Boozt

Press Release

MALMÖ, SWEDEN, JUNE 25, 2024

Nordic Online Department Store Blocks 60,000 Customers for Returning Too Many Purchased Items

Boozt announced on Friday that the company has banned 60,000 customers for returning an excessive number of purchased items, stating that their behaviour is too expensive for both the company and the environment.

Boozt, the online Nordic department store, has implemented The Fair Use policy to address the growing issue of returns in online shopping.

By identifying and blocking customers, Boozt aims to reduce the significant costs associated with 'serial returners', who exploit high service levels of free shipping and returns at the expense of our business, other customers, and the environment.

In a recent interview with leading Swedish media <u>Svenska Dagbladet</u>, Boozt CFO Sandra Gadd shared that over a year ago, Boozt's data analysts discovered a small group of customers being responsible for a significant number of returns. When these customers were blocked, returns decreased by approx. 15 percent.

"Now, approximately 60,000 customers out of a total of 3.5 million active customers are blocked," Gadd noted, while also mentioning that overall reactions to this policy have been positive: "The behaviour has not stopped, but we have learned to identify this type of customer." A year ago, Boozt had blocked 45,000 customers.

Data from the past year shows that the policy has had a positive impact on the carbon footprint and sustainability of the business: "It's important for us to take action to combat this behaviour, for the benefit of both the business and the environment. It's encouraging to see the positive effects of Fair Use on both margins and our carbon footprint." Gadd says.

Regarding the savings achieved by blocking customers, Gadd said: "It amounts to many millions, but I cannot specify an exact figure." The strategy has proven effective, with Boozt maintaining a return rate of approximately 35 percent for several years. Lower return rates mean that more seasonal items and sizes are available for customers.

"Not only does this behaviour put a strain on the environment, but it is also not fair to the vast majority of our customers that shop responsibly as it takes up resources and available items from our sites, lessening the overall shopping experience", Gadd adds.

Fair Use facts

In 2023, around 18,000 customers or 0.68% of the active customer base, were newly paused through the Fair Use Policy. This is a small part of the more than 3 million active customers on Boozt.com, yet these customers represent around 20% of the total return volume. By pausing these accounts and reducing unnecessary returns, Boozt saved approximately 589 tonnes CO2e in 2023 (2022: 791 tonnes CO2e) which has eliminated the need for approximately 445 delivery trucks during one year.

Boozt facts

Number of Active Customers: 3.5 million

Trustpilot Score: 4.4

Number of Orders in 2023: + 7.4 million

Number of Markets: 14

Number of Employees: Over 1,100

For more information:

Ask Kirkeskov Riis, Communications Director, Boozt Group: askr@boozt.com - +45 50408511