

Research on the influence of product quality on customer satisfaction and strategy optimization of Dewu APP

Jiayu Li*

Chongqing Jiangbei Bachuan Quantum School, Chongqing, 400000, China

*Corresponding author: 3180400121@caa.edu.cn

Abstract. The e-commerce industry is a development boom in the 21st century, and the rise of this industry will bring a new economic development model. In this paper, Dewu App, a typical online shopping e-commerce platform, is used as an example to study the problem faced by most e-commerce platforms, namely the impact of product quality on consumer satisfaction. This way, the author puts forward targeted opinions and provides new ideas for solving the problem. Literature review and case study are mainly methods used in this paper. According to the number of complaints and complaint keywords, this paper points out the product quality problems Dewu App faces and provides targeted solutions according to different objects. These insights can also be a reference when other e-commerce platforms face quality issues.

Keywords: Dewu APP; Product quality; Customer satisfaction; Strategy optimization.

1. Introduction

1.1 Research background

Dewu app belongs to an integrated mobile internet platform in China, containing two main core services: quality trend e-commerce and trendy living community. As a new generation of the trendy online community, the variety of goods on the Dewu platform is very diverse. It already covers sneakers, costumes, cars, watches, and accessories. In recent 20 years, e-commerce platforms have developed rapidly in China. According to the National Bureau of Statistics in China, by the end of January-May 2021, online retail sales reached 4,823.9 billion yuan with a cumulative growth of 24.7% and a two-year average growth of 14.2%. Thus, the development potential of e-commerce platforms is significant, which is why this topic is worth researching. Also, with the rapid development of China's economy, people's disposable income and living standards have largely improved. The new generation of young people pay more attention to aesthetics and fashion, which corresponds to the services provided by Dewu, so the Dewu app is at a good time for development. Moreover, not only looking at this App, many e-commerce apps like Pinduoduo, a mainstream e-commerce enterprise in China focusing on C2M (consumer to manufacture) group shopping, have encountered quality risks that affect consumers' satisfaction. Focusing on public opinion, users of Pinduoduo mainly complained low-quality goods, fake goods, cheating customers, and bad shopping experiences. The poor quality of the products becomes the reason why many people are reluctant to choose Pinduoduo. In the long term, customers will integrate all public opinions to judge a brand, so whether or not customers purchase low-quality goods in Pinduoduo will eventually label bad quality on it, forming stereotypes. Then the reputation and customer satisfaction of Pinduoduo will be influenced [1].

1.2 Literature review

Sun and Xu found that as of April 2021, the Dewu app received more than 72,000 complaints while similar platform "nice" had only 18,000 complaints. This is because the Dewu app unauthorized switched products, delivered fake goods, and produced false certificates of authenticity. And the after-sale system is poor as the Dewu app does not provide seven days return goods or exchange products without any reason, human customer service is inefficient, and consumers have to wait a long time. Thus, this paper gave some suggestions. Firstly, the Dewu app needs to strictly control product quality and improve its identification team's professional quality. Secondly, optimize the after-sales service system, reduce the cost of return and exchange, and avoid increasing the negative emotions of users

[2]. Zhou analyzed the Dewu app development strategy using SWOT analysis, and the paper also indicated defects in the authentication function of the Dewu app. After identifying the goods, only one sentence will tell consumers whether the product is genuine or fake. The identification process is not open, and the feedback is too succinct. Many users expressed dissatisfaction with this process, which reduced customer satisfaction [3]. Li and Shi found that in January 2020, the Dewu app received more than 70,000 complaints about “fake goods”, “difficult returns”, “poor after-sales service” and “quality problems”. Speculation of fancy shoes is common on this platform, so the author proposed that when speculative behavior occurs, the platform can obtain more profit, the brand can gain higher value, and the customer can achieve a sense of satisfaction. However, the platform should build a fair and transparent consumption environment, or the customers will be dissatisfied. The interests of both sides of the deal will also be volatile [4]. Zhang and Peng concluded that the core service of Dewu is identification. However, not only are the appraisal fee and the additional service fee controversial but it has also been revealed that appraisers collude with lawbreakers to cheat, leading to the loss of many users. Also, the platform’s lax product quality control will affect consumers’ purchasing intention. Therefore, Dewu must improve its identification system and management of product quality [5]. Most articles focus on the identification system, after-sales service system, and fake goods problem of the Dewu app and then provide some suggestions on its strategies. In contrast, few scholars researched how product quality affects customer satisfaction. So the purpose of this study is to identify the relationship between the quality of goods and customer satisfaction degree.

