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A Study on the Influence of Return and Exchange Policies on Consumer Purchase Decisions of Amazon Customers with Reference to Bangalore

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Abstract - The rapid growth of e-commerce has transformed consumer purchasing behaviour and increased the importance of customer-oriented policies in online shopping. Among these, return and exchange policies play a key role in reducing perceived risk and building customer confidence during online purchases. This study focuses on the influence of return and exchange policies on the purchase decisions of Amazon customers with reference to Bangalore. The study examines customers' awareness of return and exchange policies, the factors considered important while making purchase decisions, the relationship between these policies and customer satisfaction, and their influence on repeat purchase intention. A descriptive research design was adopted, and primary data were collected through a structured questionnaire from 112 Amazon customers in Bangalore. The collected responses were systematically analysed to examine consumer perceptions, policy preferences, purchase decisions, customer satisfaction and repeat purchase intention. The study highlights the role of return and exchange policies in shaping consumer decision-making and customer satisfaction in online shopping. It further explores how specific policy features, including refund convenience, return flexibility and exchange-related factors, may influence customers' continued engagement with Amazon. The study offers practical implications for e-commerce businesses and marketers in developing transparent, convenient and customer-oriented return and exchange policies. It also contributes to understanding consumer behaviour in the digital marketplace and the role of policy design in supporting customer satisfaction and retention.

Keywords: Return Policy, Exchange Policy, Consumer Purchase Decisions, Customer Satisfaction, Repeat Purchase Intention, Amazon, E-Commerce, Bangalore.

1. INTRODUCTION

1.1 Background of the Study

The growth of internet access, smartphones, digital payments and delivery networks has transformed retailing. Online marketplaces allow customers to search for products, compare prices, examine ratings and place orders without visiting a physical store. However, online customers generally cannot inspect or test a product before purchase. They must rely on descriptions, photographs, specifications and customer reviews, which may leave uncertainty about quality, fit, suitability and performance.

Return and exchange policies are an important part of the online shopping experience because they describe the conditions under which eligible products may be returned, replaced or exchanged. Customers may consider these conditions before buying because they affect the perceived consequences of an unsuitable purchase. After purchase, the clarity and convenience of the return process can also influence customer satisfaction and future shopping intentions.

Amazon provides a relevant setting for examining this issue because customers purchase products across multiple categories and may encounter different return conditions depending on product, seller and circumstances.

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1.2 Statement of the Problem

Online purchases involve uncertainty because customers cannot fully evaluate products before delivery. Return and exchange policies may reduce some of this uncertainty, but customers can differ in their awareness of policy conditions and in their experience of the return process. It is therefore useful to examine whether customers regard these policies as important while making purchase decisions and whether their perceptions are associated with satisfaction and intention to continue shopping.

1.3 Objectives of the Study

i. To understand the awareness of Amazon customers regarding return and exchange policies.

ii. To identify the return and exchange policy factors that Amazon customers consider important while making purchase decisions.

iii. To study the influence of return and exchange policies on the purchase decisions of Amazon customers.

iv. To examine the relationship between return and exchange policies and customer satisfaction among Amazon customers.

v. To examine the relationship between return and exchange policies and the repeat purchase intention of Amazon customers.

1.4 Scope and Significance

The study is limited to Amazon customers represented in a survey of 112 respondents associated with Bangalore. It examines awareness, important policy features, reported purchase influence, satisfaction and repeat purchase intention. The findings may help e-commerce platforms understand the importance of clear policy communication and convenient after-sales support. Since convenience sampling was used, the results should be interpreted as sample-based findings rather than estimates for all Amazon customers in Bangalore.

2. REVIEW OF LITERATURE AND THEORETICAL FRAMEWORK

2.1 Review of Literature

Wood (2001) examined the influence of return-policy leniency on consumer decision-making and showed that return conditions can form part of the risk assessment involved in remote purchasing. This perspective is important in online retail, where consumers make decisions without physically inspecting products.

