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**RELATIONSHIP BETWEEN PRODUCT CATEGORY AND ITS
RETURN TO E-RETAILER**

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ABSTRACT

Web shopping has now become one of the activities of daily living as everything is available at our door steps just clicking at the tip of a mouse. Internet shopping has developed significantly due to its attractive features and the development of e- banking. The current study has been undertaken to analyse the online shopping behaviour and returning shopped products to e-retailers among Youth in Pune City. For the purpose of study, 130 respondents were selected as samples from Pune city by adopting convenience sampling method. Analysis was done via statistical software 13.0. Karl Pearson Chi-Square Test is used. E-retailers from which the material is bought and reason for returning are related with each other. Furthermore E-retailers to which products are returned and reasons for returning the products are significantly related with each other. There is no empirical research available on relationship between reasons for return and e-retailers. So researcher may carry this research in other countries so as to understand the relationship better and make findings generalizable. Moreover no empirical research available about which e-retailer is facing an issue of high returns and for what category of product.

Keywords: E-retailer, reason for return, Web shopping

INTRODUCTION

Buying online is very common thing in urban India. It needs any of the portable device (Mobile, Laptop, Tablet, Computer) to log into user's account at e-retailers' website and select any product user wish to buy and order by just clicking for couple of times. Since e-shopping is common; returning these online shopped products is also increasing simultaneously. Research has shown that almost one third of online purchases are returned for one or other reasons. These returns are actually eating up the profit margins of the e-retailers because returns increase the cost of operation. At one hand e-retailers are expecting huge business and on the other hand they are not paying much attention to returns. There is need to investigate the relationship between the reason for returning any product and its reason. This will help e-retailers understand if there is any such relationship, and if there exists any such relationship then e-retailers will have to look into the most frequent reasons for which a specific product category is returned. There is also need to investigate if any relationship exists between the product category which is being returned and e-retailers to whom it is returned. This investigation will help e-retailers to explore the most returned product category. Therefore such result may help e-retailers to design different returning policy for highest returned product category. Therefore the objectives of the research are-

1. To investigate the relationship between the reason of the product return and the e-retailer from which the product is purchased.
2. To investigate the relationship between the category of product returned and reasons for returning the product.

LITERATURE REVIEW

Meera, Padmaja and Siddique (2017)¹, 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)², 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.

Shanthi and Kannaiah (2015)³ 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.

Sana S. (2016)⁴ 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'.

Comegys et al. (2009)⁵ 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.

Reda (1998)⁶ Found that if return policy of e-retailer is not simple and tight then demand for its product also goes on decreasing.

Furthermore Davis (2001)⁷ investigated that simple return policy can increase sales of e-retailers.

Hypotheses Development

Hypotheses for this research are developed as-

H₁. The significant relationship exists between the reason of the product return and the e-retailer from which the product is purchased.

H₂. The significant relationship exists between the category of product returned and reasons for returning the product.

RESEARCH METHODOLOGY

Population- For this research entire Pune City (urban Area) is population.

Sample Unit- any online shopper who has returned any product at least once in the past.

Sampling Method- convenient purposive sampling method

Sample size- 130 online shoppers having experience of returning products to e-retailers.

A structured questionnaire was developed to investigate relationship between reasons for returning and category of the product and relationship between e-retailer to which the product is returned and product category.

This questionnaire was finalised with consultation with the experts in the field and by undertaking pilot study. Total 17 items were there in the questionnaire. All the items were close ended. For pilot study 30 responses to questionnaire were collected and coded in SPSS. Then reliability of the scale was tested. The Cronbach's Alpha coefficient was used to test the reliability of the scale. The Cronbach's alpha was found to be greater than .7. Therefore the scale was considered reliable and used further for data collection purpose. SPSS was used for data analysis.

DATA ANALYSIS

Reliability of the instrument- Cronbach's alpha test is used to test the reliability of the instrument used for data collection. The result is given table no. 1.

