




Overstock.com Success Story



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—Tad Martin
SVP of Operations at Overstock.com

Overstock.com, Inc. is an online "closeout" retailer offering discount, brand-name merchandise for sale over the Internet. The company offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory liquidation distribution channel.

Overstock.com, headquartered in Salt Lake City, is a publicly traded company listed on the NASDAQ National Market System and can be found online at <http://www.overstock.com>.

The need for convenience

Launched in 1999, Overstock.com is an online outlet mall that enables consumers to shop for bargains on brand-name merchandise from the comfort of their homes. Understanding that a positive returns experience increases customer satisfaction and loyalty, Overstock.com selected Newgistics SmartLabel and ReturnCart to make the returns process as easy and convenient as the point-and-click shopping experience.

Newgistics SmartLabel solution eliminates hassles such as filling out shipping labels, pre-paying postage and standing in long lines at the post office to mail a return. With SmartLabel, Overstock.com shoppers simply affix a pre-addressed, pre-paid, bar-coded SmartLabel to their package, and drop it off anywhere in the U.S. Postal Service system, including their home or office. Newgistics intercepts the package, scans the SmartLabel bar-code, and provides Overstock.com with up-to-date package status and tracking information.

Beyond convenience: Visibility & Inventory Management

In addition to SmartLabel giving customers a hassle-free returns experience, Newgistics' ReturnCart solution provides multi-carrier functionality, dynamic tracking and pre-sorting of returned goods, which helps increase visibility and improve inventory management.

Newgistics ReturnCart, an online application for customers and customer service representatives (CSRs), enables Overstock.com to proactively manage the entire returns process online. If multiple carriers are used to ship and return products, ReturnCart streamlines the process by applying pre-defined return shipping rules to choose the correct return shipment option to each return label.



Through ReturnCart, customers are able to automatically generate and print a return label for the pre-selected carrier. Overstock.com CSRs can also use ReturnCart to generate an email or send a printed postcard with a SmartLabel when customers contact the call center for returns assistance.

The result? Overstock has reduced by more than half the number of customers who contact its customer service agents to ask about processing a return, says vice president of operations Tad Martin.

“Before we changed to this system, every customer either e-mailed or called us to initiate a return,” Martin says. “But now more than half are initiating and processing the return themselves.” That has freed up Overstock’s customer service reps to handle other calls and to focus on marketing and cross-selling.

And because of ReturnCart’s flexibility, Overstock customers can use the ReturnCart system to return an entire order or parts of one by filling out a form in the My Account>Returns section of Overstock.com. Overstock worked with Newgistics to input its own business rules to automatically accept or deny a return request entered online, and the ReturnCart feature automatically determines the optimal shipping option and calculates any return fees before the customer prints out a SmartLabel return slip. This eliminated the need for an Overstock customer service rep to handle any portion of the return request.

Faster refunds, happier customers

By integrating with carriers, the ReturnCart system alerts Overstock about the status of returns, including the weight of packages. That enables Overstock to send a confirmation and notice of a credit while the return is still in transit, instead of waiting until the return has been received at a warehouse.

“If we verify that the return is the same weight of the package we originally sent, we may immediately send an e-mail to the customer, saying ‘The returned package is on the way, here’s your credit,’” he says. “If we can get a credit to them a few days earlier than expected, it creates a good feeling for customers.”

Better visibility means better security

Early package visibility has also allowed Overstock.com to improve its security. When an Overstock.com customer returns a high-cost item like jewelry or high-end electronic equipment, the items are handled differently to provide a secure returns process. With Newgistics SmartLabel and ReturnCart solutions, Overstock.com is able to dynamically identify which packages should receive special handling to ensure the high-value goods are pre-sorted prior to arrival and are automatically directed to the appropriate secure location within the warehouse. Using specific data printed on the return label, Newgistics handles the physical aspects of the pre-sorting at its regional SmartReturn Centers before shipping Overstock.com’s packages.

About Newgistics

Newgistics, Inc. (www.newgistics.com) is the leader in returns management solutions for the direct retail industry. Newgistics’ patent-pending Intelligent Returns ManagementSM solution delivers the most convenience for customers while maximizing control of the returns process for retailers. Newgistics’ SmartLabel[®] drives customer loyalty and increases profitability for leading retailers like Neiman Marcus, J.Crew, Eddie Bauer and Abercrombie & Fitch.