

Strix[®]

EBOOK

**The perfect
e-commerce returns:
a step-by-step guide**



Introduction

Returns are every retailer's nightmare – there's no point pretending otherwise. The cost of acquiring a customer and bringing them to the site that didn't result in a purchase, the 'wasted' conversion, and on top of that, the subsequent expense and time of the logistics. Unfortunately, returns are an integral part of e-commerce and instead of fighting windmills, it is worth considering what to do to make this procedure as painless as possible for the customer and the seller. **And that's exactly why we have this ebook for you.**

From the material you will learn:

- What regulations govern the return policy in e-commerce.
- What customers expect from returns.
- What to do to reduce the number of returns.
- How to design the ideal return procedure.
- How to optimise returns during sales peaks.



Statistics on returns



More than half of European customers regularly return their purchases.



52% of customers always check the shop's returns policy before making a purchase.



The percentage of returns in online shops is more than **2x higher** than in brick-and-mortar shops.



60% of European customers don't want to be involved in the returns procedure; they expect the shop to arrange the whole process and cover the shipping costs.



74% of consumers will not re-order from a shop where they have had to pay for return shipping themselves.



Unfriendly return policies are responsible for **32% of** abandoned baskets.

Source: E-commerce Delivery Compass Report, Sendcloud, 2022



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Returns under the law

The percentage of returns in e-commerce averages **20–30%**, depending on the industry. This compares to only **9% of** orders in brick-and-mortar shops. This discrepancy has to do with the different purchase paths in the two sales channels - physical point-of-sale customers can see the product in person and decide whether it meets their requirements, while online consumers mainly rely on virtual product information. Furthermore, in the case of offline purchases, the customer only has the right to return if the retailer voluntarily grants them this option (but there is no obligation to do so).

The situation is different with e-commerce. When shopping online, the customer cannot fully assess whether the product meets his or her expectations, for example whether the shoes are comfortable, the trousers fit well and the fragrance of the perfume suits him or her. For this reason, online retailers are obliged by consumer law and EU law to give customers the right to withdraw from a contract without giving any reason within **14 days of the delivery of the product**. The retailer then has **14 days to reimburse the buyer for the products purchased**. The regulations on returns and complaints for online purchases also apply to products purchased during a promotional or sales period, and a **shop's internal policy cannot deprive consumers of their statutory right of return**.



Products that may be excluded from the right of return:

Personalised products, for example jewellery with engraving.

Sterile packaged products that have been opened, such as cosmetics.

Products with a short shelf life, such as food.

A product that has been permanently combined with another product.

Digital content not stored on a tangible medium, for example ebooks or audiobooks.

Importantly, products that are excluded from the returns are not excluded from the right of complaint, for example, if the product purchased is not as described, defective or incomplete.

Understanding the consumer – the psychology of returns

Every retailer wants to reduce the number of returns to a minimum. In a situation where their acceptance is obligatory for online shops, many entrepreneurs decide to make the process as difficult as possible for customers, hoping that this will discourage them from resigning.

We strongly recommend dropping such a strategy, as a customer who is not free to return unsuitable products will rather abandon the purchase than expose himself to additional costs and wasted time. According to research, as many as **52% of consumers check the conditions for returns before making a purchase.**

Let us therefore try to better understand the motivations and concerns of consumers as they walk the purchase path.

Fear of risk

Online shopping is always a certain risk because the customer cannot see the physical product before making a decision. Unless it is an item that has already been used, the customer, when placing an order, relies mainly on the information provided by the seller and other users' reviews. For some goods, such data is sufficient, but many others, like clothing, accessories, home furnishings or decorations, can only be accurately assessed in person.

From a consumer perspective, the ability to simply and conveniently return soothes the fear of risk associated with online shopping. A customer, who is not afraid of difficulties, can allow himself more freedom and experimentation with the offer. A friendly return policy allows customers to order more, see the products and decide which to leave. This is somewhat reminiscent of the experience in a physical shop.

⊗ Difficult return path

WHAT THE CUSTOMER THINKS:

"There are a few things in this shop that I like, but I don't know if I'll decide to keep all of them. I don't want problems with returns later, so I will only order the products I am sure about."

⊙ Simplified return path

WHAT THE CUSTOMER THINKS:

"This shop offers free, fast returns with courier collection! I'll make a bigger purchase and try it on, at most I'll return what I don't like, and who knows - maybe I'll keep everything."

Investment of time and resources

One of the biggest advantages of e-commerce is the simple and fast shopping path – the customer has access to a wide range of offers from many shops without leaving home, and the ordering process itself takes just a few minutes. Unfortunately, this convenience often comes with the cost of delivery and possible return. **The additional expense can discourage the customer from shopping online**, which will be perceived as less attractive compared to a land-based outlet or a competitor offering free delivery and returns.

The difficult cancellation procedure also prolongs the entire purchasing process. Not only does the customer have to place the order, wait for the delivery and check the products, but he also has to pack them, fill in and print the return form and then send the parcel with his own money. In this case, the customer not only pays extra for the order but also has to wait much longer to enjoy the purchase. Not to mention the 'blocked' funds for the order, which the retailer will only send back after receiving the return.



