



2025 GLOBAL

RETURNS & PROFIT IMPACT REPORT





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ABOUT THIS REPORT

Return rates are rising, return costs are compounding, and consumer expectations are hardening.

6,000

consumer respondents
from 5 global markets



United States



Canada



United Kingdom



France



Germany

To help retailers and brands navigate this complex landscape, Rithum commissioned an independent survey of more than 6,000 global consumers to uncover the hidden drivers behind today's return economy.

This report goes beyond return rates to explore why shoppers return products, how return policies influence purchase decisions, and what actions you can take to reduce returns while driving loyalty. You'll find insights into consumer behavior, generational expectations, and regional trends, along with practical guidance on using returns as a strategic advantage.

Whether you're optimizing operations, refining your channel mix, or rethinking your customer experience, this report offers strategies to cut returns-related costs and better meet customer expectations from pre- to post-purchase.

KEY FINDINGS

1

Click. Buy. Return. Repeat.

Return costs are scaling fast—60% of shoppers made at least one return last year.

2

Consumers may trade “free” for planet-friendly.

47% of consumers have stopped shopping with a brand or retailer over a return policy, and 88% expect free returns—but many will accept environmentally responsible limits.

3

Fashion fuels the returns economy.

68% of consumers returned clothing or footwear, and 36% admitted to “bracketing”: intentionally buying multiples to try on at home and return.

4

Your return policy could be a secret sales weapon.

41% of shoppers consider return policies a key factor in deciding where to buy.

5

Fit fails and photo flops cause avoidable returns.

61% of consumers cite poor fit as a primary return cause, and 33% say they returned because a product didn’t match the description or photos.

6

What returns in Berlin may stay in Boise.

Return rates vary by up to 20 percentage points between regions, highlighting the need for flexible, market-specific return strategies.



CHAPTER 1

RETURNS, PROFITS, & PRESSURE

What today's consumers demand and what it's costing you

Today's consumers don't just expect flexible return policies—they demand them. And for retailers and brands, those demands are costly. In 2024, returns are projected to cost retailers \$890 billion, or 17% of total sales.¹ In the U.S. alone, online returns will top \$363 billion, driven by a 24.5% return rate.²

These returns create an expense iceberg for retailers and brands—where the lost sale is just the tip, and hidden costs like shipping fees, manual labor, and thinning margins erode profits beneath the surface. Each return costs retailers an average of \$30 to process.³ With 60% of global consumers having returned at least one online purchase in the past year, it's no surprise that nearly 90% of merchants are responding with deterrents—such as restocking fees, shortened return windows, and store-credit-only refunds—to curb casual returns.⁴

But have these measures helped?

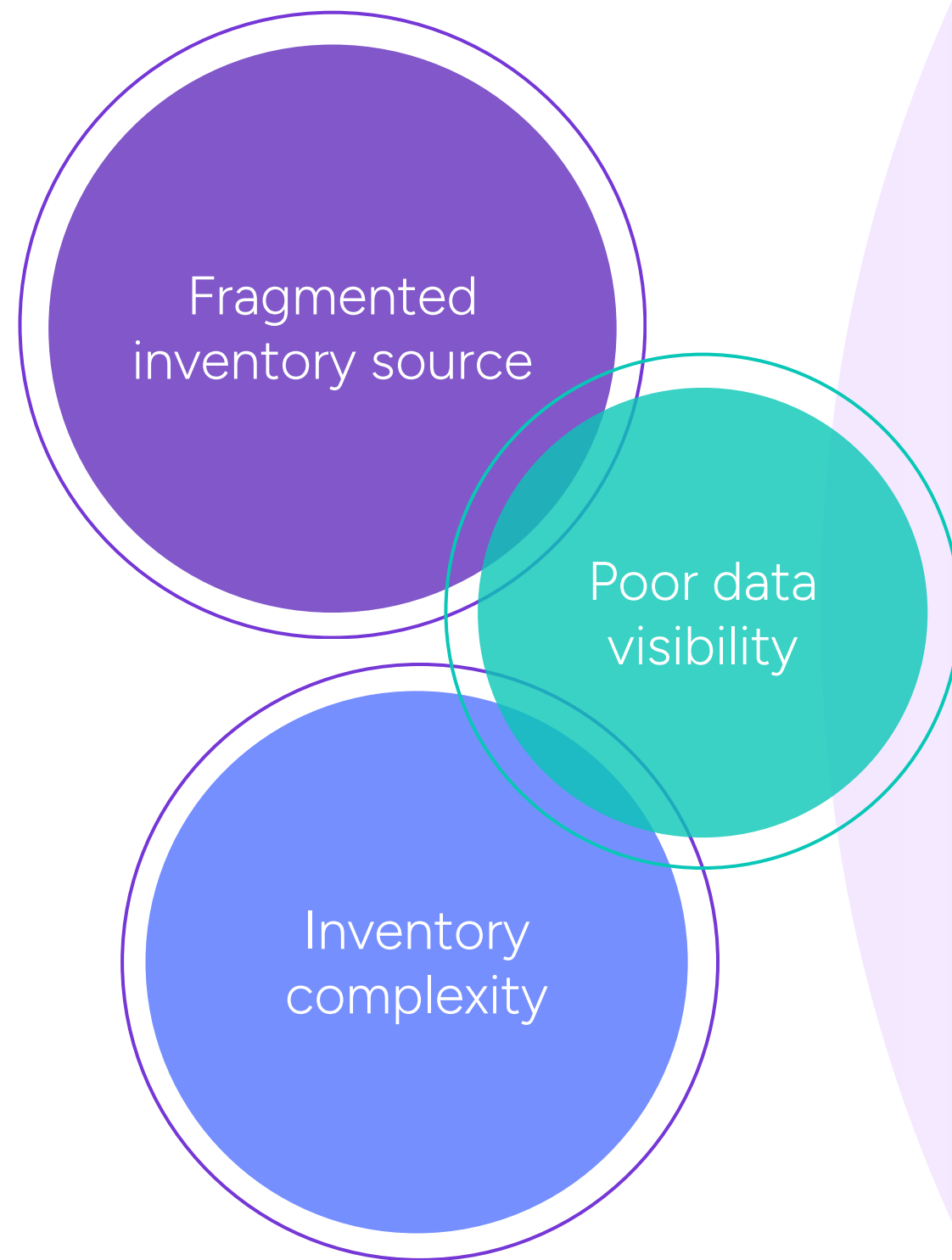
Returns cut into revenue—but a bad return policy costs you customers: 88% of consumers say that a free returns policy is a top factor in deciding whether to make a purchase. Forty-seven percent of consumers say they won't even click "buy" if free returns aren't offered.

