Advantageous for Who?

A study of How Delivery and Return Policies Affect Customer Perception of Multichannel Retailers

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Acknowledgement
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Jakob Granlund

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Abstract

In today’s retail landscape, the goal of retaining loyal customers is a pivotal part of success. Multichannel retailers offer an extended service package which increases the chances of totally satisfied customers, a requirement for loyalty. In 2017, 20-30 percent of all purchased e-commerce goods were returned. This aroused an interest in how consumer behaviour is influenced by a multichannel retailers’ delivery- and return policies, and so the purpose of this study was defined. The nature of the purpose directed the study to a quantitative form, where primary data was collected by conducting a survey on Lulea University of Technology (LTU) students. A requirement for the participants was to have experience in online purchasing from a multichannel retailer, such as Zara. A theoretical framework consisting of hypotheses and the main theories of the study were formed to conceptualise the potential relations. This framework was then used as a basis throughout the data analysis that made use of established measures, which were performed by means of multiple regressions and correlations on the data. The analysis revealed mixed results, some rejecting the null hypotheses and some confirming it. In other words, there exists a relation and direct link between delivery- and return policies towards brand image. This study could not prove a direct connection between delivery- and return policies towards brand loyalty, potentially due to a small sample size. A false negative also deemed the final connection between brand image and brand loyalty as inconclusive, however a larger survey sample would probably have resulted in a proven relation. This study has begun filling the gap between how delivery- and return policies influence multichannel retailers brand image and brand loyalty, an area with scarce information. The research team recommends future studies to conduct qualitative approaches to gain deeper insight into the mind of the consumer and their thoughts regarding the discussed policies. In addition, future research could view it from a company perspective to create a circumferential information stream. Most importantly, a large sample should be obtained to make sure that the relations expected to exist, can be proven.

Keywords: Delivery, Returns, Brand Image, Brand Loyalty, Multichannel Retailer
# Table of Content

1. **Introduction**  
   1.1 Multichannel Relevance  
   1.2 Delimitations  

2. **Literature Review and Theoretical Framework**  
   2.1 Brand Image  
   2.2 Customer Loyalty  
   2.3 Multichannel Retailer  
   2.4 Return and Delivery Effects  

3. **Conceptual Framework**  

4. **Methodology**  
   4.1 Research Approach  
   4.1.1 Ethics and Principles  
   4.2 Research Design  
   4.2.1 Measurement (Questionnaire)  
   4.3 Population and Sample  
   4.3.1 Sample size  
   4.4 Primary and Secondary Data  
   4.4.1 Data Analysis  
   4.5 Validity and Reliability  
   4.5.1 Reliability  
   4.5.2 Validity  
   4.6 Conclusion of method  

5. **Data Analysis**  
   5.1 Data Analysis  
   5.2 Multiple Regression  
   5.2.1 Multiple Regression One  
   5.2.2 Multiple Regression Two  
   5.2.3 Correlation  
   5.3 Hypotheses  

6. **Conclusions**  
   6.1 Conclusion of Research Questions
6.1.1 Theoretical Implications 42
6.1.2 Managerial Implications 42
6.2 Future Research and Recommendations 43
6.3 Limitations 44

References 45

Appendix 1 - Questionnaire 3

Table of Figures and Tables

Figure 1.1 Brand image and its concluding parts and ways they can alter 8
Figure 2.1 Delivery and Return Concept 15
Figure 3.1 Theoretical Framework 17
Figure 4.1 Example Question 22
Figure 5.1 Method Scheme 27
Figure 6.1 Theoretical Framework Recap 29

Table 1.1 Research Questions 16
Table 2.1 Source of questions in survey 27
Table 3.1 Descriptive Statistics 30
Table 4.1 Multiple Regression One 32
Table 5.1 Multiple Regression Two 34
Table 6.1 Correlation to Brand Image 36
1. Introduction

The following chapter will introduce the reader to the background information and the theoretical areas that this thesis will cover. Following this, the research purpose and the connected research questions will be presented. And finally, the delimitations of this thesis will be discussed.

The expansion of e-commerce and internet sales seems to have no end. The fourth quarter of 2017 US e-sales amounted to 119 billion USD (Census Bureau, 2018). In the year of 2016, Amazon, the titan of US e-commerce accounted for 53 percent of online sales growth in the country. While internet entrepreneurs are thriving, bricks-and-mortar companies (i.e. companies that only operate in an offline channel) are struggling to keep up, resulting in declining store-sales and increases in store-closure (Keyes, 2017). The trend of e-commerce began in the 90’s and forced companies to become accessible online, thus marking the evolution of multichannel retailers, also known as bricks-and-clicks because of their availability online and offline (Ofek, Katona & Sarvary, 2011).

This report will seek to understand the connection between multichannel retailing and established marketing concepts such as brand image and loyalty, while putting it into a return and delivery policy context. A retailer that expands to the online channel can take advantage of the halo effect on their offline brand image when expanding to the online channel. Consumers use the brand to get an overview of the provided information and they respond to a company’s marketing efforts in accordance to the brand’s image, based on previous experiences with that brand (Kwon & Lennon, 2009). Brand image is a factor that, in pair with brand personality, influence brand trust. Brand trust in turn, are postulated to affect brand loyalty (Mabkhot, Shaari & Salleh, 2017). It is known that when a consumer trusts a brand, he or she is likely to form a positive intention of purchase with a decreased attention to risk (Aydin & Özer, 2005).
The trend of multichannel retailing has challenged brands to transfer their customer loyalty to the online channel, and a study conducted by Frasquet, Descals and Molina (2017) suggested that offline loyalty is the greatest influence to online loyalty. Previous studies conducted by Wallace, Giese and Johnson (2004) strengthens the theory that retailers expanding to the online channel receives a ‘pay-off’ in customer loyalty as a result of the extended service portfolio of the company and the enhanced opportunity to solve complex customer requirements. A synergic portfolio of service channels thus increases the satisfaction of the customer (Wallace et al., 2004). The key word ‘synergic’, can in this context be further connected to customers demanding consistent experiences across these channels (Kwon & Lennon, 2009). Retaining these loyal customers are vital for companies because they buy more, spend more and acts as ambassadors to the company (Harris & Goode, 2004), spreading the brand image.

However, the expansion to an online channel comes with certain costs and liabilities. When product returns occur, they entail a cost to the company (Ofek et al., 2011), and an effort for the customer that will contribute to the total experience (Ramanathan, 2011). A customer that is happy with the enablement of returning a product without problems will most likely return to buy more products from that company, partly as a result of that return policy (Ramanathan, 2011). Ramanathan (2011) covers the area of product returns and purchasing behaviour to some extent. Nevertheless, the authors have found that there is an existing gap in recent science of how important these delivery- and return policies are and the effect that they may have on brand image and customer loyalty with regards to multichannel retailers. As a result, the research problem is: Does the delivery and return policies influence the brand image and customer loyalty towards multichannel retailers?

As of 2017, return rates on the US market are still very high, with reports suggesting that 20-30 percent of all purchased e-commerce goods are returned (Winkler, 2017). A study conducted by Hjort and Lantz (2016) further concluded the problem of high return rates. Return policies that are free of charge will not necessarily benefit the retailer in terms of long-term profitability. However, their study did not conclude the effect the policies, whether they are lean or free, have on the brand image and customer loyalty towards that company.
Therefore, this study will try to find the answer to the research questions below:

**RQ1: Is the customer perceived brand image affected by a multichannel retailer’s delivery and return policies?**

**RQ2: Is the customer loyalty towards a multichannel retailer influenced by their delivery and return policies?**

A ‘policy’ is by the Oxford dictionary defined as “a course or principle of action adopted or proposed by an organisation or individual” (Oxford Dictionary, n.d). However, in this study it is referred to the price, place and availability principles adopted by multichannel retailers with regards to their delivery and returns.

This report contributes with knowledge that can be applied in the field of research and business regarding what impact the policies have towards a company, something that is lacking in today’s field of research. The authors believe this to be of high relevance because of the digital revolution that is constantly developing and evolving, with forecasts of increased e-commerce spending each year (Chaffey, 2017). Along with the knowledge that can be of importance to other researchers, as well as companies that are uncertain of the impact of delivery and return policies, this study contributes with applicable insight to the field.

**1.1 Multichannel Relevance**

The fourth quarter of US-retail sales saw e-commerce account for nine percent of the total retail sales, and this number is growing each year (Census Bureau, 2018). As early as 2004, more than 75 percent of US consumers were so called bricks-and-clicks consumers. Suggesting that people would use multiple channels to enhance the shopping process (Kwon & Lennon, 2009). These numbers alone make it interesting and relevant to put the theories with regards to what this study is investigating into a multichannel retailing context. In addition, the service offer from multichannel players is extended and it enables returns and pick-ups in a physical store, something that is of high relevance as today’s standards and expectations rises.
Merely talking about these theories in connection to return and delivery policies without putting into a strategic context, is by the authors deemed useless. The default context of such nature would be e-commerce and online shopping only. However, the extended service offer in combination with their commonness in today’s markets, makes multichannel retailers a far more interesting choice.

1.2 Delimitations

To begin with, this study is delimited to multichannel retailers. Although, it will not study the delivery and internal logistics of retailers to the physical store. In the sense of multichannel, this article will only analyse the context of multichannel companies. Furthermore, brand image can by the consumer be viewed in terms of price, status or quality (Wild & Wild, 2016). However, this study will focus on brand image as a whole, thus how a company is pictured in entirety in the mind of the consumer with regards to all of the factors of brand image theory. The survey conducted was delimited to students at Lulea University of Technology, but only students that have an experience of shopping at a multichannel retailer was relevant for the survey. Finally, this study is focused on clothing products and not services.
2. Literature Review and Theoretical Framework

This chapter will cover and define all the theoretical areas and models that this thesis will be based upon. The theories that will be brought up in this section is brand image, multichannel retailing and customer loyalty. The chapter finally defines delivery and return policies and put it in the context of multichannel retailers.

