

**DRIVERS OF REVERSE LOGISTICS IN E-TAILING:
A CASE STUDY IN TIER-III CITIES
(SRIKAKULAM, VIZAYANAGARAM DISTRICTS OF ANDHRA PRADESH)**

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ABSTRACT

E-commerce is a vibrant leveler among rural, semi-urban and urban population. Though the transformation of lifestyles is in full swing in tier II cities, it is yet to attain a blasting takeoff in tier III cities for the obvious reasons for orthodoxism and traditions. The recent past has witnessed an upsurge of e-commerce in rural and semi-rural areas (Tier III cities) leading to a rapid spread of electronic retailing. Notwithstanding the scenario, the e-tailing business is facing several challenges associated with the making good of the returns of the products which warrants a strategic reverse logistics policy. 'Reverse logistics' in e-tailing is an inescapable fact of online retail. This paper aims at deriving the causal relationships in the mind set of the rural mass for rejecting the products bought online. In order to arrive at the appropriate reasons a study has been conducted among 120 customers from Tier - III cities (Srikakulam and Vizayanagaram districts of Andhra Pradesh) with the help of a self administered questionnaire has been circulated to elicit the data compatible to validity and reliability test. Data collection through cross sectional approach with multistage sampling has been analysed and the inferences reveal that the variables like return policies, wrong merchandise, damaged/defective goods, product exchange offers, disparity between displayed and delivered, failing to match expectations, irrational customer behavior (wardrobing), variation of size/color/measurements, intentional returns, operational difficulties and deliberate fraud of returning the ordered products are significant drivers for rejection of the product. The conclusions are made accordingly based on the study referral findings and recommendations. The study is confined to the consumer perspective only with the applicable reverse logistics approach.

KEYWORDS: *Reverse Logistics, E-Tailing, E-Commerce, Consumer Behavior, Returns Management.*

Introduction

Reverse logistics deals with the process of receiving the returned merchandise for the reasons what so ever, in other words not usable by the customer, with the purpose of proper disposal or recapturing the value involving the operations: planning, implementing & controlling the efficient, cost effective inventory and related information from the point of consumption to the point of origin. Being aware of the fact that the reverse logistics form one of the biggest operational challenges in the sphere of e-commerce, more so in electronic retailing, it is often an overlooked area. It is a fact that the process of handling customer product returns is vital component of the customer service program. If strategically

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handled, the reverse logistics result in multifarious benefits: including cost effective services, enhanced customer satisfaction, reduction in resource investment levels as well as storage & distribution costs.

Reverse logistics is as critical as the forward logistics in the supply chain management which albeit involves cost to the company, while viewing at wide angle, it is a compelling need for the e-tailer for instilling trust and confidence in the customer's mind. As the product mix (depth, width and length) has been broadening day by day, setting-up of a strategical reverse logistics support has become extremely essential on the part of e-commerce business. While it was a neglected area for quite a longtime, of late it has come into limelight and gathering momentum because of the returns of merchandise is increasing manifold and the strong need of reverse logistics has been felt for tackling the problem.

Scope of the Study

The study envisages an immense scope for furthering Return Logistics in many dimensions not limiting to any kind of business models in particular. It can be viewed from many angles and providing workable solutions is feasible. Since the current study is confined to only tier-III cities where the e-shopping is in a formative stage with slow but gradual growth, this is the appropriate time for the return logistics to make a footprint as it is going to be a prime part of e-tailing, owing to ever increase in returns for obvious reasons.

The experiment conducted in this direction, that is, to find out the prime factors that warrant the necessity of reverse logistics, with the help of a pilot study to elicit the information from a set of customers in the field as to why the returns are ever increasing. Accordingly the data was collected and evaluated which helped in designing a well structured questionnaire for circulation among e-shoppers in tier-III cities in Srikakulam and Vizianagaram districts of Andhra Pradesh to infer the data from them. The results are encouraging and are oriented towards the establishment of the effective reverse logistics which justifies the scope of study.

Literature Review

Abas & Farooque, (2013) has observed that the return of products for the consumer for non-performance, upgrade/modification, repairs, recycling and mismatched items are certain key situations where reverse logistics are important.

