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AUGMENTED REALITY FOR ONLINE RETURN GOVERNANCE: POLICY AND PRACTICE IMPLICATIONS FOR E-COMMERCE PLATFORMS

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Abstract: *Online product returns are a platform-governance challenge because they connect consumer protection, seller costs, information quality, reverse logistics and platform accountability. This conceptual and practice-oriented study examines how augmented reality (AR) may support online return governance by improving pre-purchase product evaluation. A structured integrative review was conducted in July 2026. Fifty-four candidate records were assembled from the authors' doctoral reference library, targeted keyword searches, publisher platforms and citation chaining; 25 sources were retained after relevance, publication-status and quality screening. Product uncertainty theory provides the core explanatory mechanism, while platform-governance and consumer-protection perspectives clarify how technological affordances can be converted into responsible practice. The resulting framework links interactive, vivid and contextually embedded AR presentation to improved product diagnosticity, lower quality and fit uncertainty, pre-purchase return-risk prevention and governance safeguards. Five testable propositions specify the proposed relationships and their boundary conditions. The paper argues that AR should not be treated only as a sales-conversion device, but as a human-centred decision-support technology whose governance value depends on representation accuracy, product type, consumer capability, privacy protection and platform accountability. Practical implications are developed for platforms, sellers, regulators and sustainability actors. Because the framework is conceptual and the review is targeted rather than exhaustive, its relationships require empirical validation using experiments, surveys, transaction data and field studies.:*

Keywords: *Augmented reality; Online return governance; Product uncertainty; Platform governance; Consumer protection; E-commerce; Sustainable commerce*

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Introduction

Online retailing has widened consumer choice and made purchasing more convenient, but it has also increased the operational and environmental significance of product returns. Returns are necessary because they protect consumers when products are defective, inaccurately represented or unsuitable. At the same time, avoidable returns impose handling, inspection, repackaging, inventory and reverse-logistics costs. Recent research shows that many return decisions originate in mismatches between pre-purchase expectations and post-purchase evaluation rather than in product defects alone (Das & Kunja, 2024; Wang, Yu, & Chen, 2025). This tension means that effective return policy cannot be reduced either to maximising leniency or to restricting consumers. It requires a governance approach that preserves legitimate rights while addressing preventable information failures.

This paper defines online return governance as the platform-level combination of rules, information standards, technological tools, data feedback and accountability arrangements used to manage return-related risks before, during and after an online transaction. The concept therefore covers more than refund procedures. It includes pre-purchase product-information quality, seller disclosure, decision support, return-policy design, post-purchase fairness and reverse-logistics coordination. This broader view is consistent with research that treats return management as a strategic alignment problem involving customers, operations and organisational capabilities (Karlsson et al., 2023). It also recognises that marketplace platforms govern exchanges partly through information design, reputation mechanisms and the allocation of responsibility among sellers and consumers.

A major pre-purchase source of avoidable returns is product uncertainty. Consumers cannot directly touch, try, place or compare many products online. Quality uncertainty concerns whether the product's material, appearance, construction or performance will match expectations. Fit uncertainty concerns whether the product will suit the consumer's body, room, style, purpose or usage context (Dimoka, Hong, & Pavlou, 2012; Hong & Pavlou, 2014). Contemporary evidence continues to show that product-related uncertainty shapes return intention and that credible product information can reduce this uncertainty (Chen, Shen, & Wei, 2023; Nugroho & Wang, 2024). Product uncertainty is therefore both a consumer-decision problem and an information-governance problem.

AR creates a possible upstream response because it allows virtual product content to be manipulated and placed in a consumer's physical context. Recent reviews show that AR can enhance product evaluation, diagnosticity, engagement and decision processes in e-commerce (Chen, Li, & Pirkkalainen, 2024; Barta, Gurrea, & Flavián, 2025). Yet much of the literature evaluates AR through purchase intention, experience or conversion. That emphasis is incomplete for return governance. A technology that stimulates purchase without improving decision quality may merely move uncertainty downstream and intensify expectation gaps. Indeed, AR can backfire when contextual cues or representations bias evaluation (Pfaff & Spann, 2023).

