



## WHAT IS WRONG WITH PRIVATE SHOPPING SITES? – EVIDENCE FROM TURKEY

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Gulmus Boruhan<sup>1</sup>, Pervin Ersoy<sup>2</sup>, Isik Ozge Yumurtaci<sup>3</sup>

<sup>1</sup>Yasar University, Turkey. Email: [gulmus.boruhan@yasar.edu.tr](mailto:gulmus.boruhan@yasar.edu.tr)

<sup>2</sup>Yasar University, Turkey. Email: [pervin.ersoy@yasar.edu.tr](mailto:pervin.ersoy@yasar.edu.tr)

<sup>3</sup>Izmir University of Economics, Turkey. Email: [isik.yumurtaci@ieu.edu.tr](mailto:isik.yumurtaci@ieu.edu.tr)

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### ABSTRACT

Since 2008, private shopping sites have been amongst the leading business models in the world. However, with the growing number of these companies, there are some problems which are declared by the customers through online platforms. Hence, this study provides evidence from Turkey through the examination of the customer complaints from the leading private shopping sites. In this regard, 1,014 customer complaints were analyzed for the period of three months (April, May and June 2013) from the popular online platform "sikayetvar.com". The findings reveal that private shopping sites have same types of customer complaints which occur mainly due to problems in the logistics capabilities of the companies. However, number of complaints differs significantly according to private shopping sites and months. This study contributes to literature through identification of variations in the number and category of complaints across months and among private shopping sites. Additionally, it provides managerial implications for private shopping sites to improve the logistics capabilities and other facilities

**JEL Classification**  
M10, M31, L84

## 1.INTRODUCTION

The term retailing covers all business processes which involve the sale of goods and services to consumers for personal, family or household use (Berman and Evans, 2004). Retailing is a key driver of global economy, where the total sales generated by the world's ten largest retail companies were \$1.25 trillion in 2012 (Deloitte 2014). In retailing, emerging research issues have been identified as growth of the internet and e-commerce, branding and customer loyalty, service success strategies, and behavioral issues in pricing and patronage (Grewal and Levy, 2009). With the adaptation to new digital age, the consumption choices, tremendous increase in the numbers of internet shoppers and the acceleration of social media platform have caused significant changes in physical retailing model (Türkiye Perakendecilik Meclisi Sektör Raporu, 2012). Therefore, development in direct marketing and technology has enabled retailers to reach customers through different distribution channels. For instance, catalog shopping and pioneering approaches such as television infomercials have created new business models, and later paved the way for e-retailing. This has enabled significant growth in e-retailing and e-retailers.

According to the e-Marketer, total sales of e-retailing is \$1.251 trillion, and is expected to increase to \$2.357 trillion by 2017 (E-Marketer, 2014). These indicators show the growth of both online markets and competition worldwide. E-retailers are usually classified as store or non-store based while e-retailer business models focus on the distribution channel, accessing to the customer and planning merchandise activities. With the advances in information, communication technologies (ICT) infrastructure and adoption of new business model, consumers increasingly shop and enhance the share of e-commerce in the 21st century.

The categories of e-retailers are described as click and mortar retailers, direct retailers, and virtual retailers. Click and mortar retailers operate as traditional brick and mortar retailers with an online store that incorporate online marketing options and integrate online and offline business activities (Dennis, Fenech and Merrilees, 2004). Direct retailers are the oldest format in three formats, and have a face to face relationship with customers through a catalogue system or door to door selling. Lastly, virtual retailers are defined as click only companies, or “pure play” e-retailers which use the internet alone as a distribution channel, and have no physical store. For instance, Avon is amongst the most known direct retailers in Turkey (Internet Retailer, 2012; Fortune, 2012) while Amazon is the most popular and well-known virtual retailer in the world (Kotler and Armstrong, 2006).

