Returns
2018
Understanding online shopper behaviour
Happy returns, happy customers

Welcome to Delivery Matters: Returns 2018. The research makes for interesting – and essential – reading, showing that, on average, people returned three items in a 3 month period. What’s key: keeping things simple keeps customers happy. Achieve that and you’ll enjoy many happy returns – throughout 2019 and beyond!

As online shoppers get ever more savvy, they look for reasons to choose a particular website. The perfect example: the big new trend of being able to try before you buy – already offered by retailers like ASOS and Schuh. This is a really convenient, flexible way of shopping online and sure to prove popular with savvy shoppers in the years ahead.

In fact, 76% of consumers said they would ‘definitely’ or ‘maybe’ purchase more items if they were offered a try before you buy option*, with shoppers saying they would order an average of three extra items each month.

With 17% of global retailers already adopting this kind of model, it’s important to consider putting try before you buy at the heart of your returns offering – and staying one step ahead of your competitors when it comes to customer satisfaction.

After all, giving people what they want (and expect) gives you more chance of them coming back to shop with you again and again.

* A Returns Tsunami for Retail by Brightpearl

Contents

Happy returns, happy customers ...................... 3
Are your customers returning? ......................... 4
Try before you buy ........................................... 6
Is your returns policy the right fit? ................. 8
Make it easy, keep it local .............................. 10
What matters most ..................................... 12
Free-sy does it .............................................. 14
Your window of opportunity ......................... 16
Print. Drop. Done ........................................ 18
Stay on the right track .................................. 20
Returning to the facts ................................. 22
Are your customers returning?

When it comes to the number of items being returned, the volume has remained stable year on year — despite shoppers being less likely to have found the process “easy” in 2018 when compared to 2017.

The most commonly returned item: clothing, with over half of clothing returned because it didn’t fit or was the wrong size.

And, when the item being returned wasn’t something you wear, the most common reason for sending it back was due to it being either damaged or faulty.

60% of shoppers would be unlikely to use a retailer again after a difficult returns experience. So, to keep customers returning to purchase time and again, make sure you make their returns experience a simple (and affordable) one.

Key Facts

Royal Mail remains shoppers’ preferred returns provider, offering 12,700 points nationwide to return their items either at their local Post Office® or Royal Mail Customer Service Point.

Returns behaviour

3 in 5 shoppers that have made a return during a 3 month period found it “easy” to return items

1 in 2 marketplace shoppers (of the audience we spoke to) have returned an item

3 items on average are returned during a 3 month period

The Post Office® continues to be the most commonly used returns channel

39% Post Office®

10% Collect + convenience store

9% Royal Mail Customer Service Point

9% Collection during the day

7% Retailer’s physical store

Younger shoppers are more likely to have a diverse range of providers they use

Older shoppers prefer to return items via Royal Mail at the Post Office®, 44% (18-34) vs 58% (55+)

Are your customers returning?

Delivery Matters Returns 2018
Try before you buy

Try before you buy is here — and it looks like it’s here to stay.

For online shoppers, it’s all about two big things: savings and convenience, with buyers finding it a no-brainer when it comes to trying on (and returning) clothes in particular.

As with so many new trends, it’s being driven by younger shoppers, with 40% of 18-34 year olds significantly more likely to have used this kind of service (compared with just 23% of those aged 55+).

The facts: 59% of shoppers would be more likely to use a retailer if they offered try before you buy — and the option to try multiple-sized clothing items is a good way to recreate the experience of shopping in store.

Who’s likely to order what, using try before you buy?

Clothing/accessories  Male 38% Female 61%
Footwear  Male 36% Female 42%
Computers/PCs/tablets  Male 46% Female 34%
Electrical goods  Male 28% Female 26%

Try before you buy is here — and it looks like it’s here to stay.

For online shoppers, it’s all about two big things: savings and convenience, with buyers finding it a no-brainer when it comes to trying on (and returning) clothes in particular.

As with so many new trends, it’s being driven by younger shoppers, with 40% of 18-34 year olds significantly more likely to have used this kind of service (compared with just 23% of those aged 55+).

The facts: 59% of shoppers would be more likely to use a retailer if they offered try before you buy — and the option to try multiple-sized clothing items is a good way to recreate the experience of shopping in store.

Who’s likely to order what, using try before you buy?

Clothing/accessories  Male 38% Female 61%
Footwear  Male 36% Female 42%
Computers/PCs/tablets  Male 46% Female 34%
Electrical goods  Male 28% Female 26%

Try before you buy is here — and it looks like it’s here to stay.

For online shoppers, it’s all about two big things: savings and convenience, with buyers finding it a no-brainer when it comes to trying on (and returning) clothes in particular.

As with so many new trends, it’s being driven by younger shoppers, with 40% of 18-34 year olds significantly more likely to have used this kind of service (compared with just 23% of those aged 55+).

