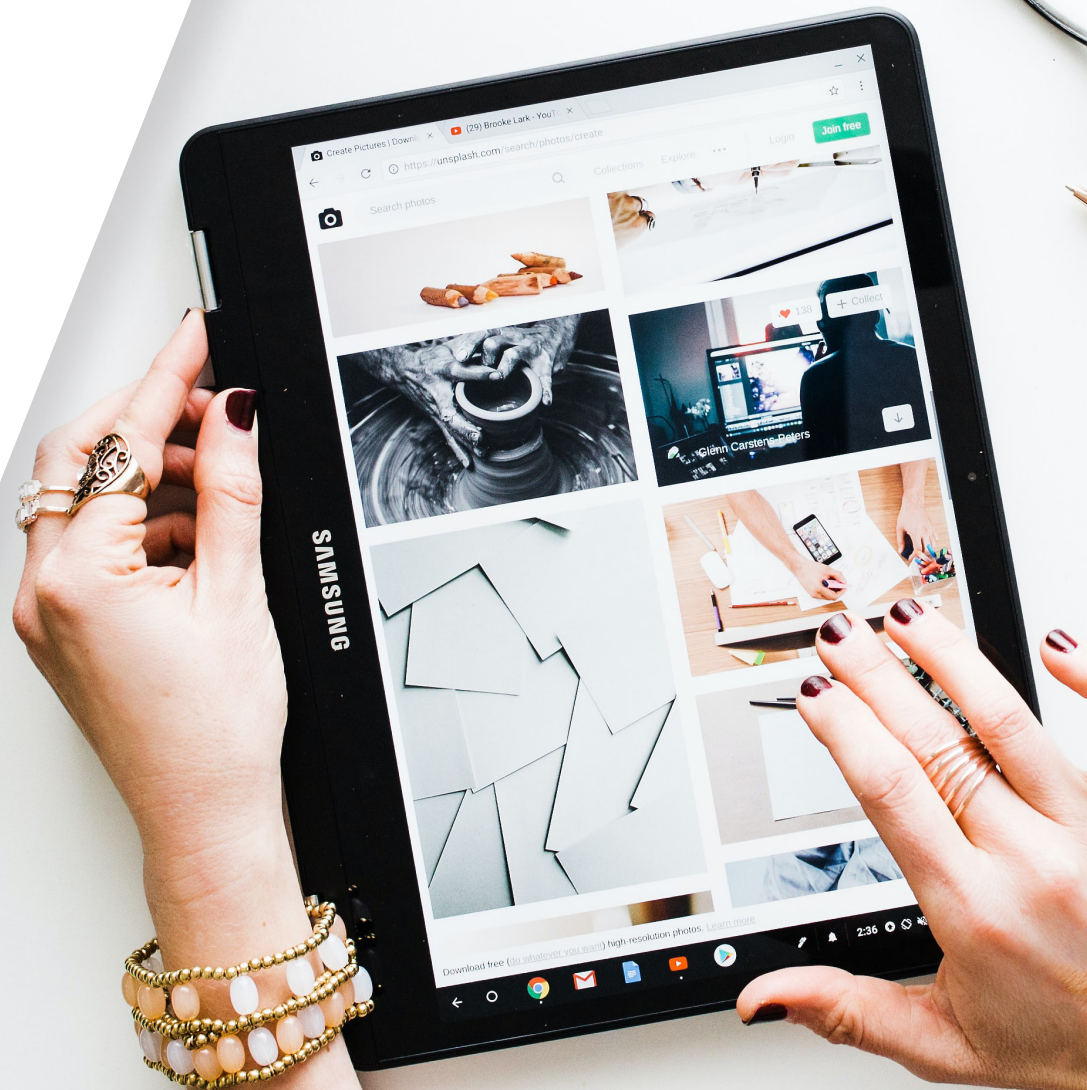


ZigZag Global Retail Returns Study 2021

*What do consumers
really want?*



What to Expect

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Introduction to the Returns Landscape

Whilst the word ‘unprecedented’ may just be the most frequent and overused word to hear right now, it does accurately describe the record-breaking eCommerce levels of 2020. With physical stores shut consumers were forced online, with eCommerce sales rising 57% last year compared to 2019.¹

Returns are a natural by-product of eCommerce sales. You cannot have one without the other. Whilst many e-tailers have optimised their websites and infrastructure to provide customers with the most hassle-free, intuitive online experiences possible — there will always be shortcomings. Whether it is sizing issues, distorted colours through screen variances, or delivery deadlines narrowly missed — returns are unavoidable.

ZigZag retailers have experienced a growing number of return requests from their customers, with return volumes rising by 20% since the first lockdown in March 2020. M&M Direct jumped to 3 million new users and Boohoo’s customer base increased by 27% in 2020.² As eCommerce retailers welcome new customers to their online stores, increased returns should be expected. Unfamiliar customers may need to test sizing out whilst those completely new to online shopping may not properly read descriptions or include items in their basket accidentally.

The Cost of Returns

- **The annual cost of returns to retailers in UK is £60bn³**
- **ZigZag data demonstrates that return volumes have risen 20% since the start of lockdown in March 2020 in the UK.**

So, with more and more people flocking from the shops to their laptops, there are more eyes scanning retailer returns policies than ever before. But what are they looking for?