The retailing sector, growing in parallel to the Turkish economy, is one of the sectors most affected by the improvement in digital environment. By transferring to the online environment, well-known Turkish brands in the retail sector have focused on to reinvigorate themselves with the benefits of e-commerce (Turkishtime, 2013). This has also emerged the private shopping sites. Private shopping sites are among the pure play e-retailers (virtual retailers). According to European e-retailing index (2012), Turkey is the European market where the rate of pure play players (retailers only use e-commerce sale channel) is high. 60% of the top leading virtual retailers use only e-commerce sales channels (Deloitte, 2012). In this regard, the operating principles of private shopping sites are based on presenting famous brands to consumers at affordable price levels with limited quantities for a relatively short period of time and especially for website members (Ayadi, Giraud and Gonzalez, 2013). In Turkey, Markafoni is the first private shopping site which is established in 2008. After Markafoni, the number of private shopping sites has increased dramatically. Private shopping sites have achieved serious growth in Turkey not only in terms of penetration, but also in turnover figures (Özmen, 2012). They offer to their web site members highly discounted goods from well-known brands in limited quantities for a short period of time (Ayadi et al., 2013). Private shopping sites are reported to be successful and promising to enhance their market share in Turkey (Turkishtime Arasta, 2014). Considering that retailing is amongst the most diverse and dynamic sectors, it is challenging to achieve sustainable competitive advantage due to the increasing number of retailers using similar formats (George, Kumar and Grewal, 2013). This is also valid for private shopping sites where there is fierce competition among the players. Therefore, understanding and considering consumers’ perspectives on issues with the private shopping sites need to be examined. In this regard, the aims of this study are twofold. Regarding the limited literature on the customers’ complaints with the private

shopping sites in Turkey, the study wants to provide evidence from Turkey and reveal if the customer complaints of leading private shopping sites differ from each other.

## **2.LITERATURE REVIEW**

E-retailing is most commonly defined as “the sales of goods and services through internet or other electronic channels, for personal or household use by customers” (Dennis et al., 2004). The literature on e-retailing is wide-ranging, but fragmented.

Research in the earlier years of e-retailing focused on the retailers’ perspectives on the managerial challenges of e-retailing. As for the following stage, between 1990-2000, when internet was considered a new marketing channel, most research addressed the adaptation processes of consumers and focused on their buying behavior as well as experience. The development stages of e-retailing divided into three categories: retailer perspective, customer perspective and technological perspective, in a content analysis about e-retailing between 1996-2005 (Doherty and Chadwick, 2006). In the most recent stage, in which customers have become accustomed to online shopping, the research focus shifted to web site design, software tools and e-commerce infrastructure (Doherty and Chadwick, 2006).

With respect to this research focus, it is clear that the penetration of the internet has influenced both the customers and the business activities. From the customers’ viewpoint, internet is a less costly way of participating in business activities but from the business perspective, it is important that their operations incorporate e-retailing to avoid being excluded from the new marketplace (Valvi and Fragkos, 2012).

In the 21st century, the development of e-retailing and growing competition are forcing companies around the world to re-examine their logistics activities with the objective of reducing costs and improving customer service (Gunasekaran et al., 2007). Effective logistics management is not only a success factor, but also a fundamental condition for e-retailers because of this new dynamic online marketplace (Marri et al., 2006). In this new marketing environment, although online shopping allows customers to purchase products at their convenience and attracts the attention of customers who would be reluctant to buy in other situations, customer loyalty can ultimately only be achieved by an efficient logistics system. Obtaining demand, as a one of the function of marketing is created through product and service, pricing and marketing communications (Tek, 2013). As an important player in the distribution channel, retailers aim to achieve not only marketing capability, but also logistics capability through the management of their logistics network. Therefore, the current high levels of competition lead retailing research to concentrate not only on marketing, but also on logistics and supply chain management. Although e-retailing is growing rapidly in the business environment, the literature on this topic is still limited. On the other hand, e-retailing also needs the combination of an efficient web site and fulfillment system as well. The web site has a vital role in influencing customers and providing choices. After the order is placed, the effective fulfillment of the order depends on the e-retailer’s logistics system. Subsequent purchase decisions of the customer are influenced by this fulfillment process which involves pre-purchase, during purchase and post-purchase activities (Kotzab, 2005; Börühan, 2014). In e-retailing, the e-retailers’ web

site performs as an invisible store for customers, the physical store location is no longer vital for the e-retailers. The service encounter with the customer is delivery driver (cargo company) rather than the cashier in the physical store. The e-retailers’ web site acts like virtual shelves, and should ensure to provide accurate and up-to-date information about the products and inventory. Physical products still have to be supplied or produced, stocked, packaged and delivered to the customers. Therefore, logistics expenses have replaced store-related costs as the main retail expense (Soasta, 2012). In this regard, in the 21st century logistics has been recognized as a core competence contributing to e-retailers’ competitiveness, in the new robust marketplace (Maltz et al., 2004; Mottner et al., 2002). Therefore, the e-retailers need advanced retail information systems. The typical tasks of a retail information system identified as follows (Kotzab, 2005) merchandise planning, order management, order receipts, invoice control, sales, payment and inventory control. However, these tasks are managed differently in retailers and e-retailers. Table 1 summarizes the physical and e-retailing with the logistics perspective.

