



# The Ecommerce **RETURNS** **BENCHMARK**

2023 REPORT





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Better Returns For All Better Returns For All Better Returns For All Better Returns For All Better Returns For All



# Introduction

When we set out to write the Future of Returns, we knew that reflecting on the past would help inform our predictions for the future.

And we also knew to best support Shopify merchants' growth, we'd need to cement our predictions with a new benchmark report for reference. And that's what you have before you today.

We can all agree that 2022 was an interesting year in ecommerce. But thankfully, ecommerce still grew. And as ecommerce grows, return rates follow.

In 2022, ecommerce sales accounted for approximately \$1.3 trillion of total U.S. sales. Leading to about \$212 billion of returned online purchases—for a 16.5% average return rate.

This means Shopify merchants like you have the unique opportunity to transform returns into returning customers.

But first, let's dig into our benchmark data.





# Loop Brands BY VERTICAL

Shopify merchants must focus on profitability in 2023. And focusing on profitability means exploring unique ways to reduce costs while increasing revenue.

At Loop, we believe using a return management app is a must-have today. But using the right return management app can make all the difference, especially when considering profitability.

Throughout this report, you'll tap into returns benchmark data for over 1,800 Shopify merchants who use Loop.

But first, take a look at the graph on the right to see the verticals we're covering on today's report.



8.96% Accessories

3.22% Cosmetics

7.58% Footwear

2.67% Intimates

3.32% Swimwear

55.72% Apparel

1.73% Electronics

6.39% Home Goods

3.96% Jewelry

6.44% Other



# Loop's Total RETURN AVERAGES

The overall ecommerce return rate in 2022 was 16.5%, according to NRF. As you can see, the return rate for Shopify merchants using Loop was lower. That's because part of what we do is reduce unnecessary returns to save merchants like you time and money.

**14.0%**

Return Rate\*:  
Total Loop returns (\$) divided by total orders (\$)

71.4%

Refund Rate:  
Loop returns that end in  
refunds (\$)

28.6%

Retention Rate:  
Loop returns that end in  
retained revenue (\$)

**\$1.59**

Upsell Value:  
Average new revenue made  
per Loop return

*\*Loop may not have visibility into all of a shop's returns. This calculation is dependent on Loop data and specific Shopify refund transactions tied to an order. Any return activity outside of these data sources may not be included.*





# Accessories

**A**utomating the returns process lowers costs and makes customers happier.

With a return rate of 7.0% for accessories, it's easy to miss the opportunities still available for Shopify merchants in this vertical.

For one, simply offering an automated, self-serve return portal that's intuitive and easy to use is plenty enough to encourage faster repeat purchases from your customers.

But take a closer look at the numbers.

Even with a lower return rate, accessory brands who use Loop enjoy a whopping 28.9% retention rate—a meaningful contribution to their bottom line, if you ask us.



**7.0%**

Return Rate:  
Total Loop returns (\$) divided by total orders (\$)

**71.7%**

Refund Rate:  
Loop returns that end in refunds (\$)

**28.9%**

Retention Rate:  
Loop returns that end in retained revenue (\$)

**\$1.38**

Upsell Value:  
Average new revenue made per Loop return



# Apparel

**L**everaging your return data to run your business can lower costs and unlock profitability.

We’ve said it before and we’ll say it again—returns data is powerful.

Especially for apparel brands on Shopify, knowing what’s getting returned, and why, is a huge unlock for profitability.

Because sizing is inconsistent across brands, it’s hard for shoppers to accurately select their sizes, which contributes to the 17.0% return rate you see here.

However, using return data can allow you to mitigate and lower unnecessary returns by empowering you with the “why” behind your returned items. For example, if a shirt is running small, you can inform potential shoppers to buy a size up, proactively reducing potential returns.

Even at a higher return rate, apparel brands who use Loop enjoy a nice 27.8% retention rate. Meaning more dollars in your pockets, not out of them.



