



Consumer Report 2019

The State of Online Returns: A Global Study



Background and methodology



Narvar conducted its 3rd annual consumer study of the state of online returns in the summer of 2019.

This study captured sentiments through an online survey of 3,519 consumers between the ages of 19-65, across 5 markets. Each had returned at least one online purchase in the last year.



US (n=1,001)



UK (n=1,009)



France (n=500)



Germany (n=503)



Australia (n=506)

The 2019 study aimed to uncover:

- The overall satisfaction of shoppers with the returns process for online orders.
- Drivers of delight and disappointment when shoppers return orders.
- Non-traditional opportunities for retailers to improve their online returns process.
- Trends in attitudes towards returns in the US, and differences in consumer behavior in key markets around the world.

Demographics of respondents in each market



Market	Female	Higher income	Shop online more than weekly	Have Amazon Prime membership	Last return was to Amazon
 US	55%	52%	32%	73%	65%
 UK	54%	24%	35%	64%	59%
 France	53%	29%	27%	62%	63%
 Germany	50%	41%	21%	65%	64%
 Australia	55%	61%	27%	33%	26%

Executive summary



There is room for improvement in online returns.

- While satisfaction with online returns was generally high, a substantial portion of online shoppers across the 5 markets did not find the online returns process easy; these figures go up for returns of gifts.
- A double-digit percent of shoppers globally said that because of their negative experience with the returns process, they wouldn't shop with that retailer again.

Friction in online returns holds back ecommerce conversion rates.

- Shoppers across the 5 markets all wanted free shipping on returns.
- There is a disconnect between what shoppers want and what they must do in the returns process, particularly getting return authorizations, printing return labels for packages, and getting status updates on refunds.

In-store returns are both an opportunity and a point of failure.

- While the majority of returns go back in the mail, a double-digit percent of returns go to stores or alternative locations.
- Shoppers find in-store returns convenient and want more places to return their online purchases.
- Many shoppers worry about their packages being lost in the mail or don't like the time it takes to get a refund when they mail back packages.
- Shoppers often switch retailers when they return items because of poor service.

Amazon provides lessons for other retailers in their online returns process.

- Satisfaction is generally high for returns to Amazon despite customers having to jump through more hoops (e.g. printing return labels, getting return authorizations).
- Scheduling pickups and keeping shoppers informed of their refund status keep satisfaction high.

Some returns are unavoidable and are just the cost of doing business.

- A small percent of shoppers comprise a disproportionate percent of returns; many of these frequent returners tend to “bracket” their purchases (buy multiple variations with the intent to return most of them), often in categories like apparel and footwear.
- Customers say they often bracket because retailers don't provide enough information needed for the transaction.

Highlights by market



US

- Heaviest online shoppers overall and greatest Amazon Prime penetration.
- Greatest satisfaction with online returns overall.
- Most likely to check refund status after completing an online return.



UK

- Heaviest bracketing of purchases.
- Satisfaction most tied to dropping off the return at a convenient location.
- Higher interest in drop-off locations near one's home, drop boxes, and easy parking for returns.



France

- Highest level of dissatisfaction with the online returns process.
- Most likely to have purchased a luxury good online.
- Greatest interest in the environmental policies of online retailers.



Germany

- Most likely to have an online return picked up by a carrier.
- Greatest number of shoppers who wanted the return policy stated on a site's homepage.
- Least likely to support a “no questions asked” return policy.



Australia

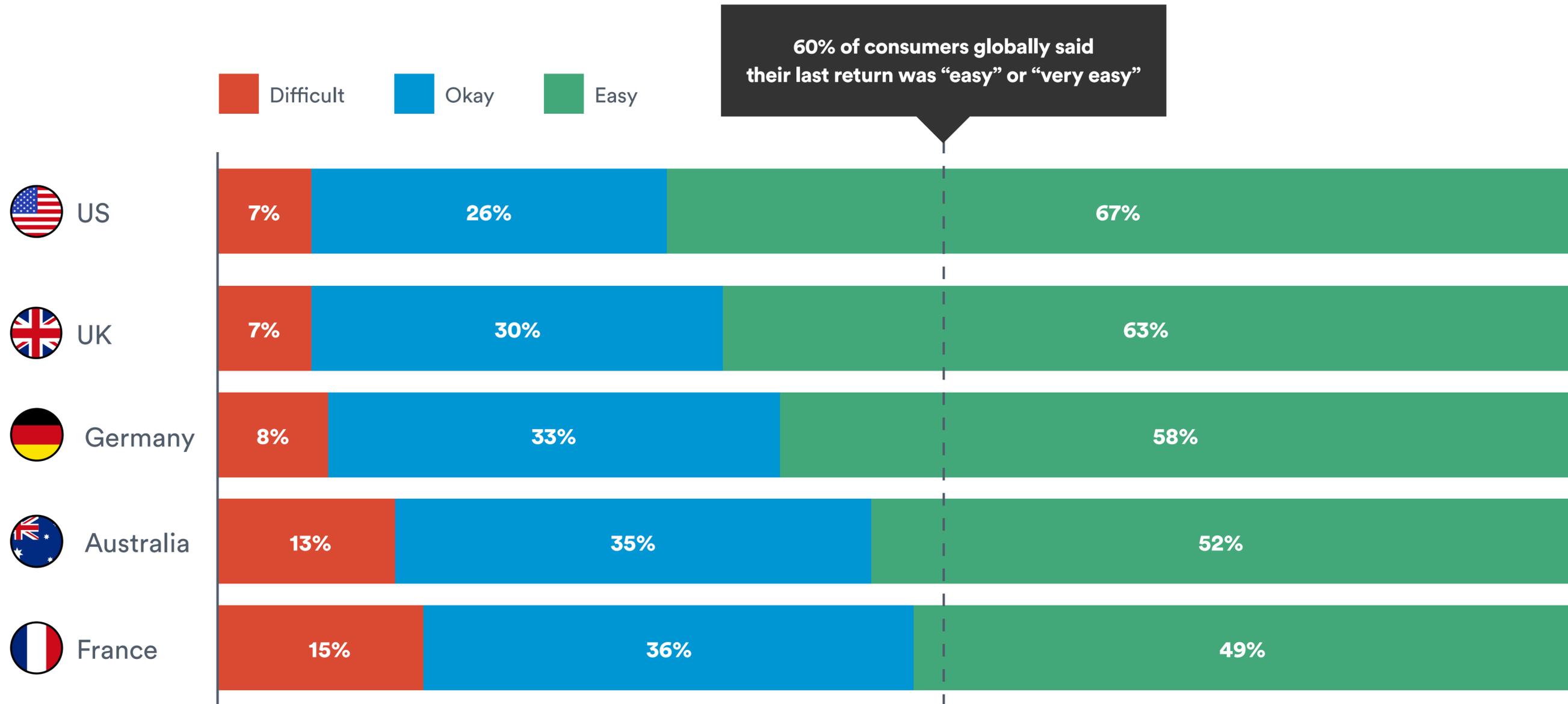
- Smallest Amazon Prime penetration.
- Most likely to return to a store; also most likely to get a refund without sending back a return.
- Most likely to churn from a retailer after a bad online return experience.

01.

Room for Improvement in Online Returns

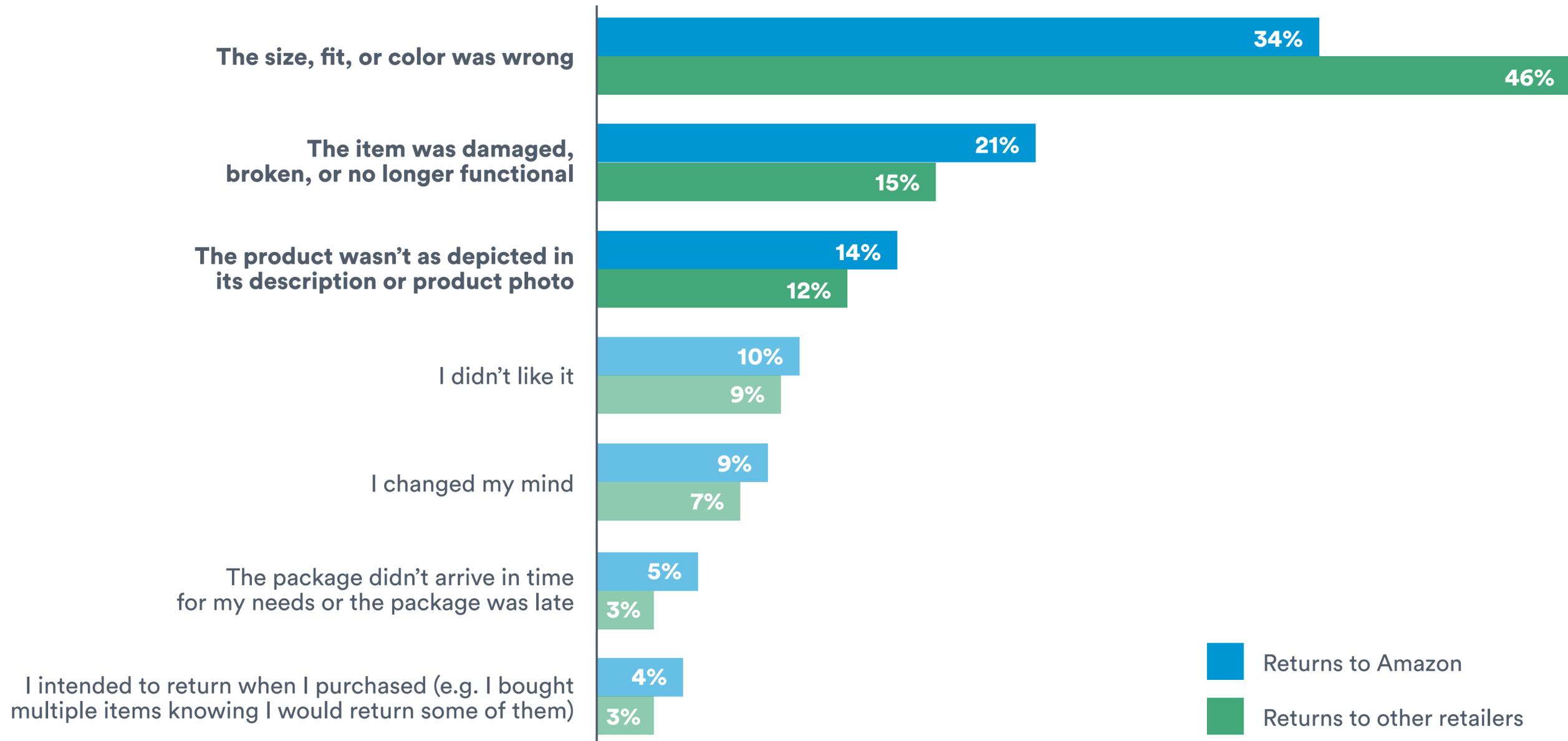


Shoppers are mostly satisfied with the returns process, but there is room for improvement.



Many returns are avoidable: They are due to retailers' content or other product issues.