During the search for scientific articles and theories that are applicable to this study, the authors have yet to find anyone that specifically covers the area of choice. Therefore, it has been decided to divide the areas into brand image, customer loyalty and multichannel retailers, while also searching for delivery- and return policies within these areas.

2.1 Brand Image

Consumer-based brand equity is defined as the “differential effect of brand knowledge on consumer response to the marketing of the brand” (Keller, p.1, 1993). Where the concept of brand knowledge consists of two components, brand awareness and brand image (i.e., the bundle of brand associations that a consumer has) (Keller, 1993). This thesis is partly focused on the brand image that consumers have of multichannel retailers, where brand image is defined as “perceptions about a brand as reflected by the brand associations held in the consumer memory” (Keller, p.3, 1993). Furthermore, a brand image is more than the intuitive event that occurs by the marketing activities by itself. It is associated with the total sum of brand-related activities that is recognised by the consumers from the firm (Park, Jaworski & Maclnnis, 1986).

Brand image consists of different types of brand associations, which is the attributes and benefits of a brand’s products or services along with the attitude regarding the brand (Kwon & Lennon, 2009). Attributes is according to Keller (1993), the features by which a product or service is characterised. He further defines benefits as what personal value a consumer associates to the product or service attributes. In other words, what the consumer believes the product or service can contribute with to them. The final type of brand association is attitudes, which is defined as the sum of a consumer’s assessment of a brand (Keller, 1993).
Figure 2.1 below, schematically presents the different types of brand associations as well as how they alter.

![Diagram of brand image and its components](image)

**Figure 1.1**: Brand image and its concluding parts and ways they can alter  
*Source*: Adapted from Keller (1993), S.7

Keller (1993) further states that the different types of *brand associations* that *brand image* consists of, can alter when it comes to their *favorability, strength, and uniqueness.*  
*Favorability of brand associations* alludes on that associations can alter depending how favourable they are perceived to be. Favourable brand associations can be achieved when consumers consider the brand to have attributes and benefits that delight their needs and wants, and by that create a positive brand attitude towards the brand. The *strength of brand associations* is the process of how information transfers to the memory of the consumer, conjointly how it is stored as part of the consumer's perceived *brand image.* The *strength of the brand association* is dependent on two factors, the quantity and quality of the processing of the information that influence the consumer. *The uniqueness of brand associations* is connected to brand positioning and in what way a brand communicates competitive advantage towards other brands, which leads to consumers wanting to buy from a particular brand. Keller (1993) additionally implies that if a brand possesses strong and favourable associations that is unique and superior against competitors’ brands, it implies the essence for a brand’s success (Keller, 1993).
In connection to the research conducted by Keller (1993), Kwon and Lennon (2009) conclude the relation between online and offline *brand image* of multichannel retailers, and they point out three assumptions:

(1) a multichannel retailer’s *brand image* is reflected by the consumer’s beliefs about the retailer’s attributes/benefits and overall attitude about the retailer; (2) the attitude component of the image is a function of the belief components; and (3) an image can form separately for each retail channel according to the beliefs and attitudes about the retailer in the corresponding channel. (Kwon and Lennon, 2009, p.378)

The three assumptions brought up by Kwon and Lennon (2009), conclude the connection between the earlier mentioned definitions of the included parts of *brand image* and the different types of *brand associations* in the context of multichannel retailers. Furthermore, Kwon and Lennon (2009) states that online believes has a minor cross-channel effect on offline attitude, compared to offline beliefs on online attitude. In connection to this, they conclude that if an online retailer has a frail offline brand image they need to provide a greater online performance to get the same acceptance as if they had a strong offline brand image (Kwon & Lennon 2009).

With regards to brand image and the context of multichannel retailers, it could be argued that there are differences in the way a consumer transfers their perceived brand image between the different channels of offline and online that the company is active in. It is easier for the multichannel retailer to have the perceived brand image transferred from the offline channel to their online channel than the other way around. Kwon and Lennon (2009) reason that a brand can take advantage of halo effects of their offline brand image when expanding to an online channel, but also argues that an image can form separately for each channel. With this in mind, it can be assumed that there exists no clear direction in previous research with regards to the ability to transfer brand image between channels.

Zhang (2015) states that brand image could be considered to be one of the driving forces behind customer loyalty. The author further states that this relationship is true in the online environment. In connection to Zhang (2015), Salleh et al. (2017) reason that there is a direct
effect of brand image on customer loyalty towards the brand. Both studies conclude the connection between brand image and customer loyalty towards the brand and is the starting point for hypothesis three (H3), which will be presented in the frame of reference in section three.

2.2 Customer Loyalty

Loyalty is an objective and crucial factor for any online vendor, and it is a concept that contains both intentional and behavioural components (Fang, Shao & Wen, 2016; Odin, Odin & Vallete-Florence, 2001).

Oliver (p. 23, 1997) defines loyalty as “A deeply held psychological commitment to repurchase a product or repatronize a service in the future despite obstacles and disincentives to achieve the consumption goal...”. However, an abundance of research (Fang et al., 2016) and different directions have seen loyalty theory being divided into two different approaches, the stochastic- and the deterministic approach. The question dividing the stream of research and the characteristics of these two approaches, and thus the theory of loyalty, is whether it is a behaviour or an attitude (Odin et al., 2001). Jacoby and Kyner (1973) made an effort in defining brand loyalty while considering it a combination of behaviour and attitude and came up with a result that suggest a set of six necessary commonly sufficient factors. Brand loyalty is “(1) biased (i.e., nonrandom), (2) behavioral response (i.e., purchase), (3) expressed over time, (4) by some decision-making unit (5) with respect to one or more alternative brands out of a set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes” (p. 2). They conclude that true customer loyalty will fulfil all of these factors. Worth noting is that loyalty is also a term that is expected to occur over a period of time (Jacoby & Kyner, 1973).

There exist four different phases of loyalty (Toufaily, Ricard & Perrien, 2013). Cognitive loyalty targets brand aspects. Affective loyalty targets emotions and brand performance. Conative loyalty defines the customers willingness to repurchase from the brand. Action loyalty relates to the customers intention to take action, followed by their motive to overcome barriers to that action. Although, this sub theory of loyalty does not transfer to customer
online loyalty, because an online channel does not as clearly define the cognitive state (Toufaily et al., 2013). Toufaily et al. (2013) further states that online loyalty from a relational perspective reflects an effort to resist switching brands, even when there exists a good reason to change. There exists an array of different definitions of online loyalty and the field of study seems to believe that it is either a will to repurchase, or an attitudinal preference. Toufaily et al. (2013) describes it as:

> the customer's willingness to maintain a stable relationship in the future and to engage in a repeat behavior of visits and/or purchases of online products/service, using the company's website as the first choice among alternatives, supported by favorable beliefs and positive emotions toward the online company, despite situational influences and marketing efforts that lead to transfer behavior (p. 1439).

This study considers the repurchase intention as prevalent, and in a more easily understandable explanation, loyalty could be described as the outcome of a quality → value → satisfaction → loyalty chain. Which ultimately transfers to repurchase intention, which is not necessarily beneficial for the retailer (Kim, Galliers, Shin, Ryoo & Kim, 2012).

In a multichannel context, the online and offline loyalty might seek to be combined depending on what strategy the company is using. While there is an abundance of literature in the bricks-and-mortar form of loyalty, and the online channel form of loyalty, few articles exists that examines the concept of loyalty in a multichannel context (Hsieh, Roan, Pant, Hsieh, Chen, Lee & Chiu, 2012). A study conducted by Frasquet et al. (2017) revealed that offline beliefs, attitudes and behaviours has a major impact on online loyalty. Shoppers tend to transfer the beliefs and views of the company to the online channel. Something that can be considered as good news for multichannel retailers. If there exists a one-way transfer of the beliefs in the direction of offline to online, return and delivery policies will only affect a consumer’s loyalty to the online channel. Nevertheless, in a competitive environment, repurchasing customers are vital for online platforms and the loss of loyal customers could result in expensive scenarios. Furthermore, the definitions of loyalty by Oliver (1997) and Toufaily et al., (2013) have similarities. Their articles claim that companies with loyal customers are resilient to situational forces and/or obstacles, suggesting that once you gain loyalty, something truly disastrous most occur for them to give up on that loyalty.
In connection to this, there has been a development among multichannel retailers to take advantage of their in-store channels by providing the consumer with the option of picking up or returning a product acquired online at the physical store. Providing this service to the customer grants the option of bypassing delivery costs and extensive delivery time (Mahar & Wright, 2017).

2.3 Multichannel Retailer

Multichannel retailing is the combination of activities by a retailer to sell products and services to consumers using several channels. While multichannel retailers are firms that conduct their business in multichannel retailing form with the fundamental purpose of generating revenue by conducting retailing activities online and offline (Zhang, Farris, Irvin, Kushwaha, Steenburgh & Weitz, 2010). As mentioned in the delimitations of this study, the focus will be on multichannel retailers selling products, because delivery and return policies is more relevant for physical products than services. Additionally, the two channels that this study examines are retailers that combine in-store (offline) and online channels.

