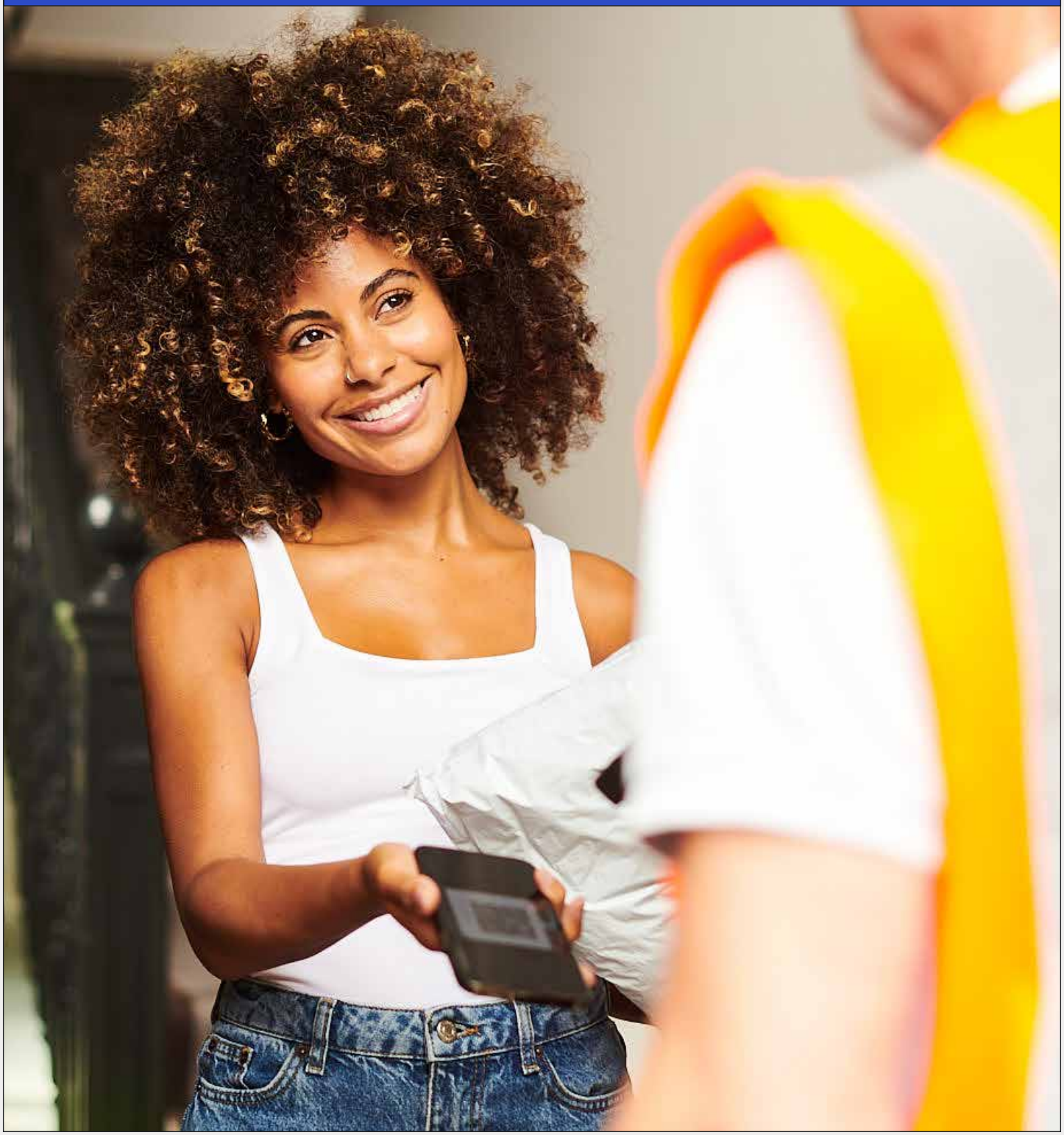
shipup x zigzag
By Global Blue

The returns and post-purchase experience: What do UK consumers really want?



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Introduction

Viewed from the outside, the UK e-commerce landscape is booming. In recent years, it has witnessed a transformation like never before and is now the most advanced European market. Indeed, the UK e-commerce market is estimated to reach over £117 billion in sales this year, with future growth anticipated to give the market a value of £159 billion by 2027. Indeed, there are now over 60 million e-commerce customers in the UK, with only a tiny minority of the population not buying products online.

This significant recent - and projected - growth brings to light the importance of the post-purchase ecosystem in e-commerce. Additionally, there are a deep range of factors - such as **high domestic and international competition, the after effects of Brexit, continually increasing interest rates, and historically high inflation** - that are affecting organisations and consumers at all stages of the retail industry, forcing them to adapt their practices and make savings where they can. **These factors are also limiting consumers' spending power, placing an ever stronger emphasis on each retailer's dedication to giving their customers a good experience,** willingness to align with their customers' ethics, and ability to provide a high-quality post-purchase experience.

These challenges do not only affect e-retailers operating domestically in the UK, but also have a keen impact on those working on an international scale. To provide an accurate assessment of how these businesses must react to the ongoing challenges affecting the e-commerce sector, this report also provides a comparison to consumers' attitudes in the EU (France, Germany) and the US, and provides insight into how retail businesses must reconsider their practices for these markets.

Despite these challenges, **a staggering 57% of individuals in the UK shop online on a weekly basis,** with the UK being home to the largest proportion of frequent shoppers (23% shop online multiple times each week) out of all regions surveyed. Established consumers (aged 36-45) lead this trend, with 70% of them shopping online at least once a week, indicating the strong need for retailers to communicate with this generation. These digital shoppers are well-informed and discerning, and therefore must be provided with a strong post-purchase experience if they are to give an e-retailer their repeat business.

57%

of individuals in the UK shop online on a weekly basis

While economic challenges facing the UK, a robust market persists non-essential products, with the leading purchase categories in the last six months being Fashion & Clothing (73%) and Beauty & Health (53%). This presents a substantial opportunity for e-retailers in these sectors. This challenging economic climate also offers retailers the chance to reevaluate their returns policies to place consumers' preferences at the forefront of their strategies. **In fact, 84% of shoppers always check the returns policy before making a purchase** and over half (53%) of consumers admit to cancelling their purchase as a result of a retailer's returns policy. So, without the right returns policy, retailers could be losing out on a significant portion of the online retail industry.

The key for e-retailers to see sustained success in this new landscape is customer retention. Many businesses take this part of the equation for granted but by recognising the post-purchase experience as an untapped marketing channel that can stay on during recession, inflation, and hard competition with industry giants, retailers can make significant customer retention gains without the cost associated with marketing and acquisition. Doing this properly can be a game changer for retailers to drive profit and improve customer loyalty, which is vital in a time of economic uncertainty.

84%

of shoppers always check the returns policy before making a purcharse?

Delivery woes - The pain points affecting UK customers

Nowadays a significant proportion of UK consumers are choosing to shop online. Nearly 3 in 5 (57%) of consumers in the UK shop online at least once each week, which is more than both France (36%) and Germany (46%), the other two principal European markets for e-commerce. The UK therefore represents one of the world's foremost markets for retailers and they must get their customer interactions right if they want to see sustained success in this area.

However, there are a myriad of problems that customers regularly face with their deliveries, ranging from late arrivals and damaged packages to misrouted shipments. These are alarmingly common - with over a third of UK consumers regularly being affected by delivery hiccups (35%) - and all contribute to worsening the post-purchase experience for consumers.