Retailers offer returns at a range of prices, through a host of different carrier services that claim varied sustainability credentials. Some retailers offer paperless returns meaning that the shopper is not required to print a label at home, whilst other retailers champion their collection from home returns service.

With the rise of next-day and even same-day delivery, consumers expect the same fast, convenient, and free service for their returns too. The challenge for retailers is to manage both the operational impact of high-volume returns and its negative impact on the environment.

Returns policies are shaping purchasing decisions, so it is important for retailers to understand and adapt to what consumers want and expect.

1. www.retailtimes.co.uk/uk-cross-border-e-commerce-sales-rise-by-57-in-2020-reveals-new-data-from-imrg-and-global-e
2. www.mandmdirect.com/02/stp/about; <https://www.finder.com/uk/boohoo-statistics>
3. www.retailgazette.co.uk/blog/2018/03/retailers-face-returns-tsunami-try-buy-trend-intensifies/



About the survey

We wanted to understand how consumer opinion is evolving following the explosion of online shopping, so we decided to conduct an extensive study into consumer attitudes to returns — from their role in the buying decision to return methods; frustrations, consumer preferences, and whether consumers really do care about going green.

Research was conducted with 1,010 UK shoppers in January 2021 to uncover the truth about what consumers really want from their eCommerce returns. All respondents had purchased items online in the past 6 months (it was not mandatory that they had made a return). There was equal sampling across gender and age categories.

About Dynata

Dynata was chosen to carry out the survey, being the world's largest first-party data and insight platform. Dynata serves nearly 6,000 market research, media and advertising agencies, publishers, consulting and investment firms and corporate customers in North America, South America, Europe, and Asia-Pacific.

What's in a policy

Why are returns policies so important?

Delivering a great returns experience for your customers starts by having the right returns policy. According to our research, 79% of consumers check a returns policy before making a purchase. A returns policy therefore becomes a reflection of the retailer's core values and crucially, how they value their relationship with their customers. It is a key factor in forming first impressions. In fact, 42% of consumers that do not like what they see on the returns policy will ultimately not purchase an item from that retailer. Sales can be won and lost on the returns policy page.

The good, the costly, and the inconvenient

When asked to describe their most recent returns experience, 73% of consumers highlighted a negative aspect to the process, with complaints focused on inconvenience and cost. Bad experiences stand out and are easy to remember.

But what makes a returns policy stand out for the right reasons? ZigZag dived into how retailers can tick all the boxes with their customers, generating the perfect post-purchase experience to drive customer satisfaction and loyalty.

Facts and Figures

- 70% of consumers say a retailer's returns policy is important in their decision to shop with them. At 77%, those aged 26–35 are the most likely to agree that a returns policy influences their purchasing decision.
- 47% of women have decided not to buy an item because they didn't like the returns policy, compared to 37% of men.
- 81% of women check a returns policy before making a purchase, compared to 78% of men. Those aged 36–45 are the most likely to check a returns policy.

First things first. Is your policy clear and easy to find?

67% of consumers often find the returns policy confusing on a retailer's website, a consistent finding for all ages and genders partaking in our survey. Make it clear and simple. Consumers are primarily interested in the price, length of the returns window, refund speed, and returns method options. Get that information across cleanly. Additional details on how you grade items, fraud warnings, and your general terms and conditions are good to include but should not make the aforementioned information harder to find.

We discovered that 46% of consumers have had difficulty locating a retailer's returns policy on their app or website. The modern-day eCommerce consumer will likely have multiple open tabs featuring similar products and they can switch between retailers in seconds. They will be keeping their options open. After a short unsuccessful search for the returns policy, your tab will be abandoned. Frustrating a potential customer by hiding your returns policy may be just as detrimental as not having an attractive policy to begin with.

The case for free returns: Is there such thing as a free lunch?

When asked "what makes a good returns policy?", the most common response from ZigZag's Retail Returns Study was that returns should be free, with 78% of people highlighting its importance. Whether selling fashion items, electronics, or homeware, many stores spent much of 2020 closed — a necessity that has continued into 2021. The expectation is for brands to make up the difference between the in-store customer experience and shopping online. Trying out products and seeing them in person is a benefit of shopping at a brick-and-mortar store which shapes consumers expectations around having free online returns.

With so many eyes on the returns policy before a purchase is even made, it is essential that retailers are benchmarking their offering against competitors. Returns policies can easily be used as a comparison tool and could be the difference between a customer going to you or another retailer. IMRG estimated that around 53% of retailers offered free returns in November 2019.⁴ Free returns can be an effective tool to gain online market penetration and retain existing online customers.

The case for subsidised or paid returns: Recouping the cost

One trend to come out in the last 12 months is the move away from totally free returns. Instead, retailers are becoming increasingly creative with how they charge, from where and to whom. Whilst IMRG reported that of 300 surveyed retailers 158 (53%) offered free returns in November 2019, only 102 (34%) still offered free returns at the start of April 2020 – a reduction of nearly a fifth.

There are three key factors at play. The move to free returns could have been a strategy to bolster Black Friday sales as competition becomes ever fiercer. Or the move could be in response to uncertain financial conditions caused by the pandemic and Brexit (advice echoed by ZigZag). However, it could also be an indication of the transition towards paid returns. As more and more customers switch physical stores for their laptops, there is less of a need to convince consumers of the eCommerce benefits.

