



**THE LAST MILE IN REVERSE:**  
**4 ways to optimize returns**  
**with crowdsourcing**



**The ability to quickly whisk purchases straight to a customer's home or workplace has become a competitive differentiator for many businesses.**

But not every product meets buyers' expectations, and that means returns are inevitable. Rates of returned goods are on the rise. Retail returns climbed to an average of 16.6% in 2021, up from 10.6% in 2020.<sup>1</sup> Rates are even higher (20.8%) for e-commerce returns, which are more frequent because customers cannot try on or touch the goods before buying them.

Smooth and easy returns are an important part of the brand experience and can make a meaningful impact on customer satisfaction. But many current returns processes can be a hassle for customers: The customer must print a label, repackage the item, and then transport it to a parcel delivery service or drive to a store or returns center.

A complicated returns process can affect shoppers' buying behavior. A survey by Narvar found that 77%

of first-time shoppers who had an "easy" or "very easy" returns experience would shop at that retailer again.<sup>2</sup> However, 39% of shoppers won't buy a product if they can't find the return policy, and 28% will skip the purchase if they have to contact support to make a return, Narvar found.

E-commerce leaders that led the way in streamlining buying processes and shortening delivery times took market share from those who lagged. Returns processes are expected to evolve the same way.

To make returns easier for customers, a growing number of sellers are offering to pick up returns at customers' homes or offices. They are leveraging crowdsourcing, tapping a network of drivers ready to pick up a returned item at a moment's notice. By doing so, these sellers are taking friction out of returns, improving the customer experience, fostering brand loyalty and lowering returns costs.



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# **Best practices for a customer-focused returns processes**

Offering a superior returns experience is essential to building customer loyalty and differentiating your business from competitors. According to the National Retail Federation, “your best shoppers often make the most returns,”<sup>3</sup> meaning investment in an enhanced returns process will pay off among a seller’s most valuable customers.

Because of the critical role of returns in creating a better customer experience, the logistics of the returns process should be the key focus of those investments. Consider these steps to streamlined returns:

## **1 EXPAND THE NUMBER OF RETURNS OPTIONS AVAILABLE TO CUSTOMERS.**

Customers like having options and more control over the returns experience. But what’s ideal for one customer will be seen as too difficult by another. That’s why many sellers are expanding their returns processes to offer several options. These include:

- ▶ Dropping off at locations such as return centers or kiosks, lockers and partner retailers (for example, Amazon allowing shoppers to return orders at Kohl’s department stores).
- ▶ Returning to retailers’ brick-and-mortar stores.
- ▶ Sending via carrier, such as the postal service or UPS.
- ▶ Picking up from customers’ homes or offices.

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Consumers have become slightly less likely to report that their most recent return was made via parcel carriers, with 37% saying so in 2021 compared to 40% in 2019, Narvar found.<sup>4</sup> Shoppers making their last return in-store also dipped, from 11% to 9%, during that period. However, the use of alternative drop-off locations for returns rose from 13% in 2019 to 20% in 2021, and returns made to a different retailer rose from 3% to 15% over that same period.

Meanwhile, retailers are exploring the option of picking up returns from customers directly. More than three-quarters of consumers (76%) Narvar polled would be willing to try scheduled pickup of returns from their homes, and just over a third (37%) are open to paying for the option.<sup>5</sup>



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## 2

### ADD A CROWDSOURCED OPTION FOR RETURNS.

Many sellers have refrained from picking up returns at shoppers' homes until now, but crowdsourcing makes giving customers the option simple.

Crowdsourcing taps a ready pool of independent, on-demand drivers who make deliveries using their personal vehicles. Most often, the seller offers the customer the chance to select a return delivery window on their preferred pickup day. When that time comes, the seller simply posts the pickup request on an on-demand crowdsourced delivery app used by the drivers. The driver assigned the delivery by the platform picks up the item at the customer's location. Some sellers even use crowdsourced drivers to pick up from return drop-off locations.

Throughout the process, the driver stays connected to the app for directions, communication and visibility.

This digital connection also means items stay secure and traceable every step of the way. End customers can access any data the seller wants to share from this feed, and the platform can even be white labeled, so the customer sees only the seller's branding.

"Every return or delivery, whether it's a single stop or on a route, includes a chain of custody," says Scott Heller, business development manager at crowdsourcing delivery platform Roadie. "That includes live tracking and photos of the pickup and delivery. With our API, we can also scan barcodes to confirm each order."

For sellers, crowdsourcing is a scalable solution with known costs — for example, the seller may pay a flat rate for a set delivery radius. The solution scales up when you need it and down when you don't, so you only pay for actual usage and avoid unnecessary overhead expenses.



Crowdsourcing makes giving customers the option for at-home returns pickup **simple**.

# 3

## IDENTIFY STRATEGIES TO CONTAIN AND REDUCE COSTS.

To maximize the benefits of crowdsourcing, consider adopting these processes to further streamline the returns experience and reduce costs:

### Eliminate packaging.

One of the biggest hassles of the returns process is repackaging the item to travel safely back to the seller. Sometimes, the seller must send out returns packaging to complete the process, which is a costly undertaking. With crowdsourcing, only minimal packaging (if any) is required. The driver simply places the item into their vehicle and delivers it to the designated returns location. This is a huge convenience for the customer, in addition to lowering material and delivery costs and reducing waste. One Roadie partner uses crowdsourced drivers to pick up its specially designed, reusable meal kit cartons from customers.