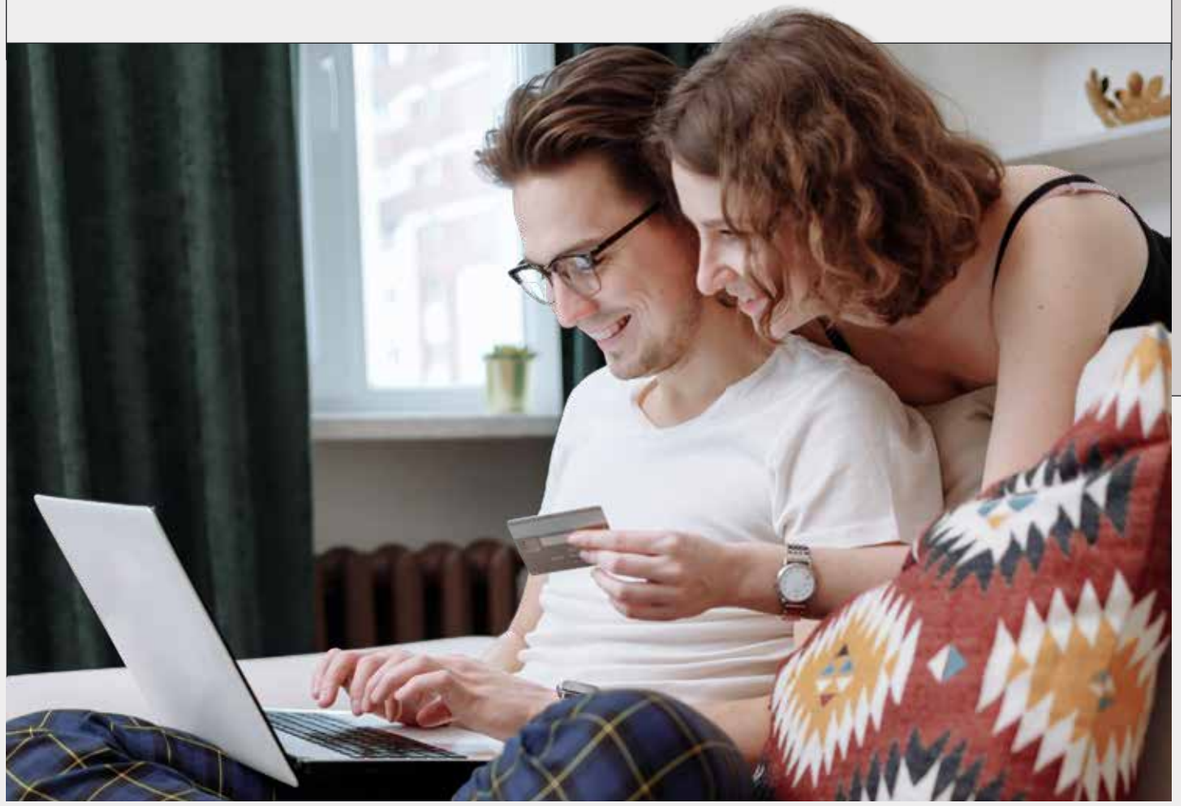
A staggering **93% of UK consumers have experienced a problem with a delivery at some point.** This is clearly shockingly common and something that e-retailers must work hard to counteract. These obstacles not only tarnish the overall customer experience but also impact the perception of your brand and negatively affect a consumer's likelihood to shop with you again.

93%

of UK consumers have experienced a problem with a delivery at some point

Why does the post-purchase experience matter?

Once a consumer has made a purchase, the post-purchase experience begins. This encompasses everything from email notifications and the tracking page on a retailer's site through to their delivery experience - and even, if needed, their returns experience. How a retailer interacts with each customer throughout this journey can have a major influence on whether or not they choose to buy from a retailer again or take their business elsewhere.



79%

of UK consumers won't return after a bad returns experience

Getting this experience right is a crucial part of successfully engaging customers with your business. **79% of UK consumers will not return to a retailer after a poor returns experience.** This demonstrates just how vital it is for this experience to be positive for retailers to garner brand loyalty. Essentially, offering a positive post-purchase experience is a low-cost, high-return marketing strategy that is often overlooked by retailers. This is a huge mistake given how significant the results of getting this experience right can be.

How does a poor delivery experience affect customers?

One common complaint levied against e-commerce providers is that they are too passive when there are delivery issues. **Nearly half (43%) of UK consumers feel that the e-retailer waits for customers to reach out to them in the event of a problem with delivery.** This feeling is more prevalent in the UK than in any other country surveyed, which offers a strong indication of how retailers must tailor their strategies for each region they operate in. Retailers can no longer afford to be passive when communicating with British shoppers, and must adapt their strategies accordingly, implementing helpful, proactive post-purchase communications that guide consumers through their delivery journey.

43%

of UK consumers believe e-retailers wait for them to report delivery issues

83%

of consumers want to receive a notification when there is a delivery problem

In the UK, this is often overlooked, with only a quarter (25%) of retailers contacting shoppers with branded communications. Additionally, a similar proportion (23%) receive communications from the carrier but never hear from the retailer, which demonstrates just how large this missed opportunity is. After all, providing these post-purchase updates on a regular basis - and at each step of the delivery journey - is a great way for retailers to re-engage their customers, and encourage them to shop from their business again.

While various widespread supply chain challenges, the impact of Brexit, and mundane human error can cause delays, the controllable factor for retailers is to communicate effectively and proactively with their customers. Managing expectations and ensuring a positive post-purchase experience, even amidst mishaps, is crucial. This is a vital consideration for larger e-retailers operating across multiple territories, who must be sure to adapt their processes to best respond to the preferences of the region they are operating in.

It's notable that a significant majority of consumers **(83%) would like to receive a notification when there is a delivery problem** - whether it be an instant real-time notification (57%) or by a customer service agent (26%), simply communicating effectively in the event of a problem with delivery is an easy step e-retailers can take to improve their customers' post-purchase journey.

What are consumers returning? And why?

To understand how retailers can improve consumers' post-purchase experience, it's important to understand what consumers are returning and why. This can help you save the sale and reduce returns.

In the UK, the most returned items were Fashion & Clothing items (39%), with Electronics (14%), Home & Garden and Toys and Crafts (both 9%) among the other most returned categories. Intriguingly, these top two categories had significant gender splits, with 46% of women having returned an item of clothing bought online, compared to 31% of men, and 22% men returning an electronic item, while only 8% of women had done the same. These high return rates point to the difficulty of purchasing specialty items - particularly clothing, where sizing can vary - online, and without having the option to try before you buy.

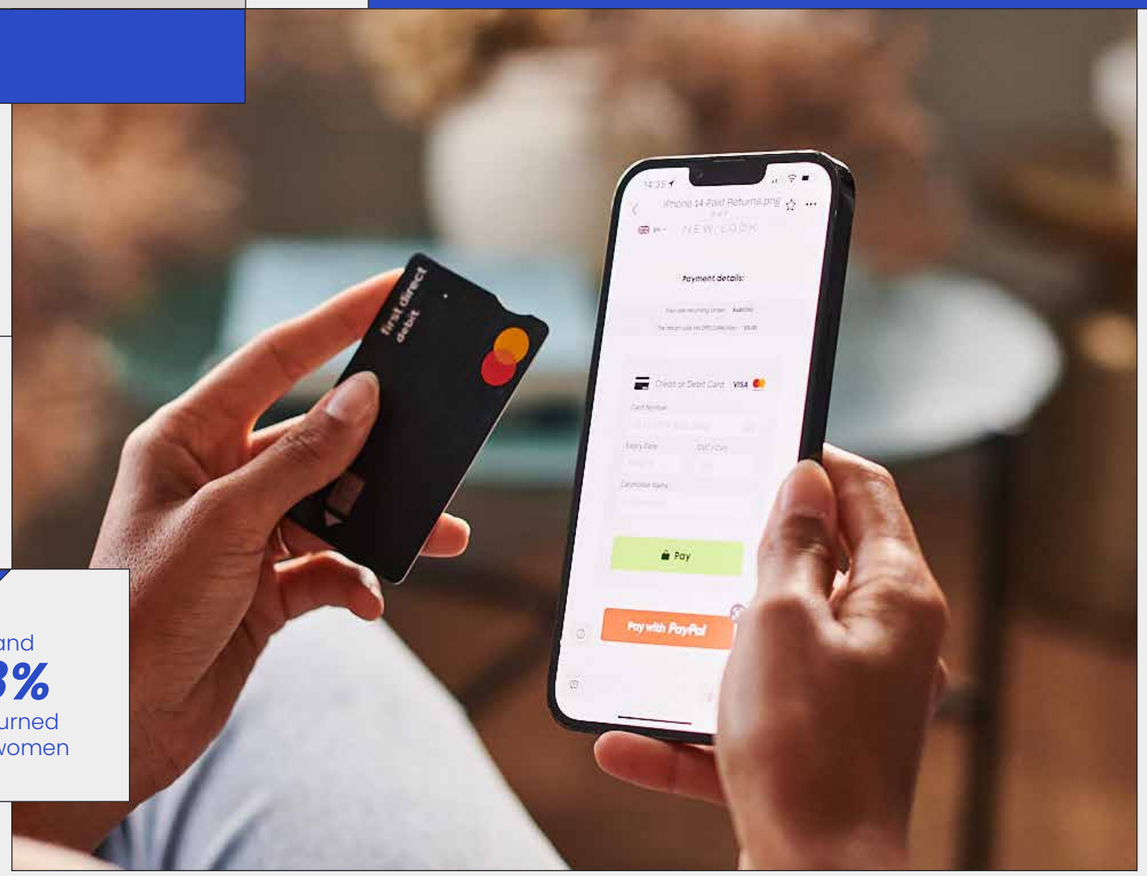
58%

of returns are processed due to an issue with size

Indeed, our survey found that **size is the most common reason for an item being returned. About three fifths of all returns are processed due to this issue,** which represents a significant portion of total returns. The other top causes for returns are that an item arrived damaged or faulty (27%), it arrived late (8%), and that the item didn't match the description on the website (5%). These all highlight significant steps - such as working exclusively with high-quality carriers - that retailers can take to improve the post-purchase experience and mitigate returns.

