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Analysis Product Control in Minimizing *Skincare Product Returns* (Case Study on Pt. CBD)

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ABSTRACT

PT. CBD is a company that imports and distributes *skincare cosmetics* from Korea. The product distribution process flow often results in product returns which cause losses for the company. For this reason, this research aims to analyze the most specific reasons for product returns and find out the factors that cause product returns. Of the total number of returns, there were 14,901 pcs in 2022 and the largest return was in *the Sheetmask* (CA-10) category, 6,574 pcs. To minimize this, the *Seven Tools* and 5W1H methods are used . After further research, it was discovered that the results obtained showed that the most specific reason for returns was due to aging stock or goods with a shelf life of more than 3 months with the highest percentage of product returns being 51%, while the company's safe return limit must not exceed 15%. The main factor is that these returns are caused by human factors, namely lack of employee discipline regarding SOPs due to incorrect stock monitoring analysis methods or lack of control over the delivery of goods, so they have to carry out product planning properly and then create a checksheet to control the incoming and outgoing goods.

Keywords:- Skincare, Product Returns, Product Quality, Seven Tools and 5W1H.

VALIDITY SHEET

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STATEMENT SHEET

I, the undersigned, declare truthfully that all statements in this thesis:

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Thesis Form	: Study of Research Problems
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This is the result of my own research and work with the guidance of the Supervisor as determined by the Decree of the Master of Management Study Program, Faculty of Economics and Business, Mercu Buana University.

This thesis has never been submitted to obtain a graduate degree in a similar program at another university. All information, data and data processing results presented have clearly stated their sources and can be checked for correctness.

Jakarta, February 24 2024	
(Shinta Handayani)	

FOREWORD

Alhamdulillah, the author would like to express his gratitude to the presence of Allah SWT, for all his grace and gifts so that the author can complete this thesis research. Shalawat and greetings may continue to be poured out on the great lord of the Prophet Muhammad SAW, along with his family, friends and people. This thesis research was carried out in order to fulfill one of the requirements for obtaining a Master of Management degree at the Postgraduate Program at Mercu Buana University, Jakarta.

Specifically, on this Occasion the Author Would Like to Express his Thanks to:

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Jakarta, February 24 2024
Shinta Handayani

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CHAPTER ONE INTRODUCTION

A. Background

Skincare industry has recently been faster, due to the development of increasingly sophisticated technology. With the development of the industry and the growth of the industrial sector, this has led to intense competition between local and imported *skincare companies*. *In the skincare* industry, product quality is also one of the factors that consumers consider when marketing and purchasing products. Where the quality of the products distributed by the company is determined by certain characteristics. Currently, *skincare users* have become an almost inseparable part of women. This lack of self-confidence leads to dissatisfaction with one's physical appearance (Hariatiningsih, 2020). For this reason, taking care of your skin through *skincare* is a necessity for both women and men to keep your skin healthy and clean. It is also familiar among teenagers, because *skincare* has become a very popular trend. So that imported Korean brands become a competitive source of competition from local Indonesian brands themselves.

The emergence of competition in the business world is also a challenge that every company must face. Companies everywhere will definitely face intense global competition, very fast developments in the technological and digital world and changes that cannot be controlled, so every company is required to adapt to existing developments and changes . Every company in running its business must read the market situation and prevent and deal with factors that cause losses in its business. Implementing *Quality Control* is something that must be used by entrepreneurs so that the products they produce and sell continue to exist among the public. To achieve desires and goals, companies must make various efforts to satisfy consumers so that consumers remain loyal to the company and products that have good quality. If the production process is good and the quality is guaranteed, consumers will feel satisfied with the product created. Product quality is something that entrepreneurs must pay close attention to when producing their goods so that the company can and is able to compete with other companies.

If the company has good quality, then the company can be said to have met the planned and desired standards. Product quality is the ability of a product to carry out its function, including durability, timeliness of operation, repair time and other valuable attributes. Quality plays an important role in the manufacturing industry, as it serves as a criterion for assessing industrial readiness. In the production process of a company, discrepancies are often found with the standards of the products produced, namely the products produced are damaged or defective. Companies need to make improvements to avoid and reduce product defects. Defective products are products that do not meet established quality standards (Nursyamsi & Momon, 2022).

PT. CBD is a distributor company operating in the *Skincare industry* (imported from Korea). To meet the trend of increasing product demand in Indonesia, the company continues to innovate, develop and maintain product quality. Often in products that have been distributed, product returns occur due to various factors. So this problem is always an evaluation from PT. CBD to maximize product quality. Therefore, the company carries out *Quality Control* to ensure the quality of the products marketed meets customer expectations.

To handle this problem, it is also necessary to carry out an analysis in planning a quality improvement plan using *Seven Tools* to find solutions to product non-conformities in order to achieve standard performance in the form of *zero defects*. So quality control is carried out to ensure that the products and services produced by the company meet the established quality standards. Product returns are returns made by customers because goods do not meet the standards required by the customer (Arifiyanti et al., 2018).

MONTH		SUB CATEGORY ITEM PRODUCT											
	CA-10	MIC-3	NAT-3	3ST-1	2ST-1	FF-3	LM-1	SG-3	LU-1	MR-1	CC-4	PP-1	SG-2
January	-224			-101	-29	-33	-24	-50					
February	-169			-61	-2	-53	-6	-67			-28		
March	-89		-1	-98	-45	-15	-81	-63	-10			-27	
April	-45			-47	-31		-10	-9	-19			-2	
May	-119	-3	-5	-6			-47	-23				-4	
June	-237	-482	-698	-11	-16	-21	-44	-2	-2				-10
July	-1261	-211	-311	-22	-15	-8	-6						-22
August	-517	-127	-137	-48		-38	-13			-48			
September	-723	-73	-45	-5	-47	-10	-439	-76				-7	
October	-1764	-304	-341	-707	-208	-626	-42	-250	-41		-14		
November	-815	-120	-196	-313	-638	-174	-3	-1					
December	-611	-115	-140	-28	-42	-6		-24					

Table 1: Data on Skincare Product Returns in 2022

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Grand Total	-6574	-1435	-1874	-1447	-1073	-984	-715	-565	-72	-48	-42	-40	-32
Source: PT. CBD, 2022													

Information :	CA-10	= Sheet Mask - Essence
	MIC-3	= Sheet Mask - Microfiber
	NAT-3	= Sheet Mask - Natural
	3ST-1	= Sheet Mask- 3 Steps
	2ST-1	= Sheet Mask- 2 Step
	FF-3	= Facial Foam
	LM-1	= Lift Mask
	SG-3	= Soothing Gel
	LU-1	= Lift Up
	MR-1	= Miceller Water
	CC-4	= C Cream
	PP-1	= Foundation

Based on this table, the highest number of product returns in 2022 is in the CA-10 sub category -6574 pcs, while the lowest is in the SG-2 sub category -32 pcs. So that the total number of product returns by customers to this company in 2022 will be 14,901 pcs. To be able to create a company that is well qualified and highly dedicated to the community or customers, PT. CBD provides the best possible service, such as providing returns of merchandise or what is known as product returns in accordance with mutually established procedures.

Returns are a series of stages carried out in returning goods (Van Gobel & Tewu, 2022). Problems that occur at PT. CBD is the frequent occurrence of product returns by consumers to companies, the reasons given are very varied, such as the goods sent by the company not matching what was ordered, product incompatibility, quantity requested, goods damaged, expired and many more. The negative impact that results from product returns is that there is a large supply of products that have not been sold, resulting in aging/dead stock goods that are not sold in the shop and the age range depends on the agreement between the buyer and the company (the age of the product is 5-6 months from the time the goods come in).





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Based on the graph in Figure 1. In 2022, the largest product item returned was the Face Mask item, amounting to 11,886 pcs, while the smallest item was the Remover P item , 48 pcs, perhaps because this item was also just launched in early 2022. Then the highest product returns during 2022, in October 2022 there were 4297 pcs of the total product returns. *Seven Tools* is a basic quality testing tool that can help companies solve problems and also improve processes. This method is also useful for identifying irregularities in the distribution process and causing greater errors to occur. This method basically consists of stratification, Pareto diagrams, control charts, *Fishbone* (Nursyamsi & Momon, 2022).

The previous research used as a reference in this research is *the Quality Control Circle*, which is a method that can be used to analyze and solve a problem in a company related to the problem of controlling the quality of the company's products (Keke et al., 2023). Quality control is carried out using *Seven Tools* which are used to identify the causes of product returns and analyze whether the product returns that occur are still within control limits. Then improvements are made by providing suggestions for improvements to improve quality with 5W1H. *The Quality Control Circle (QCC)* method can produce problem solving for management and make it possible to see how effective the level of improvement or improvement that will be made is (Nursyamsi & Momon, 2022). The phenomenon that occurs at the research location is that products are sometimes returned for several reasons. The reasons for product returns are various, such as unsold goods, expired, damaged goods, etc., which has an impact on the quality of the product.

B. Formulation of the Problem

Based on the appropriate background in the table that shows the highest number of returns, it needs to be resolved with the type of product reason that is more dominant. Therefore, the problem can be formulated from the above background as follows:

- How to analyze the most specific reasons for product returns that often occur at PT. CBD?
- What factors cause product returns to PT. CBD?
- What are the recommendations and proposed improvements that can be made to minimize product returns using the *Seven Tools method* at PT. CBD?

C. Research Purposes

Where the aim of this research is a very important stage so that researchers can be more focused and more easily and effectively solve the problems that have been presented in the previous stage. The following are the objectives of this research:

- To analyze the most specific reasons for product returns that often occur.
- To find out the factors that cause *skincare* product returns .
- To provide suggestions for improvements that can be made to minimize product returns.

D. Benefits of Research

It is hoped that the results of this research can contribute to companies and especially the parties involved in the supply chain process. The following are some of the benefits that can be obtained from this research:

> Practically

This research can be used as information and consideration for company management in making decisions regarding product returns and also as a reference and evaluation material for management in anticipating factors causing product returns to the company.

> Theoretically

It is hoped that this research can be a reference for existing theories and can be used as a scientific development for various management theories related to product returns to find out the causes and corrective steps to reduce product returns.

