

The Influence of Reverse Logistics on the Leading Fast Moving Consumer Goods Retailers in South Africa

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ABSTRACT

Background: Enterprises endeavoured being competitive in their pursuit for customer satisfaction in provision of product/service in the marketplace. The emergence of supply chain management strategy addressed this objective, as it streamlined the coordination of supply and demand sides of business in enterprises. The forward flow of goods from fast moving consumer goods (FMCGs) suppliers to the end-customers led to accumulation of damaged goods being returned back to the suppliers for replacement through the process of reverse logistics. **Objectives:** This study explored the process of reverse logistics on the leading retailers of fast moving consumer goods in South Africa, to establish how the process influenced their business. **Method:** The study pursued qualitative research methodology and constructivism research paradigm and was grounded in the theory of sustainable development and competitive advantage. Non-probability sampling process was used in which 13 participants were interviewed. The interviews were recorded, transcribed, translated, coded and analysed via Atlas ti.8 software to determine the results. **Results:** The outcome of the study indicated that reverse logistics created value for the retailers through replacement of the damaged goods, improved competitiveness and sustainability due to continuous recovery of value, and waste reduction ensured a cleaner environment. **Conclusion:** The recovery of damaged products through the reverse logistics process benefitted enterprises with additional resources as value-added that improved earnings which made them more competitive. As the process was continuous and reduced waste, it ensured the enterprises' sustainability and spared environmental degradation.

Keywords: Competitiveness; fast moving consumer goods; leading retailers; reverse logistics; supply chain management; sustainability

INTRODUCTION AND BACKGROUND

The South African retail sector continues to grow, despite the socio-economic challenges faced by the country (StatsSA, 2019). The retail sector is dominated by five groups of chain stores with a network comprising of thousands retail outlets across the country catering for consumers. There are also isolated number independent wholesalers that cater mainly for small retailers called 'spaza' shops in South Africa. The five leading retail groups are Woolworths, Shoprite, Pick 'n Pay, Spar and Massmart (Walmart) (Buzz South Africa, 2020). In 2016, trade sales of fast moving consumer goods including resale of recycled, remanufactured

or repositioned products increased by 0.9% (StatsSA, 2018: 3). These products emanated from the damaged goods which were returned by customers to the suppliers for replacement (reverse logistics). Hence, the focus of this study looked at the influence of reverse logistics on the leading retailers.

Reverse logistics involves the process of sending new or used products back upstream to the supplier for repair, reuse, refurbishing, resale, recycling, scrap or salvage or capturing value (Coyle, Langley, Novack & Gibson, 2017: 614). The distribution centres (DCs) which are owned by the leading retailers consolidate the returned items before returning them to the suppliers, where they are processed (Boersma, 2003). The processing which is undertaken internally by distribution centres or by a third-party logistics provider involves transportation, receiving, testing, inspecting and sorting for appropriate action such as repair, refurbishing or resale (Wisner, Tan & Leong, 2016: 338). Reverse logistics is also described as the process of moving or transporting goods from their final forward flow destination for the purpose of capturing value (APICS, 2013: 152). The returned goods are in all sizes, shapes and conditions and they are in various forms either damaged, lacking the original packaging, or have wrong specifications which make them difficult and costly to handle.

The strong competition between retailers is compounded by the fact that more and more consumers are attracted to the concept of 'green' or environmentally friendly products (Bhool & Narwal, 2013: 245). Although most South African consumers are still hesitant to spend more on such products, there is a definite shift towards being more environmentally friendly, with more consumers being willing to spend more on such products (PwC, 2012:17). Under this backdrop, retailers have started implementing reverse logistics practices to address economic, social and legal factors, as they are also accountable for the recovery and correct disposal of waste (Badenhorst & Nel, 2012:73).

Most grocery retailers struggled to manage an increasing number of returned, unsold, and damaged products, which motivated interest in reverse logistics (PwC, 2008:19). The South African "Consumer Protection Act" 68/2008, aroused the consumer awareness of their rights to return products that do not meet their expectations (Government Gazette, 2009). With the consumers developing concern in protecting the planet and aware of their rights, they chose competitive retailers that has environmental policies and practices. Through such practices, retailers can prioritise an effective returns process to deal with returns, product recalls and maintenance (Lee & Lam, 2012:591). The retailers focus on the potential benefits and opportunities of efficiently managing reverse logistics to mitigate the challenge of returns, as it decreased costs and improved sales performance by enhancing the profit margins (Kumar, Amorim, Bhattacharya & Reyes, 2016:157).