My #1 reason for returning:



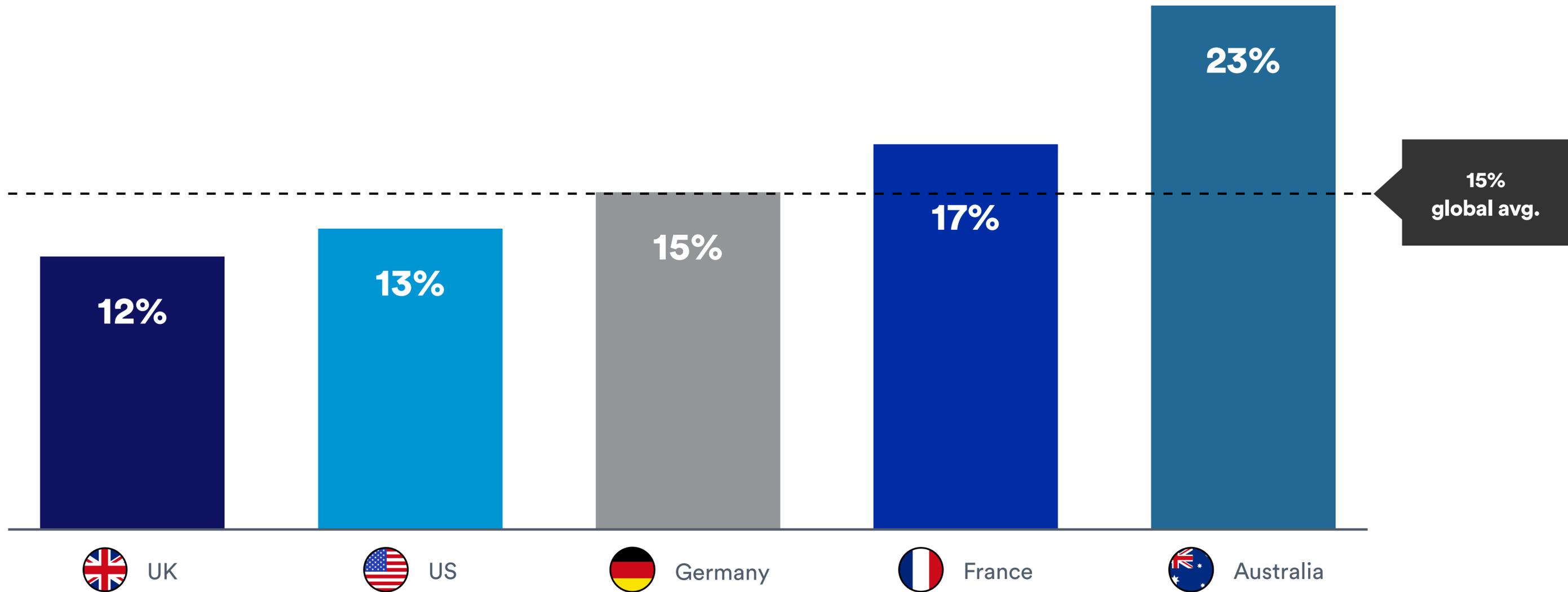
Key takeaway: Ensure that photos are accurate and use on-figure or similar images to help visualize fit and scale. Consider analyzing return reasons to identify issues with items (e.g. runs small or large), and amend product detail pages to give consumers more confidence in their selections.





Australians are most likely to churn after a bad return experience, though a double-digit percent of shoppers everywhere churn.

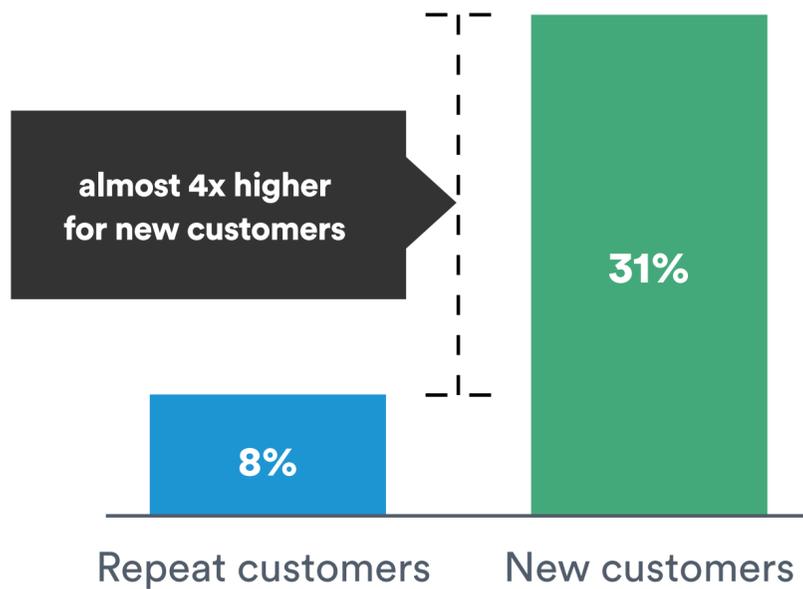
I won't shop with the retailer again based on my last returns experience.



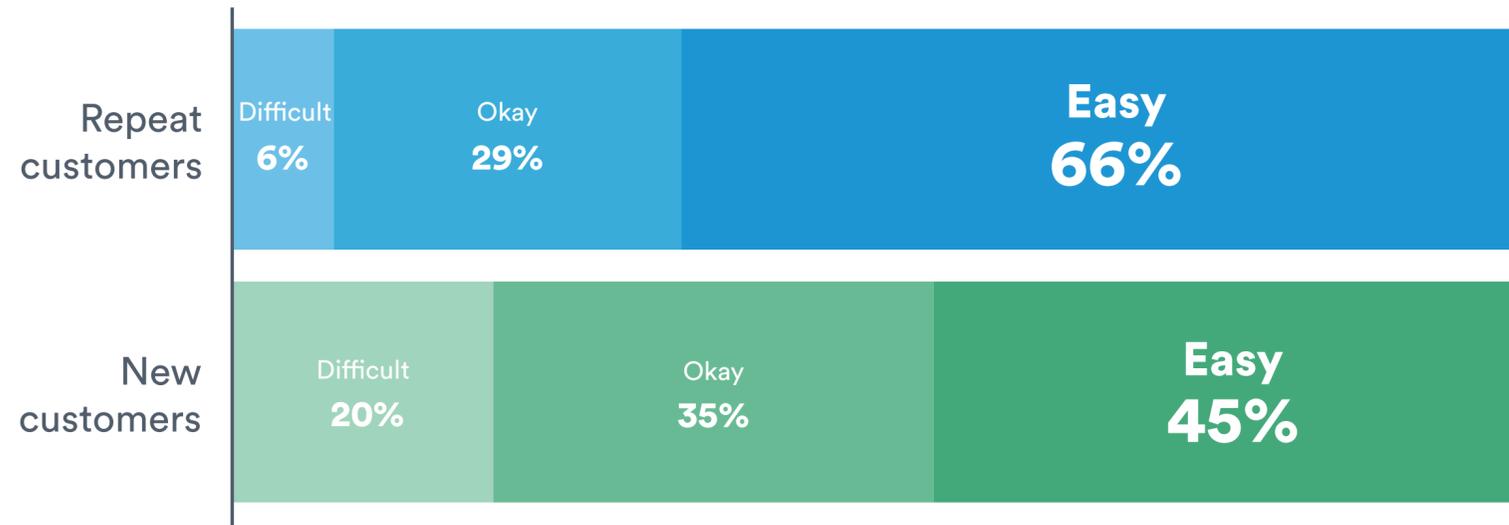


Churn is even higher for new customers because they tend to have more difficult experiences with returns.

I would not shop at this retailer again:



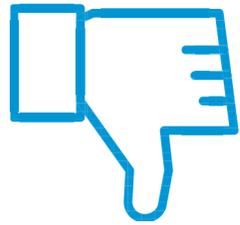
My last return was:



Key takeaway:
It is critical to simplify the returns experience, especially for new customers.

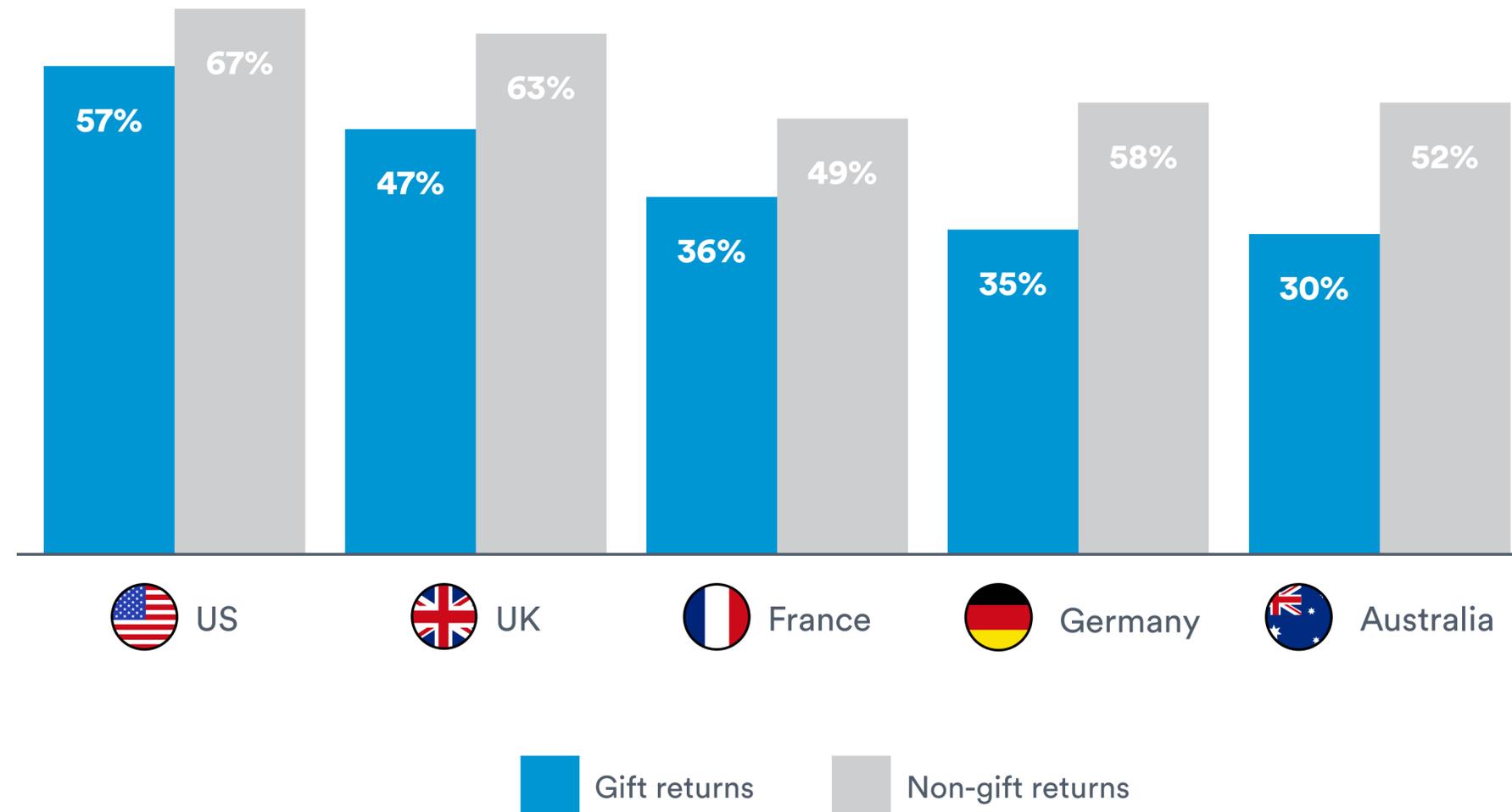


Bad news for the holidays: Satisfaction with gift returns is even worse.



Shoppers say gift returns are **more difficult.**

My returns experience was easy or very easy.



Key takeaway:
Improving the returns process for gift recipients is an opportunity to capture them as new customers.

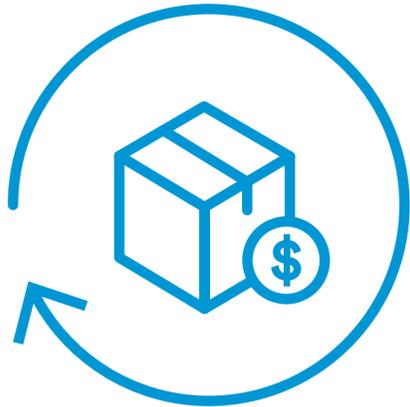


02.

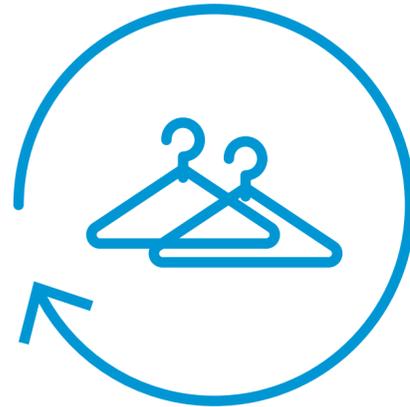
Friction in the Online Returns Process

Return shipping fees and unclear policies deter shoppers from purchasing.

