

Reducing Returns One Shoe Size at a Time

A Case study for Zappos Expertise - Data Science and Machine Learning

Challenges

- Returns incur significant costs to the company
- How does Zappos reduce returns without disrupting the unique value proposition it's known for?

Solution

The Data Science and Machine Learning team started by analyzing the various reasons customers returned shoes.

Customers often order multiple colors to see what looks best. Sometimes, customers order different styles of a similar shoe to determine which they like the best. These are the perks of this unique return policy; Zappos wants the customers to have this luxury.

However, a significant amount of customers order the exact same shoe, in the exact same color—but in different sizes because they don't know which one will fit. Solve this issue; and it's a win-win! Zappos saves on shipping costs and customers are saved from having to go through the process of returning unwanted shoes.

Using historical data around returns, orders, reviews, and customer shopping behavior, the team built a customer ML model that is able to predict a customer's size as it relates to a specific shoe style.

Results

- Zappos reduced sizing-related returns by 10%
- Significant material impact on the bottom line
- Improved customer experience by alleviating the pain point of sizing-related returns

About

For over 20 years, the top Zappos.com value proposition has been free returns for up to 365 days after purchase. This helped to build the customer's trust in online shoe shopping during its early inception, and has since helped earn and solidify customer loyalty from millions of Zappos customers over the years.