

Analysis of the Existing Problems and the Countermeasures in the Community Group Purchase Model

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Keywords: Community group purchase, Problem, Service, Countermeasure

Abstract: Compared with the traditional store sales model, the community group purchase model caters to the needs of many customers because of its service advantages such as convenient pickup and low price. This model has developed rapidly in the country since its appearance in 2016, but many community group purchase merchants still have Many aspects are not done properly. From the perspective of consumer demand, this article analyzes the problems that currently exist in the services of community group buying merchants from the five aspects of goods, prices, distribution, services and publicity, and proposes corresponding solutions.

1. Introduction

The market is fiercely competitive, and community merchants need to work hard to improve their efficiency in order to gain an advantage in the competition. Yan Jun (2019) mainly analyzed the operation capabilities of community group buying enterprises from two aspects of big data analysis and optimizing the group leader. Wu Xing (2019) put forward suggestions to promote the development of the community group buying model from the aspects of target market positioning and supply chain. Zhang Wei (2019) mainly puts forward suggestions on the future development of the community group buying model in terms of controlling operating costs, accelerating traffic realization, and expanding the group buying model. From the perspective of customer demand, this article analyzes the common shortcomings of community group buying merchants from the aspects of customer quality and price, delivery time and other related services, and proposes corresponding solutions.

2. Introduction to the Community Group Purchase Model

The community group purchase mode is that the merchants target residents of certain residential communities through WeChat groups or WeChat applets or APPs, and the group pre-sales are initiated by the head of the group (mostly Baoma or the store manager of the community shop). - Billing order-A service method for delivery to the receiving point of the community. The community group purchase model first appeared in Changsha, Hunan in 2016 because of low market entry barriers. Later, many companies started the community group purchase model and developed rapidly through financing, such as Beijing's Ten Group, Suzhou's Neighbourhood One, and Wuhan's Food. Enjoy the meeting, Jinan's Little Bear Orchestra purchase and so on. The group buying model studied in this article is mainly the group buying model represented by Shihui Group and Xiao Xiong Le Group Buying.

Community group purchases can provide customers with affordable products and convenient services through WeChat social networks, and can meet some basic daily table needs of consumers. With the help of online and offline social relationships and the trust between consumers and group leaders, community group purchases can increase consumers' willingness to buy. The community group purchase model has become one of the important ways for many community residents to buy daily necessities such as fruits and vegetables.

3. Advantages of the Community Group Purchase Model

The reason why the community group buying model has developed rapidly is that it has many advantages over traditional brick-and-mortar stores and online retail stores.

3.1 Convenience Advantage

First, the convenience of browsing products and placing orders. Now that WeChat is an indispensable social software for the mobile phones of most people, consumers can browse the products sold by the merchants from the mobile phone without entering the house by entering the WeChat applet or WeChat group of the merchant. It is very in line with the shopping model of modern houses.

Second, the convenience of pickup. Before the goods are delivered to the community, the merchants have already packed them according to the quantity and quantity. After the goods are delivered to the community, the group purchase customers only need to go downstairs to pick up the goods. This saves many procedures for customers to go shopping in traditional stores, such as picking, bagging, weighing, paying, shipping back, etc., saving time and effort.

Third, the convenience of the environment. Now many young people are reluctant to spend time and effort shopping in the store. Although many traditional merchants have home delivery service, the price of the goods is relatively high, and some require additional shipping costs. The New Coronary Pneumonia epidemic has erupted since the Spring Festival of 2020, and many consumers are even more worried about the risk of infection when going out to shop. In a special epidemic environment, group-buying merchants have made full use of the convenience of their delivery to the downstairs of the community to meet Many consumers have demanded daily necessities.

3.2 Price Advantage

The community group purchase model itself has the advantage of low cost and can achieve low prices for commodities. Especially for fresh products, consumers are favored because of their low prices. First, there is no rental cost. There is no physical storefront in the group buying mode of the community. Only the free public space downstairs in the community is needed, and the group leader can complete the receipt and distribution. Second, the cost of publicity is low. The community group purchase model publishes product advertisements free of charge in the WeChat group of each group leader. The acquisition of new customers also relies on natural social channels. Through the promotion of acquaintance relationships, the cost of acquiring customers is very low. Third, the channel cost is low. Merchants directly serve consumers after purchasing goods, there is no intermediary link, and the pre-sale model of the group does not require large inventory costs.

3.3 Service Advantages

Most of the community group buying businesses operate on fresh fruits and vegetables that are easy to wear and tear, and the after-sales service of most businesses is in place. If the customer finds that there is a bad product after receiving the goods, the bad product will be photographed and sent to the leader within 24 hours, and the leader will then make a claim to the merchant to solve the customer's worries about consumption.