Mollenkopf, Rabinovich, Laseter and Boyer (2007) discussed the management of online product returns and the role of effective service operations. Their work highlights that return policies are not only a marketing promise: they also require reverse-logistics processes, coordination and operational capacity.

Bower and Maxham (2012) considered the long-term consequences of online retailers' return-shipping policies. Their research reinforces the importance of return experiences in the broader customer relationship and suggests that policy decisions can have implications beyond the immediate transaction.

Janakiraman, Syrdal and Freling (2016) synthesised research on return-policy leniency and consumer purchase and return decisions. Their review indicates that policies contain several dimensions, including time limits, costs and procedural requirements, and that these dimensions may affect customer decisions differently.

Oghazi et al. (2018) examined online purchase return-policy leniency and the role of consumer trust in purchase decisions. This is relevant to the present study because confidence, trust and perceived fairness may explain why customers consider return and exchange policies before purchasing.

Overall, previous research indicates that return policies may reduce perceived risk, serve as a signal of service quality and contribute to customer trust. The magnitude of these effects can vary by market, product category and customer experience. The current study

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adds a Bangalore-focused, survey-based description of Amazon customers' awareness and perceptions, including their association with satisfaction and repeat purchase intention.

2.2 Theoretical Framework

Perceived Risk Theory, associated with Bauer (1960), explains that consumers make decisions under uncertainty about the possible outcomes of a purchase. A clear and convenient return policy may reduce concerns about the consequences of an unsuitable product. Consumer decision-making models also recognise that customers evaluate several alternatives and information sources before making a purchase; return conditions may form one element of that evaluation.

The Theory of Planned Behaviour (Ajzen, 1991) proposes that behavioural intentions are shaped by attitudes, subjective norms and perceived behavioural control. Customers who perceive return procedures as fair and manageable may report stronger purchase intentions. Expectation-confirmation approaches to satisfaction (Oliver, 1980) suggest that satisfaction depends partly on how the actual experience compares with prior expectations.

2.3 Research Gap

Indian evidence also informs this study. Kar, Das and Mohapatra (2024) examined online product-return behaviour in India and identified situational, purchase-related, delivery, product and customer-related influences on returns. Chandra and Kapur (2025), in a survey of 100 Indian online shoppers, highlighted the importance of ease of return, refund speed and clarity of policy terms for satisfaction.

The reviewed literature indicates that return options can influence purchasing and that clear, convenient return procedures may support customer satisfaction. However, few studies have examined customer awareness of return and exchange policies alongside purchase decisions, customer satisfaction and repeat purchase intention among Amazon customers in Bangalore. This study addresses that gap.

3. RESEARCH METHODOLOGY

3.1 Research Design

The study adopts a descriptive, cross-sectional survey design. A structured questionnaire was used to collect responses at one point in time. Descriptive statistics summarise customer awareness, policy features and reported behaviour, while association tests examine relationships between policy perception, satisfaction and repeat purchase intention. The design does not establish causation.

3.2 Population, Sample and Sampling Technique

The target population is Amazon customers in Bangalore. The dataset contains 112 submitted responses. Respondents were reached through an online questionnaire, and the sample is treated as a non-probability convenience sample. The findings therefore describe the respondents and cannot be statistically generalised to all Amazon customers in Bangalore.

3.3 Data Collection and Instrument

Primary data were collected through a structured questionnaire. It included questions on demographics and shopping frequency, awareness of return and exchange policies, information sources, purchase-decision factors, policy feature rankings, satisfaction and repeat purchase intention. Several perception statements used a five-point Likert scale from strongly disagree (1) to strongly agree (5). Some individual questions had missing responses, so valid sample sizes may vary by analysis.

