

Amazon returns partnership has minimal upside for Kohl's, Staples

Article

The insight: Partnering with **Amazon** to offer free in-store returns has not been the gamechanger **Kohl's** and **Staples** thought it would be, according to a report by [The Washington Post](#). The two retailers are yet to see a meaningful sales bump from the deal, despite increased traffic—while the constant wave of returns is snarling store operations and increasing the pressure on workers.

How we got here: Kohl's and Staples are betting that shoppers who step in to return their packages—termed “Amazombies” by workers—can be tempted to make a purchase, either through store coupons or the lure of attractive merchandise on shelves. But perhaps unsurprisingly, given these consumers' affinity for the convenience of Amazon, they're more inclined to view Kohl's and other retail partners merely as a drop-off point for their unwanted packages.

- Staples workers are expected to convert between 15% and 20% of these “Amazombies” into customers by handing out coupons—although as former store manager **Joseph Mobley** told *The Post*, “...having a hot deal for **Charmin** toilet paper for \$18.99 marked down from \$21.99 isn't going to turn them into a Staples shopper.”
- **Employees also bear the burden of processing and handling returns**, often acting as extensions of Amazon's customer service in addition to their usual store duties.
- Some Staples and **The UPS Stores** had to hire extra workers or set aside time weekly to deal with the unending flow of Amazon returns.

The big picture: Kohl's and Staples' attempts to capitalize on Amazon's ecommerce dominance are proving to be more of a drag on business than a revenue opportunity. Not only have the partnerships failed to meaningfully increase sales, but they're also hurting employee morale and increasing operating costs.

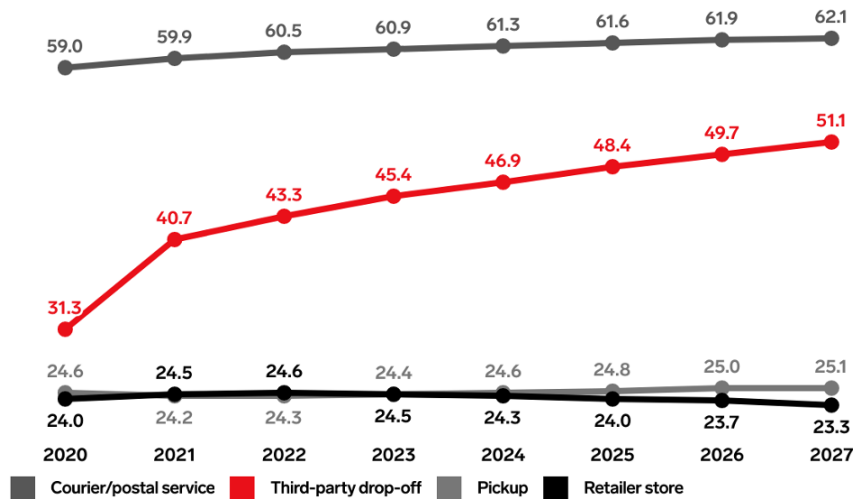
While it's in Amazon's interest to keep the tie-up going for as long as possible, **opposition from workers and shareholders could force Kohl's and Staples to rethink their relationship with the ecommerce giant.**

- Thousands of Staples workers signed a petition last year that called for the retailer to either add more employees or stop accepting Amazon returns altogether, arguing that the partnership benefits “a company that is trying to put us out of business” and requires “serving Amazon's customers at the expense of our own.”
- Likewise, Kohl's is under pressure from activist investors who question whether the deal is profitable for the department store.

Go further: Check out our report on [US Retail Ecommerce Returns 2024](#).

Third-party return drop-off will continue to rise in popularity following a pandemic-era surge in users

millions of US retail ecommerce returners, by return method, 2020-2027



Note: ages 14+; digital buyers who have returned at least one ecommerce purchase to the retailer, via any return location or method, during the calendar year and received a refund, exchange, and/or store credit
 Source: Insider Intelligence | eMarketer Forecast, Nov 2023