imrg

The Retail Insight People

IMRG Returns Review – 2020

The 2020 IMRG Returns Review is the first of the series, motivated by the increasing importance of Returns Logistics to the eCommerce industry. The Review examines the developing expectations of shoppers and increasing challenges for retailers to make Returns work.

FREE RETURNS

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Contents

1. Introduction

Welcome to the 2020 IMRG Returns Review, supported by Metapack Returns. We intend this to be the first in a series of reviews that take an ongoing and comprehensive look at the issue of returns logistics and the challenge of how to make them operationally, commercially and environmentally sustainable.

A great deal has already been published about eCommerce returns, so it would be surprising and inappropriate to ignore existing research and wisdom on the subject. Our intention is to bring this together and provide new data and ideas to move the subject forward.

Despite all that has been written, over the past ten years or so, returns remain the unwelcome poor relation of online logistics, with shoppers consistently rating their satisfaction with returns below their satisfaction with the initial delivery.
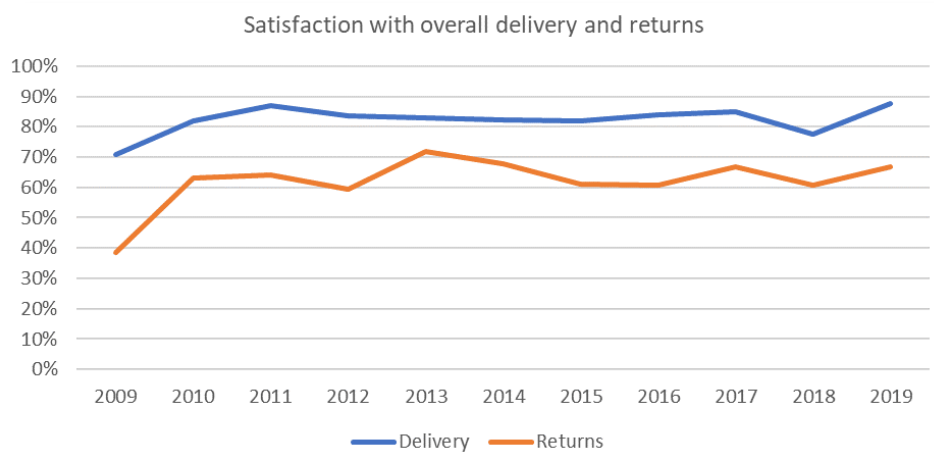

Figure 1: Satisfaction comparison / delivery and returns – Source IMRG Consumer Delivery Review 2019/20

This picture is confirmed in Metpack's The Global eCommerce Consumer Research Series 2020 which shows:

· Very satisfied – 11%

· Satisfied – 33%

· Somewhat satisfied – 25%

And the UPS Pulse of the Online Shopper survey (2019), reporting that only 61% of shoppers are generally satisfied with returns. The main reasons for dissatisfaction identified by this survey are:

· Delay in refund – 25% of respondents

· Paid returns – 24% of respondents

This satisfaction gap is because, although returns are now firmly part of the eCommerce process, it is only relatively recently that returns systems, processes and policies have begun to receive the same care and priority provided to the original dispatch of an online order.

Initially the general strategy was to discourage returns, often using the logistics process as a barrier but this view has evolved and now most retailers recognise that a good returns offer will encourage conversion and drive shopper loyalty and life-time value.

As such, achieving excellence in returns logistics provides strategic opportunity and a basis for competitive differentiation, meaning that returns are set to be a battlefield for innovation.

Of course, the ideal position is to minimise returns, with a win / win for both shopper and retailer. For most consumers, the ambition when buying online is to get the right product first time and to keep and use it; exactly what all merchants want.

There is already a wealth of advice on how to achieve this including:

- Using fitting technology, 'right sizing' tools and detailed sizing information (including the dimensions of models displaying garments)
- Reducing marketing to identified, serial returners
- High quality imaging including high definition / 360 degree / zoom in functions
- Improved product quality
- Better product description
- The use of customer reviews

Rather than add to this, the IMRG Returns Review will focus on the logistics and management of returns and how these effect operational efficiency, cost and profitability, because returns logistics costs have a direct impact to the bottom line and margins:

- Kurt Salmon suggests a third of margins can be lost in returns
- Estimates of logistics costs in the UK (including handling) range anywhere between £20bn and £60bn a year, depending on what you include and who you care to believe
- KPMG suggest that "It can cost double the amount for a product to be returned into the supply chain as it does to deliver it"
- Some well-respected commentators estimate that returns logistics costs can account for about 5% of turnover

Figure 2: Source – Metapack Returns webinar September 2019 (Barclaycard Return to Sender June 2018, NRF 2017, DHL 2017)

Logistics costs do not stand alone, and everything aligns. For example; more efficient return to stock can reduce the need for new inventory with estimates that at any time, as much as 10% of resalable inventory is within the returns process and unavailable for onward marketing.

And a good returns experience means loyal customers:

- 69% of shoppers confirm that the quality of the returns service strongly influences the retailers they will shop with - IMRG Consumer Delivery Review 2019/20

- 57% of consumers are more likely to choose retailers with an easy returns process – Metapack's The Global eCommerce Consumer Research Series 2020

- Three quarters of consumers say returns are an essential factor in their choice of retailer, and 82% agree they are a normal part of shopping today – Klarna – Rethinking Returns 2019

- The top 5% of returners are generally 30% more valuable (average basket value) if the returns service is good – Accenture 2019

- 92% of customers who received a good returns experience make repeat purchases - www.imrg.org/blog/returns-in-online-retail-differentiator-in-offering/

A 2018 report by Accenture[1] suggests that the effective management of returns can improve customer profitability by almost a third (29%) over a three-year period by:

- Driving additional purchases (12 – 25%)

- Reducing marketing costs (18 – 39%)

- Reducing lost profit from returned items (26 – 50%)

To achieve this and improve returns logistics demands new policies, new processes and new technology, including using AI to enable stringent measurement and diagnostics to make and deploy dynamic decisions.

The 2019 Consumer Returns Report 'Leveraging Returns Data', shows that 75% of the supply chain leaders surveyed are regularly acting on 'big data' to:

- Anticipate customer behaviour – 63%

- Reduce return rates – 59%

- Prevent returns fraud – 58%

And, in the short term, two-thirds (63%) of these executives plan to use analytics to reduce unsaleable product (impacting on return rates), overcome reverse logistics silos (with returned stock isolated) and effectively allocate inventory (including returns in transit).

Metapack Observes

In today's evolving bricks to clicks economy, delivery and returns go hand-in-hand. It's impossible to have one without the other. Everybody shops online, convenience reigns supreme, delivery is king, and returns is the new queen. Driven by changing shopping habits and expectations, more and more retailers are focusing on eCommerce as they compete for consumer attention.

The rise of returns should come as a surprise to nobody. It should be as easy to return items as it is to deliver them. As stated in this report by Klarna, across all orders, an average of 22% produce a return. Any friction in the returns process can have a significant impact on the overall purchase journey and result in a negative consumer experience.

At Metapack, we understand that the post-purchase experience is a crucial part of the buying journey. The customer journey doesn't end at the checkout, it needs to cover the entire logistics experience. Metapack's new eCommerce Delivery Report 2020, highlights that almost half (47%) of consumers are inclined to shop more with retailers who make the returns process easier. In order to remain successful, retailers need to recognise its importance and provide today's consumers with a seamless returns experience.

What consumers want

As they say, the best things in life are free, and consumers crave convenient free returns. Accenture research featured in this report illustrates that 74% of consumers are put off by having to pay for returns delivery. The barriers to providing a frictionless returns experience can be mirrored to those in delivery, and retailers need to ensure they are working to fulfil these desires, in the same way they do when shipping items in the first place.

How retailers can respond

Implement Returns Portal technology. Empower consumers to manage their returns by using an online portal to book a returns slot that is the most convenient for them. Leverage this technology to remove to friction and allows refunds to be processed more efficiently. Along with this, retailers can gain greater insight into their returns, to make better procurement, marketing and inventory choices – allowing better data driven decisions to be made.

Promote click and collect and pick up/drop off (PUDO). This enables consumers to pick up their product from a physical store or an independent PUDO network, and at a time that is most convenient for them. Alongside this, click and collect provides retailers with an additional revenue channel as the increased footfall into physical stores boosts the likelihood of a sale being made.

As the eCommerce industry continues to grow, returns as a retail experience will only get bigger and become a competitive differentiator. Consumers, particularly the younger generations make online purchases with the expectation that if needed, they are able to make seamless returns and receive faster refunds. Retailers need to make certain they have the technology and network in place to meet these changing returns needs, otherwise they might find themselves surpluses to requirements.

Duncan Licence, VP of Global Product at Metapack.

2. Background and Context

The overall volume and trend for eCommerce returns builds on the foundation of overall order volume so this should be addressed first.

Most returns originate with orders from retailers, rather than consumer to consumer / small seller marketplace transactions. Equally, grocery and furniture / white goods (2-man delivery) orders are less likely to produce casual returns, so to cover the bulk of the returns market we will focus on retailer originated, parcel type orders to understand of the scale of UK eCommerce returns.

2.1 UK Order and Delivery volumes

Over the past decade we have seen double-digit growth in online parcel volumes, produced by UK based retailers ranging between 10% and 16% year-on-year[2], which means that UK generated eCommerce parcel volumes have risen from 670 million orders in 2012 to about 1.5 billion in 2019[3]. Of these about 75% remain in the UK, which (when we add back a level of eCommerce imports) results in well over 1 billion retailer orders delivered to UK consumers.

Of course, all online orders, can produce returns but cross-border returns create additional challenges, as we shall explore. The most popular cross-border destinations are currently:
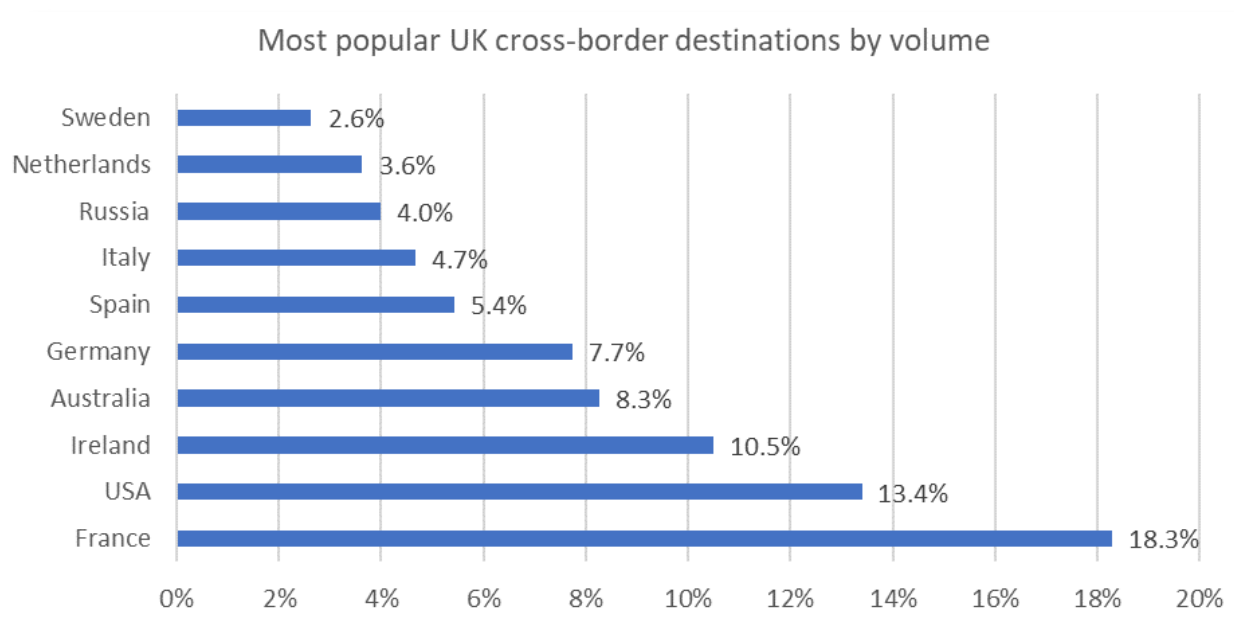

Figure 3 - Source: IMRG Metapack Cross-Border Index

2.2 Return Rates

Different sectors produce different returns rates, but across all parcel type orders, an average of 22% produce a return. Even if only one item from a multiple product order is returned, returns logistics costs are incurred.

