

Creating a Great Customer Return Policy



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Creating a Great Customer Return Policy

It's a moment that most business owners dread from the moment they meet a customer: A few days after the initial purchase of an item from the company's online or offline retail store, the customer brings their product back and requests a full return of the item and a refund of the purchase price. This is a tough situation for business owners because it means that previous sales, which they had banked on adding to their bottom line, will have to be refunded. It can be an especially tough moment for small business owners who really depend on the value of every sale.

The good news, though, is that a customer return is not the negative moment that many business owners perceive it to be. It's certainly not good news in terms of company profits and customer satisfaction, but it does present a real opportunity for the company to meet the customer with a friendly smile, understand their concerns, and return the item without a hassle. With a strong customer return policy in place, most businesses can actually convert new customers to buyers, and even convert those customers who are returning an item into repeat visitors. When developing this policy, though, customer service professionals and business owners need to keep a few things in mind and follow a few basic guidelines.

1. Lay Off the Negative or Threatening Language

Businesses generally don't want to take back merchandise that was sold, somehow damaged by the customer, and then brought back for a refund. That's understandable, but companies need to understand how to best convey that restriction to their customers. All too often, return policies are created using "legalese," or at least some sentences that sound unnecessarily threatening. Instead of telling the customer what the company doesn't do, doesn't like, or will not accept, greet them with friendly language and a simple set of guidelines for returning the merchandise. For those companies considering whether their existing policy is a bit too terse, it's worth considering a few common phrases that are simply too negative and viewed poorly by today's shoppers:

- "We will not be held liable for...."
- "We reserve the right not to..."
- "We do not accept..."
- "We refuse to..."
- "No exceptions shall be granted..."

These phrases might be true. They might be critical ways for the company to express what it will and will not accept. The problem is not what they express, but simply how they express it. By using more positive, more inclusive language, business owners will be able to make their customers feel as if they're being cared for, and that their return is not subject to analysis, rejection, and frustration. Remember that it's important not to scare customers away from performing a product return. While it will help the company's bottom line in the short-term, the customer will still be saddled with a product that they don't like, can't use, and have no way of refunding. That does not bode well for the company's perceived reputation.

2. Prepare to Write Off the Cost of Defects and Mishaps

Business owners are proud people, and so are those who have made a career in the customer service field. It's often hard for these professionals to admit that a product was produced with poor quality, or that an erroneous item was shipped to a customer who ordered online. The simple fact of the matter, though, is that mistakes do happen and product defects are simply a fact of life. By preparing to "eat" these costs, and factoring them into the company's daily operating budget, the sting of a return can be reduced.

Customers actually are quite forgiving, even when a product is incorrect or seriously defective. They understand, as business owners should, that mistakes happen and problems arise from time to time in the supply chain. By being willing to take an item back that has suffered from one of these problems, eating the cost and engaging in the process without a hint of frustration, businesses stand a better chance of relating to customers and earning their future business either online or in-store.

3. Be Customer-Friendly, But Don't Deceive Customers in the Return Policy

Businesses have a tendency to embellish a bit when they create a brand new customer return policy, especially when they're looking to avoid negative language and more fully embrace the needs and considerations of their customers. Instead of using negative phrases with words like "refuse" or "liable," they create return policies that say things like "We'll take anything back, no questions asked!" While that sounds really good, and it might appeal to a broad cross-section of the company's customer base, that's not really a realistic way to address returned items or handle the refund process.

In fact, not asking any questions can work against a company's reputation with its customers. Does the company not care what was wrong with the item? Do they not care about the customer's expectations and why those specific expectations were not met by the company's product? By adhering to a no-questions-asked return policy, companies are setting themselves up not for greater customer convenience, but for a greater chance that the customer simply doesn't feel as if their needs were met or their concerns were cared about.

Another problem with using language like "no questions asked" is that many companies will still ask questions. Because they want to avoid the impression that they don't care about their customers' needs, they'll ask questions about what was wrong with the product, when it was purchased, how it performed until the return, and if the company has anything else that might interest the customer instead. These are good questions, and they're the kind of questions that can lead the company to do more business with a customer who was initially dissatisfied. They do, however, run counter to the policy.

Instead of focusing on "no questions asked," companies should focus on statements like "Few questions asked." Perhaps they can use a tongue-in-cheek approach, stating "We'll ask all the right questions!" By being honest, and using a friendly manner of speech, a return policy can be straightforward without being entirely unrealistic.

