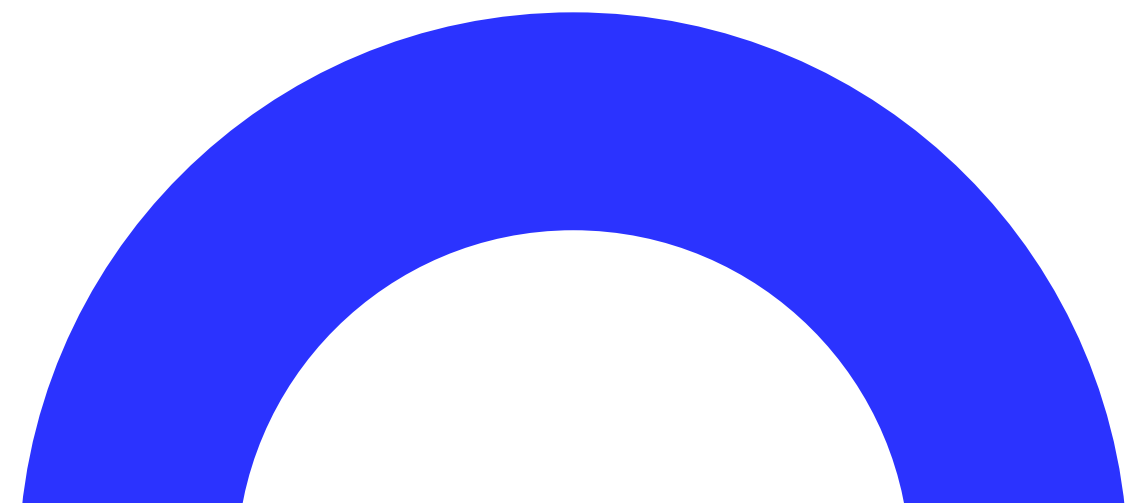


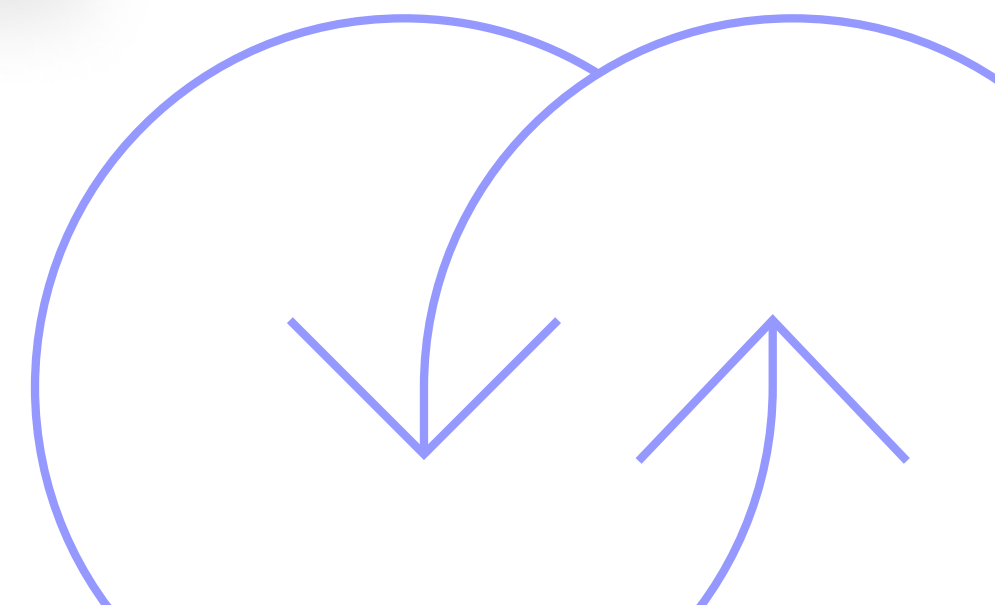


**LET YOUR RETURNS  
POWER CUSTOMER  
LOYALTY**



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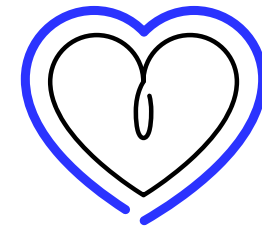
The post-purchase experience plays a crucial role in fostering customer-brand loyalty. However, determining the essential elements of a return experience can feel as perplexing as solving advanced calculus. (Maybe you're better at calculus than we are, but you get our point).

