



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Master's Degree Project in Marketing & Consumption

"I expect to get free shipping"

What effect do shipping- and handling costs have on the consumers shopping decision?

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Abstract

Online shopping is today a very popular way of purchasing goods in Sweden, and two out of three Swedes are actively shopping online. When purchasing goods from a web shop, one important part of the process involves the delivery and potential return. There are in many cases delivery and return fees, also called *shipping & handling costs*, which the consumer sometimes must pay. These costs effect the consumers shopping behaviour in a way that they either can increase the amount of goods in the shopping cart or make the consumer reconsider the purchase. The aim of this paper is to get a deeper understanding of how the shipping & handling costs may affect the consumer's decision when shopping online. The research was conducted through a mixed-method, combining both interviews and surveys. Our findings imply that shipping and handling costs do affect the consumers decision making online, and that the cost per see can determine whether or not they will go through with a purchase. Surprisingly, almost none of the consumers are interested in returning goods that they are unsatisfied with and especially not if there is a return fee. The majority of the consumers are aware of how it is possible to act sustainable, however, this is something that they almost never act upon when shopping online.

Key words: Retail, E-tailing, Shipping & Handling costs, Transaction cost, Decision-making, Online shopping, Willingness to purchase, Sustainability

1. Introduction

Constant connectivity, relevant information, easiness of use and a multi-screen world are steadily changing how consumers shop, both online and offline. Due to that, the line between digital and in-store consumer experience become blurry and innovative retailers integrate technological solutions with brick-and-mortar stores. In order to adapt to the competitive market and the needs of society, the retailers see new opportunities enabled by electronic retailing (Hagberg, Sundstrom, & Egels-Zandén, 2016). Electronic retailing is also called e-tailing which is a concept for online shopping in contrast to traditional retailing which is characterized by brick-and-mortar stores (Staff, 2018).

The e-tailing has become dominant nowadays due to the numerous benefits that the technology offers for both sides - retailers and shoppers. The benefits include easiness of purchase, the access to almost unlimited information that allows the shopper to evaluate feedback from millions of people and not only the traditional salesperson. The new way of purchasing affects the desire for spontaneous shopping since people almost always stay connected and are exposed to e-tailer's offers. These factors have changed the settings for consumption to a practice that can occur whenever and wherever we like.

The changes in technologies and the development of Internet have led to increased beliefs and expectations on the online services from the consumer (Ye, Zhang, Nguyen & Chiu, 2004).

The Western world is consuming as never before, and the consumption holiday "Black Friday" has yet again hit the roof concerning sales number (Hartelius, 2017; TT, 2017). This development has had a huge impact on the e-tailers and distributors. During 2017, the e-tailing in Sweden grew with 16%, with a turnover of 67 billion SEK, and the prognosis points towards an enhancement within e-tailing in 2018 as well (PostNord, 2018a). Moreover, Sweden has a rather strong position regarding both internet usage and online shopping. Approximately, 90% of the Swedish population has access to Internet (Nordicom, 2017; PostNord, 2018b). 67% of the Swedish population shops online every month, with some of the most popular product categories among the shoppers being clothes & shoes, books, beauty & health (PostNord, 2018a).

The increase in consumption does naturally also have its impacts on the logistics, the shipment to the consumer, and eventually, the resources of the world. This may also make you start wondering about your own part in the sustainable development. Davari & Strutton (2014) found that even though consumers claim that they are conscious about the environment and sustainability, they tend to act and behave differently, and not being particularly concerned about the consequences that their consumption may have on the future. Some of the e-tailers even claim that it is more sustainable to shop online than to go to the physical store. Cullinane (2009) has challenged this statement, she found that there is little proof of online shopping being better for the environment.

However, new questions and issues pop up on the horizon for the shoppers such as delivery- and return policies and fees, pick-up point, risk of delayed delivery and mistakes with the order. Unlike 'traditional' shopping in physical stores, online shopping involves choosing how you want the product delivered.

One part of the delivery is the shipping fee that the customer may have to pay. Several previous studies on delivery fees and consumer behaviour (e.g. Huang & Oppewal 2006; Lewis 2006; Lewis, Singh, & Fay, 2006) have been done on grocery shopping online. The online-grocery sector represents the sixth most popular product category among the Swedes that are actively shopping online (PostNord, 2018a). Huang & Oppewal (2006) researched the factors behind the choice of consumer shopping channel and focused on the field of grocery shopping. Lewis (2006) examined what effect the shipping fees have on customer retention, acquisition, and purchase quantities when it comes to online grocery shopping. Lewis et al. (2006) studied how the consumer behaviour is affected by shipping and handling costs in the context of an online retailer specialized on groceries and drugstore goods.

Another part of online shopping is the potential return that the consumer might want to do due to change of mind or wrong size. Cullinane, Browne, Karlsson, & Wang (2017) have conducted some research in connection to this, where they focus on the logistics and sustainable consequences of returns in the online fashion industry. Shipping costs are treated differently among the e-tailers. Sometimes there is a specific sum to pay and sometimes the shipping is claimed to be free.

Koukova, Srivastava, & Steul-Fischer (2012) account for two of the most frequently appearing shipping fee schedules that retailers use; threshold-based and flat rate. The flat rate implies that the customer pays a specific shipping fee, irrespectively of the order's value. The threshold-based rate offers free shipping when the amount that the customer shops for overrun a specific limit.

Additionally, the authors studied the impact that the structure of the shipping fee might have on the consumer. Besides Koukova et al. (2012), the pricing structure of shipping fees within retailing has been examined by several researchers, such as Bower & Maxham (2012), and Gümüş, Li, Oh, & Ray (2013). Moreover, shipping fees are found to have a significant effect on the consumer expenditures and their willingness to purchase which is related to the satisfaction of the price levels (Rubio, Nieves, & Yagüe, 2017).

Further, one of the main reasons for shopping cart abandonment when online shopping is that the shipping cost exceeds the customer's anticipation, making the purchase more expensive than expected (Business Insider, 2014). How these costs are perceived has however, gotten less attention in shopping goods areas since previous research mainly has focused on groceries (Lewis, 2006; Lewis et al., 2006; Huang & Oppewal, 2006). There are a lot of research conducted on the area of online shopping and consumer behaviour in the online settings. However, there is limited research regarding pricing of shipping and handling and their influence on the consumer behaviour.

Therefore, our study aims to shed light on the effect of shipping and handling cost in online retailing from a consumer perspective, focusing on purchasing decisions and sustainability considerations. The *aim* of this study is twofold. Firstly, it aims to explore how consumers make their online shopping decisions connected to shipping & handling costs. Secondly, the study aims to create an understanding of what implications shipping and handling costs may have on sustainable consumption.

Furthermore, the need for this study is evoked by the increased online shopping associated with the convenience and advantages of e-tailing, increased usage of mobile devices (Sohn, 2017) and reduced time in people's lives for shopping in bricks-and-mortar stores. The rapid development of online shopping attracts consumers all over the world thanks to the provided benefits such as convenience, low prices, and easier access to information (Meng-Hsiang et al., 2014). An interest in further exploring the factors behind the effect that the shipping and handling costs may have on the consumer brings us to the *purpose* of this study - to analyse the consumer's, living in Sweden, willingness to pay for shipping and handling costs, and to examine whether these perceptions differ depending on product category. The purpose of the study is also to research the sustainable aspects connected to the consumers' view of shipping and handling costs.

Specifically, the research questions are: 1) *How is consumers' purchasing behaviour affected by shipping and handling costs when shopping goods online, and* (2) *do they consider sustainable aspects when buying these goods online?*

To answer the research question and the aim of the paper, several theoretical areas are examined. Consumer decision-making, the consumer's perception of costs, consumer uncertainties and risks, shipping and handling costs, and logistics & sustainability are areas that will be accounted for to map out the research area. The theoretical areas are chosen to create an overview of the complex decision-making process along with factors that the consumer perceive either a sacrifice or value-creating. The environmental impact that shipping and handling may have will also be discussed in the theoretical framework, followed by the effect that shipping and handling costs may have.

The purpose is to measure and investigate the consumer decision-making response to shipping and handling costs in an online-shopping environment in Sweden. According to Otto & Ritchie (1996) the best measurement of such a phenomenon is the application of both qualitative and quantitative approaches. Thus, observations, interviews, and online surveys are performed and the top three most popular categories among online-shoppers in Sweden stated by PostNord (2018a) are used in scenarios given in the distributed surveys. A delimitation is that we focus on physical product categories, meaning that we have not considered digital products, e.g. music, e-books, movies, etc.

The following parts of the paper is organised as follows. The next section tackles and summarises relevant literature that covers the theoretical aspects of the S&H costs, consumer behaviour online, some logistical matters and presents the hypotheses for the quantitative part of the study. In the following section, the method will be accounted for, along with the data collected. After that, the findings will be analysed and discussed, before implications, future research and conclusions are presented.

2. Theoretical Perspectives

This chapter starts with a short explanation of shipping and handling costs, and how the costs can affect the consumer. The shipping and handling costs goes briefly into consumer behaviour and creates a natural transit to the next part, the one of consumer decision-making and behaviour. Following this is a part about the consumer's cost perception, which then takes the reader into the next part about uncertainties and risks. Finally, some sustainable aspects are dealt with.

2.1. Shipping & handling costs

The *shipping and handling* (S&H costs) are according to Lewis et al. (2006) an important aspect to consider, yet it is rather unexplored subject. The authors argue that the characteristics of e-tailing, that the products and the customer are at different places during the purchase, raises the importance of what the e-tailers should charge for delivering the products to the customer. Ariely & Carmon (2000) found that the end stages of experiences, where in this case the S&H costs are included, also have the highest importance for the customer. These findings may have implications for whether the customer will continue as a customer, make new purchases, or even finish the ongoing purchase.

Lewis et al. (2006) explain that many of the retailers shipping fee schedules are nonlinear, which entails that certain order sizes are either boosted or penalized. This is also touched upon by Lewis (2006) who further argues that shipping costs not only affect the order size but also how much the customer is willing to spend and how often the customer returns for purchases. The S&H cost is, according to the author, a part of the price that the consumer must pay.

Further, he explains that the S&H costs represent different levels of sacrifice, meaning that a high S&H cost implies an increased sacrifice for the consumer. Regarding the nonlinear shipping fee schedules, Koukova et al. (2012) have conducted a study in this matter, and they found that if a customer ends up below the threshold for free shipping, the customer will evaluate the purchase less favourably and favour a flat line S&H cost. And on the contrary, if the purchase exceeds the threshold for free shipping, that will be viewed as positive.

2.2. The consumer behaviour and the decision-making online

The field of consumer decision-making is an area that has gotten a lot of attention by researchers, and yet seem to have more interesting fields to investigate. Researchers such as Simon (1972), Bettman, Johnson & Payne (1991), Kahneman (2003) and Hansen (2005) have investigated consumer behaviour and their findings along with other researchers will help to lay the theoretical framework for this paper. The introducing part below will account for some determinants in online-shopping behaviour and then focus will turn into decision-making.

The theoretical framework in this chapter will consist of complex areas in decision-making, bounded rationality, the cognitive systems 1 & 2, and the online-environments impact on the decision-making. The viewpoints are chosen with support in previous research to map out the complexity that meets the consumer in her decisions and why the decisions may be troublesome.

There are several aspects often considered, when the consumer is to decide about a purchase. Pachauri (2002) and Bosnjak, Galesic & Tuten (2007) define these aspects as determinants while Hansen (2005) uses the word perspectives to explain the decision-making of the consumer. The research of these authors has been combined and turned into four categories that will help to map out and analyse the consumer behaviour investigated in this thesis.

Value for the money

This category combines Hansen's (2005) *value perspective* with the *economics of information* and *cognitive cost approach* of Pachauri (2002) and Bosnjak et al. (2007). In this scenario, the consumer evaluates what he or she will have to give in comparison to what they will get, trying to receive as much value as possible for their money and effort spent, often by connecting price and quality. The consumer does also strive to cognitively engage as little as possible, to further minimise the cost that the consumption may entail (Pachauri, 2002; Bosnjak et al., 2007). In our case, this could be a reason for why consumers use price comparison sites, such as Pricerunner, to get a picture of what the products cost online, and which retailer sells it.

Information is key

This scenario takes the *cue utilisation theory* by Hansen (2005) and connects it to the *contextual influence approach* by Pachauri (2002) and Bosnjak et al. (2007). The category explains how cues and navigational aids can help the consumers evaluate products or services that might be unknown to them. The cue utilisation perspective represents the 'positive' purpose of price, e.g. that higher price comprehends higher quality. Some other standard cues are the country-of-origin and the brand. One of the most important cues is reviews and recommendations, particularly from friends and family, and the consumer put a lot of emphasis on those reviews when deciding (Moshref-Javadi, Dolatabadi, Nourbakhsh, Poursaedi, & Asadollahi, 2012). Considering this, an e-tailer that has a higher S&H cost than its competitors could signify a higher shipping quality for the consumer. If an e-tailer has several alternatives of S&H with some being more expensive than the other, then it could imply to the customer that the priciest shipping alternative also holds a higher quality than the rest of the alternatives.

Information is also limited

In this category, the *information process perspective* by Hansen (2005) is combined with the contextual influence approach by Pachauri (2002) and Bosnjak et al. (2007). The consumer has limited possibility to process information and if the consumer has more information about a product, it is more likely that the consumer creates an impression around the product (Hansen, 2005). The cues, accounted for above, are examples that can bring more information to the consumer about a certain product (Pachauri, 2002; Bosnjak et al., 2007).

As a consumer, it is hard to evaluate the different S&H costs and alternatives, and in those cases feedback and reviews from other could help create an impression of the S&H alternatives and cost.

Consumption can be emotional

This scenario combines *the emotional perspective* of Hansen (2005) with the *lifestyle approach* of Pachauri (2002) and Bosnjak et al. (2007) where they speak to the emotional characteristics of the consumer and that the consumer might act in affection. This perspective differs from the other perspectives in the sense that it builds upon affection and is more of an internal response to stimuli (Hansen, 2005).

The emotions of a consumer can also affect the purchase intentions and motivate consumption because it enables the possibility for the consumer to express their personality (Kapferer & Laurent, 1986). One example where this fits in may be of how the consumer acts in whether to return a product or not. If the consumer has negative emotions, he or she may dismiss doing a return, as an act of affect.

