

COLUMNS

## 5 ways luxury retailers can streamline the returns process

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In the ecommerce space, the return rate is increasing, with some commodities seeing returns as frequently as 30 percent of the time, compared to 10 percent for traditional retailers. It happens even in luxury ecommerce.

Retailers are thrilled at the prospect of making sales and moving inventory, but they cannot overlook the return policy.

Although returns are not ideal, they are a crucial and unavoidable step in the conversion process.

TrueShip recently conducted a study that showed more than 60 percent of customers review a company's return policy before making a decision. A difficult or nonexistent return policy can make or break the sale.

Returns should be as easy as the purchases themselves.

When consumers have to deal with a complicated return process, it can turn them off your company forever, and they are more likely to complain to their friends about the headache.

Make your customers' lives easier with a simple return process, and you will earn their trust.

There are five ways luxury retailers can make the return process easier for their customers:

### 1. Spell it out

Luxury retailers should explain the returns process clearly, drawing attention to how easy it is to make a return if a product does not work for the customer.

This is not to say that the process should be too easy customers tend to take advantage of lenient return policies.

Sending a prepaid return label with the initial shipment could be costly, but offering free returns can be a great incentive for new customers to try your product.

### 2. Be a good communicator

Offer an easy-to-use online returns portal, where customers can initiate the action themselves, or provide a readily

available customer service number for communication.

In addition to including contact information on your Web site, make sure you provide clear directions in your direct correspondence with customers such as receipts and shipping notifications to let them know how they can get in touch with your support team.

### 3. Reuse packaging

Companies are increasingly using return-friendly packaging so the original packaging can be reused for a return or exchange.

Perfect for smaller luxury items such as jewelry and clothing, these types of packaging often include mailers or boxes with a second adhesive strip to use once the customer has opened the first adhesive.

Doing this eliminates an often annoying and costly step for the consumer by providing her with everything she needs to make the return.

### 4. Streamline tracking

Luxury retailers need a reliable back-end infrastructure designed to make the tracking and processing of returns and exchanges easy from an operations standpoint.

Doing this ensures a smooth process for customers, too. The last thing that customers want during a return is to be left in the dark regarding its status.

UGG does a great job of keeping customers informed.

The footwear brand lets customers track returns throughout the process with various emails: one notifying them when the warehouse receives the item, another letting them know that the return process is underway, and a final email when the credit has taken effect on the customer's account.

### 5. Get creative with return alternatives

Consider thinking outside the box when it comes to returns.

Casper, an online mattress company, cleverly revolutionized its returns process. The brand offers free returns and 100 percent refunds to any unhappy customer within the first 100 days, which could rack up considerably large costs for the company.

To avoid those costs, Casper implemented a network of charities interested in the castoffs, negating the cost of the returns and generating tax write-offs for the company.

LUXURY RETAILERS need to give the returns-and-exchange process as much attention as any other part of their business.

With streamlined communications and operations come stress-free returns. When companies have stress-free returns, customers have the confidence to make repeat purchases.

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