Fulfilling customer demand

Customer requirements and demands on e-commerce

Sara Algestam       Ertuğrul Kılıçaslan

The thesis work comprises 15 ECTS and is a mandatory part of the MSc in Industrial Engineering – Logistics Management, 60 ECTS

12/2010
The Title of the Thesis: Fulfilling customer demand
− Customer requirements and demands on e-commerce

Report number: 12/2010

Authors:
Sara Algestam S051397@utb.hb.se
Ertuğrul Kılıçaslan S051619@utb.hb.se

Master thesis: 15 ECTS of the
MSc in Industrial Engineering –
Logistics Management, 60 ECTS

Category: Technology
Industrial Engineering – Logistics Management

University of Borås
School of Engineering
S-501 90 Borås
Sweden
Telephone: +46 33-435 46 40

Client: Halens AB,
Risångsgatan 4
S-504 68 BORÅS

Supervisor/Examiner: Daniel Ekwall
School of Engineering
Telephone: +46 33-435 46 57
E-mail: daniel.ekwall@hb.se

Date: 2010-08-15

Keywords: Logistics, mail-order, e-commerce, customer
segmentation, returns management
Preface

This thesis covers 15 ECTS and is the last mandatory moment of our MSc-program in Industrial Engineering – Logistics Management, 60 credits. The project has been carried out during the second semester of 2010 at University College of Borås in collaboration with Halens AB. Firstly, we want to thank Bo Andersson – Group Quality Manager at Halens and Klas Hjort at the University of Borås who gave us the opportunity to work with this project. We also want to give a big thanks to Kristin Gullberg at Halens who helped us to present the survey to the customers. Without you, this project would have been impossible. Above all, we want to thank the customers of Halens and Cellbes who gave us their feedback via the survey which was the base for this project. We also want to thank the customers who took their time to let us observe them during their purchase process. This gave us an additional base of quality knowledge about the customers at both Halens and Cellbes.

Last but not least, we want to thank our supervisor and examiner Daniel Ekwall as well as the management team at Halens who supported us during the project until the finish line.

First of all I want to thank my parents for supporting me in whatever I peruse in life. I also want to thank my sisters and brothers who always encourage me at times when I need it the most. Furthermore, I want to give a special thanks to my close friend Jenny, who always has supported me in both good and bad days. Last but not least, I want to thank my partner Ertuğrul. This thesis would have been impossible without you. We have complemented each other in the best way in order to finalize this thesis with good results. Thank you all for supporting me during this master program and the process of this thesis!

This thesis would have been hard to write without the encouragement from my close friends, family and thesis partner. I want to thank my brother Fatih, who has called me at least twice a day to see the progression of the thesis, and my sister Semra who always been there for me. I also want to thank my parents who supported through life. Furthermore, I would not have managed this thesis work as well as I did in without my partner Sara. She and I worked just perfectly together during this project. All people mentioned have been key figures for the success of not only this project, but also my whole period of studies. THANK YOU ALL!

Borås, August 2010

Sara Algestam

Ertuğrul Kılıçaslan

Fulfilling customer demand
Abstract

This thesis has been carried out during second semester 2010 at University College of Borås in Collaboration with Halens AB. Halens Holding AB is one of Sweden’s leading e-commerce companies. The company contains of four subsidiaries which together create Halens Holding AB. The concern includes Halens AB, Cellbes AB, Time Finans AB and New Bubbleroom Sweden AB. The main office of Halens Holding AB is located in Borås, the company has a turnover of 1.1 billion SEK and employs 300 people. Halens Holding AB has a wide range of products; fashion, home textile, furniture’s, home electronics and beauty- and health products. Halens has recently expanded their market, and now have Swedish, Norwegian, Finnish, Danish, Estonian, Latvian, Czech, Polish, Slovakian, Russian, Swiss, Slovenian and Turkish customers.

The purpose of this thesis was to investigate customer requirements and demands on e-commerce. Furthermore, the intention was also to compare customers from the different subsidiaries. The purpose could be concluded with following three bullets;

- Identify customer demand on; product, lead-time, service and cost.
- Investigate differences in customer demand at two of the subsidiaries; Halens and Cellbes.
- Determine different consequences to the identified customer demand; purchase, non-purchase, purchase followed by return, uncollected package.

