

Reaping the Returns: Convenient Returns Process Helps Retailers Ensure Customer Loyalty

Newgistics' Fourth Annual Returns Survey Finds Seamless Returns Program Can Increase Sales and Customer Satisfaction among New and Repeat Shoppers

AUSTIN, TX—DECEMBER 13, 2006—With this year's holiday shopping season in full swing, retailers are making every effort to attract consumer spending dollars. According to the fourth annual consumer returns survey commissioned by Newgistics, Inc. and conducted by Harris Interactive[®], a convenient returns process can offer retailers the competitive edge they need to boost holiday sales. The survey revealed that more than 1 out of 5 adults (22 percent) returned items that they received as gifts during last year's holiday season, suggesting that returns are an inevitable part of the retail industry, particularly following the holiday gift-giving rush. But retailers that recognize the value of returns as a critical touch point for consumers can actually benefit from the returns process as a competitive differentiator.

As consumers turn their attention to buying gifts during the holidays, retailers can offer peace of mind by ensuring hassle-free returns. An overwhelming majority of U.S. adults (93 percent) say a convenient return policy and process is somewhat important, important or very important when deciding where to purchase a gift for someone else. Additionally, 90 percent of adults who have shopped online or through catalogs cite that a convenient returns policy is somewhat important, important or very important in encouraging them to shop with a new or unknown online or catalog retailer. This year's survey results also indicate that an easy returns process plays a large role in securing customer loyalty. For the fourth year in a row, nearly nine out of 10 (89 percent) adults who have shopped online or through catalogs report that they are somewhat or very likely to shop with a direct retailer again if the return process is convenient; conversely, 80 percent are not very or not at all likely to shop again with the same retailer if the return process is inconvenient.

With 92 percent of adults planning to shop in stores this holiday season, brick and mortar retailers will continue to see a steady stream of shoppers. Online and catalog retailers, however, are also in a position to profit from the holiday spending frenzy, with approximately 2 out of 3 adults (64 percent) planning to shop online or through catalogs between Thanksgiving and New Year's Day. Nearly eight out of 10 (79 percent) adults report that they have shopped directly – either online or by catalog – up two percent from last year (77 percent). With an increasing number of consumers shopping through direct channels, online and catalog retailers can differentiate themselves by delivering convenience at every phase of the shopping experience, including the returns process.

For a copy of the report on the data collected in this survey, please visit www.newgistics.com or contact newgistics@schwartz-pr.com for more information.

About the Survey

Harris Interactive® conducted the survey on behalf of Newgistics, Inc. by telephone within the United States between December 1 and December 3, 2006 among 1,031 adults (aged 18 and over). Figures for age, sex, geographic region, and race were weighted where necessary to bring them into line with their actual proportions in the population. With pure probability samples, with 100 percent response rates, it is possible to calculate the probability that the sampling error (but not other sources of error) is not greater than some number. With a pure probability sample of 1,031, one could say with a ninety-five percent probability that the overall results have a sampling error of +/- 3 percentage points. Sampling error for the sub-samples of adults who have ever shopped through catalogs or online (n= 829) and adults who returned gifts during last year's holiday season (n= 229) may be higher and vary. However that does not take other sources of error into account.

About Newgistics

Newgistics, Inc. (www.newgistics.com) is the leader in returns management solutions. Newgistics' patent-pending Intelligent Returns Management(SM) solution delivers the most convenience for customers while maximizing control of the returns process. Newgistics' SmartLabel® drives customer loyalty and increases profitability for leading retailers like Neiman Marcus, J.Crew and Abercrombie & Fitch.

About Harris Interactive®

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online

market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms. The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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