As the market has evolved shoppers increasingly expect to be able to return at least some of the items they select, and this has produced an increase in return rates on top of increasing dispatch volumes.
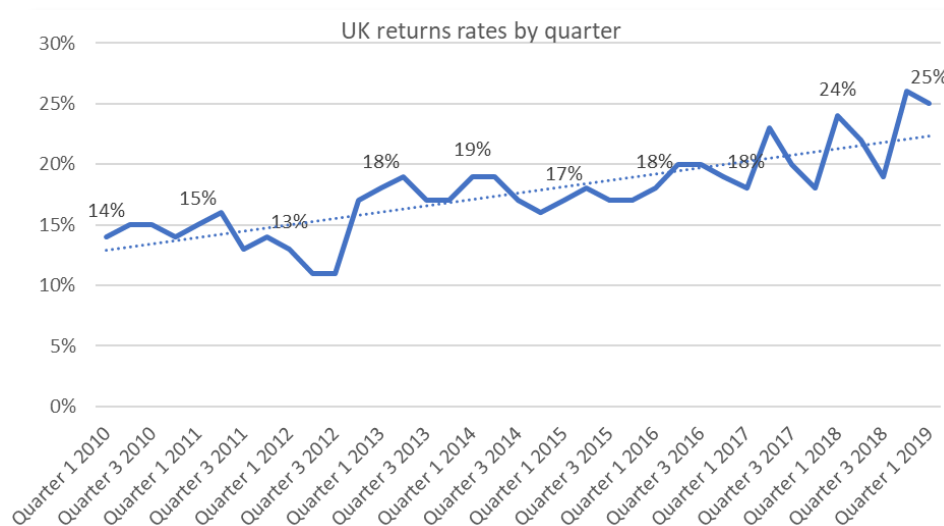
Figure 4 - Source: IMRG Quarterly Benchmark Index

This trend is confirmed by independent research published by Klarna in 2019[4] which reports that since its 2017 study there has been a 14% increase in people returning items ordered online, producing according to their own data, an all-time high returns rate of 20% of all retail sales by December 2018.

Add this return rate trend to the increasing dispatch volumes and we can see the growing scale of the issue. The chart below takes a snapshot for each year using the Q1 returns rate for that year.
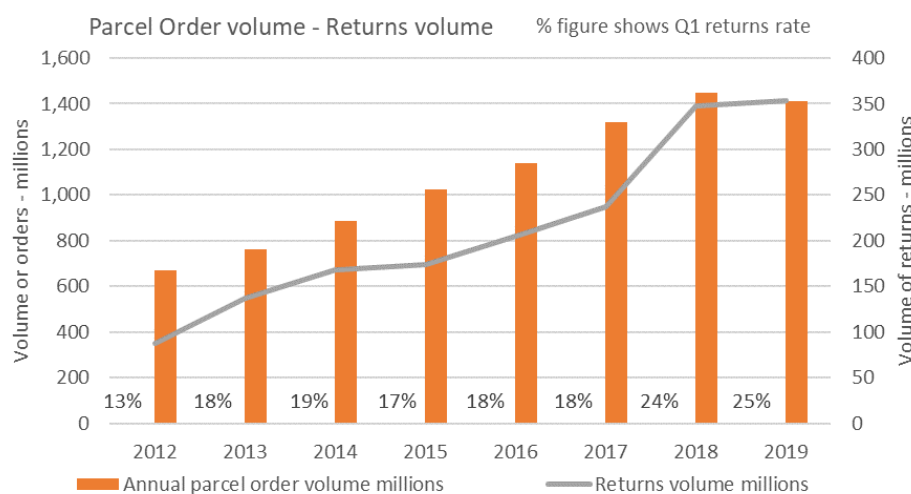
Figure 5 – Source: IMRG Metapack Delivery Index and IMRG Quarterly Benchmark Index

3. A Closer Look

It is important to look behind these headline numbers because returns rates and volumes vary across sectors, order types and according to the returns offer.

3.1 Why Return?

There are several reasons why shoppers return some, or all their online orders and not all require the same response.

The latest research from UPS gives a high-level allocation across 15 global markets.
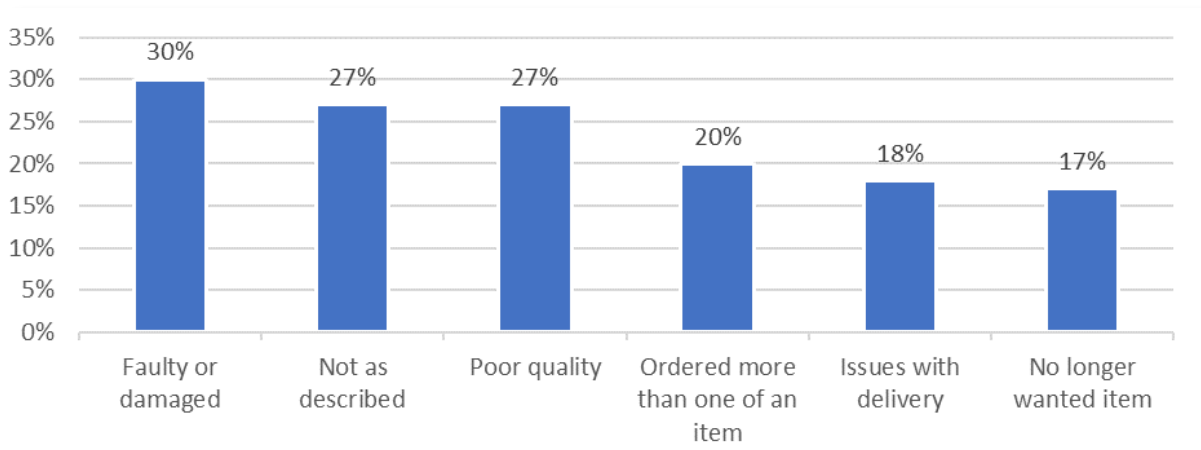
Figure 6 – Source: UPS Pulse of the Online Shopper 2019 – survey of 18,000 global shoppers

Some of these issues could be dealt with without recourse to returning the goods and some returns can be handled in a smarter way, but this requires early intervention in the returns process as we will explore later.

3.2 Sector Behaviour

It is widely acknowledged that the highest returns rates come from the fashion sector as the data from KPMG shows:

Figure 7 – Source: Metapack webinar September 2019

The following snapshot from recent IMRG research, which looked at 27 of its member retailers provides some idea of the range of return rates within sectors.

Return Rate

Sector	Return Rate
Gifts	1%
	2%
Home	6%
Home	7%
	9%
Multi Sector	11%
	12%
Lingerie	14%
	16%
Clothing	20%
	22%
Multi Sector	24%
	24%
Clothing	24%
	25%
Clothing	25%
	26%
Clothing	26%
	27%
Footwear	29%
	31%
Clothing	33%
	34%
Clothing	34%
	37%
Clothing	37%
	44%

Figure 8 - Source: IMRG Customer Funnel Benchmark

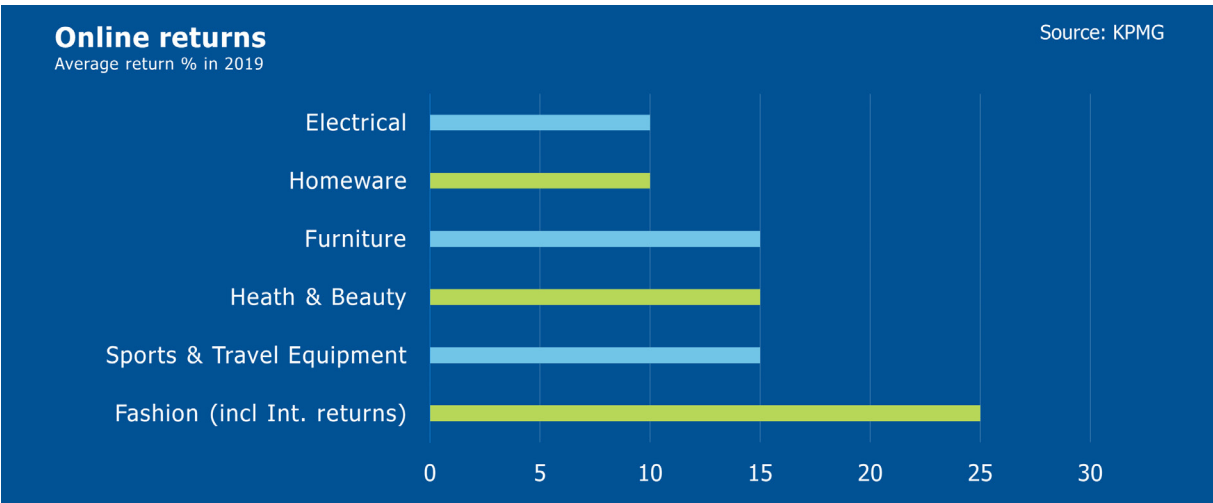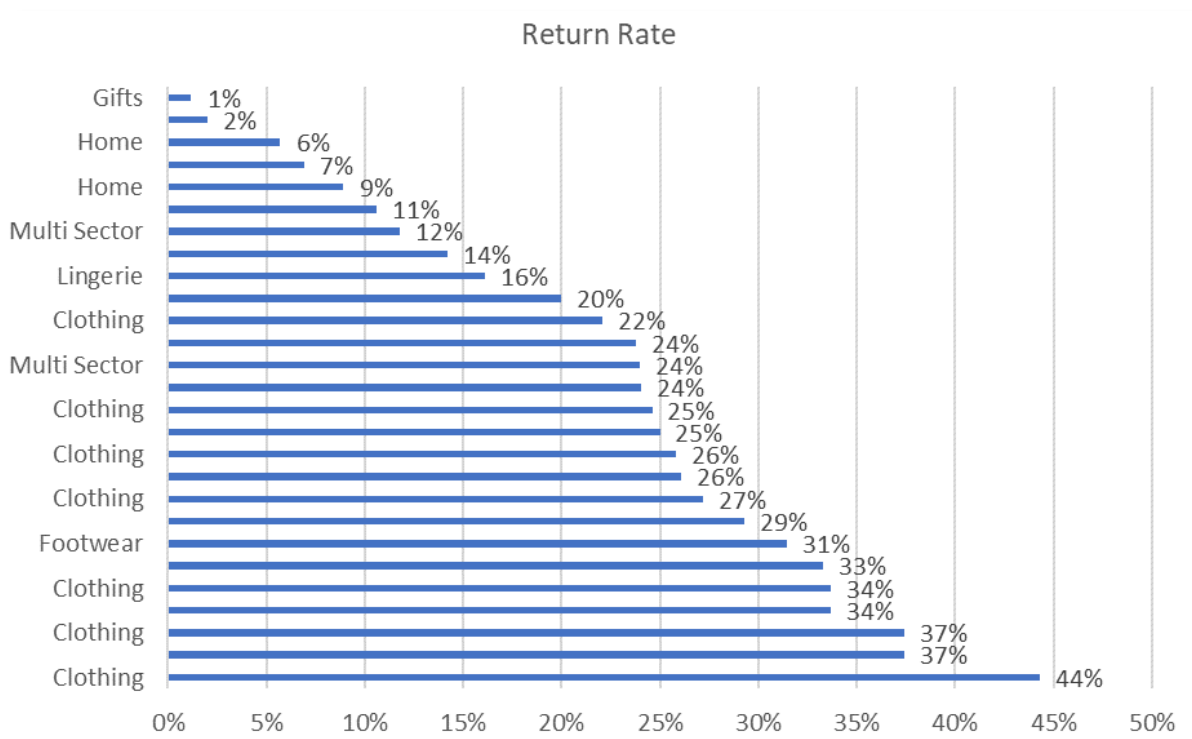Within the fashion sector, one reason for these high return rates is the practice of 'Bracketing'. Shoppers will order their expected size and the sizes above and below to ensure the best chance of a good fit, especially for brands and styles they have not purchased before. Add this to style and colour options, even a successful order may contain several unwanted items that drive these return rates.