4. IMRG Data Webinar: Returns policies during the coronavirus outbreak - www.imrg.org/online-retail-webinars



Returning parcels take a £60bn chunk out of UK retailer's bottom lines every year. With 80% of retailers forced to furlough staff throughout the pandemic and the vast majority closing stores temporarily, now is the time to tighten belts.⁵ Even with a best-in-class returns management solution offered by ZigZag, which reduces the cost of returns by up to 60%, returns still offer up a large, unwanted, and unavoidable bill for retailers every day. Passing on the cost of returns may not even be a choice for many, but a necessity to make sure they stay in business.

Paid returns do not have to mean that customers foot the entire bill. Part-paid returns are another emerging trend of the pandemic, whereby the customer pays a lower-than-normal fee towards the return. Struggling brands or stores unfortunately seem to fill the newspaper headlines every week, with many household names going into administration during the pandemic. The impact can be felt and recognised by consumers world-wide, leading to a greater understanding and acceptance of increased costs. Some retailers have opted to ask for a contribution towards the return, allowing them to recoup some of the costs but also hold on to some of the positive customer sentiment gained from free or cheap returns.

How much should you charge for returns? A flexible policy pricing structure

Our own data has shown that whilst online returns would increase by 4% by offering free returns, sales conversion would increase by over 25%. So, for many retailers the benefits clearly outweigh the cost. This may vary from retailer to retailer, and market to market. We see retailers adopt different policies in different markets in line with local customer expectations – usually free in the UK, US, and Germany – but paid elsewhere. Returns do not need to be free everywhere! Retailers with exceptionally high return rates may want to recoup the cost, or likewise those selling costly-to-transport items.

5. www.ft.com/content/52d26de8-c0e6-11e5-846f-79b0e3d20eaf

Why do Consumers Return?

In June of 2020, EY's research revealed that four in five people said they would be uncomfortable trying on clothes in a store following the coronavirus outbreak.⁶ Though brands and retailers have done all they can to ease the customer back into stores by promoting social distancing, installing hand sanitiser stations, and closing changing rooms — many consumers are still favouring online shopping.

In fact, with new virus variants and a more permanent mindset of caution, could fitting rooms become a thing of the past? With fitting rooms shut, naturally, bedrooms become the new fitting room. Yet choosing options through a screen on a retailers' website adds a layer of complexity to the purchasing decision. Ultimately, consumers return through necessity, mimicking trying on in a changing room before making it to the checkout. The result? Returns become unavoidable.

Trending: The Rate of Returns

The rate fashion items are returned in the UK

- In-store – 5-10%
- Online – 25-50%

Trend #1: Bracketing

The most consistently popular reason cited for making a return is due to sizing issues, an industry opinion substantiated by ZigZag Global's Retail Returns Study 2021. Sizes can vary from brand to brand, a size 14 for Retailer X may be a size 12 or 16 for Retailer Y. The cut or material, when received in person, may also fit a body shape differently than expected.

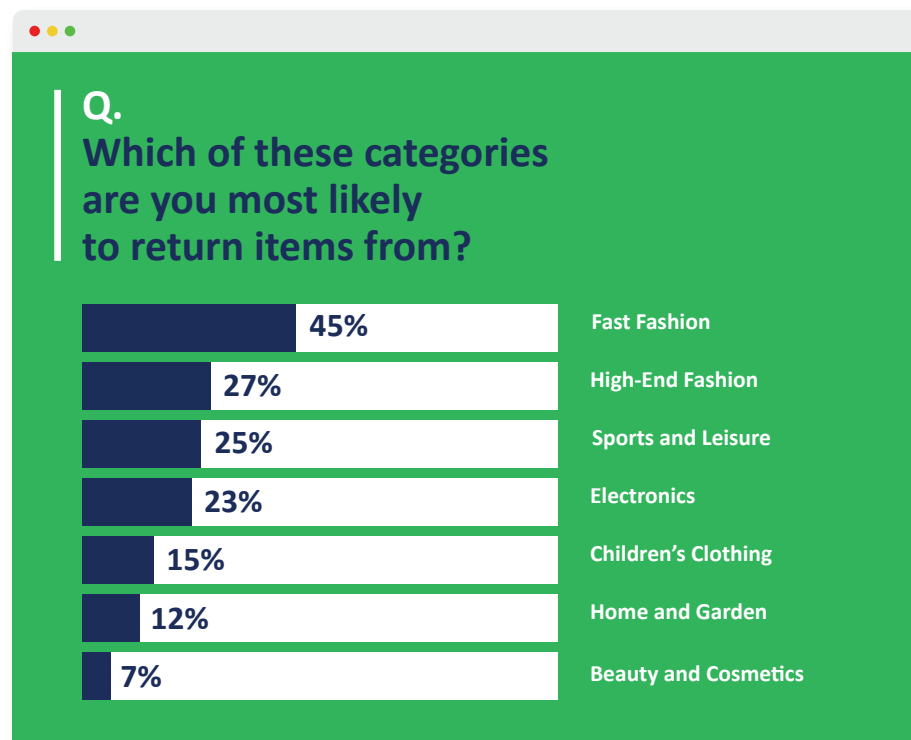
However, 33% of consumers have purchased multiple sizes or colours with the intention of returning at least one item. A consumer behaviour coined as "bracketing" is when a shopper orders multiple variants of the same product with the intention of returning at least one variation. Women are more likely to bracket than men, with 43% of women admitting to bracketing compared to just 22% of men surveyed. Women's clothing is notorious for varying in size from brand to brand. Nevertheless, womenswear retailers should take particular care of sizing guides, employing a diverse range of models and displaying product colours as accurately as possible to reduce bracketing.