And returns don't just help close the first sale—they open the door to lifelong loyalty. Nearly half (47%) of global consumers have stopped shopping with a retailer or brand entirely because of a returns policy, and 89% of consumers are less likely to buy from a retailer again after a bad return experience. On the flip side, 97% are more likely to buy again after a positive return experience.⁵



88%

PRIORITIZE FREE RETURNS
WHEN DECIDING WHERE TO BUY



It's clear that for today's consumers, no-risk shopping with hassle-free returns is non-negotiable, to the point where it's a critical factor in where they choose to shop. At the same time, managing returns has become one of retail's biggest profitability hurdles. Sixty-seven percent of surveyed U.S. retailers cite returns as a top challenge, particularly due to complicated, fragmented inventory sources and poor data visibility, with 84% of retailers calling out returns-based inventory complexity as one of their biggest profitability hurdles.⁶

The big players in ecommerce (such as Amazon, eBay, and Zalando) have set the bar when it comes to hassle-free returns. Our survey found that 50% of global consumers trust them to make returns easy. In contrast, 11% trust big-box retailers (such as Target, Best Buy, and Aldi); only 7% trust direct-to-consumer brands (such as Nike, Sephora, and Apple); and just 5% trust luxury retailers (such as Nordstrom and Neiman Marcus) to make returns seamless.

This trust gap isn't just a perception issue—it directly influences shopping behavior.

Today's consumers look for seamless logistics, easy returns, and built-in trust. Major marketplace channels deliver on these demands, turning convenience into loyalty.

To stay competitive, retailers and brands must align their channel strategy with operational strengths and evolving shopper behavior. Those who treat returns as a strategic lever—not just a cost center—will gain a lasting edge.

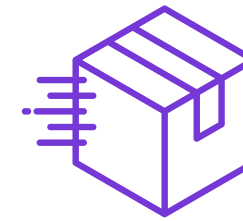


CHAPTER 2

THE HIDDEN COSTS OF EVERY RETURN

Returns are built into today's digital shopping journey. What was once seen as a signifier of an unhappy consumer is now an expected part of the shopper experience.

This shift reflects a fundamental change in consumer behavior. Simplified, flexible return options now directly influence where shoppers choose to buy.



% of Online Shoppers Who Made a Return in the Past 12 Months (by Country)



64%



55%



58%



51%



66%

Across all regions, clothing and footwear dominate return rates, with 68% of global consumers indicating they've returned these items. The complexity of fit, preference, and visual interpretation have always made fashion a return-heavy category in online retail. Now adding to the complexity is "bracketing": the practice of ordering multiple sizes or colors with the intent to return most of your purchase.

Top Categories By Return Rate (Global)



 39% Personal Care/Beauty	 36% Electronics	 34% Books & Toys
 25% Home Goods	 14% Sports & Outdoors	 11% Jewelry & Watches
 10% Automotive Parts	 9% Furniture	 7% Baby & Kids

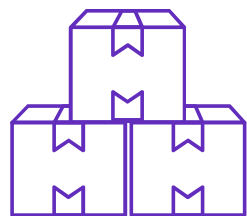
50%+ of shoppers under 35 admit to bracketing

Bracketing has become a default strategy for shoppers who want to ensure the right fit.

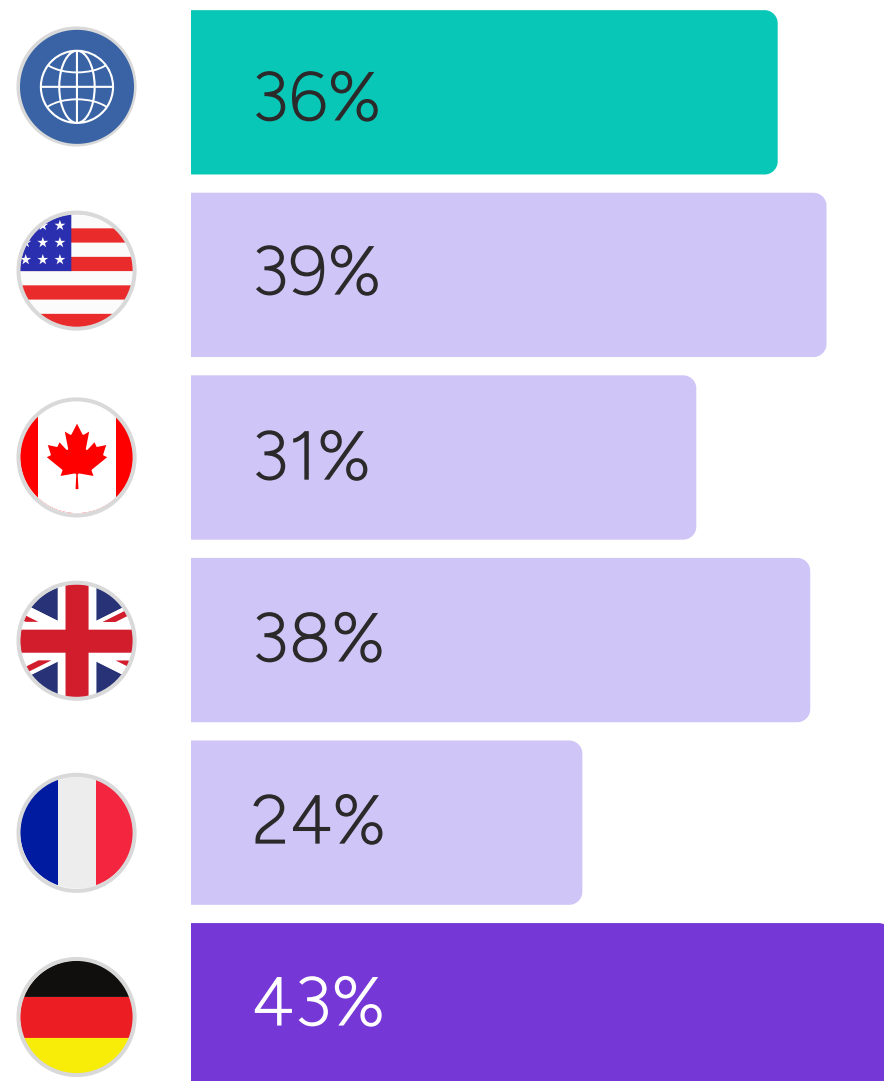
Thirty-six percent of global consumers admit to bracketing, with even higher rates in some countries. Bracketing behavior is most common among younger consumers: more than half of shoppers under 35 admit to commonly buying more items than they need with the intent to return.