CHAPTER TWO LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Theoritical Review

> Skincare

The word *Skincare* comes from English which means skin care or an activity carried out to maintain healthy skin which is carried out in various stages. *Skincare* is important for some people, especially university students, to beautify their appearance. However, before using *skincare*, we must know our skin type because using *skincare* that is inappropriate and not suitable for our skin type will have an adverse effect on our facial skin which will disrupt the appearance of our face. The main aim of using *skincare* is to provide nutrition for the skin, delay the appearance of wrinkles and fine lines, minimize dark spots (black areas), get skin that is more supple and reduce the risk of dull skin. Beauty has gone through a process of stages up to the present. Beauty trends with the concept of beauty 4.0 are a combination of previous generations. Beauty 4.0 is considered a new aesthetic phenomenon by social media users. Beauty in the beauty 4.0 concept tends to expand. *Skincare* in general is the activity of caring for the outer skin of the body using certain products.

Usually women often do this, but it is possible that men also do it to protect their skin from the outside. According to (Hariatiningsih, 2020) in Irwanto, *Skincare* is the use of special creams and products to care for the skin. Furthermore, *skincare* is understood as a series of activities that support skin health, improve its appearance and relieve skin conditions. *Skincare* can include nutrition for the skin and avoid the negative impacts of excessive sun exposure (Hariatiningsih, 2020). As explained in the previous explanation, *skincare* is an activity that includes the use of several beauty products.

Facial Skin Type:

Everyone has different skin types and the right use of *skincare* is the one that suits your facial skin type. The following are several types of facial skin in a person:

- Normal facial skin is facial skin that can be said to be not sensitive, not dry and not oily. Normal facial skin usually does not have pores on the face, especially in the nose and cheek areas. Normal facial skin has a balanced oil level so that facial skin is not oily and not dry.
- Oily facial skin is a condition where the sebaceous glands produce too much oil on facial skin. Generally, someone who has oily facial skin is very susceptible to acne and facial pores become clogged easily. Apart from being prone to acne, oily facial skin is also prone to blackheads, especially in the nose area and pores which usually look large.
- Dry facial skin occurs due to low moisture in the outer skin layer of the face. Someone who has dry facial skin generally has invisible pores on their face. Dry facial skin is usually prone to inflammation of the facial skin which is caused by a small amount of sebum on the skin.
- Sensitive facial skin is a type of facial skin that is easily affected by allergies. Sensitive facial skin types can be affected by allergies caused by various factors, for example the food or cosmetics or *skincare* used which can cause rashes on the face.
- Combination facial skin is a combination of dry skin and oily skin. Generally, combination facial skin has excess oil in the T zone on the face (nose, forehead, chin) and has dry skin on the cheeks.
- Thus, the number of products included in the general use of *skincare activities includes*:
- ✓ Sheet Masks
- ✓ Facial Foam
- ✓ Soothing Gel
- ✓ Remover/Micellar Water
- ✓ Sunscreen, etc

> Quality

Juran defines quality as conformity to purpose, which is based on the definition of quality as fulfillment of requirements or conformity to needs. Meanwhile, Feigenbaum refers to quality as the overall combination of product and service characteristics in marketing, engineering, manufacturing and maintenance where the products and services used can meet consumer expectations. Quality is the totality of features and characteristics of a product or service that is capable of satisfying visible or vague needs. Quality is goods or services that meet customer specifications or requirements. Meanwhile, in ISO 9000, quality is the ability of a product system or process characteristics to meet the stated or implied requirements of customers or related party requirements.

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Different experts describe quality with different cores, but have the same goal. Quality is the most fundamental factor for consumer satisfaction. When producing goods/services, of course a company must pay attention to quality values with the aim of meeting consumer expectations. On the other hand, other quality experts explain that quality is the reliability of a product/service to complement or exceed the quality standards of consumers or the government with the hope of satisfying customer expectations in the long term. In general, it can be concluded that quality is a market response to the value of a product or service by prioritizing consumer desires as the basis for balancing customer desires with growth in company value (Ismail & Setiafindari, 2023).

> Quality Products

According to Montgomery in (Imaroh & Efendi, 2020), the dimensions of a good product, good product quality, consist of:

- Performance, which is related to the functional aspects of an item and is the main characteristic that customers consider when purchasing a product. These dimensions answer the questions 'will the product fulfill the desired task?
- Additional characteristics or features, namely secondary or secondary characteristics or complementary characteristics, are related to product choice and product development. These dimensions explain what the product can do.
- Reliability, namely the small possibility of experiencing damage or failure during use. In other words, successful functioning in use over a certain period of time and under certain conditions. This dimension addresses how often the product fails.
- Conformance to Specification (*Conformance to Specification*), namely the extent to which design and operating characteristics meet established standards. This dimension answers the question 'is the product made according to the designer's wishes?
- Durability, which *is* related to how long the product can continue to be used. These dimensions answer the question 'how long will the product last?
- Service capabilities, including speed, competence, comfort, easy repair, satisfactory complaint handling. This dimension explains the ease of repairing product damage.
- Aesthetics are subjective characteristics, namely the product's appeal to the five senses and a reflection of individual preferences. These dimensions answer the question 'What does the product look like?
- *Fit and finish*, is subjective, related to the customer's feelings about the product's existence as a quality product. This dimension discusses the reputation of the company that makes the product or products produced.

Intense competition encourages companies to always compete for consumers and try to make their products more popular. This competition cannot be avoided by companies, thus companies must try to remain competitive and survive. Companies need to pay attention to things in facing competition in the business world, one of which is by paying more attention to the quality of the products offered. According to Kotler and Armstrong (2015), "Product quality is a characteristic of a product or service that depends on its ability to meet stated or implied customer needs". From the explanation above, *Quality Control is needed* to guarantee the quality of the products being marketed. *Quality Control* has several uses according to Malayu (2016), including (a) To produce the expected goods or products. In *Quality Control*, a quality standard for a product must be determined in advance with certainty. After the standards have been set, the next step is to monitor the resulting product and measure the quality of the product based on the standards set so that the likelihood of product failure is smaller. (b) Obtaining a balance in achieving the quantity target in accordance with the quality of the product set by the company, thereby avoiding deviations in the production process. (c) The production process produces goods that are acceptable to consumers and the market.

Product quality is the main focus currently in a company. Product quality is one of the important policies in increasing the competitiveness of products which must provide satisfaction to consumers that exceeds or is at least the same as the quality of products from competitors. According to Ernawati (2019) "product quality is an important factor that influences every customer's decision to buy a product. The better the quality of the product, the greater the interest of consumers who want to buy the product." Meanwhile, according to Kotler and Keller (2016) that "product quality is a product's ability to carry out its functions, this ability includes durability, reliability, accuracy, which is obtained by the product as a whole".

Another understanding of product quality according to Tjiptono (2015) is "performance as a direct depiction of a product, reliability, ease of use, aesthetics and so on". Meanwhile, according to Windarti and Ibrahim (2017), "product quality is the conformity of the needs and desires of each product to the product specifications, and product quality is a condition related to products, human services and the environment to meet consumer expectations." From the definition above, it can be concluded that product quality is a product's ability to fulfill every consumer need in accordance with the consumer's needs and desires.

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> Quality Control

According to Lupiyoadi (2017), "*Quality Control*/quality supervision in operational and production processes includes supervision of quality such as production materials, supervision of the processing process and supervision of each final product produced. Quality control is the responsibility of each division, where this is the main task or the one most responsible is the production division. To achieve desires and goals, entrepreneurs must make various efforts to satisfy consumers. If the production process is good and the quality is guaranteed, consumers will feel satisfied with the product created. Product quality is something that entrepreneurs must pay close attention to when producing their goods. According to Ishikawa (2016), "quality control is research, development and ensuring customer satisfaction and includes providing good service to consumers by involving the highest departments within the company". *Quality Control* or quality control is a process that makes an entity a quality reviewer of all factors involved in production activities. To achieve company goals, development efforts are needed, looking for factors that can provide satisfaction to consumers. According to Ishikawa (2015) " *Quality Control* is also an activity to research, develop and design and fulfill consumer/customer satisfaction, and provide services, where leaders and employees are the implementers".

Another understanding of *Quality Control* was also put forward by Ishita Nobuyuki (2018), namely "activities in order to maintain and improve the products offered to the company and *Quality Control* is the responsibility of all employees so that problem solving can be resolved properly". Meanwhile, according to Feightboum (2015), "*Quality Control* is an effective system for integrating quality maintenance and development activities within an organization so that production and service can be obtained at the most economical level and satisfying consumers." According to Montgomery (2019), "*Quality Control* is a technique and planned activity or action carried out to achieve, maintain and improve the quality of a product and service so that it conforms to predetermined quality standards and can meet consumer satisfaction." Another opinion regarding *Quality Control* was also expressed by Shigeru Mizuno (2019), namely the entire method used to determine and achieve quality standards, where this control intends to plan and implement the most economical way to make an item that will be useful and satisfy demands . consumers to the maximum."

Supervision of production quality includes quality monitoring activities, processing processes and final products. The quality control work unit is the responsibility of each division where the biggest responsibility in the production division is especially *Quality Control* (Lupiyoadi Rambat, 2017). Therefore, *Quality Control is needed* to overcome the possibility of decreasing the quality of products being marketed. *Quality Control* has several benefits according to Render and Heizer (2015), including:

- More consistent production; is an effort to maintain production consistency and ensure that everyone has carried out their duties, the product meets the quality standards provided, and there are no records before the product or service is launched.
- Increase efficiency; is a focus on increasing energy, production processes and also time to avoid product defects.
- Maintain customer satisfaction; avoid fatal mistakes that make customers not want to buy the company's products.
- Allows business to grow; If production is efficient, consistent and customers are satisfied, then the business will experience growth.

Product Returns

• Understanding Product Returns

Product returns are the return of goods from consumers because they are not suitable for sale and are in a condition that is close to expired or damaged. Returns are something that often occurs in buying and selling transactions. Basically, returns are not a detrimental thing, in fact under certain conditions they can improve the situation, for example overstock. These returns often occur within a company. Sometimes goods that have been received from suppliers do not match the goods ordered according to the purchase order (Ismi, nd 2019).