The internet era has emerged and developed into the way forward for retailers, to take the leap from store-based retailer, to extend their business to an online channel and improve their offering towards the customer. The multichannel retailers of today are the new giants that prevail the area of internet retailing (Zhang et al., 2010). Furthermore, Zhang et al. (2010) states that by conducting business in multiple channels, retailers can delight customers’ needs and limit the insufficiencies of the separate channels. In a case study conducted by Dholakia, Zhao and Dholakia (2005), the authors concluded that multichannel retailing creates long-term loyalty by giving the customers the opportunity of choosing their preferred channel for shopping. This could in turn enable the company to get an enlargement of the brand, due to the increased loyalty that the extended service provides. Neslin and Shanker (2009) argues that the statement of multichannel customers being more valuable than single channel customers has become an acknowledged understanding in previous research.
Zhang et al. (2010) in discussing the benefits to be gained by a retailer when being active in more than one channel, thus a multichannel approach, asserts that the shortcomings of each channel could be conquered. In addition, the authors reason that an offline store enables the customer to “use all five senses when evaluating products, personal service, the option of cash payment, entertainment and social experiences, and immediate acquisition.” (p. 169). Furthermore, Zhang et al. (2010) argues that non-store channels, which online channel is part of, provides the consumer with the option of buying at any time of the day and at the place of his or her choice, have an array of products to choose from, and that the internet channel allows the consumer to allocate the wanted amount of information ahead of the actual purchase decision.

How a customer perceives the brand and the degree of loyalty towards it could be based on what has been discussed in this section. Presumably those factors differ depending on the situation that the purchase is made within. Zhang et al. (2010) states that a brand can overcome shortcomings that is present in the separate channels by having a multichannel approach. An interesting question raised in connection to this, is in what way a customer would be influenced by different delivery and return policies depending on the situation, and if all the benefits of an online channel and negatives of disadvantageous return and delivery policies can form an equilibrium. This is line with the notion of value trade-off, and the give and get concept, which of course is highly subjective (Zeithaml, 1988). In the following section the area of return and delivery policies and their effect on a consumer's perceived brand image and loyalty will be discussed.

2.4 Return and Delivery Effects

If a positive outcome of an online channel outweighs disadvantageous delivery- and return policies, it would be logical to conclude that a costly delivery is acceptable if the product is delivered to the front door of the consumer the following day. This section will present the scientific anchoring of return and deliveries and how they may affect consumers and companies.
The return of a product is a behaviour component for a consumer (Jiang & Rosenbloom, 2005), and the policies that a multichannel retailer adapts will in the mind of the consumer be viewed as a risk reliever. From the perspective of the retailer, the policies are a tool to increase demand (Janakiraman, Syrdal & Freling, 2016) and repurchase. As a part of the after-delivery satisfaction, returns will contribute to the total experience for the consumers’ and the retailer-preferred repurchase. Jiang and Rosenbloom (2005) argue however, that only totally satisfied customers are truly loyal, thus the return and delivery policies and their level of risk relief will affect a consumer’s loyalty to a firm. While discussing shipping (without returns) and online loyalty, the importance of “on-time” deliveries comes into play. Delivery and distribution systems are hard for competitors to copy, and gives the retailer a differentiation advantage. For the consumer, this differentiation takes on the form of reliability on the retailer to deliver in time, with order completeness and order-cycle time (Jiang & Rosenbloom, 2005), all of which will contribute to the consumers’ loyalty.

Ramanathan (2011) discusses the connection between how companies handle product returns and customer loyalty, and the aspect of risk characteristics of products in this context. He concludes that if a customer is satisfied with the option of returning a product without complications, hence a purchase without risk, he or she will have a tendency to repeatedly purchase from the company and thus become a more loyal customer. The research and conclusions made by Ramanathan (2011) are limited to the context of e-commerce, hence he does not deal with potential cross channel situational conflicts. His findings will substantiate what this study will try to contribute with to the field of research, but in extension, this study will have a broader view and among other things, put the relationship between return policies and customer loyalty in the context of multichannel retailers.

Although the authors of this study deem delivery and return policies as part of a service package, they are in literature rarely discussed together, and there is a lack of research on how delivery policies specifically affect customer loyalty and brand image. In addition, research is required in the area of how the policies jointly impact the loyalty and image of brands across different channels, and if the beliefs upset by disadvantageous policies transfer across these channels. Research has been conducted on returns, and leniency of the returns in
connection to their actual profit contribution (Janakiraman et al., 2016; Lantz & Hjort, 2013; Jiang & Rosenbloom, 2005). Still an insufficiency of research on how returns affect brand image exists in the field, and this study seek to solidify that insufficiency.

From a leniency angle, Lantz and Hjort (2013) studied whether free or lenient return policies would lead to higher sales and of course, higher returns. They reached a conclusion similar to common price-theory beliefs; if a service is free, it will have a higher demand, but this does not mean that it will create loyalty. However, it enables us to conclude that consumers react similarly to the policies even though they are separate, and this approach will be taken while conceptualising the frame of reference, similar to figure 2.1 below:

![Diagram of Delivery and Return Concept](image)

**Figure 2.1:** Delivery and Return Concept

The figure illustrates how the policies of each service are separate, while still being considered part of a greater service package.

Core arguments for this study lies in the importance of delivery and return policies in a modern online environment. The change in EU-laws that enabled companies to charge the consumer for the returns also introduced competition between firms that either have free or costly returns (Europa, 2018). Companies must seek to reach completely satisfied customers for them to become loyal and repurchase, advantageous policies will help them towards this goal. And once again the questions awake, whether this time advantageous policies will form a similarity to the halo phenomenon and effect all channels of the company.
3. Conceptual Framework

The following chapter will present the frame of reference, where the authors created the tool that guides the empirical assembly. The theories in the introduction and the literature review will be used to create a conceptual framework to answer the research questions.

The literature above talks about the theories that will be used in this report and in many situations, in context to multichannel retailers. The background of this study was to find an answer to the problem of if the delivery and return policies influence the brand image and customer loyalty towards multichannel retailers. It was presented that 20-30 percent of all purchased e-commerce goods in the US are returned (Winkler, 2017) and depending on the leniency of the policies, consumers are more willing to return products, increase their demand and the probability of repurchase will rise (Lantz & Hjort, 2013; Ramanathan 2011). However, few studies have been conducted regarding how the policies of return and delivery affect loyalty and brand image. Thus, the research questions, repeated below, was formulated.

<table>
<thead>
<tr>
<th>RQ1</th>
<th>Is the customer perceived brand image affected by a multichannel retailers’ delivery and return policies?</th>
</tr>
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<tbody>
<tr>
<td>RQ2</td>
<td>Is the customer loyalty towards a multichannel retailer influenced by their delivery and return policies?</td>
</tr>
</tbody>
</table>

Keller (1993) laid the foundation of brand image theory and its building blocks. He considers brand image to be the result of perceptions as reflected by the brand associations held by the consumer. This study uses the knowledge provided by Keller (1993) and seek to find a connection between brand image and the delivery- and return policies of an organisation. The gap perceived, present in this field, will begin to be filled by the results gathered in this report. Furthermore, the research conducted by Salleh et al. (2017) concluded that brand image affects the customer’s loyalty to that brand, and brand image is considered one of the driving forces of customer loyalty (Zhang, 2015). With this information, the authors assume that a positive relation between brand image and loyalty exists. Nevertheless, the authors of
this study seek to increase the reliability of those reports by measuring the effect brand image has on loyalty if it has been afflicted by disadvantageous delivery and return policies. Figure 3.1 below accurately visualised the theoretical framework and nature of which the hypothesis of this study will emerge.

![Theoretical Framework](image)

**Figure 3.1: Theoretical Framework**

The figure schematically derives upon the hypothesis based on the research questions presented in the problem discussion and the results this study aim to arrive at. As discussed above, hypothesis one, two and three will be as follows:

**H1:** Delivery policies affects the customer perceived brand image.

**H2:** Return policies affects the customer perceived brand image.

**H3:** Brand image that has been affected by delivery and return policies will in turn alter the customer loyalty towards an organisation.

Ramanathan (2011) is one of the few authors to have tackled how return policies affects brand loyalty. With a risk perspective in mind he concluded that a person that considers the policies to be to his or her advantage, the possibility of repurchase will increase. Hjort & Lantz (2013) suggested that if a return is free, the rate of returns will increase, which is in line with basic price theory. With this in mind, the authors can assume that free delivery will lead to higher sales, while free returns increase both sales and returns. Leading us to the fourth hypothesis.

**H4:** The return policies of an organisation will affect the loyalty towards that organisation.
The knowledge on how delivery policies influence the level of loyalty a consumer has towards an organization is scarce. Jiang and Rosenbloom (2005) made an effort in describing factors such as timely deliveries and distribution systems that creates a competitive advantage as loyalty creating. This study will look at similar factors, but in extension, factors such as price, time and pick-up locations, summarized in the fifth hypothesis.

**H5: The delivery policies of an organisation will affect the loyalty towards that organisation.**

As mentioned in the introduction section of this study, the earlier stated theories of brand image, loyalty and how delivery and return policies affect them, will be in the context of multichannel retailers. The study conducted by Wallace et al. (2004) discusses the “pay-off” effects that a retailer receives when extending their service offer and evolving into a multichannel retailer. In connection to this, Zhang et al. (2010) reason that a multichannel approach can reduce the insufficiencies of the separate channels. Furthermore, it could be argued that multichannel retailing creates long-term loyalty of customers by giving the choice of different shopping channels (Zhao & Dholakia, 2005). Thus, this study tries to extend the previous research in the field of multichannel retailing by investigating how their delivery- and return policies will affect the customers perceived brand image and loyalty towards the brand.
4. Methodology

This section will present the approach and method of data collection this study has taken. The methodology chapter will illustrate the research strategy, discuss the sample and reflect on the validity and reliability of the study.

