What Causes Product Returns in Online Purchases? A Review and Research Agenda

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Abstract

The growth in e-commerce is an opportunity, but the resulting product return is a challenge. The complex and multidimensional nature of product return influences the manufacturer, product, retailer, channel, return policy, logistics service provider, customers, or any combination thereof. Compared to other economies, the level of product return is high in an emerging economy like India, which prompted this structured literature review. The literature pointed to the product return as a 'moment of truth' involving emerging practices like buy online return in store (BORIS), wardrobing, renting, bracketing, home-try programs, subscription than buy, and sending of curated choices to customers, which drastically change purchases as well as returns. The return policy, dynamic pricing, website design and usability, product category, and inventory visibility influence product returns. Fraudulent returns are of concern compared to legitimate returns. Customer attitude, information-seeking behavior, post-purchase dissonance, individual and group decisions, and different temporal variables make customers sensitive to return. Additionally, the product utility, competitive and comparative value, perceived fairness, and customer empowerment also influence returns. Switching physical processes to online creates an additional challenge. A comprehensive understanding of product return in online purchase situations is expected to create value for customers and agents in the value chain. Effective information sharing across the value chain and within an organization can adjust the inevitable product returns to an optimal level and ensure multi-channel interoperability.

Keywords : **product return, online purchase, customer attitude, supply chain**

JEL Classification : M310, L810, L910

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Product return is triggered at any process of the order. Returns are of two types; the first type is known as the return to origin (RTO), where an order is either canceled, or refused to be accepted, or undelivered due to an incorrect address. In the second type, customer return is triggered within the terms of the return policy after acceptance. In RTO cases, products can be resold after re-labelling, but in the case of customer returns, there is an additional cost of reclassification if the product is new, used, or defunct. The third type of product return occurs for end-of-life products, where customers return the product to suppliers after the useful life of products for safe disposal. Appropriate laws govern it for environmental concerns as customers lack the wherewithal for

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appropriate disposal. In all these types, the product is returned, and a substantial cost is incurred. Among all these, where the customer accepts the product and returns as per policy involves significant decision-making and volition by the customer. This review focuses on the type of return where the product is returned as per the return policy of the seller within the working life of the product. Further, we limit our scope to product returns where the purchase was done through an online channel.

The first step in the product return process is the decision of the customer to return the product. The intention to purchase and actually order a product is the antecedent of the return decision. Thus, the intensity of the product return decision has to be more than the intensity of the decision to retain the product to result in a return. This decision is expected to have factors up to purchase decision and subsequent post-purchase experience as antecedents. A substantial mismatch between expectation and perceived or realized benefits is likely to trigger a return. Expectedly, individual and contextual factors shape the customer's purchase and post-purchase experience.

The supply chain agents get involved in the logistics once the decision to return is made by the customer. Beyond the cost, the return process differently penalizes associated supply chain agents. E-commerce aggregators bear a penalty if the return is due to dissatisfaction. Courier companies bear a penalty if the return is due to damage in transit. Given the higher number of factors and their interactions involved, the design and operations of an efficient forward and reverse supply chain become challenging (Salema et al., 2010). The reverse logistics supply chain has a higher level of uncertainty compared to the forward logistics (Barker & Zabinsky, 2008).

Compared to the other 17 countries where it operates, the product returns for Amazon are more in India, at around 30% of the total sales, thus indicating a product as well as country-specific context (Variyar, 2018). In the Indian scenario, the research focus is more on how to stimulate online purchases. Concern about online security prevents Indian customers from shopping online (Banerjee et al., 2010). Digital strategies of consistent product codes in multi-channel, real-time tracking, and location-based promotions are suggested (Rajan et al., 2017). The web-store environment promoting e-loyalty (Kurup & Jain, 2018), customers' attitude toward private label brands (Kumar, 2019), the role of impulse purchases arising out of hedonic gratification, product aesthetics, and other factors, even the guilt arising out of such purchases (Jain et al., 2018) are significant factors. However, their cumulative impact on returns is not adequately investigated. It is known that the returns are influenced by exchange policies (Kar & Sahoo, 2009). While the style and design influence apparel purchase (Kumar & Kanchan, 2019), the returns in apparel cases are due to imperfect size, improper fabric quality, and issues related to color (Misra & Arivazhagan, 2017). An estimate indicated that INR 87 million was spent on handling return logistics costs only for the fashion products category in India (Bansal, 2018). The reverse logistics cost is also substantially higher than forward logistics (Ganguly, 2016). Thus, understanding the factors influencing product returns becomes essential.

Though the product return is a concomitant process of sales, the extent, intention, associated costs, impact of return on the seller, and consumer propensity to return merit investigation. To assess the extant research, the following objectives are considered:

(1) To provide a systematic literature review of product return behavior in an online purchase context and identify key research themes ;

(2) To identify factors related to product return behavior in online purchases; and

(3) To identify gaps in the research area and possible topics for future research.