**17.0%**

Return Rate:  
Total Loop returns (\$) divided by total orders (\$)

**72.2%**

Refund Rate:  
Loop returns that end in refunds (\$)

**27.8%**

Retention Rate:  
Loop returns that end in retained revenue (\$)

**\$1.40**

Upsell Value:  
Average new revenue made per Loop return



# Cosmetics

**I**mproving your returns experience can make a significant impact on customer retention.

According to our data, shoppers who experience a Loop return are more likely to shop again with that brand 21 days faster.

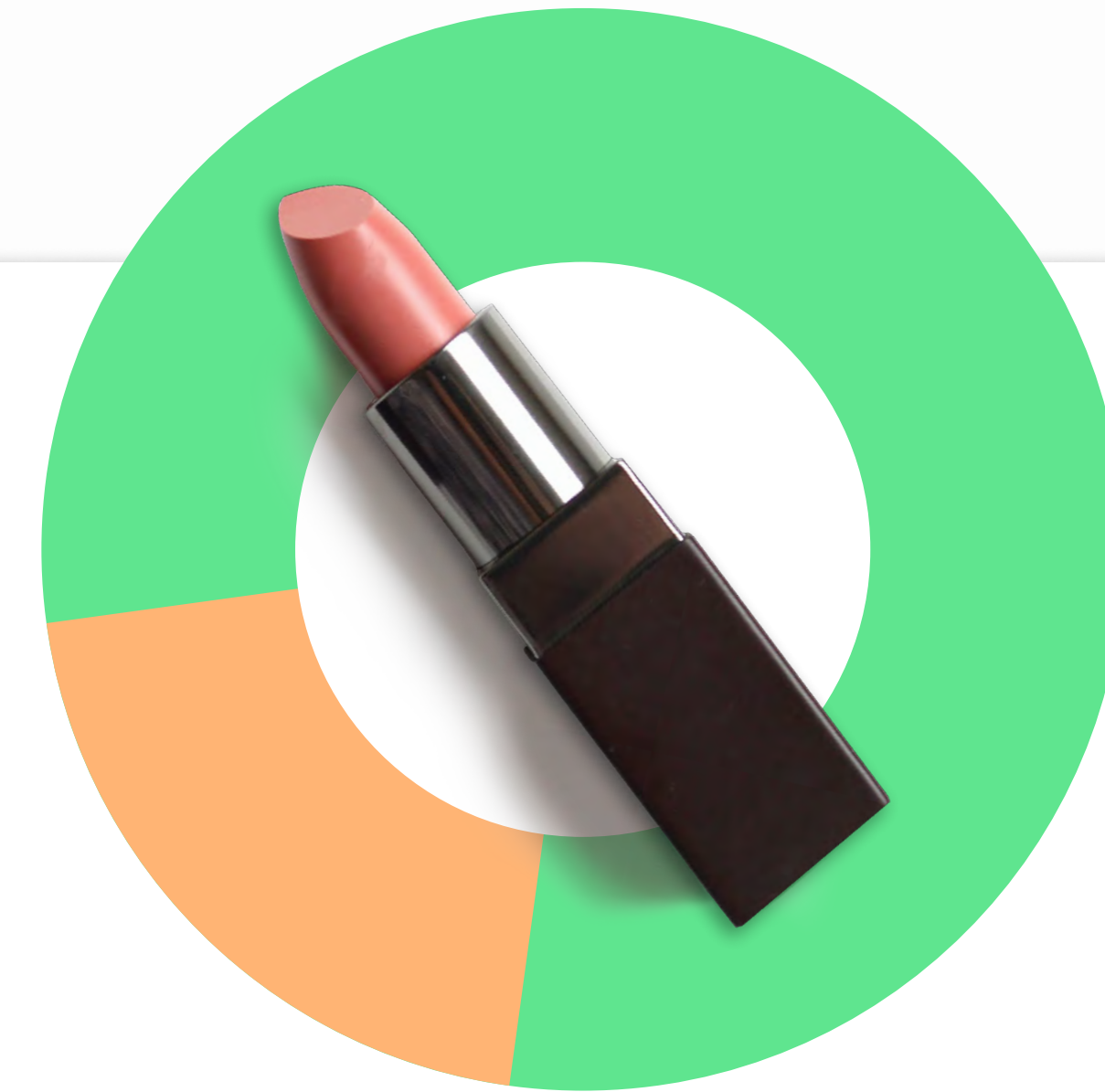
And those same Shopify merchants who use Loop also enjoy a 30.4% higher customer retention rate when compared to other return management solutions.

