Psychological and Behavioural Science

"Free Returns" - Reducing Returns in the Online Fashion Industry

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Psychology of Economic Life Summative coursework
December 2020

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“Free returns.”

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Background

The fashion industry is the 3rd most polluting industry after the fuel and the agricultural industries (Howell, 2021). It currently emits 10% of total carbon emissions and due to its mass production it generates large amounts of waste that are disposed of around the world (Howell, 2021). Its increasing rate of production and consumption make it an entirely unsustainable sector with about 100 billion new garments made from virgin fibres produced on the market each year (Siegle, 2018). Paradoxically, it is now a common practice for companies to burn their unsold or returned clothes. In 2018, Burberry burnt $38 million worth of goods in order to avoid devaluing their products and maintaining the prestige of their brand (Siegle, 2018). Not only luxurious brands engage in this practice: fast-fashion brands do it as well. In 2017, H&M burned 19 tons of obsolete clothing (Siegle, 2018). Reagan (2019) estimates that over 25% of items returned to fashion retailers end up in landfills annually, generating 15 million metric tons of CO_2 even with only 20% of returned goods actually being defective (Constable, 2019). Brands and retailers engage in such practices because it is currently cheaper for them to over-produce clothes and send the returned items to waste rather than to hire additional staff to unpack, clean, fold and repackage items (Lynch, 2019). It is difficult to comprehend why firms would opt to use primary resources to fabricate endless amount of clothes given that we find ourselves in the midst of a climate crisis. Similarly, it is outrageous to disregard the work of garment workers who work in precarious conditions and are paid a pittance, by throwing away or burning clothes.

Well-managed returns can drive growth. Moreover, offering free returns plays a crucial role in making businesses competitive (Orendorff, 2019). Interestingly, the most profitable customers have average return rates of 32%, making it a fine line for businesses to manage between preventing returns abuse and making the returns process enjoyable for customers (Orendorff, 2019). This is surely why more and more businesses specialise in returns logistics in order to make this process more cost effective and sustainable. Rudolph (2016) found that whereas 8.89% of purchases made in brick-and-mortar stores are returned, 30% of all e-commerce orders are sent back. Knowing that online shopping has more than doubled during the COVID-19 pandemic, returns must have increased as well (Dalgleish, 2020).

The scope of our essay will cover Western cultures, Europe and North America, with most of our focus on the UK. The stakeholders we are addressing are fast-fashion e-retailers and consumers. We are aware that most of our solutions are simple and specific but we believe that by looking at them holistically we might be able to prevent even just a small percentage of returns, which would mark a large step in the right direction.

1. Introduction

"Free delivery and returns."

Nowadays, this phrase seems to adorn the landing pages of most renowned fashion e-retailers. A brief look at the websites of retail giants such as ASOS and Zalando confirm this. Deliveries and returns, however, are by no means trivial services that can easily be provided free of charge. According to an analyst at Bernstein, the cost of shipping small and medium sized boxes costs e-retail giant Amazon between $2 and $4 per item (Semuels, 2018). Companies' willingness to cover these costs is indicative of the intense competition that characterises an industry expected to generate $606B in revenue in the year 2020 alone, with expected revenue growth to $713B by 2022 (Orendorff, 2019). While the sheer sizes of these figures are impressive, the implications of high competitiveness in an ever-growing market are daunting for stakeholders such as the environment. Purchases from fashion e-retailers are estimated to be returned at a rate of between 30% and 40% (Reagan, 2019). This behaviour, initiated by lenient returns policies, is detrimental to the profitability of fashion e-retailers as consumers' orders tend to be both less valuable and more frequent, with a large number of ordered items being returned (Hjort & Lantz, 2016). Research quoted in The Economist (2013) suggests that company profits would increase by 50% if it weren't for the costs associated with returns. Contrary to popular belief, returns are not always restocked and resold but are often sent to landfills. Discarded items account for 5 billion pounds of waste and cumulatively generate 15 million metric tons of carbon dioxide subsequently released into the atmosphere (Constable, 2019). Contributing factors to this issue are manifold and can be found at all levels of society from government over retail companies to the individual consumer. This essay focuses specifically on the latter two actors, addressing the question:

How can a reduction in unsustainable returns practices be achieved in the online fashion industry?

We will begin by applying Installation Theory (Lahlou, 2018) to the customer journey to identify the areas of the process most suited for interventions. We will then address four problems driving the unsustainability of online fashion returns. Subsequently feasible solutions will be introduced and discussed. Following this, limitations are listed and the paper reaches a final conclusion.

2. Consumer journey and Installation Theory

The online shopping returns experience consists of several different stages, outlined in Figure 1. There are different settings and logistical requirements for purchasing an item online and returning it. To this end, installation theory provides a framework of analysis for the consumer journey. Installation theory suggests that installations help to predict behaviour, and consist of three different components: physical affordances, embodied competences and social institutions (Lahlou, 2018). Our activity is guided by the components available at that time and place and

analysing the consumer journey through this framework illuminates where interventions would be the most plausible and effective.

Figure 1: The online fashion purchase and returns process

The purchase process begins in the pre-purchase stage, when a consumer opens an online fashion website and decides to purchase an item. The physical affordances required at this stage are the same for all consumers, consisting of a digital device, the functionalities of the website and payment ability. However, the embodied competences differ depending on the consumer. Knowledge of how to operate the website is necessary for all, but consumers who seek a specific item will have this knowledge as a part of their embodied competences while consumers who go online to browse will be more reliant on their capacity to transfer their interest in a product into the action of buying it. Critically, social institutions are largely absent in the process of online buying and returning. Brick-and-mortar shopping is typically guided by the presence and opinions of friends or family, yet online purchasing is a very individual experience which allows for a certain level of anonymity.