This consumer convenience quirk creates return surges that hit logistics and profitability hard, especially when compounded by free shipping incentives and generous return windows.





Shoppers Who Intentionally Ordered Multiple Versions with Plans to Return (Past 12 Months)



Rithum's internal data shows that bracketing is especially pervasive in European markets.

For example, in Austria and Poland, refund rates on marketplaces can soar above 60% due to bracketing—leaving retailers there to absorb the costs of handling, restocking, and reverse logistics.⁷



Beyond bracketing behavior, returns in apparel are often driven by misalignment between what the shopper expects and what they receive. This disconnect—whether related to size, color, quality, or fit—is also one of the most preventable drivers of returns.



61% of consumers say wrong size or fit was the top reason they returned clothing or shoes.

50% of consumers say that customer reviews are critical when buying clothing or shoes.

39% of consumers say better size and fit recommendations would significantly reduce returns.

37% want more detailed product descriptions.

33% say a returned item did not match the description or photos.

31% would be less likely to return a product if it included real-life customer photos.

Our survey findings highlight a key area where retailers and brands hold significant control: product accuracy.

Unlike factors such as bracketing or customer reviews, which are difficult to shape directly, the quality of your product listings is fully within your power to improve. When consumers can't try items on before purchasing, providing comprehensive product listings can make a significant difference in reducing returns.

Accurate product detail pages (PDPs) can dramatically reduce return rates. High-quality images, clear product descriptions, and detailed fit and sizing guides help consumers build confidence in what they're buying. And the more certainty a shopper feels before clicking buy, the less likely they are to buy multiples with the intent to return, or to regret and return the purchase at all.

REAL-WORLD RESULTS



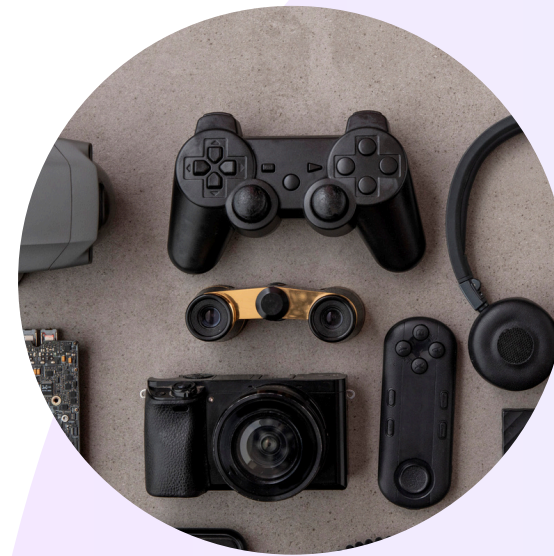
Rithum customer Zalando reduced size-related returns by 10% after implementing more precise sizing tools across product pages.

[READ MORE](#)



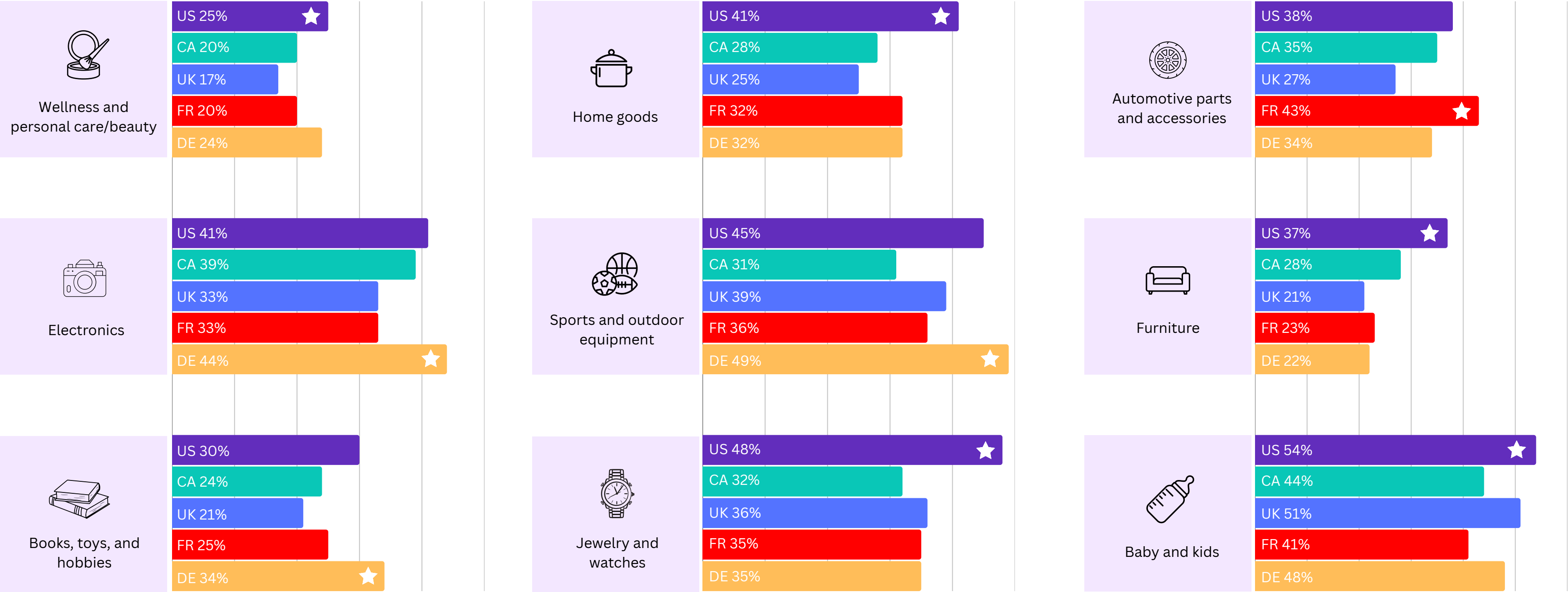
Apparel dominates in return rates, but non-fashion categories aren't far behind—electronics, home goods, and toys are quietly growing in return volume and complexity. Electronics top the list of non-fashion returns, with rates reaching as high as 54% in some regions. These elevated rates are likely driven by performance expectations, compatibility issues, and the inability to try products in person.