Long return path

WHAT THE CUSTOMER THINKS:

"I ordered the products a week ago, but I am not happy with them. Now I have to send the parcel by post myself, but I won't have time to do that until Thursday. Delivery will probably take 5 days, another day for verification and another 2 weeks waiting for the transfer. Does this mean that my funds will be blocked for a month? This is a big discomfort for me, next time I will look for another shop where I can get it done faster."



Shortened return path

WHAT THE CUSTOMER THINKS:

"This shop offers express parcel returns, they even sent me a ready-made shipping label and packaging to use again. I will carry the parcel tomorrow on my way to work and the return will be delivered to the shop within two days. The retailer declares that they will transfer the funds to me within five days of the package being delivered, meaning I will get my money before my next payday!"

Bad user experience

Many retailers think that if the returns procedure is complicated and inaccessible, customers will give up and keep the product. Unfortunately, in this scenario they do not take into account that such a practice will leave consumers not only with an unwanted order but also – a very negative experience.

E-commerce buyers today are used to high standards of service and good UX, but they don't like to feel that the shop only cares about them until the order is placed. **The purchase path encompasses all elements of the interaction with the brand:** getting the user's attention and bringing them to the site, intuitive navigation, an accessible check-out, but also the quality of delivery, post-purchase support and the process of a return. If the customer has to take many additional steps to cancel the contract, even the best-designed purchase path will not compensate for this negative experience. The shop in such a case may gain an additional order but will lose the chance to gain a loyal customer.





Negative experience with return

WHAT THE CUSTOMER THINKS:

"The shopping went very smoothly – the problem started when I wanted to make a return. First, I couldn't find the form on the website and no one answered the helpline. Then it turned out that the form had to be printed out, and as I don't have a printer at home – I was faced with a trip to the print shop. A visit to the post office and waiting in line was another hour of my time. I paid £5 for returning the package, together with the cost of delivery that's £10 of lost money. I did not receive any message that my return was accepted. No one replied to emails and it was only the fourth time that I reached customer service. I feel like the shop just wants to encourage me to order but doesn't care about my comfort at all. I will definitely not be going back there."



Positive return experience

WHAT THE CUSTOMER THINKS:

This is the best shop ever! Intuitive website, quick process, free delivery two days after ordering. In the end, I decided to return the products, but it took me literally a few moments. I quickly found the tab with the online form, all I had to do was enter my order number and the site automatically filled in all my details. The package included a return label for the parcel machine, but I was also able to order a courier straight to my home at selected times. The courier arrived punctually, and when he took the parcel, I immediately got confirmation that my return was on its way. I didn't even have to wait for the money to be transferred as I had chosen the buy-now-pay-later option. 5 days later, an email came that my balance had been cleared and I got a discount on my next purchase. I will recommend this shop to all my friends!"

How to reduce returns in e-commerce

We've already discussed exactly why making the returns procedure difficult is ineffective, but the question remains: how do you reduce their number in a customer-friendly way? Here are some examples of actions that will allow you to maintain conversions.

Extended return time

Yes, it's not a mistake – **the extended time for returns will make their number... Fewer.** How does it work? Let's try again to put ourselves in the customer's shoes. When a person has bought a product they are unsure about, a short deadline to return can create pressure to make a quick decision. This sense of urgency can be an effective sales strategy, for example when communicating the last days of a promotion or the few products in stock, but when the customer already has the purchase with them, such pressure can work against the seller.

According to a **Sendcloud study**, **40% of** European on-line shoppers will not place their next order with a shop with a return period below 30 days and 20% of consumers expect minimum 60 days.

In the case of a long return period, for example, 60 or 90 days, the customer knows that he can reflect and make a decision without rushing. As a result, he often gets used to the purchase, accepts the expense incurred or simply forgets to send the order back, and thus – the products don't return to the shop.

Example of return time in online shops

Lancerto	→	30 days
Semilac	→	30 days
Modivo	→	100 days
Zalando	→	100 days
Ikea	→	365 days
House	→	365 days

Product details

The online customer mainly relies on the information provided by the seller when making a purchase. Incomplete product data may lead to the consumer being disappointed with the package, as they received a different item than they expected.

