

UNPACKED

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The retailer's explainer for all things post-purchase



The make-or-break moment in retail often happens after the customer clicks buy – the moment at which they place an order with a new retailer.

It's not a positive moment if they hear nothing but crickets for the next few days, or they want to return an ill-fitting item and they're sent on a wild goose chase to receive an RMA number.

On the other hand, the experience can stand for the start of something powerful if the retailer gets those crucial post-purchase steps right.

The post-purchase experience is where brand loyalty lives or dies. It's where customers' excitement and engagement with a retailer are at their peak. They've spent their money and are looking forward to receiving the items. To a degree unlike any other phase of their journey, the customer is willing

to engage with the retailer. Need proof? Package tracking emails alone carry an [open rate](#) of approximately 70%.

At the very moment in which customer sentiment and favorability toward the retailer has peaked, sellers that fail to engage with meaningful post-purchase experiences miss a vital opportunity – not to mention future business. And they miss a chance to learn and advance their own operational and logistical efficiencies.

In this new Unpacked guide, Modern Retail and Narvar dive into the life cycle of everything post-purchase. Featuring expert insights and a deep look at what happens after shoppers click the buy button, this guide highlights the opportunities packed into the post-purchase experience.



What's in this Unpacked guide?

- [What the post-purchase experience encompasses and how it works](#)
- [How returns can be optimized for better post-purchase outcomes](#)
- [Why partnerships are key to optimizing the post-purchase experience](#)
- [The characteristics of a successful post-purchase experience](#)
- [How to strike a balance between the customer's experience and the retailer's needs – and revenue](#)

What is post-purchase and when does it begin?



The post-purchase experience, or post-purchase for short, encompasses the segment of the customer journey that begins at checkout, runs through the period of waiting to receive an order and then extends, if necessary, to any steps that might occur after this, such as returns.

While most of the post-purchase process occurs after a customer clicks the confirmation button on an order, elements are often pulled forward earlier in the purchase cycle, like setting delivery expectations up front. Post-purchase is also intrinsically connected to a brand or retailer's returns and exchange policy and how that is communicated and optimized while the customer is still considering the purchase.

Post-purchase may look different depending on the brand and retailer involved. Still, in general, it includes all of the

touchpoints that happen between the customer, retailer and carriers while the purchase is in transit to the customer. The life cycle consists of the estimated delivery date, transactional and order confirmation communications, shipping and delivery notifications and updates. It also encompasses relevant product education experiences and opportunities to turn these communications into upsells and add-ons.

Post-purchase communications often happen over email. Some retailers also offer opted-in messaging via SMS, push notifications or a chatbot. Order tracking pages and returns portals are also essential channels in the post-purchase experience and play critical roles in communicating relevant status updates to customers.

Wait, isn't this what marketers do in any CRM or loyalty program?

