

TOWARDS INSTANT RETURNS

MATCHING THE INBOUND EXPERIENCE TO THE OUTBOUND TO INCREASE PROFITABILITY



What are returns really costing retailers?

Returns are a constant headache for retailers. As retailers increase choice and convenience for customers in the battle to sell as many goods as possible and stop the customer going elsewhere returns are inevitable – but at what price?

For far too long returns have been seen as a problem to be minimised rather than a business and customer engagement potential to be maximised and retailers have focused much of their efforts on trying to do the former instead of the latter. Returns policies have been strict or hidden away, returns practises hard to do and consumers have had enough.

But retailers are finally taking note of the consumer backlash against returns and increasingly realise that their customers will go elsewhere if they don't improve their offerings around returns. They have realised that the inbound experience has to match the outbound.

In this whitepaper, produced in partnership with Stuart, we look at the current state of returns and the options that are already available to customers. We examine their increasing appetite for both certainty and convenience around returns and in our retailer survey canvas their opinion on the impact of returns on their business.

The results show that the majority of retailers are aware of the gains to be had and believe that improving returns could improve

profitability. But understanding what and how they should be better managing their returns is the challenge.

We look at retailers' current thinking around returns and then in an exclusive case study with Zalando France we look at how they have moved to an instant returns model, powered by Stuart, that allows its customers to schedule timeslots of 15 or 30 minutes for a courier collection of returns from an address of their choice. It really is the ultimate in convenience and whilst still a pilot shows the huge potential there is for improving the customer experience in this area and the fact that some retailers are now beginning to see returns not solely as a cost but as part of profitable selling to their customers. ■

Liz Morrell is an experienced retail and business news and features journalist who has more than 15 years' experience of writing about the retail sector. Liz is the current editor of eDelivery and research editor for InternetRetailing. She loves all things retail but just wishes her "research" (insert shopaholic tendencies here) didn't cost her quite so much.



LIZ MORRELL
Research editor

Editor: Liz Morrell
Editor-in-Chief: Ian Jindal
Design: Marzena Zychowicz
Publishing Director: Chris Cooke
Commercial Director: Andy James
andy@retailx.net
Group Creative Solutions Director:
Marvin Roberts
marvin@retailx.net
Tel: 020 7933 8999
cover:fotolia.com/goodluz

InternetRetailing Media Services
52-54 Gracechurch Street
London, EC3V 0EH
ISSN 1759-0582

For circulation enquiries contact:
Internet Retailing Media Services Ltd,
PO Box 6009
Thatcham, Berkshire, RG19 4TT
Tel: 01635 879361
Fax: 01635 868594
internetretailing@cirdata.com

No part of this circulation may be reproduced, stored in a retrieval system or transmitted by any means without the publisher's permission. The editorial content does not necessarily reflect the views of the publisher. The publisher accepts no responsibility for any errors contained within the publication. Published globally by InternetRetailing Media Services Limited.

www.internetretailing.net



Why it's time to change the conversation around returns

Returns have been a pain point for both retailers and consumers for many years and the conversation has always been around how to avoid them. This approach is no longer an option - consumers want the same fast and flexible solutions they receive for delivery to be a part of the entire journey...including the return.

According to a survey by Metapack, 49% of consumers stated that return options keep them from ordering online. This is a huge barrier which can open loyal customers up to the competition if not addressed. Customer expectations are higher than ever and the expectation for a seamless journey includes the ease of returning an item you no longer wish to keep.

Alongside Zalando, a leading online fashion platform in Europe, Stuart developed a returns platform that would allow for returns to be made with the same flexibility that delivery provides. This is getting the retailer one step closer to closing the gap on the customer journey and removing a barrier to purchase. Consumer expectations are on the rise and the traditional approach to returning a parcel is proving to be much more of an inconvenience than ever before in this new on-demand economy. Faster returns, refunds and services are becoming the new normal and retailers are looking to exceed customer expectations through fast and flexible solutions.

