

# Customer satisfaction comparison between Jingdong and Taobao

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## Abstract:

This study compares the customers satisfaction between two largest online shopping site Jingdong and taobao. Jing Dong (JD) is China's biggest online direct retailer by net stock volume. JD has the biggest satisfaction framework of any internet business organization in China. on the other hand Taobao is a Chinese web based shopping site like eBay, Amazon and Rakuten, which is worked in Hangzhou, Zhejiang by Alibaba Group. This study analyzed the customer satisfaction between two largest online shopping site jd and taobao. JD is popular for quality of product and taobao is popular for discount. JD Jing Dong is China's biggest online direct retailer by net stock volume. JD has the biggest satisfaction framework of any internet business organization in China and Taobao is a Chinese web based shopping site like eBay, Amazon and Rakuten, which is worked in Hangzhou, Zhejiang by Alibaba Group.

**Key words:** Online shopping, Customer satisfaction, Comparison, Jingdong and Taobao

## Introduction

Web based shopping is a type of electronic trade which enables purchasers to specifically purchase products or administrations from a merchant over the Internet utilizing a web program. Purchasers discover a result of enthusiasm by going by the site of the retailer specifically or via seeking among elective merchants utilizing a shopping web crawler, which shows a similar item's accessibility and estimating at various e-retailers. Starting at 2016, clients can shop web based utilizing a scope of various PCs and gadgets, including work stations, PCs, tablet PCs and cell phones.

An online shop brings out the physical relationship of purchasing items or administrations at a customary "blocks and-mortar" retailer or strip mall; the procedure is called business-to-customer (B2C) web based shopping. At the point when an online store is set up to empower organizations to purchase from another organizations, the procedure is called business-to-business (B2B) internet shopping. An average online store empowers the client to peruse the

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company's scope of items and administrations, see photographs or pictures of the items, alongside data about the item details, highlights and costs.

Online stores ordinarily empower customers to utilize "seek" highlights to discover particular models, brands or things. Online clients must approach the Internet and a legitimate technique for installment keeping in mind the end goal to finish an exchange, for example, a Mastercard, an Interac-empowered check card, or an administration, for example, PayPal. For physical items (e.g., soft cover books or garments), the e-posterior ships the items to the client; for computerized items, for example, advanced sound documents of tunes or programming, the e-rear ordinarily sends the record to the client over the Internet. The biggest of these web based retailing companies are Alibaba, Amazon.com, Jingdong, Taobao and eBay. This study will compare the customer satisfaction between two largest online shopping site (Jingdong and taobao) in china.

### Jingdong

JD.com, Inc. otherwise called Jingdong and once in the past called 360buy, is a Chinese internet business organization headquartered in Beijing. It is one of the two biggest B2C online retailers in China by exchange volume and income, an individual from the Fortune Global 500 and a noteworthy contender to Alibaba-run Tmall. As of September 2017, the stage has 266.3 million dynamic clients. The organization was established by Liu Qiangdong in July 1998, and its B2C stage went online in 2004. It began as an online magneto-optical store, however soon broadened, offering gadgets, cell phones, PCs and comparable things. The organization changed its space name to 360buy.com in June 2007 and afterward to JD.com in 2013. The last buy is comprehended to have fetched \$5,000,000. In the meantime, JD.com reported its new logo and mascot. JD.com is the world's driving organization in cutting edge and AI conveyance through automatons, self-ruling innovation and robots, and has the biggest automaton conveyance framework, foundation and capacity on the planet. It has as of late begun testing automated conveyance administrations and building ramble conveyance airplane terminals, and in addition working driverless conveyance by disclosing its first self-ruling truck.

JD Jing Dong is China's biggest online direct retailer by net stock volume. JD has the biggest satisfaction framework of any internet business organization in China.

It worked 7 satisfaction focuses and a sum of 123 distribution centers in 40 urban areas, and altogether 3,210 conveyance stations and pickup stations in 1,862 regions and regions crosswise over China, staffed by its own representatives. The Company gave same-day conveyance in 134 areas and locale under its 211 program and 24 hour conveyance in another 866 regions and regions crosswise over China as of December 31, 2014.

In the meantime they offer a B2C commercial center like Tmall, which is presently no 2 yet extending quickly. It likewise has the advancetage of being contributed by Tencent - the makers of WeChat, China's most well known versatile informing and general utility application. JD Jing Dong propelled JD Worldwide in April 2015 to take advantage of the quickly developing China cross-fringe online business advertise.