The central problem addressed by this paper is therefore the fragmentation of three research streams. AR research largely explains experience and purchase responses; return research emphasises policies, post-purchase behaviour and reverse logistics; and platform-governance research focuses on rules, accountability and information asymmetry. These streams do not yet

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provide a sufficiently integrated account of how AR can operate as a pre-purchase governance mechanism, under what conditions it may reduce avoidable return risk, and which safeguards are required to prevent misleading or exclusionary implementation. The paper addresses this gap through two conceptual research questions:
RQ1: How can AR-based product presentation support online return governance by reducing product-related uncertainty before purchase?
RQ2: What platform, policy and ethical conditions are required for AR to function as a responsible return-governance tool?

The paper makes three contributions. First, it extends product uncertainty from a purchase-decision construct to an upstream mechanism of return governance. Second, it extends platform governance by identifying interface design and product visualisation as forms of technology-enabled information governance. Third, it develops a four-layer framework and five propositions that connect AR affordances, consumer evaluation, platform practice and responsible implementation without claiming that the relationships have already been empirically established.

Theoretical Background and Integrative Gap

Online Returns as a Platform-Governance Issue

Return policies have an ambivalent role. They can reduce perceived risk and support satisfaction, but restrictive changes can produce consumer backlash if they are perceived as unfair or poorly explained (Abdulla, Ketzenberg, Abbey, & Heim, 2025; Hipólito, Dias, & Pereira, 2025). The relevant governance question is therefore not how to eliminate returns. It is how to preserve protection while reducing returns caused by inadequate information, unrealistic expectations or poor product-consumer matching. Returns also affect multiple actors. Sellers absorb processing and inventory costs; platforms manage trust, rules and dispute resolution; logistics providers handle reverse flows; and policy makers oversee transparency and consumer rights. The environmental implications become more serious when returned products require additional packaging, redistribution, discounting or disposal (Zhang et al., 2023).

A governance perspective shifts attention from post-purchase handling to coordinated intervention across the consumer journey. Post-purchase mechanisms remain necessary, but they act after a mismatch has occurred. Pre-purchase governance seeks to improve the conditions under which the choice is made. Product-information standards, accurate seller disclosure and decision-support interfaces are therefore governance instruments. Visual information already contributes to return management: image-based product information can help predict and manage return rates, illustrating that presentation design has operational consequences beyond promotion (Dzyabura, El Kihal, Hauser, & Ibragimov, 2023).

Product Uncertainty as the Core Explanatory Mechanism

Product uncertainty theory provides the main explanatory lens. It distinguishes uncertainty about the seller from uncertainty about the product itself. In online markets, consumers face imperfect information about whether a product will match its description, perform as expected or fit their personal context (Dimoka et al., 2012). Quality uncertainty concerns attributes such as material, colour, workmanship, functionality and actual appearance. Fit uncertainty concerns

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the correspondence between a product and the consumer's body, room, style, purpose or constraints (Hong & Pavlou, 2014). These uncertainties are created before purchase but may only become fully visible after delivery.

Recent work supports the continuing relevance of this mechanism. Signal consistency reduces product uncertainty in digital commerce because consumers can integrate mutually reinforcing product cues (Chen et al., 2023). Product-fit uncertainty is also associated with return intention when consumers rely on mediated product information (Nugroho & Wang, 2024). From a governance perspective, this means that avoidable returns cannot be addressed solely by changing return windows or fees. Platforms must also improve the diagnostic quality of the information available before purchase.

AR as a Decision-Support Technology

AR differs from static images because it enables interactive, vivid and contextually situated product representation. Interactivity permits rotation, zooming, configuration and viewpoint control. Vividness makes product information more concrete and perceptually rich. Contextual augmentation places a product on the consumer's body, face or physical environment. Extended-reality reviews identify these affordances as important mechanisms in e-commerce evaluation (Chen, Li, & Pirkkalainen, 2024). Experimental and comparative research further shows that AR can improve user experience and reduce cognitive inconsistency when the augmented representation is useful and credible (Barta, Gurrea, & Flavián, 2023; Ebrahimabad, Yazdani, Hakim, & Asarian, 2024).