Metapack's Global eCommerce Consumer Research Series 2020 - covering 10 international markets plus the UK - reports that generally about a third (29%) of all consumers will often or sometimes purchase multiple products online knowing they will return some or all of them. Accenture's report - Returns, The Value Conundrum – suggests that younger consumers are more inclined to do this:

· 21-29 age range at 45%

· 30-44 age range at 41%

· 45-59 and 60+ age range at 34%

· With women (44%) more likely than men (30%)

Overlaying items per order on the previous data does show that some retailers experiencing the highest returns rates also have more items per order which be partly due to bracketing, but it is not conclusive.
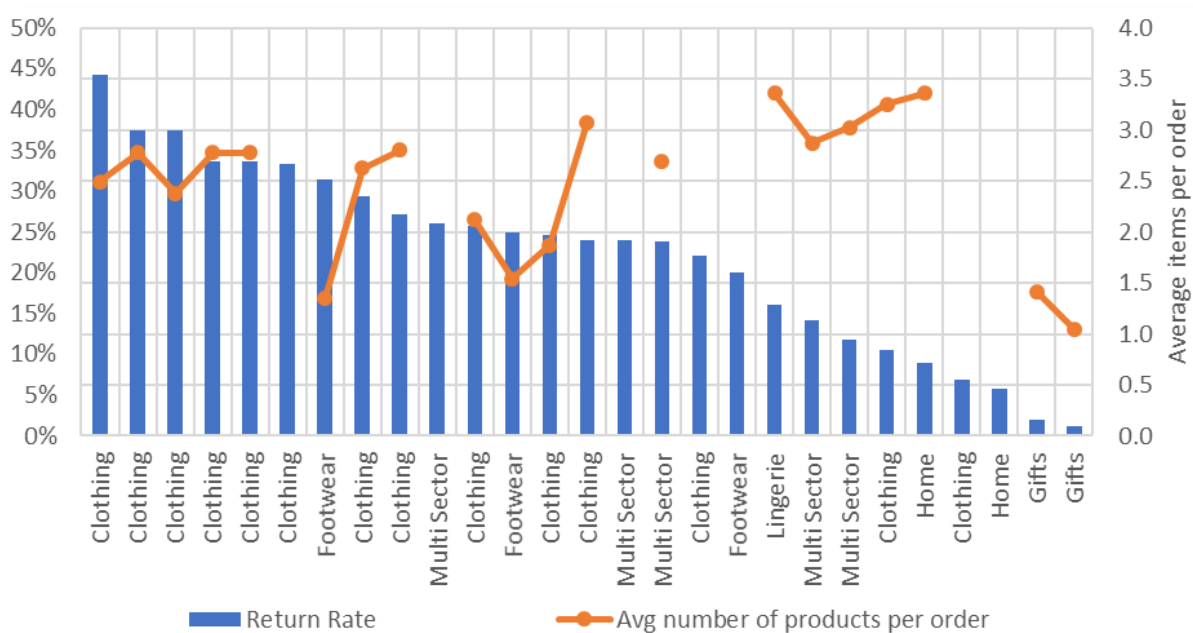
Figure 9 - Source: IMRG Customer Funnel Benchmark

It is also possible that higher items per order for some retailers are a function of smart marketing where shoppers are encouraged to add to their basket to 'complete the look' or buy associated products, especially where this pushes the basket value above a threshold value to qualify for free delivery.

Overlaying order values shows that some high return fashion retailers have higher order values, but also that some with good order values, manage to keep their returns rates lower. Of course, the cost of the product has a lot to do with it.

Figure 10 - Source: IMRG Customer Funnel Benchmark

Overall, it's fair to say that more items per order could signal higher returns, especially when multiple variants of the same item are selected. Tracking average items per order could allow a level of prediction to help anticipate returns volumes.

3.3 Seasonal Variations

It is commonly thought that returns rates spike at Christmas as shoppers return unwanted gifts or items bought in excess, but the data suggests that this may not be the case.

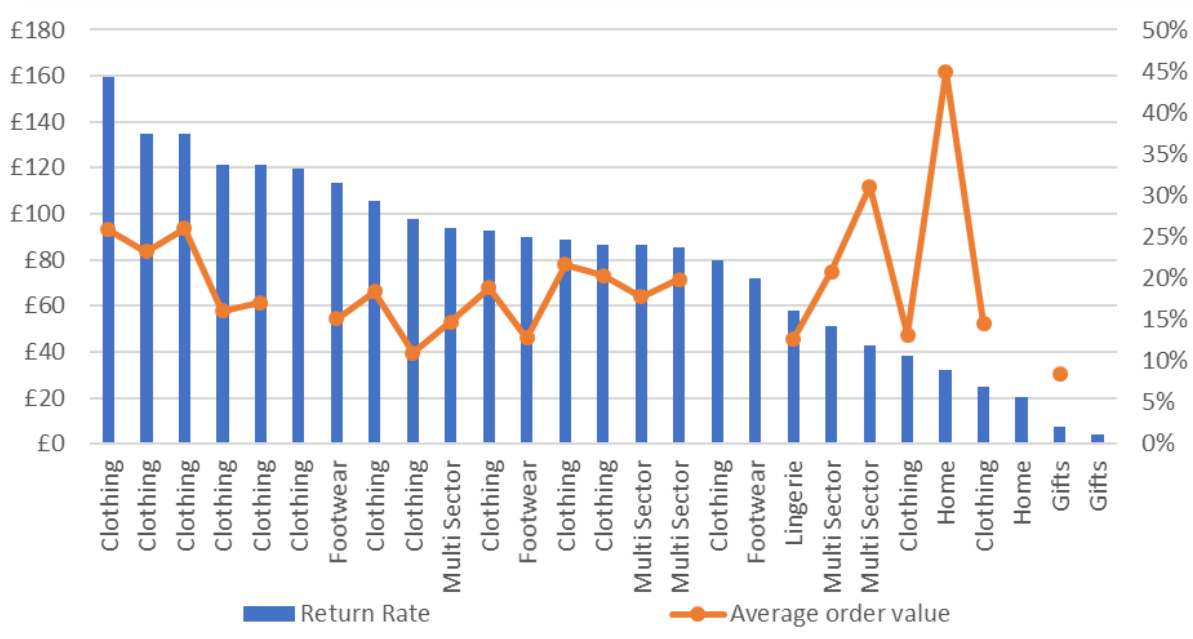IMRG surveyed it's retailer base over a recent Black Friday period to find that returns rates were entirely consistent with, (or slightly below), the average for the year as a whole (2017).

- Average return rate for 2017 – 19.75%
- Average return rate for Black Friday purchases - 15%
- Average return rate for Black Friday week purchases - 17%

Of course, what does happen is that higher outbound volumes translate to higher return volumes, even if the returns percentage rate stays broadly the same.

Typically, almost 25% of the year's volume is dispatched during the months of November and December, producing an uplift of 45% on an average month.
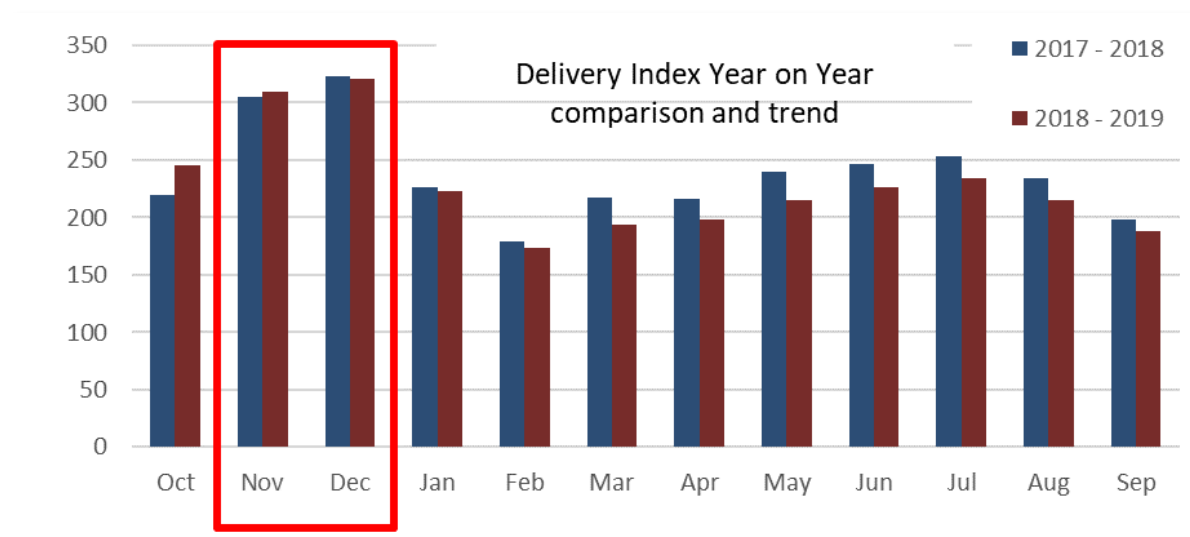

Figure 11 - Source: IMRG Metapack Delivery Index

It is fair to expect therefore, that returns volumes will correspond, so the returns logistics operation needs to be ready.

3.4 Who are the Returners?

Most customers return items – but some more than others. Across the board, research suggests that 25% of shoppers are frequent returners (defined as people who will tend to return something from an order at least 10% of the time)[5].

Different demographics return at different rates. For example, and without seeking to generalise, it's commonly accepted that:

- In the fashion sector, against an average returns rate of 25%[6] (this can be as high as 45%):
    - Menswear generates 21% returns
    - Womenswear generates 34% returns
- Younger consumers are more likely to be frequent returners (and more demanding of returns) than older ones, in part because of 'bracketing'

Returns are now embedded in the online culture, but looking to the future the people to really take notice of are younger shoppers, for whom, in the logistics context, convenience, control and flexibility is key.

According to Klarna's 2019 research, 'for them returns are a part of the buying experience they can't live without. The connected world they've grown up in means they expect more from retailers – 88% of Millennial and Gen Z shoppers think returns are now a normal part of online shopping today. Over half (56%) of Gen Z shoppers would never shop with a retailer who didn't offer free returns, this rises to 59% of Millennials'.

So, when considering return logistics, its clearly important to understand, in detail, what shoppers expect and how they behave.

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[5]*www.edelivery.net Issue 2*
[6]*Source: IMRG Customer Funnel benchmark*

4. Shopper Behaviour

It's never too early to think about returns and when to start mentioning returns to potential shoppers. The whole idea of coming to a web site is to purchase something and, in most cases, returning it should be a contingency.

However, all the evidence is that an increasing number of consumers look for both delivery and returns information very early on in the process – about a third in fact:
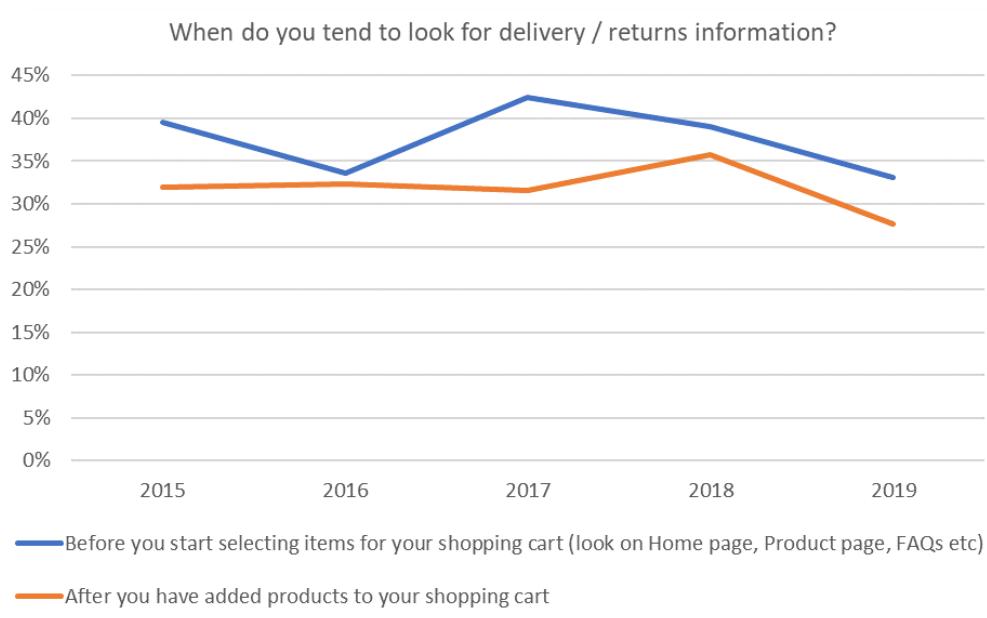

Figure 12 - Source: IMRG Consumer Delivery Review 2019

And as the chart shows, a similar number will review this information in the check-out stage and before confirming their purchase.

Overall it seems that about two-thirds of shoppers regularly look at returns policies before completing a purchase and that they can be put off by what they might perceive to be an unfriendly returns policy. These levels are confirmed by other recent research:

· Metapack's Global eCommerce Consumer Research Series 2020 - reports that 69% of its respondents may read (often or sometimes) the online product returns policy before completing a purchase and 46% have been deterred in making a purchase because of a returns policy

· Accenture – Returns, The Value Conundrum 2018 – reports that 60% of its respondents review the returns policy and 49% have been deterred in making a purchase because of a returns policy

The Metapack research also confirms that 47% of those surveyed would be inclined to shop more with retailers who made the returns process easier (up from 32% in 2018), including making it easier to locate with 38% reporting that they have experienced problems with finding returns policies on some retailers web sites.

