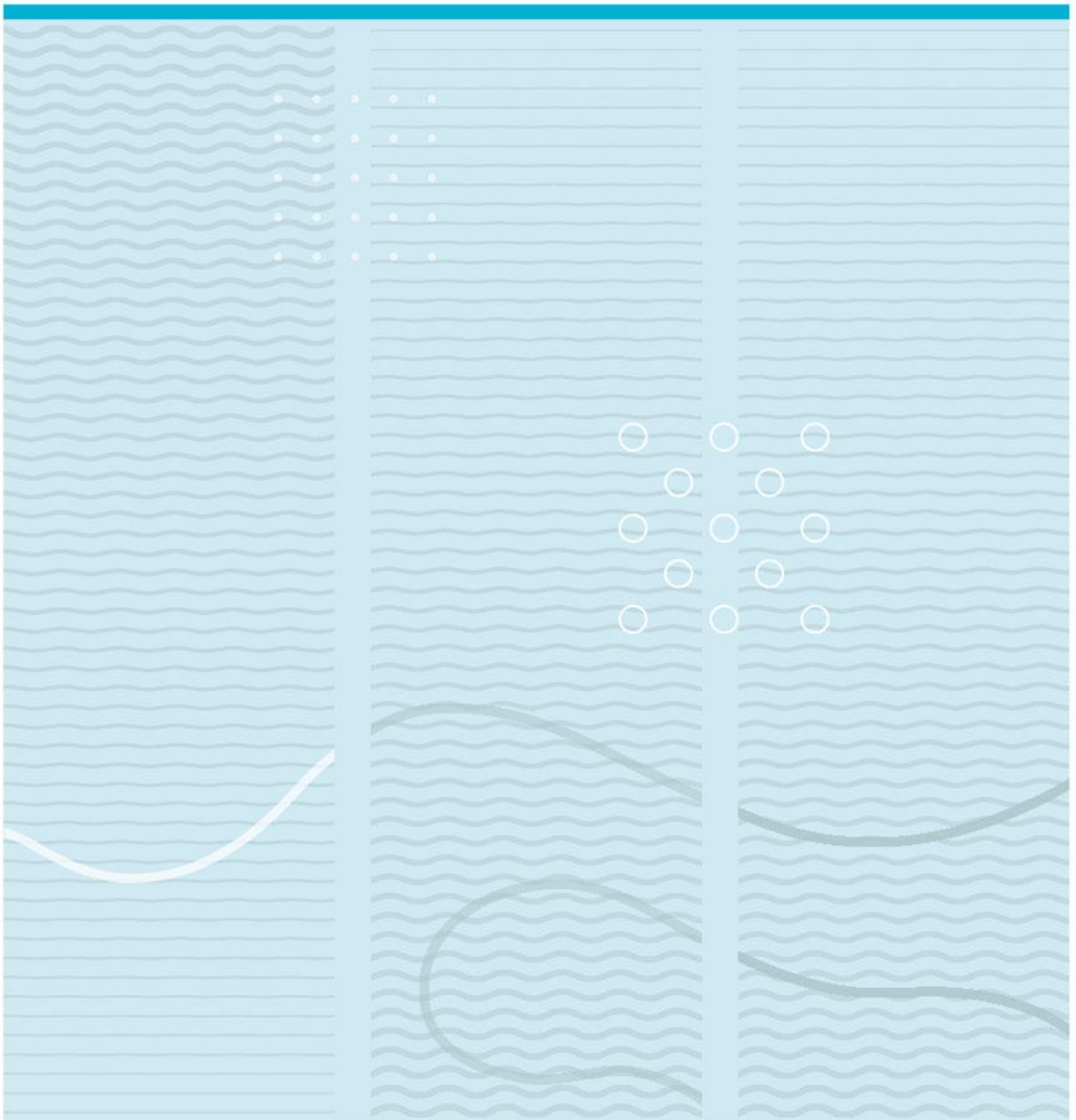


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Bracketing in Online Shopping: An Investigation of the Underlying Psychological and Contextual Factors.



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This thesis is worth 30 study points.

Summary

The fashion industry is constantly changing due to new technology and changes in consumer behavior. A new trend in online retail known as "bracketing" has emerged, where customers order multiple versions of an item and return the ones that do not meet their expectations or preferences. Although there is limited literature on bracketing, the authors suggest that lenient return policies of retailers and uncertainty regarding size and preference when ordering online are factors that contribute to this behavior. When customers order an excessive number of items with the intention of returning some of them, they essentially turn their homes into fitting rooms and resulting in excessive returns that negatively impact retailers and the environment. Given the lack of literature on bracketing in online retail, this study took a unique approach. It involved delving into various relevant research on consumer behavior, which then led to the research question: What are the underlying psychological and contextual factors of bracketing? This study aims to offer a broader perspective about the bracketing behavior, beyond the scope of existing literature that focuses primarily on size uncertainty. I created a conceptual framework with 12 hypotheses based on other related consumer behavior, such as opportunistic behavior.

A questionnaire was created on Qualtrics and uploaded to Amazon Mechanical Turk, where the participants received compensation for participating, resulting in 458 valid participants. Due to the research model's complexity and the dataset's characteristics, I used Partial Least Squares Structural Equation Modeling (PLS-SEM) to investigate the relationships between the multiple dependent and independent variables. This enabled me to either reject or confirm the theories and hypotheses, answering this study's research question. Several intriguing findings emerged, where the data revealed that some of the dimensions of ethical belief and ethical judgment had a significant relationship with bracketing. High levels of customer entitlement and individuals with an oppositional cultural model showed a higher propensity to engage in bracketing. This research contributes to the growing body of literature about bracketing behavior and provides valuable insights for retailers dealing with high return rates.

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Foreword

This thesis contributes to the literature on bracketing behavior in online shopping and involves a quantitative analysis. Because of the lack of literature, and no evidence of psychological factors of bracketing, I provide an analysis of many hypotheses to create a general conclusion on such factors. This thesis has the goal of being a springboard for future research about the emerging consumer behavior trend, and I hope further researchers can use their expertise in the field to explore more relevant factors of bracketing behavior in online shopping.

I would like to use this foreword to thank my supervisor, Mesay Moges Menebo, for the support and guidance throughout the entire process of writing this master's thesis. His expertise has helped me enormously, and he has also inspired me to work with passion and curiosity in my work. I am appreciative of all the professors at the master's program Sustainability Management, who constantly showed us how interesting and important the job of sustainability management is.

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1 Introduction

The apparel industry has become an environmental discussion in the past years, and it is hard for consumers to know how to act sustainably with an overflow of information, greenwashing tactics, and complex supply chains. The global apparel market had a revenue of 1.53 trillion U.S. dollars in 2022 and is forecasted to increase – to more than 1.7 trillion dollars in 2023 (Smith, 2024). A contributor to the growth of the apparel industry is the business model “fast fashion”, that offers consumer trend-led products at low prices produced rapidly in response to the current fashion trends (Niinimäki et al., 2020; European Commission, 2022). The “fast fashion” business model is based on impulsive buying and fashion trends, leading consumers to purchase more and wear items less before they dispose of the item (Niinimäki et al., 2020). As the clothing industry expands, its impact on the environment also grows. This means that the environmental consequences of the industry are increasing. Overconsumption of natural resources, water pollution, chemicals usage, greenhouse gas emissions, and waste are the significant impacts textile production has on the environment (European Parliament, 2024; Niinimäki et al., 2020). The textile production alone is responsible for 20% of the global water pollution, and the fashion industry is accountable for around 10% of the total carbon emissions across the world (European Parliament, 2024). Quantis (2018) further reports that in 2016, the apparel and footwear industries are responsible for 5 to 10% of global pollution impacts. Comparing the year 2016 with the year 2005, the impact of the apparel industry production increased by 35% and is estimated to steadily increase in 2020 and 2030 (Quantis, 2018). This is due to a growing population and a change in material consumption, where synthetic substances are used more, and natural fibers are used less in the industry (Quantis, 2018). This will affect all pollution indicators, such as resource depletion, freshwater withdrawal, climate change, ecosystem quality and human health (Quantis, 2018). The unsustainable consumer patterns are negatively impacting the Sustainable Development Goals (SDG) set by the United Nations, especially in context of the SDG number 12: Responsible consumption and production (UNDP, n.d.). The fashion industry is not only harmful to the planet but also poses several social challenges. Child labor and poor working conditions with low wages, as well as the use of toxic chemicals, continue to be prevalent issues (European Commission, 2022; Niinimäki et al., 2020).

Given the complexity of sustainability amidst the industry's exponential growth, addressing these environmental issues becomes increasingly urgent.

A contributor to the growth of the apparel industry is the digitalized transformation of the industry. This transformation enables consumers to browse and purchase clothing everywhere and at any time. The advantages of digital platforms have changed how people shop and fuel the industry's expansion. Global E-commerce sales are estimated to exceed 6.3 trillion U.S. dollars in 2024 and are expected to grow tremendously in the following years (Van Gelder, 2024). Online shopping creates an easy and efficient way of shopping, giving the consumers more opportunities and control over products, feedback mechanisms, and prices.

Despite the numerous benefits of online shopping, certain aspects cannot be replicated in online stores as in physical stores. One major disadvantage is the inability to physically touch and look at the products before purchasing them (Balaram et al., 2022). These disadvantages, along with the free return policies of many retailers, can encourage consumers to engage in bracketing behavior. *Bracketing* is defined as purchasing multiple versions online with the intention of returning the ones that do not meet the requirements (Xu et al., 2023). The difference between regular returns and bracketing lies in the intent behind the purchase: while regular returns typically occur when an item does not meet the buyers' expectations, bracketing involves ordering many items with the deliberate intention of returning some of them.

It is difficult for the consumer to know if the product will meet their needs and expectations, and if the fit and size are correct, without physically touching them (Kong et al., 2023). Given such uncertainties, consumers may engage in bracketing behavior. Balaram et al. (2022) explains the phenomenon of bracketing by first pointing to the components of size and preference uncertainty with online shopping, which results in retailers offering free returns. Balaram et al. (2022) further explain that this enables consumers to order multiple products with the intention of returning some of them. Purchasing numerous versions of a product to try on at home, and then returning the products that do not meet the consumer's requirements is a definition of bracketing

(Xu et al., 2023). Multiple versions of a product could be sizes or colors, and the literature often explains bracketing by consumers regulating for instance the size uncertainty by ordering two additional sizes (Balaram et al., 2022). A pair of pants can for example be difficult to find in your correct size, especially when you cannot see, feel, or try them on. Therefore, consumers bracket by ordering three different sizes to try them on at home and then returning the pants that didn't fit. What a product is like in reality is difficult to know when you look at a screen, everything from how it feels, how it sits on the body, to color and size can vary when you get the package home. In 2019, 55% engaged in bracketing behavior, rising to 62% in 2020 (Narvar, 2021). Despite a slight decrease in the numbers after the pandemic, bracketing behavior is predicted to become a normal shopping method for many individuals. The bracketing behavior is predicted to increase as consumers strive to diversify their wardrobes. This is potentially influenced by the mounting influence of social media and marketing tactics, which exert pressure on consumers to conform to certain fashion standards. The convenience of obtaining the right item in the initial order makes bracketing an attractive way of shopping, solidifying its position as the new norm.

