TO RETURN OR NOT TO RETURN

A QUANTITATIVE STUDY ON THE EFFECTS OF ALTERNATIVES TO FREE RETURN POLICIES

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Abstract:

Fashion e-commerce is growing rapidly and poses a big threat to the environment by being accountable for 10% of humanity-caused greenhouse gas emissions. Despite this, customers continue to purchase, and return, more items from online fashion retailers than ever. Therefore, this study aims to examine how retailers could try to decrease the returns made by their customers through their return policy, with the least harm to the customer's attitudes and intentions. The study was conducted through an experimental survey which resulted in four different groups, which could be compared to each other in order to understand which return policies are most effective with the purpose of this study in mind. The findings revealed that offering returns for a cost has a greater positive impact on customer's attitude and intentions than offering no returns at all. Moreover, the experiment concluded that including a sustainability explanation of the return policy had a greater positive impact on customer's attitude than including no explanation. Respondents exposed to a return policy with a sustainability motivation also perceive that the retailer is trying to act sustainably through the means of their return policies to a greater degree.

Keywords:

Attitude, Intention, Sustainability Perception, Returns, Return Policies, Online Retailers, Fashion Retailers, Lenience, Experimental Survey, Quantitative Study

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Table of contents

1. Introduction **5**
1.1 Purpose 6
1.2 Expected Contributions 6
1.2.1 Theoretical Contributions 6
1.2.2 Practical Contributions 7
1.3 Delimitations 7

2. Theory **8**
2.1 Contextual Background 8
2.1.1 The Environmental Impact of Returns 8
2.1.2 Reasons for Returns in E-commerce 9
2.1.3 Competitive Landscape for Retailers in Terms of Returns 11
2.1.4 Customer Expectations of Return Policies 11
2.1.5 The Consumer Effects of Leniency in Return Policies 12
2.1.6 The Correlation Between Attitude and Intention 12
2.1.7 Consumer Effects of Retailers' ECSR Activities 13
2.2 Hypothesis Generation 13

3. Method **16**
3.1 Quantitative study 16
3.2 Questionnaire Design 16
3.3 Experiment Construction 18
3.4 Measurements 19
3.4.1 Attitudes 19
3.4.2 Intentions 20
3.4.3 Sustainability Perception 20
3.5 Data Collection 21
3.5.1 Gathering of Participants 21
3.5.2 Sampling 21
3.6 Reliability of Collected Data 21
3.6.1 Filtering out Unvalid Responses 21
3.6.2 Measurement Reliability and Validity 22
3.7 Analysis Tools and Tests 23

4. Results **26**
4.1 SPSS Results with Possibility of Making Returns as Variable 26
4.2 SPSS Results With Sustainability Explanation as Variable 27

5. Discussion **30**

6. Conclusion and Implications **33**

6.1 Conclusion 33
6.2 Practical Implications 33
6.3 Limitations 34
6.4 Future Research 34

7. References 35

8. Appendices 38

1. Introduction

Sweden's e-commerce has grown at a rate of 15% per year since 2006, and it is now booming due to the Covid-19 pandemic. Since the outbreak, e-commerce in Sweden has increased with over 40%, which is an extreme development.[1] As e-commerce grows, so do emissions from transports related to e-commerce. Not only do the transports increase from deliveries of orders, but also from the increasing number of returns made with online purchases. The rate of online product returns varies between 18%-60% depending on the product category, whereby the highest return rates occur in fashion e-commerce.[2] In Sweden, approximately 30-40% of all online purchases of clothes are returned, while returns of in-store clothing purchases amount to merely 1-2%.[3] This indicates an exploitation of online returns among consumers.[4] The environment is also negatively affected by the increasing amount of packaging and waste that follows with the growing e-commerce. Taken together, it is overall worse for the environment to shop online compared to going to the local store.[5] Considering the past decade's e-commerce development, it is not likely that it will decline or lose ground to physical retail in the near future. Rather, global e-commerce is forecasted to grow by 50% during the four coming years.[6] Thus, it is critical to create solutions which decrease the negative environmental impact of e-commerce. One way to reduce the emissions caused by e-commerce is through decreasing the amount of returns made, and thus the extra transports that they imply. By reducing the amount of returns made, the negative impact of e-commerce on the environment is also reduced through the diminished amount of waste that the returned items to a large degree become, as they often cannot be resold.[7]

One reason for e-commerce's large amount of returns is that many online retailers offer free returns. Free returns are perceived as lenient (i.e. a generous return policy in the aspects of time, money, scope e.t.c.), and thus encourage product returns, and as more and more retailers offer free returns, the amount of returns increases.[8,9,10] Online retailers offer free returns to

[1] Frisk (2021)
[2] Whittaker-wood (2019)
[3] Frisk (2021)
[4] Dahlén (2022)
[5] Frisk (2021)
[6] Chevalier (2022)
[7] Constable (2022)
[8] Janakiraman et al. (2016)
[9] Hjort & Lantz (2016)
[10] HUI Research & Svensk Digital Handel & Postnord (2021)

stay competitive in the industry, as it has evolved from being an order delight (added benefit), to becoming an order qualifier (expected) for the majority of customers.[11,12] The service of free returns incentivizes customers to return more, and they may even intentionally over-order due to it.[13,14] Free returns enable customers to unmindfully order a lot of clothes to try on at home, as they can return them all to no cost if they do not fit their size or taste. Thus, by taking away free returns, more conscious decisions could be promoted in fashion e-commerce, as customers would most likely not behave as carelessly when they can no longer see it as a service of free try-on at home.[15] But if retailers stop offering free returns, what will the effects be on customers' attitude towards the retailer and the return policy itself, as well as on their intentions? And how will the aforementioned be impacted if the non-free return policy is paired with an explanation of it being a sustainability-measure taken by the retailer? That is what this study aims to examine.

1.1 Purpose

The purpose of this study is to examine how customers' attitude, towards the fashion retailer and towards the return policy itself, and purchase-, as well as word-of-mouth (W-O-M) intention is affected by being offered the possibility of making returns for a cost, versus not being offered possibility at all. Furthermore, this study aims to investigate whether the return-policy paired with an explanation of it being a sustainability-measure taken by the retailer has any effects on the aforementioned.

The purpose with investigating these narrow questions is to understand how a return policy at a fashion retailer can best be formulated in order for it to decrease the amount of returns made, in order to become more sustainable, without compromising too much of the consumer effects in terms of attitude and intention.

[11] "E-handelns returer av kläder är en miljöbov" (2021)
[12] The future of retail 2018 (2018)
[13] "E-handelns returer av kläder är en miljöbov" (2021)
[14] Mukhopadhyay, et al. (2004)
[15] Frisk (2021)

1.2 Expected Contributions

1.2.1 Theoretical Contributions

Returns have primarily been studied in terms of its implications on profitability and consumer behavior, while the implications of retailers' efforts to reduce returns on customers' attitude is a fairly unexplored area of research. This study is expected to contribute to filling the gap about return policies connected to sustainability in this sense. Furthermore, it is expected to bring scientific attention to this subject, by accentuating the need- and potential for retailers to proactively counter-act returns through their return-policy.

