

Surviving Returns: The Ultimate Guide for eCommerce Brands

The hustle and bustle of the holiday season is already in full swing and the time to prep is now.

It's not enough to just survive the holiday season, your brand needs to thrive. And lucky for you, we're here to help! Here is everything you need to have the best BFCM and holiday season yet.

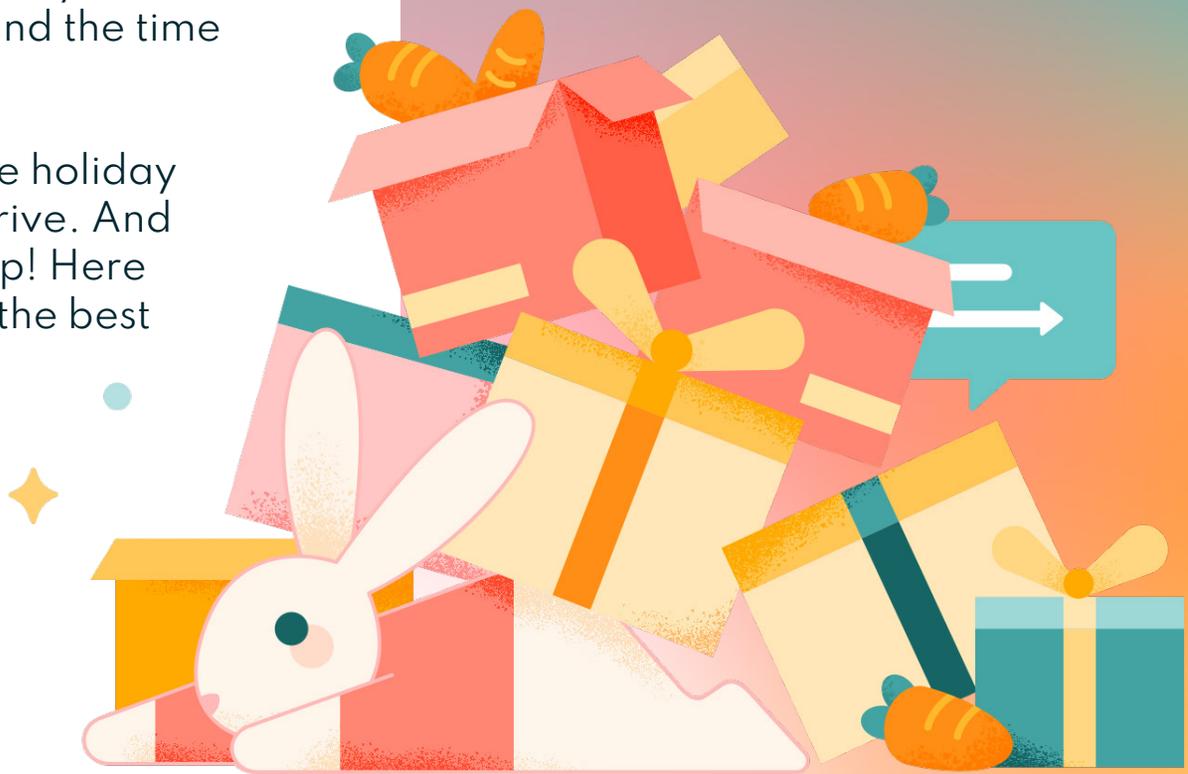


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It's All About The Data (And How You Use It)

You've heard it before: data is king.

It often answers the questions to your most pressing problems and helps shape future marketing and sales strategies. But data can only be effective if it's used properly.

For most online retailers, an average of **22% of orders result in a return** and for the apparel industry it's typically a bit higher. But just knowing your return rate isn't enough. You need a full circle view of why your customers are returning items before you can start trying to reduce your return rate.

Data from return reasons and customer surveys give insights on areas that need improvement like the need for:

- ✓ Updated product descriptions
- ✓ Revised sizing charts
- ✓ New product images

UPDATED PRODUCT DESCRIPTIONS:

If customers are consistently returning an item because of an inaccurate description, that's an easy fix. Product descriptions should give all relevant details of the product including all features and benefits.

