ReturnPro

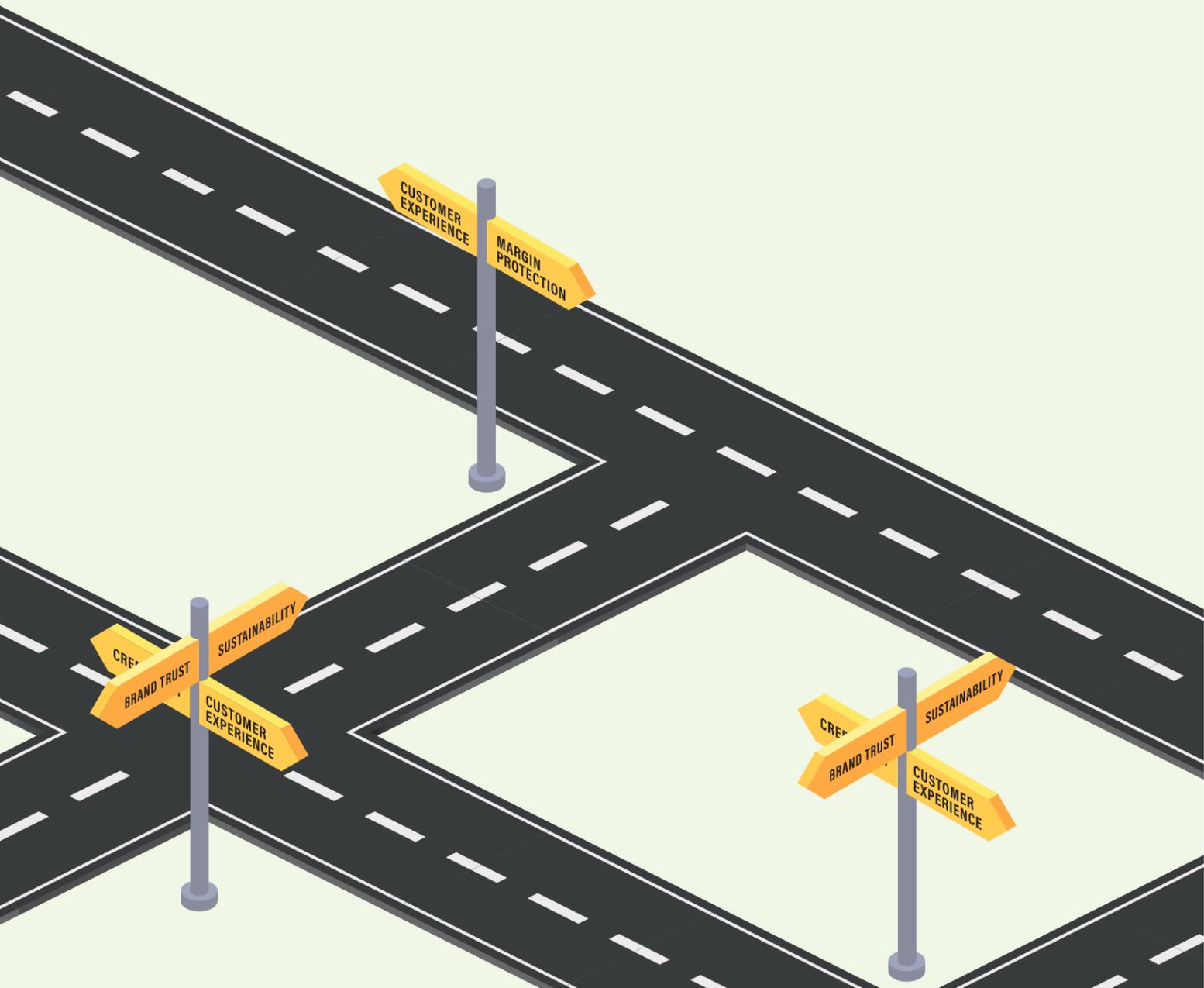# The Consumer TRUST GAP Retail Can't Ignore

What retailers need to understand about consumer behavior, returns, and circularity in 2026.

CONSUMER SURVEY REPORT

Insights from 1,000 U.S. consumers on returns, trust, and circular retail

Contents

A Letter from the CEO

Retail is entering a moment of reckoning, not only because returns are increasing, but because expectations around returns have as well.

Over the past year, we set out to understand how consumers really experience returns today: how they shop, how they decide, how they return, and what they believe happens after an item comes back. What we found was not a story about logistics or policy. It was a story about trust.

Consumers have moved faster than retail systems have evolved. They shop fluidly across channels. They expect flexibility without friction. They hedge when confidence is low. And perhaps most strikingly, they assume that returns are handled responsibly and given a second life, even when that isn't always the case. That assumption shapes how confidently they buy, how loyal they remain, and how forgiving they are when something goes wrong.

