WHEN LENIENT RETURN POLICIES ENCOURAGE PURCHASES AND RETURNS: THE ROLES OF MONETARY AND TIME LENIENCY THROUGH ANTICIPATED RETURN STRESS

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Abstract - This study investigates how two dimensions of return policy leniency—monetary leniency and time leniency—affect consumers' purchase and return intentions through the mediating roles of anticipated return stress and product uncertainty. A 2 (monetary leniency: low vs. high) × 2 (time leniency: low vs. high) between-subjects experiment was conducted, in which monetary leniency was manipulated by the allocation of round-trip shipping costs and time leniency by the length of the return window (7 vs. 30 days).The results showed that monetary leniency significantly increased both purchase and return intentions, whereas time leniency had no significant effect on either outcome. The positive effect of monetary leniency on purchase intention was serially mediated by anticipated return stress and product uncertainty, while its effect on return intention was mediated solely by anticipated return stress. In contrast, no mediation effects were found for time leniency, indicating that extending the return period from 7 to 30 days does not meaningfully influence consumers' anticipated return stress, product uncertainty, or behavioral intentions. These findings demonstrate that the effectiveness of return policy leniency depends on its specific dimension, highlighting the dominant role of monetary leniency over time leniency in shaping consumer responses

Keywords - Monetary Leniency, Time Leniency, Post-purchase Behavior, Return Costs, Return Window

I. INTRODUCTION

Consumers' purchasing environments are rapidly shifting from offline to online contexts, where the ability to physically inspect products prior to purchase is limited. This structural constraint increases the levels of product uncertainty, hindering online purchase decisions. To mitigate these challenges, many e-retailers have adopted highly lenient refund policies such as free return programs that emphasize customer satisfaction (Rokonuzzaman, Iyer, & Harun 2021).

However, the consequences of return policy leniency extend beyond facilitating purchases. Policies perceived as generous may also reduce the psychological barriers associated with initiating returns, thereby increasing actual return rates and generating substantial reverse logistics costs for retailers (Davis et al., 1998; Janakiraman et al., 2016). Despite its practical significance, extant empirical studies in this domain have examined the effects of return policies on either purchase intentions or return behavior in isolation, with limited attention to both outcomes within an integrated theoretical and empirical framework.

Consumers evaluate not only the price of goods but also the non-price transaction costs associated with a potential return (Williamson, 1979). Greater leniency in return policies reduces the anticipated costs of executing a return, thereby lowering consumers' perceived sacrifice and influencing both purchase intention and the likelihood of initiating a return. Despite this, the mediating role of anticipated return stress, conceptualized as a psychological aspect of transaction costs, has not been systematically examined across distinct dimensions of return policy.

To address this gap, the present study investigates how two key dimensions of return policy leniency, monetary leniency and time leniency, affect consumers' purchase and return intentions, while testing anticipated return stress as a mediating mechanism. Drawing on transaction cost theory and prior research in this domain (e.g., Abdulla et al., 2022; Lee et al., 2022), this study proposes two mediation frameworks: for purchase intention, anticipated return stress and product uncertainty function as serial mediators; for return intention, anticipated return stress as a sole mediator.

This study provides the following contributions. First, this study examines both purchase and refund intentions as outcome variables, offering a more comprehensive understanding of the behavioral consequences of return policy design. Second, this study proposes anticipated return stress as a mediating mechanism and empirically tests distinct mediation pathways across the two outcomes. Third, by directly comparing monetary and time leniency within a unified experimental framework, this study generates actionable insights into the relative effectiveness of these leniency levers for e-retailers.

II. LITERATURE REVIEW

2.1. Return Policy and its Leniency Levers

Return policy leniency refers to the degree of flexibility and ease with which retailers permit consumers to return purchased products (Janakiraman et al., 2016). Return policies serve as operational

instruments and marketing communication tools, informing consumers of the conditions under which purchases may be returned (Abdulla et al. 2022). From the consumer perspective, a return policy constitutes an important element of the retailer's service offering and plays a central role in service valuation (Davis et al., 1998). Generous refund policies serve as trust-building mechanisms that enhance brand reputation and drive conversion (Zhang et al., 2016). As a result, many retailers have adopted highly lenient refund programs that prioritize convenience and satisfaction (Rokonuzzaman et al., 2021).

