



Think Forward with PayPal

Post-Purchase Power:
Building Lasting Loyalty





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As consumers expect to be kept informed while also battling an onslaught of marketing noise, brands are finding impactful and nuanced ways to communicate in the post-purchase space.

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At a Glance:

Shoppers are placing increasing value on the post-purchase space. 83% of customers say that free shipping influences their decision to make a repeat purchase from an online retailer with 81% saying the same about free returns.¹

How are brands innovating in the post-purchase landscape?

International gaming retailer Gamestop is using AI-driven tools to deliver additional personalised merchandise and marketing content between purchase and delivery. 29% of customers are clicking back to the site, delivering incremental additional sales as a result.² Health tech company Philips is extending the life cycle of returned products with an award-winning resale initiative that fosters product longevity and encourages sustainability.³ With customers increasingly considering post-purchase experiences into their buying decisions, brands like beauty retailer LookFantastic are providing shoppers with more flexible delivery options.⁴ Sportswear giant Adidas is building a loyalty scheme that blends digital and physical experiences whilst ensuring the brand stays top of mind long past the point of purchase.⁵

What can you learn?

With customers continuously being served large amounts of online advertising, brands are placing more emphasis on quality over quantity in their post-purchase marketing efforts. How can your business revise the strategy around follow-up communications to re-engage customers without overwhelming them?

As shoppers look for durability and longevity in their products, there's an opportunity for brands to reconnect with their customers. Post-purchase initiatives that help customers extend the life cycle of their products will not only meet shoppers' sustainability expectations, but can also serve as a way to further enhance the product value.

Customers regretting their purchases are a big issue for brands. Retailers are tackling the problem by giving their customers more control during the purchase process, providing them the information and flexibility they need to ensure the product meets their needs before they commit. How can you help customers to not regret their purchases by providing more support throughout the entirety of the shopping journey?

Brands are meeting customers in new channels and niche online spaces, establishing bonds over shared interests. By finding ways to build on relationships with your customers beyond the product or service, you may be able to foster loyalty and encourage repeat purchases.

¹ The European Ecommerce Report, Mollie, 2023.

² Improving Customer Loyalty and Delivery for Gamestop, Narvar, 2024.

³ Philips' refurbished products campaign from LePub wins Creative Business Transformation Grand Prix, AdAge, Jun 2024.

⁴ THG's LookFantastic and MyProtein extend next-day delivery cut-off time, Retail Gazette, Jul 2024.

⁵ How Adiclub Works, Adidas, 2024.

What factors are driving change in the post-purchase landscape?

- **Crowded digital landscape:** Consumers are feeling overwhelmed by online marketing, and they're looking for post-purchase follow ups that are more impactful and less intrusive.⁶
- **Rise of repairability:** Environmental values are blending with customers' need for affordability. As a result, initiatives centred around repairability are helping customers to consume in more conscious and considered ways.⁷
- **Convenience at all costs:** With returns skyrocketing and shoppers prioritising speed and convenience, people are factoring the post-purchase experience into their buying decisions.⁸
- **Desire for community:** People are looking for more intimate connections on and offline.⁹ As a result, businesses are finding creative ways to meet their customers in new spaces and build stronger post-purchase relationships.

Read on to discover fresh opportunities and gather inspiration from the forward-thinking brands shaping the post-purchase landscape.

⁶ 91% of online shoppers see too many ads on social media, Marketing Tech, Jul 2024.

⁷ Right to repair: Making repair easier and more appealing to consumers, European Parliament, Apr 2024.

⁸ How better predictive models could lead to fewer clothing returns, MIT, Mar 2024.

⁹ Instagram Adds Live Streams for Close Friends Only, Social Media Today, Jun 2024.

Mindful Marketing

Following a purchase, customers expect brands to keep them in the loop. However, too much communication can feel like noise. Brands are changing tactics and using more precise and tailored communications, ensuring their messaging feels relevant.

What's going on?

A crowded e-commerce landscape may have people expecting post-purchase shopping communications that are personalised to them. However, the top reason customers unsubscribed from marketing emails was that they received too many messages from the brand, as three-quarters of shoppers globally say they feel bombarded by advertising.^{10 11} To deliver a more satisfying post-purchase experience without overwhelming the customer, there's a need for businesses to follow up more thoughtfully.

What's the evidence?

