

Project Dissertation on

Returns Processing and Refurbishment: A Case Study on E-commerce Reverse Logistics

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CERTIFICATE

This is to certify that the project entitled “*Returns Processing and Refurbishment: A Case Study on E commerce Reverse Logistics*” has been successfully completed by Yatin Gambhir
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This is further certified that this project work is a record of bona fide work done by him
Under my guidance. The matter embodied in this report has not been submitted for award of any
degree.

Signature of Guide

Dr. Saurabh Agrawal

Place:

Date:

Signature of Head (DSM)

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DECLARATION

I, **Yatin Gambhir**, student of **EMBA 2020-22** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report “*Returns Processing and Refurbishment: A Case Study on E commerce Reverse Logistics*” submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

Place:

Yatin Gambhir

Date:

ACKNOWLEDGEMENT

I Yatin Gambhir, wish to extend my gratitude to Dr Saurabh Agrawal, Professor Delhi School of Management (DSM), Delhi Technological University; for giving me all the guidance and valuable insights to take up this Semester Project.

I also take this opportunity to convey sincere thanks to all the faculty members for directing and advising during the course.

Yatin Gambhir

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ABSTRACT

Growth of online shopping and the proliferation of last mile delivery options naturally result in more returns, placing increased pressure on reverse logistics operations which now need to be managed at scale. While product returns and reverse logistics can be predictable in their frequency over time, they are difficult to plan and optimize on a daily basis. They also create complexity as they require coordination with many other functional areas of a company, such as driver routing, warehouse operations and inventory management. This coordination is crucial in order to maintain operational efficiency, chain of custody and deliver a satisfying, timely return experience for loyal customers.

The bottom line is that reverse logistics have become one more piece of the ever-intensifying battle to remain competitive in the online landscape. Since they provide a great opportunity to build trust and confidence with customers, businesses are increasingly realizing the value of having an efficient returns process for internal reasons (faster return processing means faster re-sales), as well as external ones (customers who are waiting for a rapid refund).

Reverse logistics are integral to creating a positive customer experience through reliable processes that facilitate a cost-efficient way to quickly and accurately retrieve and return inventory back into their network.

This study focuses on how E Commerce organization - Amazon can still extract profits and increase further salability yield from customer returns units by simple audit mechanism. These products can further be available for sales as fresh products thus reducing losses happening due to Customer returns.

TABLE OF CONTENTS

1. Industry Profile	7
1.1 What does Amazon do well?	11
1.2 What does the upcoming of returns look like?	12
2. Objective	13
3. The Product Returns Process in Amazon.....	14
3.1 Stage 1-Receive.....	14
3.2 Stage 2- Sort & Stage.....	14
3.3 Stage 3- Processing.....	14
3.4 Stage 4- Analyze.....	15
3.5 Stage 5- Stow.....	15
4. Literature Review.....	16
5. Observations.....	16
5.1 Overview	12
6. Research Study	19
6.1 Problem Statement	20
6.2 Approach	20
6.3 Analysis	21
6.4 Actions Taken.....	21
6.5 Cost Benefit Analysis	21
6. Finding & Recommendations	30
7. Conclusions	31
7.1 References.....	32
7.2 Appendix.....	33

Industry Profile

Effectively managing the warehouses necessary to keep returned products is a critical component of a company's reverse logistics operation. These goods are frequently kept in storage for extended periods and time while they are treated, evaluated, reconditioned, recycled, or discarded of.

The emergence of digital technology is changing warehousing, as it does many other industries. Manual processes are being replaced by automation, and new tools such as artificial intelligence and the Internet of Things are making the process of returning things easier and more convenient.

We discussed some of the ways technology is helpful in making the returns process easier for both consumers and employees in a previous article. Now we'll take a look at some of the most exciting developments in reverse logistics, starting with warehouses.



Amazon.com, Inc., doing business as Amazon (/aemzn/), is an American e-commerce and cloud computing corporation headquartered in Seattle, Washington, founded by Jeff Bezos on July 5, 1994. Amazon is the world's largest web retail merchant in terms of revenue and market capitalization, and the second largest in terms of total sales behind the Alibaba cluster. Amazon's website began as an online store and then expanded to sell downloads/streaming video, MP3 downloads/streaming, audiobook downloads/streaming, software, video games, electronics, fashion, furniture, food, toys, and jewellery.

The company also owns a business division, Amazon Publishing, a film and television studio, Amazon Studios, manufactures consumer electronics products such as Kindle e-readers, Fire tablets, Fire TV, and Echo devices, and is the world's largest provider of cloud infrastructure

services (IaaS and PaaS) through its AWS subsidiary. Amazon also sells several low-cost items under its in-house brand Amazon Basics.

Choosing a name

By reading through the dictionary, Bezos came up with the name "Amazon," which he liked since it was "strange and distinctive," just like the Internet company he envisioned. He pointed out that the Amazon River was the world's largest river, and that his bookstore would be the world's largest bookstore.

Furthermore, a name that began with "A" was preferred because it was more likely to appear at the top of an alphabetized list. Bezos valued his early start in developing a brand, telling a reporter, "Nothing about our concept can't be replicated over time. McDonald's, on the other hand, has been duplicated. And it's still managed to build a multibillion-dollar corporation. A lot of it boils down to the name of the company. On the internet, brand names are more essential than they are in the real world."

Acquisitions:

Amazon's parent firm has bought several companies around the world, but it has a distinct growth strategy in India. In 2016, Amazon purchased Emvantage Payments Pvt. Ltd., a payments company in India. Emvantage was an Indian firm that provided services similar to those provided by PayPal. It provided a platform for internet merchants to take credit and debit cards. Amazon India has recently been in talks with BigBasket about acquiring the company. BigBasket is India's largest online food and grocery e-commerce site, with over 18,000 goods.