Sure, cosmetics return rate seems low.

But at a time when every customer interaction is becoming more and more important, there's no question that offering the best returns experience is key to customer retention.

Even if you have lower return rates, it's important to ensure that, at the very least, you're delivering an easy returns experience.

P.S. Don't forget that Loop's return management app is also easy to use for your internal teams, too.



**4.0%**

Return Rate:  
Total Loop returns (\$) divided by total orders (\$)

**80.7%**

Refund Rate:  
Loop returns that end in refunds (\$)

**19.3%**

Retention Rate:  
Loop returns that end in retained revenue (\$)

**\$0.30**

Upsell Value:  
Average new revenue made per Loop return



# Electronics

**D**elivering a best-in-class reverse logistics experience will not only make customers happier, but also increase your revenue.

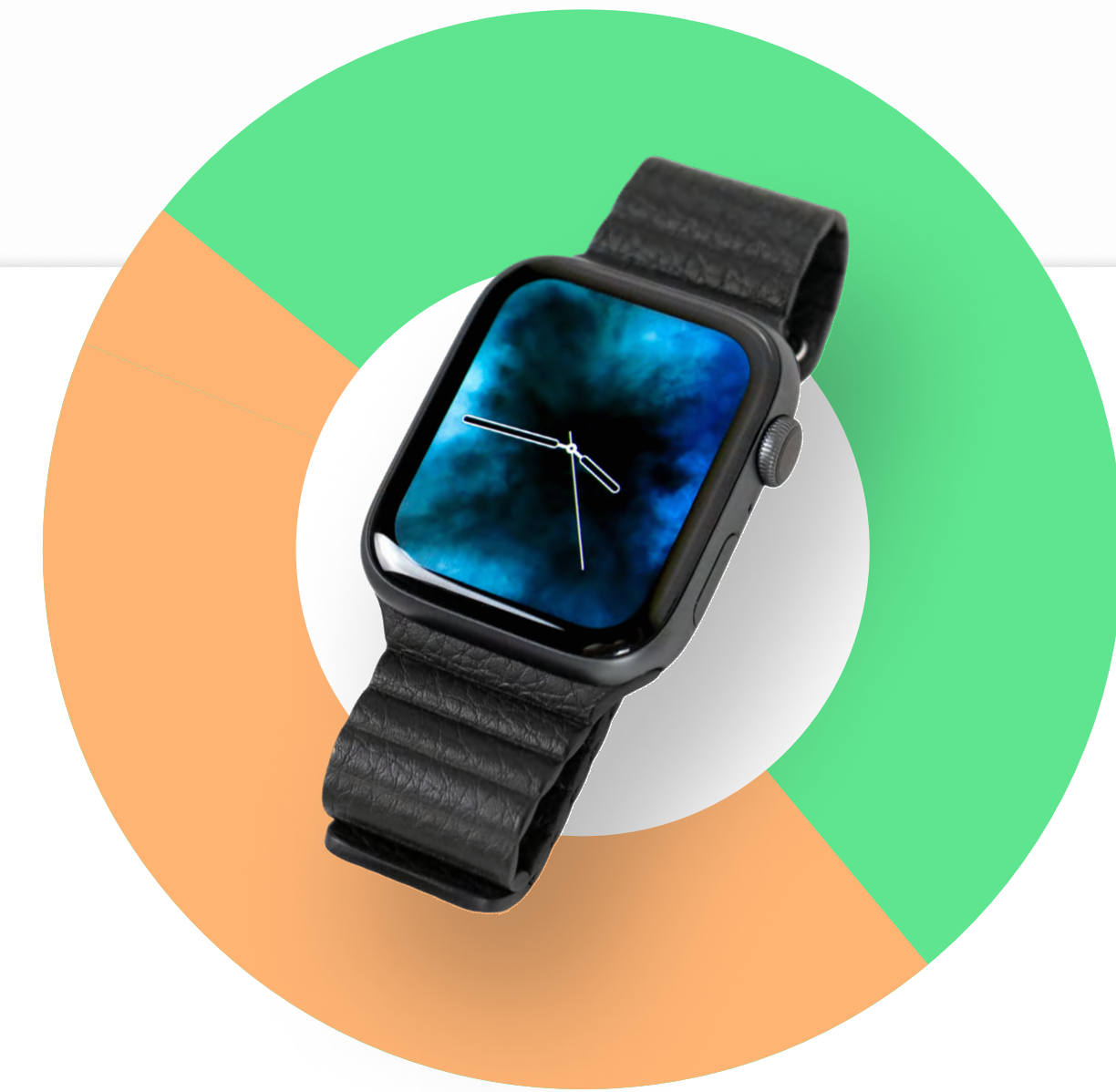
We recently conducted a consumer report where we surveyed 1,000 online shoppers on their return optionality expectations. And what we found may surprise you.

