



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore - 641 107**

**An Autonomous Institution**

**Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**SUBJECT NAME & CODE : 23BAT347 -  
REVERSE AND OUTSOURCING  
LOGISTICS**

**YEAR/ SEMESTER : II MBA / IV SEMSTER**

**UNIT 1 : Introduction to Reverse Logistics**

**Topic : Characteristics of Reverse Logistics**



## Characteristics of Reverse Logistics



1. **Product Returns:** Handling the return of goods from customers due to defects or dissatisfaction.
2. **Recycling and Reuse:** Recovering materials or products for reuse or recycling.
3. **Refurbishment and Remanufacturing:** Repairing or restoring returned products to like-new condition.
4. **Waste Disposal:** Proper disposal of non-reusable or non-recyclable products.
5. **Reverse Supply Chain Management:** Managing the flow of goods from customers back to the origin point.
6. **Cost and Efficiency Management:** Minimizing costs and maximizing the value of returned goods.
7. **Customer Satisfaction:** Ensuring smooth return processes to maintain customer satisfaction.
8. **Inventory Management:** Managing returned products and determining their disposition.
9. **Environmental Sustainability:** Reducing environmental impact through recycling and waste reduction.
10. **Tracking and Documentation:** Maintaining records of returns and processing steps for transparency and efficiency.



## Types of returns

1. Defective Returns: Products returned due to manufacturing defects or faults.
2. Customer Dissatisfaction Returns: Products returned because they don't meet customer expectations or preferences.
3. Overstock Returns: Unsold or excess inventory returned to suppliers or manufacturers.
4. Expired Product Returns: Products returned after their expiration date or shelf life has ended.
5. Wrong Item Returns: Items returned due to errors in order fulfillment, such as receiving the wrong product.
6. Damaged in Transit Returns: Products returned because they were damaged during shipping or handling.
7. Warranty Returns: Products returned under a warranty agreement for repair, replacement, or refund.
8. Seasonal Returns: Items returned after seasonal sales, typically for items bought for short-term use.
9. Recalled Product Returns: Products returned due to safety recalls or regulatory compliance issues.
10. Excessive Returns: Products returned in bulk or by retailers due to unsold stock or changing demand.



## From Who to Whom



1. Customer to Retailer: Products returned by customers due to defects, dissatisfaction, or other reasons.
2. Retailer to Manufacturer: Unsold, defective, or recalled products returned from the retailer to the manufacturer or supplier.
3. Retailer to Supplier: Overstock or excess inventory returned to the supplier or distributor.
4. Customer to Manufacturer: Warranty returns or faulty products returned directly to the manufacturer for repair or replacement.
5. Manufacturer to Recycling Facility: Defective or expired products sent from the manufacturer for recycling or disposal.
6. Retailer to Disposal Facility: Damaged or expired products returned to disposal or recycling centers.
7. Retailer to Warehouse: Excessive or seasonal returns processed and stored back in the warehouse.
8. Manufacturer to Refurbisher: Products sent from the manufacturer to a refurbishment center for repair and resale.



## Examples



1. Amazon: Customers return defective or unsatisfactory products, which Amazon processes for refunds or replacements.
2. Apple: Faulty or defective devices are returned by customers for repair or replacement under warranty.
3. Walmart: Unsold or seasonal overstock is returned to suppliers for restocking or disposal.
4. Best Buy: Faulty electronics are returned to manufacturers like HP or Dell for repairs or replacements.
5. Nike: Customers return unsatisfactory products, and unsold inventory is sent to warehouses or outlets.
6. Dell: Defective computers or laptops are returned by customers directly to Dell for repairs or replacement.
7. Target: Damaged or expired products are returned to disposal or recycling facilities.
8. HP: Returned printers or computers are refurbished and resold as certified pre-owned items.



## Categories of returns



1. Voluntary Returns: Customers return products at their discretion, typically due to dissatisfaction, incorrect size, or change of mind.
2. Mandatory Returns: Returns required by law or company policy, such as recalls, safety issues, or regulatory compliance.
3. Warranty Returns: Products returned due to defects or malfunctions covered under a manufacturer's warranty for repair, replacement, or refund.



## Factors

### Complexity Factors

1. Return Volume
2. Product Condition
3. Return Reasons
4. Reverse Supply Chain Coordination
5. Disposition Decisions

### Cost Factors

1. Transportation Costs
2. Processing Costs
3. Inventory Management
4. Labor Costs
5. Refund/Replacement Costs



## Importance of reverse logistics in customer satisfaction.



1. **Efficient Return Process:** A smooth and hassle-free return process enhances customer experience and builds trust.
2. **Quick Refunds and Replacements:** Timely processing of returns and issuing refunds or replacements boosts customer satisfaction.
3. **Product Quality Assurance:** Addressing defective products quickly through reverse logistics ensures customers receive high-quality goods.
4. **Flexibility and Convenience:** Offering flexible return policies increases customer loyalty and retention.
5. **Improved Brand Reputation:** A responsive reverse logistics system reflects positively on the brand and encourages repeat business.
6. **Customer Retention:** Handling returns efficiently can convert a potentially negative experience into a positive one, leading to long-term customer loyalty.



**RECAP**

**QUESTIONS???**

**THANK YOU**