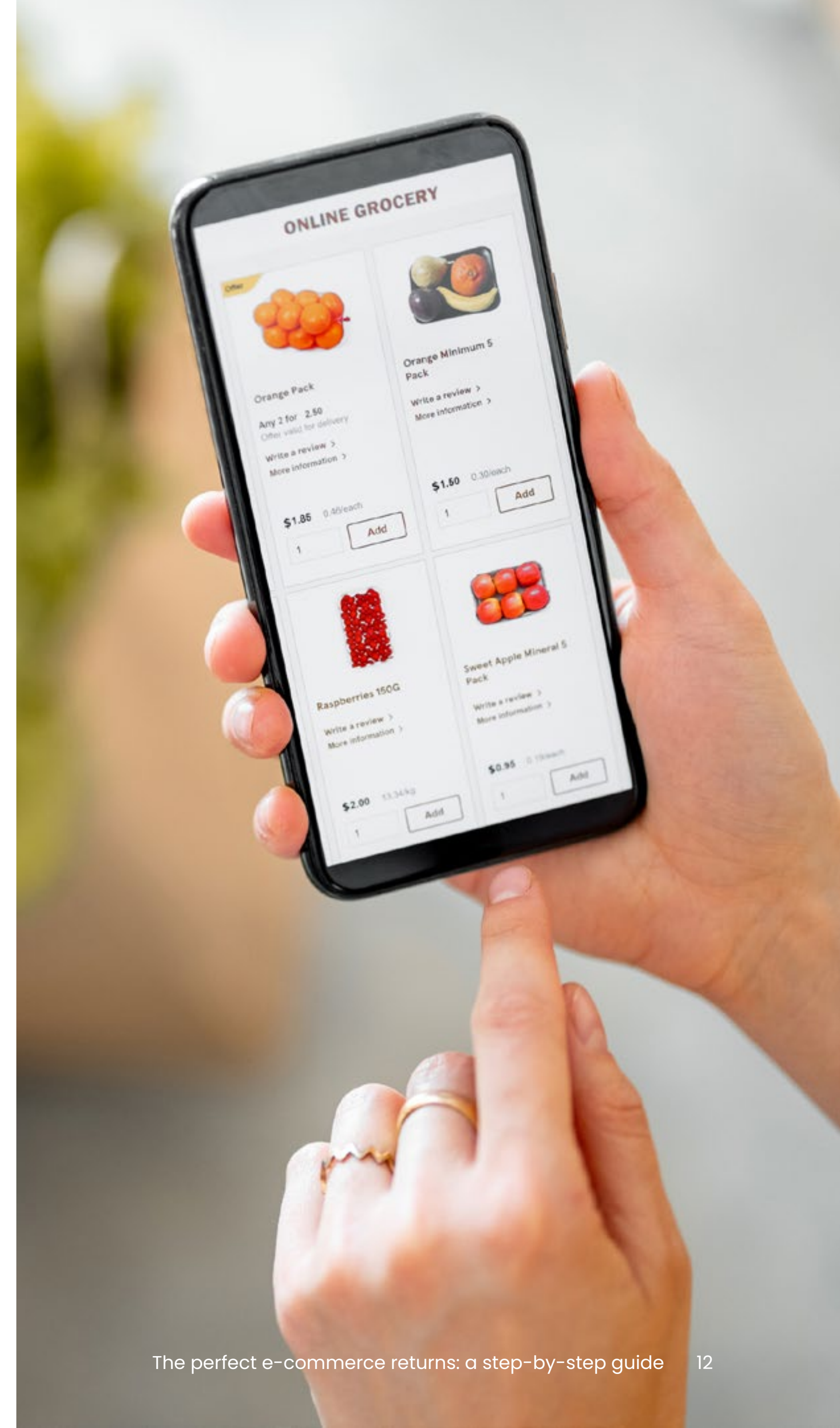
Therefore, when preparing the descriptions of your offer, ensure that all the key information is included, such as ingredients, materials, colours, technical specifications, size chart, allergens, etc.

You can also introduce a size advisor service, where the system recommends suitable products based on the customer's measurements. **Lancerto** – producer of elegant menswear – has implemented such a solution. The more accurately you describe the product, the greater the chance that the customer will make a better decision and won't return the order.

Multimedia

Images and videos on the shop's website are a key element in the decision-making process, as they are meant to replace the opportunity for the customer to see the product live. The multimedia content allows you to assess the colour, texture or cut and helps the client to imagine the article in use and verify that it meets one's expectations. The more accurately you present your offer visually, the lower the risk of a return. It is a good idea to show the details of the product and present it in a natural setting, for example, furniture in a nicely decorated flat.

Videos showing the product in everyday use, such as a model presenting shoes while walking or applying lipstick in natural daylight, are also great. Use lifestyle social media content for this purpose.