Why I didn't make a purchase:



I had to pay for return shipping



Restocking fees



I couldn't find the return or exchange policy

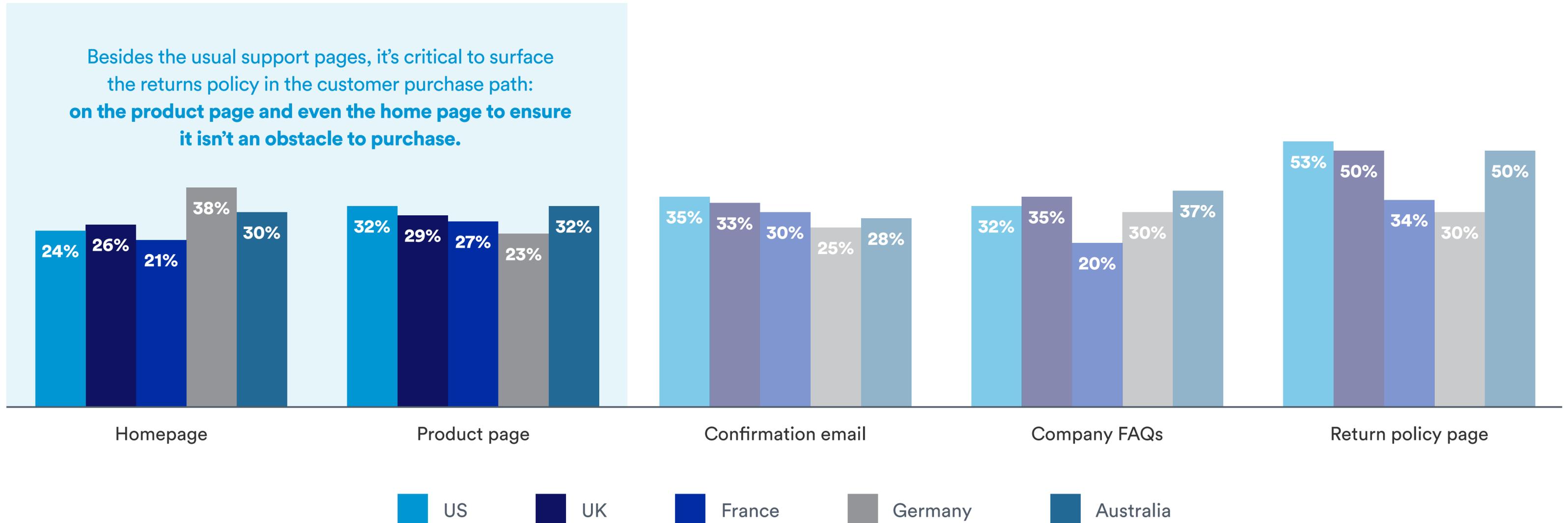
Key takeaway:
Be sure return policies don't prevent the sale in the first place. Make sure the policy is easy to find at key decision points.





Shoppers expect to see the return policy in many places.

Besides the usual support pages, it's critical to surface the returns policy in the customer purchase path: **on the product page and even the home page to ensure it isn't an obstacle to purchase.**





There is a disconnect between what customers want and what retailers make customers do.

16% of shoppers are frustrated by needing to check on **refund status**...

...but 53% check refund status daily.

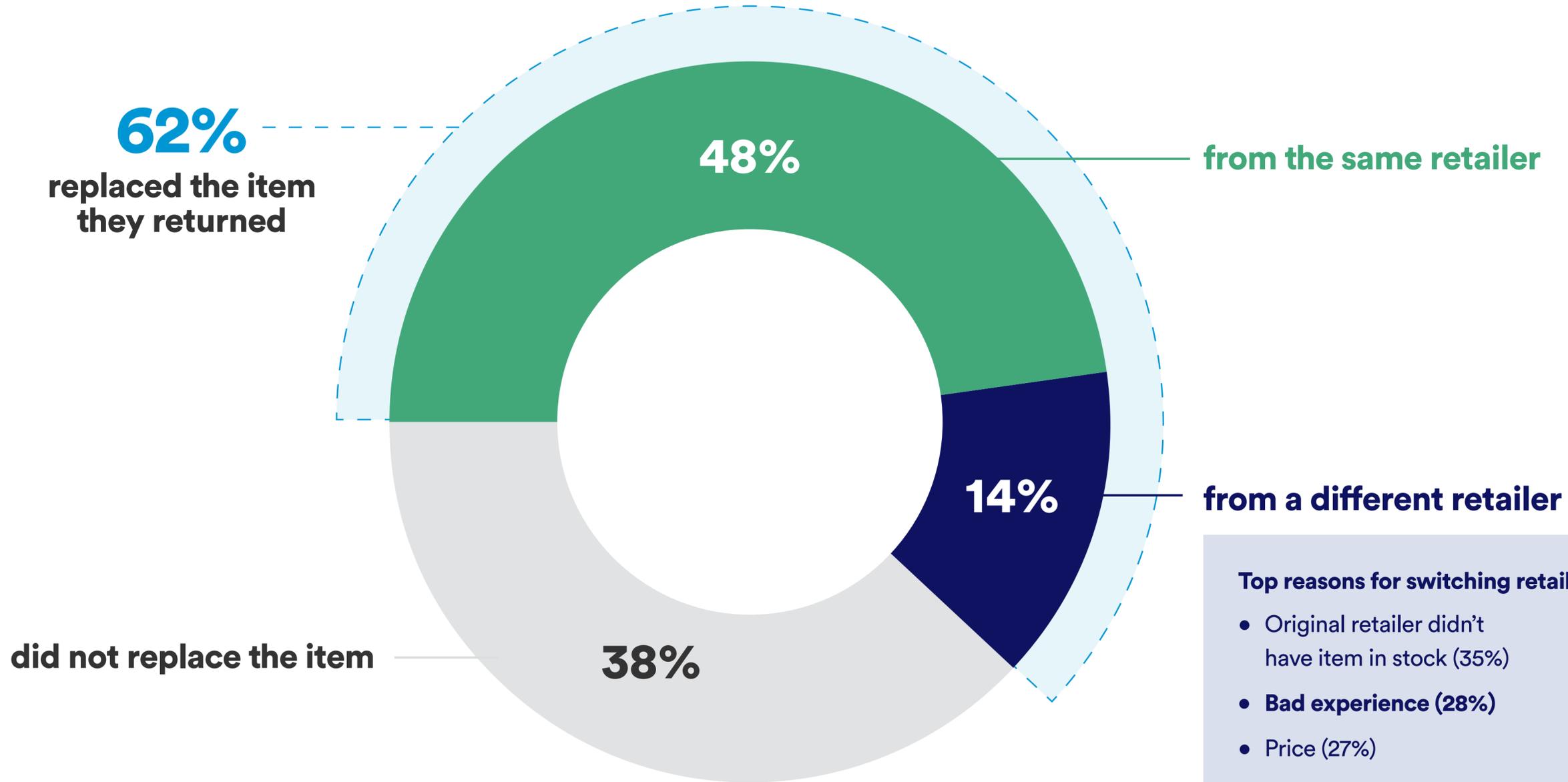
40% of shoppers want pre-printed **return labels**...

...but 39% print their own return labels.

18% of shoppers say **return authorizations** prevent them from buying...

...but 26% needed a return authorization.

Most shoppers exchange or replace the items they return.



Key takeaway:
Poor service can make the difference between earning an exchange or losing the sale to a competitor.

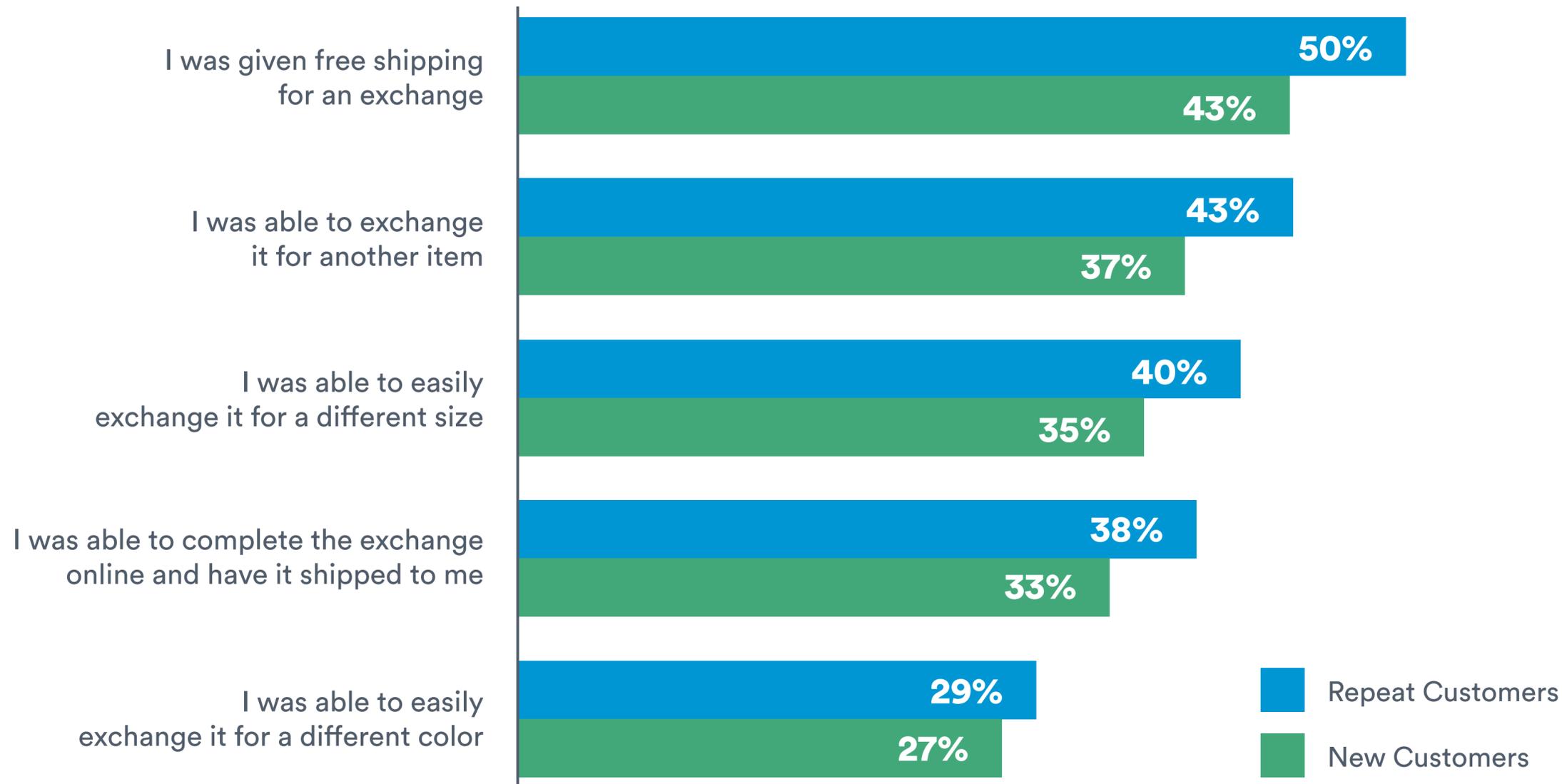
Top reasons for switching retailers:

- Original retailer didn't have item in stock (35%)
- **Bad experience (28%)**
- Price (27%)
- Original retailer couldn't get the item quickly enough (18%)
- **Original retailer didn't make it easy to exchange (15%)**



Customers are willing to make an exchange instead of a return if it's easy.

I would be happy to exchange an item purchased online instead of returning for a refund if:



Key takeaway: Not only can a sale be saved by converting a potential return into an exchange, but an easy exchange can also boost satisfaction, especially with repeat customers.



Sustainability messaging is an opportunity for online retailers.

To help retailers reduce the environmental cost of returned items (wasted stock, fuel emissions etc.), I would:

	 US	 UK	 France	 Germany	 Australia
Go in-store to return items	52%	46%	33%	35%	53%
Wait for multiple items to be bundled in one shipment	32%	30%	22%	29%	24%
Order fewer duplicate items (e.g. same item in different sizes)	19%	21%	19%	23%	17%
Go to a central returns point (e.g. carrier location) to return items	41%	39%	42%	39%	42%
Shop exclusively with retailers with good environmental practices	28%	23%	22%	22%	30%
Keep items that I would otherwise have returned	15%	14%	15%	18%	15%

 Top choice for each geo

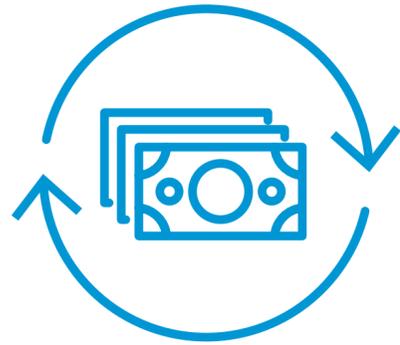
Key takeaway:

Whether through an operational change or simply a messaging exercise, retailers stand to benefit from sustainability initiatives that align with increasing customer emphasis.