Of course, the policy must be supported by the execution, but if this is done well and consistently, it extends to become a significant loyalty driver that encourages repeat purchase.

How important is the quality of the returns service to you when selecting the retailers you will shop with?

Figure 13 - Source: IMRG Consumer Delivery Review 2019

This has long been confirmed by most research:

- Klarna Rethinking Returns 2019 - Over two-thirds of shoppers said an easy returns process was an essential factor in their choice of retailer and over a quarter said they would spend more
- Barclays Return to Sender research (June 2018) says that multiple returns options and channels are key (49%)
- You Gov data as far back as 2013 says 58% of shoppers stopped buying from a particular retailer because of a poor returns experience

4.1 What makes a good returns policy?

The latest UPS research across 15 countries gives the following reasons for shoppers to feel positive about a returns experience, which provides a good start point for looking at the returns policy:

What makes a positive returns experience?
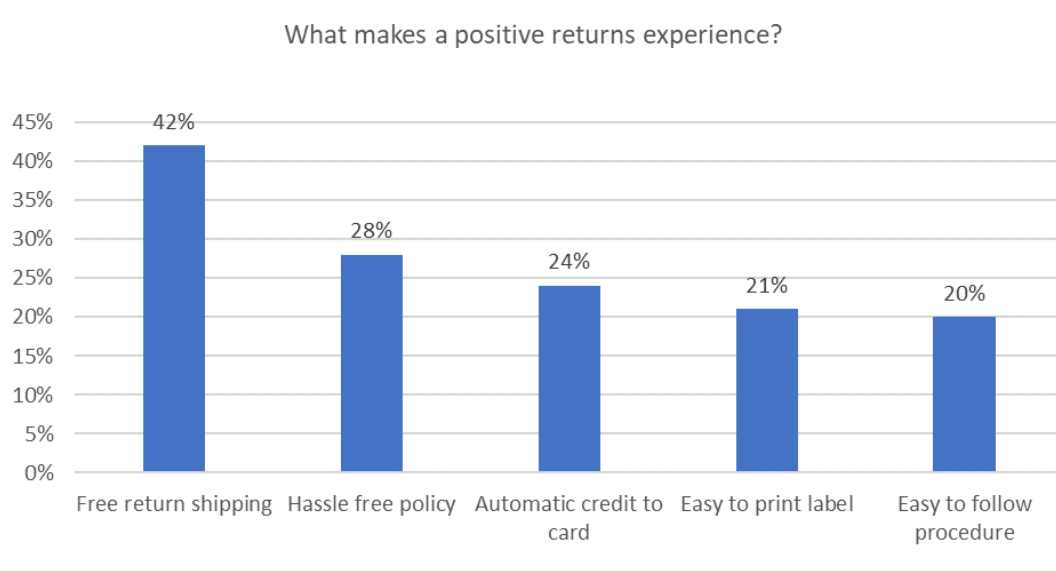
Figure 14 - Source: UPS Pulse of the Online Shopper 2019

Accenture research adds to this by asking its respondents why they were deterred by a returns policy (49%), getting the following answers:

· 74% were put off by having to pay for return shipping

· 51% did not like the returns time limit

· 25% did not like the idea of pre-authorisation

· 22% wanted to return to the store

And finally, the latest IMRG research suggests what shoppers are looking for from a returns experience.

How important would the following aspects be in making a returns service more convenient for you

- ■ Access to a convenient drop off location
- ■ A collection service when you have to be there
- ■ A collection service where you can specify the collection time slot
- ■ A collection service where you don't have to be there. Goods left in a 'safe place'
- ■ Access to tracking information to confirm safe arrival of your return
- ■ Confirmation that your return parcel has been received

Figure 15 - Source: IMRG Consumer Delivery Review 2019

Clearly it is impossible to meet every shopper's expectations but drawing on the information above we consider the elements below to be at the heart of a good returns policy.

4.1.1 The impact of Free

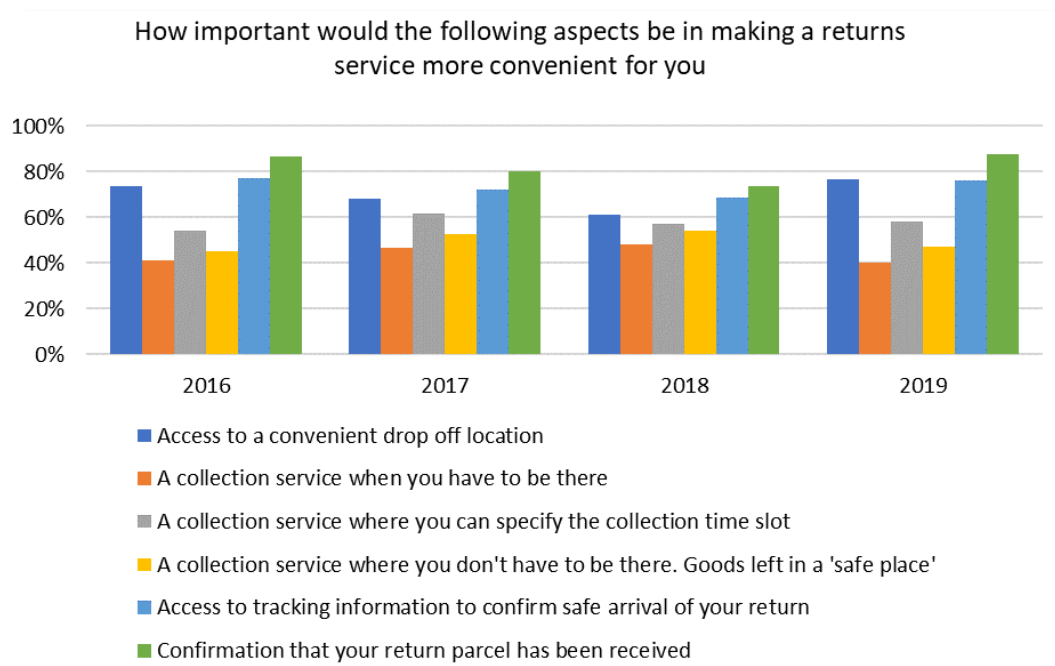From a logistics perspective, one of the greatest drivers of returns rates is the promise of free returns, which many shoppers have come to take as a right. *84% [of shoppers] are more likely to buy from a brand that offers free returns, and 86% are more likely to come back to an online retailer that offers free returns*[7].

IMRG's surveys confirm this with the columns in blue below showing where free returns were offered.
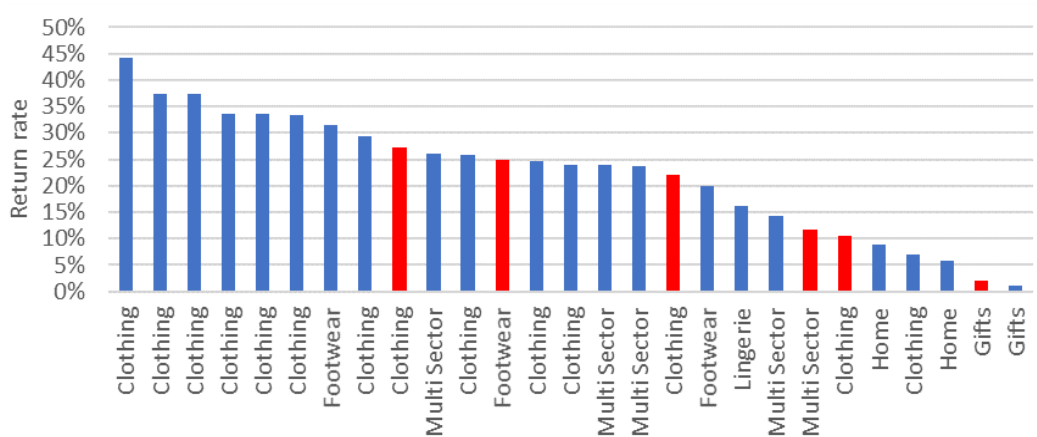
Figure 16 - Source: IMRG Customer Funnel Benchmark

It also shows that offering free returns is not a guarantee of high returns nor does a paid returns policy ensure low returns. It's part of the mix.

- A paid returns policy will not deter the customer sending goods back if there is something wrong (size, quality etc.)
- A free returns policy can be affordable if returns rates can be kept under control through other means

By overlaying some more information, we can see that free or paid does not necessarily act as a deterrent to conversion

Figure 17 - Source: IMRG Customer Funnel Benchmark

However, even though some retailers achieve good conversion rates with a paid returns policy, generally this will act as a barrier.

We have already seen that shoppers look at returns policies before purchase and may abandon check out if they don't like what they see in terms of cost and options. We can build on this:

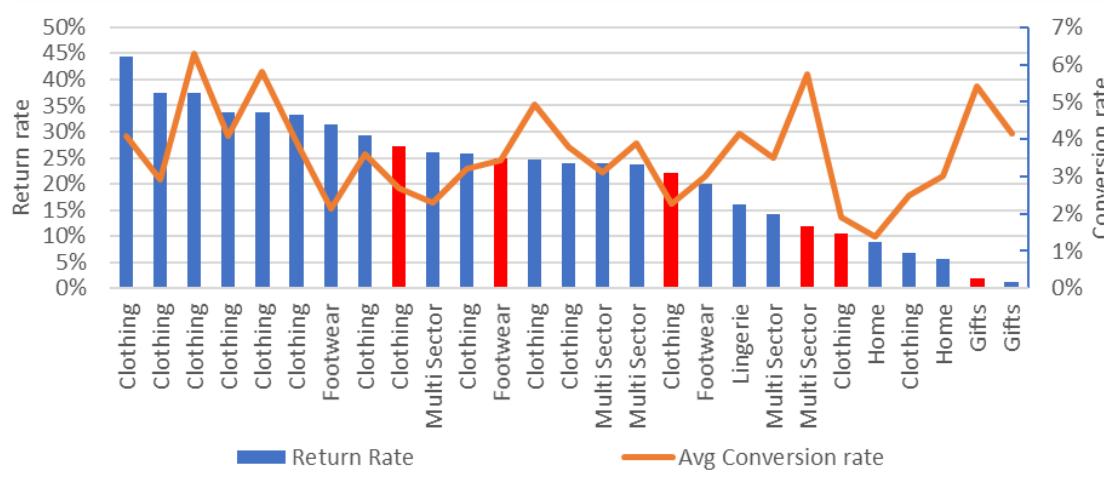- The 2019 research by Klarna confirms that over two-thirds of shoppers say free returns are an essential factor in their choice of retailer, an increase of 5% since 2017. And a massive 78% said if a retailer has free returns it means they'll buy more with them over time.
- IMRG's Consumer Delivery Review (2018/19 and 2019/20) confirms that almost 1 in 5 shoppers have abandoned check outs because they didn't like the look of the returns policy

Shoppers are now very adept at calculating the whole cost of their purchase – the product, delivery, any delivery inconvenience and returns - so 'free' returns always remove a barrier to sale. Barclaycard's 2018 research suggested that 36% would be put off by a charge to return and there is also evidence that free returns can drive growth and basket values.

However, there is an upside to free returns. IMRG's Customer Funnel Benchmark data, covering 20 sampled pure-play retailers, revealed that the offer of free returns was a factor supporting the best growth rates.

- Of the top 11, with annual growth rates ranging from 7% to 43%, all provided free returns
- Of the bottom 9, with growth rates ranging from 6% to minus 12%, half did not provide free returns

Some retailers report very positive experiences from offering free returns – Gymshark, (sellers of conditioning apparel) for example, puts the following results down to this policy:

- An increase in basket value from £58 to £74
- A 204% increase in repeat business
- An increase on returns of only 4.5% to 13.5%

Barclaycard's research (June 2018) confirms that many retailers see offering free returns as 'key to their customer experience, with two in five (41%) considering free returns as one of their business' strongest selling points. A further 37% say providing free returns has led to increased customer satisfaction and 44% feel they need to offer this service to keep up with the competition'.

So, the cost of returns is front of mind for the customer but this not the only thing they will consider when deciding whether a returns policy suits them.

4.1.2 Returns Channels – Options and Choice

Once the customer has decided to make a return, elements other than cost come into play – initially the convenience and speed of getting the return underway. This is because the relationship that the customer has with that order, has changed.

The order has now ceased to be an anticipated event and is now unwanted and an inconvenience with potential costs associated. These costs may be:

- Monetary costs – additional car parking or extra miles to take an item back to a store?
- Carriage costs
- Time taken to break a journey or go out of the way to drop off a return

What most consumers want at this stage is a range of options to allow them to start the return as quickly and easily as possible.

