Major Research Project

Understanding the effect of return policy of Amazon on consumer behavior and purchase pattern

Submitted By:

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2K18/MBA/023

Under the Guidance of:

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I

STUDENT'S DECLARATION

This is to certify that I have completed the research project titled **"Understanding the effect of return policy of amazon on consumer behavior and purchase pattern".**

This work was done under the guidance of **Dr. Meha Joshi** in the partial fulfilment of the requirement for the award of the degree of **"Masters of Business Administration"** from "Delhi School of Management, Delhi Technological University".

It is also certified that the project of mine is an original work and the same has not been submitted earlier elsewhere.

Rohan Kapahi

2K18/MBA/023

Certificate from Mentor

Date:

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the Major Research Project Report, Titled *"***Understanding the effect of return policy of amazon on consumer behavior and purchase pattern***"* submitted by *Mr. Rohan Kapahi* as partial fulfilment of requirement of the two year *MBA – Marketing and Supply Chain Management* course is a bonafide work carried out by the student at our Institute.

This Major Research Project Study is his/her original work and has not been submitted to any other University/Institute.

Signature

Name:

Designation:

Acknowledgment

After weeks of deliberation, research and perseverance, this report has finally reached a successful conclusion. I would like to express my appreciation and acknowledge the support and guidance provided to me over the course of preparation of this report.

I am highly indebted to Marketing Department of Delhi School of Management for giving me the excellent opportunity to work closely with experienced professionals from the field.

I express my gratitude to all the professors of Delhi School of Management for willingly helping me out while I was still pondering over the subject matter for the report.

My sincere thanks to Dr. Meha Joshi for mentoring me over the course of this report, and for helping me take this report to its completion. Without her guidance this report would not have reached its fruition. Her guidance, knowledge and insights have proved to be invaluable to this text.

Last, but not the least, I would like to thank my family for their endless encouragement and patience.

Executive Summary

E-commerce industry is booming with the entry of new players daily and has become increasingly competitive in nature. Consumer skepticism and low internet penetration in India still plagues the industry. The industry is tech intensive and requires one to overcome the cost barrier to enter it. Hence, it becomes crucial to analyze the various factors on which the consumer behavior depends and formulate policies keeping the key factors in mind.

This report is a based on primary data about how customers perceive the return policies of Amazon. Primary research includes the overall analysis of the customers' purchasing pattern in the above mentioned industry so that gaps can be analyzed effectively and brand loyalty can be understood in customers. This primary research, in turn, helped a lot in understanding the return policy of the company and the things that a customer wants while returning the product. How favorable the current policy is and what improvements it needs to gain positive customer response. This will be done by analyzing the shares of different companies in the market and comparing their return policies and analyzing the customers from various financial backgrounds as this too is an important factor. This aspect can also help a lot in understanding the gaps in the mind of customers and how companies can improve these policies.

Conclusion of the report will be focusing on the strategic improvement of current return policy and how it can provide an edge to the company in the longer run. The major part of the project is based on analysis, computations and understanding of return policies major players and consumer behavior.

Table of Contents

1. Introduction

Amazon, the largest internet-based company in the U.S started as an online bookstore, but soon diversified, selling DVDs, vhss, cds, video and mp3 downloads/streaming, software, video games, electronics, etc. The company also produces consumer electronics such as, kindle, fire tablets, and is a major provider of cloud computing services. Amazon has separate retail websites for the U.S, U.K & Ireland, France, Canada, Germany, the Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India and Mexico. Amazon also offers international shipping to certain other countries for some of its products. In the year 2011, it had professed an intention to launch its websites in Poland, and Sweden. In early June 2013, Amazon.com had launched their Amazon India marketplace without any marketing campaigns. In July, 2013, Amazon had announced to invest $2 billion in India to expand business, after its largest Indian rival Flipkart too had announced to invest $1 billion.

Amazon's e-commerce works on the marketplace model in India. It provides products from various categories like books, electronics, apparel, cosmetics, footwear, gifts, cards, etc. As a part of grievance redressal policy, it has customer helpline number and return policy, as applicable to product.

In this world of constant competition and evolving innovation, it is highly desirable to retain customers and build brand loyalty. According to a study done recently, over 60% of customers review a Return Policy before they make a purchasing decision. Specific features of the Return Policy can make or break a sale, so it's important for any firm to be aware of what needs to cover by law, and what should be done for greater customer satisfaction.

Amazon's Current Return Policy

Time Restrictions

In most cases, you can return items shipped from Amazon.com within 30 days of receipt of shipment. Some products have different policies.

Cost of Shipping

Amazon offers prepaid return shipping methods, but unless you're returning your item due to an Amazon error, the cost of return shipping will be deducted from your refund unless your item qualifies for free returns. If you're making the return because of Amazon's error, you will receive a refund for return shipping costs up to a maximum amount.

Refund Options

Amazon refunds are either issued back in your original payment method or as an instant refund if you don't want to wait for your return to be fully processed. With the instant refund option, you'll still need to return your items within 30 days.

2. Literature Review

In E-commerce business in India the brand loyalty is very low. In E-commerce consumer perspective is most important and must be integrated with the overall business strategy. People compare prices on various sites online and buy from the company offering the best price. Due to very low brand loyalty and switching costs the customers readily switch from one site to another. In such a case it critical to examine the factors influencing the customer behavior and correctly analyzing the return patterns of the customer to produce meaningful insights. Such insights can then be translated into favorable return policies to influence their purchase patterns.

Return policy and returns has been a problem plaguing the E-commerce companies. The returning cost and the cost of reverse logistics adds up to a significant amount for any such company. First party fraud in which customer often returns a used product without incurring a penalty is a growing problem for e-retailers. However, studies or research on this account have been limited. With the growth of e-commerce, the losses to retailers from this fraud are growing so there is strong need to research this problem from multiple perspectives. It has been found that many retailers are treating this problem as just a cost of doing business online and have no detailed plans for dealing with this problem or any reporting to law enforcement agencies. However, they have begun working with delivery companies for delivery accuracy. Use of convenience stores as collection points is also showing early improvements.

Considering thin margins and high volume of sales these companies are dependent on return policies need to be customer friendly but should also take into consideration companies too.

Though a lot of retailers have started treating this as a cost of doing business and don't really look at it as a critical cost cutting point. Instead retailers focus on accuracy of delivery and plan to cut cost in delivery by using options such as use of convenience stores as collection points etc. Though the companies ask a customer a reason for returning the product and data is collected but it is hardly ever analyzed to produce meaningful insights and translate into stringent return policy for the fear of losing customers to rivals.

It has also been suggested that E- commerce improves innovation performance but has no significant relationship with business and operational performance. A research has also been conducted which suggested sales internationalisation might moderate the relationship between e-commerce and performance, and the findings reveal that the adoption of these tools might even be negative when applied at the international level in particular by considering innovation operational practices, and the research suggests for fashion companies it is necessary to develop strong markets' knowledge and brand awareness among foreign markets and customers before investing internationally.

There has also been a vide study on designing e-commerce relevant shipping services to satisfy and attract customers across countries. The importance of tracking, return, shipping, and customer service in an online shopping environment and across countries is a responsible and important feature of online marketing.

Another research paper explored the comparisons and relation between a company with stringent return policy and another one with relaxed policy. The papers findings said that that this isn't a one size fits all policy yet evidence was found that lenient delivery and return policies seem to excite the customers but it differs in case of different products.

3. Problem Definition

Amazon is one of the biggest ecommerce company. In India it faces major competition from Flipkart, Myntra and Snapdeal. With the growing business after sales service is very important. The study by ET retail says 43% mobile and computer manufacturers have the worst after-sales service, 53% say companies never replace the products, and a majority 93% consumers want complaints acknowledged within 72 hours. Up to 38% consumers said problem resolution took over 30 days or remains unresolved. So return policy becomes an important factors and can decide the fate of the company along with other parameters.

We studied various websites and took consumers surveys to understand the importance of return policy.

Questions:

1. What are the various factors customer consider while buying from any ecommerce company.
2. What is the importance of return policy while buying any product?
3. How loyal are customers towards a well know brand having decent return policy in comparison to a new brand with considerably good return policy.
4. Impact of return policy on consumer behaviour and purchase pattern

4. Research Approach

A deductive approach was used because of the following reasons:

- Shortage of time
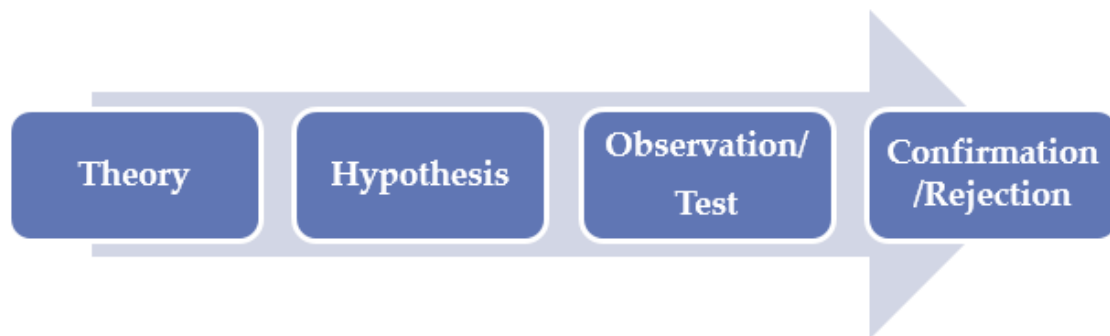- Availability of literature
- Avoidance of risk

Fig. Research Approach Procedure

A stepwise description of the Research Procedure:

1. Research papers in the relevant areas were consulted and hypothesis were deducted
2. Formulated hypothesis in the context of the research questions and established relations between the variables
3. Tested the hypothesis using relevant tests in SPSS based on the data collected via primary research

Background Research:

Our background research included primary and secondary research on the return policy of Amazon to check how important is return policy from the costumer point of view and how exiting and non-

exiting customer view return policy. We wanted to check to brand loyalty for the customers of Amazon.