Like Tmall Global it offers abroad brands and shippers a simple portal to well to Chinese buyers. The outside organizations don't need a lawful substance or financial balance in China.

. JD Worldwide will offer a scope of help to retailers to empower them to take full favorable position of the JD Worldwide stage, including support on showcasing to JD.com's almost 100 million dynamic clients and access to JD.com's unparalleled across the country coordinations arrange.

The stage offers two operation models:

Affiliate show: JD Worldwide will purchase stock from global organizations and exchange to Chinese customers straightforwardly with an increase

Stage show: JD has an outside brand or traders store on their stage and enables them to pitch to Chinese customers and take a commission of offers as charge. The yearly stage expense is USD 1,000 and relying upon classification a customer store of USD 10,000 to USD 15,000 applies. Commission ranges from 2% - 10% and furthermore relies upon the correct item classification.

Taobao

Taobao is a Chinese web based shopping site like eBay, Amazon and Rakuten, which is worked in Hangzhou, Zhejiang by Alibaba Group.

Established by Alibaba Group on May 10, 2003, Taobao Marketplace encourages shopper to-customer (C2C) retail by giving a stage to independent companies and individual business visionaries to open online stores that for the most part oblige purchasers in Chinese-speaking locales (Mainland China, Hong Kong, Macau and Taiwan) and furthermore abroad. Toward the finish of 2010, the quantity of enrolled individuals on Taobao had come to more than 370 million, around 80% of the Chinese web based shopping market.

With around 760 million item postings as of March 2013, Taobao Marketplace is one of the world's main 20 most went to sites as indicated by Alexa. For the monetary year finishing on March 31, 2013, the consolidated gross stock volume (GMV) of Taobao Marketplace and Tmall.com surpassed 1 trillion yuan, more than that of eBay and Amazon joined. The Economist calls it "the nation's greatest online commercial center".

Dealers can post merchandise available to be purchased either through a settled cost or sale. Sell-offs make up a little level of exchanges. Most of the items are new stock sold at settled costs. Purchasers can evaluate merchant foundations by data accessible on the site, including appraisals, remarks and protestations.

Taobao Marketplace (earlier "Taobao") was propelled in May 2003 by Alibaba after eBay obtained Eachnet, China's online closeout pioneer at the time, for USD 180 million and turned into a noteworthy player in the Chinese purchaser internet business advertise. To counter eBay's extension, Taobao offered free postings to dealers and acquainted site highlights outlined with act in neighborhood customers' best advantages, for example, texting for encouraging purchaser vender correspondence and an escrow-based installment apparatus, Alipay. Thus, Taobao progressed toward becoming territory China's undisputed market pioneer inside two years. Its piece of the overall industry surged from 8% to 59% in the vicinity of 2003 and 2005, while eBay China dove from 79% to 36%. eBay close down its China site in 2006.

In April 2008, Taobao presented a recently devoted B2C stage called Taobao Mall to supplement its C2C commercial center. Taobao Mall built up itself as the goal for quality brand name products for Chinese shoppers. Taobao Mall propelled an autonomous web area, Tmall.com, and upgraded its attention on item verticals and enhancements in shopping knowledge in November 2010. It turned into an autonomous business in June 2011 and changed its Chinese name to Tian Mao (Tmall) in January 2012. As of October 2013 it was the eighth most visited site in China.

In 2008, Taobao energized the general development of the Chinese internet shopping industry through execution of the "Huge Taobao" methodology with the point of turning into a supplier of web based business foundation administrations for all web based business showcase members.

In October 2010, Taobao beta propelled eTao as an autonomous hunting motor down web based shopping, giving item and shipper data from various significant shopper internet business sites in China. Online customers can utilize the webpage to look at costs from changed venders and distinguish items to purchase. As indicated by the Alibaba Group site, eTao offers items from Amazon China, Dangdang, Gome, Yihaodian, Nike China and Vancl, and additionally Taobao and Tmall.

In May 2011, Alibaba Group opened a retail location in Beijing under the Taobao Mall mark. The five-story 25,000sqm Taobao Mall iFengChao Furniture Showroom opened as a supplement to their online stores.

