The Real Cost of Returns for Retailers

Product returns are a costly expense of doing business, particularly with online shopping, and managing the increasingly expensive "reverse supply chain" has become a priority for retailers of all sizes. Consumers expect free returns, and inconvenient returns deter 80% of shoppers according to a ComScore study. However, retailers are struggling to offer this
5 because they can't absorb the cost into their bottom line.

Retailers are investing in strategies to improve reverse supply chains to help mitigate the costs of returns. For instance, brick-and-mortar retailers with online shops are now offering in-store returns. This policy not only reduces shipping and handling return costs for retailers, but also drives shoppers to the store. Once inside, shoppers can be engaged and enticed to
10 make additional purchases.

According to Invesp, 22 percent of returns are because consumers receive a product that looks different than expected. Online shoppers can't look, feel, and try products as if they were in the store. There are strategies to reduce returns and to remove post-delivery surprises: invest in better product visuals, provide better product information, offer reviews
15 and product comparisons.

These strategies still often fall short, which is why retailers are turning to new technologies like augmented reality (AR) to bring the in-store shopping experience home.

Shoppers regularly express the absence of 'try-on' and 'touch and feel' as the major reasons they don't convert online. With AR, consumers can virtually try products at home before
20 buying. With an AR-enabled app like *Augment*, you can empower customers to see how products look in their homes. They can try different colors and finishes, and compare products side-by-side in life-like 3D AR. This application of AR applies to many industries, including fashion, home decor, furnishings, and electronics.

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