Primary Research

1. Competitor Analysis

We studied all the Ecommerce competitors which included Major competitors like Myntra, Flipkart, Snapdeal and also ecommerce companies like Paytm.

The Major insights which we got was that

- The return policy of every Ecommerce company is different.
- **Flipkart** has 10 and 30 days return policy depending upon the category of product bought. They have options for Exchange, Refund (flipkart wallets or bank account) and Return of product
- **Myntra** has Easy returns and instant refund policy (35 seconds). It has a normal 30 day return/replacement policy.
- **Snapdeal** has a 7 day return policy. It's a no questions asked policy, customers are not asked about the reason for returning their products. Also they Provide GIFT CARD/ GIFT VOUCHER refund option
- **Paytm** gives options for customers to have the refund amount in Paytm wallets, here each product has a different return policy

2. Focus Group Discussions

We conducted a Focus Group Discussion of about 40 minutes with a group of students in order to find out about the importance of return policy.

The participants were all millennial generation ranging from 20-25 who shared their opinions and how the importance of return policy and the how a good return policy can be deciding factor while buying from a particular website. Participants' also shared major

issue like distance concerns while returning any item. Also the importance of price of the product while deciding on return of product.

The transcript of the FGD has been attached separately.

3. Depth Interviews

Depth interviews were conducted where we interviewed people of different demographics.

- **Loyal customers** – They were of the view that return policy is very important and they have not faced any issues so far with the return policy of amazon. They always read about the return policy and customer review before buying any product. When asked about the customer service they told that they are very gentle and polite but the only shortcoming was that they lack relevant knowledge. One of them also gave suggestions that customers should be allowed to check the product on spot and return it in case of concerns. Overall they were satisfied with the return policy of amazon

- **Not so Concern customers** – They said that Amazon's service is very good and so they hardly return any product. Cost was the major factor for not returning the product, as the cost of the product was very less they preferred not to return it. Other factors was the cumbersome return process which makes it easy to order a new product rather than returning it. One of them gave a suggestion that near pickup points should be installed to make the process customer friendly.

We conducted multiple Depth Interviews with people who were Amazon customers. These included people from the DSM and LBS. We got a lot of insights from these discussions.

5. Research Design

The primary objective of the research was to address the above questions through a descriptive research consisting of qualitative as well as quantitative research procedures.

5.1 Duration of the research: 40 days

5.2 Type of Research:

Descriptive research aimed at throwing light on current issues through a process of data collection that enabled us to describe the situation in an elaborate manner. Through surveys, in depth interviews and focus group discussion we analyzed the data qualitatively and quantitavely.

5.3 Research Philosophy:

Pragmatic philosophy was followed since our research approach is inductive and research strategy is both qualitative as well as quantitative

5.4 Data Collection:

- **Secondary Data:**

  In order to increase the levels of research validity and reliability internet was used to develop knowledge about the Ecommerce industry and their return policy. We visited Competitors website and checked their return policy. Various other websites like Brand equity and ET retail.com were consulted to check the current market trends. We read about the return policy and its impact on consumer behaviour from the following research websites

  1. *http://www.utdallas.*edu :-
     Researchers Examine Effect of Return Policies on Consumer Behaviour

In general, firms use return policies to increase purchases but don't want to increase returns, which are costly. But all return policies are not the same. The main factors for return policy are Time, Monetary, Effort, Scope and Exchange.

2. https://www.washingtonpost.com :-
   The surprising psychology of shoppers and return policies.
   Depending on whether it's a durable good or a consumable good, whether it's high-fashion or fast-fashion, those different segments of the market have different reasons for buying and they have different concerns for risk and quality.

3. https://hbr.org :-
   How to Design a Return Policy
   five common factors that are varied in return policies to make them more or less lenient. They are:

   Monetary Leniency: How much of the price of purchase is refunded
   Time Leniency: The duration within which returns are accepted
   Effort Leniency: How hard it is for consumers to return the item
   Exchange Leniency: Whether refunds come in the form of store credit or cash
   Scope Leniency: The scope of products that can be returned — for instance, whether discounted items are included or not

- **Primary Data:**

Both qualitative and quantitative data was collected in through respective procedures.

- **Qualitative Data:**

Four depth interviews and one FGD consisting of ten participants was carried out to find insights related to impact of return policy, any changes required in it and how Amazons return policy has evolved over time. Various website and research paper on consumer behavior and return policy were read to understand the importance of return policy.

- **Quantitative Data:**

A survey was conducted among the sampling frame wherein the research questions were addressed in a direct as well as indirect way. 76 responses were recorded and on the basis of these responses correlation, was carried out to generate useful data.

5.5 Sampling

Target population:

We targeted potential customers between the age group 18-24 years. Working professionals and students were the main target audience.

Sampling Frame:

 A sampling frame of 72 was taken comprising of people in the age group of 18-24 years.

Sample Size:

A sample size of 72 was taken i.e. the sample is same as the sampling frame.

Sampling Technique:

Convenience sampling was used. It involves picking set of variable convenient for the respondent to use.

Scale:

The variables in the questionnaire are measured on interval and nominal scale. Based on this the statistical analysis was done.

MDP (Management Decision Problem): Is a change in return policy required for Amazon?

MRP (Management Research Problem): To figure out the customer perception on current return policy of Amazon and how a customer's attitude and purchase behavior change if the return policy doesn't meet expectations.

Survey questions:

1. How preferred is Amazon for shopping over other website?
2. Important Parameters while buying from Amazon (Rank in order of importance) (Rank 1 - most important , Rank 6 - least important)
    1. Variety of products
    2. Discounts
    3. Return policy
    4. Delivery speed
    5. Payment policy (COD, Online policy)
    6. User interface/ User Experience
3. How often have you received a product below expectations (bad quality, different size, different product, damaged product)?
4. How often have you initiated a return in case you receive a product below expectation?
5. If you didn't initiate a return despite getting a wrong product; why was it so?
6. Rate the Amazon website/app in terms of conveying clearly and easily the return policy.
7. How contented are you with the current return policy offered by Amazon?
8. Service of the delivery staff to pick up the product once return is initiated
9. How has inefficiency of the return service affected your behaviour towards Amazon?
10. What are the important factors for return policy (Rank in order of importance) (Rank 1: Most Important, Rank 5: Least Important)
    1. Time to complete the overall return process
    2. Replacement with new product
    3. Refund policy
    4. Ease of return
    5. Validity of replacement policy (e.g.: 30 days replacement policy of amazon)
11. How return policy of amazon should be customized to make it friendlier?
12. Rate the current return policy parameters of Amazon if you have used return policy (1 - poor, 5 - Excellent)
    1. Time to complete the overall return process
    2. Replacement with new product
    3. Refund policy
    4. Ease of return

    <u>5.</u> Validity of replacement policy (e.g.: 30 days replacement policy of amazon)

13. How often do you shop online?

14. Age

15. Income

16. Gender

MDP	MRP (market research problem)	RQ (Research Questions)	Hypothesis	Discussion Points	Information Needed	Questions mapped
Is a change in return policy required for Amazon	To figure out the customer perception on current return policy of Amazon and how a customer's attitude and purchase behavior change if the return policy doesn't meet expectations.	How often do you shop online? How preferred is Amazon for shopping over other website? Important Parameters while buying from Amazon How often have you received a product below expectations (bad quality, different size, different product, damaged product)? How often have you initiated a return in case you receive a product below expectation? (even if you have never received any defected product; answer never)	H1: Frequent user are more prone to return than casual user H2: Brand is the most important consideration for choosing H3: Return policy is the most important consideration for choosing Amazon. H4: Return Policy is more important for customer who have received more defected product in their life H5: If return policy poor and product cheap, many customer doesn't return the product because they believe it is the waste of time H6: If product cheap, customer doesn't return the product regardless of the return policy H7: Many customers aren't aware of the return policy	• How frequently do you use online shopping? • Rank the top 5 features you considered while purchasing from Amazon • List the criteria used for purchasing from a particular brand • Did you ever receive a defected product and if yes whether that impacted	• Customer preferences towards online shopping • Why customer doesn't return product in case it received one? • Customer awareness about return policy • Customers income estimate • Customers contention with	Rate the following features in terms of their importance to you while buy online. 1 being less important and 5 being more important Rate the importance of various feature of return policy on scale of Rank 1: being highest to

