AMAZON.COM, INC – CUSTOMER RETURNS
Customer Returns Sortation

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Amazon seeks to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators. Amazon.com offers over 3 billion unique items to its customers. As part of its commitment to customer obsession, Amazon offers convenient customer returns policies.

In 2018, Amazon will receive 187MM customer-returned items. Offering variety and volume to customers requires the Amazon Returns & Recommerce network to have corresponding capabilities to handle this variation efficiently. Returns Centers must be able to receive, process, and finally route these items to a final disposition. The variation in the types of inventory causes task-switching inefficiencies in Associate workflows. Currently, all US returned items are routed to one of six Returns Centers to be evaluated, and then shipped back out to outbound fulfillment centers for sale, held for vendors to claim, or sent for liquidation. The centralized location of returns processing causes inefficient routes for packages from the consumer to the Return Center then back to the Fulfillment Center, incurring transportation costs.

This variation presents an opportunity to decentralize and manage variety in the Customer Returns network, lowering net costs, and increasing process efficiency while maintaining/improving the accuracy of Sellable Yield (percentage of returned items that are resellable). The Tauber team piloted methods for sortation automation, identified opportunities for process decentralization, and developed a transportation model to decrease costs. The team selected 14 Fulfillment Centers in the outbound network to begin processing Customer Returns to minimize transportation spending and increase Sellable Yield for large items. Through increasing returns hubs at Outbound Fulfillment Centers and introducing automated item sortation, the Tauber team was able to identify over $40M in potential labor, transportation, and COGS savings in the Amazon ReLogistics network.

AMAZON - CONTAINER

AMAZON - CUSTOMER

AMAZON - KICKOUT

AMAZON - PERFORMANCE

AMAZON - PROCESS