The green supply chain practices, which form part of reverse logistics, has attracted customers, as its application reduced cost and increased effectiveness in product delivery (Rhim, Fernando & Saad, 2016: 147). As enterprises pursue for competitiveness and sustainability in their supply chains, they transform from conventional supply chain through green initiatives into green supply chain (Wibowo, Handayani & Mustikasari, 2018: 651-679). The enterprises practicing green supply chain management (GSCM) are lean and agile, require intensive technology application, and practice "triple bottom-line" initiative. The triple-bottom line requires enterprises to account for economic, social and environmental parameters of their businesses,

where reverse logistics is featured under the environmental attributes (Blackhurst, Cantor & O'Donnell, 2021). The leading retailers in South Africa have adapted to the similar trend for remaining competitive. Under this backdrop, the study explored the influence of reverse logistics to the leading fast moving consumer goods retailers in South Africa.

THEORETICAL FRAMEWORK

The study was grounded in the theory of sustainable development and theory of competitive advantage. The theory of sustainable development demonstrates the green initiatives in reverse logistics practices and the benefits accrued in waste reduction for environmental protection among others (Brundtland, 1987). The theory of competitive advantage supports the benefits accrued from reverse logistics in value creation, emanating from returned and refurbished products. This improved profitability, rendering the enterprise's competitiveness and sustainability (Wang & Gupta, 2011: 7).

Theory of sustainable development

The theory of sustainable development emerged from the United Nations World Commission on Environment and Development (WCED) conference in 1987 which defined sustainable development as "development which meets the needs of the current generations without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). The definition has retained the core meaning, even with the 2020 revised version. One of the critical areas covered by the theory is for the firms use of resources sparingly in order to create and maintain sustainability of their businesses. Value is created by reusing the refurbished products, while sustainability is realised through the continuity of the business and the reduction of waste to the environment (Parida & Wincent, 2019: 1-19). These aspects are advanced by reverse logistics practices in enterprises, as the underlying principle of salvaging resources from damaged products returned to suppliers for remanufacturing, refurbishing and recycling for resale. Using resources sparingly is also stipulated and advocated by the United Nations sustainable goal number 12, which emphasises on "sustainable consumption and production" (UN Sustainable Goals, 2015).

Theory of competitive advantage

Porter's "5 Forces Model" in the theory of competitive advantage emphasises on cost leadership and differentiation (Porter, 1998). The theory describes the activities that create customer-supported value such as marketing, product design, production and delivery. One of the "Five competitive forces" (bargaining power of buyers) supported enterprises' rivalry among the existing competitors by using resources accrued from reverse logistics sparingly (Porter, 2020). These forces were established by Porter in 1985 and they have remained relevant. The value recovered from the refurbished product create cost leadership and differentiation that enable an enterprise to excel over the competitors. The achievement also helps to contain the other competitive forces: bargaining power of sellers, rivalry of new entrants, substitute product/services to withstand competition in the industry (Porter, 2020).

According to Zavodska, Sramova & Aho, 2012: 35-47), "value co-creation within the value chains is the key to gaining competitiveness for supply chains". The cost management by enterprises through green initiatives which involves the use of technology, outsourced logistics services, reverse logistics and prompt inventory replenishment enhanced their sustainability (Wang & Gupta, 2011:7).

LITERATURE REVIEW

The literature focused on the forward and backward flow of goods in the supply chain of the South African leading fast moving consumer goods retailers. The supply chain management concept and its components of logistics and reverse logistics management are covered, together with supply chain collaboration, distribution centres and environmental impacts as they address the influence of reverse logistics to the retailers.

THE SOUTH AFRICAN RETAIL SECTOR

The retail sector continues to be one of the fastest growing sectors in the global economy, as it is the key distribution channel of manufactured goods and as intermediaries between manufacturers and customers (Nandonde & Kuada, 2016:448). Retailing is the process of selling a product or a service to the final consumer through a convenient outlet, as the process provide customers with the products they need, when they need them (Farfan, 2020: 1). The service sector which include retail business contributed 62.1% to the South African gross domestic product (GDP) in 2019 (StatsSA, 2919). The supply chain of the leading retailers experience challenges such as environmental policies in their quest to meet customer demands and remain competitive (Beneke, Chamberlain, Chohan & Neethling, 2015:5). Under this backdrop, it has become imperative for the retailers to implement policies on reverse logistics that manage the damaged products by returning the bulk of them to the suppliers for replacement and minimising supply chain waste (Burnson, 2016).