70% of online shoppers expect (and are willing to pay!) for premium return options like at-home pickups.

That means Shopify merchants who sell electronics, or just about anything else for that matter, can reap the benefits of not only making customers happier. But also increasing their revenue.

A win-win.

Even if you're not ready to implement those options, as an electronics brand who uses Loop, you can enjoy a superb 42.4% retention rate. Talk about profitability.



**9.0%**

**Return Rate:**

Total Loop returns (\$) divided by total orders (\$)

**57.6%**

**Refund Rate:**

Loop returns that end in refunds (\$)

**42.4%**

**Retention Rate:**

Loop returns that end in retained revenue (\$)

**\$1.05**

**Upsell Value:**

Average new revenue made per Loop return



# Footwear

**I**t's time to embrace the exchange...seriously.

We know fit is super important for something customers will be wearing everyday, meaning footwear customers tend to be much choosier when making a purchase.

Many of them will look to exchange, so footwear brands must be ready to offer them just that—an easy exchange process.

If you don't, you're potentially leaving a hefty 32.3% additional retention rate on the table on your returns. A costly mistake that could otherwise transform returns into returning customers.

That's why Shopify merchants who use Loop embrace exchanges. They understand its short- and long-term impact on customer loyalty and profitability.

And that's why Loop innovates in this space day in and day out—to find creative ways to encourage shoppers to come back again.



**19.0%**

Return Rate:  
Total Loop returns (\$) divided by total orders (\$)

**67.7%**

Refund Rate:  
Loop returns that end in refunds (\$)

**32.3%**

Retention Rate:  
Loop returns that end in retained revenue (\$)

**\$0.99**

Upsell Value:  
Average new revenue made per Loop return



# Home Goods

**S**ometimes offering exchanges isn't enough, you may need to incentivize them.

Although home goods brands tend to have lower return rates, they also have huge upsell opportunities.

Check out that upsell value: an incredible \$5.97 per return.

Home goods brands should focus on driving more revenue through exchanges. But sometimes offering exchanges isn't enough.

Shopify merchants who use Loop can offer additional incentives during a return like store credit or bonus credit. Which locks in a future purchase, and encourages shoppers to exchange their unwanted items.

And as you can see here, those incentives tend to not only pay for themselves, but also encourage additional new revenue in upsells.



