



# Online Returns & Refunds

## 2009 Report



# Contents

---

Introduction .....	2
Executive Summary .....	3
Background .....	4
Who is Snow Valley? .....	4
Methodology.....	4
1. Returns Options.....	5
Which returns method options did the retailer offer to the customer? .....	5
2. Returns Procedure .....	8
Post - what was the procedure for returning goods by Royal Mail? .....	8
Did the retailer provide a label with the returns address? .....	9
Courier pick-up - what was the procedure for returning goods by courier?.....	9
Who paid for courier pick-up? .....	10
Store - what was the procedure for taking goods bought online back to a store? .....	10
Refunds without return.....	11
Retailers that refused return of goods.....	11
3. Returns Costs.....	12
Who covered the cost of returning the goods – customer or retailer? .....	12
Did the retailer refund the original delivery charge? .....	14
In all, which costs did the retailer cover?.....	16
4. Returns Policy & Information.....	18
How long did the customer have to return unwanted goods? .....	18
Where was the most specific link to returns information on the website homepage? .....	21
What terminology was used as the link to the returns information on the homepage? ....	21
Did the delivery include clear returns instructions? .....	22
5. Refunds .....	24
Did the refund arrive without the customer having to follow up? .....	24
Where no follow-up was needed, how long did the refund take?.....	24
What happened when no refund was made and a follow-up call was needed? .....	27
Did the customer receive automated e-mail notification about the return and refund? ...	28
6. Appendix .....	30
Credits.....	31
For more information .....	31
Other Snow Valley reports.....	31

# Introduction

---

For the fourth year running, Snow Valley has completed two reports on how online retailers in the UK are dealing with the delivery of online orders, and the subsequent returns and refunds process.

Every year we place orders with around 100 online retailers and track the whole delivery and returns process. The Online Delivery 2009 report that we released in December showed some big improvements in fulfilment. Retailers are making it much easier for the customer to choose a date or time for delivery, and there is better communication through improved order tracking and use of SMS updates.

This report you're reading now focuses on Online Returns & Refunds. Unfortunately it shows that, if anything, returning an unwanted item bought online is getting harder for the customer.

No less than five retailers made it literally impossible for us send the items back. No returns information in the package; customer service phone lines constantly engaged; when we did get through "the system was down", until finally the 7 day returns period was over and the retailer refused to allow a return.

All five of these retailers are in the electrical goods sector, which raises an interesting point. With delivery there are very few sector trends – if you're selling games, CDs or DVDs you usually offer free delivery but that's about it. With delivery certain *retailers* stand out rather than sectors – ASOS is committed to good service in clothing; Ebuyer is exceptional when it comes to electronic goods.

But with returns and refunds, the online retail industry is split down the middle. Clothing retailers generally make it very easy for the customer to return unwanted goods. Electronic and electrical goods retailers on the other hand seem to actively make it as difficult as possible. There are obvious reasons why this is the case but what is surprising is the sheer extent of the difference between the two sectors.

What's also staggering is that all five retailers that refused to let us return the item are on the Hitwise Top 50 Shops List – that is, they are amongst the most popular and respected names in online retail.

There were other disappointments. Two of the retailers that offered 'return to a store' as an option failed to allow us to do so – either the store assistant refused or was not able to complete the return.

We also noted an increase in the number of cases where we had to call a phone number or send an e-mail to get a returns address or a returns authorisation code. This must add a significant cost to the retailer. The increase in automated returns systems that we saw in 2007 (from Amazon, TopShop, and Play.com) had not continued in 2008.

We did see some improvements – more courier collection for example, and 90% of the refunds were completed without any further contact between the customer and retailer, which is definitely positive. But one has to wonder what the impact of poor customer service will be in terms of turning customers away from buying certain goods online.

Carlo Rimini  
Managing Director  
Snow Valley  
March 2009

# Executive Summary

---

## Returns Options

- 55% of the retailers gave no choice about how they could return unwanted goods, insisting that the customer sent the item back by post, took it to a shop, or arranged a pick-up by a courier
- More retailers were using courier pick-up – 33% did so, compared to 26% in 2007
- 60% of retailers with a store network said that goods could be returned to a store
- 80% allowed goods to be returned by post, although this had decreased from 88% last year

## Returns Procedures

- In 25% of cases where we returned by post, we had to contact customer services first
- A third of retailers provided postage-paid labels
- A quarter of retailers that insisted on courier pick-up charged the customer for the collection
- Two of the 16 returns to a store were refused
- Two retailers refunded us without us returning the goods
- Five retailers made it impossible for us to return the items

## Returns Costs

- 49% of retailers covered the cost of the return, either with a courier or a postage-paid label
- The customer had to pay to return the goods in the other 51% of cases
- 71% of the direct retailers made the customer pay to return the goods
- The clothing retailers were most likely to cover returns costs – almost 70% did so
- Only 17% of retailers refunded the original delivery charge as well as the cost of the item
- 8% were very generous, refunding the original delivery and paying the cost of the return

## Returns Policies & Information

- 28 days was the most popular time limit for returning unwanted goods
- 46% had a link on their homepage featuring the word 'return'
- A quarter of retailers enclosed no returns information with the package

## Refunds

- 90% of refunds were made without the customer having to follow up
- 60% of refunds were made within 3 working days
- A third of retailers sent e-mail notifications that the refund was being processed

## Background

---

In 2005, Snow Valley was asked to produce a report for IMRG (Interactive Media in Retail Group). At the time, delivery was seen as the 'Achilles Heel' of online retailing and IMRG wanted to provide their members with an overview of how delivery was being handled and where more work was needed.

That report was warmly welcomed by the industry, so we repeated it in 2006, 2007, and 2008. We also broke the report into two – one focusing on delivery and the other on returns and refunds.

The end result is a snapshot of the customer's experience of the fulfilment and returns process and an overview of how things are changing over time.

As a provider of e-commerce solutions and services, Snow Valley has no particular axe to grind when it comes to delivery and returns – our objective is to understand e-commerce and share knowledge and best practice with our retail clients and the industry as a whole.

## Who is Snow Valley?

---

Snow Valley is the UK's leading provider of e-commerce services and solutions. For over ten years we have been working with some of the UK's top retailers to build and grow their online businesses, usually as part of a multi-channel strategy. Clients include LK Bennett, Lakeland, Lipsy, Liverpool FC, Majestic Wine, Pets At Home, and TM Lewin. More information can be found at [www.snowvalley.com](http://www.snowvalley.com)

## Methodology

---

This report is based on research conducted on 99 UK online stores during July and August 2008.

An order was placed on each of the 99 websites. The delivery process was monitored and is the subject of our Online Retail Delivery Report 2009, which is available on the Snow Valley website.

We then returned each item using the method of least cost to the retailer. Several aspects of the process were evaluated, namely:

1. What were the options for returning unwanted goods?
2. What was the procedure for the customer?
3. Who covered the cost of the return and what was refunded?
4. What was the retailer's returns policy and was information provided to the customer?
5. How long did it take for the refund to be credited back to the payment card?

We also broke the results down so that we could analyse retailers by type, sector and size:

1. Type: store-based retailers vs direct retailers
2. Sector: clothing, electrical, DIY, gift, sport, and entertainment retailers
3. Size: retailers on the Hitwise Top Shop List

# 1. Returns Options

In this first section, we look at the alternative methods for sending back unwanted goods bought online. How many options did the 99 retailers offer and what were they?