However, AR is not automatically informative. Greater vividness can create persuasive realism without equivalent accuracy. When the evaluation context encourages consumers to over-trust the display, AR may increase rather than reduce biased judgment (Pfaff & Spann, 2023). The relevant conceptual distinction is therefore between AR as stimulation and AR as decision support. Human-centred AR should increase consumers' ability to diagnose product attributes, compare those attributes with personal needs and understand the limitations of the simulation.

Platform Governance, Consumer Protection and Theoretical Integration

Platform governance explains how technological affordances become institutional practice. Governance is exercised not only through formal rules but also through interface design, information standards, ranking systems, disclosure requirements and responsibility allocation (Gorwa, 2019). In return governance, platforms determine which sellers may deploy AR, what accuracy standards apply, which warnings are displayed, how consumer data are processed and whether AR use affects return rights. Consumer protection supplies the normative boundary: decision-support technology should strengthen informed choice and must not become a device for shifting responsibility to consumers. OECD guidance similarly treats adequate information, fair practices and effective redress as complementary elements of digital consumer protection (OECD, 2016).

Table 1 summarises the role of the three theoretical perspectives. Product uncertainty theory explains the mechanism; platform governance explains implementation and accountability; and consumer-protection principles define the conditions under which the mechanism remains legitimate. Their integration closes the gap between consumer-level AR effects and system-level return governance.

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Table 1: Theoretical Lenses and Their Role in the Proposed Framework

Perspective	Core Question	Role in the Framework
Product uncertainty	What information is missing or difficult to evaluate before purchase?	Explains how AR may improve diagnosticity and reduce quality and fit uncertainty.
Platform governance	How are information, incentives, standards and responsibilities coordinated?	Explains how AR is embedded in product-information rules, seller oversight and return-data feedback.
Consumer protection and responsible technology	When is technological decision support fair, transparent and inclusive?	Defines safeguards for accuracy, privacy, accessibility, accountability and preservation of return rights.

Source: Authors' own work

Methodological Approach

Review Design and Search Strategy

The study uses a structured integrative review and conceptual framework-development approach. An integrative review is appropriate when the aim is to connect research streams that use different methods and levels of analysis rather than to estimate a pooled effect size (Snyder, 2019). The revised review protocol was conducted in July 2026 and created an explicit audit trail. The source pool combined the authors' doctoral reference library with targeted searches in Google Scholar and publisher platforms, including ScienceDirect, SpringerLink, Wiley Online Library, Emerald Insight and INFORMS PubsOnLine. Citation chaining from recent reviews and core articles was used to identify additional relevant studies.

Search strings combined terms from four domains: ('augmented reality' OR 'AR' OR 'virtual try-on') AND ('online return*' OR 'product return*' OR 'return intention'); ('product uncertainty' OR 'quality uncertainty' OR 'fit uncertainty') AND ('e-commerce' OR 'online shopping'); ('platform governance' OR 'information governance') AND ('e-commerce' OR 'digital market'); and ('consumer protection' OR 'privacy' OR 'responsible technology') AND ('augmented reality' OR 'online retail'). The principal publication window was 2020 to July 2026. Earlier sources were retained only when they supplied foundational definitions or theories that could not be replaced by recent work.

Eligibility, Quality Assessment and Synthesis

Studies were included when they were published in English, had verifiable bibliographic metadata, and contributed directly to at least one component of the framework: online returns, product uncertainty, AR-enabled product evaluation, platform governance, consumer protection or return-related sustainability. Peer-reviewed journal articles were prioritised. Books and official policy documents were retained only when they provided foundational governance or consumer-protection principles. Purely technical AR papers without consumer or retail relevance, duplicate records, unverified working papers, promotional web content and sources with incomplete publication status were excluded.

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The initial source pool contained 54 candidate records. Title and abstract screening removed 17 records that were duplicate, marginally relevant, purely technical or bibliographically unverifiable. Thirty-seven records proceeded to full-text eligibility assessment. Twelve were excluded because their evidence did not directly inform the proposed mechanism or because publication details could not be confirmed, leaving 25 sources in the final evidence base. Quality was assessed against four indicators: publication status and source authority, direct relevance, methodological transparency, and contribution to mechanism or boundary-condition development. Retained sources met at least three indicators.

