Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 09 Issue 11 November 2026

Article DOI: 10.47191/jefms/v9-i11-04, Impact Factor: 8.735

Page No: 5825-5835

How Does Cognitive Dissonance Explain Why Consumers Justify Expensive Purchases After the Fact (Post-Purchase Rationalization), And What Does This Mean for Return-Policy Design?

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ABSTRACT: This paper explores the cognitive dissonance theory developed by Leon Festinger (Festinger, 1957) as an answer to explain why consumers in their normal practices justify their high-cost purchases after they make them. This is often referred to as post-purchase rationalization and/or "buyer's remorse management". Based on the social-psychological literature on dissonance reduction, the consumer-behaviour research on post-purchase evaluation (Oliver, 1980; Sweeney, Hausknecht, & Soutar, 2000), and the current literature on retail returns (National Retail Federation & Happy Returns, 2024, 2025), the paper proposes a framework that integrates purchase involvement, decision irreversibility, and self-concept threat with the intensity of post-purchase dissonance and the rationalization strategies consumers use to manage it. The paper then moves on to the implications of this psychology for the firm, that is, the design of return policies. The ease at which a consumer can reverse a purchase decision has a direct effect on the psychological dynamics of dissonance, with lenient return policies making customers more likely to convert to a purchase and causing a window where dissonance can arise as an actual return. The paper utilizes data from the National Retail Federation, Janakiraman, Syrdal, and Freling (2016) meta-analysis of the U.S. retail return literature, and other secondary sources to illustrate that there were an estimated $890 billion worth of U.S. retail returns in 2024 (16.9% of sales), a slight decrease to estimated $849.9 billion worth of U.S. retail returns in 2025 (15.8%), and leniency dimensions (e.g. monetary, temporal, effort, scope and exchange) have an asymmetric influence on purchase and return behaviour. The paper ends with a section on policy design that proposes a framework for structuring the return windows, restocking fees, exchange vs refund default, and post-purchase communication that strikes a balance between the benefits of conversion and the costs of return, while also promoting real satisfaction for customers, not just the suppression of regret.

1. INTRODUCTION

Even if consumers realize that they made a bad buy, they don't want to admit it. If a buyer has purchased a great deal for a car, a designer handbag, a home improvement or a consumer electronics product, he is more likely to respond to post-purchase doubt by affirming its virtues to his friends, looking for positive reviews, even reinterpreting flaws as trade-offs that he "always knew about. This tendency is one of the most consistently replicated effects in consumer
psychology and the theoretical basis is in Leon Festinger's theory of cognitive dissonance which was first proposed in 1957 and then expanded and tested over the following decades by Festinger (1957) and Festinger and Carlsmith (1959).

This current paper deals with two related questions. First, how does cognitive dissonance theory explain consumers' post purchase rationalisations for high-priced items and what psychological and situational influences influence the strength of the rationalisation? Second, because this rationalization is a pre-programmed part of the consumer's mind, what does it say about the design of return policies by the firms: the institutional setting that shapes whether a consumer's post-purchase uncertainty is realized as a returned product, a hidden complaint, or a satisfied consumer?

These questions are not only of academic interest, but also of commercial interest. Product returns are not a marginal cost of doing business; for the U.S. retailers, the approximate cost of returned products in 2024 alone can be estimated to be around $890 billion, which amounts to 16.9% of total retail sales (NRF & Happy Returns, 2024). That makes a return policy at the same time a marketing tool, a risk transfer tool, and this paper says, applied psychological architecture, and that's where it comes into play with the dissonance-reduction process. Companies that don't realize that the return policy is more of a behavioural lever, risk

missing out on converting more browsers to buyers without inflating their fraudulent or regret returns – those that do can design the policy accordingly.

The paper proceeds as follows: The theoretical background of cognitive dissonance and its implications to the consumer decision-making process is discussed in section 2. Section 3 expands the specific mechanics of post-purchase rationalization in the context of high cost purchases, with moderation effects of purchase involvement, decision irreversibility and self-concept. The findings of retail returns and consumer attitudes towards returns are summarized in Section 4. The empirical research on return-policy leniency and its behavioural effects is presented in Section 5. The psychological and empirical information is brought to bear on the policy design implications in Section 6. Limitations and directions for further research are covered in Section 7 and the paper is concluded in Section 8.