REVISED SIZING CHARTS:

Not all t-shirts are created equal so updating the sizing charts for specific items will help customers buy the best size for them. You can also add sizing recommendations to the descriptions i.e. size up or down for a more accurate fit.

NEW PRODUCT IMAGES:

Depicting the color and fit of an item as accurately as possible will make the shopping experience more enjoyable for everyone. While most things online look slightly different in person, photography should be as close as possible to the real thing. With different items or patterns, you may need to tweak the lighting.

While customer preference-based returns like size, fit, and style drive most of returns, non-preference reasons account for about 10% of total returns.

Know your key performance indicators (KPIs)

Tracking [the right KPIs](#) is crucial to making informed decisions on how to improve your returns and exchanges processes. Without that data, your marketing and sales strategies won't be as effective as they could be. A few KPIs that every eCommerce brand should be tracking are:

- Conversion rate
- Return rate
- Refund ratio
- Exchange ratio
- Customer lifetime value (LTV)

Understanding the impact of offering return shipping

One of the most common things we hear is that offering [free return shipping is too expensive](#). And it's no secret, it's definitely an expense that brands have to prepare themselves for. But customer behavior insights indicate that offering free return shipping is a major draw to shop with a brand. One survey found that 87% of customers prefer to shop at sites that offer free returns.

To combat the internal costs of return shipping, brands can:

- Reuse original packaging for returns
- Utilize cost-effective shipping methods
- Gather customer feedback to offer the most accurate products

When a customer has a positive returns experience with you, they are more likely to shop with you again.



Understanding the Lingo:

Conversion Rate: % of users that take a desired action

Return Rate: % of orders that result in a return

Refund Ratio: % of orders that result in a refund

Exchange Ratio: % of returns that result in exchanges

Customer Lifetime Value (LTV): customer value multiplied by the average relationship period a customer has with a business

Customer Satisfaction Score: number of satisfied customers divided by total number of responses

Get Your Customer Support Team Ready

Customer service needs are at an all time high during the holiday season, so you'll need to prep your staff early.

Why is customer support so important? 96% of customers around the world agree that customer service is an important factor in their choice of loyalty to a brand. Plus, 89% of consumers have switched to doing a business with a competitor following a poor customer experience.

But how can you prepare your customer support team to be ready for the holiday rush? Here are 4 strategies to consider.

Look through the eyes of the customer.

In order to prepare for a surge of customer service requests, you need to take a second and put yourself in the customer's shoes. To succeed, you need to be able to anticipate the customer's needs and streamline or automate any processes.

Essentially, the goal is to solve the problems before they happen. To do that, you need to ask yourself questions like:

- Is the contact page easy to locate?
- Does the FAQ section have relevant information?
- How do you start a return or an exchange?
- What is the return policy?
- How long does it take to reach a customer service representative?

You may need to hire seasonal staff.

The last thing you want is to overwork (and overwhelm) your staff. With customer requests skyrocketing during the holidays, you may need to consider hiring seasonal staff. Hiring seasonal staff gives you more flexibility and ensures that you're not spreading your staff too thin.

Instead of increasing shift hours, hiring temporary or seasonal staff can be a great addition to your team and can help ensure that the customer experience doesn't suffer.

Take a look at your customer service channels.

How do your customers typically get in touch with your team? Do you utilize phone, email, and live chat? Perhaps you're limited to just one or two options. Either way, now is the time to reevaluate your support channels.

For example, let's say you handle all return requests via email. With the holidays, your return requests are bound to double (if not triple) and email might not cut it with your customers. For November-January, it might make sense to implement a chatbot that can spearhead issues like this so the customer isn't waiting for days for a response.

Self-service options could be your saving grace.

Customers want their questions answered as quickly and accurately as possible but that's not always possible. Whether the issue arises outside of business hours or your team is busy with other customers, sometimes it can take a while to reach an agent.

