

# Is this product return legitimate? A cross-national investigation on product return behavior

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## **Abstract**

Drawing on the concept of self-construal, we examine how product return policy restrictiveness and a customer-oriented institutional environment affect Western vs. Eastern customer behaviors (product returns and repurchase). In two studies, Hypotheses are tested with data from the U.S. and China. Results show that restrictive return policies decrease product returns in Western (not in Eastern) countries and decrease repurchases in both countries. For the institutional environment, we find a mirror-inverted pattern: It increases product returns in Eastern (not in Western) countries but increases repurchase in Western (not in Eastern) countries. Further, the legitimacy mechanisms explaining the impact of the institutional environment differ in Eastern (others' approval) vs. Western countries (self-interest). These findings increase our understanding of product returns in different cultural environments and offer valuable insights for a global product return management.

**Keywords:** *Product returns; Institutional theory; Self-construal*

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