

A study on customer perception towards return policy of Apparel: An Overview

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Abstract:

Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model; often, businesses produce web stores that support the organizations' culture and brand name without satisfying consumer expectations. The consumer ultimately makes the choice to which type of shopping channel they wish to purchase their products from. Many consumers may use multiple channels to research their purchases if that is to their standard. This research paper explores various dimensions of return service offered by online shopping companies today and explores the customer perception about the same.

Keywords: E-commerce, online shopping, return policy, customer expectation

Introduction:

Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model; often, businesses produce web stores that support the organizations' culture and brand name without satisfying consumer expectations. User-centered design is critical. Understanding the customer's wants and needs is essential. Living up to the company's promises gives customers a reason to come back and meeting their expectations gives them a reason to stay. It is important that the website communicates how much the company values its customers. Customer needs and expectations are not the same for all customers. Age, gender, experience and culture are all important factors.. Users with more online experience focus more on the variables that directly influence the task, while novice users focus on understanding the information. To increase online purchases, businesses must use significant time and money to define, design, develop, test, implement, and maintain the web store. Truly said, it is easier to lose a customer than to gain one. Even a "top-rated" website will not succeed if the organization fails to practice common etiquette such as responding to e-mails in a timely fashion, notifying customers of problems, being honest, and being good stewards of the customers' data. Because it is so important to eliminate mistakes and be more appealing to online shoppers, many web shop designers study research on consumer expectations. Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home.

Other establishments such as internet cafes and schools provide internet access as well. In contrast, visiting a conventional retail store requires travel and must take place during business hours. One advantage of shopping online is being able to quickly seek out deals for items or services provided by many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores) Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this Shipping a small number of items,

especially from another country, is much more expensive than making the larger shipments bricks-and-mortar retailers orders. Some retailers (especially those selling small, high-value items like electronics) offer free shipping on sufficiently large order.

Review of Literature

V.Kumar and Denish Shah (2004) have published research paper entitled *“Pushing and Pulling on the Internet”*.

The internet is fast emerging as a domain sales channel. The Internet is expanding & it influences consumer which shifts the consumer behavior. It has changed the way product awareness is created, developed new modes of product consideration. Vikas Bondar, “Discuss how sales and marketing strategies have changed as a result of developing. How has developing technology expanded the marketplace for both businesses and consumers?” It also creates new means of purchasing products. This has brought new opportunities, challenges and threats (in the form of competition) to both existing and new business. Traditional advertising propagated through the conventional channels of television, radio, and print media typically follows the AIDA (Awareness, Interest, Decision, and Action) where advertisements are deployed to “Push” awareness to arouse interest leading to influencing the decision and purchase action. However, the Internet is a medium where you can serve, support and interact with consumers beyond the AIDA model objectives. Therefore, it would be myopic to view the Internet as a mere push-marketing medium.

Scott F. Geld (2003) had written in his article entitled *“Cost savings between Traditional marketing and Internet Marketing”* that marketing can be defined as 'whatever you do to promote and grow your business including market research, advertising, publicity, sales, merchandising and distribution. With traditional marketing techniques all of these things are delivered in print format or in person. Internet marketing however, uses the power of online networks and interactive media to reach your marketing objectives...no paper, no telephone calls, no in person appearances. Internet marketing can save your time, money and resources. Electronic versions of catalogues, brochures, white papers, data sheets etc. don't have to be printed, stored or shipped to your customers resulting in an enormous savings in printing and storage costs. And what about manpower (or lady power) costs? It is no longer requires as many people to handle mailing and distribution of your marketing collateral more savings. Updating catalogues, brochures and any other marketing collateral you produce can be accomplished as needed online and in lightning speed. There's no need to send revised material out to a printer and then have to wait for a revised version, a great savings in time. And, time is money. More information can be provided to customers with little if any additional cost. Adding more pages to a document online involves virtually no expense compared to the additional cost and space required to deliver the same thing in print format. You can reach more customers than ever before and it doesn't cost a penny more. There's no postage or courier charges to pay. Distribution costs are the same whether you reach one or one million. Finally, for little or no cost you can have several electronic versions of the same catalogue customized to meet the needs of different audiences. The difference between traditional and Internet marketing is money and Internet marketing improves your bottom line.