• Types of Product Returns

✓ Purchase Return

A purchase return is a document containing data on product items that are returned to the seller due to certain conditions, for example overstock, defective products, damaged products and so on. This purchase return can be done by cash or credit according to the company's needs.

✓ Sales Returns

According to Mulyadi in (Ismi, nd) 2019, sales returns are an activity that occurs when a company receives returned goods from customers. Merchandise that has been sold may be returned by the buyer for several reasons.

• Functions in Product Returns

✓ Warehouse Function

According to Arwani in (Alvin Nurhuda nd, 2021) explains that the role of the warehouse can be categorized into 3 functions:

- The storage function is the basic function of a warehouse, namely a place to store goods.
- The function of serving customer requests (Order full film). Activities to fulfill customer requests make the warehouse the focus of logistics activities where the warehouse will guarantee product availability and a reasonable order cycle.
- The distribution and consolidation functions make the Warehouse an extension of sales and marketing in ensuring the delivery of
 products and information to customers as a point of sale.

✓ Purchasing Function

The purchasing function is responsible for obtaining information regarding prices, determining the price of the supplier that will be selected in procuring goods and issuing purchase orders to the selected supplier.

✓ *Reception Function*

The receiving function is responsible for checking the type, quality and quantity of goods received from suppliers to determine whether the goods can be accepted by the company or not. This function is also responsible for receiving goods from buyers originating from product return transactions.

✓ Accounting Function

The accounting function involved in purchasing transactions is the function of recording debts and inventories. The purchase accounting system and debt recording function is responsible for recording purchase transactions in the cash out book register and is used to maintain archives of source documents (proof of cash out) which function as debt records or maintain debt cards as debt subsidiary books. The purchasing accounting system and inventory recording function are also responsible for recording the cost of inventory of goods purchased on the inventory card.

> SevenTools

Seven Tools is a simple statistical tool used to solve problems. Kaoru Ishikawa has stated that these 7 tools can be used to solve 95 percent of all problems. These tools have become the foundation of Japan's extraordinary industrial revival after the second world war (Imaroh & Efendi, 2020). Seven Tools are seven types of tools used to identify and analyze problems related to quality in production. The seven tools include: Check Sheet, Histogram, Pareto Diagram, Fishbone Diagram, Scatter Diagram, Flowchart, and Control Chart. The results of *the Fishbone* Diagram will later be analyzed using 5W1H to obtain complete information on the object to be analyzed as a basis for determining the necessary corrective actions (Hardono et al., 2019).

There is one tool in the quality control process using statistics, namely *Seven Tools*. *Seven Tools* is the simplest solution tool in quality control cases. *Seven Tools* is a tool to help analyze and resolve quality problems in a company's products (Nursyamsi & Momon, 2022). This method is the simplest graphical method for solving problems. Here are the 10 tools:

- *Run Chart* (Stratification) is a tool for analyzing or classifying a problem into smaller groups which are the main part of the problem.
- A Check Sheet is a simple inspection sheet whose purpose is to take notes to simplify the data collection process so that the data is neat and orderly
- *A control chart* is a map or graph to provide an overview of process changes over time and illustrate the stability of a work process. A control chart is a graphic method used to evaluate whether the product is within statistical quality control limits or not, so as to solve problems and produce quality improvements.
- ✓ Upper Control Limit (UCL) is the control limit for permitted deviations.
- ✓ *Central Line* (CL) is a line that illustrates that there is no deviation from the sample characteristics. This graph contains a center line that represents the sigma value of the quality characteristic associated with the controlled state.
- ✓ Lower Control Limit (LCL) is data on the lower control limit calculated from standard values.

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> The Following is the Formula for Calculating Control Limits in 2022:

• Calculation of the Percentage of Returns for Skincare Products

 $P = \frac{x}{n}$ Information : x = Number of product returns n = Number of distributions

• Calculations Determine the Center Line of the Central Line (CL)

$$CL = p = \frac{\Sigma x}{\Sigma n}$$

Information : $\sum x = \text{Total number of product returns}$ $\sum n = \text{Total number of distributions}$

• Calculations Determine the Upper Control Limit (UCL)

UCL=
$$P + 3\sqrt{\frac{P(1-P)}{ni}}$$

Information: P = Center Line (CL) ni = Distribution mean

• Calculations Determine Lower Control Bays or Lower Control Limit (LCL)

$$LCL = P - 3\sqrt{\frac{P(1-P)}{ni}}$$

Information: P = Center Line (CL)

ni = Distribution mean

- *Histogram* is a tool in the form of a bar chart that shows the level of variation in data measurements. Histograms are known as frequency distribution graphs.
- *Pareto Diagram* is a tool in the form of a chart that contains bar charts and line charts. The bar chart shows the classification of data values. Meanwhile, the line chart represents the total cumulative data.
- *Scatter Diagram* is a tool in the form of a scatter diagram to describe the level of possible relationship between two variables with different specificities or causes and effects.
- *Fishbone Diagram* is a cause and effect diagram tool for identifying the main cause of a problem. *A fishbone* diagram or known as a fishbone diagram is a visual tool for identifying, investigating and graphically depicting all the root causes related to a problem (Setiawati, nd, p. 2023). *Fishbone diagrams* too It is called the Ishikawa diagram because this diagram was first introduced by Dr Kaoru Ishikawa in 1943 in connection with the quality program at Kawasaki Steel Works in Japan (Coccia, 2017). *Fishbone diagrams* are easy to use and understand and can be used in all departments. *Fishbone diagrams* are illustrations used to explore the potential or root causes of a problem (Ariyanti, Kristi, & Hafidha, 2021).



Fig 2: Example of a Fishbone Image

The advantage of using *a fishbone* diagram is that it helps identify the root causes of problems that arise in a structured manner and makes research easier (Komarudina & Nugroho, 2021). In fact, cause-and-effect analysis was originally developed as a quality control tool. However, in general, *fishbone diagrams* can be used as appropriate visual representations of phenomena that involve the investigation of various causal factors and how they are related to each other.

▶ 5W1H

The 5W1H elements can be used to understand and explain situations and events by asking six questionnaires: what, why, where, when, who, and how. The aim is to develop a detailed and systematic understanding of an event in a particular situation (Ismail & Setiafindari, 2023). Basically, 5W1H is a method used to investigate problems that occur using *What, Where, Why, Who, When and How questions*. From the results of this investigation, results were obtained that can be used to resolve the problems that occur. The 5W1H results will then be processed at the fishbone diagram stage (Setiawati, nd, p. 2023). 5W1H is a method used to ask questions related to a process or problem. The structure of this method focuses on paying attention to all aspects of the situation and resources (Agung Gumelar Fathurohman & Dewi Shofi Mulyati, Ir., MT., IPM., 2023).

> Implementation of the 5W1H Method is Explained as Follows:

- Identifying problems to find out the root causes of problems that occur in the company so that later they can be analyzed further
- Ask questions related to each other sequentially starting from the cause of the problem occurring to the root cause and factors that cause return problems at the company
- Prevent answers that have a tendency to blame or justify others so that errors or discrepancies in data do not occur for analysis and corrective action
- Determine the root of the main problems that are detrimental to the company in order to minimize product returns and provide suggestions for improvements to company management in the future so that product returns can be reduced.

B. Previous Research

This sub-chapter briefly explains previous research that is related to and supports this research. There are several studies that are used as references to help writers build a systematic framework for thinking.

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Table 2: Previous Research

No	Researcher	Research Title	Research result	
1	(Daman & Nusraningrum, 2020)	ABC Analysis, Forecasting, And Economic Order Quantity (EOQ) Implementation To Improve Smooth Operation Process.	The exponential smoothing forecast method shows the least gap to the actual value and EOQ effectively optimizes ordering and holding costs and reduces the risk of failure in Inventory Control and positively affects the smoothness of the operation process.	
2	(Keke et al., 2023)	An Analysis Of <i>Quality</i> <i>Control</i> On Defective Products At PT. Signore	The results of this study indicated that defective products usually occur due to poor <i>Quality Control</i> processes.	
3	(Saputra & Al Faritsy, 2023)	Quality Analysis of Leather Tanning Products Using Seven Tools	Factors that cause defects in leather tanneries are that the raw materials used have many lice marks, scars on the surface of the leather and the raw materials are old stock. Apart from that, workers are less careful and negligent due to boredom while working, the level of machine accuracy decreases and the machine is dirty or the blades used are not sharp enough, and the work in the tanning process is not in accordance with company procedures.	
4	(Azzahra et al., 2023)	Quality Control Analysis Using the Lean Six Sigma Method on KYEA Arm Rear Break Parts at PT Ciptaunggul Karya Abadi	The sigma value obtained from the KYEA rear break arm part production process is 4.6. There are three types of defects in the production process, namely dented restices 9%, blanks minus 27%, blunt teeth 64%. Apart from that, kaizen analysis is carried out using 5W1H analysis. It is hoped that the results of this survey can contribute to improving product quality, customer satisfaction and maximizing profits.	
5	(Mohammadrosyidi, 2023)	Analysis of Quality Control of Bread Products Using Statistical <i>Quality Control</i> <i>Methods</i> at IRT. Fararoh	The results of the analysis using the P control chart show that the proportion of defects during the production period is still within control limits, namely with CL values of 0.0762, UCL 0.1081 and LCL 0.0443. The Pareto diagram shows that the most dominant type of damage to combed bread products is the burnt defect type with a defect percentage of 41.7%. <i>The fishbone</i> diagram shows that the causes of defects come from human, machine, method, material and environmental factors. Proposed improvements that can be made to reduce defective products are carrying out machine repairs periodically and creating SOPs that suit the needs of making combed bread as well as monitoring and evaluating related SOPs that have been created as well as conducting training for employees.	
6	(Setiabudi et al., 2020)	Quality Control Analysis to Reduce the Number of Defective Products Using Statistical <i>Quality Control</i> <i>Methods</i> in MSMEs. Waris Shoes	The results were then analyzed statistically. The cause and effect diagram was the most commonly used <i>Quality</i> tool during an RCA. This was distantly followed by the Pareto chart and then the control chart, followed by the Pareto chart, flow chart, histogram, scatter plot, and run chart. The classic seven <i>Quality</i> tools have long been discussed in the literature; however, much of the literature consists of descriptions of their use and not an assessment of which tools are frequently used by <i>Quality</i> professionals specifically for RCA. This study identified the seven main classic <i>Quality</i> tools used by <i>Quality</i> professionals during an RCA.	
7	(Van Gobel & Tewu, 2022)	Service Level Risk Analysis, Outlet Register, Outlet Register and Returns on Selling Out of Heavenly Blush Yoguroto Products	The research results show that service level, register outlet, and effective outlet have a significant positive influence on selling out of Yogurtland Heavenly Blush products, while returns of goods do not have a significant influence, even though they have a positive value because the Sig value is > 0.05. The influence value given by these various factors on product sales is 97.8%.	