The definitions of bracketing provided by the literature highlights consumers' inability to fully assess products before purchasing online, leading them to buy multiple versions with the intention of returning the ones that don't meet their requirements. Consumers bring the fitting room home, leveraging the convenience of free returns offered by many online retailers. However, what both consumers and retailers may overlook are the environmental consequences of these returns and emerging trends. Additionally, retailers encounter other challenges and expenses that demand careful consideration.

1.1 Impact on the retailers

Free return policies have become the new norm, but retailers can find reverse logistics costs difficult to manage. It is labor-intensive, and since the items are not new anymore, they usually get sold at a discount, donated, or discarded (Balaram et al., 2022).

Refurbishing or restocking the product are alternatives when the items can be resold, and also selling it to a third party but with a lower price so that the retailers also lose

money with this option (Ofek et al., 2011). There is also a challenge with transaction and operational costs, as well as the costs of collecting these unwanted products (Ofek et al., 2011). In the U.S., the National Retail Federation (NRF) reported that the retail industry faced a staggering \$743 billion worth of returned merchandise in 2023 alone (National Retail Federation, 2023). 14,5% of sales were the total returns rate in 2023, and due to returns abuse and fraud, \$101 billion was lost (National Retail Federation, 2023). The global reverse logistics is forecasted to exceed 817.51 billion U.S. dollars in 2026, and 954.5 billion U.S. dollars in 2029 (Placek, 2023). Excessive return rates present a financial hurdle for retailers, and it becomes even more intricate when trends like bracketing, characterized by a deliberate intent to return items, come into play. This phenomenon strains retailers' bottom lines and complicates inventory management and logistics, posing additional challenges in an already demanding marketplace.

1.2 Impact on the environment

Given the phenomenon's components, the bracketing behavior amplifies two key environmental factors: transportation and waste. A returned item generates a higher volume of emissions than an item that is not returned, and the product's resale value may be diminished since it is no longer new, contributing to even more waste.

Returning products can add up to 30% to the emissions of the initial delivery, and many retail warehouses have long transport routes to the final destination (Davison, 2024).

From 2020 to 2021, the volume of returned merchandise disposed of in landfills nearly doubled in the United States, surging to 4.34 million tons from the prior year's 2.61 million tons (Coppola, 2023). Concurrently, greenhouse gas emissions from return transportation also rose, reaching 27 million metric tons of CO₂ in 2021 (Coppola, 2023). By 2022, both metrics experienced a slight decrease, with carbon emissions dropping to just under 24 million metric tons of CO₂ (Coppola, 2023). Optoro (2022) visualizes this by comparing the 24 million metric tons of CO₂ emitted by 5.1 million cars driven for one year, and the 9.5 billion pounds of returns in landfills as 10,500 fully loaded Boeing 747s. As these numbers represented are from the United States, the Europeans are also returning much of their merchandise, and it is mostly in the clothing

and accessories category (Whittaker-Wood, 2019). Germans returned 52% of their online purchases in 2019 (Whittaker-Wood, 2019).

When consumers order multiple items home, using it as a way to transform their living room into a fitting room before actually committing to the products, such returns become an urgent challenge for the environment. Numbers and research on the exact environmental impact of the bracketing behavior is absent, however, the rise in online shopping, return rates, and the bracketing behavior is an indicator that the environmental impact is an increasing problem that needs to be addressed. Therefore, the aim of this thesis is to understand the underlying drivers of bracketing behavior. This thesis aims to shed light on this phenomenon by investigating the theoretically relevant variables in shaping individuals' propensity to engage in bracketing.

Research question: What are the underlying psychological and contextual factors of bracketing?

By addressing this question, this study seek to provide insights into the complexities of bracketing behavior and contribute to a deeper understanding of its underlying mechanisms.

2 Literature review

2.1 Bracketing in online shopping

When explaining the disadvantages of online shopping and the reasoning behind returns, Balaram et al. (2022) explain that online apparel consumers cannot physically interact with the product. When ordering online, consumers cannot be sure that their expectations and product characteristics match (Balaram et al., 2022). The problem with product returns is particularly in categories where consumers need to "touch and feel" the products and whether they match their tastes and needs (Ofek et al., 2011, p. 42). Kong et al. (2023) also emphasize that the disadvantage of online shopping is these uncertainties, that the correct fit and size are only possible to find when physically touching them. Kong et al. (2023) explain that body proportions and body satisfaction also affect the perception of fit and size. To solve the problem of size and preference uncertainty, many retailers offer free returns to enable the consumer to order the product and try it on before deciding to keep it (Balaram et al., 2022). Returning a product because the consumer is unsatisfied with it is not the definition of bracketing. But it can be referred to as buying single and then either returning it or exchanging it for another size (Balaram et al., 2022). However, buying a single item and returning or exchanging it can increase the consumer's hassle cost. Therefore, the consumer buys multiple versions initially to minimize their hassle cost (Balaram et al., 2022). When consumers are uncertain whether the items they order will fit and meet their expectations, they can order multiple versions in their initial purchase. Ordering multiple versions enables them to return the ones that do not fit, which ultimately helps to reduce the inconvenience for the consumers associated with online shopping and returns. When a consumer buys multiple versions of an item with the intention of returning some of them, it is referred to as *bracketing* (Balaram et al., 2022; Xu et al., 2023). According to Balaram et al. (2022), bracketing mainly involves purchasing multiple sizes and returning the items that do not fit. However, bracketing behavior encompasses more than just size uncertainty; it encompasses all other factors associated with a product that influence the consumer's decision to either return or keep it. Xu et al. (2023) define bracketing as buying multiple versions and returning the

items that do not meet the consumers' requirements. The existing literature presents different approaches to understanding this phenomenon. I propose that further research should recognize that bracketing extends beyond size uncertainty alone. The term encompasses instances where individuals intentionally order multiple items with the intention of returning some. Whether the motivation is size or fit uncertainty, or simply the desire to replicate the in-store experience of trying on multiple items at home, the phenomenon is multifaceted.

The literature mainly explains bracketing as a phenomenon where the individual does not know how the product will actually perform before trying it. All the information the consumers have (e.g., what sizes, types of clothes, and materials they have purchased in the past) and the information that is online on the websites (e.g., photos, customer feedback, and description of the products), are all factors that consumers have to take into consideration when shopping for items online. It is a part of their decision-making process. This process is explained in the literature as a *prepurchase* or *pre-sales practice*, which is an activity before the consumer purchases an item, and it involves gathering information about the product before purchasing (Balaram et al., 2022; Kong et al., 2023). Balaram et al. (2022) divide this prepurchase uncertainty into two components: size uncertainty and preference uncertainty. However, they explain that they use the most common meaning of bracketing, which is related to size uncertainty, according to Balaram et al. (2022). It is in this prepurchase activity that retailers can utilize this process by providing enough information or technologies to ensure that consumers will order the correct size (Kong et al., 2023). When the consumer does not get enough information in this process, they could resolve to bracket to ensure that they get the correct size in the initial order.

2.2 How common is this phenomenon?

Narvar (2017) highlighted that apparel is the most common category for returns. This statement is consistent with previously mentioned literature, highlighting that "touch and feel" categories are most prone to returns as there is much uncertainty in such categories (Ofek et al., 2011, p. 42). The definition of bracketing from Narvar's

consumer report is that "shoppers buy multiple versions of an item to see which they prefer, with the intent to return the rest" (Narvar, 2017, p. 20). Forty percent reported that they bracket at least some of their online purchases (Narvar, 2017). Narvar (2017) also reports that bracketing, the intention of buying multiple items and returning some, is becoming more frequent and is prevalent for the most affluent or younger shoppers. In the Narvar consumer study from 2021, 48% say they only bracket when sizing or other options are unclear and that the main reason for returning in general is fit and size (Narvar, 2021). In 2020, 62% engaged in bracketing behavior, and in 2021, there was a percentage of 58 that did bracket (Narvar, 2021). The report also reveals that the pandemic in 2020 made the bracketing practice grow (Narvar, 2021). The main reason of bracketing is that customers are not able to try it in-store or are trying unfamiliar brands (Narvar, 2021). Over half of the respondents engage in bracketing behavior, and the reports show that the trend is growing, and the main reasons presented for this are fit and size.

A more recent statistic on bracketing in the United States, reported that 14% always engaged in the behavior – and 29% brackets occasionally, and 20% stated that they bracketed when sizing was unclear (Chevalier, 2023). Characteristics such as age are a crucial factor in the survey; up to 20% of the age group of adults under 30 years old reported that they always engage in bracketing when shopping online (Chevalier, 2023). The report states that six out of ten online shoppers resorted to bracketing (Chevalier, 2023). The main reasons for bracketing in the U.S. in 2022 were that 31% of the respondents could not remember their size when ordering, and 27% ordered with the intention of returning as they were unable to try it on in-store (Chevalier, 2023).

2.3 Drivers of high return volumes

Moving away from explanations of why people engage in the specific behavior of bracketing, this study reviews research about one of the essential factors in the concept of bracketing, namely the returns. Significant drivers of the high return volumes are lenient return policies and an increasing number of remote transactions (Akturk et al., 2021). Akturk et al. (2021) also present that such lenient return policies can contribute

to consumers abusing this and motivate them to behave opportunistically. Li et al. (2014) supports this statement by proposing that, more recently, the returns are more related to consumer behavior-related issues instead of a real quality functional problem with the products.

The concepts of abusing lenient return policies come in wide varieties and degrees. Another related type of abusing return policies is deshopping which is defined by Schmidt et al. (1999) as the: "...deliberate - and arguably inappropriate - return of goods for reasons other than actual faults in the product, in its pure form premeditated prior to and during the consumption experience as at least a potential outcome of the event." (p. 292). The findings of King et al. (2008) revealed that 50% of their participants engaged in deshopping, which contributes to the thought that abuse of lenient return policies is a growing trend. King et al. (2008) further emphasizes the importance of understanding the behavioral characteristics of customers to manage dishonest consumer returns to decrease unwanted returns and the costs associated with them.

