

A Serial Returner Is a Marketer's Best Friend

ARTICLE | **FEBRUARY 25, 2020**

Bill Fisher

Digital retailers bristle at the mere mention of the term “serial returner.” Many have put policies in place to block this apparent scourge. But there’s a difference between someone who consciously games the digital retailing system for their own insidious gain and a strong brand advocate who just wants to try multiple items and buy.

We recently spoke with Charlotte Monk-Chipman, marketing director at UK-based returns management platform ReBOUND, about this important distinction, how retailers and marketers should value these loyal customers, and how they can make the best of the relationship.

What defines a serial returner?

There's misconception around what makes someone a serial returner or a fraudulent returner. A serial returner is someone who buys a lot with a brand but also makes a lot of returns. A fraudulent returner will be someone who’s deliberately buying something, using it, and then sending it back. That would be an example of what's known as “wardrobing.”

There's a lot of fear and scaremongering around serial returners, but they can be the most profitable customers. When shoppers are buying more and returning more, they start to police themselves and their return rates over time. That individual’s return rate would decline. We need to look at serial returners as having real lifetime value for brands.

So, a serial returner is defined that way because they buy so much online in the first place?

Yes, they're a serial buyer. Someone buying, say, eight items and returning five of them is still more profitable than someone who's buying and returning a single item. The serial returns behavior can actually be a sign of good business, because that customer is having a positive returns experience and feels comfortable buying with that brand over and over again. They could ultimately be more profitable than someone who buys once, has a bad experience, and then you never see them again.

Are they trying to replicate online what they do in physical stores?

Yes, absolutely. The first touchpoint for an online customer is when they receive the item and try it on. You can't try before you buy in the same way that you would if you went in-store. But, historically, some retailers have wrongly made returns difficult, which can be really isolating.

People are now considering the return journey as part of the buying experience. In the UK, 90% of shoppers say that returns are important in influencing their purchase decisions. It's something that has been defined as a purely postpurchase consideration when, in reality, the consideration for returns starts much earlier on in that shopping journey.

Have retailers gotten any better at integrating the returns process into the shopping journey?

Shopper expectations have evolved over time, and they are now much savvier. It used to be that there were one or maybe two ways of returning—whereas now there's a much richer landscape logistically. Instead of just saying, "Send it back however you like and good luck," retailers are now facilitating that return by integrating with multiple options. Different shoppers will have different choices, expectations and preferences. It really comes down to understanding the data that you can capture from a returns journey and making sure that you're offering the right proposition.

Certain retailers that have physical stores may want to encourage “buy online, return in-store.” Some are thinking that if they encourage returns to a store, that may provide opportunities for people to make an additional purchase.

You mentioned the use of data. How important is it in managing the returns process?

It’s really important that brands are capturing returns data and sharing that throughout multiple departments. You can start to measure exactly why things are coming back and understand what the retailer is doing wrong from a marketing standpoint.

It might be that the obsession with conversion could be driving up unnecessary returns. For example, if you’ve ever bought something online and it says, “Spend another £5 to qualify for free delivery,” you find that shoppers will add things to their baskets that they don’t actually want. They’re just trying to save money, and there’s a higher chance that the impulse buy ends up getting returned. Marketers need to learn to “play for the keep” and not just the initial conversion. That’s something that they can achieve only by using an online return experience.

Is there still a desire to lessen the impact of serial returners?

Stopping serial returners would be devastating for brands, because they can be your most profitable customers. But wanting to lessen the impact is completely valid. Look at it from a marketing stance: Say we’re spotting a high rate of return from a particular shopper who, whenever they buy a coat, always returns it. Well, let’s stop promoting coats to that person.

The data might be telling us that when they buy a skirt, they always keep the skirt. It’s about plugging those communication gaps between logistics, marketing and ecommerce to make sure that they’re each drawing valuable insights from those different nuances in the data, so that they can play for the keep.