Stuart is transforming the way goods move around a city by enabling any business to deliver products in less than an hour. From retailers to restaurants, major brands to SMEs, Stuart is building the power of on demand delivery right into your business. Stuart's platform is based upon world class technology and a simple API which connects businesses with the best independent couriers. The service can be white-labelled and allows game-changing speed, convenience and flexibility. Whether it's on-demand delivery, scheduled delivery or our instant returns offering, Stuart provides industry leading and cost-efficient solutions for any business size. ■

Powering the future of urban logistics, Stuart is a cutting edge B2B software platform and on-demand logistics solution that speeds up the way goods are transported in cities. We enable businesses by offering a powerful technology, simply integrated with their website/app, that connects them to high quality independent couriers. Our solution offers industry leading delivery precision, speed and flexibility.



DAVID SAENZ
COO of Stuart

What's the current state of play around returns?

For anyone in the world of online retail returns are generally an accepted but much hated consequence of doing business. Because of the issue of remote buying they simply can't be avoided. It's a pain point that most retailers loathe.

And it's a problem that's on the increase. Yet when it comes to delivery retailers have excelled themselves in recent years, investing in a range of options that offer anything from the speed of same or next day delivery – and even sub hour delivery – to click and collect, deliver to third parties and weekend deliveries.

And, more often than not at least one option – if not more – amongst their suite of delivery options is free. It's something customers are increasingly expecting.

But what about in returns? It's an area that has long been overlooked by retailers despite returns rates hitting double digit figures for many. There are various reasons for this. In part it's a huge challenge that no one yet has a definitive answer to and that many hope will simply solve itself. But that won't happen.

For others it's simply too far down the list of priorities to deal with. Greater concerns are on selling and delivering product rather than worrying about the return – despite the impact it can have both operationally and on a retailer's bottom line.

Everything5pounds.com's chief operating officer Robert Kulawik says it's no surprise the returns experience doesn't match the delivery. "It's a process seen to be loss-making in real time and most retailers try to deter customers from initiating it," he says.

But customers are demanding change. Speaking at the eDelivery conference earlier this year Nigel Blunt, head of operations development at Sainsbury's Argos urged retailers to concentrate on returns as a top three priority – thanks to a rising expectation for a better experience from customers.

Gary Alderson, head of returns at Debenhams, says that returns are a key part

of a modern business. "They're not going to go away as customers increasingly use their homes as their fitting rooms and want to shop online and return without hassle. This is the new normal," he says.

Although he appreciates the focus has been on other things he says this has to change. "The retail world has historically been focused on outbound logistics and sales. As returns become a larger proportion of sales, and therefore a sizable chunk of our supply chain, the challenge is to turn our logistics round. We need to develop efficiencies in our reverse logistics, but also to develop the opportunities this gives us," says Alderson.

THE GROWING DEMAND FOR FREE RETURNS

One of the biggest challenges retailers face is whether or not to charge for returns. Although fashion suffers the highest returns rate in retail many in this sector accept this as a consequence of their competitive industry and offer free returns – often across their full suite of returns options.

At fashion retailer Quiz for example this includes everything from Royal Mail, Doodle, CollectPlus and Asda to you. At ASOS, which has eight different ways of returning product, returns are also free.

Other retailers will impose a charge. At Lands' End for example the company says whilst it would love to offer free returns it would have to absorb the cost into the prices it charges for products.

And those with store networks often impose fees, such as those recently introduced by fashion retailer Next, that encourage customers to use the return instore route instead.

Kulawik says that balance is key when it comes to managing returns. "In the pursuit of offering value to the customer, the margins are squeezed across the business and this means the overhead cost of returns might not be covered by other sales," he says. ■

WHAT ARE THE CURRENT OPTIONS FOR RETURNS?

The options for returns can vary hugely. Some will offer as comprehensive a suite of returns options as they do with delivery whilst others will offer a more limited selection. Below are some of the most popular:

1. Collection via courier: This is the ultimate in convenience for customers who know where they are going to be when a parcel is collected since they can usually choose the address – such as work or home – that’s most convenient for them and they don’t need to worry about waiting in queues to make their return. Retailers are increasingly adopting this as an option by managing their delivery fleets to collect returns too. Some will offer pick up by traditional courier whilst companies such as Stuart are offering greener options of delivery and collection by bike courier.