What exactly do shoppers look for in their returns experiences? What aspects are nice to have vs. must have? Is personalization too predictable? How have perspectives on returns changed over time?

Virtually all

99%

of U.S. and U.K. consumers agree that retailers with flexible and extensive return policies care more about them as a customer.



At Loop, we're obsessed with answering questions like these—because it's not always so clear what "flexible" and "extensive" look like in practice. So, we went straight to the source and surveyed 2,000 online shoppers across the U.S. and U.K. in May 2023 about their post-purchase preferences and priorities. We wanted to understand what shoppers value and why, so that we could continue building the most relevant, customer-centric post-purchase experiences. We're sharing our findings with you, because we want to help merchants like you succeed.

Our latest consumer report uncovered three key consumer expectations all retailers should consider, with some surprising revelations (hint: it's not all about free returns).

Let's unravel the returns equation together.



# 3 ways returns can drive customer loyalty

In today's fiercely competitive retail environment—where similar products at similar price points vie for limited consumer attention—securing customer loyalty is paramount. As economic uncertainty prompts consumers to tighten discretionary spending, the post-purchase experience is a ripe and powerful differentiator for influencing long-term customer loyalty levels.

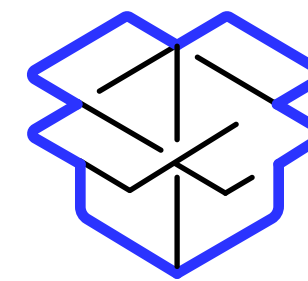
Whether positive or negative, we've all had a post-purchase experience that left a lasting impression, an impression that continues to influence our decision-making today. In fact, our 2022 consumer report revealed that over half (57%) of shoppers stopped purchasing from a particular retailer due to a negative return experience.

To build a post-purchase experience that delights consumers—whether it's their first, second, or umpteenth purchase—incorporate the following three elements:

## 1. Frictionless, customizable experiences

Consumers are hard-pressed to forget a confusing or complicated returns experience, impacting their likelihood of making a repeat purchase. In our 2023 survey, over two-thirds (69%) of respondents said they expect retailers to have an easy-to-follow returns process—up year-over-year for U.S. respondents. Be sure to simplify the steps involved in making a return, provide clear directions, and ensure intuitive user-friendly navigation.

Frictionless also means offering consumers the flexibility to choose the return method that works best for them. While some shoppers prefer dropping off a package at UPS, FedEx, or other shipping partners (47%), others want to avoid the hassle of repackaging a return and would prefer to take it directly to a retailer's storefront (37%) or schedule an at-home product pick-up (39%). Many consumers are even willing to spend extra for their preferred returns experience. Our previous report found that 70% of consumers are willing to pay a small fee for a premium return experience.



**Regional difference:** Nearly two-thirds of Americans (61%) prefer to make returns via drop-off at UPS, Fedex and other shipping partners, followed by returning directly to a retailer's storefront (41%). The largest group of U.K. respondents (35%) prefer at-home pick-up for their returns, followed closely by making a printerless return via QR code (34%).

But remember: An easy return experience goes beyond facilitating the return. Post-purchase interactions encompass the entire process, including

keeping shoppers informed about the status of their return. In fact, 95% of consumers agree that when retailers provide transparent shipping communications throughout the entire returns process (such as estimated delivery dates and step-by-step tracking), the gesture increases the likelihood the consumer will make repeat purchases from that retailer. U.S. respondents are more likely to strongly agree with this notion (58%) compared to U.K. respondents (41%).

## 2. Personalized post-purchase touch points

Treat each shopper's purchase (and potential return) as an investment in your relationship with them and personalize their experience accordingly. Seventy-five percent of consumers expect retailers to suggest new products based on their past purchases and interactions—with U.S. respondents more likely to strongly agree with this sentiment (36%) as compared to U.K. respondents (22%).