There's a gap between what brands are offering and what customers want, especially when it comes to post-purchase. In the UK 83% of customers say there's room for improvement in their post-purchase experiences, whereas only 18% of retail executives say the same.¹²

Brands continuously communicate with customers, just not always on the right topics. Following up with tailored promotions and deals, or useful information about products or services that a customer has engaged with, will likely keep customers from unsubscribing. It's also a way to further encourage returning buyers without unnecessarily clogging people's inboxes.

Where are things going next?

Brand loyalty is continuing to decline, as 38% of European consumers say they've become less loyal to a brand in the last year.¹³ As a result, forward-thinking businesses are focusing their efforts on keeping their returning customers happy. In fact, nearly 68% of executives from a range of sectors including CPG, apparel, hospitality, health and banking, said they plan to increase their investments around customer retention.¹⁴



73%

of consumers said that a brand's communication methods would impact their decision to repurchase from an online retailer.¹⁵

44%

of Australian consumers say not receiving relevant information about purchase details makes for a bad post-purchase experience, with 27% saying the same about not receiving additional product recommendations.¹⁶

¹⁰ Key takeaways from Sinch Mailgun's Email and the customer experience 2024, Sinch Mailgun, Jan 2024. ¹¹ The empowered consumer, Accenture, Apr 2024. ¹² The customer is always right: New data reveals retailers are failing customers with post-purchase experiences, Sorted, Aug 2023. ¹³ 2023 European Brand Loyalty Report, Marigold, 2023. ¹⁴ Global Customer Loyalty Report, Antavo Loyalty Cloud, 2023. ¹⁵ The European Ecommerce Report, Mollie, 2023. ¹⁶ The State of Australian Customer Loyalty & Retention 2023, Yotpo, 2023.

What are brands doing?

Gamestop



International gaming retailer Gamestop uses Narvar, an AI-powered post-purchase platform, to better keep its customers in Europe, Australia and North America updated on the status of their orders. Through the partnership, Gamestop sees customers visiting delivery tracking pages five times on average. Additionally, when customers click back to track the status of their purchases, they're met with additional marketing content, which has generated a 29% click back rate for the business.¹⁷

Slyp



Slyp is an Australian smart receipt technology company that enables customers to receive and store receipts directly in their banking apps. Having partnered with four major Australian banks, including the National Bank of Australia and Commonwealth bank, the technology helps to reduce people's sense of overwhelm by making returns and warranty claims easier.^{18 19} By storing all the relevant information in one place, the technology works to help prevent customers from losing their receipts.

What can you learn from it?

Focus on quality over quantity in post-purchase communications, by finding unique and memorable ways to stand out without overwhelming your customers. Innovations like smart receipts are paving the way for new communication methods and helping brands to serve more relevant and personalised post-purchase offers.

Tracking the status of orders and reservations presents an opportunity to engage with customers in moments of high desire and interest. Rather than simply providing an update on the status of a parcel, make the most of the moment and serve up fresh offers or other forms of engagement.



¹⁷ Improving Customer Loyalty and Delivery for Gamestop, Narvar, 2024. ¹⁸ Slyp Smart Receipts, National Australia Bank, 2024. ¹⁹ Our Story, Slyp, 2024.

Conscious Consumption

Brands are using the post-purchase landscape to showcase the durability and longevity of their products, catering to conscious shoppers who are looking to consume in more mindful and sustainable ways.

What's going on?

Narratives around sustainability have driven a desire for more durable products and circular consumption. This movement has merged with the development of thriftiness as an aspirational quality. The combination has resulted in trends like 'underconsumption core' which has 41 million posts on TikTok, where users flex their frugality by showing how little they own.^{20 21} As more and more shoppers find value in buying and using products that last longer, their eyes are on brands that help to extend product life cycles. This can ultimately help meet both the financial and sustainable expectations of the customer.

What's the evidence?

67% of consumers say they try to repair items rather than replace them, 73% of Australian consumers say they are looking for products that are repairable or fixable and 68% of Germans say they would prefer to shop with retailers who repair items in their stores.^{22 23 24}

Considering only 41% of consumers say they somewhat trust sustainability logos from brands, the shift towards repairability makes sense: it's a tangible and clear way to showcase sustainable behaviour.²⁵ It may show that brands need to step up their programs and initiatives to highlight how shopping with them can result in a positive environmental impact. For example, following each mattress purchase, Australian furniture retailer Koala makes a donation to the World Wildlife Fund and adopts an animal on behalf of the customer.²⁶

Where are things going next?