## Which returns method options did the retailer offer to the customer?

Options	2008	%	2007	%
Post only	42	43%	36	51%
Post or store	21	21%	14	20%
Post, store or courier	12	12%	8	11%
Courier only	10	10%	2	3%
Courier or store	7	7%	4	6%
Post or courier	4	4%	4	6%
Store only	2	2%	0	0%
Not clear	1	1%	0	0%
Hand to delivery courier	0	0%	2	3%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

Returning goods bought online is **not** getting more flexible - 55% of the retailers gave no choice about how we could return our items, insisting that the customer either sent the goods back by post, took them back to a shop, or rang up to arrange a pick-up by a courier. Other interesting trends:

### Courier Collection

- More retailers are using couriers – 33% offered to send a courier, compared to 26% in 2007
- 23% of retailers gave courier collection as an option; the other 10% insisted on it
- Many retailers are now charging the customer for courier collection (see Section 2)

### Store

- Two retailers insisted that we return the goods to a store
- Returning goods to store did not always work as promised (see Section 2)

### Post

- 80% of the retailers allowed goods to be returned by post, down from 88% in 2007
- Post remains the most popular returns method, however, with 43% of retailers insisting on it

## Retailer Type Breakdown

### Store:

Options	2008	%	2007	%
Post only	23	32%	13	30%
Post or store	21	30%	14	33%
Post, store, or courier	12	17%	8	19%
Post or courier	1	1%	1	2%
Courier or store	7	10%	4	9%
Courier only	4	6%	1	2%
Store only	2	3%	0	0%
Not clear	1	1%	0	0%
Hand back to courier	0	0%	2	5%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

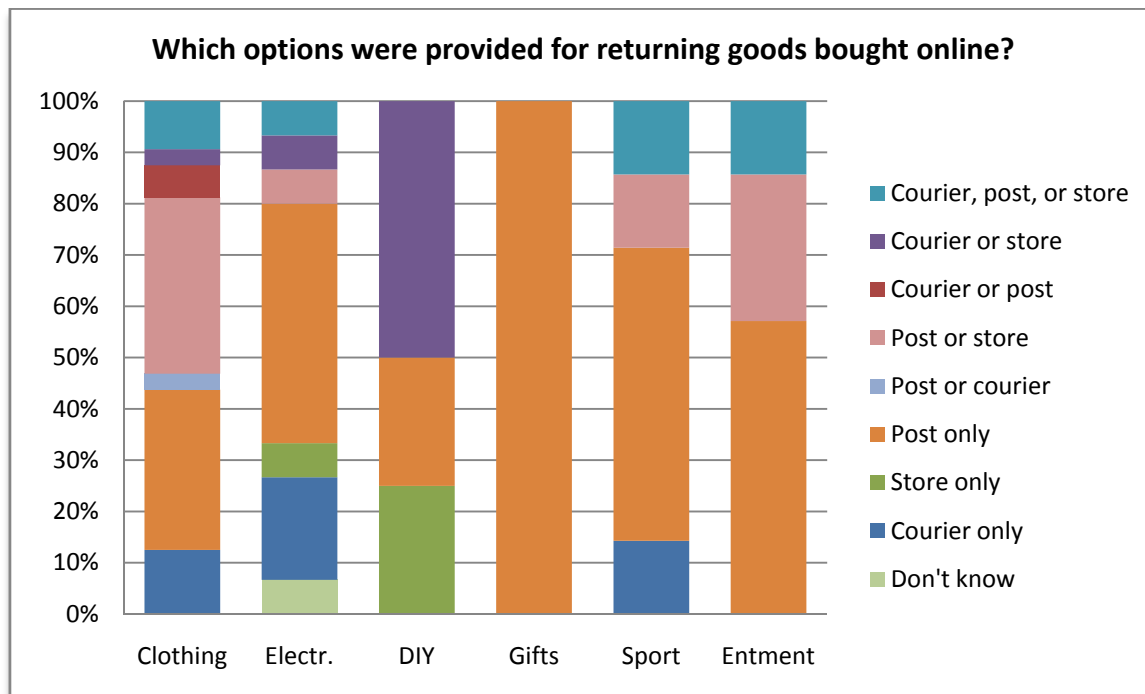
### Direct:

Options	2008	%	2007	%
Post only	19	68%	23	85%
Post or courier	3	11%	3	11%
Courier only	6	21%	1	4%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

If we break the retailers into two camps – those with stores and those that sell direct – we see that:

- 60% of retailers with a store network said that goods could be returned to a store
- Only 11% of direct retailers offered a choice of methods, compared to 58% of store retailers

## Sector Breakdown



- Unsurprisingly, clothing was the most flexible sector – over half provided at least two options
- What was surprising was that gifts was least flexible – all insisted on returns by post

### Retailers on the Hitwise 50 Top Shops List

25 of the retailers we put to the test were on the Hitwise Top 50 Shops list (see Appendix). This breakdown allows us to see whether larger sites take a different approach to retailers generally.

Options	2008	%	2007	%
Post only	8	32%	5	38%
Post or store	4	16%	2	15%
Post, store or courier	4	16%	2	15%
Courier only	2	8%	0	0%
Courier or store	2	8%	2	15%
Post or courier	2	8%	1	8%
Store only	2	8%	0	0%
Not clear	1	4%	0	0%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

The larger sites were less likely to offer post-only returns – only 32% did so, compared to 43% of retailers generally. However, only 48% offered a choice of methods, which is in line with the 44% of retailers overall.

## 2. Returns Procedure

How did we return the unwanted items to each retailer? We aimed to use the method of least cost to the retailer, but with more retailers insisting on courier collection the split was as follows:

Returns methods used by Snow Valley	2008
By post	64
To store	16
By courier	12
Refunded without returning item	2
No return or refund was possible	5
<b>TOTAL</b>	<b>99</b>

### Post - what was the procedure for returning goods by Royal Mail?

Post was the most popular returns method on offer and we returned 64 items via the Post Office. However, the process for doing so varied greatly:

Instructions for returning goods by post	2008	%	2007	%
Customer had to fill in form sent with order	35	55%	24	48%
No forms provided – customer had to write a note	6	9%	12	24%
Customer had to go to retailer's site for returns authorisation code	6	9%	5	10%
Customer had to call retailer for returns authorisation code	6	9%	6	12%
Customer had to call retailer for returns address/pack	6	9%	2	4%
Customer had to e-mail retailer for returns authorisation code	4	6%	0	0%
Customer had to send e-mail to retailer saying return was on way	1	1%	0	0%
Customer had to print off online returns form	0	0%	1	2%
<b>TOTAL</b>	<b>64</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

It's surprising that so many retailers asked the customer to either telephone or e-mail for a returns authorisation number or returns address – in 25% of cases we had to speak to or e-mail a customer service representative and this must add a cost to the returns process.

Between 2006 and 2007 we had seen a sharp increase in the number of retailers using automated returns system, where the customer logs on, answers some questions, and is given a returns authorisation number - Amazon, TopShop, and Play.com had all introduced these self-service systems. However, this increase did not continue in 2008 and only 6 retailers had this in place.

### Post returns - did the retailer provide a label with the returns address?

Where we returned the goods by post, did the retailer provide us with address labels, or did we have to create them ourselves? And was the postage paid for us?