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8	(Akbar et al., 2023)	Analysis of the Level of Packaging Defects in Products Using the <i>Seven Tools</i> Method at Pt.Abc	The results obtained using the Seven Tools method, namely the first check sheet, resulted from 30 days of observation, the number of defects was 344 pcs. The two histogram results obtained were leak defect types with a percentage of 43%. The three Pareto diagrams show that nearly 80% of defects occur in product packaging. The four P control charts show that from the results of observations for 24 days there were no calculations that went outside the control limits. In the five cause and effect diagrams, it is known that there are problematic points in the product packaging in the Method, there is an unstable engine temperature and the engine SOP is not running
9	(Warinah & Nusraningrum, 2019)	Application Of Six Sigma (Dmaic) Method To Reduce Defect Amount In Assembly Process A Case Study PT. XYZ	The results of efforts to decrease the number of defects in the assembly process using the DMAIC method show that the DPMO value for these five CTQ defects decreased to 2056 PPM from 3898 PPM or decreased by 47.3%. Meanwhile for the value of the sigma level obtained 4.39 σ from 4.16 σ
10	(Sabita & Mardalis, 2023)	Do Celebrity Endorsements, Halal Labels, And Word Of Mouth Affect Millennials To Purchase <i>Skincare</i> ?	The study findings indicate an insignificant effect of celebrity endorsement and halal labels on the purchasing intention of <i>Skincare</i> products among millennials, whereas the influence of Word of Mouth on purchasing intention is positive and significantly supported. Contribution — This study provides new and important insights into the preferences and behavior of millennial consumers in the <i>skincare</i> market.
11	(Setiawati & Nugroho, 2023)	Evaluation Of Time, Cost, And Factors Causing Delay Of Grounding And Lightning Protection Installation Project	The most effective and efficient acceleration alternative in terms of time and cost that can be applied by the company is the alternative of additional labor. The additional labor alternative is able to reduce the duration of work with the smallest additional cost compared to other alternatives. Meanwhile, the factors that cause delays in project work can be seen from the root causes of each factor. The root cause of each factor is then used as the basis for formulating corrective actions that can be taken by the company
12	(Nugroho & Hariyanto, 2022)	Implementation Of Continued Improvements <i>Quality</i> Management System At Ptz Company	The conclusion is the results of research PTZ companies can increase the QMS effectiveness indicated by a significant decrease in the number of NCaudit findings of Internal and external audits.
13	(Solihudin et al., 2023)	Implementation Of Tree Diagram Method, Failure Mode Effect Analysis (FMEA) And 5W 1H To Reduce Corky Defective Products In PT. XYZ	From the corrective actions taken, it succeeded in reducing the percentage of corky defects in the twisting plant 2 process, down from 39.7% to 14.9% in semester 2 of 2021.
14	(Arifiyanti et al., 2018)	Classification of Returned Products Using the C4.5 Decision Tree Algorithm	In building an information system for the graduation process, the author uses the PHP and MySQL programming language as a database. By using this program language, it will produce a graduation information system that can help in serving and creating graduation files at Bina Sriwijaya Palembang well, efficiently and effective.
15	(Shamsuzzaman et al., 2023)	Mapping Environmental Sustainability Of Knitted Textile Production Facilities	Scores of these categories were calculated using the FEM tool. Qualitative data was collected through short interviews using a questionnaire. A varying range of scores (from low to high) was found for all the categories. The scores reveal the technical, managerial, and resource limitations on practicing sustainable production approaches in knit-textiles facilities. The overall finding urges all stakeholders, including manufacturers, researchers, buyers, and policymakers, to pay serious attention and reformulate strategies and resources to reduce the negative impact of knit manufacturing on the environment.

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16	(Ansori & Gusniar, 2023)	Seven Tools Method in Controlling the Quality of Defective Products at PT. XYZ	The results obtained in this research show that there are two types of defects in JK6000 parts, namely No Cutting and Over Cutting. From the results of the Pareto diagram, it can be seen that over cutting defects are the most dominant type of defect with 63%. Several factors cause defects based on the <i>Fishbone diagram</i> , namely human factors, machines and methods. The proposals given in this research include providing training for employees, procuring additional air cylinders, and formulating SOPs that regulate the manufacturing process and standards for the production of JK6000 parts in detail.
17	(Abdullah et al., 2023)	Quality Control of Wedang Uwuh Packaging at CV Progress Jogja	Based on the results of the <i>Seven Tools</i> analysis, it was found that the biggest defect was packaging defects that were not tightly packed by 45.6%. Based on the results of the PDPC Diagram, there are several suggestions for improvement so that packaging defects can be minimized, such as making written regulations in the rule book, adding sound sensors to the pressing device, changing work shifts in shifts. making ergonomic tables, making complete SOPs, and making periodic maintenance schedules.
18	(Rosyidi & Narto, 2023)	Quality Control of Tombstone Products in Gresik City Using the Seven Tools Approach	From several factors that are already known in thin cracked tombstones, namely carrying out <i>Quality Control</i> of 5W1H tombstones, so that they can control these defects in accordance with predetermined product specifications/standards, the process of making tombstone products, employees who work on these have responsibilities, the need for training/skill training for the process of making the tombstones and monitoring the evaluation of the workers, the angle of the tombstones, namely carrying out <i>Quality Control</i> so as to minimize product defects, so that the <i>Quality</i> produced is maintained according to the specified standards, the process of making tombstone products, employees who do it have the responsibility, make repairs on a regular basis.
19	(Lafeniya & Suseno, 2023)	Quality Control of Gray Fabric Products Using the New <i>Seven Tools Method</i> at Pt Djohartex	The results of this research indicate that there are factors that cause defects, namely humans, workers' lack of understanding of SOP (Standard Operation Procedure) properly, operators' lack of concentration. Machines, lack of maintenance on machines and checking productivity on machines every month. Methods: How to take feed in production is still wrong. Material, use of weft threads that are easily fragile. Environment, noise that makes employees less comfortable at work
20	(Fahri Rudin Syahdan & Ari, 2023)	Quality Control of Golf Glove Products at Pt X Using <i>Seven Tools</i>	The results of the analysis show that the types of defects that occur in golf glove products are slip defects, loose defects, jumping defects, sewing defects and dedel defects. Based on the five types of defects, the most dominant type of disability is missed defects with a percentage of 23.5%. The occurrence of defects in golf glove products is caused by human factors, method factors, machine factors, material factors and environmental factors
21	(Simorangkir et al., 2023)	Measuring Delivery Process Performance Using the Supply Chain Event Management Method for Food Supplement Product Distributors	With the 5 whys analysis, it can be seen that the cause of less than optimal delivery performance is caused by the company not knowing the sales flow at each outlet. With this research, it is hoped that companies can maintain delivery quality based on key aspects that can represent the entire process and increase customer satisfaction.
22	(Yuni, 2023)	The Role of Communication to Reduce Return Rates on Spare Parts Purchases at Pt. True Bhumi Hero	Research results (1) communication plays an important role in purchasing spare parts in the form of internal and external communication (2) the cause of frequent returns is because most of PT's suppliers. Wira Bhumi Sejati is a local supplier where they do not have an IT system to track the part number of the requested spare part, this triggers returns (3). The solution given to reduce the rate of returns is to choose an official supplier

23	(Agustin et al., 2023)	Quality Control Improvement Using Seven <i>Quality Control</i> Tools and 5W1H Method	The research results show that there are product defects caused by several factors such as humans, machines, methods, materials and the environment. The criteria for defects that often occur in companies are damaged products due to broken packaging, corrugated packaging, and cracked packaging. Judging from the defect criteria, the proposed improvements are in the form of improving the quality of operator work, providing training to operators which is carried out once a month in turns and carrying out scheduled periodic maintenance in cleaning the machine.
24	(Sambodo & Cahyana, 2023)	Product <i>Quality Control</i> In Cv. Xyz Using <i>Seven Tools</i> And <i>Quality Control</i> Circle	The results of the study indicate that the known factors causing product defects that can be seen from <i>Fishbone</i> are humans, machines, materials, environment, and methods and provide suggestions for improvements that are implemented using PDCA (Plan-Do-Check-Action) which can minimize the occurrence of defects. repeated.
25	(Siti Fatimah & Hana Catur Wahyuni, 2023)	Product <i>Quality Control</i> Using The Six Sigma Method And <i>Seven Tools</i> In The PDL Shoe Industry	The results showed that there were 4 types of product defects, namely 13% overlapping skin defects and 11% flexed skin, 10% wrinkled skin, 7% scratched skin. The proposed solution is to control, inspect and perform maintenance on machines or equipment used in the production process, establish SOPs for each machine area, improve human resources through training and improvement of the work environment. Keywords Defect, <i>Quality</i>
26	(Saputri & Azizah, 2023)	Quality Control Analysis Of Back Lock Products Using Six Sigma Method At PT Artria Widya	Based on the results of research that has been carried out, it is known that the results of data processing obtained an average DPMO score of 160.179 with a sigma level of 5.12. At the analysis stage carried out using <i>Fishbone</i> , there are 2 types of defects that occur most frequently, namely silver and short. The proposed corrective action uses the 5W1H method which is expected to result in zero defects.
27	(Alwi & Cahyana, 2023)	<i>Quality Control</i> Of Tofu Production Processes Using The Seven Tools Method	The results of the research in the production process of SB tofu occurred 4 types of defects, namely defects in unequal size, defects in terms of texture, defects mixed with dirt and defects in color. The most dominant type of tofu SB defect is the type of size defect that is not the same as a percentage of 45.6%. This type of defect is caused by human, machine, material, method, and environmental factors.
28	(Daher & Nicolosi, 2023)	The 5W1H Of Second- Generation Activism: Narratives From Below	Several key features will emerge in this analysis, which offers a broad definition of the movement itself and the networks it articulates and the networks on which it relies in accordance with current theories of social movements.
29	(Halizah & Sumarna, 2023)	The <i>Quality Control</i> Using <i>Seven Tools</i> Method For Product Defects On Scanner Production	The results of the research state that improvements are made to reduce product defects that occur from several factors, namely materials and work methods, it is necessary to distribute work time effectively so that product defects do not occur due to pursuing production targets and material factors that must be checked before the goods/products are entered. to the market.
30	(Nursyahbani et al., 2023)	Proposed Reducing Piston Cup Forging Defects Using <i>Fishbone</i> Diagram, FMEA and 5W1H in Vehicle Spare Parts Companies	Based on the results of the FBD analysis, it is known that the causes of gaikei minus defects are machine, human, material and method factors. Furthermore, based on the FMEA results, this type of defect occurs because it is mostly caused by human factors. Therefore, in the research it is proposed that operators need to re-check the machine before operating it and that the company evaluates the operator periodically.