1.2.2 Practical Contributions

The overarching aim is to provide guidance for fashion retailers in whether it is possible for them to stop offering free returns, or returns altogether, without harming their customers' attitude and intentions towards them, in order to become more environmentally sustainable. Moreover, the expected practical contributions are to provide insights into how customers' perception of the retailer, in terms of sustainability, can be impacted through the return policy, and the communication of the return policy as a sustainability-measure. The insights are expected to provide support in the form of managerial implications for future decision-making within the area of return policies connected to sustainability.

1.3 Delimitations

This study is delimited to established fashion e-commerce as it is the industry with the highest return rate. It is further delimited through the use of a brand-neutral frequently asked questions (FAQs) page in the experiment (i.e. survey) in order to prevent respondents' previous associations of brands from impacting the results. Lastly, this study is delimited to investigate the respondents' attitude towards the retailer, overall and in terms of sustainability, and the retailer's return policy itself, as well as their intentions connected to it.

2. Theory

2.1 Contextual Background

2.1.1 The Environmental Impact of Returns

According to the United Nations Environment Programme, the industry of fashion retail makes up approximately 10% of humanity's carbon dioxide emissions.[16] Thus, the fashion retail industry accounts for greater emissions than does aviation (2,1%) and shipping (2,5%) combined.[17, 18] There are various factors within the fashion retail sector that negatively influence the environment, such as the production of garments, microplastics in the oceans from washing the fabrics, and the tremendous amount of waste ending up in landfills.[19] While all of these have a multitude of negative effects on our planet, production is the indisputably worst element of them all, as it accounts for the largest percentage of negative environmental impact of 80%.[20] Though emissions caused by transports within the fashion retail sector make up a minority of the negative impact from fashion retail today, the amount of emissions generated from it is growing at an even faster pace than e-commerce itself.[21] The reason for this is that as e-commerce increases, so does the amount of returns made and thus the extra transports needed to handle them. Around 17 billion returns take place every year, corresponding to 4.7 million tons of CO2-emissions.[22] This amount will keep on increasing, unless retailers take their responsibility to reduce the amount of returns made as e-commerce continues to grow.

30-40% of all online clothing purchases in Sweden are returned.[23] Not only does the number of transports increase in correlation to the amounts of returns made, but also in correlation to how retailer's have set up their return-handling (whether it is themselves or third-parties who handle them, where they are located, and how many turns the packages have to go) as well as in number of miles. Thus, deliveries and returns connected to e-commerce are a growing

[16] Niinimäki et al. (2020)
[17] Facts and figures (2020)
[18] Shipping industry reduces carbon emissions with space technology (n.d)
[19] Dottle & Gu (2022)
[20] Sandin et al. (2019)
[21] Ibid.
[22] Khusainova (2019)
[23] Frisk (2021)

threat to our planet's sustainability, further underlining the need to reduce the amount of returns made.

As previously touched upon, some fashion retailers let third-party firms handle their returns. The reason for this is that the handling of returns can be quite demanding for a retailer who would rather spend their efforts into e.g. their core business. As returns come in a great variety of conditions and amounts, the handling of returns includes inspection, sorting and making sure the items are in a condition that can be resold, among other things. Thus, many retailers outsource these tasks to return-handling-hubs, often located in other countries, to which the returns get shipped before being shipped back to the retailer's warehouse or distribution center. Thereby, a return leads to many more transport distances than the order otherwise would have resulted in. In an experiment where clothing items with attached GPS-trackers were returned to different Swedish retailers, the longest distance a return at a Swedish retailer traveled was more than 2360 km, and the average distance that returns were transported was about 500 km.[24]

Apart from the extra transport distances of returns impacting the environment negatively, the returns also generate 5 billion pounds of waste every year.[25] Thus, resources have been used-, and greenhouse gasses have been emitted-, during the production and delivery of the items and their returns, only for them to end up adding on to the already immense amounts of clothing and footwear in landfill. Often, these items are new and unused. The main reason for this is that many retailers lack the technology necessary to take care of the differing conditions of returned goods, whereby it is more profitable to sell them to discounters (i.e. another additional shipment) or to ship them to landfill directly.[26] As the population is estimated to grow to 9 billion by 2050, and as the average person's amount of purchased clothing items increases with 60% per year, this further stresses that more sustainable solutions to the issues of returns are becoming vital.[27]

[24] Englund (2021)
[25] Constable (2022)
[26] Ibid.
[27] Ibid

2.1.2 Reasons for Returns in E-commerce

Returns are common within fashion retail as customers are unable to see, feel and try on the clothes in real life prior to purchasing them. Thus, the customer isn't able to make a fully informed decision on whether the item suits them or their taste, but rather have to rely on the information provided by the retailer, such as pictures or sizing measurements. However, the pictures are often limited to only a few different angles as well as proximities, and are usually demonstrated on only one body type, which can be quite misleading. And even though measurements may be accurate, the design of the garment and the fabric itself might impact the way the size fits and flatters the body, which is difficult for the customer to deem beforehand. Additional natural reasons for returns in e-commerce are defective items, late deliveries (e.g. if it was ordered for a special event that has now already occured) or other unforeseeable events related to the customer (e.g. sudden change of mind).[28] Hence, there will naturally be shortcomings within e-commerce, both in terms of sizing and taste as well as in expectations of the item overall, that'll inevitably lead to returns.[29,30]

Nonetheless, there are reasons for returns which are not inevitable and which, if tackled successfully, could likely reduce the immense amount of online fashion returns. These are the returns retailers should target and aim at reducing through their return policy. For example, customers may order several different sizes of the same garment just to try them on at home to see which fits best, if any.[31,32] By doing so, they will inevitably want to return at least one of the items, as it is unnecessary for them to keep two of the same item in different sizes when one fits better. If customers would instead get more accurate information and size recommendations, and if the return policy would shift their mindset about returns leading to them only ordering one size of the item instead, there is at least the chance that there will be no need for a return (i.e. if it fits e.t.c.), compared to when the customer orders several sizes.

Not only that, free returns also encourage a phenomenon referred to as "snap and send back", which is highly detrimental in terms of sustainability.[33] It entails ordering a product online, photographing oneself wearing the item, posting it on social media, and thereafter returning it

[28] Ibid.
[29] Dahlén (2022)
[30] Stöcker et al. (2021)
[31] Dahlén (2022)
[32] Stöcker et al. (2021)
[33] Dahlén (2022)

for a full refund.[34] Thus, the customers engaging in this behavior do not have an intention to keep the items at all. Rather, their intention, already at the point of purchase, is to return the items. To tackle this consumer behavior, some fashion retailers have enforced suspension of customers who make an unreasonable amount of returns.[35] However, the question is whether suspension of customers is necessary, or if the same effect on returns could be achieved through a return policy that decreases the propensity to make returns.