Returns now sit at the intersection of customer experience, margin protection, sustainability credibility, and brand trust. They are no longer a back-office function or a defensive necessity. They are a visible signal of whether a retailer understands and respects how modern consumers behave.

This report brings those realities into focus. It explores where expectations are rising, where tolerance is shrinking, and where risk and opportunity now concentrate. It surfaces uncomfortable gaps between perception and reality, and it challenges long-held assumptions about how returns should be managed.

What's clear is this: winning in 2026 will not be about ignoring or eliminating returns. It will be about managing them deliberately, intelligently, and credibly across their full lifecycle, from purchase confidence to return handling to second life. Retailers that do this well will protect trust, recover value, and strengthen loyalty. Those that don't will face growing risk exposure, often before they realize it.

Our goal in publishing this report is not to prescribe a single solution. It is to elevate the conversation. To move returns out of the shadows and into the strategic spotlight they deserve. And to challenge the industry to align operations with how consumers already shop, return, and expect products to be treated after they come back.

We hope these insights spark meaningful discussion, honest reflection, and decisive action.

Thank you for reading and for being part of the work ahead.

Regards,
Sender Shamiss
CEO

About This Report

Returns have become one of the most misunderstood, yet most strategic, elements of modern retail. They influence how confidently consumers buy, how brands are perceived, how margin is protected, and how sustainability commitments are judged.

This report examines how consumer expectations around returns are evolving heading into 2026, and where those expectations are now outpacing retail reality. It explores how shoppers move between channels, how economic pressure is reshaping tolerance for friction, where return risk concentrates by category, and how perceptions of circularity and second life are reshaping trust.

This report is organized into four "boxes," each examining a different dimension of the returns experience.

BOX 01 — **Box One** explores how consumers expect to shop, return, and move seamlessly between channels.

BOX 02 — **Box Two** examines why consumer tolerance for friction is shrinking, and why the margin for error is disappearing.

BOX 03 — **Box Three** breaks down where return risk concentrates, how uncertainty shapes behavior, and why precision matters.

BOX 04 — **Box Four** reveals the growing perception gap around circularity, and why transparency and second life are now trust imperatives.

Together, these insights show why returns are no longer a back-office function, but a visible signal of whether retail operations align with how consumers already behave.

Methodology

This report is based on a national consumer survey conducted to understand evolving attitudes, expectations, and behaviors related to shopping, returns, and post-return outcomes.

Snapshot

1,000
Consumers surveyed

United States
Geography

Online survey
Method

December 2025
Fielding period

Broad mix of ages, genders, and income levels
Demographics

Survey Focus Areas

- Shopping and return behavior across online and in-store channels
- Attitudes toward return policies, speed, and flexibility
- Perceptions of what happens to returned items
- Views on sustainability, reuse, and transparency
- Comfort with emerging technologies such as AI-enabled shopping tools and social commerce

Note on Interpretation
Findings reflect self-reported consumer behavior and perceptions at the time of the survey.

Introduction

$850B returned annually
(16–17% of retail sales)[1]

81%
check return policies
before making
a purchase

71%
less likely to shop again
after a poor returns
experience

Let's take a look inside the box to see what we're working with

Before retailers can solve returns, they must confront the scale of the challenge inside the box.

In 2025, U.S. consumers returned nearly **$850 billion** worth of merchandise, representing roughly **16–17%** of total annual retail sales.[2] Online purchases continued to drive a disproportionate share of this activity, with our own research showing that **25%** of online purchases are returned overall. Across categories like apparel, footwear, athleisure, and luxury, return rates routinely climb into the **20–40%** range, and in some cases far higher due to fit, sizing, and expectation gaps.

Beyond the product itself, returns create a second, often overlooked burden: working capital and supply chain drag. Roughly **$200 billion** annually is tied up in the physical movement, handling, and processing of returned inventory.[3] During peak periods, return volumes surge another **15%**[4], stretching labor, facilities, and margins at the worst possible moment.

At the same time, the environment around retailers has become more complex. Tariff pressure remains elevated, inventory availability is inconsistent, fraud risk is rising, and consumers are more value-sensitive than ever. Nearly **81%** of shoppers now read return policies before purchasing, and **71%** say a poor returns experience makes them less likely to shop with a retailer again.

But beneath these operational and economic pressures lies a deeper, less visible tension, one that fundamentally reshapes how returns should be understood.

Consumers are increasingly operating under the assumption that retail is already circular, meaning returned products are responsibly restocked, resold, or reused as part of a closed-loop system. That belief quietly underpins how confidently they buy, how freely they return, and how much trust they place in brands and retailers.

In reality, what happens after an item comes back depends entirely on operational capability. And when consumer perception and retail reality diverge, returns stop being a back-end process and become a front-line trust issue.

This isn't just a returns problem. It's a retail strategy problem.

Every return begins with a box, but what happens next is rarely understood. Shoppers see the front of the process. Retailers manage the back of it. Trust is built in the space between.

