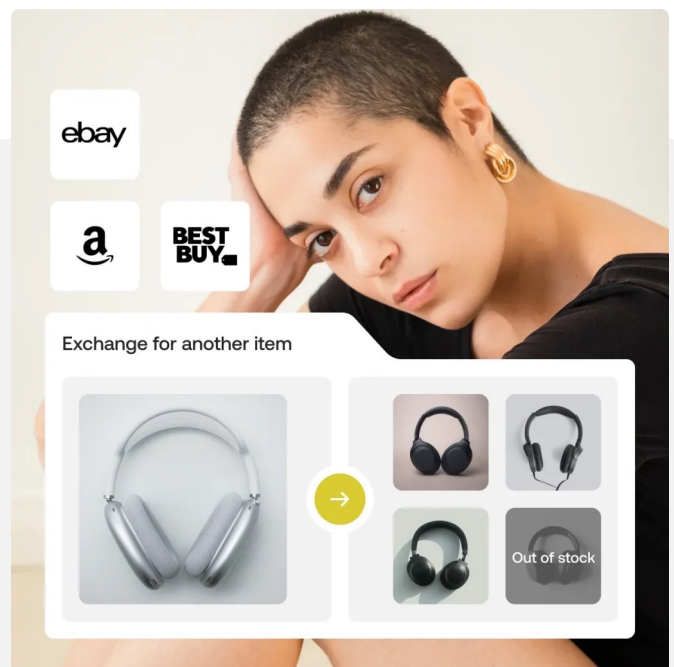
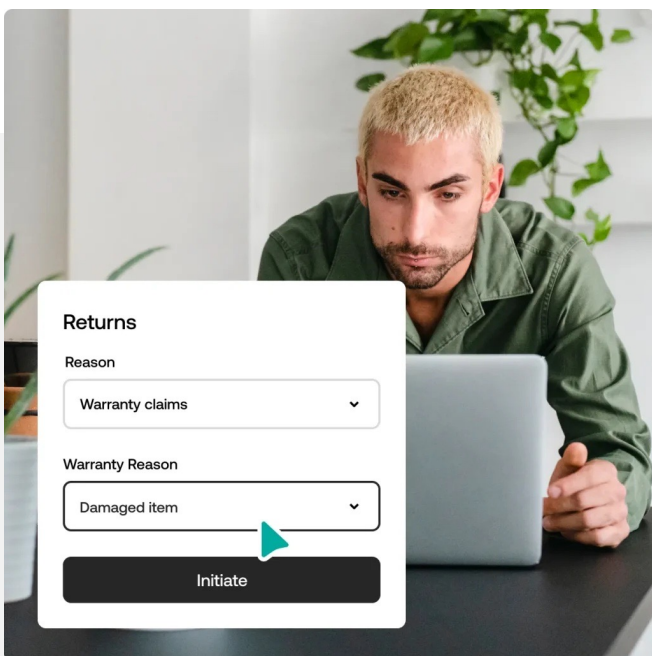
Check out the [video](#) to see what this experience would look like for your customers.

Automating warranties isn't just convenient for your shoppers. It also simplifies your workflow on the backend.

Support teams gain time by no longer having to sift through emails and phone calls to process every request. Once customers can complete the steps themselves, all that's left is for the support team to approve or deny warranty claim requests.

This can be done manually or automatically, using customized requirements of what is needed to approve a claim.

Best of all, everything happens under one software, so other teams are made aware of which claims are approved or denied.





## What an Automated Warranty Workflow Looks Like



Not all warranty policies are the same.

Fortunately, automating warranties gives operations managers the flexibility to set up custom warranty policies.

You may be a retailer that offers to pay for shipping, but others ask the customer to cover shipping costs.

You probably want your customers to add a picture of their receipt for proof of purchase and to avoid fraudulent claims.

Or you may want to automatically approve warranty claims and skip authenticating each purchase to shorten processing time.