According to Akturk et al. (2021), there are three different types of returns: legitimate, opportunistic, and fraudulent. Legitimate returns happen when items are returned due to the customer's preferences and the attributes of the product do not match (Akturk et al., 2021). Legitimate returns can refer to the concept of bracketing because the consumers return the products that do not meet their requirements. For legitimate returns, retailers can adjust price and refund policies to influence the volume of such returns and net sales (Akturk et al., 2021). Retailers can manage this segment and bracketing behavior with price and tools, and literature reflects that the reverse logistic cost, consumer hassle cost, and the product match probability are essential factors to consider when discouraging or encouraging bracketing behavior (Balaram et al., 2022; Xu et al., 2023). Another crucial connection to consider when maximizing profits in the bracketing behavior is the bracketed proportion and retailers' reverse logistics cost (Xu et al., 2023).

However, legitimate returns do not take into consideration that the concept of bracketing consists of the deliberate intention to return the products when ordering.

When a customer buys a product with the intention of returning it, it is called an opportunistic return, according to Akturk et al. (2021). Ülkü and Gürler (2018) use the term opportunistic consumer return when the returned product is used and is non-defective merchandise. Ülkü and Gürler (2018) relate this to the deshopping term earlier described by Schmidt et al. (1999). Ülkü and Gürler (2018) also explain that consumers use the return option opportunistically for short-term consumption instead of resolving fit uncertainty and returning the product. Akturk et al. (2021) propose that an opportunistic return enables the customer to obtain enough value from the product within the return window in a way that the consumption amount exceeds the cost associated with ordering and returning.

Another related behavior is ordering items for a specific purpose and then returning them after they have used them, which can be called retail borrowing (Piron & Young, 2000). Retail borrowing is a behavior driven by, for instance, social needs, economic needs, altruistic needs, and personal satisfaction needs (Piron & Young, 2000). Consumers want to maintain or project a personal image within their social or professional environment but cannot financially do so (Piron & Young, 2000). Compulsive buyers are also mentioned in the literature on abusing return policies, and these types of people are more satisfied with temporary product possession and again are seeking to affirm their self-image and appearance and can, therefore, engage in opportunistic behavior (Rosenbaum & Kuntze, 2005). Maintaining an image, fitting in, or satisfying personal needs are important factors in all consumer behavior, such as bracketing. Therefore, psychological and sociological drivers that lead to different returning behaviors are also factors to consider.

2.4 Gaps identified in the literature

Several drivers influence the prevalence of bracketing behavior in online shopping. The significant driver proposed by the existing literature of this behavior is that the fit and size of the product are a challenge when shopping online. The reasoning behind this statement is that consumers are not able to try it on in-store, sizing is unclear, they are trying unfamiliar brands, or they do not remember their size when ordering (Narvar,

2021; Chevalier, 2023). Articles often use the term bracketing when customers order two additional sizes to ensure a proper fit. However, to fully understand this behavior, it is important to remember that bracketing is a way to turn consumers' homes into a fitting room, bringing the experience of a store home, and can result in big orders with many returns. Considering the increasing volume of returns and the rising number of consumers consistently practicing bracketing, it becomes evident that explanations for this behavior extend beyond mere size considerations. Retailers' return policies play a crucial part; they can encourage behaviors driven by wanting to maintain a particular image or fulfill other personal needs. Because of the normalization of lenient return policies, several articles examine opportunistic consumer behavior and its nuances. Bracketing consists of returning goods that one is not satisfied with, but the distinction from legitimate returns is that the consumer intends to return some of the goods at the time they order, making the bracketing behavior more related to the opportunistic return (Akturk et al., 2021).

Online shopping has evolved beyond mere necessity, transforming into a leisure activity to pursue pleasure and satisfaction, not just practical needs. There is also a lack of research on the environmental consequences of the specific behavior of bracketing, often only mentioned in a small part in some of the introduction parts. More research on this behavior and other behaviors that emerge from the convenience of online retailers is needed. The pandemic in 2020 altered consumer shopping habits, and following the evolution of these behaviors holds both intrigue and significance in understanding consumer trends and behaviors to solve the environmental challenges further. By gaining insights into bracketing behavior, retailers can develop strategies to effectively manage returns, minimize costs and collaborate with the consumers to cultivate a more sustainable way of shopping. Collaborating towards a more sustainable consumer journey requires consumers to deepen their understanding of the environmental impact of their purchasing habits.

Table 1: Bracketing intentions

Contextual factors	Remote transactions (e.g. Covid-19).
Individual factors	Size uncertainty, preference uncertainty, need for accuracy on initial order, not remembering size when ordering, perception of fit, perception of size, body proportion, body satisfaction, age (younger consumer), gender (women), affluence, brand unfamiliarity, subjective behavior control (e.g. inability trying in-store), information uncertainty, prepurchase practice.
Company factors	Lenient return policies, Presales practice (convey enough information before sale to demotivate bracketing).

3 Research question

The literature review revealed that there is limited research about bracketing behavior, and given these findings, this study aims to fill the gap in the literature about the drivers of bracketing behavior. With the research question presented below, this study encompasses a comprehensive examination of various relevant research to offer a broader perspective and potentially uncover other findings beyond the scope of existing studies.

Research question: What are the underlying psychological and contextual factors of bracketing?

4 Conceptual background

The conceptual background is based on relevant research about consumer behavior, providing 12 hypotheses.

4.1 Difference in individual worldview

The studies on different worldviews can help researchers understand and predict behaviors. A worldview is described as “a set of assumptions about physical and social reality that may have powerful effects on cognition and behavior” (Koltko-Rivera, 2004, Abstract). We all see the world in our own unique perspective.

Dweck et al. (1995) explains that people's judgments and inferences are influenced by implicit beliefs. People generally perceive highly valued personal attributes in two ways: as non-malleable traits that cannot be changed (entity theory) or as qualities that can be developed and changed over time (incremental theory) (Dweck et al., 1995). Studies indicate that those who adhere to entity theory tend to see existing norms, regulations, and moral orders to be more rigid, compared to incremental theorists which views morality through broader principles that influence their worldview (Desai et al., 2020). Desai et al. (2020) explains that it is documented that these distinctions have profound influences on human thought and action, and that these trait differences could lead

incremental theorists to be more inclined towards opportunistic behavior compared to entity theorists. If an action is made, especially something that is “wrong”, like stealing something, these theories have different ways of viewing the act. For entity theorists who believe in a fixed moral character diagnose moral traits of the one that did the act (Dweck et al., 1995). Moral character is not as pertinent for the incremental theorists, they focus more on other factors that drove the act, such as the intention or the goal (Dweck et al., 1995). Dweck et al. (1995) summarize by differentiating the two theories in how we understand how human acts and the outcomes of it. The difference is that they hold different emphasis on traits versus psychological or behavioral mediators.

Factors of the bracketing behavior consist of taking advantage of the free return policies and the opportunities retailers offer. If entity theorists perceive moral orders and other norms and regulations to be rigid, they might not find bracketing as attractive as incremental theorists which find morality to be in terms of other factors (Desai et al., 2020). The entity theorist may find bracketing to be a way to cheat the system and impose more costs on retailers and the planet, where incremental theorists may suggest that the retailers have chosen the free return policies themselves, or for instance that it has less environmental impact to bracket than for them to drive to a physical store.

Hypothesis 1; Entity theorists will exhibit a lower propensity to engage in bracketing compared to incremental theorists.

4.2 Situational factor: Pressure/Incentives

Pressure and incentives can play a significant role in consumer behavior; they happen when someone encourages or compels an individual to do something (Cambridge Dictionary, Pressure, n.d.; Cambridge Dictionary, Incentive, n.d.). This pressure may stem from various sources, such as peer influence from friends and family or the pervasive influence of social media. It could be described as a desire to conform to fashion trends, leading to participation in bracketing behavior.

Desai et al. (2020) refers to prior research that indicates that situational factors greatly influence an individual's action, and that self-interest is essential. The gain of the action can undermine moral and ethical beliefs, and the greater the incentive or pressure is, the more likely the person may engage in behaviors that conflict with their core values and beliefs (Desai et al., 2020). Such pressures can come from individuals comparing themselves to their peers, such as friends or family. Although everyone compares themselves to others from time to time, there are certain types that are more inclined to engage in social comparison than others (Gibbons & Bunk, 1999). Gibbons and Bunk (1999) specify that social comparison has three underlying motives, which are evaluation, improvement, and enhancement. The reasoning behind social comparison can be to learn from others to improve, or that the individual is insecure, so they are more dependent on others' opinions to take action (Gibbons & Bunk, 1999). Despite initially harboring reluctance to participate in behaviors impacting the environment and retailer expenses, individuals may find their values and opinions swayed under pressure or influence of others. As for bracketing behavior, pressure can be that the individual often compares themselves to others and are therefore more inclined to engage in bracketing with high pressure from for instance friends, family, or social media.

Hypothesis 2; Propensity to engage in bracketing will be greater under high pressure compared to under low pressure.

4.3 Ethical judgment

According to Mudrack and Mason (2013), ethical judgment is an individual evaluation of whether an action is right or wrong. It could also be the evaluation on a situation or an issue, and whether it is ethical or unethical (Robin et al., 1997). Reidenbach and Robin (1990) also proposes ideas of justice, consequence, justice, duty, the greatest good, and contract, as aspects of ethical judgments based on philosophies and religions. It is also mentioned in literature that ethical judgments are complex and that the measures do not imply that the individual always acts consistent with their valuation (Robin et al., 1997).

When consumers evaluate the morality of their actions based on their principles and values, behavior that consists of opportunistic behavior can be seen as ethically questionable behavior. Chen and Huang (2016) summarize opportunistic behavior as pursuing their self-interest, not only illegal behavior but also negative behavior that is common. Such a common negative behavior can be to engage in bracketing behavior, which is not illegal but has negative impact on the retailers and the environment. As previously mentioned, bracketing consists of ordering excessive quantities of items with the intention of returning some of them. Consumers may perceive bracketing as exploiting retailers' lenient return policies for personal gain, potentially at the expense of the retailer's profitability and the cost that comes with the reverse logistic process. Considering these repercussions for the retailer can positively influence the consumer's ethical judgment in favor of the retailer. What the individuals perceive as unethical or ethical, right or wrong, also affects their purchasing habits as well as all other actions. Individuals with higher moral values should also make more ethical decisions (Schwepker & Good, 1999). If the individuals have a higher ethical judgment, they take into consideration that bracketing costs the retailers and possibly engage less in the bracketing behavior.

Hypothesis 3; As a consumer's ethical judgment increasingly favors the retailers, the likelihood that the consumer will engage in bracketing decreases.