Home goods, books, toys, and hobby items follow closely, with return rates clustering in the 30% to 40% range. These purchases tend to be more discretionary, gift, or taste-driven, where returns stem less from defects and more from preferences.



In contrast, categories such as furniture, jewelry, automotive parts, and baby products show consistently lower return rates. These are typically high-consideration or needs-based purchases, where consumers do more upfront research. Still, the financial impact of these returns can be greater, as they tend to be bulky, high-cost items, where reverse logistics and restocking costs can significantly erode margins.

RETURNS ACROSS NON-APPAREL CATEGORIES



SELLING GLOBALLY, RETURNING LOCALLY

Return rates differ by category and region, but the fix is universal: Reducing returns starts with building consumer confidence before the purchase.

For electronics and toys, that could mean clearer specs, compatibility charts, and robust FAQs. For home goods and hobby items, contextual images and lifestyle content can reduce buyer's remorse. And for high-value items like furniture, virtual/AI previews, and accurate sizing tools may help prevent misjudged purchases.

Across the board (and across borders), high-impact product pages are one of the most effective tools. Accurate photos, detailed descriptions, virtual dressing rooms, and real customer content help bridge the gap between consumers' expectations and reality.

Regional nuance also plays a critical role. Return rates are shaped by local expectations, returns infrastructure, and cultural norms. What works in the U.S.—from return windows to PDP optimization—won't necessarily resonate in other countries (and vice-versa). Online shopping makes our world smaller every day, but for reducing returns it's more important than ever to “meet” shoppers where they are, across every market.

CHAPTER 3

HOW RETURN POLICIES INFLUENCE SHOPPING DECISIONS

Online shoppers have no shortage of options. Cracking what truly drives purchase decisions is one of the toughest (and most critical) challenges you face.

As a pre-purchase motivator, return policies deserve more attention than they often get: 4 in 10 consumers rank them as a top purchase driver, second only to reviews and delivery speed.





Return policies directly influence 41% of purchase decisions, making them a significant factor in consumer choices. While slightly behind shipping time (54%) and product reviews/delivery options (51%), return policies are only 13 points below the top-ranked factor. This narrow gap presents a clear opportunity to turn your return policy into a competitive advantage—especially when it’s designed with both consumer expectations and margin protection in mind.

Among consumer influences, return policies are one of the few factors that retailers and brands can fully control.

While fulfillment speed often depends on third-party carriers and distribution locations, and product reviews are driven by consumers, return policies are controlled end-to-end by your business. That gives you a uniquely actionable opportunity to adjust, customize, and improve returns options.

WHAT INFLUENCES WHERE YOU CLICK 'BUY'?

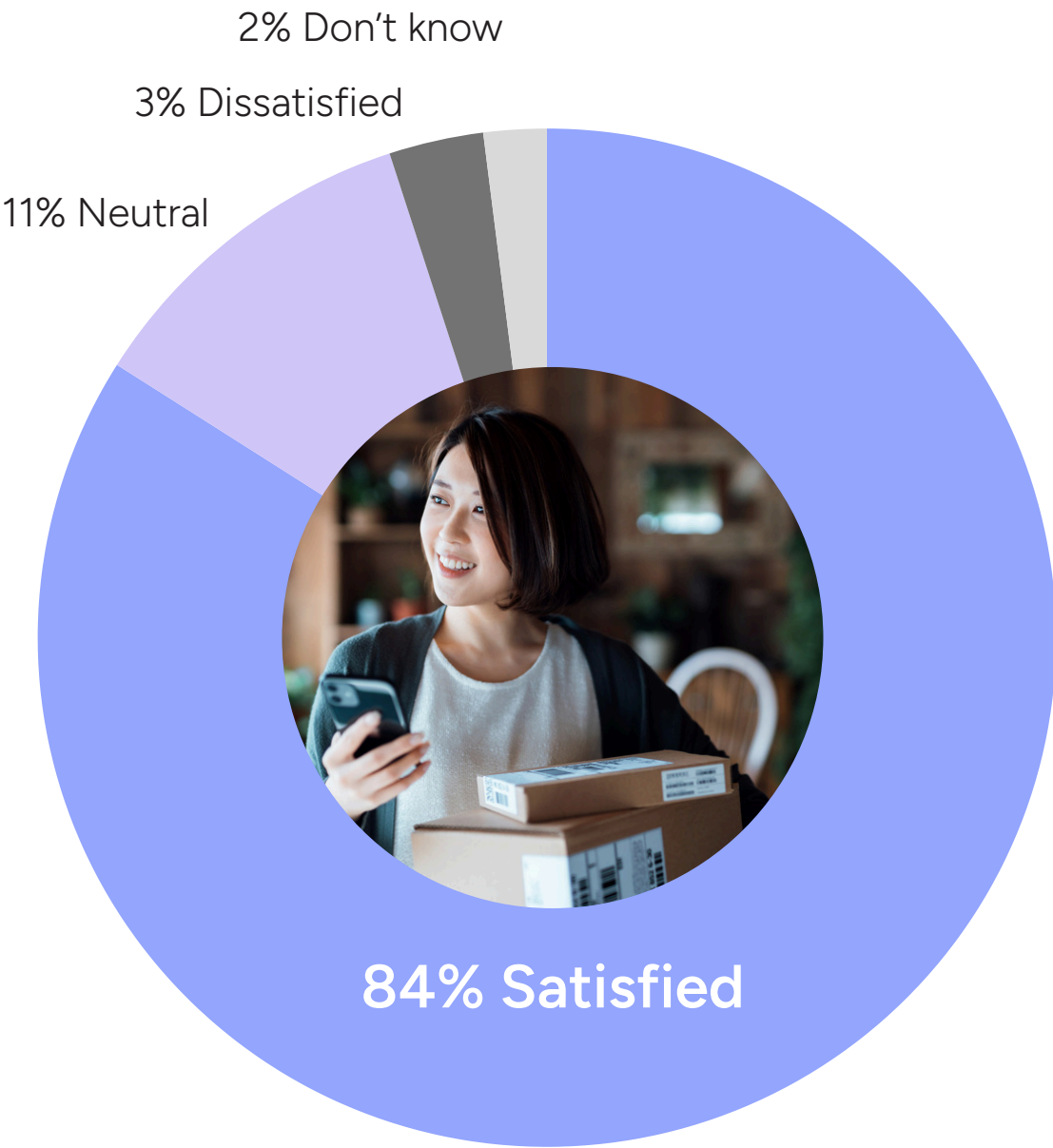
FACTOR	% SAYING IT INFLUENCES WHERE THEY BUY	RETAILER/BRAND CONTROL	COMMENTARY
Shipping time	54%	Partial	Often depends on 3PL or carrier partners
Reviews of the product	51%	Low	Shaped by consumers; hard to influence directly
Delivery options	51%	Medium-high	Can be expanded through partners, tech, and logistics investment
Reputation of retailer	45%	Medium	Built over time; influenced by service and word-of-mouth
Availability of sizes/colors	45%	Medium-high	Requires good inventory planning and demand forecasting
Returns policy	41%	High	Entirely within your control—low-hanging fruit for optimization
Brand of the item	39%	Low	Often fixed, especially for multi-brand retailers
Loyalty program	21%	High	Easily tailored, tested, and optimized