Were return address labels provided?	2008	%	2007	%
Yes, postage paid label was provided	20	31%	10	20%
Yes, label provided but not paid	24	38%	13	26%
No labels at all	20	31%	27	54%
<b>TOTAL</b>	<b>64</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

The 64 retailers were split into three fairly even groups – a third provided postage paid labels; a third provided labels that required stamps; and the other third did not provide any labels at all. This was improvement on 2007, when 54% of retailers provided no labels.

### Courier pick-up - what was the procedure for returning goods by courier?

Return by courier	Cases
Instructions were clear – single call to arrange pick-up, which then occurred as promised	7
Customer had to go online and get a returns auth number and then arrange pick-up, which took place as planned	1
Customer had to ring up for a returns auth number and then ring courier – pick-up took place as promised	1
Customer had to ring retailer, wait for an e-mail, and then ring courier. Pick-up did not take place and had to ring again to rearrange. It then took place as agreed.	1
Customer had to ring a call centre and spend 10 minutes going over and over the same information before arranging pick-up, which took place as planned.	1
Customer had to call customer service, request labels, and then when labels arrived, ring the courier. Pick-up occurred as promised.	1
<b>TOTAL</b>	<b>12</b>

A courier collection has a lot of benefits – for the customer, it saves a trip to go to the post office; for the retailer, it means that the goods are returned in a resaleable state.

But it can also be a long-winded process for the customer. Waiting in for a delivery is bad enough but waiting in for unwanted goods to be collected is very tedious.

8 courier pick-ups were fairly straightforward to arrange but the other 4 involved more than one phone call and in one case a collection that did not happen when it was scheduled.

### Courier pick-up: who paid?

Return by courier – who paid?	Cases
Customer charged a 'restocking fee' of £15	1
Customer charged £7.95	1
Customer charged £4.50	1
Retailer covered cost	9

A quarter of the retailers that insisted on courier collection made us pay for pick-up, or for a 'restocking' charge. We had not experienced this at all in previous years and so it will be interesting to see if it grows in popularity.

### Store - what was the procedure for taking goods bought online back to a shop?

Process	2008	%	2007	%
Return was handled quickly	11	69%	12	86%
Staff member was confused, but eventually processed it	3	19%	1	7%
Staff refused to handle the return	1	6%	1	7%
Staff member had to ring up for authorisation, line was engaged; staff member said to customer "you shouldn't have come in at lunchtime, we're very busy". Customer returned item by courier.	1	6%	0	0%
<b>TOTAL</b>	<b>16</b>	<b>100%</b>	<b>14</b>	<b>100%</b>

Two of the returns that we tried to make to a store failed. Both of these retailers had made it clear in their instructions that it was possible to take unwanted goods to a shop, so this was disappointing.

One quite astonishing thing was the lack of pricing on despatch notes. Several major high street retailers did not print the price and so in three separate cases the store staff had to ask 'what did you pay for this?'

On the positive side, 69% of the retailers dealt with the return quickly and easily. New Look was particularly impressive, as their online store had only launched a few months earlier and yet the store staff member that dealt with the return was completely comfortable with it.

A subsequent conversation with New Look revealed that this is helped by the fact that they hire young, internet-savvy staff. This may well be true - in previous years at least one store return had resulted in a conversation with the shop assistant along the lines of "why did you buy it online and not in my lovely shop?" or "look at that delivery charge – outrageous!" This didn't happen this year.

## Refunds without return

---

2 retailers refunded us without returning the item – Wilkinson and B&Q. This was because the item was of too low value to justify sending a courier. Wilkinson advised us to give the product to charity.

## Retailers that refused return of goods

---

What was really surprising this year was the number of retailers that made it impossible for us to the return the goods and refused to refund us.

All five of the retailers that refused were from the electrical/electronic sector and all five were also in the Hitwise Top 50 Shops List.

<b>What happened?</b>
We rang customer care to arrange collection. This was arranged. When the courier did not come we called back and were told that the item was too small for collection. By this time we had passed the 7 day return policy period and the retailer refused to refund us.
We tried to call the customer care line several times but there was never any answer. By the time we got through we were outside the 7 day return policy timeframe.
Customer care person told us we had to take the item to a store otherwise no refund would be made. Explained we did not live near a store. Still refused to refund us or offer alternative method.
Called several times, put on hold several times, finally got through but the systems were down and we were told to call back. Tried again several times. Gave up.
Customer service person flatly refused to refund us saying the product was non refundable (it wasn't). Gave up.
<b>TOTAL</b>

## 3. Returns Costs

### Who covered the cost of returning the goods – customer or retailer?

In this section we look at who paid to return the goods to the retailer. Note that if a retailer offered more than one option and one of them was funded by the retailer, this counted as retailer-funded.

Who covered cost of returning the goods?	2008	%	2007	%
Customer	47	47%	39	56%
Retailer	45	45%	29	41%
No return was made	7	7%	0	0%
No charge, goods handed back	0	0%	2	3%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

This year the retailers were split down the middle. If we discount the retailers that did not accept the return we see that half of the retailers covered the cost of returning the goods, either by sending a courier or providing a postage-paid label. The customer had to pay in the other 51% of cases.

This means that more retailers paid for the customer to return the item in 2008 than in 2007. This may be partly attributable to the increase in courier collections but as we saw in Section 2, these were not always funded by the retailers.

#### Retailer Type Breakdown

##### Store:

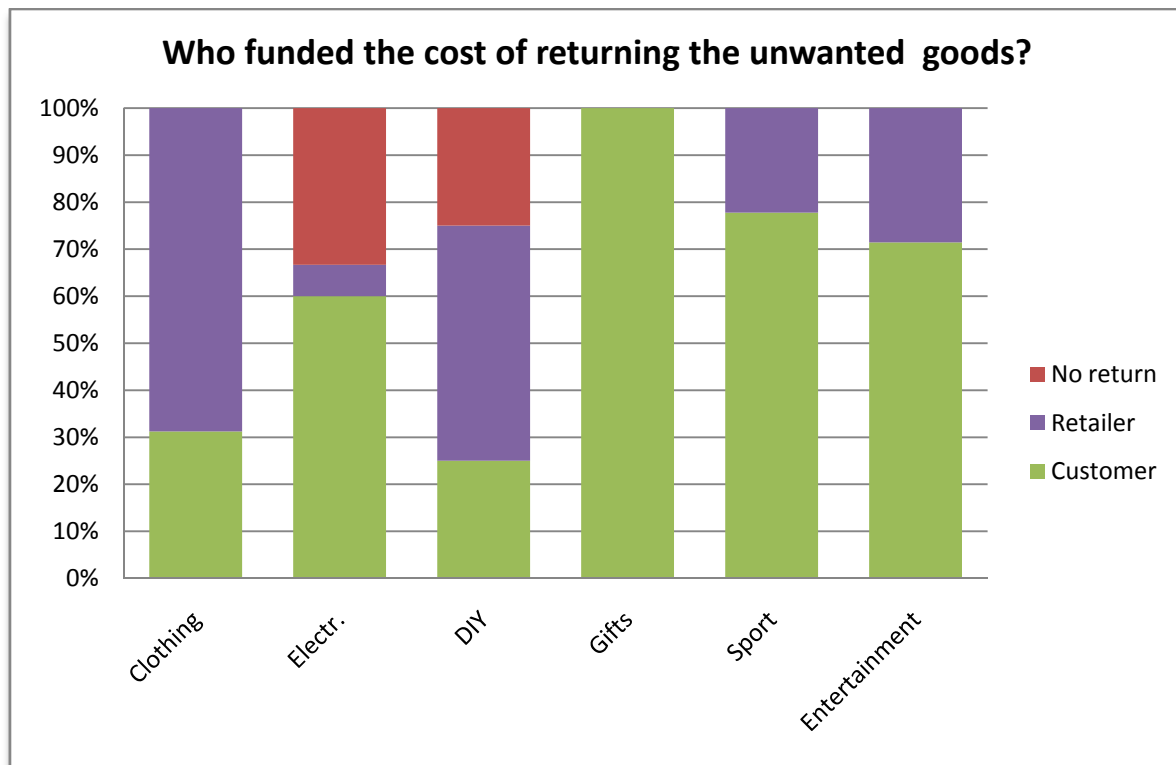
Who covered cost?	2008	%	2007	%
Customer	27	39%	18	42%
Retailer	37	56%	23	53%
No return	7	3%	0	0%
Hand to delivery courier	0	0%	2	5%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

