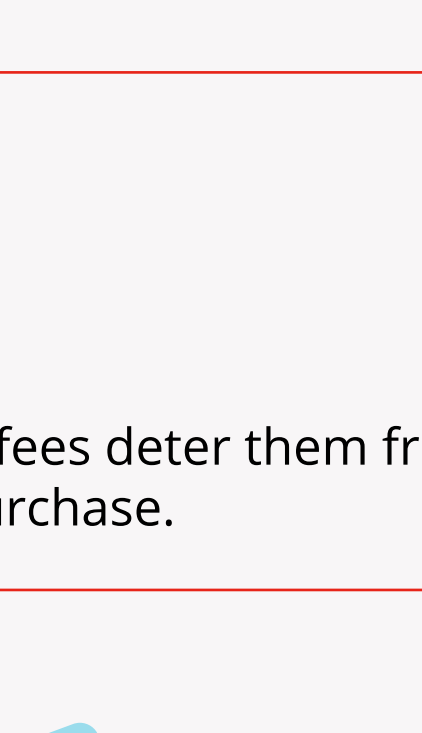


# Returns Management

## Your Customers Care a Lot about Your Returns Policy

**67%**

of shoppers check the returns page before they purchase online.

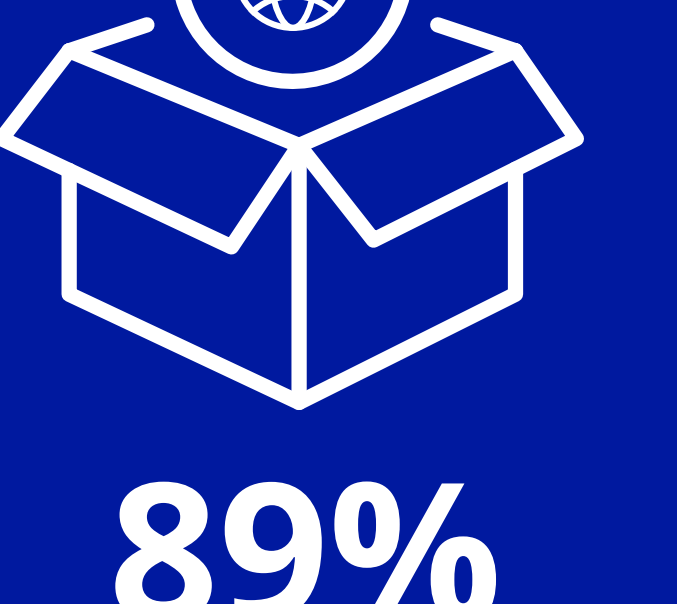


**62%**

say return shipping fees deter them from making an online purchase.

**67%**

are deterred by restocking fees.