In the UK, the most returned items were

- **39%** Fashion & Clothing
  - of which **46%** were returned by women
    - and **31%** returned by men
- **14%** Electronics
  - of which **22%** were returned by men
    - and **8%** returned by women



The challenge posed by fraud

One thing that is worsening the returns situation for retailers is returns abuse. This often takes the form of a gaming of a retailer's returns system, such as **bracketing.** This is the practice of purchasing variations of the same item with the intention of returning most of it. A highly similar behaviour retailers are increasingly seeing is **wardrobing:** where customers buy an item, wear it, and then return it for a full refund. This is a tactic often employed by customers to find an outfit for a one-off event such as a wedding or a party.

An alternative form of returns fraud that is becoming increasingly common among younger consumers (18-24 - 24%) is **staging.** This is where an individual purchases items specifically to show them off through pictures on social media before returning them, and particularly affects high-end fashion brands.

Worryingly for many retailers, these behaviours are on the rise, with nearly half (46%) of UK consumers buying multiple products with the intention of returning most of them, which represents a significant increase from 2021 (33%). Therefore, being able to combat these practices is crucial for retailers to protect their future revenue.

83%

of UK consumers express a desire for easy exchanges

57%

of UK consumers thinking of returning a product would accept a refund credited to a gift card

Saving the sale and reducing returns

Not all returns are even returns...in a traditional sense. Consumers may make returns for any number of reasons. They may have simply misread the sizing guide or normally order a different size with another retailer. In these cases, retailers need policies in place to save the sale.

One potential solution to these challenges is for retailers to implement a strong, flexible exchange policy. **UK consumers overwhelmingly (83%) express a desire for easy exchanges,** which offers a positive solution for retailers who are able to protect their revenue and provide a satisfactory experience for their customers. In a similar vein, **57% of UK consumers thinking of returning a product would accept a refund credited to a gift card.** Again, this helps businesses to secure their revenue while allowing customers the option to return unwanted products. These practices are highly effective at reducing returns. They ensure customers receive the outcome they are looking for - the return of an unwanted item - while retailers are able to mitigate the negative side effects of returns on a huge scale.

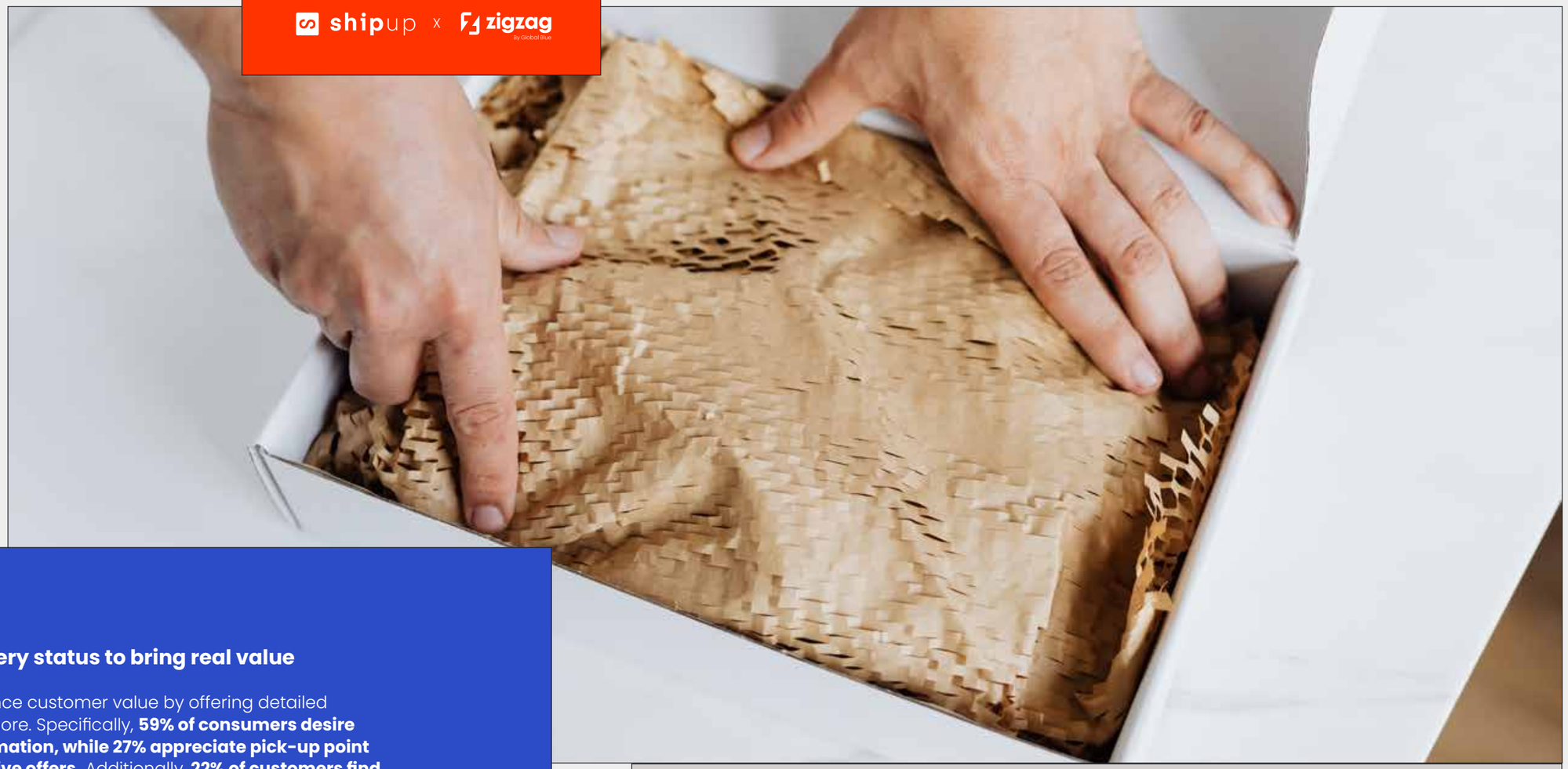
The significance of proactive order-tracking alerts

Proactive order-tracking alerts have become crucial in the expanding e-commerce landscape, with **80% of UK consumers valuing them as important** for the transparency and reassurance they provide about their orders - a figure that notably surpasses the 67% seen in France and Germany.

80%

of UK consumers consider proactive order-tracking alerts to be important

E-retailers observe increased customer satisfaction, trust, and likelihood of repeat business when they deliver these precise and timely notifications about package updates. Furthermore, with 43% of UK consumers consistently checking updates post-purchase, equal to the US and France and slightly less than Germany (45%), retailers possess a substantial opportunity to re-engage customers and encourage future purchases through strategic post-purchase updates. This engagement can take various forms, such as exclusive offers, review requests, or simply providing useful and positive information, all aimed at bolstering repeat business across all regions.



Going beyond delivery status to bring real value

UK e-retailers can enhance customer value by offering detailed shipping updates and more. Specifically, **59% of consumers desire detailed shipping information, while 27% appreciate pick-up point information and exclusive offers.** Additionally, **22% of customers find FAQs or purchase-related instructions useful.**

Notably, UK consumers exhibit a higher interest in discount and offer information than those in Europe or the US. This behaviour presents a distinct marketing opportunity for retailers who want to target customers with exclusive post-purchase discounts and offers.

Younger shoppers, those aged between 18 and 35, exhibit a pronounced preference for additional post-purchase information. These customers tend to seek more detailed communication and follow-up from retailers after making a purchase online, revealing a demographic with particular communication expectations.

E-retailers need to navigate varying communication preferences across different territories to ensure sustained success. An essential component of this is utilising proactive order-tracking alerts, fundamental to building trust and maintaining customer loyalty through transparent and regular updates.