Building on Janakiraman et al.'s (2016) meta-analytic typology, Abdulla et al. (2022) conceptualized return policy leniency as comprising five dimensions, termed "return policy leniency levers." The monetary lever refers to the percentage of the purchase price refunded upon return. Policies offering full refunds are the most lenient, whereas those imposing restocking fees or requiring consumers to bear return shipping costs are less lenient. The time lever concerns the duration of the return window; longer allowable periods are considered to be more lenient. The effort lever reflects the procedural burden imposed on consumers during the return process. The scope lever pertains to the range of products eligible for returns. The exchange lever specifies the reimbursement format, with cash refunds being the most lenient option. Abdulla et al.'s (2022) experimental studies demonstrated that all five levers significantly influence purchase intentions, though with substantial heterogeneity in effect sizes.

2.2. Anticipated Return Stress

Transaction Cost Theory (Williamson, 1979) posits that transaction costs serve as key determinants of economic decision-making. According to this perspective, buyers evaluate non-price costs as well as product prices before deciding whether to engage in a particular exchange. Although originally developed to explain organizational governance structures, the theory has been applied to consumer retail contexts to explain how anticipated transaction costs shape purchasing and return behavior (Abdulla et al., 2022; Qureshi et al., 2021).

In the online retail environment, return transaction costs are particularly salient, as consumers may incur effort, inconvenience and psychological discomfort when initiating and completing a return if the delivered product fails to meet expectations. These costs are inherently multidimensional, encompassing monetary, temporal, and psychological components, as well as frustration associated with the return process (Chircu& Mahajan, 2006; Woodall, 2003). Collectively, these anticipated costs generate consumer discomfort. Because such potential burdens are considered prior to purchase, heightened expectations of return hassle can discourage consumers from completing a purchase.

2.3. Product Uncertainty

Afundamental characteristic distinguishing online from offline retail is the inability of consumers to physically interact with products prior to purchase. In brick-and-mortar settings, physical product inspection serves as a critical final stage in the consumer decision-making process (Kim & Krishnan, 2015). The elimination of this step in online environments exposes consumers to various forms of product uncertainty.

Product uncertainty is generally defined as the consumer's difficulty in evaluating product attributes and predicting product performance (Hong & Pavlou, 2014). Hong and Pavlou (2014) further conceptualized this construct as comprising two aspects: product quality uncertainty, which reflects consumers' inability to assess the objective quality of a product prior to purchase, and product fit uncertainty, which refers to the difficulty in determining whether a product's attributes align with individual preferences. They empirically confirmed that product fit uncertainty exerts a significantly stronger effect on product returns than product quality uncertainty, suggesting that returns in online markets are driven by preference-product mismatch rather than by product defects.

Lenient return policies serve as risk-reduction mechanisms that attenuate pre-purchase uncertainty, thereby stimulating purchase intention (Wood, 2001). Meanwhile, such a reduction in uncertainty will occur as a result of alleviated return stress by offering customer-friendly return programs for resolving post-purchase dissatisfaction. Abdulla et al. (2022) empirically demonstrated that perceived transaction costs mediate the relationship between return policy leniency and purchase intention in parallel with perceived service quality, jointly determining perceived service value.

2.4. Purchase and Return Intentions

Purchase intention is generally defined as a consumer's willingness to engage in a purchase transaction with a particular retailer (Dodds et al., 1991). Prior research consistently confirmed that return policy leniency as a significant antecedent of purchase intention (Janakiraman et al., 2016; Wood, 2001). Oghazi et al. (2018) showed that perceived return policy leniency significantly increased purchase intentions through consumer trust, while Pei et al. (2014) insisted that return policy depth influences purchase likelihood by enhancing perceptions of fairness. Similarly, Wood (2001) argued that customer-friendly return policies work as a strategic marketing tool for stimulating purchase intention by reducing pre-purchase uncertainty.

Lenient return policy may paradoxically increase return intentions as well. Return intention refers to a consumer's post-purchase willingness to initiate the return of a purchased product. Understanding the determinants of return intentions is critical for retailers given that realized returns impose direct operational costs. This construct, however, has received comparatively less attention in the return policy literature, which has disproportionately focused on pre-purchase outcomes (Lee & Yi, 2022).

