

A man with a beard, glasses, and a brown beanie is looking towards the camera. He is wearing a blue denim jacket over a white shirt. Two sneakers are overlaid on the image: one is a white and tan sneaker with pink laces, and the other is a white and tan sneaker with pink laces. The background is a soft, out-of-focus outdoor setting.

Why shoppers expect and are willing to pay for **PREMIUM RETURN EXPERIENCES**

Here's what that means for Shopify merchants

Table of Contents

02		Intro
03	Consumers are willing to pay for returns	
04	Younger shoppers increase calls for premium return experiences	
05	Return policies are purchase incentivizers — and sustainable features play a big role	
06	Are you ready to meet heightened customer standards?	
07	Stay in The Loop	

Report New Consumer Report New Consumer Report
Report New Consumer Report New Consumer Report
Report New Consumer Report New Consumer Report

There's no doubt return policies are highly effective customer retention drivers. But what else can returns accomplish?

Our team at Loop had a hunch that returns are also vehicles for communicating brands' sustainability practices and values — and that the right returns experience can drive meaningful consumer-brand interactions. So, to learn more, we surveyed 1,000 US online shoppers in December 2022. Our research found consumers truly value sustainability and flexibility in the return process, with 73% of shoppers regularly reviewing return policies to gauge the sustainability level of a retailer's return practices.

The rise in attention around brands' offerings isn't just lip service, either. In fact, 70% of shoppers are willing to pay for a more convenient, premium return experience — and 50% already have.

What does this mean for brands? In recent years, consumer standards for convenience and sustainability have risen. Shoppers have shown they'll put their money where their values are — now it's up to brands to design more seamless return experiences. That's what we mean by a **premium return experience**: one that elevates consumer convenience through features like at-home item pickup, packageless return drop-off or initiation through a QR code. It's more important than ever to center consumer experiences and provide customizable retail touchpoints that meet a wider variety of returns preferences.

But in many cases, shopper preferences outpace retailers' reverse logistics processes. **How does your brand stack up?**



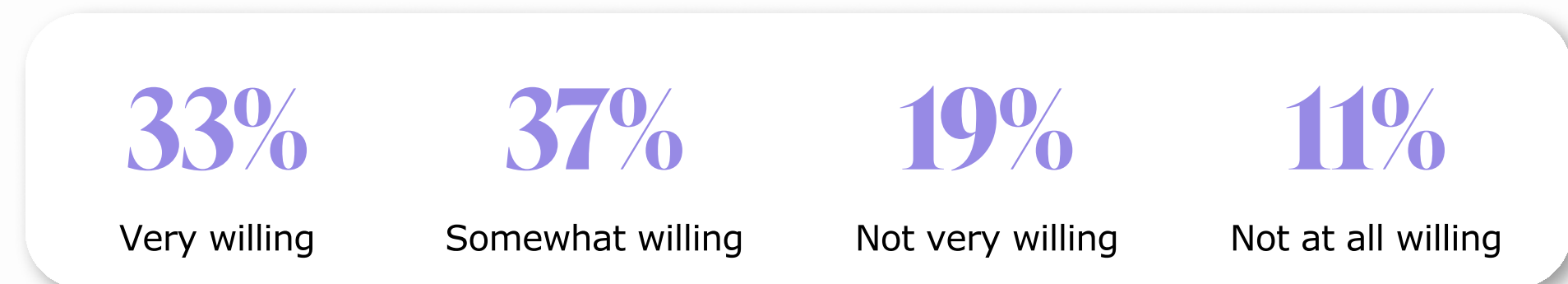
Consumers are willing to pay for **RETURNS**

particularly for more convenient, premium return experiences

Despite tightening wallets, consumers are still willing to pay for the retail experiences that matter to them most. We found that over half (56%) of consumers are willing to pay a return fee in general, and only 18% are completely unwilling to pay. Further, 54% of consumers report they're **more willing** to pay a return fee if the unwanted item is expensive (the product value is \$50 or more).

Even more significant: 70% of consumers are willing to pay a small fee for a premium return experience. **Half (50%) of consumers have already paid for a premium return experience, proving that these sentiments aren't just empty words.**

Shopper willingness to pay a small fee for a more convenient, premium return experience:



But exactly how much are consumers willing to pay? Just over half (51%) say they'd pay \$1.00 to \$5.00 for a premium return experience. Just over a quarter (27%) would pay a maximum fee between \$5.00 and \$10.00.

Younger generations of shoppers lead the charge here — and they're willing to shoulder more of the financial burden when retailers prioritize sustainable return practices. Younger consumers expressed a greater willingness to pay for a return, particularly when it comes to receiving a convenient, premium return experience.

Younger shoppers are also willing to pay **more** for that premium return experience.

Shoppers sentiment toward different return experiences, by age:

Age Group	Willing to pay to make a return	Willing to pay a small fee for a more convenient, premium return experience
Ages 18-24	70%	70%
Ages 25-40	72%	82%
Ages 41-56	46%	67%
Ages 57-75	16%	39%

The takeaway: Convenient, hassle-free returns truly matter to consumers — so much so that they're willing to pay for them. Shoppers (especially younger ones) are eager to meet brands in the middle when it comes to the premium return experiences that matter to them today, and it's time for brands to rise to the occasion.

