

# The Cost of Returns

A try-before-you-buy model may be hurting retailers

## ARTICLE |

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**E**ven without an established try-before-you-buy model, retailers' generous free return policies have led to consumers purchasing multiple items with the intent to send some back.

Retailers like Warby Parker and Amazon have popularized try-before-you-buy by letting consumers try on products at no upfront cost. The consumer is only charged for what they keep, and the remainder is returned.

As a result, a February 2018 study from [Brightpearl](#), conducted by [OnePoll](#), found that over 40% of US and UK retailers have seen a spike in intentional returns compared with a year ago. What's more, some 70% of retailers believe the try-before-you-buy model leads to more returns.

"[Try-before-you-buy] creates a tsunami of returns that could easily overwhelm retailers who do not have the processes or workflows in place to cope with that level of change," the study said.

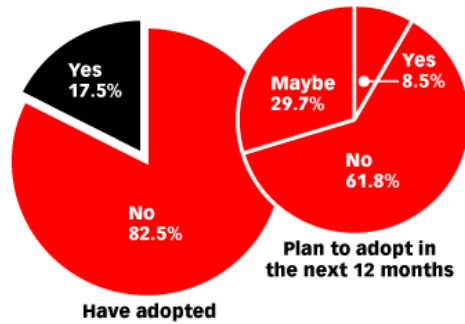
And this may be why many are hesitant to try it out. More than eight in 10 retailers surveyed said they haven't adopted a try-before-you-buy program—and of that group, roughly six in 10 don't intend to. Just 8.5% said they plan to adopt within the next 12 months, while another 29.7% weren't sure.

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## Try-Before-You-Buy\* Program Adoption Among UK and US Retailers, Feb 2018

% of respondents

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*Note: \*defined as program with no upfront cost that enables customers to order multiple items before deciding what they would like to keep; shoppers pay for anything they keep after a certain number of days, usually 30 days following the dispatch, and return anything else that they don't want, for which they are never charged*  
Source: Brightpearl, "Try Before You Buy: A Returns Tsunami for Retail" conducted by OnePoll, March 21, 2018

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Rising return rates due to the try-before-you-buy model may be harmful to online retailers' bottom lines.

In fact, 44% of US and more than half of UK respondents said the increase in returns has strongly affected margins. And that's difficult for retailers, especially since consumers have come to expect this type of service. Nearly 90% of consumers polled by BrightPearl said they expect free returns, and almost as many would resent a retailer that made them pay.

Overall, people place **a lot of value** on return policies that issue full refunds. And if a retailer has a strict return policy in place, many consumers just take their business elsewhere.