

## A STUDY ON THE EFFECTIVENESS OF RETURN GOODS AMONG SUPERMARKET AND HYPERMARKET IN PASIRGUDANG

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### Abstract

This project consists of a study on the effectiveness of return goods among supermarket and hypermarket in PasirGudang. The needs to develop and explore the knowledge in more details of how the return goods can fulfill the customer perception is strongly required to overcome variety of issues.

**Index Terms**-- Return Goods, Supermarket, Hypermarket, Supply Chain, Reverse Logistics

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### INTRODUCTION

Most of the supermarket and hypermarket have been practicing of return goods in term of after sales service but did not meet customer satisfaction. Occasionally, they are not aware of the tools or any equipment during handle of business operation effectively. They are recommended to investigate the goods, services and tools to maintain the quality of production. Moreover, the supermarket and hypermarket may not know the exact location of the customers during the delivery of the goods that had been ordered by the customers through online. Sometimes, the customer gives wrong information about their address. This will affect the cost of transportation on the shipment. Other than that, the suppliers from supermarket and hypermarket deliver wrong items which not as customer request before. The supermarket and hypermarket also should take responsibility by themselves of any mistake on the shipment.

Although the numbers of supermarket and hypermarket in the PasirGudang are increased and the wide variety of services available through their product lifecycle, it corresponds to the increasing of complaints about the quality of after sales services such as repairing, and warranty especially for electronics product or others in term of durability and specification. In addition, the lack of providing services in term of after sales services would affect customer's perception. It is highly likely that the number of inquiries from the public in relation to the supermarket and hypermarket about selling the products would also grow in accordance with the increase in reports made by users on the service's effects in the business.

### LITERATURE REVIEW

Andrew Seth and Geoffrey Randall (2011) reported that the business operates within society, which may affect to the customers and suppliers, are most closely involved stakeholders. It is also depends on the business environment and demand of customers. There have many charges levelled by the critics as they have at any big and successful organizations which is showing the complexity and interrelated of the issue that faced by the supermarket and hypermarket respectively especially return goods by the customers.

Hypermarkets have their own target market and group selection to ensure the profit maximization in the business effectively. Sami Finne and Hanna Sivonen (2009) mention there are multiple segments have been separated into solution areas for customers inside the store that allow the retailer actively seeks

to build and extend the relationship with customers which is based on the customer relationship.

The outside area of the supermarket has different seller with their own premises respectively. Convenience of providing business site is facilitating some seller to select the suitable place and locate their own premise based on the type of business operation respectively with having a business license. A variety of other household products that are used regularly among people have been sold by the seller such as medicine, clothing, alcohol (permitted based on certain condition that are provided by government), and so on. The number of shops selling non-food products is more widespread which known as a small shop. These small shops are located everywhere in the supermarket area.

Return goods always occur in the business between supplier and customer either at a supermarket, hypermarket or distribution center. Normally, the return goods exist on during and after buying process between two parties that involved in the agreement of purchase something (Brag, 2011). The parties should know the criteria of goods that allow being returned and get indemnity for loss of goods that make by suppliers or driver of the supplier. According to Alan Rushton, Phil Croucher and Peter Baker (2014), goods may be returned for a variety of reasons such as damaged or expired goods, incorrect goods, goods that don't meet the right quality and others.

According from Zanjirani et al. (2011), if the returned items are damaged or faulty, the supplier must use a different method to process the stock return to accommodate the ultimate destination of the defective goods. The supplier should account for products that return by the customer because the supplier cannot just add faulty items back into the stock and sell them again, but create a record of the stock return that does not increase the in-stock quantity especially for damages in. The supplier should not update the quantity in stock, sales value or sales quantity figures that are returned by the customer for repair or replacement.

### METHODOLOGY

This research will be done in PasirGudang. There will be the different supermarket and hypermarket by different employees from different department and different customers in PasirGudang. An interview is a conversation between interviewer and interviewee to sharing some opinion properly at

the right time. The interviewer is a person who makes the appointment and asked questions to elicit facts or statements from the interviewee. While, a person that assigned in the organization to give information based on questions given is known as interviewee.