4. Resist the Urge to Lift Another Company's Return Policy

Crafting a return policy is actually pretty hard work, since it needs to balance the company's own needs with the customer's prerogative. Some companies essentially let someone else do the work, finding a generic return policy already in place at one of their competitors and simply copying it for their own use. This comes with a number of inherent problems. The first problem is that the return policy may simply not fit the new company's point of view. Perhaps it is too strict, or too lenient, or the language isn't consistent with the way that the business presents itself. While that might seem like no big deal, customers will notice. They'll be turned off.

Another pitfall of the copy-and-paste customer return policy is that the new company may not actually take the time to read through the whole policy and understand it on their own. Customers, of course, will certainly read this policy when they decide whether or not to return merchandise that they deem defective, subpar, or simply not for them. This can lead to conflict between customer service associates on the front lines and customers who have come into perform a return. While associates might have been told to follow a certain policy orally, the written policy given to customers may differ. The opportunity for conflict is big and looming. Eventually, it will happen. The company is exposed to losing customers, coming off as out of touch, and not even knowing their own return policies.

Finally, most customers have probably read the return policy that was lifted from a competitor. They'll recognize it almost instantly, and that can paint the new company as one that doesn't put 100 percent of its effort into its business. Especially for small businesses, being perceived as a company that lacks drive or motivation to please its customers and develop its own policies can be disastrous. For this reason, time should be taken to create a unique policy that fits with customer needs, company prerogatives, and long-term goals. While other return policies can serve as a great source of inspiration, copying them verbatim is simply bad form.

5. Avoid the Temptation to Include Lots of Legal Jargon in the Policy

Legal words and phrases might sound really good in the back room of a customer service department, or in the executive offices where a lot of the company's policies are determined, but it plays very poorly to the broader consumer segment that most businesses target. All too often, legal jargon is complex, it requires at least three syllables, and it can be hard for some customers to pronounce. TO be sure, customers who can't pronounce a given word are surely not going to understand what it means or how it impacts their ability to return an item that was defective, not up to their expectations, or simply unneeded.

Legal jargon is good for lots of things, including company liability policies and the employee handbook that governs conduct on the sales floor. It is not a proper form of language for a customer return policy. Instead, customers need basic language that avoids legal terms and doesn't make them feel like their purchase some sort of inherent contract. Legal jargon has the effect of making the purchase seem like it was legally binding, and that can intimidate customers. They won't be likely to return.

Instead of filling a return policy with legalese that can turn off many customers, opt instead for basic language that appeals to the vast majority of shoppers. Take the legal wording away, and simply let customers know when, how, and why they can return an item. It's not a contract. Instead, it's merely important information.

6. When in Doubt, Make the Return Policy Shorter Rather than Longer

In addition to the common use of legal language, many retailers prefer to make their return policy as long and as comprehensive as possible. This seems like a good idea on the operations side of things, since a longer policy will theoretically provide a much greater degree of clarity to customers who might be unsure about whether or not they can return an item. The reality of the situation, though, is a bit less ideal: Most customers stop reading after the first sentence or two, and the rest of the "clarity" provided by a longer return policy falls on deaf ears. One might argue, then, that a longer return policy is a waste of space on a retail receipt or in an order status email dispatched to customers after an online purchase.

Instead of opting for a longer policy that clarifies more of the return transaction, opt for a shorter policy that gets customers in the door and ready to return an item. A great return policy for use in the 21st century might look something like the example below:

- 6 months to return or exchange!
- Used or worn, no problem!
- Returns are free!
- Ask our associates how they can help!

The policy is written very simply, and this appeals to today's shoppers who are primarily looking for two things: The deadline they have when returning an item, and the condition it can be in upon return. Of course, it's perfectly acceptable to note that the item should be unused, unworn, or even unopened. It's not necessarily about what the policy is, but entirely about what the policy actually requires of customers. By using bullet points and shorter sentences, customers will be more likely to at least attempt a return. From there, customer service associates can use their extensive training in the field to communicate with customers about their issues with the product, how their return will work, and what they can offer the customer after the return has been processed.

This manner of doing things results in better levels of customer satisfaction and, because it encourages more face-to-face interaction with the company's customer service department, it ensures that there are plenty of opportunities to retain the customer's business and encourage them to check out other, better products that might meet their needs a bit more easily.