Methodology

A two-stage approach is considered for this research. In the first stage, the search string was finalized to get the

desired literature from different databases. Duplicate documents across databases were identified and removed, article quality and appropriateness were checked, and the inclusion or exclusion of the articles for analysis was decided. In the second stage, relevant documents and reports from various trade journals were identified to consolidate, substantiate, and add to the understanding generated from the articles that were selected in the first stage.

Database Search for Articles

The search string criteria for different databases were different, and finding the final search criteria was an iterative process. It was observed that various combinations of strings were possible and resulted in a different number of records. This research aimed to understand the product return behavior of customers for online purchases. However, the term 'return' was picking records for financial returns. The word 'product' picked up articles related to financial products. A countless number of incorrectly searched records posed a challenge. Thus, the final search criteria that returned records closer to the research objectives were finalized through an iteration process and is described as follows :

(1) ***EBSCO.*** Business Source Complete; Search Type: basic search; Search String: product return behavior factors, find all search terms, limit search to: Scholarly (peer-reviewed) journals, Expanders: Apply equivalent subjects, Apply related words, scholarly (peer-reviewed) journals.

(2) ***Emerald.*** Content-type: article; Search Terms: product, return, behavior, factors.

(3) ***Google Scholar***. From 2016; Search String: "product return behavior factors."

(4) ***Web of Science.*** All Fields: product, return, behavior, factors, online, purchase, Timespan: All years. Indexes: from Web of Science Core Collection.

(5) ***Science Direct.*** Product return behavior factors, articles with these terms.

The searches were conducted during March 2020, and the following number of records were retrieved from different databases: Google Scholar (52), EBSCO (159), Emerald (21), Web of Science (59), and Science Direct (47). Fifteen duplicates were found and removed at the first level. At the second level, few searched contents were rejected where no details were available, no relevant or significant information was available, or the document quality was inappropriate.

Analysis and Results

This section depicts the preferred reporting items for systematic reviews and meta-analyses (PRISMA) diagram (Figure 1) to conform to the standard reporting practices (Moher et al., 2009). The time distribution of the articles (Figure 2) and journals included in the study (Table 1) as part of the structured literature review are also presented.

The database search returned articles based on financial products and returns, which were excluded from the analysis. The number of articles extracted for 2020 was as upto March 2020. Figure 2 indicates that there has been an increase in research on product return.

The list (Table 1) has leading journals from reputed publishers in different areas and represents the article quality beyond the indexed databases from which they were selected.