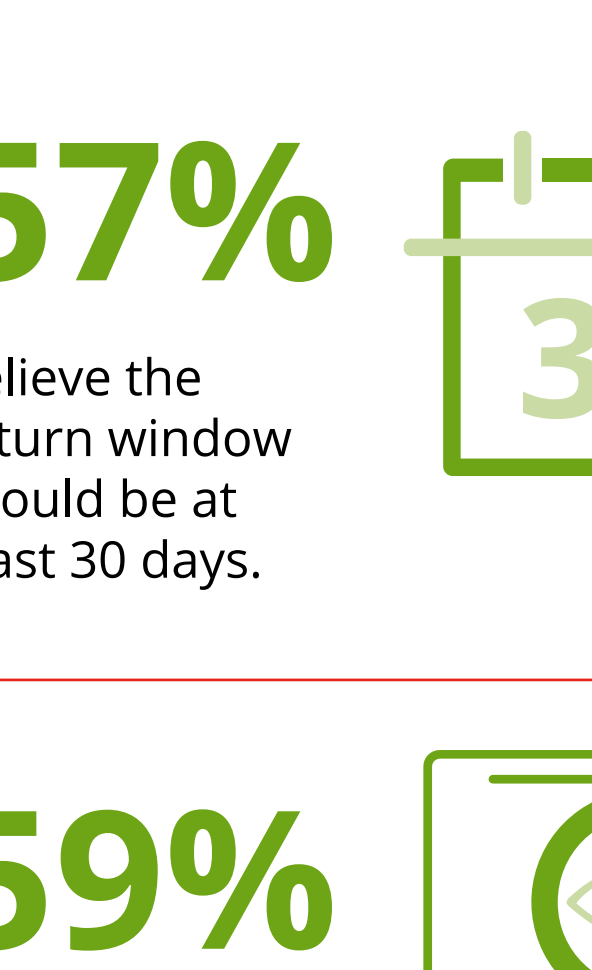


## eCommerce has "Normalized" Product Returns



**41%**

of eCommerce shoppers buy multiple sizes/colors of the same product, fully intending to return all but one or two items.



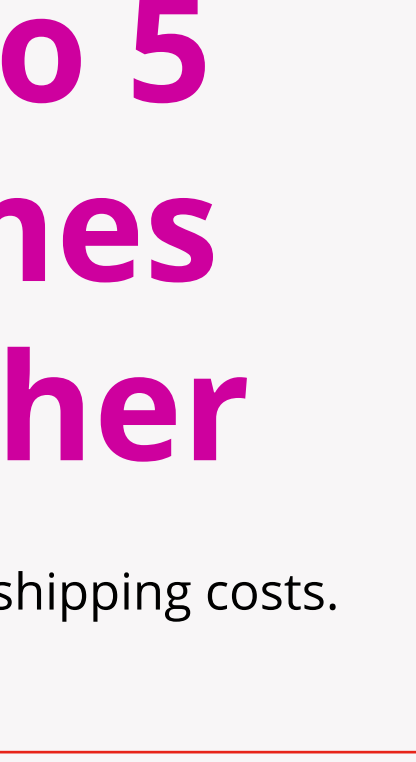
**89%**

have returned an online purchase in the last three years.

## What Qualifies as a Good Returns Policy?

**75%**

of shoppers say free returns is an essential factor in choosing a retailer.



**57%**

believe the return window should be at least 30 days.



**47%**

want an easy-to-print shipping label.



**59%**

expect notifications about refund status.



## But a Good Returns Policy can be Expensive



Returns processing costs are

**3 to 5 times higher**

than original shipping costs.