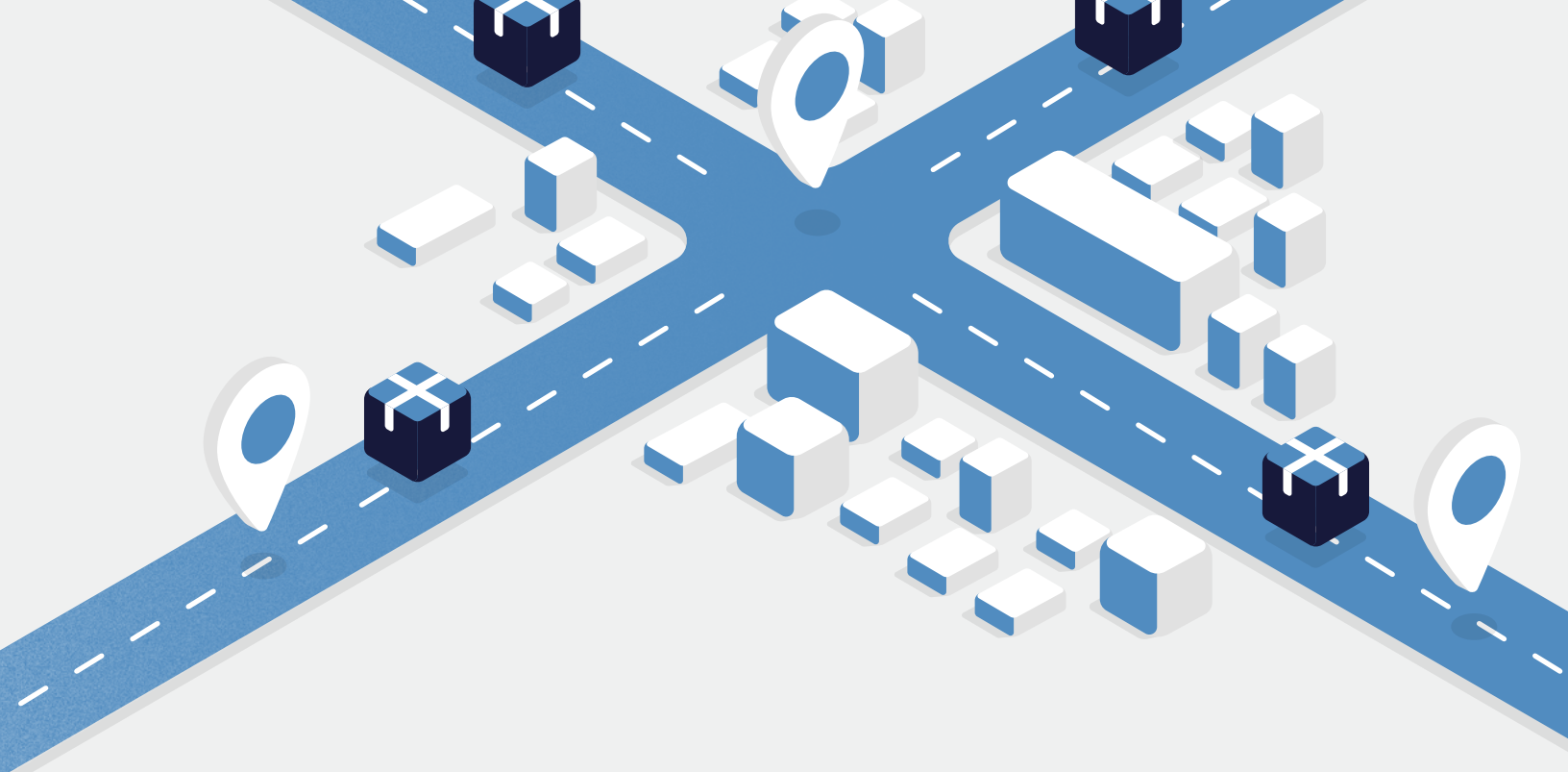


Post-purchase is different, and it shouldn't get lumped into other life cycles and processes.

While parts of the post-purchase experience may fall under marketing's domain, it tends to be a more focused journey, confined to an experience with narrower parameters than most customer relationship management approaches. In short, the post-purchase experience occurs on a transactional basis, meaning that it is intrinsically tied to

a specific purchase and a specific consumer mindset at a moment of high anticipation.

This differentiates post-purchase experiences from an email from the brand or retailer offering a coupon code for a future purchase. The latter is more specific to acquisition and CRM in the general sense rather than the post-purchase experience this guide addresses.



Why do retailers need to pay attention to this focused post-purchase approach?

When it comes down to it, there are two main reasons. First, the opportunity is about engagement.

“People want to know what’s going on with the package they’re waiting for or the refund they’re expecting, so they’re much more engaged,” said Andria Tay, global director of marketing and communications at Narvar. “Open rates are much higher for any kind of transactional email as opposed to other kinds of marketing emails.”

This makes all post-purchase touchpoints valuable for a second outcome – deepening the brand-customer relationship. Whether it’s recommending relevant products, providing educational or set-up resources for the items ordered or anything else that’s transactionally specific, the results are measurable.