4.4 Ethical belief

Chowdhury and Fernando (2014) summarize literature on ethical beliefs of consumers and describe it as moral principles and standards that guide consumer behavior and that it affects greatly consumption choices, some literature even describes it as conscious and deliberate decisions. It also affects the whole consumption process, from purchasing and using the products, to the disposal of them (Muncy & Vitell, 1992). The ethical belief of a person serves as a moral compass in their decision-making process, it reflects what the consumers believe is right or wrong (Chowdhury & Fernando, 2014). If a consumer has strong ethical beliefs, they are more likely to adhere to ethical

principles and standards. When the consequence of bracketing is examined, the behavior might be considered dishonest or unethical since the consumers exploit the retailers' return policies for their personal convenience. Instead of going to the store and trying on the items, they order multiple versions home and return many of the items. This results in more unnecessary pollution from transportation, and potentially waste. The consumers could also be considering the cost for the retailer with the reverse logistic cost, and the inconvenience it brings the retailer when "borrowing" items. This might conflict with the consumers' ethical values, and that they rather adjust their consumption process to avoid contributing more environmental harm and acting more sustainably and fairly.

Hypothesis 4; When consumers have strong ethical beliefs, they are unlikely to engage in bracketing.

4.5 Machiavellianism

Machiavellianism is a behavior characterized by prioritizing one's own needs and goals, exploiting and lying to others to meet these needs and goals, and seeing other people as a means to an end (Psychology Today, n.d.). Further, it is characterized by manipulateness and deceitfulness, and a lack of empathy (Psychology Today, n.d.). They have high levels of self-interest and have a cynical view of the world (Psychology Today, n.d.).

A personality trait such as Machiavellianism aims at maximizing personal gain even though it is at expense of others, which both bracketing and opportunistic behavior consist elements of. Bracketing has the element of that it results in expense of retailers and the environment. Their own interest in shopping could be maintaining an image, or fulfilling different needs you can gain by shopping such as joy. By bracketing, they can gain these own needs and interest in a convenient way, they do not have to go anywhere and can get all the opportunities in the comfort of their own home. Bracketing behavior relates to opportunistic behavior since they are both behaviors prioritizing their own interests and needs even though it is at expense of others, which

also is characteristics within the personality trait of Machiavellianism. There is a positive association between Machiavellianism and opportunism according to Sakalaki et al. (2007a). Therefore, one can predict that Machiavellianism has a positive correlation with bracketing behavior too.

Hypothesis 5; Machiavellianism will have a positive correlation with bracketing.

4.6 Individualist vs Collectivist

Chen et al. (2002) define individualist as “defining the self as autonomous and independent”, and collectivist as “defining the self as interconnected and interdependent with significant others of various groups” (p. 571). Individualists are self-contained and independent, in contrast to the collectivist self which rather sees itself as part of something, which also impacts if self-interest or group interest is pursued (Chen et al., 2002).

Ingroups are a group the self belongs to, or other individual members of the group belongs to (Chen et al., 2002). Outgroups is the opposite, the self is not a member (Chen et al., 2002).

Individualists are independent and prioritize their own needs over group cohesion or norms as collectivists do. Therefore, individualists may be more inclined to engage in bracketing behavior which prioritizes personal convenience and satisfaction; ensuring they get the right product without further hassle for them. Individualists also value autonomy and independence, which may make them more inclined to take advantage of opportunities such as free return policies (Chen et al., 2002). Their focus on personal needs aligns with the tendency of seeking efficiency when ordering online and getting their items on the initial order by bracketing.

Chen et al. (2002) propose that the individualist will have a greater opportunistic propensity when there is a conflict of interest between them and an ingroup. The perceived benefits of bracketing and the focus on personal needs and autonomy may

contribute to a greater propensity for individualists to engage in the bracketing behavior when the retailer is identified as an ingroup.

In contrast, collectivists view themselves and fellow ingroup members as interconnected, striving toward shared goals, and bound by norms of mutual obligation (Chen et al., 2002). Collectivists place more emphasis on group harmony and common interests, so they are more likely to consider the impact of their actions on other ingroup members. Therefore, if the collectivist identifies the retailer as an ingroup they are more likely to not engage in bracketing behavior, in contrast to individualists. However, the relationship between collectivists and outgroups is different. A common group identification and moral obligation or pressure is absent when it is an outgroup (Chen et al., 2002). It is also negative expectation of strangers, and a negative stereotype could be present (Chen et al., 2002). There is a moral indifference between ingroups and outgroups when it comes to collectivists, and a negative relationship between collectivists and outgroups (Chen et al, 2002).

Because of negative expectations and stereotypes, and the absence of group cohesion, if the retailer is identified as an outgroup there is a higher chance that the collectivist will engage in bracketing behavior. Individualists may exhibit a greater propensity for opportunistic behavior within their ingroups compared to collectivists, while collectivists might demonstrate higher opportunism towards outgroups than individualists (Chen et al., 2002).

Hypothesis 6; When the consumer identifies the retail as ingroup, the individualist will have a greater propensity to engage in bracketing than the collectivist.

Hypothesis 7; When the consumer identifies the retailer as outgroup, the collectivist will have a greater propensity to engage in bracketing than the individualist.

4.7 Perception of company size

Baker et al. (2012) proposes that opportunistic behavior could be influenced by the size of the firm. The consequences for the other parties, here retailers, are another factor that consumers consider. There is a higher chance of dishonesty when the counterpart is considered wealthy because the consumers feel that larger firms can handle the losses better with their insurance policies and higher prices (Wirtz & McColl-Kennedy, 2010). Sykes and Matza (1957) explain that the denial of injury opens up for interpretations on if the act has clearly hurt another part, and in relation to the bracketing behavior the consumers can interpret that the act does not cause any great harm.

Another factor is the relationship customers may have with local and smaller stores, and that they do not feel as protective about larger firms (Wirtz & McColl-Kennedy, 2010). Consumers tend to perceive that the degree of harm is significantly lower in larger firms than in smaller firms (Wirtz & McColl-Kennedy, 2010). When large firms offer free return policies, consumers may perceive this as another evidence that the larger firms can handle the reverse logistic costs and do not get impacted by the bracketing behavior as much as smaller firms with less resources. It could be implied that consumers believe that a large firm has more resources, therefore engaging in the bracketing behavior is causing less harm to larger firms than in small firms.

Hypothesis 8; Bracketing is more likely to occur in large firms than in small firms.

4.8 Cultural models

Emotions and expectations are influenced by how people see the world, and cultural models govern daily interactions (Ringberg et al., 2007). Relational, oppositional, and utilitarian are the three major cultural models (Ringberg et al., 2007). The oppositional cultural model consists of a more aggressive position and considers any consumer-provider interaction could consist of a potential exploitation that they must monitor and counteract (Ringberg et al., 2007). The oppositional cultural model wants to hold the control, and the loyalty for instance to retailers is little (Ringberg et al., 2007). They

also have traits such as being skeptical, cynical and to be on guard (Ringberg et al., 2007).

Baker et al. (2012) proposes that oppositional customers have a higher chance of engaging in opportunistic behavior, because of the distrust to providers and the lack of relationship to the provider. This could translate into that the individuals that possess oppositional cultural models are more likely to engage in bracketing, because they do have a more negative relationship to the retailer and does not have any empathy for the cost it may impose on the retailers.

Hypothesis 9; Individuals who possess oppositional cultural models are more likely to engage in bracketing.

4.9 Materialism

Materialism is a lifestyle or personality trait where an individual sees materialistic things as a priority and a need, and that their possessions are at the center of their life (Richins & Dawson, 1992). A materialist view their possessions as essential to their satisfaction and well-being (Richins & Dawson, 1992). They also judge their own success and others by the quality and number of possessions (Richins & Dawson, 1992).

Materialists subscribe to the belief that greater consumption leads to enhanced well-being and life satisfaction, asserting that ongoing accumulation is essential for maximizing their overall satisfaction and fulfillment (Fournier & Richins, 1991). When the top priority in a person's life is the possession of material things, it can undermine the negative effects it has on other people and for instance on the environment (Muncy & Eastman, 1998). If an individual has high levels of materialism and has the mindset that possessions are one of the most important things in life, bracketing is an opportunity for them to have a lot of items without needing to commit to actually use money on it. The joy the materialist will have of being in possession of things could be a higher priority than the negative effects it has on the environment or on the retailers.

Hypothesis 10; Individuals who have higher levels of materialism are more likely to engage in bracketing.

4.10 Risk Aversion

When making purchase decisions, consumers cannot be certain that the product fulfills their requirements and expectations. Most consumers perceive a risk in most purchase decisions, but consumers perceive a higher level of risk in shopping online compared to in-store (Jiuan Tan, 1999). Risk aversion is the tendency to avoid or feel threatened by risky, uncertain, and ambiguous situations, and an individual's risk aversion strongly affects their decision-making process (Bao et al., 2003). The study of Jiuan Tan (1999) revealed that the consumers that use Internet shopping services are more likely to be less risk averse.

Those who tend to prioritize safety over taking risks may resort to bracketing behavior when making online purchases. By ordering several versions of the same product, they can alleviate uncertainties regarding factors like size, fit, and quality of the product. This helps them minimize the likelihood of being dissatisfied with their purchase.

Hypothesis 11; Individuals who are more risk-averse are more likely to engage in bracketing behavior.

4.11 Customer entitlement

Customer entitlement is the “customer’s tendency to expect special treatment and automatic compliance with his or her expectations by the firm” (Boyd & Helms, 2005, p. 277). People who possess a strong sense of entitlement as customers may feel justified in receiving certain perks while shopping online. This might include the ability to order multiple items and then return the ones that do not meet their expectations or requirements. In the context of online shopping, customer entitlement can lead individuals to believe that they deserve to take advantage of the various benefits and return policies offered by retailers. This mindset suggests that retailers should meet the customer's expectations and cater to their needs (Boyd & Helms, 2005). Therefore, I

propose that a high level of customer entitlement can result in customers exploiting free return policies because they feel entitled to do so.

Hypothesis 12; Individuals with higher levels of customer entitlement are more likely to engage in bracketing behavior compared to those with lower levels of customer entitlement.

5 Methods

As the research topic is relatively new and with a lack of literature on the topic, this study involves an extensive number of hypotheses that I want to investigate. A quantitative approach enables me to collect and analyze large amounts of data, to investigate the relationship between bracketing in online shopping and the numerous hypotheses I explored in the conceptual background. The research process in this study is in accordance with the arguments of Calder et al. (1982), who points to that progress in research “hinges on this very process of refutation and conjecture - new theories arising from rejected theories” (p. 243). This study challenges existing theories about bracketing behavior, and future research should also challenge this research (Calder et al., 1982). The methods section provides a detailed description of the study design, instruments, validity and reliability report, data collection and data analysis.

5.1 Study design

In this study, I created an online questionnaire on Qualtrics (Qualtrics, n.d.). This questionnaire was then uploaded to Mechanical Turk (MTurk), where the participants received compensation for participation (Mturk, n.d.).

The variables were measured using formal scales as discussed below, and there were 13 themes in the questionnaire. One topic was questions about bracketing behavior, 11 were questions about psychological and contextual factors with the instruments discussed below, and the rest were control variables and other variables of interest.