RETURNS SATISFACTION: HIGH-VALUE AND HIGH-STAKES

It's clear that return policies are on the mind of choosy consumers. And along with the 41% of consumers who say it's a determining factor came an interesting nuance: 84% of consumers report being satisfied with the return policies of the stores they frequent.

At first glance, it seems like a win for retailers and brands: over 80% of consumers are satisfied with return policies, so you must be doing something right. But when we factor in the influence of return policies on purchase decisions, we can assume that this high satisfaction likely reflects consumer self-selection—shoppers are avoiding anywhere with less favorable return policies.

Return policies aren't just about delighting customers; they're a trust threshold, essential for being considered in the first place.

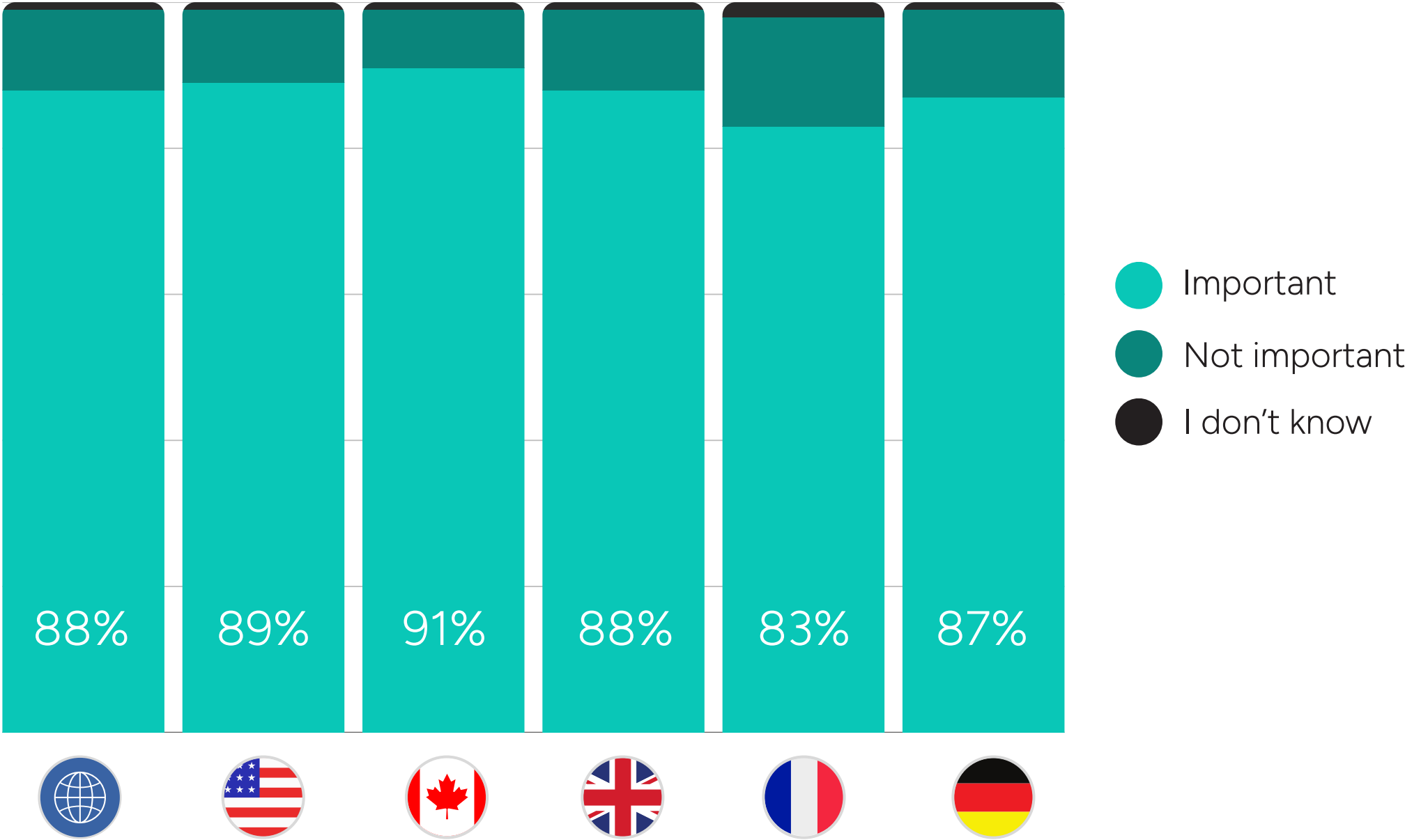


On a scale of 1 to 5, how satisfied are you with the return policies of the online stores you frequently shop at?