For example, Narvar client Urban Decay [implemented](#) an easy-to-use, branded order-tracking page to allow customers to check their order’s shipping and delivery status. The page included relevant opportunities to click through to the brand’s main website. Customers who accessed the site through this channel generated a 31% higher conversion rate than the average customer, and they ended up spending 37% longer on the site overall.

Second, the potential for loyalty-building is also an essential part of the post-purchase experience.

“The post-purchase experience is critical as a really powerful way for brands to build their connection directly with consumers which can lead to trust, which can lead to loyalty, which can lead to increased lifetime value,” said David Morin, senior director of retail and client strategy at Narvar.

So, it's not just shipping items quickly, post-purchase sounds like a strategy for communicating with customers

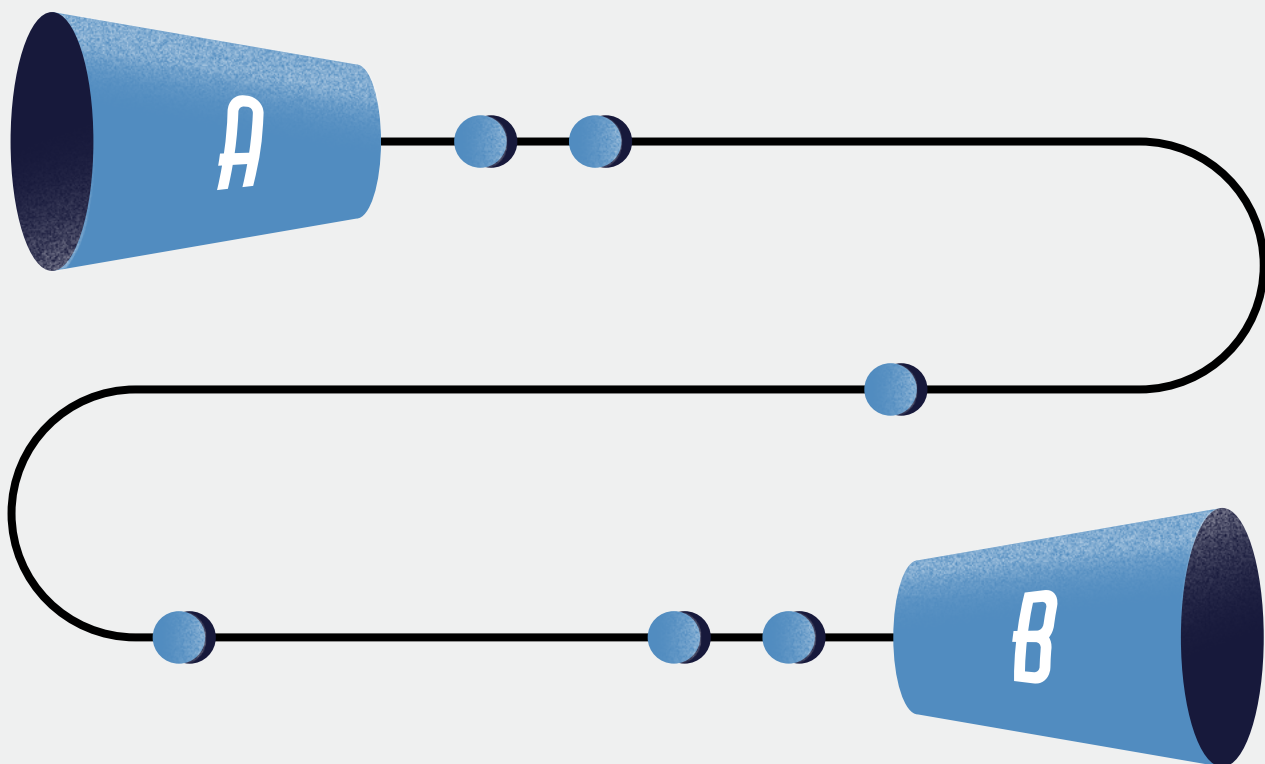
Yes, a practice of conversational communications – that's a helpful way of framing post-purchase.

