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RETAIL



**REPORT**

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2024 Consumer Returns  
in the Retail Industry

## EXECUTIVE SUMMARY

Appriss Retail, in collaboration with Deloitte, has developed a comprehensive report on consumer returns in the retail industry. As a leader in data and analytics solutions, Appriss Retail helps reduce retail losses, prevent return and claim fraud, and enhance the consumer experience. Serving 60 of the top 100 U.S. retailers, Appriss Retail supports one-third of all U.S. omnichannel sales across 150,000 locations. The report combines insights from physical stores and online channels, featuring data from surveys of 150 North American retail executives, 1,000 consumers, and the U.S. Census Bureau.

Returns remain a considerable cost to retailers, the total return dollars in this report don't account for the margin loss and other frictional costs associated with processing and handling returns. The growth of online shopping continues to have a growing impact on in-store returns. This year Buy Online Return Instore (BORIS) and Buy Online Return Online (BORO) combined account for over 52% of all return dollars.

Although retailers continue to test new policies and systemic rules, the amount of fraud and abuse remains a significant issue that should be addressed. Fraudsters and abusers are often becoming adept at circumventing retailer's controls across all channels including call centers.

- ◆ Total returns for the retail industry amounted to **\$685 billion** in merchandise in 2024.\*
- ◆ The total returns rate as a percentage of sales for 2024 is **13.21%**.\*
- ◆ The percentage of abuse and fraud impacting total returns in 2024 is **15.14%**.\*
- ◆ The total amount of dollars lost to fraudulent and abusive returns and claims in 2024 is **\$103 billion**.\*
- ◆ **84%** of retail executives report their companies have changed return policies in the past year to combat fraud, however this is having adverse implications.\*\*
- ◆ **55%** of consumers have decided not to buy from retailers due to restrictive return policies, while **31%** stopped shopping at certain retailers due to negative return experiences.\*\*

\* Source: Returns data are generated from actual returns processed by Appriss Retail. Executive and consumer data are based on survey results.

\*\* Source: [How Important Are Returns to Customers?](#)

