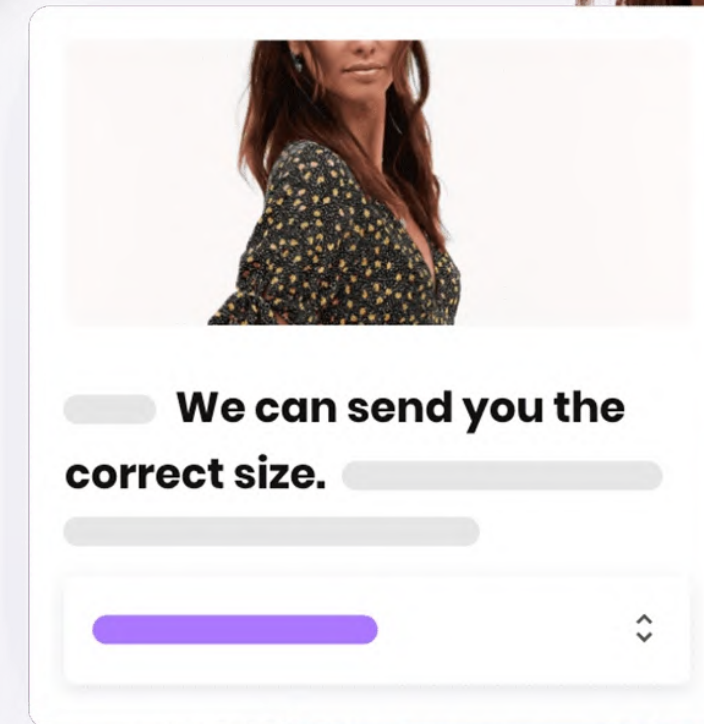


Return rate insights - paid vs. free

November 2022



Exchange product

FREE

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Results & advice

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Returnista's solution

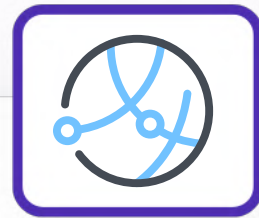
05

01 Returns are increasing both in absolute as relative sense, putting under pressure bottom lines and the environment



Return volumes

eCommerce will grow towards EUR 1200B with the number of return shipments rising to approx **2.5 billion** in 2025 up from 1.5 billion in 2021



Return value

Returned goods have an accumulated value of approximately EUR 120B in 2021, which on a return level is increasing YoY by 8% corrected for inflation.



Return rates

91% of retailer states that return rates growing faster than revenue growth (Apriss Retail, 2022)



Emissions

Total emission of return shipments accumulates to 900.000 metric tonnes of CO2 in 2021. This value excludes emission of production of unused goods.

02

Recently some leading fashion brands have altered course on their returns strategy

JUST STYLE

COMMENT | May 16, 2022

Zara's 'bold' new returns fees will inspire other fashion players to follow suit

Inditex-owned Zara has announced it is to start charging a fee for returns to drop-off points, a move experts say will create a domino effect across the fashion industry.

By Emily Salter



CNN BUSINESS Markets Tech Media Success Perspectives Videos

H&M could start charging customers for making returns

By Parija Kavilanz, CNN Business
Updated 1:53 PM EDT, Thu September 29, 2022

f t e

A news anchor is shown in profile, looking at a large screen in a studio. The screen displays the text "CHANGE IN ONLINE PRICES YEAR-OVER-YEAR" with a horizontal bar below it. The source "SOURCE: ADOBE ANALYTICS" is visible at the bottom right of the screen.