Research published by CollectPlus, covering a period up to December 2017 revealed that online shoppers are increasingly looking for more sophisticated returns options. 80% of respondents said that a choice of returns channels is important to them and that over half of 18 to 44-year olds said that a lack of choice of returns channels had resulted in them abandoning an online purchase.

IMRG's Consumer Delivery Review for 2019 shows the current convenience ranking for the main return channels with UK shoppers.
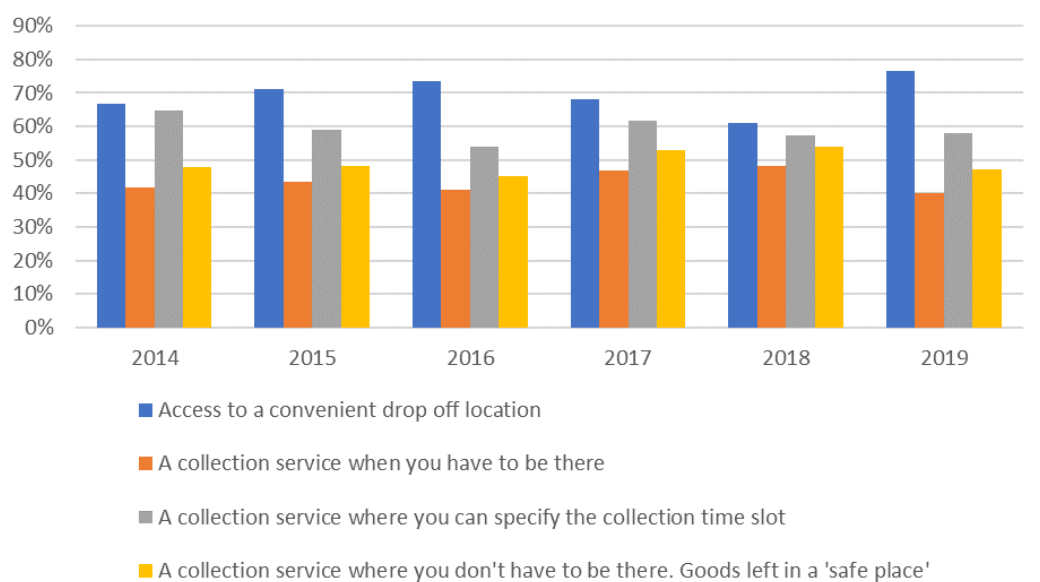
Figure 18 - Source: IMRG Consumer Delivery Review 2019

From a logistics perspective, this shows that for UK consumers, the ability to drop-off a parcel is consistently the most popular. Collections are also popular, with the CollectPlus research highlighting that nearly 40% of shoppers would prefer a carrier to collect unwanted items from them over other returns channels. However, the reasons for the dominance of drop-off are:

- It is more likely to be free / low cost. Metapack's Global eCommerce Consumer Research Series 2020 confirms that only 16% of consumers would readily pay an additional premium for a more convenient / collected return

- The consumer has more control on when the return will be made. Collections only compete with drop-off when a time can be specified (probably not a cost-free option), or a safe place identified (where the shopper feels confident that the item will be located and collected safely).

Within these UK drop-off options the Post Office remains the most used.

When making a return, do you prefer it when you can...

Legend:
- Drop the parcel off at the Post Office
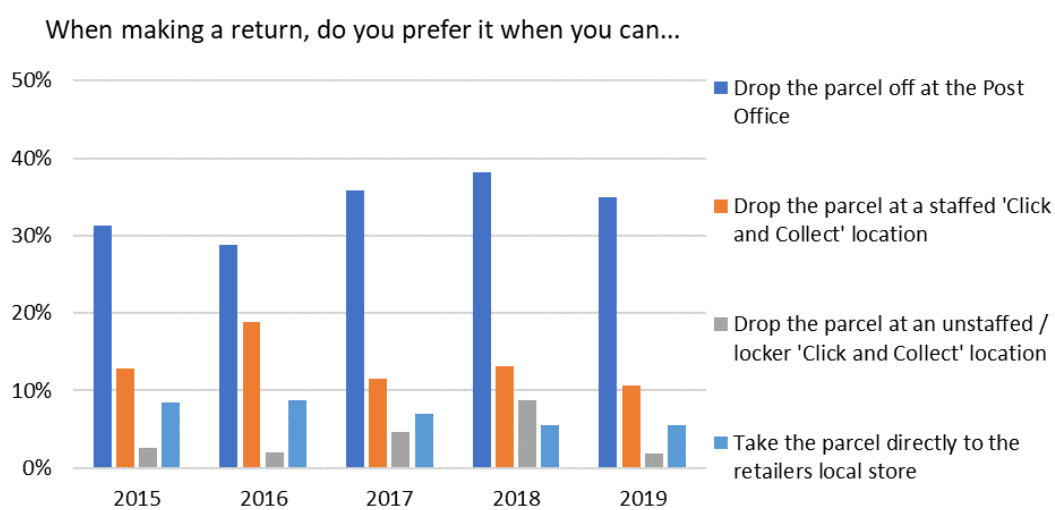- Drop the parcel at a staffed 'Click and Collect' location
- Drop the parcel at an unstaffed / locker 'Click and Collect' location
- Take the parcel directly to the retailers local store

Figure 19 - Source: IMRG Consumer Delivery Review 2019

The hierarchy in the chart above is probably due to the availability of location.

As a single network there are more Post Office locations meaning that most shoppers have easier access. Most retailers provide postal returns as an option for this reason, familiarity and because of relatively low costs, especially for light weight items, which may make free returns more affordable.

Carrier agnostic and carrier specific PUDO (Pick Up Drop Off) shop or locker locations, collectively have more locations than Post Offices, but because most are brand / carrier specific, this larger network is fragmented. Because most retailers tend not to use all the different networks, the customer's choice is therefore restricted.

Returns to the retailer's own store are likely to be popular when within reach and will usually be free. Metapack's Global eCommerce Consumer Research Series 2020 confirms that 56% of its respondents have used this channel in the past and that three-quarters (76%) have found it a positive experience overall. This is encouraging because there are clearly benefits to the retailer in terms of cost, footfall and customer experience management, but the in-store returns process, including store navigation and resourcing, needs to be well thought through[8].

4.1.3 Speed of refund

For the customer, the convenience of an easy handover deals with one element of the returns experience, but this is just a step on the way to the more important goal of getting the refund. The sooner the return is back in the hands of the retailer, the sooner the customer can get their money back with positive experience achieved.

In-store returns work well for both the customer and retailer in this respect. Once a refund is made, shoppers can be tempted to re-spend immediately, especially with clever promotions and sales support - 42% of UK shoppers have bought something else while returning an item to a physical store and over half (52%) of UK shoppers said they are happy to go In-store to return an item if they could get an immediate refund[9].

On the other hand, it is possible that some shoppers will delay re-spending with a retailer until the previous purchase is refunded. The exception to this would be when the shopper is already loyal to the brand and has faith in the returns process or where the retailer operates an account payment system.

[8]Also see section 5.4
[9]Metapack Returns webinar September 2019

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To fulfil this customer need and to create a positive experience, it is good practice to refund as soon as possible and some retailers will even refund early, before the item has been inspected and processed.

This may take the form of confirming a refund to the customer's account as soon as the item has been scanned at the handover point and be shown to be on its way.

This approach does carry some risk; that the item being returned may not be in good condition or even be the right item, but careful monitoring and profiling of returners can mitigate this to some extent and offset by additional competitive advantage.

For some retailers and for shoppers in some markets, refunding is less of an issue:

- Ordering with no pre-payment. For example; the ASOS 30 day 'try before you buy' offer
   o CollectPlus – December 2017 - The 'try before you buy' model, where shoppers pay after they've returned unwanted goods, will encourage 75% of 35 to 44-year olds to make an online purchase
   o The Metapack Global eCommerce Consumer Research Series 2020 suggests that 50% of its respondents say the 'try before you buy' solution would be very popular if more widely offered, especially in:
      – China - 82%
      – Russia - 77%
      – Spain - 64%
      – Germany - 54%

This would be most popular with younger consumers (18-26 year-olds at 66% and 27-38 year-olds at 69%), and with female shoppers (54%).

However, most (61%) would expect to pay nothing more to compensate for the cost of inventory or returns so is this only likely to be offered by retailers who can control it and have a customer base that will pay back in loyalty and increased spend.

- Credit arrangement where shopper has an account with the retailer. For example; Shop Direct (Very, Littlewoods)

When immediate refund is not available, the customer maintains an interest in the status and location of their return until it is.

4.1.4 Transparency and visibility

It is because of refund delay that customers value transparency and visibility through the returns process and why many returns services are now tracked. When asked how important this is to the quality of the returns service received, a high number of shoppers rate it as a priority.
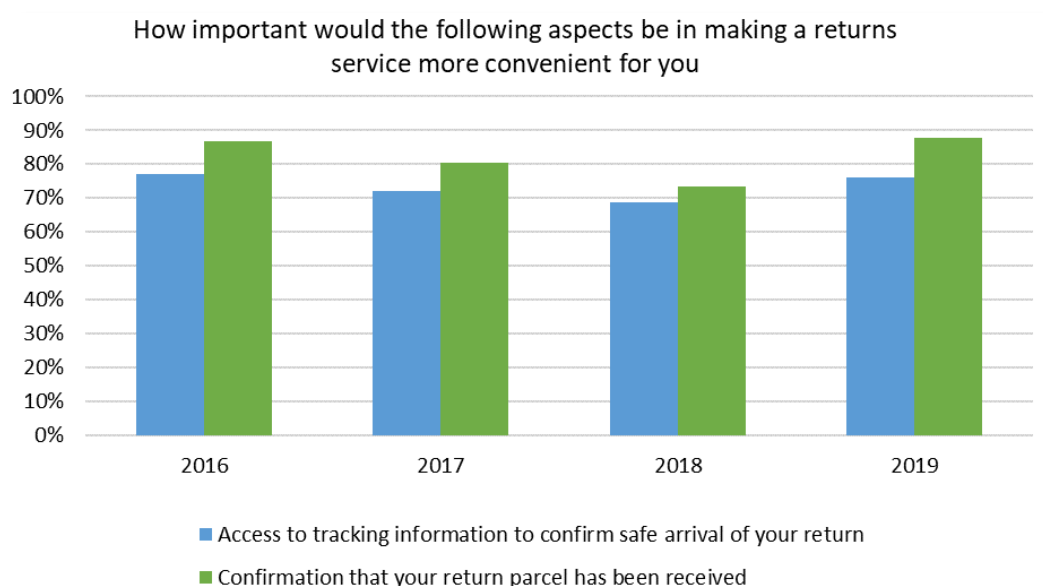

Figure 20 - Source: IMRG Consumer Delivery Review 2019

Proactively providing the customer with information about the journey of their return will significantly add to a positive experience.

We will see later how important these elements are and that they can be used to persuade shoppers to behave differently to the benefit of the retailer.

4.1.5 Length of Returns Period

Perhaps not obviously a returns logistics element, but the period offered for returns can matter. Items that are held by the customer for long periods and eventually returned may be harder to re-process and dispose of, especially if that line is long finished.

It also means that any original packaging, that may have been designed in part, to facilitate the return, is long gone. The item may then arrive back, perhaps in a worse state than it might have been, in some innovative packaging sourced by the customer.

We saw earlier that a short returns window can be a deterrent for some shoppers, but recent evidence suggests that extending the returns period, to remove this barrier does not necessarily increase the number of returns nor significantly extend the returns window.

Retailers like Schuh and Wiggle offer a returns period of 365 days yet in 2018 Wiggle reported that still only 5% of its returns come in later than 3 days longer than the norm and it considers this a low risk strategy.

Extending the returns period can also have another benefit – reducing returns. When a shorter returns period is applied the customer's mind is concentrated by the deadline. A more open returns period removes this imperative and we get to see a class of shoppers we might call 'Stashers' – people who over ordered, intending to return but just never getting around to it – partly the cost, partly the inconvenience, partly missing the returns window but perhaps also simply not remembering.

5. Optimising Returns

So, given that returns are firmly woven into the fabric of eCommerce it is a priority to get returns right, especially if they must be 'free'.

5.1 In-Box Returns Management

Back in the days of 'mail order' retail, the forerunner of internet shopping, it was accepted practice to facilitate the returns process by putting a returns label and returns forms in with the order. If the customer wanted to make a return, they simply ticked the relevant boxes and applied the label, usually to return by post. That was twenty years ago, but amazingly, it sounds familiar because most returns are still managed this way.

This is arguably the reason why satisfaction with returns lags so far behind that of the initial delivery, because this process severely limits what can be done to make the customer experience better and what can be done to control the returns process and manage costs.