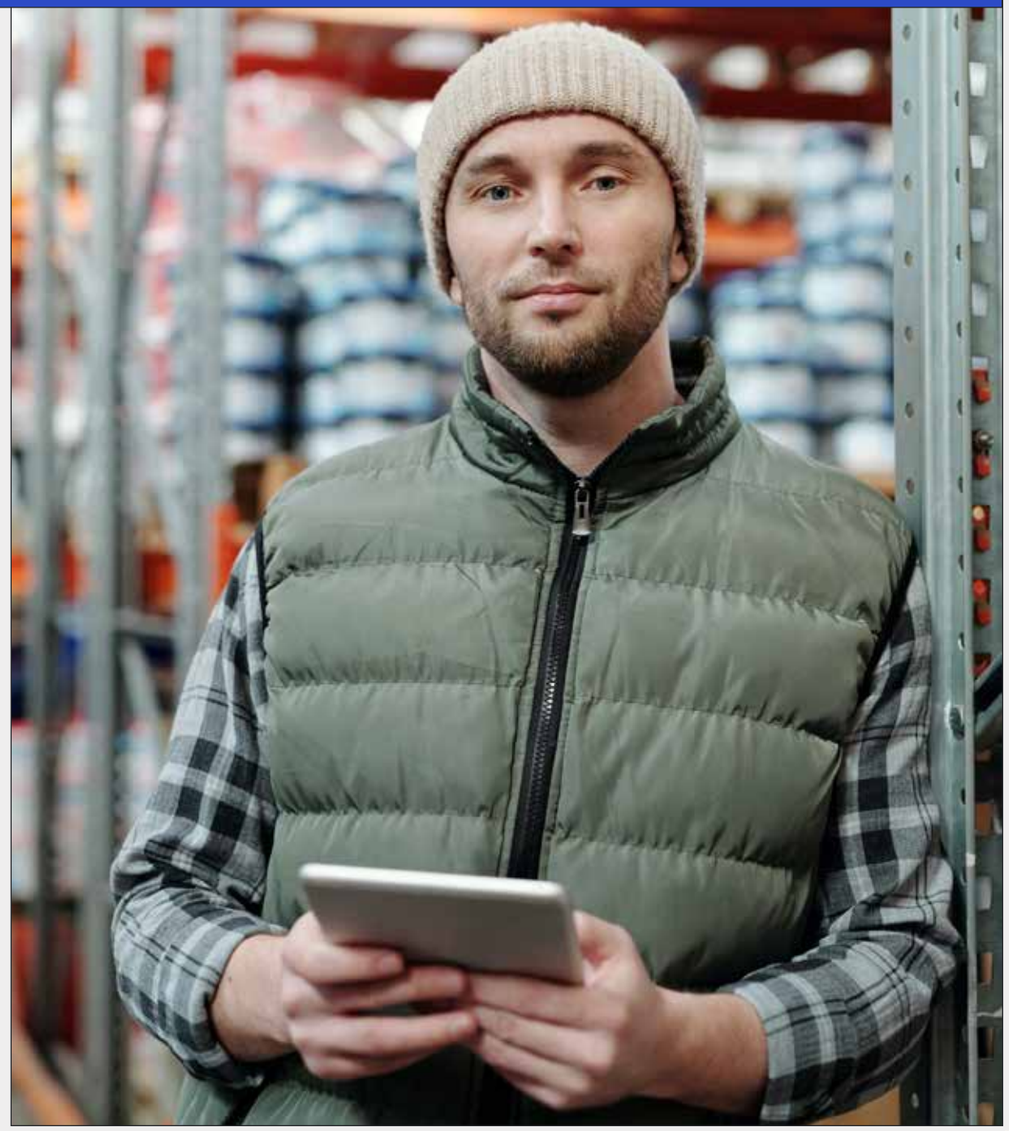
Moreover, proactivity, especially in sharing updates and managing delivery issues, becomes crucial. **Enriching tracking pages with additional content like exclusive offers transforms post-purchase communications into a potent marketing tool,** ultimately maximising the value derived from returning customers.

How to ensure your customers are satisfied with their tracking information

In the digital age, customers are increasingly embracing the power of tracking their packages. This tendency gives retailers strong potential for optimising the tracking experience by offering comprehensive information on a dedicated tracking page, providing customers with real-time updates, estimated delivery times, and personalised insights.

This cuts both ways, and consumers can be left feeling dissatisfied by poor - or no - communication. In the UK, over a third (34%) of consumers feel the updates they receive are confusing or inaccurate. Additionally, 31% think the updates they receive aren't helpful, 21% don't receive enough updates about their purchase, and alarmingly 11% receive no tracking info at all. This represents a significant failing on the part of retailers who are not responding to their customers' needs.

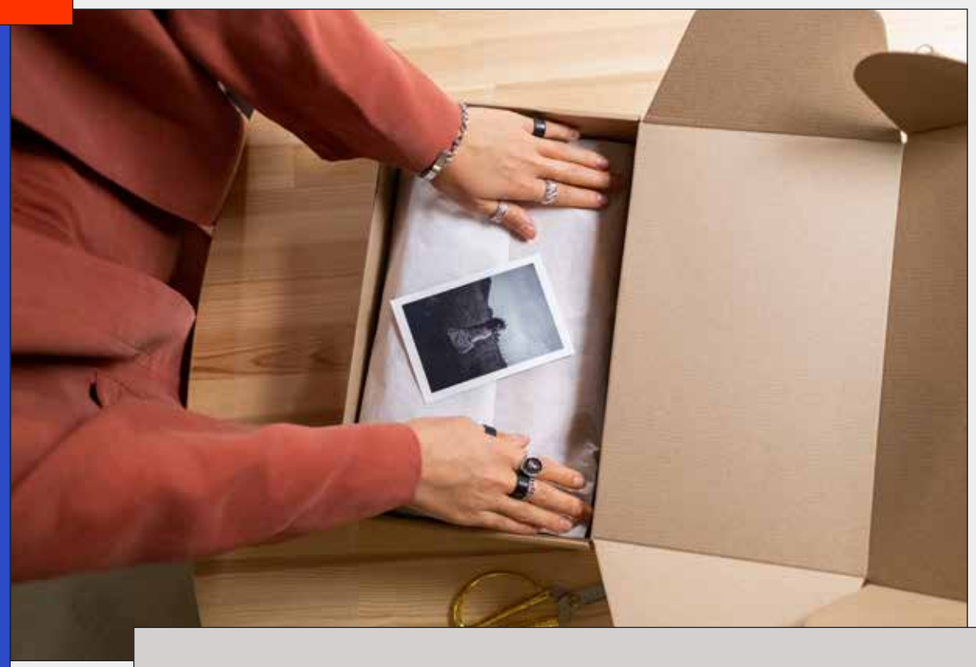
This is vitally important for retailers because brands that fall short in meeting tracking expectations risk jeopardising more than just a singular transaction. They risk damaging customer trust, setting in motion a long-term domino effect with far-reaching consequences, eventually negatively impacting a brand's profits. In an age where consumers are able to easily jump from one retailer to another, a seamless tracking experience is a crucial determinant of a brand's sustained success and financial stability. The message is clear: a brand's bottom line is intrinsically tied to the transparency and accuracy of its package tracking system.



Delivery promises vs. speed

Experiencing problems while buying online can happen to anyone. What matters is how retailers are able to respond to potential setbacks to exceed the expectations of their customers. In the post-pandemic era, with consumers scrutinising how they spend every penny more than ever before, it is more important than ever for retailers to provide them with a good experience.

A key part of this is convenience. Nearly three fifths **(57%) of British consumers value packages arriving on the promised date rather than the delivery being quick**. Carriers need to be able to work around the British lifestyle, rather than the other way around, and understand the value UK consumers place in convenience. Timely - rather than rapid - delivery should therefore be a priority for e-retailers working in the UK. Reliability is crucial and businesses should work with carriers who are able to work in a timely manner, ensuring delivery delays are kept to a minimum.



