

ReTHINKING ReTURNS

The Ultimate Guide to Consumer Expectations



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FOREWORD

We've all seen the headlines "Returns are the ticking time bomb of retail" "Lenient returns policies are crippling your business!" You'd be forgiven for feeling scared of returns - the big bad wolf of the retail world!

As innovations in delivery, supply chain and customer experience have proliferated; online returns have been left to stagnate. Left by the wayside as something everyone knows exist, but no-one wants responsibility for. Only recently we've seen some of the UK's leading retailers really begin to leverage a strong returns proposition as a powerful tactic in developing customer loyalty. And as a result, returns are now beginning to emerge from the shadows and into the light. Whether it's free returns being used in social advertising campaigns, promotional codes for your next shop accompanying returns slips or the newly instated Head of Returns job roles we see at leading retailers - these initiatives all demonstrate that attitudes are changing towards returns. And if you ask us, this can't come soon enough.

With this in mind, we set out to understand from consumers, what do they actually want from returns? And how as a retailer, can you offer a flexible, convenient and cost effective solutions without the costs spiraling out of control?

We hope you find this an interesting read and as always, we would love to hear your feedback and comments.

Enjoy!

Charlotte Monk-Chipman
Marketing Director
ReBOUND

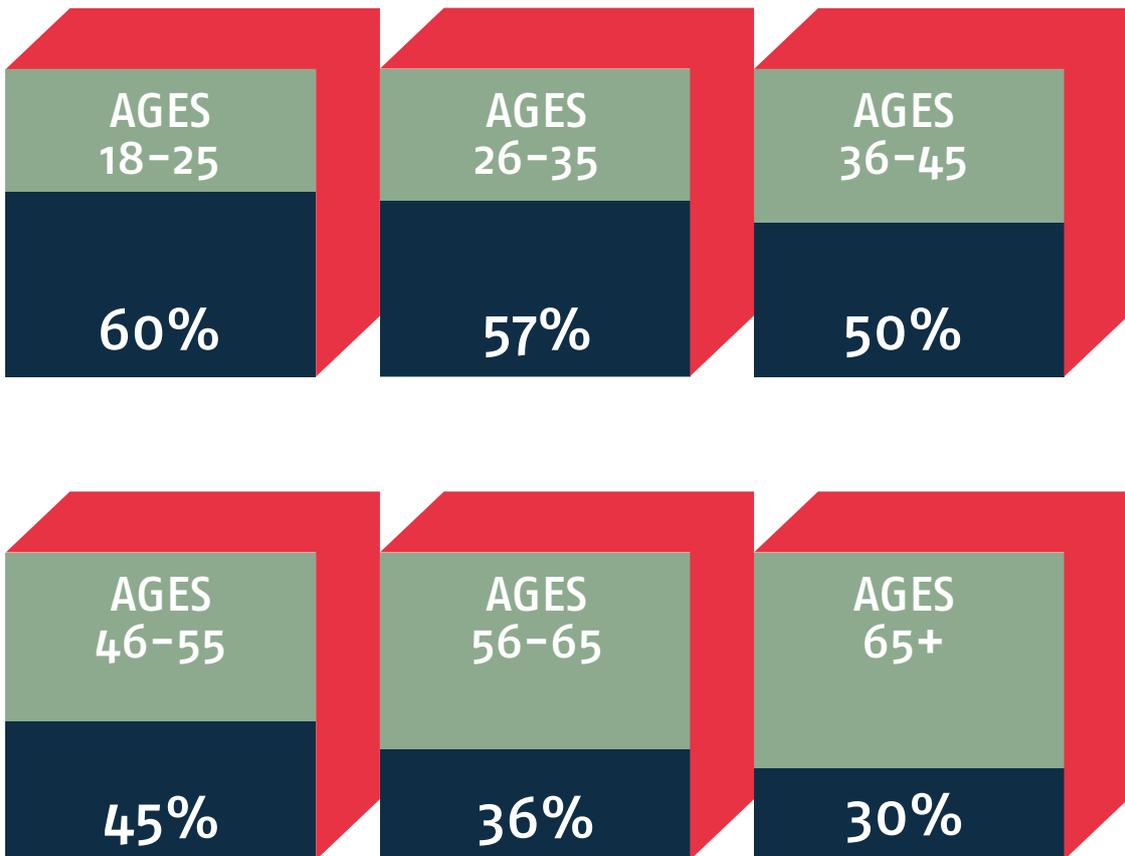
THE IMPORTANCE OF RETURNS

How Returns could make or break your brand

We asked consumers how important the range of returns options are in their purchasing decision and a whopping **92%** said it's an important consideration, with **49%** admitting it is very important.

