

# The State of Ecommerce

## 2024 REPORT

Customer expectations have completely changed.  
Great brands will adapt to grow.



A NOTE FROM LEADERSHIP

# Meeting a higher bar: How post purchase expectations have transformed ecommerce

The post purchase experience is perhaps the best example of how customer expectations have completely changed ecommerce.

Today, a single negative experience—whether it's a lost package, a complicated return interaction, or an inflexible refund policy—can derail a customer's relationship with a brand, sometimes permanently. Even if it's not the brand's fault whatsoever.

This has brands searching for ways to streamline and enhance everything that happens after checkout. And that's exactly why Route exists: We help brands anticipate and meet their customers' needs while creating a seamless, trustworthy experience at every post purchase touchpoint. The goal is to make every step in the customer journey feel as effortless as possible, ensuring that issues like lost packages or complex returns become opportunities to build trust and loyalty, instead of sources of frustration.

That's why we're releasing this State of Ecommerce Report, which provides powerful, fresh insights into how consumers feel not just about their post purchase interactions, but about the state of ecommerce at large. As you'll see, today's shoppers are empowered, informed, and vocal, setting the bar higher than ever for brands.

I encourage every brand to consider the implications of our findings, not only as benchmarks but also as opportunities for growth and differentiation. By listening to what customers want and by acting on these insights, retailers can turn potential pain points into brand strengths, building customer relationships that stand the test of time.

**Michael Yamartino**  
CEO, Route

# Unboxing: How what happens after checkout shapes customer loyalty

From shipping to returns to global shopping trends, explore how today's experiences are influencing consumer behavior and loyalty.



## Shipping Matters: The Link Between Delivery and Loyalty

How a single shipping mishap can damage customer trust and loyalty, and how brands can prevent it



## Wardrobing: A Generational Trend

The rise of wardrobing, its impact on returns, and how different generations are driving this behavior



## The Psychology of Returns

The mental triggers behind returns, and how brands can leverage them to improve customer satisfaction



## Black Friday & Cyber Monday Shopping Trends

The shift in consumer habits during the biggest shopping events of the year, and how brands can capitalize on these trends

## SHIPPING MATTERS

One strike and you're out.  
A single shipping mishap can result  
in losing a customer forever.

Turn shipping issues into opportunities to build loyalty.



## SHIPPING MATTERS

# Shopper forgiveness for negative experiences is low, especially among Gen Z.

Reliable delivery is non-negotiable for consumers, and shipping experiences play a pivotal role in shaping customer loyalty. According to the State of Ecommerce 2024 survey, more than a quarter (28%) of consumers would refuse to shop with a brand or retailer again if their package had been lost or damaged in transit. While 62% might consider returning, they'd remain hesitant, often expecting improved future experiences.

This sentiment is even more pronounced among Gen Z shoppers: 38% would permanently avoid shopping at a retailer following a negative shipping experience. As frequent online shoppers, this generation expects not only reliability but also transparent and proactive communication throughout the shipping process.

### How Do Shipping Experiences Impact Customer Loyalty?

**28%** Consumers would stop shopping with retailer after a negative experience

**62%** Consumers would shop again but with caution after a negative experience

**38%** Gen Z consumers would permanently avoid retailer after a negative experience

## SHIPPING MATTERS

# Nearly all shoppers expect the retailer to remediate shipping issues.

With delivery reliability ranking high in consumer priorities, second only to price, smooth and dependable shipping is crucial to fostering loyalty. An overwhelming 97% of shoppers across all generations expect retailers to offer automatic refunds or replacements when packages are lost, stolen, or damaged. Retailers who fail to meet this expectation risk alienating a broad swath of their customer base, leading to reduced loyalty and a decline in repeat or long-term sales.

For younger consumers, particularly Gen Z, transparency is key. These shoppers place significant importance on real-time tracking and proactive updates when issues arise during transit. Without visibility and clear communication, trust and satisfaction can quickly erode, further amplifying the importance of reliable logistics partners.



97% of shoppers expect the retailer to refund them if a package is lost or damaged in transit.