**Table 1: Physical and Internet Retailing: The Logistics Perspective**

	<b>Physical</b>	<b>E-Retailing</b>	<b>Key Difference</b>
<b>Network Design</b>	determined by logistics costs, ownership costs and prospective demand	determined by supply chain organization	pure play and brick-and-click options are available, as well as hybrids, depending on skill sets and history
<b>Search</b>	in-store search	computer aided inventory tools and display capabilities	few or no physical limitations on the internet implies need to scale up inventory capabilities and substitute information for sensory input
<b>Customer Logistics</b>	self-service except for large items	seller’s responsibility to buyer’s door	final service encounter shifts from register to customer’s home.  cost shifts to logistics from stores.

Source: Maltz, A., Rabinovich, E. and Sinha, R. (2004), Logistics: The key to e-retail success, Supply Chain Management Review, 8, 56-63.

The prevailing characteristic of e-retailing is its intrinsic need for an efficient and reliable logistics management, since customers are spread worldwide. End customers’ orders are much more unpredictable and unstable than in a B2B environment, and demand varies seasonally or according to special occasions. Compared to physical retailing, in e-retailing

order size per customer is smaller but the number of transactions is much higher. Distribution of the products to the highly dispersed customers is much more difficult than physical retailing, and the average value of shipments is very small, usually less than \$50. Various orders, which combine both fresh food products with limited expiry dates and also non-food products may involve additional activities, such as (re)packing, consolidation and cross docking. Customers have high expectations, not only of the prices and quality of products and services, but also about speed of delivery. They are also aware of the presence of alternative e-retailers and physical stores (Turban et al., 2010).

Regarding these, according to the literature, apart from the attractiveness of web sites, improvements in logistics activities such as ordered products, delivery, supply, order processing, sales return, customer service will all affect success in e-retailing. (Fan et al., 2013; Holloway and Beatty, 2003; Kayabaşı, 2010; Tarn et al., 2003). An important cause of failure in e-retailing is that technology companies neglect the logistics infrastructure (Reynolds, 2001).

Therefore, customers are likely to encounter some logistics problems during online shopping. Customer complaints were examined, and classified into 4 groups, as web site design/interaction, fulfillment and reliability, security and privacy and customer service (Holloway and Beatty, 2003); In this classification, problems about web site information quality, web site navigation and ease of use, product selection and prices, shipment tracking, purchase process, stock availability are considered in the category of web site design/interaction. Fulfillment and reality problems are about timeliness of the delivery, order accuracy, delivery condition, billing accuracy and merchandise quality. Credit card fraud, shared e-mails are about security and privacy and finally service level and return handling problems are examined in the customer service. It was focused on fulfillment process and challenges in this process (Tarn et al., 2003). E-fulfillment is mainly concerned with customer expectations and satisfaction in this new economy. According to this point of view, due to the nature of differentiated demand, major challenges for B2C e-commerce includes; prompt delivery, supplier selection, product quality, receiving, storage, picking, shipping and reverse logistics.

516 customer complaints were examined regarding online shopping from the [www.sikayetvar.com](http://www.sikayetvar.com), dividing them into 7 groups (Kayabaşı, 2010). The most frequent logistics problems relate to ordered products, delivery, supply, returns (products and payments), order processing, customer service and after sales service. A more detailed examination reveals the main areas of concern are missing items, late delivery, long supply pending process of ordered products, product returns, unanswered e-mails, problems about order tracking, late service returns.

The data were collected from an EC customer data base and gathered 5993 customer complaints data (Fan et al., 2013). Customer complaints were classified into 6 groups as product defect, packaging errors, compatibility, pricing, customer cognitive differentiation and delivery delay. Product defects relates to any kind of damage occurring during any process, for example the delivery process or packaging process. Packaging errors include the delivery of the wrong product, the loss of the attachments and stolen products. Compatibility involves information service; lack of product information is a cause of

customer complaints. Complaints about pricing include producer or dealer discount after sale, and low price in other channel. Customer cognitive differentiation originates from the received product not meeting expectations because of inaccurate product images, purchase of inappropriate products, misleading warranty extension, the unexpected cancellation of orders, and poor service quality. Finally, delivery delay is caused by inaccurate customer information and dealer inventory shortage.

According to literature, it is clear that products will only create value if product and delivery meet customer expectations. The fulfilment process is the most visible part, the tip of the iceberg. However, there is also a need for e-retailers to examine the hidden part, the pre-purchase, during purchase and post-purchase stages. Customers' perception will be formed by the online shopping experience starting with the entrance to the web site until the delivery of the product, and after sales operations. Thus, the level of customer satisfaction will reflect the overall effectiveness of the entire logistics system involved in the fulfilment process.