14

	If you didn't initiate a return despite getting a wrong product; Why was it so? How aware are you of the return policy offered by Amazon and its features? Rate the Amazon website/app in terms of conveying clearly and easily the return policy. How contented are you with the current return policy offered by Amazon? Rate service of the delivery staff to pick up the product once return is initiated How has inefficiency of the return service affect your behaviour towards Amazon?	and thus, doesn't consider it choosing website for shopping H8: Return policy of Amazon are clearly mentioned H9: Customers are content with the Amazon policy H10: Delivery person plays an important role in return process H11: Inefficient service affects the customer behaviour towards Amazon negatively H12: Amazon brand equity give a leniency which other brands may not get in case of inefficient service H13: Return policy consist of various parameters and each one play it is role in determining the overall effectiveness of the return process H14: Time taken to replace/refund is the most important parameter of return policy	your behaviour towards Amazon? • Rate current return policy of Amazon in term of clearly mentioning the details and its implementation • Knowing which parameter is the most important in return policy • Knowing how effectively each parameter is implemented • What customization can be done to return	return policy • Customers gender and age • Information about customers behaviour in case of defected product is received • Customer satisfaction from current return policy of Amazon	Rank 6: being lowest Rate effectiveness of current return policy and various parameter of it

		In case your behaviour was not affected (refer to previous question) why was it so?	H15: Knowing what changes the customer want from the Amazon in its return policy	policy of Amazon		
		What are the important factors for return policy?				
		Rate the current return policy parameters of Amazon if you have used return policy				
		How return policy of amazon should be customized to make it friendlier?				

DATA ANALYSIS PLAN

Analysis to establish relationship between independent variables

Type of test: Cross-Tabs Analysis

Variable used: Pin Code and customer responses to a multitude of questions

Purpose: This test will essentially help us in performing the pin code analysis with pin code as one independent variable and customer preferences as the other one.

6. Limitations

- Geographically, the research is limited to Delhi.
- Operational, financial or other limitations of Amazon that may necessitate a change in the return policy are not considered. The research is limited strictly to consumer opinions/perceptions.
- Time to complete the project is limited.
- Misuse of return policy is not considered for analysis.

7. Data Analysis

Chi-square test is done between the following variables

1. Frequency of receiving product below expectations and return frequency
2. Extent to which website conveys the return policy effectively and the awareness about return policy
3. Contentment with return policy and service of delivery staff
4. Awareness of return policy and contentment with return policy
5. Effect on purchase behaviour on receiving substandard service and age of the respondent
6. Effect on purchase behaviour with respect to income of the respondent
7. Effect on purchase behaviour with respect to gender of the respondent

The SPSS output for above test attached separately

8. Findings and Recommendations

The survey for the study was conducted in Delhi. After convenience sampling, 72 people in Delhi from the age group of 18-40 wherein 75% were male and 25% female. 80.6% of sample had an annual household income of 5LPA and above, with 50% having more than 10 LPA. This could be due to the location and method of sampling employed. Moreover, as per secondary research, mostly people from well-to-do financial background usually choose online shopping for reasons like convenience and flexibility.

From the survey, 79.1% clearly preferred Amazon over other e-commerce sites as being reflected in following aggregate data.
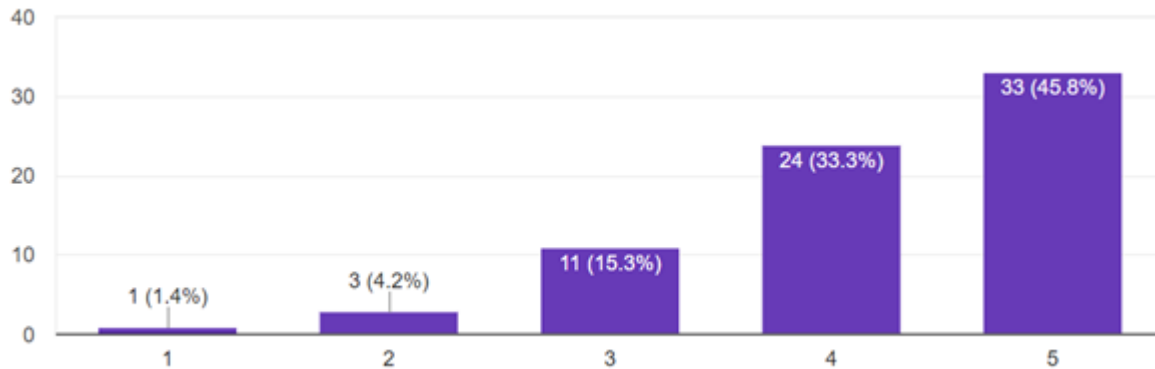
The survey also brought front the fact that as high as 87% of people have received a product below expectation at some or the other point be it in terms of product attributes, quality or the state in which it was delivered or packaging. Hence, they become the main target for return policy, if any. Moreover, another point to note is that nearly 68% of the same group have never or hardly ever received a product below expectation.

Interestingly, even though people do not receive a product as per their liking, 40% of them are hesitant to initiate the return process. Out of all the reasons for this reluctance, two major ones were the fact the product was cheap and not worth the hassle and second was that the process is too complicated (lengthy or difficult).

This behaviour is observed when less than 10% of the consumers surveyed admitted to not being aware of the return policy and its terms and conditions. With 63% reporting that it was quite clearly and easily conveyed on the site as well as the mobile application.

The questionnaire we administered had few probing questions that provided us with good insights.
First we asked that how often the respondent had received product below expectations. Most people answered either never, rarely or sometimes (94.2%) while only 5.8 % claimed that they received it often or always. This re affirms the fact that wrong product shipments are relatively rare for the retailer.

We further probed that how often the respondents had initiated a return process after getting a wrong product. In this case we found that only 26.1% said that they had always done so.
The logical question that followed this was the respondents' reason for not initiating return policy despite getting wrong product. We found that most people said that the product was cheap, so they didn't find it worth investing the time and energy in the return process (31.9%). People said that the time taken for return is very long and that the return policy was lengthy or difficult.

On being asked how the inefficiency of return policy affected the respondents' behaviour 36.2% said that they stopped buying from the online retailer, 31.9% said that their behavior was unaffected while another 8.7% stopped buying that category from the retailer.

When asked why the behaviour was unaffected, respondents cited major reasons like brand loyalty (31.4%), lack of better alternatives than Amazon (29%),while 58.8% said that rare occurrence of such experiences was reason their purchase behaviour didn't change. Although an expression of brand loyalty or consideration for the fact that lapses in service are rare, is a growing competition in the e-commerce industry.

<u>Recommendations:</u>

It was observed that long time for the replacement process and its difficult and tedious procedure to initiate it was the main problem that people faced. Hence a change in return policy is needed. Our recommendations are as follows:

1. Since, one of the major reasons for return does not features some mismatch or defect in product, most customers desire a replacement rather than completely returning the product as the product is still wanted. Amazon could give the option of easy replacements in place of returning and ordering the same product again to ease the burden of a complicated process for the customers.

2. Another alternative that could be implemented for easy replacements is if the delivery person who reached out to collect the product being returned also carries the replacement product along, the cycle time of the entire process is significantly reduced.

3. There are certain categories of products for example wherein upon receiving the product the customer could immediately decide whether to keep or return the product. Apparels, footwear and accessories being the most common category for such a behaviour. For the same, instant return policy option could be provided at a small fee maybe. The customer would then have the option to open and inspect the product and return it at the same moment if need be rather than go through the hassle of accepting, returning and receiving another delivery for the same product. The whole return cycle would easily reduce by 4-5 days at least. Also, since it increases the costs for the company to provide this service and prevent misuse or abuse of this facility, a small fee should be levied on for the same.

4. Also, a faster refund should be initiated for returned products.

9. References

Research Papers

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- *Davis.(1995). A Vision for the Year 2000: Brand Asset Management. A research article. Journal of Consumer Marketing. 12(4). 65-82*
- *Bravo, Buil, Chernatony and Martinez. (2017). Managing brand identity: effects on the employees. A research article. International Journal of Bank Marketing. 31(1). 2-23*
- *Luna and Gupta. (2001). An Integrative Framework for Cross-Cultural Consumer Behaviour. A review analysis article. International Marketing Review. 18(1). 45-69*

Links and websites

- https://en.wikipedia.org/wiki/Amazon_(company)
- https://www.amazon.in/
- https://www.flipkart.com/
- https://www.myntra.com/

Book references and newspaper articles:

- Strategic Brand Management by Kevin Lane Keller
- Brand Thinking and Other Noble Pursuits by Debbie Millman
- Consumer Behaviour by Michael R Solomon
- Economic Times
- The Hindu

10. Annexures

    a. SPSS analysis PDF

    b. Transcript of the interviews conducted

    c. Transcript of Focus Group Discussion

ANNEXURE – I
SPSS Analysis

```
CROSSTABS
  /TABLES=ReturnFrequency BY BadProductFreq
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
  /BARCHART.
```

Crosstabs

[DataSet1] C:\Users\Rachit\Desktop\MRProject.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
ReturnFrequency * BadProductFreq	24	33.3%	48	66.7%	72	100.0%