Bower and Maxam (2012) have compared retailer's return policy between the normative assumptions about consumers that underlie equity-based return shipping policies with the more realistic, positivist expectations as predicted by attribution, equity, and regret theories.

Sharma, et al., (2011) investigates the difficulties in implementing successful reverse logistics, which caused by management inattention, product quality issue, lack of appropriate performance management system, lack of personal resources, company policies, administrative and financial burden of tax, these variables are key barriers in the successful implementation of effective reverse logistics.

Jian Xu, (2009) expresses that online return rates will grow as consumers become more comfortable with online shopping experience, making the returned product problem more noticeable. Moreover, return policies can differ in terms of number of restrictions imposed upon consumers. First, laws and regulations to standardize the protection of the consumer are right. Second, e-retailers realize the importance of managing their reverse logistics to improve customer satisfaction and to enhance competitive advantage. Third, the asymmetric information, where consumers can only see the electronic images or statement of the reference products, which cause the consumers cannot fully understand the characteristics of the purchased products, has also increased the possibility of misleading.

Hsu (2005) divides reverse logistics performance into two dimensions: proactive and reactive dimensions that influence company reverse logistics performances, which finally conclude that in managing return e-tailers can better focus on developing distinctive capabilities to sustain competitive advantages.

Daugherty et al., (2005) have reported that effective reverse logistics can result in direct benefits, including decreased inventory levels, reductions in storage, transportation, and distribution costs as well as improving customer satisfaction. They also measured the performance of reverse logistics in terms of improved customer relations, higher profitability, product recovery, and reduced inventory cost

and investigated the impact of information support on operating/financial and satisfaction performances of reverse logistics with both economic and service quality performances.

Hsu (2005) has defined reverse logistics as the processes of receiving returned components or products for the purpose of recapturing value or proper disposal. In Industry, a lot of firms have declared the successful implementation of reverse logistics and get many benefits. Meanwhile, in e-commerce, reverse logistics process can be extremely complicated, it involves both economic and customer service issues. It also combines relevant policies, information technology systems and coordination among supply chain members. Moreover, each return may require different treatment, depending on consumer location, product problems, product categories, or suppliers.

Toktay, (2004) opines that most e-retailers are struggling with issues associated return systems that increase visibility and speed of the return process to maximize asset recovery for commercial returns, especially for seasonal or short life-cycle products and processing costs that are difficult to manage.

O'neill and Chu, (2001) says that besides defective and damage products, returns were driven by other factors, such as product representation often do not accurately or effectively represent a product's color, size, or features, leading consumers to feel that the product they purchased is not the product they received. Retailer's return policies can have a significant impact on the consumer's willingness to make returns, due to issues of convenience, and cost. Returning mismatched merchandise can be costly for consumers. First, there is the opportunity cost of time associated with the return process. Second, there is the disutility associated with not having a matching product for the duration of time from the initial purchase till the return. Third, not all return policies are lenient.

Stock (2001) investigates reverse logistics as a way to increase revenues, increase consumer satisfaction, reduce costs, and facilitate companies to gain market advantage. Moreover, better integration between the reverse logistics and appropriate information system will provide up-to-date information among supply chain members.

Bluemberg, (1999) in his study states that returns are an essential part of e-retailing because customers can't check the item out before making a purchase decision. Thus, for e-retailers, whose product return flow is usually diversified depending on consumer's shipping location, the process of managing product return services requires a broad knowledge and understanding of customer base characteristics and behaviors.

While the literature study amply justifies the advantages of reverse logistics as a tool to boost the revenues, reduction in costs, enhance the consumer satisfaction and aid companies to bag a marketing edge, there has been no specific mention about the key drivers for reverse logistics and the effective measures to overcome the product-return problems. The gap thus prevailing has necessitated this study.

Statement of the Problem

While envisaging the compelling need of reverse logistics management as well as its several advantages, the causal areas are not properly addressed hither to. This dimension has a marginal variance with regard to tier-III cities that entails a large scope for study. The gamut of this study in multi-angular dimensions has come very handy in assessing the importance of reverse logistics and to find the key drivers that influence returns of merchandise, its proper disposal or recapturing the value of operations.