A survey was made in order to find real time information about customer behavior. The objective of the survey was to understand customers’ demands of e-commerce in general. The next step was to investigate if Halens and Cellbes fulfilled those requirements. Moreover, observations were made in order to capture the customers’ use of the web-pages. These observations provided a deeper insight of the customer requirements and demands. With survey answers and observations as a base, different customer segments could be spotted. Furthermore, the task was to find problem areas or errors from the customers’ point of view in order to improve the system. Suggested areas for improvement were presented in order to get a better match between customer demand and customer experience.

During this project, a clear view of the demand and requirements of Halens and Cellbes customers has been obtained. There were not major difference between the two subsidiaries, to the contrary; the results showed that there were very similar. It can be concluded that Halens and Cellbes can improve their businesses with smaller changes. Several proposals for improvement have been developed in order to better fulfill customer demand.
Table of Contents

Preface ........................................................................................................ III
Abstract ....................................................................................................... IV
Table of Contents ....................................................................................... V
1. Introduction .............................................................................................. 1
   1.1 Background ......................................................................................... 1
   1.2 Halens Holding AB ............................................................................. 1
   1.3 Problem identification ....................................................................... 2
   1.4 Purpose ............................................................................................... 2
   1.5 Goal .................................................................................................... 3
   1.6 Limitation ........................................................................................... 3
2. Methodology .............................................................................................. 4
   2.1 Qualitative research methods ......................................................... 4
      2.1.1 Observations ............................................................................... 4
   2.2 Quantitative research methods ...................................................... 4
      2.2.1 Survey ........................................................................................ 5
      2.2.2 Literature review ....................................................................... 5
   2.3 Validity and Reliability ...................................................................... 6
3. Theoretical Frame of Reference ............................................................ 7
   3.1 E-commerce ....................................................................................... 7
   3.2 Supply Chain Management ............................................................. 7
      3.2.1 Agile Supply Chain ................................................................... 8
      3.2.2 Lean Supply Chain .................................................................. 9
      3.2.3 Leagile Supply Chain ............................................................... 9
   3.3 Demand Chain Management .......................................................... 10
   3.4 Customer satisfaction ....................................................................... 10
   3.5 Customer segmentation .................................................................. 12
   3.6 Customization .................................................................................. 12
   3.7 Customer innovation ....................................................................... 13
3.8 Returns Management

4. Results

4.1 Halens

4.1.1 Customer demand / expectations

4.1.2 Customer experience

4.2 Cellbes

4.2.1 Customer demand / expectations

4.2.2 Customer experience

4.3 Observations

5. Analysis

5.1 Survey

5.1.1 Product

5.1.2 Lead-time and delivery

5.1.3 Service

5.1.4 Cost

5.1.5 Returns

5.2 Customer segmentation

5.2.1 Amanda

5.2.2 Lena

5.2.3 Maj-Britt

5.2.4 Johan

5.2.5 Lars

6. Suggestions for improvement

6.1 Purchasing process

6.1.1 Payment methods

6.1.2 Choose delivery point

6.1.3 Delivery status

6.1.4 Cancellation

6.2 Customization

6.2.1 Design competition

6.2.2 T-shirt creator

6.3 Differentiation

VI Fulfilling customer demand
Fulfilling customer demand

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.1</td>
<td>Male customers</td>
<td>49</td>
</tr>
<tr>
<td>6.3.2</td>
<td>Student discount</td>
<td>50</td>
</tr>
<tr>
<td>6.4</td>
<td>Applications</td>
<td>50</td>
</tr>
<tr>
<td>6.4.1</td>
<td>E-me</td>
<td>50</td>
</tr>
<tr>
<td>6.4.2</td>
<td>Smartphone application</td>
<td>50</td>
</tr>
</tbody>
</table>