There is also age discrepancy to consider, 47% of 18–25-year-olds were guilty of bracketing compared to just 15% of those aged 55 and over. This could be as the younger generation are more familiar with the eCommerce experience — and therefore are more comfortable trusting refund processes.

6. www.chargedetail.co.uk/2020/06/11/70-of-brits-say-theyd-be-uncomfortable-shopping-in-store-despite-immanent-reopening/

Trend #2: Wardrobing

A 2019 survey from Checkpoint Systems, revealed that around 20% of online customers will purchase a fashion item, wear it, and return it for a full refund.⁷ This ethically questionable process, known as “wardrobing”, costs UK retailers £1.5bn annually. A data-analytics-driven platform such as the ZigZag returns management solution is the best way of identifying serial returners and customers engaging in “wardrobing”. Often a customer will wardrobe as a way of getting an outfit for a specific event or even a holiday or, in a very new trend, for the purpose of “staging”. Staging is particularly prevalent in high-end fashion when consumers wear the item solely to show it off on social media (particularly seen on Instagram). If this is an issue for your business, you might want to investigate whether returns window length impacts this trend and explore ways to identify customers who are guilty of this behaviour.



How long does it take a customer to make a return? Tick tock

ZigZag’s Retail Returns Study highlighted that overall, 68% of consumers send an unwanted item back in the first three days – with men being a little snappier with their returns at 71%, compared to women. Stretching the return window out a little bit further, an astounding 95% of respondents return an unwanted item within the first week. Whilst the Consumer Rights Act 2015 and the Consumer Contracts Regulations provide a minimum returns window of 14 days to prove intent to return and a further 14 to complete the return, 95% of consumers action the return within a single week.⁸

7. www.drapersonline.com/news/latest-news/used-returns-costing-retailers-15bn/7037621.article

8. www.legislation.gov.uk/uksi/2013/3134/contents/made; www.legislation.gov.uk/ukpga/2015/15/contents/enacted



So, how long should a retailer make their returns window? Our research proves that most consumers are, for the most part, organised and punctual when processing their returns. But how is a returns window perceived by consumers and what other considerations are there when setting the length?

The case for a short window: Getting goods back quickly

One of the most obvious reasons a retailer may want to keep a short returns window is to get goods back on the shelves faster. An increasing amount of apparel brands are starting to adopt the fast fashion business model focussing on maintaining low production costs, high volumes, and short seasons.

Fast fashion items can be outdated in style within six weeks. This means for primarily fast fashion brands they need goods returned quickly so they have the best chance for resale at the highest price. Another selling point for shorter return windows is that it helps retailers better manage their stock. The sooner they know whether the product will be returned, the sooner they can relay that information back down the supply chain, allowing them to make more informed decisions on production levels.

“The global fast fashion market is expected to grow to \$38.21 billion by 2023 at CAGR (Compound Annual Growth Rate) of 6.7%.”

(Source: [ResearchAndMarkets.com](https://www.researchandmarkets.com))

The case for a long window: Kindness not just at Christmas

As a result of our research, nearly a third of consumers believe that a long return window indicated that a retailer had an attractive returns policy. Whilst not the strongest factor in determining a good returns policy, it is still a consideration for 31% of shoppers. Coupled with our knowledge that 95% of people make their return within a week, and 98% during the mandatory minimum returns window requirement of two weeks — increasing the returns window is a cheap yet effective marketing promotion. Even with a longer window, the vast majority of consumers seemingly won't utilise it.

If you are unsure of the best approach when it comes to refining your returns policy, the best place to start is to examine your key competitors' offerings in your core markets. ASOS, for example, extended their policy to 45 days but now offer credit rather than cash on returns over 30 days.⁹ If your competition is offering a short returns window, a longer window would work as a differentiator.

Benchmark Yourself

Peak season return windows¹⁰

- 112 days MandM Direct
- 106 days Superdry
- 92 days Amazon
- 90 days John Lewis
- 72 days House of Fraser
- 35 days Boots
- 27 days River Island

So, what's the perfect length for a returns policy?

The real question is: does lengthening the returns window generate more sales than it loses in the cost of additional returns?

Maybe surprisingly, on average, 98% of returns are made within 14 days according to our own research. It is widely accepted in the online retail industry that a more generous returns policy encourages shoppers to make a purchase. Crucially, this doesn't necessarily lead to more returns. A longer returns window signals a good customer experience and doesn't panic customers into returning an item too quickly.

9. www.asos.com/us/customer-care/returns-refunds/what-happens-to-my-refund-if-i-return-between-29-and-45-days/
10. www.mirror.co.uk/money/can-take-back-returns-policies-7058574

Consumer Return Preferences

What is your returns preference?



