



Success Story

Huckberry Eliminates Fraud, Reduces Return Costs by 20% with Fillogic's Local Market Hubs

Fillogic Optimizes Returns to Boost Customer Satisfaction and Profitability

Online retailer Huckberry needed a solution to address unprofitable returns management while not betraying its commitment to sustainable commerce. They found an extraordinary solution through their logistics partner Fillogic, whose Local Market Hub-based operations addressed their cost and fraud issues with returns while simultaneously improving sustainability impact.

The Problem with Business-as-Usual

Traditional consumer returns in the US flow through parcel networks to remotely located warehouses, who in turn ship again to jobbers to inspect, grade, and prep the returned goods. This lengthy process creates a tremendous carbon footprint and delays processing so long that goods may be out of season or in markdown before being eligible for the next customer.

Today's business-as-usual approach to returns management means processing delays lead to a nearly **13.7% fraud rate**, **costs retailers 14.5% in additional logistics expenses**, **\$101 billion in losses** due to fraudulent and abusive returns, and contributes to a significant excess carbon footprint.*

The problem is simple: too much of the work is being done too far away from the customer.

Continuing to handle returns in the traditional industry manner had simply grown unacceptable to Huckberry's leadership.

"If we don't solve this challenge, we will hear about it from the customer and see it on our P&L," said Nick Meister, Huckberry's VP of Operations.

↑Huckberry

As a one-stop men's apparel, footwear, and gear retailer, Huckberry is pioneering a new lifestyle category: Everyday Adventure. Huckberry serves this category, which sits between traditional outdoor and fashion, with a unique business model that combines the best retail logistics with media and community.

Localized Logistics

Huckberry partnered with Fillogic to implement a comprehensive return, resale, and recycling solution powered by their Local Market Hubs. Fillogic operates these hubs using existing infrastructure, such as locations at shopping malls, to be close to consumers.

Fillogic physically inspects returned products at each drop-off point and consolidates returns locally, reducing costs and the environmental impact. Inspecting all returns within three days effectively eliminates fraudulent customer crediting.

Retailers using Fillogic's Local Market Hubs see an **85% to 90% resell rate** on returned products, reduce fraud to **less than 1%** of sales, and minimize shipping costs.



Better Returns, Better Results

Huckberry's partnership with Fillogic, combined with Narvar's post-purchase experience platform, has yielded impressive results across multiple fronts:

- 20% Reduction in Fully Loaded Returns Costs
- 95% Fraud Expense Reduction
- 90% of Returns Raised to First Quality and Available for Resale

“Through Narvar and Fillogic, we’ve built a single pane of glass that allows our customers to manage returns seamlessly through a unified platform.”

Nick Meister

Huckberry | VP of Operations



Winning with Narvar & Fillogic Together

While many retailers have resorted to charging for returns, Huckberry's partnership with Narvar using Fillogic's Local Market Hubs enables the company to maintain a free return experience for trusted customers without compromising profitability.

“We have maintained our experience with trusted customers and effectively shut down many pain points in our P&L,” Meister added, emphasizing the dual benefit of customer satisfaction and financial improvement.

This approach turns returns from a business cost into a growth driver, positioning Huckberry as a leader in retail innovation and sustainability within the Everyday Adventure category.

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Discover what Fillogic can do for you. Let's Connect!

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*Source: National Retail Federation (NRF) and Apriss Retail, 2023 Consumer Returns in the Retail Industry report.