7. Discussion | 51
8. Conclusions | 53
9. Future Research | 54
References | 55

Figure 1. Group structure - Consortio Invest AB | 2
Figure 2. Qualitative research method | 4
Figure 3. Quantitative research method | 4
Figure 4. Research process | 5
Figure 5. Simple description of a Supply Chain | 7
Figure 6. Matching Supply Chain with Products | 8
Figure 7. Leagile Supply Chain | 9
Figure 8. Simplified service gap model | 10
Figure 9. The three product levels | 11
Figure 10. Different customization strategies | 12
Figure 11. Age distribution of participating customers at Halens | 14
Figure 12. Customer interest of influencing the design of products at Halens | 14
Figure 13. Customers who took, and compared their measurements to Halens measurement model at every purchase | 15
Figure 14. Customers’ opinion of acceptable delivery time at Halens | 16
Figure 15. Relation between cost and delivery time at Halens | 17
Figure 16. Customer service preferred at Halens | 18
Figure 17. How customers are affected by price at Halens | 19
Figure 18. Customer priorities at Halens | 19
Figure 19. Customer experiences of products at Halens | 21
Figure 20. Reasons for returns at Halens | 23
Figure 21. Reasons for unclaimed packages at Halens | 24
Figure 22. Age distribution of participating customers at Cellbes

Figure 23. Customer interest of influencing the design of products at Cellbes

Figure 24. Customers who took, and compared their measurements to Cellbes measurement model at every purchase

Figure 25. Customers’ opinion of acceptable delivery time at Cellbes

Figure 26. Relation between cost and delivery time at Cellbes

Figure 27. Customer service preferred at Cellbes

Figure 28. How customers are affected by price at Cellbes

Figure 29. Customer priorities at Cellbes

Figure 30. Customer experiences of products at Cellbes

Figure 31. Reasons for returns at Cellbes

Figure 32. Reasons for unclaimed packages at Cellbes

Appendix A – Survey (draft)

Appendix B – Example of survey layout

Appendix C – Suggestion Payment method

Appendix D – Suggestion Choose delivery point

Appendix E – Suggestion T-shirt creator

Appendix F – Suggestion First page
1. Introduction

This part will give an introduction of the research. It will provide information about background, problem identification, purpose, goal and limitation. Additionally, it will give a brief presentation of the client; Halens Holding AB.

1.1 Background

In today’s society, many companies are using internet as a tool for their business; e-commerce. They have realized that an increasing number of people are using internet to simplify their lives in many areas such as banking, communication, studies, etc. It is therefore not surprising that retail companies also use the advantages of internet business. Internet can easily expand the geographical market, since customers from north of Sweden and east of Turkey can purchase the same products from the comfort of their homes. For mail-order companies, the step was not that big. They already had the logistic system that is needed to provide the customers with the products; they just needed a new way of presenting their products. The use of internet provided both the company and customers with many benefits. The customers could visit a webpage that was updated more often than the catalogues. At the same time, the company got the orders straight into their system in real-time, instead of an order form that should be filled out, mailed, received and processed. This saved both time and money for customers as well as companies. Today, there are still customers at the older mail-order companies who use the old system (catalogue and order form), although internet is used to a greater extent.

Many companies provide the same products, and above all, the same services to all their customers. The next step for the mail-order companies is to understand customer demand and try their best to fulfill the customers’ requirements. While doing that, it is important to keep in mind that all customers do not have the same needs. What should be taken in to consideration is that the customer consist of both younger and older people, male and female, etc. all with different needs and demands.

Different customer demands and requirements will result in different customer behaviors. Moreover, these behaviors will result in different consequences during, but also after, a purchase process.

1.2 Halens Holding AB

Halens Holding AB is one of Sweden’s leading e-commerce companies. The company consists of four subsidiaries which together create Halens Holding AB. From 1965 to 2007 Halens was owned by an English company called GUS (Later Littlewoods Shop Direct). Halens Holding AB had a quick rise during late 90s and 00s and was purchased by the Swedish company Consortio Invest AB in 2007. The concern consists of Halens AB, Cellbes AB, Time Finans AB and New Bubbleroom Sweden AB (see figure 1). The head office of Halens Holding AB is located in Borås and the company has a turnover of 1.1 billion SEK and employs 300 people (Halens Postorder). The company has a wide range of products from fashion, home textile, furniture’s, home electronics to beauty- and health products. Halens Holding AB has recently
expanded their organization and now has customers in Sweden, Norway, Finland, Denmark, Estonia, Latvian, Czech Republic, Poland, Slovakia, Russia, Switzerland, Slovenia and Turkey.