Each "box" in this report reveals a different side of the returns equation, showing how customer behavior, operational decisions, and circular outcomes are connected, and why misalignment between them matters.

To win in 2026, retailers need to think outside the box. It's not about shipping faster, it's about their consumers buying with confidence, knowing that any returns or exchanges will be handled responsibly.

BOX 01

How Consumers Expect to Shop, Return, and Move Between Channels

Same Box, Different Route

Today's shoppers aren't picking channels anymore; they're hybrid, omnichannel consumers who assemble shopping journeys, moving seamlessly across online and in-store touch points based on price, convenience, and confidence. This flexibility is no longer a preference. It is an expectation. Consumers assume optionality across channels and penalize retailers when it's missing.

In fact, **61% of consumers now shop and return across both channels**, reinforcing that retail is no longer a series of separate experiences, but a single, fluid journey. That fluidity reflects how shoppers manage risk and uncertainty before committing to a purchase, not just how they seek convenience.

How Cost Pressure Shapes Purchase Decisions
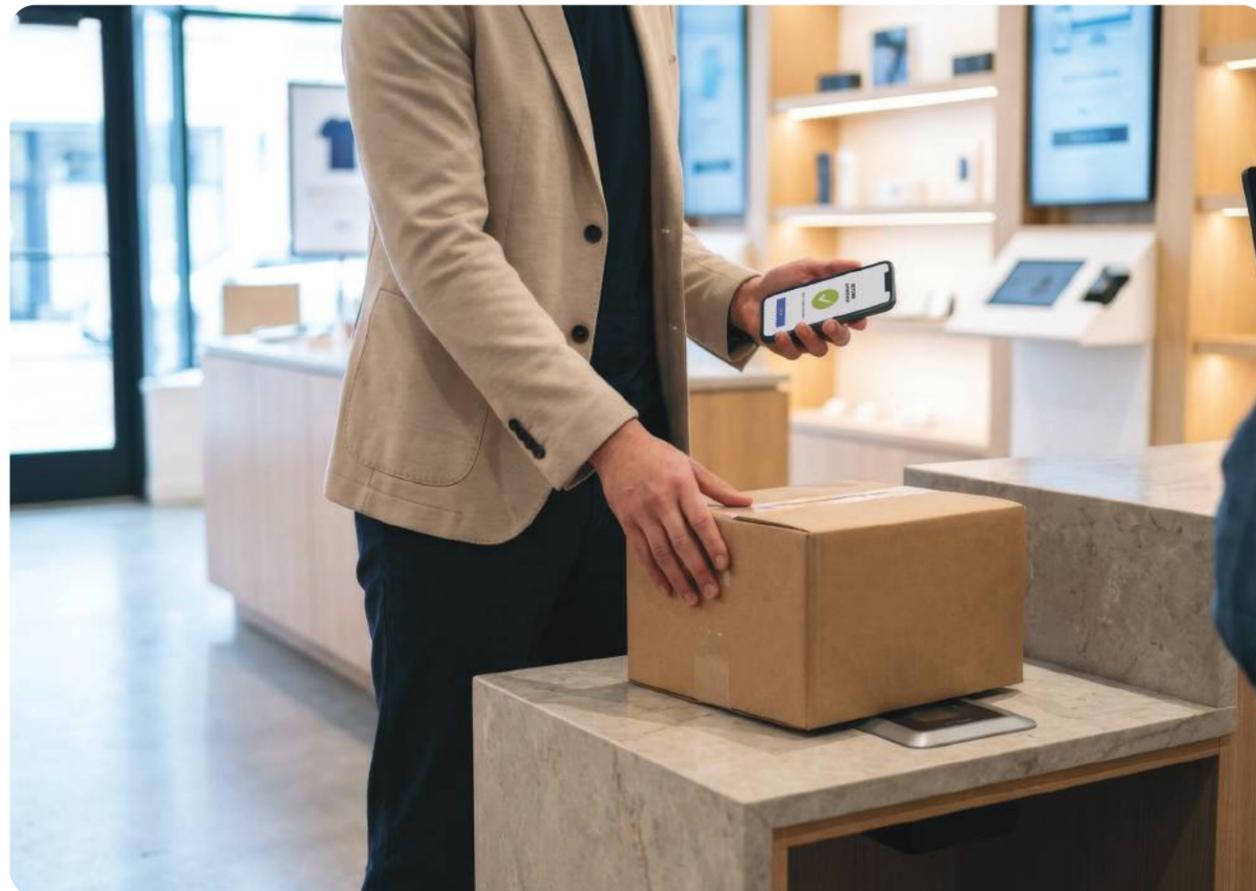
PURCHASE DRIVERS

79%	75%	44%
price	quality	convenience

BEHAVIOR SHIFTS

37%	33%
buy fewer items	switch to cheaper brands

Returns act as a built-in safety net, giving shoppers confidence to buy before decisions are final as budgets tighten.