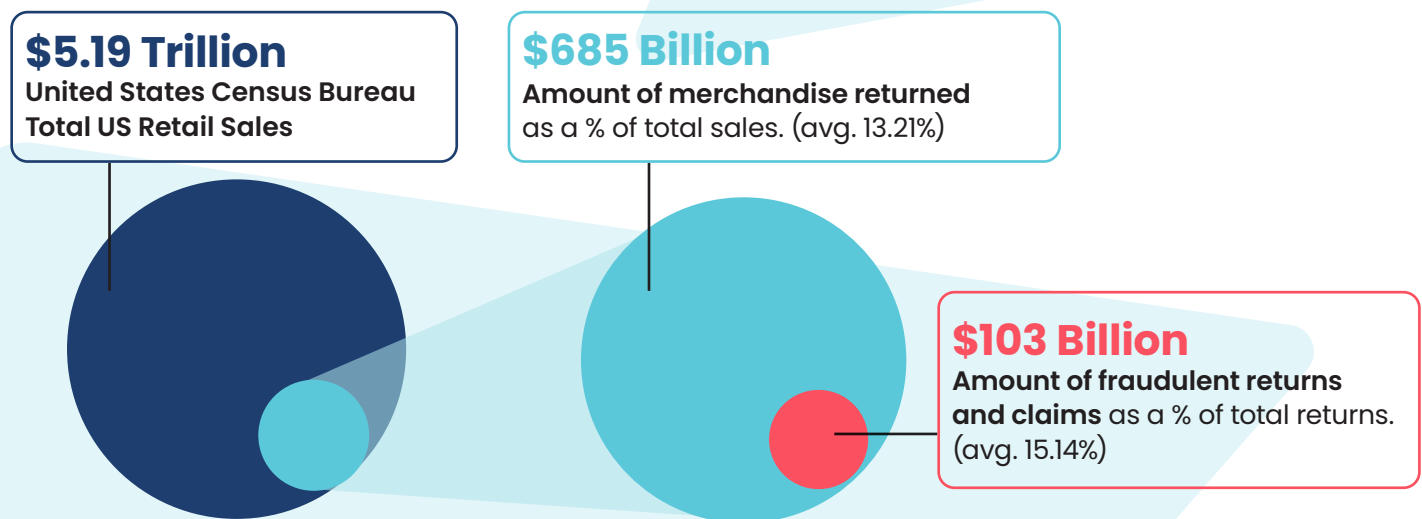


## SUMMARY OF RETURNS AND RETURNS FRAUD

United States Census Bureau Total US Retail Sales	100%	\$5,192,000,000,000
Total In-store sales	71.55%	\$3,715,000,000,000
Total Online Sales	28.45%	\$1,477,000,000,000
Total Retail Return Rate	13.21%	\$685,863,000,000
Total Fraudulent and Abusive Returns and Claims Rate	15.14%	\$103,839,000,000
Return Rate from In-Store Sales	8.72%	\$323,727,000,000
Return Rate from Online Sales (BORO+BORIS)	24.52%	\$362,160,000,000
BORIS Return Rate	14.58%	\$215,347,000,000
BORO Return Rate	9.94%	\$146,813,000,000

Source: Q1–Q3 2024: U.S. Census Bureau; Q4 2024: Apriss Retail projections based on actual Q4 2023 data

## MERCHANDISE SALES, RETURNS, AND FRAUD AND ABUSE



Source: Apriss Retail and United States Census Bureau

## Frequent Types of Return Fraud or Abuse

150 retail executives were surveyed to identify the most common types of returns fraud and abuse they have encountered. Here are the results.

Wardrobing (used merchandise returned)	60%
Returns from fraudulent or stolen tender (gift card fraud)	55%
Returns of stolen merchandise (return of shoplifted merchandise)	48%
Returns with counterfeit receipts/e-receipts	48%
Bracketing (buying multiple items, returning some)	47%
Employee return fraud or collusion	39%

Source: Apriss Retail and Retail Dive Survey: How Important Are Returns to Customers?

## IN-STORE, ONLINE AND BORIS RETURNS

8.72%

**In-Store Return Rate**

**\$323 Billion**

9.94%

**BORO**

**\$146 Billion**

14.58%

**BORIS**

**\$215 Billion**

- ◆ Online sales are expected to increase by 5%, achieving a total of **\$1.48** trillion in total online sales.\*
- ◆ Returns from online sales (inclusive of BORO and BORIS) are **\$362** billion.\*
- ◆ A growing challenge for retailers in online returns is claims and appeasements. Claims and appeasement fraud & abuse are estimated to be worth **\$21B**. Claims arise when shoppers report issues such as missing deliveries, damaged items, or product defects. To address these concerns, retailers often offer appeasements, such as credits, to help maintain customer satisfaction.\*\*
- ◆ When identifying fraudulent online returns, retailers surveyed stipulate that the most common indicator is empty boxes at **31%**\*\*\*
- ◆ The return rate for in-store purchases was **8.72%**, while online returns reached **24.52%**. Combined, the overall return rate stands at 13.21%.\*\*\*\*
- ◆ As retailers adopt no-receipt, no-return policies, fraudulent actors may shift to tactics like counterfeit returns. To help them stay ahead, retailers should continually adapt to emerging forms of return fraud.

\* Source: U.S. Census Bureau

\*\* Source: [2024 Claims and Appeasements Report](#)

\*\*\* Source: [How Important Are Returns to Customers?](#)

\*\*\*\* Source: [Appriss Retail returns data](#)



## RETURN POLICIES

Returns are often a thorny issue for retailers. 83% of companies surveyed have tightened return policies to decrease returns, and 84% to combat fraud. But are these efforts hurting customer satisfaction more than necessary? What the data suggests is that policy changes are having little effect on deterring fraud & abuse. Policies can be subject to human error, bias, and are frequently bypassed to appease the consumer.