Figure 1. ***PRISMA Reporting***

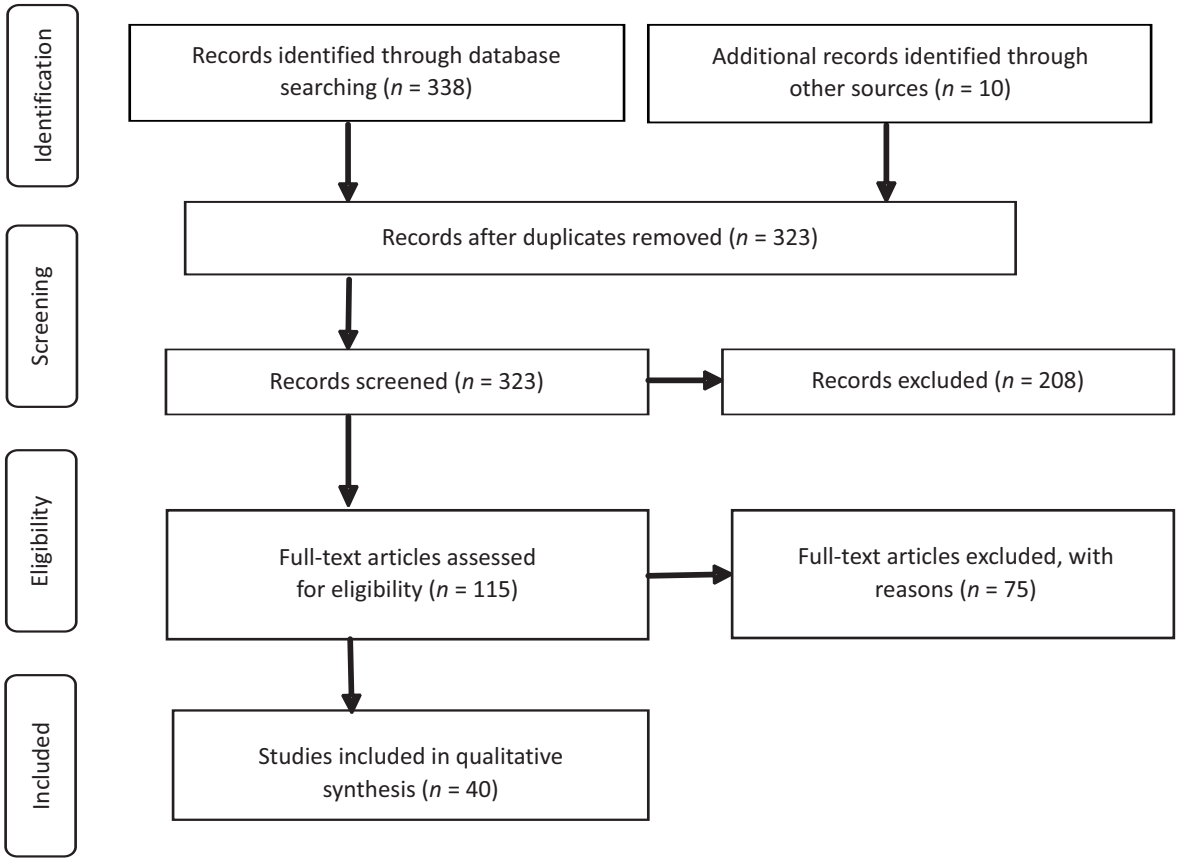


Figure 2. ***Year and Number of Articles (N = 40)***

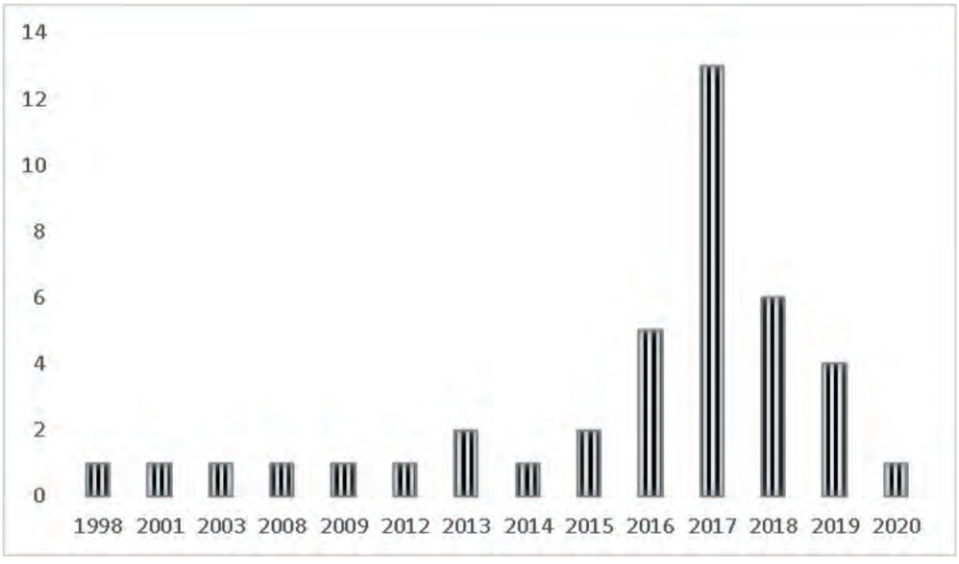


Table 1. ***Journals and Publishers Included in the Study***

Journal of Consumer Studies and Home Economics	Wiley
Psychology & Marketing	Wiley
Psychology & Marketing	Wiley
Psychology and Marketing	Wiley
International Journal of Electronic Commerce	Taylor & Francis
Journal of Business Research	Taylor & Francis
Journal of Business Research	Taylor & Francis
Journal of International Consumer Marketing	Taylor & Francis
Journal of Operations Management	Taylor & Francis
Journal of Operations Management	Taylor & Francis
The International Review of Retail, Distribution and Consumer Research	Taylor & Francis
Business Research	Springer
Electronic Markets	Springer
Marketing Letters	Springer
Marketing Letters	Springer
Marketing Letters	Springer
Journal of Marketing	Sage
Journal of Marketing Research	Sage
Information Systems Research	Pubsonline
Manufacturing & Service Operations Management	Pubsonline
Service Science	Pubsonline
International Journal of Marketing and Business Communication	Publishing India
MIT Sloan Management Review	MIT Sloan
MIT Sloan Management Review	MIT Sloan
Journal of Electronic Commerce Research	JECR
International Journal of Retail and Distribution Management	Emerald
International Journal of Retail and Distribution Management	Emerald
International Journal of Retail and Distribution Management	Emerald
International Journal of Retail and Distribution Management	Emerald
Computers & Industrial Engineering	Elsevier
Computers and Industrial Engineering	Elsevier
European Journal of Operational Research	Elsevier
European Journal of Operational Research	Elsevier
International Journal of Production Economics	Elsevier
International Journal of Production Economics	Elsevier
International Journal of Production Economics	Elsevier
Journal of Retailing	Elsevier
Technological Forecasting and Social Change	Elsevier
International Academy of Marketing Studies Journal	Abacademies

