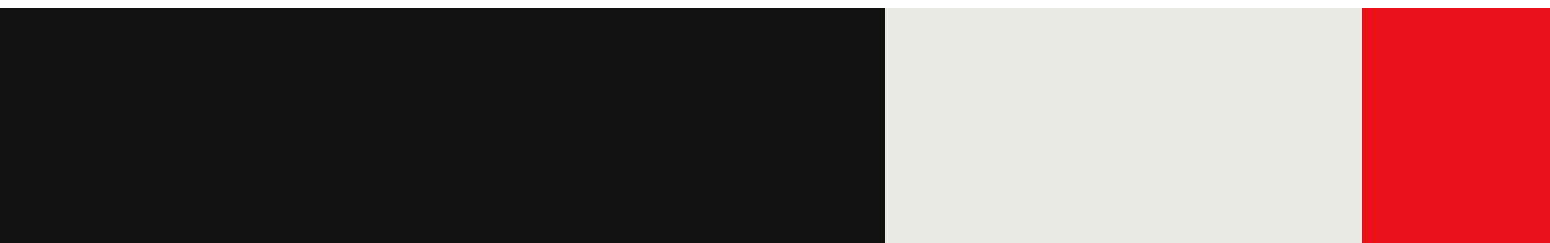# Spiking holiday returns could lead retailers to adjust their policies

Article

The stat: **Shoppers returned 1.39 billion orders globally** following the 2022 holiday season, a 63% increase year-over-year (YoY), per Salesforce.

Holiday hangover: After a relatively strong holiday season, retailers are beginning to feel the weight of returns as inflation drives more consumers to return online purchases.

- Merchants using **Loop Return**'s platform processed 133,000 returns on December 26 and December 27 alone, a 33% spike YoY, per Insider.

- **UPS expects to handle 5 million more returns this year than last year**, per Supply Chain Dive, which the company partly attributes to the convenience of returning items at The UPS Store locations.
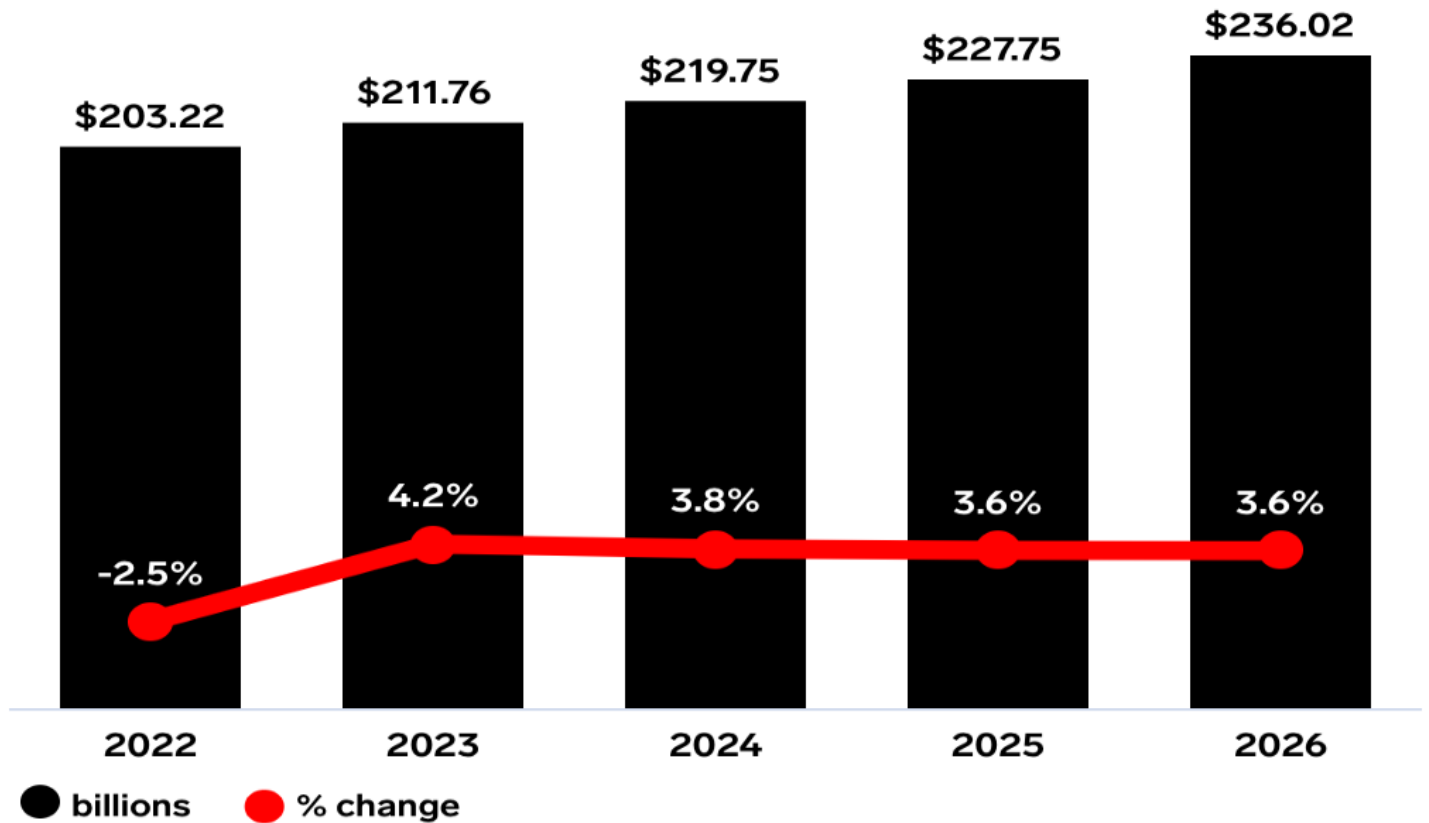
A serious problem: **Return rates are growing faster than revenues for 91% of retailers**, per a survey by Appriss Retail and Incisiv. With returns rates rising so quickly—posing a serious threat to profits—more retailers are adding fees to help cover the costs of reverse logistics, despite previously fearing that charging for returns would turn off customers.

- **Most—70%—of US consumers say they would be willing to pay more for a convenient returns experience**, per a survey by Loop. Half say they already have.

- But **free returns continue to be an important purchase consideration for 87% of US shoppers**, per a survey by Happy Returns and TRC.

- These diverging data points indicate the need for retailers to move beyond a one-size-fits-all returns policy, and instead offer shoppers multiple options to improve convenience and the customer experience.

Looking ahead: We expect ecommerce returns volumes **to grow 4.2% this year to $211.76 billion**, as consumers continue to practice bracketing and budget concerns drive shoppers to be more selective with their purchases.

Retail Ecommerce Return Volume

US, 2022-2026

$203.22 $211.76 $219.75 $227.75 $236.02

-2.5%   4.2%   3.8%   3.6%   3.6%

2022   2023   2024   2025   2026

● billions   ● % change

Note: represents the total dollar value of retail goods and merchandise purchased online, then returned to the retailer, via any return location or method according to its return policy; excludes programs or subscriptions such as Amazon's Prime Try Before You Buy or Stitch Fix, where items are returned before the customer is charged; includes items retailer does not want shipped back
Source: eMarketer, November 2022

eMarketer | InsiderIntelligence.com