ReturnFrequency * BadProductFreq Crosstabulation

			BadProductFreq			
			never	sometimes	often	most times
ReturnFrequency	never	Count	2	2	0	0
		Expected Count	.5	2.0	1.0	.3
	sometimes	Count	0	6	0	0
		Expected Count	.8	3.0	1.5	.5
	often	Count	0	1	2	1
		Expected Count	.5	2.0	1.0	.3
	most times	Count	1	1	0	0
		Expected Count	.4	1.5	.8	.3
	always	Count	0	2	4	1
		Expected Count	.9	3.5	1.8	.6
Total		Count	3	12	6	2
		Expected Count	3.0	12.0	6.0	2.0

ReturnFrequency * BadProductFreq Crosstabulation

			BadProdu... always	Total
ReturnFrequency	never	Count	0	4
		Expected Count	.2	4.0
	sometimes	Count	0	6
		Expected Count	.3	6.0
	often	Count	0	4
		Expected Count	.2	4.0
	most times	Count	1	3
		Expected Count	.1	3.0
	always	Count	0	7
		Expected Count	.3	7.0
Total		Count	1	24
		Expected Count	1.0	24.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.833[a]	16	.025
Likelihood Ratio	28.209	16	.030
Linear-by-Linear Association	5.616	1	.018
N of Valid Cases	24		

a. 25 cells (100.0%) have expected count less than 5. The minimum expected count is .13.
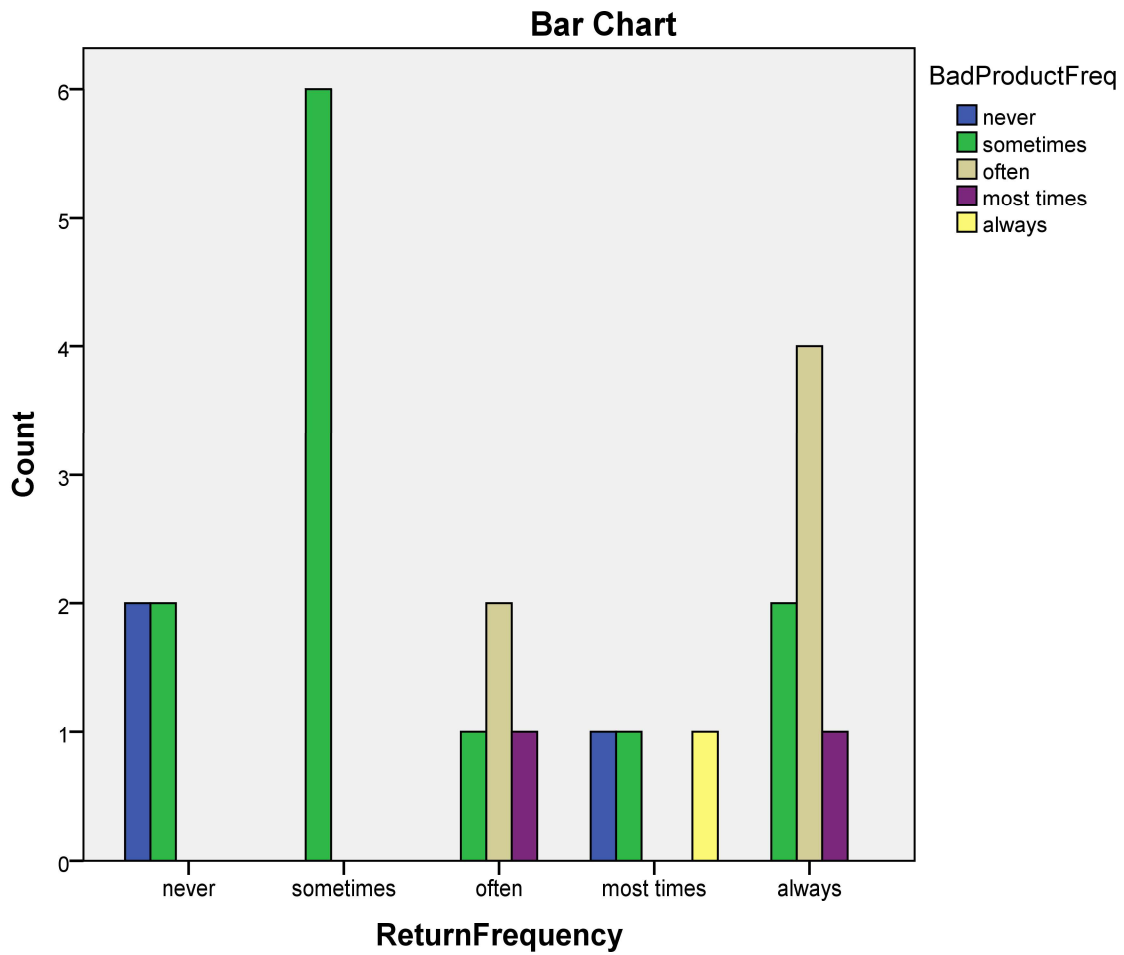
Bar Chart


```
CROSSTABS
  /TABLES=Awareness BY ConveyClearly
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
  /BARCHART.
```

Crosstabs

[DataSet1] C:\Users\Rachit\Desktop\MRProject.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Awareness * ConveyClearly	24	33.3%	48	66.7%	72	100.0%

Awareness * ConveyClearly Crosstabulation

			ConveyClearly		
			not at all clear	not much clear	little clear
Awareness	not at all aware	Count	0	1	0
		Expected Count	.1	.3	1.1
	little aware	Count	0	1	3
		Expected Count	.3	.5	2.3
	quite aware	Count	0	0	3
		Expected Count	.3	.6	2.6
	completely aware	Count	1	0	3
		Expected Count	.3	.7	3.0
Total		Count	1	2	9
		Expected Count	1.0	2.0	9.0

Awareness * ConveyClearly Crosstabulation

			ConveyClearly		
			quite clear	conveyed clearly	Total
Awareness	not at all aware	Count	2	0	3
		Expected Count	1.1	.4	3.0
	little aware	Count	2	0	6
		Expected Count	2.3	.8	6.0
	quite aware	Count	3	1	7
		Expected Count	2.6	.9	7.0
	completely aware	Count	2	2	8
		Expected Count	3.0	1.0	8.0
Total		Count	9	3	24
		Expected Count	9.0	3.0	24.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.667[a]	12	.558
Likelihood Ratio	12.933	12	.374
Linear-by-Linear Association	.277	1	.599
N of Valid Cases	24		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .13.
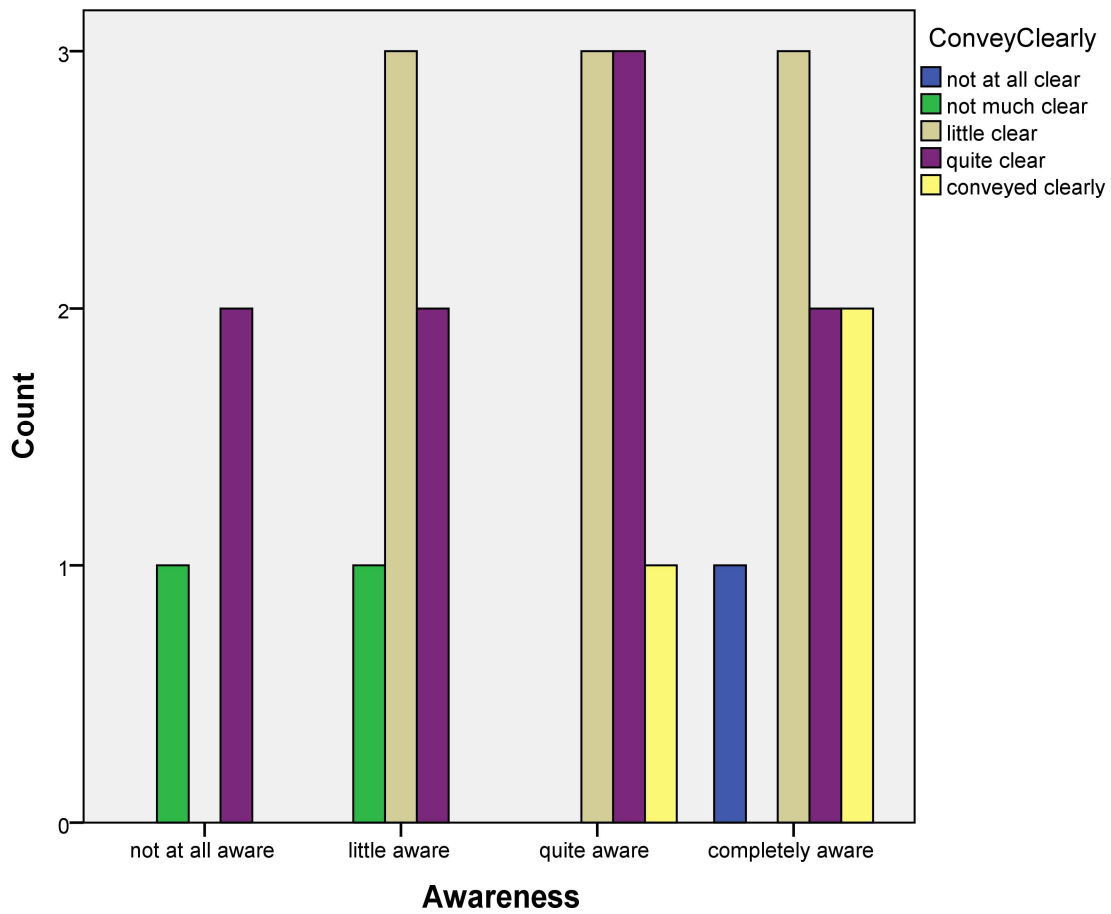
Bar Chart

```
CROSSTABS
  /TABLES=serviceofdeliverystaff BY Contentment
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
```

```
/BARCHART.
```