Hence, it should be revealed why customer complaints occur. Regarding these, this study concentrates on the customer complaints targeting the leading private shopping sites in Turkey. The research design, analysis and results, findings and discussion, limitations and directions for further research are presented to serve the aims of the study.

### **3.DATA AND METHODOLOGY**

The study aims to identify any variations in the number and category of complaints, across months and among private shopping sites. An analysis was made of customer complaints from the popular word of mouth marketing website "sikayetvar.com". "Sikayetvar.com" was established in 2001 as the first and leading customer complaints platform in Turkey. Currently, it has approximately 1.850.000 members and more than 1,300 corporate members following these customer complaints (Sikayetvar.com, 2015). The analysis was held for the months of April, May and June 2013. These months were chosen considering the seasonal impact (reflecting end of winter, spring and start of summer season). In the research, three leading private shopping sites were selected. The researchers preferred to use the letters of X, Y, Z not to create any negative image for the private shopping sites. For the three months period, 1,014 customer complaints were examined. In the selected sample of the customer complaints, the complainers comprise 49% of female and 51% male.

There is only one dependent variable, the number of customer complaints. The independent variables examined are months and private shopping sites. In the light of previous parts and the variables, three research questions were determined. The customer complaints are grouped into the following categories: the ordered products (Holloway and Beatty, 2003; Kayabaşı, 2010), delivery complaints (Holloway and Beatty, 2003; Kayabaşı, 2010), order processing complaints (Kayabaşı, 2010), supply complaints (Kayabaşı, 2010), accessibility to related personnel (Holloway and Beatty, 2003; Kayabaşı, 2010), sales returns (Kayabaşı, 2010), gift cards and a final category consisting of all complaints not covered by any of these previous categories. These categories are sub grouped into different items which are mainly derived from literature (the categories and

subgroups can be found in Appendix). The content of these categories are presented as follows:

**Ordered Products Complaints:** The offered range of products, product mix and depth with accepted prices enable e-retailers to attract customers and differentiate themselves in the market. These factors directly relate to order condition, order accuracy and order quality. Firstly, order condition refers to the absence of damage to the orders, which is essential for product use by the customer. Order accuracy refers to how closely shipments match customers' orders. This means having the appropriate items, in the desired quantity, without substitutions. Lastly, order quality refers to how well orders conform the product specifications, how well they function and meet the customers' needs (Mentzer et al., 2001).

**Supply Complaints:** The supply of products on time at an affordable right price is equally as important as providing a customer-oriented web site. It is essential for e-retailers to have reliable supply chain partners who are able to provide quality products and materials on demand. Supply process have to be supported with a back end supply chain management systems, furthermore order preparation should be automatic and paperless as much as possible (Tarn et al., 2003).

**Delivery Complaints:** Several market research studies have identified delivery problems as a major constraint on the growth of home shopping (Fernie and Sparks, 2009). Many e-retailers use promotions as marketing tools on their websites without establishing the required backend operations and thus may find it difficult to satisfy customers in terms of delivery time and product choice. It was pointed out that well designed web sites will be useless, if the e-retailers cannot deliver the goods (Krueger, 2000).

**Order Processing Complaints:** Customers and e-retailers interact with each other in online transactions. Although e-retailers provide self-service mechanisms for customers, these kinds of technology-based channels or mechanisms generally eliminate the human interaction, which is considered as a main component of physical retailing (Fan et al., 2013).

**Sales Returns Complaints:** Sales returns have become vital as companies make efforts to maximize the value they create for customers. It has been argued that returns are more common in e-retailing than in physical retailing due to the lack of opportunity for the customers to examine the product physically, or get enough reliable and current information before purchasing (Cooke, 2000; Griffis et al., 2012). The returns mainly result from product complaints such as wrong item arrival or damaged items, and to a lesser extent, a change of mind by the customer, or inaccurate delivery details (Tarn et al., 2003).

**Customer Service Complaints:** Customer service means a helpful responsive service that is effective in processing customer inquiries and returns/complaints during or after the sale (Holloway and Beatty, 2003). According to the literature, when customers perceive a high level of service recovery effort from the firm, negative perception of the firm is diminished considerably (Bearden and Teel, 1983; Oliver and Swan, 1989; Oliver, 1997).

**Gift Card Complaints:** Gift cards are an alternative non-monetary gift. This promotion activity (gift cards, coupons and discounts) can help to attract customers and develop customer commitment and loyalty.

**Other Complaints:** In this research, a number of complaints were found that were not covered by any of the above categories, and were therefore categorized under other types of complaints.

