

CUSTOMER ACCOUNTING AND FREE RETURN POLICIES OF RETAILERS

Rainer Lueg, Leuphana University, Germany and University of Southern Denmark, Denmark

[dx.doi.org/10.18374/IJBR-20-1.8](https://doi.org/10.18374/IJBR-20-1.8)

ABSTRACT

This case study deals with a retail company. It illustrates how the use of customer accounting can improve its profitability and reshape customer relationships. The case also discusses parameters of appropriate transfer pricing and incentive systems. Students can use this case as an illustrative example in class and use the open-ended questions to reflect on the managerial implications.

Keywords: *Activity-based Costing; customer profitability; target setting; teaching notes; transfer pricing.*