48%

Return to
post office



46%

Courier collects
from my home



33%

Return to the
retailer's store



25%

Return to a
convenience/
local store
(e.g. newsagents
or pharmacy)



9%

Return to a locker
or drop-off point



8%

Return to a petrol
station

The trusted post office

According to ZigZag Global's Retail Returns Survey 2021, 48% of respondents preferred to return their item to a post office. This may be as a result of post offices being the most common returns service offered by retailers with consumers familiar with the process. Alternatively, post offices are commonplace in local high streets and seen as trusted experts for ensuring returns are handled professionally, resulting in a better chance of a hassle-free refund for the consumers.

Younger shoppers are more likely to favour returning to a post office or collection point whereas any shoppers over the age of 36 are more likely to value a courier pick up from home. Retailers should ensure that they offer the most appropriate carrier options in relation to their core customer base. Should a retailer have both post office and home collection services, it is well worth highlighting on the returns policy page.

Collection from home: A luxury or necessity for consumers?

Closely following the preference of returning to a post office, 46% of customers also signalled that a courier collecting from their home would be their most preferred option. The coronavirus pandemic caused widespread disruption to the UK, with many people encouraged where possible to work from home. With people spending more time than ever at home, they are readily available for the more convenient home collection service. It is also reasonable to assume that companies will largely remain flexible in a post-covid world, meaning this trend is unlikely to disappear once lockdown is over.

Data pulled from retailers using the ZigZag Global online returns portal suggests that home collection is increasingly being utilised. Not all retailers offer this slightly more expensive home collection service to customers but for those that did, home collections were requested 27% more after lockdown in 2020 than they were for the same period in 2019.

Returning to the high street

When the UK emerged from its first lockdown in July 2020, store footfall diminished by 48% year-on-year across the high street. Over the Christmas peak period, this worrying trend continued with non-essential stores experiencing a 34% decline in footfall.¹¹ However, ZigZag's study still showed that 33% of consumers favour returning to a retail store as a potential preference despite making the purchase online. With many retailers still not offering a live exchanges feature during their online returns process, consumers perhaps favour returning to physical stores so they can easily exchange unwanted items. This is particularly true due to sizing or colour discrepancies.

Using a convenient carrier service: location, location, location

58% of UK shoppers consider themselves a "frequent returner", with an astounding, yet unsurprising, 68% of 18–25-year-olds agreeing this applied to them. Whilst ZigZag statistics show Monday is the most popular day for returns, every day of the week has high return volumes.

Of those surveyed, 25% selected a convenience or local store as a return preference option. Not only is it an indication that online shoppers are keen to visit physical essential stores, but they are likely to pick a drop-off point that is on the way to doing another errand or during their commute.

Best practice for your policy: Putting your carriers on display

The best returns policies allow online shoppers to check the carrier options prior to purchasing. As stated earlier, 79% of customers check the returns policy before buying and many will be looking to see just how easy the retailer is making the process. Have multiple carrier options and PUDO locations available, why not show them off?

11. www.cityam.com/post-christmas-footfall-plummets-as-uk-shoppers-avoid-high-street/



Next is a retailer getting it right.¹² Their returns policy page outlines the carrier options available clearly alongside the cost of using them. They then provide links to identify the most convenient or closest drop-off points available to the customer based on address.

25% of consumers would be prepared to pay more for a premium return that was convenient such as a home collection. Clearly, it's not all about free returns. Customers value the choice of various carrier options even if they come at a price. Interestingly, despite collection from home being favoured by older generations, shoppers aged between 18 and 25 are the most willing to pay for a premium option at 36%.

We've Got Global Coverage Sorted, ZigZag's Carrier Network

- **400+ Carrier Services**
- **130+ Countries covered**
- **220+ Warehouses**
- **320,000 PUDDO locations available worldwide**

12. www.next.co.uk/returns

Communicating Returns

A CEB Global Study found that 90% of customers that embarked on a frustrating, reactive customer experience became disloyal to that brand, with 80% actively passing on the negative sentiment to other potential or existing customers.¹³

Only 17% of consumers believe that brands take their customers seriously.¹⁴ A slick returns process provides the retailer with the perfect showcase for providing a great customer service. To some, a return action can effectively signal the end of the customer journey but by providing customers with the same level of care as when they purchase, retailers can bolster their customer-centric image.

Tracking is an important aspect of customer communication. Every time a customer successfully views the tracking status of their return, a retailer is ensuring a smooth experience and reducing the likelihood of an inbound enquiry. 44% of ZigZag Global Retail Return Study respondents believe that a good returns policy requires tracking an item through the process.

Did you know?

Customers are increasingly requesting SMS updates for both orders and returns. SMS updates keep customers informed in real time and result in fewer missed deliveries and collection slots. More retailers than ever switched SMS updates on for 2020's peak season.



Do consumers want to hear more from retailers regarding their returns?

64% of UK customers revealed they are happy with the levels of communication received from retailers during the returns process. Most retailers use a combination of HTML marketing emails and SMS updates to keep customers informed as their return makes it back, with most also updating on whether the return has been inspected and a refund issued. Some retailers of course rely solely on the parcel tracking capabilities of the carrier service selected by the customer, which will neglect to inform them of their refund progress.