2.2.1. Decisions can be troublesome

Looking at decision-making of the consumer, Bettman et al. (1991) state that there are several factors influencing the consumer, which in some cases could be troublesome. To begin with, the consumer is to consider the different elements of uncertainties, value attributes and alternatives, that together are arranged into a choice. If a consumer is faced with many alternatives and attributes, the likeliness that a consumer perceives the choice as difficult further increase (Bettman et al., 1991).

These elements are not alone in impacting the consumers, since the price of the product may also impact, along with product category and what kind of store they are shopping/planning to shop from. Bettman et al. (1991) continue discussing the fact that consumers do have limitations when processing information before deciding, which is a view that the theory of *bounded rationality* by Simon (1972) is addressing. *Rationality* is a term for a specific type of behaviour that is adapted given the constraints and conditions of a situation, to achieve a certain goal (Simon, 1972). The author explains that bounded rationality then concerns the limitations and constraints of the individual's information processing capacity and is similar to the information processing perspective of Hansen (2005).

Kahneman (2003) discusses the bounded rationality further in his study of decision-making and connects it to the cognitive systems 1 & 2, which will be presented further down in the text. There are ways to simplifying the information processing process for the individual such as with the help of heuristics, and how the information is presented (Mirsch, Lehrer & Jung, 2017; Hansen, 2005). Mirsch et al. (2017) explain that heuristics are guidelines that have the capacity of facilitating and speeding up the decision-making process through simplifying the amount of information that the individual is supposed to base its decision on. The authors continue by saying that the choice context and the external environment are important factors for the decision-making process. These elements could probably affect the consumer choice behaviour differently depending on product category within e-tailing.

Acknowledging the complexity of decisions and the purpose of the study, the first hypothesis is presented which considers the three different product categories Clothing & Shoes, Beauty & Health, and Home electronics.

H1: There is a difference between product categories regarding consumer willingness to pay for S&H costs.

2.2.2. Irrational system 1 & rational system 2

According to Mirsch et al. (2017) it has been seen in previous research of cognitive and social psychology, that human beings do not always make rational decisions. An individual uses different cognitive systems when making decisions and they are divided into two systems: *system 1* that is automatic and fast, and *system 2* which is a slower and more controlled system.

It has been found that system 1 is often used for everyday decisions, which makes the decision-making process of humans receptive of biases and heuristics (Mirsch et al., 2017). Thaler, Sunstein, & Balz (2010) write about *Humans* and *Econs*. In traditional economic paradigms, the consumer has been an Econ, which is a person that is rational and can process huge amounts of information. On the other hand, is the Human, which is the individual that make mistakes and is poor at planning and making decisions. If one is to connect Thaler et al.'s (2010) theory with the cognitive systems of Mirsch et al. (2017) it is suitable to say that the econ is relying on system 2, while the human is driven by system 1. System 1 is also comparable with the findings of Bosnjak et al. (2007) who characterized a specific type of consumer in their study – a consumer that want to minimize their cognitive effort when shopping online.

This consumer tries to minimize the cognitive effort through using shortcuts in form of heuristics when shopping online which goes in line with what Mirsch et al. (2017) argue about system 1. Moreover, Bosnjak et al. (2007) debate whether there could be an opposite group of consumers that instead of taking shortcuts uses the internet to compare products and prices. What distinguishes this group of consumers from the first one, is the larger involvement of cognitive efforts and could be compared to system 2 by Mirsch et al. (2017).

2.2.3. The online settings and its impact on the consumer choice behaviour

Many consumers prefer to shop online instead of in a physical store since the online-shopping is seen as more time saving and convenient (Moshref-Javadi et al., 2012). The consumer suddenly has access to the store anytime of the day and from anywhere, without having to travel or stand in line. Even though, online-stores are not so unlike the physical stores, the environment and what a customer first sees is of great importance and will affect the customer's emotions and impression of the store.

Mummalaneni (2005) found in his study that the website design and how information and products are displayed are crucial factors for online stores, and that these have significant influence on the consumer's purchase behaviour. This is further discussed by Mirsch et al. (2017) who explain that the decisions are very much dependent on the context, thus to a large extent they are influenced by the environment in which the choice is made in.

Therefore, the factors determining the quality of website such as: navigation, effectiveness of site, fulfilment, and options for delivery service strongly affect the consumers choice behaviour and their willingness to use and reuse the website (Voss, 2003).

2.3. Money is not the only cost in shopping

The perception of costs is a concept that have a broad spectrum, and not only in monetary terms. In this part of the theoretical framework, emphasis will be put on the different costs that a consumer may experience. We will account for Transaction Cost Economics, mental accounting, perceived value along with uncertainties and risks. Chircu & Mahajan (2006) claim that the costs beside the monetary ones, can be featured by energy, time, and physiological costs. Taking these costs, and compare them to the benefits of the purchase, will summarise the customer value.

Ostrom & Iacobucci (1995) state that the consumer is more sensitive to the price regarding products they perceive as less critical whereas for products perceived as more critical, the other costs are taken more into consideration. One aspect that possibly can be connected to the authors findings is the value- & cue utilisation perspectives of Hansen (2005). A higher price often implies a product to be of higher quality, and the price of a product may also act as a cue to the consumer. The consumers price sensitivity may stem from that they perceive the quality as low, which they want to pay as little as possible for, or in this case, as little S&H costs as possible.

2.3.1. Transaction Cost Economics (TCE)

As described above by Chircu & Mahajan (2006), the costs for the consumer is not necessarily only monetary. One theoretical view that attends to this is Transaction Cost Economics (TCE). The theory is used to explain the consumer choice behaviour and the customer's willingness to purchase a certain item. TCE explains a complex consumer-decision where the cost of buying encompasses more than the price of a product or a service itself but all the surrounded costs that could be involved in the purchase decision (Bunduchi, 2005; Dekker, 2004; Das & Teng, 2001).

The basic principle behind the theory assumes that people will choose the most economic option for them. This can be connected to Davari & Strutton (2014) who explain that one of the basic assumptions in decision-making is that the consumer focus on their self-interests. The authors claim that these self-interests normally are aimed at, either by the consumer searching for personal advantages or by averting personal costs.

Putting this in context with TCE, the personal benefits and costs might not necessarily be only monetary, other factors can also affect. The consumer will pick an option where the cost for the transaction is perceived to be economically smaller than the other options (Mukherjee Banerjee & Bandyopadhyay, 2012; Thompson & Yuanyou, 2005). Since purchasing from online stores can be considered a choice between many e-tailers, it is reasonable to assume that consumers will go with the e-tailer that provides the lowest transaction cost. That is why TCE theoretically explains why a consumer prefer one option over another.

2.3.2. Mental accounting

Another theory of interest connected to the perception of costs is the *mental accounting* by Thaler & Sunstein (2008) which is an internal control system that the individual may adopt. Money is a fungible resource, and so is time and energy in the sense that money planned to be spent on food just as well could pay for a new sweater. Time planned for exercise could be used for having a cup of coffee with a friend, neither do have a label. But this is what we do according to mental accounting, we allocate and regulate money and time for different types of budgets. S&H costs may be considered as high, because it will drain the budget allocated for those costs, even though the consumer probably has enough money in total to pay the S&H costs.

According to Mukherjee et al. (2012) customers decide based on product uncertainty, convenience, and economic utility. The customer uncertainties in online settings are higher and that is why the perceived transaction cost increases. However, the authors claim that customers perceive online shopping as more convenient and that is why the perceived transaction cost is lower.

2.4. Online shopping can be full of uncertainties & risks

According to Mukherjee et al. (2012) customers decide based on product uncertainty, convenience, and economic utility. The customer uncertainties in online settings are higher and that is why the perceived transaction cost increases. However, the authors claim that customers perceive online shopping as more convenient and that is why the perceived transaction cost is lower.

2.4.1. A well-known brand is the consumer's best friend

Looking at some uncertainties, brand name is considered the most significant sign that can reduce uncertainties about a product (Dawar & Parker, 1994). However, the presence of a brand name itself does not have an influence on the consumer online buying behaviour. The explanation is that the shopping context and the online environment are more important since they can influence the customer willingness to purchase while reducing the perceived uncertainties and risks (Huang, Schrank & Dubinsky, 2004). Additionally, the trust toward a brand does not affect the customer price tolerance directly. Instead, the satisfaction of the previous usage of the provider and of the relationship can affect the price tolerance (Giovanis & Athanasopoulou, 2018). Moreover, the amount of the information about a certain brand do affect the perceived risk and uncertainty. Ha (2002) found that the perceived risk depends on the personal factors and on the product category. Correspondingly, the information about the product and the brand reduce the time spent in searching which increase the possibility for purchase and this information ensures trust in the product quality.

2.4.2. Your package is on its way

One of the most important aspects in e-tailing is the delivery and that it is both reliable and efficient (Ehmke & Campbell, 2014). One of the biggest risk with home delivery is according to Ehmke & Campbell (2014) the logistical challenges and Moshref-Javadi et al. (2012) highlight fear of products not being delivered as one of the major issues in online-shopping, which negatively impacts the consumer.

The view of delivery may also be different depending on the consumer's previous experience. Cherrett, Dickinson, McLeod, Sit, Bailey, & Whittle (2017) found that frequent buyers are keener to choose the fastest delivery option, no matter what the cost is. This could be a way for the consumer to reduce the delivery uncertainty and making sure that it arrives as quickly as possible. Considering the research question and aim of the study, the following hypothesis will be tested, to connect consumer behaviour with experience and how it affects the willingness to pay S&H costs. *H2: Frequency of online shopping (positively) impacts the willingness to pay S&H costs.*

The consumers knowledge and how proficient they are at online shopping gets provoked by the frequency of purchasing on the internet, which is also tightly related to the previous online shopping experience.

2.4.3. Your package has arrived

Chircu & Mahajan (2006) state that the customer preferences within online-shopping, are highly driven by product category and customer segment. The different preferences do also impact the consumer choice of pick-up place. Cherrett et al. (2017) found that the customer segment of students is more likely to choose a delivery alternative that entails them going to the physical store, (called click- and collect in store) whereas they are less likely to choose a postal locker or go to a post office or agent. One reason for this is the economic situation for students, being on a sometimes-tight budget.

This could potentially also reflect on the willingness to pay S&H costs, where consumers who are more restrained in their economy are more sensitive to S&H costs and choose to go to the store, if possible, to pick up their product/-s. Morganti, Dabanc & Fortin (2014) discuss the importance of having enough pick-up places to match the population. Otherwise, by not having enough pick-up places, it can become an uncertainty to the consumer of not being sure of how far from your home the package will be delivered. As stated by Ehmke & Campbell (2014), home delivery is a logistical challenge, and people need to assure that they are at home when the package arrives which can be tricky in combination with everyday life, making the arrival of a package to a challenge sometimes.

2.5. Online shopping, sustainable or not?

2.5.1. Showrooming

Cullinane (2009) found that some e-tailers claim that online shopping is more sustainable than shopping in a physical store, because it decreases the trips to the store and the delivery gets more coordinated. However, the author did not find anything strengthening these arguments. As accounted for by PostNord (2018a), the concept of showrooming where the consumers use the stores as showrooms to touch, feel, and try the products, has grown during the last couple of years. This implies that the consumers do still make the trips to the store, which would entail that many trips still are made, and this is also argued for by Cullinane (2009).

2.5.2. It should be easy to return

Cullinane et al. (2017) discuss the importance of returns when it comes to online shopping, with focus on the environmental consequences, in a fashion industry setting. They explain that approximately 22% of the clothes that are bought online are returned, which in Sweden represent 3 million returns every year. When it comes to the general return rate there are some differences between clothing categories and country. Cullinane et al. (2017) explain that the return rate in general differs in Germany and Finland compared to other countries and that the return rate seems to be almost double when it comes to high fashion in some countries in Europe. As the authors highlight, one part within the online shopping practice is the opportunity to return items to the e-tailer. This is a service that most e-tailers provide their customer with and aims to allow the customers to easily and convenient return items that they are unsatisfied with.

The easy return is supposed to simulate the possibility to try on clothes in a physical store before deciding to purchase the garments or not. The importance of easy return is probably also applicable on other areas within retailing, but it can be harder to maintain easy returns in some areas, given that the product characteristics might differ. Cullinane et al. (2017) discuss this phenomenon and use the term *reverse logistics* which the authors refer to the definition made by Reverse Logistics Association (2016): “...the process of moving goods from their typical final destination for the purpose of capturing value, or proper disposal” (RLA, 2016, referred to by Cullinane et al., 2017, p. 187).

Reverse logistics involve the return process and this part of the logistical phase is often forgotten. Outward logistics is focused on the sustainable process of delivery, while the reverse logistics is carried out in a much less efficient way even though that it involves almost the same processes as the outward logistics (Cullinane et al., 2017). The sustainability in the reverse logistics involves the process of the individual consumer taking the package to the pick-up point and then the process of getting the package back to the company’s warehouse. The authors argue in their paper about two solutions for a more sustainable reverse logistics process in the clothing industry: either try to decrease the number of returns being made or improving the process by making it more efficient.

2.5.3. The lack of sustainable actions

In the discussion about sustainability, one can wonder why so many people show that little concern about this universal problem that is the climate change and global warming.

Weber (2006) explains that this depends on how each individual perceive the risk of the situation. This risk assessment is based on statistics and the probability of an event affecting the individual itself, *or* on the personal experience of the individual. A perceived low risk will make people less conscious about their behaviour, while for a person that has experienced effects of global warming directly, the behaviour is likely to be more responsible (Weber, 2006). The author argues that most people are lucky to not have experienced any direct effects of global warming yet, which makes their perception of the problem low-risk.

The climate change is a social dilemma that creates both social and temporal conflicts as explained by Milfont & Gouveia (2006). Social conflicts refer to the fact that the two different interests in society: the collective and the individual get into conflict with each other. The temporal conflicts represent long-term and short-term perspectives of these interests. Milfont & Gouveia (2006) explain that the time perspective is called *consideration of the future consequences* in previous research, which addresses how much the individual take into consideration the future potential effects of their actions, and how this might affect themselves in the end. The authors find in their study that the time perspective has a significant effect on environmental attitudes.

