

Gen Z's Intention to Return Product Online: A Regression Analysis of Young Indian Consumers

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India has the second-largest online market in the world after China with 560 million internet users. Online shopping also contributed around 1% towards the GDP of India, in 2017 (Statista, 2021). Product return policy plays a vital role in the growth of online shopping. Convenient and easy return policies give customers confidence in the online shopping markets. The return policy of the online stores gives the consumers a risk-free shopping environment that encourages them to shop more. However, a high return rate is one of the biggest problems faced by online sellers and the return rate for online shopping in India is close to 50% (Indian Online Seller, 2021). Consumer's product return behaviors and generous return policy of the online sellers are considered as the major reasons for the high return rate.

There are several factors that contribute to the high return rate in online shopping in India. They are a) product does not meet the expectation of the consumer; b) product is different as it appeared; c) product is damaged when arrived; d) delay in the delivery process; e) impulse buying of consumers especially on any occasions; f) consumers receive wrong product; g) consumers get same product elsewhere with a lower price (Pei & Paswan, 2018). The return policy of the online sellers is a competitive strategy to promote themselves among other sellers which makes the return policy generous and flexible. Researchers (Davis, Hagerty & Gerstner, 1998; Wang & Qu, 2017) also found that flexible return policy has a positive influence in increasing the sales volume. Additionally, many online sellers advertise "Return of goods without reasons" in their policy to encourage consumers to buy from their website (Wang & Qu, 2017). Consumers especially of young ages are very much prone to these policies as they don't think much before buying anything either online or in person.

Theory of Planned Behavior (TPB) predicts human behaviors by associating consumers' beliefs with their actions in a specific context (Ajzen, 1985). According to TPB, attitude, subjective norm, and perceived behavioral control affect an individual's behavioral intention, which in turn guides an individual's behavior. De Canniere, De Pelsmacker, and Geuens (2009) determined that attitudes, subjective norms, and perceived behavior control were predictors of purchase intention for apparel consumption. Therefore, this study adopted the TPB to understand consumers' purchase return intentions.

With a 472 million population, Gen Z in India is the largest in the world. Online businesses in India are more concerned about this generation because they are the majority of internet users across the country and they help their parents in buying decisions from online stores (Hameed & Mathur, 2020). As a consumer, members of Gen Z care less about prices than those of other generations and are more focused on their choice. Jain, Vatsa & Jagani (2014) investigated the purchase behavior, drivers, and the process of buying luxury apparel of Gen Z and suggested that marketers need to be creative and interactive on the digital platform in a subtle manner to attract Gen Z consumers. Consistent with the TPB in an online purchase return context, it is proposed that price consciousness (*H1*), brand consciousness (*H2*), trust in online shopping websites (*H3*), and perceived purchase satisfaction (*H4*) will negatively affect consumer product return intention.

Sharma (2019) studied the role of Country-of-Origin image on the generation Z consumers in order to assist firms in shaping their marketing strategies and found that brand loyalty had the most significant impact on brand equity. Thomas, Kavaya, & Monica (2018) found product presentation and perceived online interactivity has a positive and significant relationship on trust dimension on the purchase intention of Gen Z. Therefore, it is hypothesized that ease of online shopping (*H5*), and perceived behavioral control (*H6*) will positively affect consumer product return intention.

An online survey targeting young Indian consumers (age under 25) was used to collect data. A total of 776 responses were recorded. Among them, 72 responses were eliminated due to incomplete surveys and missing values, and 704 usable responses were obtained. The resulting sample was predominantly female (83%), with an average age of 23 years. The sample was educated with 78% having graduated college with a bachelor's degree and just over 60% having a job.

Cronbach's alpha coefficients ranged from .73 to .92, supporting factor reliability. Furthermore, the average variance extracted for the factors ranged from 69% to 86%. For testing the proposed hypotheses, linear regression analysis was employed. The results supported the hypotheses suggesting that product return intention is negatively, significantly influenced by price consciousness ($\beta=.14$, $t=2.53$, $p<.01$), brand consciousness ($\beta=.32$, $t=3.32$, $p<.05$), trust in online shopping websites ($\beta=.36$, $t=15.46$, $p<.05$) and perceived product purchase satisfaction ($\beta=.16$, $t=3.11$, $p<.01$). The results did not support the hypotheses H5 and H6, suggesting ease of online shopping and perceived behavioral control did not affect consumers' product return intention.

Overall, the findings of this study are in line with previous online consumers' product return behavior. The discovery of price and brand consciousness as consumer's product return predictor supports prior studies. Specifically, trust in online shopping websites was found to be the strongest predictor of product return intention for Gen Z ($\beta=.36$). These findings add to the current online shopping literature and increase our understanding of the consumer product return behavior of Gen Z. Additionally, the hypothesized ease of shopping turned out to be insignificant. This could be attributed to the increasingly growing online shopping market so factors affecting product return intention may be website specific, not differing by features of the websites but rather differing by

the trust in these online shopping websites. For example, ease may be less critical if consumers online shop at established and renowned websites. This merits future investigation.

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