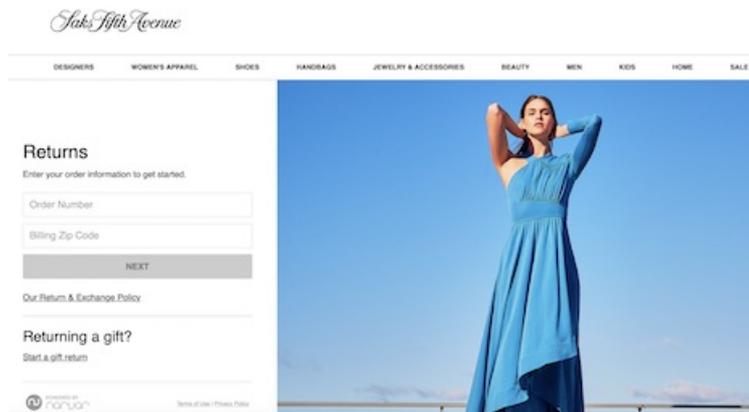


RETAIL

How brands and retailers should handle returns after the pandemic

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Saks Fifth Avenue returns have been extended until 30 days after stores reopen. Image credit: Saks Fifth Ave

By DIANNA DILWORTH

Shopping behavior has transformed because of the coronavirus pandemic, making ecommerce the go-to way to shop for apparel, accessories and just about any other non-essential item.

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As digital ordering grows, so too do returns as consumers turn their homes into dressing rooms and send back the items that did not quite fit. Now, as brands and retailers are seeing an increase in returns, they have extended return policies and upped their cleaning practices.

"Safety and security should be first and foremost," said Sucharita Kodali, vice president and principal analyst at **Forrester**, Charlotte, NC.

"If stores are closed, extension of timing for returns timelines are essential," she said. "Some retailers are not putting merchandise back into inventory immediately after a return, or even putting clothes that have been tried on aside for a period of time."



Global Industrial offers cleaning solutions for retailers. Image credit: Global Industrial

Policy changes

Many stores are looking to U.S. Centers for Disease Control and Prevention guidelines and additionally are teaming up with industrial cleaning companies to ensure that their stores, packages and products are cleaned professionally so as not to serve as conductors of the virus.

For instance, [Global Industrial](#) has a new program called R3 (Restore, Return, Rebound) that promotes safe packaging and janitorial services to ensure the highest levels of cleanliness to retail clients.

U.S. department store chain Nordstrom, which is known for its extended return policy without a specific timeframe, has updated its customers by letting them know that due to the increased returns at this time refunds will likely take 14 business days longer than normal to process.

Louis Vuitton offers returns on unused items within 45 days.

Chanel offers returns within 14 business days, but for hygiene reasons, sealed products that have been opened cannot be returned.

Saks Fifth Avenue is offering returns on items purchased after Feb. 15 for 30 days after stores reopen.

Retailers are updating their Web sites and emailing clients to let them know about their approach, as well as to inform them about safety procedures at retail once stores reopen.

Nearly 30 percent of U.S. consumers said they will need one to three months after stores reopen to feel comfortable returning, and about 20 percent said they will need four to six months, per a report from Boston Consulting Group.

Only one quarter said they will feel comfortable returning to stores within less than a month of reopening.

"To make consumers feel safe enough to enter stores, retailers will need to implement a number of health and safety measures, such as hand sanitizer dispensers, social distancing and limiting the number of customers," said Sarah Willersdorf, partner and managing director at [Boston Consulting Group](#), New York.

"Most retailers are accepting returns, but we're seeing new safety measures in place," she said.

"Employees are being provided masks and gloves, and any returned merchandise is being isolated for 48 hours before going back to the sales floor," she said.

"There are some retailers and mall operators who are looking at more innovative ways to support sanitization at scale, especially in distribution centers and malls, including steaming processes, UV lights and ozone sanitization."

These new procedures will likely be for the long haul.

"We don't have a crystal ball, but we do expect that it will be between 12 to 36 months before a vaccine or highly-effective treatment can be developed and deployed," Ms. Willersdorf said.

"The increased health and safety procedures, including processes for changing rooms and returns will need to be sustained, at least throughout the fight phase," she said.

"Beyond greater expectations around health and safety, this post-crisis new reality will have many other structural changes that brands will need to reconcile: consumers will be increasingly health and environmentally conscious and, as consumer spending quickly migrates online, having a strong digital presence will be paramount for companies."



Nordstrom New York. Image credit: Nordstrom

Ecologically friendly outcomes

Ecommerce shopping is expected to last even beyond store openings, as consumers are wary about going out and being exposed to the virus.

The process of ecommerce involves a lot of packaging and shipping and when combined with back-and-forth returns, can be bad for the environment.

Still, there are more eco-friendly ways to package goods and distribute them and return policies that support a more sustainable footprint.

Affluent consumers prefer sustainable practices, and the luxury business has an opportunity to rethink these issues as it comes out of the pandemic.

"The convenience of the on-demand economy has come at a price when we consider the environmental impact of returned goods that never return into the system," said Rebecca Robins, global chief learning and culture officer of [Interbrand](#), London.

"The world has been on an accelerator of accumulation, at scale and speed, and it has been overdue for a reset," she said. "That reset has landed in a form that has forced a constraint upon us all, but, as we have seen throughout history, some of the greatest forces of creativity and innovation have come through times and contexts of constraint, and this should be what we look to as forces for change for good.

"This is a time when brands, employees and consumers the world over need to be thinking about, and acting on, what we stop doing, what we start doing, and the game-changing power of what we do together."