Objectives of the Study

- To find the key drivers which influence the return merchandise with specific regard to tier-III cities (Srikakulam & Vizianagaram Districts in the state of Andhra Pradesh)
- To evaluate the data vis-à-vis the situation and
- To provide workable and implementable solutions to e-tailers as well as consumers.

Research Methodology

A self administered questionnaire with 13 closed-ended questions has been circulated among 275 users with certain experience in handling returns of merchandise. The study being descriptive in nature a simple random sampling method was deployed for obtaining the requisite data. Out of 275, only 170 have responded but the fully valid and testable data has been provided by 120 respondents which

were analysed in the study with the help of SPSS package which has resulted in arriving at logical conclusions to meet the objectives of the study.

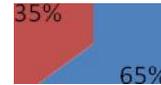
Data Analysis

The initial part of the survey is to obtain the demographic details of the respondents like Gender, Age, Education and Income and their online shopping and their experience in handling return merchandise. The data obtained in this regard against each element is tabulated below.

Section A

Gender

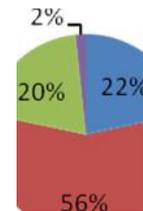
Gender	Responses	Total Percentage
Male	78	65.00
Female	42	35.00
Total	120	100.00



Interpretation: As shown above, 65 per cent (78) males and 35 per cent (42) females are sufficiently conversant with the reasons behind the returning of merchandise.

Age

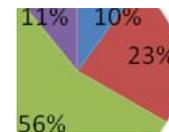
Age Group	Responses	Total Percentage
15-25	26	21.66
25-40	68	56.66
40-60	24	20.00
Above 60	2	1.16
Total	120	100.00



Interpretation: From the above table it is inferred that the major chunk (56.66 per cent), adequately knowledgeable in the area of returns of goods is of the age group of 25-40 followed by (21.66 per cent) of the age group of 15-25 and the next nearest (20.00 per cent) constituting 40-60, and others are insignificant.

Education

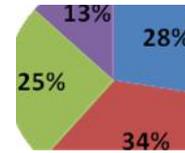
Education	Reponses	Total Percentage
Under Graduate	12	10.00
Graduate	28	23.33
Post Graduate	67	55.84
Others	13	10.83
Total	120	100.00



Interpretation: As is seen from the above table, 67 respondents representing 55.84 per cent are post graduates followed by 28 respondents forming 23.33 per cent are graduates. 12 undergraduate respondents constitute to 10.00 per cent and others 10.83 per cent.

Income

Education	Reponses	Total Percentage
10,000-25,000	33	27.50
25,000-50,000	41	34.17
50,000-1,00,000	30	25.00
Above 1,00,000	16	13.33
Total	120	100.00



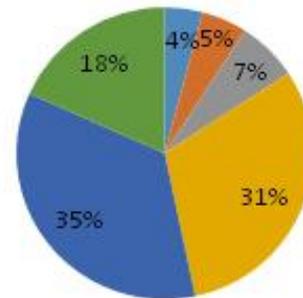
Interpretation: It is found from the above table that 41 respondents (34.17 per cent) of the income level of Rs. 25K – Rs.50K have adequate experience in handling returns. 63 respondents (33 with the income level Rs. 10K – Rs. 25K & 30 with Rs. 50K – Rs. 100K constituting to 27.50 per cent and 25.00 per cent respectively) have relative knowledge in the field. It is also inferred that the income holders of over Rs. 100K also have the said experience (16 respondents forming 13.33 per cent)

Section - B

The entire spectrum of statistical data on e-shopping experiences of the respondents and drivers that goad to returning the merchandise is dealt-with in this section.

Question 1: What is the frequency of your online purchases?

Frequency	Responses	Total Percentage
Once in a Year	5	4.16
Once in 6 Months	6	5.00
Once in 3 Months	8	6.67
Once in a Month	37	30.84
More than once in a Month	42	35.00
Every Day	22	18.33
Total	120	100.00

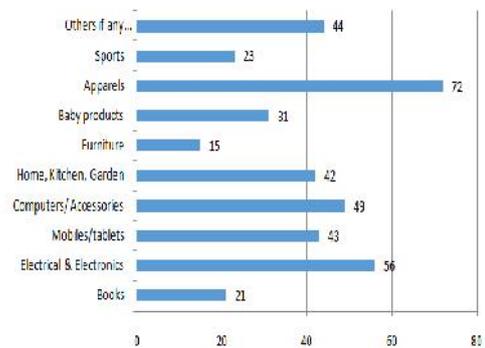


Interpretation: The major chunk of the online frequenters consists of 42 respondents (35.00 per cent) with the frequency of more than once in a month followed by 37 (30.84 per cent) once in a month, 22 (18.33 per cent) every day, 8 (6.67 per cent) once in 3 months.

