

Your Guide to RETAIL REVERSE LOGISTICS

RETAIL
SUPERSTORE & OUTLET

or, “How to Keep Returns from
Coming Back to Haunt You”

If you're a retailer,
returns are a big deal—almost

9% of total U.S. purchases.¹

Sales = \$3.2 trillion
Returns = \$284 billion

If your products include **Dangerous Goods**, returns can also complicate your logistical planning because **they're subject to the same hazmat shipping regulations as your outgoing shipments**. We're talking about all those:

- ◆ Batteries and battery-powered devices
- ◆ Aerosols
- ◆ Electronics
- ◆ Cleaning solutions
- ◆ Paints and coatings
- ◆ Smoke detectors
- ◆ Perfumes
- ◆ Cosmetics

THE GOOD NEWS?

A new rule makes some return shipments easier **for retailers with brick-and-mortar stores**.



PHMSA HM-253 defines reverse logistics as “the process of offering for transport or transporting by motor vehicle goods from a retail store for return to their manufacturer, supplier, or distribution facility for the purpose of capturing value (e.g., to receive manufacturer's credit), recall, replacement, recycling, or similar reason.”²



HM-253 APPLIES ONLY TO:

- ◆ Highway transport
- ◆ Limited quantity shipments
- ◆ Private carriers



HM-253 DOES NOT APPLY TO:

- ◆ Air shipments
- ◆ Rail shipments
- ◆ Marine shipments



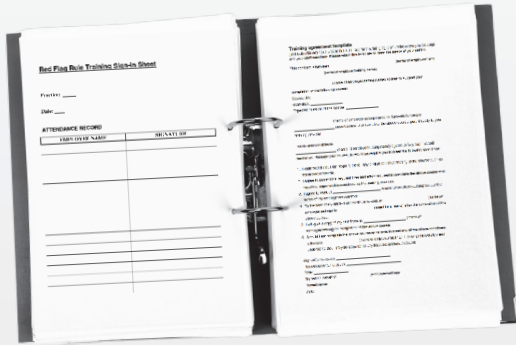
HERE'S HOW HM-253 HELPS WITH RETURNS:

For retailers shipping returns with their own vehicles, most hazmat packages do not have to be labeled or marked to reflect their specific contents.* They can be shipped with a new marking:



If you ship returns through non-private carriers—e.g., FedEx, UPS or USPS—all the full labeling and marking rules still apply.

*Be careful—there are numerous exceptions.³



Retailers will benefit from specific training requirements, as long as they:

- ◆ Identify the hazardous materials in the shipment and verify compliance
- ◆ Provide clear handling and shipping instructions
- ◆ Ensure that the instructions are known and accessible to employees when they prepare the shipment
- ◆ Document that employees are familiar with the requirements

REVERSE LOGISTICS—
HIGHWAY TRANSPORT ONLY—
Under 49 CFR 173.157.

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SEE PAGE 19
for Reverse
Logistics
Products

THE BAD NEWS

HM-253 does not apply to returns that come directly from consumers.



Still, it's the shipper's responsibility to comply with hazmat transportation regulations—and, in the customer return scenario, the customer is the shipper.

But if a customer has a return shipment

REJECTED

who are they going to blame? **YOU!**

How can you help customers ship returns compliantly? Easy returns are an essential part of overall customer care. When developing your customer returns process, you should:

- ◆ Train customer service representatives on the basics of hazmat shipping so they can assist customers.
- ◆ Notify customers that rules exist, and give them guidance on the shipping requirements for the product being returned.
- ◆ Insist that all return shipments be made via ground shipping, since air transport is exponentially more complex.
- ◆ Consider sending customers packing materials and instructions.
- ◆ Consider sending customers replacement items and skipping the return process altogether. Be sure to provide the customer with information on the proper disposal of the items.



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³National Retail Federation, *Consumer Returns in the Retail Industry*, 2014

²Federal Register, Vol. 81, No. 62, Thursday, March 31, 2016

³49 CFR Part 173.150–159, 306

⁴PHMSA Letter of Interpretation 09–0139