

# A STUDY OF CUSTOMER SATISFACTION WITH OVERSEA ONLINE SHOPPING FOR OVERSEAS CHINESE PEOPLE\*

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## Abstract

Online shopping is favorable in China, and with the increasing population of Chinese live in Southeast Asia countries, many Chinese people also willing to oversea shopping online , but they found difficult in forwarding service with oversea online shopping , lead to consumer satisfaction levels drop . With the increasing income and busy working, many people would like to shop online. Moreover, the most reasons for oversea Chinese like to shopping online in China are cheaper products and familiar Chinese products that are used to use in China. Online shopping , for customer it is not only because of the high level of convenience , but also because of the broader selection ; competitive pricing and greater access to information . But oversea Chinese found difficulties in forwarding service and payment service for online shopping in China . So online shopping for oversea people 's satisfaction with the overall decline . In begin of 2014, company Alibaba pushed out a new program named 'Sea.taobao.com. This new program support with international forwarding service and payment by Visa , Master card & JCB for Southeast Asia countries' consumers .The company wants to know that how customers feel towards it , then improve this program to increase sales . So this research study is focusing on 'Sea. taobao.' & consumer's feeling after taking part in online shopping on Sea.taobao.com.

Many consumers still worried about the security of shopping and long lead time & expend forwarder feeds. Due to forwarder fees for shopping on Sea.taobao.com still expensive than shopping in Taobao.com , which is the website for within China . Company Alibaba shall cooperation with forwarder in Southeast Asia countries, which can delivery goods in short time along with cheaper forwarding fees. About security, the company shall cooperation with the bank Southeast Asia countries to increase consumer reliance.

**Keywords:** customer satisfaction, online shopping , Sea.taobao.com

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## Introduction

Online shopping , for customer it is not only because of the high level of convenience , but also because of the broader selection ; competitive pricing and greater access to information , Online stores are usually available 24 hours a day , and many consumers have Internet access both at work and at home . visit to a conventional retail store require and must take place during business hours , Searching or browsing an online catalog can be faster than browsing the aisles of a physical store . But Chinese's people who living in Southeast Asia areas found difficulties in forwarding service and payment service for online shopping in China. So online shopping for Chinese's people who living in Southeast Asia areas satisfaction overall decline.

There are some research questions as below :

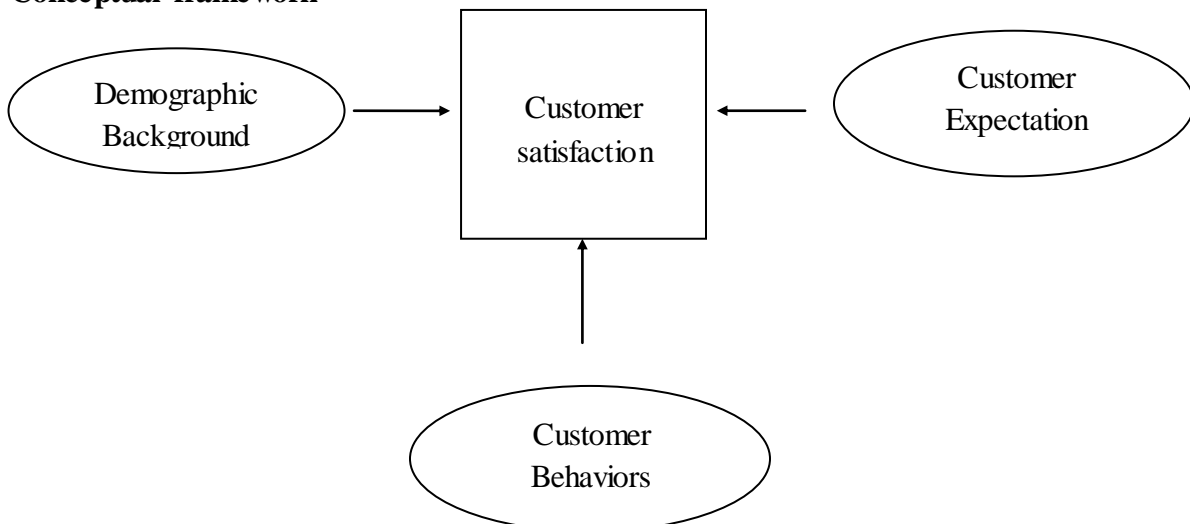
1. What is situation of the customers' demographic background, behaviors and expectations of oversea online shopping?
2. What is the situation of customers' satisfaction toward online shopping on Sea.taobao.com?
3. What factors affect the customers' satisfaction toward online shopping Sea.taobao.com?
4. How to modify or improve the new program of Sea.taobao.com ?