As repairability grows in popularity, the resale market is following suit, projected to reach \$51 billion globally by 2026 and ultimately creating an entire economy around the post-purchase landscape.^{27 28} Increasingly, retailers may be realising that it makes sense for them to explore the resale space: not only can it help customers extend the life cycle of their products, but it can also serve as a way for retailers to garner more control over their brand narrative.

55%

of consumers say they've repaired an item instead of buying a new equivalent specifically in order to consume more sustainably.²⁹

57%

of global consumers say they are re-evaluating their lifestyle choices to consume less, it's clear that people are shopping more sustainably, at least in quantity.³⁰

²⁰ Under consumption core, TikTok, Jul 2024. ²¹ Understanding 'underconsumption core': How a new trend is challenging consumer culture, The Conversation, Jul 2024. ²² EY Future Consumer Index: Consumers losing trust and turning away from brands amid cost-of-living crisis, EY, May 2023. ²³ Sustainability attitudes and behaviours of Australian shoppers, Monash University, Aug 2023. ²⁴ Right to repair: Revolutionising throwaway culture, Deloitte, Dec 2023. ²⁵ 41% of consumers in YouGov's multi-market poll say they only somewhat trust sustainability logos, YouGov, Jan 2024. ²⁶ Buy a new Koala Mattress, adopt a real koala, Koala, 2024. ²⁷ Right to repair: Making repair easier and more appealing to consumers, European Parliament, April 2024. ²⁸ Secondhand apparel market value worldwide from 2012 to 2021, with a forecast until 2026, by segment, Statista, Aug 2022. ²⁹ The Sustainable Consumer 2023, Deloitte, Oct 2023. ³⁰ Global Consumer Trends: Consumer Finances 2023, Dynata, 2023.

What are brands doing?

Philips



Health technology company Philips, a multinational corporation known for their household appliances and personal care products, has taken a sustainable approach to handling online returns. Via their Refurb Editions initiative, consumers can purchase discounted products, many of which have been previously sold online and returned within 30 days. With the tagline 'Better than New' the programme won awards at the Cannes Lions.³¹ In 2022, the initiative helped the company generate 18% of its revenue worldwide. Philips plans to keep expanding the programme with a goal of generating 25% revenue by 2025.³²