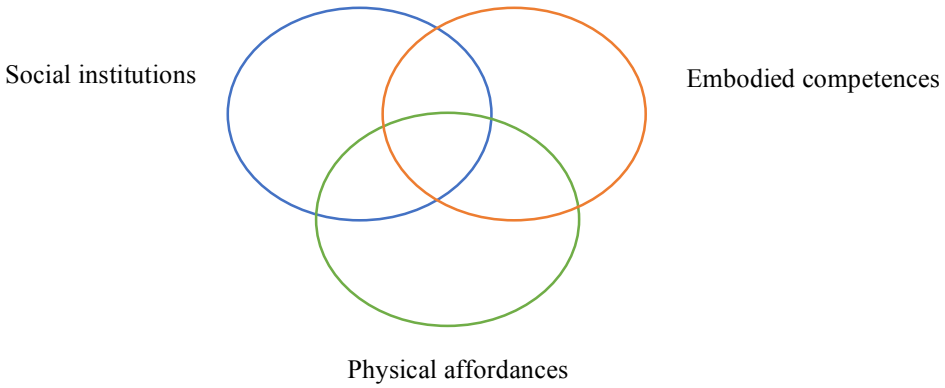

Figure 2: Installation Theory (Lahlou, 2018)

In the post-purchase stage, the installation changes. The embodied competences of the consumer are used to evaluate the product, along with knowledge of how the returns process works. For instance, if it is free to return the product this may affect the product evaluation. The consumer becomes reliant on the logistics used by the e-retailer, reflected by the physical affordances available to them. These physical affordances consist of returns labels, returns information from the e-retailer, and a pick-up service or post office location to ship the returned products. In terms of social institutions, there exists an EU wide regulation mandating a 14-day cooling off period, ensuring the ability to return items within this time frame as a measure to protect consumers (*Guarantees, Cancelling and Returning Your Purchases*, 2020). There are also laws concerning returns fraud, which stipulate that purchasing an item and returning it after wearing it once is considered a crime. Considering the three different components of installations during the pre- and post-purchase stages of the consumer journey, we have identified four core issues that lead to increased returns within the online fashion industry.

3. Main problems

The four main issues exacerbating returns are elaborated upon in the upcoming section.

a. Disadvantages of the online shopping environment

One of the main disadvantages of online shopping, relative to brick-and-mortar stores, is the inability for consumers to physically interact with products. Lacking the opportunity to touch and try-on the apparel makes it more challenging to understand the look, feel and size of the product. Thus, a higher level of uncertainty and risk is involved in online shopping. If, upon receipt of the product, the perceived product performance does not match the consumer's expectations, the consumer may experience a negative psychological state of disconfirmation (Oliver, 1977). In fashion, disconfirmation could stem from a perceived failure of size, cut, colour or fabric to meet expectations (Eneh, 2015).

In particular, the literature reveals that poor fit is an important driver of returns (Palmer, 2016; Dennis, 2018). Indeed, according to research by Barclaycard (2018) the number one reason given by shoppers for returning clothes in the UK is sizing, with 40% claiming they return clothing bought online because they don't fit as they expect them to. We confirmed this through an informal survey, where cut and fit emerged as the main cause of disconfirmation (see Appendix).

Post-purchase discontent can also be exacerbated by choice overload. This refers to the adverse consequences of having too much choice, such as an increased dissatisfaction with the chosen option (Iyengar and Lepper, 2000; Scheibehenne et al., 2010). Indeed, online shopping allows consumers to compare a multitude of clothes within and across websites and many customers often browse fashion websites with no specific product in mind (Tsun-Yin, 2016). Because of this breadth of choice, individuals with a tendency to maximize are more likely to experience regret about the options foregone (Schwartz et al., 2002).

Considering this issue, e-retailers have made it easier for consumers to return products by implementing lenient returns policies. This enables consumers to engage in benefit maximization

by ordering multiple items with the intention to keep only one (Saarijärvi, Sutinen and Harris, 2017). However, this strategy comes at a cost for the business and the planet.

b. Opportunistic behaviour

The lenient returns practices implemented by e-retailers to stimulate demand and reduce uncertainty have caused the emergence of opportunistic consumer behaviours (Ketzenberg et al., 2020). Indeed, a category of consumers referred to as serial returners, take advantage of free deliveries and returns by ordering clothes for a single use. We distinguish two types of serial returners:

- bracketers: use their bedroom as a dressing room by ordering items in several sizes and colours with the intention of returning one or more
- wardrobers: engage in the fraudulent practice of purchasing products, using them for personal reasons such as wearing them out or taking pictures for social media, and then returning them for a refund (Bhasin, 2020)

This type of behaviour is adopted by a large portion of consumers. In the UK, 30% of buyers admit to over-purchasing and returning unwanted items (Charlton, 2020), and almost 10% of shoppers order clothes just to post pictures on social media (Barclaycard, 2018). Additionally, a qualitative study of consumers' returns behaviours suggests that "the societal acceptability of fraudulent returning has become so great that, for some consumers studied, it is the accepted norm" (Harris, 2010, p.742). Yet, while returns fraud and abuse represents 6.5% of all returns worth close to $23 billion annually (Vozza, 2019), serial returners are the most profitable customers with a net sale 3.6 times higher than average buyers (Roshitsh, 2019). Thus, e-retailers cannot drive those customers away, but must find strategies to minimize bracketing and prevent wardrobing.

c. Online impulse buying (OIB)

Another behavioural phenomenon that exacerbates the problem of online returns is online impulse buying (OIB). Chan and colleagues (2017) estimate that across all industries 40% of online returns are the result of this behaviour. OIB is defined as emotions-driven, unreflected and immediate decision-making in an online shopping environment (Verhagen & van Dolen, 2011). Chan and colleagues (2017) suggest that OIB behaviours stem from two different sources: the individual and the retailer.

An examination of the antecedents of OIB confirms this dichotomy. Individual antecedents of OIB include impulsiveness (Chan et al., 2017), exploitation of a lack of social pressure as well as the needs for gratification and compensation that arise, respectively, from the affective states of excitement and distress (Verhagen & van Dolen, 2011). Retailers also promote this type of behaviour by making their products easily accessible, simplifying the purchasing process, exaggerating merchandise attractiveness (Verhagen & van Dolen, 2011) and removing purchasing constraints (Chan et al., 2017).

OIB is detrimental to the financial well-being of the customer as purchase decisions are not thought-through. Additionally, consumers may feel like they have lost control (Verhagen & van Dolen, 2011). Post-purchase negative affective states may also overcome the consumer, ultimately reducing the likelihood that the individual reports positively about the shopping experience (Grigsby et al., 2021). This has negative consequences for e-retailers as the goal of expanding one's customer base is compromised. This list is by no means exhaustive but instead seeks to provide an overview of consequences relevant to this paper's approach to solving the issue at hand.

d. Process and damages

While consumer behaviours account for a large portion of online returns, 43% are due to errors on behalf of retailers (Sobotta, 2021; Rudolph, 2016). Damage to ordered items accounts for 20% of returns (Sobotta, 2021). Apparel can get damaged in warehouses due to inadequate storage conditions such as the presence of moths or mould (Richards, 2017). Items are still sent due to faults in quality control. Moreover, products may become impaired during distribution, where cardboard packaging is often insufficient to protect against violent shocks, adverse weather and humid conditions (Fernie & Sparks, 2014). 23% of returns are due to a mistake in the logistics process, which causes the wrong item to be sent out to the customer (Sobotta, 2021).

