

Case Study

# Auction software that optimizes pallets automatically?

## It's a virtual reality

**20% Average**  
increase in recovery

**150,000 Items**  
auctioned & reused

**+230,000 Auction**  
buyer views

### Background

For more than a decade, one of the world's largest online retailers has partnered with Liquidity Services to find new life for their excess and returns products. We approached the retailer with a new plan to sell returns and overstock inventory from their locations in LTL (less than truckload) quantities, or pallets. Our joint objectives: Drive higher recovery and improve efficiency while limiting the retailer's carbon footprint.

### Solution

Liquidity Services leapfrogged the traditional ship-direct or sell-in-place truckload level solution by aggregating product to integrate into our Liquidation.com auction technology. We consider optimal product weights and dimensions, along with category, description and value, and then build virtual pallets for sale.

This custom **API software integration** allows the retailer to virtually send inventory to Liquidity Services, where we build pallet or multi-pallet level auctions to sell on Liquidation.com.



**With Automated Sell in Place**, retailers can virtually build pallet or multi-pallet-level auctions and send them to Liquidation.com, our premier B2B auction site.

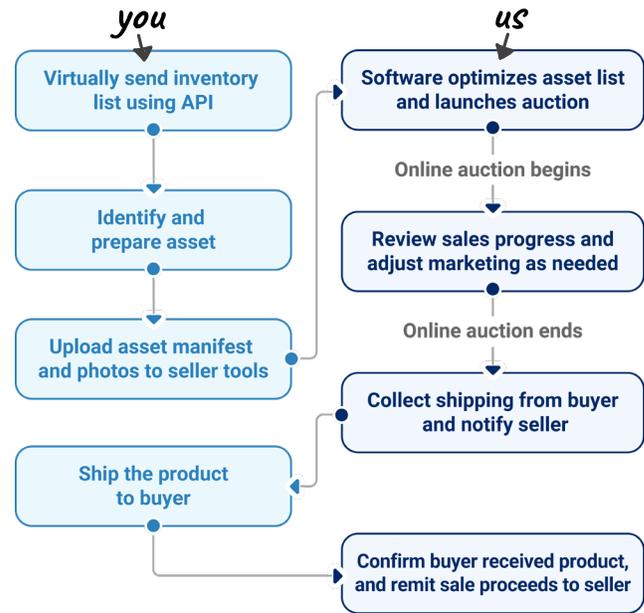
It is not until the auction closes that actual picking and fulfillment is performed at the retailer's warehouse, which eliminates unnecessary touches between seller and buyer . . . and, it saves warehouse floor space, since product remains located in its rack position until dispositioned.

This solution works with built-in logic to automate auction lotting by product category and value. This

capability not only boosts recovery, but it also provides scalability. There is no product pulling, no labor, and no handling involved unless the product sells. Everything is done virtually.

Product is not transferred to Liquidity Services until after the auction is completed (via flash sale from the retailer)—eliminating all shipping to the warehouse. Liquidity Services handles any applicable tax collection or tax exemption requirements directly with the buyer.

### How it works



### Results

The program has a nearly 100% auction success rate, with an especially high rate of recovery for in-demand appliances and remorse-returned electronics. On average, recovery is at least 20% and often exceeds that for lower demand seasonal product or obsolete electronic accessories.

The program can easily scale to over tens of millions of transactions per week, and it achieves the retailer’s objective of recommerce to avoid landfill.

The retailer now has deep insight into which products sell best and can optimize inventory

and market channels accordingly. It is a continuously evolving process that both Liquidity Services and the retailer work together to optimize.

Environmentally, the program is a key part of the retailer’s sustainability and recovery goal: Fewer products going to the landfill because they are resold and reused, and recovery at a higher percentage than traditional wholesale liquidation. Environmental benefits also include saving at least one leg of transportation.

### Talk to us

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*A Better Future for Surplus*