RETURNS-STUDY 2016 HOW FAIR ARE CUSTOMERS IN ONLINE TRADE?



September 2016

Händlerbund Study



856

Surveyed Online Merchants





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WE ASKED

856 ONLINE
MERCHANTS

FOREWORD RETURNS-STUDY 2016

As part of the FairCommerce Initiative the Händlerbund, along with online merchants in Germany, is carrying out a survey of the problems regarding the right of withdrawal. The legislature is granting customers dealing with long-distance transactions extensive rights. When it comes to Fairness, online merchants have to trust their customers and are regularly disappointed. The results of the study show how severe the abuse of revocation rights in online trade is.











1 DAMAGED ORIGINAL PACKAGING BY FREQUENCY

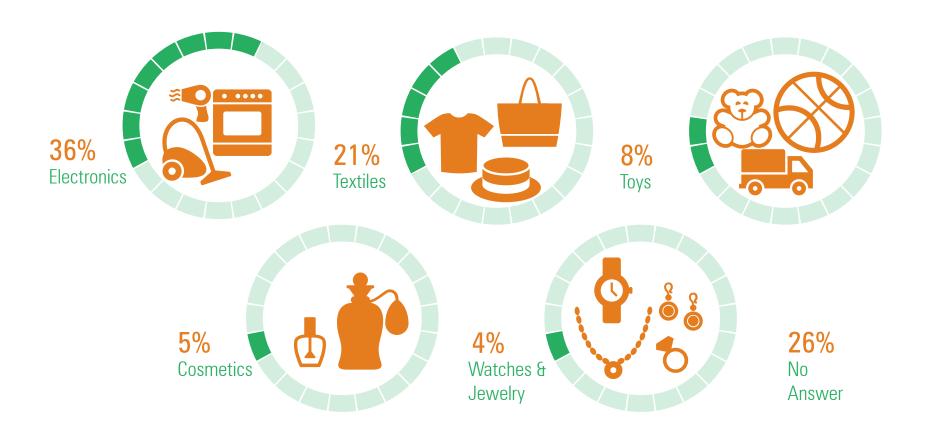
We asked online merchants if they received returns with damaged original packaging.

YES 75% NO 23% NO **ANSWER** 21%

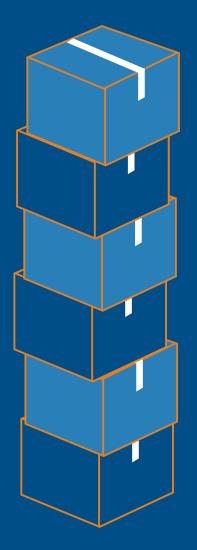
"EVERY FIFTH SHIPMENT IS RETURNED WITH DAMAGED PACKAGING."

2 | DAMAGED ORIGINAL PACKAGING BY PRODUCT GROUPS

On average, half of the damaged returns that online merchants receive can't be resold at the original price and the online merchant is forced to offer the item at a discount of (on average) 35%. The loss of sales is enormous.



"ALMOST EVERY SECOND RETURN CONTAINS DAMAGED GOODS."



44%

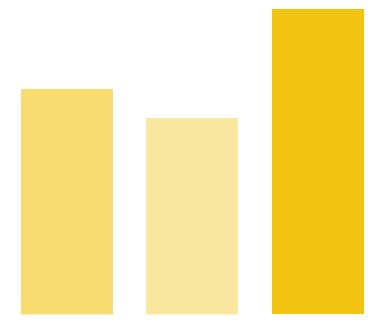
The goods then have to be discounted by 35% - textiles by 42%!



3 | DAMAGED TEXTILES BY FREQUENCY

Among online merchants, textile deliveries that were returned already worn or damaged made up 1/3 of all returns. Of all returns, online merchants find textiles in almost every fifth delivery that have been damaged or worn.

YES	NO	NO ANSWER
31%	27 %	42%





"ONLINE MERCHANTS FIND TEXTILES THAT HAVE BEEN DAMAGED OR WORN IN EVERY FIFTH RETURN."

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4 | DAMAGED TEXTILES BY BUSINESS SEGMENT

Almost half of the online textile merchants who have had problems with returned damaged goods come from the women's and men's clothing sector. Sportswear, household textiles and underwear are also problematic sectors.



5 | RIGHT OF WITHDRAWAL PROBLEMS — TOP 10

LEGAL UNCERTAINTY

Ignorance of the legal situation by online merchants and buyers can cause a disregard for return deadlines, explicit notices of withdrawal and grounds for exclusion regarding the right of withdrawal.

SETTLEMENT PROBLEMS

The distinction between withdrawal and a lawful guarantee can frequently lead to problems. Buyers try to persuade the merchants to cover the costs of returns siting product defects or product inadequacy as the reason for the return.

BUYER CONSCIENTIOUSNESS

Buyers can be construed as oppressive and extortionate. They know their rights as buyers, however not what is required of them.

REASONABLENESS

Selection orders or indiscriminate orders cause online merchants unnecessary costs and effort.

FREIGHT COLLECT COSTS

When goods are returned freight collect; contrary to the terms and conditions.

NEGATIVE REVIEWS

Especially troublesome are negative reviews for Ebay and Amazon merchants which are used as a means of pressure.

FRAUD ATTEMPTS

Buyers exchange the received goods with different, less valuable or damaged products and send these back as the authentic return

TERMS OF USE

Legal requirements differing from the provisions put in place by online markets like Ebay or Amazon, can cause ambiguity and insecurity.

B2B TRADE

Consumer Law for withdrawal has been widely expanded to include commercial business

ASSIGNMENT PROBLEMS

Returns without notification lead to assignment problems from the return shipments and problems for the online merchants during processing.

RESULTS

MORE THAN

3/4

of online merchants receive returns with damaged original packaging.

Every

5_{th}

return in online trade is returned worn, dirty or without a label.

WITH

35%

is the average discount that has to be granted for the resell of returned goods.

15%

of all the online merchants surveyed complained of ambiguities currently in the right of withdrawal.

In

44%

of the cases, returned textiles cannot be resold at the original price.

ABOUT HÄNDLERBUND

As the largest online trade association in Europe, Händlerbund is an important voice in the e-commerce industry and also a valued partner. The association promotes exchange between traders and service providers to support digital and stationary trade in a sustainable manner as well as broadening the horizons for the future. Händlerbund actively engages with its members and partners thanks to the representation and bringing together of various services throughout Europe.

FairCommerce

The Fair Commerce Initiative was brought into existence by the Händlerbund and it stands for fair competition and is against the abuse of legal written warnings. After only one year, 35,000 online shops have joined the Fair Commerce Initiative.

BASIC INFORMATION

Over 50,000 protected online presences The largest online trade association in Europe One of the leading legal text providers on the Internet Founded in 2008

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STUDY 2016

WE ASKED 856 MERCHANTS, IF THEY HAVE EVER RECEIVED RETURNS CONT-AINING DAMAGED GOODS.

This report is exclusively for informational purposes. The suggestions and tips contained herein are given in good faith. The Händlerbund assumes no liability.

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