With the help of installation theory we identified a few points where an intervention could reduce errors. However, because logistics channels differ greatly between retailers and are largely untransparent, we will not further address this issue in the remainder of this essay. As much as some adjustments can be made to address consumer's behaviour during the pre-purchase process in order to reduce returns, e-retailers and businesses also need to change their organizational structures and physical affordances.

4. Solutions

Our solutions address three main areas of the shopping process: website, post-delivery to the consumer and inevitable returns.

a. Website

i. Product presentation

Improving the digital interface and product presentation can be a first step towards reducing returns by minimizing disconfirmation and the need for bracketing behaviours. Considering that a large percentage of returns is caused by "the inability of online platforms to deliver real life experience of purchased items" (Eneh, 2015, p.8), retailers should seek to recreate the tangible experience of shopping.

Size and fit

First, we aim to improve the visual representation of fit, and to enhance the customer's engagement with sizing tools.

The decision to purchase clothes is "closely linked to individuals' feelings about themselves, their body image, and the image they wish to project" (Hammond, 2001). Some customers have a negative cognitive response to the size of the models when they feel these do not represent the average size of the consumer (Boardman and McCormick, 2019). Therefore, our first recommendation is to display fit and body image in a more relatable manner. We suggest providing customers with the option to select models with different body shapes to "wear" the products. Thus could reduce disconfirmation caused by the limited representation conveyed by a traditional model. Online fashion retailer ASOS have started implementing this strategy for a selection of products, using an augmented reality tool to help customers visualize what the product looks like for different sizes (Barr, 2020).

Figure 3: See My Fit functionality on ASOS

While this strategy has already been introduced by e-retailers we recommend others to follow this trend. Indeed, customers are asking for a wider use of technology such as augmented reality to help them visualize the products being worn (Barclaycard, 2018).

A variety of sizing tools on the market ask consumers to upload their measurements. Sizing, however, can be an emotive issue and individuals may feel uncomfortable using body measurements to find the right size (Palmer, 2016). According to our informal survey, most customers would find it useful to compare sizes with previous purchases, or items and brands that they already own. The lack of size standardization across brands is an important cause of uncertainty for consumers (Barclaycard, 2018). Thus, we recommend using tools such as Virtusize, which allow customers to compare products with items they already own. It claims to reduce returns by 30% (*Virtusize*, 2021). This could be completed with data analytics from the customer's previous purchases and comparisons with other brands of the customer's choosing. Finally, we would recommend implementing a pop-up message to appear when the consumer selects two different sizes for the same product, encouraging them to refer to the sizing tool.

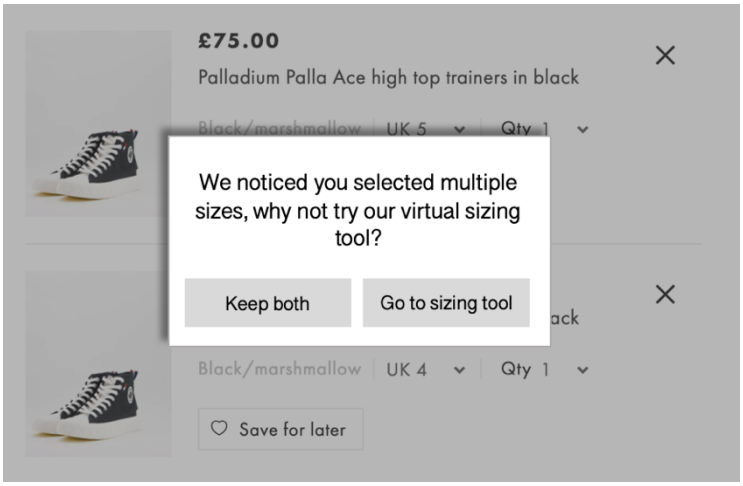

Figure 4: Rendering of proposed pop-up to encourage the use of the sizing tool

Social guidance

When shopping online, individuals often navigate many choices alone. In contrast, shopping for clothes in a brick-and-mortar shop is a more social experience, influenced by the guidance of friends, family or staff (Michaud Trevinal, et al., 2014). E-retailers can compensate for the lack of social guidance in online shopping in two ways. First, customer reviews, ratings and photos uploaded by customers can help form more realistic expectations of the product (De et al., 2013). E-retailers can ask customers to rate whether they believe an item to be true to size, narrow-fitting or large, to guide future customers in "sizing-up" or "sizing-down" decisions. Indeed, people often use other's behaviours as guidelines in unfamiliar contexts (Cialdini, 2001).

Secondly, individuals shopping online seek recommendations from peers by chatting with them on social networks (Michaud Trevinal et al., 2014). Consumer behaviour towards fashion products depends both on the consumer's own perception and on the response of peers to validate opinions (McCormick and Livett, 2012). This validation could reassure individuals about their decisions and reduce post-purchase dissatisfaction caused by choice overload. Therefore, we propose to include a call-to-action helping customers share products with their peers on messaging platforms. However, we are conscious that social influence can cause emotional arousal and generate impulse buying (Huang, 2016). For this reason, we recommend using social influence with caution, by placing these calls-to-action in strategically convenient parts of the process as seen below.

