

CHAPTER 10 – REVERSE LOGISTICS

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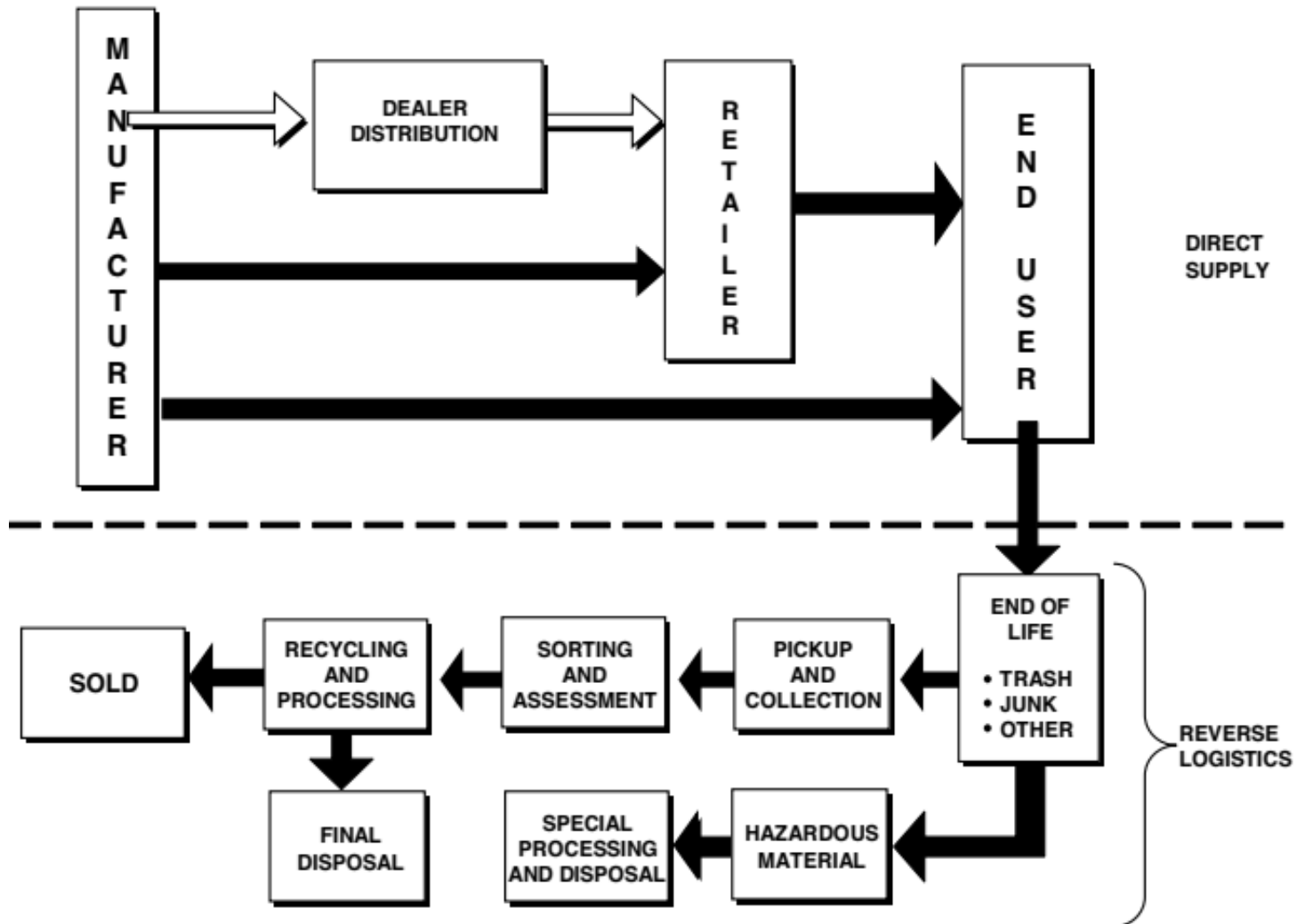
- Reverse logistics
- Gartner's framework for reverse logistics and returns management
- Industry reports
- Closed-loop supply chains

REVERSE LOGISTICS

Reverse logistics is a specialized segment of logistics focusing on the movement and management of products and resources after the sale and after delivery to the customer (CSCMP)

- Why are products returned?
- How to optimize reverse logistics?
- Should reverse logistics be outsourced to 3rd party?

