

# THE TOTAL ADDRESSABLE PARCEL CARRIER MARKET FOR UK ECOMMERCE RETURNS



How much could a carrier make by helping merchants of different sizes fix their returns headaches?



74%

of merchants are looking to carriers for help in returns

57%

say returns are a significant problem

92%

are making returns a priority

UK merchants	X- Small	Small	Medium	Large
Annual online revenue	(£1.25M - £2.5M)	(£2.5m - £7.5M)	(£7.5M - £50M)	(£50M+)
No. of merchants in TAM	-1750	-2900	-370	-110
% with a returns portal	5%	12%	29%	27%
Total addressable market (annual)	£230,000	£5,200,000	£10,000,000	£2,700,000

Large retailers are much more likely to want to build their own solutions, and usually have the resource to do so. They're harder to reach and harder to please.  
**Focusing on small and medium-sized businesses makes most sense for carriers.**

## X-SMALL SEGMENT

### Key facts

- 1,750 retailers with £1.25m-£2.5m online revenue
- 95% addressable with returns solution (5% have a portal)
- 58% use Shopify or Magento for their webstore, meaning they can be targeted with integrated plugin solution, self-serving via Shopify/Magento App Store

### Assumptions:

- c.30 returns/month for X-Small retailers
- Carrier charge of £2.50 per return
- Targeting 58% (Shopify/Magento users)
- Reaching 25% of target audience with the plugin solution

Estimated carrier annual revenue: **~£230,000**

## SMALL SEGMENT

### Key facts

- 2,900 retailers with £2.5m -£7.5m online revenue
- 89% addressable with returns solution (11% have a portal)
- 61% use Shopify or Magento for their webstore, meaning they can be targeted with integrated plugin solution
- 20% using in-house or other tools can be targeted with a returns portal solution

### Assumptions:

- c.300 returns/month for Small retailers
- Carrier charge of £2.50 per return
- Targeting 81% (Shopify/Magento/in-house)
- Reaching 25% of targeted Small retailers with plugins and returns portal proposition

Estimated carrier annual revenue: **~£5,200,000**

## MEDIUM SEGMENT

### Key facts

- 370 retailers with £7.5m-£50m online revenue
- 78% have no current solution (22% have a portal)
- 50% use Shopify or Magento for their webstore

### Assumptions:

- c.3000 returns/month for Medium retailers
- Carrier charge of £2 per return
- Targeting 90% of Medium retailers (including those with some returns solution in place)
- Reaching 25% of targeted Medium retailers with plugins and returns portal proposition

Estimated carrier annual revenue: **~£10,000,000**