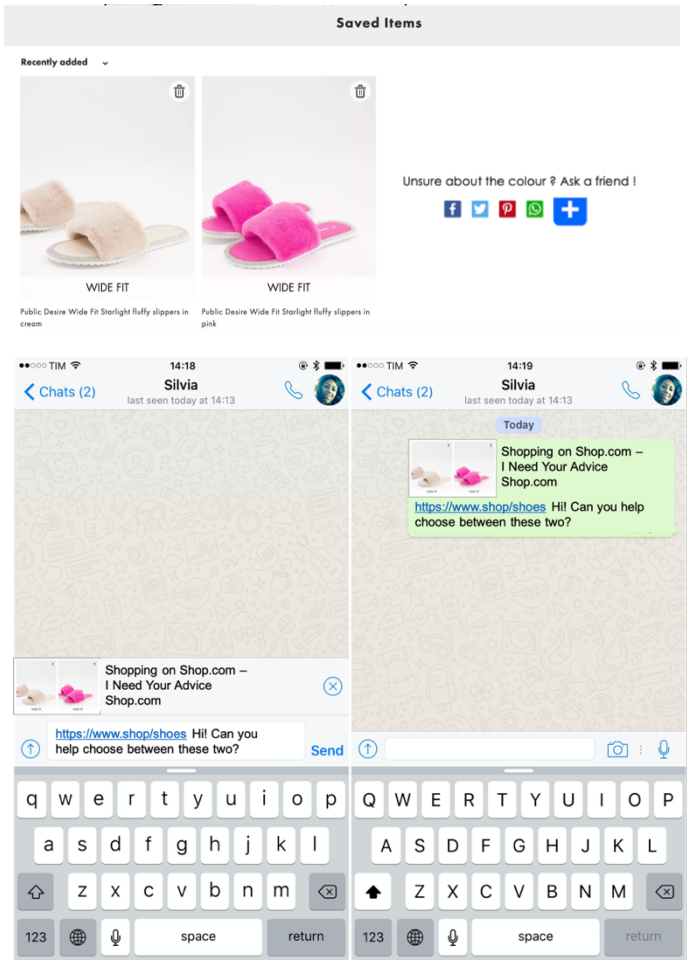

Figure 5: Proposed call-to-action to incentivize collaborative shopping

Look and feel

Retailers can leverage different visual and interactive functionalities to provide the customer with a more accurate look and feel of the product. Catwalk videos generate positive cognitive and affective responses in customers as seeing the garment in movement helps with decision-making (Boardman and McCormick, 2019). Additionally, zoom-in features are associated with decreased returns, as they help customers understand the material detail and quality (De et al., 2013).

ii. Budget

The next solutions are additions to the website made through an external, downloadable plug-in.

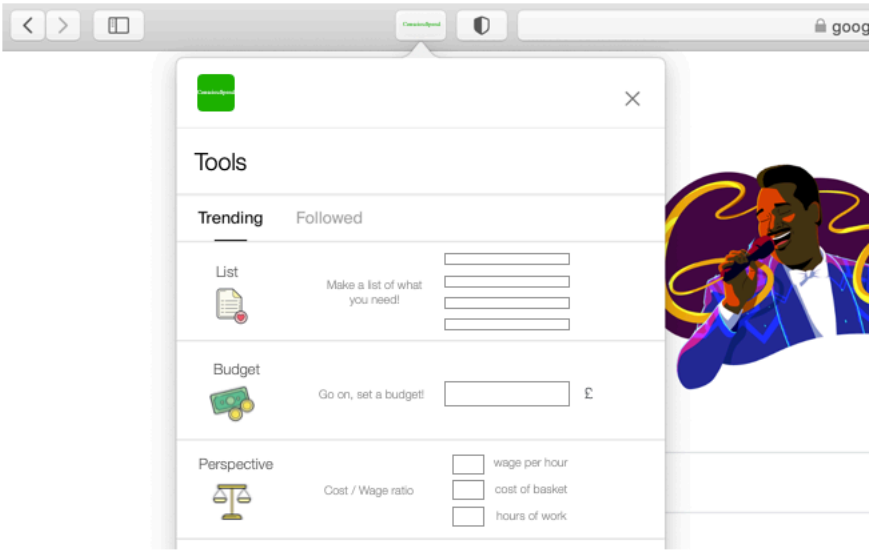

Figure 6: Rendering of downloadable plug-in

Shopping list

The plug-in will enable customers to create a shopping list upon visiting the website. Customer behaviour can be categorised as either intuitive (system 1) or reasoned (system 2) (Kahneman, 2013). Kahneman (2013) argues that the fast and automatic intuitive system typically

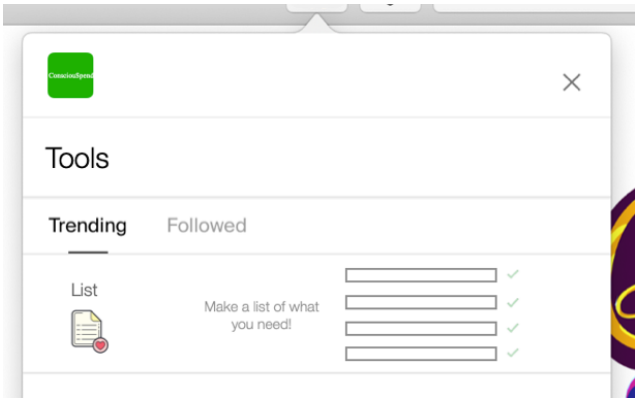

Figure 7: Rendering of list function

governs behaviour and that the reasoning system only comes into play when system 1 is overtaxed. A shopping list acts as a breaking mechanism on the intuitive system, forcing it to activate the slow and effortful system before continuing the shopping process. By activating system 2, participants may reconsider their actual needs and proceed with a clear list of items in mind.

This tool is especially useful for individuals purchase impulsively but not inherently beneficial to e-retailers. It may, however, drive customer satisfaction as the negative emotions that arise from impulse purchases deter individuals from engaging in similar behaviours in the future

due to cognitive feedback loops (Baumeister et al., 2007) and these behaviours are directly targeted by this feature of the plug-in.

Budgeting tool

In a similar vein the plug-in will enable consumers to set a budget to pre-emptively quell maximisation behaviour. Spending in excess of one's budget has both negative affective consequences and dire financial consequences as well. By setting a non-binding limit for purchasing sprees consumers construct upper limits to their spending, in line with the concept of satisficing (Simon, 1956). The limit must not be reached and any expenditure within that limit is deemed acceptable. This solution greatly benefits all customer groups as it mirrors the effect of a limited amount of cash.

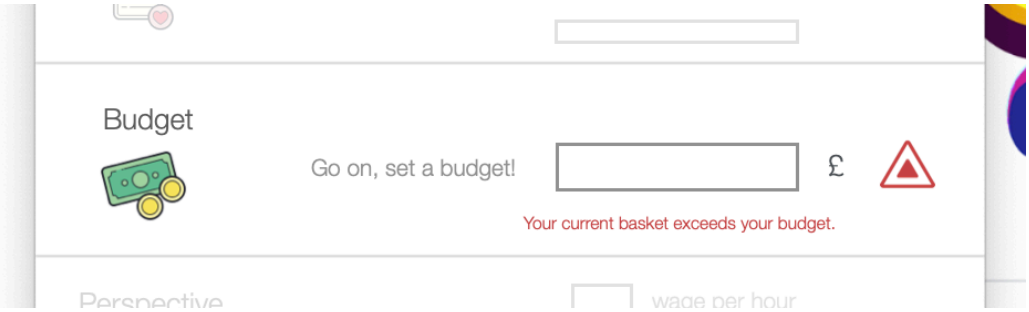

Figure 8: Rendering of budget function

Perspective

The plug-in will also include a tool that weighs the costs of the items to be purchased against an hourly-wage metric. This solution is based on the idea that transforming the cost of purchasing into a less abstract measure may shed a different light on the purchase. A new pair of shoes for £100 may not seem like a lot but the reality of 10 hours of work at a wage of £10/hour is considerably more daunting. The mechanism at work here is what Gigerenzer and colleagues (2011) refer to as boosting. Boosting seeks to educate individuals to enable better decision-making. In the long-term this mechanism will hopefully train individuals to think of the cost of purchasing in terms of their wage, so that unnecessary and disproportionately expensive purchases can be avoided. This approach benefits all customers but is especially relevant to impulse buyers who may reconsider their potential purchases due to the perspective gained through this metric.