2. THEORETICAL FOUNDATIONS: COGNITIVE DISSONANCE AND CONSUMER DECISION-MAKING

2.1 Festinger's Original Formulation

Festinger (1957) suggested that people have many cognitions (beliefs, attitudes, pieces of knowledge about the world around them, and knowledge about their own behavior) and that when two or more cognitions are psychologically contradictory, the person suffers from an aversive drive state called dissonance. Dissonance experiences are perceived as unpleasant, so Festinger concluded that people would work to alleviate it in much the same way that hunger would motivate them to eat. There are three main ways to reduce the dissonant cognitions: (a) change one of the dissonant cognitions, (b) add in new consonant cognitions that outweigh the dissonant ones, or (c) diminish the salience of the dissonant cognition (Festinger, 1957). So applied to the choice of product, as soon as he or she decides to buy Product A rather than Product B, any subsequent disadvantage that he or she notices of Product A or any advantage that he or she notices of Product B becomes a dissonant cognition relative to the belief "I made a good decision." The consumer is theorised to solve this tension mainly by strengthening A (strengthen its merits), by derogating B (directly, by denying its merits), or by trivialising its noticed fault, or by simply ignoring it, but not by strengthening B, as this would only increase his tension. by going back on the purchase, which can be more difficult, expensive or in some cases impossible.

2.2 Post-Decisional Dissonance and Free Choice

One of the basic refinements that apply to consumer behaviour is that of post-decisional Clashing notions that result from a choice between appealing options (Brehm, 1956). If a choice is made freely among options where each option appeals to some degree (or degree at all), then by making a choice, a person will have given up the positive attributes of the option that they did not choose. This asymmetry between the "what I gained" and the "what I gave up" is a key source of discomfort following a purchase. Importantly, dissonance theory predicts that dissonance will be greater as the (i) decision is more significant, (ii) the rejected alternative(s) are more attractive, and (iii) the similarity of the chosen and rejected alternatives is greater (Festinger, 1957; Brehm, 1956). The rationalization response is more apparent and more intense with more expensive items like cars, jewellery, electronics and a big appliance than with less expensive items like a cup of coffee because the former dimension is more salient for expensive items, it's more important financially and it often carries more symbolic weight as well.

2.3 From General Theory to Post-Purchase Behaviour

The theory of dissonance was later translated into the post purchase dissonance, or "buyer's remorse" (Cummings & Venkatesan, 1976; Oliver, 1980). It is an observation that Kumar and Sudheer's (2015) has borrowed from Schiffman and Kanuk's (2008) consumer-behaviour framework, which suggests that post-purchase dissonance is an expected part of the buying process, rather than a failure in the decision-making process, as almost every purchase decision involves some degree of compromise between imperfect alternatives, and that consumers typically seek to reassure themselves after a purchase by rationalizing the decision or by selectively choosing to read ads and access information that supports the choice or by looking for other, satisfied customers of the same product (Kumar & Sudheer, 2015). This selective-exposure behaviour is a type of dissonance-reduction because the consonant cognition is created after the fact instead of a re-evaluation.

Sweeney, Hausknecht, and Soutar (2000) furthered the empirical research of this construct significantly by creating and validating a measure that assesses post-purchase cognitive dissonance in two dimensions: cognitive (concerns over whether the deal was fair, and doubts about the wisdom of the purchase) and emotional (discomfort, regret or anxiety). (Sweeney, Hausknecht, & Soutar, 2000). In their 22 items scale, which was reduced to a 12 items scale (Sweeney & Soutar, 2003, in Gbadamosi, 2009), they found that there was affective dissonance, meaning that the affective component of doubt, such as anxiety, differed from the cognitive component, such as providing reassuring information; this finding is relevant for return-policy design, as a policy that

resolves the cognitive component of doubt will not necessarily resolve the affective component. This is because there is a lot of text involved in the process, and vice versa.

2.4 Confirmation, Expectation, and Satisfaction

Oliver's expectation-confirmation framework is a parallel and complementary literature that posits that post-purchase satisfaction is a function of the difference between the consumers' pre-purchase expectations and the perceived product performance, which the consumers experienced after the purchase (Oliver, 1980). Dissonance theory has been used to explain the motivated cognitive effort that consumers employ to prevent the negative feelings that they attribute to their decision, while the expectation-confirmation model explains one of the main reasons that leads to these negative feelings: the sense of failure associated with an unmet expectation. The two frameworks work together in a simple manner: the higher the expectation gap the greater the dissonant cognition (this was not what I expected) which then triggers the rationalization or returns-decision process, described above.