“

Automating your warranty returns is like a godsend for ecommerce storeowners. The team saves time, the company makes money, and the customer stays happy. Moving away from manually handling warranties is a win-win for everyone.”

**Patty Hernandez, Director of Ecommerce**

ANATOMIE®

Whatever your warranty policy needs, automating your warranties with returns management allows you to build a workflow that works for your business. And it's as easy as checking a box.

# How to Use Warranty Data to Improve Your Business



## Data helps you understand how your products are behaving in the market.

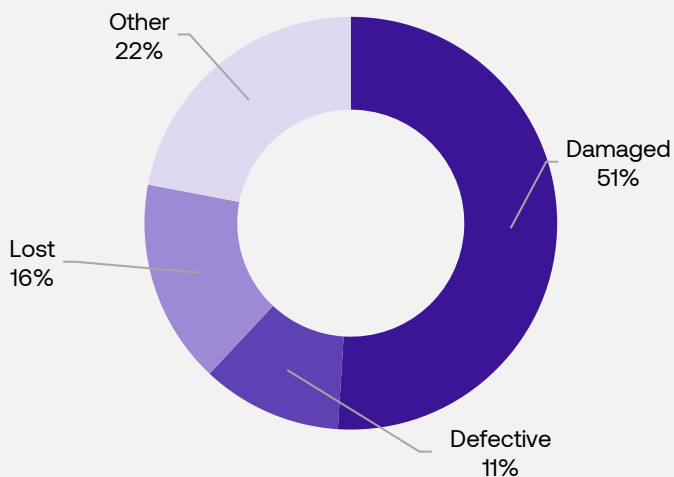
Returns data is a treasure trove – the same holds true for warranties. By digging into return reasons, you can determine if you have defective products, faulty packaging, or problems with your 3PL.

For example, if you notice an item keeps getting returned for damages, you can discuss product quality with the manufacturer. Or you may discover the culprit is your boxing and packaging.

Regardless, you can decrease your ad spend on that item until you're able to drop its return rate.

Likewise, if you notice your products are routinely getting lost, you can talk to your 3PL provider to find a solution and prevent your brand from getting a reputation for poor shipping.

Without data on warranty returns, you couldn't spot these patterns to fix the problem.



Return Reasons for 500,000 Warranty Requests

Source: ReturnLogic Internal Data



# How to Use Warranty Data to Improve Your Business



## Data drives marketing strategies

When a shopper registers a product with you, you're able to create a new customer profile in your CRM.

Having a record of who each customer is, how many times they've processed a return with you, the types and reasons for returns, and any additional notes from your staff can help you segment your customers and personalize your marketing.

With these details, you can show your customers only the most relevant products. It's a strategy that does more than sell, it develops relationships.

When you make your customers feel like the promotions they get are handpicked for them, they start to pay more attention to what you have to say.

Of course, encouraging repeat purchases this way will ultimately improve your Customer Lifetime Value (CLV).

In today's market, a brand's biggest advantage is feeling genuine. Using returns data will help scale that genuine feeling faster and at a lower cost.



## Conclusion



With a market as saturated as the ecommerce industry, trust can be a brand's most important competitive advantage.

At the end of the day, warranties show your customers that you stand behind your products and instill trust in a purchase.

Beyond that, warranty programs build customer loyalty, improve customer satisfaction and ultimately increase your bottom line. If they are managed correctly, that is.

It's time to make the switch to an automated warranty workflow.

With over 500,000 processed warranty RMAs and hundreds of workflows set up for our clients, we're a team of experts. We can help.

To learn more about managing product warranties, check out our blog or schedule a time to talk to a representative today.



“

We used to go back and forth with shoppers, copy and paste warranties into Zendesk, and even had to hire someone's spouse to help with the summer rush of warranties. With ReturnLogic, we can automate warranties and make sure requests are legitimate. ”

**Ashley Craft, Head of Customer Service**

**goodr**  
SUNGLASSES

**Speak to a warranty returns specialist today!**

