

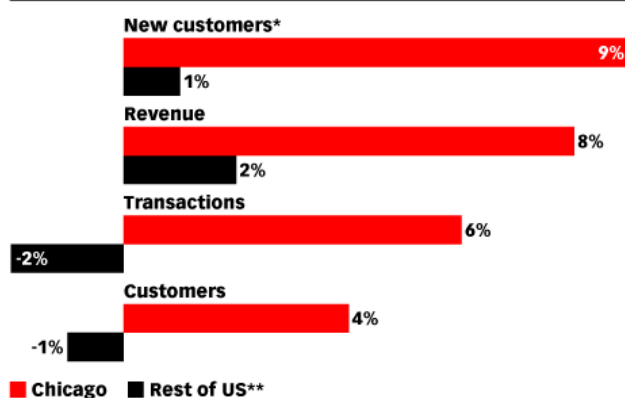
Kohl's Increases Foot Traffic by Accepting Amazon Returns

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After initial signs of success, Kohl's will expand its Amazon returns program nationwide in July. The pilot program, which launched in Chicago and Los Angeles in 2017, performed particularly well, leading to 9% growth in new customers and 8% growth in revenues compared with national growth of 1% and 2%, respectively, according to payment data analyzed by [Earnest Research](#).

Kohl's Key Performance Metric Growth in Chicago vs. Rest of the US, 2017 & 2018
% change



Note: *new customers are defined as customers who did not shop at Kohl's in the prior calendar year; **rest of the US does not include Chicago and Los Angeles, where some stores are participating in returns program with Amazon

Source: Earnest Research as cited in company blog, April 3, 2019

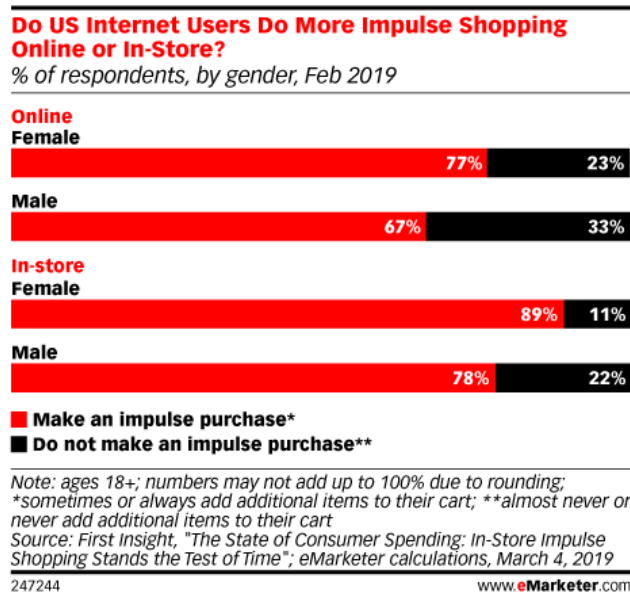
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Kohl's began selling Amazon products like the Echo Dot in 2017 and now sells the rest of the retailer's products in 200 stores. From there, the relationship has evolved into an ambitious cross-channel logistics collaboration. The returns program is simple: Amazon customers can drop off their returns for free at Kohl's. The store handles packaging and logistics.

Amazon wants to have a brick-and-mortar presence to better facilitate a free and easy return experience. Omnichannel ecommerce company Radial found that 51% of US digital buyers said they **avoid purchasing goods from online retailers that do not offer free returns**. And digital consumers were most hesitant about the return process for clothing and accessories. Clothing is Amazon's second biggest category, so it's important to allay concerns about shopping online for clothes.

With Amazon products on Kohl's shelves, the ecommerce giant can also take advantage of impulse shopping. According to retail solutions firm Field Agent, **65% of shoppers said they make fewer impulse purchases online vs. in-store**. Another study by new-product analytics firm First Insight found that both males and females were more likely to make unplanned purchases in-store vs. online. Impulse shopping helps both retailers, but Amazon would benefit from the prospect of conveniently located Fire TV Sticks catching shoppers' eyes.



And Kohl's has the opportunity to remind consumers that there are some aspects of the in-store experience—free returns and physically testing out products—that online stores can't match. By luring dissatisfied Amazon shoppers, Kohl's will try to highlight the advantages of the physical store and create an omnichannel opportunity for millions of Amazon customers.

At its core, the returns program is an initiative that allows Kohl's and Amazon to reach new consumers. While Kohl's will attract shoppers returning online purchases, Amazon will try to appeal to in-store customers. In a twist of fate, Amazon could help brick-and-mortar survive the retail apocalypse.