We have already looked at what makes a good returns policy and, leaving free returns and length of returns window aside for one moment, this comes down to a choice of convenient returns channels, speed of refund and transparency and visibility in the returns process. In-Box returns processes are limited in what they can achieve here:

- The number and choice of returns channels is naturally limited because each is likely to require its own label and process.
    - o Returns forms become more complex – costly to produce and not customer friendly
    - o Printing multiple returns labels for every order, when only one will ever be used and only for one order in five, is complex, confusing, costly and environmentally unsustainable
- The In-Box process tends not to allow any pre-returns intervention. The return is not signalled in advance and the retailer does not have the opportunity to suggest another course of action. For example:
    - o Item not working – technical advice
    - o Low cost item / end of line – cheaper not to return, keep with our compliments
- Different items / different reasons for return may require different actions / destinations, but the In-Box process tends to offer a single solution

Technology can now address these issues and more, to bring returns up to at least the same customer satisfaction levels as delivery.

5.2 Portal Returns Management

In recent years we have seen the development of Returns Portals which effectively ask the customer to register their return instead of just sending it back through the old In-Box method.

Initially there was resistance from some retailers suggesting that their customers would not want to use an online solution for returns. This of course, completely ignores the fact that these same 'paper process' customers were perfectly happy to use online processes to order the goods in the first place.

Yet, as the Accenture research reviewed earlier suggested[10], it is true that some consumers still perceive the In-Box process to be the most convenient.
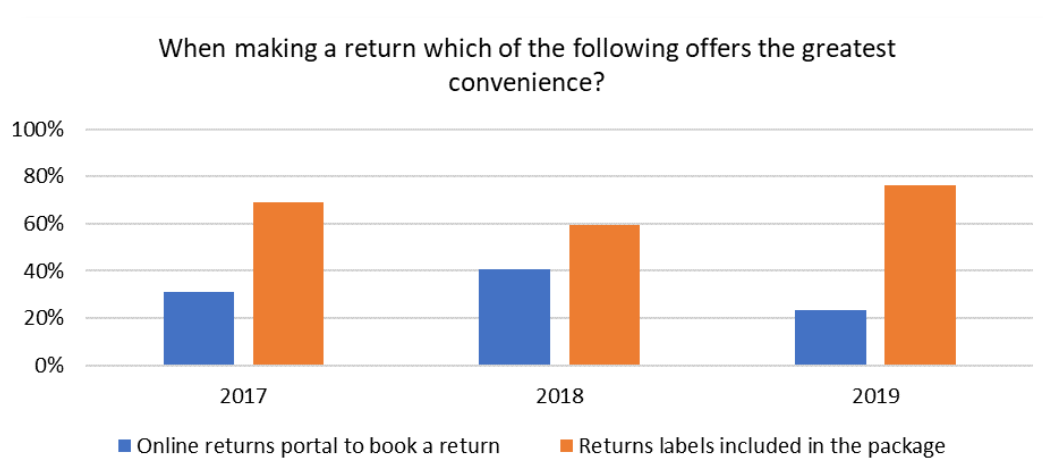
Figure 21 - Source: IMRG Consumer Delivery Review 2019

This is partly because that is the way it has always been done and partly because the labels are provided for them – no printing required. However, when the benefits of Returns Portals are briefly signalled, the same consumers immediately welcome this new approach and introducing customers to a Returns Portal approach should not be too much of a challenge to attempt.

Figure 22 - Source: IMRG Consumer Delivery Review 2019

[10]*Section 4.1 – 25% of respondents considered the pre-authorisation of returns to be a barrier*

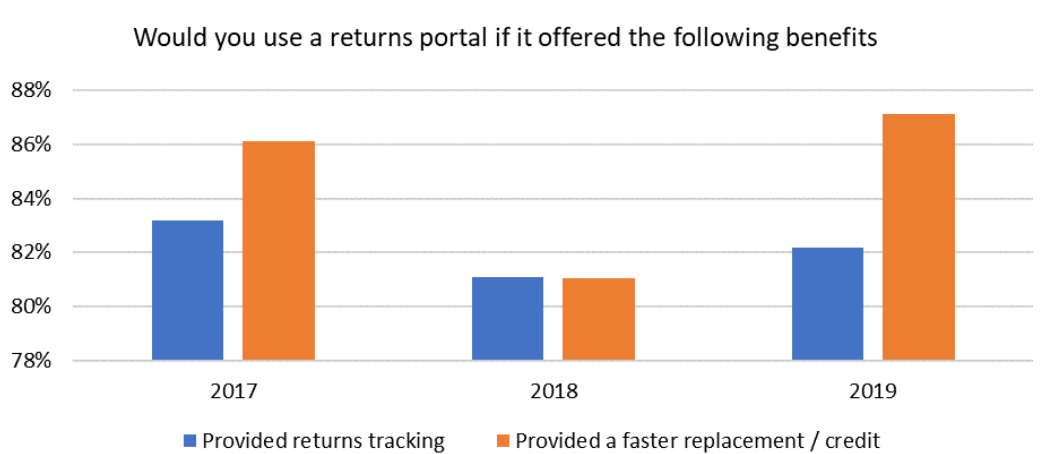It is likely that, subject to the product sector and customer demographic, the In-Box approach may have to be maintained in parallel for a period. But with the right communications a portal approach can be quickly adopted, as evidenced by the experience of Wiggle who in 2018 reported that it removed all returns labels from its orders and experienced no increase in customer queries.

The customer will, after all, be highly motivated to make it work in order to achieve a successful return and fast refund. The objective should be to make the first experiences so positive that the customer does not defect, and this should be possible because a Returns Portal approach allows:

- Pre-returns intervention which may avoid the need for a return at all
- The offer of a wider choice of convenient returns options – Post Office, PUDO, Locker, Store
- The promise of greater visibility from returns initiation through first tracking scan and in transit scans to final delivery scan
- The promise of a faster refund due to better routing of the return to the best location

And for the retailer specifically:

- Early notice of returns intended:
    o Better inventory management – anticipate stock about to be available for re-sale
    o Better resource management – level and destination of returns known in advance
- An understanding of abandoned returns – initiated but not executed
- A better understanding of returns channels – most popular, most efficient, most cost effective – when all offered equally
- Better management of lead times from returns initiation to refund and its impact on customer satisfaction as this approach allows a better dialogue with each customer
- Overall a better understanding of, and ability to change returns policy and process

5.3 Label-Less

Within the Returns Portal approach, one element can present a real barrier however, and that is the provision of labels. The problem is that some customers will not have access to a printer or printer producing the right quality. In the past this might have been an older generation without access to the relevant technology, but now it is more likely to be the younger generation who simply by-pass printed material working entirely from smart devices.

Dependent on the number of returns channels to be offered, it is still possible to provide the labels in the box. During the return initiation phase, through the portal, the customer can be advised which label to use, but this is not ideal.

- It does add to cost and environmental waste
- It will limit the number of channels available and how dynamically these can be changed

The emerging answer is label-less returns where a returns authorisation code is sent to the customers smart device. The customer then takes the sealed parcel to their preferred returns outlet (or has it collected) and on presentation of the code, the outlet / driver prints the necessary label and attaches it to the parcel. For example:

- Royal Mail Labels to Go – register the return – get a QR code on mobile device and print label in post office
- Hermes In-store printing

The subsequent scan marries that label / parcel to the returns record already captured through the portal and adds to it:

- What – the item is
- Why – the reason for return
- Who – the customer is

- Where – the dispatch point and destination
- When – the handover time

5.4 Logistics Channels

We have already seen that providing a choice of returns channels is important for the customer and that postal returns are the most used by UK shoppers, in part because of habit and the availability and location of post offices, but also because almost all retailers will use postal returns as their default.

However, as there are now a range of channels available, when seeking to optimise returns, choosing the right mix is important. Each has its own characteristics.

In-store

In-store is arguable the most cost-efficient way of returning for a retailer, as well as being more environmentally sustainable if combined with other activity (trip-chaining). However, for the shopper the barrier to in-store returns is accessibility so promotion is often needed to get customers to make the effort to return to store. Some characteristics of in-store returning that can be used to promote it are:

- It combines well with click & collect so any return can be seamless within delivery / collection process
- It accommodates lower packaging requirements with associated environmental benefits
- It reduces carriage cost and can be promoted as free
- It allows a faster refund and return to stock, (although this depends on inventory visibility and the risk that the returned stock may not be required in that location), improving customer satisfaction and inventory availability
- It supports a better customer experience – retailers own staff managing customer communication
- It drives footfall and presents an immediate opportunity to achieve a new sale with the refund

Parcel Shop and Post Office Drop Off

Some characteristics of PUDO / Postal drop off are:

- Wider availability with up to 40,000 locations nationally
- Some click & collect locations now include changing rooms
- There is an increasingly streamlined handover process
    - o Drop and go
    - o Label-less returns
- Packaging can be optimised (less than 45mm) to allow a postal drop

Locker Drop Off

Some characteristics of locker drop off are:

- Often located at regular destinations (supermarkets, transport hubs) so particularly convenient
- Very fast handover – a matter of seconds
- Always 'open'

As previously mentioned, it is easier to manage and adjust multiple returns channels when using a Returns Portal.

6. Cross-Border

Although we are focussing on the UK, we have already acknowledged that about 25% of all UK originating orders travel to cross-border destinations, and some will come back.

For a cross-border shopper the ability to make easy returns has a greater impact on the purchasing decision than for domestic orders because of the potential complexity of international shipment with higher costs and longer lead times.

Metapack's Global eCommerce Consumer Research Series 2020 highlights that across a number of geographical markets, 46% of consumers had been deterred from completing a purchase by a retailer's returns policy, but some markets are especially sensitive to this with the Spanish (64%) and Chinese (58%) most likely to leave at check-out stage.

It also confirms that 47% of those surveyed would be inclined to shop more with retailers who made the returns process easier (up from 32% in 2018), especially shoppers from China (85%), Spain (77%) and the US (63%), who said this would prove a top incentive for them.

It is, therefore, important to consider different behaviours in other markets and some of the important elements specific to cross-border returns.

IPC's 2018 Cross-Border eCommerce Shopper survey identified that the 2nd and 3rd most important things to cross-border shoppers, in relation to delivery and returns were:

· Simple and reliable returns – 57% of respondents

· Free returns – 57% of respondents

To meet these needs, different geographic markets use varied logistics channels and Metapack's 2020 research shows the take-up of different channels across the 11 markets it surveyed.
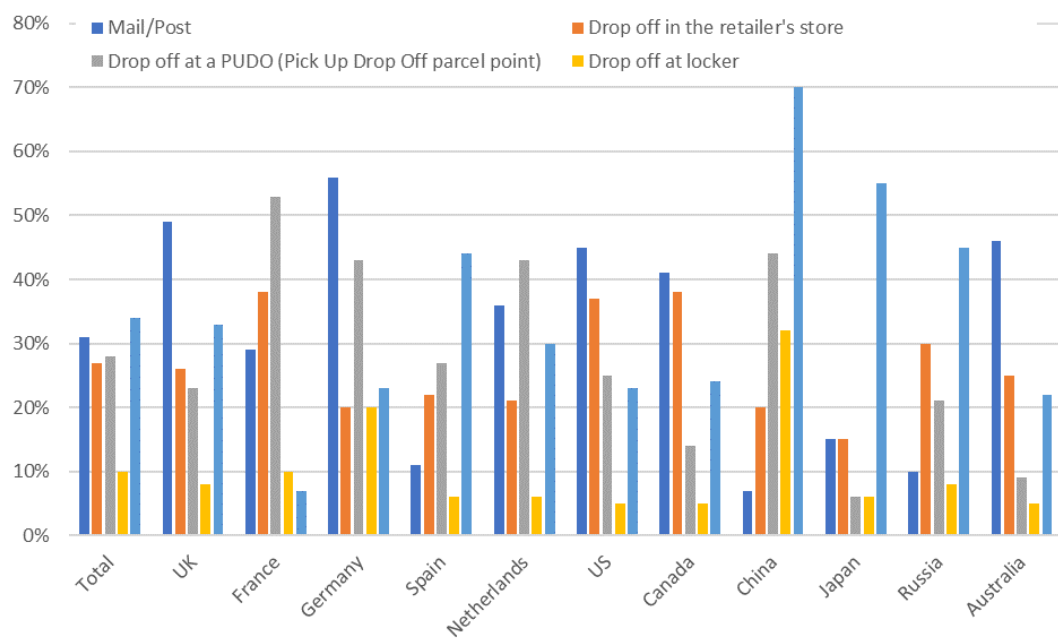

Figure 23 - Source: Global eCommerce Consumer Research Series 2020 - Metapack

These preferences are largely driven by availability and access, and as we saw with the UK IMRG research in section 4.1.2, drop-off options tend to be used in most markets, the exceptions being China, Japan, Russia and Spain.