Online Returns at a Glance

The shift is most visible in how online purchases come back. Online sales now account for a growing share of total retail revenue, with nearly **$362 billion** in online purchases returned in the U.S. in 2024 alone[5], and those returns are increasingly crossing channel boundaries. A significant portion of online purchases are no longer returned by post mail at all; instead, consumers are bringing items back in-store (BORIS) or shipping them back with an augmented technology experience (BORO).

This shift isn't accidental. It reflects how shoppers weigh convenience, speed, and confidence when deciding how to return an item. While online return rates remain materially higher than in-store, in-store returns of online purchases now represent a massive and growing share of total return volume. These choices aren't just about proximity or speed. They reflect how consumers balance effort, control, and confidence when an item doesn't meet expectations. Ultimately, consumers are choosing the return path that best fits their schedules and expectations, not the one dictated by a retailer's internal process.

The takeaway is simple and unmistakable: Customers don't see channels. And they expect options.

25%	15%	~10%
online sales returned overall	online purchases returned in-store (BORIS)	online purchases returned online (BORO)

How Retailers Can Design Returns for a Hybrid, Omnichannel Shopper

Retailers seeking to deliver the ultimate returns experience should consider:

- Unify online and in-store return systems so BORIS and BORO operate as core workflows, not exceptions

- Offer flexible return paths (in-store, mail, or digital) and make those options visible early in the shopping journey to reinforce confidence at purchase

- Design returns around speed, simplicity, and consistency across channels to reduce friction and confusion

- Leverage cross-channel returns data to better understand customer behavior and optimize both conversion and recovery outcomes

Retailers who continue to treat online sales, in-store sales, BORIS, and BORO as separate systems introduce friction at precisely the moment shoppers expect ease. That friction does not just complicate returns; it erodes confidence before the sale ever happens. Those who unify these paths create faster resolution, stronger loyalty, and more opportunities to recover value. When returns are designed to mirror how consumers already shop, they become a source of confidence, not frustration.

Returns should move as seamlessly as consumers do, across channels, without friction, and with confidence built in.

BOX 02

Rising Expectations, Shrinking Margin for Error

Do I Really Want This Box?

37%	**33%**	**30%**
are buying fewer items	are switching to cheaper brands	are waiting for sales

Consumers are shopping under pressure, and it is fundamentally changing how much friction they are willing to tolerate. Cost-of-living concerns, time constraints, and heightened expectations are compressing the margin for error across the entire shopping and returns experience.

Shoppers are actively adjusting their behavior to stretch their spend. The result is a more deliberate consumer, one who plans purchases carefully, trades down when necessary, and is far less forgiving when something goes wrong.

In this environment, returns are no longer a safety net. They are a stress test.

Where Friction Breaks Trust

40%	**44%**	**2%**
expect refunds or store credit immediately	expect refunds within three days	are comfortable waiting more than a week for refund

Consumer frustrations with returns consistently cluster around four pressure points:

- Cost (paying for return shipping)
- Speed (refunds taking too long)
- Access (hard-to-reach customer service or inconvenient drop-off options)
- Rules (items not being eligible for return)

These frustrations map directly to levers retailers can control, and they compound quickly. When returns feel expensive, slow, or exclusionary, dissatisfaction escalates into abandonment. Speed, in particular, has become non-negotiable.

Slow refunds are no longer an inconvenience. They are a breach of expectation.

Open to Technology, but Only If It Reduces Friction

Consumers are not resistant to technology, but their tolerance is conditional. Automation, AI, and new shopping formats are welcomed only when they make the experience easier, faster, or clearer.

The signal is clear: consumers are open, but not blindly. Innovation earns trust only when it removes friction and reinforces confidence.

OPENNESS TO TECHNOLOGY IN RETAIL

~66%
comfortable with data-driven personalization

52%
comfortable with AI-powered retail tools

20%
actively uncomfortable with AI

SOCIAL & LIVE COMMERCE ADOPTION

53%
have made a purchase

46%
have watched a live shopping event

TRUST DYNAMICS

38%
trust reviews on retailer sites more than from influencers

40%
trust retailers' and influencers' reviews equally

Consumers are open to innovation, but trust and clarity determine adoption.

Why This Matters for Returns

In a high-pressure environment, tolerance for friction collapses. Consumers who are spending more carefully expect returns to be fast, fair, and predictable. When they aren't, trust erodes quickly.

This is the context in which return strategies now operate. Returns are no longer judged in isolation, they are evaluated as part of a broader experience where cost, speed, clarity, and confidence all matter.

Retailers are not facing a more demanding consumer by accident. They are facing one shaped by constraint, who are far less willing to absorb friction on the retailer's behalf. They are losing patience. And

when consumer patience shrinks, the consequences of friction grow.

In a high-pressure environment, small points of uncertainty turn into hedging behavior. Minor delays become deal-breakers. And uneven policies quickly expose retailers to higher costs, higher abuse, and greater trust erosion.