2.5 An Alternative Reading: Self-Perception Theory

Not all psychologists accept that an "uncomfortable" internal state is what Festinger claimed to be causing. There is an alternative non-motivational explanation: Bem's (1967) self-perception theory suggests that people do not seek to relieve an aversive internal state, but rather they simply infer their attitudes from observation of their own behaviour, as they might do from the observation of others. In this perspective, the consumer who has just paid a big price for a product might assume "I must value this highly" because he paid for it, but not necessarily feeling any uncomfortable drive state at all. For the purposes of this paper, the two accounts do not stand in opposition: the drive-reduction (Festinger) version and the behaviourally-cued self-inference (Bem) version make the same prediction about an observable outcome, that consumers post-hoc form (or reinforce) a positive attitude toward an actual purchase that they have made, and both versions suggest that they imply a completed, effortful purchase.
Increases the psychological "stickiness" of the resulting attitude, making a return less likely just because of the attitude. The differences between the two accounts lie in the predictions regarding arousal and emotional intensity: according to dissonance theory, one would expect a true feeling of discomfort that can be objectively measured (such as on the emotional subscale in Sweeney, Hausknecht, & Soutar, 2000) whereas self-perception theory does not predict this affective signature. Although self-perception processes are suspected to be occurring simultaneously for lower-involvement purchases, the empirical evidence for a measurable emotional component of post-purchase dissonance (Sweeney, Hausknecht, & Soutar 2000) provides support for the dissonance account of higher-stakes, higher-affect purchases, such as those discussed in this paper.

3. THE MECHANICS OF RATIONALIZING EXPENSIVE PURCHASES

3.1 Why Expensive Purchases Amplify Dissonance

The level of dissonance following the purchase is not predetermined and is related to several factors that can be identified, most of which are systematically higher for costly purchases (see Table 1). First, the importance of the decision is mechanistically related to the price of the product for a large number of products: If the product costs $3,000, the decision is of greater importance than if it costs $40, and if there is any doubt about the product after purchase, then that doubt would be more uncomfortable because of the greater importance of the decision (Festinger, 1957). Second, expensive purchases are often "high involvement," in that they took a great deal of time and comparison shopping effort and deliberation for the consumer to make, and thus the effort itself is a sunk cognitive resource, so giving it a second life with a return is an admission by the consumer that the effort was wasted, which is also a source of dissonance (Cummings & Venkatesan, 1976). Third, the cost of a purchase makes it more likely that others will know about it (or comment on it) or discuss it (a new car, a new kitchen, a fancy handbag) and thus makes it more important to stand up for it publicly and privately, thereby increasing the stakes of making a "bad" decision. Fourth, many costly items are also low frequency or durable purchases, and the consumer cannot easily "average out" a bad purchase with the many other purchases of a similar price and type, further focusing the psychological burden of any one purchase.

Table 1: Factors That Amplify Post-Purchase Dissonance, and Their Relationship to Purchase Price

Amplifying Factor	Mechanism	Relation to Expensive Purchases
Decision importance	Higher stakes increase discomfort from any post-decisional doubt (Festinger, 1957)	Scales directly with price and financial consequence

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Attractiveness of foregone alternatives	Forfeited benefits of rejected options become dissonant cognitions (Brehm, 1956)	Expensive categories often have closely competing premium alternatives
Purchase involvement / effort invested	Sunk deliberation effort raises the cost of admitting a poor choice (Cummings & Venkatesan, 1976)	High-cost items typically involve extended research and comparison
Social visibility	Public commitment increases motivation to justify the choice to others	Costly items (cars, homes, luxury goods) are more visible/discussed
Irreversibility / low purchase frequency	Decision cannot be diluted across many similar low-stakes purchases	Durable, infrequent purchases concentrate psychological weigh

Source: author's synthesis of Festinger (1957), Brehm (1956), and Cummings and Venkatesan (1976).

3.2 Dissonance-Reduction Strategies Observed in Consumers

A set of strategies has been identified in empirical and conceptual studies on post purchase behaviour. Consumers can (a) seek out confirming information – searching for positive reviews for a product already purchased but not negative reviews (Schiffman & Kanuk, 2008); (b) try to validate the purchase decision in the minds of others – talking to others who seem to have found the product to be good or reading positive comments from others that reinforce the positive decision (Kumar & Sudheer, 2015); (c) try to reframe attributes of the purchase – a high price may be re-labelled as an investment in quality, durability or status, a pattern that is often seen when buying luxury goods or goods from a premium brand – "the consumers continuously validate their purchase decision, consistently emphasising superior quality, innovative design, and user experience" (Marketing Study Guide, 2023) and (d) justify the effort involved – the amount of research, saving or comparison that preceded the purchase may be mentioned in order to validate the purchase decision in their minds (Cummings & Venkatesan, 1976). Interestingly, none of the four strategies require the product to actually perform better as they depend on the consumer's cognition instead of the product. This is the core behavioural principle behind the design of returns policies, if it is a poor fit, the rationalization story is being built by the consumer, and if a return is made, then that story is lost; by construction, the rationalizing consumer is less likely to return a product than to create a story of rationalization and be wrong.