Question 2: Please indicate the category of product/products do you buy online?

(Including multiple products)

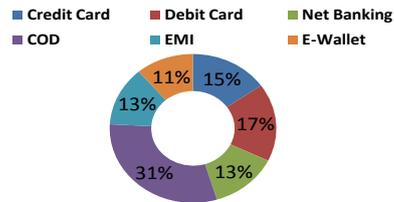
Category	Responses	Total Percentage
Books	21	17.50
Electrical & Electronics	56	46.67
Mobiles/tablets	43	35.83
Computers/ Accessories	49	40.83
Home, Kitchen, Garden	42	35.00
Furniture	15	12.50
Baby products	31	25.83
Apparels	72	60.00
Sports	23	19.17
Others if any	44	36.67



Interpretation: The analysis shows, the lion's share goes to apparels (69.00 percent amount in to 72 respondents followed by Electrical & Electronics (56 - 46.67 per cent), Computers/Accessories (49 – 40.83 per cent), Mobiles/Tablets (43 – 35.83 per cent), Home/Kitchen/Garden (42 – 35.00 per cent), Baby Products (31 – 25.83 per cent), Sports (23 – 19.17 per cent).

Question 3: What are your preferred mode/modes of payment for online purchase?

Payment Mode	Responses	Total Percentage
Credit Card	38	
Debit Card	42	
Net Banking	33	
COD	76	
EMI	32	
E-Wallet	28	



Interpretation: It is inferred from the above analysis, the majority (76 responses representing 30.52 per cent) opt for COD (Cash on Delivery). The rest are: Debit Card (42 – 16.86 per cent), Credit Card (38 – 15.26 per cent), Net Banking (33 – 13.25), EMI (32 – 12.81 per cent) and E-Wallet (28 – 11.25).

Question 4: Please indicate the prime elements that you consider in regard to the product delivery and return (including multiple options)?

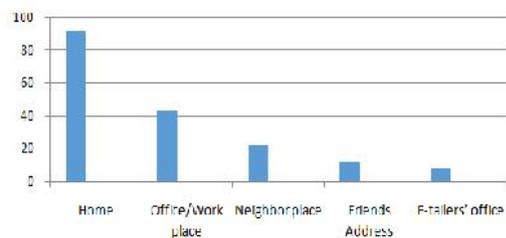
This question is particularly posed to understand the pulse of customers as to what elements they prefer to be included in the delivery and return process; with a strong notion that the outcome helps in finding out some key drivers prompting the returns of the merchandise.

Key elements of delivery & returns	Responses	Total %
Clear information about delivery charges before purchase	46	
Simple and reliable returns process	77	
Free delivery on purchases over a particular value	56	
Returns of products, if any, at retailer's cost	88	
Prompt responses and customer care	76	
Provision to choose the logistics company for delivery	32	
Provision for faster delivery even at customer's cost	76	
Delivery tracking facility	65	

Interpretation: The table shows that 88 respondents (17.05 per cent) consider return of products, if any, at retailer's cost besides other elements. 77 respondents (per cent) consider simple and reliable return process along with other elements, Provision for faster delivery even at customer's cost and Prompt responses and customer care along with other elements (76 – per cent each), Delivery tracking facility (65 – per cent), Free delivery on purchases over a particular value (56 – per cent).

Question 5: Which location do you generally opt for delivery? (Including multiple options)

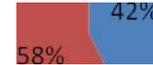
Delivery Location	Responses	Total Percentage
Home	92	76.68
Office/Work place	43	35.83
Neighbor place	22	18.33
Friends Address	12	10.00
E-tailer's office	8	6.67



Interpretation: It is noticed from the above table that bulk of responses prefer home delivery (92 respondents comprising 76.68 per cent) followed by office/work place (43 respondents forming 35.83 per cent)

Question 6: Do you have the habit of tracking the delivery after placement of order?