# Key takeaway

**Prioritize the post purchase experience.**

By consistently meeting high consumer expectations, brands and retailers can reduce the likelihood of losing customers permanently after a single negative incident, and protect their reputation—especially among the younger generations.



## Partner with reliable carriers

Build strong partnerships with dependable carriers to ensure timely, accurate deliveries that meet expectations and reduce mishaps.



## Create customer-centric policies

Set friendly, flexible, and transparent policies for refunds or replacements that prioritize customer satisfaction, especially when issues arise.



## Use a post purchase experience platform

Improve order tracking, communication, and issue resolution after checkout with post purchase solutions to build trust and encourage repeat purchases.

## WARDROBING: A GENERATIONAL TREND

The rise of wardrobing is impacting how retailers balance generational shopping expectations with revenue losses.

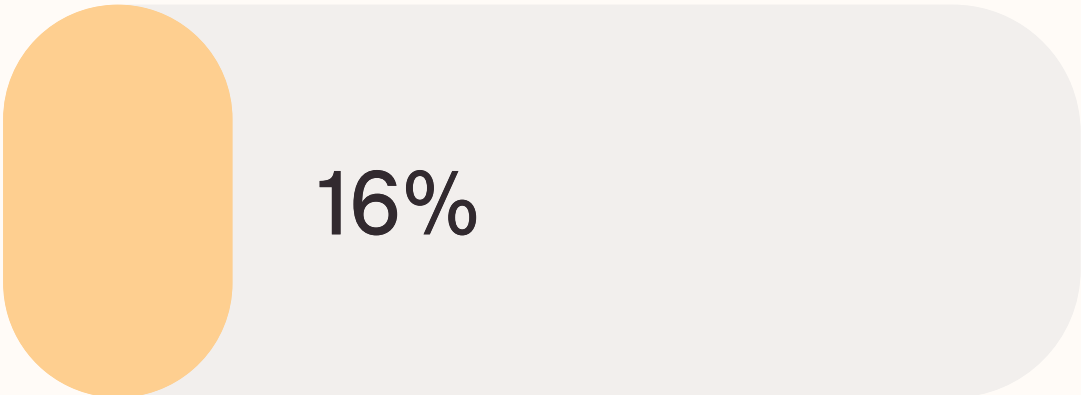
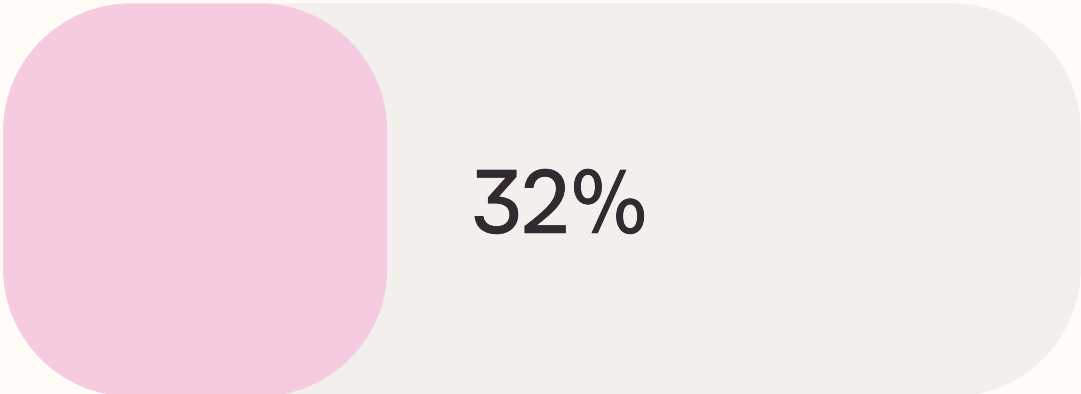
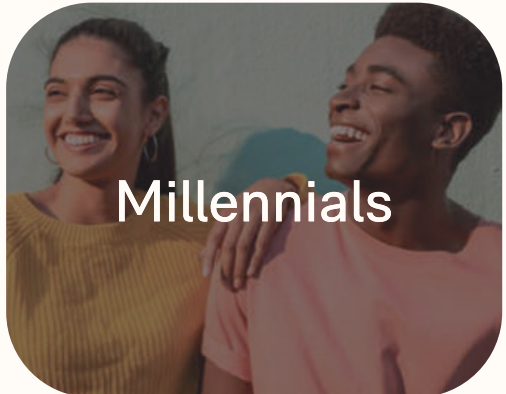
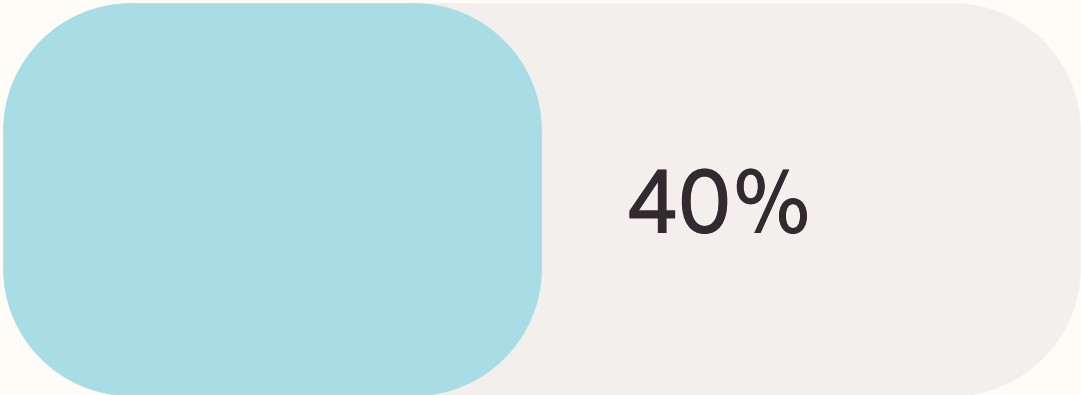