5.2 Instruments

The following section provide an overview of the instruments I used to measure the variables, with reference to where the instruments are adopted from.

5.2.1 Bracketing behavior

To get an understanding of the dependent variable, bracketing behavior, I developed questions inspired from literature. The respondents were asked how likely they were to engage in the following online purchasing decisions:

1. I buy the same item online in multiple sizes or colors with the expectation that I will return some of them.
2. I buy an item online with the expectation that I will return it after use, within its free return period.
3. When buying apparel, accessories, and footwear online, I purchase many options and return anything that does not suit me, does not fit, or I simply do not like.

This was measured on a 7-item scale, from 1 (Extremely unlikely) to 7 (Extremely likely).

5.2.2 Individual Worldview

To measure individual worldview, the adjusted implicit theory from Levy et al. (1998) was adopted. The implicit theory includes 8 items, measuring whether people hold an entity theory or incremental theory (Levy et al., 1998).

Items for entity theory were for instance “People can do things differently, but the important parts of who they are can't really be changed” and “As much as I hate to admit it, you can't teach an old dog new tricks. People can't really change their deepest attributes”. Examples of items of incremental theory were “People can change even their most basic qualities” and “Everyone, no matter who they are, can significantly change their basic characteristics”. A 6-item Likert-Scale was used to measure, from 1 (Strongly agree) to 6 (Strongly disagree).

5.2.3 Situational factor: Pressure/Incentive

To assess individual's tendencies to compare themselves to others and succumb to external pressures, I utilized 11 items from the Iowa-Netherlands Comparison Orientation Measure proposed by Gibbons and Buunk (1999).

The scale measured individual's tendency of comparing the way they feel, their opinions, their abilities, and/or their situation with those of other people (Gibbons & Buunk, 1999). Respondents answered the items by a 5-point scale, measuring from 1 (Strongly disagree) to 5 (Strongly agree). Items included statements like "I often compare how my loved ones (boy or girlfriend, family members, etc.) are doing with how others are doing" and "I always like to know what others in a similar situation would do".

5.2.4 Ethical judgment

Ethical judgment were measured by adopting the scale from Reidenbach and Robin (1988). First, a scenario involving ethical issues within a retailing context is given this study used the Scenario C:

A retail grocery chain operates several stores throughout the local area including one in the city's ghetto area. Independent studies have shown that prices do tend to be higher and there is less of a selection of products in this particular store than in the other locations. On the day welfare checks are received in the area of the city the retailer increases prices on all of his merchandise. (Reidenbach & Robin, 1988, p. 874)

After the respondents were presented the scenario, they were asked to judge the ethical appropriateness on a 29-item polar scale that is also retrieved from Reidenbach and Robin (1988). Examples of scales were Just/Unjust, Fair/Unfair, Selfish/Not selfish, and Violates an unwritten contract/Does not violate and unwritten contract (Reidenbach & Robin, 1988).

5.2.5 Ethical beliefs

The level of ethical belief was measured by utilizing the Consumer Ethics Scale (CES) from Muncy and Vitell (1992). The CES includes four categories regarding various

dimensions of ethical beliefs. The first category is “Actively benefiting from an illegal action” which is actions that are universally perceived as illegal, for instance: “Drinking a can of soda in a supermarket without paying for it” and “Changing price tags on merchandise in a retail store” (Muncy & Vitell, 1992). The second category is “Passively benefiting at the expense of others” where the action is not initiated by the consumer, but they take advantage of a mistake (Muncy & Vitell, 1992). An example of question in this category is “Getting too much change and not saying anything” (Muncy & Vitell, 1992). In the third category: “Actively benefiting from a questionable behavior”, questions like for instance “Using an expired coupon for merchandise” were asked (Muncy & Vitell, 1992). The last category is “No harm, no foul”, which means that the action is doing little to no harm, and questions in this category were for instance “Using computer software or games that you did not buy” and “Spending over two hours trying on different dresses and not purchasing any” (Muncy & Vitell, 1992). Responses were given on 5-point Likert-scale, from 1 (Strongly believe it is wrong) to 5 (Strongly believe it is not wrong).

5.2.6 Machiavellianism

Machiavellianism was assessed using the online version of the 20-item MACH-IV scale developed by Christie and Geis (1970). Items included statements such as “There is no excuse for lying to someone else”, “Honesty is the best policy in all cases”, “The best way to handle people is to tell them what they want to hear”. Items were presented at random and measured by a 5-point Likert-Scale from 1 (strongly disagree) and 5 (strongly agree).

5.2.7 Individualist vs Collectivist

To measure individualism versus collectivism tendency, the 16-items INDCOL (Horizontal & Vertical Individualism & Collectivism scale (INDCOL)) self-report measure was adopted with all items (Triandis & Gelfand, 1998). Participants rated their answers on a 7-point Likert scale, from 1 (strongly disagree) to 7 (Strongly agree). It involves four subscale scores: Horizontal Individualism (HI) (e.g., “I’d rather depend on myself than

others"); Vertical Individualism (VI) (e.g., "It is important that I do my job better than others"); Horizontal Collectivism (HC) (e.g., "If a coworker gets a prize, I would feel proud"); Vertical Collectivism (VC) (e.g., "It is my duty to take care of my family, even when I have to sacrifice what I want").

Since hypothesis 6 and 7 about individualist and collectivist, involve whether the participants perceive the retailer as ingroup or outgroup, I needed to test the relationship between three variables instead of two (individualist/collectivist, ingroup/outgroup, and bracketing). The second variable, ingroup or outgroup, were assessed by using a proxy measure. Since I could not directly measure the second variable of ingroup and outgroup, I made the assumption that there is a higher chance that they would perceive retailers as outgroup if they normally shopped at overseas-based retailers, and a retailer as ingroup if they normally shopped at national-based retailers. This assumption is based upon that the participants judge retailer related questions based on the available information in their memory, which retailer they know and remember most of, and which retailer they often or normally shop at. Hypothesis 6 and 7 is then an interaction effect, adding the second variable of national- or overseas-based variable as a moderator over the relationship between individualism/collectivism and bracketing.

5.2.8 Cultural models

The measure for cultural models was adopted from Yeoh et al. (2014). The scale consists of three items, with each item measuring a dimension of the cultural model. Initially, individuals were asked to imagine that an online retailer with which they were shopping at had made a mistake, affecting their shopping experience. Subsequently, they were asked to indicate their level of agreement with three statements regarding how they would react to the issue, using a 5-point Likert scale where 1 represents "extremely unlikely" and 5 represents "extremely likely." The statements were: "I am willing to forgive the online retailer when something goes wrong," "I try to resolve the problem with the online retailer in a pragmatic manner," and "I would always go the extra mile to ensure that the online retailer complies with my wishes when something

goes wrong.". Scoring higher on each item indicates a tendency towards a relational, utilitarian, or oppositional cultural model, respectively.

5.2.9 Materialism

Materialism was assessed by using Richins and Dawson's (1992) 18-item Material Values Scale (MVS) on a 5-point Likert scale response format. Richins and Dawson (1992) incorporate three main themes when conceptualizing materialism; "acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success" (p. 304). These domains are referred to as success, centrality, and happiness, and these dimensions are considered when analyzing materialism (Richins & Dawson, 1992). For the success dimension, some of the questions were for example "I admire people who own expensive homes, cars and clothes" and "I like to own things that impress people". For the centrality dimension, "I enjoy spending money on things that aren't practical" and "I like a lot of luxury in my life", are examples of questions regarding this theme. When exploring the dimension of happiness, examples of questions for this are "I have all the things I really need to enjoy life" (reversed item) and "It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like".

5.2.10 Risk aversion

To measure risk aversion, I adopted Li et al. (2021) eight-item loss aversion scale, which includes a broader scale to assess psychological pain or pleasure by experiencing loss or gain. This scale includes factors such as loss, gain, failure, and success (Li et al., 2021). All items could be answered using a 5-point Likert-scale from 1 (Strongly disagree) to 5 (strongly agree). Examples of questions were "When making a decision, I think much more about what might be lost than what might be gained", and "A potential failure scares me more than a potential success encourages me" (Li et al., 2021).

5.2.11 Customer entitlement

Consumer entitlement inventory (CEI) from Boyd and Helms (2005) is the scale I adopted to measure customer entitlement. The CEI measures the customers' expectations from a retailer. The nine items were assessed by a 5-item Likert-scale from 1 (Strongly disagree) to 5 (Strongly agree). Questions in the CEI scale from Boyd and Helms (2005) are for instance "In some real sense, I feel that a store's personnel should cater to my every whim" and "As a valuable customer, I have earned the right to deal exclusively with a store's most talented staff members".

5.2.12 Body satisfaction scale

Kong et al. (2023) proposes that the perception of fit and size can also be affected by body satisfaction, therefore the individuals were to answer on a scale from 0 (not at all) to 100 (very) how fat, sexy, attractive, well-toned, and fit they felt at the precise moment they were to answer the questions.

5.2.13 Control variables

As for other variables measured, the individuals were to answer basic questions about age, gender, and education level. They were also asked to answer about their awareness and knowledge of the negative environmental and economic consequences of product returns, as well as what they think would be the magnitude of the negative environmental and economic impact of product returns. Investigating such measures provides insights into product return perceptions.

Individuals were also asked to answer questions about how much they enjoy online shopping and the characteristics of online retailers they often shop at. This would also answer if the individual's perception of company size, hypothesis 8, would impact their propensity to engage in bracketing behavior. The individuals' proximity to a physical store was also asked to understand if distance significantly affects the propensity to engage in bracketing.

5.3 Reliability and Validity of Scales

The scales used in the questionnaire were also tested for reliability and validity.

Cronbach's alpha value was estimated, with an alpha value of over 0.7 indicating a great level of scale reliability (see figure 1). Additionally, the average variance extracted (AVE) was calculated, with a high average variance estimate indicating that the construct is a good representation of the concept, while a low AVE suggesting that the construct may not accurately capture the concept (see figure 2). These measures ensure that the findings are reliable and accurate.

