



Good returns management:

The secret to winning your customer's heart

Having an efficient and effective eCommerce returns management shouldn't just be an optional value-added service – here's why it should be part of your customer experience

The increased popularity of online shopping has enabled many conveniences for consumers. It has also made them more willing to explore new brands and products they may have been previously unfamiliar with.

According to comScore¹, 52 per cent of purchases in 2017 were made online, and it is expected to increase as shoppers become more tech-savvy. Businesses stand to benefit from

this opportunity, but is your business ready to cope with the growth?

With rising and evolving customer expectations, having good returns management can help businesses keep online shoppers satisfied. Not only can a good returns management policy enhance the buying process, it can also help develop customer loyalty, and provide a more holistic customer experience that will keep shoppers coming back for more.

Stand out from the rest

Standing out and impressing shoppers is no easy task in the crowded online marketplace. In order to grow, businesses need to stay on top-of-mind recall while cultivating and maintaining a healthy pool of new and repeat customers.

Give your business the upper hand by offering free returns for your customers. By minimising financial consequences for your customers with a good returns policy, they are less likely to abandon their cart and complete their purchase, leading to less opportunity costs, new customer acquisition, and higher sales revenues.

Eighty-seven per cent of shoppers surveyed by shipping company Shippo² indicated that free returns is

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an important part of their purchase decision, and 34 per cent said they would make the purchase only if free returns shipping was offered. While the demand for free returns is high, only 14 per cent of merchants offer it, indicating an untapped market segment that could potentially be a new revenue stream for retailers.

Online shoppers also look for a seamless customer experience that is fast and easy to understand – from browsing, checkout, delivery, and even up to the after-sales service. Customers who had concerns over their orders are more likely to shop again if they experience swift customer recovery. Satisfied customers are also more likely to recommend your business to others. More than 80 per cent of shoppers surveyed by Nielsen's Harris³ indicated that they seek recommendations before making their purchases – word-of-mouth referrals do matter!

High return rates can increase brand loyalty

Having a consumer-friendly returns policy has proven to go a long way in winning and attracting repeat customers. A CNBC report⁴ cited a massive 357 per cent increase in online sales over a 49-month period, after the introduction of a hassle-free returns policy for two leading online retailers.



In an interview with business magazine *Fast Company*⁵, US online shoe store Zappos reported that their best customers are those who returned the most orders.

Promising statistics like this show the impact of returns policies in relation to brand loyalty and experience, and how important they are to shoppers and ultimately, online retailers. It also provides valuable insights to your customers' behaviour and preferences by studying their purchase patterns, allowing you to give them more precise product recommendations.

Create brand value with reliable last mile delivery

Consumers are placing greater importance on shipping, delivery and returns. They not only expect their order to arrive on time, they also want the

option of returning it with no questions asked and at no extra cost.

Hence, logistics play a vital role in fulfilling eCommerce orders, and having an efficient returns management process is critical to business success. That, coupled with reliable last mile delivery, adds the human touch that can give businesses an edge over their competitors.

Last mile delivery – or the last segment of the online shopping journey – is where the customer comes face-to-face with the person delivering their purchase. This, however minor, is an important aspect in ensuring customers enjoy a pleasant end-to-end online shopping experience.

Increased efficiency

A good returns policy also enables quicker refunds for customers; and

when refunds are given back to customers as store credits, it often leads to faster repeat purchases.

According to a survey by Kurt Salmon⁶, a management consulting firm, most customers expect their refunds to be credited within a week. If you are handling returns in volume, a strong returns management can greatly boost efficiency – which means you can dedicate more time for your campaign and business development!

In addition, an efficient returns management system will make sure that your returns reach you fast and that you can resell your products fast. When you restock at a faster rate, you'll be able to keep in line with product seasonality and resell your products while they are still in season.

Convenience for you and your customers

A service like Singapore Post's (SingPost) ezyReturn ensures that your returns processes run like clockwork, 24/7. What's more, customers can take charge of their returns, as it is very easy to drop it off at their convenience during

the returns validity period at more than 210 touchpoints through our network of POPStations and post offices islandwide.

How making returns at POPStation works

Our POPStation also lets customers make quick and easy returns using SingPost's ezyReturn service.

Here's how:

- STEP 1** Select "Return My Parcel"
- STEP 2** Scan the barcode on their package/box
- STEP 3** Enter their mobile number
- STEP 4** Choose a locker size
- STEP 5** Confirm drop-off for receipt

Your customer is also kept informed every step of the way. With the returns slip and label, they can track the status of their returns – from pick up until it gets returned to the merchant.

All aspects of your online business counts towards a good customer shopping experience – and establishing a good returns management policy may well bridge the gap to determining the success of your online store. ■

Highlights

- The after-sales experience is as important – if not more important – than the purchase experience.
- Having a good returns management policy builds your brand value and boosts consumers' confidence when they make their purchases.
- Merchants can get valuable insights on their consumer patterns and behaviours, giving them critical information for future marketing campaigns or new product launches.



Sources:

¹ comScore: <https://solutions.ups.com/rs/935-KKE-240/images/UPS-Pulse-of-the-Online-Shopper-2017-Volume-1.pdf>
² Shippo: <http://www.practicalecommerce.com/Free-Shipping-Free>Returns-Critical-for-Online-Shoppers>
³ Nielsen's Harris: <http://www.nielsen.com/id/en/press-room/2015/WORD-OF-MOUTH-RECOMMENDATIONS-REMAIN-THE-MOST-CREDIBLE.html>
⁴ CNBC Report: <https://www.cnbc.com/id/49379910>
⁵ Fast Company: <https://www.fastcompany.com/1614648/zappos-best-customers-are-also-ones-who-return-most-orders>
⁶ Survey by Kurt Salmon: <http://www.kurtsalmon.com/en-us/Retail/vertical-insight/1487/2016-Omnichannel-Fulfillment%3A-A-Kurt-Salmon-Special-Report>