Peter J. Danaher and Guy W. Mullarkey (2003) had published their research article entitled *“Factors Affecting Online Advertising Recall: A Study of Students”*. In this research article we examine factors that might impact on web advertising recall and recognition. These factors include the viewing mode, duration of page viewing, and web page context factors, including text and page background complexity and the style of the banner advertisement. Via an experimental design conducted on a student sample, we manipulate these factors over several levels. The key finding is that the longer a person is exposed to a web page containing a banner

Advertisement, the more likely they are to remember that banner advertisement. We also find that recognition scores are much higher than both unaided and aided recall scores.

Netlike Aurora (2004) had published research article entitled *“Trends in Online Advertising”* “The global online advertising revenues are expected to touch US \$10bn by 2006. In India, the revenues at present are estimated to be Rs.80 cr. and are expected to increase six times more within the next five years. In India, Internet as a medium is accepted by a wider industrial segment that includes automobiles, telecom, education, banking, insurance, credit cards, FMCG(Fast Moving Consumer Goods), apparel/clothing, durables, media, business services and tourism. Out of these, it is estimated that the banking, FMCG and insurance sectors together account for 45% of the total advertising spend. In comparison to this, automotive, travel and retail spend 37% of the total advertising revenue and financial service companies spend 12% only. Some of the top spender in India are automobiles, followed by brands like Pepsodent, Kellogg’s, Cadbury, HDFC (Housing Development Finance Corporation Ltd.) loans and Sun silk. In addition to these the early adopters in the field of finance and IT are also increasing their spending. Globally, the trend is that almost 60% of the revenue goes to five firms- Goggle, Yahoo, Microsoft, AOL(America Online Launchers), and Overture. Approximately, 90% of the Goggle revenues come from advertising. In India, portals like indiatimes.com, exchange4media.com, rediffmail.com, agencyfaqs.com etc are attracting major online spender. This article explains demographic profile of Indian users. It also gives the comparison between global trend and Indian trend, which is useful for my research work.

Shelly Rodgers and Esther Thorson (2000): Have published research paper entitled *“The Interactive Advertising Model: How Users Perceive and Process Online Ads”*. The authors provided an integrative processing model of Internet Advertising, which incorporates the functional and structural schools of thought. The model begins with the functional prospective, which attempts to identify reasons for Internet use. Since most individuals enter cyberspace with some goal or agenda, in mind, the authors argue that a model of online processing should begin with consideration of Internet functions. These functions, according to the authors, operates conjointly with the user’s mode-ranging from high goal-directed to playful-to influence the types of ads web users will attend to and process. The authors offer a broad scheme in which to classify most Internet ads, as well as a number of common features unique to these ads. The authors conclude by offering a number of hypotheses suggested by the model.

Nicholas Ind , Maria Chiara Riondino (2001) wrote this article *“Branding on the Web : A real Revolution”* Although much has been written about the marketing implications and opportunities of the “interactive revolution”, with particular emphasis on ecommerce and online advertising, the effect that this may have on the practice and theory of brand management has to date gone unexplored. To contribute to a better understanding, a series of one-to-one qualitative interviews was undertaken with companies in the UK and Italy, including traditional companies, dot.coms and brand consultancies. In this paper difference in corporate attitudes to the Web is discussed and conclusions as to the way in which branding practice and theory are affected by the new technology are drawn. Finally an updated model of brand Management is suggested. This article explains the Web is both a distribution and a communications channel that facilitates interaction community building, openness and comparability. The best Web brands optimize all these facts and integrate the Web into the other activities. They recognize that the Web is not just a medium to the outside world, but something that impacts both internally and externally on the way they do business. The Web may not be a revolution in terms of seismic shift in the world order, but as it becomes a more intuitive part of business, it will alter the relationship between a brand and its users. This article explains the web ads can be used for branding.

Research Design

STATEMENT OF THE PROBLEM

The consumer ultimately makes the choice to which type of shopping channel they wish to purchase their products from. Many consumers may use multiple channels to research their purchases if that is to their standard.

In a general view most consumers are still in favor to shopping in stores. This was the case for the catalogue channel. With technology being both an enabler as well as an obstacle to the Internet's commerce success.

As Online Apparel is the topic, there are a number of reasons why consumers are discouraged to shop for clothing online. There are some highlights for the reasons consumers are unenthusiastic of Online Apparel Shopping.