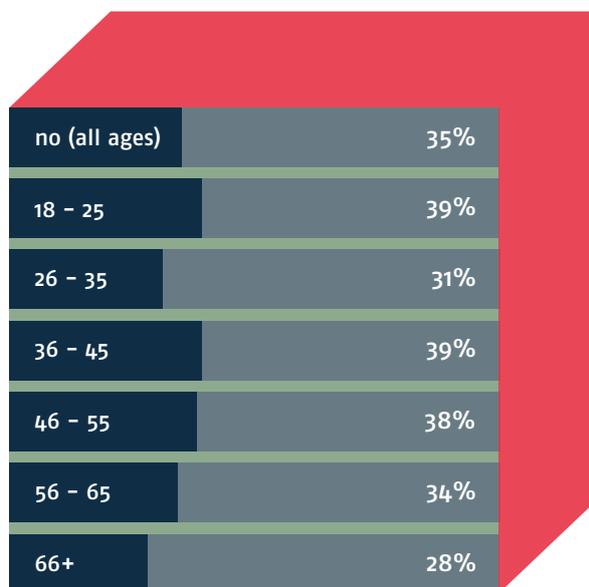
If we break this down by demographic, **women were 7% more likely** to consider it very important versus men. When it comes to the different generations, those aged **26-35 were most likely to see returns as very important.**

Q Has a negative returns experience ever resulted in you not shopping with that retailer again?



With customers more empowered than ever about choice in product and service, their expectations of the entire shopping experience have never been higher. Yet for many, the returns process remains unclear. Many shoppers are unsure of the returns options available to them and their legal rights with regards to refunds.

Q We asked, do you think retailers invest enough in making returns easy for shoppers?



Making it as easy as possible for shoppers to understand how to return items is key to showing them you care. As part of our campaign to understand shoppers' opinions about returns, we conducted a series of 150 mystery shops across 47 retailers and brands to discover how consumers really feel about their return experience.

We heard time and time again how confusing many consumers found the returns process, one shopper commented:

"There was no return advice in the parcel, just an address to use and very little other information, just a website link and the website didn't have a registration option. I found this very inconvenient."

RETURN METHODS AND PREFERENCES:

Variety is the Spice of Life

Over the past few years the delivery industry has become a hotbed of innovation. Lockers, Collection Points, One-Hour delivery and even Drones have hit the headlines... But when it comes to the return - what options do shoppers really want to see?

Q. We asked shoppers, in an ideal world, how would they like to return items and we saw some fascinating results.

Post Office: 73%



Collection Point (collect+, Doodle etc): 47%



Retailer Store: 61%



Locker: 28%



Courier Collection: 62%



- ▶ Despite newer methods entering the market, our consumers agreed that the Post Office offers the “trust factor.”
- ▶ Interestingly, many opted for the ultimate convenience of a courier collection from home - but at what cost?
- ▶ Return to retailer’s store was more popular with our female respondents, almost two thirds wanted to see this option available.
- ▶ But despite this, 22%* of retailers still don’t offer a choice of return in the UK and only 4 of the top retailers offer true local choice globally.

***‘The Great Returns Race’
Benchmark, ReBOUND, 2017’**

WHAT CAN WE LEARN IF WE BREAK DOWN THE FINDINGS BY AGE?

Shoppers between the ages of 56-65 are most likely to prefer to drop-off their parcel by returning to a retailer's store.

Those between the ages of 46-55 are 20% more likely to prefer the Post Office as a return location than 18-25 year olds.

26-35 year old shoppers are the most adventurous with their return habits as 35% would be keen to try a locker service.

Courier collection was a popular choice with those aged over 65+ with 75% drawn to the convenience of a courier collection from home.

