A STUDY OF RELATIONSHIP BETWEEN PRODUCT RETURNING EXPERIENCE AND REPURCHASE INTENTION WITH RESPECT TO E-RETAILERS IN PUNE CITY

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ABSTRACT

Online shopping is now a days a normal thing. Urban consumers are very well versed with the online shopping. Online retailing has emerged as very big industry. Still many of consumers do not shop online very often. However the number of online shoppers is going to increase very rapidly. Therefore online retailing is considered as very promising business today. However e-retailers should not overlook returns from the consumers, because returns affect not only the revenue but also consumer loyalty. The purpose of this research is to investigate the relationship between product returning process experiences and repurchase intention and product return process experience and preference to online shopping. More than 250 consumers who shop online were approached. Only 110 of them had experienced return process. Primary data is collected from these 110 consumers through a structured questionnaire. The data is analysed using SPSS. Result showed that return process experience has significant impact on preference for future shopping and repurchase intention from the same e-retailer.

Keywords: E-retailer, Product return process, repurchases intention

INTRODUCTION

It is pretty easy process today to shop online. One can shop online through any device like smart phone, tablet, and computer. Almost every e-retailer has developed mobile application which helps in easy online shopping to consumers. Once consumer selects the product to buy it is then just few clicks process to complete shopping. Further e-retailers are making this process short by allowing consumers to align their e-wallets, debit cards or credit card to their account so as to make payments very easy and fast.

E-commerce is multi-trillion dollar business. Overall, many think tanks are predicting two digit rise in online sales. Many of e-retailers are therefore very excited about making huge sales and keep their inventory moving. However many of them are still not focusing on their returns from customers. About one third of all e-commerce orders are returned. As of late 2013, a Wall Street Journal report found that one-third of all internet transactions resulted in a return by consumers. Since that time, various think tanks have concurred that the return rate has not changed all that much. But there is a kicker: Retailers are usually more at fault for returns than consumers are (Lazar 2017).

A 2008 Forrester study, which was conducted on behalf of UPS, found that e-commerce returns were the retailer's fault in 65% of all cases. This coupled with high return shipping fees or restocking fees, has made consumers increasingly hesitant to order products from online stores. The same Forrester study also found that 55.2% of consumers disliked online shopping due to products being "difficult to return" or the associated restocking fees and or return shipping fees.

OBJECTIVES

1. To investigate if online shopping preference is affected by product return process.

2. To find out the relationship between return process and repurchase intention.

HYPOTHESES

1. H1 There is significant relationship between product return experience and preference to online shopping

2. H2 There is significant correlation between product return experience and repurchase intention from the same e-retailer.

LITERATURE REVIEW

Meera, Padmaja and Siddique (2017), conducted a research with the purpose to investigate the buying behaviour of consumers with respect to online shopping and preference towards the Online Shopping Mobile Applications. Total 80 respondents from Sivakasi were contacted to get the primary data. The findings of the study revealed that most if the consumers from Sivakasi use snapdeal application for online shopping. However satisfaction level of consumers was found high for Flipkart's mobile application due to competitive prices and hassle-free shopping experience. Advertisement of mobile application was found to be the most influencing factor to choose the mobile application for shopping. The study also noted that among all reasons the 'wide range of brands and product varieties' is the main reason for preferring online shopping.

Yulisetiarini, Subagio, Paramu and Irawan (2017), investigated the effect of price, service quality and product quality on repurchase intention and satisfaction level while shopping online. Their study included 184 state universities' students in East Java Province. Results of analysis showed that price and service quality have significant relationship with repurchase intention and service quality and product quality both have significant effect on satisfaction of customers. Whereas product quality which was thought to be significantly related with repurchase has no significant effect on repurchase intention. Similarly price has no relationship with satisfaction level of consumers.

Aydin and Hasiloglu (2017) in their study investigated the effect if shyness on online purchase decision making process. 188 respondents were studied for their level of shyness and online purchase behaviour. The results found that the level of shyness and frequency of online buying are significantly correlated. This means that as level of shyness increases the frequency of online buying also increases.