Competition:

Amazon's parent firm has bought several companies around the world, but it has a distinct growth strategy in India. In 2016, Amazon purchased Emvantage Payments Pvt. Ltd., a payments company in India. Emvantage was an Indian firm that provided amenities alike to those provided by PayPal. It provided a platform for internet merchants to take praise and withdrawal cards. Amazon India has recently been in talks with Big Basket about acquiring the company. Big Basket is India's largest operational nutrition and grocery e-commerce site, with over 19,000 goods.

On December 20, regulatory filings. The investments were made in a year that saw Walmart acquire a 81% stake in local rival Flipkart for \$17 billion.

- Amazon's share of the Indian e-commerce market is **44%**.

Amazons' Infrastructure growth		
Particulars	June, 2013	August, 2018
Fulfilment Centers	1 in Mumbai	50 in 30 States
Sellers	100	3.4 lakhs

Geographical Foot print
Amazon delivers to all 20,500 pin codes of India
What it sells?
170 million unique items or stock keeping units. 2 lakh items are added every day on an average.
Current storage capacity
20 million cubic feet, which is enough to fit 250 Olympic size swimming pools

What does Amazon do well?

As merchants ramp up their direct -to - customer efforts, it's vital to remember what India Amazon excels at in terms of logistics, as these are services that consumers have come to anticipate. The e-commerce mamoths:

- Propose free of cost (and very quick) delivery
- Propose choices for free of cost, in-person returns at sites like UPS, Kohl's, and Whole Foods

Jeff ecommerce behemoth has become recognised for its succeeding generation fulfilment centres, and is always, looking at what the industry's largest competitors are up to may provide lots of lessons and inspiration.

Objective

Customers typically regard product returns as an essential sin, a difficult procedure, and, in most cases, inescapable. Returns have long been viewed as a hassle, a cost centre, and a source of potential customer unhappiness by retailers, manufacturers, and distributors. There will always be some returns as long as things are sold. And, for many vendors, the process of dealing with goods returns has been essentially haphazard. Many successful organisations, on the other hand, have realised that returns incur significant costs and that a real product recall technique, which is a major feature of reverse logistics (the term that encompasses returns as well as a number of other activities related to items moving "backwards" in the SC), can provide a number of assistances.

Product returns can be categorized into two clusters:

- (1) *Controllable returns*, which can be prevented or removed by actions taken by the organisation,
- (2) *Uncontrollable returns*, which organisation can do slight or none about in the recent time

Amazon's losses from consumer returns are significant, and both the seller and Amazon carry responsibility for them, but there is still room for improvement. Any client return unit that is marked sellable becomes available for sale again, while those that are declared unsellable or damaged are placed in damage inventory and later returned to the seller.

The major goal of this study is to use a simple audit technique to act on total unsellable marked returns to reduce losses caused by mishandling, manual errors, and comprehension hurdles by Amazon Associates operating in Fulfillment Centers.

LITERATURE REVIEW

Scholars in the United States and overseas have conducted extensive theoretical study on remanufacturing, that could be categorized into three categories:

- a) Re-manufacturing technology
- b) Re-manufactured product design
- c) Re-manufacturing management

Several specialists from the United States and other nations have examined and investigated remanufacturing market rivalry in recent years. Professor Guide from the United States and Professor Wassenhove van from the INSEAD Institute in France make up the core research team (Guide and Van Wassenhove, 2003, 2006). The most recent studies on this topic were summarised by Atasu et al. (2008).

Intergroup tests by Camacho-Cuena et al. (2004) and others show that underestimating consumers' WTP diminishes the contribution of recycled products to true WTP in the remanufacturing market. From the perspective of manufacturers, Shu et al. (2019) built a multire manufacturing model or a two-cycle closed-loop supply chain model based on heterogeneous WTP. Mixed remanufacturing will be a preferred option for companies because to consumers' increased willingness to pay for remanufactured items, according to the findings. Consumer willingness to pay for remanufacturing is not only a big factor driving remanufacturing's growth, but it also has a substantial impact on original producers' growth.

There are several aspects concerning consumer preference for remanufactured products.

1. **Need of environment guard.** Michaud and Llerena's (2008) research found that environmental protection information in product characteristics has a substantial impact on consumers' environmental preference for remanufactured products. According to Qin and Song's (2019) Chinese social survey data, the premium paid for environmental preservation

is not particularly popular, but environmental information can influence consumers' decisions and WTP.

2. **Need of reputation of brand.** Consumers' buying decisions will be influenced by the brand information they are presented with. Subramanian and Subramanyam (2008) argue that a seller's credit and product category have a significant effect in the price difference between new and remanufactured products using eBay purchase data.
3. **Quality importance.** Abbey et al. (2017) found that consumers' perceptions of quality have an impact on their preference for remanufactured goods.
4. **Relevance of Price.** Consumers are eager to buy remanufactured products at a cheaper price than new products, according to Guide and Li (2010)'s eBay online trials.
5. **Need of new and old perception.** Agrawal et al. (2015) used MP3 players as stimuli in consumer choice tests and found that consumers' perceptions of remanufactured items from various sources affect their perceptions of new products.

The Product Returns Process in Amazon

Customer returns are a one-of-a-kind and complex process that includes numerous processes and strategies. We can divide them into the steps listed below.

There are five steps in the overall process:

1. Receiving, 2. Sorting and Staging, 3. Process, 4. Analyse, and 5. Support.

Stage 1 — Receive

During the first step of the process, goods returns are received at a centralised location, usually a warehouse or distribution centre. Back acknowledgement is frequently the first step in this process. In the bookselling industry, for example, retailer returns are considerable, and this part of the business must be managed effectively and with as minimal cost impact as possible. Due to which, several major publishers have automated their returns processing to achieve their cost and service goals.