Crosstabs

[DataSet1] C:\Users\Rachit\Desktop\MRProject.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
serviceofdeliverystaff * Contentment	24	33.3%	48	66.7%	72	100.0%

serviceofdeliverystaff * Contentment Crosstabulation

			Contentment		
			not at all	not much	little
serviceofdeliverystaff	Do not arrive in the estimated time	Count	0	0	0
		Expected Count	.0	.0	.5
	Do not arrive at the requested location	Count	1	0	1
		Expected Count	.1	.1	1.4
	Content with current service	Count	0	0	7
		Expected Count	.5	.5	5.5
	Have never returned any product	Count	0	1	3
		Expected Count	.3	.3	3.7
Total		Count	1	1	11
		Expected Count	1.0	1.0	11.0

serviceofdeliverystaff * Contentment Crosstabulation

			Contentment	
			quite	entirely contented
serviceofdeliverystaff	Do not arrive in the estimated time	Count	1	0
		Expected Count	.3	.1
	Do not arrive at the requested location	Count	1	0
		Expected Count	1.0	.4
	Content with current service	Count	4	1
		Expected Count	4.0	1.5
	Have never returned any product	Count	2	2
		Expected Count	2.7	1.0
Total		Count	8	3
		Expected Count	8.0	3.0

serviceofdeliverystaff * Contentment Crosstabulation

			Total
serviceofdeliverystaff	Do not arrive in the estimated time	Count	1
		Expected Count	1.0
	Do not arrive at the requested location	Count	3
		Expected Count	3.0
	Content with current service	Count	12
		Expected Count	12.0
	Have never returned any product	Count	8
		Expected Count	8.0
Total		Count	24
		Expected Count	24.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.258[a]	12	.351
Likelihood Ratio	10.900	12	.538
Linear-by-Linear Association	.543	1	.461
N of Valid Cases	24		

a. 19 cells (95.0%) have expected count less than 5. The minimum expected count is .04.
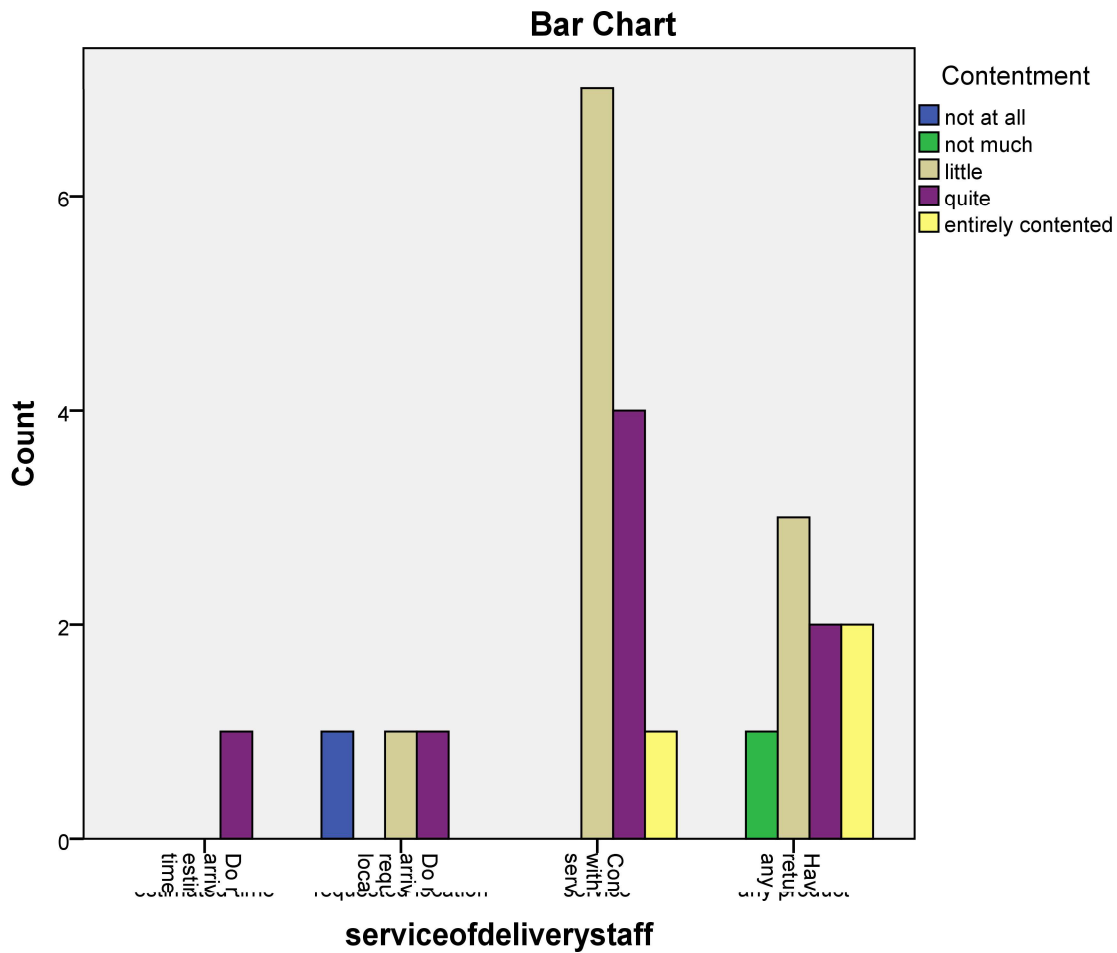
Bar Chart

CROSSTABS

  /TABLES=Contentment BY Awareness

  /FORMAT=AVALUE TABLES

  /STATISTICS=CHISQ

  /CELLS=COUNT EXPECTED

  /COUNT ROUND CELL

  /BARCHART.

Crosstabs

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Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Contentment * Awareness	24	33.3%	48	66.7%	72	100.0%

Contentment * Awareness Crosstabulation

			Awareness		
			not at all aware	little aware	quite aware
Contentment	not at all	Count	0	1	0
		Expected Count	.1	.3	.3
	not much	Count	0	1	0
		Expected Count	.1	.3	.3
	little	Count	1	2	2
		Expected Count	1.4	2.8	3.2
	quite	Count	1	2	5
		Expected Count	1.0	2.0	2.3
	entirely contented	Count	1	0	0
		Expected Count	.4	.8	.9
Total		Count	3	6	7
		Expected Count	3.0	6.0	7.0

Contentment * Awareness Crosstabulation

			Awareness	
			completely aware	Total
Contentment	not at all	Count	0	1
		Expected Count	.3	1.0
	not much	Count	0	1
		Expected Count	.3	1.0
	little	Count	6	11
		Expected Count	3.7	11.0
	quite	Count	0	8
		Expected Count	2.7	8.0
	entirely contented	Count	2	3
		Expected Count	1.0	3.0
Total		Count	8	24
		Expected Count	8.0	24.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.628[a]	12	.127
Likelihood Ratio	20.009	12	.067
Linear-by-Linear Association	.019	1	.892
N of Valid Cases	24		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .13.
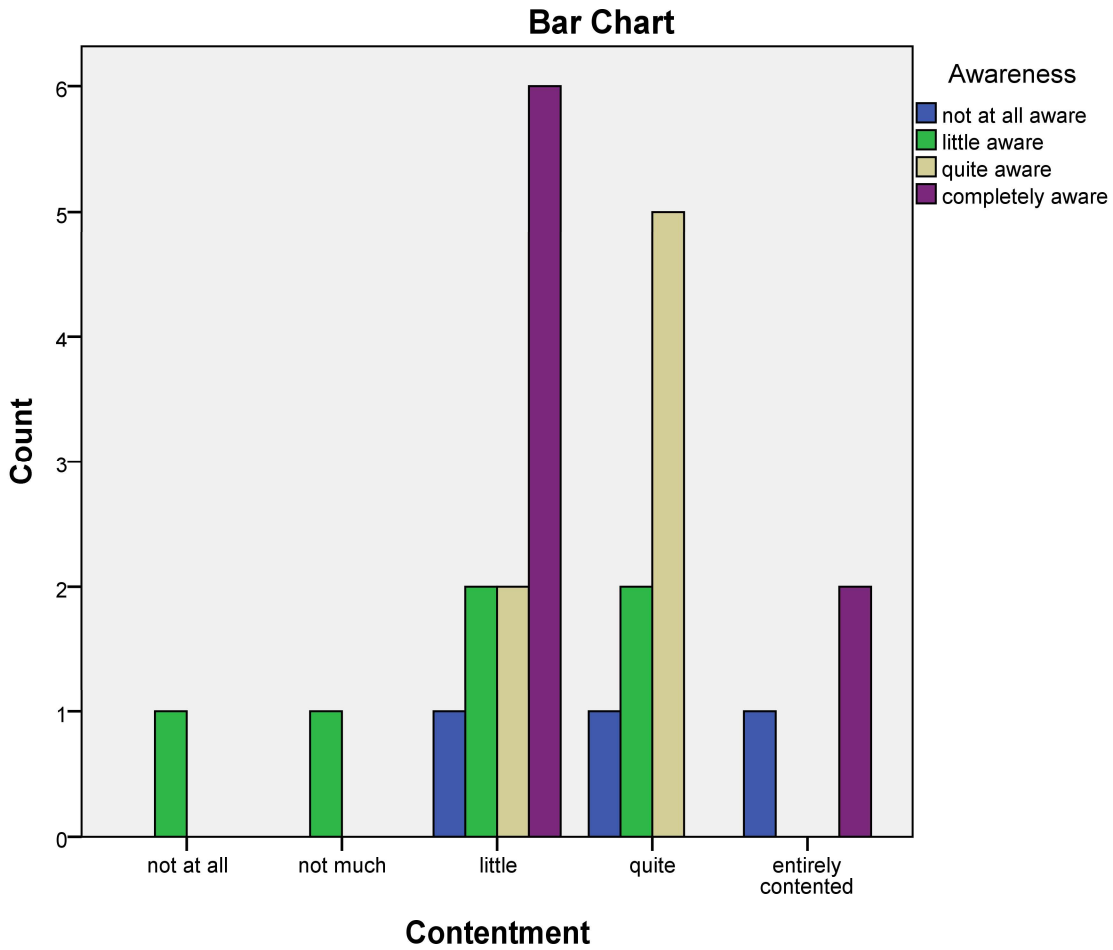
Bar Chart

```
CROSSTABS
  /TABLES=Age BY affect_on_behaviour
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
```

```
    /BARCHART.
```