Offering financial incentives, such as post-purchase coupons, discounts, or enrollment in a loyalty program, can further enhance your personalization efforts—82% of respondents agree it's important they receive a financial incentive for making repeat purchases. U.S. respondents are more likely to strongly agree (41%) compared to their U.K. counterparts (27%). This sentiment holds true compared to our data from last year, when 87% of U.S. consumers said some type of post-purchase incentive would encourage them to make a first-time purchase from a retailer.

By leveraging rich customer browsing and purchase data, you gain valuable insights into the products and offerings your shoppers are most interested in. Using this information, you can send tailored follow-up messages that showcase new products

with a unique discount code, providing an opportunity and incentive to inspire a future purchase via a personalized interaction.

## 3. Product quality guarantees

A staggering 93% of consumers say they're more likely to purchase from retailers offering product quality guarantees or warranties, with 25% saying they now **expect** retailers to provide some sort of quality assurance. U.S. consumers are more likely to be influenced by product guarantees (68%) compared to U.K. consumers (58%).

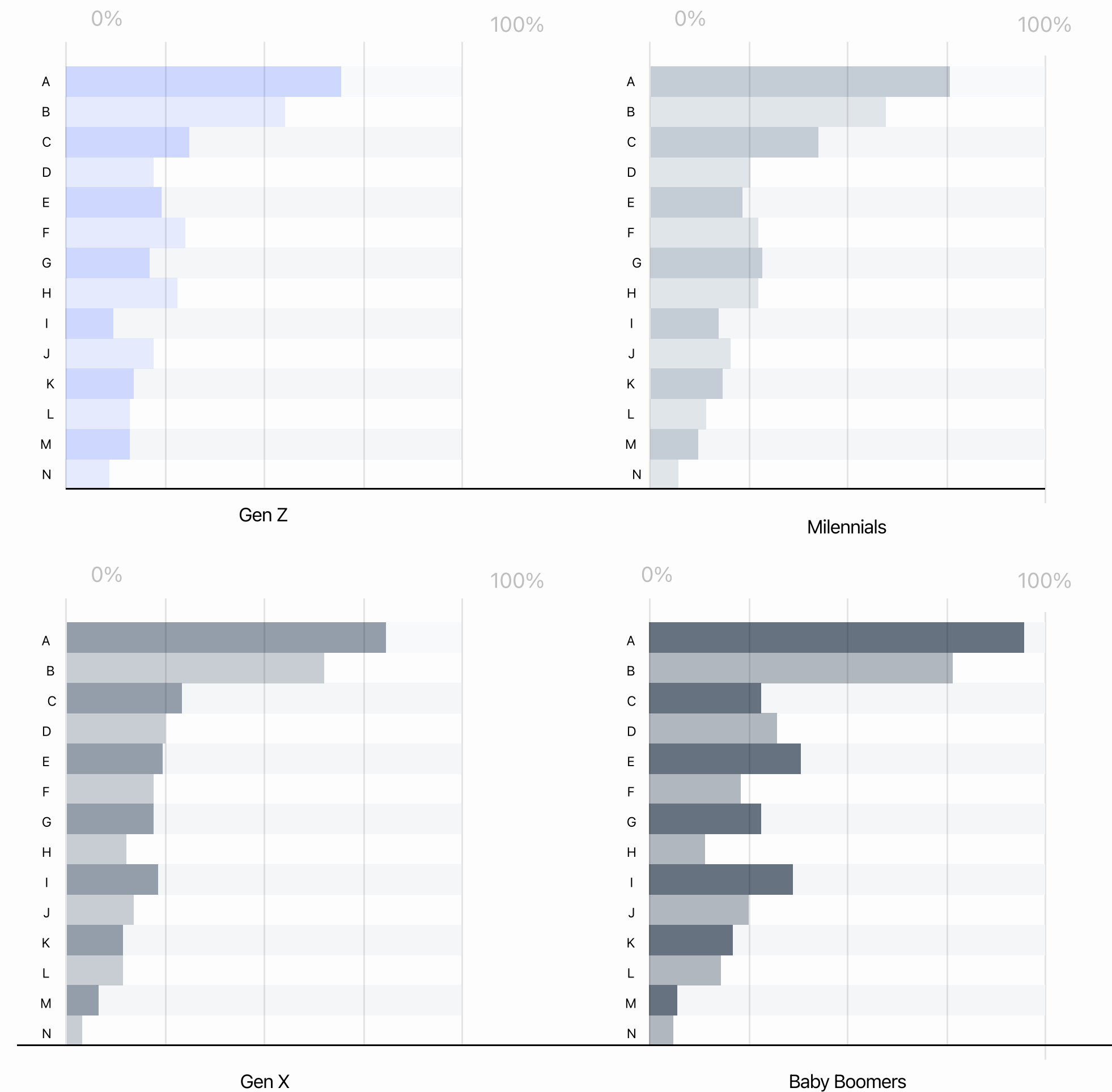
When customers know they're protected against potential issues, they feel more confident completing a purchase. By offering comprehensive warranties, for example, you're able to showcase your commitment to making high-quality products and maintaining customer satisfaction. Moreover, customers perceive products with warranties as higher quality and more reliable, often justifying a premium price tag.