3.4 Data Processing and Statistical Tools

Responses were analysed in Microsoft Excel using frequency and percentage analysis for categorical variables and mean and standard deviation for Likert-scale statements. For the ranking question, the analysis counted how many respondents assigned rank

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1 (most important) to each feature; respondents could assign rank 1 to more than one feature, so these percentages are multiple-response shares and are not expected to total 100%. The policy-perception composite was calculated as the average of four selected Likert items: confidence when purchasing because of the policy, trust from policy flexibility, avoidance of products with restrictive policies, and perceived fairness. The separate purchase-influence, satisfaction and repeat-shopping items were excluded from the composite. Pearson and Spearman correlations were used to assess associations between the composite and satisfaction and repeat-shopping measures. A chi-square test examined policy awareness against reported policy influence, combining "Maybe" and "No" into one influence category to meet the expected-cell requirement. Statistical significance was assessed at the 5% level. These analyses describe associations and do not establish causation.

3.5 Operational Definitions

Policy-perception composite refers to the average of four selected Likert items: confidence when purchasing because of the policy, trust from policy flexibility, avoidance of products with restrictive policies, and perceived fairness. The separate purchase-influence item, satisfaction item and repeat-shopping intention items are excluded from the composite to avoid overlap between the predictor and outcome measures.

Policy awareness refers to respondents' self-reported awareness of Amazon's return and exchange policies. Policy factors refer to the features respondents value, such as refund speed, pickup, exchange convenience, return-shipping costs and the return period. Customer satisfaction is measured using a statement about satisfaction with the overall return/exchange experience. Repeat purchase intention is measured using agreement that the policy encourages shopping on Amazon again, supported by a separate categorical likelihood item.

3.6 Limitations and Ethics

Limitations include convenience sampling, a modest sample size, self-reported perceptions, possible response bias, missing responses and the cross-sectional design. Return conditions can differ by product, seller and time; this survey records customer perceptions rather than independently verifying the terms applicable to every purchase.

4. Analysis and Findings: Awareness and Policy Factors

The dataset comprised 112 respondents, the majority of whom were young. Those aged 20 years or below accounted for 44.64% (n = 50) and those aged 21–30 for 33.04% (n = 37). Students constituted the dominant occupational category (n = 54), with one missing value recorded. These demographic characteristics should be taken into account when interpreting the results.

4.1 Objective I: Awareness of Return and Exchange Policies

Among 111 valid responses to the awareness question, 91 respondents (81.98%) reported that they were aware of Amazon's return and exchange policies, while 20 (18.02%) reported that they were not aware. The result suggests that policy awareness was high within this sample, although self-reported awareness does not necessarily mean that customers understand every condition or product-specific exclusion.

Table 1. Awareness of Amazon return and exchange policies

Awareness response	Frequency	Percentage
Yes	91	81.98%
No	20	18.02%
Total valid responses	111	100.00%

The Amazon app was the most frequently reported primary source of policy information (50 respondents; 44.64%). Friends or family were reported by 23 respondents (20.5%), customer support by 17 (15.18%), previous shopping experience by 14 (12.50%) and social media by 8 (7.14%). The app therefore appears to be an important channel for communicating return and exchange conditions.

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4.2 Objective II: Policy Factors Considered Important

The ranking responses were analyzed by counting how many respondents assigned rank 1 (most important) to each feature. This measure remains interpretable even where respondents repeated or omitted ranks.

Table 2. Ranking of return and exchange policy features based of respondents preferences

Policy feature	Ranked most important (n)	Percentage	Valid responses
Fast refund	62	55.9%	111
Easy exchange	51	45.9%	111
Longer return period	56	50.5%	111
Home pickup	52	46.8%	111
Free return shipping	37	33.3%	111

Fast refund was considered the most important feature by 62 respondents (55.9%), followed by a longer return period by 56 respondents (50.5%). Home pickup was preferred by 52 respondents (46.8%), easy exchange by 51 (45.9%), and free return shipping by 37 (33.3%). These findings indicate that customers place greater importance on quick refunds when evaluating Amazon's return and exchange policies.