In general, given back things might include a various range of goods, returned through a variety of carriers and in an apparently unlimited quantity of package, either on whole pallets or in individual containers – a technique that differs significantly from how the items that are shipped out to consumers. How items are reimbursed and collected back has a big impact on how they're sorted and staged in the following step of the returns process. One electronics company, for eg, prioritises entire pallet returns via the system so that they can be sold sooner, often in less than 24 hours.

Stage 2 — Sort and Stage.

Products are sorted when they are received for added staging in the returns flow. This classification might based on how things were sent back (for eg, pallets, cartons, or packets); the type of return (which could be determined by the item's address; the colour of the label, or any other easily recognised aspect); or the shape or quantity of the item being returned. Subsorts are also feasible when using a combination of these parameters. Most firms have one-to-two-day standards for this sort – and - stage work when joint along receipt activities.

Stage 3 — Process.

Returns are sub-sorted addicted to product based on their inventory - keeping quantity number, which can be sent back to the inventory, while vendor products (if relevant) are segregated by vendor name. Customer credits can be issued at this time, though most businesses do not do so until later in the process.

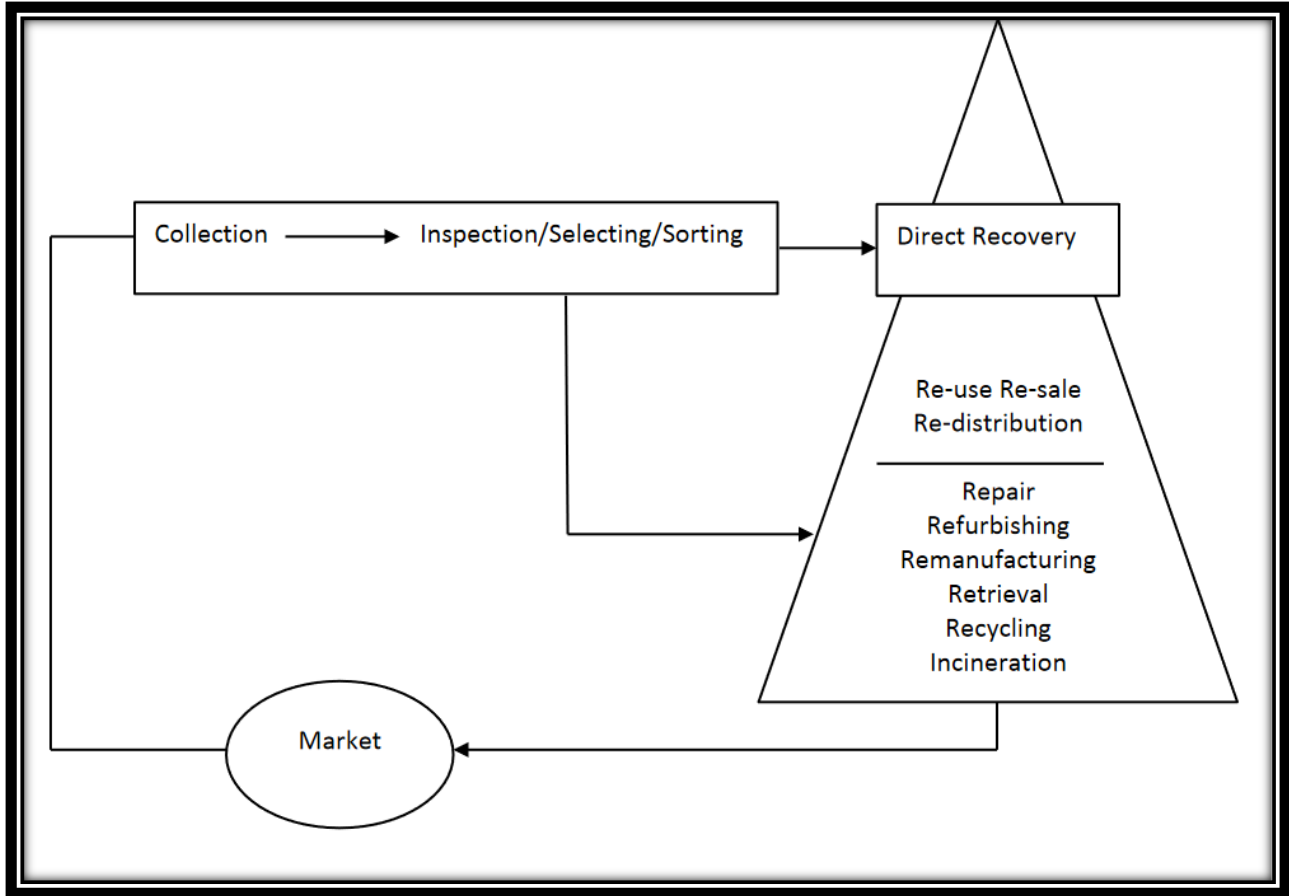
Items are transferred from the segregation and staging area to the handing out station (s). People working at these station can process products in the way they were received, by product kind, by customer type or area, by physical size of the objects, combination of these and various other characteristics.

Stage 4 — Analyze

Amazon Associates process customer return products at this point and determine whether they are sellable or unsellable based on their physical condition. Things that can be re-prepped for re-sale, for example, will produce a higher monetary return than product that have been tagged as unsellable.

Stage 5 — Stow

The fate of each returned object has been handled and looked into at this point. Products are spread as per the requirement to their intended destinations. Items that are back – to - inve or back-to-store are added to the storage area.



