



SNS COLLEGE OF ENGINEERING

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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