Delivery Tracking	Responses	Total Percentage
Yes	51	42.50
No	69	57.50
Total	120	100.00



Interpretation: Majority of the respondents i.e., 51 representing 43.50 per cent are in the habit of tracking the delivery. The rest are not particular.

Question 7: Do you have any experience in handing product returns purchased online, for any reason what so ever?

Returned	Responses	Total Percentage
Yes	120	100.00
No	00	000.00
Total	120	100.00

Interpretation: All the respondents have such experience indicated above.

Question 8: How many times it has occurred that you have returned the goods purchased online?

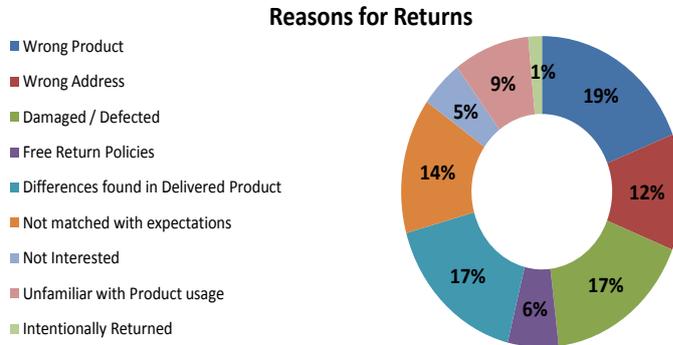
Returned Goods	Responses	Total Percentage
Once	41	34.17
Very few	34	28.33
Sometimes	31	25.83
Most of the times	14	11.67
Total	120	100.00

Interpretation: It is found from the above table that 41 respondents (34.17 per cent) have resorted to returning the merchandise once only so far. 34 respondents (28.33 per cent) have reported very few times, 31 respondents (25.83 per cent) sometimes and 14 respondents (11.67 per cent) most of the times.

Question 9: Please indicate the reasons for returning the products.

(Scaling: 1. Always, 2. Occasionally, 3. Sometimes, 4. Rarely, 5. Never)

Reason for Return	Responses	1	2	3	4	5	% Response
Wrong Product	120	17	25	21	22	0	70.83
Wrong Address	120	22	12	6	14	0	45.00
Damaged / Defected	120	37	18	9	12	0	63.33
Free Return Policies	120	1	14	10	1	0	21.67
Differences found in Delivered Product	120	28	12	14	21	0	62.50
Not matched with expectations	120	2	21	21	19	0	52.50
Not Interested	120	1	1	8	12	0	18.33
Unfamiliar with Product usage	120	11	15	8	5	0	32.50
Intentionally Returned	120	0	0	2	5	0	5.83

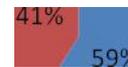


Definitions (as per the col-1 of the above table, reasons for returns):

- **Wrong Product:** Received different product against the ordered.
- **Wrong Address:** Received somebody else’s product – occurrence of wrong address at retailer’s place.
- **Damage/Defective Product:** The received product is broken, having scratches, rashes, semi opened, bad workmanship, rough finish, bends, dents, holes, shape-out, cuts etc.,
- **Free Return Policies:** Returning the product by taking the advantage of free return policy offered by the e-tailers like “the product can be returned within 3 days if the customer does not like”.
- **Differences found in delivered product:** Product not conforming the dimensions, color, size, weight, features etc.,
- **Not matched with the expectations:** The received product is not exactly 1:1 as per the ordered one based on the advertisement displayed in website.
- **Not interested:** Returning the product as the customer is not that much interested shown at the time of ordering.
- **Unfamiliar with product usage:** Returning the product because of difficulty in getting familiarized with the usage.
- **Intentionally returned:** Returning the product deliberately for no reasons by taking full advantage of the free return policy.

Question 10: Do you read and follow the return policy before placing the order?

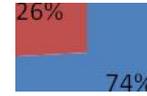
Read Return Policies	Responses	Total %
Yes	32	26.66
No	88	73.34
Total	120	100.00



Interpretation: It is learnt from the above table that 32 respondents (26.77 per cent) are in the habit of reading the return policy and 88 respondents (73.34 per cent) do not go through it.