Consumers make purchase decisions by evaluating transaction-specific costs associated with both acquisition and potential product return scenarios. When return policies lower psychological and procedural barriers, they can facilitate return initiation. Lee and Yi (2022) investigated the effect of time-cue salience on product return intentions through a series of experimental studies and found that making time costs associated with returns more salient reduces return likelihood. This finding implies that if a retailer covers shipping fees or provides a generous return window, the perceived sacrifice associated with returning a product would be reduced, thus making return initiation more likely. Importantly, a hassle-free return process, serving as a post-purchase safety net, can also influence consumer perceptions at the pre-purchase stage. When anticipated return stress associated with potential unsatisfactory purchase experiences is relieved, consumers may feel less concerned about product uncertainty, which in turn enhances purchase intention.

Based on these arguments, this study proposes the following hypotheses. In this study, monetary and time dimensions of return policy leniency are examined as these present the most salient and practically relevant policy lever among leading online retailers in the South Korean market. The conceptual research model of this study is depicted in Figure 1.

H1: Higher return policy leniency increases purchase intention (H1-1: monetary leniency; H1-2: time leniency).
H2: Higher return policy leniency increases return intention (H2-1: monetary leniency; H2-2: time leniency).
H3: The relationship between return policy leniency and purchase intention is serially mediated by anticipated return stress and product uncertainty (H3-1: monetary leniency; H3-2: time leniency).
H4: The relationship between return policy leniency and return intention is mediated by anticipated return stress (H4-1: monetary leniency; H4-2: time leniency).

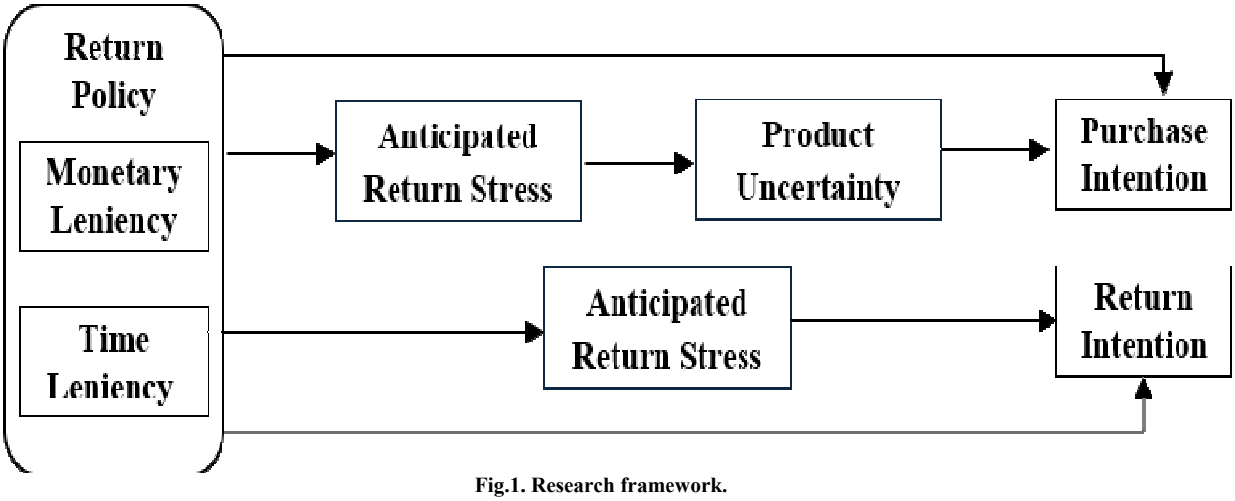


Fig.1. Research framework.

III. METHOD

3.1. Measure

In this study, purchase intention was defined as the consumer's willingness to purchase the product from the online retailer and was measured using three items adapted from Pei et al. (2014). Return intention was defined as the consumer's willingness to request a return if the received product did not fully meet his or her expectations and was measured using three items adapted from Lo et al. (2026) and Wang et al. (2025). Product uncertainty was defined as the degree of perceived risk arising from the inability to evaluate the product during the purchase process. It was measured based on Hong and Pavlou (2014), capturing uncertainty regarding both product quality and fit. Anticipated return stress was defined as the expected discomfort associated with the return process, with measurement items adapted from Abdulla et al. (2022). All measurement items for the four continuous variables are presented in Table 1. Each item was measured using a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). Composite scores for each construct were calculated by averaging the respective items for hypothesis testing.

