The State of Returns: What Today’s Shoppers Expect
Consumers are buying more online, and returns are an inherent part of the process. Today’s shoppers have higher expectations than ever for an effortless and transparent experience.

We wanted to hear directly from consumers what retailers should be doing to foster loyalty and reduce anxiety in the returns process. We surveyed nearly 1,300 shoppers to understand how consumer attitudes toward returns have changed since we first conducted this study in 2017.

Executive Summary

Methodology: Narvar conducted an online survey of nearly 1,300 U.S. online shoppers between ages 21-65 who made online purchases within the last six months. The survey ran from September 13-15, 2018.
What we heard

**Easy returns drive loyalty.**
Retailers who make returns easy can expect repeat business. Nearly 70% of shoppers surveyed say their most recent returns experience was “easy” or “very easy,” and 96% would shop with a retailer again based on that experience.

**Return policies influence where consumers shop online.**
A restrictive, complicated, or unclear returns policy can prevent shoppers from buying. More than two-thirds of shoppers say they’re deterred by having to pay for return shipping (69%) or restocking fees (67%), and 17% said they would not make a purchase without the option to return to a store.

**The returns process is improving.**
It seems that many brands are indeed making the returns process simpler for consumers. The vast majority of respondents agree that online returns have gotten easier in the past year. Just 5% of shoppers say returns are more difficult than they were a year ago.

**Retailers have the opportunity to convert returns to revenue.**
The majority of shoppers replace the item they’re returning: 57% of respondents say they exchanged or replaced the last item they returned. By making the exchange process easier, retailers can capture this revenue and keep customers coming back.
What we heard

Retailers should optimize returns to save shoppers time and effort.

The returns process is improving but isn’t as simple as it could be. More than half (54%) of respondents say they had to print a return label for their most recent return and 32% say they needed to contact the retailer for return authorization.

Consumers demand visibility into the status of their returns and refunds.

Shoppers expect to be in contact with retailers during the return process — 59% say they want notifications about the status of their refund and 50% want notifications about the status of their return package.

Shoppers want the option to buy online and return in-store.

In-store returns offer a competitive advantage. While most shoppers (63%) say they made their most recent return by mailing a package, a significant number—40%—say it’s easier to return to a store.
01. Easy returns drive loyalty
A great returns experience has a lasting impact.

96% would shop again with a retailer based on a good returns experience.

70% said their most recent returns experience was “very easy” or “easy.”

Key takeaway: Think of the returns process as an opportunity to build loyalty by exceeding shoppers’ expectations.
Retailers can lose a sale because of restrictive return policies.

Reasons for not buying from a retailer:

- 69% having to pay for return shipping
- 67% restocking fees
- 33% difficulty finding the return or exchange policy

**Key takeaway:** Shoppers are becoming more open to paying for a return, as long as the policy is clear. In 2017, 74% of respondents said they wouldn’t buy from a retailer who charged for return shipping and 84% wouldn’t buy from a retailer who charged a restocking fee.
Gifts are considered more difficult to return.

Recommendation: Retailers must ensure their systems make gifting simple — including the online return process for recipients.
Reducing complexity and ambiguity
At their worst, returns induce anxiety and frustration.

28% worry their return will be lost in the mail

31% have kept unwanted items to avoid the hassle of returning them

Recommendation: Ease shopper concerns with an easy, transparent returns process, including updates about refund status and package tracking capabilities.
Communication is the top priority for shoppers when making a return.

The current situation:
- 54% had to print a return label
- 32% had to contact the retailer for return authorization
- 17% had to find a different box or envelope to return the item

What shoppers want:
- 59% notifications about refund status
- 50% notifications about return package status

Key takeaway: While effortlessness is important, clear communication about status of returns and refunds is paramount.
03.

Turning returns into revenue
Most shoppers exchange or replace the items they return.

57% replaced the item they returned
41% from the same retailer
16% from a different retailer
42% did not replace the item

Top reasons for switching retailers:
- Item was out of stock
- Negative return experience

**Recommendation:** Enable immediate refunds and fast exchanges. Don’t make customers wait until the return process is complete to issue a refund or put a new product back in their hands.
04.

Moving beyond the mailbox
Mail is the most common way to return an online purchase.

- 74% mailed their return
- 63% shipped back (UPS, FedEx, USPS)
- 13% received a refund without having to return the item
- 13% returned in store
- 11% scheduled a carrier pickup
Still, many shoppers want the option to return in-store.