Question 11: Do you understand the return policies?

Read Return Policies	Responses	Total %
Yes	18	56.25
No	14	43.75
Total	32	100.00

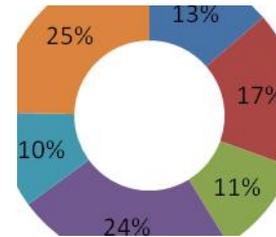


Interpretation: It is revealed from the above table that only 18 respondents (56.25 per cent) out of 32 respondents who generally go through the companies return policy and the rest (14 – 43.75 per cent) are unable to understand the same. This question does not apply to other 88 respondents as they never read companies return policy.

Question 12: What prevents you from going to the companies return policy?

This question was posed to 88 respondents who are not in the habit of reading the companies return policy and accordingly the data was evaluated.

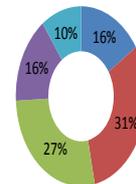
Reasons	Responses	Total %
Language	55	62.50
Law and acts	82	93.18
Unclear statements	68	72.27
Ambiguity	73	82.95
Not interested	61	69.31
Lengthy & Tedious	82	93.18
Never bother	42	42.72



Interpretation: The respondents not keen to go through the details of the return policy of the website due to one or above reasons cited above.

Question 13: Reverse Logistics Experience:

Read Return Policies	Responses	Total %
Excellent	6	05.00
Good	21	17.50
Average	43	35.83
Not Satisfied	19	15.83
Bad	31	25.84
Total	120	100.00



Interpretation: The above table shows that only 6 respondents (05.00 per cent) reported as excellent services. 21 respondents (17.50 per cent) have opined as good and 43 (35.83 per cent) average, 19 (15.83 per cent) are not satisfied and 31 (25.84 per cent) feel that the service is bad.

Findings

- From the study of demographics it is found that the majority (78) of the respondents is male & 43 females are adequately knowledgeable on return of merchandise irrespective of age, education and income. All most all of the respondents are inclined towards returning the products, if found not usable, for the reasons whatsoever.
- Study also shows that most of the respondents are conversant with internet and e-shopping exposure.
- It has been found that the apparels, electrical & electronic goods, computer accessories, kitchen/home appliances, sports goods and mobiles/tablets are often purchased online and are vulnerable to returns due to damages and defects.
- Concerning payment mode, it is observed from the study that the majority of the respondents opt for COD (Cash on Delivery) because of security. Some of the respondents with education and income background resort to the payment via credit/debit cards and net banking. EMI and E-Wallet are yet to make dents.
- From the study it is noted that the key elements like 1) clear information about delivery charges before purchase, 2) simple and reliable returns process, 3) free delivery on purchases over a particular value, 4) returns of products, if any, at retailer's cost, 5) prompt responses and customer care, 6) provision to choose the logistics company for delivery, 7) provision for faster delivery even at customer's cost and 8) Delivery tracking facility are widely considered by the respondents towards the product delivery and returns terms.
- The study shows the major chunk of the respondents opt for home delivery and in few cases office/work place.
- It is observed that majority of the customers are in the habit of tracking the consignment after placing the order.
- The study also reveals that all the respondents have the experience of returning the merchandise once or more times.
- It is widely noticed from the study that the key drivers to the returning of merchandise, proper disposal and recapturing the value are: a) wrong product, b) wrong address, c) damage/defect, d) free return policies, e) difference found in delivered product, f) not matched with expectations, g) not interested, h) unfamiliar with product usage and i) intentionally returns.
- It is found that the customers in general are not keen to go through the return policy of the company shown in e-tailer's website. The study shows that 88 respondents out of 120 are not even read the return policy at all. The general barriers found are: i) language, ii) laws & acts, iii) unclear statements, iv) ambiguity, v) not interested, vi) lengthy & tedious and vii) never bothered.
- Regarding the experience of returns, it is observed that almost half of the population of the respondents have expressed that the services are average and most of the rest feel not satisfied and very few reported excellent.