Image: stuart

2. Drop-off to third party collection points: For those customers wanting a quick drop-off solution third party collection points are popular since customers can just drop product at a third party local to them or on their way to work which then gets collected later in the day. In March 2018 fashion retailer Quiz expanded its third party drop off locations networks to include more than 300 Doodle locations whilst in April Holland & Barrett introduced CollectPlus as a free returns option for its customers.



Image: doodle.com

3. Lockers: Although their take-up remains rather limited in the UK lockers also provide a convenient option for returns, especially since they often offer 24/7 access. At Amazon the company’s lockers network is located in sites such as shopping centres. In August 2017 ASOS announced that its customers would be able to return items anytime at more than 1,100 locations through a

partnership with locker network InPost. Customers are normally issued a code that allows them to access the locker and drop off their return.



Image: fotolia.com/ darianen

4. Royal Mail: The Royal Mail is generally a standard option for online returns and it’s no surprise why since it includes a network of more than 11,500 locations to which customers can drop off parcels. Retailers will usually include a pre-paid returns label for the Royal Mail in with their products when they are sent out. However despite its greater footprint the challenge for customers is often simply the time they know they will spend waiting to be served.



Image: fotolia.com/ can027

5. To store: This route is a preferred option for many retailers and customers alike. At Next the retailer says the vast majority of its Next online customers use stores to return their goods – a route that’s free to the customer. At Schuh the company’s director of ecommerce and CX Sean McKee says it’s also the preferred (and only free) route for his customers with around three-quarters of online customers returning through store. It’s a similar case at Hollister where returns to store are free but returns by Royal Mail incur a £9 charge or whatever a customer’s alternative chosen carrier may charge.



Image: fotolia.com/ zhu difeng

The new customer expectation:

How customers are increasingly demanding convenience and certainty around returns

As we have already examined customer expectations around returns are changing. “Increasingly customers see the returns process as simply part of their shopping experience,” says Debenhams’ Alderson.

Customers expect convenience, certainty and speed in delivery. This is not only being driven by an increase in the sophistication of standard services but also in a growing proliferation of the premium services such as Amazon Prime where the customer is getting a better service than ever.

This increase in the quality and range of the outbound journey experience – including service options such as better tracking which are becoming the expected norm – means that customers are expecting the same when it comes to returns too.

“From a customer’s point of view it’s an expectation that easy returns should be part of the offer,” says Schuh’s McKee.

Although returns options can include everything from instore returns to third party collection points all of these options have a common feature – the customer still has to carry their parcels around with them and drop them off somewhere. Whilst that’s not such a problem when it’s only one item it becomes more of a challenge when customers have ordered multiple items or ordered from a range of retailers and therefore have a number of parcels to return.

A recent ‘laws of delivery’ media campaign from DPD highlighted the customer reluctance to carry parcels around with them as one of their key frustrations – a sentiment many will identify with.

THE GROWING USE OF HOME AS A CHANGING ROOM

The ease and speed of delivery also means that, in the fashion industry at least, more than ever customers are using their home as a changing room – potentially increasing both the volume and number of parcels shoppers will need to return.

A growing move to try before you buy, already adopted by the likes of ASOS and Top Shop and using credit-based order now, pay later services such as Klarna, is accelerating

this trend and making it more likely than ever that customers will over order in a bid to find the perfect fit or perfect item for them. Indeed a report by Brightpearl published in March 2018 suggested that by 2019 more than a quarter of retailers globally will offer this type of service to customers.

“Customer experience in general is the most vital part of any consumer business however an optimal returns offering can remove any barrier to purchase, allow customers the option to try now buy later and allows for more flexibility to meet their schedules,” says David Saenz, COO of Stuart.

RETURNS POLICIES MATTER TO CUSTOMERS

Customers care about the returns policies the retailers they shop with have and, as with delivery, if they don’t meet their expectations they will shop elsewhere. That means they want to quickly and clearly understand what retailers are offering. In a recent study by ReBOUND the company found it took an average of three moves to navigate to a retailer’s return policy with the likes of Lands’ End and Schuh beating off the competition with a two-step process.