That's where self-service comes into play.

Self-service customer support arms your customers with the tools and resources they need to get their questions answered, without having to interact with a service representative. Creating a help center that contains FAQs, how-to videos, return policies, relevant blogs, ect can help customers find the answer to their questions on their own.

Be Ready For A Boatload Of Returns

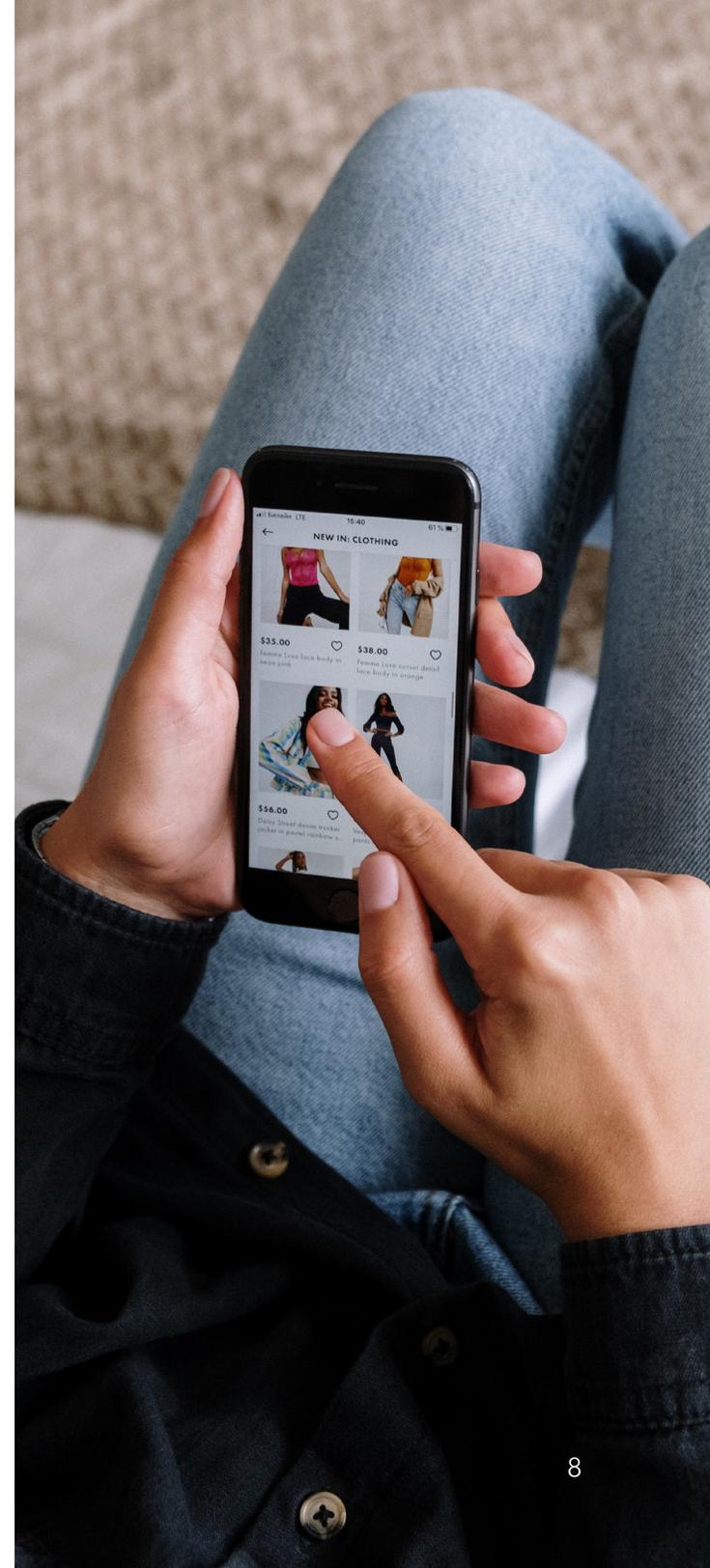
So much effort goes into planning for the holiday season from sales prep to marketing strategies to order fulfillment processes that the idea of returns can get pushed under the rug. But let's face it, with a surge in orders comes a surge of returns—and that can be really stressful to prepare for!