THE TRUE COST OF FREE RETURNS

Consumers expect free returns and failing to offer them can drive shoppers away: 88% of global consumers said they would avoid shopping with a retailer or brand that does not offer free returns.

IMPORTANCE OF FREE RETURN POLICIES IN ONLINE PURCHASE DECISIONS



47%

of consumers have cut ties with a retailer or brand simply because they didn't like its return policy.



Retailers and brands that lean into free returns to meet shopper expectations may see gains in the short term, but if not managed strategically, those gains can be erased by rising refund volumes and reduced margins.

In one Rithum use case, a European retail brand implemented a 100-day return window with no-cost logistics to appeal to convenience-driven shoppers. The result? Refund rates on fashion items soared above 60%, particularly in high-ticket categories. In effect, the policy turned this retail brand into a personal fitting room at scale. While it removed friction and encouraged more frequent purchases, it also normalized bracketing behavior, which in turn inflated handling costs, and eroded already thin margins.

This is the critical challenge facing retailers and brands today: how to meet expectations for free, flexible returns without encouraging a return free-for-all.

While convenient return options help drive conversions, they are also accelerating hidden costs that many retailers struggle to control.

Consumers respond to speed and ease overall. Our survey found that:



49% prefer to mail items back using a prepaid return label



26% opt for third-party drop-off locations



21% prefer returning to a retailer's physical store



While drop-off is not the top preference overall, it's clearly growing in popularity: 66% of consumers used a third-party drop-off location at least once in the past 12 months.

Importantly, 47% of shoppers say their return method depends on convenience and fees. This shows that when return processes are frictionless and free, consumers are more likely to use them—frequently and repeatedly. This is a good reason for retailers and brands to offer flexible and convenient returns solutions.

But as with most aspects of returns, balance is key. While flexibility drives satisfaction, it can also invite abuse. Twenty-six percent of global consumers surveyed admit to committing returns fraud, including:

- Returning a used item
- Sending back a different or counterfeit product
- Falsely claiming damage or defect

THE POWER OF STRATEGIC FRICTION

While most consumer satisfaction attention is focused on free returns and faster processing, our survey data reveals that consumers often abandon the return process when faced with small obstacles. In fact, 1 in 5 shoppers said they have wanted to return something but didn't, citing reasons such as cost, inconvenience, and unclear instructions.

These moments of hesitation due to small friction points are an often-overlooked aspect of return management that you can harness strategically, while still maintaining customer satisfaction. Adding just small obstacles can help deter casual returns while preserving optionality for serious buyers.