2.1.3 Competitive Landscape for Retailers in Terms of Returns

In Sweden, there has been an increase in the amount of firms who always offer free returns from 19% in 2018 to 22% in 2021.[36] Free returns is a service that online retailers can offer their customers, which increases their competitiveness toward physical stores.[37] Free returns are also correlated with a higher order frequency.[38] However, free returns are also associated with reduced average order value and higher return-probability, and they are very costly to retailers and the environment.[39, 40] Nonetheless, no firm dares to risk their market share by being the first to expose their customers to the actual costs of returns, as they are under the impression that customers will turn to other retailers if they are required to pay for those. Hence, retailers are upholding their free return policies. This is illustrated by the fact that almost no retailers dared charging their customers for returns even upon the repealing of free return laws in Finland and Germany.[41]

2.1.4 Customer Expectations of Return Policies

Free returns, which used to be seen by customers as a bonus service offered by retailers, have become the industry standard for online fashion retailers, and customers now expect retailers to offer free returns.[42] When retailers meet customer expectations it is proven to increase satisfaction, and hence also positively affect consumer attitude.[43]

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[34] Robles (2022)
[35] Dahlén (2022)
[36] HUI Research & Svensk Digital Handel & Postnord (2021)
[37] Ibid
[38] Hjort & Lantz (2016)
[39] Ibid.
[40] HUI Research & Svensk Digital Handel & Postnord (2021)
[41] E-handelns returer av kläder är en miljöbov (2021)
[42] The future of retail 2018 (2018)
[43] Customer Attitudes And Expectations (2022)

2.1.5 The Consumer Effects of Leniency in Return Policies

As mentioned in the introduction, return policy leniency explains how generous a return policy is considered to be in terms of cost, time and scope among other things.[44] To illustrate this, a free 60 day return policy is more lenient than a 50 SEK 30 day return policy, as it is perceived to be more generous. Return policies with higher leniency have been shown to increase customers' purchase intentions.[45,46] The increase in purchase intention is partly due to lenient return policies reducing customers' perceived risk and uncertainty.[47,48] Furthermore higher lenience encourages product returns.[49]

2.1.6 The Correlation Between Attitude and Intention

To understand the correlation between customer attitude and intention, it is vital to understand what they both are. Customer attitude is based on three elements, namely; affective information, cognitive information, and previous behavior by the customer. In other words, the attitude is a combination of what the customer has learned, in terms of feelings, thoughts and behaviors regarding specific services and-/or products.[50] Intention is defined as the likelihood for a customer to purchase a product or perform an action related to purchases and/or word-of-mouth. Word-of-mouth refers to when customers speak about a retailer's product or service in their everyday conversations. This can be seen as satisfied customers performing free advertising.[51,52,53]

As explained through the theory of planned behavior, consumer attitude and consumer intention are correlated in the way that consumers' intentions are entrenched in their attitudes, subjective norms and perceived behavioral control. More positive attitudes and subjective norms together with higher perceived behavioral control increases the consumer's intention towards a behavior.[54] These intentions could pertain to for example purchasing and-/or engaging in word-of-mouth. Furthermore, intentions are affected by perceived risk and

[44] Janakiraman et al. (2016)
[45] Wang et al. (2019)
[46] Oghazi et al. (2018)
[47] Janakiraman et al. (2016)
[48] Pei et al. (2014)
[49] Hjort & Lantz (2016)
[50] Customer Attitudes And Expectations (2022)
[51] Takaya (2019)
[52] "Word-of-Mouth Intention (Positive) | Marketing Scales" (n.d.)
[53] Hayes (2021)
[54] Ajzen (1991)

uncertainty, as mentioned under the previous subheading, whereby lower perceived risk and uncertainty correlates with increased consumer intention.[55] Intentions are also positively correlated with higher perceived service quality.[56]

2.1.7 Consumer Effects of Retailers' ECSR Activities

Environmental Corporate Social Responsibility (ECSR) is an extension of Corporate Social Responsibility (CSR), which highlights firms' responsibility surrounding environmental sustainability, while CSR is a concept pertaining to a firm's broader responsibility towards society overall including ethical, social, economical and legal responsibility.[57,58,59]

Consumer attitudes towards retailers and their offerings have been shown to be favorably influenced by ECSR.[60,61] The communication of ECSR activities performed by the retailer thus increases consumer attitudes towards the retailer and their services, and these effects are not exclusive for environmentally concerned consumers.[62] Moreover, CSR activities, which ECSR applies to, reduce perceived uncertainty and risk among consumers.[63] They also result in higher perceived value of the firm's offering.[64]

2.2 Hypothesis Generation

H1 Return VS. No Return

Given that return policies that are considered more lenient yield more positive attitudes, it is predicted that a return policy which accepts returns, however for a cost of 50 SEK, will have more positive effects on attitude towards the retailer, and the return policy itself, compared to a less lenient return policy which does not accept returns. Building on this, as consumer intentions are partially based on consumer attitudes, it is anticipated that the more lenient

[55] Pei et al, (2014)
[56] Tsiotsou (2006)
[57] Williamson et al. (2006)
[58] European Commission (2011)
[59] Carrol (1991)
[60] Ho & Ding (2017)
[61] Khojastehpour & Johns (2014)
[62] D'Souza et al. (2006)
[63] Chen et al. (2016)
[64] Ferreira (2010)

return policy will result in increased intention in correlation to it generating more positive attitudes. Although the return policy with a cost of 50 SEK is anticipated to have more positive effects, they are not expected to score high in absolute value, as it is less lenient than free return policies, which are what customers expect today. The preceding findings has thus led to the following two hypotheses:

H1a: Offering the possibility of making returns for a cost of 50 SEK will result in more positive attitudes towards the retailer overall, and the return-policy itself, compared to not offering returns at all.

H1b: Offering the possibility of making returns for a cost of 50 SEK will result in more positive intentions compared to not offering returns at all.

H2 Sustainability Perception

An explanation of the return-policy being a sustainability-measure taken by the retailer in order to reduce their environmental impact is predicted to be perceived as the retailer taking environmental responsibility and engaging in ECSR activities. As retailers' engagement in ECSR favorably influences consumer attitude towards them and the perceived value of their offering, the following is hypothesized:

H2: Including an explanation of how the return policy is a sustainability-measure taken by the retailer will positively impact the respondent's perception of the retailer's effort to be more sustainable.

H3 Sustainability Explanation VS. No Sustainability Explanation

As communication of the retailer's ECSR engagement increases consumer attitudes and reduces their perceived risk and uncertainty, and since that affects consumer intentions positively, it is estimated that pairing the return policy with an environmental motivation of the return policy will have more favorable effects on attitudes and intentions compared to when a ECSR-explanation is not included. The predictions are further substantiated by ECSR

engagement leading to higher perceived value of the firm's offering and by higher perceived service quality correlating positively with consumer intentions. In line with the presented findings, the following is hypothesized:

H3a: Including an explanation of how the return policy is a sustainability-measure taken by the retailer will result in more positive attitudes towards the retailer, and the return-policy itself, compared to not including an explanation.

H3b: Including an explanation of how the return policy is a sustainability-measure taken by the retailer will result in more positive intentions compared to not including an explanation.

3. Method

This section explains the techniques used to collect data, together with the reasoning behind it. Furthermore, it introduces the conducted survey and provides a description of the variables investigated. Finally, it includes a discussion about the data collected, the reliability of it and the tests performed.