Shanthi and Kannaiah (2015) in their research studied students' attitude towards online shopping and their preference for products when they buy online. Survey method was used to collect primary data. Most of the respondents were students of Madras University and Madras Christian College. The questionnaire was used to collect responses; this questionnaire was comprised of 3 sections. One section was designed to collect responses for internet usage habits. Second part of the questionnaire collected data for online shopping behaviour and third section of the questionnaire included questions to collect demographic characteristics of respondents. Study found that the books are the most bought product category online due to their discounted prices. According to findings the most influencing factor for online shopping is the price of products. Consumers perceive that products are cheaper when bought online. Security of the products, Guarantee/ warranty, delivery time and reputation of the company are other influencing factors in that order. Authors opine that most of the youngsters are well versed with the online shopping and shopping things online is now day to day thing for them.

Wu and Tsai (2017), examined the effect of website characteristic and external stimulus on online shopping behaviour. They have established a relationship model to compare the difference of consumer groups with different online shopping experiences. Through convenience sampling technique 818 responses were collected. According to the results, the two groups with different online shopping experiences were significantly different in three relational paths. To be specific: (1) Compared to the low frequency group, consumers in the high frequency group is more significantly positively influenced by website characteristics along the affection path during their online shopping. (2) Compared to the high frequency group, consumers in the low frequency group are more significantly positively influenced by website characteristics along the attitude path during their online shopping. (3) Compared with the low frequency group, a more significant positive influence is found among consumers in the high frequency group between consumer affection and consumer behavior path.

Suhaily, Soelasih (2017), conducted a research work to investigate the effect of service quality; price perception and experiential marketing on repurchase intention. The study collected responses from 180 samples. The result showed that e-service quality has significant influence on customer satisfaction and repurchase intention. Surprisingly the price has no influence on satisfaction but has significant effect on repurchase intention. This means that the price responding to the purchased product will lead to repeat purchase, but the price does not lead to customer satisfaction because satisfaction arising from e-service quality. Experiential marketing has no influence to customer satisfaction and repurchase intention. Customer satisfaction has positive effect on repurchase intention. The effect of e-service quality and experiential marketing through customer satisfaction as mediation variable has no influence to repurchase intention, while price perception influence to repurchase intention.

Sana S. (2016) conducted a study to examine the online shopping preference among youth in Ernakulum town. 200 young consumers were given the questionnaire for the purpose of this study. The author found that Flip kart was the commonly used online website by the respondents. Clothes and shoes were the main commodities purchased by the respondents through online. The major reason for preference of online shopping by the respondents was 'time saving'

Agarwal S. and Bhati N. S. (2016) investigated various dimensions of e-service quality and its effect on online shopping behaviour. They also examined if gender and e service quality perception are related. 80 individuals from Jaipur city of Rajasthan responded towards the questionnaire. The results showed that in most of the e-service quality dimensions perceptual differences were found across the gender. The study also found that gender and preference towards products are significantly related.

Saleh (2015), investigated the propensity for online shopping and association between demographic characteristics and online shopping preferences in Saudi Arabia. 293 respondents were given with the questionnaire which designed for this research. The analysis showed that age and gender are not significantly related with the propensity for online shopping. However education and income are significantly related with the online shopping propensity.

The study conducted by Steinfield and Whitten (1999), highlighted that the combination of the web and physical presence is required to ensure maximum consumers to opt for online shopping. Such combination provides better pre-purchase and post-sales services to the customers and leads to building of trust in online stores and also helps to lower consumer transaction cost.

Karayanni (2003) highlighted that the online shoppers tend to benefit in three ways, firstly they benefitted from availability of shopping on 24-hour basis, secondly time efficiency and thirdly the avoidance of queues in stores.

Laundon and Traver (2013) found that online shopping companies must create a secured and a more attractive/useful website. Online shoppers can change the visitor into a buyer if the online stores provide a wide range of variety of products and other useful information of product, good customer service and ease in accessibility of the website.