1.3 Problem identification

With e-commerce emergence and globalization, the customers have a wider range of companies to choose from. The customer often changes company if they find a better deal elsewhere, and are therefore not always as loyal as companies wish. In order to keep the customers, as well as attracting new, companies need to understand the customers’ demands and requirements.

Three of Halens Holding ABs’ subsidiaries are mail-order companies with different types of customers. It is therefore important to see how well they know their customers and whether they should treat them the same or not.

1.4 Purpose

The purpose of this research is to:

- Identify customer demand on; product, lead-time, service and cost.
- Investigate differences in customer demand at two of the subsidiaries; Halens and Cellbes.
- Determine different consequences to the identified customer demand; purchase, non-purchase, purchase followed by return, uncollected package.
1.5 Goal
The goal of this research is it to obtain information of how to segment the customers depending on their demand and purchase behavior. It is therefore important to find ways to improve the match (or gap) between customer requirements and customer experience.

1.6 Limitation
This research will only analyze the requirements and demands of the Swedish customers. An additional limitation is that only two subsidiaries will take part of this research; Halens and Cellbes.
2. Methodology

This part will present the methods that are used to collect the information that is the base for this research. Furthermore, this part will also describe how the information is processed and analyzed in order to get as valid and reliable results as possible.

2.1 Qualitative research methods

Qualitative research methods are procedures that provide descriptive information (Olsson & Sörensen, 2001). Examples of this could be a person’s words, opinions or behaviors. This type of research has the purpose to get a deeper understanding of the problem or area that is studied (Holme & Solvang, 1997). The data is collected in terms and the scope is deep and individual. This means that the researcher comes close to the source through interviews or observations. The data collected is presented with quotes or stories. Figure 2 presents the main characteristic of qualitative research methods.

2.1.1 Observations

Observations of customers using Halens and Cellbes web-site were made in order to detect patterns or possible problems during their purchasing process. The advantage of making a direct observation is that the researcher can observe and understand the phenomena in its natural environment (Olsson & Sörensen, 2001). Furthermore, there are also disadvantages. Firstly, it is time consuming, but more important the researcher must be careful how to interpret what is sees (Finlay, 2006).

2.2 Quantitative research methods

Quantitative research methods are usually based on numeric data (Eriksson & Wiedersheim-Paul, 2006). This type of research is often controlled from the researches side who decides which areas that are of particular interest. This method also limits the possible answers (Holme & Solvang, 1997). Compared to qualitative research methods, the researchers have a bigger distance to the source. Figure 3 presents the main characteristic of quantitative research methods.
2.2.1 Survey

A survey consists of a form with fixed answers that the respondent can choose from (Ejlertsson, 1996). While constructing a survey, it is important to have a high degree of standardization, avoid difficult language and long phrases (Trost, 2007). It is also important that the survey is attractive, easy to answer and has clear instructions (Olsson & Sörensen, 2001).

A survey was made in order to obtain information about customer demand and expectations on e-commerce companies in general but also to see how well Halens and Cellbes meet these demands. Therefore, the survey was divided into two sections; the first focused on the participant’s general demands on e-commerce, while the second had questions regarding the customer’s last purchase at respective company (see appendix A). Since many people do not have a lot of time to spare on a survey, online forms are often quicker for the respondents to complete (Finlay, 2006). Therefore, the survey was internet based (see appendix B). The same survey was sent to Halens and Cellbes customers, but the results were separated for further analysis. Additionally, the customers got a discount check in thanks for participating.

The main advantages with surveys are that they are less time consuming and cheaper compared to conducting interviews. Another advantage is that the researcher can reach a bigger group of people in a bigger geographic area (Ejlertsson, 1996). While making a survey-based research, the participants can in their own home, at their own time, answer the questions.