The facts: 59% of shoppers would be more likely to use a retailer if they offered try before you buy — and the option to try multiple-sized clothing items is a good way to recreate the experience of shopping in store.

Who’s likely to order what, using try before you buy?

Clothing/accessories  Male 38% Female 61%
Footwear  Male 36% Female 42%
Computers/PCs/tablets  Male 46% Female 34%
Electrical goods  Male 28% Female 26%
Is your returns policy the right fit?

Looking a bit more closely at who’s returning what (and why), 3 in 4 online shoppers who’ve bought clothing have subsequently sent it back. Why? The majority of the time (53%) because it didn’t fit or was the wrong size.

But what about when the thing being delivered wasn’t a dress, skirt, shirt, blouse, coat or pair of trousers? The most common reasons for returning non-clothing items were because something was either damaged or faulty.

What’s clear… younger shoppers are the most likely to send something back. So make sure that your returns policy fits their needs and encourages them to click with you in the future.

What’s being returned by online shoppers in a 3 month period?

- Of shoppers who have bought clothing, 75% have returned an item.
- Of shoppers who have bought electrical goods, 42% have returned an item.
- Of shoppers who have bought computers, PCs or tablets, 33% have returned an item.
- Of shoppers who have bought accessories, 29% have returned an item.

Almost half of shoppers (42%) that bought electrical goods have made a return in the last 3 months. With the most common reasons being it was faulty or arrived damaged.

Key Facts

- Women are more likely to return something because the item is not what they expected.
- Men are more likely to return a non-clothing item because it’s incompatible or not useful for its intended purpose.
Make it easy... keep it local

There’s something of a recurring theme when it comes to what online shoppers want when they have to send something back... 1) ease and 2) convenience.

People want the option of local, easy access, as well as knowing they won’t have to hang around the house all day waiting for someone to come and pick their parcel up.

They also want someone they can trust – and Royal Mail continues to lead the way on that score, with over three times as many online shoppers trusting it to return their item over its closest competition. Still with the strongest prompted awareness of any returns provider, Royal Mail is also the most ‘preferred’ choice of online shoppers – with a significant increase from last year.

What’s important to people: convenience and reliability... after all, shoppers need to be able to trust that their items will get back to who they bought them from safely, in order to get their refund!

With branches up and down the UK, people prefer returning items at the Post Office® more than anywhere else.

Key Tip
Offer your customers the convenience of accessing the UK’s largest returns network with Royal Mail at the Post Office®.

There is a strong link between trust and convenience in returns providers

48% of shoppers would trust Royal Mail more than any other returns provider

49% of shoppers would prefer to return their item via Royal Mail or the Post Office®

85% Royal Mail and the Post Office® have the strongest prompted awareness of any returns provider
What matters most

So, we’ve looked at things like the new trend of try before you buy, as well as what people are sending back and who they prefer to send it back with. But what other factors are there to take into consideration? Well, speed of refund after an item has been sent back is very important, with 93% of shoppers believing it’s crucial to receive a notification of a refund after they have returned something.

Shoppers also like to know about returns before they buy, with 73% believing it’s important for retailers to provide clear returns information on their site and at the point of purchase. Plus, 68% want marketplace sellers to make returns info easy to find too.

Younger vs Older

Those aged 18-55 prefer a drop off location on their way home

Those aged 55+ like to return the item for free

Things shoppers find important when returning items

- **74%** of shoppers say that speed of return is important.
- **73%** of shoppers say being able to find returns information on the retailer’s website is important.
- **71%** of shoppers say clear guidance about which returns label to use is important.
- **53%** of shoppers say being able to print their own label is important.
- **93%** of shoppers believe it’s important to receive a notification of a refund after they have returned an item.

**Key Tip**

93% of shoppers believe it’s important to receive a notification of a refund after they have returned an item. Offer your customers Royal Mail Tracked Returns® to let them keep tabs on their item until it’s arrived safely back with the retailer.
Free-sy does it

30% of shoppers had to pay for a return the last time they sent an item back and, subsequently, the single most important factor amongst shoppers thinking about a return, is whether they can return the item for free.

Did you know? Over half of shoppers (52%) would be unlikely to shop with a retailer again if they charged for returns – that’s a significant increase from 2017 (47%). And 2 in 3 shoppers would always expect their returns to be free, with a higher proportion (when compared with 2017) likely to abandon their order completely, if a retailer only offered returns over a certain value. So, feel free to get ahead of your competitors – by not charging customers to post things back to you.

Key Facts

94% of 55+ shoppers think it’s important to return their item for free, with 64% of 18-55 year olds preferring to drop their return off at a location closer to work.
Your window of opportunity...

When it comes to how long customers have to return an item, it’s important to know what people expect. Two weeks is the amount of time the majority of shoppers believe they have before the returns window closes, with older shoppers assuming they have less time than younger shoppers. 27% of people think that returns need to be made within 28 days and only 1% believe they have longer than two months.