3.2. Research Design

Monetary leniency was operationalized based on whether shipping costs were borne by the consumer or the retailer, while time leniency was defined by the length of the allowable return window. Specifically, in the low monetary leniency condition, consumers were responsible for round-trip shipping costs whereas in the high monetary leniency condition, the retailer covered these costs (i.e., free return shipping). Time leniency was operationalized as either a 7-day return window (low leniency) or a 30-day return window (high leniency) following product receipt. This manipulation reflects the current landscape of the South Korean e-commerce market, where major e-retailers (e.g., SSG.com, Lotteon.com, and Musinsa.com) typically accept return requests within a 7-day window from product receipt, while certain platforms (e.g., Coupang.com) extend this period to 30 days for specific products categories.

The experimental scenario described an online apparel purchase context, reflecting a product category characterized by high product uncertainty and commonly purchased by college students. No specific brand or retailer was identified in the scenario to avoid potential confounding effects related to prior brand attitudes or consumption experiences. The scenario for the group with the low monetary leniency and low time leniency condition is presented below. The scenarios for the remaining groups were identical except that the wording was modified to reflect the return policy manipulations described below.

Construct	Measurement Items
Purchase Intention	I am likely to purchase products from this retailer. The probability that I will purchase from this retailer is high. Given this return policy, I am willing to buy from this retailer.
Return Intention	I intend to return this product if I am not satisfied. I am likely to return this product if it does not meet my expectations. Given this return policy, I am willing to return the product if necessary.
Product Uncertainty	I worry that the product will not meet my expectations. I am concerned whether this product will fit me.
Anticipated Return Stress	I would feel hassled if I had to return a product to this retailer. Returning products to this retailer would be stressful for me.

Table1: Measurement Item

< Scenario for low monetary leniency &low time leniency condition >

I happened to come across a shirt with a design that I like on an e-shopping mall. The size of the clothing seemed appropriate for me, and I was able to select my preferred color option. Since I had not yet seen the product in person, it was difficult to accurately verify its other characteristics, such as the texture or thickness of the material. The shipping and return policy of this online shopping mall is as follows: [Free shipping on all products. When applying for a return within 7 days of receiving the product, a refund will be issued for the remaining amount, excluding the round-trip shipping fee]

3.3. Participants

The experiment was conducted in March 2026 in a classroom setting with undergraduate students enrolled in marketing courses at a university in Seoul, South Korea. Participation was limited to individuals who had made at least one online purchase within the past three months.

Participants of this study were randomly assigned to one of the four experimental conditions. Group A (low monetary leniency and restrictive return window). Group B (low monetary leniency and generous return window), Group C (high monetary leniency and restrictive return window), and Group D (high monetary leniency and generous return window). After excluding 33 responses due to inattentive answering or low perceived realism of the scenario, a total of 167 valid responses were retained for analysis (Group A: n=41, Group B: n=44, Group C: n=39, Group D: n=43). Among the final sample, 46.1% (n=77) were male and 53.9% (n=90) were female, with ages ranging from 18 to 27 years (M = 21.6 years).

IV. RESULTS

4.1. Manipulation Check

Monetary leniency was assessed using the item "The return policy of this shopping mall is financially customer-friendly" and time leniency using "The return period offered by this shopping mall is long." The high monetary leniency group (nc+D=82; M=5.79) reported significantly higher perceived

monetary leniency than the low monetary leniency group (nA+B=85; M=4.49; p<.001). Similarly, the high time leniency group (nB+D=87; M=5.82) reported significantly higher perceived time leniency than the low time leniency group (nA+C=80; M= 3.56; p<.001). Additional pairwise comparisons confirmed that the two manipulations operated independently. These results confirmed that both manipulations were successful and orthogonal.

4.2. Factor Analysis and Reliability Assessment

AnBefore testing the proposed hypotheses, descriptive analyses of the continuous variables were performed. The results are summarized in Table 3.