3.1 Quantitative study

The quantitative study was conducted by sending out an experimental survey. The experimental survey included eight sections. The table below shows how the survey was structured and what the different sections contained. (Appendix 1)

3.2 Questionnaire Design

Figure 1 *- Questionnaire layout*

1	2	3	4	5	6	7
Introduction	**Randomized Picture**	**Questions about picture shown**	**Control question**	**Demo-graphics**	**Control question**	**Giveaway participation**
Topic brief Predicted time Instructions Contact information GDPR	1 out of 4 pictures is being shown creating 4 different cells	Attitude Intention Perception about the company's level of sustainability	Control question to indicate focus level	Gender Age Residence Pre-tax salary Occupation Education	Control question to indicate focus level	Write in email to participate in the giveaway

The above figure presents the structure in the survey and the different parts that each respondent viewed, and in some parts also answered questions. When respondents first opened the survey they were shown a welcoming page which gave a brief description of the topic of the survey, together with an indication of the time estimated to be needed to complete the survey. Furthermore, it explained that questions similar to each other might appear, and

that it is done so purposely. It also introduced our supervisor as well as included contact information to the authors of this report if the respondents were to have questions on either the survey itself, or the connected project. Lastly in this section, respondents were informed about GDPR and asked to confirm that they understood that their answers were completely anonymous by checking "I consent" in order to maintain their privacy.[65] The respondents that did not consent on this page were automatically moved to the end page and hence, did not take part in the study.

Next, one out of four pictures were shown to the respondent. The choice of picture was completely randomized, however weighted between respondents. This created four different cells based on what picture the respondents were exposed to. After viewing the picture and asked to read the information on it carefully, respondents were asked questions connected to it. Questions asked in this section were all closed questions with a strong majority being on a seven-point Likert scale. Using seven point likert scales to answer the questions is the most advantageous way when working with hypothesis testing.[66] Thereafter, an attention check question was included, to make sure respondents were still paying attention. This attention question was also asked on a seven point Likert scale in order to conceal the fact that it was an attention check, with the purpose of sorting out randomized clicking.

At the end of the survey, the respondents got to ask questions about their demographics, since the last section is where the respondents pay the least attention to the questions.[67] The questions in this section were mostly multiple-choice questions. The respondents were asked these questions in order to give a picture of the person behind the answers. This was done with the purpose of after analyzing the data, to be able to give the retailers the right directives regarding what customers to focus on. At the end, another attention check was included. This time in the form of a multiple-choice question in order to conceal the fact that it was an attention check, with the purpose of sorting out randomized clicking. Lastly, respondents were given the possibility to fill in their email to participate in the giveaway of two Filmstaden movie tickets as a thank you for their participation. The survey participants had been introduced to the giveaway in the Facebook and LinkedIn posts that were sent out together with the survey link.

[65] Vetenskapsrådet (2018)
[66] Bryman and Bell (2015)
[67] Malhotra (2010)

3.3 Experiment Construction

To be able to understand how different return policies, as well as different explanations of said return policies, affect the customers *intentions*, *attitudes* and *sustainability perceptions*, the survey was performed in the design of an experiment. The experiment was conducted by letting different respondents get exposed to one out of four pictures, all showing a different return policy. This created four cells and the information shown to the participants in the cells were the following;

Cell 1;
"Yes, we offer the possibility to make returns on the items you have purchased, within 30 days from the date of delivery, for a return shipping cost of SEK 50."

Cell 2;
"No, we do not offer the possibility to make returns on the items you have purchased."

Cell 3;
"Yes, we offer the possibility to make returns on the items you have purchased within 30 days from the date of delivery, for a return shipping cost of SEK 50. This cost is a sustainability measure taken in order to reduce the amount of returns made, to together decrease our negative impact on the environment."

Cell 4;
"No, we do not offer the possibility to make returns on the items you have purchased. This is a sustainability measure taken in order to reduce the amount of returns made, to together decrease our negative impact on the environment."

The cells were created with the purpose of accepting or rejecting the hypotheses. THis means indicating whether or not including information about the negative impact returns has on sustainability, positively or negatively affects the respondents attitude and/or intention towards the return policy and the retailer as well as the sustainability perception of the

retailer. The cells were also created with the purpose of being able to understand if offering returns for a cost would have a greater positive or negative effect than not offering returns at all. The cells then formed four groups to be able to perform independent-samples t-test which will be further explained under *3.7 Analysis tools and tests*.

3.4 Measurements

In this section, the dependent variables used throughout the questionnaire are explained, and the reasoning behind them. The cronbach's alpha is also included for the questions that have been merged into indexes, based on reliability tests performed. Reliability tests that resulted in a Cronbach's alpha above 0.7 were used to create indexes.

3.4.1 Attitudes

The dependent variable *attitude* was measured by two questions connected to the picture/return policy that the respondents had been exposed to and were created with an aim to support hypotheses H1a and H3a. There were three answers to each question, which was based on the articles by Madden et al. (1992) and Ajzen (1991).[68,69] When respondents were to answer the questions, they did so by rating the following statements on the following measures; Negative - Positive, Bad - Good, I don't like it - I like it. The scale used for the ranking was an interval scale, more specifically, a seven point Likert scale, i.e. 1-7. The rankings for each question were then merged into indexes, creating two attitude indexes in total. The indexes were reliable due to scoring a Cronbach's alpha above 0.7 on the reliability analysis.

"What is your overall evaluation of the return policy?.." *Cronbach's alpha 0.975*

"My attitude towards the established online fashion retailer, keeping in mind their return policy, is…" *Cronbach's alpha 0.965*

[68] Madden et al. (1992)
[69] Ajzen (1991)

3.4.2 Intentions

The intention to purchase clothes at the retailer based on the specific return policy, as well as the intention to participate in W-O-M were measured through five questions inspired by research performed by Aliyar and Mutambala (2015).[70] The questions were asked with the aim to support H1b and H3b. Five of the questions were connected to the picture the respondents had been exposed to which was showing the intention to purchase items at the retailer, and what items in particular. It also asked about the word-of-mouth intention. The respondents answered these questions by ranking the statements on a seven point ordinal scale, ranging from "Strongly disagree" to "Strongly agree".

> "Please state to which degree you agree with the following statements, based on the return policy of the retailer:
> - *I am likely to shop at the retailer*
> - *I am likely to purchase expensive items from the retailer*
> - *I am likely to purchase larger quantities of items from the retailer*
> - *I am likely to order multiple sizes of the same item to try on at home*
> - *I am likely to recommend shopping at the retailer to someone else*"

3.4.3 Sustainability Perception

Two explorative research questions were also added in the survey with the aim to support H2. These questions asked about the customers perception of the retailer and the return policy in terms of sustainability. Two questions were asked and the respondents answered the questions on a seven point ordinal scale ranging from "Strongly disagree" to "Strongly agree".

> "The retailer is trying to appear environmentally sustainable through their return policy"

> "The retailer is trying to reduce their environmental impact through their return policy"

[70] Aliyar and Mutambala (2015)

3.5 Data Collection

3.5.1 Gathering of Participants

The online survey was created using Qualtrics. Respondents were gathered through posting the anonymous link on various social media platforms, such as Facebook, LinkedIn, Instagram and Snapchat. The link was also sent out in different "survey-groups" on Facebook. To motivate people to answer the survey, they were informed that by answering the survey, they also had the possibility to participate in the giveaway of two Filmstaden movie tickets, with a value of 300 SEK. The survey was accessed by 266 respondents in total, and 135 valid responses were collected.

3.5.2 Sampling

The respondents in the survey were mainly Swedish young adults. This might be an effect of the survey only reaching the author's social media contacts. However, by sending out the link in different "survey-groups" on Facebook, also some international respondents were reached.