This is where return risk truly takes shape, not evenly or accidentally, but concentrated by category and amplified by how consumers respond when confidence breaks down.

BOX 03

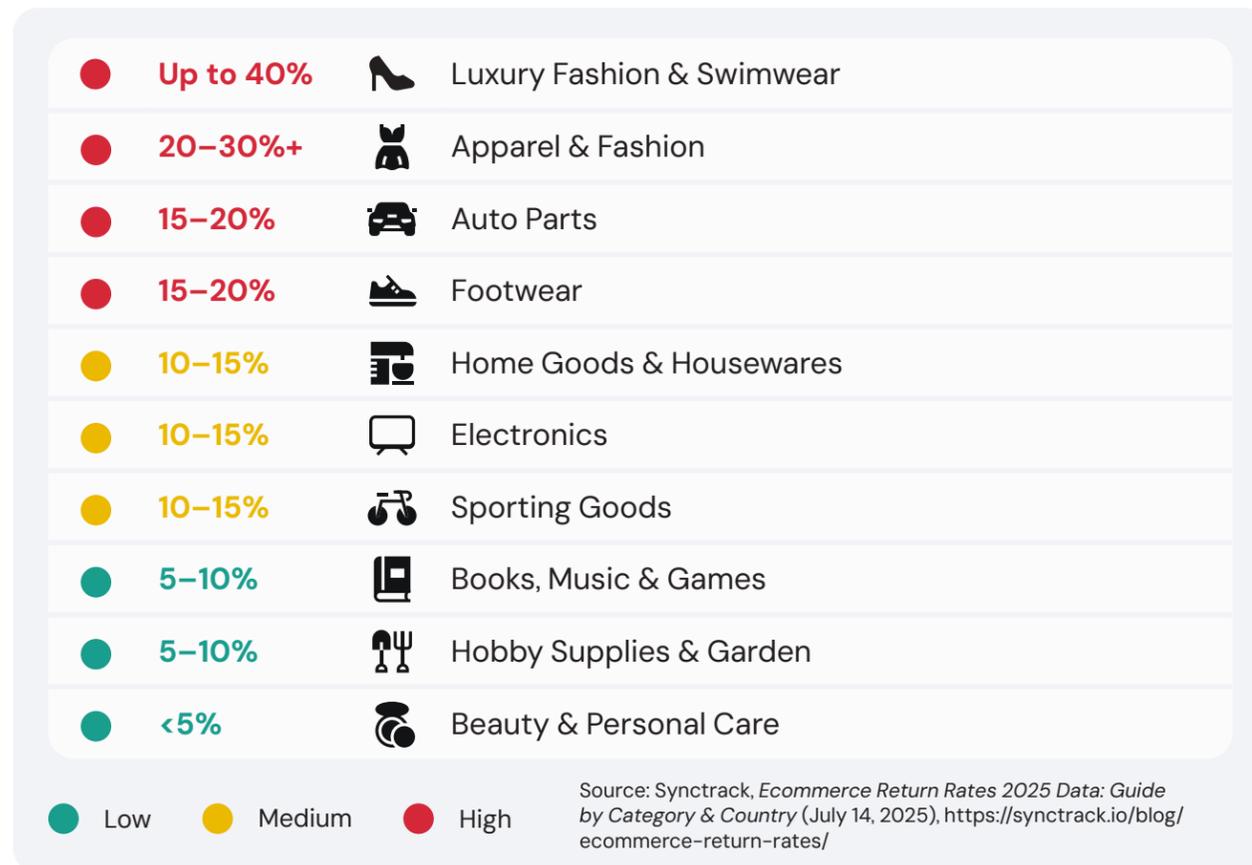# How Risk, Uncertainty, and Category Dynamics Shape Return Behavior
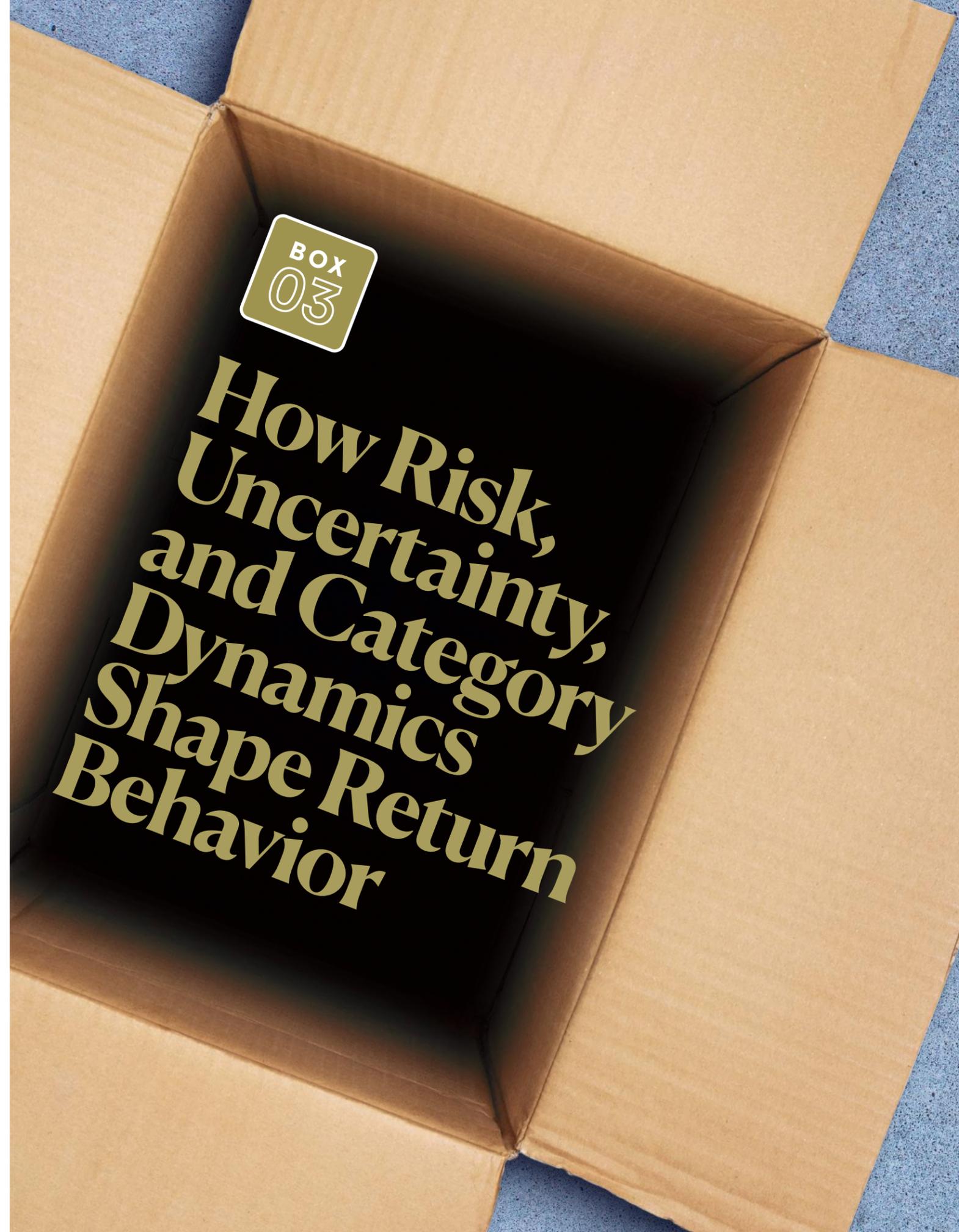
Breaking Down the Box