Themes in the Literature

This section discusses broad themes emerging from the literature review. Research questions and results in different articles are grouped under the dominant theme. The first section identifies different conceptualizations of return. The supply chain factors such as manufacturer and product constitute the two other themes. The retailer characteristics, including the return policy, are a distinct theme. The website features as a channel and information source formed a thematic group. Various customer behavior perspectives on returns are also discussed. Lastly, methodological diversity is discussed as a separate section. A separate section discusses emerging industry practices and challenges to product return.

Defining Product Return

Product return is considered from a behavioral perspective. It is a 'redress-seeking behavior' due to dissatisfaction from the mismatch of product performance with the expectation (Kincade et al., 1998). Many times, customers abuse the return policy, and therefore, it is an 'abusive behavior' (Samorani et al., 2019). Authors also have classified it as 'common, deliberate, fraudulent, and dysfunctional behavior' (Harris, 2008). The large scale and prevalence of product return prompt its classification as a larger 'social phenomenon of consumer anomie and materialism' that triggers cynicism, unethical retail disposition, and an intention to benefit at the expense of sellers (Rosenbaum & Kuntze, 2003).

From the decision-making perspective, it is a sequential process of 'keep' and 'no-keep' decisions where the 'no-keep' decision causes return and is episodic (Samorani et al., 2019). It is a deliberate, time-consuming, incremental, and iterative process. It is unlikely that 'impulse return' is a phenomenon as compared to 'impulse purchase.'

Operational inefficiency of supply chain agents manifests in product returns (Rao et al., 2014). Thus, it is an operational efficiency indicator, including the product suitability to the need. The return and repair are considered service processes that improve overall satisfaction and need systematic development to improve the financial benefits (Martin, 2016).

The contractual perspective of product returns argues the exchanges or refunds to be buy-back contracts. The nature of the contract varies depending on various factors related to the product or processes involved (Xu et al., 2015). The seller or the producer has a contractual obligation to accept returns. The variety of conceptualizations of the product return from individual, social, operational, and contractual perspectives indicate the complexity involved. The interactions of these factors also accentuate the operationalization difficulties in a research design.

Manufacturer

A manufacturer can influence return by controlling product attributes. An intuitive strategy to reduce defects is to increase task specialization. However, returns have a U-shaped relationship with increased task-level specialization but an inverse relationship with product customization (Cui et al., 2020b). A change of product attribute or customization requires an effective sharing of product return information with the manufacturer and other agents in the value chain. However, such sharing of information needs an incentive mechanism. Researchers have proposed that this information sharing can be governed by two-part price contracts or a split of revenue or profit (Yan & Cao, 2017).

Product

Undoubtedly, the core product attributes influence its return. However, research applied the deep-learning method and indicated that the color – pattern – shape, and other intangibles associated with the core product influence return rates for apparel (Dzyabura et al., 2019). Similarly, the number of products in a product category also influences returns. The cost and types in the apparel product category are associated with product returns (Kincade et al., 1998). Both the higher average price and variety at a subcategory level tend to increase the return probability (Samorani et al., 2019). In the consumer goods categories (convenience, preference, shopping, or specialty goods), an insignificant product dissonance but a significant emotional dissonance were found among categories. Research reported 'found better product' and 'timing' had significant differences, but 'found better price,' 'customer opportunism,' and 'awareness of return policy' did not differ significantly (Powers & Lord, 2018). Thus, it is not specifically the purchased core product but associated categories that are significant for returns.

Retailer

The product return policy is important because of uncertainty to assess the ability of a product to match expectations (Altug & Aydinliyim, 2016). Liberal or tightened return policies of retailers influence several behaviors in customers (Rosenbaum & Kuntze, 2003). A generous return policy increases returns as well as subsequent demand. The research found that adopting a dual-channel strategy is more profitable to the supply chain (Batarfi et al., 2017). However, the increase in sales is moderated by the reputation of the retailer, and the guarantee credibility reduced returns (Zhou & Hinz, 2016). In the case of a refund, the retailer decides the refund value depending on factors such as clearing the inventory without loss, customer transaction cost, competition, and to what extent such return or refund influences repurchase (Altug & Aydinliyim, 2016). To address the increase in return due to liberal policy, researchers have proposed a 'keep reward' mechanism to incentivize the intention to keep and use the reward for future purchases and tested its efficacy in the low-mid price segment. The results showed that the 'keep intention' is moderated by online shopping frequency, which in turn is mediated by repurchase intention (Gelbrich et al., 2017). A tailor-made return policy, based on consumers' transaction patterns and loyalty, was proposed to influence returns (Abbey et al., 2018).