4.1 Research Approach

To begin with, this study had to decide upon which method of data collection that would fit the given purpose, and gather most information relevant to the research questions. There are advantages with the qualitative and quantitative methods, and one must distinguish them from each other to reach the answer of which has the highest relevance (David & Sutton, 2016). A study of this nature was in need of data, primary and secondary. Given the research problem and the descriptive complexion of this study, a quantitative method was the one with the highest relevance, and thus the one the authors chose as primary source of data collection. The main goal of a descriptive research is to describe a situation, problem, service or phenomenon. Placed into context, this could be an attempt to describe a specific service of an organisation or how participants feel about a phenomenon. A quantitative method is distinguished by scientific observations that is registered as statistical data. The results are often verified rather than generalised, as opposed to qualitative studies that are more in-depth valid. The study made an effort in confirming or revoking hypotheses connected to the research problem in addition to the descriptive nature, defining the research as deductive (David & Sutton, 2016). Leading to an anticipative data collection structure that tests the relation between variables.

4.1.1 Ethics and Principles

This study has been conducted in an ethical way, and the authors have had several principles in mind. These principles were informed consent, privacy, anonymity, and confidentiality. In this study, informed consent was applied by asking the students to participate, instead of forcing them or with the help of manipulation (David & Sutton, 2016). Privacy, which grasps the principles of anonymity and confidentiality is concerned with participants that will not be stated by name, address or other similar confidential information. It is important to make sure
that the participants are aware of these ethical and privacy concerned matters and that they were applied in this study (David & Sutton, 2016). In the conducted survey, a small paragraph of the ethical principles applied to this study was presented to the participants, thus making sure that they knew what they were engaged in.

4.2 Research Design

The purpose of a research design is to create a framework for the collection and analysis of data. The design is vital for the study for it to find out the relation between the stated variables and reach a conclusion to the previously developed hypotheses. When choosing the design, the research team must take into consideration the knowledge of the field, the time frame and the resources available to them (David & Sutton, 2016). The research design is crucial for the study to arrive at valid findings and relevant conclusions (Kumar, 1999).

Kumar (1999) further states that the strength of an empirically based conclusion lies in the adopted research design. This study takes on a non-experimental design. The main method of a non-experimental design is to either conduct surveys or structured interviews (David & Sutton, 2016).

The instrument for primary data-collection in this study were surveys, or questionnaires. Quantitative interviews are known as a time-consuming approach where the quality of data highly depends on the quality of the interaction. Furthermore, it can provide a biased answer that has been affected by the research team. More importantly, the nature of this study and its problem saw a questionnaire more fit.

4.2.1 Measurement (Questionnaire)

There are three different ways of administering a questionnaire, the mailed questionnaire, collective administration and administration in a public place. This study used two of them, namely the ‘mailed questionnaire’ and what is called ‘administration in a public place’. The mailed questionnaire is the most common approach, and as the name implies it is an approach built upon mailing the questionnaire to the sample. Although time-friendly, the problem with the mail-method is the low response rate it results in (Kumar, 1999). People have a choice to ignore the questionnaire and feel no pressure of answering it. A questionnaire administered in
public reaps all the benefits of a collective approach. The research team can obtain a captive audience and approach students in a school environment or shopping area. This ensures a high response rate as you overlook the process and have the ability to create personal contact with the population, and clarify questions (Kumar, 1999). The method is slightly more time-consuming than the rest of the methods, consequently they come with the many advantages listed.

This study chose to use questionnaires as the form a data collection because of how the study is structured and the descriptive nature of the research problem. Furthermore, the research questions include variables that are more easily answered with data that can be quantified. The theories used in connection to return and delivery policies are not subjects that you deep dive into. The method also offers the participants an opportunity to anonymity and because of the lack of resources, both time and money to this study, a questionnaire was the obvious choice. The quantitative variables are subjects to mathematical operations, and the questions that enable quantitative variable answers can be classified as nominal, ordinal, interval or ratio (David & Sutton, 2016).

- **Nominal** - A form of question where the recipient is asked to answer from a list of given alternatives. The alternatives cannot be ranked in a specific order and the distance between them are not measurable.
- **Ordinal** - The answers can be ranked, however the distance between them cannot be measured even if it is possible to place one above the other. One example is the alternative “I agree fully” to “I do not agree”.
- **Interval/Ratio** - Also known as quantitative variables because they contain data that can be measured in a continuous scale and can be made subjects to mathematical operations. The meaning of the two forms can be ranked, and the distance between the alternatives can be measured and calculated.

The form of questions can be placed in a hierarchical order, ranging from nominal to ratio. The questionnaire of this study used nominal and ordinal question types. One of the challenges with the questionnaire was the ability to create an urge to answer it. It had to be professional and create a sense of importance. It was also important that the questionnaire
was sorted in the order of the subjects, enabling the research team to visualise the relations created between the questions. In addition, directed questions are useful to make sure to reduce the amount of “irrelevant” answers (David & Sutton, 2016).

The questionnaire was created by dividing the main concepts of the study into blocks. Each block except for customer loyalty had questions that concerned the concept in general, and a block with the concept connected to a multichannel retailer that the participant had experience with. The participant was asked to rate the stated factor between a number of one to six. Figure 4.1 below illustrates an example question from the block of brand image.

![Example Question](image)

**Figure 4.1:** Example Question

The questions were developed with the help of previous studies asking similar questions. Table 2.1 below illustrates the source of the questions. The majority of the questions were derived and adapted from older studies in the same area. Some however, was developed by the authors of this study to ensure that the results measured what it was intended to. The use of questions from previously conducted surveys increases the reliability of this study

<table>
<thead>
<tr>
<th>Brand Image</th>
<th>Source of Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think company XYZ is service minded</td>
<td>Kwon &amp; Lennon (2009)</td>
</tr>
<tr>
<td>I think company XYZ is modern/up-to-date</td>
<td>Cronin &amp; Taylor (1992)</td>
</tr>
<tr>
<td>I think company XYZ has attributes that fulfill my needs</td>
<td>Keller (1993)</td>
</tr>
<tr>
<td>I think company XYZ highlights their</td>
<td>Keller (1993)</td>
</tr>
<tr>
<td>competitive advantage</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td>I think company XYZ is reliable</td>
<td>Mabkhot, Shaari &amp; Salleh (2017)</td>
</tr>
</tbody>
</table>

**Delivery Policies**

<table>
<thead>
<tr>
<th>Source of Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think company XYZ has low cost/free delivery</td>
</tr>
<tr>
<td>I think company XYZ has timely deliveries</td>
</tr>
<tr>
<td>I think company XYZ has nearby pick-ups or door-to-door deliveries</td>
</tr>
<tr>
<td>I think company XYZ has customer support at issues</td>
</tr>
<tr>
<td>I think company XYZ has tracking software</td>
</tr>
</tbody>
</table>

**Return Policies**

<table>
<thead>
<tr>
<th>Source of Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think company XYZ have free returns</td>
</tr>
<tr>
<td>I think company XYZ have timely refunds</td>
</tr>
<tr>
<td>I think company XYZ include a return label</td>
</tr>
<tr>
<td>I think company XYZ has reusable packaging</td>
</tr>
<tr>
<td>I think company XYZ has an extended return time</td>
</tr>
</tbody>
</table>

**Customer Loyalty**

<table>
<thead>
<tr>
<th>Source of Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer the service of XYZ to the service of other brands</td>
</tr>
</tbody>
</table>
I like the performance and service of XYZ  Harris & Goode (2004)

I have repeatedly found XYZ to be better than other brands in the same industry  Harris & Goode (2004)

I would purchase from XYZ even if there exists a cheaper alternative  Lastovicka & Gardner (1979)

I would always continue to choose XYZ above other brands  Harris & Goode (2004)

The idea with the survey was that the data between blocks can be related and performed regressions upon, to find out if there exists a relationship between them. One challenge that struck the study was to find a population with experience from the multichannel retailers chosen for the survey.

Before designing the survey, it was deemed relevant to analyse the common policies of the four companies used in the experience filter question. For clarifying purposes, an overview of the delivery- and return policies was created. The authors of this study found many similarities, but also a few differences. The general policies and their application of these companies are presented below:

- **Cost** - In general, it was found that the cost of delivery is not necessarily above 49 Swedish crowns (SEK), although above certain price ranges and club memberships, deliveries were free. It seems as though fashion companies are fairly balanced regarding cost of returns. Two of the four companies charged below 40 Swedish crowns (SEK), and two did not charge the customer anything.

- **Timely** - The time of deliveries were unanimously between 1-7 days; this might depend on the Swedish-active logistical companies. Depending on which form of delivery you choose, the time of it will differ.

- **Location** - All four companies had the availability to choose different form of pick-up locations, or door-to-door delivery. Once again, this is presumably due to Swedish-active logistical companies.
Return time - As expected, all companies follow the EU-laws, allowing at least 14 days to return the purchased item with a full refund. However, two out of four companies extended this period of time to 30 days.

4.3 Population and Sample

To answer the research problem, stated research questions and the developed hypotheses, the authors of this study chose a population containing of people who has an experience of shopping from a multichannel retailer and is engaged in the return and delivery policies of the companies they are ordering from. Sampling is defined by Kumar (1999) as a process of choosing a sample from the sampling population and from that establish the support for “estimating or predicting a fact, situation or outcome” (p.148) about the sampling population.

There are two main types of sampling designs, random probability sampling and non-random/probability sampling. Random probability sampling is based upon the fact that every case in the sample population have a chance of being chosen. The second one is non-random/probability sampling, and is used when it is problematic to identify all the potential cases in the population, and could be the choice of sampling design when there is limited time- and cost restraints (David & Sutton, 2016).