3.3 The Regret-Timing Asymmetry

Another layer is the evolution of the relationship between the dissonance-based rationalization and the real sense of regret. However, research on post-purchase regret timelines suggests the extent of the regret after a purchase is likely to be highest within the first 24 - 72 hours and then decline as rationalisation processes start to take effect (Neurolaunch, 2026). This has an operational implication: windows of significantly longer duration than this acute window are less likely to be used for remorse-driven returns during this first time frame and more likely to be used for returns that relate to product performance problems that have occurred at a later time or to changes in circumstances, or for non-remorse-based returns, such as bracketing (browsing for multiple products then returning most to the retailer). At the other end of the scale, extremely short return windows may include customers just as they are experiencing acute dissonance and before they have time to start rationalizing and therefore have the potential to increase return rates based on transient regret as opposed to rationalized dissatisfaction.

3.4 Identity, Self-Concept, and Symbolic Purchases

Another amplifier commonly found in many high-cost items is that they may also be identity-relevant as the buyer's taste, values, and social status play a part in not only the selection of the item but also its display, rather than simply functional. Threats to self-concept are a specific type of dissonant cognition because admitting that one made a wrong choice on a purchase that is tied to identity causes one to feel that one "made a mistake about one's taste or values" (Festinger, 1957; Harmon-Jones & Mills, 1999) when it becomes an admission that one made a mistake about one's self. For example, the “high-tech” and luxury brands are mentioned repeatedly as being examples of such a pattern; that is, users of much more expensive products than functionally similar alternatives tend to cultivate long-term loyalty by continually reminding themselves that the purchased product is of superior quality, design, or experience (Marketing Study Guide, 2023). This means that in designing a return policy, it is necessary to take into account the identities of the customers. Firms should not be misled by return data as a proxy for product-market fit, as the impacts of rationalization will be particularly strong for or symbolically important product categories, and will result in correspondingly low "true" return rates compared to the rate of underlying dissatisfaction.

4. THE SCALE AND CHARACTER OF RETAIL RETURNS: CURRENT DATA

No matter what psychological explanation is put forward as to why consumers prefer justification over returning products, the impact on retailers is steadily increasing. The National Retail Federation (NRF), in cooperation with Happy Returns, a UPS company, provides the most complete analysis of the trend of returns in the US retail market. Figure 1 shows the return rate as a percentage of total retail sales for the years 2019 to 2025.

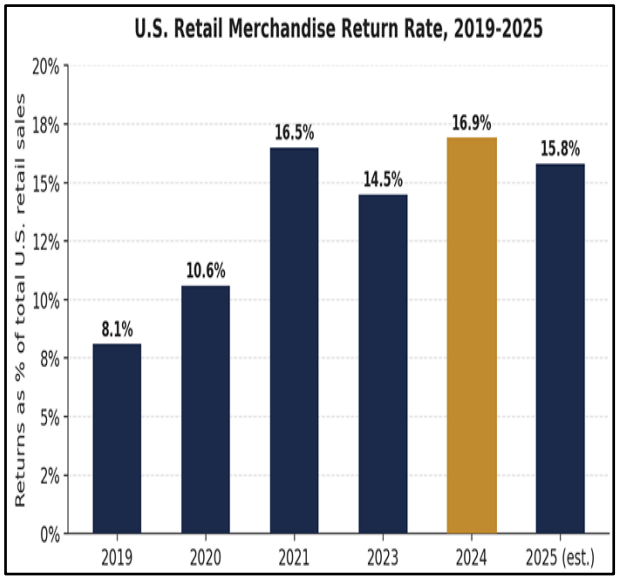


Figure 1: U.S. retail merchandise return rate as a percentage of total sales, 2019-2025. The rate roughly doubled between 2019 and 2021 amid the pandemic-driven shift to e-commerce, peaked at 16.9% in 2024, and is projected to ease slightly to 15.8% in 2025.

Sources: NRF & Happy Returns (2024, 2025); Retail Dive (2024).

Figure 1 shows a fundamental change rather than just a temporary deviation in behavior, since consumers shifted to spending more money online and lost pre-purchase sensory confirmation (fitting garments and trying out products), which ultimately leads to more ex-post informational mismatch in accordance with Oliver's expectation-confirmation theory. Consequently, differences in return rates between online and offline purchases are significant and persistent. According to the U.S. National Retail Federation, ecommerce returns for 2024 stood at approximately 17.6% (amounting to $247 billion) while brick-and-mortar returns accounted for 10.02% (around $371 billion) (NRF, 2024, as reported in Southwest Ledger, 2025). Figure 2 illustrates the gap in returns between both channels.