Many retailers will offer fairly standard 28-day full refund policies with proof of order in a bid to keep customers happy. Others, such as Wiggle and Schuh, offer up to a year for customers to return unused, undamaged products for refund, despite the danger that goods returned in that period could be out of season or trend by the time they come back.

Taking the process even further the likes of Lands’ End and Hollister place no time limit on when customers can return items although Lands’ End encourages a quicker turnaround by offering a refund on the return postage paid for goods returned for exchange within 28 days of the original order.

Everything5pounds.com’s Kulawik says returns are a possible flashpoint that need to be handled carefully when it comes to the customer experience. “The returns process is always a friction point and risk to sales conversion for e-commerce as it is an unwanted effort,” he says.



fotolia.com/rubberball

Debenhams' Alderson agrees: "Returning is never going to be fun – but it should be as easy as possible. We want a customer to know that the next time they shop with Debenhams, they can do so with confidence in our returns process," he says.

HOW CONVENIENT IS THE CURRENT RETURNS MODEL?

Retailers are offering a range of options as we've already outlined. And whilst they do provide a degree of convenience they don't offer the ultimate in convenience as we have seen in delivery. "The conversation around returns has always been avoided in the past," says Stuart's Saenz. "Retailers sought ways to

avoid having to offer returns and then looked for ways to dissuade the consumer to return items. With delivery, the idea behind getting a customer their items in a quick and easy way was clear but the same couldn't be said for returns. Returns was always viewed as delivery's ugly cousin," he says.

This has to change. "In the same way that consumers grew tired of waiting around for their items to be delivered, they are equally frustrated with the current returns process. The thought of having to take time out to return an item to a retailer is daunting. There is an expectation for a flexible, on-demand option for both delivery and returns which meets a consumer's schedule," he says. ■

Retailers' views on returns

As part of our research into this whitepaper we also canvassed retailers as to their opinion and current thinking around returns. Here's what they said-

DEBENHAMS: HIGH CUSTOMER EXPECTATIONS AROUND RETURNS ARE THE NEW NORM



Image: fotolia.com

At Debenhams the company's head of returns Gary Alderson says that high customer expectations around returns is the new normal. His company offers a comprehensive returns solution that includes free returns within 28 days of delivery or collection instore, via Hermes Parcelshop or alternative address collection or via Royal Mail. Refunds are processed instantly instore or within 10 working days for other returns options.

However, he says the instore route works best for his business since it provides a direct touchpoint with the customer. "It gives us a personal customer service opportunity that direct returns don't. Additionally, from an efficiency perspective, we are normally able to put the product straight back on sale rather than having to send it through the supply chain," he says.

In an ideal world he says there would be no need for returns. "We would already ensure the customer got the perfect product, colour and size first time," he says. "In a slightly less ideal one, collection from your workplace or home, at an agreed time, with your refund processed on collection. The option to drop into store and – ideally – see something else you like. Or dropping off at a convenient location for courier collection," he says.

He says whilst the company's returns policy is competitive and clear the business is working hard to improve its disposition of returned items – getting the items to the most appropriate place to sell, in the quickest possible time.

But ultimately he says the business is focused on changing the onus on returns – to turn around the fact that retail supply chains on the whole are tailored to work in the other direction. "We can change this as we see that this is a crucial part of our business – not just an annoying add-on," he says.

SCHUH: CREATING MORE DOORS FOR ITS CUSTOMERS TO BRING PRODUCTS BACK



Image: fotolia.com

Footwear retailer Schuh offers a 365 day returns policy but the company's director of ecommerce and CX Sean McKee says that most customers return their goods within an average of six weeks.

Although the company offers various options for returns including CollectPlus and Royal Mail there is a charge for both. Instead McKee says the returns proposition for his business is geared to getting product returned back to store since that's one of the quickest ways of getting products back into circulation.

Three-quarters of the retailer's returns come back through the store network.

"We don't impose a tight timeframe and that takes some of the pressure out but also operationally our ability to get that product back into live circulation is very important for the business," he says.