From our mystery shopping campaign we found a direct correlation between the number of return methods offered to customers, and how convenient they found the overall return process. With over **60% of shoppers stating they found their return experience "very convenient" when a retailer offered 3 or more return options.**

"I liked the choices available for return I was able to choose the most convenient for my location. "

"The free delivery and returns were great and it would encourage me to order more from this online retailer."

COMMUNICATION IS KEY

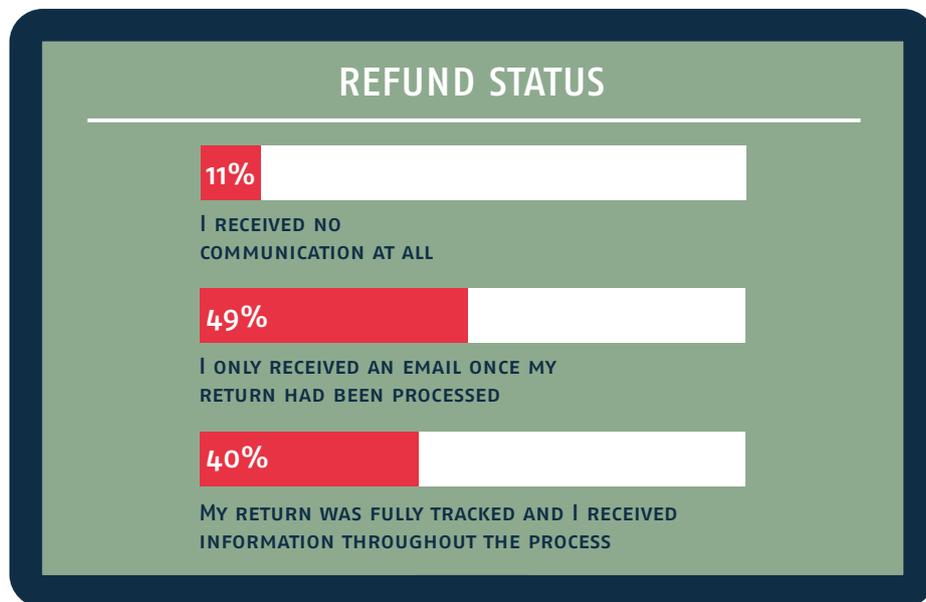
From browse to buy and back again!

One of the biggest risks with shopping online is the time lag it often takes for a refund to be processed, leaving an awkward gap for shoppers who've returned items and are still left in the lurch whilst they await their refund.

'The Great Returns Race' reveals 20% of retailers do not advertise a refund promise on their return policy, so many shoppers have no assurance of when they might get their money back if they decide not to keep their purchase. We know how important a returns policy can be in influencing purchase decisions, so many of the top 200 retailers benchmarked in the report are missing a trick by not adapting their messaging up-front to belay their shoppers' fears of being left out of pocket.

We asked shoppers about the communication they received during the returns journey and over 50% either received no information at all, or were only emailed to let them know the refund had gone through.

Q Did the retailer keep you informed on the status of your refund?



One shopper told us:

"I would have liked to have the information for returns in the order rather than checking again online. I also had to check my emails for order details in order to return my items."

WEBSITE POLICIES:

Checking You Out

We know from speaking with retailers that it's not uncommon to see anywhere between 50% -75% of inbound calls into the help centre being refund and returns related, with the majority of open support tickets detailing customer's chasing for an update on their refund. In March 2017 we asked real-life shoppers to review their return experience with ReBOUND and 94.85% said they found the tracking updates useful at all times (1,009 answered across 15 European markets). Ensuring you keep customers up to date with a consistent message can provide shoppers with peace of mind (particularly internationally) which can have a profound impact on reducing inbound enquiries.

And it's not just about what happens once a shopper puts the return wheels in motion, did you know 67%* of shoppers look at the returns policy before checking out? Make sure browsers can easily check your return policy before purchase consideration - this is guaranteed to have a huge uplift on conversion rates. In The Great Returns Race benchmark we found that on average, it takes 3 moves to navigate to a brand's return policy on a desktop, 4 moves on a mobile and 3 moves on a tablet device. The more steps it takes, the more likely a shopper is to look elsewhere.

Furthermore, ensure your policy is featured across all pages, not just in the small print. Just 6% (12) of the brands we benchmarked in 'The Great Returns Race' are promoting their returns policy at all three stages of the purchasing journey: Product page, Basket page and Checkout page.