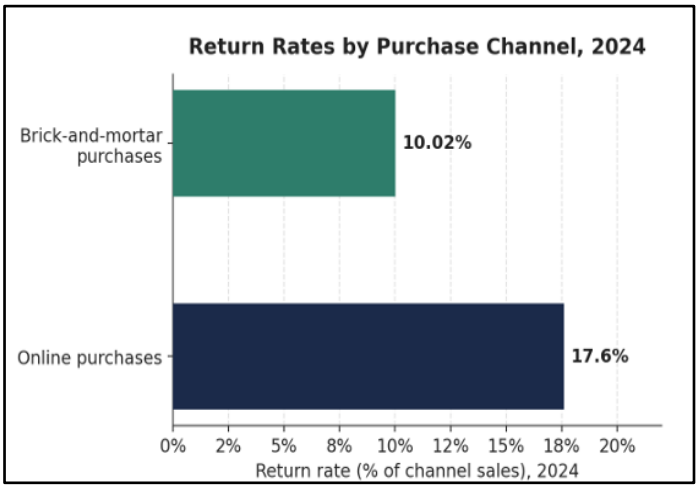


Figure 2: Return rates by purchase channel, 2024. Online purchases are returned at nearly twice the rate of in-store purchases, consistent with a larger post-purchase expectation gap when consumers cannot physically inspect a product before buying.

Sources: NRF (2024), as reported by Southwest Ledger (2025).

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Consumer attitude information supports the view that customers make a decision about return policy ahead of buying an item rather than after purchasing it. The statistic in Figure 3 illustrates four indicators of consumer mindset toward return policy in the NRC 2024 and 2025 surveys. In particular, it was discovered that the percentage of the respondents, who claimed that free returns were the significant factor in making a choice about buying in some store increased from 76% in 2024 to 82% in 2025; at the same time, the percentage of the respondents, who said that unfavorable return policy experience would prevent them from making a purchase in this store rose from 67% to 71% during the same period, and in 2025 it was reported that 81% of respondents examine return policy before making a purchase (NRF & Happy Returns, 2024, 2025).

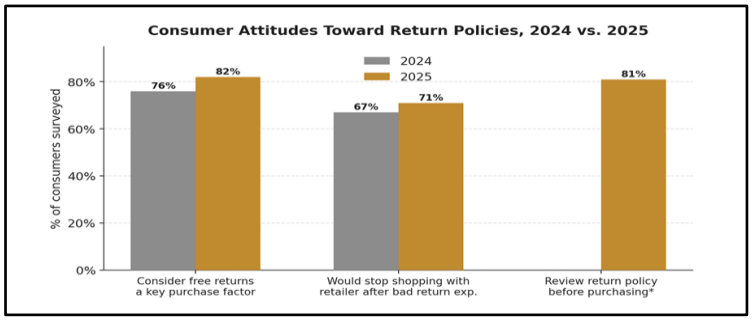


Figure 3: Consumer attitudes toward return policies, 2024 vs. 2025. Sensitivity to return policy terms increased across all measured dimensions year over year.

Sources: NRF & Happy Returns (2024, 2025); compiled in MakeMyReceipt.com (2026).

The significance of these statistics in the context of the dissonance theory lies in the fact that the well-designed, clearly stated return policy serves as a reassurance instrument prior to purchasing: it reduces the cost of realizing post-purchase error, thus minimizing the expected weight of future dissonant thoughts even before a purchase is made. This finding is in line with the explanations provided by signaling theory regarding the return policies discussed in marketing studies, stating that a generous return policy acts as an expensive and credible signal of the retailer's confidence and dedication to helping customers.

Another aspect complicating things for retailers is fraud and abuse of the return policy, which retailers will have to take into consideration when estimating the advantages of leniency. According to the NRF report for 2025, 9% of returns are fraudulent, and among retailers tracking the cases of fraud, there has been an increase in cases of return abuse (see Figure 4): the increase of the number of returns has been reported by 71% of retailers, and among the cases of abuse empty box return (65%) and decoy returns where a customer returns a dummy product instead of the item originally purchased (64%) were noted.

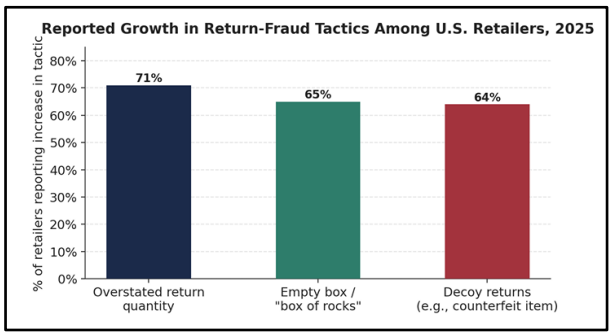


Figure 4: Reported growth in specific return-fraud tactics among U.S. retailers, 2025.

Sources: NRF & Happy Returns, 2025 Retail Returns Landscape.