### Offer bulky goods returns.

A crowdsourced returns option is an ideal fit for larger, bulkier goods that are costly to ship. Not only do customers and sellers avoid the cost of repackaging and shipping, but large, often high-value goods can be returned to stock faster when they can be picked up promptly via crowdsourcing.

### Schedule frequent pickups.

When making a return is as convenient as selecting a time for pickup at their doorstep, customers are likely to take action faster. That's a win-win: The customer gets a rapid refund and a fast, effortless returns experience. The seller receives the item sooner so they can take steps to recoup its value by reintroducing the item into their inventory or dispatching it for refurbishment, recycling or resale in secondary markets. Crowdsourced drivers can help with those moves, too.

### Preserve selling space.

Many sellers have been forced to convert valuable floor space in their retail stores for returns storage. Sellers can reclaim this square footage by picking up those accumulated goods more frequently, using crowdsourced drivers to move the items to other stores or back to distribution centers.

### Leverage clustered pickups.

Sellers can ask their crowdsourcing partner to organize returns requests into a route, so the same driver collects multiple returns in one trip. This reduces the cost per pickup and shortens the time it takes to collect returns. The faster items come back to the seller, the more likely they are to recoup their value. "We call it reverse consolidation," Heller says. "Let's say several customers in the same neighborhood all have a return. The platform isn't going to be sending five individual drivers to go get those. It'll send one driver, and the density allows us to lower the delivery rate."





# 4

## ELEVATE THE RETURNS EXPERIENCE.

A recent survey found consumers rated payment (86%), delivery (86%) and returns (85%) nearly equal in importance in the e-commerce shopping experience.<sup>6</sup> But 75% of consumers felt retailers should do more to improve their returns process, the survey found. Adding home pickup is a way for retailers to demonstrate their commitment to convenience.

Home pickup is easier than packaging an unwanted item and venturing out to a drop-off location. And it enables senders to deliver a higher service level than a competitor. If the potential return will be easier, customers are more likely to buy from you — and come back for more.

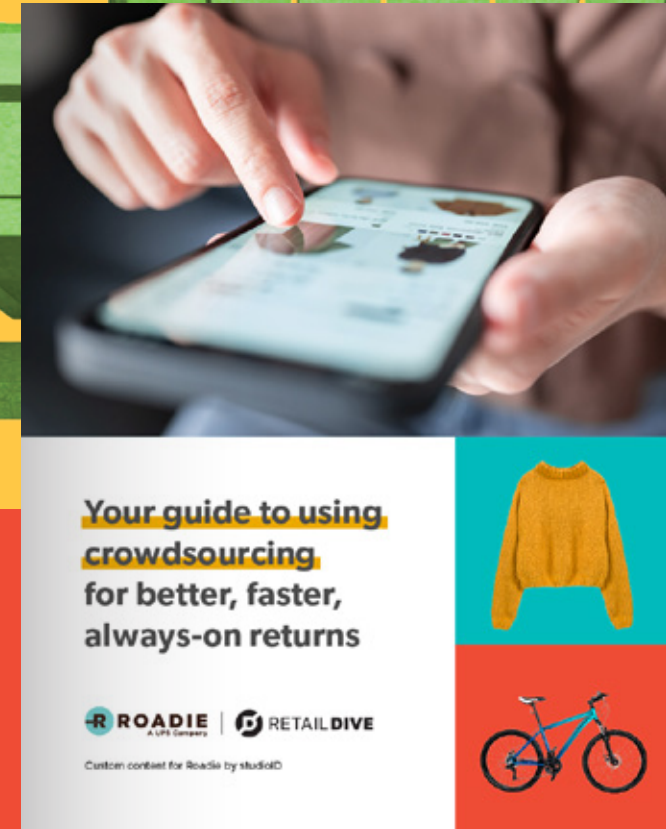
Sellers can also leverage crowdsourced returns as part of their sustainability initiatives. Nearly half (44%) of consumers have been more interested in shopping sustainably since the pandemic began, another survey found.<sup>7</sup> Easy pickups, such as the return of reusable packaging, support sustainability goals. One seller plans to use crowdsourced drivers to pick up previously worn shoes that their customers no longer want, keeping them out of the waste stream and supporting the seller's sustainability promise.

The best advice for creating an elevated returns experience is to think of it as an extension of the purchase. "Just keep it simple," Heller says. "It's the same exact experience as your last-mile delivery, you're just reversing it. The customer can follow the same process for both."

# The next frontier in customer experience

Smooth and easy returns processes are a critical part of the customer experience, and home pickup is the next frontier. Leveraging crowdsourcing for returns enables companies to elevate their returns experience while lowering costs, reducing waste and speeding up the returns cycle.

Ready to optimize your returns process with crowdsourcing? Visit [Roadie.com](https://roadie.com) or check out our ebook explaining how to implement crowdsourced returns for your business.



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Roadie, a UPS company, is a leading logistics and delivery platform that helps businesses tackle the complexities of modern retail with unmatched delivery coverage, flexibility and visibility. Reaching 97% of U.S. households across more than 30,000 zip codes — from urban hubs to rural communities — Roadie provides seamless, scalable solutions that meet a variety of delivery needs.

With a network of more than 310,000 independent drivers nationwide, Roadie offers flexible delivery solutions that make complex logistics challenges easy, including solutions for local same-day delivery, delivery of big and bulky items, ship-from-store and DC-to-door. For more information, visit [www.roadie.com](http://www.roadie.com).

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