



Keep them coming back

See how retailers are
finding success through a
shopper-friendly returns program.



A better return policy leads to return customers



Today's e-commerce market is more competitive than ever, and customers have high expectations, not only from the retailer but from the carriers, too.

Providing customers with multiple delivery options, like choosing how, when, and where they want their packages delivered, is a great step toward keeping them happy. But you can improve customer satisfaction even more by adopting a robust returns program for your customers, making your loyalty base stronger than ever while delivering on your ROI effectively and helping you stay ahead of the game.

The results described in this report show that customers truly care about having an easy-to-use and reasonable return policy—in fact, the majority expect it and will even alter their retailer choices because of it. And those looking for new ways to please their customers will stay ahead of the competition and will enjoy the well-earned rewards of increased sales.

Here's to your continued success.

Carmen Zamora

VP Marketing, Domestic Parcel

A handwritten signature of Carmen Zamora in black ink, written in a cursive style.

Our approach

To gain a holistic view of the market, we spoke with:

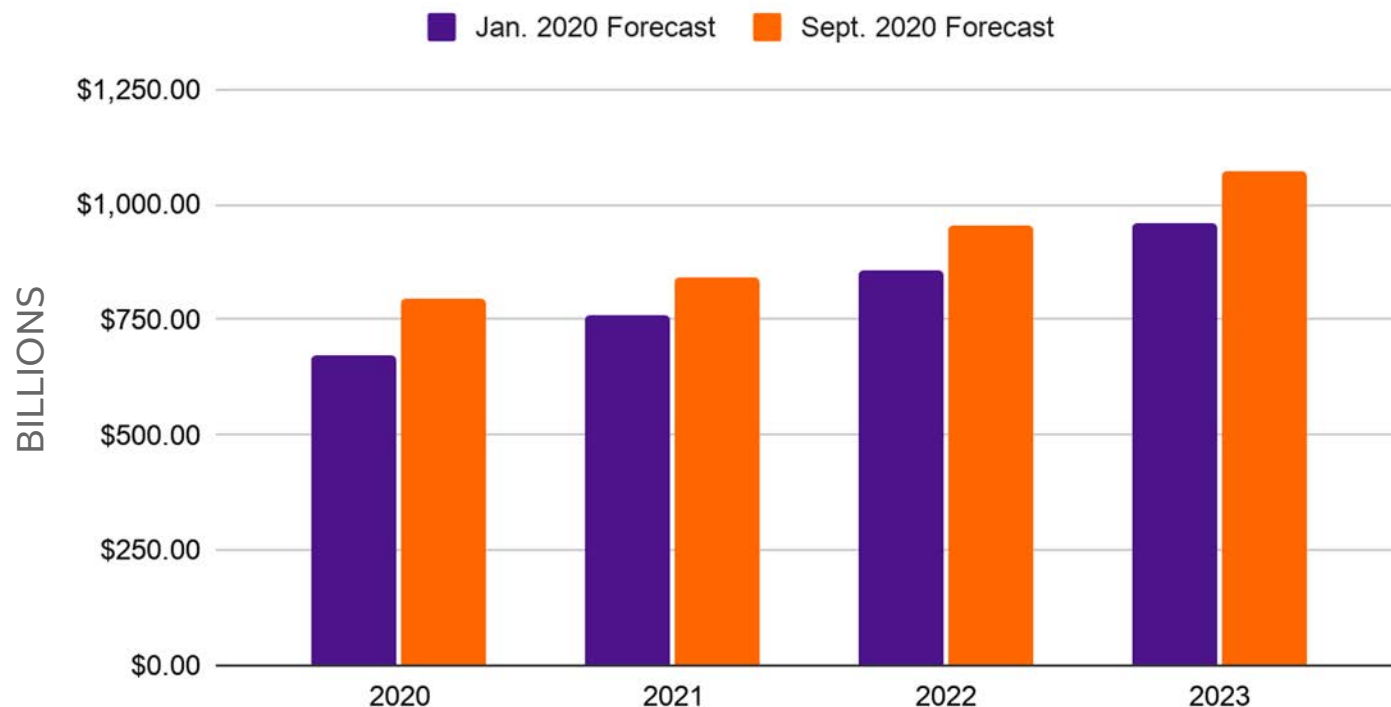


These insights will set you up for success to optimize your return policy, amplify customer satisfaction, and grow your business.

Online shopper surveys were completed May 5-14, 2020. E-commerce merchant surveys were completed May 6-22, 2020.

E-commerce boom at a glance

How industry forecast of U.S. retail e-commerce sales has changed



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling, and other vice goods sales. Source: eMarketer, Sept. 2020



What drove the big increase in online spending?

1. The disruption of life caused by the pandemic and quarantine restrictions shifted how customers shopped into a primarily online experience.
2. The widespread embrace of e-commerce during the pandemic unexpectedly accelerated the channel's progress by almost two years.*
3. As e-commerce grows, so do returns.