5. RETURN-POLICY LENIENCY AND CONSUMER BEHAVIOUR: THE EMPIRICAL LITERATURE

The meta-analysis written by Janakiraman, Syrdal, and Freling (2016) in the Journal of Retailing is worthy of note as the most systematic study on the relationship between the return policy design and consumer behaviour. The authors quantitatively combined the results from around 21-22 studies on return policy leniency discussing the concept with respect to 5 different particular forms of leniency, namely time leniency (the lengths of time allowed for a return to occur such as 60 days return vs 30 days return), monetary leniency (the different forms of refunds as in full refunds vs store credit/part refun), effort leniency (the effort involved in return, packaging, delivery, delivery in person etc.), scope leniency (categories of items which can be returned, any item type or sale), and exchange leniency (possibility of exchanging the items).

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The most significant and widely-referenced result of the meta-analysis is that in general, lax return policies significantly raise the chances of making a sale rather than creating a potential for returns (Janakiraman, Syrdal, & Freling, 2016). In other words, in terms of the average effect observed across the data, the gains from applying a flexible policy surpass the returns costs involved. However, the authors point out that this positive effect is not equally applicable everywhere since financial and inconvenience leniency creates sales effects with much higher consistency, while the impact of leniency depends much on the exact policy mechanism applied, implying that the "one-size-fits-all" approach to leniency may not be the best (Janakiraman, Syrdal, & Freling, 2016, quoted from ScienceDaily, 2016). The illustration in Figure 5 presents a symbolic demonstration of the finding (the figure is not meant to be a portrayal of the actual statistics behind the finding).

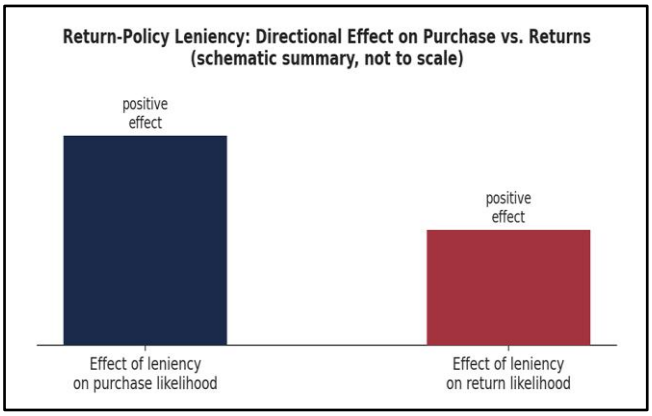


Figure 5. Schematic summary of the central finding in Janakiraman, Syrdal, and Freling (2016): return-policy leniency has a positive effect on both purchase and return likelihood, but the effect on purchase is consistently larger than the effect on returns. Bar heights are illustrative and not drawn from reported effect-size values.

Sources: adapted qualitatively from Janakiraman, Syrdal, & Freling (2016)

In her own commentary, lead author Janakiraman highlights a pragmatic detail: "There is a general belief in the business community that liberal return policies lead to more purchases. While that can be the case in many instances, organizations should be careful not to be too liberal. Instead, different retailers would do better to have policies of greater complexity rather than just simple policies that differ little from each other" (Janakiraman, quoted in Phys.org, 2016). The point that companies should consider leniency policy-wise without a generic approach serves as a direct bridge to the policy design framework discussed in Section 6.

Another perspective highlights the role of signalling theory in illuminating the meaning of a lenient return policy. In practice, a lenient policy represents a costly signal to the retailer (since it subjects the firm to potential financial and logistical problems), and therefore serves as a credible indicator of the company being confident about the quality of its products and being willing to provide good customer service. In this regard, it generates trust and increases purchase intention (see, for example, the findings presented in the return-policy trust literature, including ScienceDirect, 2018, which cites Janakiraman et al., 2016 and Chang et al., 2013). The signalling theory perspective is about how the return policy works as a signal before the purchase, while the concept considered in the paper is about how the return policy serves as a vehicle for post-purchase dissonance resolution.

Sizes, colors, or types of items are selected for the specific purpose of returning them when the customer is finished with them in the home. Also, according to NRF, 51% of Gen Z shoppers seem to have engaged in such behavior and 66% of people report that they are guilty of some type of return behavior, such as bracketing (NRF & Happy Returns, 2024, 2025). Bracketing can be regarded as purposeful abuse of return leniency, and good policy design must differentiate between dissonance return and strategic misuse of return policy.

6. POLICY IMPLICATIONS: DESIGNING RETURN POLICIES AROUND DISSONANCE PSYCHOLOGY

Combining the psychological mechanisms discussed in Sections 2 and 3 with the empirical data presented in Sections 4 and 5 permits the formulation of some recommendations with regard to the design of return policies. The central message is that a return policy should be viewed not just as a means of cost recovery and loss prevention, but rather as an instrument that works directly to determine when and how consumers resolve post-purchase dissonance. The various design options then prompt some choices leading to either a rationalization-and-retention, genuine return or a change in short-term doubts into long-term dissatisfaction and lost loyalty.