REVERSE LOGISTICS



Source: Blumberg (2005)

ACTORS IN THE RECOVERY PROCESSES

- Retail companies
- Original equipment manufacturers (OEMs)
- Government or authorities
- Private waste management and product return companies
- Traders of recovered products or recycled materials
- Re-processors, transforming returned products into (re-)usable forms
- Customers

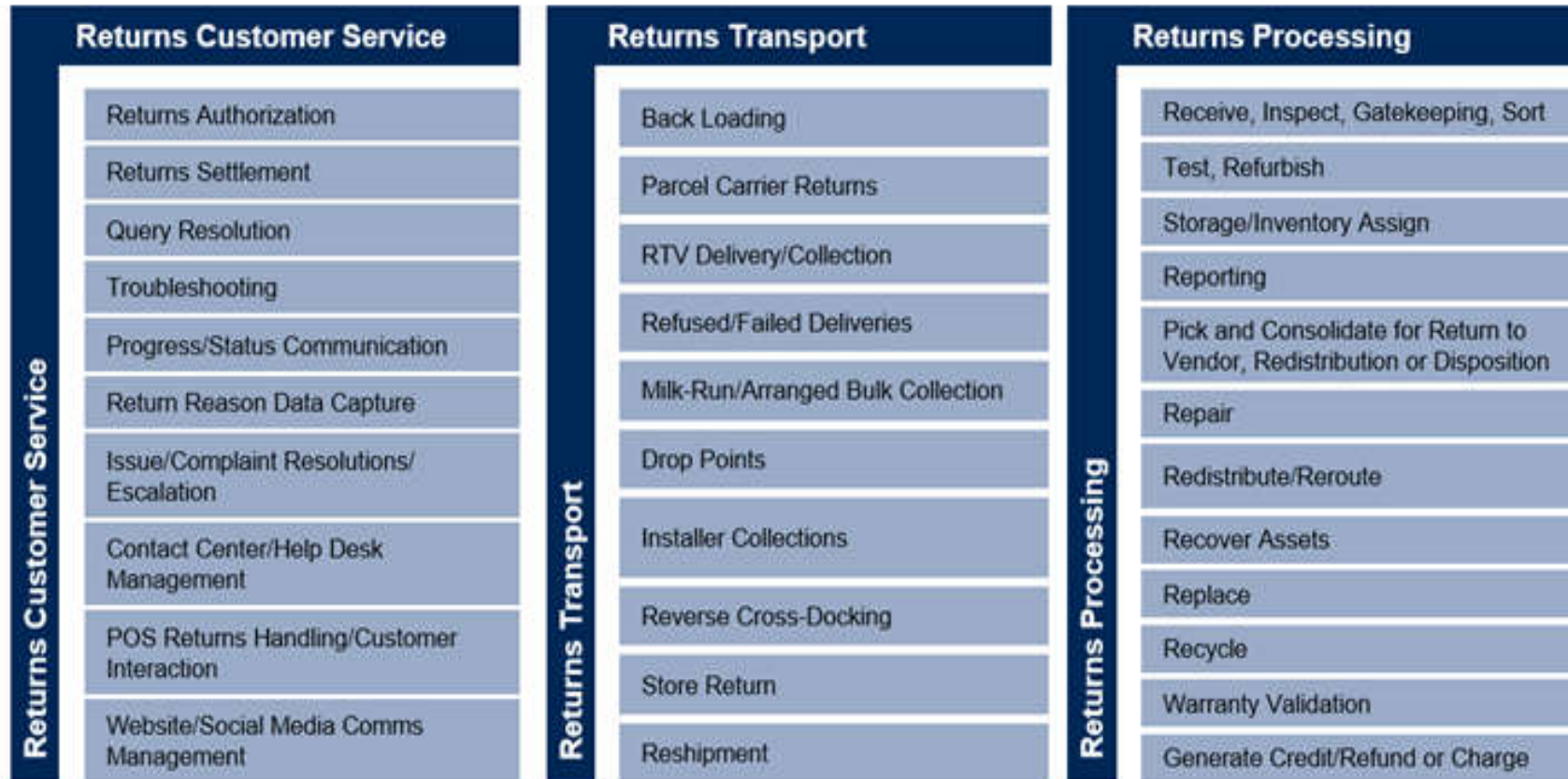
GARTNER'S FRAMEWORK FOR REVERSE LOGISTICS & RETURNS MANAGEMENT



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OPERATIONAL ACTIVITIES



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STRATEGIC ACTIVITIES

- Internal strategy: all strategic activities related to the internal organization, alignment and management of reverse logistic and returns
- Customer strategy: all customer-related strategic activities within reverse logistics and returns management
- Supplier strategy: all supplier related strategic activities within reverse logistics and returns management