Fast moving consumer goods (FMCGs) and suppliers in South Africa

The fast moving consumer goods (FMCGs) or consumer packaged goods are nondurable and sell quickly at relatively low cost (KPMG, 2016: 1). The examples include milk, bread, vegetables, beer and over-the-counter (OTC) medicines (Coyle, Langley, Novack & Gibson, 2017: 294). Some of the leading manufacturers of fast moving consumer goods are Nestle, Unilever, Tiger Brands, Coca Cola and Colgate-Palmolive among others. The leading retail groups in South Africa, which are the leading distribution channel are Checkers, Pick 'n Pay, Woolworths and Spar (Piatti, 2017).

There are five main categories of FMCGs, which are home care products, personal care, food and beverages, alcohol & cigarettes and over-the-counter medicines. These goods have a short shelf life due to a high customer demand, frequent buying, consumed fast, low-priced, sold in large quantities, while some of them are perishable. These goods also have low profit margins, but account for more than half of total of consumer spending (Kenton, 2021).

The South African manufacturers of food and beverages are fragmented and highly concentrated, with a relatively small number of large businesses with elaborate forward and backward linkages (Chanda, Fincham & Venter, 2010: 816-824). The food supply chains are sensitive and vulnerable to natural phenomenon such as weather, as variations in temperature might result in infestation, quality deterioration, and changes in demand and price (Van der Vorst, Tromp & Van der Zee, 2011: 86). FMCGs suppliers dealt with a wide range of products, increasing consumer demand, difficult regulatory environment and the adoption of technology (KPMG, 2018: 3).

The FMCG value-creation's five-step model, pioneered soon after the World War II remain relevant for business competitiveness until the present time (McKinsey & Company, 2018). The companies implemented the five steps as follows:

- i) "Perfected mass-market brand building and innovation, which yielded 25% above non-branded players.
- ii) Built relationship with grocers and other mass retailers that provided advantaged access to consumers. This was effected through supply chain alignment, which enhanced distribution as their partners (retailers) grew.
- iii) Designed their operating models for consistent execution and cost reduction. The implementation was effected through centralization to enable cost reduction, whereby, the general and administration costs ran at 4-6% of the revenue.
- iv) Entered developing markets early and actively cultivated their categories as consumers became wealthier. The initiative generated 75% revenue growth in the past decade.
- v) Updated their portfolios with brands and categories, applied superior distribution and business practices to grow those brands and categories".

SUPPLY CHAIN MANAGEMENT (SCM)

Supply chain management (SCM) is the network of businesses from the supply side (raw materials suppliers), to the focal firm (manufacturer) through to the demand side (end-customers) (Wisner *et al.*, 2016: 7). The definition of supply chain states: "Supply chain management encompasses the planning and management of all activities involved in the sourcing and procurement, conversion, and all logistics activities" (CSCMP, 2011). Supply chain is alignment of firms comprising of suppliers, manufacturers, transporters, warehouses, retailers and customers (Gattorna, 2009: 273). There are five basic components of supply chain management comprising of plan, source, make, deliver and return (Fenten, 2019). The plan stage involves preparation to commence a supply chain process, sourcing is the procurement of the raw materials required to make products, make is manufacturing process of products, deliver is the distribution of products to customers and return is the process of reverse logistics of returning products either damaged or not fitting the required specifications.

The demand side involve customers who buy to resell and the end-customers or consumers are the one that return products back to the suppliers if damaged, or doesn't meet the required specifications. The returned products are remanufactured, recycled and replaced for resale, creating added value for the customer and avoiding being sent to the landfill as waste, saving the environmental degradation (Wang & Gupta, 2011: 125).

LOGISTICS MANAGEMENT

Logistics management is the component of supply chain management which is responsible for planning and coordinating materials and information flow from source to user as an integrated system. The objective is to provide the linkage between the marketplace, distribution network, manufacturing and procurement process in order to optimise service delivery to customers at lower cost (CSCMP, 2011). The logistics management is concerned with the transportation and warehousing functions in a supply chain with the ultimate goal of achieving competitive advantage through cost reduction and service enhancement (Trent & Roberts, 2010: 120). Logistics management is also defined as "The part of supply chain management that oversees

the planning and execution of forward and reverse flow of goods and related information between points in the supply chain to meet customer requirements” (APICS, 2013: 94).

REVERSE LOGISTICS PRACTICES

Reverse logistics is described and as reverse supply chain and is defined as “The planning and controlling of the processes of moving goods from the point of consumption back to the point of origin for repair, reclamation, recycling or disposal” (APICS, 2013: 152).

