

“Impact of E-Commerce’s Return Policies on Consumer Purchasing Behavior”

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Abstract

Over the years E-commerce industry has grown into multi-billion industry. The progress of E-commerce has had a noteworthy effect in the development of merchandise. Assortments of items are made available to shoppers by means of the electronic methods for business dealings broadly named as B to C exchanges. The progress of E-commerce has made a significant impact in the movement of goods. Varieties of products are made accessible to consumers via the electronic means of business dealings widely termed as B to C transactions. The evolution of E-commerce has a considerable brunt on the sales of all kinds of products. The wide ranges of products like electronics, fashion products, home decors, Medicines, grocery items, books, CDs etc with different features, styles, hues and sizes which are available to the consumers cover the entire demographics.

Keywords

Cash back, Coupons, E-business, E-Commerce, Point redemption, Product Replacement.

INTRODUCTION

The apparel market has undergone series of changes and opportunities. The challenges related with these opportunities are the indicators of the nations of upcoming apparel market. The attractive range of products, better brands, constant deals and discounts, price category and Return policies and the convenience of shopping from home made the consumers addict to this mode. This made the apparel industry make its presence felt in a short period of time. The future looks bright for online clothing, especially; [1] the rise in Indian women shoppers and youngsters coupled by the huge demand for trendy clothes will continue to fuel this segment. Late years have seen a surprising change in the way India Shops and exchanges. E-business has taken the world of Retail by tempest and enraptured the creative ability of a whole era of business visionaries, with E-trade wanders with different business and business models. As per the report published by PwC and ASSOCHAM, the division has grown three times in four years to about 12.6 billion USD in 2013. [2]

Consumer’s online purchasing behavior:

As the research aims to study the impact of Return Policies provided by various E-commerce businesses on consumer’s apparel purchasing behavior. E-Commerce and E-business have extended the speed and comfort with which business can be executed, achieving phenomenal competition among online vendors. [4] To remain commonsense, E-associations must fit in with creating propels, continually incorporate new structures and satisfy a wide arrangement of shoppers. The shopper's purchasing behavior / conduct is decision procedures and demonstrations of individuals required in purchasing and utilizing items and administrations. There are extensive quantities of people on the web and they all are potential consumers of Ecommerce business. [3]

REVIEW OF LITERATURE AND GAP ANALYSIS

This section starts with the literature review with the concept of the Return policies of electronic commerce, Apparel sector and continue with online purchasing behavior of consumers. [5] Particularly, inside the last segments of the 20th century with quick alterations inside the records era, PCs have turned into a key a piece of the life. With the propensities inside the records and verbal trade innovation over these years, portable workstation structure’s abilities have developed out of the blue and close-by systems have end up being a group that associates the majority of the PC frameworks in the global, the Internet. In the records innovation, the Internet has ended up being progressively indispensable. [6] 20th century has been an innovation that, social, budgetary and political changes have happened. This section starts with the literature review with the concept of the Return policies of electronic commerce, Apparel sector and continue with online purchasing behavior of consumers. Alongside the globalism, vanish of the geographical boundaries, technological improvements and unavoidable passing to the actualities society has profoundly influenced and changed the contemporary controls of the monetary manager universal. Many Return policies of Ecommerce business are analyzed. Consumer behavior aspects are reflected with a reference to the distinguishing evidences of several attributes. [7]

MAJOR FINDINGS AND CONCLUSION

The data was obtained from 4 cities of India i.e Mumbai, Pune, Bangalore and Delhi. [10] The total questionnaire received were around 500 out of which 450 questionnaires were valid and reliable. Data was collected from 171 respondents from Mumbai, 62 from Pune, 139 from Delhi and 128 from Bangalore. [8]

Relation between demographic variable and Awareness of Return Policies among consumer

Age: There is a significant difference in awareness of return policies in different age groups. It has been observed that awareness level of Return policy in young age group is more than the elderly age group. Awareness level for return policy is highest among below 20 years age group which is 87.67% whereas the awareness of return policy is found lowest in the age group of 50 years and above. [9]

Gender: There is a significant difference in awareness of return policies among male and female respondents. Awareness of male respondents is significantly higher (82.05%) than the awareness of female respondents. [14]

Occupation: There is a significant difference in awareness of return policies according to occupation. [15] Awareness for return policies among students is higher (92.99%) in proportion followed by Employed, self-employed and professionals. Education: [12]

There is a significant difference in awareness of return policies according to Education of respondents. Awareness for return policies among Undergraduates is higher (88.58%) in proportion followed by Graduates and postgraduates.