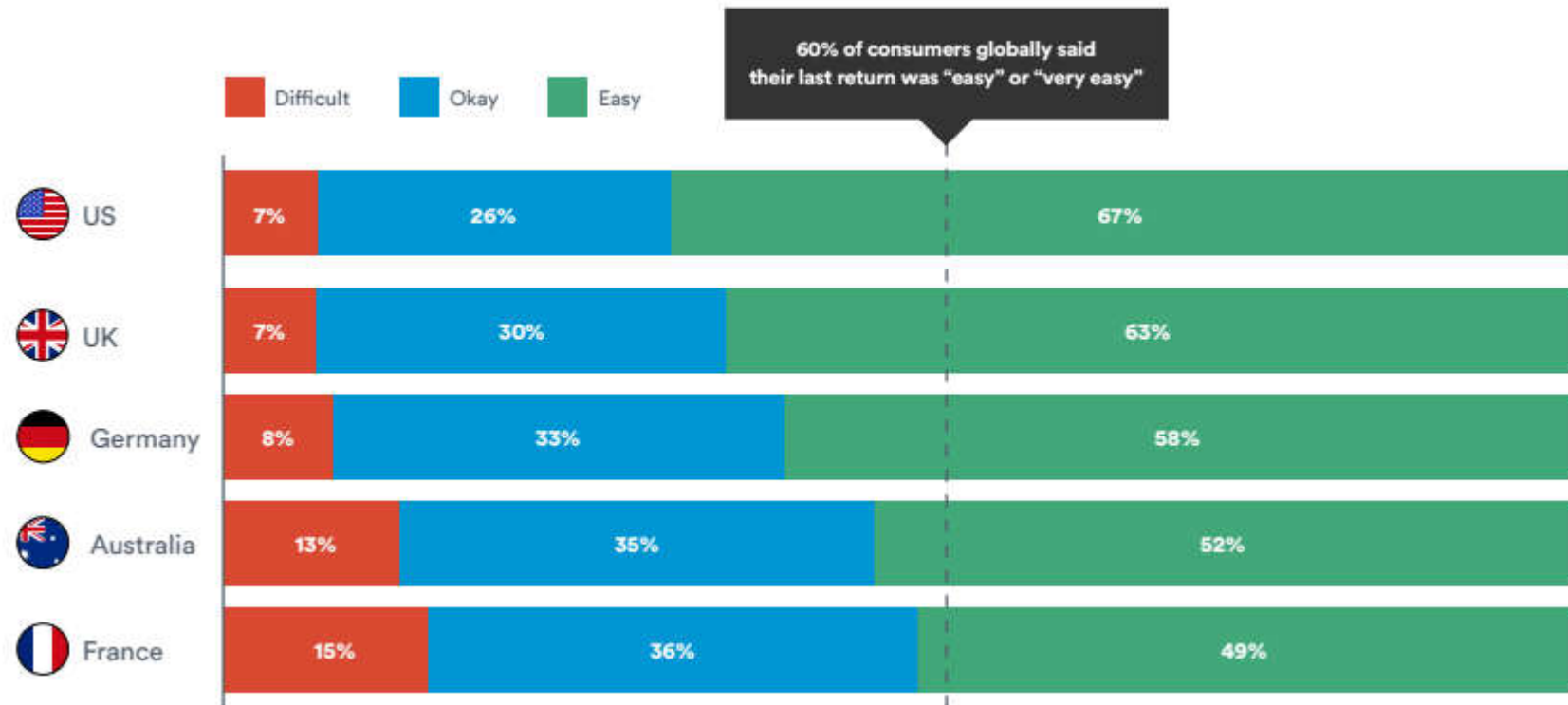
ADJACENT ACTIVITIES



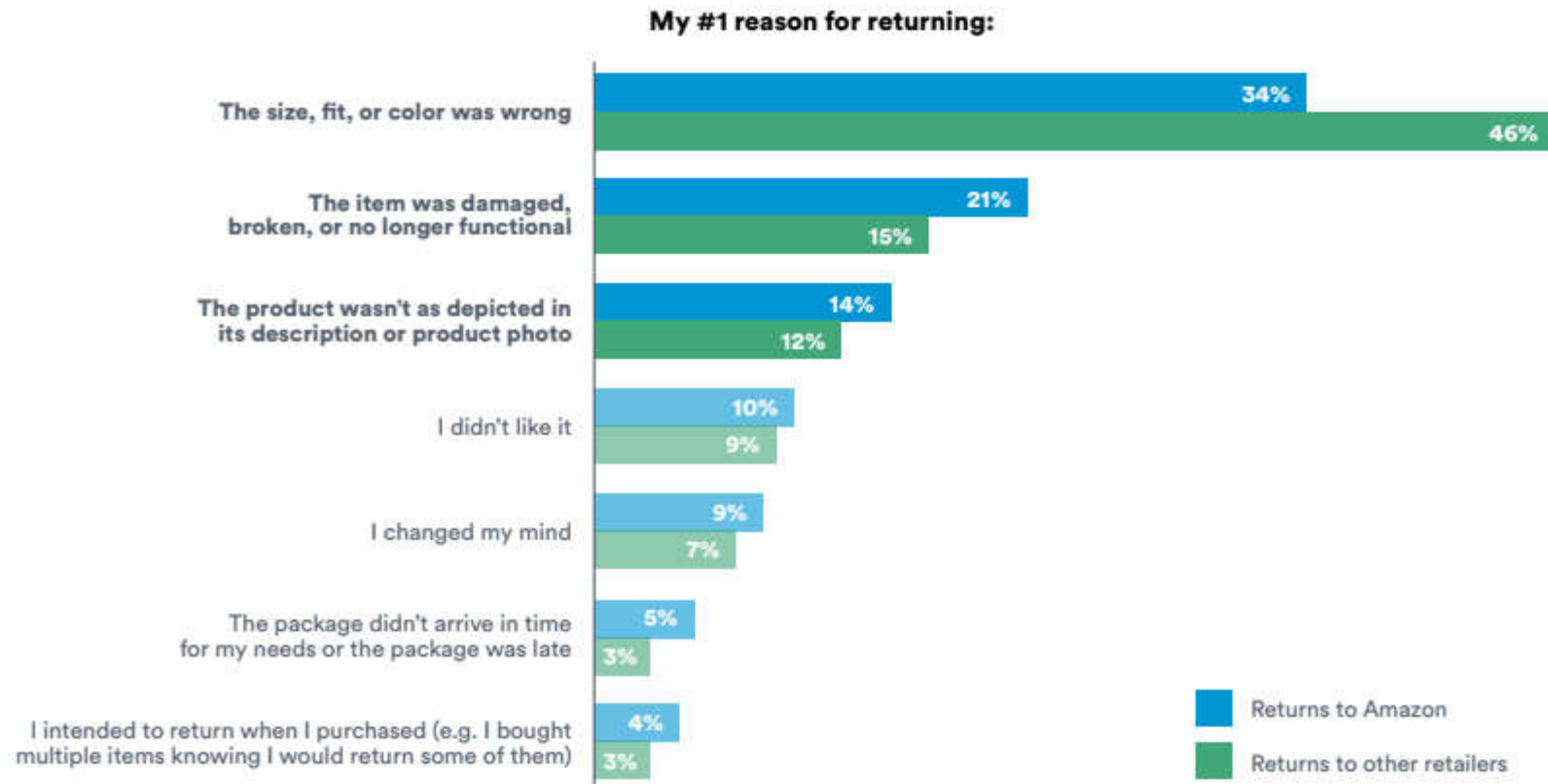
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INDUSTRY REPORTS – NARVAR (2019)