5. ANALYSIS AND FINDINGS: PURCHASE DECISIONS

5.1 Objective III: Influence on Purchase Decisions

Of the 112 respondents, 81 (72.32%) reported that return and exchange policies had influenced their decision to buy a product. A further 16 (14.29%) selected Maybe, while 15 (13.39%) selected No. This indicates that most respondents perceived policies as relevant to at least some purchase decisions.

Table 3. Reported influence of policy on purchase decision

Response	Frequency	Percentage
Yes	81	72.32%
Maybe	16	14.29%
No	15	13.39%
Total	112	100.00%

When respondents identified their main purchase factor, brand was selected by 30 (26.79%), customer reviews by 29 (25.89%), price by 24 (21.43%), return/exchange policy by 20 (17.86%) and delivery speed by 9 (8.04%). Thus, policies were not the most commonly selected single factor, but nearly one in five respondents selected them as their leading factor.

For the scenario comparing similar products with the same price and quality, 44 respondents preferred the product with better ratings, 36 preferred the product with an easier return policy, 26 preferred a trusted brand and 6 said either product. This suggests that an easy return policy can act as a differentiating factor when key product attributes are otherwise similar.

5.2 Group Comparison

A policy-perception composite was calculated from four five-point items: confidence when purchasing because of the policy, trust from flexibility, avoidance of products with restrictive policies, and perceived fairness. Its mean was 3.84 (SD = 0.73; n = 112).

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Mean composite scores were 3.94 among respondents who answered Yes to policy influence, 3.74 among Maybe and 3.43 among No, a descriptive pattern suggesting that more favorable perceptions accompany reported influence. A chi-square test examined policy awareness against reported policy influence, with "Maybe" and "No" combined to meet the expected-cell requirement. The association was not statistically significant, $\chi^2(1) = 0.786$, $p = 0.3752$, $n = 111$; this does not prove the variables are unrelated.

6. ANALYSIS AND FINDINGS: SATISFACTION AND REPEAT PURCHASE

6.1 Objective IV: Relationship with Customer Satisfaction

For the categorical satisfaction item, 42 respondents (37.50%) were satisfied, 27 (24.11%) were very satisfied, 36 (32.14%) were neutral and 7 (6.25%) were dissatisfied. Combined, 69 respondents (61.61%) selected satisfied or very satisfied. At the same time, nearly one-third were neutral, suggesting that experiences may vary and that there is room to improve the return and exchange process.

The five-point statement on satisfaction with the overall return/exchange experience had a mean of approximately 3.69 (valid n = 111). The policy-perception composite was positively associated with this satisfaction statement (Pearson $r = 0.619$, $p < 0.001$; Spearman $\rho = 0.602$, $p < 0.001$; $n = 111$). The relationship is moderate and positive: respondents with more favorable perceptions of confidence, trust and fairness tended to report greater satisfaction.

6.2 Objective V: Repeat Purchase Intention

For the statement that Amazon's return and exchange policy encourages shopping again, the mean agreement score was approximately 3.76. The policy-perception composite was positively associated with this repeat-shopping statement (Pearson $r = 0.667$, $p < 0.001$; Spearman $\rho = 0.651$, $p < 0.001$; $n = 112$). Respondents with more favorable policy perceptions tended to report stronger repeat-shopping intention.

The separate categorical question on likelihood to continue shopping also showed generally favourable responses: 34 respondents were likely and 21 very likely, while 31 were neutral, 14 very unlikely and 11 unlikely; one response was missing. This item supports the descriptive interpretation that intention is mixed but leans positive. Stated intention should not be equated with actual future purchases.