The synthesis followed three stages. First, evidence was coded into AR affordances, product diagnosticity, quality uncertainty, fit uncertainty, return outcomes, platform mechanisms, ethical risks and sustainability. Second, relationships supported across more than one research stream were integrated into a layered governance logic. Third, the logic was translated into five propositions and compared against counter-evidence concerning AR bias, privacy and unequal access. The framework is therefore an evidence-informed conceptual model, not a statistically tested causal model. Figure 1 presents the review and synthesis process.

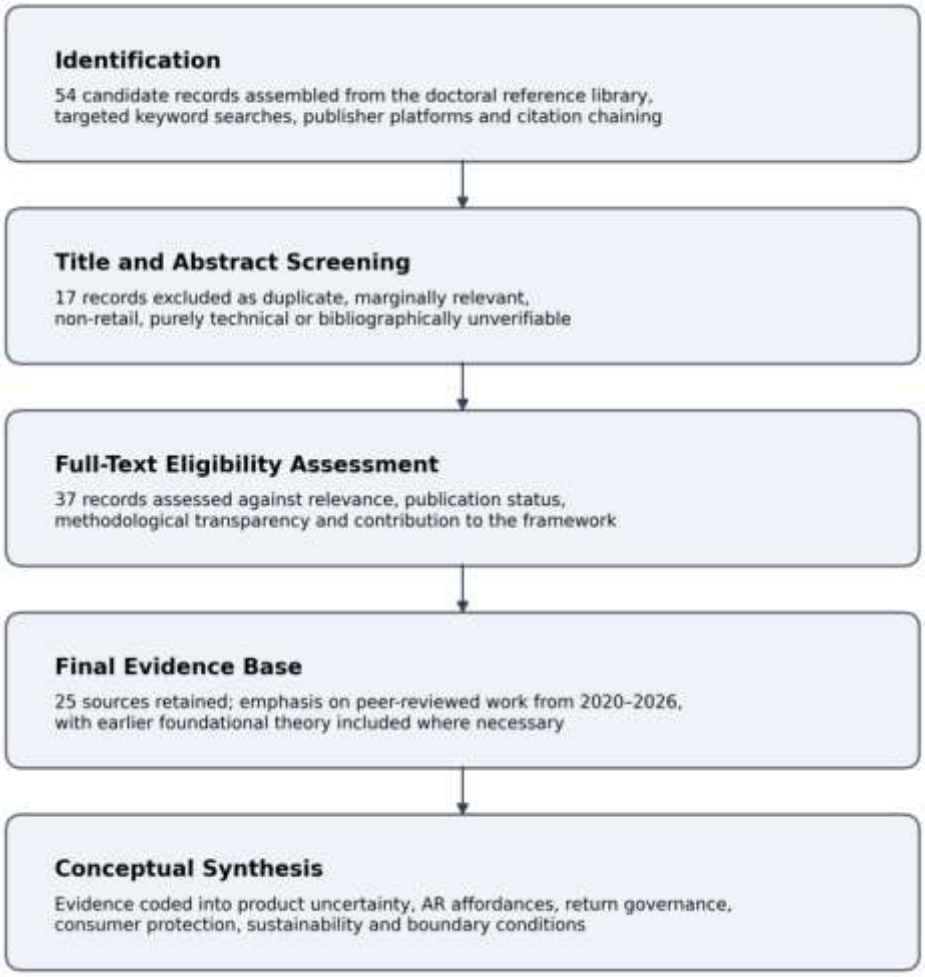

Figure 1: Literature Identification and Conceptual Synthesis Process

Source: Authors' own work

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AR-Based Online Return Governance Framework

Figure 2 presents a four-layer framework linking AR-enabled product information to responsible return governance. The arrows indicate a proposed analytical sequence rather than established causal effects. The technology layer describes AR affordances; the consumer-decision layer identifies the uncertainty mechanism; the platform-governance layer translates decision support into organisational practice; and the policy-and-ethics layer specifies legitimacy conditions. A feedback loop captures how return reasons and consumer complaints can be used to improve product information and AR standards.