The main disadvantage is that there is a bigger loss rate compared to an interview based research. Another disadvantage with surveys is that the researcher cannot ask follow-up questions, therefore interviews give a deeper scope compared to surveys (Ejlertsson, 1996).

2.2.2 Literature review

A literature review was conducted in order to get a broad view and understanding of the subject in focus. In order to get as good base and good final result as possible, data was collected from earlier publications. Areas of research was; e-commerce, Supply Chain Management, Demand Chain Management, customer segmentation, customization, customer innovation and returns management.
2.3 Validity and Reliability

In order to get good results while making any type of research it is important to collect high quality data. In order to get a clear and correct picture of the researched area, it is important to collect right information that is measured in an accurate manner. When talking about this, two words often occur; validity and reliability.

The meaning of validity is valid information which means that the ongoing research really measures what it is supposed to measure (Eriksson & Wiedersheim-Paul, 2006). It does not matter if the measurement is excellent if it not measures what is meant to be measured. An important factor in order to have as high validity as possible is to have clear standards and measurement methods (Ejvegård, 2003). This might be problematic while performing quantitative researches and does not affect qualitative researches in the same extent where the researcher has a broader view on what is being researched. On the other hand, it might be difficult during, for example an interview, where there is room for interpretation. There is always a risk that the interpretation is wrong, resulting in incorrect data. These misunderstandings might lead to lack or error of information which can affect the end result.

Reliability indicates the accuracy and usefulness of a measuring instrument (Ejvegård, 2003). Reliability is therefore another way to make sure that the measurements are secure. This is particularly important when quantitative methods are used for example in surveys. It is important to achieve accuracy while measuring and processing information of high value (Ejlersson, 1996).

In order to have as high validity as possible, planning and discussions took place to identify key areas of interest. The survey was later designed to give answers to those questions. Furthermore, the survey was standardized in order to get as valid information as possible. After the observations, participants were asked follow-up questions in order to minimize wrong interpretations.

The survey was internet based and therefore also processed by computer. This minimized the errors connected to data processing, resulting in higher reliability.
3. Theoretical Frame of Reference

This part will present the theory that is the base of this project. Theoretical frame of references is needed in order get a broader knowledge base while conducting the research and developing suggestions for improvement.

3.1 E-commerce

E-commerce is a synonym for electronic business (e-business). E-commerce provides various parties (e.g. manufacturers, suppliers and customers) with the means to buy, sell and provide different services and products for business transactions via internet (Bruce & Murphy, 2003). Computer usage increased with technological advancement of internet. Internet became popular worldwide in mid 90s and companies at first took the advantage of e-business in late 90s by offering products and services through internet.

Electronic business gave new traditions to companies by allowing them to act with real time data of their customers and at the same time increase the visibility of demand across their supply chains (Harrison & van Hoek, 2005).

3.2 Supply Chain Management

Supply Chain Management (SCM) can be defined as integrated business processes from end user through original suppliers that provides products, services and information that adds value for customers (Cooper, Lambert, & Pagh, 1997). The objective with SCM is to coordinate the flows across companies in order to gain major improvements that follows the overall coordination (Vollmann, Berry, Whybark, & Jacobs, 2005).

![Figure 5. Simple description of a Supply Chain](image)

As the textile and fashion industries are growing and customer demands are get more unpredictable, fashion sellers need to put an extra focus on their supply chains. A supply chain can be described as the backbone of a company, in other words; the better supply chain integration a company has, the better business they will have. Supply chains can be very complex since many of today’s companies are doing business on global markets with
international suppliers. Therefore, one central question comes to mind; how shall we integrate the supply chain and its stakeholders?

It can be hard to get an integrated supply chain of partners without common ownership and it is therefore very important that every stakeholder is aware of the main mutual goal; to satisfy the end customer. SCM is therefore focused on how to manage material flows in the whole supply chain, with the goal to integrate customers and suppliers activities (Matsson, 2004). While talking about supply chains, two different directions are usually mentioned; agile supply chain and lean supply chain. The company’s mission is to decide which type of supply chain that matches their product. Fisher (1997) classifies products as either functional or innovative. Functional products satisfy basic needs which do not change much over time. They have a predictable demand, long life cycles and low profit margins (ibid.). On the other hand, innovative products have an unpredictable demand, short life cycle and high profit margin (ibid.).