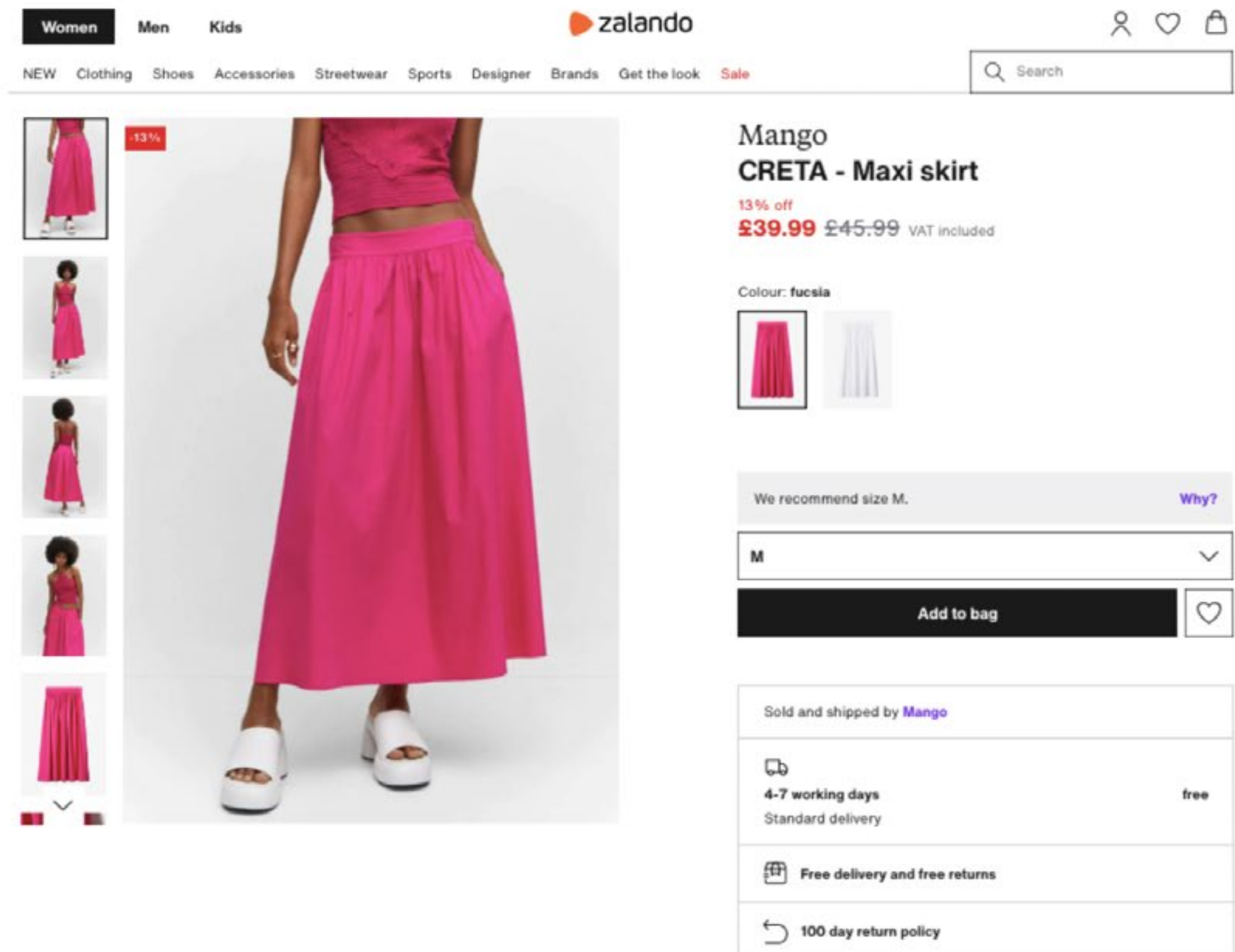
Personalisation

Today's e-commerce solutions allow advanced tailoring of product recommendations, communications and offers to each customer. Thanks to personalisation, customers can more easily select products that match their interests and needs. And **better purchasing decisions = fewer returns!**

Retailers have a variety of personalisation tools to choose from, including product recommendations in pop-ups and banners on the website or referral lists in the customer dashboard, newsletters profiled to each recipient, and size tips on the product page based on previous orders.

Tip

Personalisation of the offer is more effective with consumers who have a longer relationship with the shop, as the retailer has access to more data based on previous orders. Building loyalty therefore not only reduces customer acquisition costs but also increases sales. And a friendly returns policy is the greatest ally of satisfied and loyal shoppers!



Deferred instalment payments

Inflation and economic recession are not conducive to a shopping spree and many customers choose to return even those products they are satisfied with. Large purchases are a serious blow to the budget, which forces compromises. Unless that is, the shop makes it easier for customers to shop in a more affordable form.

The Buy-Now-Pay-Later model allows customers to make larger orders that they couldn't otherwise afford. In this way, instead of returning the product, clients can pay it off in affordable instalments.

User reviews

Even the best product information is not as reliable as a recommendation from a previous user. The popularity of review channels and portals clearly shows how important social proof is in the decision-making process. By implementing comment sections from verified clients on your product page, you provide your audience with additional valuable information and, as a result, reduce the risk of returns. What's more, customers browsing reviews can find people with similar needs and problems to theirs and more accurately assess the product in relation to their situation.



Information from the manufacturer

A nourishing cream with a rich formula and vitamin complex. Perfectly protects and nurtures dry and vulnerable skin.

Fitted, long dress in wine red. Perfect for special evenings when you want to feel elegant and sensual. The breathable viscose will keep you comfortable even on hot days.

A designer sofa from a Swedish brand with over 50 years of tradition in furniture production. The fresh green upholstery will add a unique touch to any interior. The interchangeable legs are available in various colour options.

User comment

"A nice, oily cream, for my dry skin is perfect. Under make-up is a little too heavy as the skin glows afterwards, but I really like it for nighttime and as protection for winter walks."

"The dress is beautiful, prettier than in the pictures, very pleasant material. The bottom fits superbly, but unfortunately, with my small breasts, it hangs a little at the top. I returned it with regret."