In light of these, the research questions are determined as follows: Research Question 1: Do the types of customer complaints and private shopping sites differ in terms of number of complaints?, Research Question 2: Do the types of complaints and months differ in terms of number of complaints?, Research Question 3: Do the private shopping sites and months differ in terms of number of complaints? Regarding the research questions, the research hypotheses are presented as; H<sub>1</sub>: Private shopping sites and types of customer complaints differ in terms of number of customer complaints, H<sub>2</sub>: The types of customer complaints and months differ in terms of number of complaints, H<sub>3</sub>: The private shopping sites and months differ in terms of number of complaints. In the following section, analysis and results are presented.

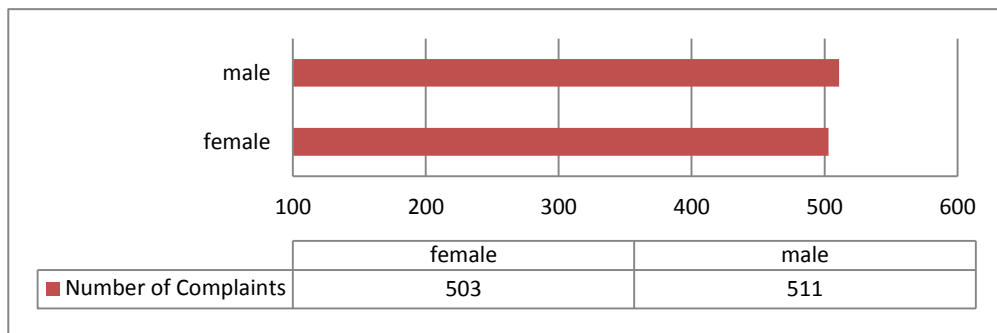
**4.ANALYSIS AND RESULTS**

Based on the analysis and classification of 1,014 customer complaints from www.sikayetvar.com concerning the three leading Private Shopping Sites (named as X, Y, Z) for the months of April, May and June 2013. The findings are presented with descriptive statistics and hypotheses testing.

**4.1 Descriptive Statistics**

Figure 1 shows the frequency of customer complaints by gender. The percentage of gender distribution is approximately equal, but men’s total complaints are slightly higher suggesting that males are more likely to complain than females.

**Figure 1: Frequency of Customer Complaints by Gender**

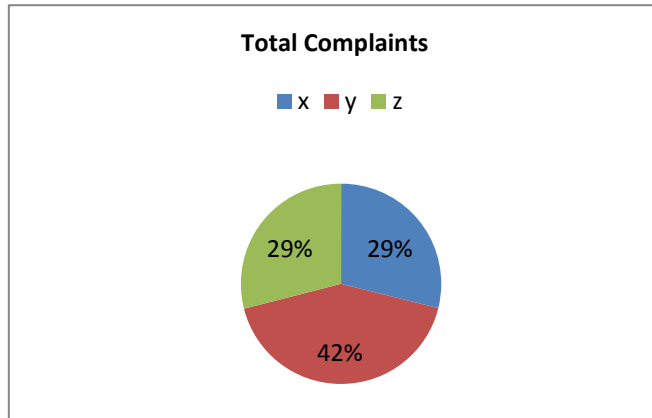


Although women use internet for shopping more frequently than men (Bae and Lee, 2011), men tend to complain more frequently than women. Figure 2 shows that shopping



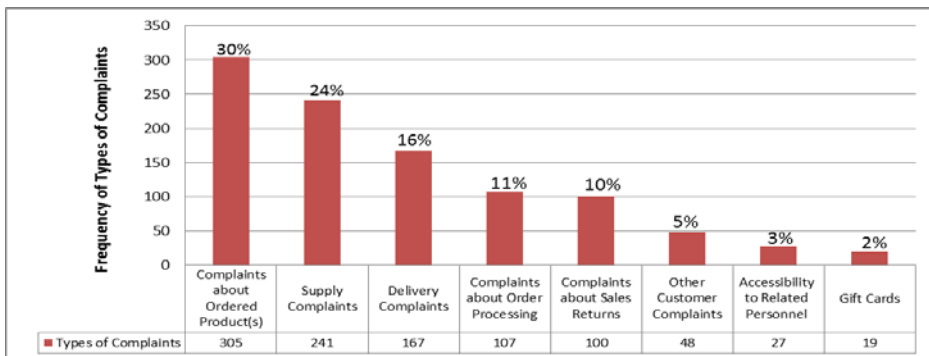
site Y is the least successful in managing complaints, as it has significantly more than the other two private shopping sites analyzed in this study.

**Figure 2: Percentage of Total Complaints across Private Shopping Sites X,Y and Z**



Additionally, the distribution of types of customer complaints is also presented as a significant descriptive. Figure 3 displays the frequency of types of customer complaints.