## Objectives

The main objectives of this research are as below:

1. To understand the current market condition of Chinese's people who living in Southeast Asia countries online shopping.
2. To understand the situation of the customers' demographic background, behaviors and expectations.
3. To find out relevant factors affect the customers' satisfactions toward the new program Sea.taobao.com
4. To find out the way of modify or improve the new program Sea.taobao.com

## Conceptual framework



## Hypothesis

The research hypotheses are below:

H0: The customers with different demographic background has same level of satisfaction .

H1: The customers with different demographic background have different level of satisfaction.

H0: The customers with different behaviors have same level of satisfaction.

H1: The customers with different behaviors have different level of satisfaction.

H0: The customers with different expectations have same level of satisfaction.

H1: The customers with different expectations have different level of satisfaction.

## Customer satisfaction theory

Customer satisfaction is based on 4Cs : consumer , cost , convenience , communication . Four Cs theory is re-set the four basic elements of marketing mix : consumer , cost , convenience and communication . It stressed that companies should focus on customer satisfaction first , then try to reduce customer purchase costs , and the convenience of buying process and marketing communication . It has great process and development which compared with 4P theory. It attaches to customer-oriented, the pursuit of customer satisfaction as the goal. It is actually important in current situation that consumers play an initiative role.

## Method

This research study is conducted according to the pertinent information as the following procedure:

1. Type of research
2. Population and sampling group
3. Question distribution
4. The data collection
5. Data analysis used SPSS Program method

### 1. Type of research

This study is a quantitative research using survey method. The survey method of this research used questionnaire distribution to the respondents in order to collected primary data from the sample of customer. Thus this research work is survey factors that affect customer satisfaction of online shopping on Sea.taobao.com

### 2. Population and sample size

Population in this study refers to Chinese consumers who live in Southeast Asia countries take part in online shopping on Sea.taobao.com. The total population is 420 persons. The sample of this research is selected from the Chinese consumers who live in Southeast Asia countries taken part in online shopping on Sea.taoba.com, they are come from different places , with different job and salary . The total population is 420 persons. Sample size is calculated by using Taro Yamane formula with confident interval 95%. It appeared that the sample size is 204 persons , but research had adjusted the sample size to 200 persons .

### 3. Question distribution

Research instrument of this study is the questionnaire about the customer satisfaction in online shopping on Sea.taobao.com. The research will take the data and the information from respondents to analyze for result. And results will improve and develop the service and quality of online shopping on Sea.taobao.com. So the questionnaire is divided into 3 parts as follow:

Part 1 .Customer demographic background : age , gender , income , education , occupation .

Part 2 . Customer behavior : number times of online shopping , general expenses of online shopping , purpose of online shopping , the favorite of purchase items .

Part 3. Customer expectation : convenience delivery ; high service; attractive offers ( discount and deals ) ; cheapest forwarder fees ; high security .

Part4. Customer satisfaction: total product, security, forwarder fees, discount, convenience delivery, price ,service .

#### 4. Data Collection

Researcher has distributed questionnaires to sample group on internet on 10<sup>th</sup> April -20<sup>th</sup> April 2014 .The completed questionnaire will be processed for coding and analyzing through SPSS .

#### 5. Data Analysis used SPSS Program Method

The data of this study will be analyzed by computer through package software ( SPSS : Statistical Package for Social Sciences ) as follows :

(1) The personal information of the sample will be analyzed and presented using descriptive statistics in form of Frequency and Percentage.

(2) The customer behavior of the sample will be analyzed and presented using descriptive statistics in form of Frequency and Percentage.

(3) The customer expectation affecting the customers' satisfaction toward online shopping on Sea.taobao.com. will be ranged and presented using descriptive statistics in form of Mean and standard deviation . Five –point likert score as below:

Strongly agree	5 points
Agree	4 points
Neither to the factor	3 points
Disagree	2 points
Strongly disagree	1 points

Average	Meaning
4.21 to 5.00	strongly agree
3.41 to 4.20	agree

2.61 to 3.40	neither to the factor
1.81 to 2.60	disagree
1.00 to 1.80	strongly disagree

(4) Analysis the relationship between all independent factors and factors of customer's satisfaction used by T-test , F-test , and so on .