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6.1 Calibrate the Return Window to the Regret-Timing Curve

Acute dissonance-induced regret has been shown to peak between 24 and 72 hours after making the purchase, and gradually wane thereafter (Neurolaunch, 2026). Therefore, having too brief a return window runs the risk of capturing the consumers at the time of peak emotional disturbance, resulting in an excessive number of returns due merely to buyer regret (that would not have been necessary, had the consumers been given few more days to recuperate and adjust, mentally and practically, to their purchase). By contrast, excessively lengthy return periods (far beyond 30-60 days) are driven by logistical concerns and strategic marketing rather than any real remorse reconciliation issues, as this is precisely the dimension of leniency that correlates to the increasing costs of fraud and processing, according to the NRF. The leniency literature suggests assuming the time frame of 30-60 days for the return policy, as such a time frame allows for overcoming the acute regret phase while the product fit issues are still manifesting themselves (in the form of return).

6.2 Differentiate Leniency Dimensions Rather Than Maximising All of Them

As Janakiraman, Syrdal, and Freling (2016) recommend, retailers should use time, money, effort, scope, and leniency in exchanges as different levers and not use a uniform policy of leniency. In the high involvement and high-priced market segments, where customers tend to experience maximum dissonance (for instance, electronics, furniture, automobiles, jewelry), the fact that money and effort leniency have the greatest positive impact on purchase behavior indicates that these elements should be prioritized. In particular, good practices include providing both a full refund and a very simple return policy (for example, free shipment for returns) in light of the fact that 84% of customers prefer such return mechanisms (gold standard defined by NRF & Happy Returns, 2024). However, retailers can make their polices related to a scope leniency stricter without any major consequences for sales conversion as far as the leniency in other aspects remains generous.

6.3 Default to Exchange or Store Credit for Dissonance-Driven (Not Defect-Driven) Returns

Considering that a substantial portion of post-purchase dissonance stems from doubt surrounding the alternative chosen by the consumer as opposed to any objective defect in the product itself, a practice that leans towards either an exchange (the same type in varying dimensions/colours/models) instead of a reimbursement would enable the retailer to alleviate the real cause of consumer discomfort (i.e., dissatisfaction with the decision taken). Indeed, as indicated by the dissonance-relief theory, it is more common for consumers to alleviate their doubts via affirming their need for the product category rather than abandoning it altogether (see “exit, voice, loyalty” classification described in post-purchase evaluation studies; Van Tonder, 2003, in post-purchase evaluation literature). This only means that it is sensible for businesses to use hassle-free full refunds only in cases of covered defects and obvious violation of expectations where the cause of the customers’ issue is that of expectation-confirmation gap (Oliver, 1980) rather than simple post-decision dissonance.

6.4 Use Post-Purchase Communication to Support, Not Manufacture - Consonance

Dissonance theory has already found some implementation in marketing practice through post-purchase reassurance emails that enlighten customers about product advantages, offer usage ideas, or reveal reviews of other customers (Marketing Study Guide, 2023). This is a valid use of the theory in practice when it contributes to a customer achieving real satisfaction (meaning that the consumer begins to utilize the product and get advantages from using it), not just postponing the return (looping the phenomenon for the consumer). The return policy should be combined with the onboarding material and after-sale support and proactive customer service for equipment worth a lot of money in a short period of time of dissonance discussed earlier in Section 3.3, since this is when doubts peak and proper information is able and should be presented that will enable the consumer to leave doubts behind and reach sustainable satisfaction instead of just suppressing doubts till they get back in the future (71% of consumers noted that a bad return experience would scare them away from a retailer at least for some time; NRF & Happy Returns, 2025).

6.5 Separate Fraud/Abuse Controls from Core Leniency Design

As bracketing, wardrobing, and even muzzling fraud (which make up 9% of total returns as stated by NRF & Happy Returns, 2025) are reasonable ways to take advantage of the leniency of return policies, such practices must be managed in a well-directed manner — e.g. by means of return frequency monitoring, selective application of restocking fees to secondary returns as well as AI fraud detection (which is currently in operation in 85% of companies, according to NRF & Happy Returns, 2025). Treating these issues as the same (e.g. applying a universal restocking fee in order to prevent the 9% of returns which may be fraudulent, or at least highly strategic) can be detrimental for a larger group of customers whose returns indicate their positive customer experiences in light of invalid/invalidity of information hypothesis, and thus might detract from future purchases.

How Does Cognitive Dissonance Explain Why Consumers Justify Expensive Purchases After the Fact (Post-Purchase Rationalization), And What Does This Mean for Return-Policy Design?