##### Direct:

Who covered cost?	2008	%	2007	%
Customer	20	71%	21	78%
Retailer	8	29%	6	22%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

- Store retailers were more likely to fund the return of the goods – 56% did so
- Direct retailers were less likely to fund it – only 29% did so

### Sector Breakdown



- The gift sector alone was unanimous in forcing the customer to pay to return the item
- The clothing sector was most likely to cover the cost – almost 70% of retailers did so

### Retailers on the Hitwise 50 Top Shops List

Who covered cost?	2008	%	2007	%
Retailer	11	44%	3	54%
Customer	8	32%	6	46%
No return	6	24%	0	0%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Compared to the overall picture, larger retailers were more likely to cover return costs – only 32% forced the customer to pay, compared to 47% of retailers generally.

## Did the retailer refund the original delivery charge?

Was original delivery refunded?	2008	%	2007	%
No	66	67%	49	70%
Yes	17	17%	12	17%
Original delivery was free	8	8%	7	10%
Was never charged delivery	1	1%	1	1%
Still waiting for refund	2	2%	1	1%
Return refused	5	5%	0	0%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

Only 17% of retailers refunded the original delivery charge as well as the cost of the item. There had been no change in this between 2007 and 2008.

### Retailer Type Breakdown

#### Store:

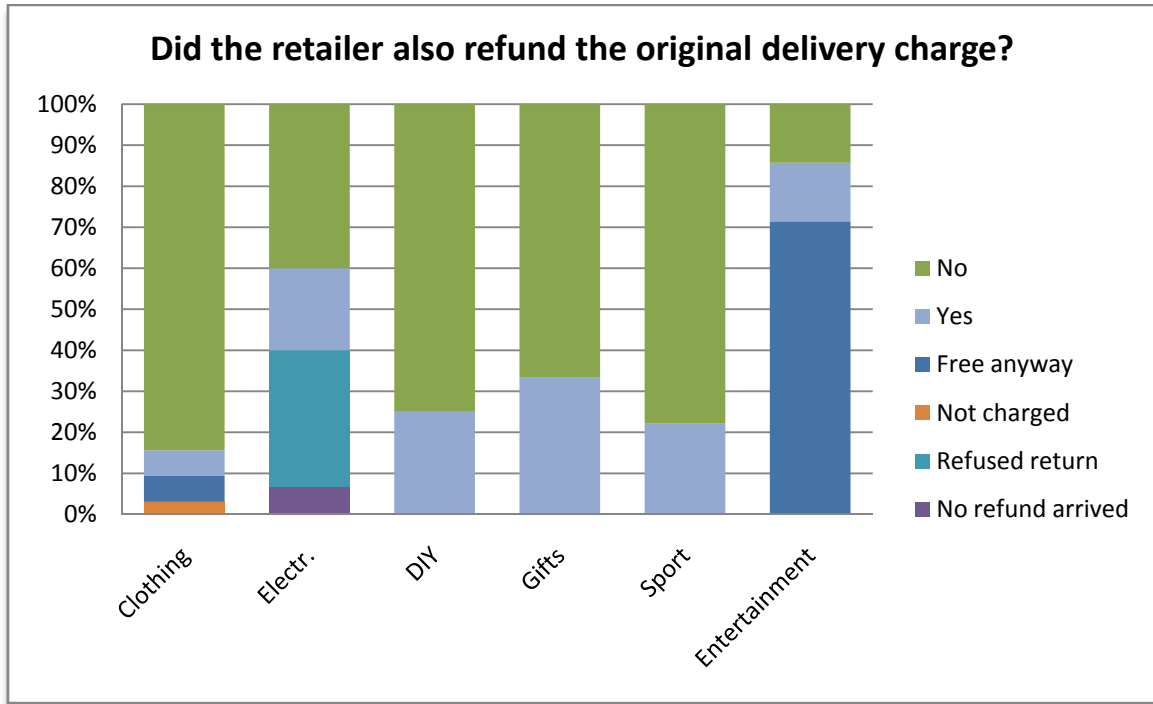
Original delivery?	2008	%	2007	%
No	46	65%	31	72%
Yes	12	17%	7	16%
Original delivery was free	5	7%	3	7%
Was never charged	1	1%	1	2%
Still waiting for refund	2	3%	1	2%
Return refused	5	7%	0	0%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

#### Direct:

Original delivery?	2008	%	2007	%
No	20	71%	18	67%
Yes	5	20%	5	19%
Original delivery was free	3	11%	4	15%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

Interestingly, the direct retailers were slightly more likely to refund the original delivery charge.

### Sector Breakdown



Very few patterns emerge from this – every sector had a few retailers that refunded the original delivery charge, although most did not.

### Retailers on the Hitwise 50 Top Shops List

Was original delivery refunded?	2008	%	2007	%
No	12	48%	7	54%
Yes	3	12%	3	23%
Original delivery was free	5	20%	2	15%
Was never charged	0	0%	1	8%
Return was refused	5	20%	0	0%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Only 12% of the larger sites paid the original delivery charge back, compared to 17% generally.

## In all, which costs did the retailer cover?

In this section we're looking for the really generous retailers – the ones that covered the cost of the goods being sent back AND repaid the original delivery charge as well.

Which costs did the retailer cover?	2008	%	2007	%
Return cost + original delivery charge	8	8%	3	4%
Return cost only	30	30%	23	33%
Original delivery charge refund only	7	7%	9	13%
Return cost + free delivery	6	6%	3	4%
None of the above costs covered	39	39%	31	44%
No return/refund	9	9%	1	1%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

- 39% paid neither – customer covered the return cost and no delivery charge was refunded
- The second most popular route was for the retailer to only cover the returns cost
- Only 7% asked the customer to pay to return the goods but refunded the delivery charge
- 8% were very generous and paid both

