

### Here and Back Again

adapted from an article by Inkoo Kang

- 1 I went a little crazy this Black Friday. Taking advantage of the retail holiday's significant discounts, I ordered sweaters, shoes, and makeup from some of my favorite sites. Buying online is easier than ever, but still tricky: sizing and fit remain a gamble, colors don't always match a site's photography, and fabric quality is hard to predict. E-commerce wouldn't work without the returns that grease its gears. Because of the inherent risk in buying something you've never seen IRL<sup>1)</sup>, there would be fewer and smaller orders without them.



- 2 Returns, you'd think, would be the ruin of online retailers, and it's true that they're a pain for them. It's estimated that a third to 40% of online purchases are returned — three to four times the average of returns at brick-and-mortar stores. Returns are the reason why an online store might actually make less money than a real-life store, 25 the latter's rent, utilities, employee salaries, and so on. Still, it turns out that a Black Friday splurge is exactly what stores want out of their customers. In the long run, returns are a win-win for retailers and consumers alike. And the more generous the return policy, the more, I've realized, I'm ultimately willing to spend.
- 3 Ten years ago, when I began slowly growing my post-college wardrobe, I was limited by a grad student's stipend. I didn't have a car, and most brands didn't offer free returns via mail, so when I shopped online, I mostly stuck to stores that also had brick-and-mortar locations near my grad school so I could do my returns there. As e-commerce returns became smoother over the years — OK, and as I began earning more than a pauper's wages — my shopping adventurousness grew too. Since shopping in person continues to be a man-made hell, I've spent the past decade piecing together a wardrobe of favorites, half-returned order after half-returned order.
- 4 It's obvious what customers get from online returns, which are becoming ever breezier via free shipping both ways, and/or the option of in-store returns. Sure, e-retailers 27 having to eat the initial shipping cost, the possible return shipping cost, the restocking of items, and any customer

support that goes into the process. But the conventional wisdom in the business world claims that retailers are ultimately rewarded by generous return policies that extend return windows and greet returners with friendly customer service. The longer items sit in consumers' homes, the more likely the 'endowment effect' will cause them to consider them their own, or re-evaluate their initial judgment. You might have decided you didn't like a new dress on Day 1, but after it's lingered in your home for three weeks while you postpone a trip to the post office, you might update your opinion to, "Oh, it's actually not that bad". And a good return experience, especially one that allays negative feelings like guilt, can foster loyalty among customers.

- 5 The ease of returns is probably making me order more stuff — while also forcing me to spend more time at the post office than I'd like, not to mention make more trips to the mall, where I'm tempted to purchase even more things. Is late-stage capitalism playing me for a dupe with these seemingly nicey-nice return policies? Probably. But I'm fine with it. Commerce is, ideally at least, about two entities getting what they each want out of the other. E-commerce returns give me the infinite choices of the internet with the safety of the neighborhood chain store. In exchange, companies get out of me probably more money than they should. It's a perfect capitalist love story.

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noot 1 IRL = in real life