4. Analysis of the Problems in the Community Group Purchase Model

Most of the commodities operated by community group buying businesses are fresh, which puts extremely high requirements on the purchasing, inventory management, distribution, after-sales service and other links of the merchants. Which link is not well controlled may greatly reduce customer satisfaction and thus reduce Customer participation in community group buying activities. The following article mainly analyzes the problems of the community group purchase model from the aspects of consumer demand, from the aspects of commodities, prices, distribution, after-sales service, promotion and publicity.

4.1 Commodity

Uneven commodity quality. Many commodities operated by community group buying merchants, such as cold meat, snacks, and even some small appliances, do not have a brand or a brand with very low visibility. This makes many customers doubt the reliability of the supply of goods and discourage them.

The rate of fresh and bad products is too high. Although customers can take photos of the lost goods they buy, sometimes the bad product rate of some products is too high. Especially for the fruits and vegetables in summer, the bad product rate of individual products sometimes reaches more than 50% and occasionally reaches 100%. Even if a claim is made, customers need to pay the time and energy costs to take pictures, upload, wait for payment, etc. This not only seriously damages the reputation of the merchant, but also affects the customer's repurchase of the product when the group is reopened, and even reduces the customer's enthusiasm for participating in the merchant's community group purchase activity.

The superior category is not obvious. Because the entry threshold of the community group buying market is low, the homogeneity of business operations is very serious. The dominant category of merchants is not obvious. Taking the ten-group group as an example, the number of single products is generally around 140, and the single products have no obvious quality or price advantage. The open products involve fruits and vegetables, aquatic products, meat and poultry eggs, grain and oil non-staple food, alcoholic beverages, snacks, washing, department stores. When waiting for multiple categories, the category width is not dominant, and the category richness cannot meet the target customer's demand for the category.

Often out of stock. First, stealth out of stock. Due to the inaccurate grasp of consumption expectations by merchants, the shortage of some single products is insufficient. They were sold out just a few minutes after the group opened, and many potential customers' purchasing needs could not be met. Second, an explicit out of stock. Since the customer has already made an appointment to purchase a successful product, he often cannot arrive on time or is out of stock. Reduce customer satisfaction, causing customer churn.

4.2 The Price Has No Absolute Advantage

Many community group buying merchants have imperfect management and management. The number of open communities, geographical distribution, and the number of participating groups have not reached the ideal state, as well as the loss during logistics and transportation, resulting in higher costs in all aspects. Many community group buying merchants have no advantage in commodity prices.

4.3 Delivery Is Not Timely

According to the survey, the time for each group purchase merchant to deliver to the community is very irregular, and most of the group purchase products are inconvenient to store in the fresh category, which brings to the group leader receipt and customer pickup, and the maintenance of product quality. Inconvenient and disadvantageous.

4.4 Low Service Efficiency

Slow payment. Although the after-sales of many community group purchase merchants can pay, but the speed is very slow, and the process is cumbersome: after the group purchase customers find the quality of the goods, they need to send the bad product photos to the group leader within 24 hours-the group leader will then send it to the community group purchase The company's after-sales service staff-the merchant's after-sales review passed-refund to the customer. The claim link requires the participation of the head of the team. Not only the compensation time is long, but also the team leader needs to pay the energy cost and time cost.

The service of the leader is not standardized. Many community group buying merchants are always eager to recruit the group leader to expand their business scope. They only teach the group leader to use the group buying applet, and there is almost no business training. Such as propaganda,

attracting and maintaining customers, receiving goods, distributing goods, etc., all have to rely on the head of the team to accumulate experience and slowly explore. The leader's service process cannot be standardized and unified, and the service quality is not guaranteed.

4.5 Propaganda is Not in Place

According to the survey, many group-buying merchants have not established their own official website or WeChat public account, etc., and there are no promotional texts or other materials at the receiving points of each community. The packaging of group-buying commodities is only a convenient bag with the logo of the group-buying merchant printed. That's it. If consumers want to further understand the group buying companies and how to join the group, they can only rely on the word-of-mouth communication of the group leader and the group members, or actively search online to obtain some sporadic information to understand the group buying business. This kind of irregular and systematic propaganda is very unfavorable to the business promotion of merchants.

5. Solutions to Problems in Community Group Purchase

In response to the problems in the community group purchase model, the following countermeasures are proposed.

5.1 Optimize the Supply of Goods and Reduce the Loss

First, the community group buying merchants must check the quality, compare the three, and strictly select the products with reliable quality and complete labels. Resolutely put an end to the purchase of Sanwu products and counterfeit and shoddy products.