The design of a return policy considers the return deadline, prohibition, inventory policy, length of the product lifecycle (PLC), and magnitude of return. Customers face uncertainty due to the wait time and refund amount. These factors influence customer behavior, such as inertia return, moral hazard, and other external effects (Xu et al., 2015). The return policy interacts with retailer reputation, shopping frequency, repurchase intention, inventory policy, PLC, return inertia, and moral hazards to influence product return.

Website

Websites provide information related to products, refunds, transactions, return and exchange, cancellation, and customer support services. Thus, the role of a website in influencing returns is worth investigating. Research has claimed that the website appearance did not influence customer satisfaction (Pham & Ahammad, 2017). However, the online customer reviews (OCR) on the website influenced purchase. Positive OCR influenced conversion rates and net sales positively but returns rates negatively. Such influence of OCR was higher for high involvement products and was more important for weaker brands (Lohse et al., 2017). Helpful OCRs lead to fewer product returns even after controlling for the customer, product, and other context-related factors. For products with fewer OCR, consumers purchased more substitutes, subsequently leading to more product returns. Similarly, unbiased reviews helped consumers make better purchase decisions, leading to fewer product returns. Also, customers are more likely to write more negative reviews if they return products (Sahoo et al., 2018).

The inventory availability or scarcity condition shown on a website influences returns (Rao et al., 2014). The reliability in the order delivery, that is, the mismatch between retailer promise and actual delivery can trigger return decisions; interestingly, expedited orders are more likely to be returned (Rao et al., 2014).

Customers cannot experience a product online, resulting in concerns about product quality, return policy, and pricing. These concerns can reduce the initial purchase or increase subsequent product returns. Therefore, the customer may be sensitive to buy or return, indicating the demand sensitivity or return sensitivity (Li et al., 2013). The practice of imposing a shipping fee for a minimum order value was found to increase the purchase value and product returns (Lepthien & Clement, 2019).

The price differences across channels influence customer returns. Omni-channel retail and product returns could increase customers' loyalty towards a channel for return. Perceived risk, hassle cost, and monetary cost influence customers' return channel loyalty in the same order of importance. Channel familiarity reduces perceived risk (Xu & Jackson, 2019). Alternatively, customer preference for a channel and rates of return influence dual-channel pricing. In case the preferred channel has a higher return, the retailer can decentralize channels to generate higher profit (Radhi & Zhang, 2018).

Customer Behavior

A customer undertakes various steps, including information search, comparing reviews, getting the influencer opinion, comparing prices, placing an order, paying for the product, receiving and experiencing the product before arriving at the return decision. One or more factors can influence the return. Interestingly, the return decision may not follow a specific sequence. The level of product information available during online shopping can influence the intention to return, indicating an association between the purchase decision process and product return intentions (Hellemann & Brettel, 2016). The research has categorized returners as heavy, medium, light, and occasional, based on their buying experience, perceived risk, and return frequency. Each category has differences in their initial shopping motivations, group-specific reasons, and spending patterns. Thus, the returners are not an amorphous category (Foscht et al., 2013). Another study examining the impact of consumer experience, unplanned online purchases, and attitudes on intention reported a difference between new and repeat customers; for a new customer, the perceived control and shopping enjoyment can increase the intention to return, but not in the case of repeat customers (Koufaris et al., 2001). Product return varied across two major dimensions: hedonic/utilitarian vs. planned/unplanned purchases. Hedonic and unplanned purchases increase self-estimated return concerns, lower buying intention, and increase the likelihood of returns, but returns may not vary if utilitarian intentions drive planned or unplanned purchases (Seo et al., 2016).

Beyond scarcity, perishability, low price, consumer attitude, impulse buying, and post-purchase emotions, fashion products differ by product returns. Though the scarcity and perishability attract customers, impulse buying due to low price generates a degree of negative post-purchase reaction triggering the product return (Cook & Yurchisin, 2017). Fashion products have different consumption and return dynamics. Supplier-related issues, order fulfillment, competition, product (disconfirmation and mismatch), customer (feeling, money shortage, maximization of benefit, fading need, and just try) trigger return in case of an online purchase (Saarijärvi et al., 2017).

In the durable goods category, the usual dilemma of exchange or take a refund becomes more complex if the initial purchase has an additional complementary product. In cases where umbrella branded products are complementary products, there are more exchanges as compared to refunds (Han et al., 2017). The intention to return is less if consumers selected a gift along with the product because of higher perceived ownership, product involvement, and a higher perceived loss in returning (Lee & Yi, 2017).

