



NEWS RELEASE

Box-Free, In-Person Returns Are the No. 1 Preferred Return Method for Online Purchases

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More than 40% of Consumers Would Rather Sit in Rush Hour Traffic Than Return a Purchase Made Online

SAN JOSE, Calif., Oct. 27, 2022 /PRNewswire/ -- Mail-in returns are becoming a thing of the past. Online shoppers now rank in-person, box-free returns as the No. 1 preferred method for returning purchases made online, with returns by mail ranked as the fourth, significantly less desirable option when returns are required.

These insights come from the second annual consumer report, **'Returns Happen'** released today by Happy Returns, a PayPal company. The report details evolving habits of online shoppers, focusing on how attitudes toward online returns can inform merchant solutions.

"Merchants are facing greater challenges with online returns heading into this holiday shopping season, including increased logistics costs due to inflation, higher return rates as more shopping moves online, and customer expectations for online returns that are easy and free," said David Sobie, VP of Happy Returns. "Despite these challenges, the growing preference for in-person, box-free returns is a huge opportunity to deliver customers the seamless returns experience they're looking for, while significantly driving down costs by up to 40%."

Nearly 50% of Consumers Say They'll Be Returning Holiday Gifts This Year

Before making a purchase, 86% of consumers say they make a point to check a retailer's return policy. And while some retailers have turned to charging for returns, the desire for free returns is still very strong with 87% of consumers stating free returns are an important factor when purchasing items online.

The survey also uncovered the following insights related to consumers' return preferences:

- In-person returns are the preferred return option: 54% of consumers prefer in-person drop off at either the retailer's store or third-party stores. This ranks high above home pickup, even when home pickup is free.
- Mail-in returns are a thing of the past: 79% of consumers try to avoid mail-in returns whenever possible, and this number skews higher for those under 30 (83%).
- Bracketing shows no signs of slowing down: Bracketing, the practice of purchasing multiple items with the intention of returning some, continues to be a trend among consumers. More than 1 in 3 consumers plan to bracket their purchases this holiday season, putting even more pressure on retailers.
- Economic pressures are driving up returns: Nearly 1 in 4 have been returning a greater percentage of their online purchases as a result of inflation and other economic pressures that are impacting their financial health. This number skews even higher for those under the age of 45.

Happy Returns boasts an expansive Return Bar network with more than 5,000 locations at retailers like Ulta Beauty, Staples, FedEx, and more, which offer consumers the ability to return items in-person, without needing to box the items or print a label. These return bars allow merchants to aggregate items and can save up to 40% on return shipping costs¹. Once in store, 62% of consumers say they've used their refund to shop at a merchant's own stores or at a third-party drop-off location.

To read the full report including advice for merchants, **[visit here](#)**.

Methodology

The survey was conducted by TRC, commissioned by PayPal, with fieldwork administered by Forsta to a sample of 2,002 US consumers who returned an online purchase within the past year. The survey was fielded from Sept 8 – 19 2022 through a quantitative online survey with an overall margin of error of 2% (n=1,980)

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering 429 million active accounts in more than 200 markets to join and thrive in the global economy. For more information, visit **[paypal.com](https://www.paypal.com)**.

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