Return exposure varies dramatically by category. Treating all returns the same is one of the most expensive mistakes retailers can make. In many segments, returns are no longer an exception and instead are embedded in the buying behavior itself. As fit uncertainty and subjective expectations increase, so does return risk.

This is where the limits of confidence become visible. Categories with higher uncertainty expose retailers to higher return volume, higher operational cost, and a greater likelihood of behavior that strains return policies. Understanding where return risk is highest and why is foundational to managing returns as a strategic risk rather than a blunt operational cost.
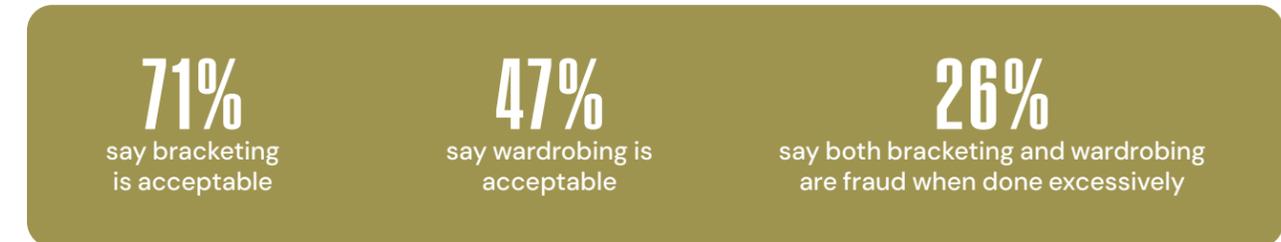
Return Risk / Rates by Category

🔴 **Up to 40%**	👠	Luxury Fashion & Swimwear
🔴 **20–30%+**	👗	Apparel & Fashion
🔴 **15–20%**	🚗	Auto Parts
🔴 **15–20%**	👟	Footwear
🟡 **10–15%**	🏪	Home Goods & Housewares
🟡 **10–15%**	🖥	Electronics
🟡 **10–15%**	🚲	Sporting Goods
🟢 **5–10%**	📖	Books, Music & Games
🟢 **5–10%**	🍴	Hobby Supplies & Garden
🟢 **<5%**	🎧	Beauty & Personal Care

🟢 Low   🟡 Medium   🔴 High

Source: Synctrack, *Ecommerce Return Rates 2025 Data: Guide by Category & Country* (July 14, 2025), https://synctrack.io/blog/ecommerce-return-rates/

As confidence falls, return risk rises. Categories with higher fit, compatibility, or expectation uncertainty consistently see higher return rates. Treating all returns the same ignores where risk actually lives and guarantees unnecessary cost.