Unable to feel clothes for quality of material
Concerned about return difficulties
Concerned about privacy of personal information
Total cost of purchasing products is more expensive than stores
Difficult to browse
Like to shop with friends/family
Difficult to get customer service

OBJECTIVES OF STUDY

- To learn about the online apparel shopping industry.
- To study the return and refund policies with reference to online shopping of apparel.
- To analysis the return and refund policies of various types of apparel in contest of online shopping
- To ascertain customer preference and attitude of return and refund policies on online shopping of apparel.
- To comprehend the customer satisfaction with respect to return refund policy-
- To investigate potential problems with Online Apparel Shopping.
- To create a prototype web site focusing on one of the many problems that arises within Online Apparel Shopping.
- To evaluate the prototype with an existing online clothing retailer.

SCOPE OF THE STUDY

As this is the very new online marketing concept which is going to be launched by online companies having the combined facilities of both personal and professional aspects and it also includes several values, namely, albums, groups, progress club/leadership forum, jobs, social forum, resume, blogs, classifieds, events music, videos and games. Shopping cart is one of the important facility provided in online shopping, this lets customer to browse different goods and services and once they select an item to purchase they can place the item in shopping cart, and continue browsing till the final can even remove the items from shopping cart that were selected earlier before they place the final order. It reminds us of shopping basket that we can in departmental store. The dawn of the internet era opened up amazing new possibilities. Impossible is not a word anymore! India has also joined the bandwagon and the numbers themselves do all the talking. The latest statistics* reveal that 400 million people access internet regularity in India and that is jump of 700% in last six years. And, here comes the best part; the internet users as of now comprise of only 3.6% of the population. Now you can imagine the scope of internet marketing in India.

RESEARCH METHODOLOGY

TYPE OF RESEARCH

The study is descriptive in nature. Descriptive study is what is actually happening around us. It is not exploring new ideas and concepts but what actually is happening in the society. The researcher is trying to find the response of the consumer towards online marketing. How the consumer is shifting from the traditional method of buying to online marketing

POPULATION

Customers buying consumer goods online and offline in Bangalore City

SAMPLE SIZE

The sample for the study would be limited to 105 respondents.

SAMPLING UNIT

For this study the respondents are the customers buying consumer goods either through brick stores or through online stores.

TYPE OF SAMPLING

Simple random sampling method is used for the study.

SOURCES OF DATA COLLECTION

Primary data:

Primary data will be collected using a structured questionnaire as well as personal interview method.

Secondary data:

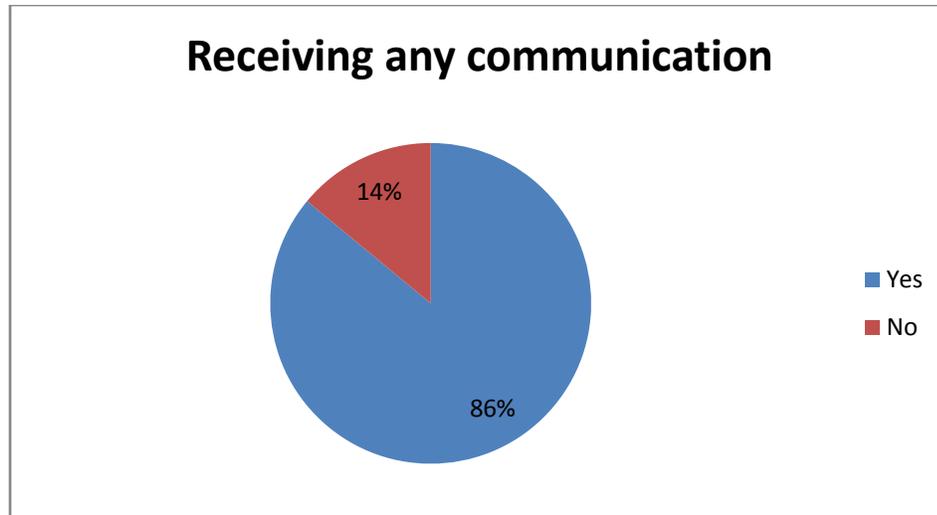
The secondary data for this work will be obtained from different online marketing company's manuals, brochures, website, newspapers, internet, magazines, journals, text books, reports and other promotional materials

Data Analysis and Interpretation

Table and chart showing whether the customers on registering for return of the apparel did they receiving any communication, trying to convince about retailing the apparel

Particulars	No. of respondents	Percentage
Yes	90	86%
No	15	14%
Total	105	100%

Source: Field Survey



Analysis

From the above table it can be analyzed that 86% of the respondents say they were communicated by customer care through phone calls, mail etc., and they were tried to convince about retailing the apparel, whereas 14% of the respondents say they were not contacted by the any customer care executives regarding the complaint and tried to convince the customer.