In an ideal world he says he would like to offer free returns with the best speed he could. "It would be free and at extreme levels of convenience for the customer but we have to be economically fluid and for us a move to a free returns proposition now would not be economically sensible for the business, as convenient as it might be," he says.

Despite this McKee says there no clamour from customers for free returns. "A customer who needs free returns will find a place where free returns are available but we do keep it on our radar all the time. We have expanded our store estate in a very meaningful way so have created more doors for our online customers to bring products back," he says.

PLUM PRODUCTS: WHERE TECHNICAL KNOWLEDGE HELPS MITIGATE RETURNS

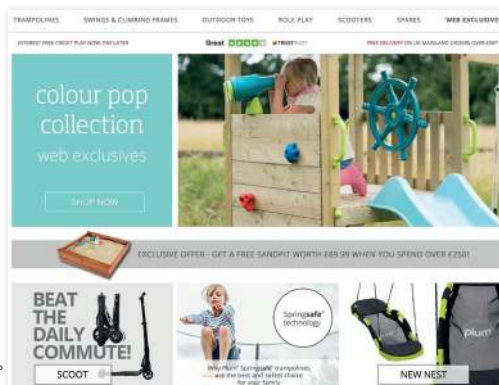


Image: Plum Products

At active play specialists Plum Products, the company's operations manager Adam Wheeler has an extra challenge around returns – the fact that the majority of the items sold are large, heavy items such as trampolines, swings and outdoor play sets. However, returns are minimal.

As a result of the products being a more considered purchase the cost of returns due to customers ordering the wrong product has to be covered by the customer themselves. The company collects from residential address for all service and product related issues. "We aim to get it right first time, every time but when there is an issue the customer should expect a swift response to their

problem and to be given the benefit of the doubt when the reason for the return is uncertain," he says.

"Overall feedback on our returns is positive, we deal with issues fast via our own customer service department and collect from their address if required," says Wheeler. "Our team have technical knowledge of our products to mitigate the need to return the item and we supply all spare parts if this is a better option," he says.

He says the returns leg will always be more of a challenge. "The outbound experience is largely under our control particularly regarding the integrity of the packaging and the timing of shipment. Returns require a coordinated, timed collection and for the product to be repackaged to a high standard and we rely on the customer to play their part in this. This extra complication will always make the return experience more challenging than the initial delivery," he says.

EVERYTHING5POUNDS.COM: NO IDEAL WAY FOR RETURNS



Image: Everything5pounds

At online fashion retailer Everything5pounds.com chief operating officer Robert Kulawik says that despite being in the fashion industry his rate of returns is relatively low – in large due to USP, quality of product and level of service, he claims.

Customers can return goods for a full refund or exchange within 14 days from the date an order was received and up to 30 days from the date the parcel was received for faulty items. Customers are asked to pay the cost of return with the company only paying returns on wrong, damaged or faulty items.

“We offer Royal Mail tracked 48 prepaid labels for faulty or wrong items via our in-house call centre, or any other way preferred, cost covered by the customer,” says Kulawik. However, he says both ways cost the business. “There is no ideal way, and both have drawbacks. Free returns cost us with Royal Mail and items returned without our knowledge cost us in discovery and time spent on contacting the customer,” he says.

He also admits the cost of processing returns can be a challenge and says for low value FMCG he would love a world where you could eliminate the need to post goods back completely and simply refund the money on request. “You would track behaviour and abuse and withdraw the option for unscrupulous customers,” he says. “This sounds drastic, but once cost of inbound/processing/QA/QC losses is considered it looks better,” he says.