WARDROBING: A GENERATIONAL TREND

The older generations are more likely to follow the rules, and common decency.

Wardrobing, which is the practice of purchasing items with the intent to return them after short-term use, is a growing trend, particularly among younger generations. Research shows that 28% of all shoppers admit to wardrobing, with Gen Z leading at 40%, followed by Millennials at 32%. By contrast, only 16% of Baby Boomers report engaging in this practice. This generational divide suggests that social, economic, or technological influences could drive wardrobing, particularly for younger consumers.

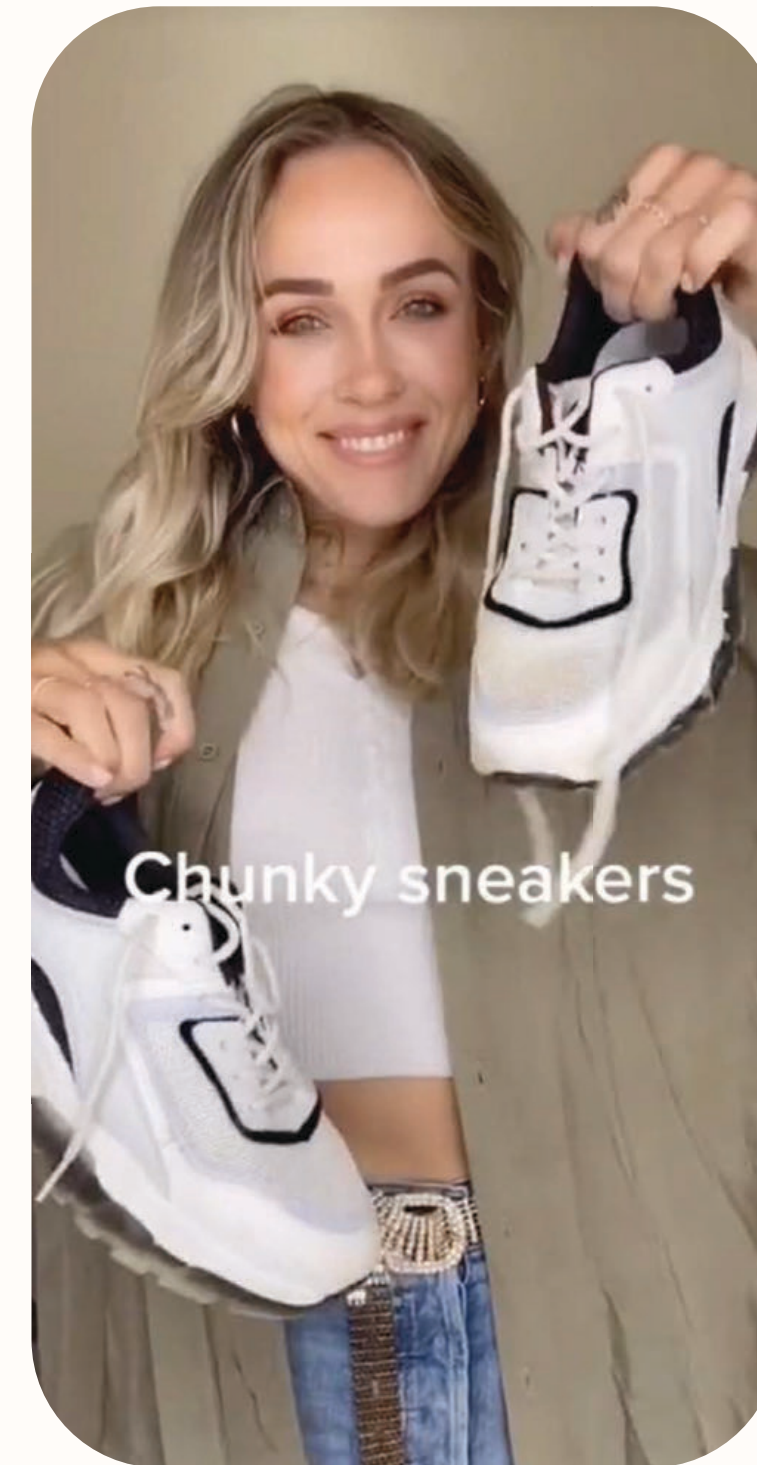
Which generations are driving the rise in wardrobing?



## WARDROBING: A GENERATIONAL TREND

# Social media's 'snap-and-send-back' culture fuels wardrobing trends.

Social media's impact is a key factor. Platforms like Instagram and TikTok foster a culture where outfits are expected to be new and trendy for each post. The prevalence of “outfit of the day” trends and influencer culture means some consumers, especially Gen Z, purchase items just for the one-time appearance, a phenomenon referred to as “snap-and-send-back.” This behavior is reinforced by social media's demand for constant novelty, which can lead to what some researchers call “friendly fraud,” where consumers rationalize returns as harmless.