3.6 Reliability of Collected Data

This part explains how the data was treated in order to attain the highest possible credibility, before performing the statistical tests. In order to do this, the data was reviewed critically with regards to validity and reliability.[71]

3.6.1 Filtering out Unvalid Responses

To be able to use the different cells and compare them against each other, at least 30 valid respondents are needed in each cell in order to assume normal distribution.[72] In order to only have the valid answers left before the testing was performed, the unvalid respondents were sorted out. The unvalid respondents were the ones that had either not finished the survey, or answered any of the control questions wrong.[73]

The ones that were discarded due to not finishing the survey were done so because they had either not answered all questions, or answered the first attention question wrong. Answering "I do not consent" on the GDPR question sent the respondent directly to the end page and the

[71] Bryman and Bell (2015)
[72] Krithikadatta (2014)
[73] Jones et al. (2015)

respondent was discarded. No one answered “I do not consent”, and hence, no one was discarded on this part.

The control questions were created to match the questions that the respondents had answered right before the attention check, and this was done to sort out randomized clicking. The first control question was placed after the questions regarding the picture viewed, and it asked the respondent to mark the number “three” on a seven point scale, to indicate that they were still paying attention. The ones that did not press the number “three” were directly sent to the end page of the survey and, hence, discarded. 14 respondents answered this question wrong and was therefore discarded. The second control question was located at the end of the survey, after the questions regarding demographics, and it asked the respondent what the survey was about. The ones that did not answer “online returns” were discarded. All respondents who answered this question chose “online returns”, and hence, no respondent were discarded on this part.

Sorting out the unvalid responses, i.e. the ones that had not finished the survey or answered any of the control questions wrong, gave 135 valid responses in total. Randomizing the pictures, and making sure it was weighted, made four groups of at least 30 valid participants in each. The distribution of valid answers between the different cells is shown in the figure below;

Figure 2 *- Valid responses per cell*

Cell nr:	**Cell 1**	**Cell 2**	**Cell 3**	**Cell 4**
Valid responses:	36	30	36	33

3.6.2 Measurement Reliability and Validity

By using established measures, such as Likert scales for the answers to the questions, the data could be considered reliable.

3.7 Analysis Tools and Tests

To analyze the data, SPSS version 28 was used. The data was directly imported from Qualtrics, and due to it being an experimental survey, and randomized blocks were used, the

box “Export viewing order data for randomized surveys” was checked before exporting the data. This was done in order to be able to see what picture each respondent was exposed to, since the similarities and/or differences between the four groups is what the discussion will be built upon.

In SPSS, *select cases* was used in order to include only the valid responses when, in the next stage, performing the tests. Using *select cases* and setting the last control question equal to two (“online returns”), ended up in 135 answers being left.

The questions regarding attitude had three answers to each question. These answers were tested for reliability in SPSS, results with a Cronbach’s alpha higher than 0.7 were merged into indexes. All answers that were tested for reliability resulted in a Cronbach's alpha above 0.7 and hence, all of them could be merged into indexes, resulting in a total of two indexes.[74]

In order to present statistically correct results showing what effect each picture/return policy had, *independent-samples t-tests* had to be performed. In order to perform an *independent-samples t-test*, a grouping variable factor is needed. This grouping variable will be the factor on which each question's answers will be divided upon, and can hence be compared between. The different cells should therefore be used in the grouping variable, creating four different groups, i.e. two different grouping variables, to be able to compare the means for each question between them.

The cells had been imported into SPSS in the form of four different variables, with a “1” indicating “yes” and “-” indicating “no” to the question “have the respondent seen this picture?”. In order to be able to use them to perform *independent-samples t-test*, they first needed to be recoded into one variable. This was done by first recoding them in their current variables and giving each cell a new number for the “yes”. Cell 1 kept the number 1, Cell 2 got 2 as “yes”, Cell 3 got 3 and cell 4 got 4. A new variable could then be computed using the MEAN function of all the cells. This created the independent factor “Picture_Cell_New” which is a factor with values from 1-4, indicating which cell each mean belongs to.

To easier understand the cells, a table of them is presented here;

[74] Bryman and Bell (2015)

Figure 3 *- Definition of cells*

Cell nr:	Cell 1	Cell 2	Cell 3	Cell 4
Return policy:	It is possible to return the items for a cost of 50 SEK.	It is not possible to return the items.	It is possible to return the items for a cost of 50 SEK, and a sustainability reason is included.	It is not possible to return the items, and a sustainability reason is included.

These cells then created four different groups to understand how the two different variables used in the experiment affect the responses. First, including, or not including, an explanation of the return policy as a sustainability measure created two groups. These are the following:

Figure 4 *- Definition of groups with sustainability explanation as variable*

Group:	No Sustainability Exp.	Sustainability Exp.
Cells included:	Cell 1 Cell 2	Cell 3 Cell 4

Secondly, groups were created with the variable being; the possibility of making returns for a cost of 50 SEK, versus not being able to make returns. The groups formed were the following:

Figure 5 *- Definition of groups with possibility of making returns as variable*

Group:	Return	No Return
Cells included:	Cell 1 Cell 3	Cell 2 Cell 4

The figure below explains the characteristics of each group:

Figure 6 *- Definition of groups*

Group:	No Sustainability Exp.	Sustainability Exp.	Return	No Return
Group characteristics:	No explanation of the return policy as a sustainability measure is included.	Explanation of the return policy as a sustainability measure is included.	It is possible to make a return of the items purchased for a cost of SEK 50.	It is not possible to make a return of the items purchased.

The groups were created by recoding the old values into two new variables. *Independent-samples t-tests* could then be performed on the questions regarding the pictures the respondents had been exposed to. This was done using the different questions regarding the pictures, i.e. the ones on the third section of the survey, to understand how the different pictures/return policies affect the attitudes, intentions and sustainability perceptions.

The tests were performed using a confidence level of 90%. This means that by looking at the significance levels (with $p < 0.1$ = significant) and the means for each group, it was possible to see if the return policies did, or did not, affect the answers given by the respondents. These insights, together with the hypotheses could then be used as a basis for discussion.

4. Results

This chapter shows the compiled results after tests performed in SPSS. The first part shows the results on the *independent-samples t-tests* performed on the questions connected to the pictures, i.e. the cell specific questions. These are divided by the different grouping variables tested, i.e. including versus not including a sustainability reason for return policy, and offering versus not offering the possibility to make returns. It is also divided by the different dependent variables investigated; attitude, intention and sustainability perception. Significance is upheld when the p-value is below 0.1 instead of 0.05, due to the t-test being one-sided.

Here follows a table showing the different means for each different cell. These will not be discussed further in the conclusion as the results that are found interesting are the differences between the different groups. However, it is included here for the ones that find the information interesting and valuable.

Table 1 *- Cell Means*

Question	Cell 1	Cell 2	Cell 3	Cell 4
What is your overall evaluation of the return policy?	3.95	2.61	5.30	3.52
My attitude towards the established online fashion retailer, keeping in mind their return policy, is…	4.02	3.16	5.23	5.51
I am likely to shop at the retailer	4.44	2.87	4.83	3.27
I am likely to purchase expensive items from the retailer	4.58	2.57	4.69	2.48
I am likely to purchase larger quantities of items from the retailer	3.94	2.63	4.08	2.36
I am likely to order multiple sizes of the same item to try on at home	2.61	2.10	2.92	1.88
I am likely to recommend shopping at the retailer to someone else	3.83	3.13	4.61	3.27
The retailer is trying to appear environmentally sustainable through their return policy	4.22	3.47	5.50	5.48
The retailer is trying to reduce their environmental impact through their return policy.	4.67	3.67	5.06	4.91

4.1 SPSS Results with Possibility of Making Returns as Variable

Below are the tables showing the results that an independent-samples t-test gave on the dependent variables *attitude* and *intentions*. The groups used in the independent-samples t-tests were group *Return* and group *No Return* since the difference between these means will show if offering the possibility of making returns for a cost of 50 SEK, verus not offering the possibility of making returns, has an effect on the dependent variables.