Figure 9: Rendering of budget function

iii. Checkout

We now turn back to changes that e-retailers can make to their own websites. We suggest two specific interventions that could be implemented by e-retailers to reduce the negative impact of returns on both their business and the environment.

Automatic opt-in to sustainable returns option

Customers should be automatically opted into a priced sustainable returns option, such as a zero emissions courier service at the point of check-out. Research has shown that shopping is associated with hedonism and joy (Jin & Sternquist, 2004; Verhagen & van Dolen, 2011). Previous scholars have come to the conclusion that these induced positive affective states facilitate easier

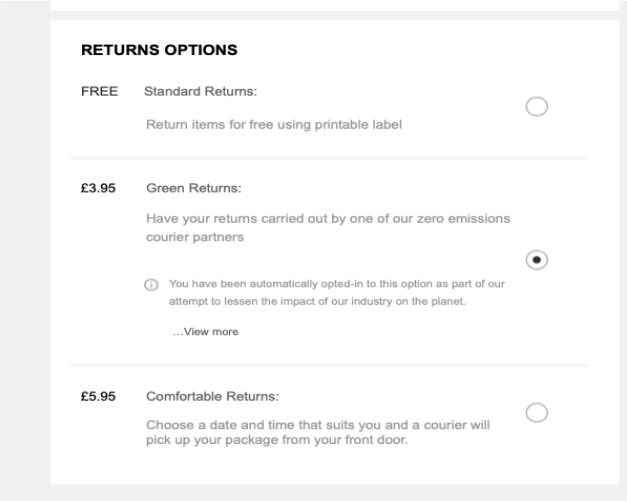

Figure 10: Rendering of automatic opt-in to sustainable returns

and better decision-making (Baumeister et al., 2007). We postulate that the aforementioned findings coupled with a default option for sustainable returns provide a promising prospect for how to deal with returns that are unavoidable.

Warning

The last solution suggested in this section is aimed specifically at individuals that purchase items of clothing with the intent to return them. As mentioned in section 3b, people are not ashamed to admit that they engage in returns fraud. It has become socially acceptable to purchase

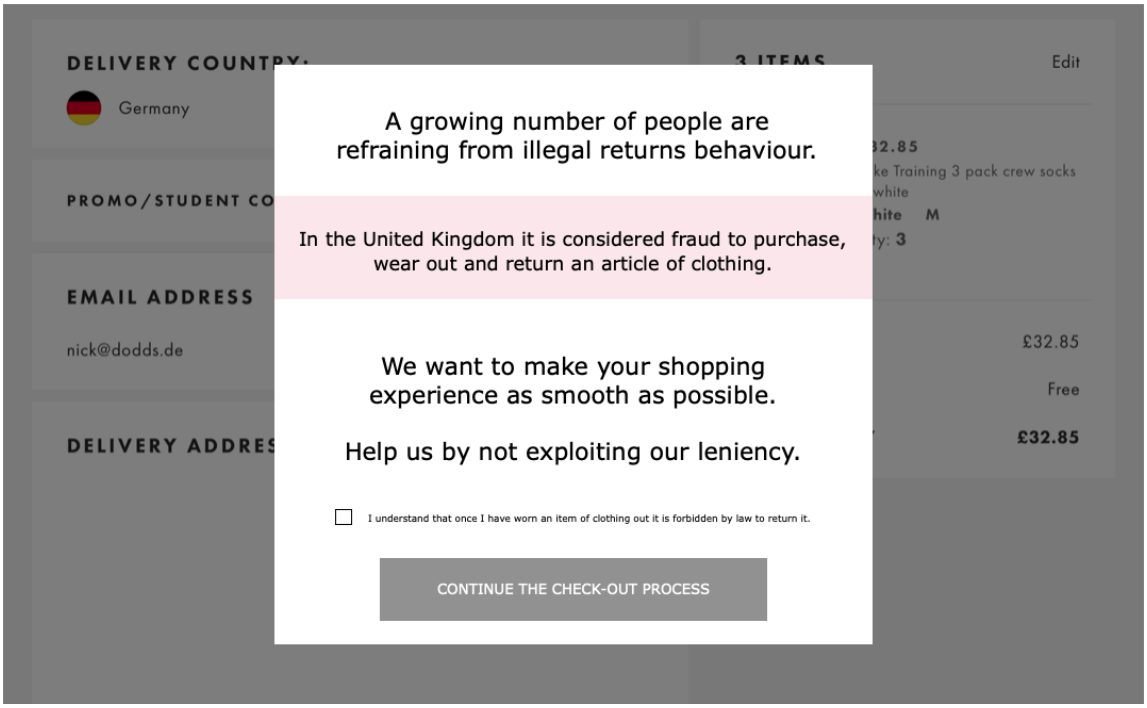

Figure 10: Rendering of warning sign that makes use of dynamic norms

an item, wear it out once and then return it the next day for a full refund. To mitigate this issue, we suggest displaying a type of guilt message shortly before checking out to remind customers that purchasing, wearing and then returning clothes is considered fraudulent behaviour. The content of this message should be informed by dynamic social norms. Research by Sparkman and Walton (2017) has demonstrated that dynamic norms can be a powerful tool to incur long-term behavioural change. This method of deterrence is beneficial to e-retailers because it will reduce the costs of constantly shipping back and forth and processing articles of clothing.

b. Post-delivery to consumer

i. Damaged items

Keeping in mind that 20% of returns are due to items being already damaged when delivered, it would be unnecessary to return a damaged item knowing it will directly go to landfill. We suggest that e-retailers completely cancel returns for this specific category. As products are sometimes damaged during distribution process, the shopper should notice said damages to the packaging upon delivery (Fernie & Sparks, 2014). Thus, to prove the apparel is damaged, customers can film themselves unpacking the order. Once the customer service department has approved the video, the shopper can either choose to receive an undamaged item or get a full

refund. Thus, by cancelling this return process, the cost of an additional delivery is avoided, reducing the amount of CO_2 emitted during transportation and the amount of waste produced by generating less packaging.