REASONS WHY ITEMS WERE NOT RETURNED

22% Too much hassle

16% Don't want to pay shipping

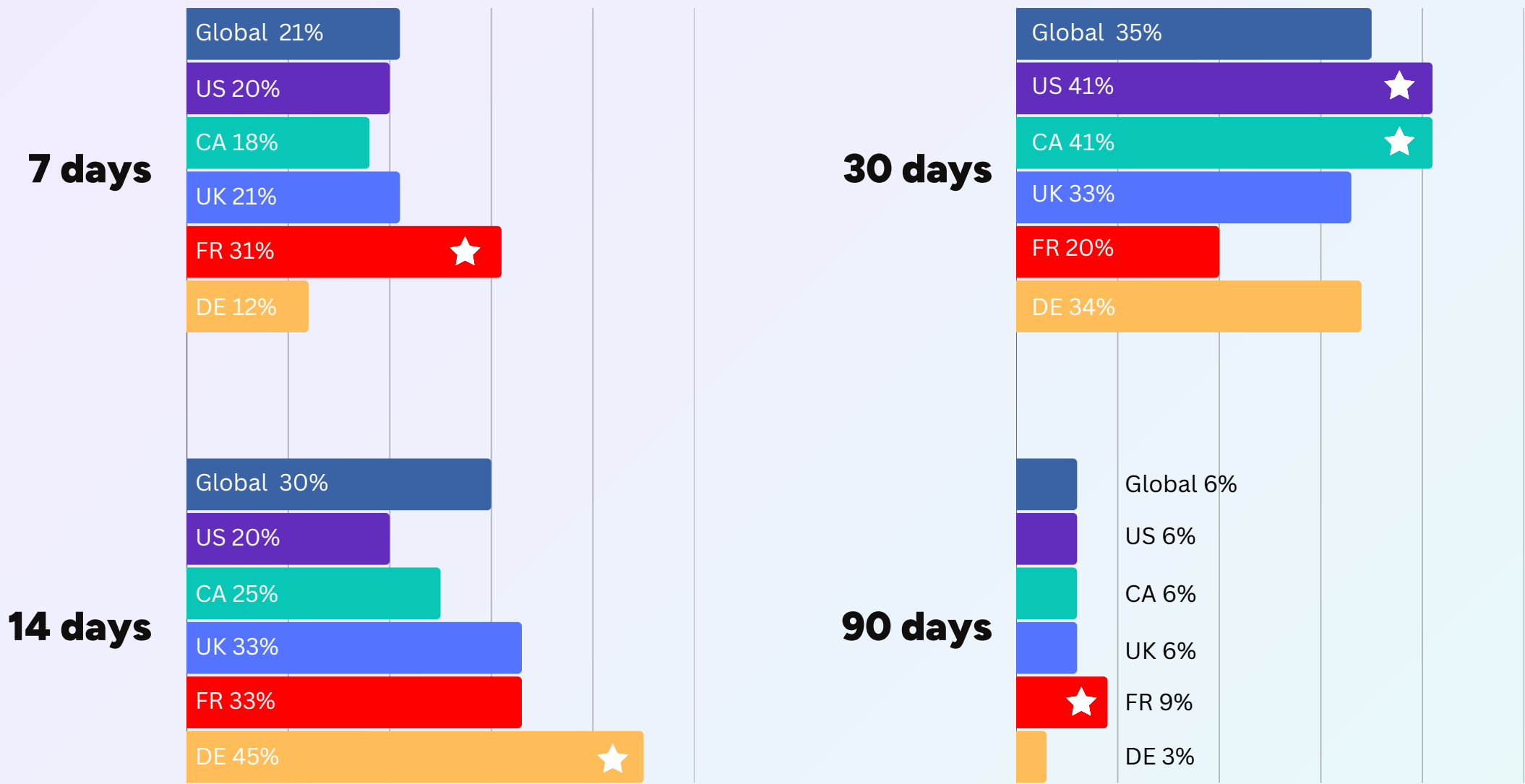
12% Distance/location barrier

Another subtle but strategic lever is simply shortening the return window.

In fact, 51% of global respondents consider a returns window of 14 days or less to be reasonable. Surprisingly, this acceptance of tight timelines is even stronger in heavy-return markets such as Germany (57%) and France (64%).

Only 35% of consumers name 30 days as their preferred return window, and only 6% said they expected a 90-day return window.

WHEN SHOPPING ONLINE, WHAT DO YOU CONSIDER A REASONABLE RETURN WINDOW?



THE SUSTAINABILITY TRADE-OFF

Returns aren't just straining retail margins; they're also straining the environment. Every shipment reversed, every package repacked, and every item restocked contributes to carbon emissions, packaging waste, and landfills. While awareness of this impact is rising, our survey data shows that consumer behavior hasn't caught up yet (with a few generational exceptions).

More than a third of global consumers (34%) acknowledge that returns negatively impact the environment . . . but they continue to return items anyway. Another 22% don't consider the environmental effect at all, and 18% don't believe returns have a negative impact.

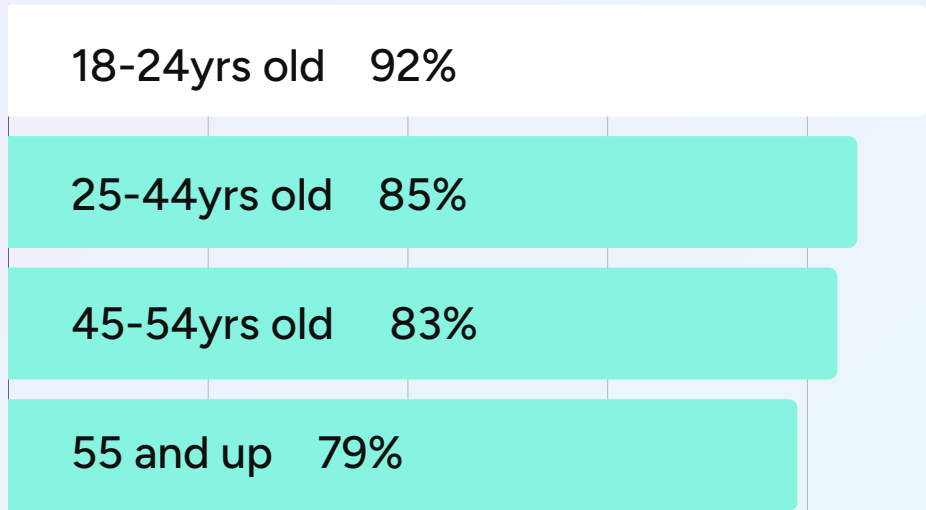
Only 17% of consumers say the environmental consequences of returns influence their purchase and return behavior. Clearly, for most shoppers, convenience still outweighs environmental conscience.

But there's still an opportunity here: 60% of global consumers say they'd be open to consolidating return shipments if it helped reduce environmental impact. Consolidated returns are one of the few solutions that support both sustainability and operational efficiency, offering a way to align consumer goodwill with bottom-line impact.

YOUNGER CONSUMERS LEAD ON RETURN- SUSTAINABILITY TRADEOFFS

Sustainability concerns are strongest among younger shoppers, who are more likely to both acknowledge the harm and adjust their behavior accordingly.