2019 research from UPS shows that across all markets, two-thirds (63%) of shoppers like to return to store if they can. This preference is largely influenced by the proximity to the store and the ability to get a faster refund, but may also be to do with the cost, reliability and choice of shipping channels in specific markets.

The 2019 report provides the top three reasons for each route:

Reason	Prefer to ship returns	Prefer to return to store
Faster		29%
Convenient / Easier	31%	24%
Free	38%	22%
Online option only	28%	

Figure 24 - Source: Pulse of the Online Shopper - 2019

Taking a closer look, the chart below compares the IMRG Consumer Delivery Review UK data with an aggregated result from IPC 2018 research on cross-border markets showing that generally, cross-border markets have a higher use of drop-off to locations other than the post office.

Once again this will have a lot to do with availability as some markets have a longer tradition of these alternative solutions, hence more developed networks and acceptance.
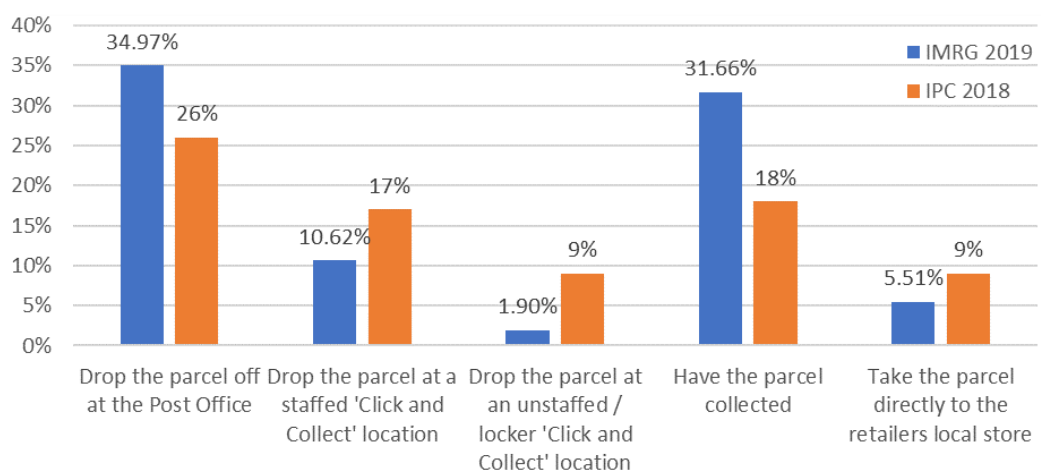

Figure 25 - Source: IMRG Customer Delivery Review 2019 and IPC Cross-Border ECommerce Shopper Survey 2018

6.1 Duty Draw Back

When looking at cross-border returns where the goods are repatriated to the country of origin, we should not forget that in many cases, on the outbound leg, duties were raised to add to the cost of the purchase.

These duties would have been collected from the consumer by the retailer at check out, or the postal operator / courier on arrival in the destination market. These would have been passed to the relevant tax authority but, of course, if the sale is subsequently cancelled and the goods returned, that duty is not due.

Cross-border shoppers are aware of this issue and Metapack's Global eCommerce Consumer Research Series 2020 shows that conclusively.
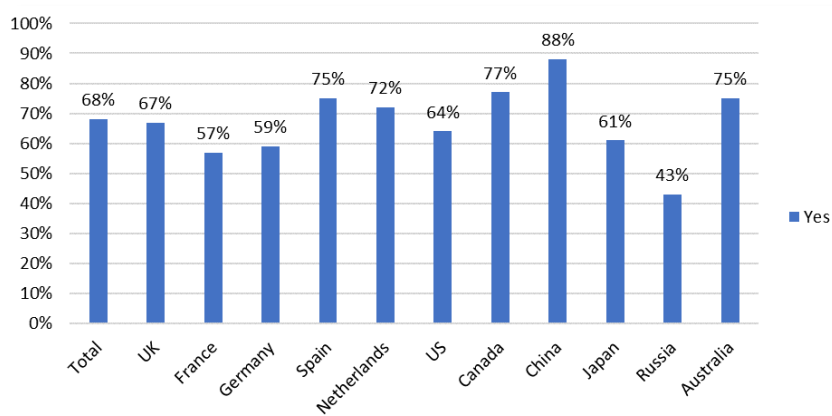

Figure 26 – Source: Global eCommerce Consumer Research Series 2020 - Metapack - When buying goods online from another country, do you look to see what additional taxes might be applied to the product and shipping price?

It is, therefore, important to understand by market and overall, how Duty Draw Back (DDB) can be achieved as including this option in the returns policy can remove a barrier to sale.

Unfortunately, the process may be long, laborious and costly, and many retailers simply write off the duty reclaim. This may become more of an issue once the duty and tariff details of Brexit have been resolved.

We must remember that this is money owed to the consumer and if DDB can be used to repatriate these funds to the customer, it makes a positive loyalty driver.

6.2 In country management

Another area of cost to consider for cross-border returns is the physical re-shipment back to the country of origin. Under certain circumstances this may be avoided / reduced by keeping the returned goods in the region into which they were originally sold.

If returns can be inspected, refurbished and re-packaged within region and there is enough ongoing demand within region, it is possible to add the goods to inventory and hold them in the region to re-ship locally when they are re-sold.

Even if the item is subsequently sold into another region it can be shipped directly, avoiding return and re-dispatch.

- If the item is eventually unsold and must be disposed of (discounted etc.) that may also be done in region or, if it must be returned, that can at least be part of a larger consolidated shipment with a lower specific item cost

If in country management is not an option and returns do have to come back to the country of origin, cross-border returns shipping through postal channels will become easier with the recent introduction and adoption of the Common Return Platform (CRP). This allows consumers in one country to send postal returns back to another country using a common label.

7. Fraud Management

Relevant, in parallel, to returns logistics, is the management of returns fraud. This incurs unrecoverable logistics cost — but good logistics management — can help mitigate fraud.

There are several types of returns fraud, described briefly below:

a. Wardrobing – purchase, wear once and return for refund

    o Especially high return rates for evening / party wear, weekend use

    o Increasingly fuelled by social media – new outfit to show on Instagram etc.

b. Renting – Buy, use and return (non-fashion) claiming not used

    o E.g. Camera bought for a specific event and then re-boxed and returned

c. Falsely Faulty – Buy and return after use claiming a fault or deliberately breaking – retailers have to offer extended returns window on faulty goods and are obliged to repair, replace or refund

d. High value – Purchase genuine but returned a counterfeit or lower quality substitute

e. Beauty sector – perfume and lotions - replace contents

f. Incorrect item – purchase but send back something different – phone purchased; brick returned

The last three of these are clearly designed to defraud the retailer but the first three are a little more ambiguous in that, although clearly fraud, some customers think it is entirely legitimate to 'borrow' a product from a retailer without paying for it.

This is a challenge that some retailers are now dealing with by including warnings within their returns policy that they will take sanctions against such 'serial returners', such as blocking returns or even closing their accounts.

Part of the problem is spotting a genuine return and not mistakenly calling the customer out for fraud, especially when many high returners are genuinely some of the best customers.

There are a number of things that fall within the parameters of logistics that can be used to identify and mitigate returns fraud, including:

- Use a Returns Portal – As previously explained, a Returns Portal enables early intervention before the item is shipped for return:

    o To politely challenge the reason for return – if it is a technical fault this may be resolved, or the circumstances checked

    o A portal more easily allows a record of returns to be created around a single customer / account and patterns can be observed

- Weight check of the item on return handover – if the complete order is being returned this should be close to weight at dispatch - Check before refund

- Customer profiling and watch list – 25 to 35-year olds are self-confessed, the worst for wardrobing (30% claim to have done this)

- Company learning – share logistics data on returns with marketing teams and avoid marketing or selling to suspected fraudsters

    o Proactive communications with suspected shoppers with the sanction to block returns

- Swap out – check on doorstep or at PUDO / store handover - likely only to be viable for high value / high risk product

- Insist on return to store

8. Sustainability

Returns may be seen as a wasteful process in many ways – ideally, we would want every item in every order to be perfect and retained – but that will never be the case.

Logistically, there are things that can be done to mitigate some of the sustainability issues:

- Packaging – optimised to be re-used for returns as well as the initial delivery
- Labels – as shown in section 5, we can do away with in box labelling and returns forms and even home-printed labels

We might also consider consolidated returns, having a single carrier collect returns regardless of the retailer. This would currently be difficult given the competitive nature of the retailer and carrier market, with each wanting control of their own orders and best share of the market.

It would also mean a shift in customer expectation and behaviour, requiring a delay in return and refund and some specification on where they must take returns.

The best forms of returns consolidation already exist through the postal returns channel and PUDO drop-off locations, where multiple returns from multiple retailers naturally coincide. By encouraging carrier agnostic PUDO networks this will extend.

Soon the wider drive for sustainability may change the shape of returns altogether. Fast fashion, with inherent returns, is already being challenged, as evidenced by an open letter to the fashion industry by Stella McCartney, published in The Sunday Times (September 2019) pointing out that:

- The fashion industry is responsible for a great deal of plastic contamination and water pollution
- Some demographics are starting to boycott fashion
- Fashion communities are developing to allow customers to buy vintage, buy and sell directly from one another, repurpose, recycle, and rent clothing rather than order too many items, return most, wear once or twice and return or throw away.

Should this develop there is an opportunity for returns channels to also be re-purposed to become:

- Onward delivery channels – instead of returning an item, it is sent directly on to the next shopper
- Re-cycling channels – instead of returning items they are sent directly to recycling / re-purposing locations
- Become natural consolidation stations – this is already happening with some retailers asking their returns partners to consolidate shipments

This is all part of what is being called the Circular Economy – see section 9.2.

9. Disposal

Disposal covers what happens to returned items once they have been received back from the consumer. The effectiveness of this phase will determine how much value can be recovered from the returned item and at what cost.

The process of returns disposal may seem to come after the logistics process and outside the scope of this review. However, because the efficiency of the logistics process has direct impact on the efficiency of the disposal phase, it deserves some attention.

Clearly the ambition is to keep costs down and the recovered value of the item as high as possible, ideally reselling the goods at full price, although 2017 Barclaycard research suggested that a quarter (26%) of returns may be unfit for re-sale.

An assessment by Kuehne + Nagel of typical reselling prices of goods on pristine condition suggested the following averages:

- iPads / smartphones etc – 60% - 75% of recommended retail price (rrp)
- Electrical household – 50% - 65% of rrp
- Homewares – 40% - 55% of rrp
- Toys – 20% - 30% of rrp
- Fashion – low to medium cost – 10% - 25% of rrp
- Low value (under £15) products – 5% - 7% of rrp

Each company will have its own targets and will use a range of disposal channels to maximise results

9.1 Disposal Channels

There is a hierarchy of disposal channels and although it is tempting to suggest benchmarks, the general rule is to maximise the proportion of returns going through the higher value / lower cost channels, as presented below:

- Returned to inventory at full price or with as small a discount as possible
    - o Very good results can be achieved with the right processes in place. For example, Shop Direct manage to resell 96% of fashion returns
        - – 90% of items are checked and go straight back into stock
        - – 60% of items are sold within a day
- Return to supplier for full refund (RTS). This may be the case:
    - o If the product is faulty
    - o If the contract with the supplier allows for return of unwanted product
- Moved to white label site / marketplace for resale
    - o Likely to be a discounted rate
    - o Reseller receives commission
- Repurpose and Recycle
    - o Specialist solutions exist to ensure that unwanted goods are kept out of landfill and are recycled or repurposed effectively. This includes entry into the Circular Economy.
- Charity donation
- Destroy

9.2 The Circular Economy

A recent innovation that retailers could take advantage of to reduce or re-route returns is the circular economy – the ability for individuals to sell, donate or re-cycle no-longer-wearing apparel (which may include out of date returns) to new owners.

The seller can access the service through the initial retailer (which subscribes to the solution and receives purchasing credits as a reward). The goods are offered on various second-hand marketplaces with the solution provider facilitating order tracking, payment and delivery to the new owner.

It is estimated that up to 70% of wardrobes are never or only lightly worn and that, driven by environmental awareness[11] and economic needs, an increasing number of shoppers are prepared to buy second-hand. Unwanted returns could become part of this economy.