**Figure 3: Frequency of Types of Customer Complaints**



It should be noted that, the main areas of customer complaints are on ordered products (30%), supply (24%), delivery (16%), order processing (11%), which account for 80% percentage of the total complaints (80/20 rule). Other complaints are classified as sales return (10%), other (5%), customer service (3%) and gift cards (2%). It can be inferred that effectively managing these 4 main types of customer complaints has the potential to solve

80% of the total complaints. In this regard, implications for these types of complaints are provided.

In our research, it is revealed that most frequent complaints on ordered products concern the delivery of wrong items/missing items, the delivery of poor quality, damaged or defective products, and the delivery of imitations and second hand products. Moreover, typical supply complaints examined concern the procurement of ordered products, the length of the supply pending process, sales of out of stock items and the length of the time that the ordered products have been held (in stock).

Additionally, delivery delay is the major cause for delivery complaints. Delivery delay is a common problem in e-commerce because rather than arriving directly from e-retailers to customers. Order delivery is mainly performed by cargo companies. Late delivery, delivery that is neglected or wrongly addressed, or delay caused by the cargo companies all lead to delivery complaints. However, another important area of complaints is order processing complaints. This category is comprised of order tracking problems, cancellation of orders without customer knowledge, overdrawn from customers' credit card, failure to cancel orders on customer request, withdrawing money from a credit card without processing the order, sending order confirmation without sending the order itself, and providing misinformation about the cargo fee.

In this study, complaints on sales returns are due to length of time taken to complete the return process, problems in tracking the return process, failure to provide refunds, problems with refunds to customers credit cards, the lack of provision for returning the products, the use of gift cards in lieu of refunds, the limited validity or unsuitability if gift cards in lieu of refunds, and errors in refunds.

Another category of customer complaint is accessibility to related personnel. The main areas in this category are not being able to contact to the communication department, not following up after sending standard e-mails to customers regarding all types of complaints, ignoring to customers' e-mails, long delays and the inability of customer service to resolve customer complaints.

In this research, an additional category of complaints, gift cards are introduced. It is revealed that the most important complaints concern misinformation, unusable gift cards, and unloading promotion to the gift card. Lastly, in this research, the customer complaints which do not fit into any other type of category are placed in a separate category. The most common of these complaints are unusable mix promotions (not able to use gift card in combination with other promotions), misinformation about promotions, some technical problems with web-site, an excessive number of promotional and arrival emails during the day.

#### **4.2. Hypotheses Testing**

After the categorization, the customer complaints were analyzed in the SPSS 20 program. This dataset consisted of 3 categorized variables (types of complaints, months and firms) and 1 metric variable (total complaints), therefore Factorial ANOVA was used to find interactions/differences in terms of number of complaints between private shopping sites

and types of complaints; types of complaints and months; and private shopping sites and months.

**Table 2: Tests of Between-Subjects Effects**

Source	Type III				
	Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	29656,389 <sup>a</sup>	43	689,683	13,093	,000
Intercept	25162,722	1	25162,722	477,701	,000
Private Shopping Sites*Types of Complaints	7314,028	14	522,431	9,918	,000
Types of complaints*Months	740,444	14	52,889	1,004	,476
Private Shopping Sites *Months	722,889	4	180,722	3,431	,021
Error	1474,889	28	52,675		
Total	56294,000	72			
Corrected Total	31131,278	71			

*a. R Squared = ,953 (Adjusted R Squared = ,880) Dependent Variable: Number of Customer Complaints*  
Confidence Interval : 0,95

As it can be observed from Table 2, there is a significant difference between private shopping sites and types of customer complaints; and also between private shopping sites and months. However, there is little variation in the numbers of various types of complaints across the three months, suggesting relatively stable levels of the different types of complaints. The differences of private shopping sites or seasonality do not interact with types of complaints. Additionally, the main types of customer complaints did not change across the months for all sites, complaints about ordered products, delivery and supply remained dominant.

