Research on Online Shopping Return Mode in “New Retail” Era

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Abstract: Through B2C/C2C platform, online shopping has realized the simplified mode of factory—retailer—consumer. With the rapid development of online shopping and retail industry, consumers’ requirements for online shopping and retail services are gradually raising. At present, the size of the new retail market is only 38.94 billion yuan, while as the formation of user habits and the innovation of new retail mode, there is great potential for future growth. It is estimated that the total market size will reach 1.8 billion yuan in 2022. This article analyzes the reasons and existing problems of online shopping return in the “new retail” era, analyzes the logistics modes of online shopping return, self-run shopping return, the third-party return and the alliance return. This paper adopts the method of empirical research to analyze the return of online shopping.

1. Introduction
From June 2016 to June 2019, the number of online shopping users in China increased from 447.72 million to 638.82 million, and the usage rate of online shopping increased from 63.1% to 74.8%. The use of smart phones is becoming increasingly popular among shoppers, and it has become common to use smart phones for shopping. 77% consumers place orders on mobile phones. Consumers choose to shop in online shopping malls instead of directly at retailers for main reasons such as preferential prices (64%) and freight relief (42%). As the continuous popularization and development of the network in China, the campus network is increasingly advanced, and college students are full of curiosity about novel things. Online shopping has become a part of their daily life, and they will also be the main force of online shopping in e-commerce in the future [1]. Data show that 71% consumers, especially college students and urban consumers, are more willing to endure a longer delivery time to save freight.

2. Analysis of online shopping return in the “New Retail” era
“New Retail” is a new concept expression that is different from traditional retail. The so-called “new retail” refers to all activities that apply the advanced ideas and technologies of the Internet to improve and innovate the traditional retail methods and adopt the latest ideas and thinking as guidance to sell goods and services to the end consumers [2]. Based on the collection of reported data in retail industry, the highest return rate in various industries of Tmall appears in clothing products. Among them, the 30-day average return rate of sporting goods such as sneakers and sportswear is 15.07%, home textile products 2.57%, ordinary clothing, shoes and luggage 7.48% and electrical products 4.36%.
2.1. Returns due to consumer reasons
Due to the increasingly fierce competition in the market, to attract consumers and eliminate their worries, network merchants have started to implement a series of unconditional return policies such as “unsatisfactory return” and “no-hassle return within seven days”. These return policies not only bring benefits to consumers, but also connive at the malicious return habits of some consumers. Even if the products may not have any quality problems, some consumers will request return due to personal preferences and other reasons [3]. Conformity is a common social psychology and behavior, and is one of the factors that affect consumers to make return decisions. Data show that 67.36% consumers will be influenced by their friends when hesitating whether to return the goods. The more frequently friends return goods, the more likely for people to make return decisions [4].

2.2. Returns due to supply chain reasons
On the one hand, due to the delay in production or delivery in the supply chain, the final delivery date of the product is postponed, and customers will demand a refund due to the delay in delivery. On the other hand, if the product is damaged or delivered repeatedly in the process of delivery, it will result in return.

2.3. Analysis of problems existing in online shopping return
On November 11, 2018, Tmall offered half-price discount, but due to price fraud, untimely delivery and other reasons, there were a large number of returns. Most of the logistics companies that cooperate with Tmall, such as YTO Express, STO Express and SF-Express, were unable to handle returns in time, which caused a large quantity of consumer complaints and greatly reduced consumer loyalty. When the goods are returned to the network merchants, the logistics cost will triple, because if the goods are returned to the merchants, who will sell them to other consumers, and the middle process will cause waste of social resources. If consumers take the returned goods to the express delivery point and the original express packaging of the goods is gone, new express packaging bags will have to be used, which will cause waste of packaging bags.

3. Analysis of the basic mode of online shopping return

3.1. Self-run return logistics mode
Self-run return logistics mode refers to e-commerce enterprises building their own logistics companies. In the self-run return logistics mode, customers can be directly contacted and their needs can be received in time, good relationships can be established, and returns can be handled without delay. However, establishing logistics company demands a large amount of funds, the high cost and repeated operations are not conducive to the optimal allocation of resources. At present, enterprises with strong financial strength and large business volume mostly adopt this mode [5], as shown in Figure 1.
3.2. Third-party return logistics mode
The third-party return logistics mode refers to the e-commerce enterprises outsourcing the return logistics business to professional third-party logistics enterprises, who complete the whole return process. Third-party logistics is the result of the development of logistics industry to a certain stage. Enterprises outsource some non-core businesses to specialized enterprises engaged in logistics business and concentrate limited resources on core businesses, thus highlighting the core competitiveness of enterprises. At the same time, all links of the system are completed by more professional enterprises, and the competitiveness of the entire supply chain is greatly improved. At present, most e-commerce enterprises will adopt this return logistics mode, as shown in Figure 2.