3. Data & Methodology

In this chapter we will account for the methods used for the research. We will give a justification for using mixed-method and explain how the method has been conducted. We will also reason around the quality of research and how the empirical material has been analysed.

3.1. What do we want to research and how?

To capture the different dimensions of consumer-behaviour online in context of shipping and handling costs, we have decided to conduct both a qualitative and a quantitative study, which is called mixed-method (Onwuegbuzie & Johnson, 2004). The qualitative study consists of observations followed by interviews about and the quantitative study includes a survey approaching three different product categories.

Consumer decision-making has its foundation in the psychological area, which shows in our theoretical framework. To use qualitative methods in this field is according to Brinkmann (2015) an unusual way of conduct. However, he argues that qualitative research can be helpful in explaining and gaining a deeper practical understanding while also giving an opportunity to see connections between different theories. We believe that it was to our advantage to mix both a qualitative and a quantitative data gathering since it would provide us with both a deep and a wide understanding of the phenomenon *willingness to pay S&H costs*.

Qualitative research focus on induction, discovery, exploration, and hypothesis generation (Onwuegbuzie & Johnson, 2004). As explained by Churchill & Iacobucci (2005), interviews are a part of the exploratory research field, which in this case is suiting, since the aim is to investigate ‘how’ and in ‘what’ way the consumer respond to S&H costs. Gummesson (2005), also acknowledge this by stating that a qualitative method helps to gain a greater understanding for the underlying, often complex, context.

Quantitative research is focused on deduction, prediction, confirmation, theory hypothesis testing and statistical analysis. Quantitative method has been considered as the main method in marketing (Davis, Golicic, Boerstler, Choi & Oh, 2013) for quite some time. The quantitative research has the advantage of being easier to analyse since most of the answers can be translated into numbers that possibly are less affected by, for example, the researcher’s bias/-es (Kumar 2011).

Another advantage of this method is its representativeness (Kumar 2011), and that it is easier to apply the result on a larger population when compared to the result of a qualitative method. Since it is in our interest to investigate whether the willingness to pay S&H costs differ depending on product category, we find it fitting to use a survey as additional research. The survey has specific variables that can be measured and analysed in detail, which also is a signature trait within quantitative research.

The purpose of the study is to analyse the consumers and their willingness to pay the offered S&H costs and how they behave in the different online shopping situations. Hence, focusing only on the technical aspects of the S&H costs based on the survey questionnaire scales could not capture the true nature of the consumer satisfaction and consumer behaviour in the different situations.

In consumer satisfaction reports where consumer choice behaviour is analysed a deeper knowledge is often lacking in the evaluation (Otto & Ritchie, 1996). Additionally, Fick & Ritchie (1991) advocate the usage qualitative measures to capture all the holistic factors which through the quantitative measure could not be possible. Therefore, mix-method was chosen for the purpose of gaining deeper understanding and answering the research question since analysing the phenomenon of consumer behaviour is a complex process and by using only one method it could potentially limit the research. The limitation could further constrain the understanding of the consumers and the interpretation of the data. The potential ambiguity that could occur in the analysis is restrained and the scope of the research is not limited, thanks to mixed-method.

3.2. Conducting the research

For the purpose of this research paper, the study is divided into two different studies. Study 1, with observations followed by interviews, seeks deeper understanding of the consumers behaviour in the context of S&H costs. Study 2, with surveys, has been conducted to gain data that is measurable and quantifiable to a larger population. It was designed to complement and follow up outcomes of the interviews and observations.

3.2.1. Observing and interviewing - study 1

In study 1, fourteen interviews were conducted in total. The first six interviews were 'pilot interviews', which were conducted partly to reassure that the questions were appropriate and partly to identify the need of potential adjustments of the questions. After the adjustments, eight more interviews were conducted. The respondents were gathered by asking people in our networks if they were to conduct any online purchases anytime soon.

If they were going to shop soon, they were asked whether they could consider to be observed and interviewed about their purchase/-s. The interviewees first made an online purchase, at store and of a category within e-tailing, of their choosing. The purchase/-s were observed and recorded with a smart device and used as material of the following interviews. The interviews were held in connection to the respondent's purchase, where the interviewee got to answer questions about the purchase. Regarding the respondents of the pilot interviews, follow-up questions have been asked to them, which has enabled us to use their answers in the analysis as well.

Concerning the structure of the interviews, a manuscript (see appendix 1) of question was created with subjects and questions to cover. The questions were made to cover the different theoretical areas within consumer behaviour and decision-making, perception of costs, uncertainties, S&H costs, logistics, and sustainability.

However, no obligation was put on in which order the questions were asked to the respondents. To have a loose structure opened for easier interviews where the questions was asked in an order that suited the conversation and enhanced the flow of the interviews. Using the manuscript in this way is called semi-structured interview (Eriksson & Kovalainen, 2016) and allows the interview to go into paths that may not be explicitly asked as questions but nevertheless can be important for the research result. During the interviews, it became clear that the observation gave little result to analyse and use in the interviews.

However, it did give the respondents a good foundation to interviewed about because that they had their latest purchase close in mind.

Respondent	Age	Occupation	City
1	18	Student	Kungsbacka
2	23	Pharmacist	Kungsbacka
3	54	Project Manager IT	Kungsbacka
4	27	Software Engineer	Gothenburg
5	33	PhD Student	Vaggeryd
6	17	High School Student	Karlstad
7	26	Student	Arvika
8	27	Night porter	Umeå
9	23	Automation Engineer	Gothenburg
10	27	Student	Gothenburg
11	28	Senior Statistician	Gothenburg
12	28	Autonomous Driving Engineer	Gothenburg
13	27	Engineer	Gothenburg
14	58	Works with IT	Kungsbacka

Table 1. Chart of the respondents in study 1.

3.2.2. Asking many questions to many people - study 2

For study 2, three surveys have been designed to investigate different product categories within e-tailing and to collect empirical data from Swedish inhabitants. The three categories were chosen based on the most popular e-tailing categories in Sweden, Clothing & Shoes, Beauty & Health, & Home electronics. The three questionnaires were employed to explore the consumer willingness to pay for S&H costs and how do consumers behave while shopping online. The questions were based on the prior literature and they were pre-tested to ensure the content validity. The respondents were required to answer one category of three – Clothing & Shoes, Beauty & Health, or Home electronics, based on their personal preferences. The respondents were self-selected and to be ensured that they were appropriate for the research they were acquainted with the purpose of the study through short introduction and introductions to each question. The choice of survey regarding the product category was based on their previous experience.

However, during the process of distribution thanks to the pilot interviews, it became apparent that the name Beauty & Health gave room for some biases, mainly that the respondents thought the category to be about make-up. This led the male respondents to think that the category was for females only. To avert the misunderstanding, the category got re-named to Health & Beauty, where the 'health' aspect seemed to be easier to comprehend for male as well as female respondents.

The population is defined as online-shoppers living in Sweden and the surveys were distributed within the networks of the three researchers, mainly through social media but also through direct messages and email. The three surveys were also distributed through different social media groups and email lists accessed through the administration of Graduate school at the University of Gothenburg. The surveys are random samples from the population and a sample is supposed to function like a small-scale model of the reality (Field, 2009).

The questionnaire (see appendix 2) consists of 7 parts. The first deals with the measurement of consumer habits in online settings with 14 items. The second one deals with risks and uncertainties in online shopping with 26 items. The third category is related to S&H costs with 42 items. The fourth category is related to threshold-based shipping costs with 12 items. The fifth category of the survey measures consumer information preferences with 12 items. The sixth part consists of an open question about sustainability and the last part is demographic. The scale of measurement was based on the 5-point Likert scale from 'strongly disagree (=1)' to 'strongly agree (=5) to ensure the comparison between the alternatives and their correct evaluation. Only the 7th part was measured by a categorical scale since this part is related to the respondent's personal information.

3.3. Why mixed-method?

Both research methods are important and useful, and they have different pros and cons as each of them separately could lead to limitations of the research. To prevent such limitations *both* approaches are used.

The mixed-method (Brewer & Hunter, 1989; Greene, Caracelli, & Graham, 1989; Onwuegbuzie & Johnson, 2004; Tashakkori & Teddlie, 1998, 2003) aims to extract the strengths or pros and to minimize the weaknesses or cons of both and to amalgamate them in a single study. The purpose behind mixed-method is seen in the *triangulation* design strategy through which the biases in the investigation process could be restricted since the usage of one method has inherent biases and limitations for the assessment of a given phenomenon. Therefore, the application of triangulation in the mixed-method is an appropriate approach for strengthening the validity and inquiry of the results by “*counteracting or maximizing the heterogeneity of irrelevant sources of variance attributable especially to inherent method bias*” (Greene et al., 1989).

In so doing, the validity and the reliability of the results will increase. Below is information provided about the threats to validity and reliability in the quantitative and qualitative parts of mixed methods research. The focus is on internal and external validity and reliability in the quantitative part and generalizability, transferability, contextual validity or credibility and procedural reliability in the qualitative part (Ryan, Scapens, & Theobald, 2002).

3.3.1. How to reach quality of research in the qualitative part?

Regarding qualitative research, some development has occurred in this field regarding validity and reliability. Lincoln & Guba (1985) have taken these two aspects and combined them into one, called *trustworthiness*.

Trustworthiness has four subcategories which are *dependability*, *transferability*, *credibility*, and *conformability* (Eriksson & Kovalainen, 2016). To use trustworthiness and its different parts is according to the authors suiting in qualitative research if the reality is considered as several (relativist ontology) which we do. The reality of online-shopping is most likely different depending on whom you ask, even within the respondents of this study. The fact that we as researchers create a common understanding with our respondents where we put words on their thoughts is, according to Eriksson & Kovalainen (2016) a subjectivist epistemology that better suits with the trustworthiness.

The credibility is claimed by Flick (2014) to be the main criteria within trustworthiness and by doing several types of research, triangulation, we increase the likelihood of credible results. Credibility is encouraged by making sure that the questions asked also is related to the theoretical framework (Eriksson & Kovalainen, 2016). We have earlier stated that we use triangulation by mixing methods, but we have also triangulated in the qualitative method by using both observations and interviews. The credibility of the study has been ensured by us doing a pilot study first, from which we could develop the questionnaire and the survey, to pinpoint our area of research even better.

For the dependability to be ensured, information about the research process should be presented (Eriksson & Kovalainen, 2016). In this study, we have ensured that our data gathering process is well documented, which also is presented in this paper to the reader.

Transferability implies that our research needs to relate to others research (Eriksson & Kovalainen, 2016) which we have tried to ensure by developing a theoretical framework on which our research has been built which enables us to see potential similarities of our research with others. This can also be connected to the theoretical generalizability of whether the research results are transferable and if they can be applied to a wider context and not only to the aim of the present study (Eriksson & Kovalainen, 2016), in our case it could be to other product categories or fields within retailing.

The conformability of a study should connect the findings with the reality, to ensure that the research findings is not something that have been made up (Eriksson & Kovalainen, 2016). This has been done by analysing the findings and put them in the context of online shopping and the S&H costs that online-shipping may entail and connect this to the theoretical framework.

3.3.2. How to reach quality of research in the quantitative part?

During the processes of gathering data through surveys, some obstacles occurred that are worth spending some consideration upon. Firstly, the sample sizes have turned out smaller than expected, with different amounts of respondents on each of the three surveys. One reason for this could be the networks in which the surveys have been distributed. Our team consists of three members with different nationality, and given that the surveys are conducted in Swedish, it has probably affected the sample sizes since one of the members network is smaller in measurements of respondents with Swedish as native language.

Secondly, it has been brought to our attention from a handful of respondents that the surveys have been too long and that it required too much effort and a lot of patience to finish the questionnaire. Considering the longitudinal dimension of the sample, the external validity is weak in the sense that 157 respondents hardly can be argued to represent the whole population of online-shoppers in Sweden. Especially since statistics shows that two out of three are active in online shopping in Sweden (PostNord, 2018a). If the external validity is off, then it will also affect the generalizability (Johannessen, Tufte & Johansson, 2003). In this case, the small sample makes it hard to account for a potential generalizability, and it could be that the findings only are applicable on the population of 157 respondents.

However, thanks to the triangulation with mixed-method, some tendencies can be seen in the quantitative research when comparing the outcome of the two types of research and below, we will account for other ways of enhancing the validity and generalizability.

Even though that the sample size could be seen as not truly representative, the method collecting data can increase the confidence for the generalization (“threats to external validity”) (Cook and Campbell, 1979). The questionnaires were distributed through social media where people active on the different platforms had the possibility to take part. The questions were based on the theoretical framework and connected to theories from previous research regarding shipping and handling costs, consumer behaviour, consumer decision-making, consumer’s cost perception, uncertainties and risks, and sustainable aspects of online-shopping.

If there are similarities in the findings with the prior research it could be considered as a sign for a representativeness of the sample size and its generalizability (Firestone, 1993). This means that the results are applicable to other settings which is a condition for decreasing the threats to validity (Ryan et al., 2002).

Moreover, threats to internal validity could occur during the research process, that is why a sufficient research design has an utmost importance for the internal validity (Ryan et al., 2002). The instruments for measurement could be an issue if they are not consistent and if they fail to measure the desired phenomena. All the questions were design and measured in the same way with 5-point Likert scale, besides the last question which is treated in a qualitative way since it is an open question and not obligatory to answer.

Additional, the questions were answered once per person since the survey was quite long and there were not any benefits for the respondents which could provoke the intention for doing it twice or more. In that way, the faithfulness of the data is increased.

Furthermore, clear instructions were written under each question to avoid ambiguity and misinterpretation from the respondents. Hence, the reliability of the study could be assured since the reliability in the quantitative methods refers to the extent to which variables are consistent in what they measured. Lack of reliability refers to the random or chance of errors (Ryan et al., 2002). The chance of not finishing the survey and only answering part of the questions could also be a precondition for lack of reliability.

This condition was secured by using the option “obligatory”, which means that the respondents could not move to the next question or statement if they had not answered the previous one. Thus, the survey could not be submitted if not completed.

Another reason for lacking reliability, is according to Fink and Kosecoff (1985) not presenting the information in the proper order and/or lack of pre-testing. The surveys were designed with a broad beginning, to introduce the respondents to the subject, before narrowing the questions down to more specific areas. The demographic questions were designed and presented at the end of the questionnaire to eliminate or reduce the chance for unwillingness of sharing personal data, even though the surveys were anonymous.