**Table 3: Types of Complaints across Private Shopping Sites (X,Y and Z)**

Firms	Mean	Std. Error	95%	Confidence	
			Interval		
			Lower	Upper	
			Bound	Bound	
X	Complaints about Ordered Product(s)	32,333	4,190	23,750	40,917
	Delivery Complaints	22,667	4,190	14,083	31,250
	Supply Complaints	16,000	4,190	7,417	24,583
	Complains about Order Processing	17,333	4,190	8,750	25,917
	Accessibility to Related Personnel	3,667	4,190	-4,917	12,250
	Complaints About Sales Returns	8,667	4,190	,083	17,250
	Gift Cards	2,333	4,190	-6,250	10,917
	Other Customer Complaints	4,333	4,190	-4,250	12,917
	Complaints about Ordered Product(s)	70,000	4,190	61,417	78,583
	Delivery Complaints	40,000	4,190	31,417	48,583
Y	Supply Complaints	78,333	4,190	69,750	86,917
	Complains about Order Processing	13,333	4,190	4,750	21,917
	Accessibility to Related Personnel	9,333	4,190	,750	17,917
	Complaints about Sales Returns	18,333	4,190	9,750	26,917
	Gift Cards	2,667	4,190	-5,917	11,250
	Other Customer Complaints	1,667	4,190	-6,917	10,250
	Complaints about Ordered Product(s)	32,333	4,190	23,750	40,917
	Delivery Complaints	22,834	4,190	12,750	32,917
	Supply Complaints	24,333	4,190	15,750	32,917
	Complains about Order Processing	12,000	4,190	3,417	20,583
Z	Accessibility to Related Personnel	,667	4,190	-7,917	9,250
	Complaints about Sales Returns	14,000	4,190	5,417	22,583
	Gift Cards	2,000	4,190	-6,583	10,583
	Other Customer Complaints	10,000	4,190	1,417	18,583

*Dependent Variable: Number of Customer Complaints*

As it can be observed from Table 3, the three private shopping sites experienced similar types of problem, but X and Z's mean of types of complaints are lower than Y's mean of types of complaints. Also X and Z's types of complaints mean values are very close, but Y's types of complaints mean value are higher than both two types of complaints value. This means X and Z manage the customer complaints more effectively than Y.

While the study has three hypotheses,  $H_1$  and  $H_3$  are supported while  $H_2$  is not supported. Table 4 displays the results of hypothesis testing.

**Table 4: Results of Hypotheses Testing**

<b>H<sub>1</sub>:</b> Private shopping sites and types of customer complaints differ in terms of number of customer complaints.	Supported
<b>H<sub>2</sub>:</b> The types of customer complaints and months differ in terms of number of customer complaints.	Not Supported
<b>H<sub>3</sub>:</b> The private shopping sites and months differ in terms of number of customer complaints.	Supported

## 5.CONCLUSION AND FURTHER RESEARCH

With the internet being an alternative distribution channel, share of e-commerce has increased in Turkey as in the world market. In today's dynamic and fast-paced environment, retailing formats change rapidly. This research addresses the private shopping sites as pure play electronic retailers which are the non-store based retail format. This study examines the customer complaints of the leading private shopping sites' in Turkey (named as X,Y,Z) in terms of the interactions/differences between the types of customer complaints, months and companies. In this research, it is observed that months and types of customer complaints have no effect on the number of customer complaints. This result shows that private shopping sites have same characteristics and same type of managerial problems. Another finding revealed is, the types of customer complaints differ according to private shopping sites. Additionally, private shopping sites differentiate according to the months in accordance with number of complaints.

To summarize the results, the private shopping sites have the same types of customer complaints for each month (April, May, June 2013). However, number of complaints changes according to the private shopping sites and months. This result clearly shows that private shopping sites have same insufficiently managed types of complaints.

According to distribution of 1,014 customer complaints, customer complaints on ordered products (30%), supply (24%), delivery (16%) and order Processing (%11) complaints are revealed to be the prominent ones. The subsequent ones are sales return (10%), other (5%), accessibility to related personnel (3%) and gift cards (2%). This indicates that even though X,Y,Z company are the first three leading company in the private shopping retail format, they are faced with same types of customer complaints in each month. Besides that, when the classified groups are examined with their subgroups, it is observed that these complaints are caused by the inefficient logistics capabilities of the companies.

Regarding the findings, managerial implications are provided to the private shopping sites to reduce these complaints and increase customer satisfaction. In order to reduce the percentage of defective and poor quality products, companies should use quality management through the entire logistics process. Using high quality packaging and wrapping, providing consistent, adequate labelling of the products, avoiding selling fake or imitation products will decrease the product quality problems. Moreover, companies should provide product receipt and guarantee document within package and/or on the

website. For providing quality products and materials at all time, companies need to have reliable supply chain partners supported with a back end supply chain management systems.

Sharing current information with integrated logistics systems such as EDI (Electronic Data Interchange) between the supply chain partners and companies is vital to reduce the risk of not procuring the demanded products. Using information technologies, sharing real and current information in the supply chain partners will also help to diminish the delivery problems. Offering alternative innovative delivery options such as express delivery (in 3-4 hours, next day), priority delivery (three to four days) and regular delivery (five to ten days) can be an alternative for the consumers who are eager to pay more for additional value adding activities. In addition, delivery terms and conditions should be accessed easily on the website. Also delivery types and periods, cause of late delivery and information about unsent orders should be given to the customers interactively. After delivering the order, companies should provide order tracking systems and send order status notification about cancelations or order confirmation, provide order cancelation option to the customers with clear information, give more information about shipment and cargo fee.

