

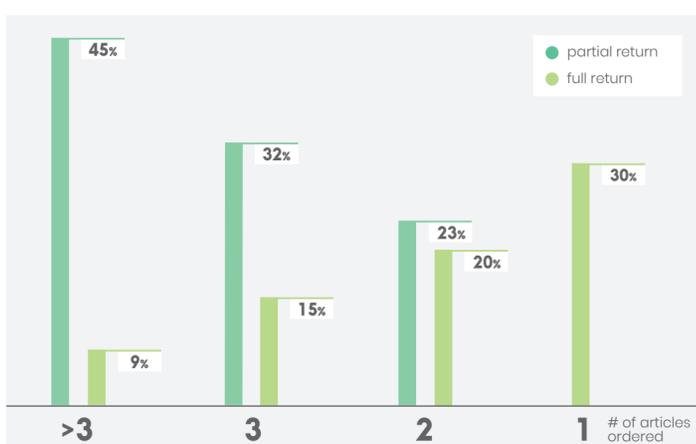
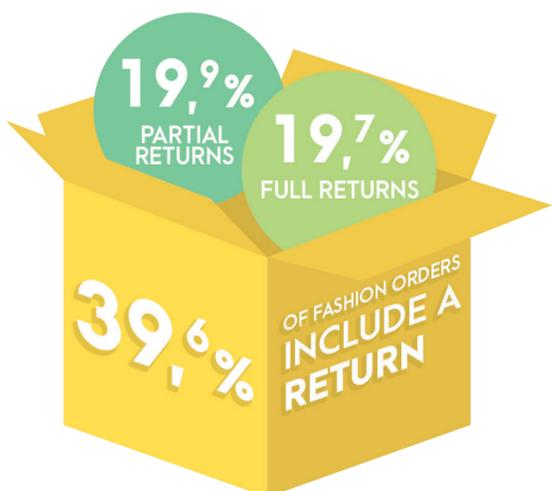
# FASHION RETURNS

## AND WHY THEY ARE NOT THE ENEMY

In a world, where returns are the norm rather than exception for online retailers, it's increasingly important to understand what triggers returns, how returns can be managed and also how enabling returns can result in higher net sales. With this infographic, we want to contribute to this ongoing analysis within the E-commerce industry.

### OUR INSIGHTS AS A PAYMENT AFTER DELIVERY SERVICE

Offering Payment After Delivery services and being a favorite payment method within the fashion industry, AfterPay deals with returns on a daily basis. This offers us a unique inside into returns on an industry wide level, which we want to share with you:



The more articles are ordered, the higher the possibility that a part of the order is kept by the consumer and thus will result in an actual sale for the merchant.

### WHICH CATEGORY HAS THE MOST RETURNS?

Returns % varies strongly between the different sub-categories. Different categories attract very different shopping behaviors. Especially in the fashion & shoes categories, returns show the highest %.



### HOW TO MAKE RETURNS YOUR FRIEND

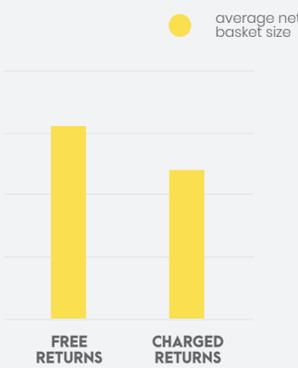
#### the Time Effect

Giving more than 31 days to return a fashion item, decreased return rates by 47%. Consequently, the longer time you offer consumers the opportunity to return an item, the higher the possibility that people will keep that item.



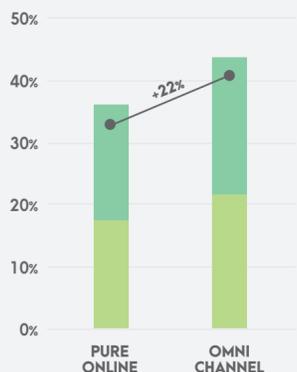
#### the Cost Factor

Free returns, compared to returns charged to the consumer, do not influence the likelihood of a return. However, free returns do increase the purchase probability and thus result in a net increase in sales for the webshop - as seen below in the higher average net order basket size for free returns.