We believe that as customers get to keep the damaged items the total amount of clothes that end up in landfills will decline. Due to cognitive dissonance, customers will unlikely throw away a brand-new, unworn item which might be a bit torn (Festinger, 1962). Furthermore, when disposed by the general public, only 7% of clothes end up in the general rubbish or with the household recycling (WRAP valuing our Clothes, 2017). Similar findings corroborate with the results of our informal survey in showing that the most popular routes to garments disposal include giving to charity, passing textiles on to acquaintances or selling these articles of clothing (WRAP valuing our Clothes, 2017). This could be the perfect opportunity for brands and retailers to engage in community building. Crafts and Do-It-Yourself are growing movements. 51% of British females have a craft hobby and the corresponding market is worth £3.4 billion to the UK economy (Sergeant, 2016). Thus, e-retailers should include a website section dedicated to crafts and clothes' repair, with a blog section where people could post the end result and exchange tips. Additionally, they could organise sewing and repair workshops, where customers who received damaged items could be offered a discount. Continuous customer engagement could benefit brands as participation on the craft-blog is free marketing for them. Secondly, spending time repairing apparel and personalising it will contribute to using the item to project one's identity into it (Belk, 1988). It will also become a conversational object thus increasing the endowment effect which will make people keep their item for longer (Kahneman, 1990). Additionally, crafts in general have been proven to help with mental well-being (Riley et al., 2013). Thus, this could further impact brands images positively by signalling that they care about their customers' well-being, as well as the environment.

Another way to reduce returns caused by damage and packaging waste is to invest in different types of packaging. Compostable packaging could help prevent pollution. Additionally,

Figure 11: Different types of packaging offered by Returnity

instead of using glue to close the package e-retailers could design specific closing mechanisms that would prevent tearing of the envelop, thus enabling future reuse. Furthermore, a type of

packaging that would prevent damage to apparel during the delivery process is offered by the circular company Returnity, who specialise in waste-free packaging. They offer diverse types of containers such as mailer bags, boxes and garment bags which are all multipurpose and durable ("Why Reusables — Returnity", 2021). These containers could be either kept by the customers to store items or could be used to return any type of products.

ii. Counteracting opportunistic behaviour

The following suggestions are made to address opportunistic behaviours such as wardrobers. To prevent the single use of items and their instantaneous return, businesses can place a sizeable tag on a visible part of products. For example, a ribbon could pass through a shirt's sleeve or pant's pantleg. The strip would form a loop closed with a staple or a hook, making it impossible to remove or hide for a one-off event. If removed by the customer, the item can no longer be returned. Thus, even though people openly admit to having engaged in fraudulent returns behaviour in qualitative interviews conducted by Harris (2010), it would be quite shameful for people to appear in public places or events with this tag. This could badly impact their public image and lead to avoidance from others (Sergeant, 2016). Therefore, this simple and cost-effective physical affordance could contribute to the reduction of returns caused by opportunistic behaviours.

c. Inevitable returns

Returns will always be a part of the online shopping experience, so steps should be taken to limit the significant environmental impact they have. UK e-retailer ASOS estimated that 12% of their total carbon footprint was generated through customer returns (Sword, 2020). The main methods of returns are in-store returns, shipment by the customer through a third-party drop-off location or collection from the customer's location. Perhaps surprisingly, the most environmentally friendly option is for the package carrier to alter the normal delivery route to collect returns packages. This still contributes to an average of 362g of CO_2 and decreased efficiency (Bertram & Chi, 2018).

Greener solutions have been proposed to handle the logistics of the returns process. A software called ReadyReturns by TrueShop is offered to e-retailers that lets customers print out their own returns label as opposed to it arriving pre-printed (Bertram & Chi, 2018). This serves not only to reduce the waste of paper should a returns label not be necessary but, more importantly, creates an additional physical affordance that a consumer needs to acquire before going through with the return. E-retailers could also inform customers on the website to print about the environmental implications of returns and why they are making them print the labels. Additionally, we suggest that customers should sign their names on their returns forms. Research shows that the act of signing one's name primes self-identity and therefore this solution may assist some consumers in reflecting on whether returning this item, knowing the environmental implications, is aligned with their self-identity (Kettle & Häubl, 2011).

Nearly 100% of textiles can be recycled or repurposed. This implies that more environmentally friendly alternatives to clothes ending up in a landfill, for example donation, are

feasible (Bertram & Chi, 2018). We therefore suggest that clothes be donated either to charities or to fashion schools whose students can use the fabrics for their own creations. However, high-end retailers such as Burberry are known to have intentionally deviated from marking down their clothes by destroying them instead to protect their brand image (Alwood, 2018). For similar reasons there may be some pushback from high-end e-retailers to donate their clothes. Still, the principle of shared value supports the idea that the future of our economic system lies in creating both economic value and value to society (Porter & Kramer, 2019). This suggests that societal needs help to define markets and if ignored could lead to internal costs for companies. Reverse logistics are expensive to companies, accounting for 10% of supply chains costs and can decrease profits by 30% if the supply chain is held up (Ordendorff, 2019). This suggests that e-retailers should consider donation or recycling as an alternative to returns.

5. Limitations

One of the main limitations of this paper is that we have neglected the financial viability of these solutions for different retailers. Larger companies will have access to more financial and technical resources and may be able to easily integrate the solutions into their existing business. For smaller companies this may be less feasible.

Another limitation is the fact that 23% of returns are due to an error in the logistics process that results in the wrong items being sent to customers (Sobotta, 2021; Rudolph, 2016). This is a question that must be dealt with in a supply chain or warehouse management context.

Whilst conducting our research it also became evident that the reverse returns logistic process is not transparent. What happens to clothes once they have been brought to the post office to be returned is difficult to track. Firms are presumably unenthusiastic to shed light on this process as the journey to the landfill is likely to include questionable practices. In this case, we remain in the realm of speculation.

To mitigate this limitation, we attempted to reach out to brands directly, to no avail. Attempts to contact representatives of firms via social media platforms such as LinkedIn and direct e-mails yielded no responses.

6. Conclusion

The objective of this paper was to come up with feasible solutions to reduce the volume of returns in the online fashion industry. The application of installation theory enabled us to identify the pitfalls of the online shopping experience, opportunistic behaviour, OIB and logistic issues as the four main drivers of returns. The solutions were applied across the customer journey and included changes to e-retailers websites, a plug-in tool for consumers, alternative options to conventional returns practices and measures to deal with inevitable returns. As this issue is highly complex we deem even the slightest reduction in returns volumes as a success. Future research should attempt to empirically test our largely theoretical solutions. Drastically reducing returns

and waste going to landfill will require systemic change which can only be brought about by an industry coalition and changes to public policy.