6.3 Summary of Likert-Scale Results

Table 4. Selected perception and outcome statements

Statement	Mean	Valid n
Easy return policy influences purchase decision	3.96	112
Confidence when purchasing due to policy	3.96	112
Knowledge of applicable return period	3.71	111
Flexible policy increases trust	3.88	112
Avoid products with restrictive policies	3.75	111
Policy is fair to consumers	3.78	112
Satisfied with return/exchange experience	3.69	111
Policy encourages shopping again	3.76	112

All displayed means are above the neutral midpoint of 3. The highest means relate to the influence of easy returns and confidence when purchasing. Satisfaction has a comparatively lower mean, consistent with the sizeable neutral group in the categorical satisfaction item.

7. DISCUSSION, IMPLICATIONS AND RECOMMENDATIONS

7.1 Discussion

The findings support the view that return and exchange policies form part of customers' online purchase evaluation. Most respondents reported policy influence, and the group comparison showed that policy-perception scores differed across those who

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did, might, or did not report such influence. This is consistent with perceived-risk explanations: return conditions can reduce some uncertainty about buying online.

At the same time, brand and customer reviews were more frequently selected as the primary purchase factor than return policy. The results therefore suggest that return and exchange policies complement rather than replace other signals of product value and reliability. The positive association with satisfaction and repeat-shopping statements is consistent with service-quality and relationship perspectives, but the survey design does not demonstrate a causal pathway.

7.2 Practical Implications

E-commerce platforms should make policy terms visible before checkout, use plain language and provide clear product-specific eligibility information. Customers should be able to understand return windows, exclusions, pickup availability, refund method and processing stages without navigating several separate screens. In-app access is particularly important because the Amazon app was the most frequently reported source of policy information.

Policy communication should be supported by reliable execution. Clear status updates, consistent customer-support explanations, convenient initiation of return requests and transparent refund tracking can help align actual experiences with customer expectations.

7.3 Recommendations

1. Provide a short, clear return/exchange summary on product pages and at checkout, with a link to the full applicable terms.
2. Explain eligibility, time limits, exclusions, pickup options and refund timelines in plain language.
3. Offer visible in-app tracking and timely notifications for return, exchange and refund requests.
4. Analyze common return reasons and customer complaints to identify unclear descriptions or process delays.
5. Collect feedback after completed returns and exchanges, and monitor satisfaction by product category.
6. Evaluate service features such as faster refunds and home pickup using customer feedback and operational feasibility.

7.4 Limitations and Future Research

The sample is a convenience sample of 112 respondents and includes a high proportion of younger respondents and students. Self-reported answers may be affected by recall and response bias. The policy-perception composite is exploratory rather than a validated scale, and the cross-sectional design cannot establish causality. Future research could use a larger and more representative sample, compare product categories, validate the scale and use longitudinal or transaction data to examine actual repeat purchases.

8. CONCLUSION AND REFERENCES

8.1 Conclusion

This study examined the awareness of Amazon customers regarding return and exchange policies, the policy features they consider important, the reported influence of policies on purchase decisions, and associations with satisfaction and repeat purchase intention. Among 111 valid responses to the awareness question, 81.98% reported awareness. Overall, 72.32% of the full sample said that return and exchange policies had influenced a purchase decision.

Brand and customer reviews remained the most common primary purchase factors, indicating that policy considerations operate alongside product and reputation cues. Mean policy-perception scores were highest among respondents who reported policy influence. A chi-square test of policy awareness against reported policy influence, with “Maybe” and “No” combined, was not statistically significant, $\chi^2(1) = 0.786$, $p = 0.3752$, $n = 111$; this does not prove that the variables are unrelated. Policy perception was positively associated with satisfaction ($r = 0.602$; $p < 0.001$) and the repeat-shopping statement ($r = 0.667$; $p < 0.001$). These associations support the practical importance of fair, clear and convenient policies, but they do not establish that policies independently cause satisfaction or future purchases.

The study concludes that return and exchange policies are a meaningful part of the online shopping experience. Retailers should make applicable conditions easy to understand and ensure that the return process is implemented consistently. These measures should be integrated with accurate product information, reliable reviews and responsive customer service.

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