Second, improve inventory management and reduce losses. Group-buying merchants should strengthen the inventory management and on-the-go management of fresh goods, improve their handling, storage and other environments, and strengthen tray management to reduce losses and increase customer satisfaction.

Third, strengthen market demand research. The loss of stealth out of stock is not easy to calculate, but it is an important aspect of merchant service improvement. Merchants can improve the problem of invisible shortages by strengthening market research and improving the accuracy of market expectations. On the one hand, merchants should extensively investigate the comprehensive market performance of their group-opening products through multiple channels to predict their group-opening sales; on the other hand, during each group-opening period, merchants should pay close attention to changes in product sales data at any time, certain items If the sales are hot, and the supply of goods can also guarantee the timeliness, you can add orders in batches and times to meet the needs of group purchase customers.

5.2 Precise Market Positioning, Creating Superior Categories

Community group buying merchants must not only distinguish from physical retail stores and online stores in terms of business form, but also give full play to their advantages in batch delivery, convenient pickup, good quality and low price, etc., and do a good job positioning; Achieve specialization in categories and create your own unique explosive products. The products of a community group purchase enterprise must at least cover a whole category of the target customer's household consumption in a certain category, so that customers can gradually form a dependence on group purchase merchants in this category, thereby forming a closed consumption cycle. As a result, group buying merchants form a unique category image in the minds of consumers.

Community group buying merchants reduce costs and optimize consumers by optimizing the supply chain. As the market penetration of group-buying merchants becomes stronger and stronger, and its market scale and service scope continue to expand, merchants can learn from the relevant mature and successful experiences of some chain operating companies and strive to achieve the advantages of scale and specialization. First, supply chain specialization. Community group purchase enterprises should gradually transition to large-scale direct procurement, and try to choose to cooperate with the manufacturer or the origin of the product to save intermediate channel costs.

Second, the specialization of services. Merchants cannot completely rely on the leader to serve customers, but must provide timely and detailed product and service introductions to target consumers through a wide range of channels and increase online interactive communication with consumers to improve customer satisfaction and loyalty.

5.3 Reasonable Planning of Delivery Routes

Merchants should fully investigate the traffic conditions, unloading time of each community and other factors in advance, rationally plan the delivery route and time schedule of each community, and try to make the delivery time of each cargo in the same community relatively fixed. This not only helps the merchants to improve their work efficiency, but also facilitates the leader and customers to reasonably arrange the time for receiving and picking up the goods.

5.4 Improve Service Timeliness

Optimize the after-sales service of the small program. Merchants can improve the efficiency of after-sales compensation by optimizing the group purchase applet. Customers upload photos of bad products through their order pages, and merchants can directly review the compensation. This can not only improve the time limit of compensation, but also reduce the workload of the head of the audit, and more importantly, it can greatly improve customer satisfaction and loyalty.

Strengthen the training and incentives for the leader. Group-buying merchants should conduct comprehensive and systematic training for the group leader. First, training the head of the group on corporate culture. In order to help the leader understand the enterprise, and enhance the leader's value identification, enhance the sense of belonging, and improve work enthusiasm. Second, standardize the business behavior of the head of the group. Such as opening a group, receiving goods, dividing goods, etc., to help the group leader quickly improve work efficiency and improve customer satisfaction. Third, implement salary incentives for the leader. By setting a reasonable remuneration system, the enterprise can make the leader's contribution and income proportional to the leader's work enthusiasm and stability.

5.5 Strengthen Advertising

First, strengthen online advertising. Merchants can establish official websites, WeChat public accounts, Baidu Encyclopedia, etc. to help consumers understand the most basic corporate profiles and ways to join the group. At this point, the 10th Group did better. Whether it is a website or a WeChat public account, the information content is relatively comprehensive.

Second, strengthen offline visual publicity. Merchants can be equipped with a unified vertical billboard at the receiving point of each community, and the advertisement content can include information such as the company logo, official website or public account, and way of joining the group. It can also be uniformly equipped with the work clothes of the head of the regiment, the image of the delivery vehicle, and the packaging of the goods, etc., to enhance the visual publicity of the enterprise.

6. Conclusion

The reason why the community group buying model can develop rapidly depends on the advantages that all aspects can bring convenience to customers. However, with fierce market competition, community group buying companies should always adhere to the principle of better customer service, and strengthen management, improve efficiency, reduce costs, and enhance the ability to serve customers from the aspects of commodities and commodity-related services. China is in an undefeated position to achieve long-term sustainable development of the enterprise.

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