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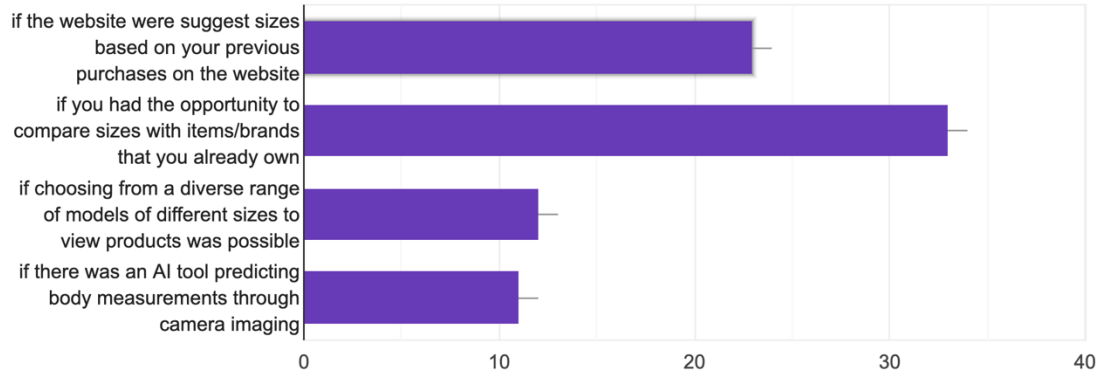
Appendix

Survey (n = 42)

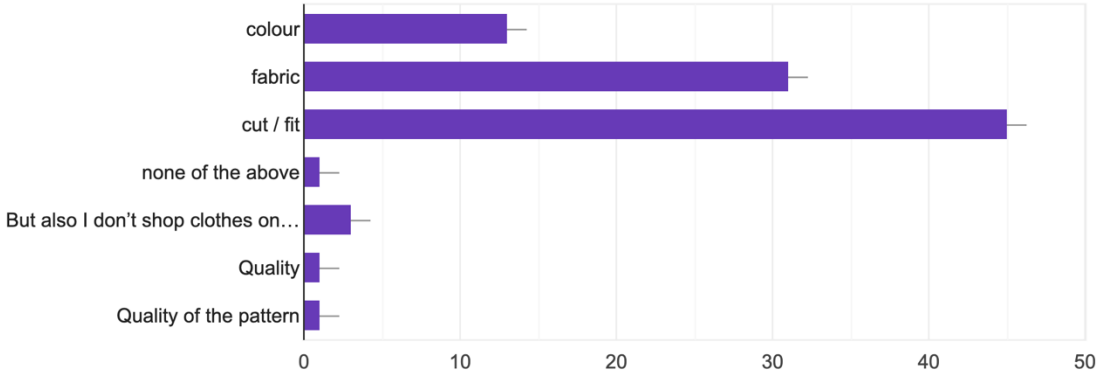
The first question deals with sizing. Finding the right size when online shopping can be complicated. Which option would make finding the right size easiest for you?

49 réponses



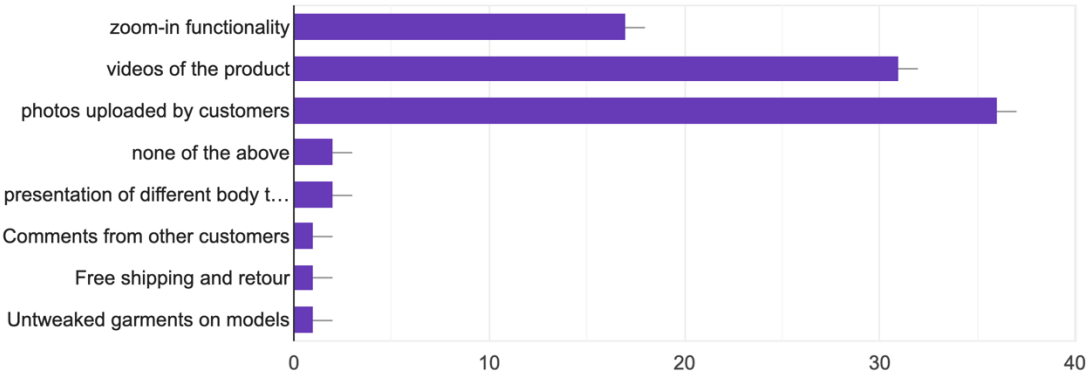
The following question deals with the presentation of products online. Sometimes clothes look different online than when you receive them. Plea...ifferences in my own experience have been due to:

49 réponses



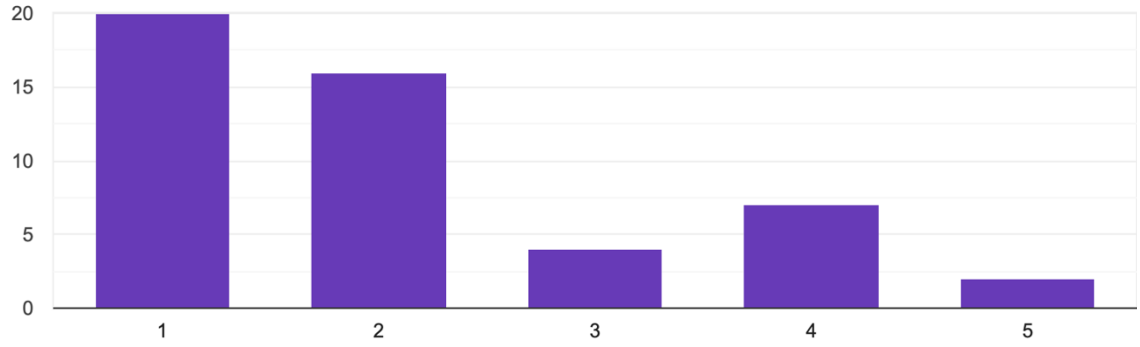
Referring to the previous question, what do you think would help you address this?

49 réponses



The following question deals with filling out the returns form. Signing your name before returning a product would make you hesitate to send it back.