Beyond the overarching goal of deep customer relationships and strengthened loyalty, the through-line is efficiency. The most robust post-purchase experiences are defined by clear and timely communication resulting from increasingly seamless logistics.

This starts with the retailer providing estimated delivery dates at the time of purchase, then extends to communicating relevant information that will help customers get the most from their purchase once it's received. It continues through delivery updates, returns instructions and status updates when needed.

And it's not a one-sided conversation. Communication from the consumer to the retailer is also crucial for processing returns efficiently. This consumer-provided information helps retailers gather quality assurance data – essential for spotting manufacturing issues and making informed inventory decisions.

From email and automated text updates to order-tracking landing pages and online returns portals, having user-friendly, seamless channels to manage expectations is the foundation of the post-purchase experience. It is a foundation to be leveraged for encouraging additional purchases and deepening customer relationships.



What about revenue? How does post-purchase fuel customer purchases?

First, they provide add-on and upsell opportunities through the various post-purchase communication points.

At Narvar, Morin explains: "Some brands that we work with see an opportunity to use things like product recommendations, product launches and promotions to capture repeat revenue immediately, and we typically see really strong success with this."

Bill Quinn, senior vice president of digital experience at Hibbett Sports, a Narvar partner, says that his team has been pleasantly surprised by this benefit of improving the post-purchase

experience.

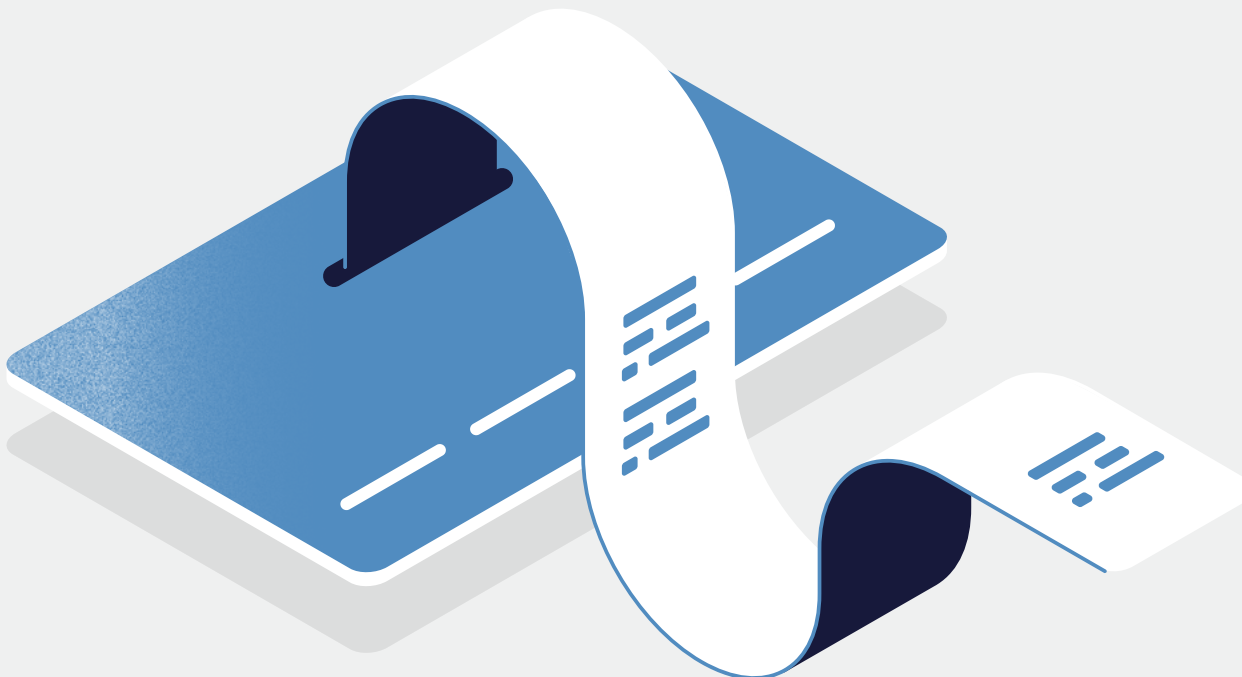
"Customers check their order status and delivery updates, and there's an opportunity while they're checking their status for us to talk about other things," Quinn said. "When we do that, it drives additional traffic and additional sales for us. We've definitely seen cost reductions, which was a nice secondary benefit as well."