### Top Fraud-Prevention Efforts/Tools Deployed:

Requiring receipts/proof of purchase	67%
Limiting return windows to 30 days or less	59%
Manually monitoring transaction data for fraudulent behavior	54%
Implemented real-time return technology to approve, warn, or deny a return or claim based on behavior patterns	35%
<b>1% report deploying none of these measures.</b>	

Source: [Appriss Retail and Retail Dive Survey: How Important Are Returns to Customers?](#)

### Consumer Impact:

These changes to return policies can have long-term negative impacts on consumer loyalty and future spend. While positive return experiences contribute to customer satisfaction and retention.

**55%**

of consumers have decided not to buy from retailers due to restrictive return policies

**36%**

of consumers have had a negative return experience

**31%**

stopped shopping at certain retailers due to negative return experiences

**70%**

of consumers made additional purchases due to positive return experiences

**89%**

would make more purchases if they had positive return experiences

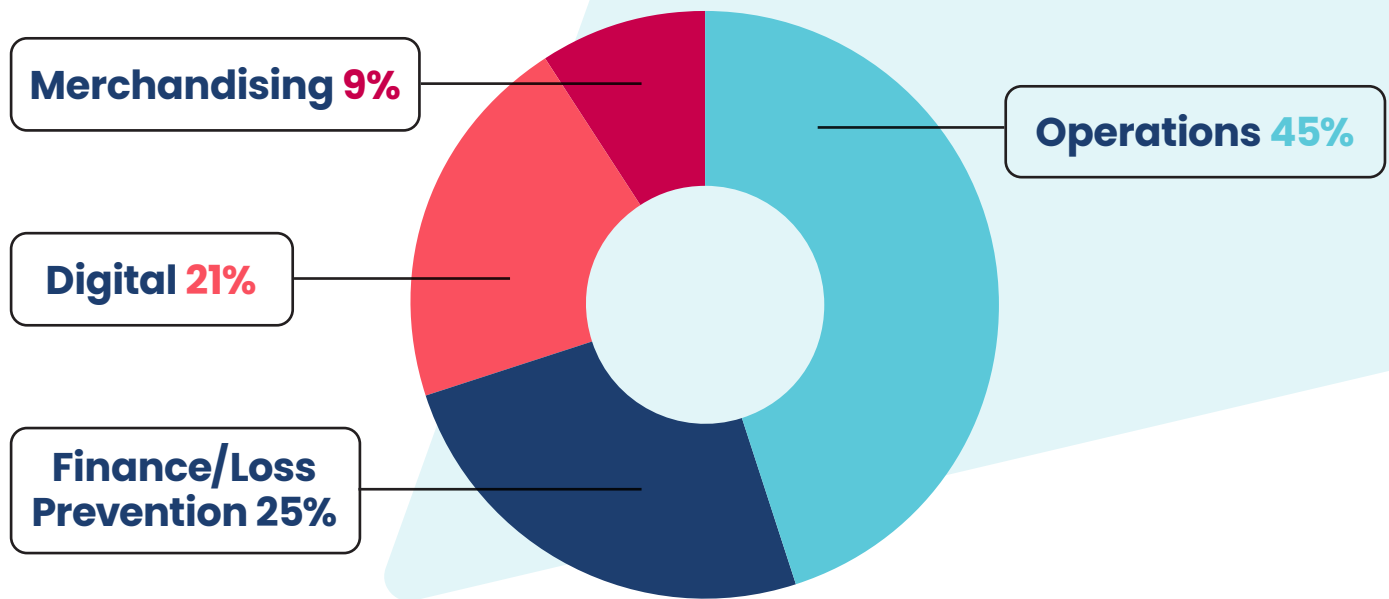
Source: [Appriss Retail and Retail Dive Survey: How Important Are Returns to Customers?](#)

## WHO OWN RETURNS

Appriss Retail is working to identify industry-leading practices, starting with a key question: Who should own the returns process, and what are the leading practices for helping to manage it?

Returns have emerged as a challenge for retailers, driven by higher return rates from digital sales, BOPIS (buy-online-pick-up-in-store), and BORIS (buy-online-return-in-store). These issues are further compounded by professional fraudsters and shifting consumer return behaviors.

Early findings from the Appriss Retail survey indicate that most retailers have not yet established a dedicated role to oversee returns. More detailed research is needed to clarify who should manage the returns process and what responsibilities this role should encompass.