Your returns process is vital to the customer experience. It's true! Data shows that 86% of customers say that a positive returns experience would encourage them to shop with the same online retailer again.

We've got a couple tips for your brand to prepare for the surge in returns, while also increasing your bottom line.

Update your return policy and put it front and center.

Before the craziness of the holiday season kicks in, take a second to read through and update your return policy. As you do so, read it through the eyes of your customer. The holidays are crazy for everyone, including your customers so prioritizing flexibility and readability should be a top concern.



While return policies can be a little flexible in content, it must explicitly state a few things:



TIME FRAME

It may seem obvious, but you need to let your customers know how long they have to return a product. We most often see 30-day return policies but 90-days isn't uncommon. You can also implement a holiday return window with special considerations and longer return times.



CONDITION OF RETURN

Can the product be worn or used? Or does it have to be returned in its original packaging with tags? You'll have to decide which option works best for your brand.



EXTRA COSTS

Transparency is key when it comes to return costs. Explicitly state if the customer is responsible for return shipping or if your brand will pick up the costs. You'll also have to decide if a customer will receive a full refund or in-store credit if they opt for a return.



STEP-BY-STEP INSTRUCTIONS

Your return policy should take the customer through the entire return process and detail how the customer should package their return, how they can retrieve their return label, and where they can drop off their item(s).

One last thing: promote your return policy everywhere, it shouldn't take a search team to find it! Your return policy should be easily found on your website within FAQs and product descriptions and it should be clearly communicated to your customers throughout the shopping process.

Implement an automated returns management system.

The eCommerce landscape is more competitive than ever, so every area of your business—including returns and exchanges—needs to be efficient.

Aside from retaining customers, an automated returns management system has 4 major benefits:

SAVES TIME AND MONEY:

When your processes are automated, your customer support team has more time to tackle other complex problems.

IMPROVES CUSTOMER LOYALTY:

A seamless return experience encourages repeat purchases, fosters customer loyalty, and brand advocacy.

INCREASES CUSTOMER ACQUISITION:

68% of shoppers say that they are more likely to purchase online from merchants who have an automated returns solution.

DRIVES REVENUE:

An exchange-focused returns experience increases your bottom line and encourages repeat purchases.



Face Those Returns With Exchanges

We talked earlier about how returns are often viewed as the cost center of ecommerce. But here's the thing, it doesn't have to be that way. Returns don't have to mean lost revenue. Returns can actually be a driver of revenue when you do it correctly.

To get the most out of your returns management you need a software that's exchange-first.

What does exchange-first mean?

Just like it sounds, an exchange-first returns strategy puts the focus on exchanges rather than returns, refunds, or store credit. Exchanges are so important to brands because they keep the customer relationship going, which means you get to retain that revenue and drive more in the future. An exchange-first software essentially keeps exchanges top of mind always by offering personalized or full catalog exchanges.

Look into a smart recommendation engine.

A recommendation engine provides customers with a returns experience that is similar to their shopping experience, but with more customized recommendations. For example REX, Return Rabbit's recommendation engine, essentially removes any roadblocks on the returns process and keeps the experience seamless for the customer.

Recommendation engines are especially helpful for brands that have a dense catalog of products, but want to highlight certain items based on parallel purchases. Instead of giving customers product and information overload, REX helps you approach your customer with your best foot forward.

Recommendation engines do the work of in-store employees online. It's a win-win situation.

REX solves three major problems we come across in the returns and exchanges industry.

LIMITED EXCHANGE OPTIONS:

Customers are usually forced to choose between generic exchange options that frankly, aren't enticing. Who wouldn't want their money back after that? REX solves this by offering customized recommendations that customers are more likely to exchange for, rather than a list of products they may or may not find interesting.