Legitimate or opportunistic intention distinguishes return behavior. Impulsiveness, desire for uniqueness, product compatibility, perceived risk, and social influence lead to legitimate return behaviors, but immorality,

self-monitoring, and social influence lead to opportunistic return behavior. Legitimate return increases consumers' re-patronage intention (Pei & Paswan, 2018). The denial to return causes a negative attitude towards the retailer, directly asking for exceptions and fraudulent return practices. The customer's reactance due to return-encounter tension can be lessened by making the customer aware before any purchase (Dailey & Ülkü, 2018).

Information on product returns can increase trust and reduce apprehension about online services. The lack of trust-enhancing infrastructure and well-functioning regulatory institutions in emerging economies increases the role of trust in the mode of customer acquisition, length of the relationship, service communication, product return activity, and type of products purchased. Trust was found to positively influence customer retention, which in turn depends on the product return experience (Jaiswal et al., 2018). A quality-conscious shopping style that influenced service-seeking behavior and refund information, among other factors, was proposed to reduce Indian customers' apprehension about online services (Khare et al., 2016).

Inability to evaluate product suitability to their expectation triggers discount seeking or purchase deferral behavior or an expectation of a lenient return policy. A return possibility influences purchase decisions. Free return shipment or no-frills attached return has been found to influence initial purchase decisions (Kumar & Gupta, 2017). The lenient return policy may induce higher full-price sales (Altug & Aydinliyim, 2016). The return process has transaction costs and customer risks (Griffis et al., 2012). Return is also a service process quality that can improve overall satisfaction (Martin, 2016). Though customers may not be willing to pay more, online customer satisfaction leads to repurchase intention and a likelihood of making positive recommendations (Pham & Ahammad, 2017). Customer behavior towards product returns is influenced by the critical moment of package opening. Pleasure as a cognitive-affective reaction plays a vital role in lowering actual return (Zhou et al., 2018).

The attempt to capture a comprehensive online post-purchase customer experience (OPPCE) scale that influences customer satisfaction identified dimensions as experiences with order fulfillment, ease of return, and customer responsiveness, which are most important (Pham & Ahammad, 2017). Another research indicated six dimensions of OPPCE as delivery, product-in-hand, return and exchange, customer support, benefits, and feel-good factors (Kumar & Anjaly, 2017).

Various machine-learning algorithms identified the level of sales and historical return rates as well as time influence return as important factors affecting product return. Product features, production process, retailer resources, and single or multi-product orders have a second level of importance (Cui et al., 2020a).

Methodologies Used in the Selected Research Studies

This section discusses different methodologies used in selected studies on product return. Episodic metrics was used to analyze the series of transactions leading to keep and no-keep transactions (Samorani et al., 2019).

The analysis of variance (ANOVA) was used to find four types of returners based on buying experience, perceived risk, and return frequency (Foscht et al., 2013). The ANOVA was also used to test for significant differences in price, product and emotional dissonance, better product, timing of return, customer opportunism, and awareness of return policy in several consumer product categories (Powers & Lord, 2018).

A two-stage regression model was initially used to explain the purchase behavior and subsequently the return behavior to understand the overall impact (Zhou & Hinz, 2016). Logistic regression was used to understand the role of levers available to manufacturers and retailers, while retailer return policies, product variety, purchase, and consumer attributes were controlled for (Cui et al., 2020b).

Structural equation modeling (SEM) was employed to test the relationships of low price, scarcity, perishability, and impulse buying (Cook & Yurchisin, 2017) and to develop and validate an online post-purchase customer experience scale (AKumar & Anjaly, 2017). Similarly, SEM was used to find the relationship of return channel loyalty with perceived risk, purchase-return channel consistency, monetary cost, and hassle cost, which influenced customers' return channel loyalty (Xu & Jackson, 2019).

Industry Reports

This section includes reports by retail industry bodies or consulting organizations. The industry reports were expected to corroborate and enhance the process-related issues related to product return. The reports in this section were searched on Google with the string 'online product purchase and return report,' and the period was selected to be 2015 and later. Due to a higher degree of similarity in industry reports, the inclusion criteria in the study are subjective.

The report on consumer returns in the retail industry in 2018 discusses various issues. A product return is a lost sale that reduces cash, profits, and margins. Returns involve logistics, additional inspection, re-stocking, damage to the product, markdowns, and stock-out expenses. The working capital requirement increases to manage returns. The smoothness of the return process can influence customer perception favorably or unfavorably. The point of return is described as a 'moment of truth' for customer service. The report indicated that the buy online return in-store (BORIS) behavior substantially increased between 2017 – 18, and about 50% of the returns were fraudulent. Fraudulent returns can be in the form of the return of stolen merchandise (shoplifting), collusion with employees or individuals, the return of merchandise purchased with stolen tender, returns made by organized retail crime groups, return of used, non-defective merchandise (wardrobing or renting). If the return is in-store, there is a chance to convert an online buyer. The rate of return is different for different categories of products (Appriss Retail, 2018).