Another approach is to provide customers with information relevant to the order they're awaiting, like instructions or FAQs.

Narvar client Sonos, the wireless home

sound system company, does this as part of its [post-purchase experience](#). Sonos's post-purchase content focuses on setting customers up for success, with information about creating a Sonos account and setting up the product once it's received.

"These are things that Sonos knows are essential to successfully onboarding a customer," Morin said, "so including those steps in the post-purchase content, when customers are eagerly awaiting their product, has resulted in higher engagement and higher lifetime value."



Especially with the explosion of e-commerce, returns are driving up retailers' costs.

How do returns figure into post-purchase experiences?

Returns can be a considerable challenge.

According to a June 2021 [survey by PwC](#), 31% of online shoppers indicated that a good return policy – including things like free returns and the ability to return items to a store or by mail – is the third-most-important factor to their decision to shop with a retailer online. The factor falls right behind fast and reliable delivery and in-stock availability of products.

An optimized returns process needs to be clear and simple enough to encourage first-time and repeat customers to make a purchase. And then, the negative impact of returns on the retailer's end – the operational costs involved in receiving and processing – must be minimized.

There are some steps retailers can take.

First, they can eliminate the mindset of deflecting returns to avoid the costs. As Morin at Narvar put it, "The retailers that will be best set up for success are the ones that understand that returns are now an expected and normal part of both the digital and physical shopping experience."

Narvar's Tay and Morin describe a retailer's return policy as part of the post-purchase experience strategy and a vital part of a retailer's acquisition strategy.

"A lot of people check the return policy before they even make a purchase," said Tay. "If you make it easy, or if it's free to make a return at least for the first purchase, it will encourage people to actually follow through with an order."



More specifically, how does the evolution of post-purchase change the way retailers approach returns?

Given the shift in dynamics around returns, retailers need to frame the experience to create a win-win for their customers and themselves.

In trying to balance their interests with a good customer experience, Morin said, "It's extra important that retailers look at each part of how they facilitate the return transaction to see if there are any levers that they can use to incentivize consumer behavior."

This includes incentivizing customers to make returns quicker to shorten the time frame of getting a returned item back into active stock. Brands can do this by offering a benefit, like cheaper shipping costs if the return is made within a certain amount of time from receipt.

This type of incentive can easily be used as an acquisition play and a loyalty strategy by offering first-time or repeat customers special rates or extra time to make returns. Retailers can also incentivize customers to return items to a store or drop-off partner rather than shipping them.

Some retailers are also working with partners to provide convenient drop-off points for customers to bring returns to pharmacies, grocery stores and shipping company counters.

Sometimes, these drop-off locations offer printerless or even boxless returns to up the convenience factor even further for the customer.

And the benefits of these systems go both ways. Narvar clients that use its drop-off location network, for example – with 30%–50% of their consumers utilizing it on average – see returns happen five days sooner and benefit from reduced freight costs.

Morin sums up two things to think about when it comes to returns: "How can you use convenience for the consumer as a competitive advantage? And at the same time, how can you make sure that you're managing those consumer experiences from an operational lens to be a little bit more efficient, cost-saving and sustainable? The retailers that do it best are the ones that are able to find the consumer experiences that are optimal, but still have benefits on their end as well."