3.3.3. How to reach quality of research in both parts of the study?

The validity and reliability of both methods could be seen separately, but since they are used as one, a common validity must be analysed. Onwuegbuzie & Johnson (2006) discuss the validity of mix-methods and they suggest a unified new term for the validity of both methods - “*legitimation*”. The legitimation is not the result, but rather shows the process and it could occur in each stage of the mixed-method approach.

Mixed-methods include complementary strengths of both methods and nonoverlapping of the weaknesses (Onwuegbuzie & Johnson, 2006). Hence, a problem with the complexity of the measurement of the validity is possible which is known as a problem of integration. The integration is related to the author’s possibility to use both methods and to balance between them.

Additionally, for reaching strong legitimation authors should be able to minimize the weaknesses and the threats from one approach and emphasizing the strengths of the other (Onwuegbuzie & Johnson, 2006). Having this in mind, we have designed the research with that aim. The mixed-method gives a holistic overview by taking the deepened understanding of the individual through the qualitative method in combination with the general overview that the quantitative method contributes with.

To reach *legitimation*, a consistency during the process of data design, collection, analysis, and interpretation is needed. This model implies the specifics of both methods and new forms of validation that Onwuegbuzie & Johnson (2006) refer to the mix-methods research specifically.

Thus, a focal point for the mix-methods research is behind the carefully conducted studies through which credibility, authenticity and validity of the research could be enhanced by supportive quantitative data. Using numbers helps for strengthening the meta-inference of the research which affect the validity of the findings. Based on that the possibilities of biased author's perspective when transcribing interviews could be reduced. On the other hand, the illusory correlation also could be avoided by relying on multiple sources and analysing the qualitative data (Onwuegbuzie & Johnson, 2006). Nevertheless, there are still disadvantages in the mix-methods, primarily related to the difficulties in persuading respondents for both methods.

3.4. Keeping it ethical

It is important that the researcher protects the integrity of the respondents in studies, both qualitative and quantitative (Yin, 2013). The respondents in the qualitative study have only been referred to by a given number and their gender and age in the data analysis, they have been handled anonymously. In the quantitative study, the respondents only answer some brief demographic questions and are completely anonymous throughout the data analysis.

Transparency is important for all studies and that even though the aim is to present all steps of the procedure and all the data found, there will always be some data that will not be analysed or presented in the study (Yin, 2013). When collecting the data, the wanted outcome was not only the answers to our specific problem, but also a broader picture that potentially could contribute to the understanding of the consumer behaviour online for S&H costs. Thus, not all data will be presented or analysed in our study, only the aspects that is the vital ones for our research topic.

3.5. How to analyse the data?

There are different outcomes and purposes with mixed methods as discussed by Flick (2014) and in this study the qualitative and quantitative results represent both the same and different aspects of our research topic. Both studies are derived from the same theoretical model, but with the difference that the qualitative study goes deeper in to certain problems such as purchase behaviour and sustainability. The results from both our studies will complement each other and contribute to a broader picture (Flick, 2014) of the willingness to pay S&H costs.

3.5.1. Analysing the qualitative data

The data from the interviews were, after being transcribed, put into a document with all the respondent's answers standing next to each other, in columns. When doing so, some themes emerged, that were interesting to analyse. The quotes of the respondents were prepared, to distinguish both differences and similarities. Working with the data that emerged, the answers of the interviews were encapsulated in four different themes. These themes are also what the discussion and analysis of the results will build upon, which we will return to, in chapter 4.

3.5.2. Analysing the quantitative data

The first survey category Health & Beauty has a sample size of 74 respondents, followed by 58 respondents in the category Clothes & Shoes and 25 respondents in the category Home electronics. Even though that there are differences in the largeness of the sample size among the categories, all the questions in the three surveys are the same and the main aim is to analyse the consumer willingness to pay for S&H costs. The categories are used to present situations that are similar to online shopping experiences.

Moreover, the distinct categories are used to analyse the consumer behaviour and if there are any differences depending on the type of product they purchase and accordingly depending on the perceived price and frequency of the orders. Due to the equivalence of the questions it could be determined that the sample frame is all 157 Swedish inhabitants. The three questionnaires are combined and then analysed as one where the main differences between the categories are observed.

Once the data were cleaned the dimensionality of the items were explored by Exploratory Factor Analysis (EFA) through SPSS. The methods used for testing the data are Frequency, Exploratory Factor Analysis (EFA), ANOVA, Friedman's and Kruskal-Wallis Tests for non-metric variables and Cronbach's alpha. The distribution of the data was seen through the Frequency and the Test of Normality. The results showed skewed and non-normal distributed data which could be explained by the relatively small sample size (Field, 2009), that is why additional tests were executed.

To outline the underlying factors of consumer willingness to pay S&H costs and to explore the data, EFA was performed based on which cleaning of the variables is made. The data is analysed by principal component method with varimax rotation. 8 factors are extracted and named based on the underlying items through which the data was cleaned. The removed variables can be seen in Appendix 3. However, the factor analysis was used as a mean for exploring the data and removing some of the variables. Next, Cronbach's alpha was evaluated to measure the internal reliability of the data where a minimum level of acceptance is 0.7 (Hair et al., 2014).

The Cronbach's alpha has a value of 0.74 (see Appendix 4,) which cover the minimum for acceptable levels. Tukey's test was performed since it can control the Type 1 error rate and this test is more powerful when testing large number of means where the sample sizes are not equal (Field, 2009) such as in our case.

In the ANOVA test a post hoc tests were used since these tests are appropriate in situations where the group sizes are different and unbalanced and when the data is not normally distributed (Field, 2009).

4. What do the findings tell us?

Given the structure of the thesis, having mixed-method, this chapter will start with presenting the results of the interviews (study 1). In this section, the results of study 1 will be intertwined with an analysis. For the surveys, the results will be discussed with direct connections to the RQ and to the hypotheses. The analysis of the surveys (study 2) will start with accounting for the statistics and then slowly turn to a more qualitative expression regarding the analysis. A combined analysis of both studies with their similarities and differences will finish this chapter.

4.1. What happened in study 1 and what does it imply?

Who are the shoppers?

The group of interviewees consisted of 14 individuals with an age span between 18 and 58. 6 of these individuals are male and 8 of them are female. Most of the interviewees purchased items within the top categories in Sweden of online shopping, which is clothing, shoes, and home electronics. A few other items were purchased, such as toys and make-up, which also are product categories that are popular to buy online among the Swedes according to PostNord (2018a).

Several of the respondents used price comparison sites to find and compare products that they wanted to buy, which also could be beneficial in the way that the time and effort to find the desired product to a reasonable price decrease.

This way of acting is what Pachauri (2002) and Bosnjak et al. (2007) call the economics of information, in the sense that our respondents choose shopping site depending on which site they perceive as most beneficial for their purchase.

How, when, and where?

The frequency of shopping online varied among the respondents, but most of the respondents shop online at least once a month. Online shopping is according to Mukherjee et al. (2012) and Moshref-Javadi et al. (2012) perceived as convenient and time saving and as seen among the respondents, consumers many times prefer shopping online before going to the physical store. Choosing online shopping could also be influenced by the respondent's lifestyles (Pachauri, 2002, & Bosnjak et al., 2007), where their salaries, work hours, and place of residence may determine when and where they can shop. One of our respondents (respondent 8) has a night-time work, which makes it harder to go shopping during conventional hours, and in that case, online-shopping is the way to go.

A strong habit among the interviewees is the environment in which they conduct the purchase. Everyone does their purchases at home, whereas the browsing for things to shop may occur almost everywhere, which is interesting since one of the main selling points of online-shopping is that it can occur everywhere.

This habit of conducting the purchases at home may be because of convenience (Moshref-Javadi et al., 2012; Mukherjee et al., 2012) in the sense that it potentially is an environment that is less stressful and where it is easier to have all information and devices ready, such as payment card and bank card reader.

The environment in which the purchase is conducted could also be discussed in the context of rational behaviour (Bosnjak et al., 2007; Kahneman, 2003; Mirsch et al., 2017). In the home environment it is easier to be more rational, meaning that the consumers have the possibility to in peace and quiet research and plan their purchase, before actually going through with it. To shop at home may also enable to get direct feedback from potential family members that you live with, which according to Pachauri (2002) and Bosnjak et al.'s (2007) fourth approach of contextual influence can impact the consumers decision. Moshref-Javadi et al. (2012) claim this type of feedback to be an important factor for when the consumer has less knowledge about a product. This is also possible to see in our results in the way that our respondents state feedback from friends and family to be an important aspect to consider in online shopping.

In the interviews, four themes of interest occurred, *the impact of shipping costs, the unwillingness to return, what sustainable alternatives do online shopping have, and different customers, different segments, different preferences*, which will be emphasized further upon in the following analysis.

4.1.1. The impact of the shipping costs.

The shipping cost is according to most of the respondents, not anything that they consider in the beginning of a purchase. One reason for this could be that when they are shopping online, they are mainly interested in finding the products that they want to buy.

This could be a way of using shortcuts in the shopping in the sense that they are only remotely interested in aspects that concerns the purchase but that is not actually adding the products to the shopping basket. This is in line with Pachauri (2002) and Bosnjak et al.'s (2007) third perspective of determinants, that some customers want to engage in cognitive efforts as little as possible.

Several of the respondents make some sort of research before starting a purchase, through for example, using price comparison sites. This is, according to Bosnjak et al. (2007) a group that is characterised by being more willing to engage in cognitive efforts, rather than just going with the first choice they find or come up with.

When faced with the shipping cost at the check-out stage, the respondents acknowledge that it may affect them, and if they perceive the cost too high, they may abandon the store and the purchase. However, the majority of the respondents do prefer the S&H costs displayed at the end of the purchase and claim that they put little attention to it before the checkout stage. However, some respondents do claim that if the webstore offer free shipping when shopping for a certain amount (threshold-based shipping), then this should be displayed early on. This means that the way information is presented in the online setting is of great importance for the consumer as argued by Mirsch et al. (2017), Mummalaneni (2005) & Voss (2003).

Interestingly, the respondents contradict themselves when they first argue that the shipping cost is of crucial importance for their online purchase and that they are likely to switch site if there is a cost or if the cost is too high, but later claim that it is all right if the potential shipping cost is displayed in the checkout stage. Is it not then better to be aware of the potential cost from the beginning to decide whether to proceed with the purchase, then to be surprised in the checkout stage?

“I would prefer if the shipping cost is displayed first in the checkout stage, otherwise I would probably buy less, since seeing that cost through the whole purchase would scare me away”

Respondent 13

This is quite irrational thinking and in many stages of the online shopping process, system 1 (Kahneman, 2003) seem to be the dominant one. The consumers act upon emotions, heuristics and take illogical shortcuts with little cognitive effort involved (Bosnjak et al., 2007), to reach their decisions regarding their purchase online. As argued by Mummalaneni (2005) crucial factors for online stores are such as how the information is designed and presented. It seems like the respondents do not grasp the importance, beneficial to their own opinions, of the presentation of the shipping cost and the fact that if it was presented in the beginning it would save them the potential effort of having to re-do the purchase on another site.

Considering this, another implication appears, namely that the check-out stage is important per se and if the S&H costs surprises the consumer negatively, it will affect the outcome.

This is in line with the findings of Ariely & Carmon (2000), that the end stage of the shopping experience is the most important, even though the respondent themselves do not seem to see it in that way.

Shopping for free shipping

Considering the threshold-based shipping, it is common among the respondents to aim for free shipping. Some of them look for ‘practical’ products to add, or products they know that they like, but most important seem to be to get the free shipping and to feel like they gain something.

“I would add more products [...], I’m almost there anyway, a 150 more is not that much”

Respondent 2

“I would add a product that is not so expensive and that I like”

Respondent 3

The fact that the respondent actually put in effort to find a practical and useful product to add to their basket could be connected to the rational behaviour of the consumer (Bosnjak et al., 2007; Kahneman, 2003; Mirsch et al., 2017). However, at the same time it is quite irrational one can argue, to add extra products that you did not intend to buy from the beginning - just to get the free shipping. Instead one could say, that the three respondents (1, 8, 13) that claimed that they would not add anything extra to reach free shipping, are the ones that show a tendency of rational thinking.

These respondents could be compared to the discussion about Econs (Thaler et al., 2010) being rational and controlled individuals that process a lot of information before deciding. Thaler et al. (2010) do argue that the world is rather full of irrational humans than Econs, which could be confirmed by the fact that only a minority of the respondents act rational when it comes to threshold-based shipping.

Concerning the frequency of online-shopping, most of the respondents think that the S&H costs affect them. If the costs are considered high, the respondents will postpone the purchase or add more items to make it “worth” the shipping cost, which implies that a high shipping cost penalises small order sizes. If the respondents think that the price of the item-/s together with the shipping costs overweighs what it will cost in the physical store, they say that they may abandon the purchase online and either look for the product on another site or go to the city and the physical store.

“Yes, I think so, if it’s stated to be free shipping, you’ll buy more, and it doesn’t feel so bad”

Respondent 7

This logic can also be supported by Lewis et al. (2006) who found that S&H costs have the power to either boost or penalise order sizes and that they also can affect the order frequency. Clearly, the buying frequency is affected for our respondents who state that a high shipping cost will make them postpone their purchase. The fact that they also try to ‘gather’ more items for one purchase implies that they consider too few items as being penalising, or as Lewis (2006) state, it is a sacrifice the consumer considers being too high. This is also interesting in the sense that they do not consider the resources it will cost to go to the store in the city, even though it costs both time, energy, and sometimes even fuel for transportation.

Considering this, the step to Thaler & Sunstein’s (2008) mental accounting does not seem that far away. The respondents show that they are willing to add extra time on the purchase, either to change site and look for the product elsewhere or transport themselves, when possible, to the city.

It then seems that a high S&H cost drain the account for S&H costs, and the respondents are unwilling to go over their limit. As they also claim, a high shipping cost can act as a driving force to buy more products, which then entails that there are other accounts available for the consumer, but those accounts are not reserved for shipping costs.

Product quality and company loyalty, can it impact the willingness to pay S&H costs?