57%

of British consumers prioritize on-time package delivery over speed

What to do when deliveries go wrong - And how retailers can make amends

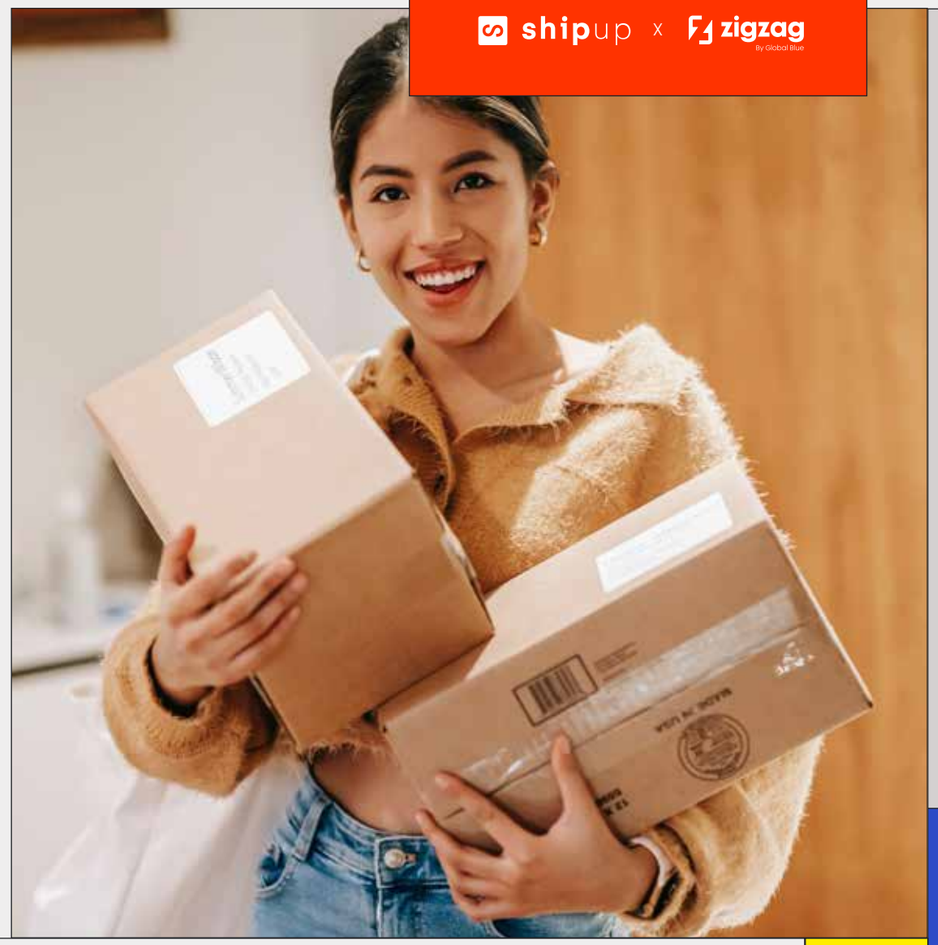
After the recognition that things can go wrong comes the important step of making amends. After all, 39% of UK consumers would not return to a retailer after a bad delivery experience - and 79% would not return after a poor returns experience. Given securing repeat business is the aim for the vast majority of retailers, providing efficient, timely services when mistakes happen is a great way to still give customers a positive experience.

There are several ways to go about maintaining the goodwill of your customers. One of these is to **offer an apology and provide them with a discount for a future purchase. In the UK, over half (54%) of consumers see this as an encouragement to shop again after a bad experience.** This is the most effective strategy for rectifying mistakes and should be a key part of every retailer's toolbox.

An alternative that chimes with the British market's preference for strong communication is proactive outreach, which 43% of consumers value. While communication methods can vary - 57% do not want human contact whereas 26% prefer being contacted by customer service - what is key is that retailers reach out positively and proactively to provide customers with a good post-purchase experience, even when things go wrong. Even when outreach is not proactive, simply keeping the information that is available on your tracking page as up-to-date as possible is a valuable step in providing a positive post-purchase experience for your customers, with this increasing the likelihood of a future purchase for a fifth (21%) of consumers.

54%

of consumers view offering an apology and a future purchase discount as an effective way to retain customer goodwil



Harnessing the Power of Post-Purchase Communication

A retailer's relationship with their customer doesn't end once they've made their purchase. The post-purchase relationship is even more important than any pre-purchase engagement: this is where the best retailers will be able to differentiate themselves and secure long-term customers.

There is a strong hunger among UK consumers for retailers to engage with them by email after they have made a purchase, with 90% reading these emails. This is an overwhelming majority, but is still lower than in the US (98%), presenting a major opportunity for e-retailers to get their post-purchase communication right. Indeed, with a quarter (26%) of UK consumers always reading these emails, there is significant scope for retailers to use them as an additional, ***low-cost marketing channel.***

This is especially important given the power post-purchase communications have as a marketing tool for retailers. Research has found that **post-purchase messaging sees a 217% higher open rate, 500% higher click rate, and 90% higher revenue per recipient than an average email campaign.** This demonstrates the remarkable ROI that post-purchase re-engagement can deliver for businesses who are willing to improve their post-purchase communications strategy.

Winning back customer trust - The re-incentivisation game

While a poor delivery experience can affect a customer's likelihood of returning to a business, there are several factors that can encourage customers to shop again. The most effective of these is to apologise and offer a discount, **with over half (54%) of UK consumers likely to return to a retailer if this is offered.** This is a greater percentage than in any other region surveyed, although it is an effective strategy, regardless of the territory it is used in.

Another way retailers can regain consumer trust is to communicate proactively with them. 43% of UK consumers value this active, helpful communication from a retailer in the event of a poor delivery experience, a statistic which strongly chimes with the UK market's preference for convenience in their delivery experience. Proactively updating information on tracking pages and making it available to shoppers is another step retailers can take to improve their customers' experience after a delivery hiccup. 21% of UK consumers believe that this will increase their likelihood of returning to a retailer, even after a poor experience.

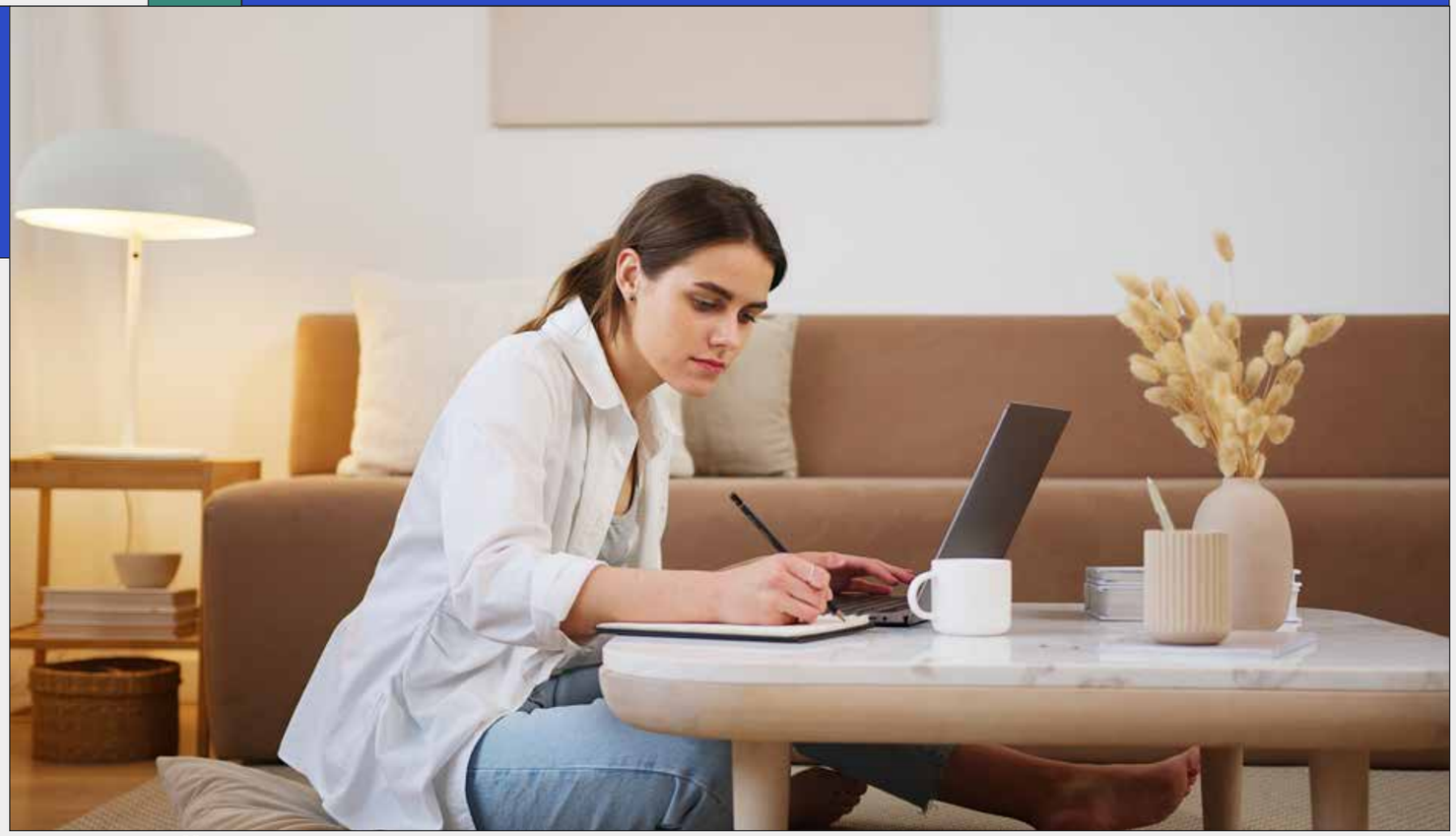
Percentage of consumers likely to return to a retailer if a discount is offered.