Table 2 *- Attitude*

Question	Group	Mean	Sig.
Attitude indexes			
What is your overall evaluation of the return policy?	**Return**	4.62	<0.001*
	No Return	3.08	
My attitude towards the established online fashion retailer, keeping in mind their return policy, is…	**Return**	4.63	<0.001*
	No Return	3.40	

** Significant result*

The table above displays that respondents who were exposed to a return policy that offered the possibility of making returns for a cost of 50 SEK (group *Return*) scored a significantly higher (p-value < 0.001) mean (mean=4.62) than the group who were informed that it was not possible to make returns (group *No Return*, mean=3.08) when asked about their overall evaluation of the return policy. Group *Return* also scored a significantly higher mean (mean=4.63) than group *No Return* (mean=3.40) when asked about their attitude towards the retailer while keeping their return policy in mind. Thus, H1a is accepted.

Table 3 *- Intention*

Question	Group	Mean	Sig.
I am likely to:			
shop at the retailer	**Return**	4.64	<0.001*
	No Return	3.08	
purchase expensive items from the retailer	**Return**	4.64	<0.001*

Question	Group	Mean	Sig.
	No Return	2.52	
purchase larger quantities of items from the retailer	**Return**	4.01	<0.001*
	No Return	2.49	
order multiple sizes of the same item to try on at home	**Return**	2.76	0.004*
	No Return	1.98	
recommend shopping at the retailer to someone else	**Return**	4.22	<0.001*
	No Return	3.21	

** Significant result*

The table above shows that group *Return* scored significantly higher mean on all questions regarding *intention* than group *No Return* did. This was a significantly higher mean for group *Return* (mean=4.64) than for group *No Return* (mean=3.08) regarding their likelihood to shop at the retailer. Group *Return* also ranked a significantly higher mean (mean=4.64) than group *No Return* (mean=2.52) when asked about their likelihood to shop expensive items from the retailer, as well as larger quantities (group *Return*, mean=4.01), (group *No Return*, mean=2.49) and multiple sizes to try on at home (group *Return*, mean=2.76), (group *No Return*, mean=1.98). However, despite significance between means, both group *Return* and group *No Return* scored below 4, i.e. neither agree nor disagree, regarding if the respondents were likely, or not, to order multiple sizes to try on at home. Lastly, the respondents in group *Return* also ranked a significantly higher mean (mean=4.22) than group *No Return* (mean=3.21) when asked about the likelihood of them recommending the retailer to someone else based on the return policy. Considering that all statements connected to the dependent variable of intentions were significant, H1b is accepted.

4.2 SPSS Results With Sustainability Explanation as Variable

Below are the tables showing the results that an independent-samples t-test gave on the dependent variables *sustainability perception, attitude* and *intentions*. The groups used in the independent-samples t-tests were group *No Sustainability Exp.* and group *Sustainability Exp***.** since the difference between these means will show whether or not including a sustainability explanation in the return policy has an effect on the dependent variables.

Table 4 *- Sustainability perception*

Question	Group	Mean	Sig.
Please rate the following statements based on your perception of the retailer after seeing their return policy			
The retailer is trying to appear environmentally sustainable through their return policy	**No Sustainability Exp.**	3.88	<0.001*
	Sustainability Exp.	5.49	
The retailer is trying to reduce their environmental impact through their return policy.	**No Sustainability Exp.**	4.21	0.004*
	Sustainability Exp.	4.99	

** Significant result*

This table displays that group *No Sustainability Exp.* scored a significantly lower mean (mean=3.88) than group *Sustainability Exp***.** (mean=5.49) when rating how strongly they believe that the retailer is trying to appear sustainable through their return policy. It also shows that there is a significant difference between the means scored by the groups when asking them to what degree they believe the retailer actually is trying to reduce their environmental impact through their return policy. Group *No Sustainability Exp.* scored a significantly lower mean (mean=4.21) than group *Sustainability Exp***.** on this question (mean=4.99), thus H2 is accepted.

Table 5 *- Attitude*

Question	Group	Mean	Sig.
Attitude indexes			
What is your overall evaluation of the return policy?	**No Sustainability Exp.**	3.34	<0.001*
	Sustainability Exp.	4.44	
My attitude towards the established online fashion retailer, keeping in mind their return policy, is…	**No Sustainability Exp.**	3.63	0.003*
	Sustainability Exp.	4.46	

** Significant result*

The table above shows that the respondents who were exposed to a return policy without any sustainability explanation (group *No Sustainability Exp.*) scored a lower mean (mean=3.34) than the ones who were exposed to a return policy with a sustainability explanation (group *Sustainability Exp.*, mean=4.44) when ranking their overall evaluation of the return policy. Group *No Sustainability Exp.* also scored a lower mean (mean=3.63) than group *Sustainability Exp.* (mean=4.46) when stating their attitude towards the retailer with the return policy in mind. The difference in means between group *No Sustainability Exp.* and group *Sustainability Exp.* were significant for both questions since the p-values were below 0.1, thus H3a is accepted.

Table 6 *- Intention*

Question	Group	Mean	Sig.
I am likely to:			
shop at the retailer	**No Sustainability Exp.**	3.73	0.115
	Sustainability Exp.	4.09	
purchase expensive items from the retailer	**No Sustainability Exp.**	3.67	0.467
	Sustainability Exp.	3.64	
purchase larger quantities of items from the retailer	**No Sustainability Exp.**	3.35	0.369
	Sustainability Exp.	3.26	
order multiple sizes of the same item to try on at home	**No Sustainability Exp.**	2.38	0.444
	Sustainability Exp.	2.42	
recommend shopping at the retailer to someone else	**No Sustainability Exp.**	3.52	0.057*
	Sustainability Exp.	3.97	

* *Significant result*

The above table shows that none of the statements gave a significant mean difference (p-value > 0.1) between the groups, except for the question about the respondents intention to recommend the retailer to someone else (group *No Sustainability Exp.*, mean=3.52), (group *Sustainability Exp.*, mean=3.97). The significance for this mean difference was 0.057. However, since the results regarding intention were for the major part non-significant, H3b is rejected.

5. Discussion

According to the findings of the experiment conducted in this study, receiving the possibility of making returns is more appreciated by consumers than not receiving that possibility, even if for a cost, as it generates significantly higher consumer attitudes towards the retailer and the return policy itself. Although the possibility of making returns for a cost yields higher attitudes towards the retailer and the return policy itself, the attitude-level was only moderately positive, and thus does not point towards the respondents being overtly delighted with the return policy. This could be connected to the theory of lenience, whereby a return policy which contains a cost for the customer isn't regarded to be very lenient, and thus does not correspond to higher purchase intentions. As purchase intentions are partially based on attitudes, this reasoning is coherent with the moderate attitude level obtained in the experiment. Further expanding on the concept of lenience, offering a less lenient return policy will not be encouraging returns in the way that more lenient return policies are, e.g. free returns, and will thus not lead to as many returns. Hence, for a retailer striving to decrease their environmental impact through reducing returns, the alternative of offering returns for a cost of 50 SEK is better in terms of customer attitudes compared to eliminating returns completely.