Reverse logistics practices involves product collection and inspection, separation and sorting, recovery and disposal in a manner that does not reduce the value of the product based on the retailer’s policy (Rubio & Parra, 2014:3). When a product is returned, the first step is to generate a notification of the return and to determine the nature of the return. The product is then delivered to the inspection site, where it is inspected and sorted to establish its condition (Agrawal, Singh & Murtaza, 2015:78).

The reverse and forward logistics differ in that forward logistics is pro-active, while reverse logistics is reactive, as it manifests only after products has been supplied (Hall, Huscroft, Hazen & Hanna, 2013:768). In most instances, reverse logistics is not set as an outcome of a retailer’s planning and decision-making, but is rather a reaction by customers or other downstream channels. The planning of reverse and forward flows require to be carefully designed, as reverse product redistribution may take place through the original network or can be outsourced to third party logistics providers. The co-ordination and integration of both forward and backward flows can be attained by developing a proper replenishment policy (Turrisi, Bruccoleri & Cannella, 2013:568).

Reverse logistics in retail outlets

In the retail sector, reverse logistics is the process of handling and finally disposing of products returned by customers (Coyle *et al.*, 2017: 615). Reverse logistics mostly occurs as the result of customers changing their minds, the quality of the product not living up to expectations, damaged products, unsold merchandise or expired products that are returned at the end of their usable life. Suitable planning and implementation of reverse logistics ensures customer satisfaction, socio-economic benefits and increased profit (Rubio & Parra, 2014: 3).

Reverse logistics is a major concern for retail managers due to the cost of storage, potential recoverable product value, loss of current sales and the importance of relationships with both channel partners and customers (Global Logistics Media, 2020). With retailers placing more emphasis on environmental and economic concerns, marketing and competition, as well as the operational and strategic repercussions of these issues, reverse logistics has become central to their business models (Badenhorst & Nel, 2012:73).

Green reverse logistics

As the emphasis on environmental protection increases, “green reverse logistics” has emerged (Banihashemi, Fei & Chen, 2019). Wisner *et al.*, (2016: 338) described green reverse logistics ensued “when reverse logistics focused on positive impact on the environment through activities such as recycling, reusing materials and products, or refurbishing used products. Green reverse logistics is also experienced when certain modes of transportation used for product returns, reducing the amount of disposed packaging and product materials by

redesigning products and processes". Green reverse logistics creates sustainability (Uruh, 2010: 67).

Sustainability is the ability for a business to withstand, hold-up, maintain or prolong its existence. This is a green aspect as the business uses resources sparingly and reduces waste (Wang & Gupta, 2011: 175).

DISTRIBUTION CENTRES (DCs)

Distribution centres (DCs) are like warehouses, but they are owned by fast moving goods retailers for providing replenishments to their outlets (Ernst & Young, 2015). Distribution streamlines supply chain operations to enhance customer service and support other processes such as warehouse management system (WMS) and take advantage of economies of scale (Lin, Nozick & Turnquist, 2006: 161-180). Distribution operations also provide supply chain capabilities such as cost reduction opportunities by limiting product handling, consolidating facilities and streamlining inventories (Coyle *et al.*, 2017: 373). In the context of this study, limiting product handling involved focusing on the high turnover of fast moving consumer goods. Consolidating facilities involved assembling equipment and personnel in a particular distribution centre and streamlining inventories involved orderly process to facilitate order picking and dispatch. However, the high forward product flow turnover, has an equally high flow of returned products which get damaged and some that doesn't meet the required specifications (Partridge, 2011).

ENVIRONMENTAL AND SUSTAINABILITY INITIATIVES

Environmental concerns involve understanding and cognition of green products related to environmental protection. This include activities such as recovery and reuse of materials (Unruh, 2010: 18). Organisations also report on environmental issues on how they impact on the ecosystems of the communities in their periphery and accepting the linkage between people, planet and profit (King & Lessidrenska, 2009:17). As pertains to human linkage, there are concerns on labour practices, human rights and social issues which culminates into corporate social responsibility (CSR) which is underpinned in organisational policy of triple bottom-line, comprising of economic, social and environmental factors (Shnayder, Rijnsoever & Hekkert, 2016: 212-227). These concerns yield "green consumers", also referred as "ecologically conscious consumers" or people who only purchase goods that have minimum adverse impact on the environment (Wang & Gupta, 2011: 170).