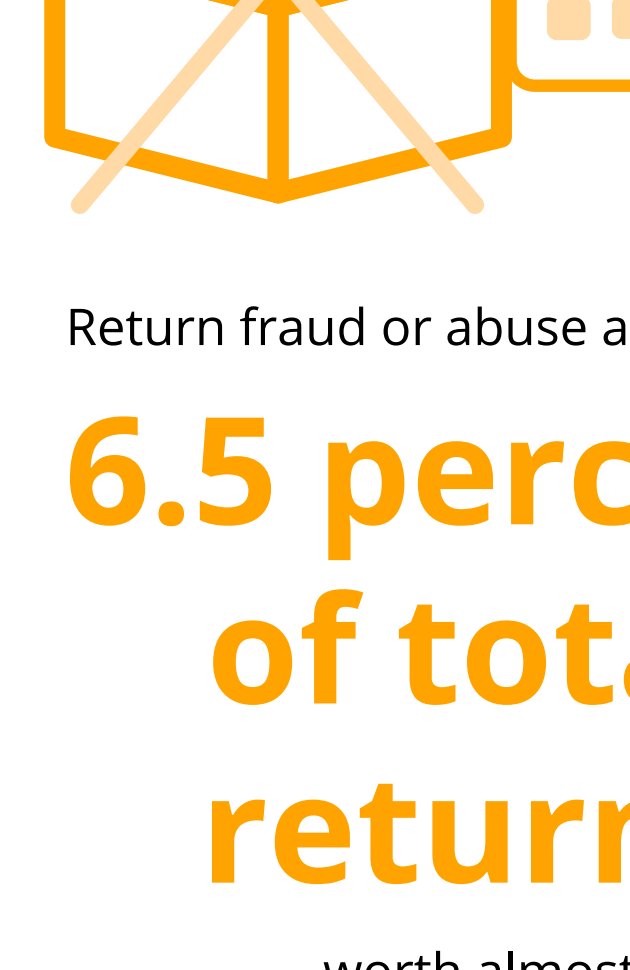


Managing a "return and repair" process accounts for

**10 percent**

of total supply chain costs. But an inefficient process can reduce profits by

**30 percent.**



U.S. returns delivery costs are expected to exceed

**\$550 billion by 2020.**

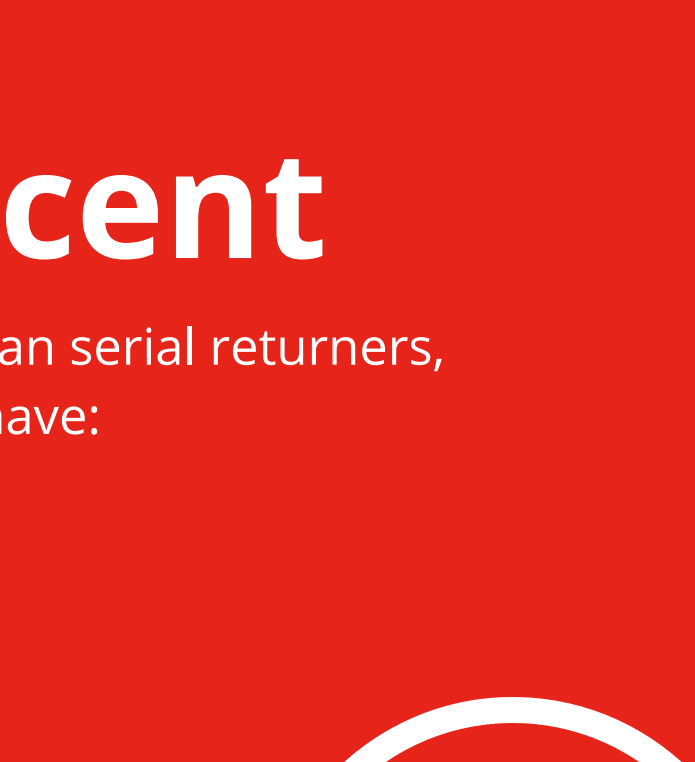
## Returns Volume Expected to Increase as "Serial Returns" Become More Prevalent



Serial returners cost retailers

**\$350 billion**

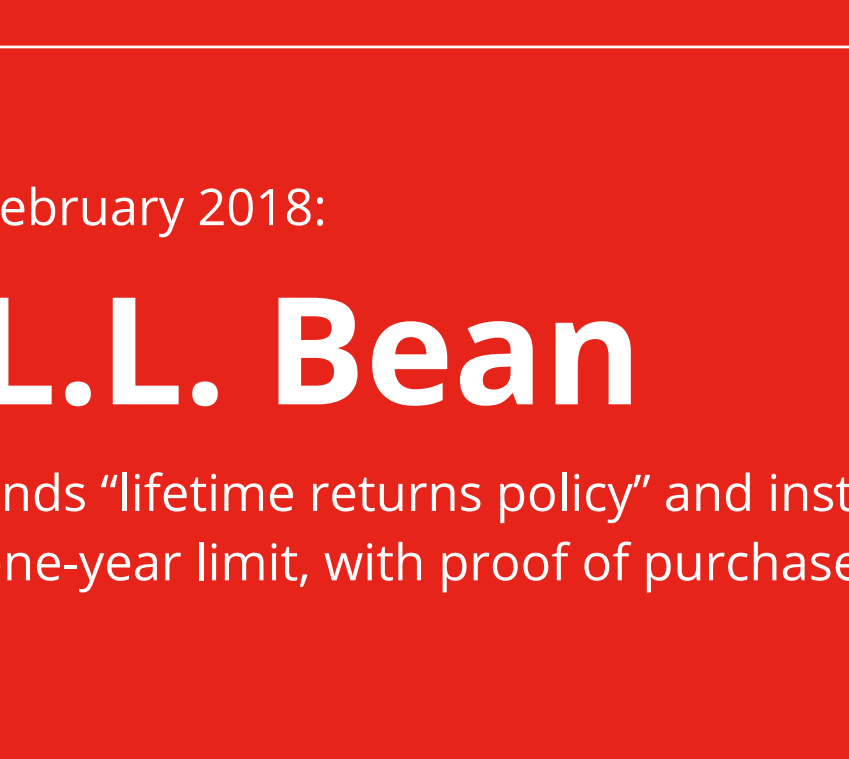
in lost sales.