54% UK	**53%** France
50% US	**44%** Germany

How to communicate effectively after a purchase

In light of the evident willingness among UK consumers for marketing re-engagement post-purchase—46% express interest in updates about promotions, 41% in loyalty programme information, and 21% in product recommendations—**retailers possess a substantial avenue for delivering time and money-saving communications.** However, striking a balance in communication strategy is pivotal since a third of UK consumers desire to receive solely order updates, advocating for an adaptable strategy that includes an 'opt-out' option for those disinclined to receive marketing materials. With a majority of consumers feeling that companies could enhance the personalisation of their experiences, offering a tailored post-purchase experience becomes integral to enticing repeat patronage from customers.

Younger consumers (18-25) set the bar high regarding their expectations of post-purchase communications and show specific interest in receiving retailer inspiration through mediums like blogs (11%) and social media (19%). Their demonstrable readiness to engage and potent potential for return purchases underlines the necessity for retailers to adeptly personalise post-purchase communications, ensuring content is directed at those most likely to respond favourably, thereby optimising the opportunity for customer retention and loyalty-building.



Reviews - and why they matter

Social influence plays an extremely strong role in the decisions we make nowadays. **A third (36%) of UK consumers usually leave a review a few days after buying an item, and 13% do this immediately after receiving their delivery.** Given nearly all (95%) of UK consumers say they consider customer reviews when making an online purchase, it is crucially important that retailers operating in the UK use the right strategies to encourage all of their customers to leave a review. Above all, this means communicating in an effective, timely manner with customers who have made a purchase - and being unafraid to ask them for a review - is, after all, a vital organic marketing tool that will influence potential future customers.

53%

of consumers have admitted to cancelling their purchase as a result of a retailer's returns policy

Return policies: How do they affect buying decisions?

Returning an item has increasingly become part of the buying process. This tendency is now reflected in how shoppers consider returns before making a purchase. 84% of consumers check a business' returns policy when they shop online - a total that remains consistent across all categories and age groups.

When these policies are obstructive, they often serve as a deterrent to a consumer making a purchase. **Over half (53%) of consumers have admitted to cancelling their purchase as a result of a retailer's returns policy,** with the returns rate being highest across luxury categories, such as Jewellery (78%) and Beauty Products (76%), as well as for products often bought in bulk, such as Office Supplies (77%). This is perhaps unsurprising given these items are often expensive and, as a result, returns policies must be forgiving in case the recipient does not like the item they receive.

What does the ideal returns policy look like?

Providing a positive returns policy that helps consumers - while not a priority for many retailers - should be considered a vital part of any business' customer relations policy.

This poses the question: what does the perfect returns policy look like?

The most requested part of this was free returns, with 4 out 5 (82%) of UK consumers highlighting this as a core part of what they look for when returning an item. Next after that came rapid refunds (72%). Additionally, UK consumers value returns policies that work around them **with nearly half (46%) favouring retailers who offer multiple convenient return options.** This helps to paint the picture of what the ideal returns experience looks like in the UK; fast, affordable and convenient. These are the three pillars any retailer or brand must consider when looking to improve their returns offering.

46%

of UK customers favour retailers who offer multiple convenient return options

The paid returns debate

Given that free returns are a priority for many UK consumers, the choice for retailers to introduce paid returns can be a challenging turning point. This, however, is something that is becoming increasingly common in the UK, with several major retailers - Boohoo, Zara, Inditex and New Look - introducing paid returns. As would be expected, this decision has a direct effect on retailers' bottom line with three fifths **(61%) of consumers saying they will shop from a retailer if they only offer paid returns. This represents an increase compared to the US (56%),** indicating the maturity of the paid returns market in the UK, and the influence that large-scale retailers have had in introducing paid returns successfully to date.

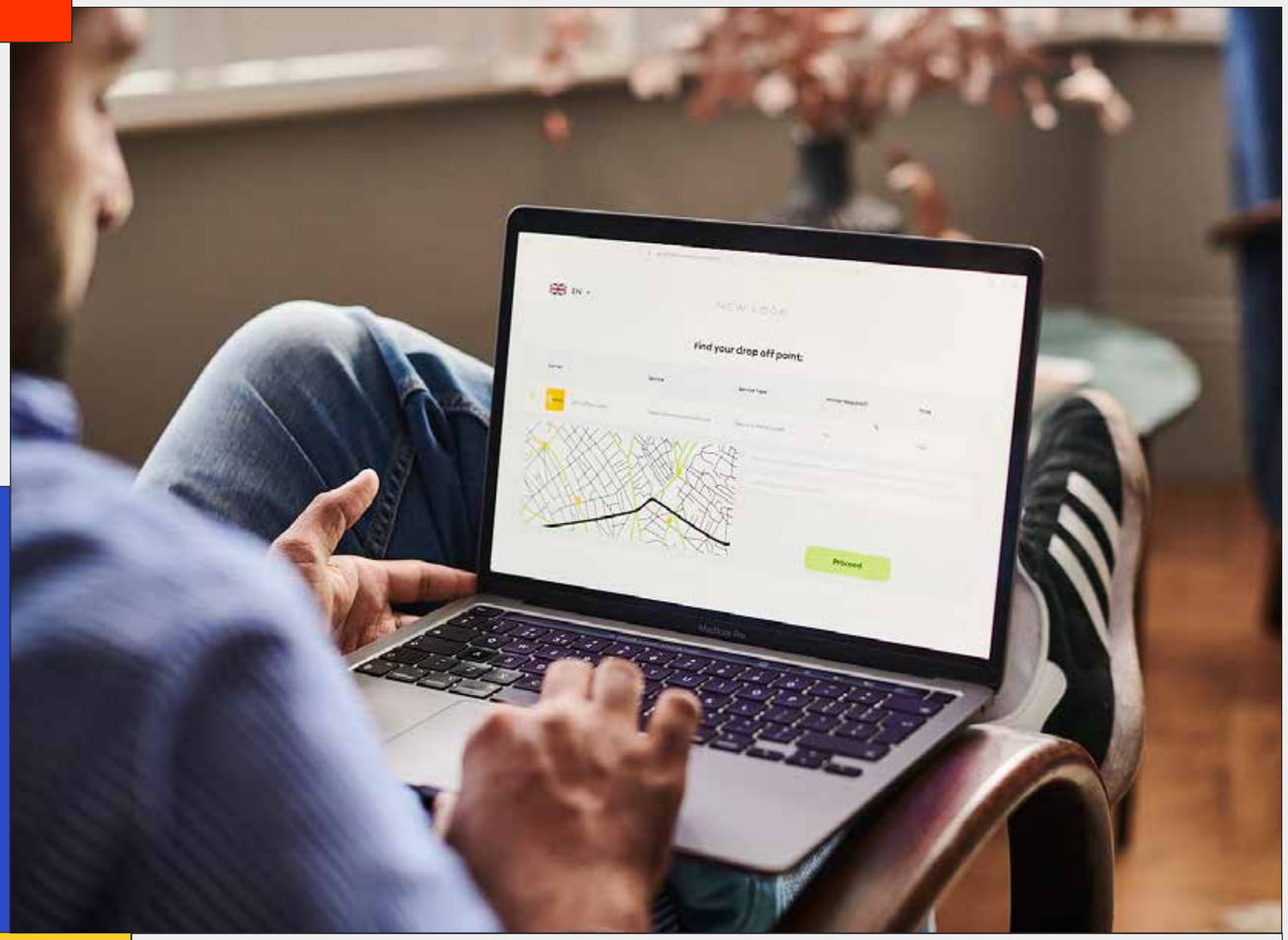
In a world with high return volumes, and increasing costs facing retailers who offer returns, finding a way to recoup these costs is the key motivation for retailers introducing paid returns. Those retailers who have already built strong relationships with their customers, and whose services are so high quality that they are a crucial part of the industry fabric, will be less affected by decisions such as these than those who do not have good customer relationships. For this reason, it is vital for retailers to provide their customers with the best experience possible if they are looking to secure a high customer retention rate.

Percentage of consumers who would shop from a retailer if they only offer paid returns

61%	56%
UK	US

The Ties That Bind: Loyalty & Repurchase Intent

The key aim of mastering the post-purchase experience for your customers is to retain them. Repeat customers have a **65% chance** of converting into a sale, compared to 13% for first-time buyers. Additionally, they are less costly to reach, compared to fresh customers. This makes repeat business a key consideration for retailers who rarely give the post-purchase experience the consideration it deserves.



What drives customers back to the same e-retailers?

There are several reasons shoppers prefer to return to an e-retailer they have shopped from previously, and several ways they can give their customers a positive experience to secure their repeat business.

If an e-retailer is able to provide a good post-purchase experience, they are far more likely to secure a customer's repeat business. 80% of UK consumers emphasise that a good experience after buying an item would make them more likely to shop with a brand again. This was consistent across all age groups, indicating the need for retailers to look after their customers, regardless of who they may be.