![Figure 6. Matching Supply Chain with Products (after Fisher 1997)](image)

### 3.2.1 Agile Supply Chain

Agile supply chain (or responsive supply chain) is a good match for products with unstable demand, short life cycles, high product variety and short lead-time requirements; innovative products (Fisher, 1997). For these kinds of products, it is importance to have flexible supply chains with quick deliveries and fast responses between the stakeholders in order to meet customer demand. Agility is flexibility; it is a company’s ability to pursue a profitable and successful business in environments which are characterized by strong competitiveness, constant and unpredictable changes coming from market conditions and customer requirements. An agile supply chain should be customer responsive and at the same time be viewed as a network of partners who have a common goal to collaborate in order to respond to end-customer needs (Harrison & van Hoek, 2005).
Most companies are forecast-driven rather than demand which often leads to nervousness in the supply chain when an unpredicted change occurs. On the other hand, if companies are demand-driven, they can easily adapt their processes to the new changes and with quick response meet the customer demand. There are different types of agilities which in different situations add value to the customer service (Jonsson & Matsson, 2005).

- **Agility in deliveries** – if necessary, make delivery changes to adapt to customer’s changing needs.
- **Agility in product mixture** – the ability to quickly adapt existing production capacity and material supply to demand shifts among existing products and product variants.
- **Agility in volume** – the ability to quickly decrease or increase production volumes and delivery volumes.

### 3.2.2 Lean Supply Chain

Lean supply chain (or efficient supply chain) is a good match for products with stable demand, long life cycles and low product variety; functional products (Fisher, 1997). The main focus for companies with these types of products is to reduce waste and unevenness in the supply chain. Therefore, leanness means developing a value stream in order to eliminate all waste, including time, and to ensure a level schedule (Naylor, Naim, & Berry, 1999). Lean supply chains emphasis on waste elimination which is closely associated with reduced inventory (Stratton & Warburton, 2003). The reason for a waste reduction focus and cost cutbacks is closely related to the fact that the products in a demand chain have a low profit margin. In order to make as much money as possible, which is the main goal for every company, the whole supply chain must think in terms of high utilization rate.

### 3.2.3 Leagile Supply Chain

It is hard to say that one of the supply chain strategies is better or worse than the other. In fact, they are complementary within the correct supply chain strategy (Naylor, Naim, & Berry, 1999). Some companies use the lean approach to a given downstream process, to later adopt an agile approach (Harrison & van Hoek, 2005). By doing this, the company will get the best of two worlds, the cost effective lean and the flexible agile.

![Figure 7. Leagile Supply Chain (after Mason-Jones, Naylor, & Towill, 2000)](image-url)

Using “Leagility” the supply chain adopts a lean manufacturing approach upstream, with leveled schedule and the opportunity to drive down costs upstream, while at the same time ensuring an agile response capable of serving an unpredictable marketplace downstream of the decoupling point (Mason-Jones, Naylor, & Towill, 2000). See figure 7.
3.3 Demand Chain Management

Some researchers state that Supply Chain Management should be called “Demand Chain Management” in order to reflect that the chain should be driven by the market (customer-driven), not by the suppliers (Christopher, 2005). Others say that the word “chain” should be replaced by “network” since there are not only one to one relations in a supply chain. Instead, there are more than just one-way relations and normally a network built by several stakeholders such as raw material supplier, supplier, producer, retailer, customers and the end consumer. It is therefore of big importance that all stakeholders are included in the total system which forms a holistic management view is called; Demand Chain Management (DCM).

Consumers demand what they want, wherever and whenever they want it, and supply chains cannot meet the customer’s demands because they are supply not demand-driven (Langabeer & Rose, 2002). From the demand chain perspective, the customer is not only seen as the final end of the supply chain, to the contrary, the customer is the start point of the chain. Therefore, managing demand chains is different from managing supply chains; companies should put the end user as the organizations point of departure and not its final destination (Baker, 2003). In this way, the atmosphere of creating the right DCM will be achieved.