To test the effects of monetary leniency and time leniency on consumers' behavioral intentions, a series of two-way analyses of variance (ANOVA) was conducted on two distinct dependent variables: purchase intention and return intention. The choice of a full factorial model was desirable despite the absence of explicit hypotheses regarding interaction effects as recommended by Montgomery (2019). Analytical models that overlook potential interaction effects pose a substantial risk of distorting statistical inferences regarding main effects, potentially resulting in the misidentification of optimal conditions (Muralidharan, Romero, & Wüthrich 2025). The two-way ANOVA on purchase intention revealed a statistically significant main effect of monetary leniency (F(1, 163)=11.407, p< .001). However, the main effect of time leniency was not statistically significant (F(1, 163)=0.113, p=.737). Consistent with our analytical framework to rule out potential compounding factors, the interaction effect between monetary leniency and time leniency was found to be statistically non-significant (F(1, 163)=1.053, p=.306). This confirms that the effect of monetary leniency on purchase intention operates independently of time leniency constraints. A similar pattern emerged for return intention. The analysis yielded a statistically significant main effect exploratory factor analysis (EFA) was conducted on the four continuous constructs using principal axis factoring with a Promax rotation. The Kaiser–Meyer–Olkin (KMO) measure was 0.746, and Bartlett's test of sphericity was significant (p<.001), indicating the suitability of the correlation matrix for factor analysis. The extraction of four factors accounted for 74% of the total variance. All items exhibited factor loadings exceeding 0.7, with cross-loadings below 0.3, supporting both convergent and discriminant validity. Cronbach's alpha coefficients for all constructs exceeded 0.7, demonstrating an acceptable internal consistency reliability. The results of tests are shown in Table 2.

Variable	1	2	3	4	α
Purchase Intention1	0.951	-0.051	-0.064	0.052	.944
Purchase Intention2	0.950	-0.011	-0.050	0.042	
Purchase Intention3	0.871	0.059	0.097	-0.083	
Return Intention1	0.011	0.951	-0.051	0.077	.865
Return Intention2	-0.056	0.783	0.030	0.006	
Return Intention3	0.053	0.754	0.007	-0.081	
Product Uncertainty1	-0.016	0.024	0.764	0.036	.850
Product Uncertainty2	0.008	-0.038	0.963	-0.017	
Anticipated Return Stress1	0.044	-0.029	0.025	0.755	.755
Anticipated Return Stress2	-0.041	0.032	-0.005	0.803	

Table 2: Result of Factor Analysis and Reliability Test

4.3. Hypothesis Testing

Before testing the proposed hypotheses, descriptive analyses of the continuous variables were performed. The results are summarized in Table 3.

Group	A	B	C	D
n	41	44	39	43
Monetary Leniency	Low	Low	High	High
Time Leniency	Low	High	Low	High

Purchase Intention	4.31 (1.71)	4.13 (1.81)	4.92 (1.54)	5.28 (1.65)
Return Intention	4.64 (1.59)	5.15 (1.38)	5.69 (1.16)	5.56 (1.08)
Anticipated Return Stress	4.95 (1.51)	5.06 (1.35)	3.90 (1.20)	3.82 (1.20)
Product Uncertainty	5.02 (1.08)	4.93 (1.20)	4.63 (1.11)	4.59 (1.00)

Table 3: Descriptive Statistics by Experimental Group (Mean, SD)

To test the effects of monetary leniency and time leniency on consumers' behavioral intentions, a series of two-way analyses of variance (ANOVA) was conducted on two distinct dependent variables: purchase intention and return intention. The choice of a full factorial model was desirable despite the absence of explicit hypotheses regarding interaction effects as recommended by Montgomery (2019). Analytical models that overlook potential interaction effects pose a substantial risk of distorting statistical inferences regarding main effects, potentially resulting in the misidentification of optimal conditions (Muralidharan, Romero, & Wüthrich 2025).

DV: Purchase Intention	df	Mean Square	F	p
Monetary Leniency (M)	1	32.42	11.407	<.001
Time Leniency (T)	1	0.32	0.113	.737
M X T	1	2.99	1.053	.306
Residuals	163	2.84	-	-
DV: Return Intention	df	Mean Square	F	p
Monetary Leniency (M)	1	22.10	12.764	<.001
Time Leniency (T)	1	1.47	0.846	.359
M X T	1	4.31	2.49	.116
Residuals	163	1.73	-	-

Table 4: Effect of Return Policy Leniency on Purchase Intention and Return Intention

The two-way ANOVA on purchase intention revealed a statistically significant main effect of monetary leniency ($F(1, 163)=11.407$, $p< .001$). However, the main effect of time leniency was not statistically significant ($F(1, 163)=0.113$, $p=.737$). Consistent with our analytical framework to rule out potential compounding factors, the interaction effect between monetary leniency and time leniency was found to be statistically non-significant ($F(1, 163)=1.053$, $p=.306$). This confirms that the effect of monetary leniency on purchase intention operates independently of time leniency constraints. A similar pattern emerged for return intention. The analysis yielded a statistically significant main effectof monetary leniency ($F(1, 163)=12.764$, $p< .001$). Conversely, neither the main effect of time leniency ($F(1, 163)=0.846$, $p=.3599$) nor the interaction effect between the two factors ($F(1, 163)=2.490$, $p=.116$) reached statistical significance. These results further demonstrate that monetary leniency serves as the primary driver influencing consumers' return intentions, without being conditional upon or interfered with by time leniency. Accordingly, Hypotheses 1-1 and 2-1 were supported, whereas H1-2 and Hypotheses 2-2 were not. The detailed findings are shown in Table 4.