*"eCommerce Returns: What to Expect From the 2020 Holidays," Groove Commerce, January 8, 2021, <https://www.groovecommerce.com/e-commerce-blog/e-commerce-returns/>

Now's the time to set up a return policy

Consumers quickly adapted to a digital-first shopping mentality. This is the time for businesses to establish a seamless returns experience to build stronger relationships with their customers.

Forecasted online returns:¹

70.5 billion **73%** increase from previous five-year average

“Pre-pandemic, there was a consumer preference toward making returns in-store due to the number of steps in the return-from-home process—finding packaging, printing a label, and then dropping said package at the post office. Now, as a result of COVID-19, consumers are more willing to print the label from home and initiate the return.”²

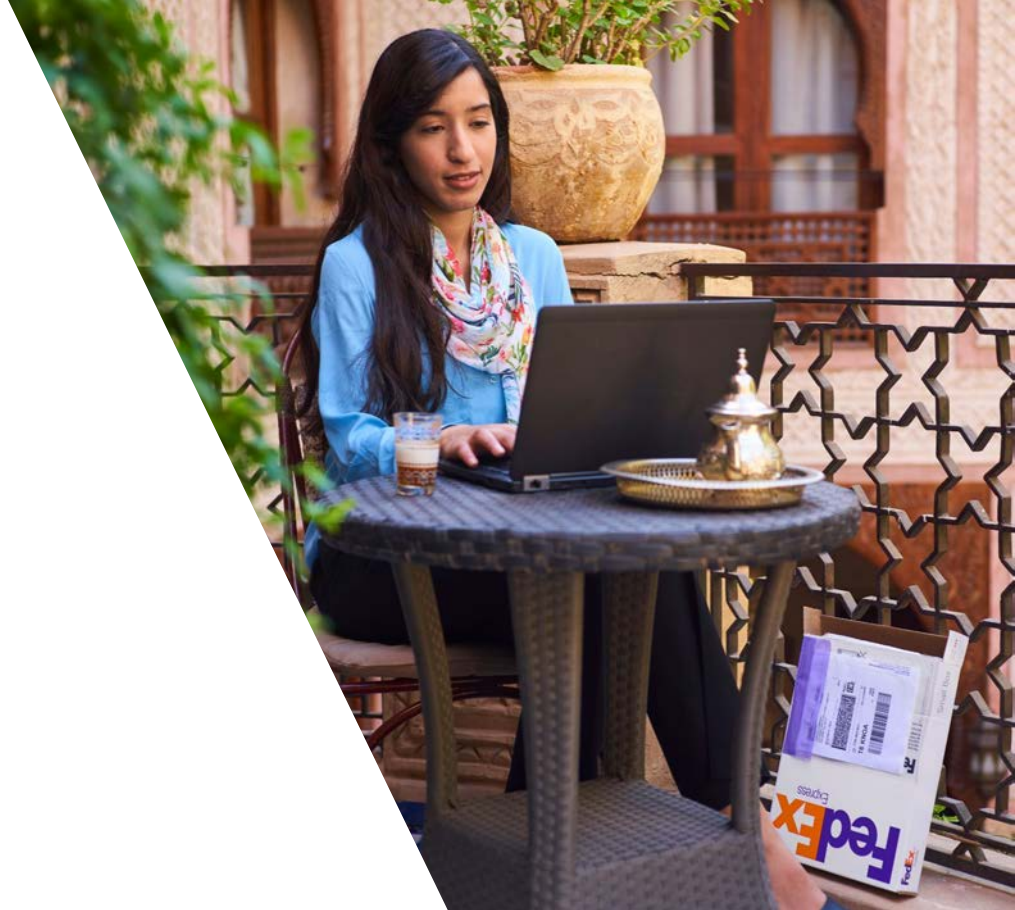
1. “eCommerce Returns: What to Expect From the 2020 Holidays,” Groove Commerce, January 8, 2021, <https://www.groovecommerce.com/e-commerce-blog/e-commerce-returns/>
2. “16 Ecommerce Experts’ Predictions on How Online Commerce Will Evolve in 2021,” eSeller Cafe, December 29, 2020, <https://esellercafe.com/16-e-commerce-experts-predictions-on-how-online-commerce-will-evolve-in-2021/>



How the returns process impacts customer shopping behavior

Does offering free returns reduce cart abandonment?

According to our proprietary research, most merchants agree that it does. However, research also finds that providing customers with a convenient experience, like a nearby drop off location and easy access to a return label, can reduce cart abandonment and boost shopper loyalty.



54%

of online shoppers are not satisfied with the return policies offered by retailers they shop with.

52%

of online shoppers have abandoned a shopping cart due to the return policy.

86%

of online shoppers have checked an online retailer's return policy before placing an order, with 63% of those checking the policy most or all of the time.