"A beautiful piece of furniture and more comfortable than it looks. We fit 4 people + dog on it with ease. The colour is a little darker than in the photo, more of a bottle green. For us, it's a plus, because we didn't want such bright colours in the living room, but I'm just letting you know. ;)"

How to design the perfect returns procedure



Long return period

Extended time to make returns is not only a way to have fewer returns, but also an important part of good UX. By law, a shop is obliged to grant 14 days for returns, but customers will appreciate the longer time to think and decide. During 30 or even 100 days, they will be able to compare the products they have ordered with others, get advice from friends and return the product free of charge to a physical shop at the earliest opportunity. This practice is an investment in a good user experience, and this always pays off.



Free return shipping

74% of consumers say they would not shop again at a store where they had to pay for return shipping themselves. **77% of** those surveyed believe that a free return would prompt them to shop online more often. Not so long ago, the ability to send back an order for free was a unique proposition of a handful of shops. **Today, it is becoming a standard of good UX and a consumer requirement.**

When planning the perfect returns procedure, it's worth tackling this challenge and offering customers at least one or two free shipping options. Ready-made parcel return labels included with the order are great – this option is preferred by **34% of** customers.

You can also partner with outlets offering to accept parcels, such as Žabka shops or DHL or DPD outlets. Customers are also keen on the option of having their parcel picked up by a courier from home or work. The option to return a parcel in a brick-and-mortar shop is also fundamental.

For small businesses, for which free returns on a small order scale may not be cost-effective, it is advantageous to work with marketplace platforms. Larger distributors often have a more sophisticated logistics network.

Most popular forms of delivery



82%

Parcel machine delivery



42%

Courier delivery to home or work



18%

Delivery to a partner outlet

Most popular forms of return



34%

Sending by parcel machine



12%

Free shipment by courier



12%

Free return to physical shop

Source: Report: E-commerce in Poland, Chamber of Electronic Commerce, 2023





Multiple return options

E-commerce customers value flexibility, which is why the best retailers offer them a variety of delivery, payment and return methods.

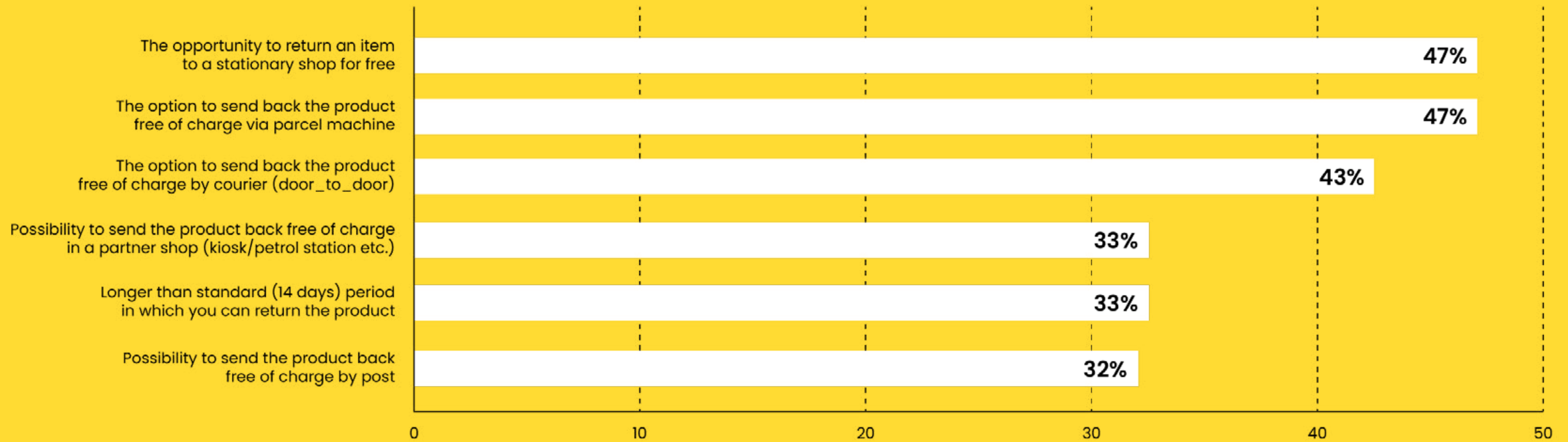
Dropping off the package at a parcel machine, pick-up point, or giving it to a courier at home or work are the most popular return methods in e-commerce.

When planning the ideal returns policy, don't forget about customers in smaller towns and cities who may have limited access to partner outlets or physical shops. A courier pick-up or parcel machine may be the best solution for them.



Return options motivating online shopping

Which of the following are the best ways to return goods that encourage you to buy online?



Source: Report: E-commerce in Poland, Chamber of Electronic Commerce, 2023





Consideration of industry and market specifics

Preferences for the method of returning an order can vary depending on the industry and market. For example, a customer who is happy to return clothes to a brick-and-mortar shop or send by parcel machine would prefer to send furniture or white goods to a courier who comes to their door.

Consumer preferences regarding returns may also vary from region to region, as they depend on infrastructure, habits and lifestyles. **Poles** are keen to choose parcel machines, as this form of sending parcels is very common and easily accessible in the country. **Germans and Austrians** prefer to leave their parcels at drop-off points, while **Italians and Spaniards** send them to a courier who comes to their home or work. **The British**, on the other hand, prefer to return to local shops, although this form is rarely chosen in many European countries. (Source: Transforming returns, Sendcloud, 2022)

90% of European customers have a clear preference for returns.