3.3. Alliance return logistics mode
The alliance return logistics mode refers to the alliance cooperation between e-commerce enterprises and between e-commerce enterprises and third-party logistics companies under the principle of “sharing risks and benefits” to jointly deal with the return and exchange of goods for consumers. Its advantages include resource sharing, cost saving, optimal allocation of resources, risk sharing, and strengthening cooperation and exchange among e-commerce enterprises. However, there may be problems such as crisis of confidence, difficulties in finding partners, and differences in scale and capability among e-commerce enterprises. This mode is suitable for similar e-commerce enterprises with high concentration, as shown in Figure 3.

4. Empirical study on online shopping return
4.1. Investigation and analysis of online shopping return with campus questionnaires
This analysis adopts the method of empirical research. First of all, through reading a large number of relevant documents, extensive and in-depth theoretical research were conducted, and the consumer market was taken into consideration to analyze and study the influencing factors of consumer satisfaction of commodity return and exchange. Then, measurement standards were used for reference and online shopping characteristics were considered to design the initial questionnaire, and the final questionnaire was formed by adjusting and revising the initial questionnaire. Finally, the questionnaire
was distributed and collected to the students on campus, and it was found that the return rate of the goods purchased by the students on e-commerce platforms was relatively low. The analysis of the return rate is shown in Figure 4.

![Figure 4. Return scale](image)

Most of the reasons for students to return and exchange goods after purchasing are that the sizes of clothes and shoes do not fit, the quality problems of the goods and the clothes and shoes do not conform to expectation. Other minor reasons are that the goods are not consistent with the introduction on the platform, impulse purchase for special offers and being simply unwanted. The reasons for returning the goods are analyzed, as shown in Figure 5.

![Figure 5. Rate of return reasons](image)

According to our investigation on campus, the online shopping return rate of nearly 60% students is 1%-5%, nearly 21% students 5%-10%, nearly 12% students 10%-20% and nearly 7% students 20%-30%. The average return rate per capita is around 6.67%. The total number of daily processed parcels on campus is 3,000, which means 200 parcels will be sent back to the merchants every day.

Online shopping return is realized by consumers sending goods by express delivery. Therefore, whenever consumers return online shopping goods, there will be more logistics packaging, loading and unloading, transportation, distribution and temporary storage costs for one parcel. In 2018, the volume of express delivery within the five days after the Double 11 reached 1.882 billion pieces, with a return rate about 6%, and 113 million express deliveries were returned. Therefore, reverse logistics increases logistics costs and is a great waste of social network resources.

4.2. Network big data analysis

Comparing the return rates of various industries, it is found that clothing products have the highest return rate. Among them, the 30-day average return rate of sporting goods, such as sneakers and sportswear, reached 15.07%, which was 12% higher than the 2.57% return rate of home textiles. The return rate of ordinary clothing, shoes and luggage was also as high as 7.48%

3C products are one of the categories of commodities that often encounter complaints. The purchased mobile phones, household appliances, etc. can only be unpacked and inspected after signing for. If there are problems with the products, the manufacturer’s inspection form is required for the
return and exchange of the products. It is very difficult to return 3C products even because of wrong size or repeated purchases. Many consumers have to be involved in a long seesaw battle with e-commerce merchants. The return rate of clothing products is relatively high because they can be easily returned even if they have been tried on as long as not affecting the secondary sales. However, quality problems of 3C products need to be detected before being returned, while there are many disputes over the determination of quality problems.

5. Conclusion
The future development of new retail will show the trend of online and offline integration, unmanned retail and integration inside and outside the industry, combining secondary sales with new retail, while expanding other modes of new retail to adapt to the development of new retail industry. The on-campus post station is undergoing a transformation to the on-campus smart post station, which will combine online and offline sales methods of new retail to realize the integration of online sales, express delivery, offline self-pick-up and last-mile delivery.

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