SAS

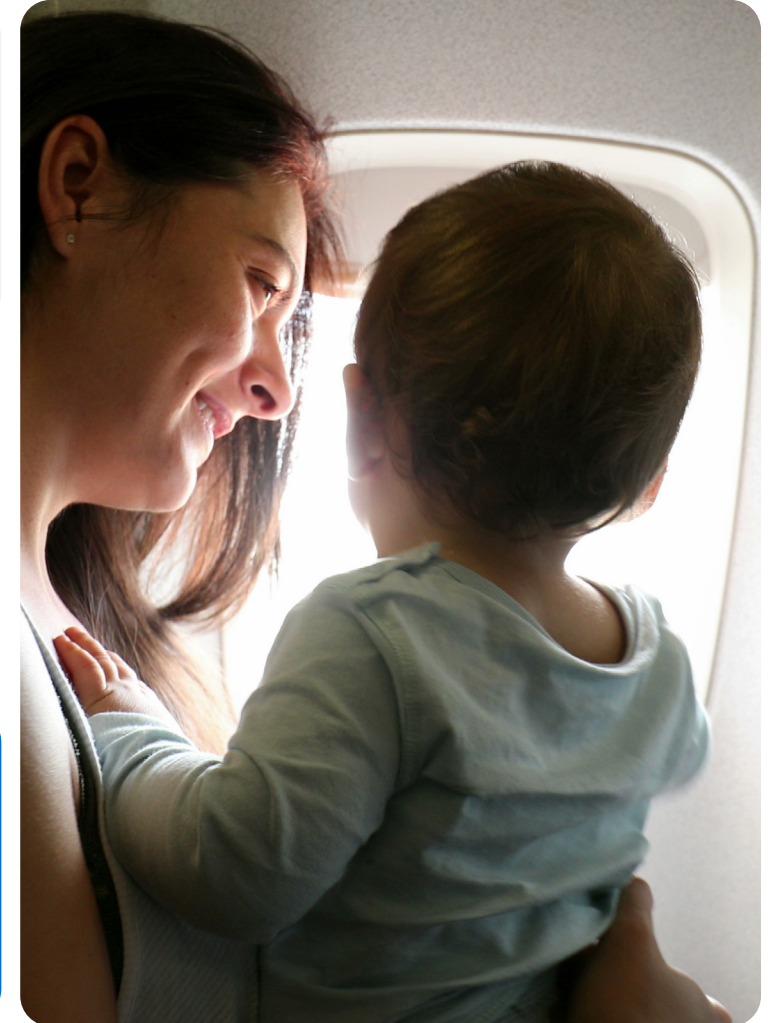


Danish Airline SAS gives customers the opportunity to take part in its 'Conscious Traveller' scheme which guides them through actions – from travelling on a 'biofuel ticket' to donating frequent flyer points to charity – that make them a more conscious traveller.³³ Completing 10 of these unlocks exclusive badges, bag tags and events as well as frequent flyer points, encouraging customers to take advantage of the offers and select SAS for future flights. While it's difficult to pinpoint the exact contributions of the Conscious Traveller scheme, in the financial year 2023 SAS reduced CO2 emissions per passenger km by 3%.³⁴

What can you learn from it?

Emphasising durability and longevity in your products can help your brand cater to both price and environmentally conscious consumers. By implementing repair and resale initiatives, you may not only help customers to get the most out of their products, but also can establish trust and build loyalty through an extended product life cycle.

Incorporate sustainability by crafting tailored messaging that helps customers find new and innovative ways to use their products and services. This can serve as a means to reassure customers of the purchases they have made, while also adding a sense of enhanced product value.



³¹ Philips' refurbished products campaign from LePub wins Creative Business Transformation Grand Prix, AdAge, Jun 2024. ³² Campaign for refurbished products highlights Philips' increasing focus on circular solutions, Philips, Jul 2024. ³³ EuroBonus conscious traveler, SAS, 2024. ³⁴ SAS Annual and Sustainability Report Fiscal Year 2023, SAS, Feb 2024.

Reducing Returns

People expect a richer post-purchase experience with more choices around where, how and when they receive their products and services. To combat e-commerce return rates that can be as high as 50%, brands can create offerings that are more engaging, flexible and satisfying for their customers.³⁵

What's going on?

The nature of online shopping has trained a generation of shoppers to expect frictionless post-purchase experiences. Quick and affordable shipping and convenient return options can make or break a sale, with people happily shopping elsewhere if they don't like what's on offer. But for brands, returns can generate huge costs and have serious consequences for inventory management, leaving retailers struggling to keep up even as consumers push back against process changes and fees.³⁶ To improve the post-purchase experience, it's important for brands to provide shoppers with support and flexibility throughout. This helps to reassure shoppers that they've made the right choice, while also providing opportunity for a change in mind.

What's the evidence?

Consumers are looking for stress-free experiences, with studies showing that shoppers who feel the least stress around purchase options are 25% more likely than those who feel the most stress to have a positive opinion of a company and are more likely to purchase again.³⁷ And with delivery options too expensive being the number one reason shoppers abandon their carts, it's clear that consumers are taking post-purchase options into consideration when deciding whether or not to buy.³⁸ For example, 87% of e-commerce merchants in France say it's important they offer consumers the ability to get parcels delivered to locations other than their home address.³⁹

Where are things going next?

As technological advances continue to feed consumers' on-demand mentality, shoppers may not only be looking for convenience, but also greater control over their post-purchase experiences. Clever brands may lean into this desire, turning tracking updates (or the build-up to the service delivery) into touchpoints that generate more excitement and confidence in the end product. Deliveroo provides frequent updates and real-time tracking of couriers to give food delivery customers peace of mind, whilst consolidated package tracking apps like Route cater to consumers' desire to track all their deliveries simply in one place.^{40 41}

84%

of customers say they look at a retailer's returns policy before buying a product online and 53% say they have cancelled a purchase because of a return policy.⁴²

54%

of consumers who either shop in-store or shop online and then pick up at the store doing so because this makes it easier for them to check if the items are what they want and are in good condition.⁴³ Consumers want to be able to quickly return an item if the quality is not what they expected.

³⁵ Fashion's returns problem: A tangled knot for the apparel industry, HSBC, Oct 2023. ³⁶ PrettyLittleThing deactivates customer accounts due to high returns, Retail Gazette, Jun 2024. ³⁷ Cutting through the noise in consumer experience, Accenture, Jun 2024.