49 réponses

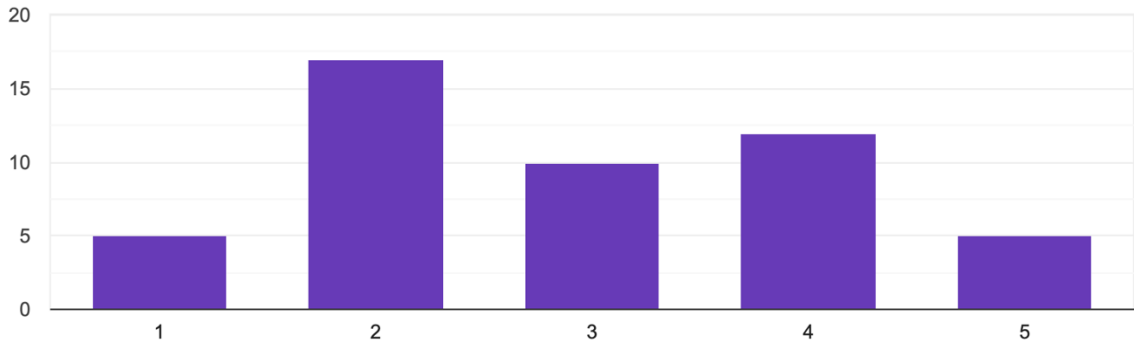


If you receive a damaged item of clothing and could get a refund without sending back the product, would you:

49 réponses

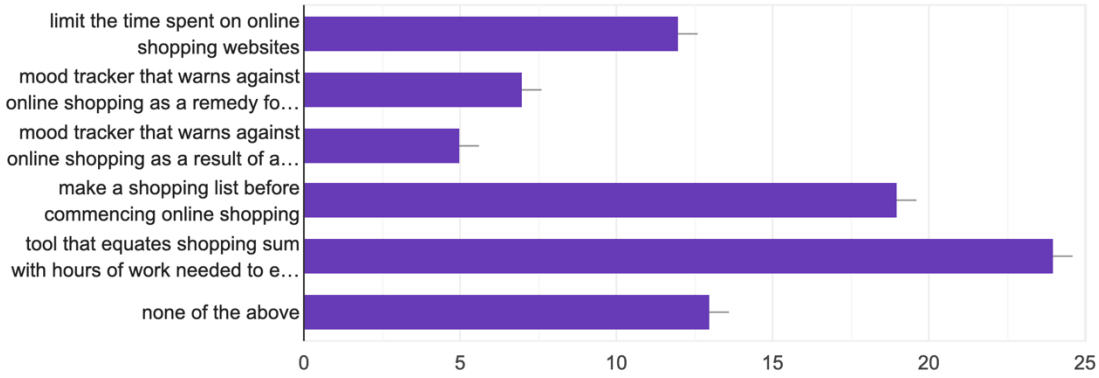
The following questions deal with a proposed downloadable plug-in tool. I would consider using an external web plug-in tool to help with online purchasing decision-making processes.

49 réponses



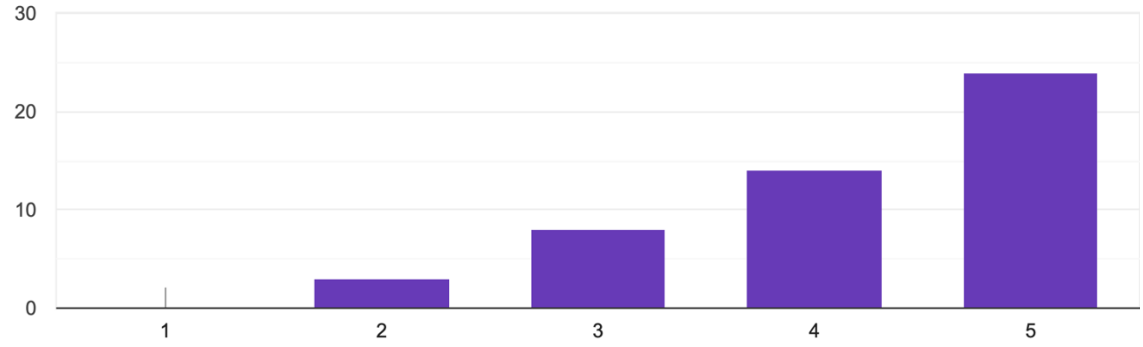
Please select all options that apply. I would like this plug-in tool to include the following functionalities:

49 réponses



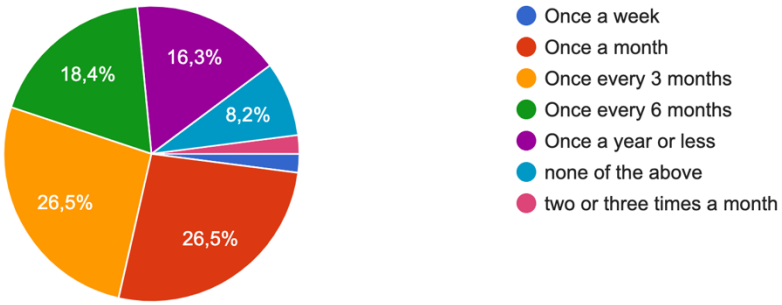
This question deals with basic financial education in schools. Basic financial education at school could help increase budget management skills thu...ducing unnecessary online purchases and returns.

49 réponses



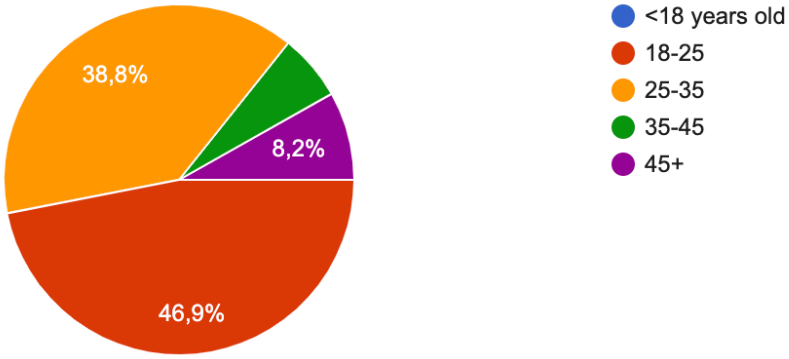
How often do you purchase clothes online?

49 réponses



How old are you?

49 réponses



If you have any other comments or suggestions, please add them here.

3 réponses

Good ideas, would suggest that the 'fun' element of online shopping is a main contributor so any intervention that limits discovery may have potential shortcomings

Would be helpful to have pop-up reminders about production process/conditions (from external provider through plug-in) - potentially also opportunity to offset CO2 costs/water consumption of production process or something similar. Would be amazing to have an AI that recommends the exact products I'm currently looking at but produced by more sustainable brands (in similar price category ideally)... then I'd switch brands (instead of buying at Zara buying from Armed Angels e.g.)

NB when I buy clothes online they are typically for my daughter, rather than me.