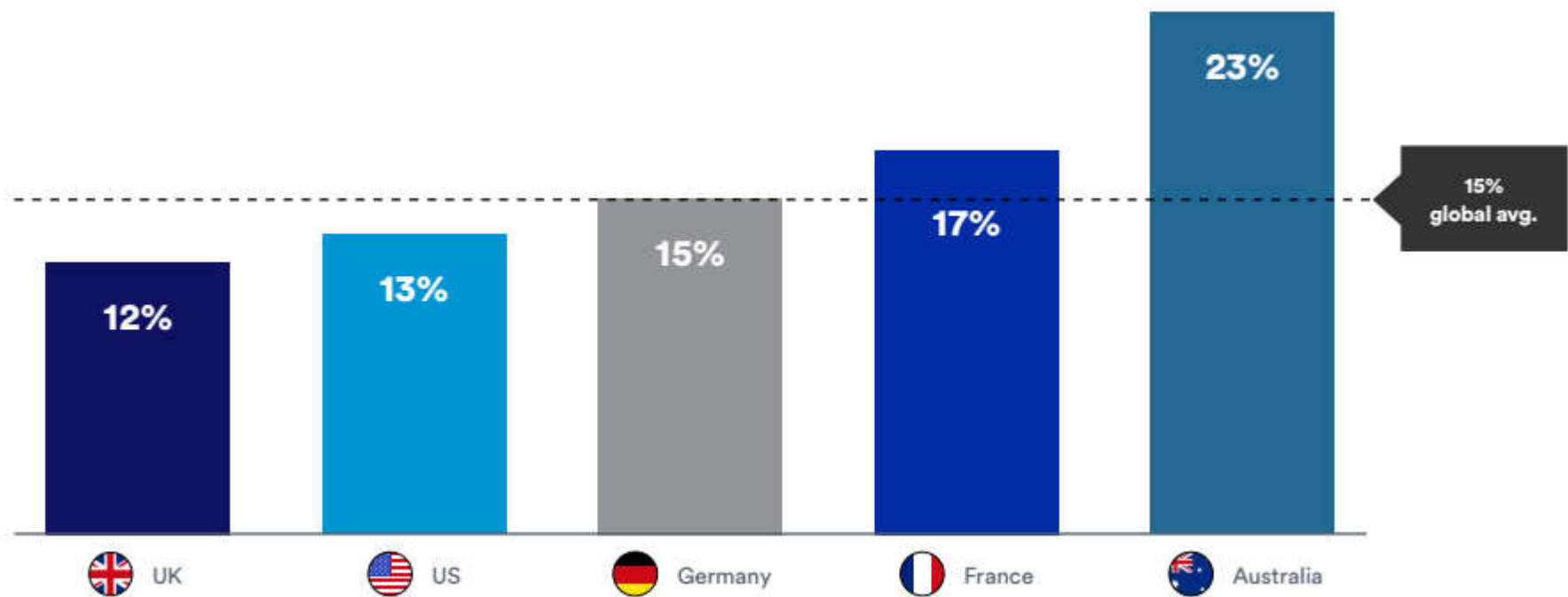


INDUSTRY REPORTS – NARVAR (2019)



INDUSTRY REPORTS – NARVAR (2019)

I won't shop with the retailer again based on my last returns experience.