45% (most in Austria and Germany) choose drop-off points.

36% (most in Spain and Italy) prefer to be collected by courier from home or work.

34% of Poles choose parcel machine delivery.



Return at physical points is popular in Spain, the UK and Poland.



In the fashion industry, customers are most likely to choose returns at parcel machines and drop-off points.



In the food, furniture and white goods sectors, customers prefer to have their parcels collected from home by courier.



Rapid reimbursement

The retailer has a statutory 14 days to refund the customer after cancellation, but for many consumers, funds frozen for two weeks are too long. According to the [*Sendcloud report*](#), **customers expect the retailer to transfer money for an order within five days of the return**. It is therefore good practice to implement a system for transferring money to the account quickly and to prioritise the settlement of orders.

Your shoppers will also appreciate clear information on when they can expect the money back, so it is worth adding such a message on the product page and in the checkout process. You can include it also in the email confirming that the return has been accepted.



Online returns

E-commerce is a digital industry by its very name, so any additional action that cannot be carried out online will be annoying for customers. In the case of returns, this applies, for example, to having to print and manually sign a return form. If your shop makes it possible to go through the entire purchase path in just a few clicks, it's worth making it just as easy to return goods. **An online form with auto-complete based on the order number is a great example of good UX.**



Confirmation emails

Confirmation emails are among the most frequently opened in online sales, with an average open rate of **65%**. Such a message is a signal to the customer that the whole process has gone well and they can now only wait for their desired package.

For returns, confirmation messages are even more important, as many customers are stressed about whether they filled out the form correctly and if they get the refund in the expected timeframe. When designing the ideal return procedure, spare your customers the nerves and send messages informing them of the next steps, such as receipt of the parcel, verification and transfer of funds to their account.



Additional benefits for registered users

Every shop would like to have loyal customers, but not everyone knows how to reward this loyalty. If you don't have the capacity to implement free returns for all orders in your business, offer them to your regular users.

Free returns for purchases for customers who have placed at least three orders or for those who subscribe to your offer is a great way to recognise regular users. Show consumers that loyalty pays off, with additional benefits for registered and returning clients.





Good returns procedure

- Free returns.
- BNPL option.
- Order sent in reusable packaging.
- Return label included in the order.
- Online return form, easy to find on the website.
- Quick refunds for unregistered users.
- Extended return time.
- Emails confirming return status.
- Tracking the status of the return in the customer's account.
- Quick refund.
- Responsive customer service.
- Clear terms and conditions for returns.



Poor return procedure

- Paid returns.
- Few return options to choose from.
- No BNPL option.
- Printed return form, difficult to find on the website.
- Only 14 days to make a return.
- Long waiting time for the refund.
- Difficult contact with customer service.
- No messages confirming return status.
- Lack of clear communication of return policy.

Returns during periods of increased traffic

Sales peaks represent an opportunity for shops to make more profit, but they're also a huge operational challenge. The high traffic and more orders mean an increasing number of returns. During Black Friday and Christmas, when customers take advantage of promotions and choose gifts for loved ones, compulsive shopping often turns out to be wrong and the shop has to face an avalanche of returns. How do you prepare for this hectic period?

Server performance audit

Before sales peaks, it's a good idea to take care of the basics and make sure your shop's server can handle the increased traffic. You certainly don't want customers to have to look at a message saying 'the site is temporarily down' instead of browsing the offer and enjoying promotions. Before any busy sales period, it's a good idea to carry out an ***e-commerce performance audit and load testing***. Such a service will allow you to optimise your system, identify hotspots, avoid errors and protect against failure. Additionally, you can use

this opportunity to conduct a **UX audit** and improve the purchase path. In this way, customers will not only enjoy interacting with your shop more but will also place an order or make a return more quickly, which is particularly important during periods of increased traffic.

Cooperation with a logistics company

A trusted logistics partner is a pillar of success for any e-commerce business, and during sales peaks its role is even greater. Even though retailers and courier companies are separate entities, if a parcel arrives damaged or delayed, customers will still remember the seller as guilty of a bad shopping experience. During Christmas or Black Friday, when in-store returns are much more prevalent, team up with partners who offer you an expanded service and multiple options for collecting parcels, such as through a network of outlets or parcel machines.



