

43 How to Recycle

♥ Where to Recycle

Business & Policy

Reading time: 3 mins

The Environmental Cost of **Online Returns**



By Gemma Alexander



Online shopping was a convenient alternative to hitting the mall even before the pandemic. When the pandemic hit, online shopping also became the safest way to stock up. Digital sales ballooned 71% in the second quarter of 2020 and 55% in the third as people started shopping online even for many items that are easier to buy in person, like jeans or produce. You might not be able to send lettuce back to the grocery store, but by now most of us have gotten very familiar with online retailers' return policies for other products. Free returns help shoppers get exactly what they want, but it has

Never miss an update!

Enter email address

JOIN OUR LIST

serious repercussions for the environment.

Bracketing

Bracketing is the industry term for a "buy now, choose later" approach to online shopping. It's buying an article of clothing in two sizes because you're not sure which one will fit or buying all three colors of an item to see which looks best in person. Bracketing is good for retailers and consumers.

Retailers know that generous return policies give customers confidence to purchase items online. Consumers eliminate the risk in purchasing an item they've never seen before. In 2020, nearly two-thirds of shoppers bought multiples of the same item with the intention of returning some of them.

We all realize that returning items results in extra carbon emissions from transportation. In the U.S., return shipping creates over 15 million metric tons of carbon dioxide emissions annually – more than the emissions from 3 million cars. But most people assume that returned goods are simply resold, the same way that items discarded in a dressing room or left in a shopping cart are reshelved for sale in a store. Unfortunately, that's not always true.

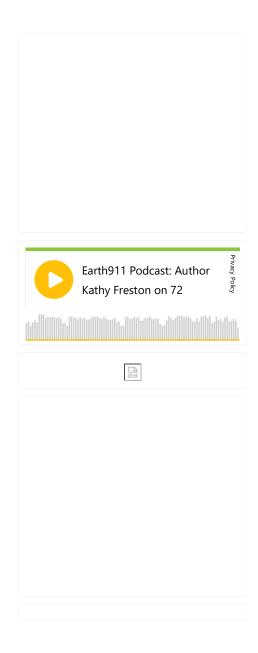
Environmental Cost of Online Returns

Up to 30% of all online purchases are returned. But some aspects of the returns process haven't been well documented yet. The <u>Internet Society Foundation</u> recently awarded a grant for the first full life cycle study of the environmental impacts of product returns to the <u>Project on the Energy and Environmental Implications of the Digital Economy</u>.

Information on what happens to returned item's packaging is limited. But damage during return shipping, and unpacking for inspection before resale, increase the likelihood of shipping resold items in new packaging. Overall, only about 54% of packaging gets recycled.

Manufacturers expect a significant percentage of their products to go to waste. So they intentionally produce more than they expect to sell to ensure that there will be enough of whatever sizes or models prove to be "keepers." Quantifying the amount of waste related to intentional overproduction is nearly impossible.

But even without comprehensive data, it's obvious that the environmental cost of <u>online returns</u> is significant. <u>Five billion</u>



pounds of returned goods end up in U.S. landfills each year. Less than half of returned goods are resold at full price. Sometimes it's cheaper to throw away merchandise than to repackage, re-inventory, store it, resell it, and ship it out again. Amazon (responsible for about 40% of online sales in the U.S.) sells tons of returned inventory to e-commerce liquidation websites; it's hard to track that merchandise. But there's evidence that a lot of liquidated merchandise ends up in the landfill anyway.

Solutions

France is taking the lead in reducing waste from unsold and returned goods. In what may be the <u>first law of its kind</u> in the world, in 2020 the French parliament banned companies from throwing away many kinds of unsold goods. Now producers must reuse, redistribute, or recycle unsold products.

Retailers can reduce returns by providing accurate, detailed product photos and descriptions to help shoppers know exactly what they are ordering. New technology and shipping strategies can also make the returns process less wasteful. For example, ZigZag is a platform that helps retailers consolidate returns in a network of warehouses for bulk reverse shipping. Happy Returns employs reusable containers to consolidate and bulk-ship box-free returns at hubs in California and Pennsylvania. Startups like RePack and LimeLoop offer reusable shipping pouches for online apparel orders. Merchandise can also be stored locally and shipped directly to a new customer.

Individual consumers have a part to play, too. When shopping online, take the extra time to research products carefully. Only order what you truly expect to keep and use. Shopping more mindfully is shopping less wastefully.



Reading time: 3 mins

Easy Carbon Sequestration
You Can Do Yourself