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31	(Ismail & Setiafindari, 2023)	Proposed Quality Improvement of Lotus Golf Gloves Using Statistical <i>Quality</i> <i>Control</i> and 5w1h Methods	According to data processing, the main factors causing product defects are human factors, namely non-compliance with applicable SOPs, negligence and haste. The method factor is the use of different sewing techniques. The material factor is the use of poor quality raw materials such as leather or thread. Machine factors include a lack of maintenance intensity and control as well as an inadequate number of machine maintenance technicians. In addition, the proposed improvement strategy, which can be implemented by updating standards of production (SOP), includes the selection of raw materials or sewing methods and control of the sewing process, production, implementation of employee development programs, and continuous review. by carrying out inspections at all stages of production and on production machines. Processing of raw materials in accordance with company standards
33	(Dagmar & Suseno, 2023)	Welding Product <i>Quality</i> Improvement Using The <i>Seven Tools</i> Method	Based on the results of the discussion, total production was 13,309 units with 2,767 defects. The defect with the highest percentage is porosity defect, which is 26.7%. Improvements made include providing operator training to improve machine operating capabilities, carrying out periodic material inspections to maintain material quality, carrying out regular machine repairs to prevent a decrease in production quality, and compiling standard operating procedures for high-quality and accurate welding techniques.

C. State of the Art

SOTA is a research result that represents the best results of the problem to be solved. The form can be in the form of a survey or table using the latest tools used on the object. SOTA in this study is shown in the table below :

	I	r		Tac	ne 5: Sta	ites of the A	ri	-		-		
No.	Aspect	(Nursyahbani et al., 2023)	(Halizah & Sumarna, 2023)	(Ismail & Setiafindari,	(Hardono et al., 2019)	(Warinah & Nusraningrum , 2019)	(Saputra & Al Faritsy, 2023)	(Ansori & Gusniar, 2023)	(Sambodo & Cahyana,	(Agustin et al., 2023)	(Halizah & Sumarna,	This research
1	Research Object											
	a. <i>Skincare</i>											∞
	b. Otr Manufacture				\checkmark			\checkmark	\checkmark	\checkmark		
2	Analysis Method											
	a. SevenTools				\checkmark							∞
	b. DMAIC											
	c. SQC											
	d. Six Sigma											
	d. FMEA											
3	Element											
	a. Man				\checkmark			\checkmark	\checkmark	\checkmark		∞
	b. Method				\checkmark			\checkmark	\checkmark	\checkmark		∞
	c. Machine											∞
	d. Material											
	e. Environment											

Source: Various sources (Author, 2023)

Based on the table above, the differences can be seen in the types of research methods and research objects. In this research, researchers used quantitative descriptive research and the object studied was returned *skincare products* and the methods used were *Seven Tools* and 5W1H. Apart from that, this research also explains alternative solutions as recommendations for subsequent product returns. Meanwhile, the object and location of this research are also different from previous researchers, namely the *Skincare division* of PT. CBD in Jakarta.

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D. Framework

The framework describes all aspects of the research. Where the framework helps in understanding the content of the research carried out. The focus of the study in this research is the problem of returning skincare products. This product return is a complex problem because there are many components or factors that cause returns. This study regarding product returns is based on *Product Quality theory* and other theories.

In connection with efforts to resolve return problems, an analysis of the reasons for product returns is carried out using the *Seven Tools method* as well as the factors that cause returns and corrective action will be taken so that the company can evaluate and anticipate what causes problems with product returns so that -This can be minimized. Thus, in this research the author also analyzed the factors causing project delays using *5W1H*.

With a framework of thought, the system or research object can be described clearly, as can be seen in Figure 3 below.



Fig 3: Framework Source: Author, 2022

CHAPTER THREE RESEARCH METHODS

A. Research Design

Research methods are a branch of science that explains ways to conduct research in an integrated and scientific manner to develop and test the truth of a theory Priyono in (Setiawati, nd, p. 2023). Meanwhile, according to Priadana & Sunarsi in (Setiawati, nd, p. 2023). Research methods are scientific steps taken to find information as it is, not as it should be to achieve certain goals. So in this research, the type of research used is quantitative descriptive research. Meanwhile, according to (Priadana & Sunarsi, 2021) research methods are scientific steps taken to find information as it is, not as it should be to achieve certain goals. So in this research methods are scientific steps taken to find information as it is, not as it should be to achieve certain goals. There are three types of research that can be chosen to find answers to research, namely quantitative research, qualitative research and descriptive research (Priadana & Sunarsi, 2021). In this research, the type of research used is descriptive quantitative research.

Descriptive Research

A descriptive study tries to find answers to the questions who, what, when, where, and, how. Researchers attempt to describe or define a subject, often by profiling a group of problems, people, or events. Such studies may involve collecting data to make observations on a single event or characteristic (known) as a research variable, or may involve the interaction of two or more variables (Cooper & Schindler, 2014).

Quantitative Research

Quantitative research is research carried out by investigating phenomena by collecting data that can be operated mathematically either through statistical or computational techniques (Priadana & Sunarsi, 2021). In operational management science, quantitative research is an approach used to make managerial decisions. This research begins with data which is then processed into information as material for making decisions. This data processing is the heart of quantitative research. In making decisions, this quantitative analysis will be complemented by qualitative information (Render, Stair, & Hanna, 2012). Descriptive research is research that aims to answer the 5W1H questions to describe research subjects through data collection or observing an event on research variables (Cooper & Schindler, 2014). As the name suggests, descriptive research is used to describe or illustrate research results (Priadana & Sunarsi, 2021).

The quantitative analysis approach consists of defining the problem, developing a model, obtaining input data, developing a solution, testing the solution, analyzing the results, and implementing the results (Render, Stair, & Hanna, 2012).

• Defining the Problem

At this stage, a clear and concise problem statement is developed. An organization usually has more than one problem, but this analysis is only able to deal with a few problems at a time. Thus, it is necessary to focus on this problem to produce a solution that is able to increase profits the most or reduce costs for the company.

• Developing Models

After selecting the problem to be analyzed, the next step is to develop a model. Models developed in research must be solvable, realistic, and easy to understand and modify.

• Obtaining Input Data

After developing the model, the next step is to obtain input data to be used in the model. Input data can come from company reports and documents as well as interviews with employees or other people related to the company.

• Developing Solutions

Developing a solution involves manipulating the model to arrive at the best solution for the problem to be solved. The accuracy of the solution depends on the accuracy of the input data and model.

• Testing the Solution

Before a solution is implemented, it needs to be thoroughly tested. Solutions depend on input data and models, thus input data and models require testing. There are several ways you can test input data. One way is to collect additional data from different sources.

• Analyzing Results and Sensitivity Analysis

Analyzing results starts from determining implications and solutions. The solution to a problem will result in some type of action or change in the way the organization operates. Thus the implications of actions or changes must be determined and analyzed before the results are implemented.

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• Applying Results

The final step of quantitative analysis is implementing the results. This is the process of implementing a solution into a company.

B. Definition and Operation of Variables

A variable is something that is the object of research observation, often also referred to as a factor that plays a role in research or a symptom that will be studied. A research variable is something that is the focus of attention that has an influence and has value. Variables in a study can be defined as a value, state, category or condition that has a causal relationship between one another which will later be processed into a number.

> Narrative Definition

Narrative describes or explains a story or generally means telling a story. Stories generally have an event or several events that proceed according to chronological time and the events conveyed. An event can qualify as a story if there is a change from the initial situation.

➢ Variable Operations

Operational Variable is a definition given to a variable by giving meaning or specifying activities to measure the variable. The operational definition in a research variable is an attribute or characteristic of an object that has certain variations that have been determined by the researcher to be studied and then drawn conclusions (Sugiyono, 2015).

Table 4: Operational Variables						
Research Variables	Dimensions	Indicator				
	SevenTools	Problem solving methods used in	Stratification Diagram			
		analyzing causal factors and process	Check Sheet			
		improvements	Control Chart			
			Histograms			
\mathcal{AS}			Scatter Diagrams			
qna			Pareto Chart			
ouc			Fishbone Diagrams			
n n	Fishbone	Diagram that will be used to identify the	Man			
Icai		root causes of causal problems	Material			
kin			Method			
Ωu			Environment			
stur	5W1H	Methods used to help identify and take	What			
Re		corrective action	Who			
			Where			
			When			
			Why			
			How			

C. Population and Research Sample

> Population

Population according to Sugiyono in his book entitled Quantitative, Qualitative and R&D Research Methods (2017) is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population is not only humans but also other natural objects and things. Population is also not just the number of objects or objects being studied but includes all the characteristics or traits possessed by the subject. Meanwhile, according to Suryani and Hendryadi in the book Quantitative Research Methods (2015) explain that a population is a group of people, events or objects that have certain characteristics and are used as research objects. Population is not only people or humans but also objects and other things. Population also includes all the characteristics and traits possessed by the subject. So in this study the population is all product data returned from customers.