The logistics role in SCM has direct impact on the environment in areas of sourcing, transportation and warehousing. In mitigating of damages to the environment, logistics transforms into "green logistics", whereby, sourcing of products is from suppliers who use renewable raw materials, practice ethical labour standards and use transportation that minimise carbon emissions (Harrison, Hoek & Skipworth, 2014: 25). Pursuing these practices and adhering to government regulations and policies on carbon emissions, yields a sustainable enterprise (United States EPA, 2010). Sustainability is the ability to hold-up, prolong, or withstand a situation. The ability of a business to hold-up, withstand, or prolong its existence is referred as "green" aspect, which is "sustainability" (Uruh, 2010: 55).

RESEARCH PROBLEM

The supply chain management has streamlined products and information flow for the end-customers/consumers (Wisner *et al.*, 2016: 155). Despite these positive development, much

emphasis is placed on the adverse impact of reverse logistics in enterprises, but not much is expressed on any benefits accrued from the process. Hence, it was paramount to explore both positive and negative influence of reverse logistics of the leading retailers of fast moving consumer goods in South Africa.

OBJECTIVES

The study covered primary, theoretical and empirical objectives to ascertain forward and backward flow in the high volume movement of fast moving consumer goods supply chains through retail and wholesale channels.

Primary objective

The primary objective explored the influence of reverse logistics on the leading fast moving consumer goods retailers in South Africa.

Theoretical objectives

Theoretical objective covered the following:

- Exploration of literature on the fast moving consumer goods supply chain through the retailers' distribution centres (DCs).
- Exploration of literature on green initiatives in supply chain management and reverse logistics in fast moving consumer goods retailers.
- Exploration of literature on the impact of reverse logistics on the environment

Empirical objectives

The study pursued three empirical objectives to establish that:

- Reverse logistics created value for the leading fast moving consumer goods retailers.
- Reverse logistics increased competitiveness and sustainability of the leading fast moving consumer goods retailers.
- Reverse logistics reduced waste to the environment.

METHODOLOGY AND DESIGN

The qualitative research methodology and constructivism research paradigm were pursued in the exploration of the influence of reverse logistics on the leading FMCGs retailers in South Africa. The constructivism paradigm, like qualitative research referred to the process through which interviews are conducted with participants to generate research data (Lee & Lings 2008: 226).

The research design is the framework of the study that generate empirical evidence to examine the research questions (Saunders, Lewis & Thornhill, 2020: 291). The study was grounded in the theory of sustainable development and theory of competitive advantage. The theory of sustainable development emphasises on using resources sparingly and reduction of waste, while theory of competitive advantage supported value recovery from reverse logistics.

The participants were selected from the distribution centres owned by the leading retailers of fast moving consumer goods and independent wholesalers using non-probability sampling process. The planned sample size was 18, but saturation point was realised with the 13th participant. The participants were introduced to the study and their confidentiality and non-

disclosure assured, as posited in Kumar (2020: 220). They were informed of the interview duration of 30-45 minutes which was to be recorded with a digital voice recorder to facilitate data analysis after the interview.

Subsequently, the recorded interviews were transcribed, interpreted, coded and Atlas ti.8 used for analysis and content analysis used for verification, as prescribed in (Saunders *et al.* 2020:220). The emerging views of the participants were expressed as major themes and sub-themes, which were used in establishing the outcome of the study.

Ethical considerations

All the research protocols were observed including the consent obtained from the participants. An ethical clearance letter was issued by the University of Pretoria for a minimum risk level.

RESULTS AND DISCUSSION

The analysis of the transcribed data revealed six major themes and a number of sub-themes which supported the outcome of the study. The major themes comprised of return benefits, recovery distribution returns, waste reduction, reusable products, reimbursement products and warranty/service returns. The themes concurred with the views expressed by the participants and resonated with the primary and empirical objectives of the study. The major themes and some of the sub-themes are expressed in the following table.

TABLE 1: Major themes and sub-themes from the study

Main Themes	Sub-Themes
Returns benefits	Product recall, repackaging
Recovery (distribution returns)	Customer returns, landfill, waste reclaimers
Waste reduction	Reduced dumping, environmental safety
Reusable products	Stock adjustments, reprocessing, recycle, remanufacture, refurbishing
Reimbursement products	Reusable products, repackaging
Warranty returns	Return policies, management

Source: Own Design

The three empirical objectives set for the study were achieved as stated:

Empirical objective 1: “Reverse logistics created value for the leading fast moving consumer goods retailers” - Achieved

Reverse logistics is crucial for grocery retailers for value recovery from damaged products. The recovery process also benefited the environment, as the refurbished products reduced the amount of waste dumped in landfills (Partridge, 2011). Therefore, the benefits of reverse logistics to FMCGs grocery are value recovery and waste reduction that doesn't degrade the environment. The recovered value added to the profitability of the fast moving consumer goods retailers, which in turn, enhanced competitiveness and sustainability.