1.3 Research framework

To fill this research gap, the study will unfold in this order. First of all, the paper will provide basic background information. Secondly, introduce research methods. Literature research will be employed to find typical articles that investigate factors that will affect customers’ satisfaction. And then analyze how the quality of products will influence customer satisfaction and how to solve the customer satisfaction crisis. After this, introduce a case study of the Dewu app, analyzing how product quality in the Dewu app affects customer satisfaction, and then, according to existing questions, provide useful suggestions for Dewu app development.

2. Method

2.1 Literature research method

Literature research generally refers to a research method that makes a systematic, objective, and quantitative analysis of literature content to obtain useful information by collecting, identifying, and sorting out correlative literature of a specific study topic to form a scientific understanding of the fact. The process usually contains four steps: determining the objects, collecting literature, analyzing articles, and obtaining a conclusion [6]. After screening the articles’ criteria, this paper will collect the articles relative to customer satisfaction factors. And it was then analyzing how the product quality will influence customer satisfaction through different aspects. After this, conclusions about the articles will be obtained. In addition, collect the papers about how to improve the degree of customer satisfaction and record these methods. Then similarly, to advise our case.

2.2 Case analysis study

The case analysis method is also called the case or typical analysis method. It is a scientific analysis method that makes a thorough and careful study of representative things or phenomena to obtain an overall understanding [7]. The general process is divided into three steps. Firstly, determining the research object. Secondly, collecting information. Thirdly, by combining theory with practice, from the analysis of problems, put forward the solution measures. Therefore, this paper, taking the Dewu app as an example, analyses the effects on consumer satisfaction caused by product quality with

comprehensive literature resources. Then, to find out practical advice for the Dewu app to improve customer satisfaction

3. Result

3.1 The current situation of Dewu App

At the beginning of 2022, China Central Television pointed out that according to a sample inspection conducted by the Shanghai Municipal Administration for Market Supervision of commodities sold on e-commerce live stream platforms. It is a common problem in adult clothing to label raw materials at will and pass them off as shoddy. Six categories of products, including infant clothing, adult clothing, clothing accessories, shoes, luggage, and bedding, sold on nine e-commerce live streaming platforms were randomly inspected. Among them, the sampling results show that the unqualified rate of sampling the Dewu platform is 50%. The Dewu app faces customers' doubts about product quality and authenticity. More and more consumers are complaining that they have bought poor-quality goods. And they posted it on social media. This will cause many potential consumers to see this information and reduce their purchase intention. Latest news: On July 9, 2022, the black Cat complaint platform reported that the Dewu app received 6,634 complaints within 30 days of obtaining goods, and the App received at least 221 complaints daily. The total number of complaints has reached 161,296 and still increasing significantly. People complain about the Dewu platform's identification errors, the quality of shoes, slow after-sales service, etc. On the product quality side, some mentioned that the shoe's sole broke after wearing it a few times, the clothes had stains and flaws, the shoes were unglued, and the cosmetics had obvious traces of use. All of these complaints will have a negative impact on the Dewu app. Customers expressing their dissatisfaction with the product quality of the Dewu app on social platforms will affect customers' satisfaction with the App.

3.2 Quality of the product and customer satisfaction

Saleem et al. indicated that the quality of the product is to meet the needs of customers, which may contain different features, and it can improve the performance of products [8]. Churchill and Surprenant pointed out that in marketing, the most important result of marketing practice is customer satisfaction in both observation and theory [9]. Moreover, Saleem et al. also proved a positive relationship between products' perceived quality and consumer satisfaction, as the correlation value is 0.57. Thus, when customers perceive the higher quality of products, they will rate higher satisfaction [8]. The quality of a product can make customers intuitively feel the reliability of an enterprise. From the customer's point of view, their overall evaluation of the product often comes from their trial experience, that is, the quality. Shah also found that better quality leads to higher consumer satisfaction, loyalty, and retention. Improved quality will satisfy customers who spread word of mouth [10]. Therefore, high customer satisfaction will also be invisible publicity for the company.