Crosstabs

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Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * affect_on_behaviour	72	100.0%	0	0.0%	72	100.0%

Age * affect_on_behaviour Crosstabulation

			affect_on_behaviour			
			.00	stop buying from retailer	stop buying the category from retailer	shifted to other online retailer
Age	18-24 years	Count	6	3	5	6
		Expected Count	5.8	2.5	5.0	6.7
	25-40 years	Count	1	0	1	2
		Expected Count	1.2	.5	1.0	1.3
Total		Count	7	3	6	8
		Expected Count	7.0	3.0	6.0	8.0

Age * affect_on_behaviour Crosstabulation

			affect_on_behaviour			
			shifted to offline channels	did not affect my behaviour	did not find the service inefficient	Total
Age	18-24 years	Count	1	19	20	60
		Expected Count	.8	18.3	20.8	60.0
	25-40 years	Count	0	3	5	12
		Expected Count	.2	3.7	4.2	12.0
Total		Count	1	22	25	72
		Expected Count	1.0	22.0	25.0	72.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.574[a]	6	.954
Likelihood Ratio	2.189	6	.901
Linear-by-Linear Association	.153	1	.696
N of Valid Cases	72		

a. 9 cells (64.3%) have expected count less than 5. The minimum expected count is .17.
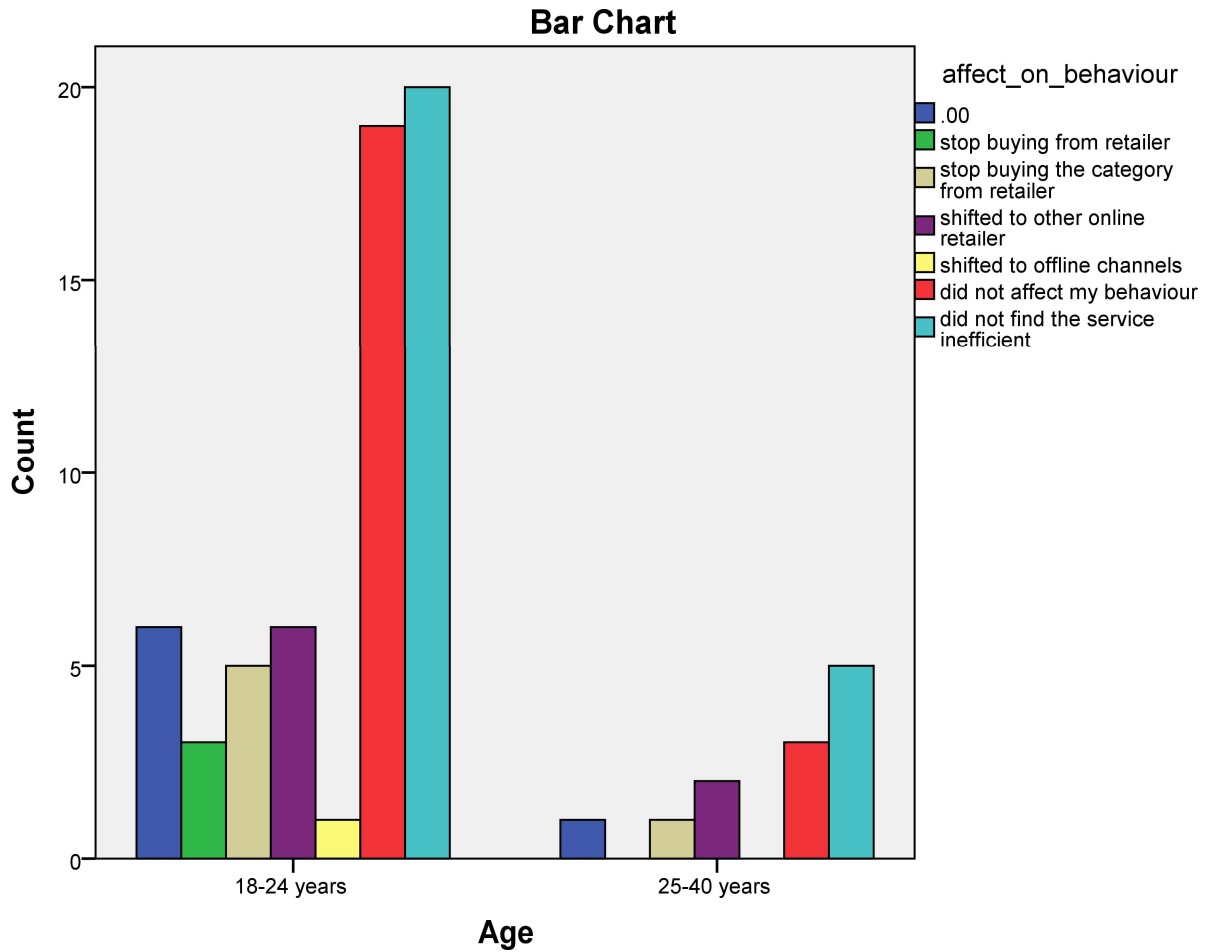
Bar Chart

```
CROSSTABS
  /TABLES=Income BY affect_on_behaviour
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
```

```
/BARCHART.
```

Crosstabs

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Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income * affect_on_behaviour	35	48.6%	37	51.4%	72	100.0%

Income * affect_on_behaviour Crosstabulation

			affect_on_behaviour			
			.00	stop buying from retailer	stop buying the category from retailer	shifted to other online retailer
Income	<2.5 LPA	Count	0	0	0	0
		Expected Count	.1	.1	.3	.3
	2.5-5 LPA	Count	0	0	1	0
		Expected Count	.1	.1	.3	.5
	5-10 LPA	Count	1	0	0	2
		Expected Count	.2	.2	.6	.8
	>10 LPA	Count	0	1	2	2
		Expected Count	.6	.6	1.8	2.4
Total		Count	1	1	3	4
		Expected Count	1.0	1.0	3.0	4.0

Income * affect_on_behaviour Crosstabulation

			affect_on_behaviour		
			did not affect my behaviour	did not find the service inefficient	Total
Income	<2.5 LPA	Count	2	1	3
		Expected Count	1.4	.9	3.0
	2.5-5 LPA	Count	1	2	4
		Expected Count	1.8	1.1	4.0
	5-10 LPA	Count	3	1	7
		Expected Count	3.2	2.0	7.0
	>10 LPA	Count	10	6	21
		Expected Count	9.6	6.0	21.0
Total		Count	16	10	35
		Expected Count	16.0	10.0	35.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.332[a]	15	.729
Likelihood Ratio	11.631	15	.707
Linear-by-Linear Association	.184	1	.668
N of Valid Cases	35		

a. 22 cells (91.7%) have expected count less than 5. The minimum expected count is .09.