### Retailer Type Breakdown

#### Store:

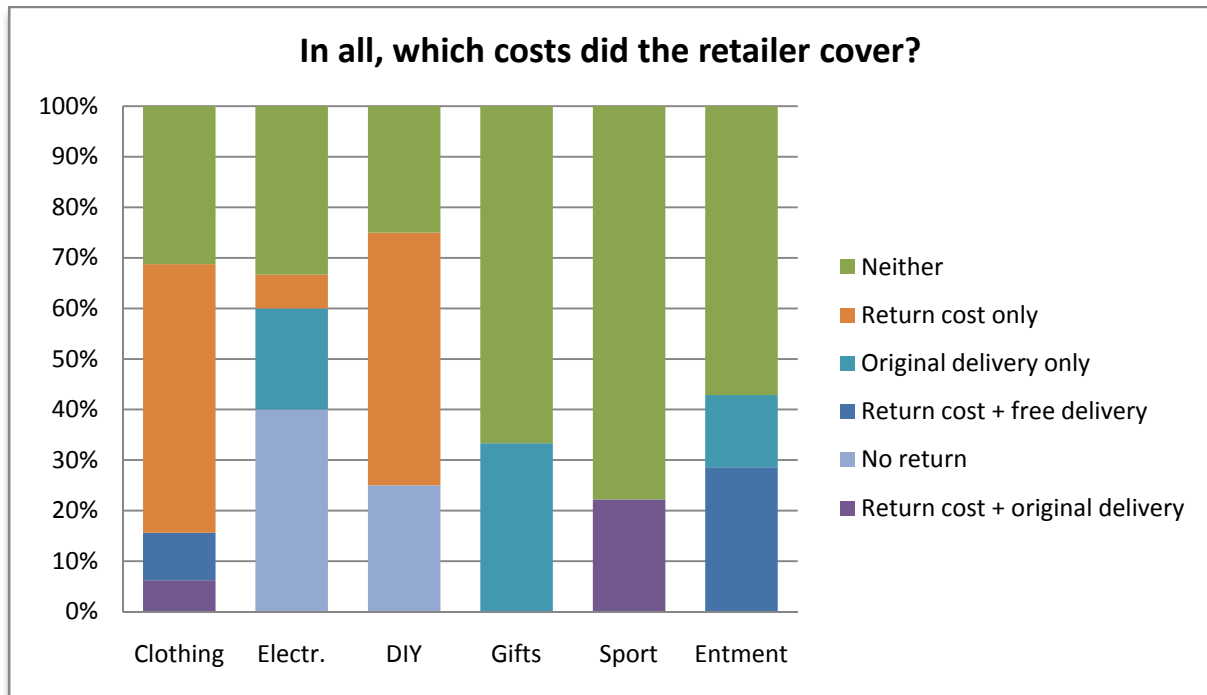
Costs	2008	%	2007	%
Return cost + original delivery	7	10%	3	7%
Return cost only	25	35%	18	42%
Original delivery refund only	3	4%	4	9%
Return cost + free delivery	4	6%	2	5%
None of the above costs covered	23	32%	16	37%
No return/refund	9	13%	0	0%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

#### Direct:

Costs	2008	%	2007	%
Return cost + original delivery	1	4%	0	0%
Return cost only	5	18%	5	19%
Original delivery refund only	4	14%	5	19%
Return cost + free delivery	2	7%	1	4%
None of the above costs covered	16	57%	16	6%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

Store retailers were more likely to refund the cost of returning the goods only (35% did so). Direct retailers were more likely to cover neither cost – no returns costs, no refund of original delivery charge (57%).

## Sector Breakdown



Less than half of the gift, sport or entertainment retailers covered any of the costs.

## Retailers on the Hitwise 50 Top Shops List

Which costs did the retailer cover?	2008	%	2007	%
Return cost + original delivery charge	1	4%	1	8%
Return cost only	7	28%	5	38%
Original delivery charge refund only	1	4%	3	23%
Return cost + free delivery	3	12%	2	15%
None of the above costs covered	7	28%	2	15%
No return/refund	6	24%	0	0%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Only one of the larger sites refunded the original delivery and paid the cost of returning the goods.

## 4. Returns Policy & Information

### How long did the customer have to return unwanted goods?

Timeframe	2008	%	2007	%
7 days	16	16%	11	16%
10 days	2	2%	2	3%
14 days	21	21%	14	20%
21 days	4	4%	3	4%
28 days	30	30%	20	30%
30 days	11	11%	9	13%
60 days	1	1%	1	1%
90 days	2	2%	3	4%
1 month	1	1%	0	0%
3 months	3	3%	2	3%
365 days	1	1%	1	1%
No limit	3	3%	2	3%
Until January 31 <sup>st</sup> 2008	0	0%	1	1%
Unclear	4	4%	1	1%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

Return within 28 days was the most popular returns policy – 30% of retailers had set this as their limit. Very little had changed since 2007.

#### Retailer Type

##### Store:

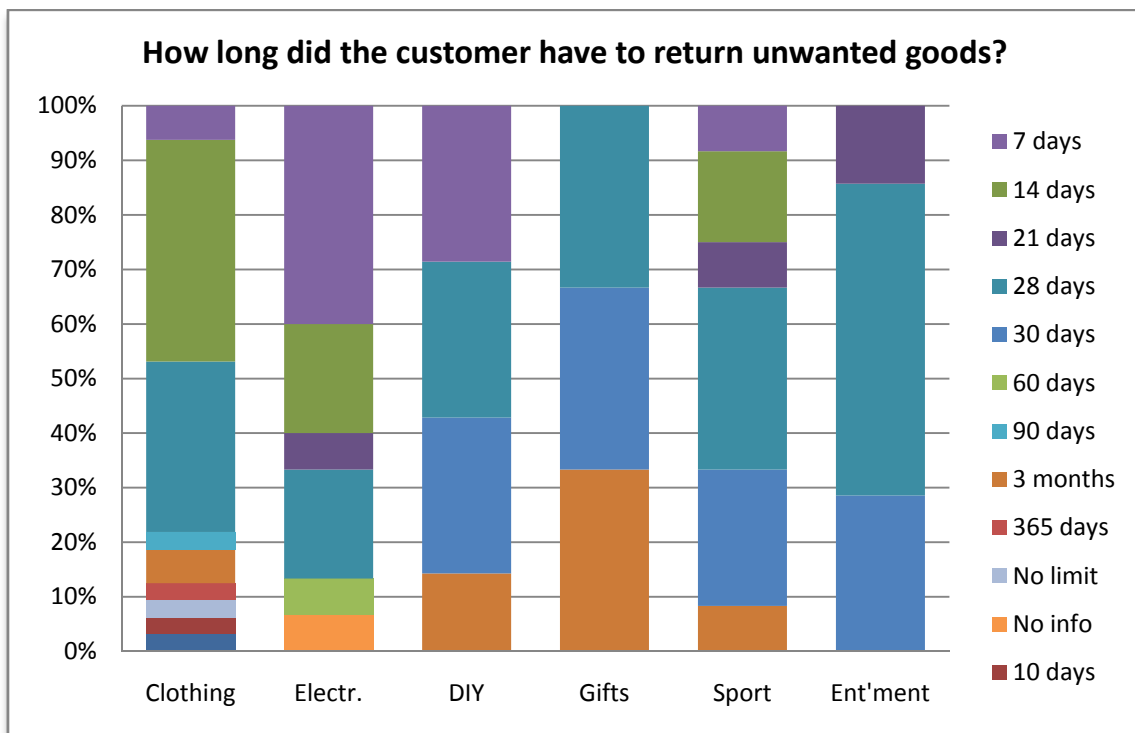
Policy	2008	%	2007	%
7 days	10	14%	5	12%
10 days	1	1%	1	2%
14 days	13	18%	10	23%
21 days	3	4%	2	5%
28 days	27	38%	16	37%
30 days	7	10%	3	7%
90 days	1	1%	2	5%
1 month	1	1%	0	0%
3 months	1	1%	1	2%
365 days	1	1%	1	2%
Forever	2	1%	1	2%
Unclear	4	1%	1	2%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

Store retailers were more likely to have a 28 day returns policy - again this had not changed.