Nearly

**40 percent**

of retailers have experienced "wardrobing" – in which items are returned after being used for a specific event or purpose.



Return fraud or abuse accounts for

**6.5 percent of total returns**

worth almost

**\$23 billion**

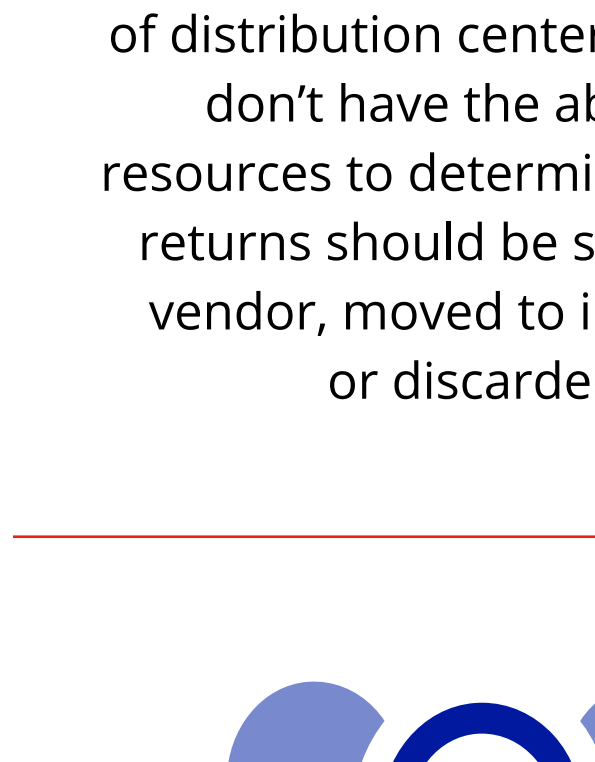
annually.



**42%**

of retailers say the number of excessive – "serial" – returners has increased, especially among 18-to-34-year-olds.

## Retailers are Taking Steps to Prevent Returns Abuse



**61 percent**

of retailers would ban serial returners, and some already have:

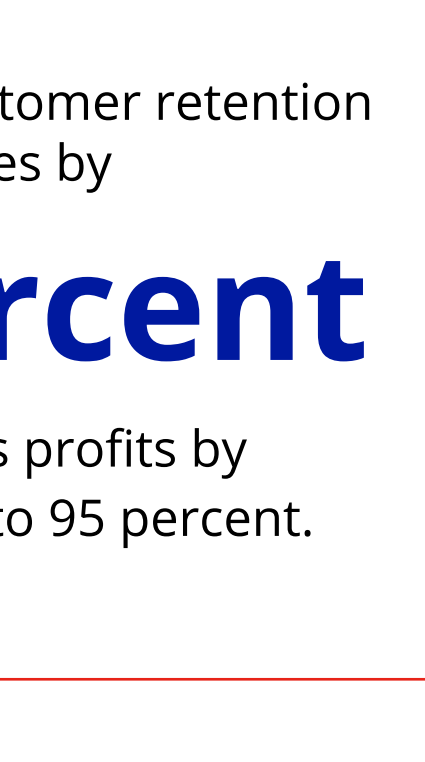
**May 2016**

Amazon acknowledges accounts have been closed for customers who have abused the retailer's returns policy.