CONSUMERS WHO AGREE THAT RETURNS CONTRIBUTE TO ENVIRONMENTAL HARM

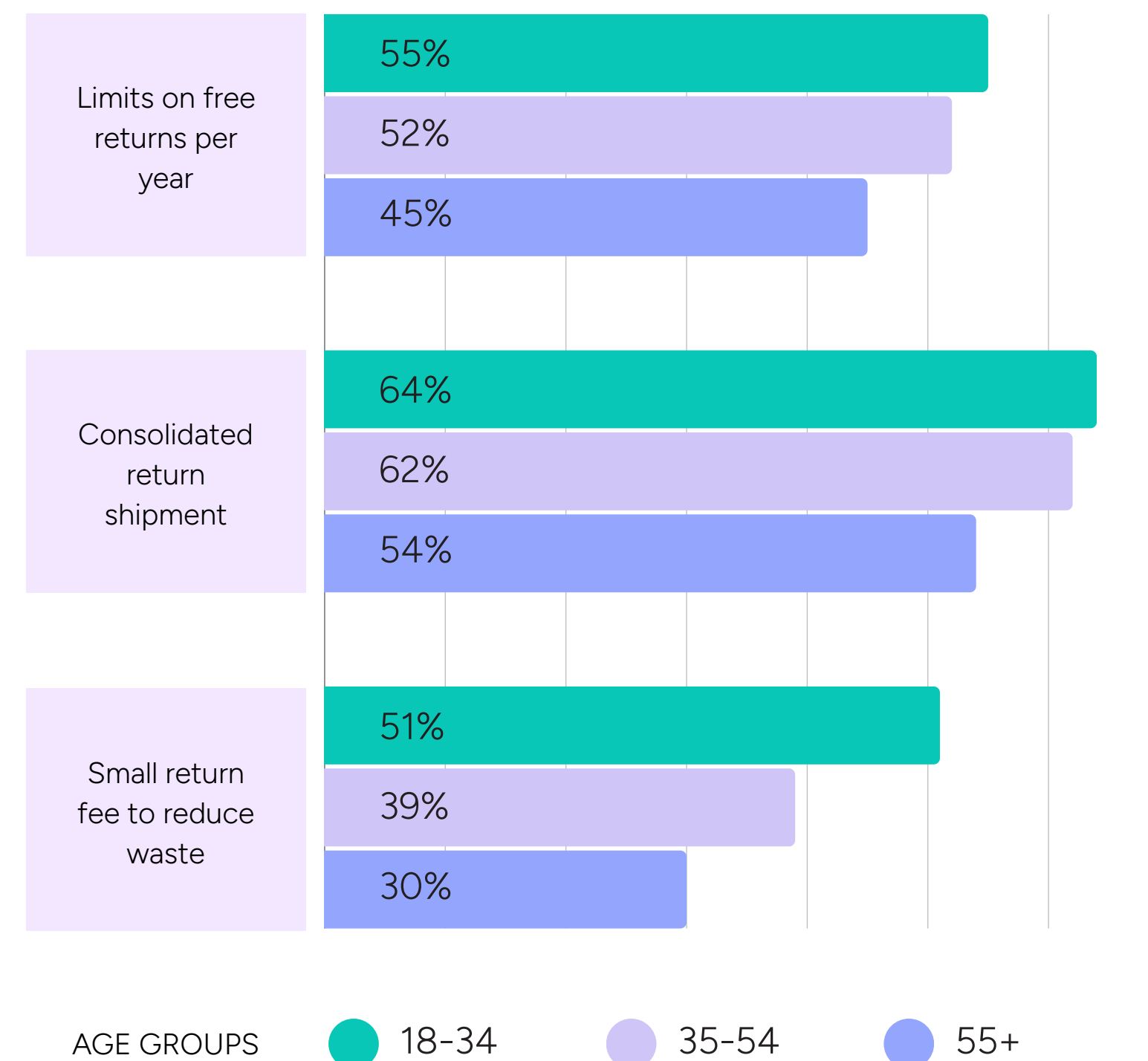


While 92% of Gen Z recognize the harm caused by returns, a more telling stat is that 85% of Gen Z also say their returns behavior is influenced by environmental concerns, compared to 74% of consumers aged 45 and up.

As environmental concerns increase, especially among the valuable Gen Z demographic, shoppers are warming up to practical tradeoffs ... if those tradeoffs are positioned as planet-friendly rather than cost-cutting measures.

These findings highlight a critical shift: while free, unlimited returns have long been seen as a conversion driver, consumers—especially younger ones—are increasingly open to structured limits or small fees when framed as part of a sustainability strategy.

SUSTAINABLE RETURN STRATEGIES THAT CONSUMERS SAY ARE ACCEPTABLE



CHAPTER 4

HOW TO TREAT RETURNS AS A LEVER, NOT A LOSS

Clear policies, enriched product data, and strategic limitations on returns can reduce costs without sacrificing customer satisfaction. And because return policies are one of the few factors entirely within your control, they represent a powerful lever—not just to protect margins, but to win loyalty. Treated intentionally, returns can become a key differentiator in a crowded market. Here's where to start.

#1

GET AHEAD OF THE RETURN BY FIXING THE PRODUCT INFORMATION BEFORE PURCHASE

- Invest in accurate product listings, clear sizing guidance, and multiple high-quality images.
- Use AI and machine learning to automate product categorization and minimize listing errors, especially in categories with high size-related return rates.
- Encourage authentic customer reviews and real-life photos: 31% of consumers say this would make them less likely to return.

#2

STOP OFFERING FREE RETURNS AT SCALE

- Use SKU-level profitability benchmarking to determine which products, channels, or customer segments can absorb free return costs—and where to draw the line.
- Offer free returns as an earned benefit tied to loyalty programs or minimum order thresholds.
- Test variable fees, especially for low-margin products or repeat returners.

#3

ALIGN RETURN STRATEGIES WITH SUSTAINABILITY VALUES

- 60% of shoppers are open to consolidated return shipments, and over half are open to return limits or small fees when framed as reducing environmental impact.
- Reframe limitations as planet-positive benefits, not consumer penalties.
- Highlight sustainability during return initiation or post-purchase engagement to guide more intentional behavior.

#4

MONITOR AND MITIGATE RETURN FRAUD

- Analyze return behavior to flag high-risk customers or patterns.
- Use fraud detection tools to identify repeat abusers, particularly those who return worn or counterfeit goods.
- Maintain a return process that is consumer-friendly but not exploitable.

#5

LOCALIZE RETURN STRATEGIES FOR REGIONAL SUCCESS

- Return rates vary by up to 20 percentage points between regions, driven by cultural norms, logistics infrastructure, and shopper expectations.
- Tailoring your return policies by region helps maintain customer satisfaction while cutting down on unnecessary returns.
- Incorporate a flexible commerce platform that can optimize content by geography.

Returns aren't going away—but they don't have to be a revenue drain. By proactively addressing the root causes of returns and rethinking your policies with new consumer expectations in mind, you can better protect margins, boost customer satisfaction, and even stand out in a crowded market.

ENDNOTES

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Rithum (formerly CommerceHub and ChannelAdvisor) is one of the industry's most influential and trusted commerce networks, helping brands, retailers, and suppliers work together to deliver third-party (3P) commerce experiences. The Rithum platform helps brands and retailers accelerate growth, optimize operations across channels, scale product offerings and enhance margins. Using its commerce, marketing, delivery and discovery solutions, Rithum customers create optimized consumer shopping journeys from beginning to end. More than 40,000 global brands trust Rithum to grow their business across hundreds of channels, representing over \$50 billion in annual GMV. Rithum processes an average of 2.4 billion transactions every day for retailers like Best Buy, Adidas, The Home Depot, and more.

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