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RELATIONSHIP BETWEEN GOODS RETUNED POLICIES AND DEMOGRAPHIC PROFILE OF THE CUSTOMERS WITH REFERENCE TO REVERSE LOGISTIC ACTIVITIES

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ABSTRACT

Reverse Logistics is the process of redistributing used products or a new initial point of the supply chain, such as consumer returns, overstock, or expired food, as well as collecting their management using particular standards. Reverse logistics refers to material components that are recoverable after consumption, as well as waste and packaging, and which are returned from consumer manufacturing and absorbed into a new economic cycle. Reverse logistics entails some additional handling procedures, such as particular circuits', as well as unique charges for consumer reception, sorting, loading, and unloading. In order to develop a complete distribution system, logistics experts have historically started with the manufacturer and worked their way through the product flow from the producer to the customer.

Keywords: *Reverse Logistic, Supply Chain, Economic Cycle, Logistics Experts, Consumption.*

Introduction

The process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods, and related information from the point of consumption to the point of origin for the purpose of recapturing or creating value or proper disposal (Rogers and Tibben-Lembke, 1999)For a variety of reasons, including a growing tendency in customer returns, the increased usage of consignment inventory, shorter product lifecycles, and more demanding customers, reverse logistics has become a competitive need. Reverse logistics is becoming more widely recognised as a strategic process that captures value through customer happiness and cost management. Firms can no longer ignore the reverse flow of products as the volume of returns grows around the world. In the context of retail, reverse logistics refers to the handling and final disposition of products returned by customers. Due to the costs of storage, loss of current sales, potential recoverable product value, and the importance of both customers and channel partners, reverse logistics has become a big worry for retail managers as retail margins have narrowed. For a variety of reasons, including a growing tendency in customer returns, the increased usage of consignment inventory, shorter product lifecycles, and more demanding customers, reverse logistics has become a competitive need.

Literature Review

Reverse logistics, according to Leite (2010), entails the return of items that can be rebuilt or recycled, and the product in question may be damaged or defective packaging. The basic goal of reverse logistics is to return the product to its original location, customer from the manufacturer The term RL refers to the process of planning, executing, and monitoring the delivery of a product after-sale and post-purchase merchandise After the deals, the products are described by little or no use, or even the

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absence of offers, i.e. things that eventually come to fruition back to the association for various reasons, such as flaws, errors, or omissions Transportation-related damages Because the post-purchase products are displayed before the buyer, after their valuable life has come to an end, they will be disposed of in landfills, unless they are reused or recycled.

Customers' desires for more liberal returns policies or the possibility to buy on consignment (i.e., if it doesn't sell, the original seller gets the product back) are driving the growth of reverse logistics, according to Daugherty et al (2001). Retailers and other customers don't want to keep old models and out-of-date merchandise on hand, thus shorter product lifecycles mean more returns. Other reasons for returns include broken goods and improper shipping, product recalls, and recycling-related regulatory requirements.

Returns are an unavoidable part of doing business. There are a lot of reasons why customers might desire to return the things they purchased. According to a recent Price Waterhouse Coopers (PWC) global survey, the majority of online customers return their purchases due to quality-related issues, including both product and service quality (PWC, 2000). Retailers received 7% of their total sales back as returned merchandise on average. Approximately half of them are due to quality issues (CEA, 2002). Reverse logistics initiatives also allow businesses to gather useful data that can lead to the identification of detectable patterns or trouble areas with products

Using the fisher's model and case study research technique, Gobbi (2011) investigated the impact of product residual value (PRV) and loss of value over time of returned products in the reverse supply chain arrangement. Two situations with opposing reverse supply drivers were explored, one involving legislation and the other involving value reclamation. As time was not crucial for the recovery option, the legislation-driven reverse chain, which dealt with abandoned products with low or no residual value, was recycled. The primary goal was to reduce costs (efficiency), thus the chain was consolidated, and the reverse chain's actors and phases were determined using the recycling process specification. Reconditioning was the recovery method in the value-driven reverse chain, which dealt with discarded products with high residual value.

According to Carter and Ellram (1998), the ultimate goal of the reverse logistics process should be resource reduction, followed by maximum reuse, and finally recycling. Resource reduction is the process of reducing the amount of resources needed in a product, as well as the amount of trash and energy produced, through designing more environmentally friendly products. As a result, once resource reduction options have been exhausted, the company should try to maximise reuse, recycling, and other green initiatives. When a company can either dispose of a product through burning, where some type of energy recovery may be conceivable, or landfills, disposal should be the final option.

As a result, return policies have become a key competitive weapon in the marketplace, influencing product sales significantly. More than 70% of customers said they were inclined to think about return policies before making a purchase in one survey (Pinkerton, 1997; Trager 2000). A generous return policy has also been shown to boost customer confidence (Mukhopadhyay and Setoputro, 2004).