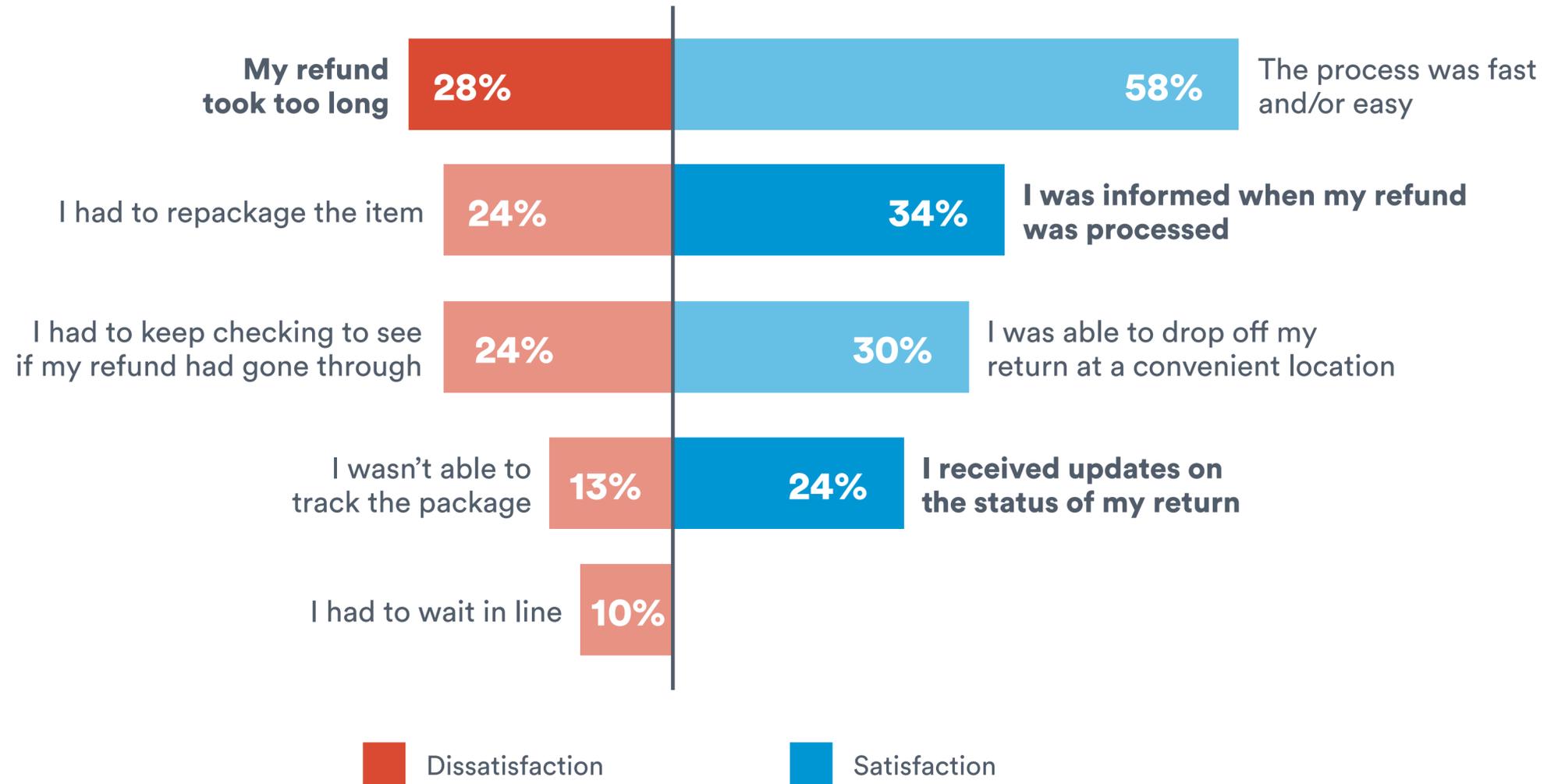


Here are the elements of a perfect return.



Transparency and speed of refund make the difference between delighted and disappointed returners.*

Reasons for satisfaction and dissatisfaction:



*Delighted returners rated their return in the top 2 boxes of 5 boxes; disappointed returners selected the bottom 2 boxes

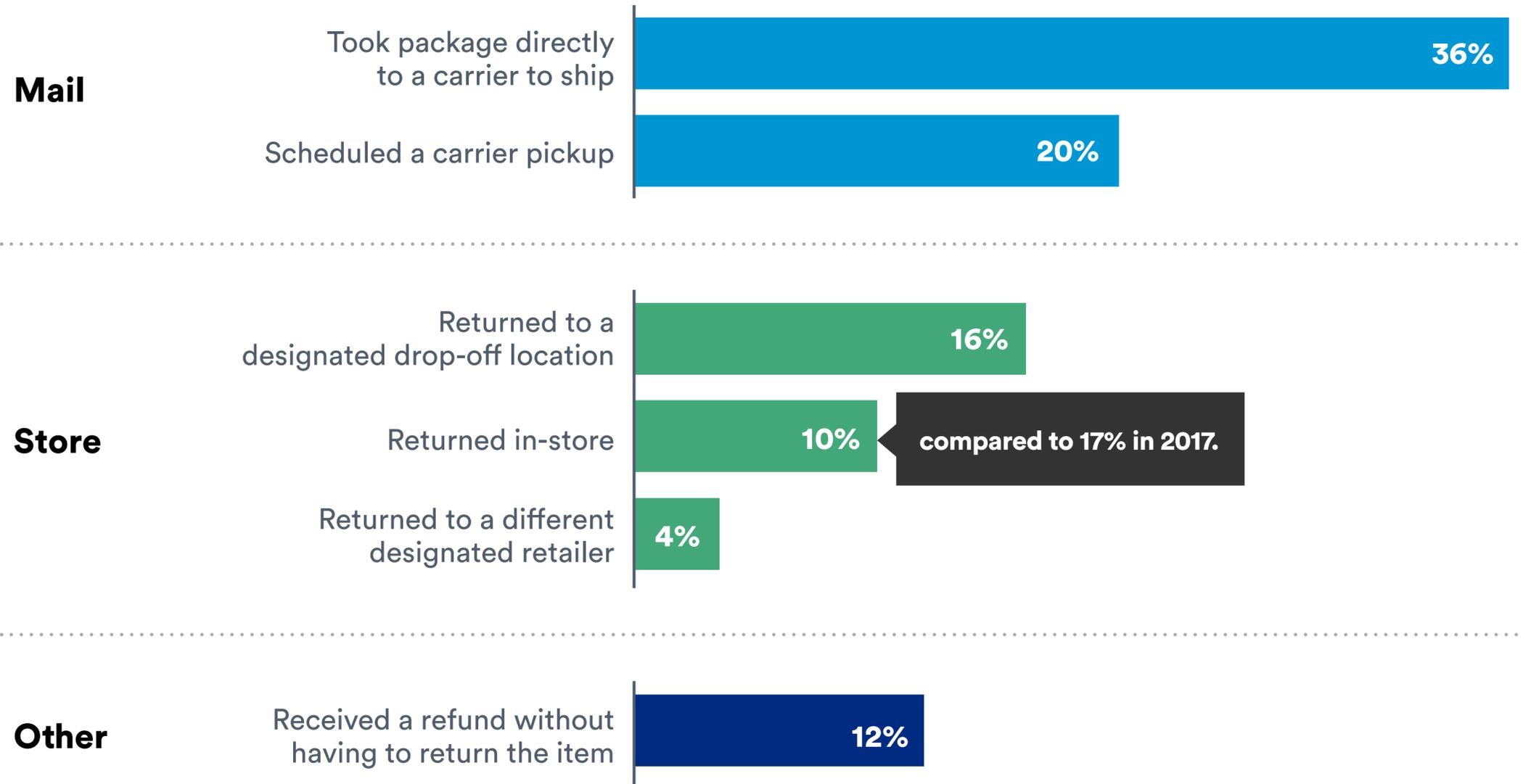
03.

In-Store Returns Are An Opportunity



A minority of returns of online purchases go to stores... ...and this number is declining.

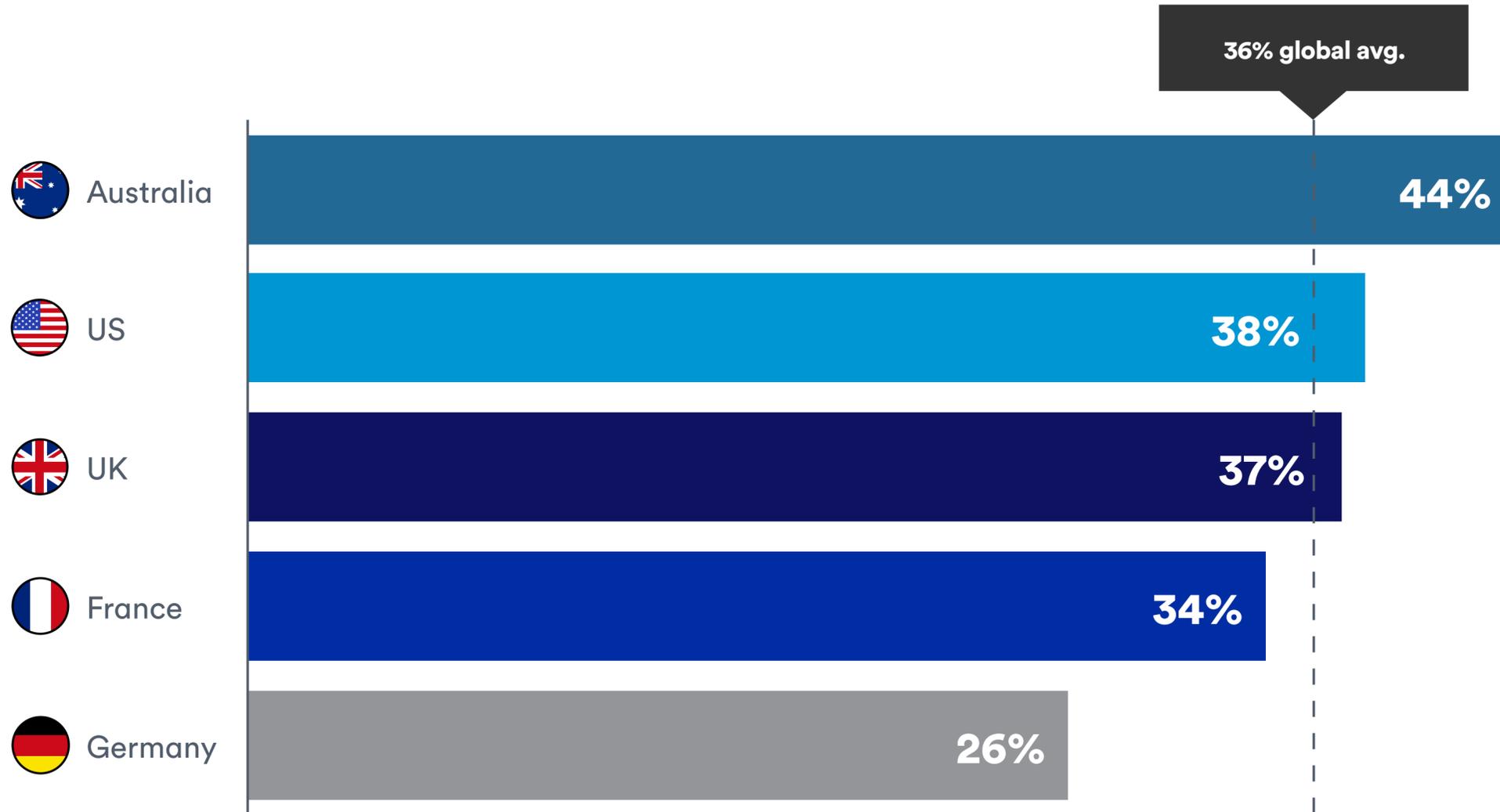
For my last return of an online purchase, I...



However, shoppers think in-store returns are easier.