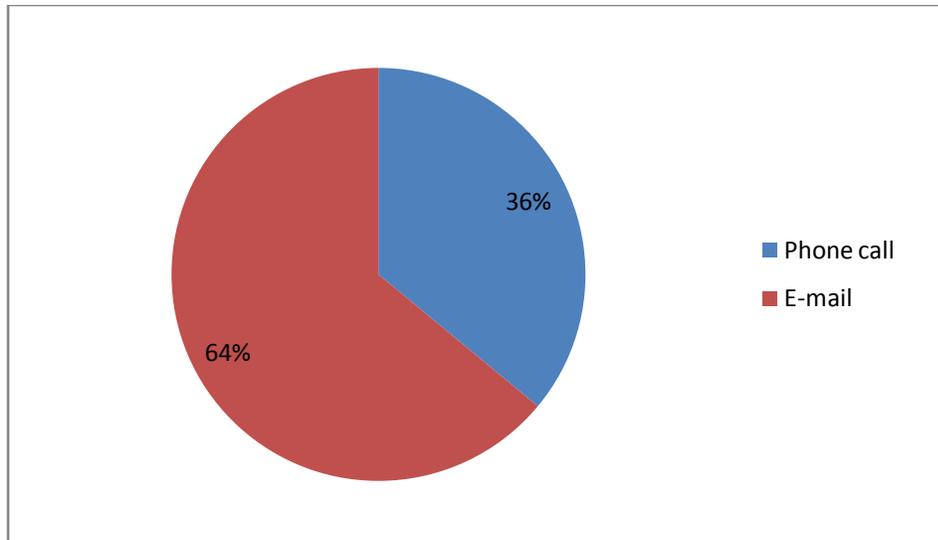
Interpretation

From the above graph it can be inferred that 86% of the respondents say they were communicated by customer care through phone calls, mail etc., and they were tried to convince about retailing the apparel, whereas 14% of the respondents say they were not contacted by the any customer care executives regarding the complaint and tried to convince the customer.

Table and chart showing mode of communication do you prefer to return the apparel

Particulars	No. of respondents	Percentage
Phone call	38	36%
E-mail	67	64%
Total	105	100%

Source: Field Survey



Analysis

From the above table it can be analyzed that 64% of the respondents say they prefer E-mail, they can also be as proof which acts as evidence in the future same issues, because, where as 36% of the respondents say they prefer phone call because they feel there will be immediate response the complaint.

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Hypothesis Testing

Dependence of gender and consumer satisfaction towards return policy were tested using SPSS version 21.

Alternative Hypothesis – Gender and satisfaction towards return policy are dependent of each other

Null Hypothesis – Gender and satisfaction towards return policy are independent of each other.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.889	4	.299
Likelihood Ratio	5.135	4	.274
Linear-by-Linear Association	.896	1	.344
N of Valid Cases	125		

Data Analysis – As shown in the above table, Pearson Chi Square value is 4.889 and the significance value is 0.299. Since the significance level is more than 0.05, the null hypothesis “Gender and satisfaction towards return policy are independent of each other” is accepted.

Interpretation:

A positive returns experience starts with clear communication. It's the only way customers will know what to expect. Online retailers should make their return policies simple to understand and easy to find on their websites. A good policy outlines what can be returned, whether customers will be granted a full refund or store credit, how long they have to make a return and if return shipping is free. Taking the time to clearly spell out these details will show customers that the business is one they can trust.

There's a reason why people gravitate toward online shopping: It's convenient. They don't have to deal with crowded malls or long lines. In fact, they can get anything their hearts desire without ever leaving home. The same concept should apply to a returns process.