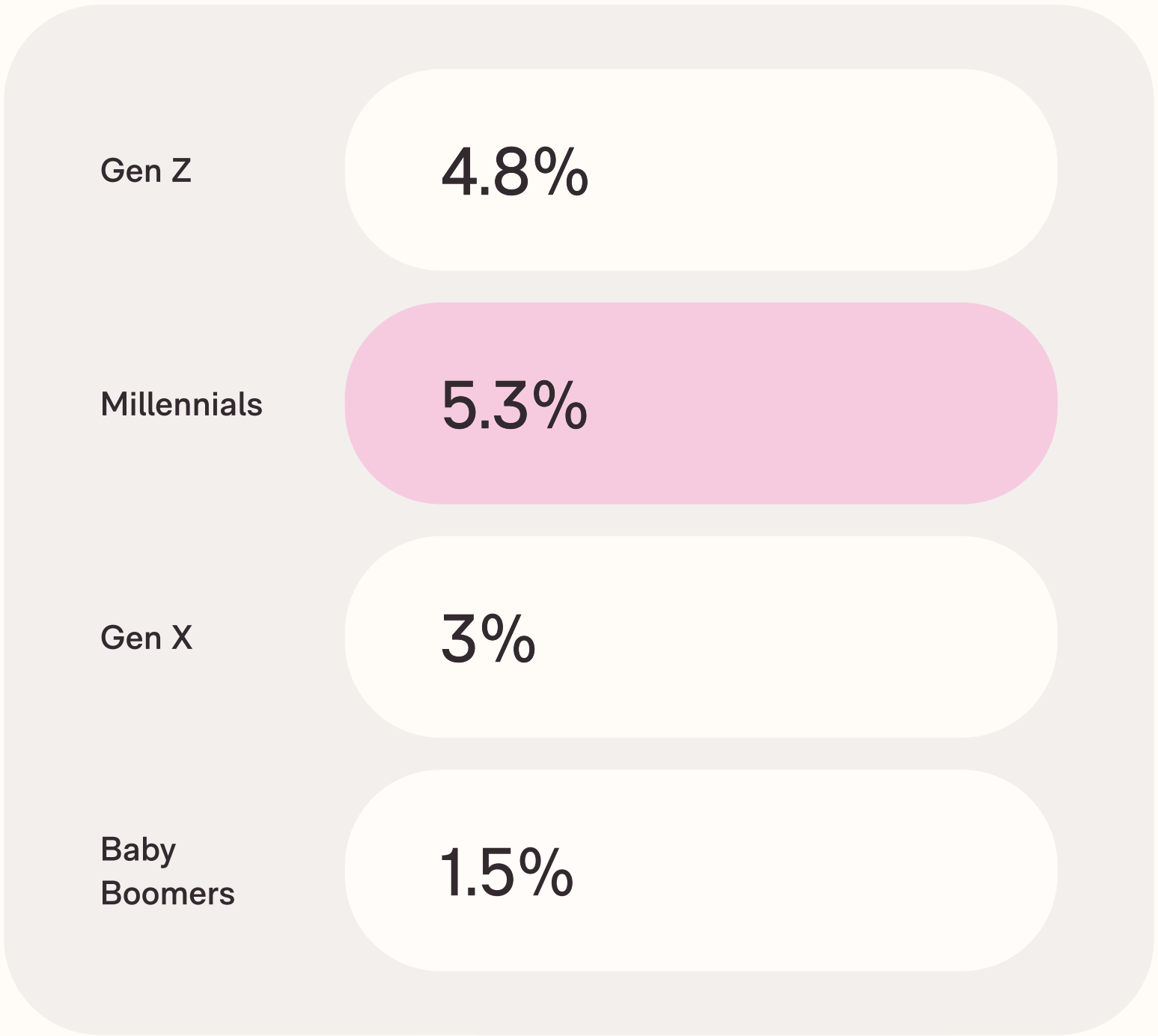
WARDROBING: A GENERATIONAL TREND

# Millennials are most willing to admit their plans to commit wardrobing

Economic conditions also play a significant role in driving this trend. As financial pressures increase, many consumers view wardrobing—buying items with the intention of returning them after use—as a cost-saving strategy. Instead of purchasing new clothes for special occasions like weddings or job interviews, some shoppers opt to return the items once the event has passed.

For the 2024 holiday season, 4% of consumers admitted they planned to engage in wardrobing, with Millennials being the most likely at 5.3%, followed by Gen Z at 4.8%, Gen X at 3%, and Baby Boomers at 1.5%.