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The operations and logistics factor



Operations are also a part of the post-purchase ecosystem.

Especially given the past two years, as the pandemic accelerated the popularity of digital shopping, with the increased volume of shipping orders and facilitating returns retailers had to reexamine and optimize these processes to control costs while still meeting consumer expectations for efficiency, flexibility and price. The current and much-publicized supply-chain problems causing shipping and receiving slowdowns add layers of complexity to this tricky balancing act.

According to Morin at Narvar, the clear and timely communication proposed in this guide is precisely the approach to addressing the challenge.

“If there are going to be any new external forces that might disrupt supply chain and delivery networks, having a post-purchase program that provides consumers transparent and proactive communication can be really critical to a positive customer experience,” he said.

For The Container Store, a Narvar partner, the recent supply chain constraints have been a significant impetus for optimizing the post-purchase experience.

As Kim Rentsch, the company's supply chain systems director, explained, “With those limitations, there's so much more of the customer experience to focus on, and that includes making sure that they have visibility on their packages – even more than normal.”

Even before the current supply chain troubles, The Container Store was working on operations and logistics as a critical phase of the post-purchase experience, especially for its custom closet packages. “As you can imagine,” said Rentsch, “post-purchase of a custom closet is very different from purchasing a soap dispenser. There are so many packages involved and installation timelines that we have to meet.”

To keep customers updated on the status of their orders, but not overwhelm them with single emails regarding each package, The Container Store instead sends these customers a daily digest including updates for all the components of an order.

“This approach has allowed us to provide that clear, consolidated, timely communication to our customers, without inundating them with emails,” Rentsch said.

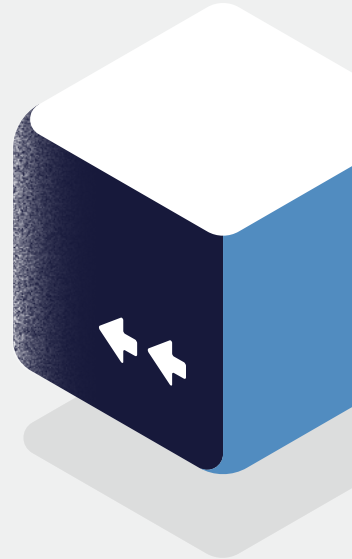
So, post-purchase starts as early as delivery details and clicking the buy button, then ends with returns.

Is that the long and short of it?

Not quite.

A successful post-purchase experience does not have an endpoint. Instead of a linear process with a beginning and an end, it's more accurate to think about it as a loop. Positive experiences at the touchpoints of post-purchase drive customers to engage with the brand again (and hopefully again and again).

"A single transaction might potentially end in a return, but the overall ecosystem of post-purchase doesn't stop there," Morin said. "The brands that do it best view post-purchase as yet another opportunity to continue to engage their consumers over and over again in a really positive and trust-building way."



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How are retailers expected to improve the post-purchase experience and still have time to market, sell and compete?

This is a common question.

Quinn at Hibbett Sports explains that it was one of the first things that came up for his team: “Challenge number one is just to key in how much time you can really dedicate to the post-purchase experience when you’re so focused on everything else.”

This is where partnerships come into play.

Such was the case for The Container Store, for example. According to Rentsch, “We realized that it would be really difficult to get the resources assigned toward the internal technology needed to accomplish the breadth of capabilities a partner like Narvar has because we have so many other things to handle internally. So, leaving the post-purchase experience to the professionals was just a no-brainer.”

Some providers focus on just one part of the post-purchase experience, such as returns; others handle all the touchpoints. Additionally, when data is collected from all of the touchpoints, it can be leveraged to optimize the overall customer experience and improve the retailer’s operational efficiency.