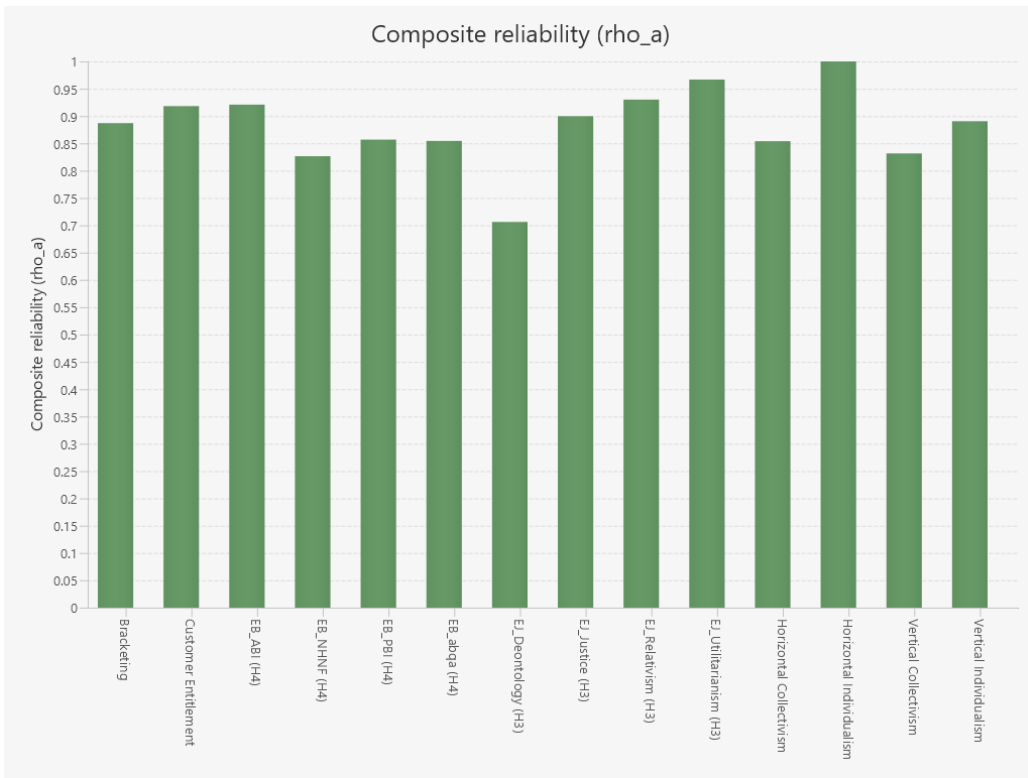


Figure 1: Reliability score of scales used in the survey. All scales used to show an acceptable and a large Cronbach's alpha value, implying reliability.

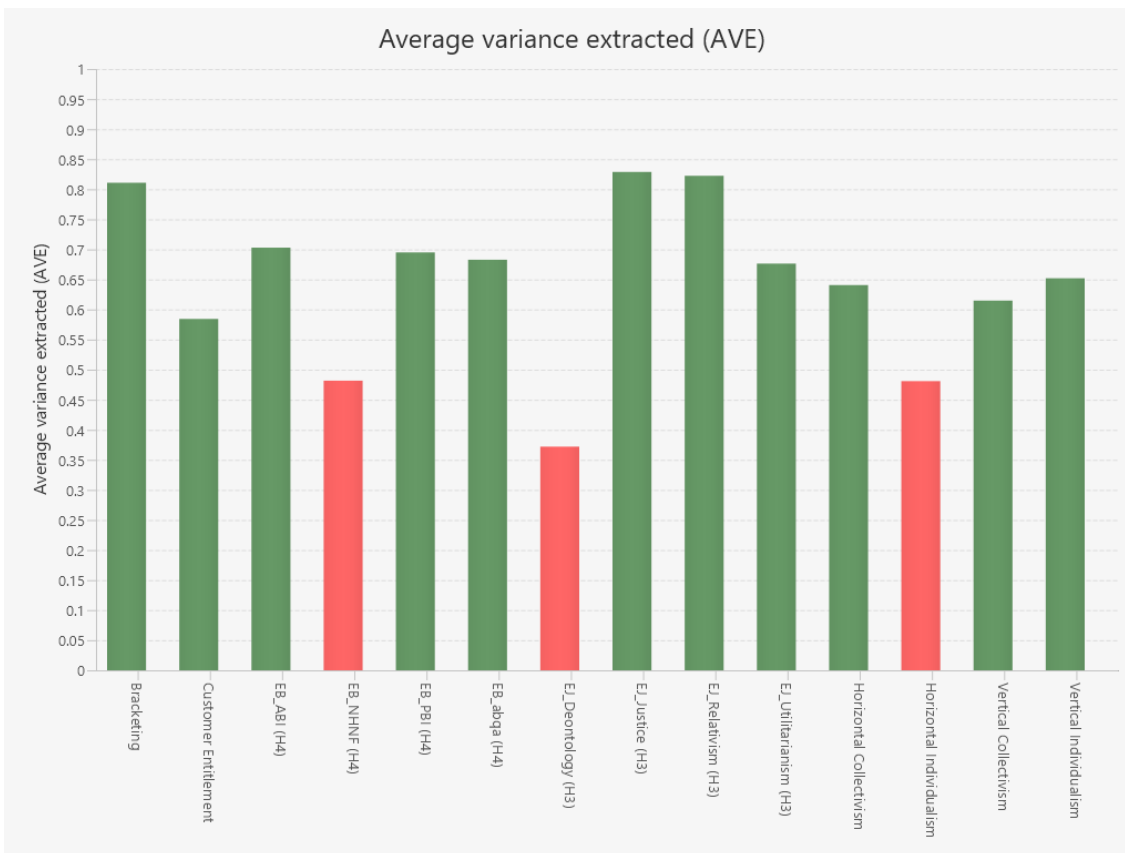


Figure 2: Validity score of scales used in the survey. All scales used to show a high average variance estimate indicating that the construct is a good representation of the concept.

5.4 Data Collection and Analysis

The participants were recruited through MTurk, with compensation for participation (Mturk, n.d.). G*Power sample size estimator version 3.1 was used to determine the number of sample size needed to recruit for this study. The following criteria was set Test family (t-tests), Statistical test (Linear multiple regression), type of power analysis (A priori) and effect size (0.02). As a result, G*Power suggested 500 total sample size, and accordingly 500 participants were recruited on MTurk.

The questionnaire was designed on Qualtrics (Qualtrics, n.d.). The questionnaire was first provided with an information page that included information that complies with guidelines and standards of SIKT when conducting a survey (Sikt, n.d.). Information regarding the purpose of the study, the institution responsible, what the participants will be asked to do, compensation, and contact details were provided. Ethical considerations such as risks and discomfort, identification in publication, privacy and confidentiality, and voluntary participation were also included. The participants were for instance informed that the participation is voluntary, confidentially, anonymous, and that it involves no greater risk than everyday use of the internet. This information page involved participants giving consent to participate in the survey. The questionnaire was administered on MTurk on April 6th, 2024, and data was collected on April 8th, 2024.

To assure high-quality responses the questionnaire included three attention check questions. These attention check questions were hidden in the survey, and participants who failed to answer the attention check questions were not processed. In total, the research received 716 responses, but 258 of them did not answer correctly on the attention check questions, resulting in 458 valid responses for this study.

In this study, Partial Least Squares Structural Equation Modeling (PLS-SEM), conducted on SmartPls4, was chosen as the preferred analytical approach due to its suitability for the complexity of the research model and the characteristics of the dataset. The PLS-SEM allowed me to estimate the complex relationships among the multiple dependent and independent variables, and to confirm or reject the theories and hypothesis of the study (Hair et al., 2021).

First the latent variables were represented in the model as a higher-order construct, and the type of latent construct approach was decided (reflective versus formative) from a theoretical standpoint. Then, path significances were estimated through bootstrapping at 5000 subsample levels and significance levels of 0.05. Analysis reports for “path coefficients” indicating the magnitude of the path effects, “p-values” indicating significance of the paths, “Cronbach’s Alpha” indicating the internal consistency of indicators under each of the construct, and “R2” indicating how well the model explains the variation.

5.4.1 Participants

There was a total of 458 valid participants in this study, after the participants that did not pass the attention check questions were excluded. Among the age groups surveyed, the highest percentage, 55.9%, was observed in the 25-34 age bracket. The second highest percentage, 24.2%, were the age bracket of 35-44. Males represents 69.4%, females represent 30.3% and the remaining percentages were “Prefer not to say”. The sample included various education levels, with the mean average of a 4-year degree (68.8% of all responds). Of the total participants the rest of the education levels spreads as follows, 0.4% has less than high school, 2.4% has a High School graduate, 9.2% has some college, 5.7% has a 2-year degree, 11.4% has a professional degree, and 2.2% has a Doctorate.

6 Results

This study includes 458 individuals who replied to all questions and completed the three attention check questions. A Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to test and estimate the relationships between the dependent variable and the independent variables. The PLS-SEM proposes that several of the independent variables have a significant relationship to the dependent variable of bracketing and will be provided in the following sections.

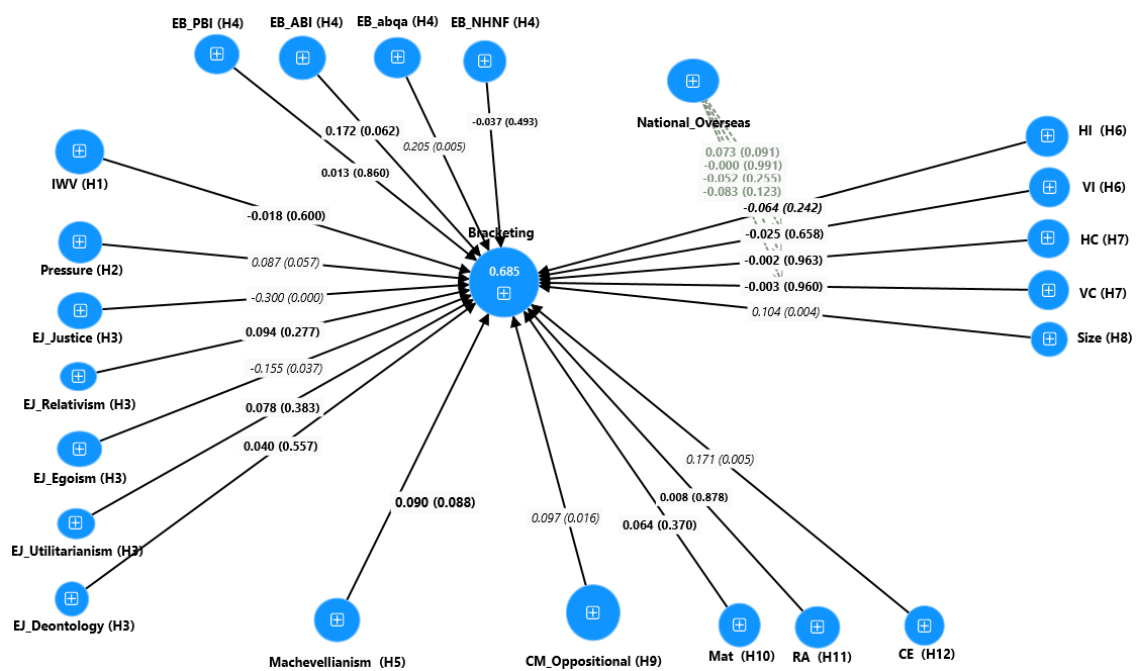


Figure 3: Path coefficient (*p*-value) outputs for the relationships proposed in H1 to H12. Six of the proposed hypotheses (H2, H3, H4, H8, H9, H12 and represented in italics in the figure above) are supported with a statistical significance of $p \leq 0.05$.

