



Research on online retail store customer satisfaction-A case study of HanDu

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ABSTRACT

As a new retail channel, the role of Internet in the retail industry is becoming more and more important. Many retail stores take network platform as the method of entering the B2C and C2C E-commerce. With the growing popularity of online shopping, customer satisfaction has become an important factor to online retail stores. Aiming at the online retail stores in terms of customer satisfaction, the article point out the existing problems by collecting and organizing the literature of online retail stores and customer satisfaction. By the case study of B2C -HanDu, the article put forward reasonable and effective suggestions to HanDu which may give clue to online retail stores to improve the customer satisfaction and maintain customer loyalty.

Key words: Online retail store, Customer satisfaction, Electronic Commerce, HanDu

INTRODUCTION

As an important part of the modern economy, Services has become an important part of the national economy. From the perspective of Service production and delivery, service characteristic of invisible, heterogeneous, can not be stored and so on, the probability of errors is significantly higher than tangible products[1-3]. Meanwhile, the synchronization of the production and consumption making the service will be immediately felt once the error. Customer service interruption will cause some degree of damage, and thus have a negative impact on corporate profits, while service recovery can make up for the loss in value suffered by consumers through certain compensatory measures, so that customers can be satisfied in order to continue to maintain loyalty to the company.

China's continuing growth in e-commerce development has become an important component of GDP. According to the China Electronic Commerce Research Center monitoring data, online retail market transactions reached 754.2 billion yuan up to June 2013, an increase of 47.3%; China online retail market transactions accounted for 6.8% of total retail sales of social consumer goods; Chinese online shopping scale up to 277 million people users, an increase of 29.4%, China Mobile shopping users reached 7805 million, which expected to reach 15, 500 people by the end of 2013[4-9].

According to the China E-commerce Complaints and Rights of Public ServicePlatform monitoring data, Taobao/Tmall accounted for the largest complaints ratio about 17.31% of online shopping site in 2013, Tencent electricity 13.46%, gome online 12.57%, vancl 10.77%, Dangdang 6.73% and so on[3].

The high service complaints mainly about slack during the promotional services, credit crisis frequently staged, and service lag, among which service failure is the main reason for internet users' dissatisfaction according to Commerce Research Center Retail Center [10, 11]. Service failure of retail stores can cause corporate crisis if not handled properly. Service recovery is a key issue in the healthy development of e-commerce businesses from the operator's point.

SERVICE FAILURE OF ONLINE RETAIL STORES AND CUSTOMER SATISFACTION INFLUENCE FACTORS

With the rapid development of electronic commerce, online shopping has become generally accepted in the mainstream consumption. Feature with its variety, cheap prices and other unique advantages, online purchase attract more and more customers. Undoubtedly, online retail has good development prospects, but it exists many problems, summarized as follows:

Trading credit is difficult to guarantee

Credit problems are the most important factor in the healthy development of online retailing, online shopping transaction credit is the biggest bottleneck. Customers buy the commodity based on the credibility of the business. Although a series of measures has been taken to protect the consumers' interests such as Taobao, there's no specific appropriate laws and regulations to protect the customer as to product quality, service and safety issues so far. Therefore, the credibility of the online store is one of the factors that directly affect customer satisfaction.

Distribution can not handle timely

Customer satisfaction affected by Logistics duration, low cost, distribution methods, the integrity of the package and so on. Customers want to spend the least money and receive the intact goods in the shortest time. But the retailer's distribution network serving mostly cooperated with logistics companies, therefore, online retailers and logistics personnel has no direct management authority, it can not control the logistics and distribution services quality, while logistics and distribution sectors can easily lead to problems. When the problems occurred such as the high cost of logistics and distribution, slow, undeveloped parcel tracking service, which can easily lead to customer dissatisfaction.

Lack of effectiveness and consistency of product information

Quality of service or product itself is an important means of attracting the customer. Online retail store must ensure that the product the customers received has the same specifications, colors, and all other characteristics of the product with the internet provided. If there's difference between them, it must be clearly pointed and ensured that the customer can see on website.

