

# Process Returns

Managing Inventory/Merchandise

# Process Returns

**Overview:** We will examine concepts and processes related to accepting merchandise and inventory returns from customers.

## **Objectives:**

- Recognize possible variations in retail store policy related to returns
- Describe a general process associated with returned products
- Contemplate your response to a hypothetical business situation

## **Outline:**

- Take notes on three short videos and discuss as a class
- Summarize/rephrase four paragraphs and discuss as a class
- Complete a R.A.C.E. summary
- Draw a poster or diagram.

*Why should a business person be concerned about merchandise returns?*

## Thought starter ....

In addition to the cost (salaries) of personnel who work at the “Returns & Exchange” desk, what are some other costs associated with accepting merchandise returns?



**Which is more costly, the total cost of wages of those staffing the Returns & Exchanges desk --- OR --- all the other costs associated with returns combined?**

**Defend your opinion.**

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4:12

**ReTales: Return Policy**

<https://youtu.be/MaAngDmdgj0>



1:57

**Target has a tough return policy**

<https://youtu.be/wHQmefPENT8>



4:34

**How to Handle Refunds and Unhappy Customers**

<https://youtu.be/RBR7QyYcMJo>

Standard *MAOM.02.01.c Process Returns*

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Summarize each paragraph individually.

Discuss each summary as a class.

**Summarize your understanding of each paragraph.**

Price is one of the 5-P's in the marketing mix (Product, Price, Packaging, Place, and Promotion). Sometimes other "P's" are included in the list (People, Process, Physical Attributes).

Charging too much or too little for a product or service is usually bad for business. However, there may be times when either of these extremes is appropriate.

Loss leaders are products and services priced below the market price. These are intended to attract customers with the intention of customer purchases of other, higher priced products or services.

Premium pricing is used when a good or service is difficult to find, or otherwise in high demand. When customer demand exceeds available supply, premium pricing might be a good strategy.

Standard Identify pricing strategies to set prices for marketing. (MKCO.12.01)

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Assume you are the owner of a small dress and accessory/apparel shop in downtown Estes Park, Colorado.

Many of your customers are from out-of-town. Last year, you kept track of this statistic. You discovered 75% of purchases made at your store were from visitors from other states.

You need to update your merchandise return policy – especially for customers who do not live in the State of Colorado.

**Q. How will you respond to this situation?**