Top reasons shoppers prefer in-store returns:

- Immediate refund
- Concern that return will get lost in the mail



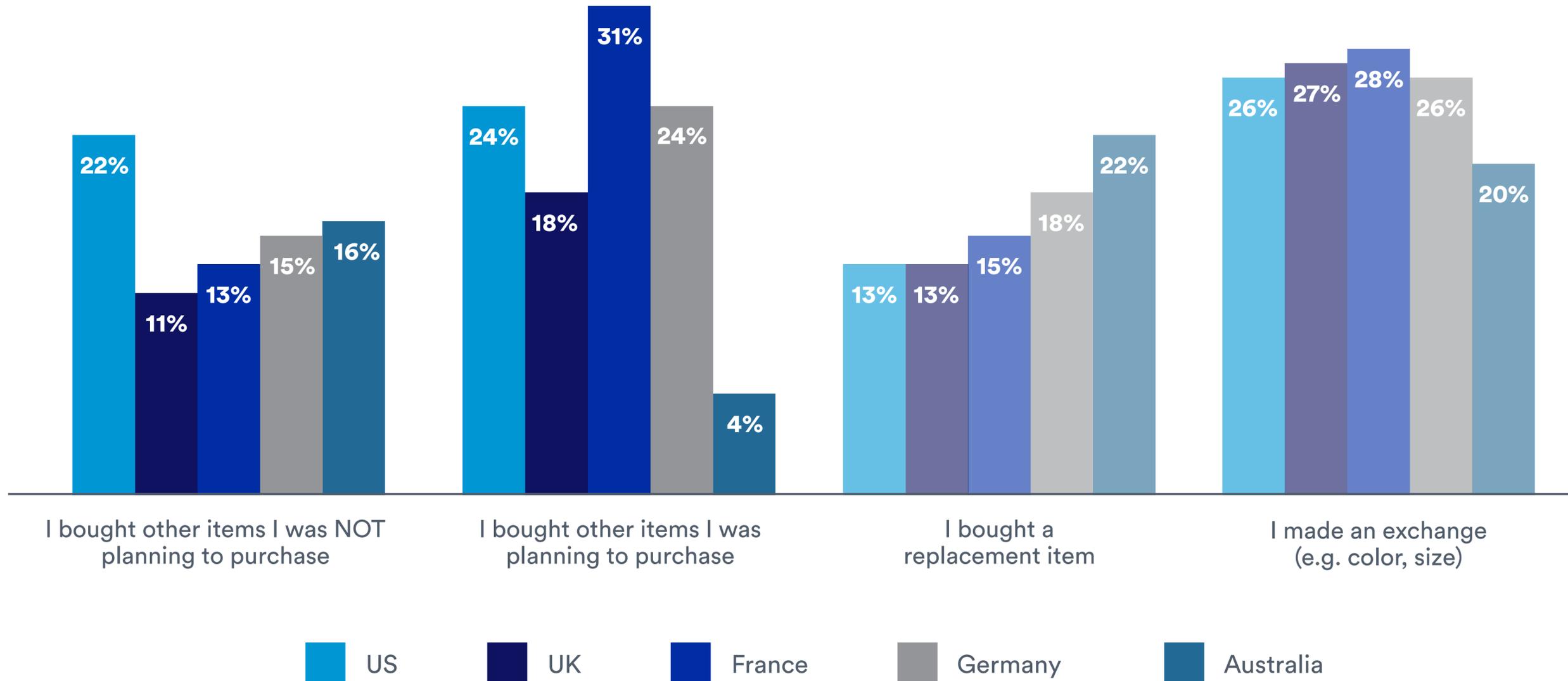
Key takeaway:

Consider incorporating key elements that make in-store returns appealing into the mailed returns experience:

- Faster refunds earlier in the process
- Tracking to address concerns about lost return packages



In-store returns often lead to incrementality.



Key takeaway: Retailers have an opportunity to replicate some key in-store elements when facilitating online returns to recapture the sale or even generate incremental revenue.

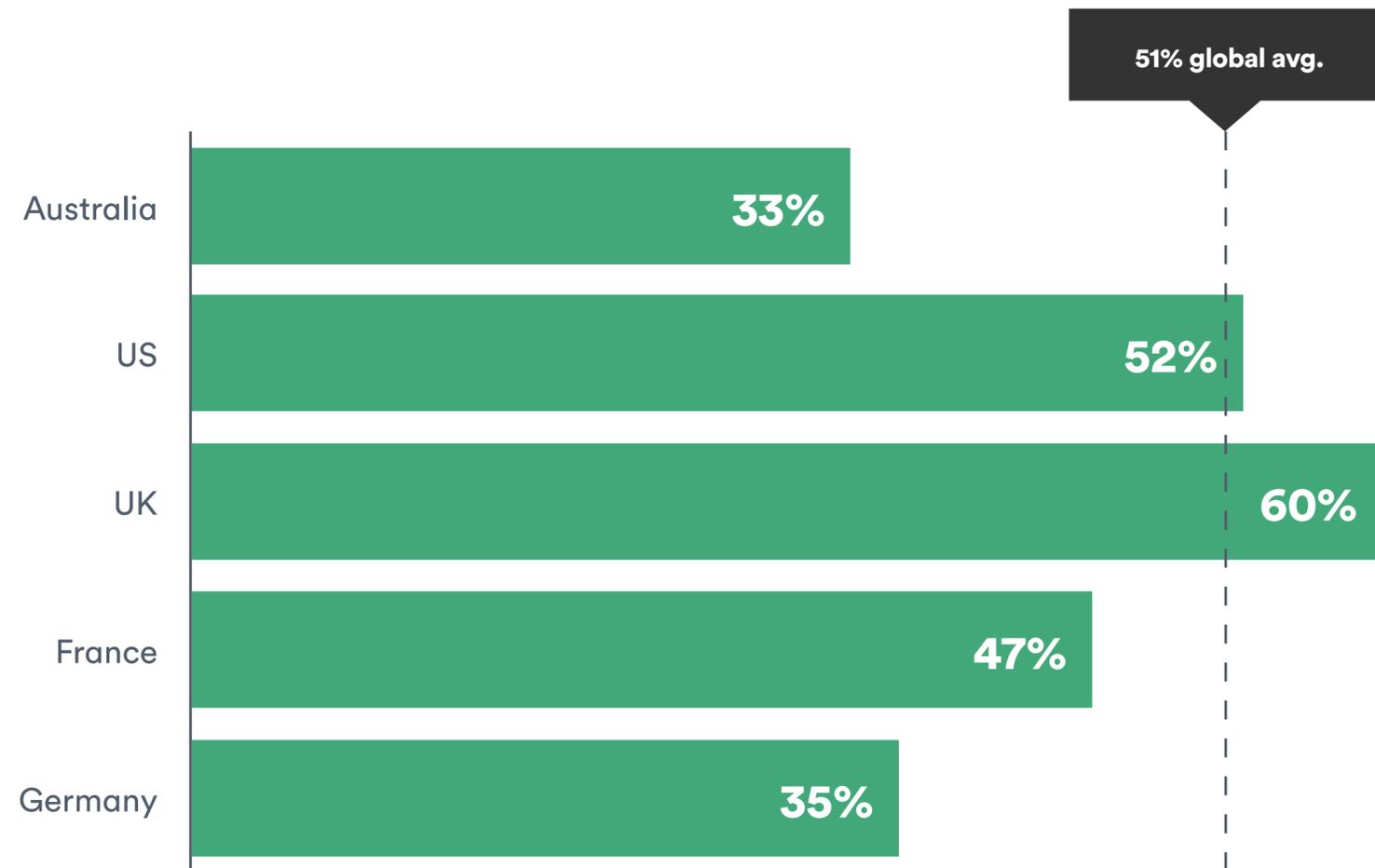
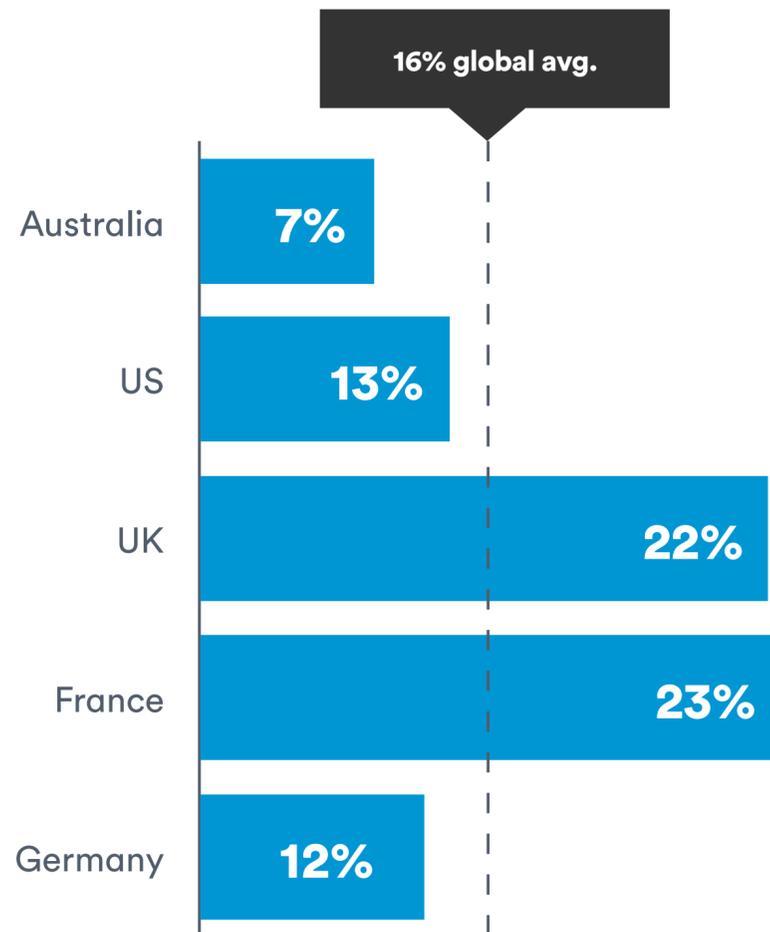


Some shoppers are beginning to explore convenient options like drop-off locations.

I dropped off the package at a designated location
(e.g. convenience store, pharmacy, click-and-collect point, Amazon Locker, etc.)

Used alternative location...

... because it was convenient.

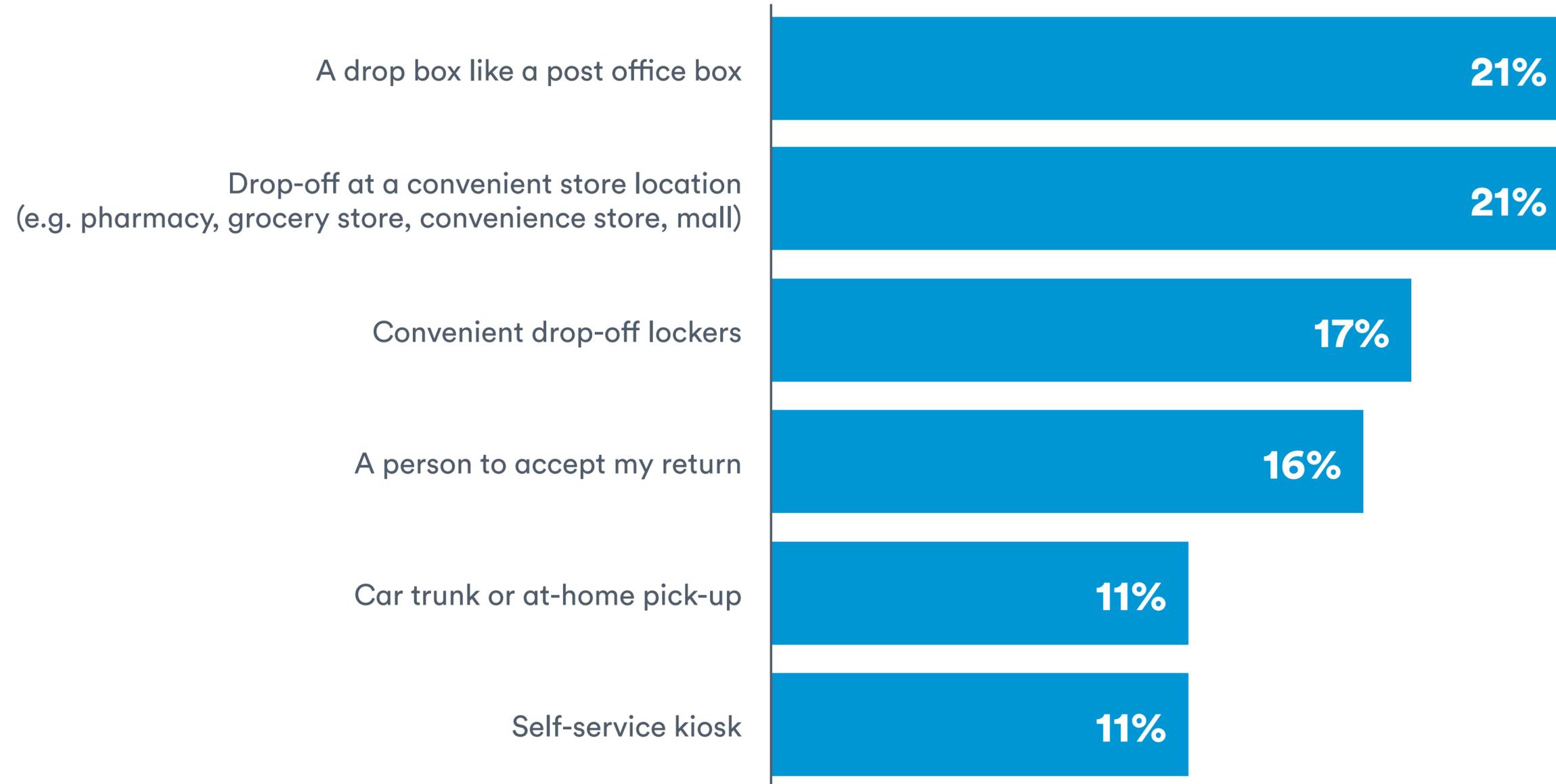


Key takeaway:
Adoption of non-traditional returns options is still nascent in some markets, but these are clearly an emerging priority for consumers.