Comegys et al. (2009) highlighted in his studies that, customers could not touch or try the products before they purchase, therefore online shopping deals must have some special offering like money back guarantee or return policy to reduce the customer's anxiety of error purchase or not of any use/interest.

RESEARCH METHODOLOGY

This research needs data to be collected from consumers those who had experienced return process of any of the e-retailer in Pune City. Therefore purposive sampling technique was used to select samples for this study. 250 of consumers were approached to get the data. However only 110 of them had experienced returning product(s) to e-retailer from where they had bought it from. In this way total sample size is 110. A structured questionnaire is designed to collect data from samples. This questionnaire includes total 29 items. Entire questionnaire was comprised of four sections. The first section contains 14 items to check preference of respondents to online shopping. The second section is structured to investigate return process experience of respondents. The second section included 9 items. The third section included only 1 item to investigate repurchase intention of respondents. The last section was including forced questions to collect demographics of respondents. First two sections were designed on five point Likert's scale; wherein 1 indicated 'strongly disagree' and 5 indicated 'strongly agree'. All the responses were coded in SPSS for analysis. SPSS is used as an analyzing tool.

RESULT AND DISCUSSION

Before proceeding for analysis of data it is a good idea to check the reliability of the research instrument used for data collection. Therefore Cronbach's alpha coefficient is used as an indication of reliable scale. Table no. 1 shows the Cronbach's alpha coefficient value. It is observed that alpha value is greater than 0.7. In social science Cronbach's alpha value of 0.7 and above is considered a good sign of reliability of the scale. Therefore instrument used for this research is considered reliable.

Table No.1 Reliability Statistics

. Cronbach's Alpha	N of Items
.866	29

Table no. 2. Descriptive Statistics – Preference to online shopping

	N	Min.	Max.	Mean	Std. Deviation
I get the product at reasonable price as compared to physical/ brick and mortar store.	110	2.00	4.00	3.0545	.53905
It saves travel time	110	2.00	5.00	3.2636	.71263
It saves time as I don't have to wait in queue for billing	110	2.00	5.00	3.3364	.74535
I get to choose from wide range / variety of products	110	2.00	5.00	3.2636	.71263
Online shopping leads to fewer expenses (if I visit offline store, I also tend to spend on eating out, impulsive purchase, travelling etc.	110	1.00	4.00	3.2818	.76784
I can compare different products which helps me to make informed and well researched decision	110	2.00	5.00	3.5727	.70981
I can shop almost any time and from anywhere unlike physical stores.	110	1.00	5.00	3.7818	1.03500
E- Retailers give me more discount coupons on frequent buying.	110	1.00	5.00	3.4000	.75662

	N	Min.	Max.	Mean	Std. Dev
E-Retailers provide special offers/ cash back when I shop using my credit/ debit card.	110	2.00	5.00	3.2182	.70881
E- Retailers provide exclusive discounts and offers on their Mobile applications more often.	110	2.00	5.00	3.6273	.67537
Some products are exclusively available through e-retailers only.	110	1.00	5.00	3.3273	.73083
E-retailers have made gifting easy. I can get the gift delivered to the person I wish to gift, which is very convenient.	110	2.00	4.00	3.3636	.53719
Overall Mean				3.3742	

The overall mean on 3.37 for preference to online shopping sub-scale suggests that many of respondents somewhat prefer online shopping to brick and mortar store shopping. Among all the statements on this subscale 'I can shop almost any time and from anywhere unlike physical stores.' received the highest mean 3.78. However, standard deviation in this case is high (1.03) which indicates that the responses are widely spread from the mean. Whereas the lowest mean value 3.05 is for the statement 'I get the product at reasonable price as compared to physical/ brick and mortar store.' This suggests that respondents do not perceive any significant price difference for product shopped online and offline mode.