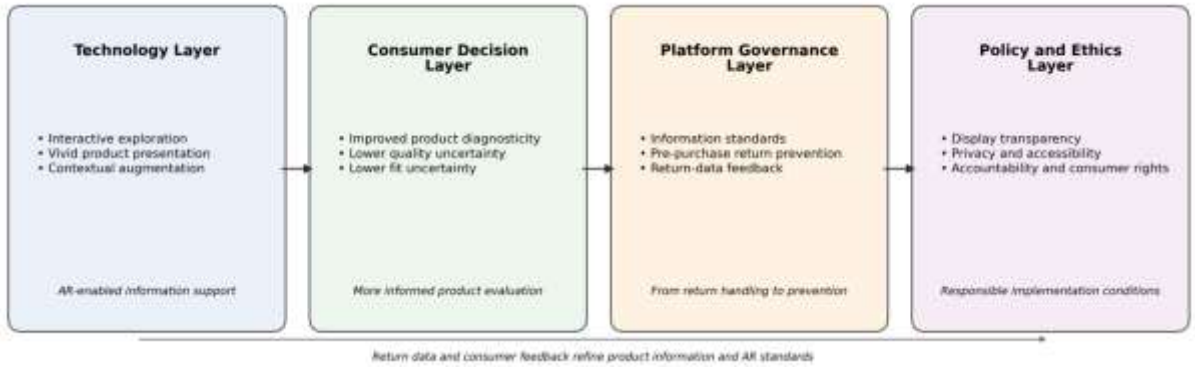

Figure 2: AR-Based Online Return Governance Framework

Source: Authors' own work

Technology Layer: AR-Enabled Product Information

At the technology layer, AR offers three information affordances. Interactive exploration allows consumers to inspect attributes that matter to their own decision rather than rely only on seller-selected images. Vivid presentation communicates spatial form and appearance more concretely. Contextual augmentation allows a product to be evaluated on a body, face or room. These affordances can increase perceived diagnosticity when they reveal relevant attributes and permit task-oriented comparison. Recent AR research supports the importance of consumer-centred design and contextual quality rather than novelty alone (Barta et al., 2025).

Consumer-Decision Layer: Product Uncertainty Reduction

The consumer-decision layer explains why the same technology can have governance value. AR may reduce quality uncertainty by providing richer cues about appearance, structure, proportion and visible function. It may reduce fit uncertainty by helping consumers judge bodily, stylistic or spatial compatibility. Virtual try-on research confirms that fit-sensitive categories are especially dependent on representation quality and contextual matching (Chen, Ni, & Zhang, 2024). The mechanism is not simply immersion; it is the extent to which augmented information helps consumers answer a concrete product-evaluation question.

Proposition 1. AR-enabled product presentation is more likely to reduce product uncertainty when its interactive, vivid and contextual features increase the diagnosticity of information relevant to the consumer's evaluation task.

Reduced uncertainty should lower the probability of a preventable expectation mismatch. This does not mean that every return is avoidable or undesirable. Defective, misrepresented and

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unsuitable products must remain returnable. The proposition concerns only the subset of returns generated by incomplete or misunderstood pre-purchase information.

Proposition 2. Lower quality and fit uncertainty before purchase are associated with lower avoidable return risk, while legitimate returns arising from defects or misrepresentation remain unaffected by the preventive logic.

Platform-Governance Layer: From Return Handling to Prevention

At the platform layer, AR becomes governance only when it is embedded in standards and feedback processes. Platforms can identify categories with persistent size, colour, quality-expectation or usage-context mismatches. They can then require calibrated models, measurement guidance, disclosure of simulation limits and alternative information formats. Return-reason data can be connected with product-page and AR-use data to identify where the information environment remains inadequate. This shifts managerial attention from processing returns efficiently to preventing information-related mismatches without restricting consumer rights.