**64 percent**

of clothing and fashion retailers, 67 percent of consumer electronics firms, and 80 percent of baby and toddler retailers, said they would implement Amazon-like policies.



February 2018:

**L.L. Bean**

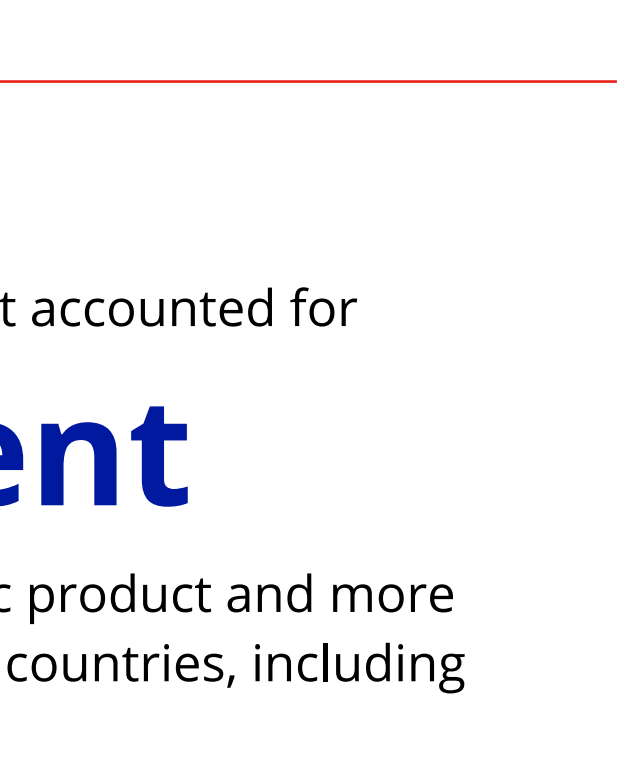
ends "lifetime returns policy" and instead imposes a one-year limit, with proof of purchase required.



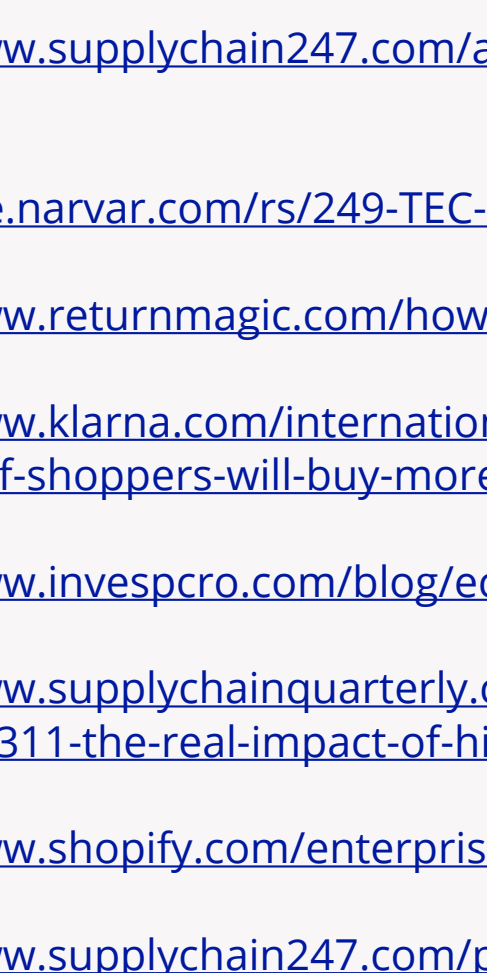
More than

**34,000 retailers,**

including Home Depot, Best Buy, and Sephora, use a tracking service that flags repeat returners – with the option of banning customers from their websites.