What is perhaps even more surprising is the effect a returns experience can have on a consumer's likelihood of revisiting a brand. 79% of consumers would not return to a brand after a poor returns experience. This highlights the important nature of implementing an effective, positive returns policy if brands want to see an increase in their repeat business. After all, loyalty in the e-commerce world now hinges more than ever on the post-purchase experience so businesses have to get it right.

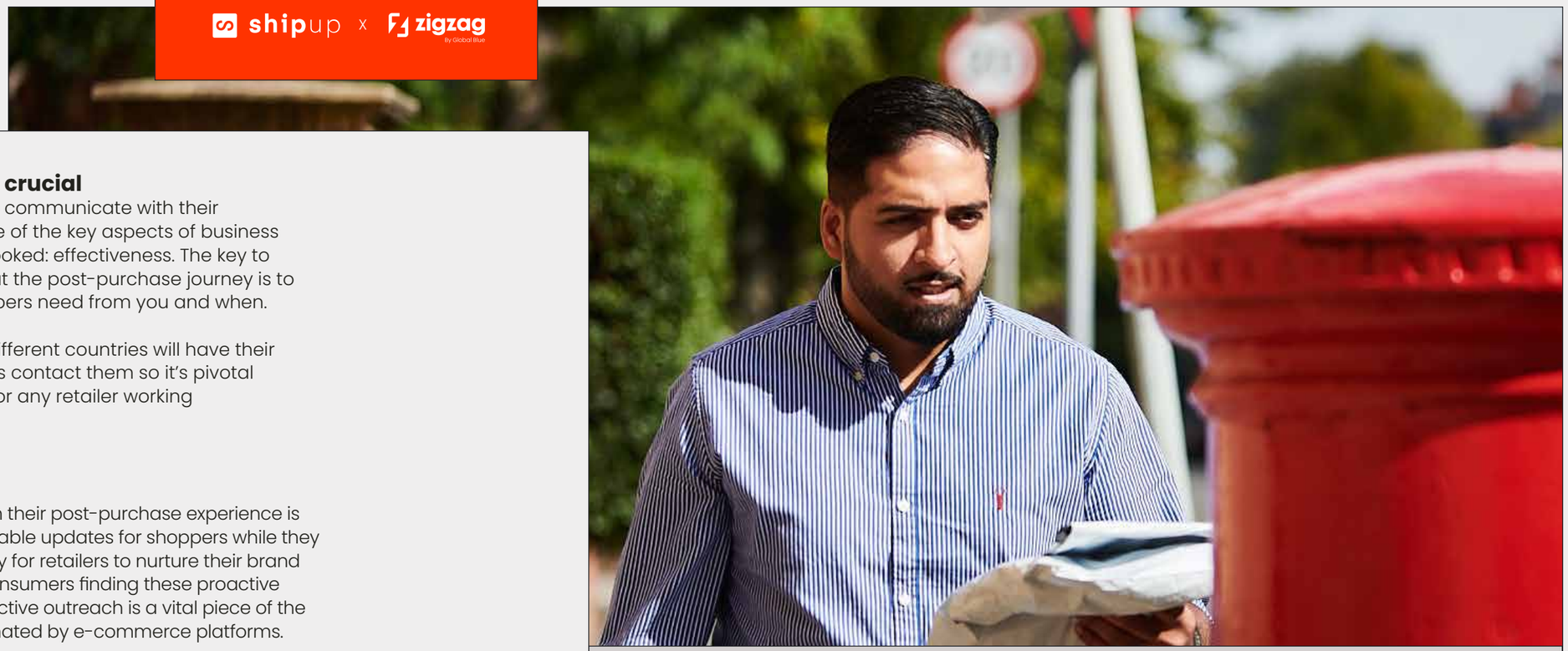
What Do Retailers Need To Do To Retain Customers?

Agop Ashjian, CEO of Shipup, shares his thoughts on the key takeaways from this report, and on how businesses can use this data to improve their customer retention.

Traditionally, retail has predominantly focussed on gaining new customers. Businesses have prioritised large-scale ad campaigns, often aimed at young people, to try to secure their loyalty as they enter the market and then take for granted their loyalty throughout the rest of their purchasing lifetime. With the advent - and rapid growth - of e-commerce, this approach is no longer enough. What's more, in the face of continued inflation, consumers are more likely to make lifestyle changes. As a result of having more options than ever at their fingertips, shoppers are able to jump from retailer to retailer as often as they want or need.

To counteract this, retailers - particularly in e-commerce - need to adapt their post-purchase strategies to provide their customers with the best experience they can. This not only enhances customer satisfaction but also offers an additional benefit in terms of ROI for e-retailers. Engaging consumers after they have made a purchase proves significantly easier for businesses than constantly pursuing new customers. Moreover, this post-purchase engagement can be accomplished at a fraction of the cost compared to marketing to fresh prospects. These two aspects synergise, making post-purchase marketing the most lucrative channel for e-retailers who prioritise delivering a stellar customer experience.

All this poses the question: how can retailers provide the best experience possible for their customers?



1. Effective communication is crucial

It's easy to say that retailers need to communicate with their customers more, but this misses one of the key aspects of business communications that is often overlooked: effectiveness. The key to effective communication throughout the post-purchase journey is to understand exactly what your shoppers need from you and when.

Consumers of different ages from different countries will have their own preferences about how retailers contact them so it's pivotal these preferences are understood for any retailer working internationally at scale.

2. Proactivity is key

What many consumers value most in their post-purchase experience is information. Providing proactive, valuable updates for shoppers while they are awaiting a delivery is an easy way for retailers to nurture their brand reputation. Indeed, with 80% of UK consumers finding these proactive order-tracking alerts important, proactive outreach is a vital piece of the puzzle, and should not be underestimated by e-commerce platforms.

3. Accept mistakes and recognise these as an opportunity

It can be challenging to accept mistakes. Doing this, though, is vital as mistakes represent an opportunity for retailers to engage with their customers. Damage control strategies are valuable: many UK consumers feel that retailers are too passive, waiting for customers to reach out to them, especially when something goes wrong with a delivery. To counteract this feeling, retailers must communicate effectively and proactively with their customers to manage their expectations.

Additionally, these mistakes provide an opportunity to re-engage with your customers and maintain their goodwill. One way to do this that is particularly popular in the UK is to reach out with an apology and offer a discount for a future purchase. This also works as an effective marketing tool to encourage customer retention in the longer term, and can generate significant goodwill for your business.

Keeping customers by providing a good post-purchase experience

Providing a good experience after a shopper has made a purchase is the biggest defining factor in whether or not they choose to visit a retailer a second time. To meet this need, it is vital that retailers continue engagement with their customers beyond the purchasing stage. After all, these post-purchase communications garner significantly higher levels of engagement than any other marketing outreach so are a key tool for marketers aiming to incentivise future purchases.

Post-purchase emails and reviews play a major role in driving new shoppers towards your business, and this anecdotal evidence provides you with an extremely cost-effective marketing channel that is often ignored. This approach, coupled with proactive communication with customers, and a readiness to respond to their needs, is the crucial step in securing long-term brand loyalty, and is the lifeblood of online retailers. After all, 80% of UK consumers are more inclined to shop with a brand again after a good experience, so providing this is a key piece of the customer retention puzzle.

