

Returns Are Expected to Be Extra-Concentrated this Holiday Season

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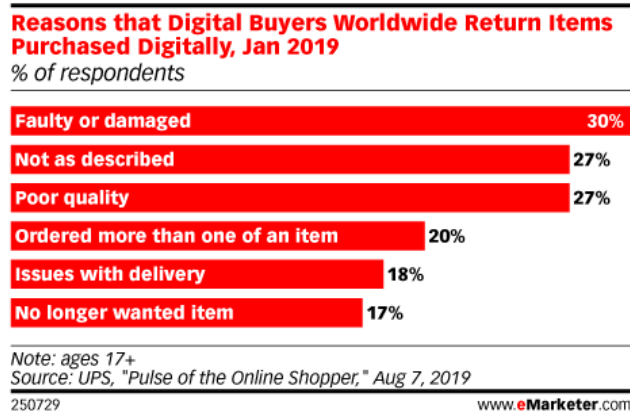
Lucy Koch

UPS is anticipating a surge of returns this holiday season, leading into the new year. [According to the company](#), 1.6 million packages are expected to be returned daily the week of December 16 leading into Christmas. And a record-breaking 1.9 million returns are expected to take place on this year's peak returns day—January 2—up 26% over last year.

“As ecommerce retailers continue to provide more return-friendly policies, shoppers are buying and returning more online than ever before,” said Andrew Lipsman, eMarketer principal analyst. “While the post-Christmas frenzy is to be expected, the fact that Hanukkah falls so late in December this year means that returns will be extra-concentrated in late December and early January.”

To better understand the state of online shopping and what may lead consumers to return items, [UPS](#) polled more than 17,000 digital buyers worldwide between December 2018 and January 2019, all of whom made at least two online orders that required delivery in the three months prior to the survey. More than a third (36%) of respondents returned an item in the three months before the study.

Returns can happen for a variety of reasons and, for the most part, there isn't one clear indicator of why consumers return items. Three in 10 digital buyers worldwide ages 17 and older said they returned a digitally purchased item because it was either faulty or damaged. Nearly as many respondents said the items were not as described (27%) or poor quality (27%). And one in five respondents said they ordered more than one of an item likely to try and get the right fit.



By and large, returns shape consumers' perceptions of a retailer. A poorly executed returns policy can result in lost sales and lost customers.

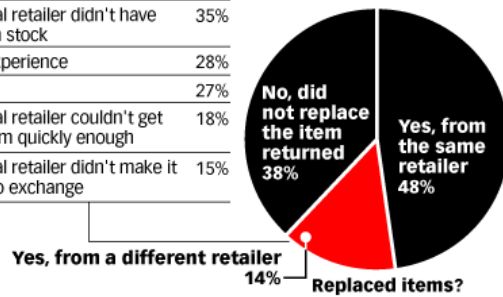
According to a [Narvar](#) survey conducted this past summer, roughly 62% of digital buyers worldwide ages 19 to 65 said they purchased something to replace an item they had returned, with 14% noting they looked to a different retailer to do so. While lack of inventory was the top consideration among consumers who switched retailers, a bad experience was a close second.

Have Digital Buyers Worldwide* Purchased Something to Replace Items They Returned from a Digital Purchase?

% of respondents, Summer 2019

Reasons for switching retailers

Original retailer didn't have item in stock	35%
Bad experience	28%
Price	27%
Original retailer couldn't get the item quickly enough	18%
Original retailer didn't make it easy to exchange	15%



Note: ages 19-65; *Australia (n=506), France (n=500), Germany (n=503), the UK (n=1,009) and the US (n=1,001)

Source: Narvar, "The State of Online Returns in 2019," Sep 10, 2019

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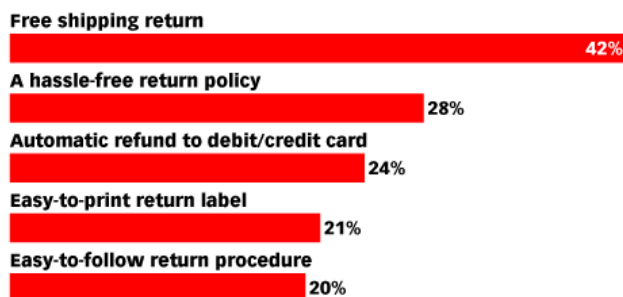
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More recently, an October 2019 survey from [Retail TouchPoints](#) found that a strict returns policy was among the chief reasons that would prevent US internet users from making a planned digital purchase.

Unsurprisingly, consumers just want a hassle-free experience. According to the UPS survey, digital buyers consider a returns experience positive if the retailer offers free return shipping (42%), a hassle-free return policy (28%) and an automatic refund to the original payment method (24%).

Factors that Contribute to a Positive Digital Return Experience for Digital Buyers Worldwide, Jan 2019

% of respondents



Note: ages 17+

Source: UPS, "Pulse of the Online Shopper," Aug 7, 2019

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“Although returns can eat into retailers’ bottom lines, it’s important they treat the process as a way to build brand and customer loyalty by

delivering a great end-to-end shopping experience,” Lipsman said. “That’s what customers have come to expect, and savvy retailers understand that optimizing for customer lifetime value rather than the individual transaction is a path to more sustainable growth and profits over the long term.”