With 92% of consumers sometimes or always checking a retailer's return policy before making a purchase, highlighting warranties in return policies can catch consumer attention from the get go. Don't shy away from transparency around your product guarantees and warranties, as this trend is on the rise: The percentage of U.S. respondents who **always** check a retailer's return policy is up nine points year-over-year.



## WHAT DIFFERENT GENERATIONS VALUE IN A RETURN POLICY

When asked the question, "Which of the following offerings from retailers would make you more likely to make an online purchase?" here's how each generation responded.



	GZ	M	GX	B
<b>A. Free return and exchanges - 79.33%</b>	69.73%	75.49%	81.80%	94.15%
<b>B. An easy-to-follow returns process - 63.17%</b>	55.56%	59.01%	65.90%	76.92%
<b>C. Extensive exchange options - 35.56%</b>	31.42%	42.42%	29.92%	28.00%
<b>D. In-person returns options - 26.34%</b>	22.61%	25.82%	25.31%	32.31%
<b>E. Product quality guarantee/warranty - 26.04%</b>	24.14%	23.08%	24.06%	38.77%
<b>F. Keep returned items + refund - 25.99%</b>	30.65%	27.14%	22.80%	23.69%
<b>G. Packageless return drop off - 25.94%</b>	21.46%	28.35%	22.18%	28.31%
<b>H. Eco-friendly returns options - 22.64%</b>	28.74%	27.47%	15.90%	14.15%
<b>I. At-home returns pickup - 21.33%</b>	12.64%	17.25%	23.43%	36.62%
<b>J. An unlimited return window - 20.62%</b>	22.22%	20.22%	17.36%	25.23%
<b>K. Post-purchase coupons/ discounts on future purchases - 17.73%</b>	17.24%	18.13%	14.44%	21.85%
<b>L. Sustainable/reusable returns packaging - 15.30%</b>	16.09%	14.62%	14.02%	18.46%
<b>M. Carbon-neutral order options - 11.20%</b>	16.48%	12.75%	8.16%	7.08%
<b>N. Retailer-curated product suggestions based on past purchases - 7.09%</b>	11.11%	7.58%	4.39%	6.46%

**K**nowing exactly who your shoppers are can be a huge plus, especially because different age groups have different preferences. We broke down the results of our consumer report by generation—take a look at what each group expects for your return policy.

All generational groups surveyed—Gen Z, Millennials, Gen X, and Baby Boomers—expect some combination of the following return experiences:

- Free returns and exchanges (79.33% of all consumers)
- An easy-to-follow returns process (63.17% of all consumers)

However, they disagreed on a surprising number of things. Take a look.

