



## 'Aggressive Reverse Logistics Management can Translate into Higher Profits for Your Company'

Not only can reverse logistics generate more profit for a business, if handled cleverly it can also help you to break into new and broader markets

**E**-commerce sites in India are going that extra mile to make customer experience count so as to ensure repeat purchase and word-of-mouth promotion. The money that has gone out of the marketer's kitty to lure new customers can only be justified if the customer becomes a repeat buyer and / or gets new customers.

Jabong has a no-questions-asked 30-day return policy. Flipkart has a 30-day replacement guarantee. Yebhi has gone one step ahead and has a 100-day return policy. Under such a scenario, return and replacement policies become pivotal. It's been seen that in a large number of cases the return policies influence the decision to shop with an e-tailer. Having a sound reverse logistics plan in place seems no more a luxury but a compelling need for e-commerce businesses in India.

While e-commerce logistics focus on delivering goods to a customer, reverse e-commerce logistics deal with getting the goods back from the customer.

Many companies are looking to online sales as a potential cure for the malaise currently facing the high street. However, those firms looking to cut their cloth and attempting to save cash by focusing on their commerce offering may wish to work with a provider that stresses the importance of reverse logistics. Given that many businesses are attempting to cut costs and avoid wastage this could prove to be especially prescient advice for retail operators.

There are green benefits to the process also, which involves taking a customer's unwanted or damaged product and finding alternative channels for profit using what could otherwise be considered a wasted or useless item.

Even if you're just starting out in e-commerce you'll be considering which systems can maximize your revenue. From efficient order fulfilment to cost-effective pick and pack services, the chances are you'll be comparing what third party providers can offer in order to make your business run more smoothly and optimize your profit.

This is a wise move. Whilst we've all heard success stories about online businesses growing from the living room, there's only so much a one-man band can do in terms of meeting their retail fulfilment obligations. There are third

— Hitendra Chaturvedi, Founder & CEO, GreenDust

party providers out there who are more than happy to work with even the smallest e-commerce business to ensure effective management of the returns.

Not only can reverse logistics generate more profit for a business, if handled cleverly it can also help you to break brand into new and broader markets. Luxury brands, for example, often use the process to promote a different offer to online communities without devaluing their main brand.

Presenting surplus stock in the context of clearance offers, special seasonal lines and one-off deals are just some of the ways in which you can maximize your e-commerce fulfillment income with minimum capital investment. But in order to do it really well you'll need the right systems, technology and expertise – and that's where an expert logistics provider can add serious value to the operations.

In recent years, along with the improvement of the logistics environment and the finance environment, the huge advantage of e-commerce is gradually coming to appear, and developing by astonishing speed in several years. However, in the back of fast development, many problems of the reverse logistics in e-commerce bring anxiety. At present, the emphases of e-commerce operation in many enterprises is mostly before sale, considering how to make the merchandise flow to the consumer from the e-commerce enterprise with a much lower price, faster speed and higher efficiency, but the return and callback of goods after sale do not cause their enough attention. But many well-known enterprises abroad have already regarded reverse logistics' strategy as an important means to decrease cost, increase customer satisfaction and enhance competitive advantage.

Reverse logistics management is one of the fastest moving fields of supply chain management. Today, the reverse supply chain includes everything from defective and end-of-life products, to shipment overages and refused goods, to reusable assets like pallets and containers seen often in automotive and electronics. These goods could be refurbished, resold, recycled, destroyed, exported, or a host of other disposition options. Companies looking to save costs and improve financial performance would be wise to take a hard look at their reverse supply chain. □