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FREE RETURN POLICY OF E-COMMERCE WEBSITES: A TOOL FOR COMPETITION BUT AN ADVERSE CONSEQUENCE ON SUSTAINABILITY AND GREEN SUPPLY CHAIN MANAGEMENT

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ABSTRACT

Logistics play a vital role in the success or the failure of an e-commerce portal. The supply chain management of these portals presents a unique challenge as these companies are competing with a policy of free return from the customer. The pressure of rising prices of fuel and the fruitlessness of such reverse logistics combined with degradation of the environment due to carbon footprint is a matter of concern for sustainability.

Do we need really to compete for market share and customer satisfaction at the behest of environment pollution and loss of sustainability?

Key Words- Sustainability, Green Supply Chain, Reverse Logistics

INTRODUCTION

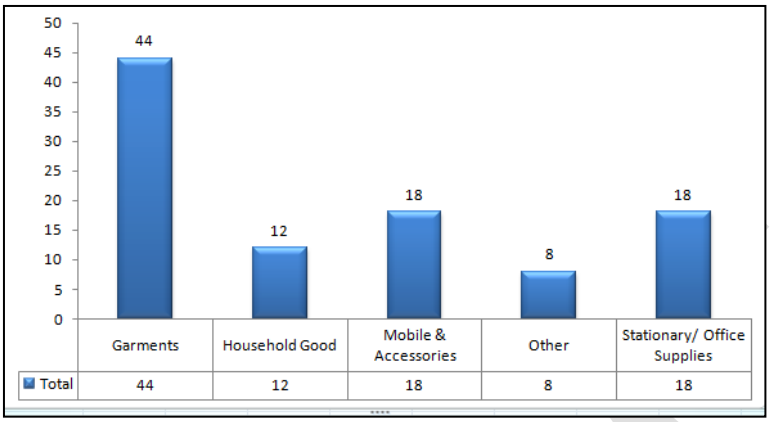
E-Commerce today has made its presence of every sphere of our life. Ranging from cab bookings on Ola App to purchasing of an AC on Flipkart its present everywhere. The mobile phone apps of these e commerce portals are making them accessible 24x7. This online presence of goods ranging from property on SnapDeal to gifts on Archies has made life easy for billions of smart phone users but has made life of a Supply Chain Manager and this environment complicated.

Our environment is a fragile ecosystem where pollution is a major concern. The national capital is one of the most polluted cities in India, a fact supported by recent comment of.

Adding to this ever increasing pollution problem is the free return policy of e-commerce portals. In today's scenario every web based company is providing the Cash-On-Delivery facility along with the free return of goods. This policy is posing serious challenge for the smooth running of supply chain as it adds the burden of reverse logistics. The carbon footprint added due to this makes it anti Green Supply chain management. Escalating environmental concerns with relevant transportation modes has lead to increased interest in adoption of green supply chains and sustainability. As Herman K. Knifj of Rotterdam Business School quotes in European Summer University 2015, *"The containers carriers are ever increasing in size but the good aspect is that has reduced the number of ships sailing out to the sea."*

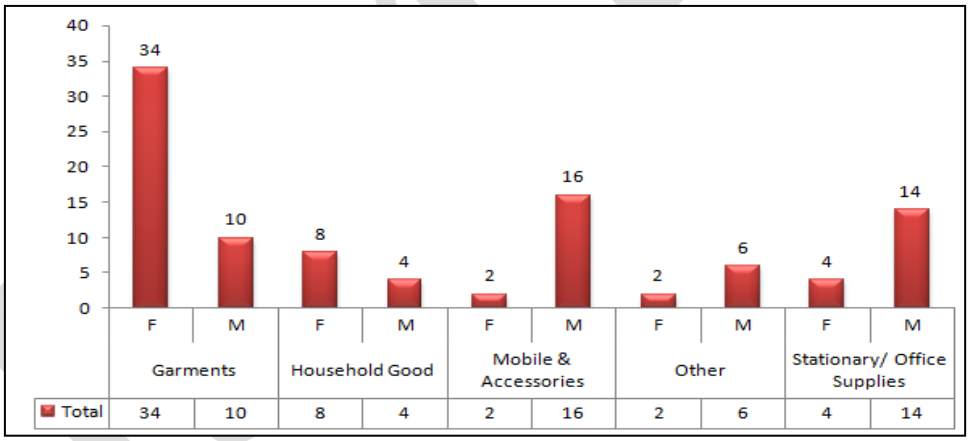
Also emerges the point of an educated and responsible consumer. Using terms educated and responsible together is necessary because in modern Indian scenario the customer is educated but not responsible. Free return policy of the web portals is being treated as a home based trial room.