INDUSTRY REPORTS – NARVAR (2019)

Why I didn't make a purchase:



**I had to pay for
return shipping**



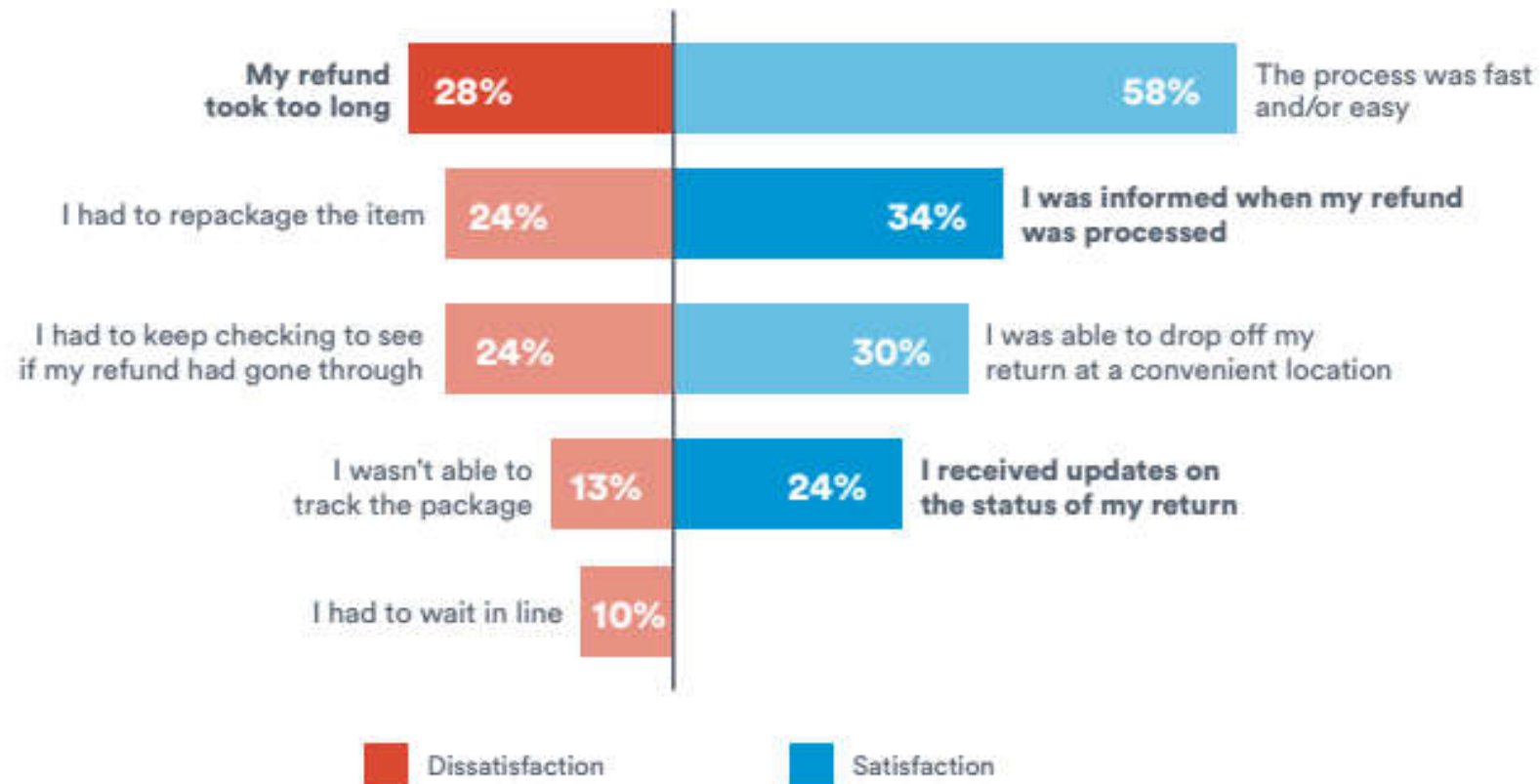
**Restocking
fees**



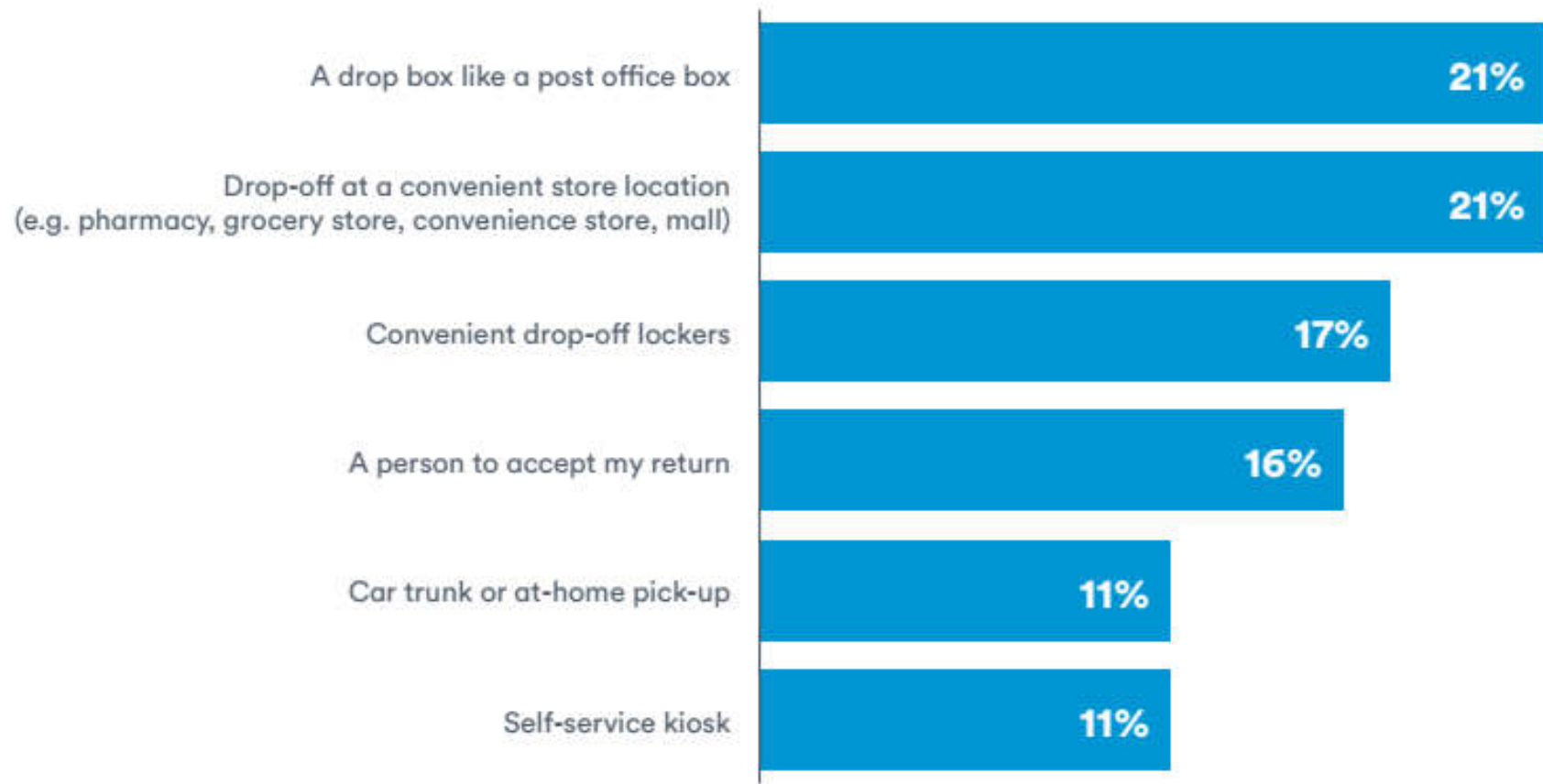
**I couldn't find the return
or exchange policy**

INDUSTRY REPORTS – NARVAR (2019)

Reasons for satisfaction and dissatisfaction:



INDUSTRY REPORTS – NARVAR (2019)



INDUSTRY REPORTS – UPS (2019)

Reasons for returning items:



Online shoppers say the following factors contribute most to a positive returns experience:



INDUSTRY REPORTS – UPS (2019)



73%

AGREE

the overall returns experience
impacts their likelihood to
purchase from that retailer again



