

**A STUDY ON CUSTOMER AWARENESS ON RETURN POLICY INITIATIVES  
IN SELECT E-COMMERCE WEBSITES WITH SPECIAL REFERENCE  
TO APPAREL SECTOR, IN SUBURBS OF MUMBAI, INDIA**

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**ABSTRACT**

*The progress of E-commerce has made a significant impact in the movement of goods. Varieties of products are made accessible to consumers via the electronic means of business dealings widely termed as B to C transactions. The apparel sector is conquered by the customers by E-shopping services, however the major chunk of the consumers are ignorant about the return policies of the goods shopped via E-medium. The prime objective of an organization is to deliver the goods at the doorstep of the customer by infinitesimal charges and provide quality product to increase the level of satisfaction of the customer. Although the satisfaction level is not up to the mark as some customers don't get their expected product, Such events has impact on severe customers base, consequently it has a severe impact on the profitability of the organization.*

*In order to prevent the customer drain several organizations that are engaged in the apparel sector which uses internet as a media, takes initiative to accept the defective product from the consumer. Mumbai region is one of the pecuniary hubs which are the backbone of the Indian economy, the customers are not vigilant about the return policy that the organization has incepted to increase the customer satisfaction.*

*The study analyses that major organizations should implement the necessary policies that elevate the customer awareness about the acceptance of the defected products.*

**KEYWORDS:** Return Policy, Customer Awareness, Apparel Sector

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**INTRODUCTION**

The Indian apparel market is estimated to exhibit a quantum leap in forth coming years. The contribution of apparel with reference to the Indian context is not more than 7%. This value coincides with more than 38 billion USD.

In addition with the escalating demand with the accessories makes the Indian apparel market lucrative. The apparel market has undergone series of changes and opportunities.

The challenges related with these opportunities are the indicators of the nations of upcoming apparel market. However the parameter of inflation cannot be ignored towards the demand for apparels. In the early 19<sup>th</sup> century was an era where the IT sector was booming. Thereinafter the inception of E-commerce made life customers easy wherein the consumers started shopping online. The attractive range of products at convenience of

shopping from home made the customers addict to this mode. This made the apparel industry make its presence felt in a short period of time. When the customer who buys the apparel and his/her expectation is not met, creates a lacuna between the relationship of customer and E-commerce websites. This gap can be bridged by incepting different policies which are in the favor of the customers whereby. The customers are allowed to return the products in case they are not satisfied with the same.

## LITERATURE REVIEW

*Li, Zhaolin (Erick) Lu, Qiang; Talebian, 2015:* The popularity of online retailing has created great opportunities and challenges for retailers. A key challenge faced by many retailers is the choice between the clicks, the bricks-and-mortar, and the bricks-and-clicks strategies. In this paper, we develop a comprehensive framework for selecting the appropriate distribution channel given assortment, logistics and consumer characteristics. Under the traditional bricks-and-mortar retail model, the retailer displays and sells the assortment in a physical store, whereas under the online retail model, the retailer accepts orders online and delivers the products offline.

*India Apparel and Footwear Market Outlook, Research and Market Brochure 2015:* The report covered market size of the apparel industry, segmentation on the basis of product, industry structure and demographics, SWOT analysis and future outlook of the apparel industry. It offered market information of the footwear industry, segmentation, SWOT analysis and future outlook. The size of the Indian apparel market has increased from USD 17,803 million in 2003 onwards to USD 32,458 million in 2009 at a CAGR of 10.5%. During 2007-2009, the industry registered a double digit growth rate.

The country has witnessed an increase in the consumer expenditure on apparel. Individuals have become more conscious regarding their outerwear and are willing to spend more on the apparels. The rising population along with the increase in the disposable income of the consumers has led to the increase in the expenditure in the apparel sector.

*Samar Mukhopadhyay; Reverse logistics in e-business: Optimal price and return policy 2003:* In an Internet direct sales supply chain, the customers buy direct from the manufacturer sacrificing the benefit of physical inspection of the product. This increases the likelihood that customers will have some dissatisfaction with the product and would like to return it. A clearly explained and generous return policy, then, will be welcome by the customers and therefore will enhance demand. From the manufacturer's point of view, this will increase revenue, but will also increase cost due to increased likelihood of return. This paper develops a profit-maximization model to obtain optimal policies for price and the return policy in terms of certain market reaction parameters. It obtains jointly a number of managerial guidelines for using marketing and operational strategy variables to influence the reaction parameters so as to obtain the maximum benefit from the market.