For this study the sample of choice was based on what the authors thought was a suitable sample, which led to the choice of using a non-random/probability sampling design. This could also be defined as selective and theoretical sampling, which is a sub-category to non-random/probability sampling. When choosing this type of sample, the participants are according to the researchers suited for the study as they are believed to have the experience needed in the subject in question (David & Sutton, 2016). The reason behind this choice of sampling design was because it would be difficult to reach the complete sample population, consisting of people that has experience of shopping from a multichannel retailer and is engaged in the policies, as well as the limited time at disposal for this study. The main criteria for being relevant for the questionnaire was that the recipient would have shopped from a multichannel retailer, he or she would otherwise be irrelevant for the study.
4.3.1 Sample size

To be able to decide an adequate sample size for this study the authors had several factors in mind, such as the purpose of the study, the availability to access the sample framework and its certainty, the level of analysis of the research required, and the acceptance of inaccuracy in the study of the authors. The aim for the sample size for this study were to enable the authors, at a certain confidence level from the result of the sample, draw similarities from the sample population at large and gather sufficient statistical power (David & Sutton, 2016). The sample for this study was as earlier mentioned, students at LTU, which consists of a total of 15 000 students (Lulea University of Technology, 2016). Out of those the survey was sent to approximately 1100 students. The response rate is defined as the amount of cases that participate in a research project in relation to the number of recipients that were invited, but declined participation (David & Sutton, 2016). The total response rate of this study ended up at 17 percent (190 out of 1100), which in this case can be considered a reasonable rate, considering that LTU students are an overused sample. However, because of unfinished surveys and invalid participants, namely because of insufficient experience with the proposed multichannel retailers, the report received 90 viable surveys that was used to answer the research questions. Thus, concluding an eight percent true response rate.

4.4 Primary and Secondary Data

The acquisition of data can be divided into two separate methods. Primary data collection and secondary data collection. The primary data collection is the source with the main contribution to the study and the source providing first-hand information. As previously clarified, there are many different ways of obtaining primary data, in a qualitative or quantitative manner. A determinant of quality of data is how the purpose of the study is explained to the recipient, in this case the questionnaire. To improve reliability of the primary data, studies should seek to use questions that previous similar studies have used. (David & Sutton, 2016)

The definition of what secondary sources and secondary data is differs from article to article. David and Sutton (2016) uses a definition that simply describes secondary data as; data that is
analysed by someone who is not the original researcher. Secondary sources contribute with additional conclusions and knowledge that further complements the study (David & Sutton, 2016). However, the secondary sources can often be limited to the availability of data and the relevance of that data. If a study is aiming to fill a gap, a similar study might not exist.

This study contains primary and secondary data. The primary data was collected via a questionnaire that was then analysed and coded. The secondary data contributed to the theoretical framework and constituted large parts of the introduction. It was used to create an overview of the research field and similar studies conducted. Primarily, the secondary data created an understanding of the theory and a scientific abutment to the concepts used. To assure quality, only peer-reviewed cited articles were used from known journals relevant to the study. One should also be concerned of how trustworthy the data collected from secondary sources are, and reliability and validity is a way of measuring how trustworthy the articles are (David & Sutton, 2016).

4.4.1 Data Analysis

For the data collected from the primary method to be usable in answering the research questions, it had to be analysed. The main goal of the data analysis is to understand the numbers that the measurement has gathered. Analysing data can be done in many ways, depending on the study and research approach. This study is a quantitative study that has used a survey to collect data, therefore a coding method was relevant (David & Sutton, 2016). The survey results were coded into an Excel file with a layout that made regressions and correlations possible. The coding of the data was based upon the range interval on each question, one to six. Furthermore, the data for each block of main theory was aggregated into a cell that was viable for the statistical mathematics. The reason behind using aggregated results and regression was that these measure the joint relation between the variables. How this works and contributes to the goal of proving the hypotheses will be further explained in the chapter dedicated to analysing data.
4.5 Validity and Reliability

To ensure that the collected data and the findings reached in this thesis trustworthy, the authors has given attention to two concepts regarding the research design, which is validity and reliability (Saunders, Lewis & Thornhill, 2006). Reliability is the degree of how consistent the research is over time, and if the study is conducted by other researchers they would get a compatible result. This can be achieved by a questionnaire with previously used questions, which was the case in this study. Validity is concerned with how well the collected data describes the actual concepts measured. It is about the ability of the measuring instrument to actually measure and describe what it was constructed to do (David & Sutton, 2016).

4.5.1 Reliability

The reliability of a certain measure is set by the consistency in the answers and the limitation of faulty measures. To meliorate the reliability of this thesis the authors have been thorough in the construction of the questions used in the questionnaire and conducted pilot studies, and made use of questions that valid previous questionnaires used in the past (David & Sutton, 2016). Furthermore, the pilot studies that were conducted before the questionnaire was sent to the sample were performed on two non-biased participants in the sample, to ensure that the questions were interpreted correctly and in extension provided usable data.

4.5.2 Validity

There are two main validity terms which are internal- and external validity. The first term, internal validity, is about if the data and findings about the recipients is equivalent with the reality. The second term, external validity, is about the ability to draw out generalisations about the sample population, from the results of the chosen sample (David & Sutton, 2016).

There are two paths to take when ensuring validity of a research tool: logic and statistical evidence. Where statistical evidence is about providing, concrete evidence provided by the calculation of coefficient of correlations between the questions asked and the outcome variables. When using logic for providing validity, the mission is to justify the question in
connection to the purpose of the study (Kumar, 1999). Furthermore, there are according to Kumar (1999) three types of validity: Face and content validity, concurrent and predictive validity and construct validity. Face validity is about the establishment of a logical link between the questions used in the research instrument and the intended goals of it. (Kumar, 1999). The authors achieved this type of face validity by consulting with a University Lecture at Lulea University of Technology, which deemed the study appropriate and valid.

4.6 Conclusion of method

To conclude the methodology and provide a clear summary of the research methodology, figure 5.1 was constructed and presented below:

![Method scheme](image)

**Figure 5.1**: Method scheme

The figure above visualises the decisions path that the authors of this study has taken to reach empirical data. It began by choosing a quantitative strategy with a questionnaire approach. Furthermore, the study conducted mailed and publicly administered questionnaires that ultimately lead to the primary data.
5. Data Analysis

This chapter will present statistics of the different sections in the questionnaire and display the regression based upon them. Further, it will include an analysis of the data and discuss the correlation between the variables, and seek to confirm or refute the hypotheses.

5.1 Data Analysis

To understand the data from the sample and be able to perform an analysis, ultimately answering the hypotheses, a multiple regression and descriptive data had to be conducted and obtained. The data that the regression was performed upon was manually coded aggregated variables. The aggregated variables consist of data from the block that regarded a factor in general, and from the one with factors connected to the company of choice. The table below will present the applicable descriptive data performed on the aggregated variables from the seven main blocks of the survey and this report; brand image, brand loyalty, delivery and returns.

Table 3.1: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Brand Image</th>
<th>Brand Loyalty</th>
<th>Delivery</th>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>-1,04 of (25 or -25)</td>
<td>17,7 of (25)</td>
<td>-1,2 of (25 or -25)</td>
<td>-2,47 of (25 or -25)</td>
</tr>
<tr>
<td><strong>Standard Deviation</strong></td>
<td>3,9</td>
<td>5,4</td>
<td>4,22</td>
<td>4,73</td>
</tr>
<tr>
<td><strong>Skewed</strong></td>
<td>-2,04</td>
<td>0,13</td>
<td>8,45</td>
<td>1,77</td>
</tr>
<tr>
<td><strong>Kurtosis</strong></td>
<td>10,9</td>
<td>0,21</td>
<td>-1,75</td>
<td>-0,46</td>
</tr>
</tbody>
</table>

The data was obtained by performing analyses in Excel, which were conducted to understand if it could be used in the discussion as a truthful form of proof. In general, the descriptive statistics display a balanced questionnaire with balanced results. The interval of the mean range between 25 to -25, which is derived from multiplying the amount of questions with the possible value. Thus, zero would be the perfectly balanced mean between the possible edges of -25 and 25. All blocks received a mean value that is close to the centre value, once again suggesting balanced results across the respondents. The standard deviation measures the spread of data from the mean. A standard deviation of zero would therefore suggest that all of the observed data are equal to each other, and the mean (Moore, McCabe & Craig, 2014).
This of course, is highly unlikely. The standard deviation of this report and collected data are all relatively far from zero, suggesting spread data that is viable for analysis. Finally, two measures of skewness are presented in table 3.1, skewed and kurtosis. A value close to zero is beneficial for a quantitative study, and all of the data gathered in each block are close enough to zero to not consider it skewed (Moore et al., 2014).

The descriptive statistics gathered from the data display a positive questionnaire with spread results, balanced mean and no substantial skew. Furthermore, it creates a sign of a successful data collection that can be analysed and discussed without concern for deception.

5.2 Multiple Regression

The main purpose of the multiple regression is to study the relationship between a dependent variable and multiple explanatory variables. A multiple regression can in mathematical terms be presented as \( Y = \beta_1x + \beta_2x + \beta_3x + \ldots + \beta_nx \). The beta sign (\( \beta \)) reflects the coefficient and the effect the explanatory variable have on the dependent variable. The ‘x’ describes what the variable is, and will differ depending on each regression (Moore et al. 2014). The relationships between the explanatory variable and the dependent one, are in this study connected back to the theoretical framework and hypotheses linking the theories and phenomenon between each other.

