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9.Title	Reverse Logistics: A Source of Competitive Advantage
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Author	Prof (Dr) V.V.Sople and Mr.Amit Shidhaye
Abstract	<p>Product recalls show consumers' power over the brand. Hence, to keep the brand equity intact, even the big global marketers resort to mass product recalls through their reverse logistics infrastructure. This invariably adds value to their competitiveness. With reverse logistics accounting for nearly 1% of the total U.S. gross domestic product, it is not surprising that this process defined as the return/ exchange, repair, refurbishment, re-marketing, and disposition of products is quickly emerging as an integral component of marketing offerings of the leading service based product organizations. Many companies do not have an awareness of the current costs associated with reverse logistics. The reasons for this may include poorly defined processes and lack of system support. Due to the variable nature of returns, both processes and systems must maintain a degree of flexibility to manage the returns process. Most products are engineered to incorporate manufacturing efficiencies (postponement of manufacturing and modularization), but few product designs take into account the impediments to disposition that a product's lifecycle should incorporate. And while business partners often play key roles in the disposition of a product, all parties need to be well-informed about the true costs and possible revenue opportunities, so when entering into an agreement the financial and marketing goals are clearly understood. If customer service representatives and/or sales personnel are not trained or encouraged to manage the reverse logistics needs of customers, they can become impediments to operating a successful returns logistics process.</p> <p>Traditionally almost all manufacturing firms focused on forward logistics activities. During the last few years, changes in environmental laws, increased consumerism, and stiff competition in markets have raised the requirement for effective reverse logistics to be used as a competitive weapon. For many years, soft drink manufacturers practiced reverse logistics in glass bottle refilling. The cost advantage in reverse logistics is possible through economies of scale. Today, many big corporations, across the world have developed either reverse logistics systems or integrated the same into their forward logistics systems. The system design takes into consideration factors like, the product locating system, product collection mechanism, documentation, product recycling/disposal centers, cost implication, and legal aspects. For re-manufacturing used products, organizations manufacturing cell phones have developed a separate stand alone reverse logistics system. In order to create switching barriers for their customers, companies are offering value added services to build up their competitive edge. Corporations the world over are leveraging reverse logistics for customer satisfaction.</p>