Bar Chart
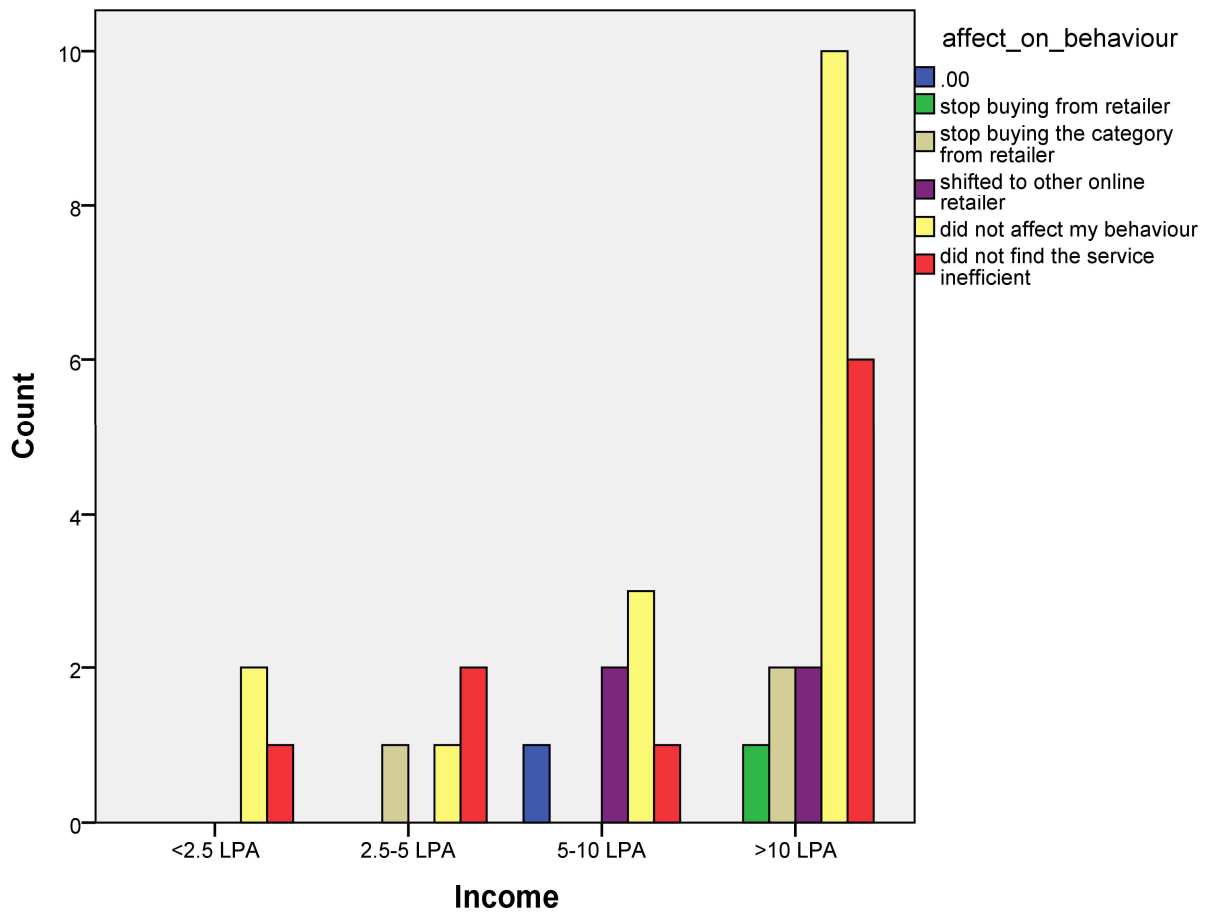
```
CROSSTABS
  /TABLES=Gender BY affect_on_behaviour
  /FORMAT=AVALUE TABLES
  /STATISTICS=CHISQ
  /CELLS=COUNT EXPECTED
  /COUNT ROUND CELL
```

```
/BARCHART.
```

Crosstabs

[DataSet1] C:\Users\Rachit\Desktop\MRProject.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * affect_on_behaviour	72	100.0%	0	0.0%	72	100.0%

Gender * affect_on_behaviour Crosstabulation

			affect_on_behaviour			
			.00	stop buying from retailer	stop buying the category from retailer	shifted to other online retailer
Gender	Male	Count	7	2	2	5
		Expected Count	5.3	2.3	4.5	6.0
	Female	Count	0	1	4	3
		Expected Count	1.8	.8	1.5	2.0
Total		Count	7	3	6	8
		Expected Count	7.0	3.0	6.0	8.0

Gender * affect_on_behaviour Crosstabulation

			affect_on_behaviour			
			shifted to offline channels	did not affect my behaviour	did not find the service inefficient	Total
Gender	Male	Count	1	14	23	54
		Expected Count	.8	16.5	18.8	54.0
	Female	Count	0	8	2	18
		Expected Count	.3	5.5	6.3	18.0
Total		Count	1	22	25	72
		Expected Count	1.0	22.0	25.0	72.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.368[a]	6	.026
Likelihood Ratio	16.154	6	.013
Linear-by-Linear Association	.600	1	.439
N of Valid Cases	72		

a. 8 cells (57.1%) have expected count less than 5. The minimum expected count is .25.

Bar Chart
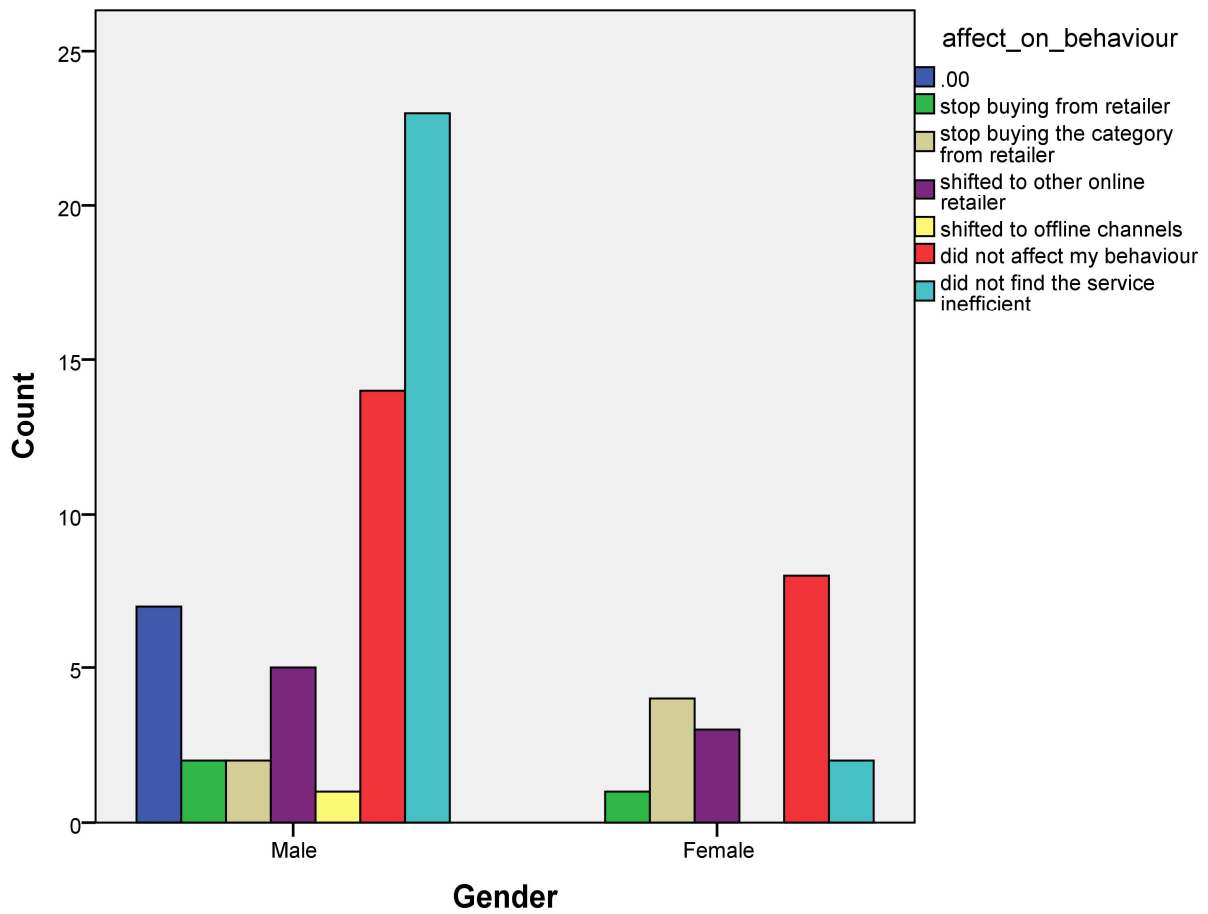
ANNEXURE – II INTERVIEW TRANSCRIPT

Interview 1:

Profile of the respondent: First year student at LBS Delhi

Work ex 3 years || Male|| Mumbai

Q: How frequently do you shop online?

Ans: Generally, it's twice in a month. Frequency may change a little depending on the requirement

Q: What you generally shop online?

Ans: Apparels and electronics mostly

Q: What are your preferred sites

Ans: Amazon, Flipkart, and Ebay.

Q: Tell us more about the experience with the above mentioned online website. Elaborate on Product return experience if ever faced

Ans: EBay: Worst experience with the eBay. Once ordered a cell phone from eBay. Was delivered on time but gave a faulty product. Phone was of a poor quality and seemed like a used product with scratches all over the phone. When tried to contact and return the product It was all in vain as they kept on delaying the request and ultimately didn't return or replaced the product at all saying it was an issue at mobile phone company's part not there. Pathetic experience.