## Results

This study is a descriptive research using survey method. The survey method of this research used questionnaire distribution to the respondents in order to collected primary data from the sample of 200 customers. The researcher analysis data used SPSS (Statistical Package for Social Sciences) including five parts as follows:

#### Part 1. The demographic background

In this study, both male and female are participated in this survey with the percentage of 58.5% and 41.5% respectively. The mostly respondents belong age group between 18 to

28 years old with 36% percent, the second is between 29 to 38 years old with 29.5%. Majority (39%) of respondents have education background of bachelor degree, next one is diploma degree with 27.5%. Majority (22.5%) of respondents get monthly salary more than 8000Yuan, the next one is between 4000 to 6000yuan with 21%. The mostly customers' occupation is employee with 32%, the next is private business with 24%.

#### Part2 .The customers' behaviors

In this research, the mostly respondents have only one time of online shopping on Sea.taobao.com with 33%, 32.5% respondents have no online shopping experience on Sea.taobao.com. The majority of respondents about general shopping expenses are 1,000-1,500yuan answered by 62 respondents equal 31%. The majority of respondents of online shopping is convenience answered by 110 respondents or equal 55%. The most respondents think books and fashion clothed are their favorite shopping items with 32%, while 20% of respondents consider the special local products are their favorite shopping items.

#### Part 3 .The customers' expectations

In this research, the respondents were strongly agreed with the customers' expectations of lower price, cheapest forwarder fees, high service and security with the mean of 4.28, 4.73, 4.52 and 4.68 respectively. The respondents were agreed with the expectations of the type of convenience with the mean of 3.73. The respondents were neither agreed nor disagreed with the expectations of good quality product, discount and good communication with the mean of 3.32, 2.98 and 3.40 respectively.

#### Part 4. The customers' satisfactions

In this research, the customers' satisfactions of the convenience delivery and security are at the same level of strongly agree, with the mean of 4.56 and 4.86 respectively. The customers' satisfactions of forwarder fees, lower price and high service are at the same level of agree, with the mean of 3.79, 4.04 and 3.68 respectively. The customers' satisfactions of the discount, mode of payment are at the same level of neither agree nor disagree, with the mean of 3.28 and 3.30 respectively.

#### Part 5. Hypothesis testing result

**H1:** The customers with different demographic background have different satisfaction, hypothesis accepted. Testing result through SPSS program as below:

(1) H1.1 & H1.2 The customers with different gender and age have different satisfaction, statistical signification at the level 0.05 level.

(2) H1.3 & H1.4 & H1.5 The customer with different education background & monthly income & occupation have different satisfaction, statistical signification at the level  $<0.05$ .

**H2:** The customers with different behaviors have different satisfaction, hypothesis accepted. Number times of online shopping in Sea.taobao.com, general online shopping expenses, purpose of online shopping & favorite purchase items with the significant level at 0.05.

**H3.** There is a relationship between the customers' expectation of convenience delivery and the customers' satisfaction toward Chinese's people who living in Southeast Asia countries shopping on Sea.taobao.com.

- (1) There is a relationship between the customers' expectation of convenience delivery for shopping on Sea.taobao.com and the customers' satisfaction toward of online shopping.

		Convenience delivery	Total product	Convenience delivery	Security	Forwarding fees	Price	Service	Discount
Convenience delivery	Pearson - correlation	1	.684**	.654**	.356**	.164*	.618**	.294**	.042
	Sig. (2-tailed)		.000	.000	.000	.020	.000	.000	.550

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

- (2) There is a relationship between the customers' expectation of security for online shopping on Sea.taobao.com , and the customers' satisfaction toward online shopping

		Security	product	Convenience delivery	Security	Forwarding fees	Price	Service	Discount
Security	Pearson - correlation	1	.697**	.194**	.255**	.197*	.636**	.140*	.096
	Sig. (2-tailed)		.000	.006	.000	.005	.000	.047	.174

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

## Conclusion

Researcher talks about through realizing on the researched works. Researcher studies on the satisfaction toward a online shopping program named “ Sea.taobao.com ” launched by company Alibaba in China . This new program support online shopping in Southeast Asia countries with international forwarder service & payment mode. Its target market is Chinese's people who living in Southeast Asia countries. Many consumers still worried about the security of shopping and long lead time & expend forwarder feeds. Due to forwarder fees for shopping on Sea.taobao.com still expensive than shopping in Taobao.com, which is the website for within China .

## Recommendation

Company Alibaba shall cooperation with forwarder in Southeast Asia countries, which can delivery goods in short time along with cheaper forwarding fees. About security, the company shall cooperation with the bank Southeast Asia countries to increase consumer reliance.

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