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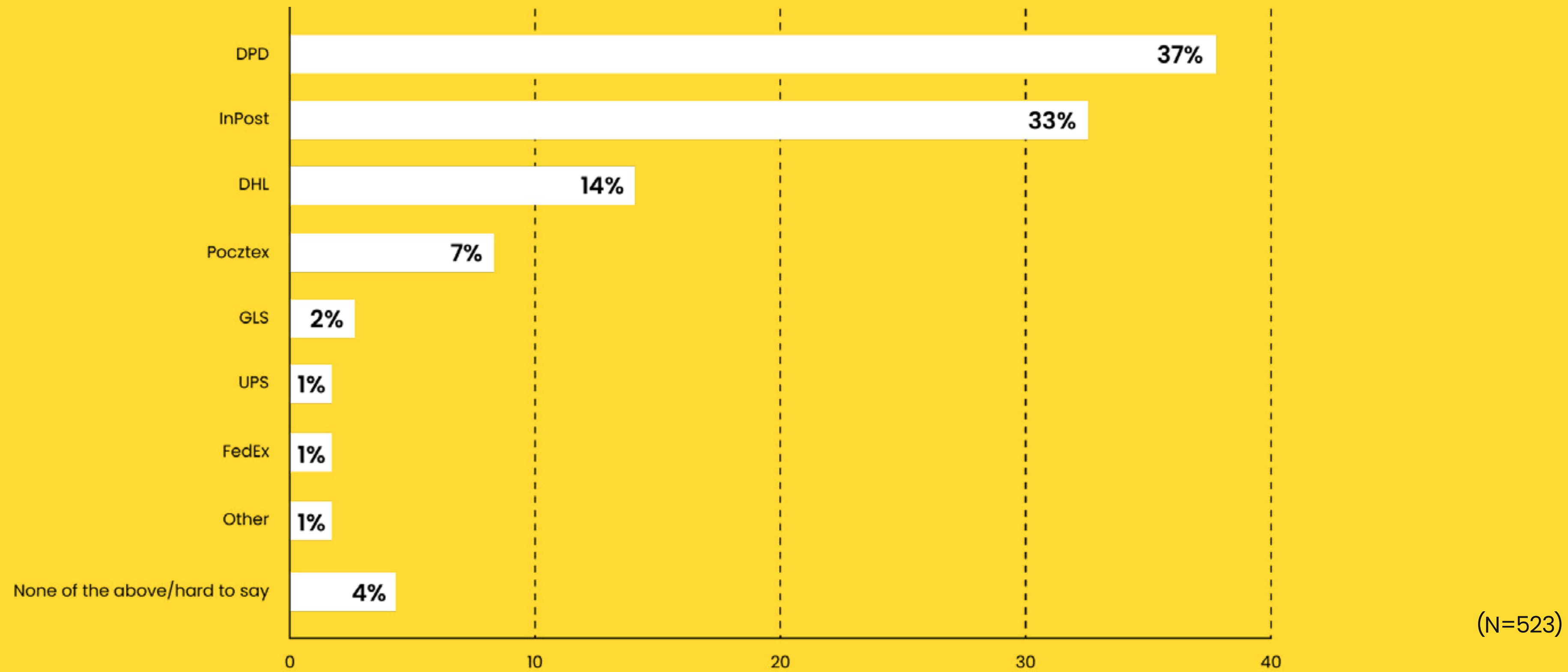
E-commerce audit
– optimise your
online business

DOWNLOAD



The courier company chosen most often when shopping online

Which of the following courier companies do you use most often when you decide to have your purchases delivered by courier directly to your home or work?



Source: Report: E-commerce in Poland, Chamber of Electronic Commerce, 2023



Online returns for unregistered customers

The ability to return the order via a customer account is a standard, but in the shopping rush, many clients won't waste their time registering. As a result, they face a more complicated return procedure, negatively affecting the overall experience. If you want to meet your customers' needs and optimise the process, enable returns to unregistered users based on their order number. A simple online form that can be filled in with a few clicks is a convenient solution that is sure to set you apart from the competition. Such a service is offered, for example, by ***Sportano***, a shop awarded by the Chamber of Electronic Commerce in the Design and Usability category.

Extended turnaround time

Sales peaks are another situation where extended return time will come to your rescue. Can you imagine if, after Black Friday, all your customers send back unwanted purchases in just two weeks? How much easier it will be for you to manage this process if you extend the returns time to 90 or 100 days?



Are returns in e-commerce pure evil?

After reading this ebook you already know quite a bit about how to reduce the number of returns, optimise processes and improve the customer experience. However, the truth is that you probably still see returns as the worst evil for an online retailer. But what if we told you that you can reap quite a few benefits from them and grow your business more consciously?

Opportunity to learn about consumer interests

Even if the customer ultimately decides to return the ordered products, the very fact that he looked at them, added them to the cart and ordered is precious information for you about his interests and preferences. You can later use such knowledge for better segmentation, advanced personalisation of your offer and product recommendations.

An opportunity to improve user experience

Even if a customer has decided to abandon an order in your shop, you can still ensure that they have a good experience. A consumer who has gone through the whole procedure without any problems is bound to remember the good UX of your brand and visit it again in the future.

Information on the reasons for returns

No customer returns an order without a reason, and knowing these reasons can be a treasure trove of product information for you. If multiple customers write similar comments about the same items – for example, that the shoes are too big and the cream is not suitable for make-up – you can make a note on the product page that the shoes are oversized and move the cream to another category. By learning from the returns of one customer, you can reduce their number in the future.