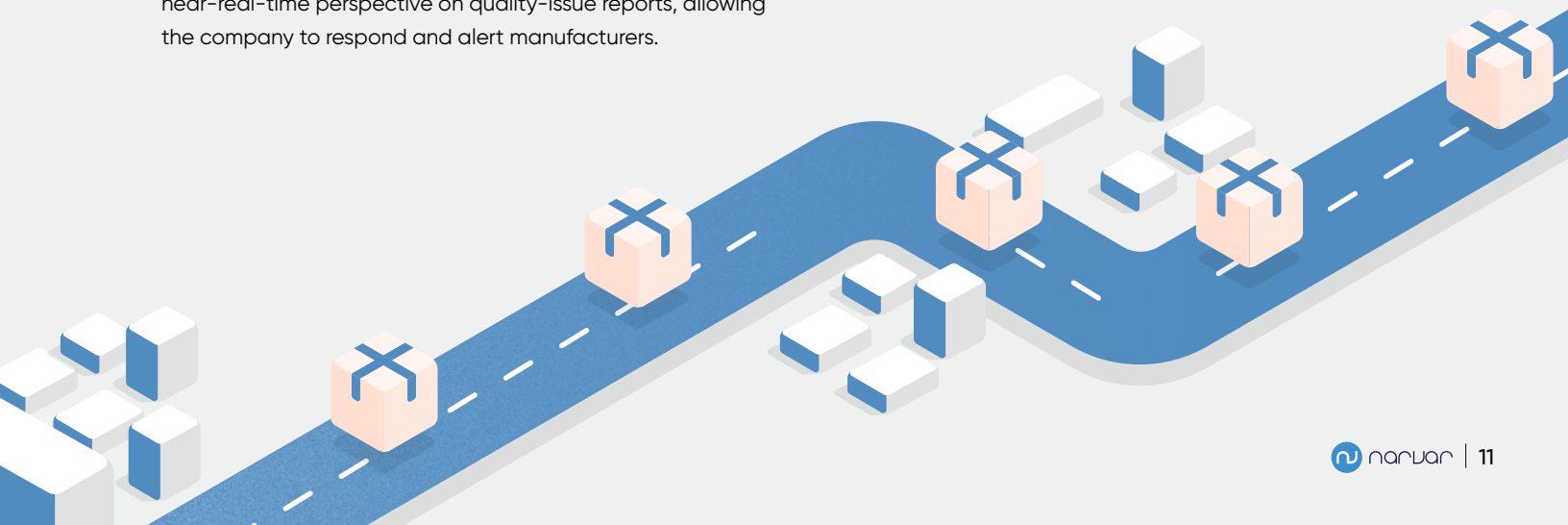
For example, at Signature Hardware, a home fixture and design company, [returns data](#) ended up providing the added benefit of ensuring that product information was accurately portrayed to improve customer satisfaction and cut down on returns in the first place. The data also offered Signature a near-real-time perspective on quality-issue reports, allowing the company to respond and alert manufacturers.

End-to-end post-purchase platforms allow retailers to leverage all the information gathered during post-purchase and pull it forward to enhance pre-purchase and encourage conversion. The process leads to more accurate estimates of delivery dates based on the retailer’s fulfillment cycle, carrier performance data and other factors. This fuels consumers’ confidence in their purchase and the retailer.

Post-purchase providers also offer the benefit of having strong relationships and integration capabilities with multiple carriers. This can help retailers diversify their logistics networks, the carriers they use in their markets and the types of deliveries and returns they offer. Capabilities like this are critical to making a post-purchase partnership worth the investment, but the heart of a successful collaboration is much simpler.

“What makes a successful partnership,” Morin said, “is when the brand really understands and aligns with the opportunity that post-purchase creates – in that building long-term relationships with your customers is how you’re going to ultimately gain the most long-term value from them.”

From successful partnerships spring successful post-purchase strategies – and from those, as this Unpacked guide has shown, emerge the experiences that capture and cement brand loyalty. If the click of the buy button triggers the make-or-break moment that follows, post-purchase is the brand lifeline that connects them to a long-term customer relationship rich with many returns.



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