As visualised in the theoretical framework, the five hypotheses require a multiple regression, which in turn aim to analyse if there exists a relationship between the variables. The hypotheses (arrows) thus represents the possible relationship between them. Each beta number will be between 0 and 1, and reflect the effect of said explanatory variable.
5.2.1 Multiple Regression One

The first multiple regression sought out to confirm or refute if delivery and return policies influence the perceived brand image. Thus, examining hypotheses \( H1 \) and \( H2 \) and the first half of the theoretical framework. The multiple regression equation was therefore formulated as \( Y_1 = \beta_1x_1 + \beta_2x_2 \). In this case, \( \beta_1x_1 \) represents the beta value for delivery, and \( \beta_2x_2 \) the beta value for returns. The value of those coefficients and the significance level, will confirm or refute if delivery and returns policies separately affect brand image. Table 4.1 below presents the first multiple regression, however, only some of the presented values will be discussed in this report.

<table>
<thead>
<tr>
<th>Table 4.1: Multiple Regression 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression statistics</td>
</tr>
<tr>
<td>Multiple-R</td>
</tr>
<tr>
<td>R-Square</td>
</tr>
<tr>
<td>Adjusted R-Square</td>
</tr>
<tr>
<td>Standard error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Intercept</td>
</tr>
<tr>
<td>Delivery ((\beta_1x_1))</td>
</tr>
<tr>
<td>Return ((\beta_1x_2))</td>
</tr>
</tbody>
</table>

The data that is of interest and can contribute to confirming or refuting hypotheses are the Adjusted R-Square, Significance F, Coefficient of Delivery and Return (beta values) and their connected p-values. This multiple regression uses perceived brand image as the dependent variable, therefore the data in table 4.1 explains the effect of the explanatory variables; delivery and returns, upon brand image.

R-Square is the proportion of the shift in the response variable \( Y_1 \) that is explained by the explanatory variables \( \beta_1x_1 + \beta_2x_2 \). Simply put, it measures the strength of the model connected to the dependent variable (brand image). This study uses the adjusted R-square, which has accounted for useless variables that does not affect the dependent one, thus eliminating them from the result. The more useless independent variables used in the
regression, the more the adjusted R-square will drop (Moore et al., 2014). This regression only used two independent variables, both of which are useful, therefore only a slight drop in R-square appeared in the adjustment. The Adjusted R-Square is .3509, or 35 percent. This then suggest that variation in perceived brand image can be explained up to 35 percent by the delivery and return policies of the brand.

Significance F measures on what percentage level the regression is statistically significant for the whole equation, not just each independent variable. Each independent variable has a p-value, and this measures if that variable is significant to the model. The significance F measures the significance of these variables jointly. Similar to the p-value, the value of F should be below .05 or 5 percent to confirm what was tested and refute the null hypothesis (Moore et al., 2014). The first regression displays an F value far below 5 percent, and the authors can confirm the models findings on a 5 percent significance level.

Finally, the beta values of the explanatory variables and their connected p-values will be analysed to answer the hypotheses associated with them. The beta value explains the effect each explanatory variable would independently have on the dependent variable, and as mentioned previously, the p-value measures the significance of each separate variable (Moore et al., 2014). The beta value for delivery (β1x1) measures to .3232, which in terms of effect upon brand image results in 10 percent (0.3232^2) and is statistically significant on a 5 percent level. The beta value for returns (β2x2) reached 0.3011, or 9 percent (0.3011^2), and is also significant on a 5 percent level. This prints out the regression equation Y1 = 0.3232x1 + 0.3011x2.

The fact that the model and each explanatory variable is separately statistically significant and explains the effect on brand image around the area of 10 percent can be considered a great result for this first multiple regressions, and the data can be used to reach an answer to the research questions. With p-values below 5 percent, the authors can also confirm that it exists a correlation between the variables on a 5 percent significance level.
5.2.2 Multiple Regression Two

The second multiple regression was constructed to confirm or refute if delivery and return policies and by extension, brand image influences the brand loyalty that the participants have towards the brand of choice. Thus, this multiple regression sought to examine hypothesis $H3$, $H4$, and $H5$ and the second part of the theoretical framework. The multiple regression equation was constructed as: $Y = \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3$. Where $\beta_1 x_1$ represents the beta value for brand image, $\beta_2 x_2$ the beta value for delivery policies, and $\beta_3 x_3$ the beta value for return policies. As mentioned in the description of the first regression, the value of those coefficients and the significance level will confirm or refute, if in this case brand image, delivery- and return policies, separately, affect brand loyalty. Table 5.1 below presents the second multiple regression.

<table>
<thead>
<tr>
<th>Table 5.1: Multiple Regression 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regression statistics</strong></td>
</tr>
<tr>
<td>Multiple-R</td>
</tr>
<tr>
<td>R-Square</td>
</tr>
<tr>
<td>Adjusted R-Square</td>
</tr>
<tr>
<td>Standard error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
<tr>
<td><strong>Regression</strong></td>
</tr>
<tr>
<td>$f_g$</td>
</tr>
<tr>
<td>$KvS$</td>
</tr>
<tr>
<td>$MKv$</td>
</tr>
<tr>
<td>$F$</td>
</tr>
<tr>
<td>Significance $F$</td>
</tr>
<tr>
<td><strong>Residual</strong></td>
</tr>
<tr>
<td>$KvS$</td>
</tr>
<tr>
<td>$MKv$</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>$KvS$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard error</th>
<th>T-stat</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>18.5312</td>
<td>0.6064</td>
<td>0.0000</td>
</tr>
<tr>
<td>Brand Image ($\beta_1 x_1$)</td>
<td>0.3430</td>
<td>0.1740</td>
<td>1.9717</td>
</tr>
<tr>
<td>Delivery ($\beta_2 x_2$)</td>
<td>0.0887</td>
<td>0.1516</td>
<td>0.5851</td>
</tr>
<tr>
<td>Return ($\beta_3 x_3$)</td>
<td>0.1576</td>
<td>0.1360</td>
<td>1.1591</td>
</tr>
</tbody>
</table>

This multiple regression uses brand loyalty as the dependent variable, therefore the data in table 5.1 explains the effect of the explanatory variables, brand image, delivery- and return policies upon the dependent variable brand loyalty.

This regression used three independent variables, which all are useful, therefore only a slight drop in R-square appeared in the adjustment. The Adjusted R-Square is .1152, or 11.5
percent. This then suggest that variation in brand loyalty can be explained up to 11.5 percent by brand image, delivery- and return policies of the brand.

As stated earlier, the *significance F* measures the significance of these variables jointly, and similar to the *p-value*, the value of F should be below .05 or 5 percent. The second regression displays an F value below 5 percent (0.0036 or 0.36 percent), and the authors can therefore confirm the models findings on a 5 percent significance level.

Finally, the beta values of the explanatory variables and their connected *p-values* will be analysed to answer the hypotheses associated with them. The beta value explains the effect each explanatory variable would independently have on the dependent variable, and the *p-value* measures the significance of each separate variable. The beta value for brand image ($\beta_{1x1}$) measures to .3430 or 11.7 percent ($0.3430^2$) but is not statistically significant on a 5 percent level. The beta value for delivery ($\beta_{2x2}$) reached .0887 or 7 percent ($0.0887^2$) but neither that is significant on a 5 percent level. The beta value for return ($\beta_{3x3}$) reached .1576 or 2.5 percent ($0.1576^2$) and that too is insignificant on a 5 percent level, resulting in an inconclusive test. This prints out the regression equation $Y_2 = 0.3430x_1 + 0.0887x_2 + 0.1576x_3$.

To conclude, despite that the model at large is statistically significant (0.0036 or 0.36 percent), the regression does not present a single explanatory variable that by itself can explain a variation in brand loyalty on a 5 percent significance level. This could be explained by the fact that *significance F* measures the significance of the variables jointly. By contrast, when the authors of this study interpret the independent explanatory variables separately, the *p-value* can fail to be significant, which was the case with all three beta values in this regression, thus creating a conflict within the data. An underlying factor for the insignificant beta values could be the small sample, thus creating a false negative. Small samples are not as strong as larger ones and can be deceptive.
5.2.3 Correlation

To further contribute to the cause of explaining delivery- and return policies impact on a company’s perceived brand image, a correlation analysis was conducted, it is presented in table 6.1 below.

<table>
<thead>
<tr>
<th></th>
<th>Image</th>
<th>Delivery</th>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>0.5048</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Returns</td>
<td>0.5140</td>
<td>0.4206</td>
<td>1</td>
</tr>
</tbody>
</table>

The correlation table displays that the perceived brand image actually consists of ~25 percent ($0.5^2$) delivery policies and ~25 percent return policies and are influenced in the same manner. This contributes to the point that this study is trying to make, that delivery and return policies have a high impact on how we perceive a multichannel brand. Furthermore, it will help in the process of answering the research question regarding brand image and hypotheses $H1$ and $H2$.

5.3 Hypotheses

The first half of this study’s frame of reference is concerned with the relationship between delivery- and return policies and their effect on customer perceived brand image. To research this relationship, the first two hypotheses were formulated:

$H1$: Delivery policies affects the customer perceived brand image.

$H2$: Return policies affects the customer perceived brand image.

The purpose with these hypotheses was to try to answer the first research question: $RQ1$: Is the customer perceived brand image affected by a multichannel retailer’s delivery and return policies? Which will be discussed further down in this report, where the authors will try to answer this research question based on the findings of this study.
The reason behind viewing delivery and return policies as a whole is based on previous research and as stated earlier, that this study conclude that consumers react somewhat similar to the two types of policies. What previous research has contributed with in regards to the relationship between these two policies and brand image is inadequate and almost none existent. There is a gap in recent science of delivery- and return policies effect on a brands image. This gap will to some extent be filled by this study, as a result of the findings that both delivery- and return policies have an effect on the perceived brand image.