The results of the experiment concluded that the possibility of making a return for a cost affected intentions more positively than the return policy that offered no returns. It generated higher intentions to shop at the retailer, to shop expensive items from the retailer, to shop for larger quantities as well as ordering multiple sizes to try on at home. One might reason that the higher purchase intention and higher intention to shop for larger quantities are positive outcomes related to the return policy in terms of profitability, while the intention to order multiple sizes to try on at home is the contrary to what the return policy aims to achieve. But, given that the compared return policies were "the possibility of returning for a cost of 50 SEK" and "no possibility of return", it is quite explanatory of the significant difference between the intentions to order several sizes, as the latter implies that those several sizes would not be possible to return. And even though the intentions to order multiple sizes of the same item were significantly higher for the return policy of 50 SEK, compared to the return policy of no returns, both alternatives means were below the point of 4, (neither agreeing or disagreeing) i.e. that they are not likely to engage in the behavior. This is pointing towards

the alternatives fulfilling their purpose of reducing returns connected to avoidable instances, such as the one of ordering multiple sizes, and shifting the mindset among customers from viewing the home as a fitting room. This return policy could then be a potential solution from the perspective of retailers seeking to decrease their environmental footprint through their returns. The intention related to purchasing expensive items from the retailer might be more applicable for certain retailers who do not want their customers to refrain from purchasing their expensive products due to a substitution of free returns to a return policy of 50 SEK. The intention to recommend the retailer to someone else was also significantly higher for the group who was offered the possibility of returns to 50 SEK compared to the group who was not offered returns at all.

The experiment concludes that including a sustainability motivation in the return policy increases the perception of the retailer trying to appear environmentally sustainable. It also revealed that including a sustainability explanation positively affects the perception of the retailer's efforts to reduce their environmental impact through their return policy. As the included motivation increases perceptions of the retailer's ECSR engagement, it thus also generates more favorable consumer attitudes towards the retailer and their offerings, according to the theory of ECSR and its consumer effects. Since consumers perceive the retailer to engage in ECSR activities to a higher extent through the sustainability explanation, theory also suggests that it will increase consumers' perceived value of the firm's services. Thus, for retailers who want to establish themselves as environmentally responsible and ECSR committed, pairing the return policy with a sustainability motivation could be a viable approach as it enhances those perceptions among consumers.

The results of this experiment shows that including an explanation of the return policy as a sustainability measure positively affects the respondents attitude, both towards the return policy itself, as well as the retailer overall. This confirms the fact previously stated, that retailer's ECSR engagement increases consumer attitudes. However, it is important to acknowledge that despite the significant difference between the means, in advantage for the group exposed to the return policy with a sustainability explanation, both groups scored only a moderately positive attitude towards the return policy and the retailer overall.

Even though communicating ECSR engagements by retailers are proven to reduce the perceived risk as well as increase attitudes, which thus according to theory should lead to

increased intentions as intentions are partially built upon attitudes, the results from the experiment did not corroborate. However, even though there were no significant differences between the groups when asked about purchase intentions, the group who did get exposed to a return policy with a sustainability explanation were significantly more likely to recommend the retailer to someone else. Though, both groups scored a moderately negative mean on the question regarding W-O-M intention, meaning that even though group *Sustainability Exp.* were more likely to spread W-O-M than group *No Sustainability Exp.*, none of them were particularly likely to do so. This means that even though the attitudes were significantly more positive in the group exposed to the return policy which included a sustainability explanation, it did not lead to increased intentions, which is going against previous findings from research performed on similar subjects.

Combining and comparing the findings from the experiments reveals the optimal return policy out of the four presented earlier in the report. It shows that retailers who want to decrease returns made, with the least negative effect on their customers' attitudes and intentions, should offer returns for a cost of 50 SEK, and include an explanation of it being a sustainability measure taken by the retailer. This is because it will result in higher attitudes and intentions towards the retailer and the policy compared to the rest, while still indicating a low consumer intention of engaging in exploitation of return services through ordering multiple sizes of the same items and thus using the service with the intention of at-home try-on.

6. Conclusion and Implications

6.1 Conclusion

This research was performed to understand how customers' attitude towards different return policies, as well as the retailer behind them, is affected by being offered the possibility of making returns for a cost, versus not being offered the possibility of making a return. It was also performed to investigate if this has any positive effect on the purchase and word-of-mouth intention. Furthermore, this study aimed to investigate whether the return-policy paired with an explanation of it being a sustainability-measure taken by the retailer had any effects on the aforementioned dependent variables. This research was done due to the impending environmental threat inherent in the proceeding e-commerce growth which inevitably comes with increased returns.

The results from the experiment conducted made it possible to accept the hypotheses regarding customers attaining a higher positive attitude towards a retailer, as well as higher purchase and W-O-M intention as the retailer offers returns for a cost, versus when they do not offer the possibility to make returns at all. The results also made it possible to accept the hypothesis stating that including a sustainability explanation behind a return policy positively affects the customers attitude towards a retailer, and increases the perception of the retailer trying to act sustainable, however, it did not support the hypothesis of it also resulting in a higher purchase intention.

Finally, this report presents the ideal return policy based on the cells within the scope of the study. This reveals that the ultimate return policy for retailers trying to appear more sustainable by trying to reduce the returns made by their customers, with the least harm on their attitudes and intentions, is to offer them the possibility to return their products for a cost of 50 SEK, and to pair it with a sustainability explanation behind the return policy.

6.2 Practical Implications

Retailers who want to change their return policy, either due to cost reasons or sustainability reasons, can find valuable information in this report when forming the new policy. The data collected in this study shows that including an explanation of the return policy based on

sustainability reasons, results in a greater positive attitude towards both the return policy itself, as well as the retailer overall, than including none. It also shows that offering returns for a cost results in positive attitudes and intentions, except for the intention to order multiple sizes to try on at home, whereas not offering the possibility to make returns results in a negative attitude and intention.

6.3 Limitations

The limitations in this report regards the survey respondents. Regarding the survey respondents, the limitations involve that, since the survey was distributed via the author's social media, most respondents were in some way related to the authors. The ages of the respondents were therefore not widely distributed (75% of respondents being in the ages 20-25). However, since generation Z is a big consumer of online retailing, the data might overall be seen as useful, if not for the whole population, at least for young adults which is a big customer group for online retailers.

In the questionnaire, there is a question about whether the fashion retailer is *trying* to appear environmentally sustainable. When constructing this question, the intention was for it to be interpreted as that the retailer is genuinely trying to be perceived as more sustainable, because they are truly taking action towards becoming so. However, the question could also be interpreted as that the retailer is trying to appear more sustainable even though they are not actually taking real sustainability measures, and that the return policy is just for improving their image in terms of sustainability. Hence, although it was intended to capture the respondent's perception of the retailer's genuine efforts, it could also have been interpreted by the respondent as whether the retailer is actually being inauthentic and fraudulent. The discrepancy between these interpretations of the question makes the results connected to it less reliable, hence it is a limitation to this study.