Source: Appriss Retail and Retail Dive Survey: How Important Are Returns to Customers?



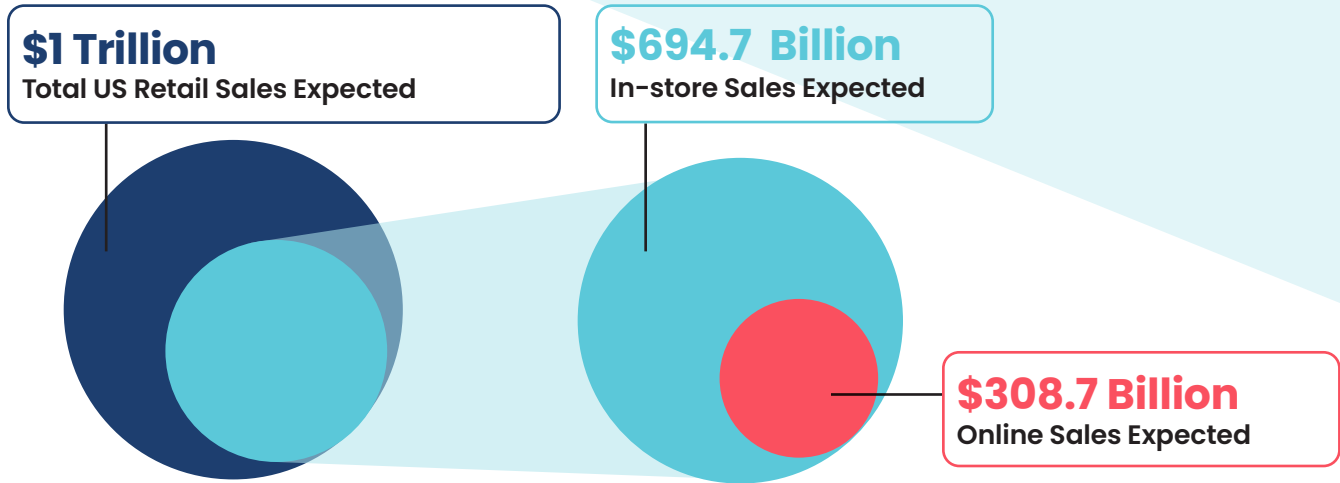
# HOLIDAY SALES AND HIGHEST RETURN DAY OF THE YEAR

The holiday season offers retailers a chance to boost their yearly performance, thanks to higher foot traffic and increased sales.

However, it also brings a surge in returns, along with heightened risks of fraud and abuse. The increased volume can lead store associates to bypass policies to keep lines moving, while online rules engines are often overridden to accommodate the seasonal rush.

To address these challenges, retailers should act. Implementing technologies and processes takes time, and starting early can help ensure a better chance to optimize next year's holiday season.

2024 Holiday Period 11/17/24 - 2/1/2025



Source: United States Census Bureau

**Last Year Holiday period 11/20/2023 to 2/1/2024:**  
The **highest return day** for the holiday period was **12/29/2023**

Source: Apriss Retail transaction data



## CLOSING

Returns can no longer be thought of as part of doing business. They represent a significant cost to retailers. With \$685 billion in merchandise returned in 2024 and \$103 billion lost to fraudulent and abusive returns and claims.\* These figures underscore an urgent need for retailers to adapt and evolve their strategies. The fine line for retailers is to implement solutions that have minimal impact on the consumer experience. Brand loyalty can be fragile, and competition continues to grow so holding on to consumers is often a key to long-term success.

\* Source: Appriss Retail transaction data

### Survey Demographics

The 2024 Consumer Returns in the Retail Industry report draws insights from a blend of data sources, including the United States Census Bureau, Appriss Retail customer data, and a Retail Dive survey. Appriss Retail's client base features over 60 of the top 100 U.S. retailers.

Detailed demographics of the Retail Dive survey respondents are outlined below.



#### Participants

150 retail executives from  
Retail Dive databases



#### Geographic Scope

Companies selling to  
customers in the U.S. or  
Canada, accepting returns



#### Business Type

- Retail: 74%
- Direct-to-Consumer: 26%





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