The first multiple regression displayed in table 4.1 demonstrated that there exists a relationship between delivery- and return policies. The beta value for delivery (β₁x₁) measures to .3232 or 10 percent and is statistically significant on a 5 percent level. The significance level rejects the null hypothesis for H₁ and confirms that there exists a relationship between delivery policies and the perceived brand image. The collected data also reveals that the factor individually affects brand image to an extent of 10 percent. In connection, the beta value for returns (β₂x₂) reached 0.3011 or 9 percent and is also significant on a 5 percent level. This too rejects the null hypothesis for H₂ and confirms that there exists a relationship between return policies and brand image as well. In other words, the collected data reveals that the factor of return policies individually affects brand image to an extent of 9 percent. When the authors interpreted the model at large, the Adjusted R-Square at .3509, or 35 percent suggest that the variation in the perceived brand image can be explained up to 35 percent by the jointly effect of delivery and return policies of the brand. This could be connected back to the halo effect and transference of image between channels, which before this study suggested a one-way transfer from offline to online. The results suggest that this is not necessarily the case, providing a “reverse” halo for companies performing badly in the online channel with regards to delivery and return policies.

Finally, the correlation data contributes to the authors being able to prove that delivery and return policies have a high impact on how consumers perceive a multichannel retailers brand image. The result concluded that the perceived brand image consists of approximately 25 percent each of the factors delivery- and return policies. This in connection to the result of the
first multiple regression has contributed to this study proving that $H1$ and $H2$ are true, thus rejecting the null hypothesis for both of them. There exists a conjunction between delivery- and return policies and brand image.

$H3$: *Brand image that has been affected by delivery and return policies will in turn alter the customer loyalty towards an organisation.*

As discussed in this study, previous researchers and articles have confirmed that brand image affect a customer’s loyalty, and is also considered one of the driving forces of customer loyalty with a direct effect between them (Salleh et al. 2017; Zhang 2015). The goal of hypothesis three ($H3$) were to further confirm this and strengthen the theory of how they are connected, ultimately answering the second research question. Unfortunately, as the second regression reveals, the study and data collected fell just short of doing this. In many occasions, this would suggest that the data collected in this study confirms the null hypothesis and contradicts the previous research, thus invalidating current beliefs. Although the second regression reached a joint significance below 5 percent, the individual $p$-value of how brand image affect loyalty received a value of 5.19 percent, a few percentage points above the accepted significance constant. The 0.19 percent may seem small, but the data is absolute and cannot be twisted or turned. Instead, the type 2 error that occurred can be discussed in connection to the study’s limited viable sample. With a viable sample as small as this (90 observations), the chances of rejecting the null hypotheses shrinks and thus the chance of receiving a significance value above 5 percent increases. The $p$-value for brand image were .19 percent too high to confirm the hypotheses and this result is so close to the border that it can be argued that a viable sample of ten more participants would shift the $p$-value to below 5 percent. The beta value of brand image ($\beta_1x_1$) reached a value of approximately 11.7 percent, which if significant, would explain that a great deal of loyalty is affected by brand image. Because of the balanced descriptive data, a sample of ten more participants would possibly not affect that percentage rate of the beta value. Therefore, the authors will not refute hypotheses three, but they cannot confirm it either. All the authors can say is that the test was inconclusive and that the previous research is probably right. This study could have reached similar conclusions with a larger sample.
**H4:** The return policies of an organisation will affect the loyalty towards that organisation.

Ramanathan (2011) is one of the few researchers to discuss the connection between product returns and loyalty. He concluded that the pivotal part of the link are satisfied customers and whatever contributes to that. If a return is without complications, thus satisfying for the customer, he or she will repeat purchase from that brand. However, Ramanathan’s (2011) study was not a pure study of return policies connection to loyalty, because it always had it in a risk-perspective context. Hypothesis four (H4) would confirm the connection in a pure context, that people increase loyalty if the return policies of a brand is beneficial for the customer. This would be the most logic paradigm, in a way also similar to what Ramanathan (2011) concluded. However, once again this study has revealed a different result, accepting the null hypothesis and refuting hypothesis four (H4). With a beta value ($\beta_{2x2}$) of 2.5 percent, a reasonable amount of loyalty would be affected by return policies. However, a $p$-value of 24 percent is too far above the 5 percent limit to reach any other conclusion than the one that return policies does not directly affect loyalty. Perhaps this result could change if the sample was alternated and multiplied several times. The most interesting fact about the result, aside from the fact that it goes against Ramanathan’s (2011) result, is that it refutes the logical effect one would presume that return policies have on loyalty. If something is beneficial and appreciated by the customer, he or she should be more willing to repeat purchase, this study disproves that and claims that return policies does not have any direct relationship with brand loyalty.

**H5:** The delivery policies of an organisation will affect the loyalty towards that organisation.

The fifth and final hypothesis (H5) includes a relationship that nearly no other researchers have made an effort in studying. Jiang and Rosenbloom (2005) made an effort in describing factors such as timely deliveries and distribution systems as loyalty creating because they signal a competitive advantage. However, they did not include factors such as price, time and pick-up locations in their analysis, factors that should be included when researching delivery policies effect. Once again, the logical belief would be that delivery policies affect a
consumer’s brand loyalty. Admittingly, the logic is not as clear as with returns, but one can argue that it would exist. This study designed a test to find the direct relationships between delivery- and return policies towards loyalty, but failed to find such relationships. A beta value ($\beta_{1x3}$) of 0,7 percent would explain the effect to a very small degree, but the 56 percent $p$-value completely refutes the hypothesis and in this study, concludes that there is no direct link between delivery policies and brand loyalty. Thus, the study failed to achieve what it was created to achieve. Nevertheless, this does not mean that the relationship does not exists, merely that this was an inconclusive test of the conjunction.

The hypotheses are based on the theoretical framework, which in turn is based upon what this study wanted to answer, the research question. With the hypotheses now discussed, their findings and the data analysis will lay the foundation to answering the research questions and fulfil the study’s purpose.
6. Conclusions

This chapter will present the reader to the findings and conclusions of the study. The purpose of this study was to investigate whether there exists a relationship between brand image, loyalty and a multichannel retailers’ delivery- and return policies, and how they affect each other. The formulated research questions that were designed to this study has been answered in this chapter and a discussion on future research, recommendations and limitations have been conducted.

6.1 Conclusion of Research Questions

This study came about because the authors found it interesting to research how a multichannel retailer is affected by delivery- and return policies. The idea of the topic arose after bad experiences with multichannel retailers and customer disadvantageous policies. Brand image and brand loyalty was elected as two major components in how a consumer perceives a brand and how they position themselves towards it. This study focus on a specific type of retailer called ‘multichannel retailer’. The reason behind this was that the authors found these types of retailers to be the most common form of retailer in today’s landscape, and it has been an overall theme throughout the study.

There has been an obvious gap in this area of research regarding the connection and relationship between delivery- and return policies and the perceived brand image of a multichannel retailer. This study seeks to fill this insufficiency in research and contribute to more in-depth knowledge about these relationships and their effect. The formulation of the first research question was born out of this issue and gap, and was as follows: Is the customer perceived brand image affected by a multichannel retailer’s delivery and return policies?

To understand how this relationship takes place, the authors began with trying to understand the grand aspects that built this research question, which are brand image and multichannel retailers. To begin with, brand image is defined by the most recognised researcher in the topic of brand image theory as “perceptions about a brand as reflected by the brand associations held in the consumer memory” (Keller, p.3, 1993). The second grand aspect, multichannel
retailer, is defined as firms that conduct their business in multichannel retailing form with the fundamental purpose of generating revenue by conducting retailing activities online and offline (Zhang et al., 2010). After the basic foundation of the question had been established, the data collection and analysis was conducted with the help of the survey.

The authors conducted the first multiple regression in connection to hypotheses one and two, which in extension provided the foundation for answering research question one. The result of the first regression provided statistical evidence that delivery- and return policies influence the perceived brand image towards a multichannel retailer. As well as, providing evidence that brand image consists of approximately 25 percent each of the factors delivery- and return policies. This study has been able to prove that there is a conjunction between delivery- and return policies and the perceived brand image that customers has towards a multichannel retailer. The research team can therefore reason that unfair delivery and return policies would affect a multichannel retailers brand image in a negative manner, and the other way around if they chose to provide advantageous policies to the customers. The result provides a stepping stone for further research, and evidence for multichannel retailers that delivery- and return policies play an important role in the process of establishing a desirable brand image in the mind of the consumer. The authors believe that these findings are of great importance and of unique nature. It gives this study purpose and hopefully a place in the world of knowledge, science and business.

**RQ2: Is the customer loyalty towards a multichannel retailer influenced by their delivery and return policies?**

Loyalty is the end zone in a chain of variables all of which lead to repeat purchase (Kim et al., 2012). Standing out in this chain of variables is satisfaction, which is one of the absolute key factors to creating loyalty. If a customer is satisfied and experiences beneficial aspects, he or she would be more willing to return, although, only totally satisfied customers are truly loyal (Jiang & Rosenbloom 2005).