Return policies vary by industry and retailer. Return policy can be expressed as a percentage of the sale price returned as well as the amount returned. Return policies can include an unconditional 100 percent money-back guarantee, shop credit, or no refund at all. Short time constraints for returning the product, unopened or unused product, returned in original packaging, and special labelling instructions are just a few of the restrictions imposed by a store. Manufacturers try to push for no returns through six sigma and other quality efforts; however, the returns issue isn't always quality-related. Goods returns could be influenced more by the difficulty in projecting accurate sales forecasts or the whims of consumers. Consumers may change their minds and return products even if they are in perfect condition. Customers send returns to retailers, who then send them backwards through the supply chain, either directly or indirectly, to manufacturers, depending on the return policies adopted by various partners in the supply chain. Several studies have looked at how retailers respond to manufacturer's return policies, including research that looked at how return policies affect retailers' ordering behaviour and inventory levels. For short-life-cycle products, Emmons and Gilbert (1998) and Donohue (2000) discussed the best product return contracts. Returns from retailers' end owing to the end of a selling season, demand uncertainty, and merchants' overstocking of inventory were all evaluated in this research. For short-life-cycle products, Emmons and Gilbert (1998) and Donohue (2000) discussed the best product return contracts. Returns from retailers' end owing to the end of a selling season, demand uncertainty, and merchants' overstocking of inventory were all evaluated in this research. For short-life-cycle products, Emmons and Gilbert (1998) and Donohue (2000) discussed the best product return contracts. Returns

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Objective

The objective of the study is to determine whether goods retuned by customers is related to his demographic profile

Hypotheses

H_o: Goods returned by customers is not significantly related to demographic profile of the customers

H_1: Goods returned by customers significantly related to demographic profile of the customers

Research Methodology

This study employs a descriptive research design. The study is mostly based on primary data, but secondary data is also gathered for a literature review and to provide a strong theoretical foundation for the research. The technique of personal interviewing was used to assemble primary data for this study, sample size of 430was taken into account. Statistical tests were carried out. SPSS software used to for hypothesis testing.

Data Analysis

Table 1: Demographic Characteristics of Respondents

Demographic Character	Categories	Frequency	Percent
Age	15-20	26	6.0
	21-25	108	25.1
	26-30	187	43.5
	31-35	64	14.9
	36-40	45	10.5
	Total	430	100.0
Gender	Male	254	59.1
	Female	176	40.9
	Total	430	100.0
IncomeLevel	1-2.5lakh	78	18.1
	2.5-4lakh	24	5.6
	4-5.5lakh	69	16.0
	5.5-7lakh	111	25.8
	7-8.5 lakh	123	28.6
	8.5-10 lakh	10	2.3
	MoreThan10 Lakh	15	3.5
	Total	430	100.0
Occupation	Salaried	143	33.3
	Self-employed	72	16.7
	Business	61	14.2
	HomeMaker	70	16.3
	Other	84	19.5
	Total	430	100.0
Education	Upto10th	20	4.7
	Upto12th	33	7.7
	Diploma	80	18.6
	Graduation	138	32.1
	Post-Graduation	154	35.8
	PhD	5	1.2
	Total	430	100.0

Hypothesis Testing

H_o: Goods returned by customers is not significantly related to demographic profile of the customers

H_1: Goods returned by customers significantly related to demographic profile of the customers

Table 2: ANOVA- Demographic Characteristics and Number of Returns Made

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	9.998	2	4.999	4.787	.009
	Within Groups	445.918	427	1.044		
	Total	455.916	429			
Income	Between Groups	23.486	2	11.743	4.644	.010
	Within Groups	1079.726	427	2.529		
	Total	1103.212	429			
Education	Between Groups	14.172	2	7.086	5.524	.004
	Within Groups	547.725	427	1.283		
	Total	561.898	429			
Gender	Between Groups	8.475	1	8.475	15.093	.000
	Within Groups	240.336	428	.562		
	Total	248.812	429			
Occupation	Between Groups	15.717	4	3.929	7.164	.000
	Within Groups	233.095	425	.548		
	Total	248.812	429			

- Age- p-**.**value=**009**
- Income p-value =.**010**
- Education p-value=**.004**
- Gender p-value =**.000**
- Occupation p-value=.**000**

Since p-values of Age, Income, Education, Gender and Occupation are less than 0.05 hence it significant and we reject null hypothesis and it can concluded that Goods returned by customers significantly related to demographic profile of the customers

Conclusion

- All demographic characteristics are significantly related with the awareness about the return policies. In other words as demographic characteristics changes awareness of return policies also changes
- Results confirmed that Number of returns made by a consumer is significantly related with his/ her demographic characteristics. Further research is required to explore the exact characteristics of consumers who returns product more frequently
- Age is significantly related with the awareness about the return policies, however no significant correlation was found between age and awareness. It was found that awareness about return policy is different among males and females. Statistical test revealed that at least one income level group differs in its awareness level about return policy significantly. In addition it was also found that at least one occupation group of consumers differs in its awareness level about return policy significantly. Further it was investigated that education level of respondents and their awareness about the return policy are found to be significantly related with each other.
- Since p-values of Age, Income, Education, Gender and Occupation are less than 0.05 hence it significant and we reject null hypothesis and it can concluded that Goods returned by customers significantly related to demographic profile of the customers

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