There is room for improvement though. Around 36% of respondents felt they would like to be informed more about the progress of their return, with 56–65-year-olds feeling most strongly. It's not just emails or texts at key milestones that customers crave though. 63% of people surveyed have monitored the progress of their return through a tracking service proving there is a large demand for live tracking updates on returns.

13. www.providesupport.com/blog/proactive-communication-with-customers

14. S Moffitt, M Dover, D Tapscott, 2010, WIKIBRANDS: Reinventing Your Company in a Customer-Driven Marketplace

Fast fashion and even faster refunds

The rise in popularity of next-day deliveries have contributed to consumers expecting similar speeds when returning their goods and receiving the respective refund. Of course, the extra steps needed such as grading the returned products to ensure they have not been damaged in addition to processing the actual payment itself, are seldom taken into consideration by the consumer. With most customers not spending until their refund has been settled, it is vital to offer customers the earliest possible reassurances and process the refund as soon as possible.

After handing over your return to a post office or courier service, how long would you be willing to wait for a refund?



Though consumers typically want quicker refunds, most consider it acceptable to wait up to seven days, before the numbers tail off dramatically. 85% of respondents expect to be refunded within the week.

As emphasised by ZigZag Global’s Retail Returns Study, 7% of consumers stated that they would expect an instant refund. At 11%, the age group that was most adamant about receiving an instant refund was 18–25-year-olds. Whilst a great way to inspire customer loyalty through a trustworthy and convenient returns experience, instant refunds are not without their problems.

Instant refunds, by nature, are a no-questions-asked acceptance by the retailer that the returning item will arrive in an unused, undamaged condition. If instant refunds are marketed in the online returns policy, it may attract fraudulent consumers looking to use the product (perhaps for an Instagram photoshoot or a party) before returning it for a full refund. Instead, instant refunds should be offered to the top VIP customers — often identified by a returns management solution such as ZigZag Global.

The Big One

Expect a 40% reduction in customer service enquiries through better communication and faster refunds.

Proactive communication and quicker refunds reduce customer service queries

“Where is my refund?” is the second biggest question a retailer gets asked. However, if the customer can “opt in” to notifications on their returns progress, and a retailer’s returns solution provides instant refunds — customers are kept in the loop, solving a major customer service pain point for retailers.

By utilising ZigZag’s returns management solution, our retailers have enjoyed a 40% drop in customer service enquiries. Not only can this result in a substantial decrease in overhead costs associated with running the customer services department, but ultimately, less queries and complaints is evidence that the retailer now has far happier and more satisfied customers.

Generating Loyalty Through Returns

A generous returns policy highlights to consumers that the retailer values customer satisfaction. Wunderman's "Wantedness" study found that, "The majority [79%] of consumers said that brands have to actually demonstrate that they understand and care about me before they are going to consider purchasing".¹⁵ Heightened by climate change activists and social injustice movements, consumers are more conscious about a brand's ethical stance than ever before. The way brands treat their customers could become an increasingly principal factor in winning and retaining customers for life. A policy with an extended returns window, free returns, and extensive carrier options would be a good starting place for a company trying to put its customer first.

This, coincidentally, mirrors the finding from ZigZag's own Retail Returns Study 2021 that 79% of shoppers think retailers should make it easier for consumers to return items bought online. This was consistently high across all age groups with women scoring slightly higher than men at 80% to 77%. When answering whether an easy returns policy would encourage them to shop with that retailer again, 81% responded positively that they would. Once again, women reacted more positively to the statement, with 86% agreeing they would be more likely to shop again after a painless and user-friendly returns process.

Did you know?

81% said an easy returns policy would encourage them to shop with that retailer again.

A great way to lose customers!

If you are inexplicably overwhelmed with customers and would benefit from a lack of repeat business, then a poor returns experience is a great option for your business. 59% of UK customers surveyed by ZigZag stated they would never shop with a retailer again following a poor returns experience. No second chances. Those aged 46 to 55 are even less likely to suffer fools as 69% would not purchase from a retailer again after going through a painstaking returns process.

Rewarding VIP customers

Returns solutions, such as that offered by ZigZag Global, are powered by data analytics. It is often stated that 80% of a company's revenue is generated by just 20% of their customers. Understanding which customers are your VIPs, allows you to target them with improved returns policy conditions. The more a customer spends online, the more often they return. Therefore, they are constantly evaluating your returns process and policy. Using your online returns portal to target your VIP customers with more generous returns options ensures they are less likely to get frustrated and ensure they remain loyal to your brand. Offering instant refunds, for example, frees up funds and can get them back on your site faster.

Identifying the serial returners from the valuable loyal customers

Serial 'wear and return' customers could be denting your profitability. Online fashion retailer and third-party marketplace ASOS was one of the first retailers to openly state its change in returns policy. The retailer outlined it would potentially suspend the shopping accounts of 'wear and return serial returners' if they detect an "unusual pattern" of sending back their purchases.¹⁶ Amazon similarly said that "there are rare occasions where someone abuses our service over an extended period. We take action when appropriate".¹⁷

To fully understand whether you have problem with serial returners, you will need to assess why products are coming back. Some returns are unavoidable and are part of the retail landscape, but others represent bad consumer practice.