If it makes sense for the business model, consider simplifying things for customers by including a return label with the purchase. If it would work out better for customers to contact the company for a return, be sure to include the appropriate phone number and instructions on the packing slip. Ensure that there's a way to send shoppers a PDF of the return label, so they can quickly and simply print the label at home.

Forty-nine percent of shoppers list shipping costs as the most exasperating part of returning an online purchase. A customer dissatisfied by a purchase isn't interested in paying for a return. To keep customers happy, eliminate or minimize the cost of return shipping.

Nobody wants to deal with the pressure of meeting a tight return deadline. By offering a flexible window of time for returns, a company shows that it values its customers. Thirty days is standard, 60 days is generous and 90 days just might make a company the next great retailer.

However the return or exchange policies are utilized by both male and female consumers. It was found that most of the consumers are satisfied with the policy as well as approach of the company. So whether the consumers are male or female, the return policies are uniform and satisfactory for all. Therefore gender and consumer satisfaction towards exchange and return policies are independent of each other.

Summary of Findings, Suggestions and Conclusion

Findings

- The research on return policies of online apparels websites gives an overall view about customers' satisfaction about after sales services of the online websites.
- Majority 74% of the respondents are the frequent users of the online apparels websites, about 26% the respondents are not the frequent users of the online apparels websites
- Around 68% of the respondents have returned their apparels which was purchased online, and remaining 32% of the respondents still not experienced the return policies of the online apparels websites.
- Most of the customers say the appearance of apparel was not as good as seen on the computer and apparel was misfit are the main reason for return of the apparels purchased online

- Majority 69% of the respondents has experienced hassle free process during the return of their apparels purchased online.
- Around 89% of the customers where made an arrangement of call back facility after the complaint is booked.
- Taste and preference to the customer almost same while choosing both Indian wear and western wear apparel.
- Most of the customers are prefer Email and phones call as there mode of communication, with reference to return the apparel.
- Both Indian and western wear are returned frequently, but has compared to Indian and western wear, western wear are the mostly have return complaints.
- Most of the respondents say increase in the price is not main reason for chance for return of the products; it's the quality of product.
- Majority 80% of the respondents feel the quality products are sold online, but reaming 20% low quality is the main reason that causes exchange of the products.
- Reading newspaper about the product would have a slight effect on the occurrence of the return.
- Majority of the respondents 89%, are satisfied with the response of the company pertaining to the return. .
- Mostly 2-3 days is normal days taken to take the products from the customers from the day of lodging a complaint about the product for exchange.
- Mostly 3-5 days is normal days taken to return money to the customer's account from the day of lodging a complaint about the product for exchange.
- Majority of the respondents 82% are satisfied with the customer's service of the online apparels website.

Suggestions

- There are still a quite a good number of respondents who are not using online website so it is suggested that they should be made aware about benefits of online shopping.
- Online shopping can often be a bit risky, as you don't get to physically try-on and inspect your items before purchasing them. This makes the return policy especially important. If it is not clear on the site call the company first to get the details.
- When buying apparel customers should make sure to check the size chart, though you may know your standard size.
- It is suggested that the company may improve the display quality of the images for the concerned products and depict them as realistic as possible.
- It is suggested that Customers should be well aware of the terms and conditions of particular web site.
- It is suggested that only quality products should be sold online in order to reduce the exchange of products due to quality issues.
- Return policy employee by the company may be more flexible so that time taken to exchange or return the product is made simpler.
- It is suggested that the navigation through the company websites should be made more user friendly so that the customer would feel easy to find whatever he intends to buy.

Conclusion

The internet has become a major resource in modern business, thus electronic shopping has gained significance not only from the entrepreneurs but also from the customers point of view. For the entrepreneur, electronic shopping generates new business opportunities and for the customer, it makes comparative shopping possible. As per a survey, most consumers of online stores are

impulsive and usually make a decision to stay on a site within the first few seconds .We have designed the project to provide the user with easy navigation, retrieval of data and necessary feedback as much as possible .A good shopping cart design must be accompanied with user – friendly shopping cart application logic. It should be convenient for the customer to view the contents of their cart and to be able to remove or add items to their cart.

The online shopping is designed to provide a web based application that would make searching, viewing and selection of a product easier the search engine provides an easy and convenient way to search for products where a user can search for a product interactively and the search engine would refine the products available based on the users input.

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