Plans to commit wardrobing by generation

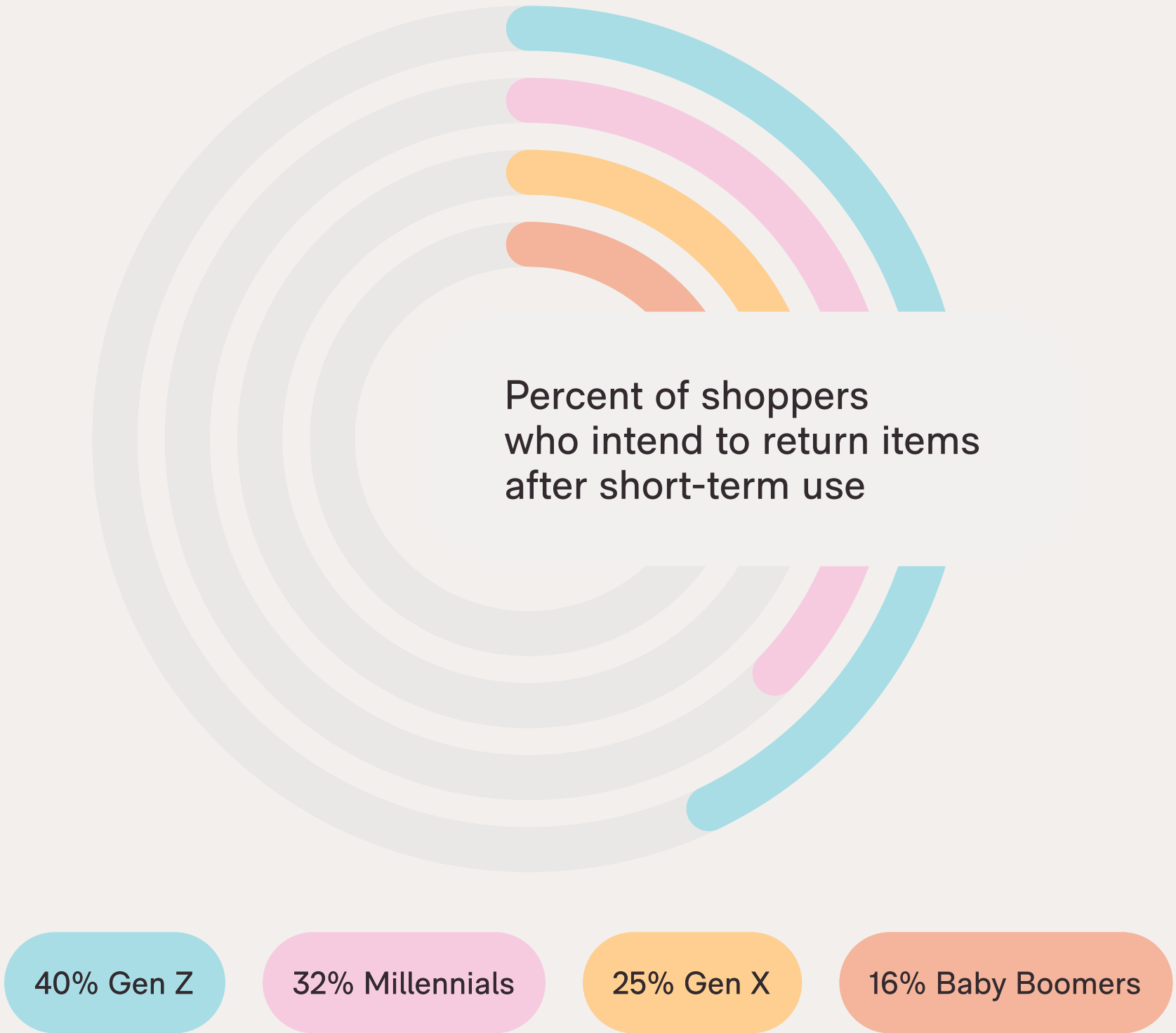


# Key takeaway

For retailers, wardrobing is becoming a broader concern.

Increased labor costs for inspecting returns and potential revenue losses from struggling to resell previously worn items are becoming more common. Retailers are beginning to employ machine learning to detect suspicious patterns and discourage return fraud, but this can be felt as an overcorrection that risks alienating legitimate shoppers who appreciate flexible return options.

As retailers navigate these challenges, balancing consumer-friendly return policies with protections against wardrobing will be essential for both long-term profitability and customer loyalty.



## THE PSYCHOLOGY OF RETURNS

Understanding the psychology behind returns will help retailers meet evolving customer expectations.



# Short return windows are a deterrent to buying.

Return policies are critical in shaping consumer purchase decisions, and this report illustrates how the degree to which they are lenient or restrictive can directly influence buying behavior. Notably, 75% of consumers are less likely to return items if a restocking fee applies, while 63% indicate they would reconsider purchasing from brands that impose these fees.

Additionally, rigid return windows impact shopping behavior, as 53% of customers find short return periods a deterrent to buying—highlighting the value of flexibility for today's online consumers.