Table 5: Population of PT Employees. CBD

Position	Personnel
Warehouse Manager	1
Warehouse Admin	1
Product Manager	1
Key Account Manager	1
Accounting Manager	1
Finance Admin	1
Marketing Manager	1
Social Media Specialist	1
HR Manager	1
Total Population	9

> Sample

The sample is part of the population used for research. According to Sugiyono in the book Quantitative, Qualitative and R&D Research Methods (2017), the sample is part of the number and characteristics of the population. To determine the sample that will be used in the research, use a non-probability sampling technique, which is a sampling technique that is carried out by not giving the population an equal chance of being selected as a sample. This technique includes systematic, quota, accidental, purposive, saturated, snowball sampling. Thus, the sample used in this research will be the most dominant reason for product returns from the population of all customer returned products based on return reasons. The selection of the most dominant return reason as a sample is based on the worst product return condition among other product return reasons as a population. So the sample used in this research was taken from the employee population of PT. CBD with a sample size that is considered representative of the existing population. To calculate the sample, the formula used in this research is the Slovin formula with a sample size of 3 people.

D. Method of Collecting Data

Primary Data Collection Methods

Primary data is data obtained directly from the source by carrying out measurements, observations, questionnaires, interviews and so on (Priadana & Sunarsi, 2021). Primary data is research data obtained directly from original sources or first sources (Oka & Kartikasari, 2017). This research uses a survey method where the data to be used already exists or is available and the research instrument used is interviews or observations.

Secondary Data Collection Methods

According to Sugiyono (2018), secondary data is data obtained by researchers or data collectors indirectly. What is meant by indirect is that the researcher does not collect the data himself but examines and utilizes data or documents produced by the company. Secondary data tends to be shorter and saves time because it is already available by other parties so we don't need to carry out interviews, surveys, observations and other certain data collection techniques. The research instrument used is data originating from company reports and documentation.

E. Data Analysis Method

The data analysis technique is an analysis activity in research by examining all data generated from the instrument and then interpreting the data to obtain the desired information as a solution to the research problem being worked on (Priadana & Sunarsi, 2021). Data analysis is an effort to process data into information so that the characteristics of the data can be understood and are useful for finding solutions to problems which can later be used in drawing conclusions. The aim of data analysis is to describe the data so that it can be understood and then draw conclusions about the characteristics of the population based on the data obtained from the sample.

- Analyze the most dominant types of product returns using the Pareto diagram which is an illustration for sorting or classifying data from highest to lowest ranking. So this can help find problems that are a top priority to be resolved and those that do not need to be resolved immediately.
- Knowing the factors that cause *Skincare* product returns, in this step identify the source of the problem of product returns using a cause and effect diagram or what is called *a Fishbone* diagram. In this research, the causes of *skincare product returns* are reviewed from: *Man, Material, Method, Environment*.

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Table 6: 5	W1H
------------	-----

(1) Causal	(2) What	(3) Why	(4) Where	(5) When	(6) Who	(7) How
Factors	Root of the problem	Target	Place	Time	People involved	Corrective action
Man						
Method						
Material						
Environment						

 \checkmark Enter the known causal factors in column 1

- \checkmark Enter the problem in column 2
- \checkmark Enter why the problem occurred in column 3
- \checkmark Enter where the problem occurred in column 4
- \checkmark Enter when the problem occurred in column 5
- \checkmark Enter who the people involved are in column 6
- ✓ Enter any corrective actions for company management in column 7
- Determine an action plan to minimize returns of *skincare products* so as to reduce company losses and alternative solutions for the repair plan. Alternative design improvements at the improvement stage are carried out by going through the 5W1H method design stages. Improve (improvement) is carried out after the source and root cause of the problem are identified, it is necessary to determine an action plan to improve control with *Seven Tools*. The method used is 5W1H as the method used in the improvement plan based on the roots of the problems that have been defined.

F. Research Flow

Research conducted to solve the problem of product returns was carried out by following the research flow which will be explained using the problem solving framework as follows:

- Starting is the initial stage that will be carried out before the research, by making direct observations at the company.
- Preliminary studies are where researchers will get clear information and will help in solving problems that occur.
- Problem identification, the stage that the researcher will carry out is identifying existing problems at PT. CBD and the problem that will be discussed is product returns from customers. Problem identification in this research is identifying problems regarding the characteristics of product returns in the company, and identifying problem factors that cause product returns.
- Formulation of the problem, which will be researched using the selected method based on preliminary studies. The purpose of this problem formulation is to focus on the problems that will be researched on the product so that the problems discussed are clearer.
- Setting research objectives is carried out so that the research report is focused and the desired output can be achieved and fulfilled. The aim of this research is to analyze the types of product returns using the *Seven Tools method*, to find out the factors that cause returns and then provide suggestions for improvements to minimize product returns using the 5W1H method.
- Data collection was obtained from observation, documentation and direct interviews with the company.
- Data processing, where the data is taken from the company, this data processing consists of identifying product return problems using the *Seven Tools tool* and providing suggestions for improvements using the 5W1H method.
- Analysis, namely the results of the data that has been obtained during data processing, will carry out a more detailed analysis of the best types of improvements or solutions from the calculations or tests that have been carried out.
- Creating managerial implementation of governance and leadership that acts with ideas, plans, methods, designs, principles, ethics and motivation to carry out in an effort to realize goals.
- Conclusions and suggestions, at this final stage it is necessary to formulate a conclusion from the research results as a whole and in general, as well as make recommendations on how to solve existing problems so that new problems do not arise and can minimize product returns which can be detrimental to the company.

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Fig 4: Research Flow Source: Author, 2023

CHAPTER FOUR RESULTS AND DISCUSSION

A. General Description of Research Objects

➤ Company History

PT. CBD is a company that operates in the importer and distributor sector. Established on September 17 2009, PT. CBD is located at Altira Business Park, Sunter Jaya, Tanjung Priok, North Jakarta. At the beginning of its establishment, PT. CBD is an importer and distributor of food and beverage products. In line with the company's development in 2015 PT. CBD began to expand to distribute beauty products under the LEBONC trademark. Several types of food products that are marketed include soda drinks, instant noodles, various snacks, cooking spices, seaweed, and Korean dumplings. Meanwhile, beauty products are in the form of *Skincare variants*. Until now PT. CBD has collaborated with various large retailers in Indonesia MT/LKA/NKA and many more in marketing its various products.

- Company Mission
- ✓ Prepare and provide goods ready to sell
- ✓ Fast and efficient delivery
- ✓ Keeping stock healthy
- ✓ Distributing new products to the market in Indonesia

Scope and Business Fields

The scope of work at the company starts from the business process of the company becoming an importing distributor of *Skincare products* as described in the image below:



Fig 5: Company Process Flow

As seen in the picture above, the company's business process flow starts from HLMC-Korea to imports to Indonesia and PT. CBD as an official distributor of its products is then redistributed to retailers who have collaborated until they reach the final customer.



Fig 6: Company Distribution Process Flow

The scope of orders from customers in the form of *Purchase Orders* (PO) issued based on contractual agreements includes receipt, preparation, delivery and direct sales to final customers.



Fig 7: Goods Return Process Flow (Before)

The flow of the goods return process occurs due to various factors, where before a return is made, some customers will send emails regarding the returned product, so that later the driver will pick it up again.

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Organizational Structure of the Company The company organizational structure of this company is very narrow, because it only consists of:

- The Main Director is from Korea
- F&B Division which only consists of Key Account Managers and Jr. Key Accounts
- Skincare Division consisting of Key Account Manager and Jr. Key Accounts
- Marketing Division consisting of Social Media Specialist, Design, and E-Com
- Human Resources and Finance Division
- The Warehouse Division consists of 4-5 people
- Other divisions such as couriers, drivers, packing



Fig 8: PT Organizational Structure. CBD

B. Data Analysis Results

In carrying out this research, the researcher presented the results and discussion based on the results of research in the field in searching for and collecting data and information needed so that the results answered the phenomena that occurred at the research location and the data was then processed. Data processing uses *Seven Tools* and 5W1H. The following are the results of data processing along with a discussion of each data processing result.

- Seven Tools
- Stratification Diagram

Stratification is the grouping or division of some data into more specific ones by paying attention to the categories of data grouping. The purpose of stratification is to identify the causes more clearly of a problem by narrowing down data (Erdhianto, 2021).

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			_ /
Cable 7. Stratification	n Diagram	Processing	Reculte
able 7. Suanneano	n Diagram	Trocessing	Results

No	Return Type	Number of Returns (pcs)
1	Dead Stock/ Aging	7591
2	Discontinued	3092
3	NED	2667
4	Expired	1329
5	Broken	141
6	Old Packaging	65
7	Changepack	16

Source: Company Data, 2022

Based on the table above the results of stratification diagram processing, there are 7 causes of return problems with the following description:

- Dead Stock/Aging is caused by products whose shelf life is more than 3 months, starting from the goods sent from the supplier to the customer.
- Discontinue is caused because the product is no longer produced by the production party so it will no longer be sold or marketed
- Near Expired Date (NED) is caused because the product is approaching its expiration date 3-6 months after its validity period
- Expired Date (ED) is because the product has expired and has been removed from the display
- Broken is caused by a defective product due to leaking packaging, damaged/dented packaging
- Old packaging is caused by renewing products that have been replaced with new packaging
- Change packaging is caused by both the packaging and the grammatical changes
- Check Sheet

A check sheet is a formula designed to record data, a check sheet helps analysis find facts or patterns that might help further analysis (Heizer et al., 2019).