Awareness of Return policy options among consumers:

There is a significant difference in awareness of return policy options among consumers on the basis of Cash back, Coupons, Product Replacement, Point redemption etc. The awareness level about Cash back Option was highest (92.66%) followed by Product replacement followed by redemptions and coupons. [16]

Association between return policies and consumer purchasing behavior

There is a significant association between Return policies and consumer Purchasing behavior on the basis of online purchasing spending score. [17] Around 350 Respondents out of 450 were spending 1000 to 5000 on online apparel shopping as the difficulty in returning their purchased products was higher than the respondents who were spending more than 5000. Major problems associated with online apparel purchasing were scheduling pick up for a return by shipping carrier, contacting the E-tailer to ensure to take the product back, contacting the E-tailer to check on the status of the return, paying the Return shipment cost etc. [19]

Impact of lenient return policies on consumer purchasing behavior:

There is significant impact of easy and lenient return policies on consumer behavior. 41% of respondents have said that cumbersome and time consuming return policies will not motivate them to buy any product from their website. Instead they would select other website who has easy and lenient return policies. [21]

Impact of Return policies on Performance of E-commerce business

There is a significant impact of Easy and Lenient Return

policies on E-commerce business. 272 respondents said that [20] Easy and lenient Return policies will allow them to shop more often with the same E-tailer as well as they could strongly recommend to their family and friends. Consumers might drop another E-tailer who provides complicated Return policies. Consumers are more concerned about the quality of services by the E-tailers in term of Return policy than the price of the product.

CONCLUSION

The eventual fate of E-Commerce is hard to anticipate. There are different portions that would develop later on like: Travel and Tourism, electronic equipment items and apparel. There are likewise some basic elements which will fundamentally contribute to the success of the E-Commerce industry in India [22] i.e. Return guarantee, Replacement guarantee, M-Commerce managements, location based services, various payment alternative, right information, shipment choice, lawful necessity of online transactions, quick service, Terms and Conditions ought to be clear and practical, the item quality ought to be same as appeared on the entryway, 24/7 services, consumer satisfaction focus ought to be there. [25] As more individuals are getting connected with E-commerce, the interest for focus giving E-office or digital bistro is additionally expanding. Expanded Internet entrance, a bother free shopping condition and abnormal amounts of Net savvies see an ever-increasing number of Indians shopping on the web. Be that as it may, in the meantime the organizations need to diminish the dangers identified with purchaser ineptitude by strategies, for example, making buy sites less demanding to explore, and presenting Internet booths, PCs and different guides in stores. [27] The objective is not to change over all consumers to web based acquiring, but rather to demonstrate to them it's a choice. Notwithstanding above, endeavors should be taken to instruct the online purchasers on the means that should be attempted while making an online buy. In addition, the criticism of an online purchaser ought to be caught to distinguish defects in administration conveyance. This should be possible through online groups and web journals that fill in as promoting and showcasing apparatuses and a wellspring of criticism for endeavors. We found that it is a test for E-advertisers to change over low recurrence online purchasers into general purchasers through effective web composition and by tending to worries about solid execution. Along these lines, the internet retailing raises a larger number of issues than the advantages it presently offers. The nature of items offered on the web and techniques for administration conveyance are yet to be institutionalized. Till the same is done, the purchaser is at a higher danger of misrepresentation. [30]

Hence, the need of era is to understand the consumer psyche and proceed accordingly, This experimental study examined the online return policies and its influence on Consumer buying attributes and also its impact on the apparel buyer decisions, results of the study revealed that since online

products do not give physical touch of any product there are high chances that delivered product may not appear as it was displayed on the website hence consumer have a choice of returning that product. [26] Return policy includes refund/cashback options, replacement of that product or exchange of that product. So the apparel online stores should give more importance to apparel buying attributes to attract and appeal the consumers, and also the promotional programme also should be done aggressively and appropriately.

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