Amazon: completely different from eBay. Very satisfying experience as the product was refunded within the stipulated time. As customer, Amazon ensured that I faced minimum hassle. Return policy was also clearly mentioned while ordering the product. Customer experience was also very good as they talked very politely and tried to understand my grievances. Only issue was that they issued a refund not a replacement and I had to order the same product again. Anyway, it was a satisfying experience.

Flipkart: Overall good experience. Haven't had a chance to experience their return policies

Q: Tell us a how do you view the importance of return policy and its awareness among customers

Ans: To be honest, I also didn't used to follow or go through return policies before buying the product but the incident from the eBay changed my thoughts on this. It's very necessary for a customer to be

aware of return policies of a website and also, it's the responsibility of the website to convey the information clearly to the customers.

Q: Any recommendations you would like to give regarding the return policy of different websites,
Ans: Convey the return policies clearly to the consumers beforehand. They can mention it clearly on their websites. Also, it would be great if the consumers could get the option to choose return or refund for most of the products. It would ease the experience of shopping online.

Interview 2:

Profile of the respondent: Second year student at DSM, DTU
Fresher || Female|| Pune

Q: Q: How frequently do you shop online?
Ans: Once in two months you can say.

Q: What you generally shop online?
Ans: Apparels and electronics mostly

Q: What are your preferred sites
Ans: Amazon, Flipkart, and Paytm. Amazon mostly, I would say 8 put of 10 times.

Q: Brief us about your experience with amazon focusing on the product return experience you if you had any
Ans: I can say I have been a loyal Amazon customer and one of the major reason for that is the quality of the service provide d by the Amazon. Till now I haven't faced any such issues where I need to return the product. At least for me I can vouch that quality of the product delivered is top notch, also their customer care executives also make sure that any difficulty faced during the product shipment is resolved at the earliest.
I remember one time where my product was delivered two days late as per the delivery date mentioned

by the website. They not only went forward and sent an apology mail but also gave me Amazon Reward points which I can redeem for any other product on the website. I loved this gesture. See it's not always perfect every time and people know that. It's just about how you treat your customers during that phase. This goes on a long way in ensuring customer loyalty. Also added benefits like Prime Subscription, free deliveries etc has also attracted me in being a loyal Amazon Customer.

Q: Any Recommendations you would like to give regarding the same?

Ans: Near pick up points can be a useful tool in faster delivery and return policies. I think this need to be evaluated further as I feel this could be an excellent opinion in reducing the delivery and pick up time. Also, direct transfer to the bank account or Cash as a mode of return payment especially for COD items would be preferred.

ANNEXURE – III
FOCUS GROUP DISCUSSION TRANSCRIPT

P1; hello I am Ankur . I am 23 years old and I have used Amazon prime

P2; hello I am Sankalp I am 25 years old. I have used Amazon prime

P3; hello I am Arjun . I am 25 years old and I have also used Amazon prime.

P4; Hello I am Farhan. i am 23 years old . I have used Amazon prime.

P5; Hello I am Raj. I   am 25 years old. I have used Amazon prime.

P6; Hello I am Adit. I am 23 years old. I have used Amazon prime.

P7; Hello I am Prajjwal. I am 23 years old. I have used Amazon prime.

P8; Hello I am Pratik. I am 24 years old. I have used Amazon prime.

M; How often do you usually shop online?

P1; So, as our college is in the outskirts of Indore, we need to use online shopping websites to get even your daily necessities to the campus.

P2; While I was working in Pune, Amazon was always the preferred website because of wide variety sand various discounts available and the shipping time has now reduced to a great extent and we can also get products to areas like within a couple of days.

P3; Adding to his point, we can order some item in the morning and get it in the evening

P4 And at times we also get various exciting offers which makes a product cheaper as compared to other retail stores

P5; and it is also pretty convenient, you just have to place your order and leave it there till it arrives, so that you can spend your day doing much more important stuff.

M; What do you think you usually shop in e commerce websites, especially Amazon?

P6; Mostly branded products, to maintain the standardisation.

P2; so I think I will prefer buying electronic stuff .I usually don't go for apparel or shoes. Personally, I have to go to the store and try it on and then confirm buying it. But in Amazon there are choice of brands and the prices are also cheap

P3; well electronics, you don't buy them as frequently as other stuff. In my case in particular, I buy stuff like books, phone covers or anything that I want to buy and i know I am comfortable with buying it online.

P8; When it comes to apparel, shoes and everything I don't prefer online shopping because I know that my size varies across brands and i just don't trust buying online enough. If you buy and you try it on and if it doesn't fit you, you have to return it. That's too much. So there the convenience factor lies more with brick and mortar stores.

P4 I also feel like I should wear it and feel it before purchasing the good so I don't want to get into hassle like first order and then try it and then i am not sure about it. In that case i will have to keep it just because i ordered it and don't want to return it. That is why I don't order shoes or clothes from Amazon.

M; Are you aware of the return policy of Amazon?

P1; Yeah. But see it will take 2 to 3 days for me to order, then it will come and then I have to generate a refund policy and then their staff would come according to their convenience and I have to be free at that time. So it is always not convenient. It will take around 3 to 7 days again to get the money back.

P7; it is about a 15 day process to order and return.

M2; Myntra has a return policy which you can order four clothes at a time and try them out to pick out the best. What is your opinion when you compare it with the return policy of Amazon?

P1; I think that policy of Myntra was launched two years back. In my opinion it is good as you can touch and feel the product just like in a retail store.

P2; but again that is also a lengthy process as it takes about 15 days.

P6; But that depends on the convenience. Say for e.g.; someone is a housewife for her it would be very convenient but an office going professional or students like us will not be that convenient. So it depends on person to person. If they are exclusively delivering it on Saturday and Sunday then it is ok.

M1; Apart from apparel what about any other product?

O1 for rest of the products there are reviews, so I know how it would be, the specifications and features.

P2 yeah, for standardized products, it is fine

P4; you know what you are buying and there is no doubt about anything.

P4 so I would like to get into the perspective of the Lenskart model .that is completely fine. They get you spectacles and a mirror to check it on. lenskart model is working very well and is very successful with this model.

M1 so apart from apparel you are fine with this 'try and buy 'model?

P1 It depends on the timing. See if I get it in 6 o clock in the evening then its fine. But if they come at the class time then it's just not worth it

P2; but I think it will be a better option if the delivery person can wait and let us have our experience on the product and then you can return it at the same time. It will definitely be worth it.

M1; Often does it happen that you order something and the delivery was below expectation? Could be anything like it came late or something was defective or if you ordered five things and something was missing?

P1; 2 /3 years back with the competition coming in a lot of online players, this has reduced significantly. Especially in the metropolitan cities but it is still an issue in some of the countries which are not very accessible but overall the experience has been good

P2; in certain situations for the things that I have orders, the god was not as expected (quality)

P3; once the packaging was not good which damaged the product.

P3; so recently I ordered something and they sent me something else then I had to return it.

M2; Have you ever returned a product?

P1; yes I had to return products twice. First was when i had to return something which was not the first hand piece. I got the money back on the same day itself.

Next time it was like the delivery was cancelled by the delivery boy itself they also gave me Rs 200 cash back on it. So I was quite happy with the experience.

M1; what were those products?

P1; first was book and second was a keychain

P2; so I ordered shoes while i was in my undergrad in Ranchi. The shoes size came out to be wrong. The return procedure was also not up to the mark. It took around 6 to 7 working days for the delivery boy to come and take it and it reached the main hub after another 7 or 8 days. So the whole process took around 20 to 25 days.

P2; even I had a similar experience had ordered an earphone and , there i got the delivery after 4 or 5 days and the packaging was defective because of which the product appeared to be as used.. When I returned it, it took around 5 days for the seller to come back and take the product.

P3; once when I had ordered from Flipkart, the product was getting over heated so i actually had to prove to him. That was a big procedure. So certain things like this will cause a lot of time waste to the customer

P4;L When you buy a low end product , you get it shortly but when you buy a high end product , the process is much more tedious.

P2; so if the product becomes expensive, the return policy becomes more tedious.

M1; as most of us are aware of the return policy, has anyone of you ever used or misused that?

P1 i had once ordered a DSLR that cost around 40000, a week later I saw that it was 36000, so I contacted them and they made a refund and I returned the product.

M1; after such experiences what was your reaction? Did you stop purchasing from the website or did you just stop buying those category products?

P1; this was always disappointing. This has happened to e thrice.

I am not a frequent shopper so till now it hasn't been time yet to boycott the category or the website as such

P3; about Amazon prime, it ensures that it is a prime product and the delivery is also fast. It's kind of an assurance.

P4; the bad experience was that the ensured period was just for the Indian festive season.

P1; I would like to say that i am a frequent buyer and i have never had a disappointing experience. . i haven't even used a return policy yet because the experience was always fulfilling.

P 1; In Flipkart i had faced an issue with late delivery, but in Amazon the delivery has always been on time.

P8; One thing specific about Amazon is that, their customer service centres are really good.

P6; on time delivery is something that gets Amazon on top of other sites.

P5; in Amazon the quality is very good compared to other sites.

P4; also in the cash on delivery system they have provided the provision to use card.

M1; Thank you guys for spending your valuable time with us.