6.4 Future Research

The topic of returns at online retailers connected to sustainability is very up-to-date, and not much previous research has been performed on it. Further research on this topic is therefore interesting, and some areas for future research regarding it are presented here.

The topic of this report is limited to only fashion retailers, however, other retailers are also subject to returns. Therefore, it would be interesting to look further into other industries. However, regarding the online fashion retailers, it is also valuable to understand why customers return as much as they do, and how they could be nudged in the right direction of only purchasing the products they are going to keep. This could be by conducting research about size-charts on the online websites, customer reviews in the form of pictures and comments, and different sized models in product pictures.

Moreover, today, retailers can choose to suspend customers who show destructive habits of ordering large quantities with the intention to send back the majority, reasons might be to "snap-and-send-back" or to wear an item during an event before returning it. Future research would be interesting to perform on what would happen if retailers instead would suspend the destructive customers just from carrying out returns, but not from purchasing items from the retailer.

Furthermore, retailers today are hesitant to remove their free return policies due to them being perceived as order qualifiers and that doing so is expected to lead to customers opting out and choosing retailers who still offer free returns instead, thereby reducing the retailer's market share. But with the insights provided by this study, declaring which return policy had the least negative effects on customer attitudes and intentions, retailers may be assisted and feel more grounded in their decision-making towards implementing a more return-reducing policy. Thus, the question arises whether this could lead to change within the entire industry? Research on the subject of whether it is possible to move away from free returns being order qualifiers within the industry, and how that could be achieved, would hence be of interest for retailers as well as in terms of the environment, in order to break out from the prevailing, unsustainable norm of free returns.

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8. Appendices

Appendix 1 - Survey



Return-Services at Established Online Fashion Retailers

This survey aims to gather insights on consumer perceptions and attitudes towards return-services at **established online fashion retailers**.

It takes approximately **5-10 minutes** to answer, and **your responses are completely anonymous**.

Some questions might be very similar to each other. This is done purposely. You are encouraged to read the description in the questions carefully before stating your spontaneous answer.

This survey is part of a bachelor's thesis at Stockholm School of Economics, and is conducted by undersigned. The study is supervised by professor Micael Dahlén. If you have questions regarding the survey or the project, please contact us at 50708@student.hhs.se.

Thank you in advance for your participation,
Beatrice Borgh & Anastasia Hjelm

GDPR

All data will be securely stored and processed by the SSE. Upon completion of the project, all data will be permanently deleted.

No personally identifiable data will be collected nor published. If you choose to participate in the giveaway by entering your email address at the end of the survey, your email address **will only be used to contact you if you win**, and will not be associated with your answers to the survey questions.

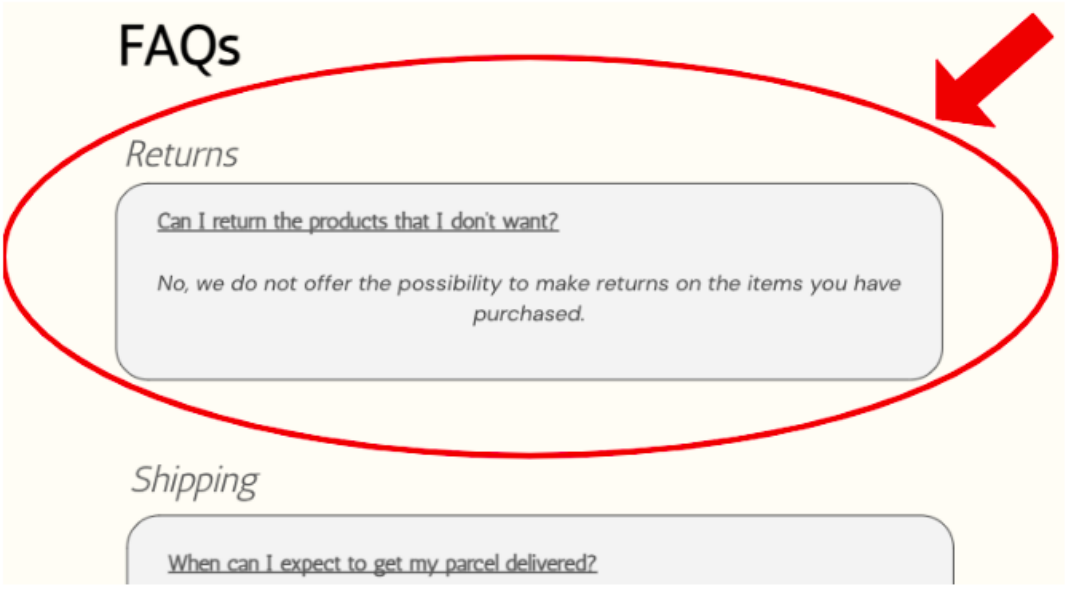
If you want to obtain more information regarding your rights related to personal data, you are welcome to visit https://www.hhs.se/en/about-us/data-protection/ or contact us at 50708@student.hhs.se.

By selecting "I consent" below, you consent to take part in this study and confirm that you have read and understood the conditions.

- ○ I consent
- ○ I do not consent

Imagine that you are shopping at an established online retailer of your liking, as you usually do. As you are about to make a purchase, you decide to check their *frequently asked question* (FAQs) about their return policy, because you want to know whether you can return your order.

Please review the return policy below carefully before moving on, as you will be asked questions about the content of it on the next page.



Think about the return policy of the retailer when answering the following questions

---

What is your overall evaluation of the return policy?

Negative	○	○	○	○	○	○	○	Positive
Bad	○	○	○	○	○	○	○	Good
I don't appreciate it	○	○	○	○	○	○	○	I appreciate it

My attitude towards the established online fashion retailer, **keeping in mind their return policy**, is

Negative	○	○	○	○	○	○	○	Positive
Bad	○	○	○	○	○	○	○	Good
I don't appreciate it	○	○	○	○	○	○	○	I appreciate it

Please state to which degree you agree with the following statements, **based on the return policy of the retailer**:

I am likely to shop at the retailer

- ○ Strongly disagree
- ○ Disagree
- ○ Somewhat disagree
- ○ Neither agree nor disagree
- ○ Somewhat agree
- ○ Agree
- ○ Strongly agree

I am likely to purchase expensive items from the retailer

I am likely to purchase larger quantities of items from the retailer

I am likely to order multiple sizes of the same item to try on at home

I am likely to recommend shopping at the retailer to someone else

Please rate the following statements based on your perception of the retailer after seeing their return policy

The retailer is trying to appear environmentally sustainable through their return policy

- ○ Strongly disagree
- ○ Disagree
- ○ Somewhat disagree
- ○ Neither agree nor disagree
- ○ Somewhat agree
- ○ Agree
- ○ Strongly agree

The retailer is trying to reduce their environmental impact through their return policy

- ○ Strongly disagree
- ○ Disagree
- ○ Somewhat disagree
- ○ Neither agree nor disagree
- ○ Somewhat agree
- ○ Agree
- ○ Strongly agree

Please press number three to indicate that you are still paying attention

Are you paying attention?

- ○ 1
- ○ 2
- ○ 3
- ○ 4
- ○ 5
- ○ 6
- ○ 7

Gender

- ○ Male
- ○ Female
- ○ Non-binary / third gender
- ○ Prefer not to say

Age (State in number of years, e.g. **27**)

What was this survey about?

- ○ Luxury boutiques
- ○ Online fashion returns
- ○ Nightlife in Miami