#### **Gen Z:**

- Nearly 1/3 of Gen Z likes to keep their item and get a refund
- Gen Z values eco-friendly returns options and carbon-neutral returns

#### **Millennials:**

- More than others, millennials (42%) want many exchange options
- Millennials and boomers both love packageless, drop off return options

#### **Gen X:**

- Interestingly, an unlimited return window doesn't seem to excite Gen X
- Gen X is also the least likely group to appreciate curated product recs

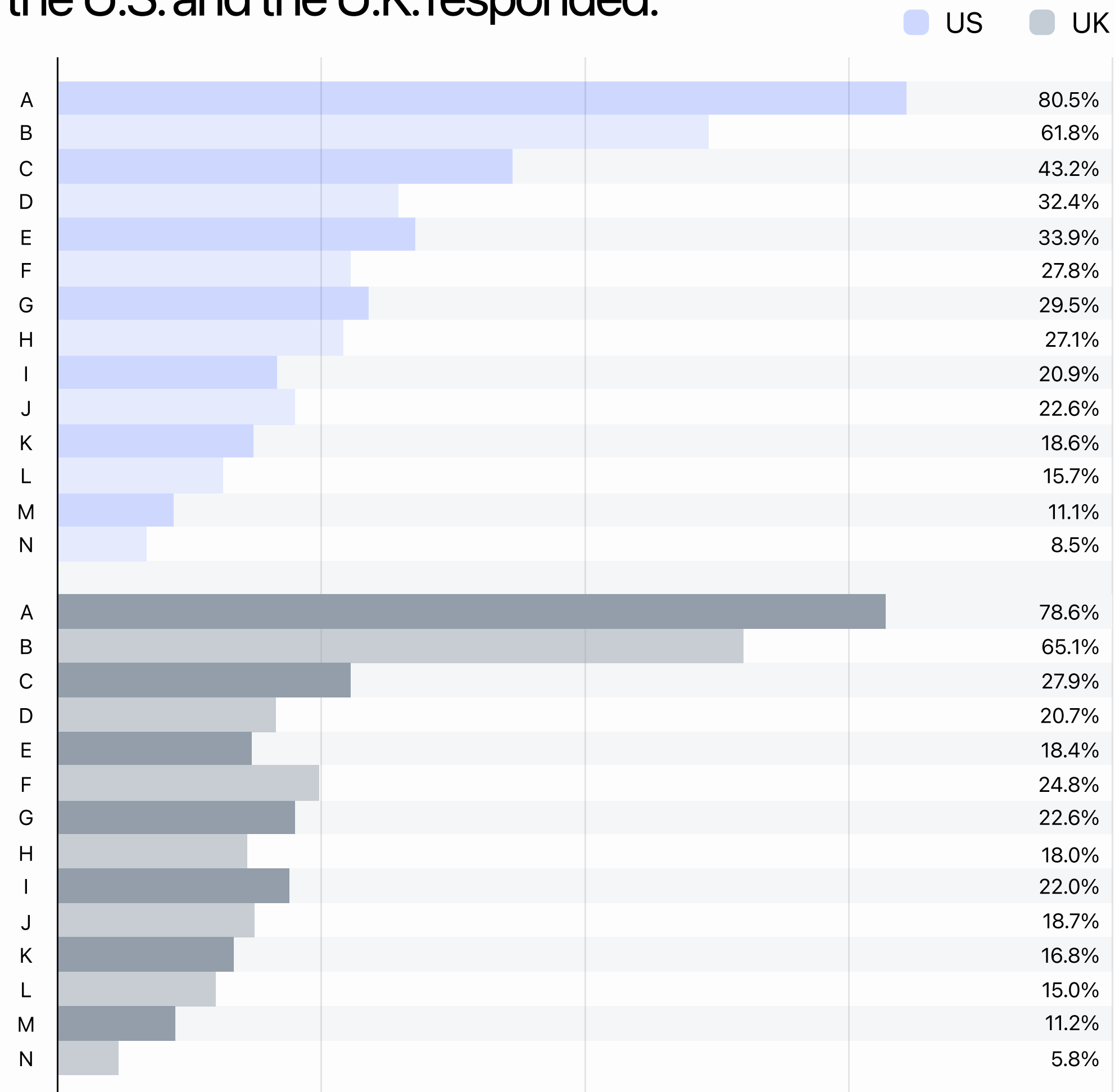
#### **Baby Boomers:**

- Product guarantees and warranties are most important to boomers
- Baby Boomers want easy returns—more than 1/3rd want at home pickup



## WHAT SHOPPERS IN THE U.S. VS THE U.K. VALUE IN A RETURN POLICY

When asked the question, "Which of the following offerings from retailers would make you more likely to make an online purchase?" here's how shoppers from the U.S. and the U.K. responded.