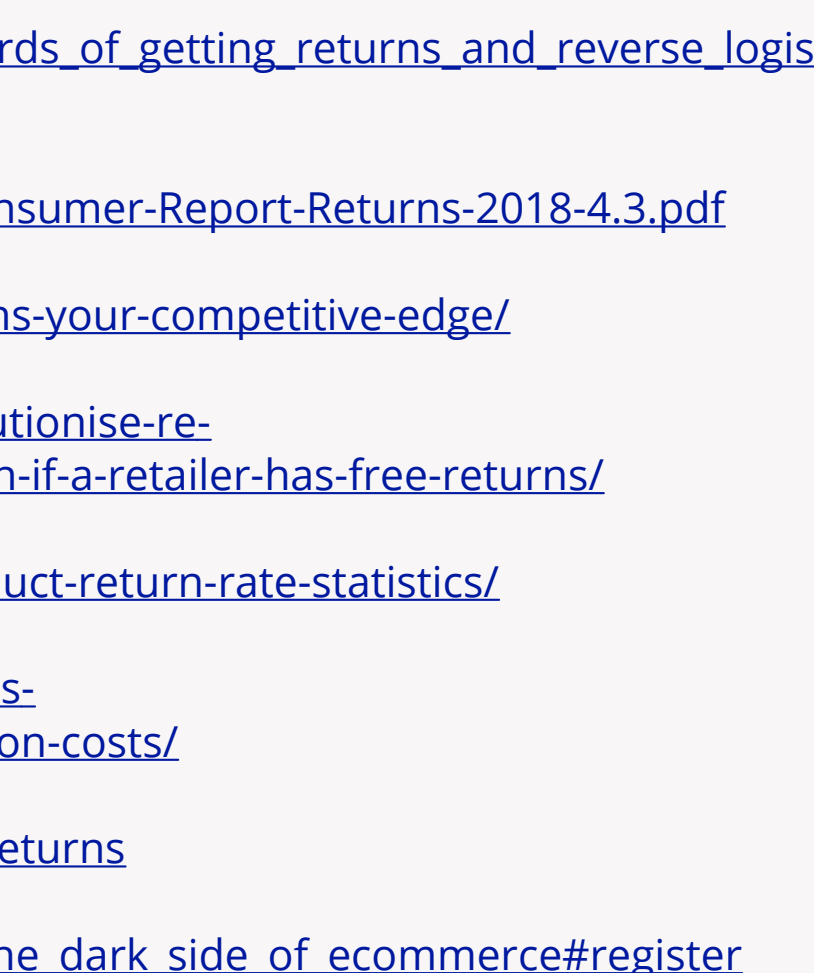


## Benefits of Investing in a Good Returns Policy



**52 percent**

of distribution center managers don't have the ability or resources to determine whether returns should be sent to the vendor, moved to inventory, or discarded.



eCommerce companies need

**20 percent more space**

to manage returns compared to normal sales.



**44 percent**

of distribution center managers consider returned items a "pain point" in their operations.



Increasing customer retention rates by

**5 percent**

increases profits by 25 percent to 95 percent.