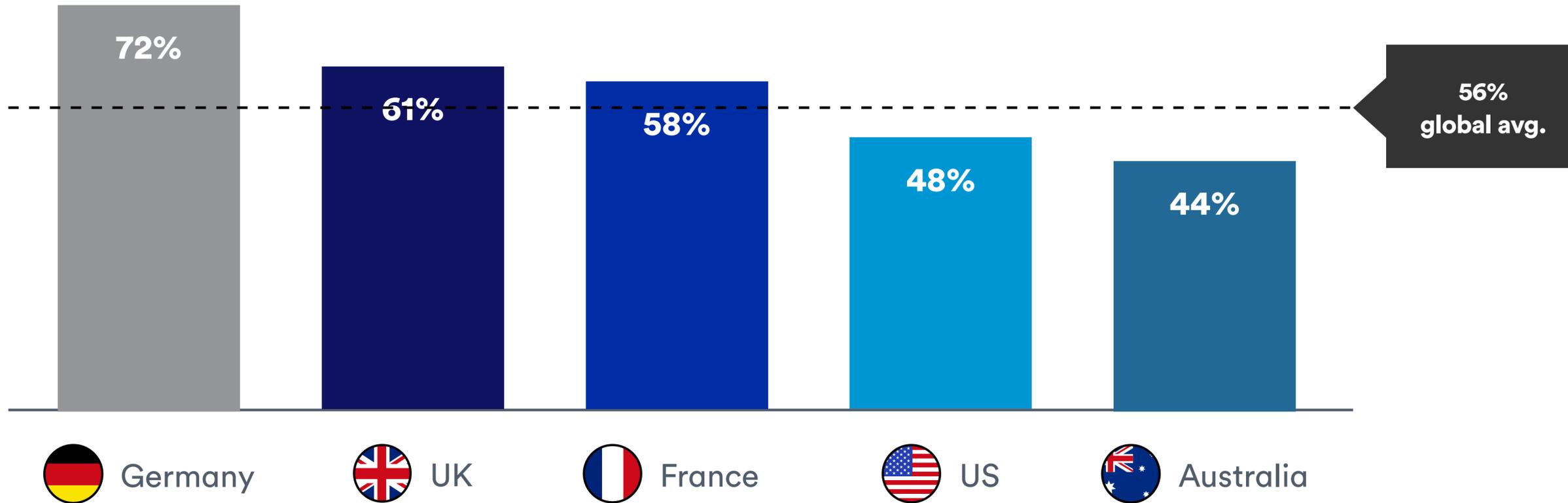
In general, shoppers want more options for returns.



04.

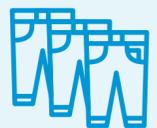
Some Returns Are The Cost of Doing Business Online

Many shoppers bracket their purchases, treating home like a fitting room.



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

Key takeaway: Bracketing is here to stay, but some of these returns could be mitigated by providing better fit or other accurate product details up front.

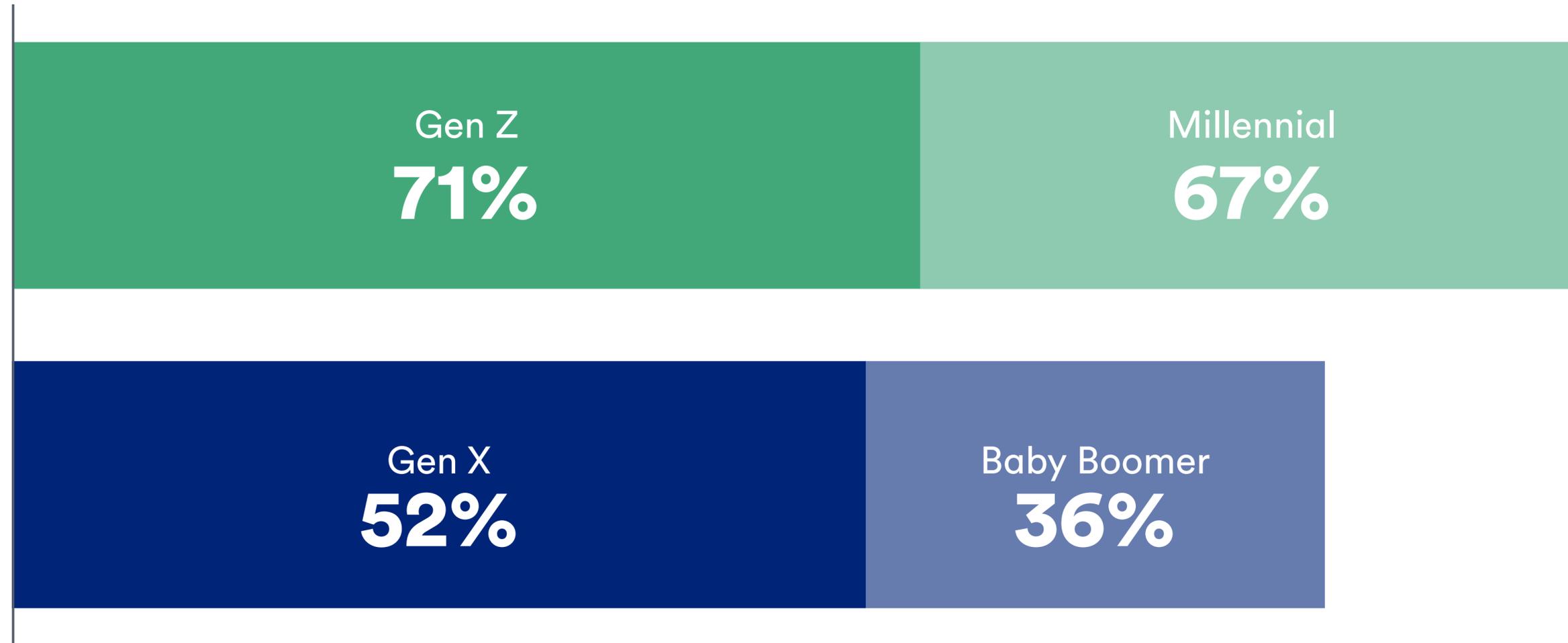


15% globally say they **only bracket when sizing or other options aren't clear.**





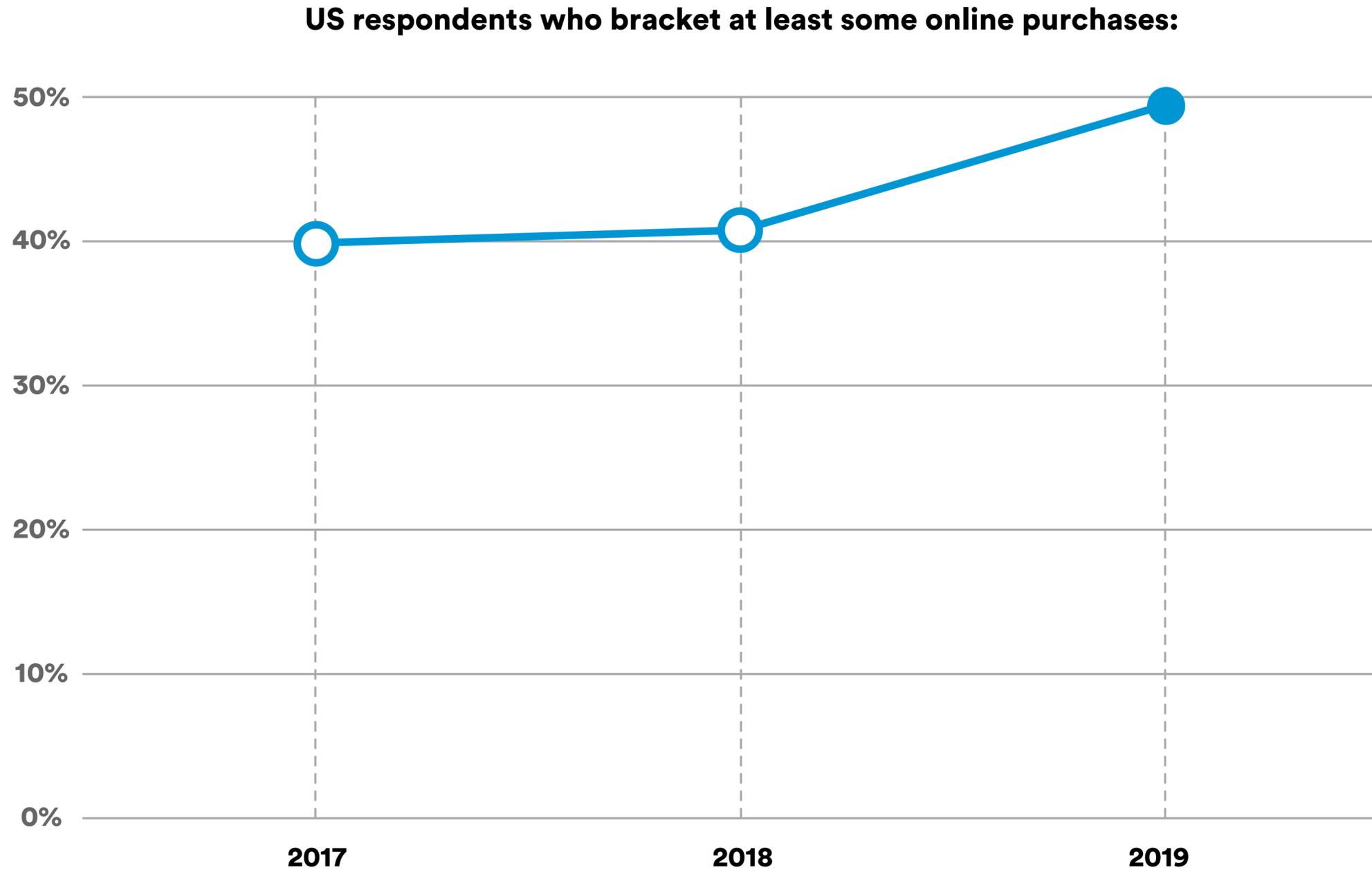
Younger generations globally bracket more often than their older counterparts.



