

Executive Summary

Effects of Live Streaming Commerce on Returns and Measures for Return Avoidance from a Customer's Perspective

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While live streaming commerce enriches product presentation and expands the scope for interaction compared to traditional online shopping, it is nonetheless true that this retailing approach often leads to spontaneous purchases. Hence, the hurdle for returns is comparatively low, and this is particularly the case with fashion items. Despite the high return rate of fashion items in excess of 30% in live streaming commerce, and the reality that it is difficult to avoid customer returns, research has yet to thoroughly investigate the returns issue specific to the live streaming platform. Our paper investigates returns in live streaming commerce in China, which is encapsulated in the research question of *how different measures employed to avoid the return of fashion items influence customer satisfaction*. Return avoidance is the proactive elimination of return reasons.

We base our research on the expectation–confirmation paradigm and the product–fit uncertainty theory, and regard the return behaviour of customers as the consequence of the comparison between the expectation of the item from watching it and the reality when they receive the item. To enhance the shopping experience with live streaming commerce and to, at the same time, reduce returns, the utilitarian aspects of live streaming commerce point to various measures to improve product presentation and information. From a hedonic perspective, the live chat provides a means to interact with the streamer or the audience. It also helps to reduce product uncertainty by asking questions or picking up information.

To avoid returns, a variety of measures can be used simultaneously. A literature review resulted in three studies on returns in online retailing that offered an overview and classification of several avoidance measures. The three studies use different classifications of return measures, therefore, there are only a few common measures. To include aspects of live streaming commerce, we analyse 100 complaints sourced from the Chinese complaint website, Heimao. The resulting eleven measures to avoid the return of fashion items in live

streaming commerce are evaluated by a sample of 57 Chinese customers who had already purchased and returned products in live streaming commerce.

Drawing on a sample of 509 experienced Chinese participants, we employ the Kano model (Berger et al., 1993; Kano et al., 1984) to analyse customers' evaluation of the different return avoidance measures for fashion items. A segmented perspective is used to derive further insights into customer behaviour, characteristics, and the classification of measures. Truthful product description, detailed product information (fit, material), live interaction, and personal customer service during the post-live-streaming stage are viewed as valid performance measures, and the absence of a detailed description of the shipping and delivery times and return policy is a basic source of dissatisfaction. The three-segment solution demonstrates the importance of improving product presentations for well-off, environmentally conscious, female customers.

This paper is principally concerned with the problem of Chinese shoppers returning fashion items. However, live streaming platforms are becoming increasingly popular in the US and Europe, which makes dealing with returns of wider significance. Our recommendations to platforms and streamers include presenting detailed product information during live streaming, refraining from deceptive advertising, and providing sufficient staff for after-sales service.