Reverse Logistics processes cycle

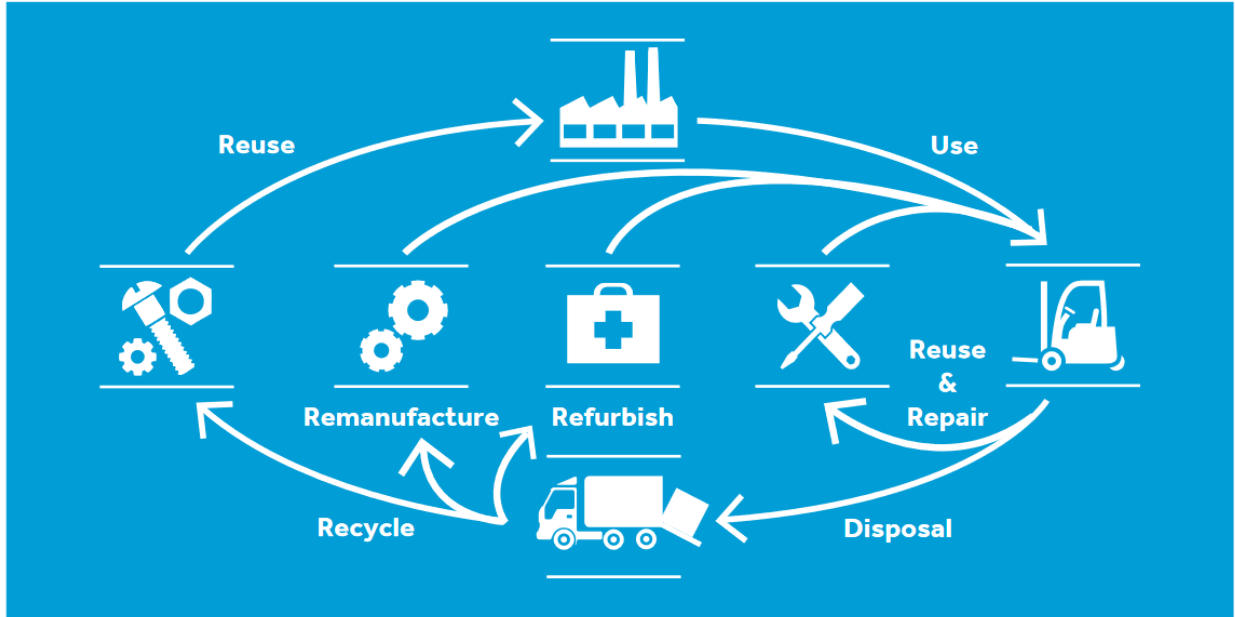
What is Refurbishment?

The process of Refurbishment has economic benefits and prospects in addition to environmental benefits, as the formation of extremely expert job, increased manufacturing volume, and corporate expansion.

Although refurbishment has received greater attention in past years, it is still neglected by manufacturers. One of the researches in this area revealed that the term "refurbishment" is commonly misunderstood and conflated with "remanufacturing." The terms are commonly interchanged or cast-off in tandem, resulting in seeming confusion between producers and their customers. As a result, the purpose of this study is to establish a fixed definition of refurbishment.

Significant business practise to have a good refurbishment processes in place. You can lessen the financial impact of returns by offering clients high-quality, low-cost alternatives. It's also a fantastic technique to avoid throwing away perfectly nice things!





Refurbishment as one of the main elements of life cycle asset management and a key concept within the circular economy

	Reused	Refurbished	Remanufactured
Definition	Reusing a product for the same initial purpose without any modifications.	Bringing a used product up to a certain, pre-determined quality level by replacing worn and critical parts, and making it look like new.	Restoring or transforming a used product to, at least, a like-new condition, with performance levels matching (or even exceeding) those of a new product.
Aesthetics (look)	Used	Like new (or almost new)	Like new
Warranty	None	Limited: 3-6 months	Full: 6-12 months
What's done to the machine	Cosmetic change (cleaning, painting, minor repairs on broken critical parts) and making it functional.	Cosmetics and replacement of worn and critical parts. Software upgrade.	Substantial renovation. Asset taken apart and rebuilt with used and new parts. Possible technological upgrades.
Quality	"As is" and in working condition*	"Like new" (or almost new) compared to original product.	"Like new" or better than original product, due to upgrades and closeness to same new product.
Serial number	Original	Original	Original or New
Costs	Minimal	Depends on degree of refurbishment	Relatively high

Observations

Amazon Return Centers were found to be losing money due to an increase in the percentage of unsellable units among total consumer returns. These items were later stashed inside inventory and take up prime real estate at fulfilment centres until the seller or liquidator orders are attached to them.

A study was conducted internally, and it was discovered that the existing mechanism has to be improved in order to increase salability yield. Improvisations were made in response to suggestions.

1. No Audit Check mechanism for genuine sidelining of Unsellable Products
2. Knowledge Gaps of Amazon Associates deployed at Stage 4.
3. Exploring opportunity of Refurbish & Grading of Unsellable Goods

When it comes to returns processing, it's important to realise that efficiency (low cost) isn't always the greatest strategy. Speed is often the most critical issue, and managers must recognise that money-making supply networks are not always fast supply chains. The extensive time it takes to retrieve and handle a returned item, the less likely it will be economically reused.

Research Study- Pilot

An unsellable or a damage product which came to return centers falls under the following Categories. These are inhouse Damage criteria's which are approved by amazon for measuring the losses to amazon/seller/organization.

- a) Warehouse Damage,
- b) Customer Damage,
- c) Carrier Damage,
- d) Defective,
- e) Distributor Damage or
- f) Expired.

Customer Damage, Carrier Damage, and Expired are the most commonly noted during CRET processing. This research reveals the technique and approach that should be used to boost the salability yield of customer return units that were ruled unsellable after the Analyze Stage. These items will go through the Quality Check procedure again, and based on the damage gatekeeping results, they will be labelled as sellable or unsellable.

➤ **Problem Statement:**

In Amazon Return Centers, there was no such process as Damage gatekeeping or refurbishment of Unsellable tagged goods until the beginning of 2021. As a result, return centers were losing money, and Damage products took up 20-30% of the Prime storage space in return centers.

