



Online Shoppers Expect Return Options, Loyalty Perks, and Seamless Security

Heading into the busy holiday shopping season, CFI Group and Radial conducted their quarterly survey of 500 randomly selected shoppers, asking about their feelings in a number of areas related to the online shopping experience. The focus of this latest survey centers around the importance of having multiple options for returning products purchased online, the main reasons shoppers join loyalty programs, and how fraudulent purchase alerts affect future purchasing behaviors.

When it comes to returning an item, shoppers want options.

Today's omnichannel shopping process must seamlessly weave together in-store experiences with online activity to cater to a multitude of consumer preferences. The prevalence of online shopping turns the return process into a more complex task than a shopper simply retracing steps back to the location of the purchase and giving the product and corresponding receipt back to an associate. As is the case with purchasing a product, online shoppers expect to have multiple options for returning one as well. In fact, 87% of those surveyed said having multiple return options would make them more likely to purchase a product. Considering the highly competitive online shopping marketplace, having a synchronized omnichannel platform that allows shoppers to return products in-store or ship them back with ease is a necessity rather than an attractive bonus offering.

When asked for their preference for returning items purchased online, 66% of survey respondents said they are more likely to

ship them back directly. That leaves 34% who said they are more likely to take their purchased items to the retailer's store to complete their return. Furthermore, 90% of all respondents said it is *Somewhat to Very Important* that online purchases are able to be returned to a store. These percentages support the notion that, even if not fully utilized, shoppers expect to have multiple options available to them when returning products and when these options are limited, the likelihood to make the initial purchase is negatively affected.

Customers also expect prompt processing of their return, regardless of the method used. Thirty-two percent of shoppers surveyed said they expect a return or exchange to be processed within a couple of days, and another 48% said they would expect the process to take between three and five days. These findings alert retailers that any returns or exchanges that take upwards of a week or longer are likely to be interpreted by shoppers as unnecessarily delayed and lead to frustration or even a lost customer.

Shoppers are happy to join a loyalty program, as long as it is worth their while.

Our study's second point of emphasis was on the role of online communities or loyalty programs in shaping customer behavior as well as the reasons they would participate in such programs. In terms of their general willingness to join, 71% of respondents said they would join an online community at a retailer's

website, while 84% said they sign up for loyalty programs. These results confirm the merit of brand-specific communities and loyalty

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programs, but it is also important to understand what shoppers want in exchange for participating.

Access to special promotions is the main motivator for loyalty programs. An overwhelming 93% of respondents who sign up for loyalty programs indicated special promotions are an influential factor in their decision to sign up. Smaller percentages said they are influenced by the faster delivery (40%) and preferred treatment (37%) certain loyalty programs provide.

As for the relatively small segment of shoppers who said they do not sign up for loyalty programs, 46% cited an aversion to giving out their personal information as their reason. Fifty-four percent of these respondents simply feel that loyalty programs do not offer enough of a benefit to make joining worthwhile.

As for joining a retailer's online community, the opportunity for discounts or access to promotions was the leading motivator for joining, selected by 80% of all willing participants. However, a majority (64%) also cited product information as a reason for joining, and 48% said the ability to read other customer reviews would make them more likely to become a member. This type of information is becoming a key factor in the process as shoppers gather more and more data in the research phase of making a purchase. In fact, 94% of all survey respondents said that customer reviews are *Somewhat* to *Very Important* when making purchasing decisions. Without access to this type of product information and the unbiased feedback provided by customer reviews, shoppers are likely to look for retailers where this material is available.

Accurately detecting fraud is more important than ever. The final portion of the questionnaire asked respondents about their experiences with orders being incorrectly identified as fraudulent. Eleven percent of surveyed shoppers confirmed that they have

been affected by this and indicated it affected their future purchasing behavior with the retailer. Twenty-seven percent of shoppers affected by an incorrectly identified fraudulent charge said they will no longer shop with that retailer and another 40% indicated they will be hesitant to order from that retailer again. This clear negative impact makes fraud management a critical capability for retailers – having the solutions in place to effectively monitor purchases with the smartest technology, data and human interaction is paramount to validate all legitimate purchases and flag only those that are truly fraudulent. If not, you risk losing good customers and significant revenue.

The key takeaways of the survey are evident. Online shoppers are attracted to retailers that provide options for purchasing and returning items cohesively, whether in-store or by mail. Our survey results show that individuals are more likely to make online purchases from retailers that present multiple return options and want the processing of these returns to happen quickly.

Loyalty programs and other online communities hosted by retailers present another opportunity for attracting shoppers. Discounts and access to special promotions are prerequisites for these types of programs as nearly all respondents cited these offerings as reasons for joining a loyalty program. It is also important to provide comprehensive product information and customer reviews as these have been shown to be valuable to the majority of shoppers as an important piece of the research process preceding a purchase.

Lastly, as reports of data breaches seemingly hit the news cycle at an increasing rate, providing shoppers with a safe and secure transaction process is crucial in maintaining their trust. This sense of safety relies not only on avoiding the theft of customer data but eliminating alerts of fraudulent charges for valid purchases. The latter still creates anxiety among online shoppers and has been shown to make them hesitant to continue doing business with the offending retailer in the future.



About CFI Group (www.cfigroup.com)

Since 1988, CFI Group has delivered customer experience measurement and business insights from its Ann Arbor, Michigan headquarters and a network of global offices. As founding partner of the American Customer Satisfaction Index (ACSI), CFI Group is the only company within the United States licensed to apply ACSI methodology in both the private and public sectors. Using this patented technology and top research experts, CFI Group uncovers the business drivers and financial impact of customer experience.

About Radial (www.radial.com)

Radial is the leader in omnichannel commerce technology and operations, enabling brands and retailers to profitably exceed retail customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfillment and transportation options, intelligent fraud, payments, and tax systems and personalized customer care services.