This was reaffirmed by all the participants, as remarked by participant 7:

“We benefit from the returned product as we receive compensation from the suppliers that reduce our costs. We are also able to reduce disposal of most items to the landfills that can be remanufactured or repackaged. This is the way we

contribute to a cleaner environment and reverse logistics has become one of our environmental policy that we declare to the authority when we renew our operating licence”.

Empirical objective 2: “Reverse logistics increased competitiveness and sustainability of the leading fast moving consumer goods retailers” - Achieved

The recovery of value in reverse logistics has positive implications on the fast moving consumer goods retailers, as profitability was improved from the resale of recovered, reused and recycled products, which drove the business competitiveness and enhanced operational continuity (sustainability) (Banihashemi, Fei & Chen, 2019: 2-27). The accrued value from reverse logistics was crucial, as the retailers operated at very low margins.

Participant 1 summarised the benefit of reverse logistics as:

“We operate in very low margins that demand volume sales to break even and compete, hence, anything earned from the returned products is welcome and a big value add to our business. We never had proper policies on product returns, but after we started following the supply chain strategy, we have realised the advantage of controlling waste and reverse logistics”.

Empirical objective 3: “Reverse logistics reduced waste to the environment” - Achieved

The large volume of products traded through the grocery retailers leaves behind tons of damaged products and packaging materials that could be a menace to the environment, if not properly managed. Reverse logistics ensured these materials were sorted and returned to the suppliers for recycling, remanufacturing and replacement, with only a few that ended up in landfills (Partridge, 2011). The damaged bottles and packaging materials were collected for a small fee by waste reclaimers who sold them to recycling firms in support of circular or green economy (Lombard, 2019). All the respondents supported the idea of reclaiming value from damaged products and the ability to reduce waste to the environment. The remarks of respondent 13 summarised the accrued benefit by stating that:

“Products return through reverse logistics drastically reduce waste being taken to the landfills, leaving a cleaner environment. This is our way of contributing towards a cleaner environment and support the campaign against climate change”.

CONCLUSION

The study explored the influence of reverse logistics on the leading fast moving consumer goods retailers in South Africa pursuing qualitative research methodology and constructivism research paradigm. The theory of sustainable development and competitive advantage underpinned the study. The literature review explored the South African leading retailers and wholesalers of fast moving consumer goods, focusing on the influence of reverse logistics to their operations. The exploration covered the South African retail sector and the supply chain flow of fast moving consumer goods, the supply chain management components of logistics and reverse logistics, green reverse logistics, environmental and sustainability initiatives. The research problem looked at both positive and negative impact of reverse logistics to the retailers. The three levels of objectives were covered, with the empirical objectives exploring how reverse logistics created value for the fast moving consumer goods retailers, enhanced competitiveness and sustainability and reduced waste to the environment.

Interviews were conducted with 13 participants from the retailers' distribution centres and wholesalers. Subsequently, the recorded interview was transcribed, coded and thematically analysed using Atlas ti.8 software and verified through content analysis to obtain the results of the study. The data analysis produced six major themes and a number of sub-themes emerged which addressed the three empirical objectives set up for the study.

Managerial implications

The supply chain management strategy was the main managerial focus with its components of logistics, reverse logistics and green reverse logistics management. The management of backward flow of products or reverse logistics addressed the complex managerial process through the transformation of damaged products into valuable resources. That included managing the recycling, refurbishing and return processes of remanufactured goods. The underpinning theory of sustainable development was an attribute of the environmental management in controlling waste disposal. The implications of the theory of competitive advantage was in managing cost leadership and differentiation of product and service offering.

Recommendations

The drive towards competitiveness and sustainability that is driven by 'green initiatives' - pursuing utilisation of resources sparingly, waste reduction, cost leadership and differentiation, and intensive technology application among others, should be a necessity, and not an option for enterprises. Ideally, it is transforming from conventional supply chain into green supply chain management, which is a more streamlined operation.

The future recommendation would be to undertake a quantitative study to establish the actual benefits accrued from reverse logistics management of the leading retailers in South Africa. This would enlighten the management and start featuring reverse logistics, as one of the key focus areas for value creation in the organisation.

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