Based on the previous six months' data, it was discovered that 25-30% of total CRET processing units were identified as unsellable, amounting to 12.5 lacs units annually from a single return center.

➤ **Approach:**

- Analyze the root cause of Current causes of units declared as unsellable.
- Introducing Third Party Refurbishing of Unsellable goods.
- Identify any frequent amazon associate marking product as unsellable.
- Analyze an approach to target and audit every unsellable unit.
- Design new Layout and buffer staging area for better productivity of the gatekeeper.
- Cost benefit Analysis of deployment change.

➤ **Analysis:**

- As per the trial conducted it was concluded that currently, no damage units was audited by Problem Solver and products were directly getting stowed once they were declared as unsellable post processing.
- There were lot of opportunities in category like Shoes, Apparel, and Electronics which could be refurbished and can be flipped back to Sellable Inventory by auditing and performing gatekeeping.
- Refurbishing of products like Shoes and Apparel could be easily done by trained Third Party Team and it can further be available for Sales for the customers
- Electronics units having no tape seal, were getting declared as Customer Damage and they could have been declared as sellable post applying normal tape.
- Opportunities where the product was getting marked as unsellable due to wrong response given to the questionnaire prompted in the system were recorded as Unsellable.

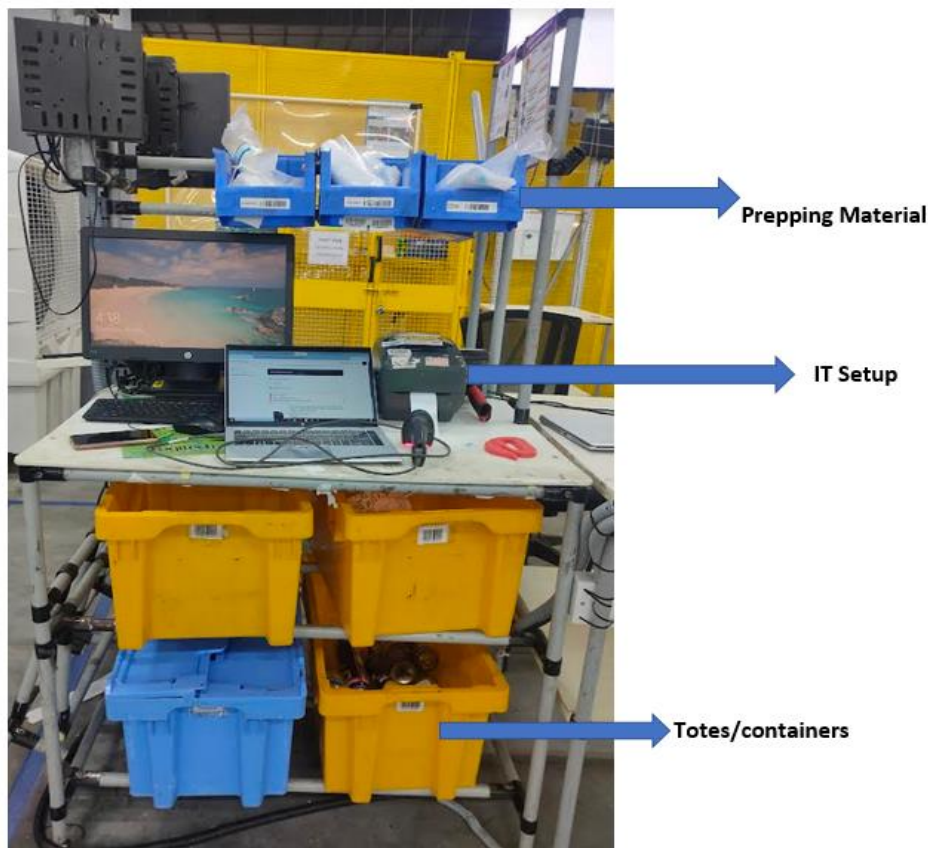
➤ **Actions Taken:**

S. No.	Action Taken
1	Deployment of Trained third Party Team for refurbishing of products
2	Building a Team of Full time Trained associates for performing Gatekeeping of Unsellable goods
3	Layout changes of Damage carts and totes staging area.
4	Maintenance of FIFO for Damage gatekeeping carts.
5	4M Required for doing Gatekeeping
6	Building a mechanism for weekly auditing the process in place and cost benefits from it
7	Weekly auditing the set mechanism and further improvise the process if required.

