Case Study

Leading Retailer Scores a Bullseye

Direct-to-Consumer Liquidation Results

800,000	0	1
units liquidated	disruptions	hassle-free solution

Background

A leading international home goods retailer had made significant investments in their reverse supply chain infrastructure, including opening three new returns centers (RCs) around the country dedicated to returns and overstocked goods. These RCs relieved forward-facing distribution centers (DCs) from processing customer returns and helped the retailer more strategically solve the dilemma of handling the multitude of products coming back from their stores. A holistic strategy involving RTV (return to vendor), and multichannel liquidation was necessary.

Because this retailer worked with several external vendors, they wanted a partner who would work collaboratively; be reliable, flexible, and transparent; and offer a strong history of performance. They asked Liquidity Services specifically to handle their direct-to-consumer (D2C) returns and overstock. Maximizing recovery was a key objective.

Multi-channel liquidation was the key to success for this leading home goods retailer, helping them dispose of 800,000 units in just three months.

Solution

By revamping their process to include D2C sales, bulk B2B sales, local auction sales, and RTV, the retailer was able to significantly improve recovery, and Liquidity Services helped them execute this strategy. Working together, we noticed that all inventory was being liquidated in bulk format: Pallets were loaded with both high-value and low-value merchandise and sold at a single bulk price.

We began by peeling off the high-value items and then selling them separately in consumer marketplaces, leaving the lower-value items for resale in less-profitable B2B auction marketplaces.

The next thing we did was analyze their transportation and storage costs to evaluate their Total Recovery Value. The retailer had already adopted a streamlined approach by fulfilling to customers directly from their RC – a smart move, because this practice eliminated a costly leg of transportation.

We were able to further cut their costs by accepting product earmarked for liquidation directly into our own network of warehouses, which were strategically located near the retailer's, thus helping to achieve further reductions in freight costs.

We then built a full-service D2C solution that involved using several consumer marketplaces, including Liquidity Services' own Secondipity and AllSurplus Deals marketplaces, plus third-party storefronts on eBay, Tanga, Poshmark, Facebook Marketplace, Wish, TikTok, and Newegg. Storefronts were rebranded so as not to devalue the retailer's globally recognized brand. We ran the day-to-day operations so that the retailer didn't have to, liquidating thousands of items daily.

The combination of B2B and D2C channels helped lift overall recovery.

Results

We liquidated **800,000** units in under three months at a significantly higher recovery rate than previously obtained when their pallets were mixed. We cut transportation and storage costs, which significantly improved their Total Recovery Value. We saved them time, money, and disruptions to their day-to-day operations. All told, the program was a win-win and together, we hit a bullseye.

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