**8.0%**

**Return Rate:**  
Total Loop returns (\$) divided by total orders (\$)

**75.4%**

**Refund Rate:**  
Loop returns that end in refunds (\$)

**24.6%**

**Retention Rate:**  
Loop returns that end in retained revenue (\$)

**\$5.97**

**Upsell Value:**  
Average new revenue made per Loop return



# Intimates

**B**ring your return policy to life. Everywhere.

Intimates brands face a two-pronged challenge: sizing and hygiene.

For one, Shopify merchants who sell intimates face the same struggles apparel and footwear brands do around sizing.

But to make matters more complicated, there are hygienic implications that must be accounted for during the return process.

A sure way to combat unnecessary and costly returns is by over-communicating your return policy.

Make a web page dedicated to it. Add it to your product pages. And anywhere else you think your customers hang out.

Ensuring your return policy is visible will decrease returns.

However, for those pesky inevitable returns, intimates brands who use Loop still come out on top.

Just look at that wonderful 31.1% retention rate they enjoy.



**17.0%**

Return Rate:  
Total Loop returns (\$) divided by total orders (\$)

**68.9%**

Refund Rate:  
Loop returns that end in refunds (\$)

**31.1%**

Retention Rate:  
Loop returns that end in retained revenue (\$)

**\$1.25**

Upsell Value:  
Average new revenue made per Loop return



# Jewelry

**Wow. Are you seeing what we're seeing?!**

Yes, you're not dreaming.

Shopify merchants who sell jewelry (and use Loop!) enjoy a ridiculously high 53.1% retention rate on average.

Knowing that jewelry brands can range from low-cost to premium-cost, and everything in between, means that at whatever price point you're selling your products, you could be making strides in your retention rates by managing your returns through Loop.

This is also why we're obsessed over returns.

Because we not only recognize the massive growth opportunities around returns for Shopify merchants.

But because we get to witness Shopify merchants like you taking steps in your path to profitability.



**8.0%**

**Return Rate:**  
Total Loop returns (\$) divided by total orders (\$)

**46.9%**

**Refund Rate:**  
Loop returns that end in refunds (\$)

**53.1%**

**Retention Rate:**  
Loop returns that end in retained revenue (\$)

**\$2.28**

**Upsell Value:**  
Average new revenue made per Loop return



# Swimwear

**D**on't fight bracketing, leverage it.

Remember, bracketing is when shoppers buy in bulk with the intention of trying on various pieces and returning what doesn't work for them.

At face value, this looks like a painful trend. But for Shopify merchants who use Loop, this is an incredible opportunity.

If you're a swimwear brand, you can expect bracketing.

And rather than fighting it with tight, restrictive return policies, we recommend you leverage them by offering exchanges.

So when you are hit with bracketing, you can at least make sure it helps you become more profitable in the long-term.



**27.0%**

**Return Rate:**  
Total Loop returns (\$) divided by total orders (\$)

**75.3%**

**Refund Rate:**  
Loop returns that end in refunds (\$)

**24.7%**

**Retention Rate:**  
Loop returns that end in retained revenue (\$)

**\$1.73**

**Upsell Value:**  
Average new revenue made per Loop return



# Conclusion

Loop is the return management app that grows with Shopify merchants. And makes returns stress-free for you and your shoppers.

We take an otherwise delicate experience—when a shopper initiates a return—and turn it into a positive experience.

One that leads to a 30.4% higher customer retention rate when compared to other return management solutions. And one that leads to repeat purchases 21 days faster, on average.

We ensure your returns don't hurt your bottom line. And that your returns promote sustainable growth and profitability for your business. Every single time.

We hope this benchmark report allows you to see where you stand when compared to other Shopify merchants.

And that it encourages you to keep building, to keep growing, and to reach out to us with your return management needs.

Together, we can accomplish more.





# Stay in **THE LOOP**

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

[Book a demo](#)