The Weird Psychology of Returning Stuff to the Store

By Melissa Dahl

Photo: Andrew Burton/Getty Images

In 2013, a mountain climber named Chad Thomas told *The Wall Street Journal* that he'd returned a backpack to the outdoor-clothing and -gear retailer REI earlier that year — a

backpack that he had, by the way, originally purchased *in 2004.* Nine years later, it "was getting old and dirty, and I didn't like it anymore," Thomas told *WSJ.* (You don't say.) At the time, REI had an unlimited return policy, so the store in San Ramon, California, not only accepted the backpack's return but gave Thomas an additional $17 to match the item's current price.

Later that year, REI curbed its ultra-lenient return policy to one that's more medium-lenient: It now restricts returns to within one year of purchase. But plenty of other stores still use generous policies. Nordstrom, for example, pretty much takes back any item, bought at any time, no questions asked; the department store doesn't even require customers to provide a receipt.

To shoppers, the appeal of lax return policies like these appear obvious. Buy what you want now, while you're already in the store or on its website, and make your final decision later, after you've had a chance to take it home and think on it. To retailers, on the other hand, it would seem that lenient return policies are not such a good business practice, and many in the last decade or so have added restrictions to once-lax policies. Costco, for instance, once used the same indefinite deadline, but in 2012 switched to a 90-day deadline; Sears went from allowing returns within a "reasonable period of time" to a 30- to 90-day return policy, depending on the item purchased.

It makes a certain amount of sense. Annually, returns cost retailers staggering amounts of money; in 2014, for example, returns cost retailers across the country a total of $280 million. Why make it easier for your customers to take something back? These questions happen to be explored in a new meta-analysis — in other words, a study of studies — published recently in the *Journal of Retailing*. In that paper, researchers from the University of Texas at Arlington and the University of Texas at Dallas review 21 studies on the effect of lenient return policies on the number of purchases and subsequent returns. Overall, they found that policies tend to increase both purchases and, to a smaller but still significant degree, returns.

But, interestingly, the terms of the policy make a difference, in one surprising way in particular: The longer a store allows its customers to return something after purchasing, the less likely they are to ever actually return it.

Researchers explain this finding with the construal level theory, the idea that when something feels far off — either in time or physical distance — it becomes more abstract in your mind. Something closer, on the other hand, is perceived as being more concrete, and either perception changes your subsequent action in different ways. Put another way: If there's a deadline, as any good journalist knows, you take action more quickly. But if a store's return policy dictates that you have a year (or longer) after purchasing to return an unwanted item, then actually bothering with traveling to the store and returning the thing doesn't seem like such an urgent task. "Since they don't feel pressure to take it right back to the store, they kind of sit with it and live with it and say, 'Well it's not that bad,'" Ryan Freling, one of the co-authors of the meta-analysis, told the Washington *Post*. You'll get around to it. Eventually. As *Post* writer Sarah Halzack notes, "If you've ever found a blouse lurking in the back of your closet with the tags on it months after you bought it, this is probably a familiar feeling."

And the longer you own something, well, the more it starts to feel like it's really yours. People tend to prefer items they own over items they don't, something consumer psychologists call the endowment effect. And research Freling and his colleagues examined in their meta-analysis confirms this may apply to the question of return policies, in that customers who shop at stores with lenient return policies tend to rate their purchases as being of higher quality than those who shopped at stores with less lenient policies.

But there's one aspect of making returns that the study authors miss in their analysis, and that is the barrier of social awkwardness. Some people just feel too weird about exchanging or returning a purchase, so they just hang on to it — even if the item was damaged when they got it. "I'm not 100% sure why this is the case for me, but I've always found it difficult to return items," writes a commenter on a social-anxiety-support message board, highlighted in a post at the Billfold. "It feels like I'm admitting failure or something walking back into the store, telling the cashier why I don't want it. I just can't do it." That person ended up throwing out a package of just-purchased but incorrectly sized air filters, even though the package was still unopened. Another commenter writes, "I do the same thing. I don't know why but I hate returning things as well. Though instead of throwing stuff out I usually just keep it and hope sometime down the road I'll find a use for it."

If you have more self-control over your own laziness or social awkwardness, by all means, do the thing everyone has done at least once, where you buy something you only sort of like while telling yourself you can always return it. The rest of us, though, had better get a decent hold on the sneaky psychology of store returns before accidentally throwing money away.