Younger shoppers increase calls for **PREMIUM RETURN** experiences

Beyond an increased willingness to pay for their returns, younger shoppers are signaling other ways in which brands can break the mold post-purchase.

This is evident in terms of how younger consumers prefer to make returns and what matters most to them during reverse logistics experiences. For example, when it comes to return methods consumers have used in the last 12 months, at-home pickup is more popular among younger respondents.

Top three return methods consumers used in the last 12 months, by age:

	No. 1 choice	No. 2 choice	No. 3 choice
Ages 18-24	69% Drop-off at shipping partner	51% At-home pickup	38% Return directly to a retailer's storefront
Ages 25-40	67% Drop-off at shipping partner	52% Return directly to a retailer's storefront	44% At-home pickup
Ages 41-56	66% Drop-off at shipping partner	37% Return directly to a retailer's storefront	28% TIE: At-home pickup / Return to another retailer's storefront
Ages 57-75	69% Drop-off at shipping partner	22% TIE: Return to another retailer's storefront / Return directly to a retailer's storefront	

Our report also showed younger shoppers are sounding the alarm for more sustainable and premium return experiences. Did you know that younger generations of shoppers are **more likely** to:

- Always review a retailer's return policy to gauge how sustainable their business is
- Shop with a retailer that offers eco-friendly or sustainable return options
- Purchase from retailers that clearly communicate the sustainability measures in their return process

Younger consumers are looking to push the boundaries on standard return options, and they're eager to take their business to brands that live up to this expectation. Even among shoppers of all ages, a universal returns offering no longer fits the bill. While historically, free shipping offerings have dominated, expectations are changing. Today, nearly half (47%) of consumers indicated they'd still rather exchange an item and receive free shipping — but a slight majority (53%) of consumers would rather return an item for a full refund and pay a shipping fee.

Variety is the spice of life. It's important to consumers when making returns as well.

The takeaway: It's time to drop the one-size-fits-all mindset in reverse logistics. In today's world, consumers have diverse needs, and shoppers now expect the returns experience to match that level of diversity. While returns policies overall act as a driver of customer-brand relationships, what resonates with one customer isn't guaranteed to have the same impact with the next. So, retailers must develop reverse logistics strategies that meet all customers where they are, whether it's with more traditional and cost-effective options or avenues that prioritize sustainability and brand values.

RETURN POLICIES are purchase incentivizers — and sustainable features play a big role

When it comes to initiating the reverse logistics process, the majority of shoppers prefer to drop off items at UPS, FedEx or another shipping partner. Consumers' No. 2 method is returning items directly to a retailer's storefront, followed by at-home product pickup. This trifecta is likely the result of consumers' familiarity with these processes — in many ways, they're return defaults.

Top five return methods consumers used in the last 12 months:

No.1	Drop-off at UPS, FedEx or other shipping partner	68%
No.2	Return directly to a retailer's storefront (e.g., order online at AllBirds and return item at their store location)	42%
No.3	At-home pickup	36%
No.4	Return to another retailer's storefront (e.g., taking an Amazon purchase to Whole Foods)	34%
No.5	Return at an unattended locker (e.g., Amazon locker)	15%

But consumer preferences for return processes are evolving, even among long-standing return methods. For example, while price is unsurprisingly the No. 1 factor consumers consider when evaluating potential retailers, a retailer's return policy is now tied for the No. 2 spot with product delivery speed.

As it turns out, return policies themselves are powerful purchase incentivizers. **Case in point: 98% of consumers agree — and 74% strongly agree — if a retailer provides a fast, convenient and hassle-free return experience they're more likely to shop with them again in the future.**

Consumers also look to return policies to gauge retailers' values and commitment to sustainability. Today, nearly three-quarters (73%) of consumers regularly review a retailer's return policy to gauge the sustainability of their business practices. And these sustainable return processes are big selling points: 88% of shoppers agree that if a retailer offers eco-friendly or sustainable return options, they're generally more likely to shop with them.

The takeaway: Our [previous quick poll](#) showed that strategically executed return policies are critical brand loyalty builders. **But that's not all — now we've also seen how a seamless and sustainable return policy serves as a vital marketing tool for retailers.** Flexibility and sustainability matter a great deal to consumers, and many shoppers look to return policies to understand the degree to which retailers put values into action. As more and more brands offer similar quality, price and delivery options, returns experiences are surfacing as a new point of differentiation between companies.



Are you ready to meet heightened **CUSTOMER STANDARDS?**

Rising consumer standards don't have to hurt your bottom line. Higher convenience and sustainability expectations present an opportunity to leave behind the one-size-fits-all approach to returns — and instead diversify your retail strategy with both traditional and premium return options in mind.

Want to learn how to elevate consumer experiences through a flexible return strategy? [Book a demo](#) with Loop today.



Stay in **THE LOOP**

Find out why over 1,800 Shopify brands trust Loop to lower return costs, increase revenue, and make happier customers.

[Book a demo](#)