Gatekeeping/Refurbishment Station

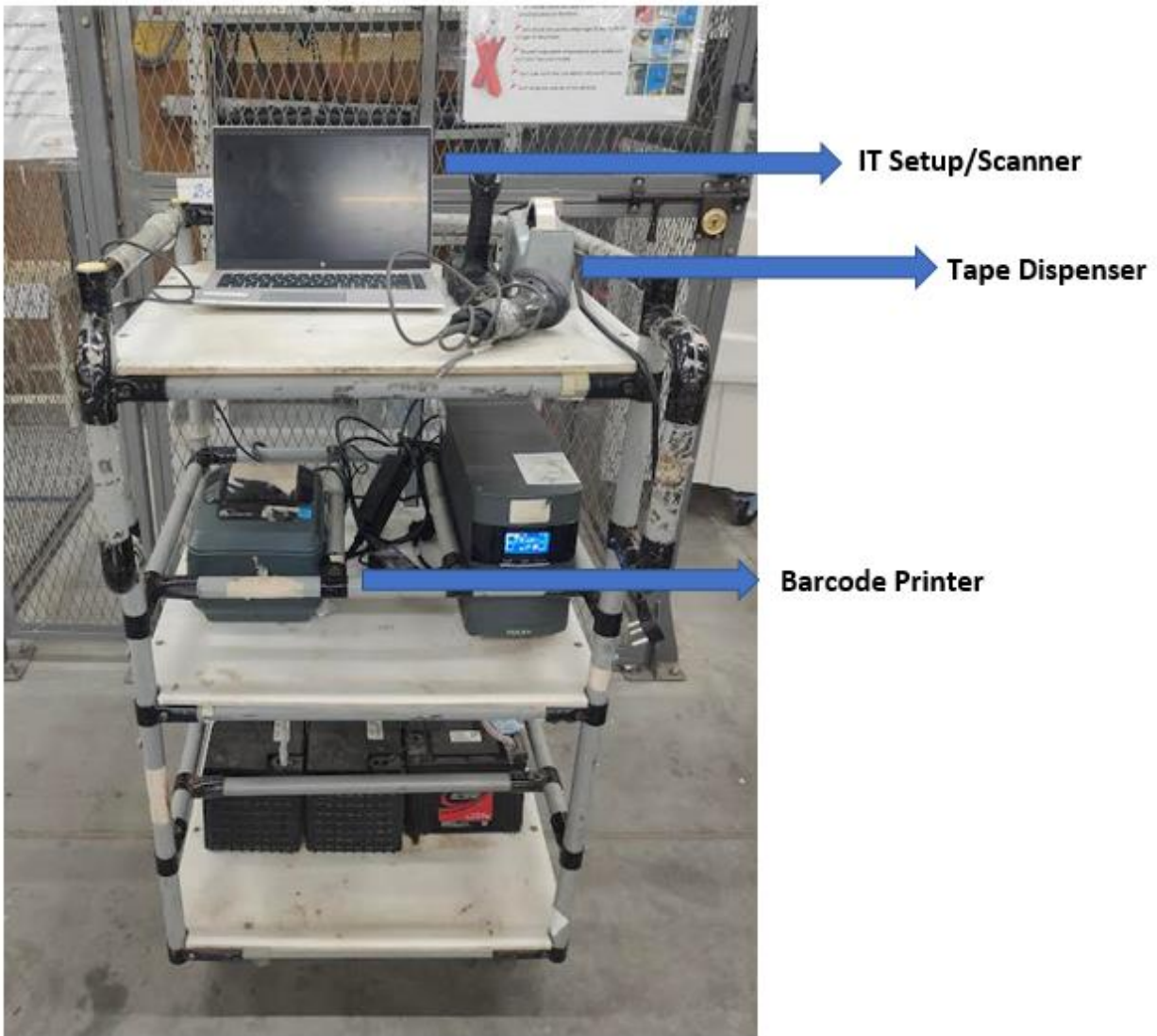
The Gatekeeping station is shown below, with a gatekeeper having all of the essential tools, SJI guidelines, packaging material, and typical inhouse software to conduct the gatekeeping work. Furthermore, he has distinct containers at the bottom to separate the things after they have been refurbished.

1. Laptop & Scanners
2. Sellable & Unsellable Container
3. Prepping Material
4. Staging Area
5. Barcode Generator



Customer Damage, Carrier Damage, and Expired are the most commonly noted during CRET processing. This research reveals the technique and approach that should be used to boost the salability yield of customer return units that were ruled unsellable after the Analyze Stage. These items will go through the Quality Check procedure again, and based on the damage gatekeeping results, they will be labelled as sellable or unsellable.

Mobile Cow Cart/Audit Cow Cart



The mobile audit cart shown below is utilised by the auditor to inspect the processed goods at the receive stations, where the auditor can provide real-time feedback to the processor processing the product. It is often a battery-operated mobile cart with

1. IT setup, 2.
2. Prepping materials, and
3. A barcode generator

The site Learning Team established a learning school to help CRET associates and problem solvers understand how to execute Damage Gatekeeping and Refurbishment.



Associate Refresher session taken by site Learning Team



Change station Area organization to improve ergonomics reducing Waste due to motion.
Following changes have been carried out in CRET processing station AO.

- Relocation of damage tote: 15~17% of the processed units gets sidelined to the damage tote making it actively used tote.
- Relocation of audit tote: 7% of the processed units get sidelined for audit and line auditor frequently replaces this tote for audit, interrupting work flow of processing Associate.
- Relocation of Refurb and Grading totes: Low usage totes.
- PS sideline tote mounted on station, which makes sidelined units visible to Problem solve and PA's

CRET Processing Station

Before:



After:



PS Sideline tote

Damage tote

Audit Tote

Customer Damage, Carrier Damage, and Expired are the most commonly noted during CRET processing. This research reveals the technique and approach that should be used to boost the salability yield of customer return units that were ruled unsellable after the Analyze Stage. These items will go through the Quality Check procedure again, and based on the damage gatekeeping results, they will be labelled as sellable or unsellable.

➤ **Gatekeeping Trial Observation:**

Study: Data table below summarizes the cost saved by conducting gatekeeping in FC.

-Daily we are processing 20~25% unsellable units of total units processed, where we were missing on the opportunities of flipping them back to sellable post gatekeeping process.

-Average unsellable units processed:2540

-Average % of Damage processed: 25%

Data Analysis

Date	Unsellable Units	Sellable Units	Total processed	% Damage Processed
26-Feb	2297	7749	10046	23%
27-Feb	2455	8626	10923	24%
28-Feb	2570	8758	11055	26%
1-Mar	2311	8767	11064	23%
2-Mar	2496	9790	12087	25%
3-Mar	2592	10107	12404	26%
4-Mar	2847	10733	13030	28%
5-Mar	2538	10011	12308	25%
6-Mar	2218	9495	11792	22%
7-Mar	2465	10459	12756	25%
8-Mar	2462	10090	12387	25%
9-Mar	3240	13938	16235	32%
Grand Total	30491	118523	120820	25%

- Study was conducted for 2 weeks at Amazon Return Center to track such loses by passing them from CRET Damage gatekeeping process. (This include only Shoes, Apparel and Electronics).
- 55% of the contribution is from the GL's like Shoes and apparel which were later on passed through refurbish process and were marked as sellable.
- Electronics units having no factory seal, were getting declared as Customer Damage and they could have been declared as sellable post applying tape.
- Shoes with little dirty bottom were getting sideline as unsellable which could have easily pass through refurbishing and can be processed as sellable.

