



CASE STUDY

B2B Sales Channel for Returned Appliances Drives Efficiency for Fortune 500 Home Improvement Retailer

QUICK FACTS

1,000s
of new buyers

42%
increase in recovery due
to lot optimization

100%
brand control

Challenge

A Fortune 500 home improvement retailer was experiencing an increase in customer-returned appliances. The items, which consisted of name-brand washers, dryers, ranges and refrigerators, among other products, were currently being put back on the floor and sold directly to consumers at deeply discounted prices. As more products came back opened and with visible damage, the retailer – not wanting to risk hurting its brand or set expectations for rock-bottom, a-stock pricing – began looking for a new remarketing solution.

In need of a solution that could maintain high recovery numbers for the growing amounts of returned, damaged and overstock appliances, the retailer turned to B-Stock with the following requirements:

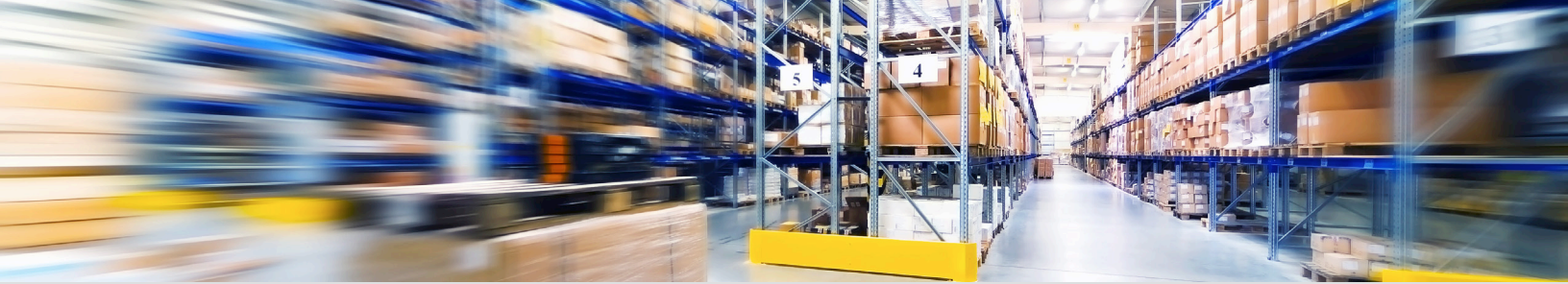
- Develop a base of buyers, interested in purchasing bulk quantities of appliances across all conditions
- Protect the retailer's brand when moving the inventory into the secondary market
- Move the inventory as quickly as possible to free up warehouse space
- Improve upon existing recovery strategies

Solution

B-Stock launched a branded, private B2B liquidation marketplace for the retailer, enabling large numbers of approved business buyers from across the U.S. to bid directly on truckload quantities of inventory via competitive online auctions. Through its private marketplace, the retailer had full control over who could buy the merchandise to ensure its b-stock inventory entered the secondary market via a precise process.

Over time, auction strategies were applied to maximize price. This included:

- Optimizing lot sizes to match demand
- Implementing category specific marketing campaigns to drive the right buyers to the marketplace

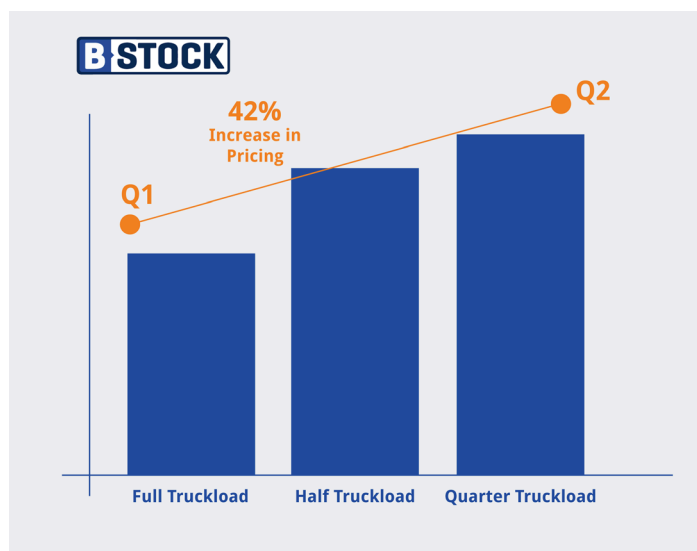


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Results

Within a few days of launching its B2B liquidation marketplace, the retailer had nearly 1,000 registered buyers competing for truckload-size quantities of its returned and overstock appliances. The ability to move bulk lots of merchandise directly into the secondary market freed up warehouse space and the time required to process individual items back onto the floor. Ongoing demand generation campaigns have continued to drive qualified buyers to the marketplace, with 250 to 300 new buyers registering each month.

A key driver of new buyer registrations and increased bid activity (and ultimately higher recovery over time) was adjusting lot size to match buyer demand. After analyzing data and buyer behavior, it became clear that by only selling truckload quantities, the retailer was inadvertently excluding an entire base of smaller buyers due to the large lot sizes and overall cost. B-Stock's team of marketplace experts recommended breaking the lots down into smaller quantities so more buyers were able to participate. As a result of this, recovery jumped 42% from Q1 to Q2.



By establishing an automated, web-based program for bulk quantities of its returned and overstock appliances, the retailer has been able to offload the manual tasks associated with reprocessing single units back into the primary sales channel. What's more, it has eliminated the need to sell damaged goods at a deep discount directly to its consumers, thereby maintaining the quality of its a-stock items and protecting its brand.

As the marketplace matures, B-Stock will continue to apply proven auction techniques to drive the recovery rate even higher. This includes sorting lots by product category and condition.

Contact B-Stock

Ready to optimize your liquidation strategy? Email us at recovery@bstock.com.