The result showed that some respondents are more willing to pay a higher S&H cost for products that they perceive as being of high quality.

“If it is a high-quality product I will definitely pay an even higher shipping cost than usual”

Respondent 10

This reasoning could be supported by the cue utilisation theory (Hansen, 2005) which imply that the high price acts as a cue of high quality, which then also impact the consumer in the sense that they are willing to pay a higher S&H cost. And just as some respondents are willing to pay S&H costs for ‘high’ quality products, some respondents (respondent 8 & 13) are less willing to pay S&H costs for goods that they perceive being of low quality. The low-quality works as a cue in this case as well, but with opposite effect. One thing occurred in the interviews was that S&H costs can create loyalty between the consumer and the e-tailer.

12 of the 14 interviewees claim that free shipping would make them more loyal to the company.

"I believe that free shipping would increase my loyalty to a webshop" Respondent 3

The question is why the consumer considers low or free S&H as a loyalty-creating factor? One reason could be the consumer self-interest, which is a basic assumption in decision-making (Davari & Strutton, 2014). It can also be explained by TCE, that the consumer always will choose the most economical alternative (Bunduchi, 2005; Dekker, 2004; Das & Teng, 2001). The loyalty that the consumer establish towards the e-tailer might in the beginning be only about paying as little as possible for the S&H. But this loyalty will probably also create an awareness about the company and its brand, and potentially a feeling of convenience, because the consumer now is familiar with the company.

What TCE explains is that the consumer will choose the alternative that is perceived as least economically demanding, not only monetary but also in personal benefits and efforts (Mukherjee et al. 2012; Thompson & Yuanyou, 2005). The loyalty that the respondents consider could be created can, in this case, imply that it will give them the lowest transaction cost, which is the goal in TCE theory. The loyalty to the brand can also work as a comforting sign, since the brand name is considered as one of the most important cues that reduces uncertainties, (Dawar & Parker, 1994; Giovanis & Athanasopoulou 2018; Richardson & Dick, 1994) that otherwise pervades online-shopping.

What is important to keep in mind is that the loyalty will not affect the willingness to pay S&H costs directly. Instead the relationship between the e-tailer and the customer must be 'good' enough to ensure the customer that it is worth paying a little extra Giovanis & Athanasopoulou (2018). In the long run, the loyalty can make the consumer a member of the brand 'community' in the sense that their purchases no longer are about consumer needs but instead desire (Kornberger, 2010).

4.1.2. The unwillingness to return

The return cost and return policy is something that majority of the respondents do not at all consider before or during their online purchase. This finding is in line with the arguments of Cullinane et al. (2017) that highlights the fact that the return process often is a forgotten part when it comes to logistics. When speaking with the interviewees about returning products, it appears that it is something they rarely do. Some of them say that it is because they rarely have the need to return anything whereas the other claim that it is too complicated, and resource consuming.

This behaviour is somewhat understandable in one way since as Moshref-Javadi et al. (2012) argue, that the reason consumers shop online is because of its convenience. If the situation where the consumer must return a product occurs, then it would require the consumers putting some effort into the return process which goes against the argument of online shopping being convenient and time saving.

"It depends on the price of the product itself but generally is not likely I will return the product."

Respondent 4

When talking with the respondents, they all think that the issue of returning items is too cumbersome, and the only strongly influencing factor of returning a product is if they think that the item is worth too much money to lose. It then became apparent that for a return to be worth engaging in, the product must be considered expensive enough to the consumer in the sense that they are unwilling in losing the monetary resource. If the product is considered valuable enough, then the respondents will consider returning it to the e-tailer. This way of acting may very well be explained by Hansen's (2005) value perspective which signifies that the value of the return must be valuable enough to the consumer to make the sacrifice of time and efforts that the return process entail.

One of the respondents (7) stands out, in the way that she always returns the products she is not satisfied with, even though it may be resource consuming. Her actions point towards that she always feels the return process being valuable enough and that the sacrifice of time and effort is worth it. Thinking of the model of Kahneman (2003) this puts her closer to using system 2, the one of reasoning in comparison to the other respondents. A bit further down, we will further analyse why it is that some respondents are unwilling to return the products to the e-tailer but are fine with trying to re-sell it to friends and family.

"if the return fee is free I will think about it."

Respondent 10

None of the respondents consider the potential cost for returning a product, and many of the interviewees think that the return cost should be free, which might make them keener on returning items they are unhappy with.

Given that most of the respondents do not return products, that also imply that it is a process that they are unfamiliar with. In those cases, if we apply the cue utilisation theory of Hansen (2005) clearly the e-tailer lacks cues that shows the consumer that it is worth to return products they are unsatisfied with. It seems in this situation that the cue utilisation gets overruled by the value perspective, presented by the same author. The lack of cues can be an influencing factor that also affect how much information the consumer has to process. Pachauri (2002) and Bosnjak et al. (2007) underpin the importance that customer reviews may have on the consumer, and in this may very well be the case in the return process as well.

If the consumer hears from other fellow customers that the process was easy or hard, then that will probably affect the willingness to return products in the future. Hansen (2005) claim that according to the information process perspective, the more information a consumer has about a product, the likelier it is that the consumer creates an emotion about the product, good or bad, that has high impact on the consumers view of the product. In this case, the respondents have given the first cue of importance, that the return is free. Other steps could be to present the return process to the customer in a way that pinpoint easiness of use, such as pre-filled forms.

Not all efforts are considered to be time consuming

Interestingly, some of the respondents (7, 8, 9) would consider to re-sell the product they are unsatisfied with, instead of returning it to the retailer. First, they check and see if someone they know might want the item, and if they are not interested, they will post it on 'second hand' sites.

This way of thinking brings some question marks. How come that they are fine putting effort into talking with friends and family about giving the product to them instead? And if no one they know want to buy the product from them, they are fine with using their resources of time and energy to make adds in second hand groups/sites online and try to get the product sold that way.

Firstly, this could potentially be explained with the mental accounting by Thaler & Sunstein (2008). The potential cost for returning along with the time it requires are not accounted for in the S&H cost budget, hence it is considered as too resource consuming. The accounted budget for spending time online and in social medias may however have much more resources available timewise, which then could indicate that it is a resource usage that the respondents are fine with, because they planned to use that time for social media anyway.

Secondly, the emotional perspective of Hansen (2005) can explain it. Several of the respondents think of returns as something that is complicated which then implies that they have less positive emotions about this. These bad emotions could be a reason for the unwillingness to return items, because that they act in affection.

“My mother on the other hand thinks it's embarrassing to return products and keep that at home instead”
Respondent 7

This embarrassment may also stem from the personality traits that the consumer claims themselves to have and that they do not want to admit that they have failed with their purchase. The sign antecedent of Kapferer & Laurent (1986) is claimed by them to be a way for the individual to depict themselves.

In this case, some of the retention of returning may come from that a return would show characteristics that the person does not want to express.

4.1.3. What sustainable alternatives do online shopping have?

The respondents were asked if they consider any sustainable and/or environmentally friendly aspects when shopping online, and most replied briefly “No”. Four of the respondents (3, 6, 8 & 14) do consider these issues and they also act upon it when they purchase items online. Respondent 7 do consider potential sustainable actions; however, the respondent thinks that it is difficult to follow these actions through since there are so many other factors that she rather prioritizes in a purchase.

A possible explanation to why the majority of the respondents seem know about sustainability issues but do not act on it in the online shopping context, is probably connected to that they are not able to visualise the potential future effects of their actions today (Milfont & Gouveia, 2006; Weber, 2006). If problems like climate change are too distant from the reality of the individual, then it is probably not likely that the individual will act upon it (Weber, 2006). It is difficult for the consumers to really perceive the importance of acting sustainable if their sustainable actions will not affect themselves in this life. The consumers perspective on time and their thoughts about future consequences (Milfont & Gouveia, 2006) will probably affect their attitudes towards sustainability.

This is in line with Weber (2006)'s discussion, that most people have not yet experienced the effect of global warming which makes them perceive the risk as low and the problem as relatively small and distant to them on an individual level.

The factors that some of the interviewees regard as sustainable options are divided into two groups. In the first group there are considered factors such as material of products, where the respondents prefer ecological garments, and/or cruelty free make-up and skin care. The origin of the products is also highlighted as an important sustainable aspect. The second subgroup regard shipping options, and more specific if there are any shipping alternatives that are claimed to be more sustainable. However, when it comes to sustainable shipping alternatives the respondents are not that keen on choosing them if there is too much difference in price or delivery time.

The majority of the respondents are aware of the existence of sustainable alternatives when shopping online, they do however not consider them when purchasing. Once again, the consumer will try to make a decision that is economic to them (Mukherjee et al. 2012; Thompson & Yuanyou, 2005) even if they in theory would like to act sustainable. This behaviour could be argued as a bit irrational (Mirsch et al. 2017; Thaler et al. 2010) since the consumer claim to be aware and somewhat interested in sustainability options but fail to act upon this interest if these actions require more resources than the standard alternative.

The claimed interest among the respondents implies a sense of rationality within the respondent which is in line with system 2 (Kahneman, 2003).

However, the failure to act in line with these thoughts could potentially be because the interest has not yet been established as a bias or heuristic, within the mind of consumer. System 1 is ruled by biases and heuristics (Kahneman, 2003; Thaler et al. 2010) to make the decision-making process as quick as possible.

It could potentially be that if the sustainable shipping alternatives becomes a heuristic or 'rule-of-thumb', the consumer will not hesitate in choosing the sustainable shipping alternative. The consumer's choice of conventional shipping alternatives could very well also be because they consider that it is not valuable enough to them, which is one of the major determinants in consumer decision-making. The choice must be worth the consumer's resources in time, money, and efforts (Bunduchi, 2005; Davari & Strutton, 2014; Dekker, 2004; Das & Teng, 2001; Hansen, 2005; Mukherjee et al. 2012; Thompson & Yuanyou, 2005).

Another way of looking at it, that the consumers do not go through with their sustainable thoughts, could be the amount of uncertainties connected to the shipping alternatives. The consumer does have limitations in their information process (Bettman et al., 1991) and this capacity do also limit the consumer (Simon, 1972) regarding its decision-making. If the consumer gets too many options displayed or possess too little knowledge, they will perceive the decision as complicated, and could potentially let the heuristics steer to get help in their difficult choice.

Of those respondents that claimed themselves to be aware of the sustainable issues, a further discussion occurred about consumption and its impact on the world.

“I can’t shop with my conscience all the time, because then I would probably not be able to shop at all, there is a risk with everything, and everything isn’t nicely done.” Respondent 8

One common reason for not thinking about the sustainability other than in terms of shipping alternatives and material was because the respondents wanted to avoid bad conscience.

Many respondents are aware of the sustainability aspects of shipping to some extent, but they do not really act upon it. This gap in thoughts and actions may be based on the risk perception. It has been found that individuals that live in areas affected by global warming are more conscious about their behaviour, whereas those who have not experienced it is less aware of the risks of not acting sustainable (Weber, 2006). This difference could in its turn be, as previously accounted for, that the time perspective is off, and the individual cannot visualise the future outcome of their actions today (Milfont & Gouveia, 2006).

4.1.4. Different customers, different segments, different preferences?

The interviewees come from different backgrounds, live in different parts of Sweden, and have different types of occupation. Even so, much of their preferences are the same, but with some interesting differences. To be able to distinguish that the consumers have different preferences, this theme will deal with some of those.

“Where the package gets delivered is very important, which agent it will be delivered to, and how easy it is for me to get there.” Respondent 8

What some of the interviewees also highlighted was how inconvenient the postal agents were. Several of these agents are located in small corner shops or in the ‘pre-store’ of the supermarkets in which the post customer gets mixed up with others and have to wait for people buying e.g. lottery tickets, flowers, or hot dogs. This is irritating already when the respondents are to pick up their packages and that barriers do not become smaller in the case of returning a product.

One of the major reasons for online-shopping is its convenience, that it can happen whenever and wherever (Moshref-Javadi et al., 2012). This could potentially be one of the errors in normal S&H processes, that it suddenly cannot happen whenever, and that you may have to stand in line and wait for others, that are not even running post errands.

This ‘issue’ was common among the respondents who live in smaller cities, which then would imply that they belong to a specific customer segment (Chircu & Mahajan, 2006) in the way that they live in ‘smaller’ cities. It could also be that there are not enough pick-up places, which entails an uncertainty to the consumer (Morganti et al., 2014). The uncertainty in this case could be that the consumer cannot account for how much time that will be required to receive the package. One of the interviewees (7) reported that she has left the postal agent to get back later, because the line was too long. It then becomes clear that the logistics is a challenge for online-shopping, as stated by Ehmke & Campbell (2014).

It has also been discussed in the interviews about the concept of postal lockers, which has been perceived differently.

Some respondents (8 & 12) think that to use postal lockers for returns will not make any differences, whereas a majority of the rest think that the solution would imply less waiting time and an easier way to return products.

“it sounds and feels like it would be a lot smoother than it is now” Respondent 7

Cullinane et al. (2017) argue that reverse logistics must get more efficient if it is to gain a greater success rate with the consumers. These postal lockers do seem to be able to do this, especially for customers who perceive that their post errands get disturbed by others. Postal lockers seem to be perceived as convenient by those interviewed, with some exceptions.

Another way of getting your good delivered is by ordering it to the physical store and to pick it up there. Cherrett et al. (2017) found that students, being more price sensitive, are more likely to choose a shipping alternative that includes them going to the physical store. This has however, not been seen in the interviews of this study, even though several are students. One reason could be that it is less convenient, but it could also be that the respondents are so experienced with online shopping that they choose to pay the S&H cost.

This argument is supported by Cherrett et al. (2017) who found that experienced online shoppers have a higher willingness to pay S&H costs when compared with less experienced shoppers. On the other hand, one of the respondents (10), that is a student, claimed that he was willing to wait for his delivery for over 20 days, because it was the cheapest one. This could then imply his sensitivity to price, or that he is less experienced concerning online shopping.

Another preference that divided the respondents was the choice of express delivery.

“I think express delivery is unnecessary, then you have to learn to plan instead.” Respondent 8

“...if my computer breaks down, I would probably be more inclined to order express delivery. [...] even though the difference between the express- and standard delivery might not be as big, it would feel better to get it fixed as fast as possible.”