#### the Ease Effect

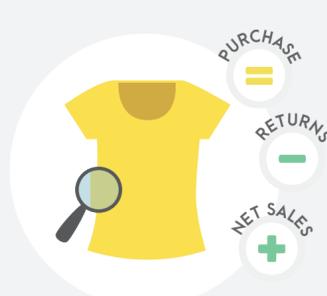
The easier it is to return an item (i.e. by just dropping it of in a store rather than sending it back) the higher the return rates.



However, the easier it is to return an item, the more consumers purchase at that webshop. Thus increased ease in making a return result in higher return rates, but these are offset by the increase in loyalty and sales, which results in an overall net increase in sales.\*

### PHOTOGRAPHY

Product images are one of the main tools used to present the product offered to the consumer. To achieve the highest amount of net sales possible after returns, a few basic methods can be used when choosing how to showcase a product.\*



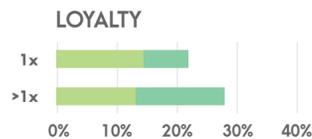
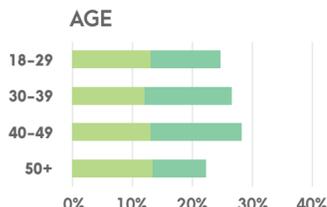
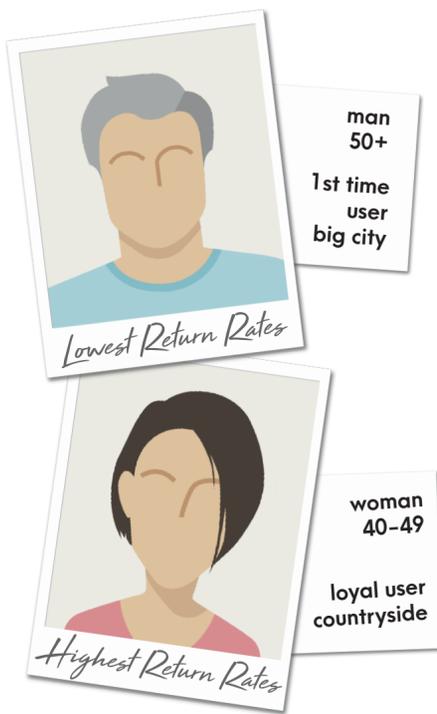
Zoom technology allows customers to see finer details which reduces product uncertainty. Having seen the details of the product, consumers can make a more educated guess whether or not to buy a product.



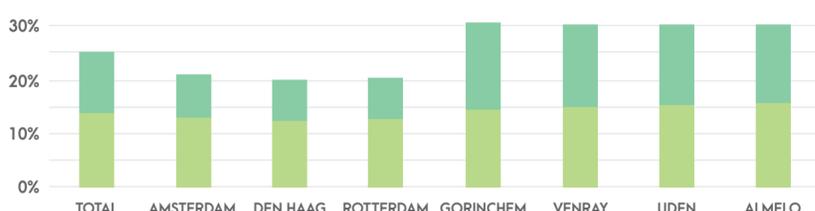
Alternative photo technology, such as images including a human model, provides impression based information which is more ambiguous and may lead to unrealistic expectations.

### CUSTOMER CHARACTERISTICS EFFECT

Different consumer groups have different return behavior as the below data proves. These characteristics are difficult to influence directly, but give you an insight into your target group.



#### PLACE OF RESIDENCE



\*Source: Returns Overview study by Alec Minnema. The above infographic is based on an analysis of returns data from AfterPay (sample size of 400 to 3.500 webshops connected to AfterPay in the Netherlands, data from 2016). Additionally, data has been included from the overview study done by Returns Specialist Dr. Alec Minnema. For questions, please contact AfterPay via marketing@afterpay.nl & Returns Specialist Dr. Alec Minnema via alec.minnema@ordina.nl.