Solutions that amplify and streamline your customers' experience

According to most consumers, a retailer's returns process should focus on these core pillars:



30-day return policy



Include a pre-printed return label with purchased item

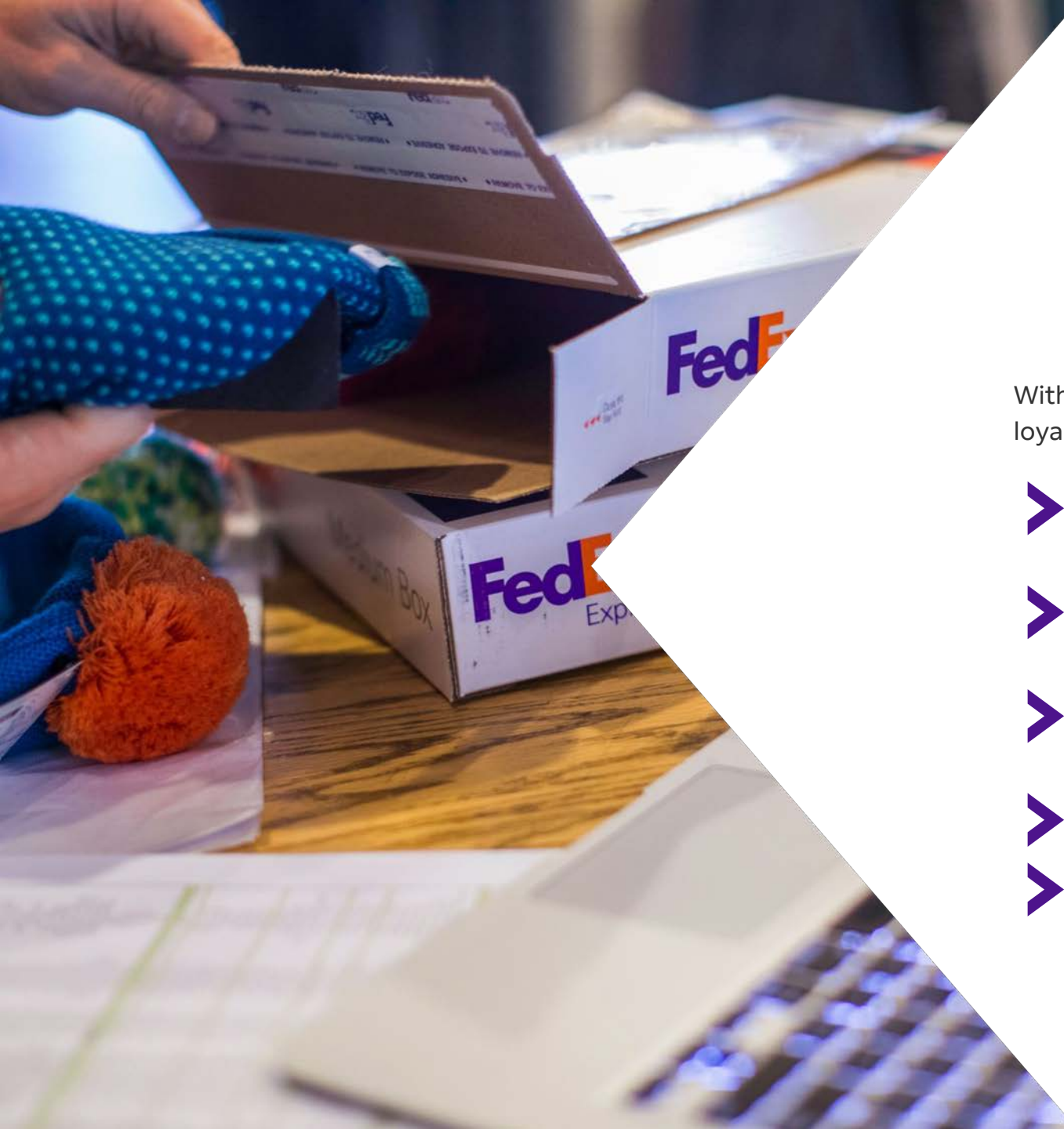


No charges for making a return



Process refund once item is received by carrier or merchant

Ultimately, the return and drop off interaction is important for consumers. 67% of online shoppers expect to receive a receipt (digital or otherwise) when handing off a package.



Better returns for better business

With these insights, you can grow your business and increase customer loyalty with frictionless returns. To recap, here's where customers stand:

- Online shoppers want the return shipping label included in the box or to receive a QR code for no-label returns
- Consumers abandon their shopping carts because they aren't getting seamless, free returns in a retailer's return policy
- Most prefer to return the item to the retailer's or carrier's physical store
- Customers expect a receipt and tracking number for their returns
- Only a quarter of consumers are willing to shop with a retailer that only offers a specific drop off location, even if it includes free returns

A person wearing a dark jacket is sitting and using a laptop. The background is a blurred city street at night with warm, glowing lights. A semi-transparent purple banner is overlaid across the middle of the image.

Are you ready to optimize your returns?

Contact your account representative today or fill out this form to have one of our experts contact you.

<https://www.fedex.com/en-us/small-business/account-help-sales-consult.html#consult-form>