Period	Number of	r of Types of Product Returns							Number
2022	POs (Pcs)	Specification Number of Nonconformities						of Returns (Pcs)	
		DS/ Aging	Discount	NED	Expired	Broken	Old Pack	Changpack	
January	32958	-312	-109		-30	-10			-461
February	43512	-197	-102		-63	-13	-11		-386
March	57135	-200	-146		-49	-18	-16		-429
April	24084	-73	-49		-34	-7			-163
May	11331	-91	-90		-10	-16			-207
June	14919	-173	-103	-1149	-47	-22	-27	-2	-1523
July	23885	-734	-563	-503	-42			-14	-1856
August	24312	-425	-223		-264	-16			-928
September	26420	-180	-1047		-169	-18	-11		-1425
October	21363	-2876	-404	-645	-372				-4297
November	36322	-1846	-77	-188	-128	-21			-2260
December	43630	-484	-179	-182	-121				-966
Grand Total	359871	-7591	-3092	-2667	-1329	-141	-65	-16	-14901

Table 8: Check Sheet Processing Results

Source: Data Processed, 2023

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From the results of the check sheet, it can be seen that during the 2022 period, it is known that several types of product returns from customers with a total of 14,901 returns for various reasons, including: Aging caused by goods in old stores that have not been sold and are more than 3 months old, 7,591. pcs, Discontinued is caused by goods that are no longer produced and can also be caused by slow moving goods as many as 3092 pcs, NED is caused by goods which are about to expire, which can be 6-12 months before expiring as many as 2667 pcs, Expired Date is caused by goods being found to have expired in customer shops or warehouses as many as 1329 pcs, Broken is caused by goods in the shop or warehouse whose packaging has been damaged or leaked as many as 141 pcs, Old Pack and changepack are actually not much different yes this is caused by old packaging and not being supplied from the distributor again and replaced with new packaging.

• Histograms

Histograms are used to see the types of returns that occur most frequently. The following histogram is made based on the type of product returns from January-December 2022.



Fig 9: Histogram Processing Results Source: Data Processed, 2023

It is known that the type of reason for product returns in 2022 is that the highest number of returns will be in October 2022 with the reason Dead Stock/Aging, namely 2876 pcs.

• Scatter Diagrams

A scatter diagram is a picture that shows the possible relationship (correlation) between pairs of two types of variables and shows the closeness (level) of the relationship between the two variables (strong or weak) which is realized by the correlation coefficient.



Fig 10: Scatter Diagram Processing Results Source: Data Processed, 2023

From the results of the scatter plot, the number of returned products and the number of products sent produces R $^2 = 0.0567$ ----- $\rightarrow R = 0.238$, indicating that the correlation is very weak. This means that there is no relationship between the number of products sent and the number of products returned. However, if you want to improve product quality, companies must minimize product returns as much as possible by monitoring goods delivery data.

Pareto Chart

The Pareto diagram is a graph used to see the biggest causes of a problem. The data is processed to determine the percentage of returned product types.

Return Type	Returns (pcs)	Returns (pcs) Cumulative Re		Cumulative Returns %	
Aging	7591	7591	51%	51%	
Discontinued	3092	10683	21%	72%	
NED	2667	13350	18%	90%	
Expired	1329	14679	9%	99%	
Broken	141	14820	1%	99%	
Old Pack	65	14885	0%	100%	
Changepack	16	14901	0%	100%	
Grand Total	14901		100%		

Table 9	Percentages	of Pareto	Diagram	Processing
10010 7.	1 ereentages	of f areto	Diagram	Trocessing

Source: Company Data, 2022

Based on returns data in 2022, there are 7 types of returns and only the 3 highest types of returns will be taken based on data from PT. CBD can then calculate the percentage of types of *skincare product returns* as in the table above.

Following are the steps for calculating the percentage of returns for Skincare products:

> The Formula for Calculating the Percentage of Returns Based on Type:

%Jenis Retur =
$$\frac{Jumlah retur sejenis}{Jumlah seluruh retur} x 100$$

From the formula above it can be calculated as follows:

$$\%Aging = \frac{7591}{14901} \ x \ 100 = 51\%$$

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%Discontinue = $\frac{3092}{14901} \times 100 = 21\%$ %NED = $\frac{2667}{14901} \times 100 = 18\%$

The following Pareto diagram of the percentage of returns can be seen in the image below:





Based on the results of the Pareto analysis diagram above, it was identified that 51% of the main causes of return problems for skincare products were aging stock or goods that were more than 3 months old or more. So it can be seen that the largest number of returned products is due to aging/dead stock products. From the results of this identification, the problem analysis stage will then be carried out using the Fishbone diagram method. This method will provide an overview of the causes and effects of product returns for the reasons for product returns above which can give special attention to the most dominant return problems. Apart from that, this method will provide a clear picture of the root of the problem as well as provide ideas and solutions in solving existing problems and will also help find further facts of the problem.

• Fishbone Diagrams

After collecting data and processing with *Seven Tools*, the next step at this stage is to carry out implementation related to cause and effect and make improvements using 5W1H in overcoming the problem of product returns, which focuses on returns that have the highest or most dominant return rate for *Skincare products*. To determine the cause of the problem, researchers use a *Fishbone diagram* because it will be easier and more effective to describe the problem. Information related to factors causing returns based on the results of interviews with company sources and PT warehouse managers. CBD. The results of the analysis can be seen in the following image: ISSN No:-2456-2165



Fig 12: Fishbone Diagram of Product Aging

Fishbone diagram above, it was previously known from the Pareto diagram that the most dominant factor causing returns of Skincare products is due to stock aging (product shelf life of more than 3 months) so companies need to take corrective action to minimize returns on Skincare products. The initial step is to find out the returns data, look for the type of return, look for the cause of the return by interviewing the company in the warehouse section.

✓ Man

Refers to human resources or personnel involved in a process. It includes skills, training, experience, and the overall human element in carrying out tasks. Workforce effectiveness can have a significant impact on the results of a process. Where employees lack experience in product monitoring skills.

✓ Material

Involves the physical resources or raw materials used in a process. This includes the quality, availability and suitability of materials. Material characteristics can influence the final product or outcome. In the *fishbone diagram*, it is known that there are several quality factors that cannot be checked again on the product to be distributed.

✓ Method

Describes procedures, techniques, or processes used to perform tasks or achieve goals. This factor focuses on the actual methods and steps used in a process. The efficiency and effectiveness of the chosen method can influence the overall results. Currently existing procedures have not been implemented optimally and some employees are not even complying with the applicable SOPs so more emphasis must be placed on them.

✓ Environment

Includes conditions, surrounding environment, and external factors that may influence the process. This includes both the physical environment (such as temperature, humidity and lighting) and the broader context (economic, social, regulatory, etc.). The environment can have a significant influence on the success of a process. Irregular warehouse conditions also result in FIFO not running according to the SOP.

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These factors are often analyzed together to identify areas for improvement, solve problems, and optimize processes. Understanding and managing these elements can contribute to better overall performance and results in various areas of work. Based on the *Fishbone results*, it can be seen that the dominant factors in the occurrence of returned goods are caused by people and methods. In the human factor, problems arise due to a lack of skills and care and accuracy in maintaining goods. Meanwhile, the method factor, problems arise from the implementation of SOPs that are not implemented enough and the existence of SOPs that are not yet specific. After the root of the problem with returned goods has been mapped, the next stage of problem solving is carried out using the 5W1H method.

Corrective Action

Corrective action for product return problems will then be continued with a 5W1H analysis of the most dominant factors causing product returns and then corrective action will be formulated which will enable the company to carry out in the hope of minimizing the factors that cause product returns. Actions that need to be taken 5W1H are as follows:

- What: High percentage of *skincare* product returns
- When: Research data will be carried out in 2022
- Who: Employees in the warehouse division and employees related to PT. CBD
- Where: This problem occurred during the Skincare distribution process
- Why: The cause of returns for Skincare products obtained in the previous Fishbone diagram
- · How: Recommendations for improvement will be explained in the recommendation table

The following is an analysis table determining the dominant problem:

Causative	What	Why	Where	When	Who	How	
factor	Root of the problem	Target	Place	Time	People	Corrective action	
					involved		
Man	Not adding stock of	Lack of employee				Accurate demand	
	goods on time	experience and skills				calculations must be	
						carried out	
	Products are not					Direct monitoring must	
	monitored properly					be carried out	
	Lack of supplier and					Communication between	
	customer					suppliers and buyers	
	communication					must be good	
	Not very thorough					Suppliers must be	
					ior	careful about the PO	
					Divis	issued	
	Excess Orders					Must avoid excess orders	
			se	2	suc	with proper calculations	
Matail	Due heret were liter in wert	The area l'trace a 1	nou	202	ati		
Material	Product quality is not	The quality and	ret	ar	pei	It is necessary to check	
	checked again	availability of goods are	Wa	Ye	Õ	the quality of the product	
		not property calculated			nse		
	The amount of stock is	so mey are not suitable			cho	must have evoluble	
	requirements				/arc	stock data	
	Product availability				М	Broduct availability to	
	i foduct availability					customers must be	
						routinely requested	
Method	There is no specific	Applicable procedures	-			Must implement SOPs	
Wiethod	SOP for handling goods	are not carried out in				that must apply to all	
	Ser for hundring goods	the distribution process				employees	
	Inaccurate data	so there is no handling				Compare data between	
	maccurate and	method				delivery and returned	
						products	

Table 10: 5W1H Analysis Results to Find Corrective Actions f

	Handling of incoming			A checksheet must be
	and outgoing goods is			created for outgoing
	not adjusted according			(delivery) - incoming
	to their type			(return) goods
Environment	Not sold for a long time	Environmental		Products that have not
	Stored too long	conditions, both		been sold for a long time
	C C	internal and external,		must be made into
		are not monitored		promotional/flashout
		properly		actions
	Product trends			Management must know
				current product trends
	Wrong treatment of			The packaging of goods
	goods			must be completely safe
	_			and checked by the
				warehouse operations
				division
	Dirty warehouse			Apart from the SOP for
	conditions and			distribution,
	disorganized storage			management must create
	space			an SOP for the
	_			warehouse
	The storage warehouse			The storage layout must
	layout is not suitable			be rearranged according
				to product type

Based on the table above, the final step to control the standardization of the process so that it can work is to use a *Fishbone diagram* because it is easier and more effective to describe the problem.

- Supervise and provide written *Standard Operating Procedures* (SOP) in the warehouse in an area that is easily accessible to workers as a reference for distribution.
- The following are some written SOPs provided in the distribution section, namely:
- \checkmark So that employees can clearly know their position and role in the company.
- \checkmark So that employees can be more consistent when carrying out work procedures.
- ✓ Can provide clarity about the progress of the work process, responsibilities related to the process.
- ✓ Making note sheets or checksheets to control the outflow of goods from period to period to determine problem conditions at the beginning of the distribution process.
- ✓ Improve product maintenance and carry out repeated checks before the delivery process.

