

Your Guide to RETAIL REVERSE LOGISTICS

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

RETAIL
SUPERSTORE & OUTLET

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
- ◆ Electronics
- ◆ Paints and coatings
- ◆ Perfumes
- ◆ Aerosols
- ◆ Cleaning solutions
- ◆ Smoke detectors
- ◆ 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



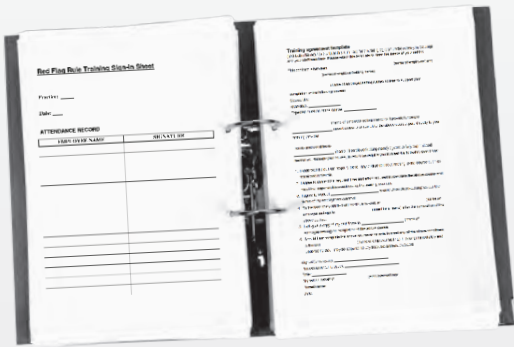
HERE'S HOW HM-253 HELPS WITH RETURNS:

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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¹National 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