SCOTTS AND CO: WORKING HARD TO REVAMP THE RETURNS PROCESS

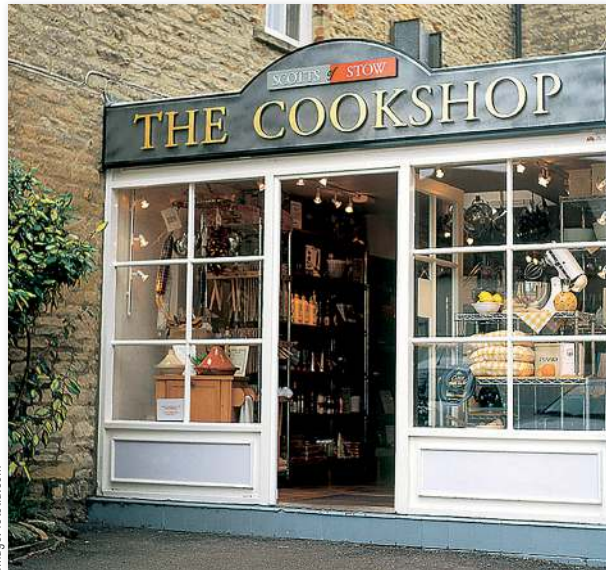


Image: fotolia.com

At Scotts and Co chief operating officer Craig Wheeler admits the company is currently behind the curve with returns. “Customers feel we are awkward, slow and unhelpful,” he says. But this is due to process rather than approach and the company is working hard to change this.

“We are planning big changes to put us up there with the best in terms of process, customer experience and cost/recovery,” he says. The company is to move to ReBOUND and adding Hermes collection points and pre-paid Royal Mail to its returns offer.

Wheeler says the biggest challenge currently comes from poor carrier collection services and the poor condition that unwanted items are often returned in. “In an ideal world

we would offer a no quibble, one year return with rapid collection or drop off at collection points and a refund as items hit the courier depot. We would also have an easy, fully tracked web platform from request to refund,” he says. Time slot based collections from home would also help, he says. ■

Understanding the business case for change

As we have seen the customer demand for greater convenience means that customers are choosing to go elsewhere if returns policies aren't up to scratch. This is especially true in markets such as luxury retail where all the hard work in creating a perfect brand experience can be dashed by a poor returns experience.

A good returns experience, that is trusted by consumers has been proven to improve confidence with the retailer and build loyalty and make it more likely that a customer will reorder - safe in the knowledge that returns are fast and fuss-free.

"Simply put - a better customer experience and flexibility in the ordering process creates a happy customer who will be more likely to advocate for your brand organically," says Stuart's Saenz.

THE BENEFITS OF SPEED AND CERTAINTY

But there are real, tangible benefits for the retailer too. By offering a faster returns turnaround retailers are able to avoid stock depreciation by getting product back into circulation for sale again quickly. They are also able to offer customers faster refunds - catching the consumer whilst they are still in shopping mode and essentially working as a presales activity that sets up the customer for subsequent purchasing.

Giving customers the returns proposition that suits them can allow retailers to stand out from their competitors. "The current model is very traditional in that the process is lengthy and outdated," says Saenz. "With technology advancements, there will be a focus around flexibility, speed and overall customer service and at the moment, these legacy returns offerings don't have the customer in mind," he says.

Faster returns also allow for faster refunds. At Everythingfivepounds.com Kulawik says that offering a refund before products arrived back to the distribution centre would be on his perfect returns experience wish list.

SURVEY RESULTS

In our survey of retailers we looked at attitudes towards returns and how important retailers felt returns were to their business models.

We found that when allocating returns to sales for more than a third (37%) of survey respondents returns are netted off against revenue. 15% allocate the cost of returns to the channel and 14% allocate costs at customer level but the same number (14%) don't allocate returns to sales at all.

How happy retailers were that their returns proposition differentiated them positively from their competitors also varied.

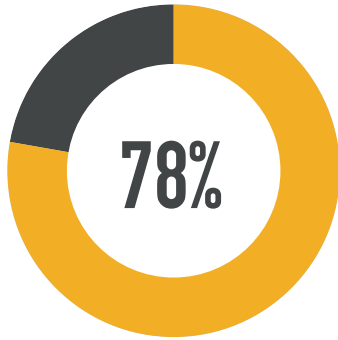
However the results showed that more than three-quarters (78%) of those surveyed said that they believed that improving the returns experience will increase profitability.

The reasons for this can be many - ranging from getting stock back on the shelves quicker to keeping customers happy to spend more. However retailer confidence in how much it could affect profitability varied. More than half (51%) said that they believed it would increase profitability but didn't have evidence. 19% believed there would be a marginal increase and 8% believed there would be a significant increase in profitability as a result of improving the returns experience.