Respondent 9

Reading these two quotes, one can begin to think of the personality and characteristics of the respondents. Respondent 8, along with other respondents (6,7,14) consider themselves as rational people, and to plan your purchases could be a trait of this rationality, they would however not pay extra for express shipping. Likewise, respondent 9 thinks of himself as being rational but is willing to pay extra for express shipping if his computer breaks down. Could it be that his view of being a gamer is such a strong characteristic trait of himself that paying extra is the rational thing to do and that this behaviour goes in line with his personality?

When expressing your personality, the motivation of consumption often increases (Kapferer & Laurent, 1986) which could be the reason for respondent 9 to pay for express shipping. We do for instance not know if the other ‘rational’ respondents would react in the same way, if something broke that they characterise and relate so strongly with. Consumption can be emotional conducted in affection (Bosnjak et al., 2007; Hansen, 2005; Pachauri, 2002), and probably occurring more often than we would like to admit, if it is something that we truly desire.

4.2. What happened in study 2 and what does it imply?

As accounted for in the beginning of this chapter, this part will start with a statistical analysis and then turn in character towards being more of a qualitative analysis. Of the respondents of the surveys, 36% are male, 62% are female and 2% do not want to specify. Most of the respondents are in the ages between 18-35 (35% are 18-25 years old and 43% are 26-35 years old), followed by 10% being 36-45 and 8% being 46-55 years old. Moreover, a majority of the respondents have a university degree where about 32% of the respondents has 2-3 years at the university, 26% has 4-6 years at the university. All the respondents use internet daily, 34% uses the internet for 3-5 hours per day, followed by 27% of the respondents who spend 6-8 hours per day online (Appendix 5).

4.2.1. There is a difference between product categories regarding consumer willingness to pay for S&H costs.

For the first hypothesis, a one-way ANOVA analysis of variance was conducted to evaluate and to see if there is a difference among the groups regarding their willingness to pay for shipping and handling costs (N=157). The independent variable, *industries* included three groups: Health & Beauty (N=74), Clothes & Shoes (N=58) and Home electronics (N=25). The assumption of normality was evaluated by exploring the data based on the test of normality and histograms through which we have found that the data is non-normally distributed. The unequal sample size could explain this. That is why some of the variables were excluded of the analysis and an assumption of homogeneity of variance was tested. The results were analysed using Levene's Test which is a test for homogeneity.

We looked at the significance value and since our numbers are greater than .05 we have not violated the assumption of homogeneity of the variance (Field, 2009) (see appendix 6).

The ANOVA shows significant results only for some of the variables which is not enough to make an inference for the differences among the groups. However, the actual difference in the mean scores between groups was quite small based on Cohen's (1988) conventions for interpreting effect size. Nevertheless, due to the dependent variables the significant differences between the tested groups occurred. The significant difference was reached for the following variables: Deliver it myself to a drop-of place (p=.000), Deliver it myself to a post locker that is available 24/7 (p=.000), Delivery company picking up the return at my work (p=.000), I expect to pay for a delivery when I buy product/s I perceive as expensive (p=.000), I expect to get free delivery when I buy product/s I perceive as expensive (p=.000), A low delivery fee will make go to the physical store (p=.000), I would return the product since I was not satisfied with the purchase (p=.004), I would return the product if the delivery company were to pick up the return at my home (p=.000), I would pay for returning the product if the delivery company were to pick up the return at my home (p=.000), The information about the delivery should be clear and easy to find on the website (p=.000), Important factors when choosing: Delivery time (p=.000).

Table N 3 (see appendix 7) shows that there is a significant difference somewhere in the 3 means ($p < 0.05$) and that there is a statistical significance between the levels of the independent variables. (Field, 2009).

These ANOVA results do not show whether there is any pairwise significant comparison among the groups and therefore a post-hoc comparison using the Tukey HSD is performed (see appendix 8).

The test indicated that for the dependent variable “Important factors when choosing: Delivery time”, the category Health & Beauty [mean difference = .736 $p=0.000$ (<0.05)] has a significant difference compared to the mean of Clothes & Shoes. For Home electronics on the other hand there is no significant difference between the means of the groups regarding the importance of time delivery.

The three categories showed difference regarding “Deliver it myself to a drop-off place.” with $p=0.000$. Regarding “Deliver it myself to a post locker that is available 24/7” we can see that Health & Beauty and Clothes & Shoes [mean difference=-8.45, $p=0.001$ (<0.05)], have a significant difference at the 5% level and Health & Beauty has also significant difference with Home electronics [mean difference=-1.29, $p=0.000$].

Moreover, the three categories have significant differences with levels $p=0.000$ within the dependent variables: *Delivery company picking up the return at my work, I expect to pay for a delivery when I buy product/s I perceive as expensive, I expect to get free delivery when I buy product/s I perceive as expensive, A low delivery fee will make me go to the physical store* (there is no significant difference between Health & Beauty and Home electronics), *I would return the product if the delivery company were to pick up the return at my home*. The Health & Beauty category has a significant difference with Clothes & Shoes [mean difference=-6.85, $p=0.002$ (<0.05)].

Regarding the dependent variables: “I would pay for returning the product if the delivery company were to pick up the return at my home” [mean difference=1.18, $p=0.000$] and “The information about delivery should be clear and easy to find on the website” [mean difference=1.44, $p=0.000$] they show a significant difference between Clothes & Shoes and Health & Beauty [mean difference=1.18, $p=0.000$]. The last variable has a significant difference between Home electronics and Clothes & Shoes [mean difference=1.29, $p=0.000$]. Given this, we could see that the categories are different concerning variables which show the consumer willingness to pay for S&H costs. From the *Homogeneous Subset* (Appendix 9 & 10) we observed the differences within the groups through which we have accepted hypothesis 1: *There is a difference between the three categories regarding consumer willingness to pay for S&H costs*. We can see that the consumer behaviour is related to the convenience of the delivery and the return conditions and to the perceptions of the product's value. These variables could provide a sign for accepting the hypothesis.

At the same time, many variables which also provide information for the consumer willingness to pay for S&H costs were not significantly different among the three categories. The most differences could be seen between the Health & Beauty and Clothes & Shoes categories. Hence, non-parametric tests were performed to get a better picture. The Kruskal-Wallis test was performed since it is appropriate when the data are not normally distributed and there are different groups of participants (Field, 2009).

From the test the previous variables were accepted to have difference regarding the three categories (see appendix 11). However, since the aim of the quantitative analysis is to assist the qualitative regarding the findings for the RQ we are going to analyse the ANOVA (appendix 7) results regarding the significance of the dependent variables for the different categories. Through that we will be able to accept or reject the H2: *Frequency of online shopping (positively) impacts the willingness to pay S&H costs.*

4.2.2. Frequency of online shopping (positively) impacts the willingness to pay S&H costs.

As stated, H2 has also been analysed. The analysis of this hypothesis has been divided into three parts, which coincide with the given product categories of the surveys.

Willing to pay for the shipping? - Home electronics

When focusing on the Home electronics category it can be seen that the delivery options and the cost for the delivery is quite important. The findings are based on the ANOVA and descriptive statistics (see appendix 10) The consumers are willing to pay for the delivery when they perceive the product in their basket as expensive (M=4.08). This could be explained by the perception of cost or by the cognitive cost approach of Pachauri (2002) and Bosnjak et al. (2007). The consumers evaluate the value of what they would get compared to what they would have to pay. The Home electronics category usually is related to more expensive products.

Even though that customers in this category are willing to pay for the shipping fee there is a possibility of not finishing the purchase due to delivery uncertainties or if the shipping cost is perceived as too high, and the consumers are more likely to change the online store (M= 3.96). The respondents are sensitive to the shipping cost (M= 4.20) and this is an important factor for them since they are aware of the logistics issues and the main idea behind the shipping fee. The threshold for a high shipping cost is also observed in Home electronics category with the highest among the categories, and this could be explained by the type of the products and the consumer's understanding for complicated shipping of large goods.

Hansen (2005) explains that consumers evaluate the value of what they will get, trying to get as much value as possible for their money. Therefore, the limit for high shipping cost increase with the consumer perceptions for the price of the items and their understanding for the delivery importance. Thus, the product category impacts the willingness to pay S&H cost since the perceived value and price in the different category vary. The consumers are willing to pay for the shipping cost because of the supposed higher cost of the products. Additionally, this is in line with the Pachauri (2002) and Bosnjak et al. (2007)'s findings for the cognitive cost.

Rich information about the product and the quality of the website are signs for good quality for the consumers in that category (M=3.92) which could be a cue as argued by Hansen (2005).

According to Pachauri (2002) and Bosnjak et al. (2007) in the online settings the navigational cues such as well-structured and easy to navigate website help consumer assess more information and this could provoke the consumer to shop from the specific site. Moreover, people would like to see the information about the return policy at the starting page and at the checkout, but they are not willing to return the product if there is a fee for such a service. However, if there is a convenient place such as 24/7 option, respondents from this category are inclined to use it.

From this means plot (figure 1) the available and convenient place for returning 24/7 is chosen by the three categories and consumers from Home electronics are the most willing to use this option (M=3.48). Additionally, the high shipping fee provokes people to shop less products (M=2.32) and this could be explained again with their perceptions of price. This group is quite sensitive to the shipping fees even though that their tolerance regarding the shipping cost is the highest among the three categories, they are however very likely to change the website if there is a better offer regarding the shipping fee somewhere else. The S&H costs are important signs and they shape the end stage of the online shopping experience (Ariely & Carmon, 2000).

Moreover, for this category the quality of the website is a significant factor for the quality of the service and the quality of the products. The ease of navigating on the website is found to be directly linked to the satisfaction of the customer (Voss, 2003).

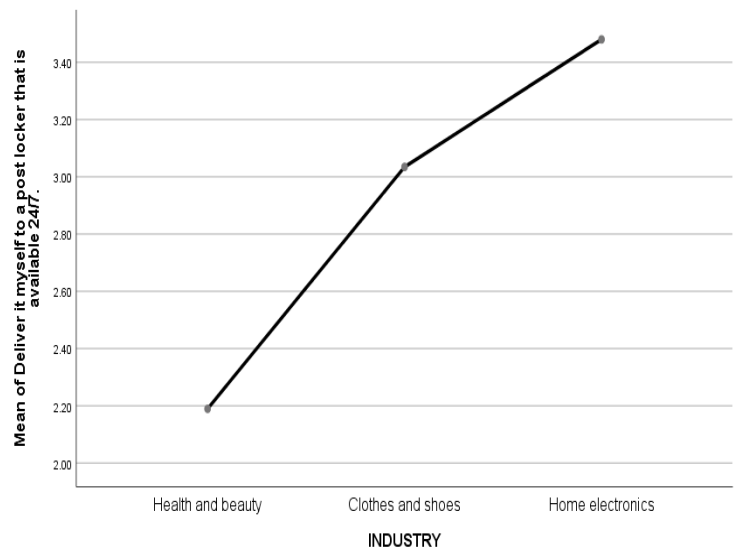


Figure 1. Mean for “delivering it myself to a postal locker that is open 24/7.”

In that way people can reduce the uncertainties and to evaluate the quality of the options available in the e-store. The information about the product from reviews and from friends is substantial (M=4.48). Additionally, these finding support the Pachauri (2002) and Bosnjak et al. (2007) statement that through the feedback and reviews consumers will be able to make inference and to gain an idea for the policy of S&H costs.

From the Means Plot (figure 2) positive product reviews are much more important for the consumer in the Home electronics category compared to the consumers in the Health & Beauty and Clothes & Shoes categories.

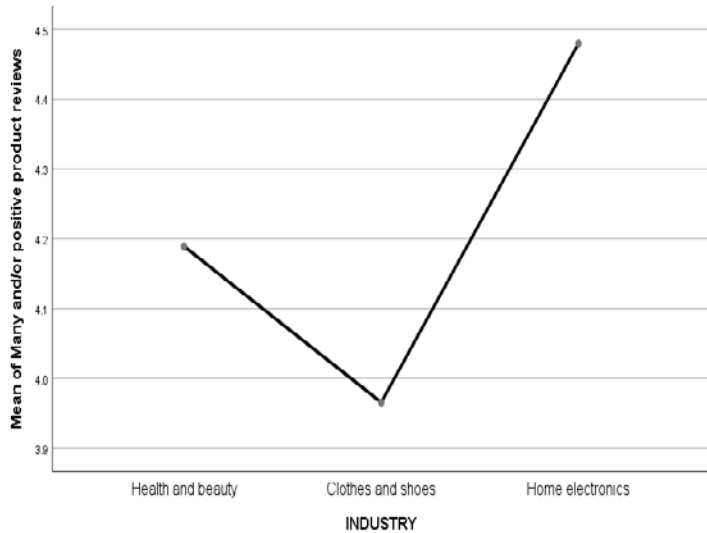


Figure 2. Mean for “many/good product reviews”.

These findings can again be related to the perception of the cost. The important factors for this category are previous usage (M=3.68), price (M=4.64), free delivery (M=3.88), good description about the products (M=4.20) and variety of supply (M=4.12). Through these factors consumers could reduce the uncertainties when they shop online, and they would shop more often. The findings show how consumers rely on the different cues (Hansen, 2005). This means that if the consumers have more experience of shopping or if there are more reviews of previous usage of the product/s, consumers would probably shop more often due to the increased level of certainty.

Looking at that aspect we could accept the H2: *Frequency of online shopping (positively) impacts the willingness to pay S&H costs* for this category.

The previous experience which is related to the frequency of the purchase could impact the consumer willingness to pay S&H costs since the consumer would know what they are paying for. In short, consumers of the Home electronics category rely on the website settings seen as cues and convenient options for delivery and for the return. Since the products in that category are perceived as expensive, consumers expect to pay for the delivery and they are willing to do so if the price for it is not too high. This is how the consumers’ purchasing behaviour is affected by shipping and handling costs when shopping Home electronics.

Willing to pay for the shipping? - Health & Beauty

The Health & Beauty is the category where the respondents shop online most frequently (see table 3) in among the presented three categories with M=1.99 compared to M=1.95 for Clothes & Shoes and M=1.56 for Home electronics.