9.3 The Role of Logistics

The simple facts are that disposal costs can be minimised, and disposal values maximised if:

- Returns are disposed of, avoiding the cost of return if uneconomical to do so
    - o Retained by the customer
    - o Retained In-store to add to inventory or dispose of at a discount
- Returns are received quickly but as economically as possible
    - o This may mean consolidating returns for bulk delivery
- Returns are pre-advised to allow resource to be planned and allocated
    - o This may cover staff, packaging, space, expertise
- Returns are sent to the appropriate location for the right disposal action to take place
    - o Different products may have different requirements. E.g. laundering, re-testing, re-packaging

These elements are hard to manage without prior notice of returns and the ability interact with the customer which is why Returns Portal solutions are so important in the evolution of returns management.

Add to this the benefit that more efficient disposal supports giving the customer a faster refund and all parties gain.

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[11]*Some estimates suggest that extending the life of clothes by just nine extra months would reduce waste and emissions up to 30% each and that one in two millennials have bought second-hand – Source: https://www.reflaunt.com/*

10. Summary and Recommendations

Returns are here to stay and impact the whole business so when setting up a returns offer it is important to look at this as an opportunity and to involve the whole business. This is not just a logistics and operations issue, so it is important that all other stakeholders are involved – Customer Experience, the Product Team, Marketing, Finance and IT.

Then consider the following:

1. Poor management of returns erodes your margins. Shoppers over purchase with the expectation of returning unwanted items. Retailers can get ahead of this by putting in place a robust returns management process

2. Have a clear Returns Policy
   - o Promote it early, openly and in plain language on multiple pages
   - o Have a simple process, that is easy to execute
   - o Consider extending returns windows
   - o Be transparent – provide expected refund speed, status of return, tracking
   - o Assess the business case for paid or free

3. Use a Portal and move away from In-Box returns
   - o Reduce unnecessary or uneconomic returns
   - o Get early warning to allow routing and resource management
   - o Understand signalled returns that never materialise
   - o Increase customer engagement
   - o Reduce shipping costs with managed consolidation and channel allocation
   - o Speed up refunds
   - o Anticipate customer behaviour
   - o Spot fraud

4. Establish multiple returns channels – customers expect to be able to shop through different channels and get the same high level of experience. Returns are part of this and deserve the same attention

5. Monitor and Measure – not all customers and not all returns are the same

6. Don't be afraid of challenging serial returners

7. Track returns progress and actively communicate

8. Find specialist partners to enhance returns logistics capability and to provide higher value disposal channels, especially in cross-border markets

11. Metapack Returns

Metapack Returns lets you easily manage and deploy your returns policy internationally. The hassle-free self-service portal makes your returns experience an effortless online process, one that increases customer loyalty and drives returns through your website to increase sales opportunities.

Key benefits

- *Add convenient returns options for customers including collection, express, economy, paperless labels and global network of drop-off points in over 380,000 locations which you can define by regional market*
- *Process payments to recover shipping costs, while automatically communicating the progress of each return, reducing customer calls*
- *Gain greater insight into your returns, allowing you to make better procurement, marketing and inventory decisions*

How does it work?

The returns portal is a simple and easy to use tool for your customers to engage with your brand post purchase. With the process from returns request to refund being completed in 8 simple steps.
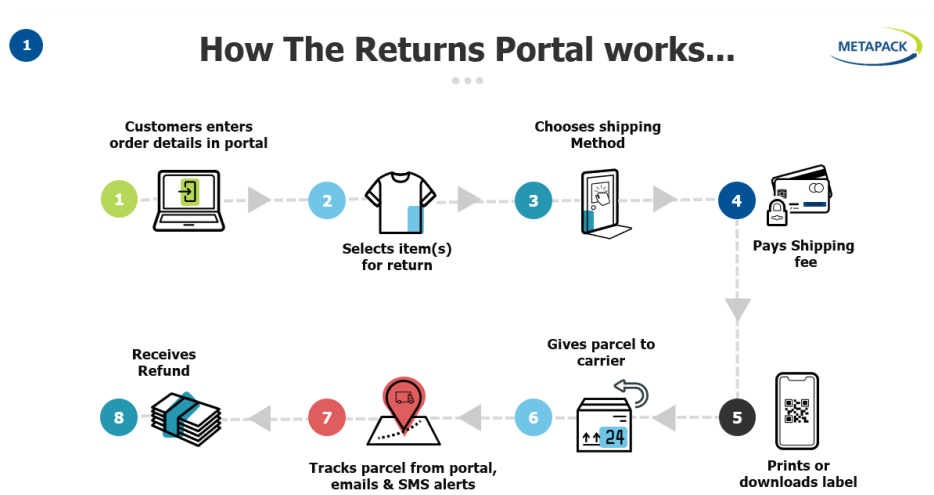
Not only is this process designed to allow your customers to complete a return in 60 seconds, retailers and brands can quickly deploy this fully self-service tool. The lite version allows you to get set up in moments, and the pro version offers an enhanced user experience whilst integrating with your order feed.
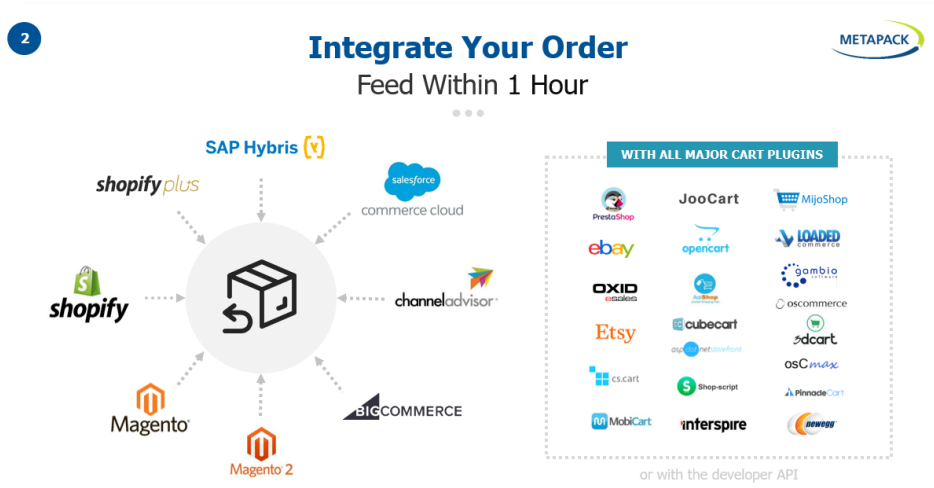
To learn more about the Metapack returns portal, and the returns as a managed service proposition, visit https://www.metapack.com/returns/

12. About the Authors

IMRG

For over 20 years, IMRG (Interactive Media in Retail Group) has been the voice of e-retail in the UK. We are a membership community comprising businesses of all sizes – multichannel and pureplay, SME and multinational, and solution providers to industry.

We support our members through a range of activities – including market tracking and insight, benchmarking and best practice sharing. Our indexes provide in-depth intelligence on online sales, mobile sales, delivery trends and over 60 additional KPIs.

Our goal is to ensure our members have the information and resources they need to succeed in rapidly-evolving markets – both domestically and internationally.

www.imrg.org

Metapack

Founded in 1999, Metapack helps eCommerce and delivery professionals meet consumers' growing expectations of delivery, while maintaining and optimising operational efficiency. Metapack's SaaS solution offers a wide range of personalised delivery services, from global order tracking to simplified return procedures, through a catalogue of 470 carriers and 5,000 services available that span every country in the world. Thanks to Metapack, more than 550 million packages are sent annually by many of the world's leading eCommerce retailers.

https://www.metapack.com/

Andrew Starkey

Andrew is retained by IMRG as its head of e-logistics to run its online retail delivery and logistics programme for the benefit of all IMRG members. He is also the founder of the strategic online retail and postal consultancy Spiral4… and has a unique background in the in the world of parcels, packets and postal logistics with over 40 years' experience gained from the commercial sector and the regulatory environment.

He is a 40-year member of the Chartered Institute of Logistics and is a recognised expert on the UK postal and online retail home delivery markets. He can be contacted at andrew.starkey@imrg.org or andrew@spiral4solutions.co.uk.

13. Reference Sources

IMRG / Metapack - Delivery Index

The IMRG Metapack Delivery Index has been designed to enable the online retail industry to track a range of logistics metrics including parcel volumes, order values, delivery services employed, and destinations served. With a foundation of more than seven years data, the Delivery Index provides trend analysis and forecasts to assist all industry stakeholders with their logistics planning.

The data is derived from actual dispatches from almost 200 retailers, and covers, on average, more than 10 million orders per month and £8 billion in order values in any 12 months.

IMRG / Capgemini - Quarterly Benchmark Index

The IMRG Capgemini Online Retail Sales Index is the primary performance indicator of the UK online shopping industry, tracking 'hard' sales data from reputable online retailers since April 2000. The participating merchants represent a significant proportion of the UK internet shopping market. The Quarterly Benchmarking is an additional reporting tool that is open to all participants in the IMRG Capgemini Online Retail Sales Index. It tracks key performance indicators across 12 categories, leading to unique insights into the performance of the UK online retail sector

IMRG - Customer Funnel Benchmark

Quarterly data capture from 45 to 50 IMRG member retailers covering analysis of progress from product page to paid check out

IMRG / GFS - Consumer Delivery Review 2019/20

The 2019/20 Consumer Delivery Review is the 11th in the series surveying over 2,000 UK householders to benchmark current levels of customer satisfaction and expectation in regard to online delivery. The review has become a vital tool to help retailers shape their delivery proposition and anticipate future needs. Over the past 11 years this 'deep-dive' review has established a unique place in the field of eCommerce consumer research, asking more than 50 questions consistently focussed about online fulfilment and delivery. It not only provides a snapshot of the current position but offers this in the context of the evolving landscape, with up to ten years trend data for most questions.

IMRG / Metapack - Cross-Border Logistics Index

The IMRG Metapack Cross Border Logistics Index has been designed to enable the e-retail industry to track a range of key cross-border benchmark metrics for the first-time including parcel volumes, order values and main destinations served. The data sample covers circa 200 retailers, using 90 different carriers / service lanes spanning 225 destinations and, dependent on the metric being measured, analyses up to 4.5 million orders and £500 million order value in any single month.

Klarna - Rethinking Returns - 2019

A study commissioned by Klarna taking over 2,000 interviews with UK shoppers at the start of 2019 to take a fresh look at their attitudes to returns. Klarna was founded in 2005 in Stockholm, Sweden with the aim of making it easier for people to shop online. Klarna is now one of Europe's largest banks and is providing payment solutions for 60 million consumers across 170,000 merchants in 17 countries.

Accenture - Returns, The Value Conundrum - 2018

Metapack's Global eCommerce Consumer Research Series 2020

This series is formed by a selection of reports painting a picture of behaviours and expectations of online shoppers in up to 11 countries.

Research was conducted online:

- 2018 – 3,597 consumers in Canada, France, Germany, the Netherlands, Spain, the UK and the US.
- 2020 – 8,500 consumers in - Australia, Canada, China, France, Germany, Japan, the Netherlands, Russia, Spain, the UK and the US.

The series report sections include:

- The post purchase experience
- The customers-retailer relationship
- Delivering consumer choice
- Cross border
- Omni-channel retail

IPC - Cross-Border ECommerce Shopper Survey - 2018

The Cross-border ECommerce Shopper Survey is conducted with an online sample of around 33,000 global consumers with approximately 1,000 in each country (depending on population). The target group are frequent cross-border online shoppers, who have bought physical goods online at least once in the last three months and who have made a cross-border online purchase in the last year. The target group is determined by quotas based on the age and gender profiles of the online population per country.

The 2018 Cross-border ECommerce Shopper Survey took place in 41 countries: Austria, Australia, Belgium, Brazil, Canada, China, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, India, Indonesia, Italy, Japan, Latvia, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Philippines, Portugal, Russia, Saudi Arabia, Singapore, Slovenia, South Korea, Spain, Sweden, Switzerland, Thailand, the United Kingdom and the United States.

UPS - Pulse of the Online Shopper 2018 and 2019

The UPS Pulse of the Online Shopper™ Global Study evaluates consumer shopping habits from pre-purchase to post-delivery.

- The 2018 study was fielded in Q1, Q2 and Q3 2017 and is based on a comScore survey of more than 18,000 online shoppers worldwide. The U.S. data shown here is not new; it was previously published in the 2017 U.S. Pulse of the Online Shopper™ study.
- The 2019 study was conducted in early 2019 and is based on a PwC survey of more than 18,000 online shoppers worldwide.

Respondents made at least two online purchase in a typical three-month period.

CollectPlus – 2017 research

Survey conducted by Maru/eDR in December 2017, with a nationally representative sample of 2,000 regular online shoppers.

A Consumer Returns Report – Leveraging Returns Data - 2019

In association with Insight – Worldwide Business Research and Metapack

Barclaycard - Return to Sender – June 2018

You Gov - 2013

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