**95 percent**

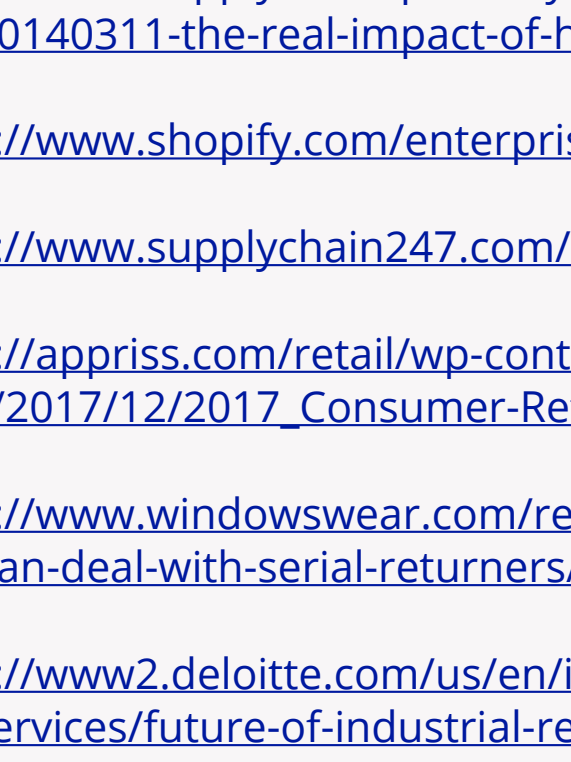
of returns end up back in the marketplace.



Undamaged goods can be resold on a secondary market (auction site, outlet, overstock store). In 2017, the secondary market was valued at \$554 billion, a

**79 percent**

increase in eight years.



The secondary market accounted for

**3 percent**

of U.S. gross domestic product and more than the GDPs of 175 countries, including Belgium and Sweden.

## Reference List:

[https://www.supplychain247.com/article/the\\_rewards\\_of\\_getting\\_returns\\_and\\_reverse\\_logistics\\_right](https://www.supplychain247.com/article/the_rewards_of_getting_returns_and_reverse_logistics_right)

<https://see.narvar.com/rs/249-TEC-877/Images/Consumer-Report>Returns-2018-4.3.pdf>

<https://www.returnmagic.com/how-to-make-returns-your-competitive-edge/>

<https://www.klarna.com/international/press/revolutionise-returns-78-of-shoppers-will-buy-more-in-the-long-run-if-a-retailer-has-free-returns/>

<https://www.invespro.com/blog/e-commerce-product-return-rate-statistics/>

<https://www.supplychainquarterly.com/topics/Logistics/20140311-the-real-impact-of-high-transportation-costs/>

<https://www.shopify.com/enterprise/e-commerce-returns>

[https://www.supplychain247.com/paper/returns\\_the\\_dark\\_side\\_of\\_e-commerce#register](https://www.supplychain247.com/paper/returns_the_dark_side_of_e-commerce#register)

[https://appriss.com/retail/wp-content/uploads/sites/4/2017/12/2017\\_Consumer>Returns-in-the-Retail-Industry-Report.pdf](https://appriss.com/retail/wp-content/uploads/sites/4/2017/12/2017_Consumer>Returns-in-the-Retail-Industry-Report.pdf)

<https://www.windowwear.com/recurring-refunds-how-retailers-can-deal-with-serial-returners/>

<https://www2.deloitte.com/us/en/insights/industry/financial-services/future-of-industrial-real-estate-market.html>

<https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

<https://www.wsj.com/articles/what-stores-do-with-90-billion-in-merchandise-returns-1518777000>

<https://psmag.com/magazine/underwear-of-uncertain-origin>

<https://www.salesforce.com/blog/2015/11/reduce-cost-acquiring-new-customers.html>

<https://www.racked.com/2018/3/13/17114952/sephora-banning-returns>

<https://www.boston.com/news/business/2018/02/09/ll-bean-return-policy-change>

<https://www.dvelocity.com/articles/20181019-retailers-set-to-ban-serial-returners-survey-finds/>

<https://www.mhlnews.com/technology-automation/consumers-are-changing-e-commerce-preferences>

<https://www.wsj.com/articles/banned-from-amazon-the-shoppers-who-make-too-many-returns-1526981401>

<https://psmag.com/magazine/underwear-of-uncertain-origin>