LACK OF REVENUE FOCUS:

When your returns management isn't exchange focused, you lose out on potential revenue generating opportunities. REX gives your brand a second chance to prove your products and service match the customer's original expectations so you can retain the revenue you generated in the first place. Plus by retaining that customer, you'll have more opportunities to generate even more revenue.

TEDIOUS TIME TO EXCHANGE:

When the customer has to go through the whole buying process again, it discourages them from taking an exchange. With REX the exchange is instant, making it easy for them to get what they really want.



Beat The January Slump And Keep Your Sales Up Year Round

BFCM and the entire holiday season is a complete roller coaster for eCommerce brands. With an uptick in deals, promotions, website traffic, and customer support inquiries come January and your staff is probably exhausted. But that is not the time to pull back on customer retention efforts.

Every January, sales numbers for every eCommerce brand seems to fall off a cliff. You've been soaring for 2 months thanks to the holidays and come mid January, it falls back to square 1.

We say
no more.

But how can you avoid the annual decrease in sales? We have two words for you:

Customer Retention



Customer retention versus customer acquisition.

Customer retention and customer acquisition play a pivotal role in a brand's sustainability and growth. Acquisition grows your customer base while retention works to keep your current customer base. While both are important, the goal of this holiday season is to increase customer retention.

Brands that focus on customer retention not only have more loyal customers, but they see a growth in revenue.

Increasing retention rates by

5%

could help increase your profits
upwards of

95%



From gift giving to referral marketing, acquisition during the holiday season is at an all time high. But retaining those customers is the real challenge. Here are 6 ways you can boost your customer retention this year:

- ✓ Prioritize the post-purchase experience
- ✓ Provide above and beyond customer service
- ✓ Value personalization in all transactions
- ✓ Build a community for your customers
- ✓ Implement a customer loyalty or rewards program
- ✓ Automate your returns

6 ways to fill out your customer retention strategy

1

Prioritize the post-purchase experience:

There's so much that goes into the customer experience after the 'buy now' button. A great post-purchase experience means easy returns and exchanges, branded shipment tracking pages, and consistent communication with the customer about their order. One bad post-purchase experience can turn a customer away for good.

2

Provide above and beyond customer service:

When customers need to reach out to your team, your support team needs to be ready to take on the challenge. Look for gaps in your support team and see where you can improve. For example, if you're constantly receiving "where is my order" support tickets, you may need to amp up your post-purchase communication.

3

Value personalization in all transactions:

Have you ever received a special offer or handwritten note and been upset about it? Probably not! Those actions make customers feel appreciated and more likely to shop with your brand again. Personalization should be sprinkled throughout the entire customer experience through emails, promotions, or the unboxing experience.

6 ways to fill out your customer retention strategy

4

Build a community for your customers:

There are few things more powerful than a tight-knit online community. An online community is a group of people who interact with each other via branded communities or groups on Facebook or LinkedIn. It's a win win. Your customers get to connect with likeminded people and your brand can get more visibility into what your customers like and dislike the most.

5

Implement a customer loyalty or rewards program:

It's been shown that 84% of customers say they're more likely to stay with a brand that offers a loyalty program. And as the cherry on top, 66% of customers say the ability to earn rewards changes their spending habits. When customers are incentivized to continue shopping, they bring in more revenue and become brand advocates—increasing retention rates. Loyalty programs can be point-based, tiered, or utilize 'perks'.

6

Automate your returns:

We will shamelessly plug in a Return Rabbit shoutout here because this is our area of expertise. More often than not, most eCommerce brands see their returns management as a cost center, but returns don't have to mean refunds. When you implement an automated returns system like Return Rabbit, you'll see less returns and more exchanges. To put it simply: automated returns management = increased exchanges = customer retention = higher LTV.

Returns and exchanges made hare-raisingly easy.

There you have it: everything your brand needs to have the best BFCM and holiday season ever! From prepping your support team to customer retention strategies to avoid the January sales slump and everything in between, it's all right here.





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