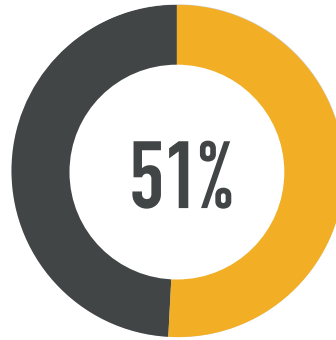
We also asked retailers if they had a business case for improving returns what was holding them back. More than a third cited other priorities for their failure to improve returns whilst 16% blamed a lack of investment.

Our survey also asked customers what they felt the top attributes of a good returns proposition was and found that retailers viewed free, easy returns that enabled a rapid refund as the top three most important attributes of a returns proposition. 44% of those surveyed rated it their number one priority whilst just over a third (35%) rated an easy process as a number one priority. 46% of those surveyed rated a rapid refund in their top three most important attributes. ■

Survey results



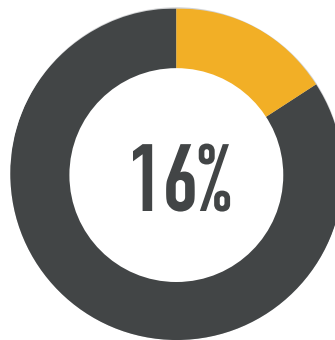
78% of retailers believe improving the returns experience will improve profitability



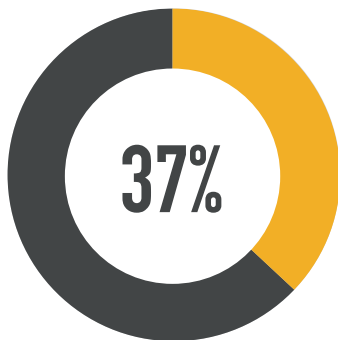
However half (51%) said that it was not proven

1/3

More than a third are held back from improving returns by having other priorities



16% blame a lack of investment



More than a third (37%) net returns off against revenue



Free returns, an easy process and a rapid refund are the top 3 attributes of a good returns proposition

How Zalando France has introduced instant returns for its customers

European online fashion platform Zalando is placing a huge focus on returns as it seeks to improve the experience for its customers after looking at both market sentiment and its own customer feedback. “We were listening to our customers and saw that returns were a significant source of frustration for our customers,” says Julia Schausberger, manager business development logistics platform services at Zalando France.

As a result Zalando is currently involved in a number of different pilot projects across Europe as it looks to develop the perfect returns proposition and customer experience that best suits the peculiarities of each market.

The company is working with Stuart on a project that sees customers able to schedule and organise collections of their returns from an address of their choice within both 15 and 30 minutes timeslots.

The service initially launched in Paris in October 2016 and has since been optimised and rolled out to further locations including Lyon and the suburbs of Paris in July 2017 and into Toulouse and suburbs of Lyon in May 2018. The focus is on metropolitan areas in France since that’s where the majority of the retailer’s customers are in the country.

“What’s really important for us is that ultimately we want to develop a service that covers as many areas as possible but we need to gain more insight about market needs,” says Schausberger.

The company is experimenting with different offerings and timings with different operators in regions such as the Netherlands and Germany but the French offering boasts the fastest pick-up time of all the options being tested.

“In general France offers a very attractive setup for all sorts of innovative services since there are several metropolitan areas that have a very dense customer base,” says Schausberger. “When we started no logistics partner was offering home delivery pickup,” she says.