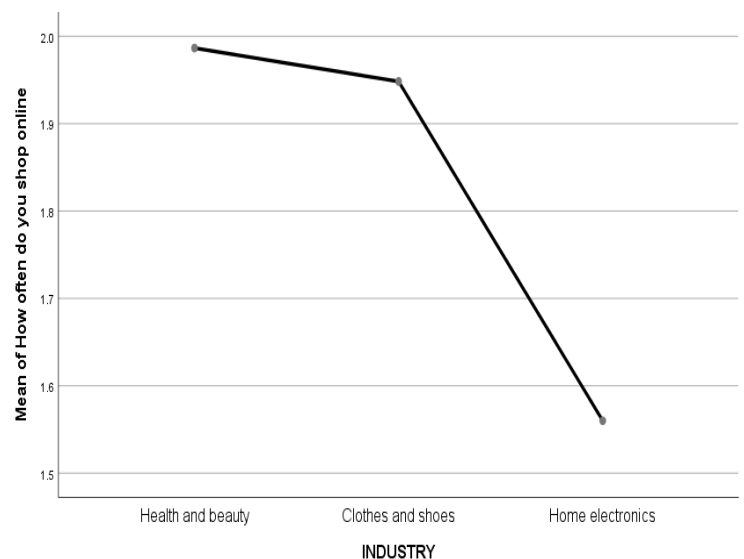


Figure 3. Mean of “how often do you shop online?”

The explanation for most frequent shopping in this category could be related to the nature of the products. These are goods which people use in their everyday life and many people prefer to shop them online to save time (Moshref-Javadi et al., 2012). The brand has the key role as an important factor (M=3.92) for the consumers, concerning which factor that will make them choose a certain website or product. Bettman et al. (1991) state that there are several factors which could influence the consumer's choice and that also can reduce some of the uncertainties.

One of these factors is the brand familiarity. This becomes especially important when a consumer is faced with many different alternatives. Additionally, Dawar and Parker (1994) argue that the brand is the most significant sign for reducing consumer uncertainties. However, the uncertainties are provoked from various factors, trigger the usage of System 1 and the cognitive shortcuts (Mirsch et al., 2017).

Other important factors are delivery time, the way of the delivery and to which pick-up place the products are delivered which is the most important factor for the consumers. Even though that the respondents from this category do not state price to be as an important factor as the respondents in the home electronics category, they are influenced of it through the levels of delivery fee. If the delivery fee is relatively high they are more willing to go to the physical store (M=4.14). The respondents who shop from this category are quite sensitive to the price.

Further, they are influenced by certain cues such as brand knowledge which could affect their choice of website. Prominent S&H costs on the web site have been noted to be a significant (M= 4.28) factor for consumers in this category. Through this information they could reduce the uncertainties which could favour for more shopping experience. Respondents in this category are more willing than the respondents in other categories to add more items to reach the free delivery. Additionally, the time for the delivery is also an important criterion for them. A high delivery fee will make the consumer choose another online store (M=3.93) which is another evidence for their sensitivity to the shipping cost. A low shipping cost can make them shop more often (M=3.98). This possibility shows that if the delivery fee is relatively low or free, people would be more likely to shop more often.

The findings show that H2: *Frequency of online shopping positively impacts the willingness to pay S&H costs* is rejected for this category. The consumers would search for free delivery and free return and low S&H costs would make them choose a particular web store, which means that the previous experience would not affect their willingness to pay for S&H costs. This is especially true for Health & Beauty category since it is the category where the consumers shop most often.

Concerning the return fee, this group shows unwillingness to return the product if the pick-up place for that is too far away (M=2.69), they would however return the item if the delivery company were to pick it up from the personal post box (M=2.44). Perceived risk is related to the consumers general bad experience from delivery and therefore they perceive that there is a high risk when shopping online.

That is why the brand plays a key role in the choice of shopping, since it helps to reduce the uncertainties that the consumer potentially has. Therefore, clearly stated information about S&H costs is an important factor for consumers in this category, which could be a cue for consumer decision making. This is in line with Hansen (2005) who states that consumers have a limited possibility to process information and more information such as cues could help them make evaluation and therefore purchase. The findings also support Simon's (1972) and Kahneman's (2003) theory of *bounded rationality*. As previously discussed, the brand is an important cue for reducing consumers uncertainties. On the other hand, the brand is not enough to affect the consumer price tolerance regarding the S&H, however this is something that previous online shopping experience might affect (Giovanis & Athanasopoulou, 2017). In short, the information and presentation of the S&H costs and a low shipping fee, are key factors for this category and the consumers' purchasing behaviour is significantly affected by them. Additionally, uncertainties could be reduced through the knowledge about the brand and the quality of the products.

Willing to pay for the shipping? - Clothes & Shoes

From the Clothes & Shoes survey, the free return is an important factor (M=4.39) which differs from the other two categories (see figure 4).

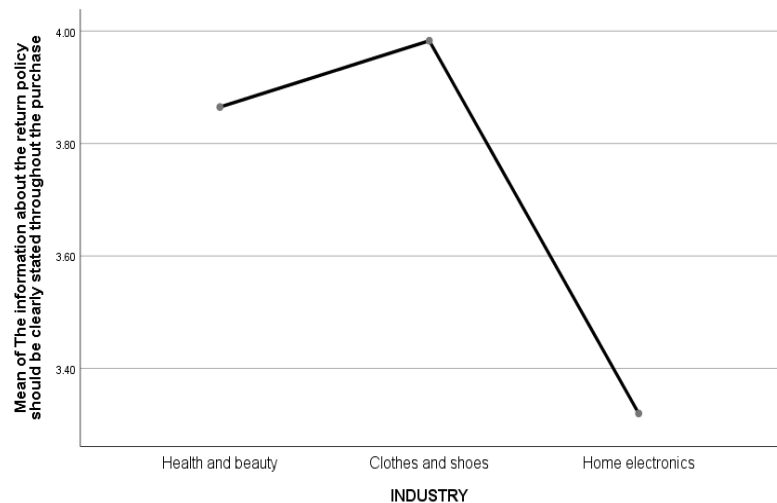


Figure 4. Mean of "Information about the return policy should be clearly stated throughout the purchase"

The respondents are willing to pay for the return fee and to return the item if they are not satisfied with it (M=4.29). For this category the policy for the return should be clear and easy to find throughout the whole purchase (M=3.98). The different price options for the delivery are important (M=3.36). Consumers are willing to pay for the shipping fee and they are not price sensitive when it comes to standard options for delivery (M=2.32). However, if they buy more products or the value of the purchase is perceived as expensive then they would expect free delivery (M=4.43).

There is a perceived risk among the respondents in the case when an item is delivered from another country (M=4.09). This is perhaps not so strange, since consumers use cues to evaluate products that they do not have previous knowledge about (Hansen, 2005).

One common cue is the country of origin, and if the delivery comes from another than the one you live in, then it might be riskier, due to longer transportation for example. Another interesting finding is that consumers have not thought about the risks regarding their shopping (M=2.64). The perceived risk is related to the return and the information about the return policy should be clearly stated throughout the whole purchase (M=3.98). The reduced uncertainties regarding the return and an easy way of return could stimulate more frequent online shopping in this category. This could affect the consumer willingness to pay for S&H costs and especially their willingness to pay for the return. Hence, H2: *Frequency of online shopping positively impact the willingness to pay S&H costs is accepted regarding Clothes & Shoes category.*

The respondents from this category are not sensitive to the time of delivery but they expect to get free delivery if they buy more items from a specific online store. Additionally, people will aim to add more items to get free shipping (M=3.32) when the store use a threshold-based shipping fee. The fact that they are less concerned with the delivery time is rather interesting since it implies that the waiting time is a non-important resource to the consumer, instead it is more important to save monetary resources by cutting the S&H costs. Ostrom & Iacobucci (1995) found that the consumer is more sensitive with costs when it concerns products they perceive as less risky purchases. It would then imply that Clothing & Shoes is a product category that consumers perceive to be less risky.

This fact is also interesting to think of, since many probably uses clothes and shoes to express themselves, which then would imply that garments and shoes are critical, since it is self-expressive. In short, the consumers' purchasing behaviour is affected primarily by the S&H costs when shopping Clothes & Shoes. The information about the return is essential as well as the price and the logistics of the return. The consumers accept the delivery fee and they are willing to pay for it except for when they perceive that they are spending more money on a particular webshop and they perceive their purchase as expensive.

4.2.3. The qualitative part of study 2

In study 2, we had an open question about the sustainability aspect; "*Write two sentences about your view on how it is possible to act sustainable when it comes to online shopping*". 90 respondents of those who responded on the surveys chose to answer what they view as sustainable actions in online shopping. This question is a qualitative part and will therefore be analysed in this way. We put together all the open answers from the three surveys to get a good overview of how people reason about this question in general. This question will thus be analysed as a whole and not by product category.

Some of the respondents think that it is difficult to act sustainable when online shopping:

“I have never experienced that it is at all possible to act sustainable when I am shopping online. As a consumer, this is something you should get more information on”

“It is difficult”

“It is nothing I think of in first hand. It is difficult to focus on”

The fact that consumers think that it is difficult to act sustainable when online shopping, could be in line with what Pachauri (2002), Hansen (2005) & Bosnjak et al. (2007) say about information processing. Many consumers base their decisions on cues in form of information, and if they feel like there is not enough information on how they can act sustainable when online shopping then this is something that they do not act upon.

Since most humans use their cognitive system 1 when deciding (Mirsch et al., 2017) the lack of simple cues to guide the consumer in making sustainable decisions online, implies that the consumer then suddenly must increase their cognitive effort to solve the situation. This is not likely however, as Bosnjak et al. (2007) argue that the general consumer wants to make as little cognitive effort as possible when shopping. However, most of the respondents had several ideas on how to act sustainable in an online shopping context. It was further possible to detect four common themes among the answers, and these themes will be presented below.

Shop “local”

“Avoid shopping from other countries”

“Buy less stuff from China/ USA”

“Since a few years, I only purchase from Swedish online stores”

“If possible, buy from local companies”

The respondents think that one way to act sustainable when shopping online, is to buy less from other countries and to instead focus on Swedish web shops. The respondents believe that one should order from local stores in Sweden as much as possible. One of the most common cues regarding products is country-of-origin (Bosnjak et al., 2007; Hansen, 2005; Pachauri, 2002). This could imply that the respondents think of Sweden as a cue for sustainability, perhaps in the sense that it is closer and probably reduce the emissions of transportation. It could also be that by shopping from only Swedish shops, it is easier to find more information about the sustainable actions of the company. If a consumer is to make a choice and have several alternatives, it will be perceived as more complicated (Bettman et al., 1991) and in those cases, cues or information can help the consumer to evaluate the options. In this case, shopping from a Swedish online store could entail fewer uncertainties to the consumer, regarding e.g. sustainability.

Sustainable shipping alternatives

“If possible choose a sustainable shipping option”

“It would be best to not shop online at all. Otherwise one should choose the most environmental friendly shipping alternative”

“Choose a company that offers sustainable shipping alternatives”

Another way of acting sustainable when online shopping is according to several respondents to choose an environmentally friendly shipping alternative. Consumers, as discussed above, often use cues to make their decisions (Bosnjak et al., 2007; Hansen, 2005; Pachauri, 2002) and in the online setting, the information and website design is one of the most important aspects to consider (Mummalaneni, 2005).

The website design could for instance, involve signs that the consumer associates with sustainability, such as text, images and symbols that are green or in a shape that signals ecological options. By using these symbols, it will be easier for the consumer to distinguish the difference between the shipping options and to make, if desired, sustainable choices. The cues that signifies sustainable options can enable the consumers to act without putting any real cognitive effort into their decision, and it is possible for them to go with their autopilot, system 1 (Bosnjak et al., 2007; Mirsch et al., 2017). One could ask if the respondents really do choose these sustainable shipping options?

The shipping cost is a crucial part of online shopping (Ariely & Carmon, 2000) and if the price difference is too big between the ‘standard’ shipping option and the sustainable one, the consumer will most likely go for the cheapest one, regardless of it being sustainable or not.

Collect your orders

“Order less often and try to order more at the same time”

“Order more at the same time”

“Buy many products at the same time”

The frequency of shopping is also considered in the sustainability discussion. The respondents think that collecting and coordinating several purchases into one purchase can be a sustainable way of acting. If the consumers are willing to collect their orders it would imply that they are quite rational (Thaler et al., 2010; Mirsch et al., 2017) in their behaviour. However, one could wonder again if this really is something that the consumers do when shopping online, and that it is not something that they just say.

To combine purchases in that way would mean that the consumer must sacrifice time and postpone the arousal that the shopping may entail. These aspects are costs of the transaction (Bunduchi, 2005; Dekker, 2004; Das & Teng, 2001) that the consumer must take into consideration. By the look of it, it seems that the respondents are willing to wait with some of their purchases, to save some of the resources of the earth.

On the other hand, even though this argumentation sounds good, it could be that the consumers’ see a chance to save some money by paying S&H costs less often. TCE is about making a decision that is the most economic one (Mukherjee et al. 2012; Thompson & Yuanyou, 2005). If the consumer puts a purchase on hold to save some money or maybe split the S&H costs by co-ordering, this would imply than less money had to be spent on S&H which signifies to be the most economic choice. But we cannot unveil whether the lower frequency entails buying less goods or if the consumer will add even more to the purchase than they would have done if they kept the same shopping frequency. The “collect your orders” approach might have an environmentally positive effect in the aspect that there will be less transports. However, from a resource perspective, the next question becomes, is it sustainable to gather your purchases if it implies that the amount of goods will be the same or even more?

Go for the eco-labels and the companies that take their responsibility

“Choose eco-labelled/ certified products”

“Choose products without chemicals”

“Buy eco-labelled clothes”

“Choose a company that actively works with CSR”

“Through using online stores that actively take responsibility for the environmental”

“It is possible to find smaller brands, which are more ethical”

Looking at the material of products seems to be one strategy that the respondents use to be more sustainable when online shopping. Further, they believe that an option also is to look at the online store's work with CSR. Thinking of the respondent's arguments, it seems that brands and labels can guide the consumers into making more sustainable choices. A brand and its name have strong impact on the consumer and could reduce potential uncertainties (Dawar & Parker, 1994). In this case, it would imply that a label that works as evidence of e.g. organic material or ecological product production or a brand that has managed to connect their brand name to CSR or other sustainable actions, work as good signs of sustainable actions to the consumer.