3.3 The quality problem of Dewu App

As a strong platform for fashion e-commerce, the Dewu app is increasingly popular among customers with the spread of sneaker wear, fashion brand, hip hop, and other fashion culture. The quality of products is a serious problem for the Dewu app. Product quality problems of Dewu can be roughly divided into two categories: fake and poor quality, and most complaints on the Black cat platform are also in these two aspects. The quality of the Dewu app has been criticized many times. In June 2020, the "618" Consumer Rights Protection Public Opinion Analysis Report released by the China Consumers Association pointed out that 8,735 pieces of negative information about the Dewu app were collected during the monitoring period, mainly involving counterfeit and shoddy products, authentication fees, coupons, and other issues. For example, some consumers reported that they bought defective shoes with crooked right-toe toe and a bracelet with engraved words on the App, and therefore questioned the identification level and quality control level of the products.

3.4 The impact and causes of the problem

When many people suffer from quality problems, they will be passed from person to person, and people will form a stereotype of the Dewu app over time. Luo mentioned three typical quality problems in the acquired products from the Dewu app. They were a pair of shoes that opened after about three days of wear, a pair of shoes that were worn once and had corrugations on the upper and damaged shoes, and a pair of shoes with abnormal bulges in the midsole. Therefore, the consumers expressed their disappointment in the quality of the products and did not recognize the quality control of the products [11]. Tao improved that only 8.51% are very satisfied with the Dewu platform, and 59.57% think the platform is just fine. Consumers' dissatisfaction and complaints mostly focus on uneven product quality, false foundation, and difficulty in returning or exchanging goods. In addition, low customer satisfaction will also affect the customer repurchase rate. Dewu enjoys high popularity among similar apps but has poor user experience and a low repurchase [12]. Therefore, we can see that the product quality problems of the Dewu app are really serious and urgent. The company needs to make improvements as quickly as possible. Otherwise, poor product quality will lead to low customer satisfaction and problems, such as low buy-back willingness and poor corporate reputation. It will significantly impact the sales of the acquired goods for a long time. When trying to solve these problems, the first step should be to find the cause of the problem. The quality problem of the Dewu app can be attributed to two main bodies. One is the App itself, and the other is the supplier. First, there are various products in the Dewu app from the App itself. The discriminators are not familiar with the products and are not professional enough, leading to errors in their identification. And discriminators have much work and need to identify an average of thousands of products daily. If we assume that we work 12 hours a day to identify 1000 products, we only identify one product in 43.2 seconds, ignoring the rest time. So the probability of identification error is very high. The second is suppliers; supply channels do not have strict quality assurance. Part of it is for individual merchants, which will also lead to the quality level of the product.

4. Discussion

In order to solve the problem caused by discrimination, there are some suggestions can be provided. The sequence of providing insight is from the supplier's point of view to the appraisers to the Dewu App.

4.1 Suggestions for supplier system

First of all, improve onboarding standards for suppliers. This can greatly improve the quality of the product. Dewu App should evaluate all aspects of merchants before they settle in, whether they are individual sellers or not. Such as transaction history, start transaction time, and user registration time to evaluate the credibility of this supplier. And after the settlement, a user scoring system can be established to evaluate suppliers again according to user satisfaction. If this supplier has a high rate of negative reviews and refunds, it is best to suggest rectification. Moreover, this scoring system can be made transparent, so that the extent to which the merchant attracts customers depends on the quality of its products, and they will pay more attention to the issue of product quality.