**Direct:**

Policy	2008	%	2007	%
7 days	6	21%	6	22%
10 days	1	4%	1	4%
14 days	8	29%	4	15%
21 days	1	4%	1	4%
28 days	3	11%	4	15%
30 days	4	14%	6	22%
60 days	1	4%	1	4%
90 days	1	4%	1	4%
3 months	2	8%	1	4%
Forever	1	4%	1	4%
Until Jan 31 <sup>st</sup> 2008	0	0%	1	4%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

Direct retailers were more likely to have a 14 day returns policy.

**Sector Breakdown**

Electrical goods retailers had shorter return policies – 40% had a 7 day limit.

**Retailers on the Hitwise 50 Top Shops List**

<b>Timeframe</b>	<b>2008</b>	<b>%</b>	<b>2007</b>	<b>%</b>
7 days	1	4%	0	0%
10 days	2	8%	1	8%
14 days	7	28%	2	16%
21 days	1	4%	1	8%
28 days	9	36%	5	38%
30 days	3	12%	3	23%
90 days	1	4%	1	8%
No info	1	4%	0	0%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

The larger sites had shorter delivery policies – only one of them went beyond 30 days. As with the overall picture, 28 days was the favoured limit.

### Where was the most specific link to returns information on the website homepage?

---

In this section we counted the most obvious link on the homepage – if the retailer had a ‘Returns’ link at the bottom of the page and also a more general ‘Help’ at the top, we only counted the specific link to Returns.

Position of link to returns information	2008	%
Top	27	27%
Top & bottom	1	1%
Bottom	62	63%
Left-hand menu	4	4%
No links to returns information	5	5%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>

Nearly two thirds of retailers had positioned their most specific link to returns information at the bottom of the homepage.

### What terminology was used as the link to the returns information on the homepage?

---

	Top of page	Bottom of page
<b>Most popular specific term</b>	Help (15)	Returns (9)
<b>2<sup>nd</sup> most popular specific term</b>	Customer Services (2)	Delivery & Returns (5)
<b>Total links featuring word ‘return’</b>	1	45

Only half of the retailers used the word ‘return’ as part of their most specific link to the returns information from the homepage and almost all of them positioned it at the bottom of the page.

## Did the delivery include clear returns instructions?

Was returns info sent in package?	2008	%	2007	%
Yes	73	74%	52	74%
No	26	26%	18	26%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

A quarter of the packages contained no instructions on how to return the goods. In many cases, there wasn't even a packing slip. This forced the customer to go to the website and find returns information. There had been no change at all in this between 2007 and 2008.

### Retailer Type Breakdown

#### Store:

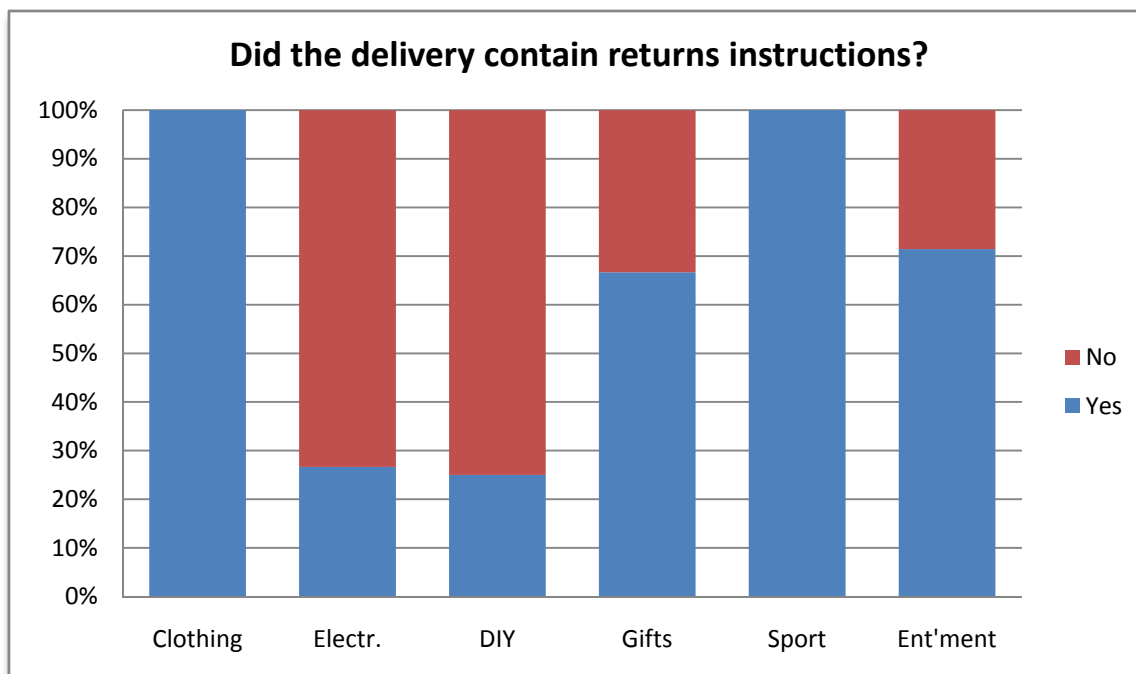
Returns info in package?	2008	%	2007	%
Yes	55	77%	32	74%
No	16	23%	11	26%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>	<b>43</b>	<b>100%</b>

#### Direct:

Returns info in package?	2008	%	2007	%
Yes	20	71%	20	74%
No	8	29%	7	26%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

Store retailers were slightly more likely to include returns information.

### Sector Breakdown



Some clear patterns emerge – every clothing and sport goods retailer included delivery instructions. The majority of electrical and DIY retailers did not.

**Retailers on the Hitwise 50 Top Shops List**

Returns info in order?	2008	%	2007	%
Yes	14	56%	7	54%
No	11	44%	6	46%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Only 56% of larger retailers enclosed returns instructions in the package, compared to 74% of retailers in total. Again, there had been very little shift since 2007.

## 5. Refunds

### Did the refund arrive without the customer having to follow up?

What happened?	2008	%	2007	%
Refund was made without customer follow-up	89	90%	62	89%
Refund was not made and had to be followed-up	3	3%	6	9%
Refund is still outstanding	2	2%	0	0%
Payment and refund processed at same time	0	0%	1	1%
Payment never taken, so no refund necessary	0	0%	1	1%
No return was allowed	5	5%	0	0%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>	<b>70</b>	<b>100%</b>

On a positive note, 90% of refunds were credited back to the payment card without any further contact between the retailer and the customer. This remained consistent with the previous year.

5 retailers needed to be chased this year when the goods were returned but the refund did not arrive. All 5 were store-based retailers from a range of different sectors. None of them was on the Hitwise Top 50 List.