	US	UK
<b>A.</b> Free return and exchanges - <b>79.55%</b>	<b>80.5%</b>	<b>78.6%</b>
<b>B.</b> An easy-to-follow returns process - <b>63.45%</b>	<b>61.8%</b>	<b>65.1%</b>
<b>C.</b> Extensive exchange options - <b>35.55%</b>	<b>43.2%</b>	<b>27.9%</b>
<b>D.</b> In-person returns options - <b>26.55%</b>	<b>32.4%</b>	<b>20.7%</b>
<b>E.</b> Packageless return drop off - <b>26.15%</b>	<b>33.9%</b>	<b>18.4%</b>
<b>F.</b> Product quality guarantee/warranty - <b>26.30%</b>	<b>27.8%</b>	<b>24.8%</b>
<b>G.</b> Keep returned items + refund - <b>26.05%</b>	<b>29.5%</b>	<b>22.6%</b>
<b>H.</b> Eco-friendly returns options - <b>22.55%</b>	<b>27.1%</b>	<b>18.0%</b>
<b>I.</b> At-home returns pickup - <b>21.45%</b>	<b>20.9%</b>	<b>22.0%</b>
<b>J.</b> An unlimited return window - <b>20.65%</b>	<b>22.6%</b>	<b>18.7%</b>
<b>K.</b> Post-purchase coupons/ discounts on future purchases - <b>17.70%</b>	<b>18.6%</b>	<b>16.8%</b>
<b>L.</b> Sustainable/reusable returns packaging - <b>15.35%</b>	<b>15.7%</b>	<b>15.0%</b>
<b>M.</b> Carbon-neutral order options - <b>11.15%</b>	<b>11.1%</b>	<b>11.2%</b>
<b>N.</b> Retailer-curated product suggestions based on past purchases - <b>7.15%</b>	<b>8.5%</b>	<b>5.8%</b>



**W**hile the U.S. and U.K. markets have certain commonalities, they also have distinct preferences. We broke down the results of our consumer report by region—take a look at what consumers in the U.S. and consumers in the U.K. expect for your return policy. Both U.S. and U.K. shoppers expect some combination of the following return experiences:

- Free returns and exchanges (79.55% of all consumers)
- An easy-to-follow returns process (63.45% of all consumers)

However, they disagreed on a surprising number of things. Let's break it down.

#### **U.K. Shoppers:**

- Far and away the most important aspect of returns for U.K. shoppers is that returns and exchanges are free. The value placed on any return option was far lower than that of the corresponding value in the U.S.
- While customers in the U.S. value extensive exchange options, U.K. shoppers do not prioritize variety.
- They also love being able to use at-home pick up for their returns
- Additionally, in-person return drop-off options were not important to most U.K. shoppers.
- Almost a third of U.K. shoppers want the option to keep their item and get a refund.

#### **U.S. Shoppers:**

- Unlike their U.K. counterparts, U.S. shoppers really value the option to drop off their returns in-store.
- Both Americans and U.K. shoppers place value on product value guarantees and warranties, though Americans care about them slightly more.