The path coefficients with and without control variables are presented in table 2 and 3 below.

Table 2. Path Coefficient Without Control Variables.

	Path Coefficient	T statistics	P values
CM_Oppositional (H9) -> Bracketing	0.097	2.420	0.016
Customer Entitlement (H12) -> Bracketing	0.171	2.838	0.005
EB_ABI (H4) -> Bracketing	0.172	1.866	0.062
EB_NHNF (H4) -> Bracketing	-0.037	0.685	0.493
EB_PBI (H4) -> Bracketing	0.013	0.177	0.860
EB_abqa (H4) -> Bracketing	0.205	2.831	0.005
EJ_Deontology (H3) -> Bracketing	0.040	0.587	0.557
EJ_Egoism (H3) -> Bracketing	-0.155	2.087	0.037
EJ_Justice (H3) -> Bracketing	-0.300	4.035	0.000
EJ_Relativism (H3) -> Bracketing	0.094	1.088	0.277
EJ_Utilitarianism (H3) -> Bracketing	0.078	0.872	0.383
Horizontal Collectivism -> Bracketing	-0.002	0.046	0.963
Horizontal Individualism -> Bracketing	-0.064	1.169	0.242
Individual World View -> Bracketing	-0.018	0.524	0.600
Machevellianism (H5) -> Bracketing	0.090	1.705	0.088
Mat (H10) -> Bracketing	0.064	0.897	0.370
National_Overseas -> Bracketing	0.087	2.408	0.016
Pressure (H2) -> Bracketing	0.087	1.902	0.057
Risk Aversion -> Bracketing	0.008	0.154	0.878
Size (H8) -> Bracketing	0.104	2.908	0.004
Vertical Collectivism -> Bracketing	-0.003	0.050	0.960
Vertical Individualism -> Bracketing	-0.025	0.443	0.658
National_Overseas x Vertical Collectivism -> Bracketing	-0.083	1.544	0.123
National_Overseas x Horizontal Collectivism -> Bracketing	-0.052	1.139	0.255
National_Overseas x Horizontal Individualism -> Bracketing	0.073	1.691	0.091
National_Overseas x Vertical Individualism -> Bracketing	-0.000	0.011	0.991
		R-Sq	
	Bracketing	0.685	

Table 3. Change of relationship with addition of control and previous independent variables in the model.

	Path Coefficient	T statistics	P values
Age -> Bracketing	-0.107	2.914	0.004
Awareness -> Bracketing	0.087	1.983	0.047
BodySatisfaction -> Bracketing	0.041	1.011	0.312
Education -> Bracketing	0.040	1.168	0.243
Enjoy -> Bracketing	-0.105	2.946	0.003
Gender -> Bracketing	-0.040	1.249	0.212
Impact -> Bracketing	-0.027	0.705	0.481
Proximity -> Bracketing	0.014	0.322	0.748
CM_Oppositional (H9) -> Bracketing	0.091	2.454	0.014
Customer Entitlement -> Bracketing	0.146	2.394	0.017
EB_ABI (H4) -> Bracketing	0.143	1.624	0.104
EB_NHNF (H4) -> Bracketing	0.001	0.015	0.988
EB_PBI (H4) -> Bracketing	-0.007	0.093	0.926
EB_abqa (H4) -> Bracketing	0.188	2.679	0.007
EJ_Deontology (H3) -> Bracketing	0.056	0.851	0.395
EJ_Egoism (H3) -> Bracketing	-0.119	1.602	0.109
EJ_Justice (H3) -> Bracketing	-0.323	4.307	0.000
EJ_Relativism (H3) -> Bracketing	0.099	1.183	0.237
EJ_Utilitarianism (H3) -> Bracketing	0.092	1.043	0.297
Horizontal Collectivism -> Bracketing	0.014	0.275	0.784
Horizontal Individualism -> Bracketing	-0.093	1.797	0.072
Individual World View -> Bracketing	-0.021	0.597	0.551
Machevellianism (H5) -> Bracketing	0.094	1.772	0.076
Mat (H10) -> Bracketing	0.017	0.233	0.816
National_Overseas -> Bracketing	0.067	1.795	0.073
Pressure (H2) -> Bracketing	0.073	1.647	0.100
Risk Aversion -> Bracketing	0.035	0.629	0.529
Size (H8) -> Bracketing	0.073	1.902	0.057
Vertical Collectivism -> Bracketing	-0.008	0.136	0.892
Vertical Individualism -> Bracketing	0.011	0.199	0.842
National_Overseas x Vertical Collectivism -> Bracketing	-0.078	1.447	0.148
National_Overseas x Horizontal Collectivism -> Bracketing	-0.048	1.047	0.295
National_Overseas x Horizontal Individualism -> Bracketing	0.050	1.196	0.232
National_Overseas x Vertical Individualism -> Bracketing	0.031	0.636	0.525
		R-Sq	
	Bracketing	0.713	

The control variable “age” showed a significant relationship with the dependent variable bracketing, and the path coefficient from variable age to variable bracketing has a moderate negative relationship of -0.107 . There is also a significant negative relationship between how much the individuals enjoy online shopping and bracketing, as indicated by a p-value of < 0.05 and a path coefficient between the variables of -0.105 . Indicating a negative relationship. Another control variable that showed a significant relationship, is how aware the respondents were of the environmental and economic impact of returns. The variable “awareness” showed a positive relationship ($p < 0.05$), with a path coefficient of 0.087 .

“Pressure” is significant without control variables ($p < 0.05$) and exhibits a positive relationship of 0.087 . This effect vanished with addition of control variables; therefore, the findings cannot report that hypothesis **2**, that bracketing will more likely occur under high pressure compared to under low pressure, is supported by the data.

The “Justice” dimension of the variable “Ethical judgment” exhibited a significant relationship ($p < 0.05$) and a strong negative relationship of -0.300 . In the same variable, the dimension of “Egoism” proposes a significant relationship with bracketing ($p < 0.05$) and a negative relationship of -0.155 . However, the effects between bracketing and the egoism dimension vanish when additional control variables are added. The “Justice” dimension supports hypothesis **3**, as a consumer’s ethical judgment increasingly favors the retailers, the likeliness that the consumer will engage in bracketing decreases.

The variable “Ethical belief” showed a significant association with bracketing and the dimension of ABQA (Actively Benefitting from Questionable Action) ($p < 0.05$), and the path coefficient posits a strong positive relationship of 0.205 . As the measurements for ethical belief in the questionnaire went from individuals believing the action was wrong to not wrong, this supports hypothesis **4**. Hypothesis 4 is formulated as follows: when consumers have strong ethical beliefs, they are unlikely to engage in bracketing. The findings report that individuals with weak ethical beliefs have a connection with the bracketing behavior, making the hypothesis supported by the data.

The variable of "Size" demonstrated statistical significance ($p < 0.05$) and exhibited a positive relationship of .104. Since the scale went from large to small, this indicates that the positive relationship is between small retailers and bracketing behavior. As control variables were added, the p-value went from 0.004 to 0.057 indicating that the relationship changed with control variables. As hypothesis **8** was that bracketing is more likely to occur in large firms than in small firms, this finding does not support this hypothesis.

Within the variables of cultural models, the "oppositional" model showed a significant ($p < 0.05$) and positive relationship of 0.097 with the bracketing variable. These findings support hypothesis **9**, that individuals who possess oppositional cultural models are more likely to engage in bracketing.

The variable "customer entitlement" demonstrated a significant association with bracketing variable in the structural equation modeling analysis ($p < 0.05$). Moreover, the path coefficient for customer entitlement and bracketing was found to be 0.171, indicating a positive relationship with bracketing. This indicates that as levels of customer entitlement increase, so does the likelihood of bracketing. These findings support hypothesis **12**, that individuals with higher levels of customer entitlement are more likely to engage in bracketing behavior compared to those with lower levels of customer entitlement.

The analysis revealed a statistically significant positive association ($p < 0.05$) between bracketing behavior and retailers based overseas, in contrast to national-based retailers. The relationship between bracketing and national or overseas is found to be a positive relationship of 0.087, indicating that there is a positive relationship between individuals who shop at overseas retailers and bracketing behavior. The effects vanished after I added control variables and were then no longer significant.

7 Discussion

The analysis reveals intriguing insights into the demographic, contextual and psychological factors associated with bracketing behavior in online retail.

7.1 Theoretical contribution

The existing literature about bracketing in online retail focuses on the components of size and preference uncertainty when ordering online, combined with lenient return policies, making bracketing an attractive solution for the consumers (Balaram et al., 2022; Xu et al., 2023; Kong et al., 2023). Although statistics from Narvar (2021) and Chevalier (2023) support these explanations about size and fit, I perceive consumer behavior to be more complex than these findings. This study has therefore explored multiple psychological and contextual factors that contribute to a deeper understanding of the phenomenon. Individuals with high levels of customer entitlement and an oppositional cultural model have a positive relationship with engaging in bracketing, as well as ethical judgment and ethical belief being factors that can influence whether someone engage in the behavior or not. However, these factors are dependent on the relationship with the retailer and whether they believe the bracketing behavior is harmful or not for the retailers or the environment.

The negative relationship between “age” and bracketing indicates that higher age results in less bracketing, and that the younger age-bracket engage more in bracketing. This finding aligns with existing statistics that adults under 30 years old are more inclined to engage in bracketing (Chevalier, 2023). The relationship between age and bracketing continues to be significant when adding control variables (see Table 3). There is also a positive relationship between people being aware or knowledgeable about the negative environmental and economic consequences of products returns, and engaging in bracketing, indicating intriguing insights into what consumers might believe is sustainable practices or not. A negative relationship between if people enjoy online shopping and bracketing indicates that people who do not enjoy online shop as much as others, tend to bracket more.

Baker et al. (2012) draws a connection between the oppositional cultural model and opportunistic complaining, where individuals with an oppositional cultural model is described as holding an aggressive position towards providers and that they expect the provider to cater to their needs quickly before they get impatient (Ringberg et al., 2007). Ringberg et al. (2007) explanations of an oppositional approach where they have need of control and an aggressive attitude towards organizations, are in line with the findings about oppositional cultural model engaging more in bracketing behavior. Customer might have an aggressive position toward the retailers and believe that the retailer should comply to their wishes. Being skeptical of organizations can translate into consumers not relying on the information provided online about products, therefore resolving to bracketing (Ringberg et al., 2007).