FINDINGS AND ANALYSIS-



Graph 1: Types of Products Returned

From the responses of 100 respondents the above graph is generated. As it is evident the garments have majority of chunk of goods being shipped back to companies. Stationery goods/Office supplies and Mobile accessories bear the other major chunk followed by household goods. Others category comprises of the general goods like shoes, sunglasses, flash drives etc.

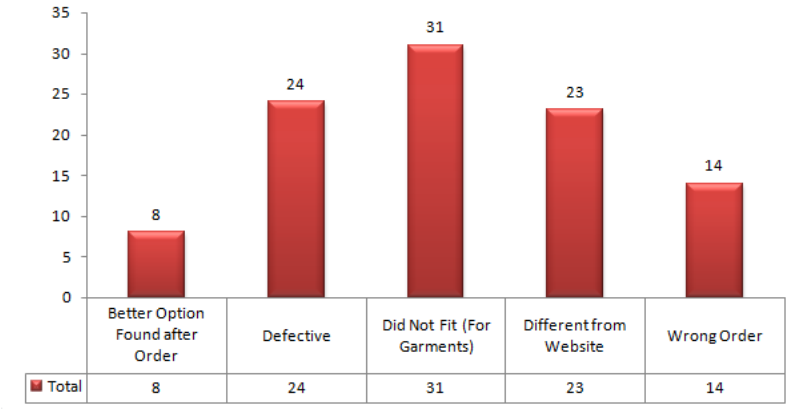


Graph 2: Classification of Products Returned by Gender

The above graph shows that women comprise the major segment of return shipment in garments category. Men return mobiles and office supplies more but even the total of these is less than the major chunk of garments.

The question comes to square one: Is customer satisfaction being achieved on cost of pollution and carbon emission.

The answer is probably a Yes. The customer today is a demanding one and looks or all the features and value for money. This added feature of free return has made the customer lax and casual towards the impact it is having on the sustainability of the environment. A product returned costs the company reverse logistics and the carbon emission depletes the environment.



Graph 3: Reason of Return

From above chart it can be drawn that majority of returns are due to trials by the customers and the product failing that trial. The other two reasons however need to be given equal attention. Defective product and a product different from website constitute for a legitimate reason for return.

The developing trend that products can be returned as per our convenience is giving the customer liberty to experiment the products that can easily be purchased at a local store. This brings us back to the same question about the educated and responsible customer. This mentality of product return needs to be checked and some measures need to be taken so that we do not degrade our own life just for the sake of convenience.

CONCLUSION AND RECOMMENDATIONS-

From the above findings a conclusion can be drawn that the mindset of the customer needs to be altered for the greater good of the environment.

1. Choices of free return need to be curtailed so that when an order is placed the customer bears the sincerity of that order and does not order just for the sake of trial.
2. Websites need to check the content appearing on the website and make them at par with the actual product.
3. Adaption of lean manufacturing and Six Sigma policies and Green Procuring by the e commerce portals can significantly reduce the defective products.
4. Pooling of orders by the websites so that logistics providers can cross dock and reduce the number of vehicles needed to fulfil the orders.

It is high time for us to realise that our choices will in turn affect our future and thus we need to make these choices wisely.

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