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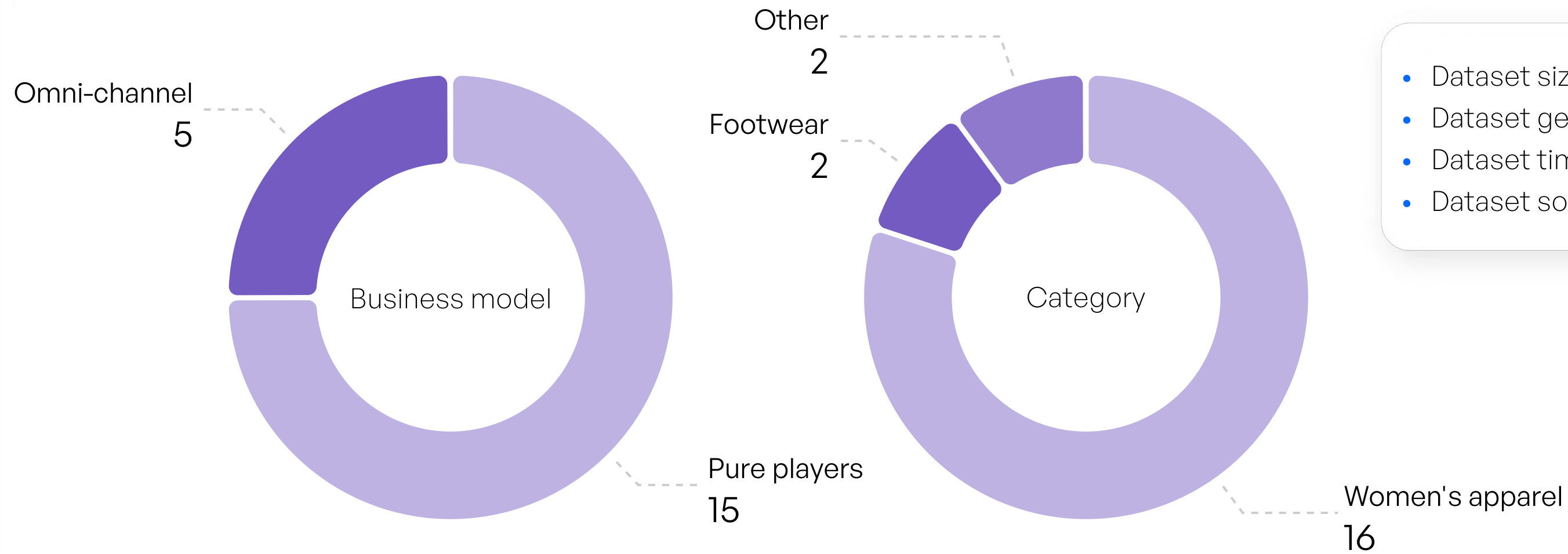
NEWS

Boohoo starts charging shoppers for returns

© 12 July

03 To create clarity on the impact on paid vs. free returns, we have tracked return rates over a period of 3 months at 20 fashion retailers

Dataset characteristics:

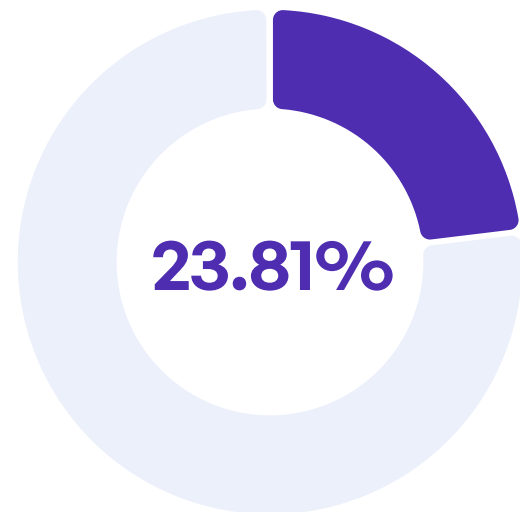


- Dataset size: 300.000 orders
- Dataset geography: 14 EU countries
- Dataset time frame: July - September '22
- Dataset source: Returnista platform

03

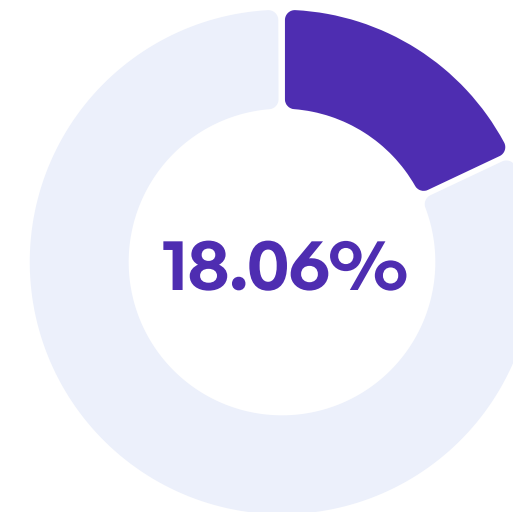
Paid returns show a 24% lower return rate compared to paid returns at a 41% lower cost to the retailer

Return rate for free returns:



- In 130.123 sales orders a total 30.972 orders were fully or partially returned
- Total induced cost accumulate to €371,664 or €12 per return

Return rate for paid returns:



- In 170.256 sales orders a total 30.749 orders were fully or partially returned
- Total induced cost accumulate to €217,702 or €7,08 per return

04 Higher sales funnel conversion rates and basket sizes attributed to free returns do not make up for the higher cost incurred by the higher return rates, creating a lose-lose situation



04

Retailers that offer paid returns outperform retailers with free returns by 4 percentage points on EBITDA levels holding all else equal



05

Returnista assists 1000+ brands in creating the best returns experience out there, while enabling brands to adapt to new market dynamics

Typical results when putting Returnista's returns management platform to work:

Reduction in return-related CS inquiries

30 - 60%

Reduction in return rates

3 - 12%

Increase in retained revenue

25 - 40%

[Check out Returnista.com](https://Returnista.com) ↗