Proposition 3. The uncertainty-reduction pathway is stronger for products whose value depends on visual, spatial or personal fit and weaker for attributes that AR cannot credibly represent, such as long-term durability, smell, texture or comfort.

Policy and Ethics Layer: Responsible Implementation

The policy-and-ethics layer establishes safeguards. Representation accuracy is central because realistic but distorted visualisation can create false confidence. AR should disclose approximation, device and lighting limitations, and the difference between visual fit and guaranteed functional fit. Privacy safeguards are also required because try-on and spatial applications may process facial, bodily or home-environment data. Platforms should explain collection, storage, sharing and deletion practices in accessible language. Finally, consumers who lack compatible devices, digital skills or willingness to share data must retain access to equivalent product information.

Proposition 4. Inaccurate, idealised or insufficiently disclosed AR representation weakens and may reverse the uncertainty-reduction pathway by increasing expectation discrepancy and misplaced confidence.

Proposition 5. Transparent standards, privacy protection, accessible alternatives and clear platform accountability strengthen the translation of AR-based decision support into legitimate online return governance.

Illustrative Applications and Boundary Conditions

The propositions imply that AR should be deployed selectively rather than universally. Table 2 illustrates where the mechanism is most plausible. The examples are analytical applications of the framework and should not be interpreted as evidence that AR necessarily reduces actual return rates in every category.

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Table 2: Illustrative AR Applications and Return-Risk Mechanisms

Product Category	AR Application	Uncertainty Addressed	Governance Value
Furniture and home décor	Virtual placement in a real room	Scale, spatial fit and style compatibility	Supports pre-purchase room-fit assessment and measurement prompts.
Fashion and footwear	Virtual try-on and size visualisation	Body fit, appearance and style suitability	Supports fit evaluation when paired with reliable measurements and size guidance.
Cosmetics	Virtual shade or make-up trial	Colour and appearance-outcome uncertainty	Reduces expectation gaps only when lighting and simulation limitations are disclosed.
Eyewear and accessories	Face- or body-based fitting	Proportion, facial fit and personal suitability	Improves contextual comparison of style and scale.
Home appliances and electronics	3D scale preview and visible function demonstration	Dimensions, placement and visible usage cues	Helps consumers assess placement and externally observable functions.

Source: Authors' own work

Table 3 summarises the most important boundary conditions. These conditions prevent the framework from being interpreted as a technology-deterministic claim. The expected value of AR depends on product characteristics, data and display quality, consumer capability and the governance capacity of the platform.

Table 3: Boundary Conditions, Risks and Governance Safeguards

Dimension	Risk or Boundary Condition	Required Safeguard
Product characteristics	AR is less informative for non-visual or long-term performance attributes.	Prioritise visual, spatial and fit-sensitive categories; retain complementary evidence.
Representation quality	Colour, scale, texture or lighting may be distorted.	Calibrate models, disclose limitations and audit seller-created AR content.
Consumer capability	Users may lack compatible devices, skills or accessibility support.	Provide equivalent text, images, measurements and assisted interfaces.
Privacy	Try-on and placement tools may process face, body or home data.	Apply data minimisation, explicit consent, retention limits and deletion controls.
Responsibility	AR availability may be used to shift blame or restrict returns.	Preserve legitimate return rights and define platform and seller accountability.

Source: Authors' own work

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Theoretical Contributions

The framework extends product uncertainty research in three ways. First, it connects uncertainty before purchase with return governance after purchase. Product uncertainty is therefore not only an antecedent of purchase hesitation; it is also a potential upstream source of return risk. Second, the framework differentiates quality and fit uncertainty while locating both within a platform-managed information environment. This clarifies why the same AR function can be useful for one evaluation task but irrelevant for another. Third, the propositions specify representation accuracy and product evaluability as boundary conditions, preventing the assumption that more vivid information is always better.

The framework also extends platform-governance research. Governance in digital markets is often discussed through rules, monitoring and reputation. This paper adds interface and visualisation design as technology-enabled information governance. Platforms influence market outcomes not only by setting return windows or sanctioning sellers, but also by structuring what consumers can know before purchase. The feedback loop further connects operational return data with information governance, creating a mechanism through which platforms can learn from recurring mismatch patterns.

