

# UK retailer returns strategies will be tested this holiday season

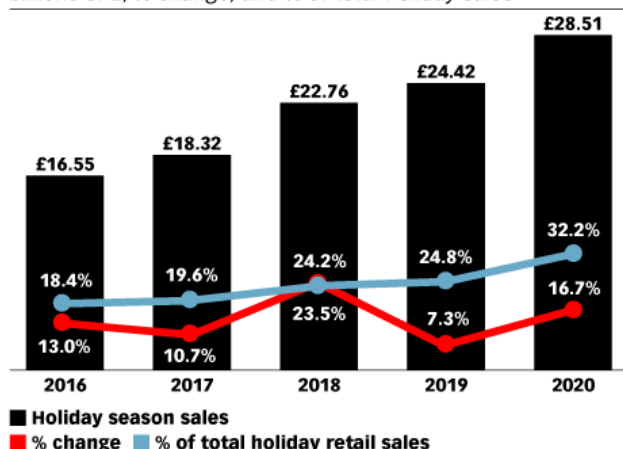
## ARTICLE |

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**W**hen the UK government announced a nationwide lockdown for November, the impetus for retail holiday ecommerce shopping was ratcheted up another notch, given that Black Friday shopping falls within this period.

We forecast that UK retail ecommerce holiday season sales will grow 16.7% this year to account for a historical high 32.2% of all retail sales during the period.

**UK Retail Ecommerce Holiday Season Sales, 2016-2020**  
billions of £, % change, and % of total holiday sales

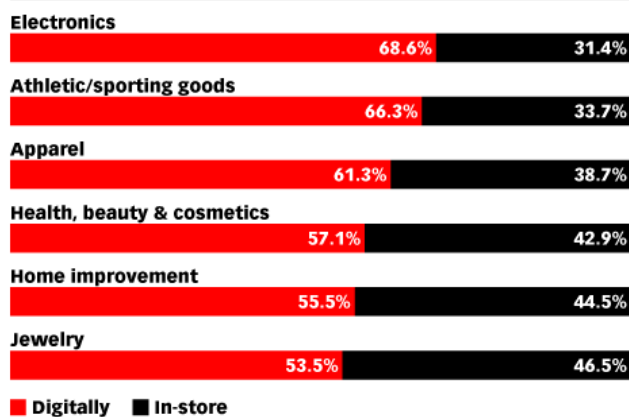


Note: sales are for November and December of each year; excludes travel and event tickets; includes products or services ordered using the internet, regardless of the method of payment or fulfillment  
Source: eMarketer, Oct 2020  
260092 www.eMarketer.com

Outside of the lockdown, digital shopping and buying will be popular this holiday season. According to September 2020 data from online retail fraud protection firm Signifyd, digital gift buying is likely to be common among UK internet users ages 18 and older in the run-up to Christmas. But with more than half of respondents likely to purchase products like electronics, apparel, and home improvement items online, the likelihood for returns may also be high.

**UK Internet Users Who Are Likely to Purchase Gifts In-Store vs. Digitally this Holiday Season if the Coronavirus Pandemic Continues, by Category, Sep 2020**

% of respondents



Note: ages 18+  
Source: Signifyd, "Consumer Sentiment Survey: Holiday 2020 UK," Sep 29, 2020  
260263 www.eMarketer.com

“With Black Friday falling late in the year and now an online-only affair, retailers should anticipate a steady wave of returns from mid-December,” said Charlotte Monk-Chipman, marketing director at returns management platform ReBounce Returns. “Online shopping typically sees around double the returns rate of high street shopping, so overall volumes are set to be higher than normal.”

To avoid potential delivery pinch points, retailers are encouraging customers to start shopping early. During Amazon's Q3 2020 earnings call, CFO Brian Olsavsky said, “We’ll all be stretched. And it’s advantageous to the customer and probably to the companies for people to order early this year.”

Many UK consumers were already on the same page. According to an August 2020 survey from [ChannelAdvisor](#) in collaboration with [Dynata](#), only 44% of UK digital shoppers planned to start their Christmas shopping in either November or December—28% planned to start in October, 14% in September, and another 14% said they’d already started.

For the 44% starting late, returns could be a headache for retailers. “After Black Friday 2019, it took 12 days on average before returners actually sent unwanted items back, and any sudden surge in returns at this late stage could keep stock tied up in warehouses when it should be getting purchased in time for Christmas,” Monk-Chipman said.

Many retailers, from John Lewis to Marks and Spencer, have already said they’ll extend their Christmas returns policies, but a bit of imagination will be required to deal with the uptick.

“Flexible returns options like home collection and supermarket drop-offs should ease the pressure on retailers,” Monk-Chipman said. “A prolonged flow of returns ensures that items can be processed and back on the shelves in time to be purchased again before Christmas, as opposed to a sudden surge that grinds supply chains to a halt.”

It’s been an unusual year that has forced retailers to focus on consumer demand for flexible returns. As Monk-Chipman put it, “Many have had to implement what had been a five-year plan in a

matter of weeks." Let's hope such plans stand up to the rigors of a busy pandemic Christmas.