* UPS Pulse of the Online Shopper 2015

CONSUMER RETURN HABITS

What does the future hold?

Consumer Returns Behaviour - Timeframes

Return windows vary drastically from the mandatory 14 days to unlimited returns. We analysed a years' worth of returns data through the ReBOUND platform to see what patterns we could see in how long it takes shoppers to return items and there are clear advantages offering a longer timeframe without sacrificing efficiency of stock turnaround.

We cross-referenced the average number of days it took shoppers to return items against the allocated timeframe stated in the returns policy. Whilst the retailers offering a more lenient return policy saw a slightly higher time lapse from the date the order was placed to the date the return was registered, on average shopper behaviour revealed that the vast majority of shoppers send items back around two weeks, even when they are entitled to return up to 6 months.

Q. On average, how many days did it take for retailers to get their goods returned?

Policy Length 180 days - **Within 16.77 days**



Policy Length 60 days - **Within 15.85 days**



Policy Length 30 days - **Within 12.34 days**



Policy Length 14 days (mandatory minimum period) - **Within 12.21 days**



This demonstrates that there is little risk in extending the return policy as regardless of how long you advertise, the majority of shoppers return in the first two weeks, whereas there is lots to gain by appearing more generous and accommodating of shoppers right to return.

ARE WE RETURNING MORE THAN EVER?

With online buying rates showing no signs of slowing down, what impact has this had on returns rates?

Q. We asked consumers: Do you return more items than you did 2 years ago?



Q. Furthermore, many shoppers expect to return more items than ever before, we asked how many items they predict they will return over the coming year:



say they will return more than 6 items in the next year

of 18-25 year olds say they will return more than 6 items in the next year

of 26-35 year olds say they will return more than 6 items in the next year

KEY RECOMMENDATIONS

- ▶ **Ease of Access:** ensure shoppers can easily navigate to your returns process in as few clicks as possible across all web pages. Returns are now a key consideration on the purchase decision - give shoppers the confidence to shop with you.
- ▶ **Think Local:** Offering a truly international service means tapping into the regional returns networks. Ensure you partner with local carriers who can offer your customers a seamless experience.
- ▶ **Communicate:** Returns can be a powerful way to re-engage customers and deliver true customer loyalty. Throughout each step of the returns journey you have an opportunity to talk to your customer and ensure they are informed about what's going on.
- ▶ **Convenience is King:** Shoppers are more experimental than ever before when it comes to choosing returns methods, whether it's fast pickups or easy drop offs - understanding how your customers want to return is fundamental.
- ▶ **Take time:** as our survey shows, different profiles of shoppers have different needs when it comes to returns, it's a personal preference. Allocate the time and resource to think about what a best in class returns process means to your customers and it will pay dividends for customer lifetime value.

CONCLUSION

What did we learn from these findings?

- ▶ Younger shoppers are more unforgiving. They were twice as likely to stop shopping with a retailer because they didn't like a returns process than our older shoppers.
- ▶ Consumers between the ages of 26-35 are the most experimental. These shoppers were most likely to want to try different returns methods such as lockers, drop off points or a courier collection.
- ▶ Women prefer return to retailer store. Almost two thirds of the women we asked said they like to return items to the retailer store, versus just over half of men.
- ▶ Returns are going up. 40% of shoppers under the age of 35 said they return more items than they did two years ago, and a third say they expect to return more than 6 items this year.
- ▶ A longer returns policy will only add a day or so onto the average length of return but can have a huge uplift on conversion and customer satisfaction.

ABOUT REBOUND

ReBOUND is a global returns management platform which makes returns easy for retailers and consumers. By leveraging data, technology and its supply chain capabilities it plugs retailers directly into multiple carrier services to handle their returns across the world. Retailers can easily manage and monitor the entirety of their returns lifecycle through one easy to use platform. Managing over 25 million returns transactions per year, ReBOUND's customers include ASOS, Boden, Feelunique and Gymshark.

To find out more about 'The Great Returns Race' benchmark, visit: <https://www.reboundreturns.com/returns-benchmark>

If you would like to speak to us about putting some of these recommendations into practice, contact info@reboundreturns.com to speak to one of returns specialists.

Explore ReBOUND's Return Solution >



REVOLUTIONISING RETURNS

www.reboundreturns.com