Returns are not a policy problem. They are a confidence problem.

Bracketing vs. Wardrobing: Two Very Different Return Behaviors

71% say bracketing is acceptable

47% say wardrobing is acceptable

26% say both bracketing and wardrobing are fraud when done excessively

As return risk increases, consumers respond in different ways, and not all return behaviors are created equally.

Bracketing, the practice of purchasing multiple sizes or variations with the intent to keep one and return the rest, is widely viewed as an acceptable hedge against uncertainty. In categories where fit or preference is difficult to predict, many consumers see bracketing as a rational response to risk rather than an attempt to exploit policy. At the same time, consumers themselves draw a line when bracketing becomes excessive.

Wardrobing, by contrast, reflects a fundamentally different dynamic. Buying an item with the intent to use or wear it once and then return it crosses from uncertainty management into misuse. While roughly **23%** of consumers admit to having wardrobed, most recognize the behavior as fraudulent. Only **22%** reject the fraud label outright—suggesting not confusion, but conditional moral rationalization.

Bracketing is primarily a response to low confidence at purchase. Wardrobing is abuse that most consumers recognize as wrong, but one that persists where policies are ambiguous, enforcement is inconsistent, and one-off behavior is easy to rationalize.

By imposing blunt restrictions that lump bracketing and wardrobing together, retailers lose twice by frustrating good customers and perpetuating misuse. Precision matters: uncertainty should be addressed with better tools and guidance at purchase, while abuse requires targeted controls and enforcement at return.

Roughly 9% of all returns are classified as fraud, costing retailers billions annually.

How Retailers Can Manage Return Risk Across the Purchase and Return Lifecycle

Returns don't have to represent uncontrolled risk or revenue loss. Handled correctly, they become managed decision points, where uncertainty is reduced upfront, legitimate returns are resolved fairly, and abuse is addressed with precision. The goal is to protect confidence, keep customers engaged, and preserve value across the purchase and return lifecycle.

To reduce uncertainty and limit bracketing at purchase, retailers should consider:

- Using AI-powered sizing and fit tools to improve confidence in high-risk categories
- Providing trusted product guidance and clearer expectation-setting before purchase to prevent unnecessary returns

To control exposure and prevent abuse at return, retailers should consider:

- Converting legitimate returns into exchanges, store credit, or resale to retain value
- Using software to identify wardrobing and repeat abuse, applying targeted controls without penalizing good customers

Managing return risk protects margin, but it does not guarantee trust. Consumers rarely see the complexity, controls, or tradeoffs that govern what happens after a return. What they do assume is that returned products are handled responsibly and given a second life.

Returns stop being an operational challenge and become a trust issue when risk management and recovery realities are misaligned.

BOX
04

Sustainability, Transparency, and Reassurance Inside the Box

6%

believe returned products are sent to landfills

While many retailers work hard to avoid waste, circular outcomes are not automatic or universal. Without consistent inspection, recovery, and resale pathways, returned items can be diverted to liquidation, secondary markets, or disposal, often downstream and outside the retailer's direct visibility. What matters most is not intent, but whether outcomes can be confidently measured and proven.

Same Box, Second Life

61% want retailers to disclose what really happens to returns

16% admit they do not what happens to returned items

Most shoppers assume returned products are restocked, resold, or responsibly reused. Very few imagine they end up as waste.

As sustainability concerns move from abstract to personal, shoppers increasingly want visibility into what happens after an item comes back. This is not about scrutiny. It is about confidence. Consumers want assurance that retailers are acting responsibly behind the scenes, particularly as environmental impact receives greater public attention.

That belief and that expectation together create a trust contract. When reality doesn't match what consumers assume is happening behind the scenes, returns stop being an operational challenge and become a reputation and trust risk.

Perception → Reality: The Black Box of What Happens to Your Returns

73%
say they would feel better about making returns if they knew items were reused or refurbished. This represents a significant information gap. Transparency matters, especially because returns trigger guilt and uncertainty for consumers. When brands clearly communicate reuse and refurbishment paths, they reduce friction, build trust, and reinforce loyalty.

38%
believe returned items are simply resold as new. This is rarely the case. More than **80%** of returned items cannot be restocked immediately and must first undergo inspection, testing, refurbishment, or repair, if they can be resold at all.