6.6 Segment Policy by Purchase Involvement and Price Tier

In accordance with the principle that dissonance intensifies over the significance of the decision taken, exertion made, and irreversibility of action as stated in Chapter 3, a one-size-fits-all return policy for the entire range of products offered by a retailer is a blunt instrument. Hence, the categories that are more expensive and involve higher stakes are exactly the ones that call for the greatest flexibility regarding money and effort (Section 6.2), as it is these same categories where leniency is most beneficial in terms of conversion and providing psychological "safety valve" against irreversible decisions. As for less expensive and less involved categories, dissonance is negligible, and hence the returns are usually motivated merely by a simple discrepancy between customer preferences and objective characteristics of the product (e.g., incorrect size), therefore, such categories are less demanding concerning complicated policies.

6.7 Make Policy Terms Visible Before, Not Only After, Purchase

In the last section of report 4, data show that consumers are getting more and more aware of returning policies in relation of their shopping decisions. According to NRF and Happy Returns (2025), 81 percent of shoppers confirm that they find out information about the policy before they complete their purchases. Besides, GoDaddy survey cites 77 percent of respondents as reviewers of this same set of terms when shopping (CNBC, 2024). This indicates that the customers have started using return policies as a means of discounting risk and the process of dissonance associated with the purchase of the product. Regarding that the unclear or misleading terms do not allow consumers to feel in a safe environment, therefore leading consumers to be disappointed in the provider as noted in the report produced by the same authors, where negative experience obtained from the process of returning becomes one of the main reasons for consumers to avoid this retailer in the future (NRF & Happy Returns, 2025). Besides, using return policies effectively can also serve as an important dissonance management tool as not many companies care much about presenting this information.

7. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Certain caveats limit the assumptions made in the framework created here. In the first place, a lot of the industry information mentioned here (NRF & Happy Returns, 2024, 2025) comes from studies among consumers and retailers instead of transaction data. The findings affect U.S. retail, and return processes and policies differ in different countries and legal systems. For example, the cool-off period determined by legal regulations in the European Union defines a baseline for the returns process and has nothing to do with the dissonance theory. Another important point is that while Janakiraman, Syrdal, and Freling (2016) meta-analysis provides some of the most advanced results regarding the impact of return leniency, it mixes several types of studies that differ considerably in their methods, types of products under consideration, and conditions of the survey. The authors state themselves that the degree of incidence and the effect of leniency policy differ depending on the dimension, which provides a more approximate interpretation of the effects presented in the figure 5. Third, the explanation of the regret-timing curve (dissonance peak at 24-72 hours) in this paper is based on a non-peer-reviewed synthesis (Neurolaunch, 2026) rather than a controlled experiment; this could be enhanced by the analysis of timestamped return data that would connect return time to psychometric measures of dissonance like the Sweeney, Hausknecht, and Soutar scale (2000). Fourth, the paper's policy suggestions are based on the integration of two parallel literatures (i.e., dissonance psychology and return-policy economics) rather than being based on a single empirical study that measures both at the same time; examples of areas for future work include a field experiment where the different aspects of the return policy (e.g., window of time for the different types of return) are manipulated and then follow-up on the levels of participants' dissonance.

8. CONCLUSION

The cognitive dissonance theory proposes a simple but compelling explanation for a common behavior among customers. Customers often defend costly purchases that they start to regret instead of returning their purchases. The explanation is that being in the uncomfortable situation of simultaneously experiencing two contradictory beliefs such as "I have spent quite a lot" and "I might have made a mistake" allows consumers to mentally convince themselves that they made a smart purchase rather than exert any efforts on returning this purchase and admitting guilt. The process is amplified if the purchases are expensive, important, and conspicuous. This theory can be verified through a variety of concrete techniques that easily leave evidence in the statistics of the returned costly products.

The size of U.S. retail returns ($890 billion in 2024 and a forecasted $849.9 billion in 2025) contradict the results of this study, however.The figures from the National Retail Federation, which estimate U.S. retail returns at $890 billion in 2024 and are projected to reach $849.9 billion in 2025, contrast with the findings of this study. Return-policy terms (76-82% of respondents

indicating that availability of free returns is a purchase factor; 67-71% of respondents stating that poor return experience would cause them to stop shopping at a particular retailer) show that designing a return policy is not a peripheral operational issue, but a place where this psychology has to be directly addressed. The key policy message of the paper is that return-policy lenientness is not just a dial that can be turned up or down but a portfolio of distinct levers (time, money, effort, scope, exchange) that can be tuned differently by product category and price tier to align with when and how real dissonance is resolved, protecting the conversion benefits of a trustworthy return promise while minimising the costs of premature "regret returns" and strategic returns abuse.

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