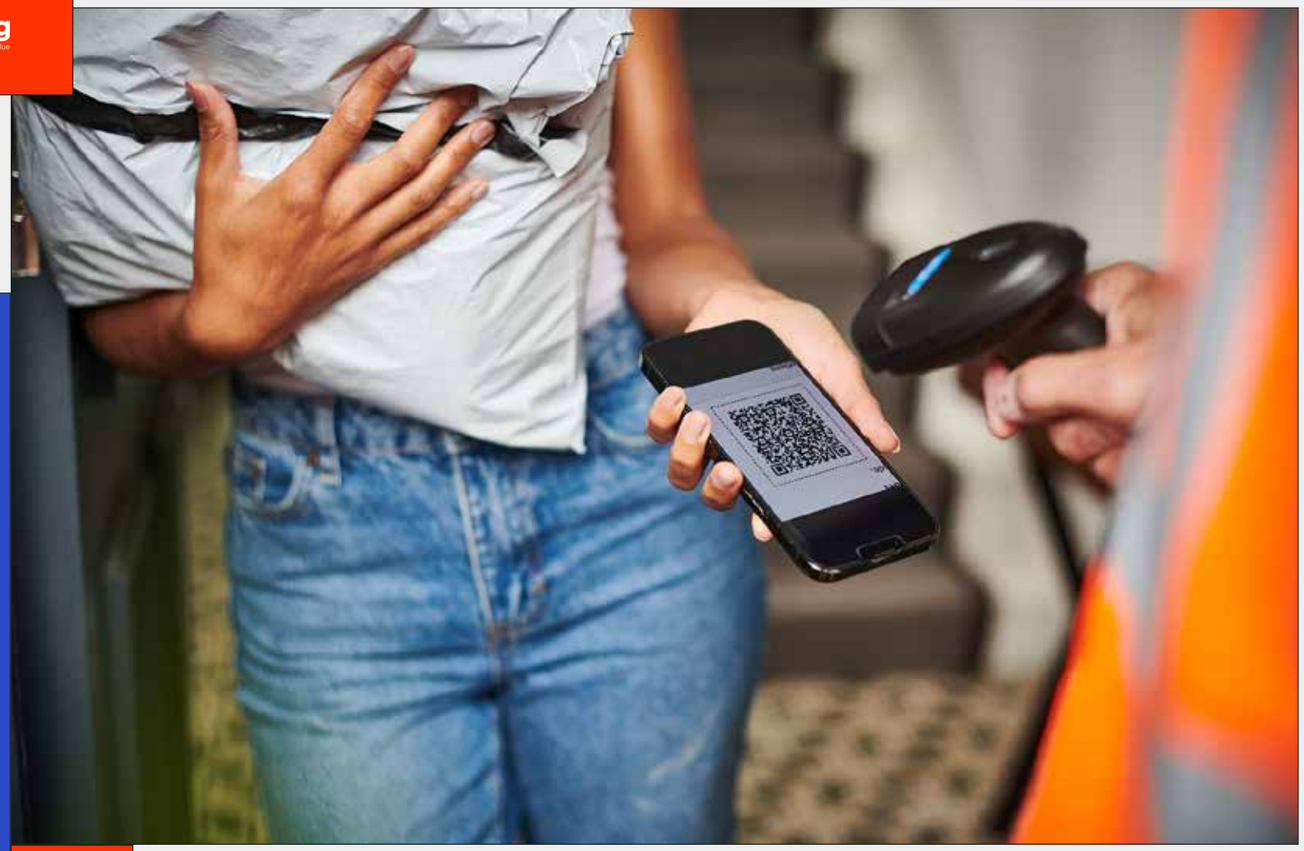
Returns: the missing piece of the post-purchase puzzle?

Al Gerrie, Founder and CEO of ZigZag Global, details the changes retailers must consider to provide a modern, fit-for-purpose returns solution.

The recent cost-of-living crisis has exacerbated the number of returns shoppers are making, with our research indicating over a third of British shoppers (35%) are more likely to make a return as a direct consequence of the heightened cost of living.

This means retailers - and their carrier partners - are having to deal with a significantly increased load, as more and more deliveries are returned. This also has profound implications for retailers' bottom lines, as in many cases refunds have to be offered, and returns are offered free of charge.

Given the major impact returns policies can have on consumers' likelihood of making a purchase, it's vital for retailers to account for consumer preferences with any policy changes they make. For example, accessing a high-quality, free returns service is a priority for many customers, but retailers must be aware of the costs involved in offering this. They must also be prepared to make changes to their returns policy to ensure customer satisfaction while also protecting their revenue. This poses the question: what does the ideal modern returns model look like?



What do consumers want?

In the UK, the conscientious consumer is an archetype that dominates the marketplace. The overwhelming majority of consumers will check a retailer's returns policy before making a purchase, and over half admit to putting the brakes on buying a product solely based on the returns policy. What's more, four fifths of British consumers won't return to a retailer if they have a poor returns experience. This data all indicates the pressing need for UK retailers to provide their customers with a top quality, unobtrusive returns policy to maximise initial engagement with their brand.

After all, engaging new customers is a significant investment and with 70% of e-commerce customers abandoning their purchase at checkout, retailers cannot afford to lose the potential customers they have invested significant marketing sums to engage. For this reason, retailers should aim to provide a returns policy that supports their customers, rather than obstructs them.

The core concerns the majority of UK consumers have is for free returns and quick refunds, while they also place a strong emphasis on being able to conveniently make returns. These may sound like a challenging set of constraints for retailers to adhere to - especially in terms of how costly they can be - but there are several steps retailers can take to improve their returns policies that consumers will particularly appreciate.

How can retailers update their returns policy to meet modern needs?

One of the key requests from UK consumers is that they are able to make returns conveniently. For the ability to have their return collected from near their home, they are even prepared to pay a premium, which should offer significant encouragement for retailers looking to recoup the costs incurred from huge volumes of returns.

Another core part of the returns equation for retailers is 'saving the sale.' One way of doing this that is very well received by the vast majority of UK consumers is to provide the option to easily exchange an item, rather than seeking a full refund.

In perhaps the most encouraging sign for retailers, the British public is highly receptive to paid returns. This might be the result of recent large retailers, such as Boohoo, Zara, and New Look, switching to paid returns in an effort to fight returns fraud. This comes alongside the recognition from British consumers that the cost of living crisis is affecting every level of society, and requires strong action to ensure business is able to continue. After all, many British consumers prefer to buy from British brands, and want to support the UK economy, and they are prepared to pay a premium to do so.

Why offering a top quality returns experience matters for your business

Businesses looking to succeed in the post-pandemic age must realise that the entire post-purchase experience offers a brilliant, cost-effective marketing channel. Offering high quality, convenient returns is a core part of this wider whole, and should be a priority for retailers looking to secure repeat business from consumers. Given the UK's particularly challenging economic climate - which is not set to go away any time soon - retailers need to adapt their returns policies to suit consumers' needs, and be prepared for the reality that returns may well continue to increase as the economic situation continues to hit shoppers.

Appendices

Methodology

Through methodical research involving a comprehensive survey of 2,000 online shoppers in the UK, all of whom made online purchases within the past six months. Ensuring a balanced representation across genders and age groups, our study strives to offer a multifaceted understanding of customer behaviour, satisfaction, and expectations. Dynata was chosen to carry out the survey being the world's largest first-party data and insight platform. Dynata serves nearly 6,000 market research, media and advertising agencies, publishers, consulting and investment firms and corporate customers in North America, South America, Europe, and Asia-Pacific.

About Shipup

Elevate Customer Loyalty with Shipup: Your Post-Purchase Partner
Who We Are: Shipup is your trusted partner for delivering an exceptional post-purchase experience. We understand that retaining customers in the modern retail landscape requires tailored strategies. Our expertise lies in bridging the gap between your brand and the specific preferences of your customers.

Our Approach: Shipup empowers you to communicate effectively, providing the right information at the right time. Whether it's adapting to regional preferences or turning mistakes into opportunities, we've got you covered at every stage beyond purchase, from delivery to returns. With our platform, you can ensure convenience, reliability, and a strong carrier network to meet your customers' demands, no matter the circumstances.

The Shipup Advantage: Trusted by over 500 brands including L'Occitane, Specsavers, Withings and Printemps Retail, across 235 countries and partnered with more than 100 carriers worldwide, Shipup revolutionises the post-purchase experience. We offer data-driven solutions that not only delight your customers but also drive repeat purchases and reduce support costs. Choose Shipup as your post-purchase partner and secure a future of loyal and satisfied customers for your brand.

About ZigZag Global

ZigZag Global is a software solution to help eCommerce retailers manage returns domestically and globally.

The ZigZag platform connects major retailers to a global network of over 220 warehouses and 1,000+ carrier services in over 200 countries. ZigZag's clients include Selfridges, MandM Direct, Superdry, The Hut Group, and many more.

ZigZag delivers best-in-class technology and service to transform the post-purchase and returns experience globally. ZigZag's mission is to reduce cost and waste, increase customer loyalty, and enable our clients to be more profitable and sustainable.

ZigZag won its first award of 2023 with an accolade for Best eCommerce Support Business at eCommerce Awards 2023. In 2022, ZigZag Global won the European eCommerce Software or Extension of the Year and European eCommerce Innovation Award at the European eCommerce Awards. The returns solution also won The Payments Solutions Technology Award and The eCommerce Software or Extension of the Year at UK eCommerce Awards 2022. ZigZag even took home the Customer Experience Award at DELIVER 2022.

ZigZag won Best Innovation at the CILT Awards in 2021, also taking home its third consecutive accolade at the eCommerce Awards 2021 as Best Outsourcer, eCommerce Partner or Supplier after previously winning the Best eCommerce Technology Innovation and Best Product at eCommerce Expo 2020 and Innovation in Delivery and Logistics Award at the eCommerce Awards 2019.

ZigZag was the winner of the Best eCommerce Technology Innovation and Best Product at eCommerce Expo 2020, Innovation in Delivery and Logistics Award at the eCommerce Awards 2019, won the KPMG Best British Tech Startup 2019 (London round), was a finalist at The Circulars at the World Economic Forum 2019 in Davos, is listed in the Retail Tech Top 50, The StartUps Top 100, Disrupt 100.

ZigZag is also proud to be a member of the Ellen MacArthur Foundation.