**53%** Consumers find short return periods a deterrent to buying

**75%** Consumers are less likely to return items if a restocking fee applies

**63%** Consumers would reconsider purchasing from brands that impose these fees

## THE PSYCHOLOGY OF RETURNS

# Return policies impact purchase intent.

Research has also shown that lenient return policies, such as extended return periods and free return shipping, can increase purchase intent by reducing perceived risks and building consumer trust.

A meta-analysis published in the *Journal of Retailing* also found that return policy leniency positively affects consumer decisions by lowering the perceived cost of purchasing online. They found this to be especially true for younger shoppers, such as Gen Z and Millennials, who prioritize flexibility when making purchase decisions.



# Key takeaway

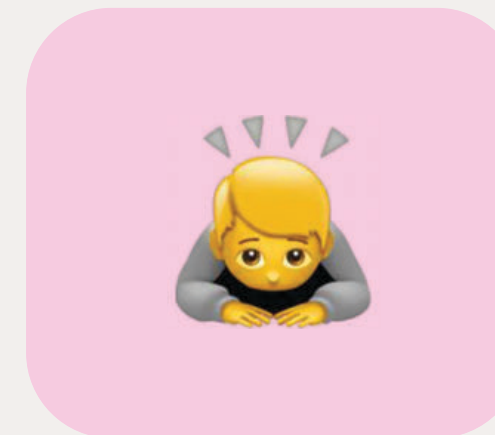
Retailers can build customer loyalty and reduce purchase hesitation by adopting flexible, consumer-friendly return policies.

Among younger demographics prone to “wardrobing” behavior, returns flexibility is crucial for reducing purchase hesitation and increasing brand trust, and it positions retailers to better meet evolving consumer expectations.



## Deterring returns may deter sales

Consider more flexible return policies to stay competitive. Assess the financial impact of restocking fees to know if they are helping or hurting your bottom line.



## Evaluate the upside of more lenient policies

Balance potential revenue losses with the potential for increased sales. Reduce the perceived costs and risks of buying online with extended return periods and free return shipping.



## Adapt to evolving expectations

Change is the only constant. As consumer expectations and psychology continually evolve, regularly revisit how your brand will adapt to keep customers coming back.

## BLACK FRIDAY & CYBER MONDAY SHOPPING TRENDS

Brands can get ahead during the biggest shopping events of the year by capitalizing on new consumer trends.



BLACK FRIDAY & CYBER MONDAY SHOPPING TRENDS

Gen Z is increasing their spend, while other generations' spend remains flat

For Black Friday and Cyber Monday 2024, consumer spending is expected to stay steady, with 66% of shoppers planning to spend about the same as last year.

Notably, Gen Z stands out, with 26% indicating they intend to spend more, which is double the average across all age groups. This optimism among younger shoppers aligns with broader trends showing Gen Z's high engagement with online shopping during peak sales, likely influenced by deals, promotions, and targeted advertising.

Black Friday & Cyber Monday Spending by Generation

Gen Z is increasing their spend, while other generations' spend remains flat

| Generation      | Will Spend More | Will Spend Less | Will Spend About the same |
|-----------------|-----------------|-----------------|---------------------------|
| All Generations | 15%             | 19%             | 66%                       |
| Gen Z           | 26%             | 20%             | 54%                       |
| Millennials     | 19%             | 16%             | 65%                       |
| Gen X           | 11%             | 21%             | 69%                       |
| Baby Boomers    | 8%              | 18%             | 75%                       |

# Items ineligible for return can deter shoppers

Final sale policies influence holiday purchasing behaviors, as 60% of consumers are deterred from buying final-sale items because they won't have the option to return them.

Across all age groups, flexibility in returns remains important, with studies indicating that lenient return policies can boost consumer confidence during holiday sales. This trend suggests that even in discount-driven periods, shoppers prioritize low-risk purchases—which is a valuable insight for retailers to reduce cart abandonment and increase conversion.



## Final sale policies

**60%** of consumers are deterred from buying final-sale items due to the inability to return them.



## Return flexibility

**Flexible returns** can boost consumer confidence across all age groups during holiday sales.



## Low-risk purchases

Even during **discount-driven** periods, shoppers are looking for low-risk purchases.