68%

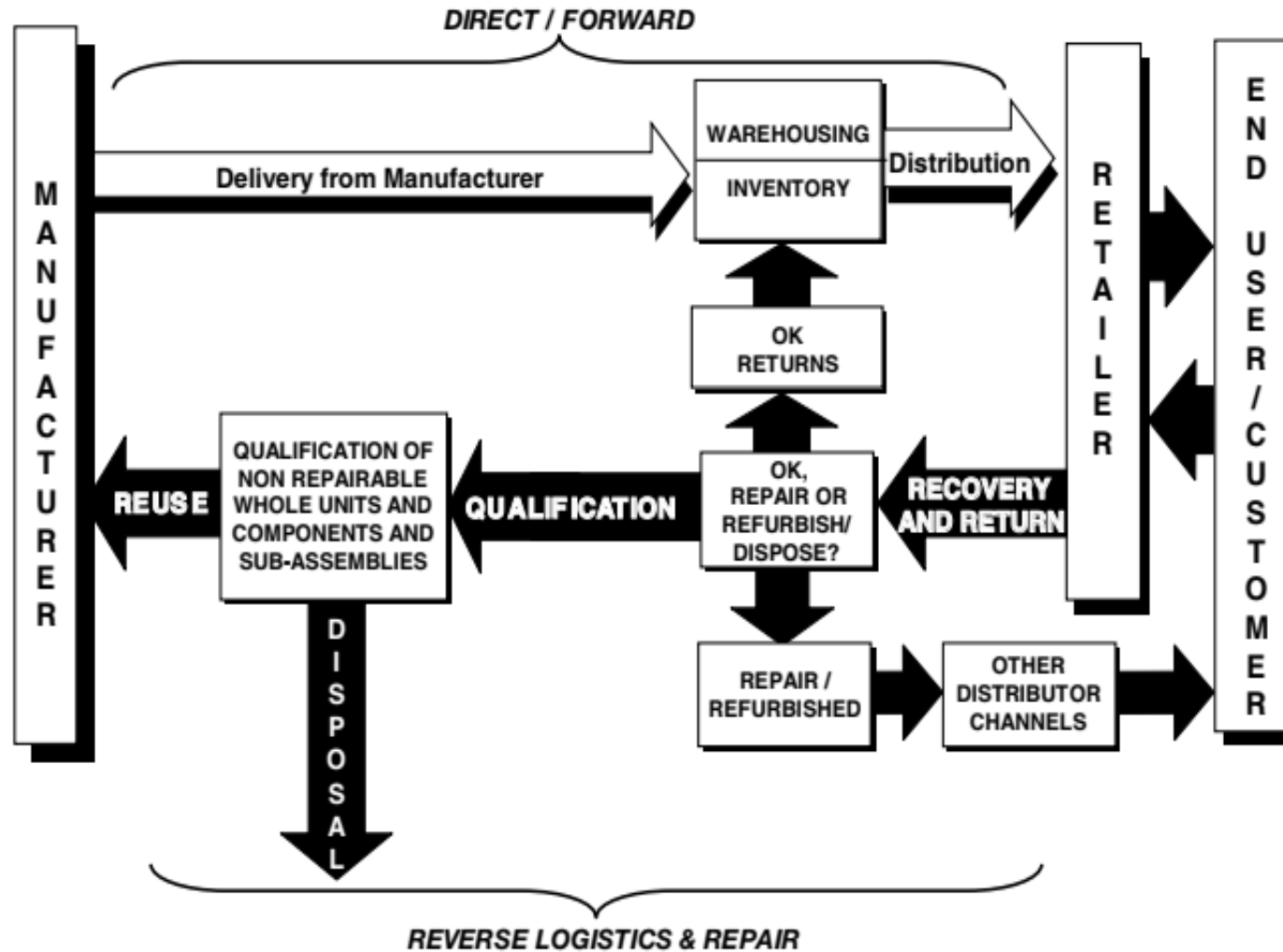
AGREE

the returns experience impacts their
overall perception of the retailer

CLOSED-LOOP SUPPLY CHAINS

Closed-loop supply chain management is “the design, control, and operation of a system to maximize value creation over the entire lifecycle of a product with dynamic recovery of value from different types and volumes of returns over time.”

CLOSED LOOP SUPPLY CHAIN IN CONSUMER GOODS



CHAPTER 10 – REVERSE LOGISTICS

THANK YOU!