C. Discussion

Based on the results of research analysis and data processing that were presented in the previous chapter, the aim is to minimize *skincare product returns* and suggestions for improvements.

Seven Tools

At this stage we will explain the planning process and data collection stages, planning using several selected tools, namely product *stratification* which aims to group types of *skincare product returns* based on their type, and using *a histogram* which aims to show variations in measurement data, applying a Pareto diagram aims to find out highest percentage of returned products. *The control chart* aims to determine the control limits of a product, where it will be seen how much data is outside the control limits.

• The Following is an Analysis of Each Stage of the Tools as Follows:

✓ Skincare Product Returns

Following the stratification results, it was found that there were 3 types of returns with the highest rates and the types of causes for product returns, including:

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Return Aging/ Dead Stock

In this type of return, the product is not sold because the goods have been stored in the warehouse for too long, so the shelf life is more than 3 months, calculated from the goods sent according to the delivery note.

Discontinued Returns

This type of return is where the product has been discontinued, the goods are no longer produced or are no longer produced because they will be replaced with new product trends.

Return NED

In this type of return, the product will be returned because it is approaching the expiry date and the supplier is not monitoring the action properly by providing promotions or product flushouts.

✓ Histogram Analysis of Types of Skincare Product Returns

The following is a recapitulation of data on types of returns for *Skincare products* at PT. CBD in 2022.

From table 4.3 of the histogram processing, it can be seen that the highest product returns will be in 2022 with the 3 highest months, namely in October with a total aging of 2878 pcs, in November also with a total aging of 1846 pcs, and in June with a total NED of 1149 pcs.

✓ Pareto Diagram Analysis of Types of Skincare Product Returns

The following is a graphic analysis of the Pareto diagram for each type of PT Skincare product return. CBD :

Based on the results of data processing using the Pareto diagram, it is known that the 3 biggest causes of returns which are the cause of the highest product return problems are that the percentage of *Skincare returns* due to aging/items that have not been sold for a long time is 51%, which is the most dominant or highest return. Then followed by *Skincare* returns due to discontinue/items that are no longer produced by 21 % and *Skincare returns* due to NED/items 3-6 months with an expiry date of 18%.

• Cause and Effect Analysis

In the next stage, by carrying out implementation related to looking for causes and effects (*Fishbone*) and taking corrective action with 5W1H in providing suggestions for return problems, which focuses on returns that have the most dominant or highest return rate for *Skincare products* at PT. CBD. At this stage, determine the return factor using cause-and-effect diagram analysis. From the picture above, we can get an analysis of the causes of product return problems due to aging stock caused by human factors, method factors and environmental factors. The following are some of the problems that cause *skincare* product returns:

- The first factor that causes returns is the human factor, where operations are not careful when checking products, workers are not very skilled and understand the SOP in carrying out work, workers lack concentration, workers are not careful when packing and selecting products to be sent, workers are negligent in cleanliness. So there is a need for regular training for all employees and maintaining employee discipline.
- The second causal factor is a factor caused by the method. There are 3 problems caused by the method factor, the first is a lack of checking the product before it is sent. Then the second problem is errors in preparing the goods, this can result in the product being returned. The third problem is that it does not comply with the standard operating procedure (SOP) that has been determined by the company. The proposed improvement is to provide a written SOP in the distribution process section in an area that is easily accessible to workers, so that operations and other workers can know and understand the flow of the production process.
- The third causal factor is material factors or raw materials. The problem caused is that checking the raw materials is not carried out according to the SOP which causes the dough to have a level that does not comply with the SOP, the raw materials do not comply with the standard operating procedure (SOP) and the second problem is that the composition of the raw materials does not meet company standards.
- The fourth causal factor is environmental factors. The problems caused are strong winds entering the production line during the production process, cleanliness that is not maintained around the production line, and hot temperatures in the production line area. This can cause damage and discomfort for workers at any time on the production line.

➢ W1H Analysis

The next stage is to determine a proposed improvement for each defect factor using 5W1H analysis. From the 5W1H analysis table above, an analysis of the most dominant causes of problems is obtained because aging stock is caused by human factors, method factors, material factors and environmental factors. The following are recommendations for improvement of each factor causing disability, namely:

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• *Recommendations for Improvements in Human Factors (MAN)*

Make strict efforts by the warehouse operations department towards worker performance. Carry out regular supervision or monitoring of employees and provide SOP training and training regarding responsibilities in the correct distribution process to all employees, so that they are able to carry out all activities properly and correctly.

• *Recommendations for Improvements to Material Factors (Warehouse)*

During the process of incoming and outgoing goods there must be good supervision so that the formula can be made according to the SOP and there are regular checks regarding the process of making the formula required in the production process.

• Recommendations for Improvements to the Method Factor

Providing written standard operating procedures (SOP) in the production process section according to the work station, so as to reduce machine setting errors before the production process takes place.

• Recommendations for Improvements to Environmental Factors

Always ensure the cleanliness of the environment around the warehouse and make sure to close the hoper door on the machine when operating.

➤ Action Stage

This stage is the final stage of *the Seven Tools* and 5W1H which aims to provide suggestions for corrective actions that must be taken to overcome the high percentage of returns. Improvements that must be made immediately are to carry out supervision and create a written *Standard Operating Procedure* (SOP) in the production section which is easily accessible to workers as a reference for operators so that workers can better understand and provide clarity regarding the work flow and responsibilities of the process so as to prevent errors occur in distribution. Then create a note sheet or checksheet that is useful for controlling products from period to period.

D. Managerial Implications

Based on research data that has been processed using the *Seven Tools method* and then suggestions and improvements were obtained in applying the 5W1H method, there are several implications that can be applied in relation to the improvements that have been suggested for the problem of returning *Skincare products*, some of which are presented below. This research is expected to provide various benefits for related parties, including:

➢ For Companies That Import and Distribute Skincare Products

- The results of this research can be used as material for consideration and evaluation regarding the performance of the divisions related to product returns that have occurred at the company so far.
- Identification of various obstacles/problems with product returns faced so far can be used as a reference for improvement and improvement of company performance in the future to minimize *skincare product returns*.
- For Similar Companies, this Research can be used as a Comparison, so that Various Types of Returns can be Identified and Ways to Minimize Them so that Improvements and Developments can be Made in the Business Sector.
- ▶ For Parties Who Wish to Become Distributors, Especially those with an Import Orientation:
- The results of this research can be used as literature to understand the types of product returns and deal with existing problems
- The various obstacles revealed in this research can also be used as consideration in developing a strategy for starting a business as an import-oriented distributor.
- For Academic Circles, it is Hoped that this Research can be Used to Enrich Knowledge and Complete Literature Regarding Types of Product Returns and Minimizing Product Returns in Company Operations.

CHAPTER FIVE CONCLUSIONS AND SUGGESTIONS

A. Conclusion

- Based on the Results of the Analysis and Discussion Carried Out in the Previous Chapter, Several Things can be Concluded as Follows:
- After analyzing the reasons for product returns, the most specific reason for product returns that occurred was the highest type of product returns, namely returns due to aging stock or goods that had not been sold for 3-6 months, calculated from the goods sent or received by the customer.
- After carrying out an analysis using a fishbone diagram, the factors that cause product returns are the factors that are thought to be the most dominant cause, namely human factors, so that several root causes are found, including.
- ✓ Man / human: lack of recruitment planning and lack of training programs provided by HRD.
- ✓ Material: there is an imbalance in supply and demand for grounding and lightning protection materials and many supplier companies are implementing WFH
- ✓ *Method* : machines and work equipment are outside the contract so that the provision of machines and work tools is entirely the responsibility of the main contractor.
- Environment : less stringent project environmental security and the Covid-19 pandemic which has disrupted all business activities.
- The root of the problem that was found using the Fishbone Diagram method was then followed up to formulate corrective actions that might be taken to overcome the problem using the 5W1H method and the following recommendations for improvement were produced.
- ✓ *Man* / manuisa: carry out careful recruitment planning both with internal and external parties of the company and prepare job training programs that are given on a scheduled basis to employees.
- ✓ Material: forecasting material demand so that material is always ready stock and avoiding shortages and coordinating with several suppliers to anticipate the possibility that the main supplier will not be able to support the company's demand
- ✓ *Method/Methods* : forecasting demand for materials so that materials are always *ready stock* and avoiding shortages and coordinating with several *suppliers* to anticipate the possibility that the main *supplier* will not be able *to support* the company's demand
- Environment : tighten the security system and add security personnel and be able to adapt to new habits when unpredictable conditions occur, such as the Covid -19 outbreak

B. Suggestion

The results of this research can be followed up with research on other parties related to the company so that a more complete and more objective picture of *skincare product returns can be obtained*. Based on the results of the research that has been carried out, the author provides several suggestions as follows:

- Based on the research results, it was concluded that the Seven *Tools method* effectively used to minimize product returns by knowing and analyzing further. Thus, companies can consider this method for further application
- The factors that result in product returns can be anticipated by applying the 5W+1H method. The suggestions developed using this method can be implemented by the company with support from all levels of management to produce ideal conditions as expected by the company to minimize product returns. The dominant and non-dominant factors that cause *skincare* product returns from the results of this research can be used as reference material and consideration by companies as material for improvement.
- Companies can consider the results of research using the *Seven Tools method* and the 5W1H method to minimize the return rate of *Skincare products* and hope that the company's performance can be more focused in solving product quality problems by monitoring data to carry out daily checks.

C. Research Limitations

To maintain the company's good name, in this research the company name is disguised. Some data is confidential, so all of it cannot be disclosed. The responses obtained from several related people to the survey conducted were very limited.

The research presented in this thesis still has several limitations because the research was only carried out based on the company's *historical conditions* so that the research results may only apply to the company that is the subject of the research. Apart from that, the dimensions used in analyzing the factors causing project delays are limited to the elements of *man, method* and *environment* which are adjusted to the conditions that occur in the field. In this way, improvements can be made in further research by discussing in more depth all the elements that cause delays.

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