40% think it’s easier to return items to a store

17% wouldn’t buy an item without the option to return in-store

Top reasons for preferring in-store returns:

32% getting immediate credit

28% not having to worry about a lost package

Recommendation: Combine the instant gratification of in-store returns with the convenience of shipping: offer fast refunds and updates about the status of returned packages.
05.

Returns come in different shapes and sizes
Apparel makes up the majority of returns, but its margin is shrinking.

Key takeaway: Brands may be improving at effectively communicating the color, size, and fit of clothing, leading to fewer apparel returns.
Luxury shoppers* are less deterred by return fees and value convenience more.

Reasons for not buying from a retailer:

<table>
<thead>
<tr>
<th></th>
<th>Fees</th>
<th>Effort</th>
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<tbody>
<tr>
<td>having to pay for return shipping</td>
<td>62% Luxury shoppers, 72% Other shoppers</td>
<td>19% Luxury shoppers, 13% Other shoppers</td>
</tr>
<tr>
<td>having to pay a restocking fee</td>
<td>57% Luxury shoppers, 71% Other shoppers</td>
<td>18% Luxury shoppers, 16% Other shoppers</td>
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</tbody>
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*Respondents who returned luxury items (e.g., designer clothing, jewelry, luggage) in the past year

Key takeaway: Shoppers are more willing to pay for return shipping and restocking when their expectations are set — for instance, when making a high-end purchase.
06.

What Amazon shoppers think of the returns process
Amazon returns tend to require more effort, but shoppers are happier with their experience.

**Key takeaway:** Because Amazon is generally better at communicating the status of returns and refunds, shoppers are more tolerant of some inconveniences.
Amazon shoppers’ attitudes towards returns services provide early insights.

Drop-off lockers and printerless returns have appeal, while car trunk or at-home pickups may not.

 Desired services during the returns process:

<table>
<thead>
<tr>
<th>Service</th>
<th>Amazon shoppers</th>
<th>Other shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-paid shipping</td>
<td>67%</td>
<td>74%</td>
</tr>
<tr>
<td>Pre-printed return labels</td>
<td>48%</td>
<td>60%</td>
</tr>
<tr>
<td>Printerless returns</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>Drop-off lockers for returns</td>
<td>24%</td>
<td>14%</td>
</tr>
<tr>
<td>Car trunk or at-home pick-up for returns</td>
<td>13%</td>
<td>14%</td>
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Key takeaway: Amazon continues to set consumer expectations. Retailers should keep an eye on consumer adoption of Amazon’s experiments for insight into what’s next, while putting their resources toward nailing the basics.
Consumers are buying with the intent to return
Many shoppers are “bracketing”—some more than others.

Bracketing is more prevalent among luxury shoppers.

Luxury: 51%
Other: 34%

Bracketing: buying multiple versions of an item, trying on at home, and returning those that don’t work.

Recommendation: Minimize bracketing by analyzing return reason data and using these insights to inform fit and color recommendations during the consideration phase.
What it all means

01. Treat returns with the same care as the rest of the shopping experience.
Returns are an integral part of online shopping. Whether consumers are returning a gift or something bought for themselves, consumers expect a frictionless process with clear and transparent policies up front.

02. Stay in touch with consumers throughout the returns process.
Communicate updates clearly and proactively to alleviate shoppers’ anxiety about the status of their refund and the location of their return package.

03. Simplify exchanges.
Make it easy to exchange items during the online returns process. Consider offering refunds upon the initial return package scan to expedite resolution and maintain customers’ peace of mind.

04. Offer options to buy online and return by mail or in-store.
Consumers want the flexibility to return an item to a physical store, even if they don’t always take advantage of that option. Because most shoppers return items by mail, replicate the benefits of in-store returns with immediate refunds and the ability to shop for additional items online.

05. Focus on the services that matter most to shoppers.
First, build trust with consumers by making the returns process effortless and communicating every step of the way—then consider introducing alternative services that appeal to your audience.
Narvar is on a mission to simplify the everyday lives of consumers.

Narvar helps retailers inspire loyalty beyond reason. As an enterprise-grade customer experience platform serving 500+ retailers like Sephora, Patagonia, Home Depot, Gap, and Bose, Narvar enables seamless post-purchase experiences that retain, engage, and delight customers — from cart to doorstep, and beyond. With effortless order tracking, proactive communications, and seamless returns, Narvar applies machine learning across billions of interactions to simplify the everyday lives of consumers.

To learn more, visit narvar.com