³⁸ Top reasons for cart abandonment among online shoppers worldwide 2024, Statista, Aug 2024. ³⁹ Out-of-Home Delivery Options in France: An eCommerce Merchant Survey 2022, Doodle, 2022. ⁴⁰ Deliveroo, 2024. ⁴¹ Route, 2024.

⁴² The retail returns experience: What do UK consumers want?, ZigZag, 2023. ⁴³ February 2023 Global Consumer Insights Pulse Survey: Consumers seek frictionless experiences in a world of disruptions, PwC, Feb 2023.

What are brands doing?

LookFantastic



LookFantastic is one of several THG-owned brands that has extended its deadline for ordering next-day delivery until 1am, seven days a week. Now 27% of next-day delivery orders are placed between 10PM and 1AM and next-day delivery is up 9% overall.⁴⁴ Lookfantastic and THG said the goal was to ensure that the post-purchase experience did not feel like an afterthought to their customers.

Amazon



Amazon's AI Fit Insights tool, available for sellers across Europe, uses artificial intelligence and machine learning to analyse returns data and customer feedback.⁴⁵ By doing so, businesses are able to provide shoppers with a more in-depth look at an item's fit, size, and quality.⁴⁶ The technology not only gives brands a deeper understanding of which products get returned and why, but also allows shoppers to make more informed decisions, with the end goal of reducing return rates.

Elyn



French start-up Elyn is an e-commerce returns portal that aims to help retailers improve their returns processes by implementing 'try before you buy' options. Within hours, brands who use Elyn can send their customers product options, alongside a variety of streamlined and flexible return options. Elyn found that 80% of customers surveyed said if they had not had the ability to try before they bought, they would not have ordered in the first place.⁴⁷ As a whole, brands using Elyn's technology see a 30% refund rate reduction.⁴⁸



What can you learn from it?

To proactively improve the post-purchase experience, brands are making sure their purchase processes are more considered. Not only does this give customers more headspace and flexibility, but it helps shoppers make the right decision the first time around, ultimately reducing the need for returns.

Improving the post-purchase experience can reduce stress for consumers, ultimately combating buyers' remorse. How can your business take a more proactive approach to reduce returns without sacrificing customer satisfaction?

⁴⁴ THG's LookFantastic and MyProtein extend next-day delivery cut-off time, Retail Gazette, Jul 2024. ⁴⁵ Fit Insights Tool Now Available in EU and IN for Apparel and Shoe Brands on Amazon, Swipe Insight, May 2024. ⁴⁶ Amazon rolls out an AI fit tool to reduce returns, Vogue Business, Jan 2024. ⁴⁷ French startup that helps online retailers handle payments and returns easily bags €2.5M funding, TFN, Mar 2023. ⁴⁸ Elyn, 2024.

Changing Channels

Brands are building relationships that extend long past the point of purchase as they find new ways to more actively engage with communities and foster a sense of belonging.

What's going on?

For brands that want to generate long-term loyalty, connecting with various communities is an important part of post-purchase strategies. Social media channels like Facebook, Instagram and X (previously Twitter) have long been the natural space where connections happen. But these platforms are being used less and less. With private group chats seeing a rise in popularity, platforms like TikTok have introduced group chat functions in response.⁴⁹ ⁵⁰ At the same time, people are also focusing on fostering offline connections.⁵¹ For brands, the opportunity is to think not only about the exploration of further channels to connect with their fans, but also the value they can add by shaping those community experiences in real life.

What's the evidence?

Traditional social media platforms are still huge, but growth has stalled. Both Facebook and X recorded their 2nd consecutive year of declining weekly posting amongst users, whilst follower post engagement

also declined for Instagram (by 8%) and even TikTok (by 50%).⁵² Meanwhile alternative spaces have seen a meteoric rise, like Substack, a newsletter platform that has seen usage grow by as much as 42% between August 2023 and January 2024.⁵³ In response, brands are finding value in advertising on Substack as a way to more directly connect with customers and the communities they inhabit.⁵⁴ ⁵⁵

Where are things going next?