33%
believe returned items are refurbished and resold. This can happen, but only when retailers have the right reverse supply chain and reCommerce infrastructure in place. Without it, returns are often routed to liquidation channels, yielding pennies on the dollar, while many items ultimately end up in landfills downstream.

What makes these findings so striking is the size of these gaps themselves. Most consumers assume returns are restocked, resold, or refurbished as part of a circular process. In reality, circularity is not guaranteed, and it is not automatic. It is operational, and it is dependent upon a multitude of factors from category to sales channel to infrastructure. That disconnect between belief and reality is where the real story of returns, trust, and sustainability lives heading into 2026.

That disconnect between belief and reality is where the real story of returns, trust, and sustainability lives heading into 2026.

Consumers Are Ready for ReCommerce

85% would consider buying open-box, refurbished, or previously returned items at a discount

61% purchased secondhand, refurbished, or pre-loved products in the past year

Encouragingly, consumers are already embracing circularity, meeting retailers halfway.

The stigma around secondhand and returned goods has largely faded, replaced by growing acceptance and, in many cases, preference.

This proves that the demand is already there. Shoppers are signaling a willingness to participate

in a more circular retail ecosystem, if they trust the quality and transparency behind it. Retailers that invest in recovery, refurbishment, resale, and clear communication stand to capture incremental margin, stronger loyalty, and deeper trust. Those that do not risk leaving both value and credibility on the table.

How Retailers Can Build Trust Through Transparency and Reassurance

To earn customer trust and confidence, retailers should consider:

- Clearly disclosing return outcomes, including what percentage of items are resold, refurbished, recycled, or responsibly discarded
- Explaining the post-return journey so customers understand what happens after an item comes back
- Making reCommerce and recovery programs visible across product pages, return portals, and post-purchase communications

- Being upfront about category-specific constraints, especially where safety or hygiene prevents resale
- Publishing returns and sustainability metrics as part of broader ESG or impact reporting

Handled correctly, it becomes a differentiator that signals accountability, credibility, and long-term commitment, ultimately strengthening customer trust and unlocking recovery value.

Clear, proactive disclosure around return outcomes is no longer optional.

What It Will Take to Win in 2026

Close the Box: Bridging the Trust Gap

In 2026, returns can no longer be managed defensively. The data is clear: returns now sit at the intersection of consumer confidence, margin protection and recovery, sustainability credibility, and brand trust. The future is not about eliminating returns. It is about managing them deliberately, transparently, and in line with how consumers already behave. Ultimately making them work better for the business and consumers alike.

Across every finding in this report, one truth emerges: consumers have evolved faster than most retail return strategies. They shop fluidly across channels. They expect flexibility without friction. They hedge when confidence is low. They assume circularity exists, and they reward retailers who prove them right.

Winners Will Rethink Returns Across Four Critical Dimensions

01 Design returns as part of the shopping experience

Customers already move seamlessly between online and in-store. Returns must follow that same logic. Omnichannel returns, BORIS, BORO, and in-store exchanges should operate as a single system, not disconnected workflows. Friction here does not just create operational cost. It kills conversion before the sale ever happens.

02 Use returns to protect and recover revenue

Treating them passively is. Retailers should focus on preventing unnecessary returns before purchase through better product data, sizing, and guidance, then recovering value after purchase through exchanges, store credit, resale, and recommerce. Every return is a decision point. The question is whether that moment loses revenue or retains it.

03 Replace blunt policies with intelligent control

Bracketing and wardrobing are not the same problem, and treating them as such creates unnecessary friction. Bracketing reflects uncertainty at purchase. Wardrobing includes abusive behavior, some of which is fraudulent, enabled by inconsistent enforcement. At the same time, not all fraud looks like bracketing or wardrobing. Retailers need smarter tools to identify risk, protect against misuse, and preserve a fair experience for good customers. Precision beats restriction.

04 Make circularity visible and credible

Consumers overwhelmingly believe returns are handled responsibly and given a second life. That belief is not aspirational. It is assumed, and it creates a silent test every retailer is already being measured against.

If a customer asked today what happens to your returns, and the honest answer is not "the majority are resold, refurbished, or responsibly recirculated," then trust is already at risk, whether that customer knows it yet or not.

Retailers that invest in inspection, refurbishment, resale, and clear disclosure will not only reduce waste; they will meet customers where customers already believe the industry is. Those that cannot will face a growing gap between perception and reality, where confidence erodes quietly and loyalty disappears without warning.

Transparency is no longer optional. It is how brands prove they deserve trust in an environment where assumptions about circularity will inevitably be tested by customers, regulators, and increasingly, fraud controls.

Thinking outside the box for 2026 does not mean inventing something new. It means finally aligning retail operations with how consumers already behave, and to be able to stand behind those outcomes when asked.

If your returns process does not address the full lifecycle, from purchase confidence to return handling to second life, then it is no longer aligned with how consumers expect retail to work.

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