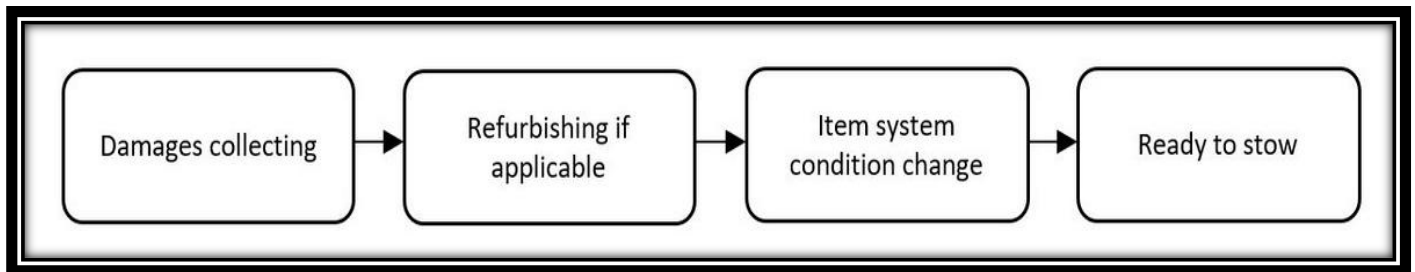
CRET Gatekeeping Unsellable unit conversion data for 14 Days.

Day Summary	Cost Saved
Day 1	65,826
Day 2	50,741
Day 3	52,523
Day 4	25,211
Day 5	8,840
Day 6	45,428
Day 7	35,021
Day 8	24,381
Day 9	23,657
Day 10	39,840
Day 11	39,598
Day 12	55,650
Day 13	46,472
Day 14	28,258
Grand Total	5,41,446

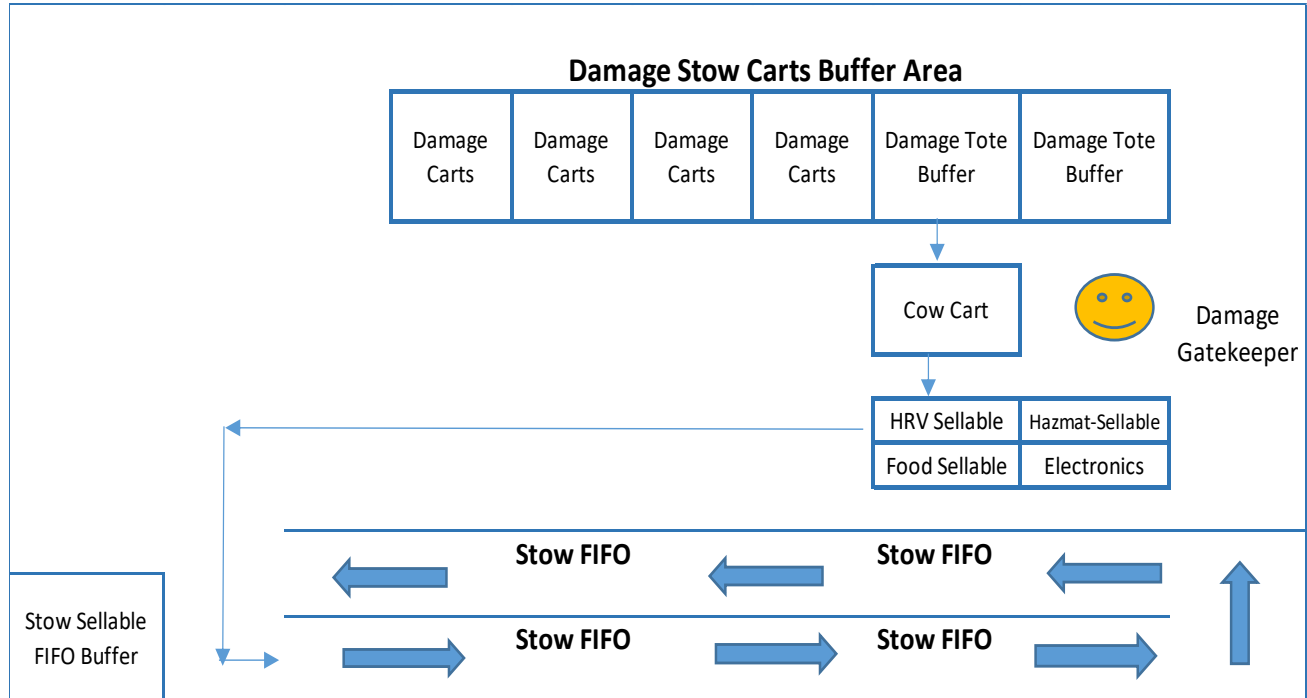
Based on the above trend estimated cost benefit post continuing this process in Return Centers specially is given below.

Cost Benefit Analysis	
Title	Cost
Week-01 Savings	2,83,590
Week-02 Savings	2,57,856
Total 2 Weeks Savings	5,41,446
Average Per Day Savings	38,675
Monthly Savings	11,98,916
Yearly Savings	1,41,16,271

➤ **General Process Flow:**



➤ **Gatekeeping Process Layout:**



Findings & Recommendation

- ✚ The initial pilot and trials were conducted in two INFC warehouses, with the Refurbishment and Gatekeeping process resulting in significant cost savings. All Return Centers must adopt this best practice.
- ✚ 45 percent of the total returns were covered by Target FC. The expected cost savings are 1.41 crores yearly.
- ✚ There are a total of 15 large FCs and 53 minor FCs that can profit from the activities made in this initiative and use them to benchmark their own facilities. Another 3.8 crores is projected to be saved in the network.

