

## **Fair returns: Cutting costs and keeping customers**

### **ZigZag Global, in partnership with Maersk Growth, is providing a cost-effective, tech-based solution to handling reverse logistics in the retail sector**

ZigZag Global is a venture that was born out of necessity. One Christmas, CEO Al Gerrie, working in a previous logistics role, found himself in a warehouse surrounded by a literal shedload of returned items. Realising there had to be a better way to deal with returned stock, he set about developing a solution to the often problematic – and costly – business of retail returns. Having identified a primary need for a coordinated worldwide network, he started building the foundations of ZigZag.

#### **Shifting landscape and trends**

Customer returns are nothing new, but the burgeoning online retail sector has shifted shape with an exponential increase in the volume of returns. Customers are now more habituated and even feel entitled to return a selection of goods as a matter of course, and are generally disinclined to pay for the service.

As Al Gerrie states, “Returns are becoming a real differentiator for retailers as they strive to offer a better customer service proposition. Instant refunds, better tracking, and local returns with convenient options such as lockers, parcel shops or collection from home are top of the consumer wish list, and paperless options are becoming a must.”

#### **Delivering the solution**

The ZigZag returns platform is designed to save the customer money, enable faster refunds, and ensure that stock re-enters the supply chain, available for resale, more quickly. The software makes intelligent decisions, identifying the most efficient return route and facilitating the process of consolidation, resale or refulfilment.

Sustainability is also built into the system: utilising local warehousing and markets, the process is better for the planet, and more cost-effective for companies, customers and carriers. A fast, positive experience with returns also means improved customer retention.

Five years on from inception, the success of the platform is proof that the business model works.

#### **A fair return on investment**

Further validation has come from investment by Maersk Growth, who work with innovative enterprises to tackle the most fundamental and complex challenges in global trade, logistics and supply chains to create a more dynamic, inclusive and sustainable future of trade.

ZigZag was a natural fit for Maersk Growth’s portfolio and aligned well with their sustainability focus.

#### **The current impact of Covid-19**

Although the e-commerce sector is facing significant challenges with port and border closures, if anything, people are buying more online, developing different buying habits when forced to stay at home. The SARS epidemic experience showed that once buying behaviour shifted online, it did not revert afterwards. The extrapolation is that e-commerce will see even further demand, a shift that it likely here to stay.

## **Supply chain optimisation and the circular economy**

As a cloud-based business, ZigZag is well set up to function under current conditions and their partnership with the reach and expertise of Maersk enables them to put the circular economy into action.

Al Gerrie adds: “Returns portals are now the norm, replacing label in the box technology that is restrictive and outdated. Consumers also want exchanges. Retailers are also becoming more demanding and data is ever more important to help reduce cost, waste and friction for consumers. 2020 is the year of sustainability as retailers aim to cut carbon footprints, eliminate paper and plastic waste and avoid landfill.”

Despite the worldwide economic downturn, the alliance of ZigZag with Maersk appears optimally positioned to leverage the latest tech and innovations in supply chain logistics to handle the trend of increased returns, while retaining customer satisfaction.