Customers find BORIS convenient because they get instant credit and no fear of loss of the package; the anxiety and frustration associated with the return process are reduced. Similarly, the return fee does not discourage luxury shoppers. Some customers resort to 'bracketing' as a buying and returning practice in which they order multiple versions of a particular item, try, keep the one they require, and return the rest. Bracketing is linked to return behavior and luxury items (Narvar, 2018). The return process raises many process-related challenges such as incorrect return codes, duplication of refunds, costs of transportation, storage, order processing, damage of items, and fraudulent practice of wardrobing and receipt (Jack et al., 2019).

Some factors such as restocking fee, return shipping, the short time limit for return, a mandatory return authorization, and the lack of in-store return facility influence return characteristics. However, both the retailers and customers are changing the market dynamics related to purchase and return. Retailers assure circular supply chains with scheduled reverse logistics operations to allay return risks, the home-try program delivers more than the required items to try at home and selects the best-suited product and curated boxes with analytics-driven models by sending curated choices at regular intervals to customers. The customer's choice has also shifted to different models. In the subscription models, the retailer sends many items based on one's browsing activity, and the customer has a choice to buy or send them back. In the rental models, customers rent instead of buying the items, and in bracketing models, customers buy more than required, try and keep the required items, sending back the not-required ones (Buhler, 2018).

Outcomes of Product Return

Cost, opportunity, and competitive necessity are the primary dimensions used in product return research. Returns can increment the profit by increasing the price at each keep and no-keep transaction (Samorani et al., 2019). It can significantly and positively influence repurchase behavior as well as segment the customers, and hence, the return management should not be an afterthought to the production and deployment of goods (Griffis et al., 2012). Like demand sensitivity, the customers are likely to have return sensitivity, which ultimately influences the profits (Li et al., 2013). A satisfactory product return experience reduces the perceived risk of current and future purchases and improves the short-term and long-term profits of the firm (Petersen & Kumar, 2015). Thus, customer – lifetime – value models should include the product return risks.

Scope for Future Research

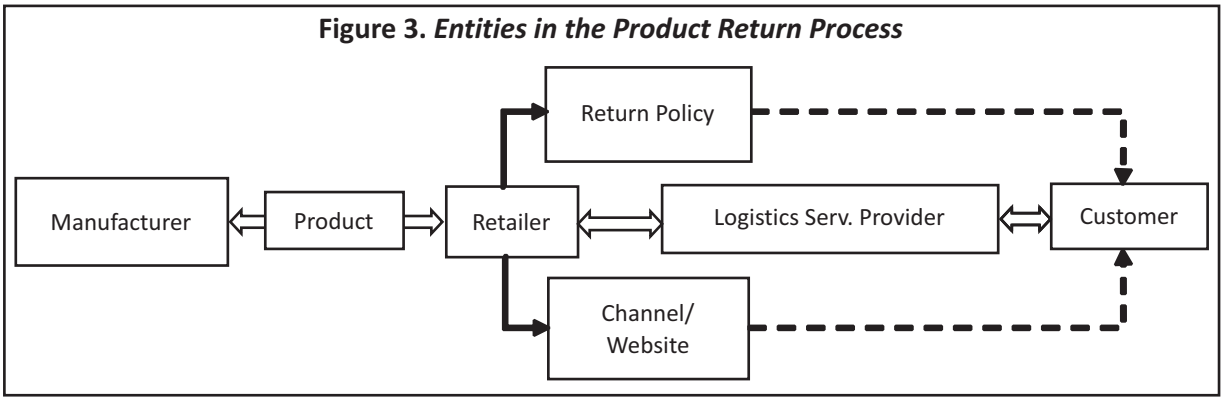
This section discusses the future research scope identified in different articles and presents an entity diagram for the product return process. Researchers indicated product return as an 'evolving phenomenon' impacting consumer behaviors (Saarijärvi et al., 2017). Petersen and Kumar (2015) mentioned the need to study individual product return behavior; whereas, Seo et al. (2016) proposed research on the overall product return behavior. Industry or sector-related peculiarities of return need comprehensive understanding. Similarly, the deliberate and fraudulent return distinctions require adequate understanding (Harris, 2008). The post-purchase activities in the online context are important for marketers in a competitive context (Kumar & Anjaly, 2017). The need is emphasized when the adequacy of retailers' understanding of product return is questioned by a few researchers (Rao et al., 2014). In the case of fast-changing products such as fashion and related sectors, the negative emotions due to impulse buying and subsequent return merit closer attention (Cook & Yurchisin, 2017). It can be pointed out that a comprehensive approach and paradigm are needed.