## Retailer Takeaway:

Consumer spending is expected to stay steady during the 2024 holiday sales so retailers should consider additional strategies to have a successful peak season.

## BLACK FRIDAY & CYBER MONDAY SHOPPING TRENDS

# Shoppers intend to pounce on deals early, but motivations differ among age groups

Shopping patterns reflect a strong preference for early deals, with 59% of shoppers making purchases in the first few days of sales, while only 14% hold off until the final day. Amazon maintains a dominant position, with 83% of consumers planning to shop there, citing free shipping as a primary motivator, followed by competitive prices and fast delivery.

Meanwhile, platforms like Temu and Shein have gained traction among Gen Z, with 17% planning to shop at Temu and 16% at Shein, reflecting a growing interest in affordable, trend-driven products outside established mainstream ecommerce channels.



**59% of shoppers** act fast to get the early deals.



**14% of shoppers** hold off until the final day.



**83% of shoppers** plan to shop at Amazon, drawn by free shipping, competitive prices, and fast delivery.



**17% of Gen Z** shoppers plan to shop at Temu



**16% of Gen Z** shoppers plan to shop at Shein

# Where consumers plan to shop

Price is driving consumers directly to brands, and there will be a 3.4% increase YOY in purchases made from a brand or retailer’s website.

When shoppers were asked *why* they would plan to shop directly from a brand, the majority said better prices (56%), followed by confidence in authenticity (43%), and loyalty/rewards programs (39%).

## Brand & Retailer Snapshot: Where Consumers Plan to Shop during Holiday 2024

Direct-from-brand will see an increase—but it won't come at the expense of Amazon or Walmart

| Generation      | Change YOY | Shopped in 2023 | Will Shop in 2024 |
|-----------------|------------|-----------------|-------------------|
| Amazon          | 0.6%       | 82.6%           | 83.2%             |
| Walmart         | 0.9%       | 64.2%           | 65.1%             |
| Target          | 0.5%       | 44.4%           | 44.9%             |
| Brand's Website | 3.4%       | 33.8%           | 37.2%             |
| Temu            | 1.6%       | 12.2%           | 13.8%             |
| Shein           | 0.4%       | 8.8%            | 9.2%              |
| TikTok Shop     | 1.3%       | 4.5%            | 5.8%              |

# Key takeaway

To combat projected flat year-over-year spend, brands and retailers should consider additional strategies to boost seasonal sales.

Early promotions, flexible return policies, and competitive shipping options will help capture early interest and compete with major players like Amazon during peak season.



## Make purchases feel lower risk

Consider more flexible return policies, like longer return periods, no restocking fees, and no final sales, to boost shopper confidence.



## Start promotions even earlier

Capitalize on the strong consumer preference to shop early by starting savings events sooner than Black Friday.



## Capture increased website sales

Tap into the factors driving consumers to do more of their shopping directly from brands' websites: better prices, authenticity guarantees, and loyalty/rewards programs.

# Methodology

This State of Ecommerce study surveyed 1,250 consumers in October 2024 to assess attitudes and behaviors related to shipping reliability, return policies, and holiday shopping trends. Participants were selected through a randomized sampling process designed to represent a cross-section of U.S. consumers across various demographics, including age, gender, and geographic location. Data collection was conducted via online questionnaires distributed through established survey platforms to ensure anonymity and authenticity of responses.



## The post purchase platform that keeps customers coming back.

Route is the leader in the post purchase experience. From discovery to delivery, Route protects brands and their customers with licensed shipping insurance, fast issue resolution and returns, package tracking, carbon neutral shipping, and remarketing. This helps brands increase revenue, reduce costs, and improve the customer experience—and gives customers the power and convenience of tracking everything they order in one place, with the confidence it will arrive safely.

Route helps brands control for the unexpected and transform even negative experiences into opportunities to drive loyalty. Since launching in 2019, Route has built an ecommerce network of 13,000 brands and 3+ million active app users, and customers have chosen to protect over 150 million orders. To learn more about Route's post purchase experience platform, or to download the app, visit [route.com](https://route.com).