A friendly return policy is a long-term investment

Many retailers believe that once a customer receives their order, their interaction with the shop is over. **In reality, this is where the relationship is just beginning!**

The aim of a friendly and thoughtful returns procedure is not to make customers return ordered products more often but to make them want to come back to your shop for more. Consumers remember positive experiences well, but negative ones even better. If a person who ordered a book for £30 had to pay £5 for delivery first and then another £5 to send a return, there is a good chance they will shop elsewhere next time. By investing in UX at every stage of the purchase path, you are working towards long-term relationships with loyal customers. **And these always pay off.**



About Strix

We are an e-commerce agency with more than 14 years of experience in the market.

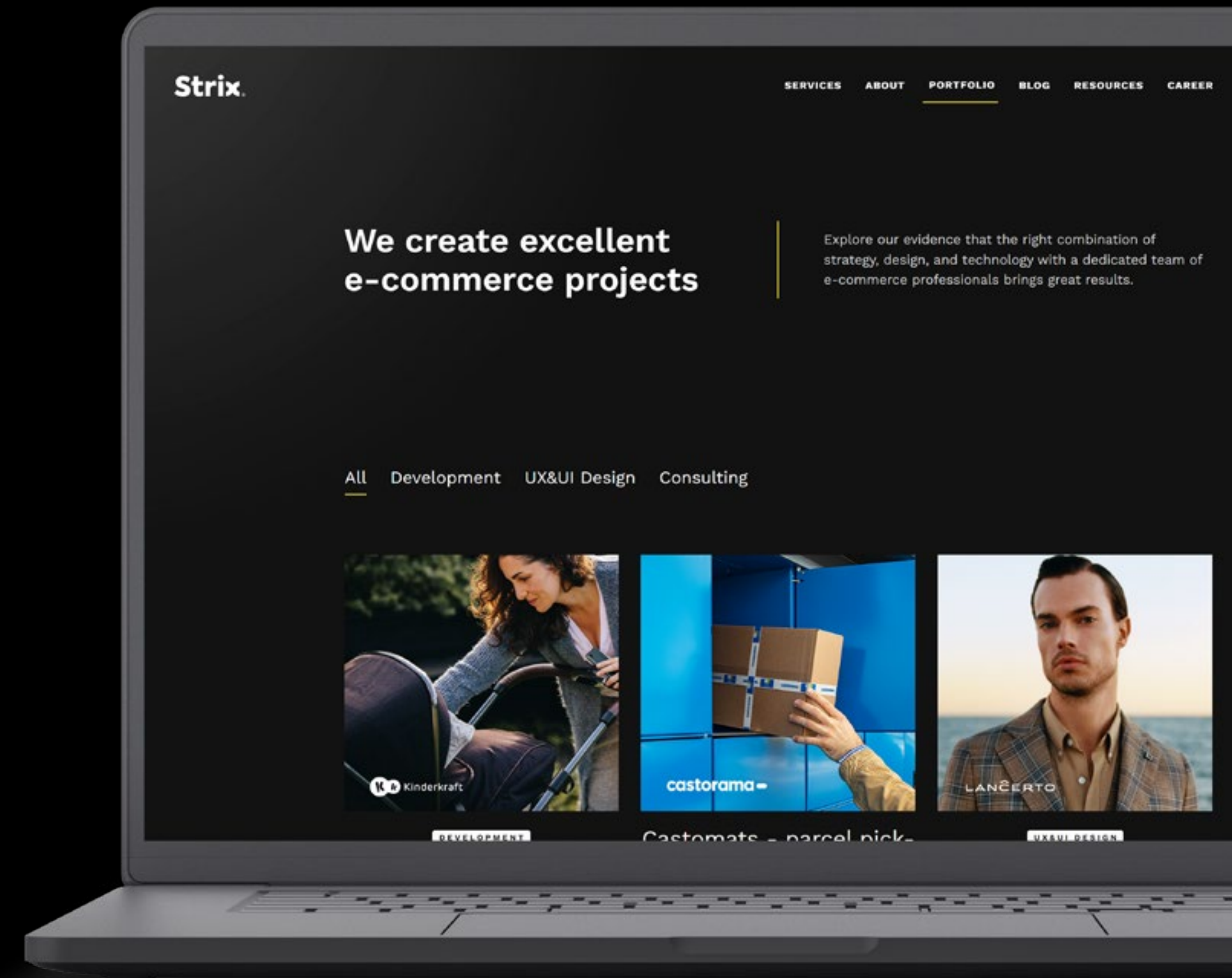
We carry out projects in the B2C, B2B and cross-border sectors. We support our clients at every stage of planning, designing, implementing and maintaining an online shop. We are experienced in the implementation of projects for the medical sector, as evidenced by our portfolio.

Our competence and experience have enabled us to earn the title of Adobe Gold Solution Partner and become one of 11 Platinum Shopware Partners worldwide. In cooperation, we offer implementations of Big Commerce, Shopify Plus and Commerce Tools. Within the Strix Group, we have three offices - in Poland, Germany and the Netherlands.

160
employees

100+
projects

14+
years of experience





Contact

Do you want to launch online sales or migrate to another platform?

Write to us!

We'll help you plan your business development strategy, audit your shop and build a functional, modern application that turns your business goals into reality.

Borys Skraba

CEO

+48 501 351 542

borys.skraba@strix.net

www.strix.net