### Where no follow-up was needed, how long did the refund take?

How long did a refund take?	2008	%	2007	%
Same day	16	18%	14	23%
1 working day	13	15%	6	10%
2 working days	13	15%	7	11%
3 working days	18	20%	11	18%
4 working days	7	8%	6	10%
5 working days	4	5%	2	3%
6 working days	6	7%	3	5%
7 working days	4	5%	4	7%
8 working days	3	3%	3	5%
9 working days	0	0%	2	3%
10 working days	0	0%	1	2%
11 working days	2	2%	1	2%
12 working days	1	1%	0	0%
15 working days	0	0%	1	2%
22 working days	1	1%	0	0%
23 working days	0	0%	1	2%
24 working days	1	1%	0	0%
<b>TOTAL</b>	<b>89</b>	<b>100%</b>	<b>62</b>	<b>100%</b>

Of the 89 retailers that refunded us without further contact, 68% did so within 3 working days. 33% managed to do so within one working day – this had stayed consistent with 2007. On the less positive front, 20% took 6 working days or longer to process the refund.

**Retailer Type Breakdown****Store:**

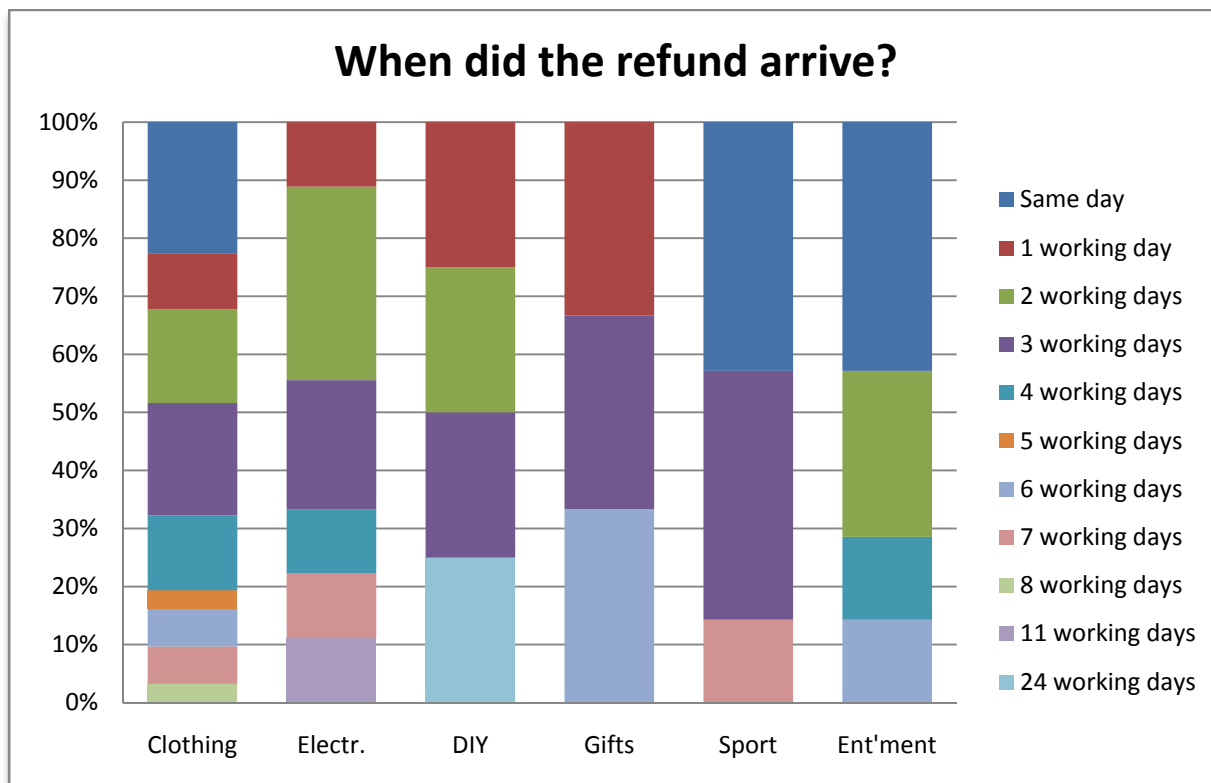
How long for refund?	2008	%	2007	%
Same day	14	23%	13	35%
1 day	8	13%	4	11%
2 days	11	18%	4	11%
3 days	10	16%	5	14%
4 days	3	5%	4	11%
5 days	2	3%	0	0%
6 days	4	7%	2	5%
7 days	1	2%	2	5%
8 days	3	5%	2	5%
9 days	1	2%	1	3%
11 days	1	2%	0	0%
12 days	1	2%	0	0%
22 days	1	2%	0	0%
24 days	1	2%	0	0%
<b>TOTAL</b>	<b>61</b>	<b>100%</b>	<b>37</b>	<b>100%</b>

**Direct:**

How long for refund?	2008	%	2007	%
Same day	1	4%	1	4%
1 day	5	18%	1	4%
2 days	2	7%	3	12%
3 days	8	29%	7	28%
4 days	4	14%	2	8%
5 days	2	7%	2	8%
6 days	2	7%	1	4%
7 days	3	11%	2	8%
8 days	0	0%	1	4%
9 days	0	0%	1	4%
10 days	0	0%	1	4%
11 days	1	4%	1	4%
15 days	0	0%	1	4%
23 days	0	0%	1	4%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>	<b>25</b>	<b>100%</b>

54% of store retailers refunded us within 2 working days compared to just 29% of direct retailers. This was due to the number of in-store refunds, all of which were processed that same day. Most direct retailers took 3 days.

## Sector Breakdown



Interestingly, there was a lot of variation here. The clothing sector was not quickest as you might expect - most sectors were fairly evenly matched, each with a share of same day or 1 day refunds and then a few later ones.

## Retailers on the Hitwise 50 Top Shops List

How long did refund take?	2008	%	2007	%
Same day	6	32%	5	38%
1 working day	3	16%	1	8%
2 working days	3	16%	2	15%
3 working days	2	10%	1	8%
4 working days	2	10%	0	0%
5 working days	2	10%	2	15%
6 working days	0	0%	1	8%
7 working days	1	5%	1	8%
<b>TOTAL</b>	<b>19</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Larger retailers were faster – 48% processed the refund within 1 working day, compared to 33% of retailers generally.

### What happened when no refund was made and a follow-up call was needed?

---

What happened when follow-up was needed?	Cases
Waited 6 weeks – no refund. Called up and was told we had not completed the form correctly (we had). Refund was credited next day.	1
Waited 4 weeks – no refund. Called up and spoke to a customer service assistant who did not seem to be able to check progress. Agreed to refund. Was credited next day.	1
Waited 4 weeks – no refund. Called up, was told someone would call me back. They did and confirmed that refund was being processed. Was credited same day.	1
Refund still outstanding despite two follow up calls	2
<b>TOTAL</b>	<b>5</b>

In most cases, our follow-up calls led to the refunds being processed quickly. However in one of these cases the customer services assistant seemed to have no way of checking whether the return had been received/the refund had been done.

## Did the customer receive automated e-mail notification about the return and refund?

In this section we included the automated e-mails that we received during the returns and refunds process – e-mails written manually or e-mails containing returns authorisation numbers were not counted.

E-mail notifications?	2008	%
Two e-mails, one to confirm return and one to confirm refund	3	3%
One e-mail to confirm refund	30	30%
One e-mail to confirm item had been received	3	3%
None	56	57%
No return/still awaiting refund	7	7%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>

One third of retailers used automated e-mails during the returns process. In most cases (30%) this was a single e-mail to confirm that a refund had been made. However, 3 retailers sent two e-mails – one to confirm the goods had been received and another to confirm that the refund had been made.