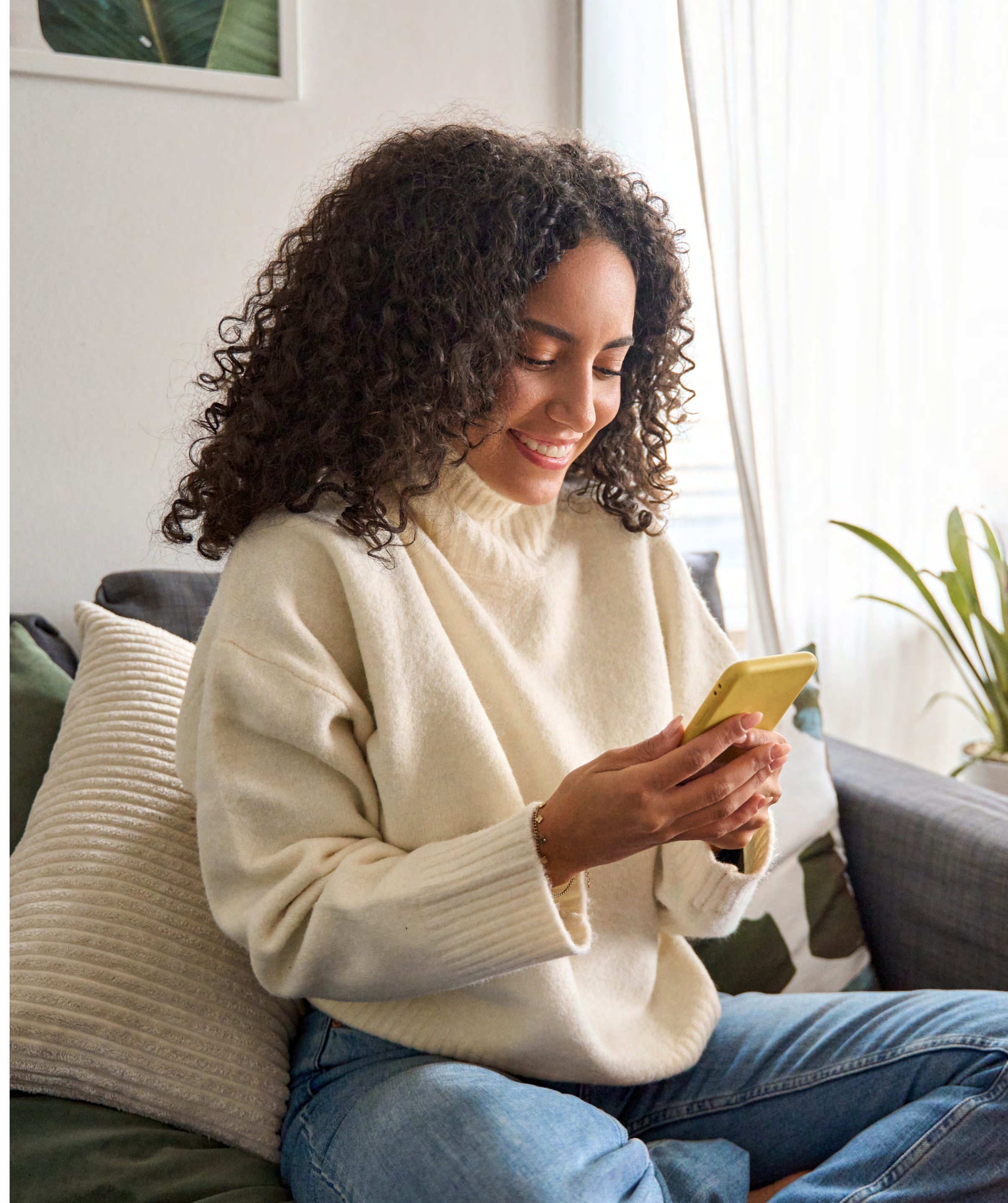


# Understand what your shoppers want from returns in order to create loyalty

**W**hile we've highlighted three recurring consumer expectations for post-purchase experiences, it's crucial to remember there's no one-size-fits-all approach. Quality assurances, frictionless returns, and personalized touchpoints are now essential (think of them as our mathematical foundations). But there are certainly additional elements, such as an eco-friendly returns process or free exchanges, that can help you earn even greater customer loyalty and solve more complex equations. Our survey also uncovered several differing priorities unique to specific customer segments.

Above all else, it's important to understand your specific customers' needs, priorities, and preferences—and meet them where they're at with a tailored return experience.

Want to learn how we can crack the post-purchase experience equation? (We promise it's simpler than advanced calculus.) [Book a demo](#) with Loop today.



# See your shoppers RETURN

Find out why over 2,200 Shopify brands trust Loop to lower return costs, increase revenue, and make happier customers.

[Book a demo](#)