If items come back in re-sellable, labelled condition you can just restock them and sell again, either on your own site or a global network of marketplaces. But as you consider if there is a 'wear and return problem', you will also be receiving items that are clearly worn, used or damaged. Tracking this kind of return is vital and often the best place to start is with the information provided on your product listings.

Review the message that your returns policy is sending shoppers. Some marketing activities can cause more returns. Offering free delivery on orders over a certain value in conjunction with free returns could encourage customers to fill shopping baskets with items to meet the free delivery threshold only to immediately return them.

Does targeting serial returners negatively impact your VIP customers?

It is worth testing your returns policy to find the sweet spot. Some fraud could be prevented with shorter windows, expensive returns, or bans to suspicious shoppers. However, when retailers plot the returns per customer against net sales, they often find most valuable customers will still return frequently.

So, changes that combat serial returns may have a noticeable impact on your VIP customers. Discouraging 20% of fraudulent customers may not be worth losing 10% of your VIP customers. It is always beneficial to survey your shoppers in each market or talk to your best customers directly and see what improvements they think you should make to your returns policy.

17. www.independent.co.uk/life-style/fashion/asos-return-policy-change-new-how-blacklist-online-shopping-a8854451.html
18. www.cnbc.com/2018/05/22/amazon-bans-people-for-returning-too-much-but-it-shouldnt.html

Green is the New Black

A study by edie showed that just “30% of professionals said their company was continuing to invest in sustainability and energy-saving technology during the pandemic”.¹⁹ Whilst the world may have become more sustainable, almost by accident with reduced air travel and commuting, understandably companies have been more focused on survival.

Consumers however are demanding more sustainable business practices from their brands, with 74% willing to pay more for more eco-friendly packaging and according to an Accenture Survey in 2020, 45% of consumers said they are making more sustainable choices when shopping and will likely continue to do so.²⁰

ZigZag dived a little deeper in its Retail Returns Study 2021. 43% would choose a greener or more sustainable return option even if it meant a slower refund. Younger ages are more likely to consider going green. 53% of 18–25-year-olds and 54% of 26–35-year-olds would opt for a greener option regardless of refund speed compared to 36% of 56–65-year-olds and 31% of those aged 66+. We first marked greener options against slow refunds, as often the greener the method of transportation the longer the journey, which means returns take longer to process and thus refund. Express air freight will get goods back faster but at a greater cost to the environment.

However, it was not refund speed that was the biggest turn off for consumers from going green. Price was the primary reason, with 48% of UK consumers more likely to avoid or be reluctant to use a greener option due to its perceived higher cost. Refund speed concerns was the second-most reason at 27% followed by convenience (25%). Only 9% of respondents admitted that being sustainable in their return carrier choices was not a priority for them.

There's education to do

19% do not know what carrier or returns option is necessarily the greenest.

Demonstrating there is still a lot of work for retailers to do promoting and outlining which returns options are the greenest.

19. www.telegraph.co.uk/business/ready-and-enabled/sustainability/coronavirus-hindered-businesses-reaching-their-green-goals/
20. www.circularonline.co.uk/news/three-fourths-of-consumers-willing-to-pay-more-for-sustainable-packaging/; www.businesswire.com/news/home/20200503005029/en/COVID-19-Increasing-Consumers%E2%80%99-Focus-on-%E2%80%9CEthical-Consumption%E2%80%9D-Accenture-Survey-Finds

Greener carrier options

ZigZag's Retail Returns Survey 2021 unveiled that 9% of consumers preferred using a locker or collection point to make a return. Locker services, such as InPost Lockers which is available for ZigZag Global retailers, are one of the latest innovations to target the issues surrounding delivering to and picking up returns from crowded inner cities, and retailers are likely to continue adopting the contactless PUDO solution amidst the COVID-19 pandemic. ZigZag expects a more health-conscious and environment-conscious consumer to emerge after the pandemic, with consumers opting to use the contactless InPost lockers as a means of continuing social distancing practices long into the future. The introduction of lockers eliminates the carbon emissions from missed deliveries and makes courier journeys more efficient by travelling to a single location rather than visiting multiple houses or offices.

Did you know?

ZigZag Global is an alumni member of the Ellen MacArthur Foundation Circular Economy 100.

ZigZag not only helps retailers reduce their carbon emissions impact through consolidation and more energy efficient routes for their returns, but also promotes a more circular economy. Our relationship with local marketplaces enables goods to be kept in country and resold locally.



Say goodbye to out-of-stock signs

A study from Intermec (now Honeywell) found that 52% of distribution centre managers do not have the understanding or resources available to know where to send returned items next.²¹ In turn, this leads to a 50% loss in value of returns as they could have been sold in secondary markets.²²

An online portal can use predictive analytics to move goods to local marketplaces where they have a better chance of being resold. For fast fashion clothing, which can be out of season within four to six weeks, the speed of the portal in processing and moving goods to new marketplaces could be the difference between being resold or being donated /recycled.

A Global Responsibility

21 billion tonnes of textile are sent to landfill each year. Fashion is responsible for 20% of the global water waste.