In June 2011, Alibaba Group Executive Chairman and previous CEO Jack Ma declared that Taobao would part into three unique organizations: Taobao Marketplace (a C2C stage), Tmall.com (a B2C stage; at that point called Taobao Mall), and eTao (an internet searcher for web based shopping). The move was said to be vital for Taobao to "meet aggressive dangers that developed in the previous two years amid which the Internet and web based business scene has changed drastically."

From 2012 ahead, Taobao started to acknowledge global Visa and MasterCard credit and charge cards; earlier, just local banks were upheld by AliPay.

On April 29, 2013, Alibaba reported a venture of USD 586 million in Sina Weibo. As indicated by Reuters, the arrangement "should drive more web movement to Alibaba's Taobao Marketplace, China's biggest internet business site with a customer center." On August 1, 2013, Alibaba propelled Weibo for Taobao, which enables clients to interface Sina Weibo accounts with Taobao accounts.

This study tested the following hypothesis

H1: Customer satisfaction will be higher for Jingdong than Taobao for product quality feature

H2: Customer satisfaction will be higher for Jingdong than Taobao Time Saving feature

H3: Customer satisfaction will be higher for Jingdong than Taobao for Reasonable Price

H4: Customer satisfaction will be higher for Jingdong than Taobao for mobile website/Apps option.

H5: Customer satisfaction will be higher for Jingdong than Taobao Security feature

H6: Customer satisfaction will be higher for Jingdong than Taobao for delivery Time

H7: Customer satisfaction will be higher for Jingdong than Taobao for search functions feature

H8: Customer satisfaction will be higher for Jingdong than Taobao for detailed product description

H9: Customer satisfaction will be higher for Jingdong than Taobao for check-out option

H10: Customer satisfaction will be higher for Jingdong than Taobao for Coupons and Discounts

H11: Customer satisfaction will be higher for Jingdong than Taobao for Layered and Faceted Navigation

### **Method:**

120 Users of jingdong and taobao are the sample of this study. data has been collected by using five-level Likert item. Likert scaling is a bipolar scaling technique, estimating either positive or negative reaction to an announcement. At times an even-point scale is utilized, where the center alternative of "Neither concur nor dissent" isn't accessible. This is now and then called a "constrained decision" technique, since the unbiased alternative is expelled. The nonpartisan alternative can be viewed as a simple choice to take when a respondent is uncertain, thus whether it is a genuine impartial choice is sketchy. A recent report discovered immaterial contrasts between the utilization of "undecided" and "impartial" as the center alternative in a 5-point Likert scale.

### **Result and Discussion:**

For product quality features Strongly disagree was 2, disagree was 3 , Neither agree nor disagree was 15, agree was 20 and strongly agree was 80 for using Jingdong, on the other hand for using Taobao Strongly disagree was 10, disagree was 30 , Neither agree nor disagree was 15, agree was 25 and strongly agree was 40. For saving time Strongly disagree was 15, disagree was 30 , Neither agree nor disagree was 30, agree was 20 and strongly agree was 25 for using Jingdong, on the other hand for using Taobao Strongly disagree was 14, disagree was 30 , Neither agree nor disagree was 35, agree was 21 and strongly agree was 20.

For Reasonable Price Strongly disagree was 13, disagree was 17 , Neither agree nor disagree was 35, agree was 30 and strongly agree was 25 for using Jingdong, on the other hand for using Taobao Strongly disagree was 8, disagree was 22 , Neither agree nor disagree was 18, agree was 27 and strongly agree was 45. For mobile website/Apps option Strongly disagree was 4, disagree was 13 , Neither agree nor disagree was 30, agree was 30 and strongly agree was 43 for using Jingdong, on the other hand for using Taobao Strongly disagree was 7, disagree was 14, Neither agree nor disagree was 27, agree was 28 and strongly agree was 44.

For Security Strongly disagree was 2, disagree was 13 , Neither agree nor disagree was 22, agree was 23 and strongly agree was 60 for using Jingdong, on the other hand for using Taobao Strongly disagree was 1, disagree was 7, Neither agree nor disagree was 23, agree was 24 and strongly agree was 65.

For Time of delivery Strongly disagree was 3, disagree was 5 , Neither agree nor disagree was 32, agree was 35 and strongly agree was 45 for using Jingdong, on the other hand for using Taobao Strongly disagree was 16, disagree was 10, Neither agree nor disagree was 30, agree was 29 and strongly agree was 35.