Business Benefits: How the Creation of a Great Customer Return Policy Can Benefit Sales

Creating a great customer return policy is all about using short language, relating well to the customer's needs, and encouraging face-to-face interaction that can help to right the perceived wrongs of a product that is being returned to the company for a full refund. The adoption of a strong return policy carries with it a number of key benefits for the company and its customers, each of which can lead to longer-term success in the marketplace and an edge over the competition. For those companies considering an overhaul of their policies, it's worth noting each of these benefits and how following the guidelines mentioned earlier can help produce each of them.

7. Don't Shy Away from Displaying the Return Policy Prominently

One of the mistakes that even very large companies make when interacting with their customers is that they actually hide the return policy somewhere quite obscure. Most often, retail sales feature the return policy printed on the bottom of the receipt. In some especially egregious cases, it's printed in light print on the back of the receipt. Most customers don't look at the bottom of their purchase receipt, and they certainly don't consider what might be on the back. The result is a heightened potential for misunderstandings, tense returns, and a sense of dissatisfaction strong enough to send the customer to a competitor.

A return policy should be displayed prominently, whether online or offline. For those companies doing business online, the return policy should be displayed in moderately sized text on the homepage. Learning how to return an item even before it's been purchased will keep customers on the same page as the company they're shopping with. In a retail setting offline, companies have increasingly moved toward display return policies at the cash register area, or on the wall near where merchandise is placed. Customers can't help but notice it, especially if the language is printed in large, branded type.

The prominent display of a return policy eliminates potential headaches for customer service professionals, too, who might otherwise have the decidedly unpleasant job of showing the customer that the policy was printed on the reverse side of their original receipt. That's a conversation that most any customer service representative will be trying to avoid. With prominent, public display of the policy on company homepages or store walls, avoidance is easy and customer satisfaction is more likely to result.

8. Be Aware of How the Competition Handles Returns

Don't send customers to a competitor simply because they have a better return policy. While businesses do have to protect their bottom lines and adhere to at least a few rules and guidelines when a refund of a product's purchase price is requested, they don't have to be unreasonable. If a competitor has recently overhauled their return policy to be longer, more flexible, or easier to read, then it's important to follow suit and make adjustments. Give the policy a fresh look, consider how it might be adjusted to eliminate the competition's obvious advantage, and enact those changes quickly.

As with all competitive developments in business, it's important not to ignore what the "other guys" are doing when it comes to return policies, refunds, and customer service attentiveness. By responding in kind with a better policy, businesses can retain their competitive position.

A Strong Return Policy Lets Customer Service Professional Do Their Job

A wordy customer return policy essentially takes the place of real customer service, informing customers of virtually every nuance concerning their potential return. This can actually be off-putting, as most customers will view an extensive return policy as too intimidating to contend with. A shorter policy, and one that invites customers to ask any questions they might have about the product and its potential for a refund, actually lets customer service professionals put their skills to work.

Customer service professionals have been trained not only in how to do product returns, but how to relate to customers, assess their needs, and guide them in the right direction. This essential form of redirection will actually help the company retain customers that were dissatisfied with a previous purchase. Keeping them as repeat visitors will benefit the long-term financial prospect of the business, even if the return has a short-term sting.

Customers Will Be More Inclined to Shop at the Company's Store

Believe it or not, customers prefer a short return policy and they associate this shorter policy with a company that "gets them" and their needs. When they feel that a company has made an effort to understand what they want, how they shop, and why they might be dissatisfied with something that they've purchased, they'll be more likely to take the plunge and buy something from a company that they might not have considered otherwise. For this reason, even the prospect of a great return can lead to a greater likelihood of an initial purchase.

The Competition Will Be Kept on their Toes and Forced to Respond

When a company unveils a new return policy that is easier to understand, quicker to read, and more flexible in terms of deadlines, refunds, and defects, they beat the competition. They do this by earning a larger amount of new business, cultivating more repeat visitors and return customers, and appearing to be more in tune with the needs of everyday shoppers. This is an important way to stay ahead of the competition and to keep them on their toes, responding to new developments rather than setting the terms of the conversation. With a healthy dose of revision and customer-friendly rewriting, a great return policy will be beneficial to virtually every aspect of the business and its niche.

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