Table No.3 Descriptive Statistics – Product Return Process

	N	Min.	Max.	Mean	Std. Deviation
Website was user-friendly	110	1.00	5.00	3.6364	1.14721
Terms and conditions were clearly stated	110	1.00	5.00	3.5182	1.12300
Registering for return process was hassle free	110	1.00	5.00	3.4000	1.25032
Got quick notification and assistance	110	1.00	5.00	3.4364	1.31000
Executive came on time to collect the product	110	1.00	5.00	3.2636	1.23910
Quick replacement / refund	110	1.00	5.00	3.0364	1.24832
Got notification by email/SMS after registering for return	110	1.00	5.00	3.4455	1.16198
Overall experience was very good	110	1.00	5.00	3.4000	1.21308
The duration for the entire process is acceptable	110	1.00	5.00	3.2909	1.21418
Overall Mean				3.3808	

From table no. 3, the overall mean for this subscale is 3.38 suggesting that overall experience of returning the products is good. However the S.D. for all the items is more than 1; which clearly indicate that the responses have significant differences from the mean value. The highest mean value is for 'Website was user-friendly' whereas the lowest is for 'Quick replacement / refund'.

Table No.4 Descriptive Statistics – Repurchase Intention

	N	Min.	Max.	Mean	Std. Deviation
I would definitely buy again from the same e-retailer because of their reliable and transparent return policy	110	1.00	5.00	3.8364	1.19269

3.83 Mean from table no.4, indicates that repurchase intention from the e-retailer having reliable and transparent return policy is moderately high. However we should not neglect the high S.D. (S.D. =1.19)

HYPOTHESES TESTING

H1 There is significant relationship between product return experience and preference to online shopping

To test this hypothesis ANOVA is run in SPSS. The result of ANOVA is given in table No.5.

Table No. 5 ANOVA Return Experience* Preference to online shopping

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.440	4	1.860	4.593	.002
Within Groups	42.524	105	.405		
Total	49.964	109			

From table no. 5 we found that the significance value (p) of F test is less than .05 (P<.05). This shows that there is significant difference between the means of return experience and preference to online shopping. Therefore the null hypothesis H0-'There is no significant relationship between product return experience and preference to online shopping' is failed to be accepted and H1 is accepted.

H2 There is significant correlation between product return experience and repurchase intention from the same e-retailer.

To find out correlation between return experiences and repurchase intention Pearson's Correlation Coefficient is used. The result is reproduced in Table No. 6.

Table No.6- Pearson's Correlation- Return Experience and Repurchase Intention

		I would definitely buy again from the same e-retailer because of their reliable and transparent return policy	Mean of Overall returning process experience
I would definitely buy again from the same e-retailer because of their reliable and transparent return policy	Pearson Correlation	1	.871**
	Sig. (2-tailed)		.000
	N	110	110
Mean of Overall returning process experience	Pearson Correlation	.871**	1
	Sig. (2-tailed)	.000	
	N	110	110

**. Correlation is significant at the 0.01 level (2-tailed).

Since the p-value is less than .05, we consider that return experience and repurchase intention are significantly correlated. The value of Pearson's correlation coefficient .871 indicates the strength of correlation is very high and it is positive. In other words, as hassle-free, users friendly return experience increase, repurchase intentions also increase significantly.

IMPLICATIONS OF FINDINGS AND SCOPE FOR FUTURE RESEARCH

Research findings showed that return experience is very important to retain customers. Data from previous studies has shown us that almost one third of orders are returned. This return decreases the earnings of the e-retailer. Therefore the returns should not be neglected. E-retailers must design users-friendly return process. If consumers don't find return policy acceptable or tricky then they may not buy things again from that e-retailer. Equal weightage is given between attracting new consumers and retaining old consumers by providing trustworthy return policy. Earlier studies have shown that almost 65% of returns from consumers are due to retailer's fault (Lazar 2017). Therefore e-retailers must select their vendors very carefully. Stringent rules should be designed and followed while selecting new vendors who provide goods to e-retailers. Surprisingly consumers do not perceive any price difference between online retailers and offline retailers despite heavy promotions adopted by e-retailers now-a-days. This indicates that price is not the major factor for preferring online shopping over traditional store shopping format. Result showed that it took long time to refund or replace the returned product. Therefore e-retailers should look into this and time taken for refund/ replacement should be reduced.

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