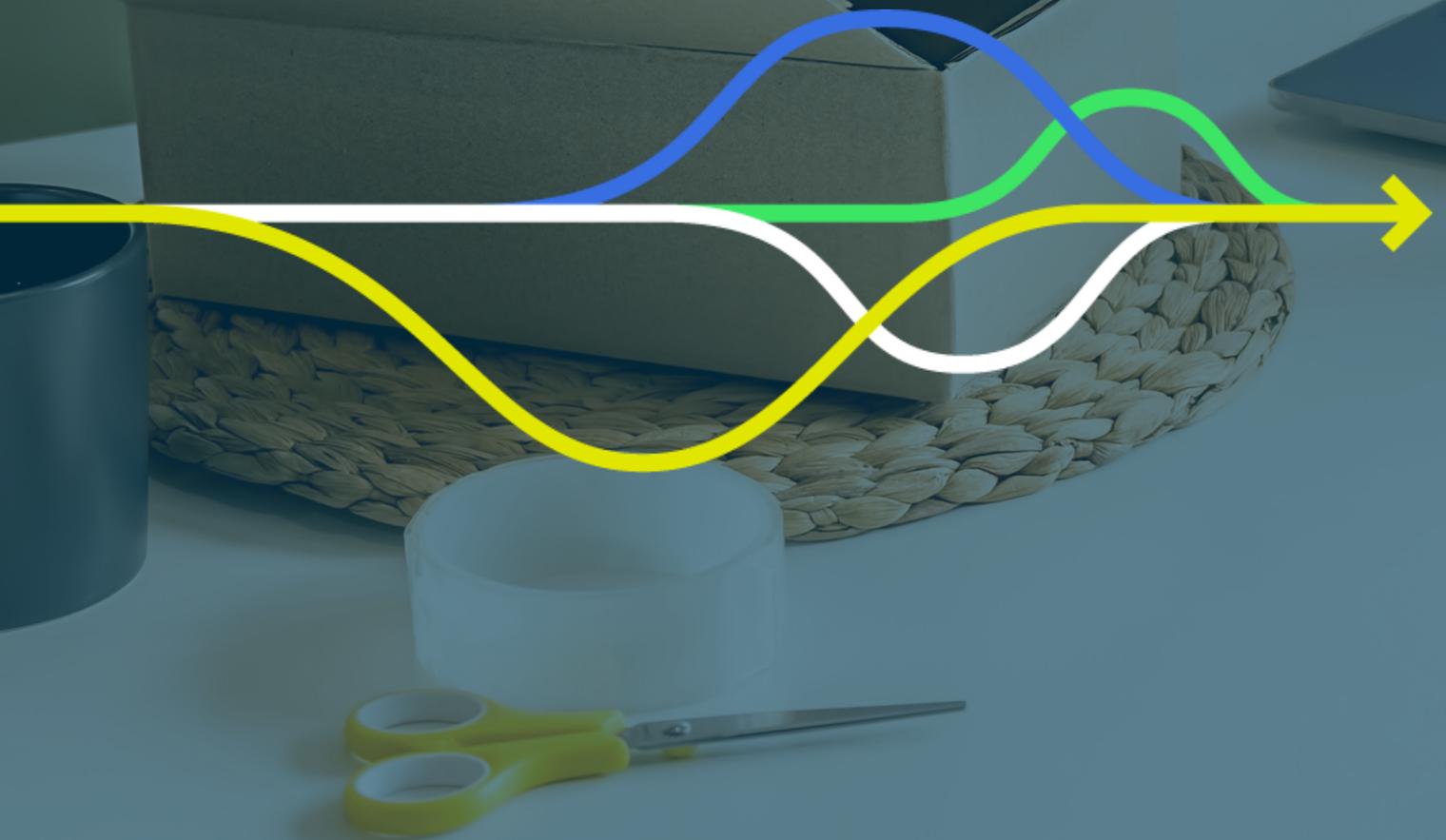


# THE PROS & CONS OF **FREE** **RETURNS**



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As the fashion e-commerce market continues to become more saturated, retailers face increased competition and must constantly evolve the ways that they sell their products to retain customers. Making the buyer journey as easy and convenient as possible while also removing buying barriers for consumers is key to maintaining and increasing sales in many cases. But there is a fine line between providing convenience to customers and offering so much that brands begin to lose profit.

