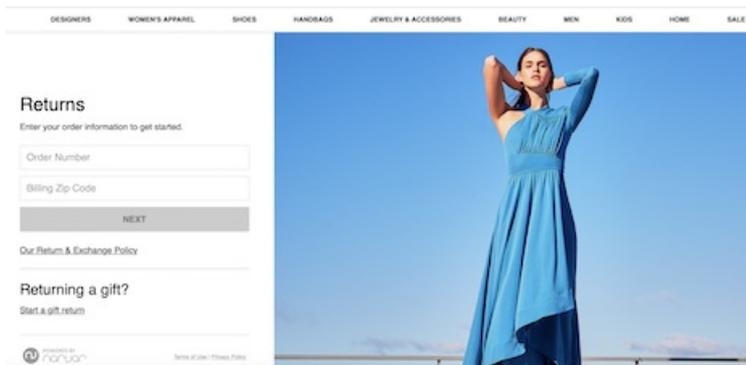


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## Online returns topped \$100B in 2020: NRF

January 12, 2021

*Saks Fifth Avenue*



*The pandemic has made online returns more challenging. Image credit: Saks Fifth Ave*

By LUXURY DAILY NEWS SERVICE

Online returns more than doubled in 2020 from 2019, a consequence of consumers turning to ecommerce shopping at record levels amid the COVID-19 pandemic.

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According to the [National Retail Federation](#), shoppers in the United States returned approximately \$428 billion in merchandise in 2020, about 10.6 percent of total retail sales for the year. Merchandise purchased online accounted for \$102 billion worth of returns.

"Last year, we saw an increase in returns of online purchases as the pandemic forced more consumers to shop online," said Mark Mathews, vice president of research development and industry analysis at NRF, in a statement. "Retailers view the return process as an opportunity to further engage with customers, as it provides additional points of contact for retailers to enhance the overall consumer experience."

### Online returns

Overall, the total rate of returns in 2020 was similar to previous years but online returns drove the growth of returns. Per the NRF survey, retailers incur an average of \$106 million in merchandise returns for every \$1 billion in sales.

Almost 6 percent of returns were fraudulent, accounting for \$25.3 billion. This includes \$7.7 billion worth of online returns, or about 7.5 percent.

Apparel accounted for 12.2 percent of the purchases returned, second only to auto parts at 19.4 percent.



*In-store shopping declined this year amid the coronavirus pandemic. Image credit: NRF*

After a holiday season dominated by online shopping, retailers expect more than 13 percent of merchandise to be returned with an estimated cost of \$101 billion. The majority of returns are expected during January, and more than one-third of retailers expected to hire additional staff to handle the deluge.

Traditionally, as consumers ship packages back or crowd into stores for returns, retailers have the opportunity to upsell shoppers who are planning to use newly received store credit. With a significant portion of shoppers likely having their first interaction with a retailer during the returns process, this crucial aspect of customer service is a means to make a good impression ([see story](#)).

However, COVID-19 has complicated matters.

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 ([see story](#)).

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