In the online purchase context, the relationship between online product reviews, quality of reviews, and information interplay between the retailer and consumer during the purchase process and its impact on returns need further research (Sahoo et al., 2018). It is emphasized that product return information needs dissemination to all the supply chain agents, however, the value of such information to different agents remains a moot question (Yan & Cao, 2017). The mode and degree of influence of the improvement in service quality and the return and repair processes on the product return remain valid research questions (Martin, 2016). A comprehensive retail process design, including retail in an omnichannel retail environment, remains a challenge (Xu & Jackson, 2019).

Similarly, how the website characteristics influence the cognition and behavior of customers affect product returns for merchandise purchased online is important to understand (Hellemann & Brettel, 2016). A shift of research questions from behavior to cognition in the product return process is noticeable. The website layout, design, displays, images, user interface, and usability aspects can be focused on behavior or cognition aspects as well (Khare et al., 2016). Researchers have also suggested that the fast fashion environment could be an ideal sector to understand the actual emotional responses and return behavior (Cook & Yurchisin, 2017).

Based on the literature review, Figure 3 depicts the entities in the product purchase and return processes where the solid arrows indicate physical entities and processes influencing the purchase as well return. The dotted lines indicate influence, other than the product flow, on the return. The lack of a theoretical basis is observed in the research studies on product return.

Figure 3. ***Entities in the Product Return Process***



Discussion and Limitations of the Study

Research literature combined with trade reports and emerging practices indicates few research areas. Compared to customer returns, the return to origin has received scant attention in the literature. Similarly, the influence of an order's payment terms can also be a significant factor for customer return. An order paid in advance or paid after delivery (cash on delivery) can significantly influence RTO because of different risks associated with the payment terms. The payment method becomes significant in emerging economies where cash on delivery is still a prevalent payment method.

The time dimension also requires a closer investigation by researchers. The duration between sales order confirmation, delivery, and return notification can indicate information-seeking, wardrobing, or other intentions associated with the return as the time duration is expected to be different for different activities. The distribution of such time differences and interactions between those can be scrutinized for additional insights. The return intention is unlikely an impulsive decision thus, understanding the time differences can help planning reverse logistics associated with returns. Further, the time dependence of dissonance or discovery of value-in-use can be identified for further clarity. It is also not known if a series of transactions resulting in a return culminate the process or give rise to subsequent series of transactions. If the customers do not buy further after returning the product, how they satisfied the need which created the first purchase is an interesting and open question.

Based on the literature review, we propose the following broad factors responsible for product returns. The first distinction is a possible change in the context of online purchases. Online purchase is a more individualistic decision than purchasing from an outlet. The peer or cohort evaluation influences the purchase decision in general, but the cohort can only influence the return decision in an online purchase. The second factor is the utility of the product against the requirement. The third factor is the competitive and comparative value of the product because the product continues to be evaluated through a post-purchase information-seeking process. The fourth dimension is related to procedural fairness that the customer derives from the purchase policy. Lastly, a sense of consumer empowerment to take a decision or correct an incorrect decision taken earlier assumes significance.

The review only incorporated articles from specified databases. However, there are many articles beyond these databases ; thus, a potential exclusion of relevant studies could not be ruled out. Secondly, the keywords used could generate articles not relevant to the theme; for example, 'product return' also indicated the returns from a financial instrument which required scrutiny of articles to identify the relevant ones.

Managerial Implications

This review identifies various product return practices such as buying online return in store (BORIS), wardrobing, renting, bracketing, home-try programs, subscription than buy, and sending curated choices to customers. Product return is a necessary evil in the sense that it influences subsequent purchases and improves trust. However, these practices elsewhere can be used in the Indian context to optimize product return.

Conclusion

Research focus on product return has increased over the years. The return process involves multiple entities such as manufacturer, retailer, medium, channels, logistics service provider, customer, products, and associated services. Potentially, each entity can contribute to the return intention. The return intention can be genuine or fraudulent. The assumption of online purchase mimicking a physical purchase needs to be questioned, and finer differences or shifts in activities in the purchase process need to be examined. Product return is an unavoidable competitive necessity whose metamorphosis can become a competitive advantage and redefine the retail landscape.

Authors' Contribution

Brajaballav Kar conceptualized the need for and the scope of research, identified the scope for the structured literature review, extracted articles from databases based on keywords, synthesized, and wrote the first draft. Dr. Arvind Tripathy reviewed papers for inclusion and exclusion and reviewed and edited the draft. Mallika Pathak verified the draft, revised, proofread, and edited the article. The final article, after incorporating the review comments, was independently verified by all authors.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial or non-financial interest in the subject matter or materials discussed in this manuscript.

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