One initiative that brands have been exploring to decrease buying barriers is offering free returns, and although this can make it much more attractive for consumers to hit the “purchase now” button, it can also create a hassle for retailers in the long run.





# THE PROS

## Make your consumers happy

The most obvious and significant benefit of offering free returns is that it makes consumers happy. In a recent study, 68% of consumers surveyed chose 'free returns' as what they find most valuable when searching for and buying products online. Additionally, the number of consumers that prefer to shop with brands that offer free returns has increased from 70% in 2019 to 73% in 2021, with 84% of people who shop online agreeing that they're more likely to buy from online merchants who offer free returns.



## Increase brand loyalty

Naturally, giving consumers what they want also increases brand loyalty which in turn encourages higher spending. In a survey by Klarna, 86% of online shoppers agreed that they are more likely to return to online merchants who offer free returns and 75% said that they will buy more over time if free returns are offered. On the flip side, 70% of online shoppers stated that if a preferred retailer stopped offering free returns, they might stop shopping there so brands need to make sure that they can commit to this decision for the long-term before making it.





# THE CONS

## High costs for your brand and the environment



**Every extra minute that an item is in transit during the return process is costing energy and raising the CO2 footprint of the brand.**

The disadvantage that sticks out the most for brands who choose to offer free returns is the high costs. They have to shoulder the costs of the transportation and operational costs of returning items, including the need to recondition and repackage items that did not come back in their original condition. These transportation costs are not only financial but also environmental. Every extra minute that an item is in transit during the return process is costing energy and raising the CO2 footprint of the brand. With sustainability being such an important factor for companies who are striving to be carbon neutral, this makes offering returns even more difficult.

## Consumers who take advantage of free returns

Unfortunately, offering consumers free returns means that some people will take advantage of this policy. They might order more items than they can afford, use an item once or twice before returning it, or buy extra sizes of the same product and then return the ones that don't fit since there is no disadvantage to them when they want to make returns. According to research conducted by Narvar, 58% of respondents said that they bracketed their online purchases. On average, for every \$100 in returned merchandise accepted, retailers lose \$10.30 to return fraud, making brands wonder whether free returns are worth it in the long run.



**58%**  
**of respondents said that they bracketed their online purchases.**



## So, is it worth it?

To decide whether or not to implement free returns, retailers should look into their returns data and make sure that they have a good overview of why their customers return products. Having a detailed overview of return data also enables brands to identify serial returners and ensure that they can prevent it from happening in the future.

One way to ensure that this data is captured is to work with a specialist returns management company like ReBound. We provide our clients with detailed dashboards that enable them to see all KPIs related to returns, identify problem areas, and improve their returns flow.

# What can brands offer if they don't want to provide free returns?



There are still ways to improve consumer experience if brands decide not to offer free returns. 92% of consumers say that they would buy from a retailer again if the returns process is easy to navigate. So, one way to improve is by offering seamless and simple returns process with an easy-to-use return portal and a wide network of drop-off points. This makes the process easy and simple so consumers can buy again from a brand, worry free. Since 83% of online shoppers (shop online and return items) admit to getting frustrated by retailers which have an inefficient returns process, it's crucial that brands begin to focus on the returns journey not just the buyer journey of their customers.



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**of consumers say that they would buy from a retailer again if the returns process is easy to navigate.**

As a returns management company, ReBounce provides both returns portals and logistics solutions. We help our clients optimize their returns flow to keep their customers happy regardless of whether the brand chooses to offer free returns or not.

*More Info?*

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