4.2 Suggestions for management of appraisers

The second is for appraisers. Dewu App should do training for them regularly. This is because commodities are constantly being updated, and the methods and modes of identification need to be updated with the goods. For example, a new pair of Air jordan 1 shoes is on sale. Although the Air jordan 1 released in the past belongs to a series, its quality, material, midsole, and routing methods may differ. Therefore, for each new product, the appraiser should study it carefully. In addition, Dewu App can specialize the types of appraisers, subdivide each type of appraiser, and even subdivide them into each series. This can improve the efficiency and professionalism of the appraiser. This method is also often mentioned in economics, that is, the specialisation of labour. This production process is

divided into different parts, and each worker is allocated a specific section. Smith mentioned the division of labour among pin workers. He pointed out that a labour might be able to make about 20 pins a day if he completes the whole process by himself, but ten labour who wear specialized in different tasks work together could make about 48,000 pins [13]. Division of labour can lift efficiency to some extent, and workers can be more specialized in the field subdivision. After all, practice makes perfect. So Dewu App can also use this method to reduce the identification error rate. We mentioned above that the appraiser might make mistakes in the work due to the heavy workload and the short appraisal time. Therefore, in response to this, Dewu App can appropriately increase the appraiser's rest time, but this may reduce the efficiency, or ensure the number of products to be identified each day; more appraisers can be recruited if the cost allows.

4.3 Suggestions for platform

The third point is some suggestions for the Dewu App platform itself. Dewu should strengthen the management in the identification service sector to ensure good product quality. After all, this is the fundamental factor that leads to lower customer satisfaction. Only by strictly controlling the quality of products, forming a professional appraisal team, supervising the upgrading of appraisal technology in real-time, and ensuring customers' interests can the Dewu App truly improve customer satisfaction. At the same time, the Dewu App should also think of solutions in case of a product quality problem. Therefore, Dewu App should also optimize the transaction process and after-sales service system. Allow buyers to use the App with confidence. If the buyer finds a problem, they can even react to the platform, and the platform can give the most prepared and effective measures to solve it promptly. In this way, consumers' shopping experience can be improved, and naturally, customer satisfaction will not decline. Therefore, we should increase our efforts to do a good job in after-sales service, improve the mechanism of return and exchange, and fully guarantee the rights and interests of customers, which can also greatly increase the second repurchase rate of customers. In addition, regarding social platforms, Dewu App should have a correct attitude and respond to each reputation crisis. And show a willingness to correct and accept the supervision of the masses to create a good public opinion environment and reduce negative news to weaken customer satisfaction. In addition, bloggers and consumers can be encouraged to share their good purchasing experience and shopping experience on the Dewu App, so that other potential consumers will also increase their goodwill towards this App after seeing it. Finally, to improve customer satisfaction is to improve the rights and utility of customers. Whether it is product quality, service attitude, or the experience brought by the shopping environment, it is necessary to satisfy customers.

5. Conclusion

The main purpose of this study is to research how the quality of goods on the Dewu App affects customers' satisfaction during shopping. According to the literature, Dewu App has encountered many complaints about product quality. The reasons are related to its merchant entry system, the process of identifying genuine and fake products, and the rules and regulations of identification and identification. As a result, consumers will have a bad impression of Dewu App, which will reduce their satisfaction and purchase intention. Facing these problems, the study puts forward different opinions according to different perspectives. These include business entry criteria, appraiser allocation and working time adjustment, the social platform of Dewu App, and the after-sales service process. In this era of the internet and e-commerce platforms, Dewu App platform and many product sales companies will encounter customers' doubts about product quality.

Similarly, businesses can refer to this article and solve problems from different perspectives, such as suppliers, appraisers, and after-sales services. Therefore, this study also provides insights into e-commerce platforms that encounter product quality problems, promoting the development of the e-commerce industry. Despite the contributions and implications, this study has several limitations. Firstly, this article lacks primary data and mainly uses secondary data to understand the quality

problems of the App platform. Future studies are suggested to conduct a survey or interview, and other methods should obtain the primary data, which will be more authoritative. The second point is that the literature review was not extensive enough. Future scholars can refer to more literature for analysis. Thirdly, this study did not provide a research model and did not consider the relationships between variables, thus being unable to examine influencing factors precisely. Future studies are suggested to conduct an empirical study.

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