**FINDINGS AND DISCUSSION**

This part will present the result of data analysis which is obtained by interview session and questionnaires about the effectiveness of return goods among supermarket and hypermarket in PasirGudang respectively. There are different results of data collection between interview and questionnaires in term of opinion from the interviewee and people. Based on result given, the data collection will be analyzed and the researcher can make decision, solving the problem and achieve the objectives.

Table 1 summarize the results by three interviewees, one from each company. Based on results given, shows that the level performance of return goods management that are handled by the supermarket and hypermarket in PasirGudang. This is aim to measure the effectiveness of return goods management from the time of purchase on goods or products by the customers until return process especially if they encounter of any difficulties in product usage to service center that are suggested by the supermarket and hypermarket respectively. It is importance to evaluate the performance of return goods management to be

improved for customer satisfaction. Furthermore, the effective on return goods would improve business strategy and the quality of business marketing successfully.

**CONCLUSION**

This part will be conclude all opinions and observation based on research findings related with the objectives and results of study. It is aim to integrated the various issues covered in the return goods management by the supermarket and hypermarket respectively.

The supermarket and hypermarket must identify on gender, age, occupation and return goods management to meet their customers expectation that may affect to get the products or services as well. There will be includes services provided, and payment. The price should be not depends only equipment or material usage, but also the population in the location. The supermarket or hypermarket should provide the special price based on products and group of people especially for student by using their study card.

Besides, the authorities of supermarket and hypermarket should identify every goods or products before sell directly to the customers in term of quality items especially for foods in details information such as date, ingredients, and condition of products. It is because the expired products may affect to the human health and business performance.

**Table 1.** Summarization of Results

Questions	Tesco	UO Superstore	Maslee
Factor of return goods.	<b>Customer:</b> Expired goods, incorrect size and price. <b>Warehouse:</b> Packaging damage, overstock, and expired item.	Incorrect item, incorrect size, expired, and bad condition of goods.	<b>Customer:</b> Incorrect size and expired items <b>Warehouse:</b> Slow moving and damage goods.
Return goods management.	<b>Customer:</b> Not more than 7 days, identify, check status, and refer original receipt from the customer. <b>Warehouse:</b> Directly, and RTV DC	<b>Customer:</b> Not more than 3 days <b>Warehouse:</b> Only sold items.	<b>Customer:</b> Not more than 3 days, and depends on type of goods. <b>Warehouse:</b> JIT, Scan by PDA
Additional service of return goods.	Exchange items, and repairing items.	Refund money in that day, exchange items not more than 3 days,	Exchange and repairing items.
The effect of return goods to the business.	Business profit and empty space of rack.	Consignment	Outright, Consignment
Type of document for return goods.	<b>Customer:</b> Original receipt, warranty. <b>Warehouse:</b> More on system used such as return to the supplier and dummy stock.	<b>Customer:</b> Original receipt, warranty. <b>Warehouse:</b> Goods received record manually.	<b>Customer:</b> Original receipt, warranty. <b>Warehouse:</b> SOP and PDA scanner.
Maintenance for repairing goods.	Not provide services, depends on brand and supplier.	Not provide services, depends on the customer itself which is based on situation.	Depends on goods, type of damage products, and the supplier for repairing items.
Time duration to complete of return goods.	<b>Customer:</b> One day, and one week for repairing items. <b>Warehouse:</b> One month.	<b>Customer:</b> One day <b>Warehouse:</b> One day, and one month.	One day
Person in Charge	<b>Customer:</b> Customer service counter <b>Warehouse:</b> Staff that charge claim for return	<b>Customer:</b> Customer service counter <b>Warehouse:</b> Store manager	<b>Customer:</b> Customer service counter <b>Warehouse:</b> Head division for every department.

The officer or customer service counter at the supermarket and hypermarket should always alert with the customers problem as well. Some of them, does not have experience or not sincere in handling every issue that been mention by the customers. So, they must innovate their work style. This shows the knowledgeable and more experience to explore something new. This may specific the details performance of business strategy.

The customers also should alert with receipt of purchase and warranty card that allow them to return and exchange with other items especially for electrical products. They should not more complaining than investigate or alert with the current information by the customer service counter at supermarket and hypermarket.

The customer services counter should be built at a strategic location which is not far or near with the cash counter to facilitate the customers who want refer their problems or rewards. Some of supermarket did not have enough space to locate the customer service counter. This will cause of increasing the number of customer keep waiting especially during promotion day, and festival day.

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