- ✚ FC's can also employ a third-party company for refurbishments of electronic devices like laptops, Smartwatch, smartphones, Headphones and audio systems, which can potentially boost the network's overall savings.
- ✚ Refurbished goods are nearly new and unused, and they are provided to customers at a lesser price. As a result, both customers and the environment benefit.
- ✚ For specific types of products, such as shoes and apparel, Amazon can investigate his own packaging solutions, such as reboxing and repackaging, to make the product sellable again.

Conclusions

- ✚ Due to benefits such as convenience, information, flexibility, reduced prices, and a wider product category, e-commerce is on the rise and is seen as more pleasant than online shopping. The number of product returns is increasing as e-commerce grows, which is a positive relationship.
- ✚ Receive, sort and stage, process, analyses, and support were the five main reverse logistic phases established for e-commerce enterprises. The receive stage primarily refers to the receipt and management of return flows, whilst the sort and stage refers to the sorting of goods using various sorting methods. The items are primarily processed at the process stage, and then they move on to the analyses step.
- ✚ In the analyses step, the product's quality is assessed, and a disposition method is selected. However, multiple classifications exist for returned products, such as "excellent for resale," "outlet products," and "damaged goods." However, products can be divided into three categories: products that can be converted into finished products with small changes, products that can be converted into raw materials, and products that cannot be converted.
- ✚ Fast fashion is a fashion trend in which items have a short life cycle and so lose their worth quickly, resulting in unsold merchandise and lower prices. Furthermore, a poor evaluation of the product's quality can result in decreased efficiency and income per work. Furthermore, a thorough evaluation is required to minimize extra logistic expenditures and severe environmental consequences.
- ✚ Straight resale, resale after repackaging, and resale as a B- product to a third-party/secondary market are the most common disposition options. These solutions have the highest rate of recovery and are the most long-term. Disposal is often used only when no other options are available. Products must also be recycled when possible.

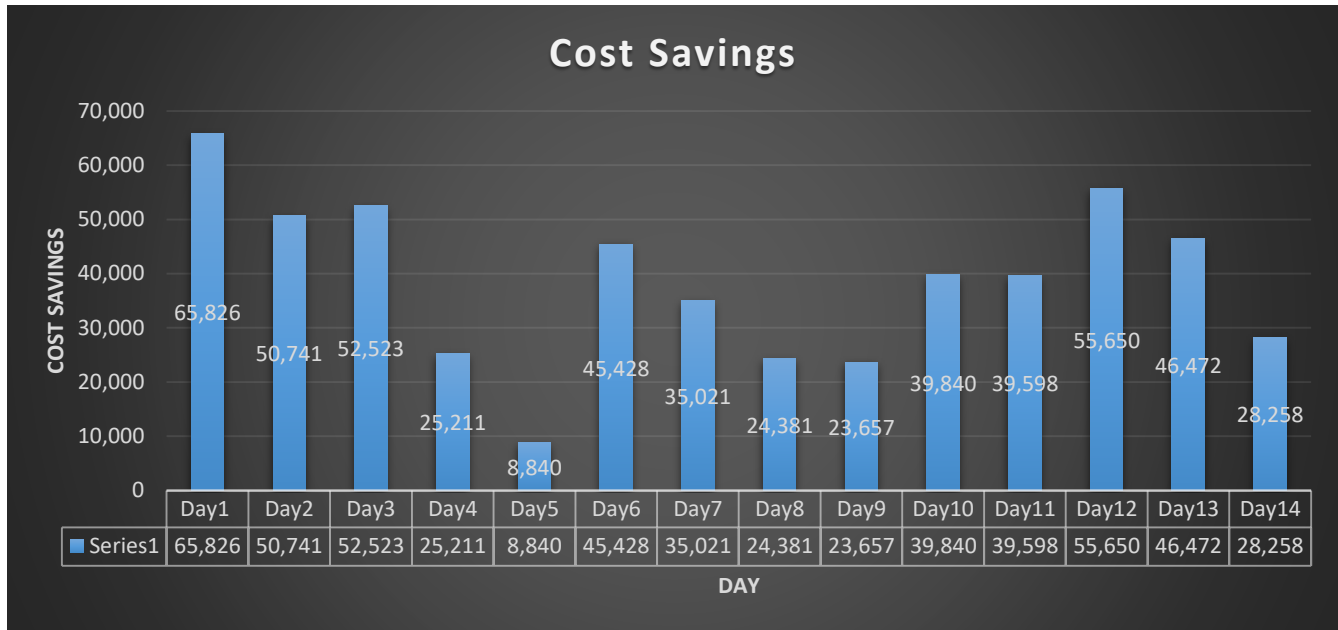
Having a good refurbishment process in place is good business practice. You can reduce the negative financial impact of returns while providing customers with quality, lower-cost options. It's also an excellent way to prevent perfectly good products from going to waste!

1. Refurbished goods are cheaper for the customer
2. Refurbished goods are a great compromise between “brand new” and “used”
3. Refurbished goods help businesses recoup losses from returns

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➤ **Appendix:**



Appendix: Cost Saved by CRET Gatekeeping conducted for 2 Weeks.

- The initial pilot and trials were conducted in two INFC warehouses, with the Refurbishment and Gatekeeping process resulting in significant cost savings. All Return Centers must adopt this best practice.
- 45 percent of the total returns were covered by Target FC. The expected cost savings are 1.41 crores yearly.
- There are a total of 15 large FCs and 53 minor FCs that can profit from the activities made in this initiative and use them to benchmark their own facilities. Another 3.8 crores is projected to be saved in the network.

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