Table-1, Customer satisfaction for different features of Jingdong and Taobao

	Jingdong					Taobao					
	SD	D	NAD	A	SA	SD	D	NA D	A	S A	
Product Quality	2	3	15	20	80	10	30	15	2	5	40
Time Saving	15	30	30	20	25	14	30	35	2	1	20
Reasonable Price	13	17	35	30	25	8	22	18	2	7	45
mobile website/Apps option	4	13	30	30	43	7	14	27	2	8	44
Security	2	13	22	23	60	1	7	23	2	4	65
delivery Time	3	5	32	35	45	16	10	30	2	9	35
search functions	18	10	32	28	32	17	11	32	2	8	32
detailed product description	25	14	33	25	23	5	32	23	2	7	33
check-out option	8	23	12	34	43	6	24	13	3	5	42
Coupons and Discounts	21	35	25	19	20	0	10	7	2	3	80
Layered and Faceted Navigation	9	22	26	29	34	12	23	25	2	7	33

Here, SD = Strongly disagree, D = Disagree, NAD = Neither agree nor disagree, A = Agree & SA = Strongly agree

For search functions Strongly disagree was 18, disagree was 10 , Neither agree nor disagree was 32, agree was 28 and strongly agree was 32 for using Jingdong, on the other hand for using Taobao Strongly disagree was 17, disagree was 11, Neither agree nor disagree was 32, agree was 28 and strongly agree was 32.

For detailed product description Strongly disagree was 25, disagree was 14 , Neither agree nor disagree was 33, agree was 25 and strongly agree was 23 for using Jingdong, on the other hand for using Taobao Strongly disagree was 5, disagree was 32, Neither agree nor disagree was 23, agree was 27 and strongly agree was 33.

For check-out option Strongly disagree was 8, disagree was 23 , Neither agree nor disagree was 12, agree was 34 and strongly agree was 43 for using Jingdong, on the other hand for using Taobao Strongly disagree was 6, disagree was 24, Neither agree nor disagree was 13, agree was 35 and strongly agree was 42. For Coupons and Discounts Strongly disagree was 21, disagree was 35 , Neither agree nor disagree was 25, agree was 19 and strongly agree was 20 for using Jingdong, on the other hand for using Taobao Strongly disagree was 0, disagree was 10, Neither agree nor disagree was 7, agree was 23 and strongly agree was 80. For Layered and Faceted Navigation Strongly disagree was 9, disagree was 22 , Neither agree nor disagree was 26, agree was 29 and strongly agree was 34 for using Jingdong, on the other hand for using Taobao Strongly disagree was 12, disagree was 23, Neither agree nor disagree was 25, agree was 27 and strongly agree was 33.

H1: Customer satisfaction will be higher for Jingdong than Taobao for prodcut quality feature	Supported
H2: Customer satisfaction will be higher for Jingdong than Taobao Time Saving feature	Supported
H3: Customer satisfaction will be higher for Jingdong than Taobao for Reasonable Price	Not- Supported
H4: Customer satisfaction will be higher for Jingdong than Taobao for mobile website/Apps option.	Supported
H5: Customer satisfaction will be higher for Jingdong than Taobao Security feature	not- Supported
H6: Customer satisfaction will be higher for Jingdong than Taobao for delivery Time	Supported
H7: Customer satisfaction will be higher for Jingdong than Taobao for search functions feature	Supported
H8: Customer satisfaction will be higher for Jingdong than Taobao for detailed product description	Not- Supported
H9: Customer satisfaction will be higher for Jingdong than Taobao for check-out option	Supported
H10: Customer satisfaction will be higher for Jingdong than Taobao for Coupons and Discounts	Not- Supported
H11: Customer satisfaction will be higher for Jingdong than Taobao for Layered and Faceted Navigation	Supported

## Conclusion:

Jingdong and taobao are the most popular online shopping site in china. Customer satisfaction is higher for jingdong for quality feature, saving time, website and apps option, time of delivery, search feature, easy check out option and layered and faceted navigation. On the other hand customer satisfaction is higher for taobao for using reasonable price function, security, provided product description and regular coupons and dsicounts. Online clients must approach the Internet and a substantial technique for installment keeping in mind the end goal to finish an exchange. By and large, larger amounts of training and individual wage relate to more positive view of shopping on the web. Expanded introduction to innovation additionally builds the likelihood of creating great states of mind towards new shopping channels.

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