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



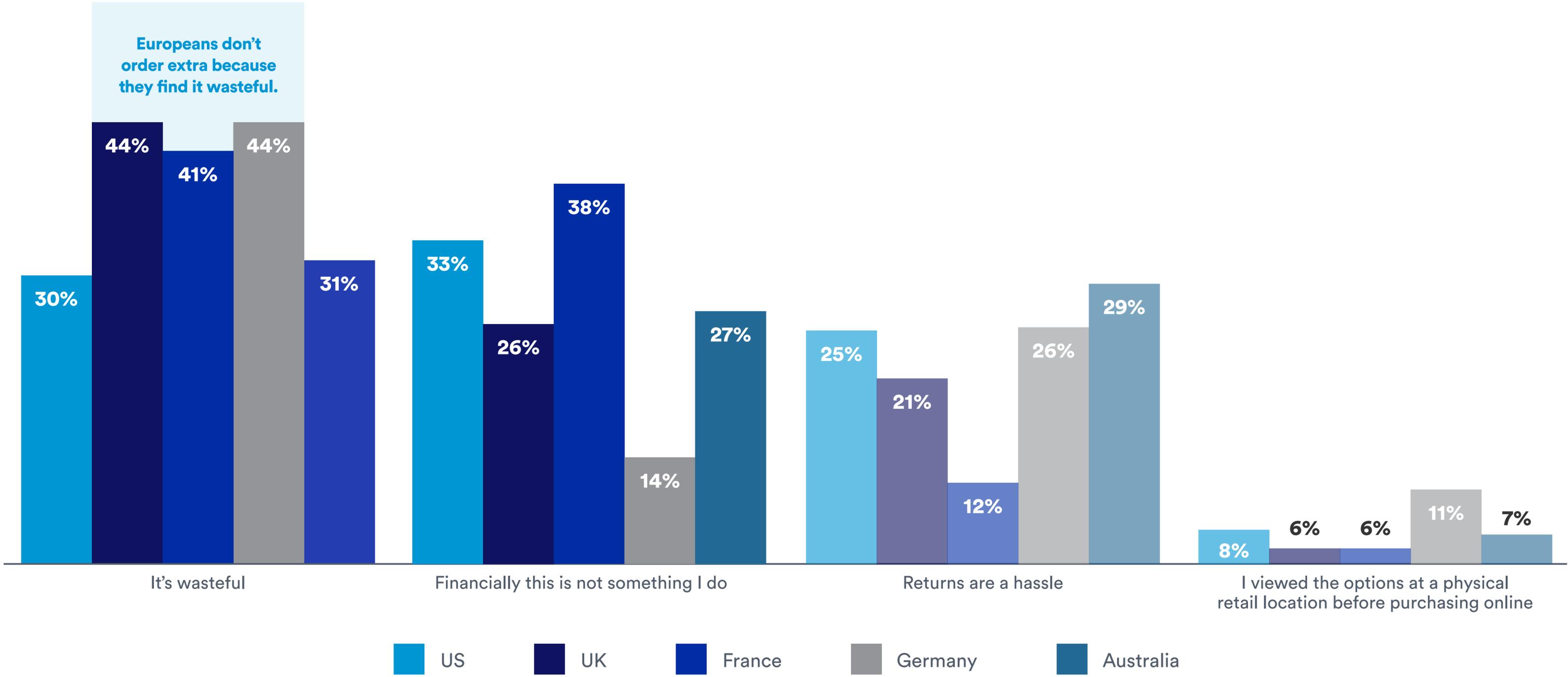
Bracketing has increased over time.



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



Primary reasons for NOT bracketing are cost and sustainability.



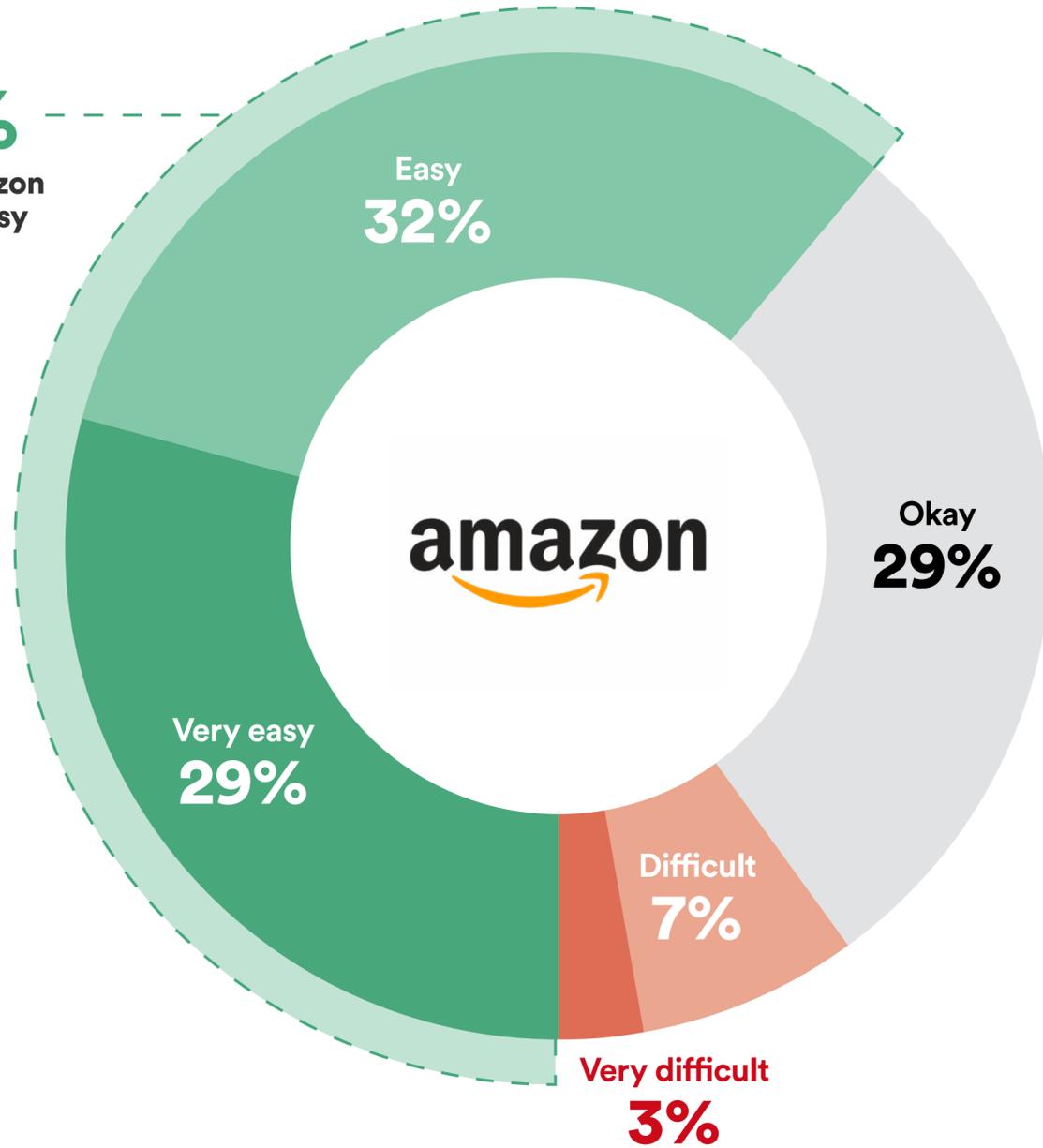
05.

Every Retailer Can Learn from Amazon

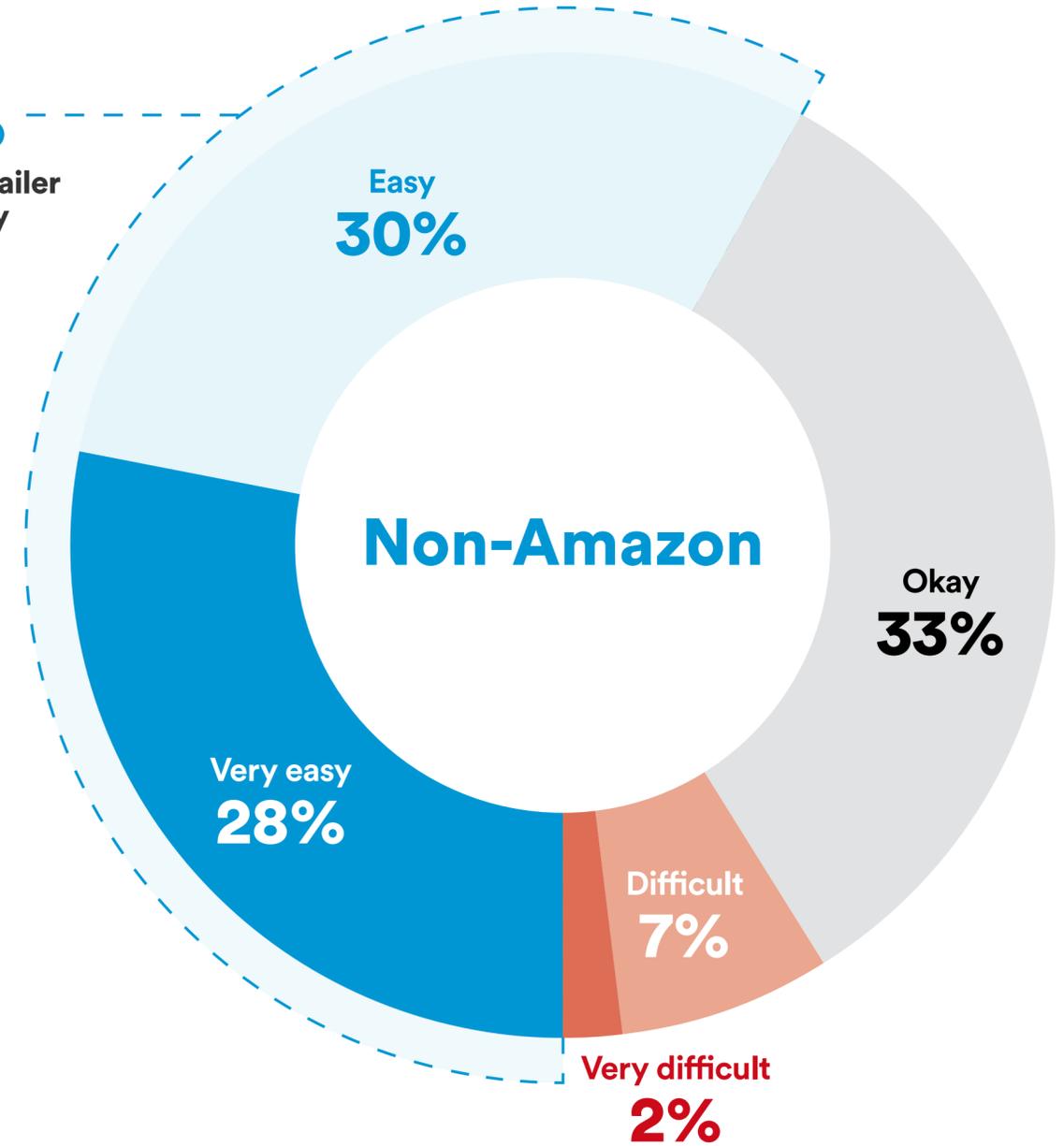


In general, shoppers find returning Amazon purchases easy...