No need for a printer: Going paperless

45% of UK consumers believe that not needing a printer to get a label is a sign of a good returns policy. And we agree. Since one of ZigZag's biggest retailers started using our paperless returns solution, they have stopped including returns labels in their outbound parcels. This has resulted in a reduction of over 35 million labels being needlessly wasted. Whilst some retailers will experience return rates over 50%, most rates are still around 20-25% which translates to a lot of unused paper labels across the retail sector.²³

Our paperless returns solution was adopted by more than 65% of consumers last year, cutting the paper wastage by up to 60% for some of our retailers.

21. <https://www.honeywellaidc.com/>

22. www.ups.com/media/en/Reverse_Logistics_wp.pdf

23. www.salecycle.com/blog/featured/e-commerce-returns-2018-stats-trends/



So, Why Is Your Returns Policy So Important?

According to ZigZag Global's Retail Returns Study 2021, 79% of consumers check a returns policy before making a purchase with 42% of unimpressed consumers ultimately not purchasing an item from that retailer. Not only is getting the returns process right crucial for the post-purchase experience and ensuring shoppers become repeat customers, but they are also a deciding factor for winning the original business.

So, what makes a good one?

Here are the top tips gleaned from our Retail Returns Study and years of experience delivering a best-in-class returns management solution.

Policy clarity

With so many potential customers evaluating your returns policy, make sure it is as clear as possible. Outline the basic requirements and shout about the areas where you go above and beyond for your customers. 46% of consumers have had difficulty locating a retailer's returns policy on their app or website, so make it easy to find too.

Cost of returns

78% of UK consumers believe that a good returns policy includes free returns. Ultimately you should be reflecting on what your competitors do, the cost of bringing back returns in certain markets, and the type of customer you are offering free returns to. After a tough year for retail, it might be necessary to recoup some or all of the cost of returns, but we recommended a flexible process that incorporates both free and paid options.

Policy window length

Our study found that a remarkable 95% of people returned within the first week, and a further 98% within two weeks. With so many customers “on the ball” with returns, a longer window does not encourage more returns but does emphasize to consumers that you want to make the returns experience as smooth and convenient as possible for them.

Carrier options

Simply put, consumers want choice. At 48% and 46%, consumers wanted to be able to return to a post office and have the option for the unwanted item to be collected from home, respectively. Different age groups desired different return options, so brands need to respond to their customers preferences. Increasing your carrier options will lead to a better post-purchase experience for your customers and make you less reliant on a single provider. ZigZag expects an even greater uptake on services such as petrol station and locker PUDO solutions in the year to come.

Communication

36% of ZigZag Global Retail Return Study respondents felt they would like to be informed more about the progress of their return. Staying connected with your customers is a vital part of the post-purchase experience and proves you have not forgotten about them. You can communicate with them via HTML emails, SMS updates, or provide a tracking service. 44% of respondents believe that a good returns policy requires tracking capabilities with 63% of having monitored the progress of their return recently.

Refunds

Fast refunds keep customers from contacting your customer service desk with WISMR (“Where is my refund?”) queries and get them back shopping sooner. 66% believe a fast refund is imperative for a good returns policy and 85% expect to receive their refund within 7 days. Only 7% expect instant refunds, but these could feature a higher proportion of your most frequently purchasing VIP customers, and it could be set to rise this year.

Generating loyalty

A good returns process creates more loyal customers for your brand. ZigZag’s research uncovered that 81% of UK online shoppers would be encouraged to shop with a retailer again if they had a good returns experience. On the flip side, 59% would never shop with a retailer again with a bad experience.

Sustainability

Consumers are becoming increasingly more environmentally conscious. 43% would choose a greener or more sustainable return option even if it was a slower refund. 45% believe a good returns experience doesn’t require a printer with 65% of customers utilising ZigZag’s paperless solution in 2020. Whilst you don’t need to solely use sustainable carrier options, it is most certainly best practice to have them available and clearly promoted as such.



Partner with ZigZag to provide your customers with a seamless, convenient, and cost-effective returns solution.

ZigZag Global is a software solution to help eCommerce retailers manage returns domestically and globally.

The ZigZag platform connects major retailers to a global network of over 220 warehouses to over 400+ carrier services in over 130 countries. ZigZag's clients include boohoo group, Selfridges, Superdry, DHL, GAP, The Hut, and many more.

ZigZag delivers best-in-class technology and service to transform the returns experience globally. ZigZag's mission is to reduce the cost, waste, and friction associated with returns, boost customer loyalty and make retailers more profitable and sustainable.

Trusted by some of the world's most renowned retailers including:

boohoo

boohooMAN

SELFRIDGES&CO

**SPORTS
DIRECT.COM**

極度乾燥(しなさい)
Superdry.

MISSPAP

and
MmDirect

THEHUTGROUP

OAKLEY

MADE.COM®

TED BAKER
LONDON

GAP

PUBLIC DESIRE

BANANA REPUBLIC

Awards and Recognition

Supply Chain Innovation



Best eCommerce Technology Innovation & Best Product



Included in the Top 50



Listed as number 15



Best British Tech Startup 2019 (London)



Finalist at The Circulars



Best Innovation in eCommerce Delivery & Logistics



Ecommerce and Innovation



Contact us by emailing us via hello@zigzag.global

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