

## Wardrobing in China poses a real risk to fashion

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*Wardrobing, also known as fraudulent returns or deshopping, is gaining momentum in China. What can brands and retailers do about it? Image credit: Shutterstock*

By **Glyn Atwal**

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Shuying is a 21-year-old marketing student who shamefacedly admitted that she had returned a designer jacket only after wearing it to a social event.

While this was not the first time that Shuying had "borrowed" a designer item, she is far from the only one doing it.

Wardrobing, known also as "fraudulent returns" or "deshopping," is very much a taboo subject in China, such is the high degree of shame surrounding the behavior.

Engaging in wardrobing is widely regarded as a Western phenomenon: fraudulent returns cost U.S. retailers \$25.3 billion in 2020, according to a report by the **National Retail Federation and Appriss Retail**. It is a hidden cost that can dent brands' bottom lines, as not all returned items, particularly apparel, can be resold at full price.

Wardrobing has its place in China as well.

While official data is unavailable, incidents have cropped up in local media: in May 2019, one woman **reportedly bought 18 pieces** of clothing from a Taobao shop for a trip to Tibet, spending more than \$680 (4,600 yuan), only to return them all once her vacation ended. There is even a name for deshoppers in Chinese, .

However, the costs of wardrobing in China could be vastly underestimated if U.S. data serves as a benchmark.

While unethical consumer behavior crosses geographical and cultural boundaries, the consumer trend toward wardrobing in China could gain momentum depending on a number of factors.

Firstly, wardrobing can occur when shoppers abuse forgiving return policies. Local consumer protection laws allow people to return merchandise without providing a reason, within seven days, but some go further: for selected categories, JD.com provides an extended 30-day period.

Moreover, a lenient return policy is crucial to a brand's customer service. Take **Canada Goose**, which was hit with social media backlash when it refused to refund a customer in Shanghai for a damaged parka.

Additionally, the continual growth of ecommerce inevitably leads to higher return rates and risks of fraudulent

postal, rather than in-store, returns. Then there are **livestream sales**, which are reportedly tied to return rates that are two to three times higher than conventional ecommerce sales.

Lastly, the practice is spreading and could become more socially acceptable.

A recently published study entitled, "**Buy, wear, return, repeat: Investigating Chinese consumers' attitude and intentions to engage in wardrobing**" found that shoppers were more likely to develop a positive attitude toward wardrobing and engage in the activity if they know people who have done it.

Luxury players must be aware that there is an amplified risk of wardrobing in China, where current economic pressures could even normalize the practice of fraudulent returns.

Retailers online players, in particular need to implement processes that pinpoint wardrobing systematically without alienating and punishing their non-wardrobing and loyal clientele. Technology can play a key role in this effort.

Yet, potential wardrobing behavior can be pre-empted if consumers are influenced by members of their own reference groups. Companies need to harness the feelings of shame and be unequivocal wardrobing will never be in fashion.

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