Type	Effect	Est.	SE	Lower	Upper
Indirect	Monetary L. → Return Stress → PI	0.147	0.082	0.011	0.347
	Monetary L. →P.Uncertainty→ PI	0.068	0.087	-0.091	0.259
	Monetary L. →Return Stress → P. Uncertainty ⇒ PI	0.099	0.042	0.036	0.188
Direct	Monetary L. → PI	0.579	0.246	0.081	1.067

Total	Monetary L. → PI (Purchase intention)	0.894	0.260	0.386	1.387

Table 5: Indirect and Direct Effect of Monetary Leniency on Purchase Intention

Type	Effect	Est.	SE	Lower	Upper
Indirect	Time L. → Return Stress → PI	-0.025	0.054	-0.160	0.080
	Time L. → P. Uncertainty → PI	0.046	0.086	-0.130	0.224
	Time L. → Return Stress → P. Uncertainty ⇒ PI	-0.014	0.031	-0.078	0.051
Direct	Time L. → PI	0.083	0.241	-0.382	0.567
Total	Time L. → PI (Purchase intention)	0.089	0.269	-0.436	0.605

Table 6: Indirect and Direct Effect of Time Leniency on Purchase Intention

To test H3 (serial mediation for purchase intention), the PROCESS macro-Model 6 (Hayes, 2022) was applied with 5,000 bootstrap resamples. The indirect effect of monetary leniency on purchase intention through anticipated return stress and product uncertainty (in series) was statistically significant (B=.099, 95% CI [.036, .188]), supporting H3-1. The indirect effect of time leniency on purchase intention through the same serial path was non-significant (B=-.014, 95% CI [–.078, .051]), thus H3-2 was not supported. The result of analysis testing H3 is shown in Table 5 and Table 6.

To test H4 (simple mediation for return intention), the PROCESS macro-Model 4 (Hayes, 2022) was applied with 5,000 bootstrap resamples. The indirect effect of monetary leniency on return intention through anticipated return stress was statistically significant (B=.223, 95% CI [.081, .427]), supporting H4-1. These findings suggest that the effects of a monetarily lenient return program on purchase intention and return intention were partially mediated by the proposed mediators. The indirect effect of time leniency on return intention through anticipated return stress was non-significant (B=-.035, 95% CI [-.187, .109]), thus H4-2 was not supported. The results of analysis testing H4 are shown in Table 7 and Table 8.

Type	Effect	Est.	SE	Lower	Upper
Indirect	Monetary L. → Return Stress → RI	0.223	0.082	0.081	0.427
Direct	Monetary L. → RI	0.493	0.202	0.112	0.864
Total	Monetary L. → RI (Return Intention)	0.716	0.204	0.322	1.164

Table 7: Indirect and Direct Effect of Monetary Leniency on Return Intention

Type	Effect	Est.	SE	Lower	Upper
Indirect	Time L. → Return Stress ⇒ RI	-0.035	0.074	-0.187	0.109

Direct	Time L. → RI	0.233	0.197	-0.137	0.613
Total	Time L. → RI (Return Intention)	0.198	0.211	-0.227	0.58

Table 8: Indirect and Direct Effect of Time Leniency on Return Intention

V. DISCUSSION

5.1. Theoretical Implications

The present study found that lenient return policy increases return intention as well as purchase intention and such results are in line with extant meta-analytic evidence across diverse retail contexts (e.g., Janakiraman et al., 2016). However, the mechanisms underlying this dual effect and the conditions under which the two outcomes differ have remained underspecified. This study contributes to resolving this theoretical gap by conceptualizing the anticipated return stress as a psychological transaction cost and by testing its role as a mediator between return policy leniency and behavioral outcomes. Specifically, the current study confirmed that the relationship between monetary leniency and purchase intention was serially mediated by anticipated return stress and product uncertainty, and the relationship between monetary leniency and return intention was mediated by anticipated return stress. From a transaction cost theory perspective, the results of this study are theoretically coherent. In the initial purchase stage, consumers seem to first assess the anticipated stress associated with a potential return and, upon perceiving it to be low, revise their concerns about whether the product will meet their expectations. In the subsequent post-purchase stage, the same reduction in return stress lowers the psychological and financial barriers to initiating a return, thereby increasing return intention when product expectations are not met. Namely, lenient return policy makes purchasing less risky and returning less costly. Such findings contribute to the literature on risk management in e-retail environment.