Finally, the paper reframes consumer protection as both post-purchase redress and pre-purchase informational empowerment. AR can support consumer autonomy when it improves evaluation, but it can undermine autonomy when simulation is misleading, privacy-invasive or inaccessible. The policy-and-ethics layer therefore makes responsible implementation part of the theoretical mechanism rather than an external managerial afterthought.

Policy and Practice Implications

Implications for E-Commerce Platforms

Platforms should treat AR as part of product-information governance rather than as an optional promotional effect. This requires category-specific display standards covering dimensions, scale, colour calibration, lighting, model accuracy and limitation notices. Marketplace operators should also determine who is responsible for verifying seller-supplied AR assets. Return-reason taxonomies can then identify categories in which information failure is persistent. For example, repeated size mismatch may justify improved body-measurement guidance, while repeated spatial mismatch may justify stronger dimension warnings and room-calibration tools.

AR use should never become a condition for retaining legitimate return rights. Consumers may be encouraged to use AR, but defective products, inaccurate descriptions and material differences between simulation and delivery should remain subject to fair redress. Platforms should publish clear responsibility rules for failures in seller-supplied models, platform rendering and device-based display.

Implications for Online Sellers

Sellers should use AR to improve truthfulness and diagnosticity rather than to idealise products. Augmented views should be consistent with actual dimensions and visible features. AR should be combined with measurement guides, material explanations, real photographs, care information, reviews and examples of use. This combination is important because no single

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presentation format resolves all uncertainty. Sellers can also use return reasons to revise product pages and AR assets, turning post-purchase data into a continuous information-improvement process.

Implications for Consumer Protection and Regulation

Regulators and consumer-protection bodies may consider minimum transparency principles for AR-based commerce. Consumers should know when a visualisation is approximate, which attributes are not represented, and whether facial, bodily or spatial data are stored or shared. Consent should be specific to the AR function, and equivalent non-AR information should remain available. Guidance should also clarify that simulated fit does not remove seller or platform responsibility for inaccurate representations.

Implications for Sustainable Commerce

AR may contribute to sustainability by preventing a subset of information-related returns and the associated reverse transport, repackaging and inventory loss. This contribution should not be overstated. The environmental benefits of AR depend on whether it changes actual matching outcomes and whether the technological infrastructure itself is proportionate. Sustainability claims should therefore be connected to measured reductions in avoidable returns rather than to AR adoption alone (Fernandez-Lores et al., 2024; Zhang et al., 2023).

Conclusion, Limitations and Future Research

This paper develops an evidence-informed framework for understanding AR as a possible tool of online return governance. Its central argument is that AR creates governance value only when it improves product diagnosticity, reduces quality or fit uncertainty, and is embedded in responsible platform standards. The framework shifts attention from return handling after mismatch to information-based prevention before purchase, while preserving the distinction between avoidable returns and legitimate consumer redress.

The study has limitations. The review was structured and auditable but targeted rather than exhaustive, and its source pool was shaped partly by the authors' doctoral reference library. The framework synthesises heterogeneous evidence and does not estimate effect sizes. The five propositions remain untested, and actual return behaviour may differ from return intention. Product category, device quality, consumer capability, platform design and return-policy context may all change the proposed relationships.

Future research should test the propositions using complementary methods. Controlled experiments can isolate the effect of AR diagnosticity and representation accuracy on uncertainty. Surveys can examine the proposed uncertainty mechanism and governance perceptions. Platform transaction data can compare actual returns for AR-enabled and non-AR products while controlling for product and consumer heterogeneity. Field studies can assess seller compliance, privacy practices and consumer-rights outcomes. Comparative research across fashion, cosmetics, furniture and electronics would help identify where AR genuinely supports matching and where conventional product information remains more effective.

The framework therefore offers a bounded conclusion rather than a universal technology claim. AR should be understood beyond marketing conversion, but its human-centred value depends on accuracy, relevance, transparency and accountability. When these conditions are met, AR

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may strengthen pre-purchase informational empowerment, improve platform governance and reduce avoidable return risk without weakening consumer protection.

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