



EXECUTIVE SUMMARY

# Reducing Post Purchase Regret in Online Shopping



Ever felt a dull pang of regret after you've made an online purchase? You experienced a momentary quiver of excitement during the buying process, but found it followed by a nagging feeling that you didn't really need what you just bought.



There is clear evidence that post-purchase regret is rising in parallel with the boom of online shopping, much of it in downbeat financial reports from online retailers highlighting dramatic increases in the number of returns.

Choice has a dark side. The deep sea of choice coupled with the greasy ease of online user experiences has facilitated today's 'throwaway culture'. People are increasingly buying for quantity, not quality. Recent figures have shown that, for ASOS, average basket size increased by 3% in 2018 but average basket spend fell by 3%. Online shoppers are spending less overall - although they are buying more, they are returning more too. Reports show that in the US returns reached \$400 billion in 2017, a rise of 53% since 2015. To put this into context, \$400 billion equates to roughly one month of all U.S retail sales. Post Purchase Regret (PPR) is a natural side-effect that follows on from online purchasing behaviour - but does it necessarily have to be this way?

Traditionally, marketers define the digital user journey as the point of initial attraction to the moment of final purchase. Yet emotions after purchase have been neglected - despite research showing clear biases in memory recall. Nobel Prize winners Kahneman and Tversky demonstrated that we don't recall the 'average' of an experience, we remember recency (the last thing that happened) and the emotional peak (the best or worst thing that

happened). Ensuring a positive experience at the end of each touchpoint is thus essential to create a positive recency bias.

By reducing PPR in digital journeys, brands can generate four clear competitive advantages:

- **Reduction in number of returns**
- **Increase in Revenue Per Customer**
- **Increased positive brand associations**
- **Increased customer loyalty and perceived value**

LAB has developed a comprehensive end-to-end methodology that targets key touchpoints throughout the online journey. These touchpoints can positively affect the psychological state of consumers to reduce the potential negative experience of online retail. To this end, we have developed a framework that integrates techniques from psychology, consumer neuroscience and behavioural economics to reduce PPR.

PPR arises from a myriad of cumulative factors in the users' psychology throughout their journey. Imagine a small emotional snowball that rolls down the hill gathering weight and increasing in size until it eventually stops rolling at the bottom. The snowball was not suddenly created at the end but grows by degree during every inch of its journey. This is why the small, incremental changes outlined at each stage create a snowball effect.

To discover more about our PPR-reducing framework, get in touch with us at [hello@verj.co.uk](mailto:hello@verj.co.uk).

# Thank you

**The Creative Human Insights Agency  
offering a psychological approach to  
creative communication.**

- 🕒 To solve commercial problems
- 🕒 To provoke behaviour change for good causes
- 🕒 To achieve attention, engagement & growth for brand

## **Our unique process involves:**

- 🕒 Design thinking
- 🕒 Psychological audience profiling
- 🕒 Emotional Design
- 🕒 Messaging, Content Strategy and UX/UI
- 🕒 Creative Production
- 🕒 Behavioural Economics



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