Apart from these, if the customers are encountered with a return, they should find clear and comprehensive information about product return and refund policy on the web site of the e-retailer. According to this policy, customers must identify their reasons for returning the item. Using return tracking in this process will help companies and customers to reduce total time spent in return and repayment process.

If the customers have any problems during the ordering process, they should reach to the related department personnel quickly. In this regard, companies should provide interactive call center service and give periodical training to their personnel suitable with their job description. Furthermore, companies should return message of customer complaints with accurate answers, reduce the holding time on the phone, stop sending standard e-mails to the owner of the complaints, provide 7/24 online support systems on the web site so that customers can write their complaints, questions or suggestions.

In some occasions, companies give gift cards to their customers to increase customers' loyalty. However, this kind of promotional activities can be difficult to manage. Therefore, companies should avoid giving missing information about gift card policy, avoid cancellation of gift card usage in case of product returns, and avoid unloading guaranteed gift cards to the customers' accounts. Lastly, other complaints that the companies should overcome are; using multiple gifts cards at a single purchase transaction, giving right information about the current campaign and reducing the technical problems of the website with the supporting systems. As discussed in this study, logistics management is vital for the private shopping sites due to lack of physical store in their retail format. Their web sites are like a virtual store presenting all their product and services to their customers. Hence, especially logistics operations, sufficient infrastructure, payment systems and the promotional marketing activities are critical success factors for the private shopping sites. As for future research, more private shopping sites' customer complaints can be examined and their types of complaints differences can be revealed.

Furthermore, classification of customer complaints can be used for the other e-retailing formats in Turkey. Future research can be conducted to shed light on the private shopping sites' rate of replying to the customer complaints (rate of return to customer complaints) and companies' success in managing this process. In this study, only one metric variable (number of complaints) was used in the hypotheses testing while it was the only publicly available variable. In case of a special agreement between researchers and private shopping sites, data on other metric variables can be obtained and the scope of the study can be extended.

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**Appendix 1: Categories of Customer Complaints**

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<b>ORDERED PRODUCT(S)</b>	1. Damaged or defected product delivery
	2. Delivery of poor quality product
	3. Delivery of used product (second hand)
	4. Delivery of wrong items (size, color, etc.)
	5. Delivery of fake products or wrong products
	6. Sending incomplete order (missing items)
	7. Lack of receipt and guarantee document in delivery
	8. Overpricing
	9. Sending the present receipt to the present owner
<b>SUPPLY</b>	1. Supply problem of ordered products
	2. Long supply pending process of ordered products
	3. Sales of items that are out of stock
	4. Holding the ordered products during the order preparation
<b>DELIVERY</b>	1. Late delivery of orders
	2. Unsent orders to the customers
	3. Delivery of orders to the wrong address
	4. Lateness of cargo companies in order delivery
<b>ORDER PROCESSING</b>	1. Problems of order tracking
	2. Cancellation of orders without any prior notification to the customer
	3. Inability to cancel the order by customer request
	4. Withdrawing money from credit card although the order process hasn't finished
	5. Overdrawing from a credit card
	6. Misinformation on the order status
	7. Misinformation about cargo fee (shipment fee)

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**Appendix 1 ctd.: Categories of Customer Complaints**

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<b>SALES RETURN</b>	1. Problems about product returns (repackaging, sending by cargo)
	2. Long return process
	3. Problems during the process of returns tracking
	4. Problems during the repayment of returned products to the customers' credit card
	5. No refund
	6. Inability of product return
	7. Giving gift card instead of refund
	8. Giving short term or not usable gift cards instead of refund
	9. Refund of wrong products
	10. Sending poor quality or different products instead of return products
	11. Inability to return products
	12. Unexplained non-refunding
<b>OTHER</b>	1. Unable to use multiple gift cards at a single purchase transaction
	2. Misleading information on the campaign
	3. Unable to shop from the website due to technical problems
	4. Supply problems of multiple products in a single order
<b>ACCESSIBILITY TO RELATED PERSONNEL</b>	1. Unable to contact with communication department
	2. Sending standard e-mails to customers for all types of complaints
	3. Not responding to customers' e-mails
	4. Long waiting time in the line
	5. Incapability of customer service to solve the customer complaints
<b>GIFT CARDS</b>	1. Cancellation of gift card usage in case of product returns which was purchased with gift card
	2. Limited information on gift card usage
	3. Not loading guaranteed gift cards to the customers' accounts

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