The literature of Chen and Huang (2016) explores the relationship between ethical judgment, ethical belief, and opportunistic behaviors. Even though Chen and Huang's (2016) study explored another context than online retail, their findings were that consumers with high levels of ethical belief and some directions of ethical judgment favored the organization's policy and does not exhibit much opportunistic behavior. This supports the findings of this study about the level of ethical judgment and beliefs, and bracketing. Chen and Huang (2016) also posit that practitioners should emphasize ethical beliefs rather than judgment, in shaping ethical behavior, due to consumers physical conditions influencing consumers ethical judgment.

Polyakova et al. (2020) explored the relationship between customer entitlement, opportunistic behavior and the preferential treatment provided by companies. The findings of Polyakova et al. (2020) revealed that "Preferential treatment increases feelings of entitlement, which consequently triggers customers' opportunistic behavior" (p. 691). The findings of this study support the statements of Polyakova et al. (2020), where customer entitlement can increase the likeliness of engaging in certain consumer behaviors. Customers may feel that they are entitled to benefit from the opportunities provided, such as bracketing when the retailers offer free returns.

Although literature has reported that there are connections between incremental theorists and acting opportunistically, relating to hypothesis 1, the findings does not report a significant relationship between incremental or entity theorists and bracketing behavior (Desai et al., 2020). Desai et al. (2020) finds a connection between opportunistic behavior when pressures are high, but this study did not find a significant relationship between bracketing and pressure, not supporting hypothesis 2. Sakalaki et al. (2007a) found evidence that there is a positive association between Machiavellianism and opportunism in the context of economic profit, but I found no significant relationship between bracketing and Machiavellianism. The data did not support hypothesis 5. Exploring the connection between individualists and collectivists and their propensity to engage in opportunistic actions, Chen et al. (2002) proposes that individualists tend to be more opportunistic when transacting with ingroups and that collectivists will be more opportunistic when transacting with outgroups. The data does not find any significant relationship between individualists and collectivists and their relation with ingroups or outgroups, and the propensity to engage in bracketing, resulting in no support for hypothesis 6 and 7. Chen et al. (2002) only proposes these statements with drawn conclusions from existing literature, but Sakalaki et al. (2007b) explores the connection between individualist and collectivist and their relationship with opportunistic propensity, without the factors of ingroup and outgroup. In contrary to my findings, Sakalaki et al. (2007b) reports that individualists have a higher opportunistic propensity than collectivists.

In the context of perception of size, hypothesis 8, and the propensity to engage in bracketing I found a significant positive relationship indicating that bracketing happened more when individuals responded that they normally shopped at smaller sized retailers, making the results opposite of my hypothesis and the existing literature about perception of size and opportunism (Wirtz & McColl-Kennedy, 2010). However, these findings must be interpreted with caution, as the questions did not directly ask if the respondents were more likely to bracket in small or large retailers, but a separate question of which retailers they often shopped at.

Materialism is connected by Muncy and Eastman (1998) with consumers ethical standards, and reports that materialism has a negatively relationship with consumer's high ethical standards. The data of this study did not report a significant relationship with materialism and bracketing, hypothesis 10, but I find it necessary to further explore the correlations between bracketing, ethical standards, and materialism in a more detailed matter. For the hypothesis 11, about risk aversion, I found no significant relationship. Jiuan Tan (1999) found on the other hand through their analysis that consumers with a high degree of risk aversion perceive internet shopping in general to be a risky activity, in the context of Singapore, therefore I propose that also consumer behaviors in online retail such as bracketing has some sort of relationship with risk aversion. If the individuals perceive bracketing as a risky activity because there is a risk involved in returns or perceive it as less risky activity since they get their items on the initial order, is difficult to know and need further analysis.

7.2 Substantive contribution

Bracketing can be a hassle for retailers, due to the reverse logistics costs and having to deal with returned items that might end up discounted or discarded, therefore this study provides insights into consumer behavior. Understanding consumer behavior is crucial for retailers for implementing effective strategies, especially when the consumer behavior is related to high volumes of returns that costs the retailer both money and time (Hardesty & Bearden, 2009). To mitigate these returns, and together collaborate for a more sustainable way of online shopping, research about the underlying mechanisms of consumer behavior has to be developed at all times. New trends are constantly emerging, making consumer behavior an ever-evolving field of research. One major factor of the bracketing behavior is the free return policies that retailers provide. People who already hold the characteristics of being entitled to certain benefits, can then feel that they have the right to take advantage of such return policies. Adjusting the return policies can contribute to reduce the bracketing behavior, however retailers believe that mild return policies are crucial to the customer-relationship, therefore Zhang et al. (2023) proposes that they can partially adjust the policies. Shorter return periods and ensuring that the staff follow the correct policies in

regards of returns and refunds are suggestions by Zhang et al. (2023). When consumers exploit lenient return policies by turning their homes into fitting rooms through bracketing, retailers can monitor irregular return patterns associated with user accounts. Consequently, retailers can implement measures to address such patterns, to mitigate the environmental and financial costs incurred by these returns. The Swedish fashion brand NA-KD have implemented such measures due to their commitment to reduce their environmental impact, and explains that they can deactivate accounts, temporarily or permanently, if they have proof that there is a systematic abuse of their return policies (NA-KD, n.d.).

To protect the retailer's relationship with consumers that hold the oppositional cultural model, it is crucial that the retailer make customers feel in control throughout the whole process (Ringberg et al., 2007). In the process, retailers can provide enough information, provide options, and focus on building the relationship, to ensure these individuals are in control (Ringberg et al., 2007). Perhaps transparency and communication are a tool retailers can use to protect their relationship with individuals who hold the oppositional cultural model and have an aggressive attitude towards them. However, strategies regarding protecting the relationship with oppositional cultural model and customer entitlement must be implemented carefully as there is evidence of preferential treatment increasing feelings of entitlement which again triggers opportunistic behaviors (Polyakova et al., 2020).

In regards of consumers ethical judgment and beliefs, the retailers must be clear about what bracketing behavior can mean for the business and the environment. When consumers are unaware of the negative environmental and economic impact of returns and bracketing behavior, they cannot be sure if their actions are in line with their ethical principles and values. Since the term bracketing is still new, there is minimal evidence of the environmental or economic impact of this. However, the environmental and economic consequences of returns in general are well documented but perhaps not as well communicated to the consumers. Retailers might perceive free return policies and the reverse logistic costs as the new normal, but if they communicate the impact that bracketing and opportunistic returns have on their businesses and the environment,

people might think twice before engaging in such behaviors. Especially bracketing behavior, where consumers might be uncertain about the consequences for the retailers and the environment, since the concept is quite new.

8 Conclusion

Bracketing behavior is an emerging trend within consumer behavior, where consumers order multiple items with the intention of returning some of them (Balaram et al., 2022). As the return policies of retailers allow it, the consumer can bring the fitting room home, resulting in many unnecessary returns that impact both the environment and the retailers. This study aimed to explore the contextual and psychological factors associated with bracketing behavior in online retail, which is the formulation of the research question. This research question is created by revealing insights that there is limited research on the specific topic of bracketing behavior in the existing literature. The existing literature explains that bracketing is a way for consumers to avoid size and preference uncertainty (Balaram et al., 2022). However, reviewing literature about other consumer behavior, and the evidence that bracketing is an emerging trend, I created a conceptual framework with 12 hypotheses based on contextual and psychological factors. Through a comprehensive analysis of data collected from 458 participants, several significant findings emerge, shedding light on the nuanced relationship between various variables and the propensity to engage in bracketing behavior.

First, the demographic characteristics of participants revealed that age plays a significant role in bracketing behavior, with younger individuals demonstrating a higher likelihood of engaging in bracketing compared to older age groups. Additionally, characteristics of the retailer, such as size and geographical location, were found to influence bracketing tendencies. The relationship between these variables and bracketing changed when adding control variables, indicating a need for further exploration into the interplay between these factors and consumer behavior.

Moreover, psychological factors such as customer entitlement and cultural models exhibited notable associations with bracketing behavior. Higher levels of customer entitlement were positively correlated with bracketing, suggesting that consumer expectations from retailers may influence their propensity to engage in bracketing. Retailers' lenient return policies may be seen as an advantage the consumer is entitled to benefit from, therefore, engaging in bracketing. Similarly, individuals who endorsed

an oppositional cultural model were more likely to engage in bracketing, highlighting the role of cultural identity in consumer behavior.

However, some hypothesized relationships were not supported by the data. For instance, while ethical judgment dimensions of justice and the ethical beliefs in the dimension of ABQA demonstrated significant associations with bracketing behavior, other dimensions such as egoism and utilitarianism did not exhibit significant relationships. Similarly, hypotheses related to individual worldview, Machiavellianism, individualism versus collectivism, materialism, and risk aversion were not supported by the findings, indicating the complexity of consumer decision-making processes in the context of bracketing behavior.

By elucidating the underlying mechanisms of driving consumer behavior, such as bracketing behavior, retailers can develop more targeted strategies to mitigate the negative consequences associated with excessive product returns. This study aims to fill a gap in the research of bracketing behavior, but most importantly inspire further research on this interesting consumer behavior.

8.1 Limitations

There are several limitations to consider that may have impacted the magnitude and direction of the findings. Methodologically, the data is cross-sectional, and the method used is correlational. Therefore, the effects reported cannot imply causality.

Another limitation of this quantitative study is the complexity of the theories involved, which can be influenced by various environmental or situational factors. For instance, while the findings did not reveal a significant relationship between pressure (social comparison) and bracketing behavior, it is important to acknowledge that this relationship may vary depending on different contextual factors. Different results may appear if the study took a different approach, for instance observing younger shoppers and their shopping habits compared to their friends, family or other they compare themselves to.

Additionally, the phenomenon of bracketing is emerging and there is a lack of sufficient literature on the topic, which may have limited the theoretical richness of this study.

8.2 Further research

The subject of bracketing in online shopping is new, and this study aims to be the basis for future research into psychological and contextual factors behind such consumer behavior. If retailers understand why consumers act and think in certain ways, retailers can use this information to develop strategies to maximize profits, decrease costs, and help their consumers to choose sustainable choices. Since this study is correlational, and does not imply causal effect, future research should conduct experimental studies to test if the reported relationships can also have a causal effect. Regarding the complexities of the theories and variables involved, future research could adopt more nuanced methodologies like examining specific scenarios, to understand better how these factors interact and shape the consumer behavior in online shopping. This study aims to be a springboard for further investigation on bracketing behavior, inviting further researchers to delve deeper into consumer behavior and the psychological and contextual factors behind it.

An important finding in the extensive literature review was that research and statistics about the environmental consequences of bracketing is underdeveloped. This field is obviously in need of attention, as the return rates increase, and the bracketing behavior becomes more prevalent. Addressing the environmental consequences of bracketing requires collaboration between retailers, policymakers, and consumers. Promoting sustainable and responsible consumption practices and raising awareness is important in mitigating the environmental impact. The retailers have a responsibility to be transparent, and work towards a more sustainable production and distribution.

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