### Retailer Type Breakdown

#### Store network:

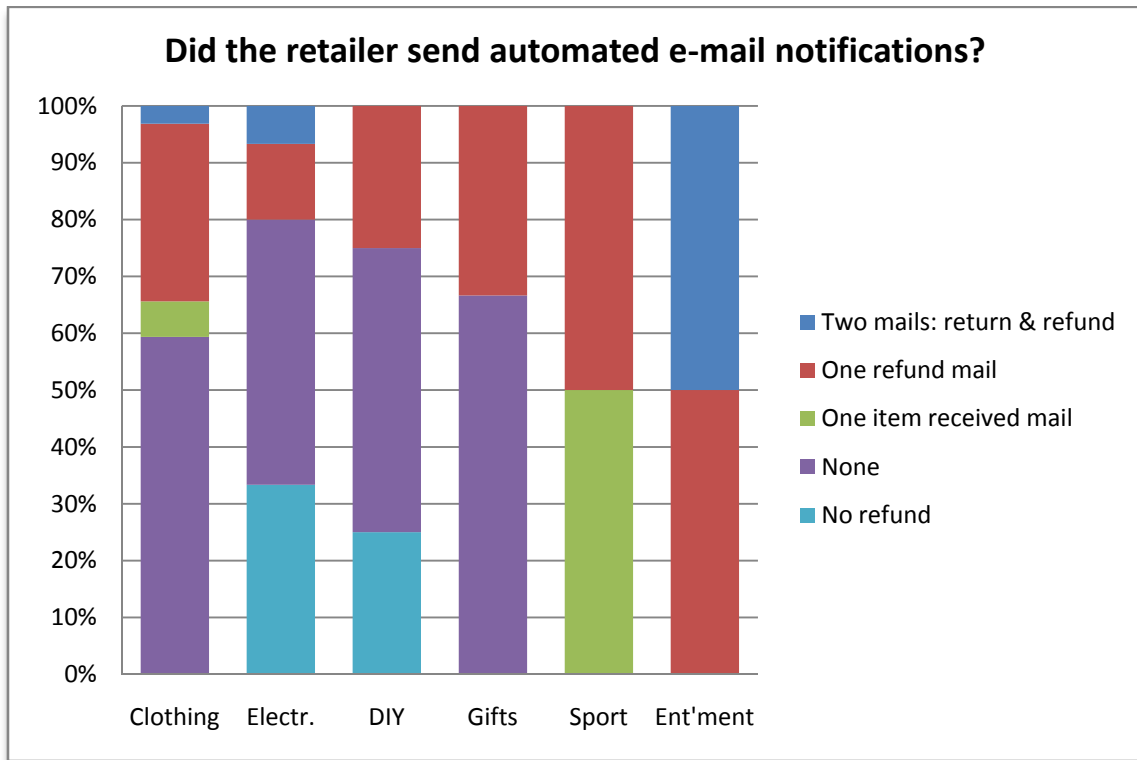
Notification?	2008	%
Two e-mails, one to confirm return and one to confirm refund	0	0%
One e-mail to confirm refund	24	34%
One e-mail to confirm item had been received	1	1%
None	39	55%
No return/still awaiting refund	7	11%
<b>TOTAL</b>	<b>71</b>	<b>100%</b>

#### Direct:

Notification?	2008	%
Two e-mails, one to confirm return and one to confirm refund	3	11%
One e-mail to confirm refund	6	21%
One e-mail to confirm item had been received	2	7%
None	17	61%
No return/still awaiting refund	0	0%
<b>TOTAL</b>	<b>28</b>	<b>100%</b>

All 3 retailers that sent 2 automated e-mail notifications were direct retailers. Overall, however, the two types of retailer were fairly even – 39% of direct retailers sent some kind of e-mail notification, compared with 35% of store based retailers.

**Sector Breakdown**



Interestingly, clothing was not the star performer in this area either – more than half of clothing retailers sent no e-mail notifications at all. Half of entertainment retailers sent two e-mails; all of the sports goods retailers sent at least one e-mail.

**Retailers on the Hitwise 50 Top Shops List**

Notification?	2008	%
Two e-mails, one to confirm return and one to confirm refund	1	4%
One e-mail to confirm refund	5	20%
One e-mail to confirm item had been received	1	4%
None	12	48%
No return/still awaiting refund	6	24%
<b>TOTAL</b>	<b>25</b>	<b>100%</b>

28% of larger retailers used automated e-mails to keep the customer informed during the returns process, compared with 36% of retailers overall.

## 6. Appendix

---

### IMRG-Hitwise Hot Shops List , August 2008

25 of the sites on this IMRG-Hitwise Hot Shops List were included in our research – they are highlighted in bold below. The other 74 sites were drawn from a list of other top retailers.

- 1. Amazon UK**
- 2. Argos**
- 3. Play.com**
4. Tesco.com
- 5. Next**
6. Amazon.com
7. Thomson Holidays
- 8. Marks & Spencer**
9. Tesco Direct
10. easyJet
11. Expedia.co.uk
12. lastminute.com
13. RyanAir
- 14. John Lewis**
- 15. PC World**
- 16. ASOS**
- 17. Dell EMEA**
- 18. Currys**
19. Apple Computer
- 20. HMV.co.uk**
21. Thomas Cook
- 22. Ebuyer**
- 23. Comet UK**
- 24. Woolworths UK**
25. Staples
- 26. B&Q**
27. Odeon Cinemas
28. Ticketmaster UK
29. First Choice
30. British Airways
- 31. Debenhams**
- 32. GAME**
33. Screwfix Direct
- 34. O2 Shop**
35. LOVEFILM
36. ASDA
37. Vue Entertainment
- 38. Topshop**
- 39. Littlewoods**
40. Travelodge UK
41. TravelRepublic.co.uk
- 42. The Orange Shop**
- 43. River Island**
44. Sainsbury's
- 45. QVCUK.com**
- 46. Carphone Warehse**
- 47. Boots**
48. HP
49. Thomsonfly
50. Symantec Store

## Credits

---

This report was written by Sarah Clelland, with thanks to Ben Sabin and the research team.

## For more information

---

If you would like to know more about Snow Valley's e-commerce solutions and services, please contact Lisa-Marie Denver on 020 7813 4434 or visit [www.snowvalley.com](http://www.snowvalley.com)

## Other Snow Valley reports

---

A number of other e-commerce reports are also available free of charge on our website:

### **Online Delivery 2009**

72% of UK online retailers offered a choice of delivery options, up from 56% in 2005

### **Christmas E-mail Marketing**

Did UK online retailers increase the frequency of their e-mail marketing for Christmas 2008?

### **Web Analytics**

Omniure, Coremetrics, Yahoo! Analytics, Google - which packages are UK retailers using?

### **Online Retailers & Paper Catalogues**

Do UK online retailers also mail out catalogues?

### **Christmas Online Retail Promotions**

What marketing activity did UK and US retailers use to boost sales in 2007?

### **Navigational Elements on UK Online Stores**

'Add To Basket' and 'Checkout' buttons – Snow Valley finds many inconsistencies

### **The Checkout & Registration Process**

Snow Valley finds 79 ways of gathering credit card details during checkout

### **On-site Search**

60% of UK online stores fail to recognise simple synonyms

**All reports available at**  
**[www.snowvalley.com/ecommerce-reports](http://www.snowvalley.com/ecommerce-reports)**