61%
found Amazon
returns easy

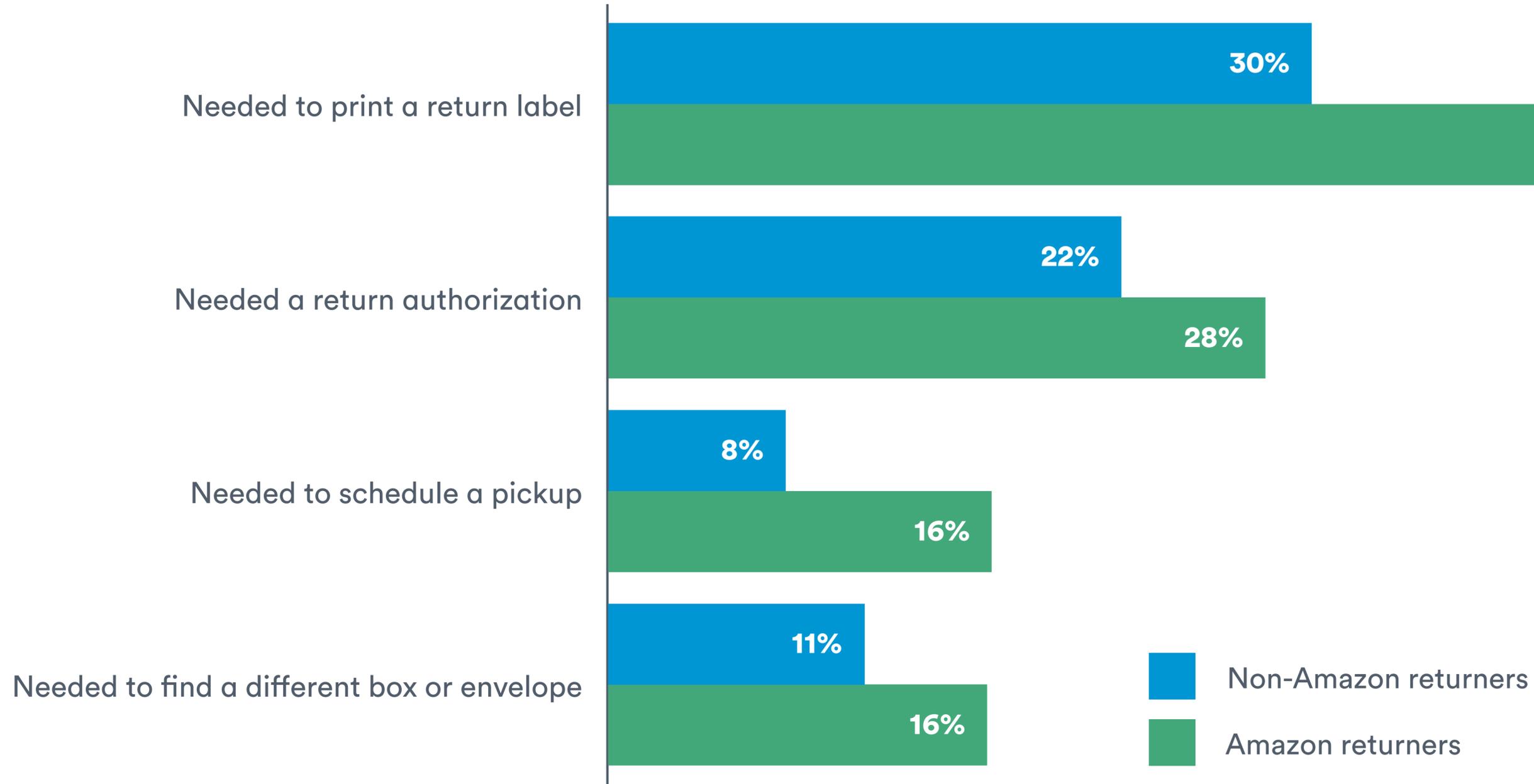


58%
found other retailer
returns easy



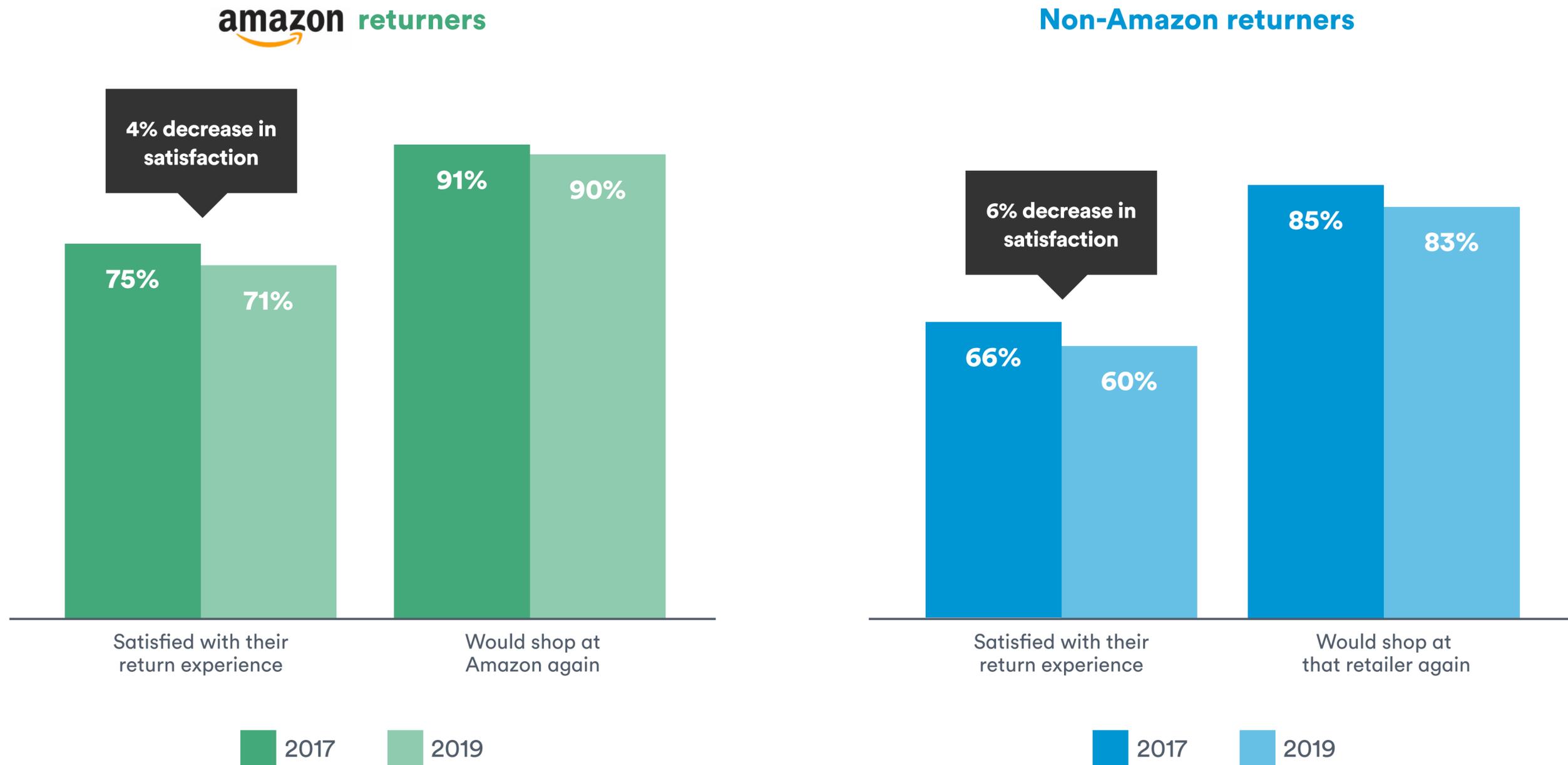


...despite the fact that Amazon has significant friction in its returns process.



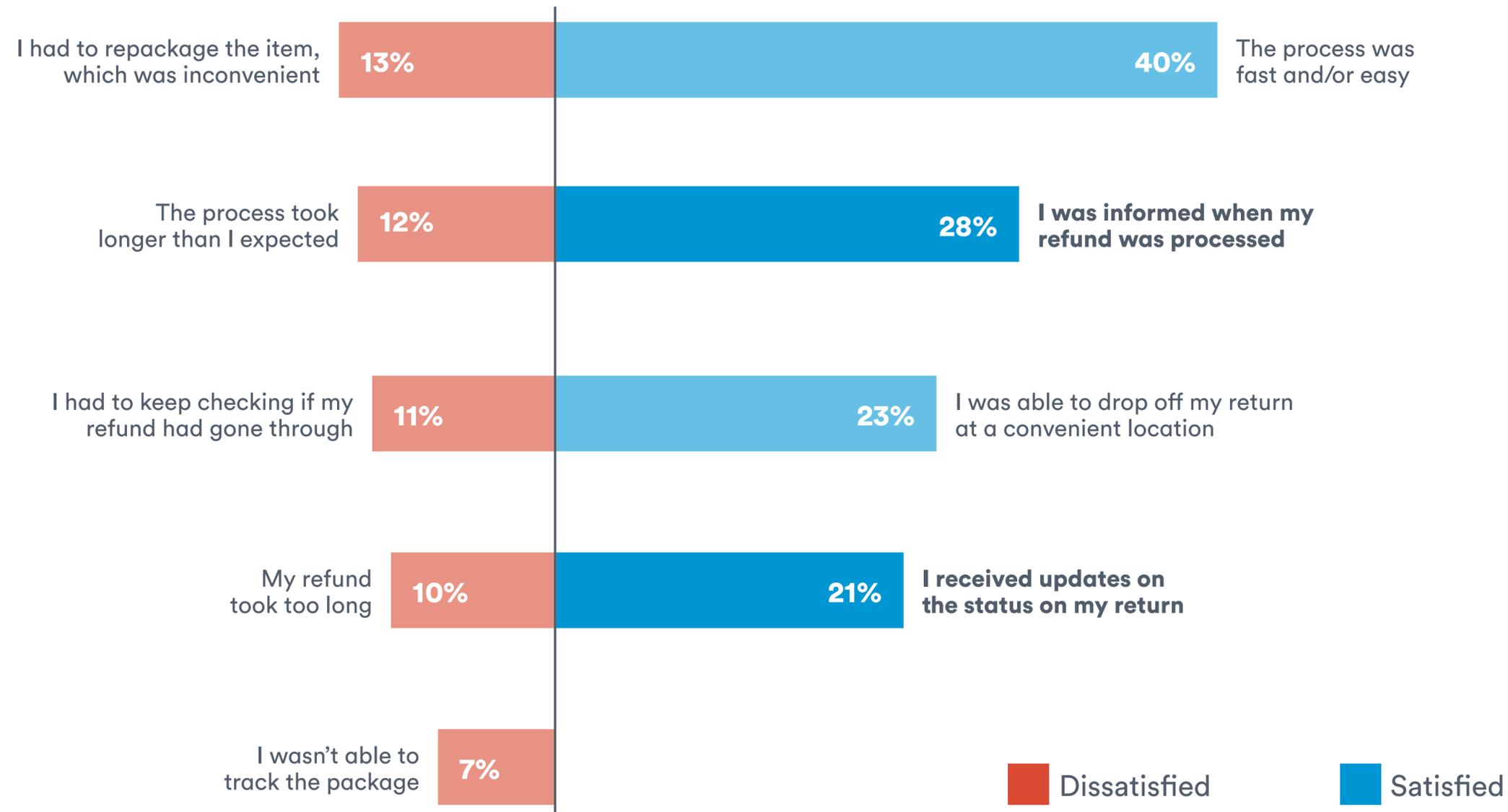


Satisfaction with Amazon returns remains high, and the delta with other retailers is growing in the US.



Amazon returners care about trackability and ease.

Reasons for satisfaction and dissatisfaction:



Key takeaway: Retailers should focus on parts of the return experience that drive satisfaction, namely ease, proactive communication about the status of the return and refund, and faster refunds when possible.





Takeaways for retailers.

- **Content management and quality control are big opportunities for improvement.** Ensure product descriptions and sizing information are accurate and audit your shipments and packaging so items don't arrive damaged.
- **Don't imitate everything about Amazon.** Shoppers don't like printing out return labels or getting return authorizations, but they do like frequent status updates on their refunds.
- **The perfect return for online shoppers is free** to the returner (including packaging, pre-paid return label), **flexible** (long return window, many convenient drop-off locations, no receipts needed), and **transparent** (tracking information, refund updates).
- **Ensure the return experience is good for gift recipients.** Peak season is a critical time for returns; bad experiences cause gift recipients and new customers to churn.
- **Message your return policy often**—on your main homepage, in receipts, on email confirmations, and on product detail pages.
- **Some returns are just the cost of doing business.** Some types of returns, such as those due to bracketing, can be mitigated by improving the accuracy of product information, especially regarding fit or color. Consider making store inventory visible online so shoppers can opt to inspect items in person or allowing shoppers to “subscribe” and control their shipments (e.g. delivery frequency, in-store pick-up options).
- **Sustainability is becoming a higher priority for consumers.** There is opportunity to improve sentiment for environmentally-conscious shoppers via operational changes (e.g. offering the option to consolidate orders into one shipment) and simple messaging updates (e.g. encouraging in-store returns as a greener choice, improving product information to reduce bracketing due to fit or color uncertainty).



Narvar is on a mission to simplify the everyday lives of consumers.

Narvar is an intelligent customer experience platform that helps commerce companies simplify the everyday lives of consumers. Serving over 650 retailers globally including Sephora, Patagonia, Levi's, Bose, Warby Parker, Home Depot, LVMH, and L'Oréal, Narvar ensures every touchpoint along the consumer purchase journey engages consumers and enables emotional connections—from pre-purchase to in-store experiences and beyond. With customizable customer messaging and tailored interfaces driven by unparalleled data intelligence, Narvar empowers commerce brands to turn every touchpoint into an opportunity.

For more information, visit narvar.com