Black Friday: so many online returns end up in landfill—here's what needs to happen to change that

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Two of the busiest online shopping days of the year are upon us. In the middle of a cost-of-living crisis and recession, retailers will be

desperately hoping that shoppers take advantage of discounts on Black Friday and Cyber Monday to bump up annual sales figures.

While this would boost a sector that has yet to fully recover from the COVID pandemic, there's a major downside. The more that shoppers buy online, the bigger the problem with returned goods.

Almost 60 million people shop online in the UK—in other words the vast majority. But most shoppers buy more than they intend to keep. They order multiple sizes and colours to find the perfect item, safe in the knowledge that there's a convenient and "free" return option to dispose of the rest.

The returns nightmare

This has become so standard that there's even a name for it—"wardrobing". Around 66% of people in the UK consider the returns policy before buying online, and abandon orders when the policy isn't obvious. One in ten shoppers even admit to buying clothes solely for the purpose of taking a photo for social media.

More than half of all clothes purchased online are returned. Put another way, each British shopper returns an average of one item per month.

But if people have become used to treating their bedrooms and living rooms as the new in-store changing room, it's not only clothes that cause an online returns problem. For example, 42% of electrical goods ordered online get returned, mostly because they arrive damaged or faulty.

Returned goods are much more complex to process than other stock because they tend to arrive as single items that need inspecting individually to see why they were returned. They need sorting and possibly repairing or cleaning before being returned to stock, which for

many retailers is in a different location.

The associated costs are significantly higher than shipping out new products. According to one US expert, every dollar in returned merchandise costs a retailer between 15 and 30 cents.

Returns were estimated to be costing retailers about £20 billion a year in 2016, roughly half that of shop-bought products. Since then, it will have increased considerably—particularly during COVID as online sales went through the roof.

Every time you move a product there are also environmental costs associated with the journey. According to one recent study, the carbon emissions from returning a product are about a third higher than shipping it out in the first place.

What can be done

It is tempting to think we need rules to curb all this over-buying and returning. But that would be very difficult to police and also potentially disastrous for online retailers.

In any case, the sector is developing its own solutions: a quarter of leading UK brands now charge customers for returns, including fast-fashion players like Zara and Boohoo. They will not be doing this lightly: the Royal Mail estimates 52% of shoppers would be unlikely to use a particular online retailer if they had to pay for the returns.

We both still see reports online claiming that substantial amounts of returned clothes end up in landfill, but this is not what we hear from our discussions with leading retailers. Over 95% of returned clothing can be reprocessed and made available for resale as a new product—subject to cleaning and sewing repairs and retailers having access to ozone cleaning

facilities to remove perfume/aftershave smells, which is actually a major one issue.

Our understanding is that many retailers are approaching that sort of turnaround figure. ASOS reportedly resells over 97% of its returns, for instance.

Challenges with bulky goods

Unfortunately it's very different with bulkier goods like furniture or kitchen appliances. These often require additional packaging, two-person collection and much more besides.

Take memory foam mattresses. A consumer returning one won't be able to squeeze out all the air and put it back in the modest-sized delivery box. The return will therefore be the size of a mattress, and you can't get that many on a truck.

Mattresses have also been slept on so there are hygiene considerations. The cover needs to be washed or discarded, depending on its condition. The mattress has to be inspected for damage like scuff marks, then cleaned and sanitised before being reboxed to be sold as reconditioned.

There are comparable challenges across the board with bulkier products. To give another example, electrical items are expensive to repair and by law need to be tested before they can be resold.

Faced with such issues, retailers frequently take the easy way out. They let returns languish in distributors' warehouses before eventually sending them to landfill.

We have seen this first hand in our research, working with four major retail brands that use returns specialist Prolog. One beauty retailer insists

their returned electrical products in beauty kits be destroyed to protect their brand, leading to many being sent to landfill.

We were able to demonstrate that these items could be processed more sustainably by harvesting the unused components for new kits, retained by Prolog Fulfilment for supplying missing components to other customers, or salvaged for warranty replacements.

These sorts of options are available with a bit of investigation. Sometimes value engineering is also possible, where engineers repair returned products and provide feedback to manufacturers about common reasons for returns.

Carbon footprints can also be reduced. For instance, the delivery company could hold the returns rather than sending them back to the retailer's distribution centre. It's still commonplace for retailers to process returns in a different location from where they ship out new products, so companies need to look at this too.

These failures are both unacceptable from a sustainability point of view but also a major missed selling opportunity. Many returns could be refurbished with little effort and sold as "A-" grade at a small discount.

When products can't be resold, other options include resizing, donating to charity or working with specialist recycling companies to dismantle and recycle the smaller components to prevent any material going to landfill.

As everyone gears up for the Black Friday weekend and then Christmas, it's time for these retailers to do better. Consumers also need to be aware of this issue and apply more pressure.

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