Looking ahead, simply existing on social media may not be enough to create lasting post-purchase relationships. Forward-thinking brands will either meet existing customers in new gathering spaces, or create entirely new digital forums that attract new audiences. Doing so will be a way to strengthen brand fandom, giving advocates new ways to interact with the brand away from simply buying products – whether that's chatting to a virtual personification of the brand or living and playing in a brand's virtual world.⁵⁶ ⁵⁷



34%

of executives were asked how they're tackling customer loyalty. They said that they're focusing on member communications and relationships, showcasing how businesses are thinking about loyalty beyond just a transactional nature.⁵⁸

78%

of consumers in the UK have messaged a brand through Facebook Messenger, Instagram or WhatsApp. 86% say that the experience positively impacted their perception of the company.⁵⁹

⁴⁹ Social Media is Dead, Business Insider, Aug 2023. ⁵⁰ TikTok group chats are finally here, Mashable, Aug 2024. ⁵¹ Hinge is spending \$1 million to get people meeting IRL, Fast Company, May 2023. ⁵² 2024 Social Media Industry Benchmark Report, Rival IQ, Feb 2024. ⁵³ Substack User and Revenue Statistics, Backlinko, Mar 2024. ⁵⁴ Scoop: Substack is helping creators sell ads, Axios, Feb 2024. ⁵⁵ We're all just fumbling around: Advertising on Substack remains a Wild West for brands, Modern Retail, Jun 2024. ⁵⁶ Meet Symphony Avatars: TikTok's New Creative AI Tool, Pocket Tactics, Jun 2024. ⁵⁷ Roblox teams up with Vans to unveil skate shoes before they hit stores, Pocket Tactics, Jul 2024. ⁵⁸ Global Customer Loyalty Report, Antavo Loyalty Cloud, 2023. ⁵⁹ State of Social Conversational Commerce 2023, Spectrm, 2023.

What are brands doing?

Adidas



German sportswear giant Adidas allows its customers to sign up and join Adiclub, a loyalty programme that, like others, allows them to accumulate points but crucially allows members to accrue them by making purchases, leaving reviews or doing various fitness activities.⁶⁰ They can then be redeemed for unique products or access to exclusive sporting experiences like pitch-side tickets or products signed by sporting heroes. These rewards unite Adidas consumers through their love for sport first and the brand second. Active across 50 markets, adiclub contributes to DTC's 41% share of Adidas sales.⁶¹

The North Face



The North Face's XPLR PASS membership programme offers members a range of benefits including discounts, free delivery and early access to products but also includes invitations to exclusive Basecamp events in France (Chamonix), Italy (Cortina) and Germany (Garmisch) where members meet with like-minded people to exchange ideas and explore.^{62 63} When finding your niche online can be easier than finding them offline, The North Face plays a crucial role in knitting this community together whilst amassing a group of brand advocates. In Q4 of 2022 alone the brand added more than 1 million users to the loyalty programme.⁶⁴

What can you learn from it?

Foster a more attentive relationship by paying close attention to your customers' interests. Inviting customers to personalised or exclusive events builds a relationship beyond the purchase, promoting a stronger emotional connection between you and your customers, ultimately encouraging intensified brand loyalty.

The rise of new social platforms speaks to a desire for more intimate online interactions, moving beyond a one-size-fits-all approach to community building. By directing customers to specialised and niche online spaces after they've made a purchase, you can foster feelings of real connection that generate long-term engagement and build brand fandom.



⁶⁰ How Adiclub Works, Adidas, 2024. ⁶¹ Group Management Report, Adidas, 2023. ⁶² Loyalty Programme, The North Face, 2024. ⁶³ Basecamp, The North Face, 2024. ⁶⁴ EXEC: The North Face Posts Double-Digit Fiscal Year Sales Growth In All Regions, All Channels, SGB Media, May 2023.

Conclusion

As customers' online shopping and product expectations continue to evolve, forward-thinking brands are finding ways to optimise the post-purchase experience in order to stand out in a crowded e-commerce marketplace.

Whether it's longer product life cycles giving brands more opportunities for customer engagement and customers looking for brand relationships centred around more than just the product, it's clear that the post-purchase landscape is ripe with opportunity for businesses.

With digital technologies affording consumers a greater voice and sense of control over brand identity, it's imperative that brands explore ways to keep up and meet post-purchase expectations. Rather than viewing the post-purchase as a single phase, businesses can work to thoughtfully consider how it shapes the entirety of the customer journey and each of the decisions a consumer makes along the way. By doing so, there's an opportunity to not only improve customer satisfaction, but also create more streamlined internal processes that help your business maintain a competitive edge.

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce convenient, affordable and secure, the PayPal platform is empowering tens of millions of merchants in 200+ markets to join and thrive in the global economy.

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