

Cultural Differences in Apparel Product Return Behavior: An Exploratory Study of Indonesia and USA E-Commerce Consumers

Angga Ranggana Putra, Caroline Kopot, Ph.D., Li Zhao, Ph.D.

Department of Textile and Apparel Management, University of Missouri-Columbia

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Background and Purpose. Among all the product categories sold online, apparel is the most returned product in the United States (U.S.) and Southeast Asia (Arora et al., 2022; Statista, 2022). Despite their inevitable nature, product returns can be costly for businesses, especially in the online marketplace. In addition, whenever consumers shop online, they experience uncertainty, thus increasing the likelihood of product returns (Ren et al., 2021; Weathers et al., 2007). Few studies have examined product returns in the context of cultural differences. Furthermore, due to the pandemic, in terms of online shopping, consumers are likely to continue to shop online (Shaw et al., 2022). Little is known about cultural background's influence on specific return behaviors and expectations after the pandemic. Hence, this study aims to 1) examine cultural differences to enhance our understanding of apparel product return behavior in the online setting, 2) explore factors of product return, and (3) identify consumer expectations concerning return policies in the apparel product category context.

Culture is one of the factors influencing consumer behavior (Peña-García et al., 2020; Wanick et al., 2018; Yang & Jolly, 2009). In this study, we utilized Hofstede's cultural dimension to examine cultural differences to enhance our understanding of apparel product return behavior in the online setting. In addition, this study also utilized a confirmation/disconfirmation framework to identify factors that facilitate returning products online. The confirmation/disconfirmation framework indicates that when a product does not live up to expectations, negative disconfirmation occurs, and consequently, dissatisfaction occurs (Oliver, 1980). Earlier studies examined the impact of cultural differences on return policies in China and the United States, but the scope of the study was limited to apparel companies' return policies (Yu & Kim, 2019). Another study examined the cultural differences in return behavior between China and Italy among the Z generation (Serravalle et al., 2022). Most of the studies refer to China when studying Asian consumers. Whereas Indonesia has a vast population, it is the largest in Southeast Asia. Therefore, Indonesia is an important market in Asia. The U.S. and Indonesia were selected for this study since they represent countries with differing scores in individualism, uncertainty avoidance, and power distance (Hofstede Insight, 2022).

Method. After obtaining Institutional Review Board (IRB) approval, a qualitative study employed semi-structural interviews and a snowball sampling technique (Jarvenpaa & Lang, 2005; Chen & Kim, 2013) to explore online apparel product return experiences of 16 participants (8 Indonesians and 8 Americans). Conducted in native languages through Zoom or in-person, a smaller group of interviews (fewer than twenty) fostered strong relationships for quality data (Crouch & McKenzie, 2006). Participants are consumers between the ages of 23 and 36, college graduates, with online apparel return experience. Data were analyzed using the NVivo 12, employing inductive and deductive approaches for coding and theme development with theory-guided interpretation.

Results and Discussion. Results show differences and similarities in consumer return behavior and expectations between Indonesia and U.S. Regarding similarities, most respondents rarely read return policies before purchasing, aligning with low uncertainty avoidance in both countries according to the Hofstede Cultural Dimension theory (Hofstede Insight, 2022). Uncertainty avoidance reflects the ability of a society to tolerate ambiguity. Equally important, factors such as trust in the brand and product price influenced consumers' willingness to read return policies.

Furthermore, to minimize unexpected product discrepancies, most respondents from both countries relied on consumer reviews when purchasing apparel online. Complicated return processes were the main deterrent for consumers in both countries when considering returning apparel products. Consumers described the return process "as a hassle without a provided box," and if the item's cost was not high, they preferred to "cut losses by giving it away or keeping it." Key factors prompting product returns included: 1) dissatisfaction with the products; 2) impulsiveness and perceived risk; and 3) product incompatibility (such as the size, quality, or discrepancy with advertised model style). These findings are consistent with the confirmation/disconfirmation framework identified in a previous study regarding factors contributing to customer returns (Pei & Paswan, 2018)

Regarding differences, findings from Indonesian respondents indicate that 1) they avoid returning products considered rare or the last item; 2) they may hesitate to return products due to high power distance, and 3) they prefer communicating through social media or messaging apps to address product return issues with companies. Findings from U.S. consumers show that 1) they prefer for lenient return policies and do not hesitate to return the products due to low power distance, 2) they expect restrictive policies for undergarments, 3) they view financial risk as a key factor in return decisions, 4) they avoid returns if products can be fixed, resold, or regifted, and 5) they prefer email or phone communication for addressing return issues.

Table I. Cultural differences in return product behavior

Code Theme	INDO	U.S.	Example
Individualism/Collectivism			
Individualism	13%	88%	"Probably not (Paying attention to return policy when buy for other people)"
Collectivism	79%	21%	"I always pay attention to return policy when buy for other people because I do not want to make them upset"
Power Distance			
Low Power Distance	30%	70%	"No, I do not hesitate to return products because I feel like I gave them my money"
High Power Distance	73%	27%	"I received a product with a minor defect, but I did not wish to return it because I was unsure if the retailer would accept my request."
Uncertainty Avoidance			
Low Uncertainty Avoidance	45%	55%	"I never read return policy before buy, if it does not fit I will give product to someone"
High Uncertainty Avoidance	55%	45%	"My desire for shopping increased if the return policy is clear or product can be easy to return"
Factors of Return Product			
Performance Risk	67%	33%	"I returned it because if I keep it I cannot wear it"
Financial Risk	39%	61%	"I spent like 50 bucks or 100 bucks, then yeah, I would go through the process to return it. However, if it is less than that, it is like, okay, I will give it away."
Expectations of Return Policy			
Time Limitation	30%	70%	"30 days is fine"; "14 days is enough"
Return Shipment	78%	22%	"I do not want to pay return cost whatever the mistake from consumers or company"; "It is ok consumer pay for return cost, the most important is I can return or exchange the product"
Return Method	33%	67%	"Direct to the store is easier and more convenience"; "It is more convenience if I can returned to the third party that collaborate with online store"
Return Processing Time	53%	47%	"Maximum is 7 days"

Implication and Further Research. This study is among the first to explore the cultural differences in return product behavior and consumer expectations on product policy. The findings offer several advantages: 1) Marketing managers and business owners can use the return policy as a competitive advantage to attract consumers to buy. 2) The retailer should consider the cultural background of the country before setting up a return policy because different cultures have different practices regarding the return of products. 3) Educators may use the Hofstede cultural dimensions and confirmation/disconfirmation framework to explain post-purchase behavior, especially return product behavior. Finally, since culture might not explain at the individual level, future return behavior studies should add more variables, such as personality traits.

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