As presented above there are several ideas from the consumers on how to act sustainable. The question is if these are actions that they take when online shopping. As discussed by Weber (2006), whether people are acting environmentally responsible depends on their risk assessment of the global warming situation. Since the respondents live in Sweden their risk perception is probably low, since this is a country that is so far, quite blessed from experiencing any major environmental problems. This will, as strengthened by Weber (2006) affects how the respondents behave and how conscious they are when shopping.

Milfont & Gouveia (2006) argue that people's attitude is affected by their ability to perceive whether their sustainable actions will have an effect in the future. Based on the discussions of Weber (2006) and Milfont & Gouveia (2006), one could speculate that it is not that probable that our respondents walk their talk. Meaning that even though they are aware of how it is possible to act sustainable, it is not likely that they all act upon it for real when shopping online.

4.3. What do the two studies imply, together?

As part of the mixed-method, an analysis of the two studies will be conducted. This is done since it is interesting to compare differences and similarities among the results, and to be able to compare product categories. The combined analysis can also help us in analysing study 2 and its rather small sample, thanks to the triangulation. In the qualitative study it is evident that consumers do not really consider S&H costs before beginning their shopping session online. The interviewees are however affected by the shipping cost and they are sensitive to the cost per see, and if the cost is too high they might abandon their purchase.

High shipping costs are also one of the most frequent reasons for terminating a purchase (Business Insider, 2014). Our quantitative study shows that the level of shipping cost sensitiveness depends on which product category the consumer is shopping from. The first hypothesis was: *consumers perceive the S&H cost differently depending on product category.* The research does indeed show that the consumer is less willing to pay S&H costs for Clothes & Shoes, but more willing for Home electronics.

Is it worth the effort?

One of the categories in which the consumers are sensitive to the shipping cost is Health & Beauty, since a low delivery fee will make them favour a particular online store and increase their shopping frequency. It could be that when shopping goods from the Health & Beauty category, the chase for value is higher regarding shipping costs than compared to e.g. Home Electronics. This is a force to be reckon with, and the consumer do often chase the highest possible value for the least amount of money (Bosnjak et al., 2007; Hansen, 2005; Pachauri, 2002). Moreover, a high delivery fee could make the consumers that are buying goods from Health & Beauty reconsider their purchase and/or instead go to a physical store, implying that this action carries a higher value to them than to pay the shipping cost.

The shipping cost is something that the interviewees and the respondents from the surveys want to have displayed clearly on the website at the check-out. However, when the delivery is free the consumers prefer it displayed at the homepage, which is especially important for the consumers in the Health & Beauty category. The return fee is rarely considered by the consumers in the qualitative study since the majority of them claim that they are unlikely to return products that they are dissatisfied with. Reasons behind this behaviour seem to be that the return process is perceived to be too resource demanding, when it comes to time and effort. In a way it is understandable since the consumers shop online due to the convenience (Moshref-Javadi et al., 2012).

Despite that fact, if the bought product is seen as expensive then it becomes more likely that the consumer will try to return it, since the monetary sacrifice is too big otherwise. Among the respondents in the quantitative study it could be seen that the return policy is a more important factor for the category Clothes & Shoes. This could be explained by the consumer uncertainties related to dissatisfaction and deviations from consumer expectations when it comes to size, colour, and material of the garment. The consumers in this category are the ones that are most eager to return. However, they are even more likely to return if there is no fee which is in line with the findings from the qualitative study. A potential explanation of the consumer behaviour regarding the return process & cost could be that they prioritize other factors when online shopping and that they use some sort of mental accounting when deciding what they want to pay and make an effort for (Thaler & Sunstein, 2008).

Think outside the box (and use a locker instead)

The majority of the interviewees were positively willing to use postal lockers for returns, if the lockers were to become a more frequently mean used for return. The consumers believed that this way of returning would increase their willingness to return in general since it would be a more convenient method. The unwillingness to return is seen as an unsustainable consumer behaviour among the interviewees, thus we find it to be of interest that using postal lockers could be a potential way of changing this behaviour. Additionally, the respondents from the survey are willing to use the postal lockers for return and as a place for pick-up.

The findings show that consumers from Home electronics are the most willing to use this option, probably because they prioritize convenient solutions regarding delivery. Nevertheless, the consumers of Home electronics are sensitive to S&H costs and a high delivery fee could make the consumers switch website or terminate the purchase. The price is a really important factor for the consumers in Home electronics, and this could be explained by the nature of the goods and the fact they often are more expensive than the products from the other categories.

Considering this, it is likely that the consumers perceive as an alternative with 'standard' costs, but with a mean that seems smoother to the consumer. When it comes to shipping, convenience is more important than price for this product category. This way of thinking does also support the fact that costs not only are perceived as monetary but also can be conveyed in time and energy (Chircu & Mahajan, 2006). The consumers of Home electronics seem to cherish convenience more than anything else when the shop online. Similarities with this has also been brought to our attention by some of the interviewees, who are frequent shoppers of other goods than home electronics and in those cases, the postal lockers would entail convenience. The postal lockers are appealing to the consumers if it implies that they do not have to wait to pick up or return your good at the same time as others buy lottery tickets, hot dogs, or flowers, which are normal services that the postal agents offer, besides the service of handling packages.

Follow the signs

To somewhat reduce uncertainties and perceived risk, consumers rely on different cues. One important cue is the brand, which is especially relevant for the Health & Beauty category. In this context a high price on the product could be related to the brand and signify higher quality. Another cue is product reviews which is the most important one for consumers from Home electronics. That reviews are substantial when shopping Home electronics is also evident in the interviews, where feedback from friends, family or forums are very important aspects to consider. One reason for this could be that electronics are products that are more complex by nature, thus indicating that they are more of a critical purchase (Ostrom & Iacobucci, 1995). In this product category, cues could help to facilitate the decision making of the consumer (Hansen, 2005). Buying a technical product is more complex than buying a sweater e.g. and calls for other/more cues.

Country of origin do often work as a cue, but this cue does sometimes also engage uncertainties. The consumer of Clothes & Shoes is extra sensitive to this and think of country of origin as a potential risk for both delivery and returns. This perspective has also been highlighted in the interviews, both from a transportation view but also from an information view. By using an e-tailer from another country, the interviewees portray that it feels harder to get the information they want, and to assure that the goods are produced in a good way. Speaking of information, our quantitative research has shown that the information about the return should be clearly stated throughout the purchase. In that way the consumers will know what the policy is, and the uncertainties could be reduced.

Comparing the studies, a difference is occurring. The interviewees clearly showed a repulsion to return something, and the information about it is not something that they engage in, at least not before actually being in the situation of considering returning a good.

The second hypothesis was: *frequency of online shopping (positively) impacts the willingness to pay S&H costs*. The frequent online shopping could impact the willingness to pay S&H costs for the categories Home electronics and Clothes & Shoes, but this is not valid for the Health & Beauty category. The products from Health & Beauty are something that consumers potentially need in their everyday life and usually they are goods which could be found easily everywhere as their price is almost the same in the e-tailers and retailers. They are goods perceived with relatively low prices in comparison to the other two categories. From the analysis above we can see that there are substantial differences between the three categories and consequently how the consumers' purchasing behaviour is affected by shipping and handling costs when shopping goods online.

Is eco-shipping the only sustainable action in online shopping?

In the qualitative study (study 1) we found that most of the consumers do not think about sustainability at all when they shop online. In the quantitative study (study 2) there was only one question concerning sustainability, and this was the open question where the respondents were to write a few sentences on how they think it is possible to act sustainable when shopping online.

There were however no questions in the survey regarding if the respondents act sustainable when they purchase goods online, thus the perspective of sustainability differs between the two studies. The qualitative study captured whether the consumers really act sustainable when shopping online, while the quantitative study examined how the consumers think it is possible to act in a sustainable way, thus not really capturing their true actions as consumers. Interestingly as presented in the analysis of the open questions, the majority of the survey respondents have suggestions on how they think that they can act sustainable when shopping online. To choose sustainable shipping is one of the most common suggestions among the survey respondents.

Considering this statement, it is interesting since it was found in the qualitative study that the interviewees were reluctant to eco-friendly shipping alternatives, much because they believe those shipping options to cost more. The explicit sensitiveness to price could imply that the respondents of the survey mention sustainable shipping only because it is the right thing to say/ do. It could also be that when the respondents answered the open question, they did not consider their own actions in online shopping but rather what kind of action that may be sustainable.

Another way of looking at this, that environmentally friendly shipping is a frequent suggestion to act more sustainable in both the interviews and the surveys, could be because of the amount of knowledge they possess. The theory of bounded rationality (Simon, 1972) could be a reason for this in the sense that the respondents act on what they know.

For them, the rational thing to consider is the transportation, probably because the general discussion about sustainability is strongly influenced by ways of transportation. If more people knew about all the different aspects of sustainability, then means of transportation would probably not be the most common answer of action.

5. Our conclusion

The questions we aim to answer is:

1) How is consumers' purchasing behaviour affected by shipping and handling costs when shopping goods online, and (2) do they consider sustainable aspects when buying these goods online?

The short answer is that the S&H costs have a great impact on the consumer's shopping behaviour and they do not consider sustainability aspects when shopping goods online. S&H costs could incline consumers to shop more, or less, depending on how the cost is presented and depending on the value. Most of the consumers will try to reach the limit for free delivery, otherwise if the delivery fee is perceived as too high, they are likely to switch e-tailer. Going more into detail, we want to conclude our research by stating the following:

Most of the consumer's focus is targeted on the shipping cost. This cost can determine whether they will conduct and/or continue with a purchase. Even though the consumers save time, money, and effort on shopping online, a shipping cost can make the consumer think about going to the physical store instead.

This is something we believe to relate to the mental accounting theory (Thaler & Sunstein, 2008), and that the shipping cost not is included in the mental budget of the consumer when shopping online.

Consumers do not consider the return process when shopping goods online. The majority of the interviewees do not bother researching the return policy at all. However, when asked, the interviewees would not want to pay for the potential return of online-bought products. Even if they are dissatisfied with their purchase, consumers are not likely to send their products back due to the sacrifice/ effort being too high. Convenient solutions are however asked for and could encourage consumers to return more.

Consumers do not consider sustainability aspects when shopping goods online. However, the majority are aware of the possibilities that sometimes exists in terms of choosing sustainable options for shipping/material/ origin etc. The reason consumers lack the power of action we argue, is due to the difficulty for people to grasp the effect they could contribute with if acting sustainable.

5.5. The implications of our study

5.5.1. Sustainable implications

One aspect that is worth highlighting is the sustainable implications of this study. Surprisingly, few respondents have any urge to return products that they are unsatisfied with, even though this imply that they will not use the products and instead let the collect dust somewhere in their home. The only thing that really affects them is the monetary value of the product, and if the value is 'too high' to lose, then they will consider returning it. But what impact may this behaviour have on the sustainable aspects.

Cullinane et al. (2017) found that the most people do not seem to know anything about returns in general or in the context of sustainability and this is no exception in this case. It could be that the short-term orientation (Weber, 2006) discourage the consumer from truly consider what impact their storage of unwanted products will have on the earth's resources.

The question becomes somewhat bisectonal. The alternative of not returning items as a sustainable option (Cullinane et al., 2017) is on one hand good because of the decreased amount of transports. But on the other hand, the product-/s that are not being returned will probably end up somewhere in a box not being used. Then a lot of products would have been produced in vain. Is it not better that the unwanted items are sent back so that they could be used by another customer instead of another product having to be produced for this consumer? People consume not only because they have needs, but rather because of desires. Take the sign- and pleasure antecedents that are argued to motivate the consumer (Kapferer & Laurent, 1986). The consumption gives pleasure and a personality, which one could argue is rather selfish, since it is a way of self-realisation rather than taking a common responsibility for our earth.

Another aspect is how S&H costs should be displayed. The e-tailers has a choice to make regarding their positioning. Should they keep displaying free shipping as the strongest benefit or is it time for them to go on a new pathway where the consumer can be helped into more responsible consumption. A nudge of green would perhaps not be hurtful in the world of online shopping.

5.5.2. Theoretical contributions

Our research contributes with a deeper understanding of how S&H costs affect the consumer's when online shopping, in the context of retail goods. The research does also put a greater emphasis on the return process, which has been less focused upon in the research of S&H costs and their impact on the consumer.

5.5.3. Managerial contributions

Considering the managerial implications, we believe that our research can clarify how sensitive the consumer is to the S&H costs. The results of our study can work as guidelines for how the e-tailers could present information about S&H costs as well as potential sustainable actions that the e-tailer undertakes. Another implication that could be interesting from a managerial perspective is the impact that threshold-based shipping costs can have on the consumer, in the sense that it can motivate or penalize further consumption.

5.5.4. Limitations

The study could be argued to have some limitations. Firstly, all respondents are living in Sweden, which implies that it might be hard to generalise the findings to populations outside Sweden. Secondly, the age span of the respondents in the qualitative study has an overrepresentation of individuals between 18-28. It could therefore be that a study with a wider age distribution would give other results. Another limitation of the sample of respondents could be the number of participants. Theoretically, there might be a limitation in that the previous research (Cullinane, 2009; Huang & Oppewal 2006; Lewis, 2006) is more product specific in comparison to our study. However, we believe that by combining those areas, we have created a theoretical framework that is suitable for our empirical findings and analysis.

5.5.5. Future research

The research of this thesis is focused on retailing and the S&H costs that may be included. During the study, one field of interest that has emerged is the return of products and how this can be deeper analysed. The willingness to return seems to be low, and one idea would be to investigate and combine S&H costs with choice architecture. In connection to the willingness to return, we brought up the idea of postal lockers as a more convenient way of returning products. It would then be interesting to research whether this mean of return could increase the willingness to return goods bought online. An extended field of interest within returns would be to investigate why Finland has a higher return rate compared to Sweden (PostNord, 2018b). Is it marketed in another way or is there something in the consumption cultures that differs?

In the open question of the surveys, it has also been shown that many respondents think that the best way of acting sustainable within online-shopping is to not shop at all. With Weber's (2006) research in mind, that future consequences are too hard to grasp, it would be interesting to further investigate this gap, since the consumers clearly know that their consumption has consequences.

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