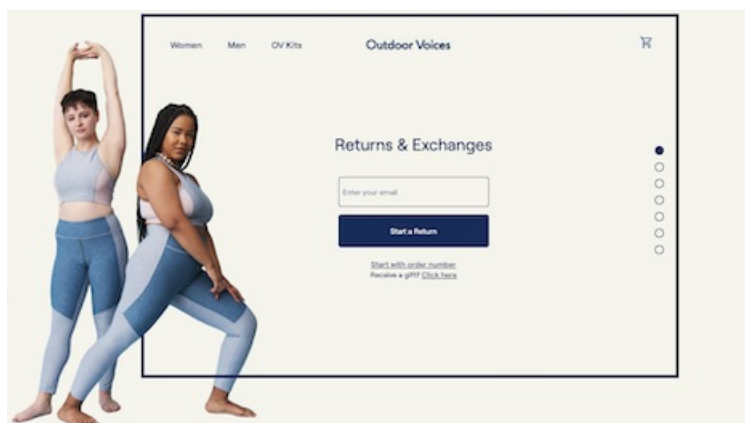


RESEARCH

Understanding the returns behavior of US shoppers

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Understanding the returns behavior of customers is key to turn a pain point into an opportunity to retain loyalty. Image credit: Returnly

By DIANNA DILWORTH

There are six different types of shoppers who do online returns, and understanding these personas can help luxury marketers better interact with customers.

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Returnly's "**2020 State of Returns Report**" examined the returns behavior of 4 million shoppers in the United States. Identifying the pattern of behavior unearthed could help retailers influence customer loyalty.

"Retailers tend to think a return means an unhappy customer, but understanding the behavior driving returns provides a lot more valuable insight," said Eduardo Vilar, founder/CEO of Returnly, San Francisco.

Returnly runs a smart returns platform that allows customers to keep the wrong size before they find the right size to allow them to compare the fit and find the right product before sending items back.

Labeling them

Returnly has identified six different types of shoppers that do returns: The Loyalist, The Now Returner, The First-Time Returner, The Lazy Returner, The Fitting Room Returner and The Policy Abuse Returner.

The Loyalist is the ideal returner, because they buy more than the average customer, and even though they return items often, they keep more than they return.

"These customers are three times more likely to return items than the average customer, but they buy even more frequently," Mr. Vilar said.

"This is something brands should celebrate, not penalize," he said. "To reward these customers, consider offering a rewards program with exclusive perks that increase in value with each dollar spent."

The Lazy Returner will make returns on their own time, often three weeks after delivery, but expect brands to correct any issues immediately. Men are 50 percent more likely than women to be Lazy Returners.

The First-Time Returner is hesitant, yet rule-abiding. These shoppers are quick to add items to their cart, but always check the returns policy before completing a purchase.

The Now Returner reaches out to customer support immediately after starting a return to ask about the refund.

The Fitting Room Returner buys multiple sizes and colors of the same item to try the items on at home and return what they do not want. Their behavior results in tight gross margins for brands.

The Policy Abuser has no intention of keeping an item and uses returns to get free shipping or to wear an item one time to an event.

Rate race

Returns decimate retailers' margins, especially in the period after the Christmas holidays. And while it varies by sector, apparel has a 40 percent return rate, by some accounts, and one of the highest in retail.

"So much effort and investment has gone into the pre-purchase and checkout experience, but too often the post-purchase phase is overlooked," Mr. Vilar said.

"Providing a superior ecommerce returns experience is a crucial element of the customer journey, because a return doesn't have to mean a lost sale," he said. "The point of return is an opportunity for retailers to earn a customer's loyalty, save sales and even boost spend.

"If brands miss the mark during this moment of truth, returns become nothing more than a costly reality of doing business online."

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