Stuart responded to the company’s tender for requirements with a suggestion of a 30 minute pickup time. “They surprised us with the 30 minute timeslot because until then, we only experimented with a one hour timeslot as the

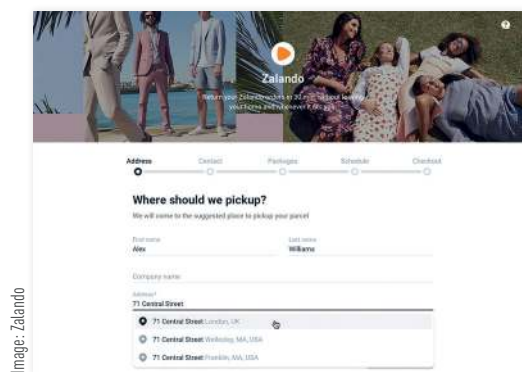


Image: Zalando

fastest option and wanted to test an even more convenient timeslot for our customers. We used a pilot testing on a small scale to see how our customers reacted. We saw that Stuart was a strong partner and can truly keep the promise of 30 minutes so we decided to roll out the service to a larger service area,” she says.

Indeed the success of the 30 minute pilot has seen the retail platform test the concept yet further – moving to a 15 minute pickup time. “In the pilot phase we are always free to experiment with experiment with different propositions since we are trying to find the most perfect service that is out there, so we wanted to look at if 15 minutes timeslots are convenient or not even needed,” says Schausberger.

Zalando says that the returns demand is spread throughout the day in France. “It depends on the personal schedule of the customer. Some want collections in the evening and some during the day. It’s a very personalised service adapted for personal needs,” says Schausberger.

Pickup locations can be the customer’s choice – ranging from a home or work address to a café where the customer is having a coffee since the timeslots are so narrow.

HOW THE SERVICE WORKS

Customers wanting to book a return are led to a dedicated Zalando landing page which reroutes them to a Zalando branded booking page hosted by Stuart where they can choose the perfect timeslot for their collection in a process

CASE STUDY

that takes less than a minute to book, according to Zalando. The request is then sent to Stuart who assigns a courier to the collection and confirms the request. The courier then collects the parcel from the customer, takes it to a local dropoff point where the item is then redirected into Zalando's standard network.

"The retailer links to a branded returns portal that can be placed on any website or my account section of any retailer. As a white label solution the retailer can remain the forward facing brand whilst Stuart powers the logistics in the background," says Stuart's Saenz. The end customer will then be able to access the portal via the link to input their contact details, time, date and collection address," he says.

THE RESULTS

Schausberger says that reaction to the service has been hugely positive from customers with comments in their feedback ranging from "awesome" to "speechless". "Our customers really like the service," she says. "It's new to them and exciting," she says. "We have very high customer satisfaction with the service and can see customers keep coming back using the

service again and again and ordering more and ordering bigger parcels because they now don't have to carry them around," she says.

Zalando insists that the main reason for the returns service is simply better convenience and an improved experience for its customers but naturally there are other business benefits too – such as products getting back on shelf quicker and the ability of faster refunds because of the certainty of returns.

The company says the issue of returns simply cannot be ignored by retailers wanting to stay competitive in today's market. "In Zalando returns have always been a hot topic. From the beginning we offered a 100 day returns policy and had both free delivery and free returns in order to make it very convenient for customers," says Schausberger. "This is just another action to get the ultimate convenience for customers," she says.

"This is a super important topic that should not be left behind as consumers can easily switch if the retailer doesn't meet their satisfaction and convenience. Returns is one of the last steps you have with a customer and one of the few physical touchpoints you have so you cannot, as an online retailer, just stop in the middle of the process," she says. ■



In summary

Returns are changing and retailers can't afford to ignore their importance anymore. Handled correctly they offer greater opportunities than ever for customer engagement and winning loyalty. They aren't an easy task – far from it – but as we have seen innovative retailers and their innovative partners are developing new solutions that improve the convenience and certainty that customers increasingly want.

The trial that Zalando France and Stuart are collaborating on is an interesting one that offers the ultimate on convenience and

shows just how seriously the giants of retail are taking the problem.

Returns are a cost, a pain to manage and process and in an ideal world they wouldn't exist.

But an ideal world doesn't exist. Instead it's time for retailers to assess the problem, embrace the opportunities and look at new ways that can make sure the inbound returns experience more closely matches that of the outbound delivery experience.

If they don't their competitors will do it instead.

And from that there is no return. ■





www.internetretailing.net
Download at: <http://etail.li/46ded>



A whitepaper produced by InternetRetailing and eDelivery in partnership with Stuart