Another contribution of the present study is the demonstration that monetary leniency and time leniency exert asymmetric effects on behavioral intentions. While monetary leniency significantly increased both purchase and return intentions, time leniency had no significant effect on either outcome. From the transaction cost theory perspective, the financial cost of return shipping represents a salient and readily quantifiable transaction cost that consumers can easily evaluate and incorporate into their decision-making process. When retailers absorb this cost, consumers recognize that future unfavorable product outcomes can be remediated without personal financial loss, thereby reducing the anticipated stress associated with potential returns. While return window length does influence consumer behavior, there is a possibility that its effect was not observed in this study for the following reasons. First, the specific time manipulation levels (7 vs. 30 days) may not have been sufficiently distinct relative to the baseline expectations of the South Korean student sample, for whom a 7-day return window may already be considered acceptable. Second, the effect of time leniency on return behavior may be pronounced when consumers already possess a product and consider returning it, rather than in the pre-purchase evaluation captured in the present study. Third, there is a possibility that effect sizeof time leniency on behavioral outcomes is not large enough to be detected with the sample size of this study. Larger samples yield more precise estimates and make it easier to detect such effects.

5.2. Managerial Implications

This study provided empirical support for the positive effect of return program leniency on purchase intentions, especially when monetary leniency is high. Therefore, if retailers issue a refund without charging a round-trip shipping fee, the likelihood of selling products will be increased. However, retailers should keep in mind that the same policy lever that promotes purchases may also increase the likelihood of returns. Lenient return policies might reduce deliberation when evaluating products in the market, which increases both the speed and frequency of shopping while expanding the pool of potentially returnable items. Therefore, retailers must carefully evaluate the net profit of adopting lenient return policies by weighing the expected revenue from increased purchases against the operational costs of processing increased returns.

The present study's identification of anticipated return stress as a key mediator linking return policy leniency to both purchase and return intentions has important implications for marketing communications strategy. Retailers can influence consumer perceptions of return stress not only through actual policy changes but also through communication strategies that emphasize the psychological ease and convenience of the return process. For example, retailers might highlight the simplicity of return procedures, the availability of prepaid return labels, or the speed of refund processing in their marketing materials. Such communications may yield behavioral effects like those of actual policy changes, even without altering

the underlying policy terms. Such a communication-based approach is valuable especially for retailers with limited resources for implementing highly lenient return policies.

5.3. Limitations and Directions for Future Studies

Several limitations of this study should be acknowledged and suggest directions for future research. First, the present study focused exclusively on monetary and time leniency levers, without considering other dimensions such as effort, scope, or exchange levers. A more comprehensive, multi-dimensional experiment would provide a fuller understanding of how return policy configurations shape consumer behavior. Second, this study relied on hypothetical purchase scenarios and self-reported behavioral intentions rather than observed purchase and return behaviors. While intentions are good predictors of actual behavior, the gap between them is well documented, thus the effect of return policy on actual behavior may differ from those observed in the present study. Future research employing field experiments or archival transactional data would enhance external validity and provide more precise estimates of the effects of return policy leniency on actual purchase and return rates. Furthermore, it is valuable for future studies to examine the conceptual relationship between purchase intention and return intention, as they do not merely operate as parallel dependent variables but are theoretically intertwined. In online shopping environments characterized by high information asymmetry, return intention and purchase intention often exhibit a complementary relationship. Grounded in perceived risk theory, a consumer's willingness to return a product works as a risk-mitigation mechanism. When lenient return programs elevate a consumer's psychological comfort regarding potential returns, this flexibility significantly lowers the psychological barrier to buying, thereby increasing purchase intention. Lastly, the sample of this study, which consisted exclusively of university students in South Korea, may limit the generalizability of the findings. For example, the sensitivity to return shipping costs might be different from general consumer populations. In some cases, individual differences, such as the amount of income or allowance, need to be controlled for hypothesis testing. Future research should replicate this study with more diverse samples, including those from different cultural backgrounds.

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