The Service process is not standard

In the process of online shopping, customers care about online customer service in addition to the quality. Due to the incomplete information, the customers learn more about goods before buying, so pre-sale servers should be able to timely respond to customers' inquiries. At the same time, in the network virtual trading environment, the process of return the goods is more complex, after-sales service should be handled in a timely, simple manner. Therefore, online shops should provide customers with high quality service in pre- sales and after-sales, which make customers feel their demands are special focused, increase customer satisfaction and maintain customer loyalty to retail stores.

CASE STUDY

The introduction of HanDu

HanDu is a successful case of B2C mode in online retail stores operate in china retail industry. Its brand was founded in 2008, which committed to provide high-quality fashion for urban fashion crowd. As China's "Internet fast fashion" brand, HanDu won the love and trust of consumers nationwide with "variety styles, update quickly, cost-effective" product concept. According to different consumer groups, HanDu owns many brands: HSTYLE (Famous fast fashion ladies), Soneed (Famous elegant ladies fashion), AMH (Famous fast fashion men swear) and so on. In 2010 HanDu won the honorary title--"Ten network goods brand" and "Best Practices globalization network operators", it obtained the IDG's investment of millions of dollars in 2011, it won the No.1 in the sales of the first women's platform in Tmall and Jingdong in 2012 and 2013. By the end of 2013, the company has more than 40 business units, employing more than 2, 300 employers.

"HanDu" service failures and customer dissatisfaction factors

Obscure identifies of pre-sale merchandise message

HanDu often sold pre-sale goods, but the detailed information such as the delivery time is not always obvious, which result in dissatisfaction after purchasing the goods but can not received timely, the customer's dissatisfied mood will instantly improved.

Customer response slowly: Although HanDu have huge customer service groups, during "11.11" shopping day, customer always wait 30min-1h when consulting a problem, which greatly reduce the customer's purchase enthusiasm, and affect consumer satisfaction and loyalty of HanDu.

Imperfect warehouse group system: The customers choose different logistics company according to their

geographical location, which customers always tell the server or leave message, but in many cases picking warehouse group does not follow the instructions of customers' distribution logistics which bring inconvenience to customer and significantly reduced customer satisfaction.

Complicated Return-change process: The process of Return-change goods is very complex. Firstly, Customers should contact with after-sale server, apply on website; secondly, mail the good to the retail stores; thirdly, if your application has been passed, and finally the return of goods or a refund can be issued, this process may be last more than one week. Especially during the "11.11" shopping day, HanDu does not support return, which cause great inconvenience to the customer.

Trouble in using Promotion coupon: HanDu take send coupons or purchase coupons as one of the main sales methods, but there are many customers often do not know how to operate in the time of collection or use coupons for shopping. Convenience is one of the features of online shopping, and when the customer waste time in studying the using of coupons, his Satisfaction Index for the online shopping will be greatly reduced.

THE SUGGESTIONS AND STRATEGIES

Handle pre-sale problems correctly

On the sale of goods, HanDu can separate the sale as an index in the commodity classification, rather than spot in commodity, which may confusing the customers. At the same time, marking "pre-sale" with large fonts and different color to attract customers' attention, so that solve the unnecessary trouble.

Improve the employees' typing speed, add new customer service

In order to shorten the response time of customer service, HanDu can take the typing speed as a measure of staff performance appraisal. In addition, with the continuous expansion of HanDu, increasing the number of the server is the most effective method to reduce the customers' waiting time.

Improve the system of warehouse group system

We should attaches great importance to the "customer first" philosophy to meet the diverse needs of customers. In the process of logistics distribution, the delivery personnel should take care of the buyers comments or pre-sale customer service note firstly, if the customer have special distribution requirement, we should be in accordance with the wishes of customers strictly.

Perfect after-sales service system, simplify the return process

We should simplify the process of Return-change, the customer apply on the website and mail back, after-sale departments should reduce the audit time, and give the customer a refund or a change as soon as possible, so that reduce customer of waiting time.

Simplify the process of using coupons

HanDu should mark collecting and using rules in prominent place on home page to reduce unnecessary trouble and supply the convenience to our customers.

CONCLUSION

From the present most popular online shopping, this paper discusses the widespread service errors of e-commerce industry and factors that influence consumer satisfaction. At the same time, We take HanDu as the typical case of B2C mode, analyze concrete service errors, find the factors causing the customers dissatisfaction, and put forward the corresponding measures for service failures. We hope the study may have certain guiding significance for the development of China's electronic commerce.

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