*Nandita Abraham; The apparel aftermarket in India- A case study focusing on reverse logistics 2011:* The researcher in this research has focused on apparel aftermarket in India. Which clarified the processes involved from the procurement of clothing until its sales in the aftermarket? The paper also emphasized on the need of understanding the apparel market in India and how reverse logistic may be looked on as a tool to manage post-first consumer apparel market. The paper also identified the collaboration between stakeholders can improve logistic, business predictability and margins.

Researcher in her study found that the fragmentation and isolation of stakeholder's businesses is identified as the cause of most stakeholder inefficiencies. It was found that benefits accrued by collaboration in the reverse logistics chain are increased market knowledge, more predictable business and better margins.

## LIMITATIONS OF THE STUDY

The research was specifically focused on awareness of customers about the return policy. This study was also restricted to Mumbai city only and Due to time constraint only 126 completely filled questionnaires were considered for research.

## OBJECTIVE OF THE STUDY

To understand the awareness of Return policies of E-commerce businesses among customers.

To understand the various return policies offered by E-commerce businesses.

## HYPOTHESIS OF THE STUDY

**H<sub>01</sub>:** There is no significant awareness of return policy of E-commerce Businesses among customers

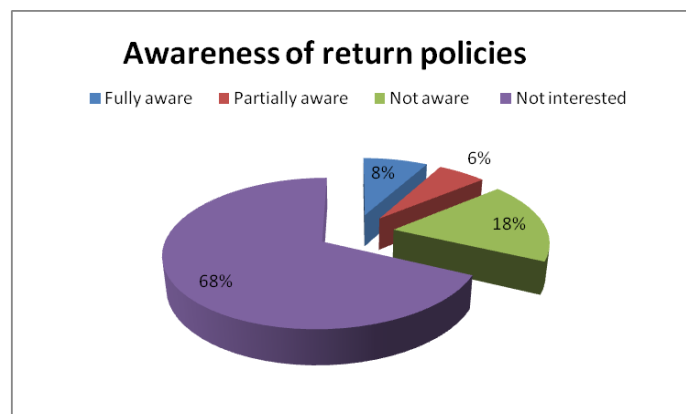
**H<sub>11</sub>:** There is no significant awareness of return policy of E-commerce Businesses among customers.

## Sample Size

Of the 150 respondents to whom questionnaire were given 126 were received. This forms the sample size.

## DATA ANALYSIS

### Awareness of the Return Policies of the E-Commerce Website



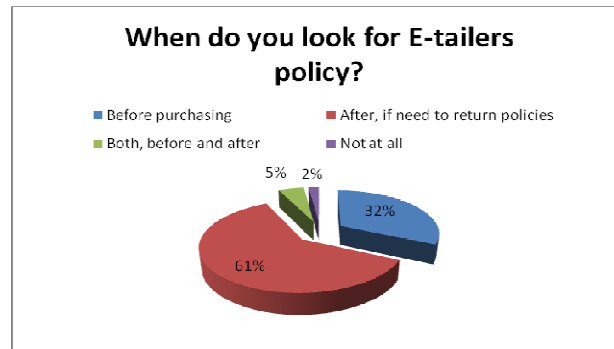
**Figure 1**

The data shows 68% are not interested to know their E-tailer's Return Policies, 18% are not aware about their E-tailer's Return policies whereas 6% respondents are partially aware and 8% respondents have fair idea about their E-tailers's Return policies.

### Awareness of Return Policy Options

It has been seen that out of listed return mangement options 69% respondents are strongly aware about Cashback option,56% are not aware about Coupon Option given by E-tailer under Return Management, 72% are strongly aware of the replacement policy whereas 67% are not aware of the point redemption.

### When do you look for an E-Tailers Return Policy?



**Figure 2**

It has been observed that 61% look for return policies only when it is needed, 32% look for it before purchasing, 5% check the same both before and after purchase and 2% respondents are not at all interested to look for the return policies.

## CONCLUSIONS

The findings indicate that there is less awareness among the customers about the return policies initiatives in select Ecommerce websites with special reference to Apparel sector, in suburbs of Mumbai.

## RECOMMENDATIONS

On the basis of the interpretations it is recommended that the organization should implement necessary policies to increase awareness about return among the consumers.

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