Expectations on returns timeframes

- 14 days: 58% expect the returns timeframe to be within 14 days
- 28 days: 27% expect the returns timeframe to be within 28 days
- 1 month: 11% expect the returns timeframe to be within 1 month
- 2 months: 3% expect the returns timeframe to be within 2 months

Factors influencing shoppers’ choice of returns provider

- 82% of shoppers want convenient opening hours
- 84% of shoppers want a proof of return
- 82% of shoppers trust a delivery provider they have used before
- 80% of shoppers want a returns location close to their home
So... we’ve seen what’s important to people in terms of the simplicity and cost of their returns. Now let’s look at the how.

There are plenty of returns methods available, and using a label enclosed with the original order is still the most popular option with shoppers. However, a growing proportion of people now prefer to download a label by email – or use a QR code at the drop off point.

A huge proportion of those asked (62%) said that they’d be more likely to use a retailer that offered a service where you could drop a return item at a Post Office® branch (or Royal Mail Customer Service Point) and have their label printed straight from their mobile during the same visit (55% in 2017). Again, it all comes down to ease and convenience.

People preferring the Post Office® is up from 2017*

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>65%</td>
</tr>
<tr>
<td>2017</td>
<td>60%</td>
</tr>
</tbody>
</table>

Preferred returns label methods

- **88%** would be likely to shop again with a retailer who provided resealable returns packaging
- **59%** would prefer to use a return label sent with the original item
- **15%** would prefer a return label by email
- **9%** would prefer to download a label from a retailer’s website

* Delivery Matters Returns 2017

Key Facts

- **62%** of shoppers say they would be more likely to use a retailer that offered the ability to print their returns label at a drop off point.

Royal Mail Labels to Go provides your customers with a mobile returns service where they can print their label at their local Post Office® or Royal Mail Customer Service Point.
Stay on the right track

Peace of mind and reassurance are key when shoppers are returning something.

That’s why it’s important to provide tracking. Not only does tracking allow someone to keep tabs on where an item is at any time, but it also provides much needed proof of posting and delivery – which are vital when someone is expecting a refund.

Year on year, the importance of tracking has remained the same, with 4 in 5 believing that proof of delivery and proof of postage are important and 7 in 10 believing that tracking and delivery confirmation are key.

Key Tip

Royal Mail Tracked Returns® provides full end to end tracking for you and your customers, so you can re-sell returning stock fast and provide speedy refunds to shoppers to increase loyalty.

Younger vs Older

Older shoppers are significantly more likely to think proof of return is important than younger shoppers

93% 78%

79% of shoppers think it’s important to receive proof of posting

40% of shoppers want to track their item to know when they can expect their refund

49% of shoppers would like an SMS/email to know their item has been received

71% of shoppers think it’s important to be able to track the status of their item
Returning to the facts

We’ve seen that try before you buy is a huge trend that appears set to stay – and that smart sellers satisfy savvy shoppers by offering them this convenient, flexible returns option.

What’s also clear: that the returns process needs to be as easy as possible – with 60% of online buyers not prepared to shop with a retailer again if they have a difficult returns experience.

Factors such as speed of refund remain important, as does clarity of information about a company’s returns policy at the point of purchase. And, above all, people want returns to be free – with 67% always expecting free returns on orders and 83% expecting delivery subscription services such as Amazon Prime to include free returns too.

In fact, thanks to companies like Amazon, shoppers’ expectations of the entire returns process have shifted seismically – and continue to do so. People now expect more from sellers... and increasingly want to be able to return an item how they want, where they want, when they want.

Keep up with this change and meet customers’ expectations – and shoppers will return to buy from you again and again...
Royal Mail services

Royal Mail Tracked Returns®
Make returns convenient for shoppers at their local Post Office®.
Visit royalmail.com/trackedreturns for more information.

Labels to Go
Make mobile returns easy for shoppers without a printer. Visit royalmail.com/labelstogo for more information.

Royal Mail Special Delivery Guaranteed Returns®
Guaranteed next day delivery by 1pm with up to £750 inclusive compensation. Visit royalmail.com/specialdeliveryguaranteedreturns for more information.

About this research
Independently conducted by Trinity McQueen, this research was based on a sample group of 1,503 UK online shoppers that make returns. They completed a 13 minute survey, optimised for mobile and tablet devices, between 27th April-6th May 2018. This research is representative of shoppers that bought and returned an item online in the UK.

For more information on our products or services, please call Business Sales on 08457 950 950*.

Textphone users can dial direct on 03456 000 606 and we welcome Typetalk calls.

* Calls may be recorded, monitored and used for training and compliance purposes. Calls cost 5p per minute plus your telephone company’s network access charge.

Royal Mail and the cruciform are trade marks of Royal Mail Group Ltd.
© Royal Mail Group Ltd 2019. All rights reserved. Royal Mail Group Ltd, registered in England and Wales, number 4138203, registered office: 100 Victoria Embankment, London, EC4Y 0HQ.