Suggestions & Recommendations

Conceptual

- At the outset, the e-retailers are supposed to face the facts that they lack proper return logistics policies, processes or infrastructure to effectively manage the returns.
- The e-retailers should be aware of the fact that effective returns management offers several challenges and opportunities and it calls for spending more quality time in carefully framing the reverse logistics processes as this not only helps in winning the customers trust and thereby enhancing their business growth.
- Though it is considered pain the e-tailers should be convinced that a good reverse logistics strategy cuts operational cost while enhancing sales and gain customer loyalty. It is imperative that they should have a clear planning process with regard to the return management and thorough understanding of the reverse logistics dynamics.
- The e-tailers are advised to collect as much data as possible from product returns, as it is not happening always, and leverage it to improve replenishment planning and control the inventory levels enabling disposal off-the-shelf. They are also further advised to use the data to control redistribution of excess returns inventory to the secondary market.

- It is extremely essential for e-tailers to understand that customers are reluctant to buy damaged and expired goods.
- Since many people in the rural areas seek high discounts and in some cases the people want the refurbished goods only due to lower prices, the e-tailers are advised to lay focus on this area and establish sales accordingly.
- The customer always needs a dignified treatment in return merchandise as he is treated at the time of purchasing. Keeping this in view the e-tailers are suggested to extend such a treatment to them to keep-up the customer retention.
- Many experienced retailers and manufacturers fail to examine the total net recovery value and don't think about the time requirements, they should instead focus on total liquidation revenue and yield rate. Companies that do this have a big opportunity to dramatically improve profits. The e-tailers are suggested to give emphasis in this aspect in conducting their business.
- The e-tailers are advised to determine the best disposition method upon receipt of returns from the customer enabling real-time support, troubleshooting and returns management administration to proactively address the reasons for a return, resolve customer dissatisfaction.

Specific

- The e-tailer should adopt state-of-the-art packaging system irrespective of the product category since the packaging helps in utmost protection of the product.
- The e-tailing companies should exercise more care & caution while dealing with the third party logistics.
- It is advised that the display of the product on the website should not act deceptive. It has been observed many times that the customers are often mislead by the product display and place the order, but while receiving they are not getting the expected one, especially in the case of apparels because the colors vary in the display. This has been causing several returns.
- There have been many instances in defective/inappropriate packaging resulting in the damage of the products. The e-tailers should take a serious view in this aspect and ensure the requisite packing viz. airworthy, vibration and bump proof, look and aesthetics, proper marking of the warnings on the package. Compactness using sponge, thermocol etc., in case of fragile items and so on.
- The e-retailers should have a fool proof system while handling fraudulent returns especially with regard to electronic gadgets where the customer intentionally resort to replacing the internal hardware with the fake ones in the same chassis and return the product. This is a tricky area to be diplomatically dealt with to overcome the situation.
- The text of return policy should be as simple as possible to draw the attention of the customers. In the cases where the high chances of returns are foreseen, they should take proper agreement from the customer like ticking the terms and conditions tab indicating the customer conformity without which the transaction cannot go further.
- In addition to English, the sellers should give preference to the vernacular to attract the sight of the rural customers.
- To penetrate the rural markets, the e-tailer's website should be designed so as to inculcate interest in the minds of customers as they have high resistance to change.
- The e-tailers should focus more on customer education with regard to returns.
- It is advisable to display the boards showing the return policies in concise form in the delivery offices including the third party logistics.
- Impart appropriate training to the delivery boys on dos and don'ts.

Conclusion

Reverse Logistics which deals with the process of controlling the efficient flow of goods from the point of consumption to the point of origin with the time bound schedules, for purposes of recapturing value has long been overlooked, but over the times with the rapidly changing customer attitudes, it is gathering momentum with a sizable increase in the instance of returns and becoming an essential element in the arena of e-tailing. Since the reverse logistics, if handled in an effective manner, results in saving high revenues contributing to the profitability of companies besides winning the customers goodwill. It has made the retailers to be on their toes and creating ripples in their minds in pursuit of the strategic, novel & result oriented measures to handle the reverse logistics.

This paper is thought provoking and sure to spark a stimulus in the e-retailers mindset in altering their business practices commensurate with the volatile trends. The paper opens ample scope for further research with plausible components amenable to continuous improvements from time to time. It also gives a new approach towards an effective inventory control in the offline business areas.

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