Table No. 1. Reliability test

Cronbach's Alpha	N of Items
.891	17

Since the Cronbach's alpha value is higher than .7, the scale is assumed reliable.

Hypotheses Testing

H₁. To investigate the relationship between the reason of the product return and the e-retailer from which the product is purchased.

As both the variables viz. reason for product return and e-retailer from which it was bought were measured on nominal scale, chi- square test for independency was thought to be appropriate test. To test this hypothesis Pearson's Chi- Square test is used in SPSS. The result of the test is given in Table no. 2

Table no. 2 Chi-Square Tests- Reason of the product return and the e-retailer from which the product is purchased

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	653.199(a)	81	.000
Likelihood Ratio	505.746	81	.000
Linear-by-Linear Association	1.533	1	.216
N of Valid Cases	430		

a 84 cells (84.0%) have expected count less than 5. The minimum expected count is .05.

From table no. 2 it is seen that the Significance value of Pearson Chi-square test is less than .05. ($p=.000$; $<.05$). Therefore it can be said that there exists significant relationship between the reason of the product return and the e-retailer from which the product is purchased. To understand the strength of relationship Phi and Cramer's V test was run in SPSS. Table No. 3 represents output of t Phi and Cramer's V test.

Table no. 3. Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.233	.000
	Cramer's V	.411	.000
N of Valid Cases		430	

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

As significance value of the test is less than .05 and Value of Phi test is higher than 1, the strength of relationship of reason of returning and e-retailer from which it was bought is very strong.

H₂. To investigate the relationship between the category of product returned and reasons for the same

To investigate this relationship Pearson chi square test is used.

**Table No. 4- Chi-Square Tests-Product category returned to particular e- retailer *
Reason for returning product**

Product returned to particular e-retailer	Value of Pearson Chi-Square Test	Df	Asymp. Sig. (2-sided)
Electronics	63.252(a)	18	.000
Home & kitchen appliances	72.556(a)	27	.000
Apparel	142.250(a)	45	.000
Footwear	81.370(a)	36	.000
Cosmetics, beauty, health products	75.097(a)	36	.000
Books	55.462(a)	27	.001
Toys, baby products, kids' fashion	72.715(a)	36	.000
Jewellery	78.203(a)	36	.000
Sunglasses	123.160(a)	36	.000
Imported/ Premium Products	81.301(a)	27	.000

Since from table no. 4 the significance value of Pearson Chi-square is less than .05, ($p=.000$; $<.05$) for all categories of products returned; it is indicated that the returning product to e-retailer and reason for returning the product are significantly related. In other words the reason for returning the any product and e-retailer to which return was made are not independent of each other.

DISCUSSION AND CONCLUSION

Both hypotheses are supported by statistical tests. It was found that there is significant relationship between the reason for returning the product and e- retailer from which the product was purchased. This indicates that a particular e-retailer is having return issues for a particular reason. In other words there are chances that majority of buyers are returning the products to particular e-retailer for one specific reason. This may be alarming situation for e-retailers. They must research and find out the most frequent reason for returns made. This will help them to identify the problem which is resulting in returns and form strategies so as to avoid the same problems in future. This may help in reducing the returns to e-retailers. High returns eat up the profitability because e-retailers have to either sale such returns at discounted price or bear the cost of return. Therefore if e-retailers succeed at reducing numbers of returns, then their profitability will surely increase significantly.

It was also found that category of product returned and reasons for the same are also significantly related. In simple words, reason for returning and product category is not independent but depends on each other. So as product category changes; returning reason also changes significantly. This relationship occurs to be logical; however no empirical research was available about this relationship. If e-retailers look at most frequent reason for returning particular category of product they may be able to minimize returns by working on that reason.

Since the sample size is small the findings may not be generalized.

There is no empirical research available on relationship between reasons for return and e-retailers. So researcher may carry this research in other countries so as to understand the relationship better. Moreover no empirical research available about which e-retailer is facing an issue of high returns and for what category of product. Such research will help e-retailers to reduce their returns.

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