The goal of this research question was to find something that the authors presumed to exist, a
direct relationship and link in a multichannel context between delivery- and return policies, individually, to brand loyalty. The aggregated data that was analysed in the form of a regression revealed the answer to this dilemma, there exist no direct relationship between the policies and loyalty, even though it can be argued that they are a part of the satisfaction package that Jiang and Rosenbloom (2005) discuss. Instead, one has to take a step back, zoom out and get the broader picture of what delivery- and return policies do influence directly. After viewing the results and refuting the hypotheses concerned with the direct link, the research team had to understand how all the grand aspects in this study are connected. They have proved that delivery- and return policies directly influence brand image, in a substantial manner, and with the help of previous research the team can almost certainly claim that there exists a direct influential relationship between brand image and brand loyalty. Therefore, the authors can conclude that it is not a direct link they have found, rather an indirect relationship that goes through brand image on its way to affect a consumer's loyalty to a company, after they have been influenced by their delivery- and return policies.

Therefore, the answer to the research question is that the customer loyalty towards a multichannel is not directly influenced by its delivery- and return policies. However, one must understand that this can only be true to a certain degree. Not only because customer loyalty is influenced by brand image, but also because retailers must apply reasonable policies for it to be true. This results does not mean that multichannel retailers can completely disregard their obligation to satisfy a consumer in every aspect of their business, which includes mutually advantageous delivery- and return policies. It could also be argued that these findings are context specific. Suggesting that the factors of this context influence overall brand loyalty in a certain way. Another platform in another context or channel could contribute with different influencing factors. The results of this study cement the importance of brand image, after all, it is associated with the total sum of all brand-related activities (Park, Jaworski & Maclnnis, 1986), and one of the driving forces behind loyalty (Zhang, 2015).

In the beginning of this study, the high return rates that stretch as far as 30 percent for some e-tailers were discussed. Although several researchers have found support that this is
ineffective from a profit point of view, this study has begun filling the gap of the effect of such high return rates connected to loyalty and image. If not treated with care and respect, the one-way halo effect of brand image might make a shift in paradigm as a result of careless and disadvantageous delivery- and return policies that we now know have a great impact on brand image.

6.1.1 Theoretical Implications

Research in the field of how some e-commerce specific aspects affect the brand image and loyalty of a company has, as mentioned throughout this report, been scarce and limited. The little research that does exists has more of a profit point of view, rather than an image view. As for this report, a hole has begun to be filled, however, it has also created a stepping stone for future research with statistically backed answers to whether there exist relationships between some of these aspects. This study can be of great benefit to any scientists that is interested in working with the aspects of brand image and brand loyalty in a marketing context. The results found in this report is of great significance because it has not, to the authors of this reports knowledge, ever been proved before. We have mentioned the word “logically” when drawing conclusions and discussing the finding, however, one cannot solely base research on logic, science is not always logical. Therefore, this study of the effects of delivery- and return policies lays the foundation in this sub-field of marketing and e-commerce and the authors are sure that we will see many more studies in the field in the near future, as e-commerce is ever growing.

6.1.2 Managerial Implications

Managerial implications or practical implications, is perhaps what this report contributes most to. It was also one of the driving forces for the authors to conduct this type of study in this type of field. As the idea of researching the delivery- and return policies of a multichannel retailer began by a bad experience, managers and companies do not always know the effect of disadvantageous policies. The bad experience lead to feelings of never wanting to purchase from that retailer again, and as has been established many times, it is far more expensive to gain new customers than retaining old ones. The existing relationships that this study has statistical evidence for must be taken into consideration by managers.
In the beginning of this report, the ‘halo effect’ was discussed. However, authors describing the halo effect believes that it only goes one way, from offline to online. A proven relationship that delivery- and return policies both influence the brand image of a company should work as a wake-up call for managers that does not already believe in customer advantageous policies. The brand image can and will be affected by the policies, which could lead to bad word of mouth if a customer is unsatisfied. The authors of this study call this phenomenon the ‘reverse halo effect’. If a policy affects the image of an online channel for a multichannel retailer to such a degree that bad word of mouth or other negative marketing events occur, it could lead to a negative effect on the offline channel of the company as well. Delivery- and return policies can affect the brand in more than the online channel. Ultimately, it will with high probability, then affect the brand loyalty towards the company, leading to a decrease in customers, and sales in both channels. Thus, the authors have proven that the policies can affect the profit of a multichannel retailer. As for the actions of managers, the authors suggest that mutually beneficial policies are implemented, to retain customers at the firm and gain new ones by positive word of mouth or similar marketing methods that occur between consumers.

6.2 Future Research and Recommendations

This study set out on a journey to fill the gap regarding the importance of customer beneficial delivery- and return policies. To some extent, the research team succeeded in this task, but the study merely scratch the surface of the field that this area covers. The involvement of major theories such as brand image and brand loyalty makes this subject a big-league player, and there are tons of research that must be conducted to completely understand how these policies affect customers, and companies. For future research, this research team suggest a qualitative study of consumers with experience of online shopping. A qualitative study would dig into the mind of the consumer and contribute with deep insight into how consumers think of delivery- and return policies and perhaps connect them to their purchase behaviour. Consequently, this could locate the link to loyalty that this study was unable to find, loyalty is after all a behavioural component.
This study does not consider which one of the policies that have the greatest impact on brand image. Following research could therefore break down the policies into smaller bits and pieces, and analyse which one is more important to be consumer-beneficial for them to become satisfied. One could also view it from the perspective of the companies, how they consider the importance of them and what philosophy they have, and how this affect their online sales. This would create a circumferential information stream, and knowledge from the consumer and company perspective. The research team of this study further recommends a much larger sample than what was used in this study, to avoid type 2 errors and create a true picture of the reality.

6.3 Limitations

It is almost impossible to conduct research without having some type of limitations. When conducting this research the available resources were limited, both time and monetary. This resulted in the choice to use students at Lulea University of Technology as participants in the survey. Furthermore, the students needed to have earlier experience of shopping at a multichannel retailer to be valid for this research. There were no other limitations regarding the participants such as nationalities, gender or age, which altered but it can be acknowledged that this a restraint to the sample selection. Considering the response rate of the survey, which as earlier mentioned amounted to 17 percent (190 out of 1100), and out of these only 90 responses was useful for this study. This has led to some limitations, for example when looking in to the relationship between brand image and loyalty, where a type 2 error occurred, in other words if the amount of viable responses would be larger, the chance of finding evidence for this relationship would have increased. Another limitation is the use of the English language in the survey that the researchers conducted, this could have led to misunderstandings of the questions asked, as a consequence of English not being the mother tongue of the participants. Finally, there is a limitation that the questions in the survey is connected to clothing brands, and by that the findings and result is limited to this industry. The result could have differed if other companies in different industries had been used.
References


http://web.a.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=2&sid=0a295a58-37fa-442f-998a-ace535721ec4%40sessionmgr4007


Appendix 1 - Questionnaire

Q1
Friendly reminder: This survey is anonymous.

Please choose the company that YOU have the most online purchasing experience with, and remember your choice.

Q50 Following below, five (5) attributes of a brand will be presented, please rate them 1-6 of how important they are without connection to any specific company:

1 = Strongly Disagree, 6 = Strongly Agree

Q2 Service minded
Q3 Modern/up-to-date
Q4 Have attributes that fulfill my needs
Q5 Highlight their competitive advantage
Q6 Reliable

Q7 The following five (5) questions will ask you to rate how you perceive the company you chose in the beginning (Zara, H&M, Nelly or Stayhard), connected to the attributes above.
Q8 I think company XYZ is service minded

Q9 I think company XYZ is modern/up-to-date

Q10 I think company XYZ have attributes that fulfill my needs

Q11 I think company XYZ highlights their competitive advantage

Q12 I think company XYZ is reliable

Q13 Following below, five (5) attributes of DELIVERY POLICIES will be presented and we ask you to rate the importance of that attribute between 1-6, **without regards to any specific company**. It is important that deliveries are:

1 = Not Important, 6 = Extremely Important

Q14 Low cost/Free

Q15 Timely (quick delivery)

Q16 Location (nearby pick-up or door-to-door delivery)

Q17 Customer support at issues

Q18 Trackable (tracking software)
Q19 The following five (5) questions will ask you to rate how you perceive the company you chose in the beginning (Zara, H&M, Nelly or Stayhard) with regards to the attributes presented above.

Q20 I think company XYZ has low cost/free delivery

Q21 I think company XYZ has timely deliveries

Q22 I think company XYZ has nearby pick-up locations or door-to-door delivery

Q23 I think company XYZ has customer support at issues

Q24 I think company XYZ has tracking software

Q25 Following below, five (5) attributes of RETURN POLICIES will be presented and we ask you to rate the importance of that attribute between 1-6, without regards to any specific company. It is important that returns are:

1 = Not Important, 6 = Extremely Important

Q26 Free

Q27 Timely (quick refunds)
Q28 Included return label

Q29 Reusable packaging

Q30 Extended return time (more than mandatory 14 days)

Q31 The following five (5) questions will ask you to rate how you perceive the company you chose in the beginning (Zara, H&M, Nelly or Stayhard) to the same attributes presented above.

Q32 I think company XYZ has free returns

Q33 I think company XYZ have timely refunds

Q34 I think company XYZ include a return label

Q35 I think company XYZ has reusable packaging

Q36 I think company XYZ has an extended return time

Q37 Following below, five questions regarding loyalty towards the chosen brand (Zara, H&M, Nelly or Stayhard) will be presented, please rate them 1-6.

1 = Strongly Disagree, 6 = Strongly Agree

Q38 I prefer the service of XYZ to the service of other brands

Q39 I like the performance and service of XYZ
Q40 I have repeatedly found XYZ to be better than other brands in the same industry.

Q41 I would purchase from XYZ even if there exists a cheaper alternative.

Q42 I would always continue to choose XYZ before other brands.

Q43 What is your gender?

Q44 How old are you?