3.4 Customer satisfaction

It does not matter how well you produce and deliver a product, if the end consumer is not satisfied. Therefore, customer demand must be the point of departure for every company. In order to fully take advantage of the benefits of DCM, the company must really know their customers’ expectations and demands. The increasing global competition has made it impossible to compete on products alone, now value-adding customer services are important tools to increase competitiveness and customer satisfaction (Mattson, 2000). While developing services there is a risk of gaps between what the customer expects and what actually is delivered (Zeithaml, Parasuraman, & Berry, 1990). Four types of gaps can emerge (see figure 8).

![Figure 8. Simplified service gap model (after Harrison & van Hoek, 2005)](image-url)
- **Gap 1** – Not knowing what customers expect
- **Gap 2** – The wrong service-quality standards
- **Gap 3** – The service performance gap
- **Gap 4** – When promises do not match delivery

In order to reach as high customer satisfaction as possible, these four gaps must be filled.

Although, customer satisfaction is not enough, the customers already pay to be satisfied. Instead, they need to be delighted (Mattson, 2000). Therefore, the companies must develop a close relationship with their customers. This is the only way to truly find their real expectations and demands.

In order to learn what the customers really want and what makes them choose a specific company, researchers are talking about winners and qualifiers. Some call it order winners and order qualifiers while other call it market winner and market qualifiers. Although, the two different terms have similar (if not the same) meaning.

Order qualifiers are usually the functions, features and quality of a product that must be met in order to be considered a supplier (Mattson, 2000). It is the “entry ticket” to a market which means that the company should meet basic performance standards (Harrison & van Hoek, 2005).

Order winners are factors that directly help companies to win orders in a marketplace (ibid.). These factors are the main reason for why customers buy a specific product. Value-adding services have become a big order winner during the 1990s (Mattson, 2000).

A product can be divided into three product levels (see figure 9). The **core product** is the benefit to the customer, while the **actual product** is the product’s features and capabilities. Furthermore, the **augmented product** consists of customer service and support facilities (Dibb & Simkin, 2004). Therefore, we can describe the order qualifiers as the actual product and the order winners as the augmented product. Companies must discover the order winners for their specific product and to their specific customer. By doing this, the company can gain market shares and increase customer satisfaction.

**Figure 9.** The three product levels (Modified after Dibb & Simkin, 2004)
3.5 Customer segmentation

Many companies have realized that, one-size-fit-all often result in one-size-fit-none. Therefore, some sort of customer segmentation is often needed in order to satisfy the various services and cost needs of the marketplace (Rushton, Croucher, & Baker, 2010).

There are many ways to segment a market (Harrison & van Hoek, 2005 and Rushton, Croucher, & Baker, 2010), these ways include;

**Demographic segmentation** - Such as age, sex, education, employment and ethnic origin;

**Geographic segmentation** - Such as continent, country, region and urban/country;

**Technical segmentation** - The use that customers are going to make of a product;

**Behavioral segmentation** - Such as spending pattern, frequency of purchase and loyalty.

Harrison and van Hoek (2005) have found that the behavioral segmentation is a powerful way to bridge marketing and logistics. Furthermore, the marketing mix (product, price, promotion and place) must be defined. Customers who require standard garments (basic jeans) can probably be supplied by lean principles. However, customers who seek the latest trends need to be satisfied in a much more agile way (Rushton, Croucher, & Baker, 2010).

3.6 Customization

Customization or mass customization means providing individual solutions to fit the exact need of different customers (Vollmann, Berry, Whybark, & Jacobs, 2005). This might be needed in order to fully meet customer expectation. Every customer has individual requirements and demands, and also experience a product or service in an individual way. There are different degrees of customization, meaning how many value-adding levels that are directly influenced by the customer (Mattson, 2000). Figure 10 present five levels of customization.

![Figure 10. Different customization strategies (after Mattsson, 2000)](image)

Pure standardization represents the strategy where no form of customization is taking place. Segmented standardization is a strategy where different variants of the product are produced and distributed to different markets. The customer does not have any influence in
the product development. Customized standardization gives the customer the opportunity to decide how their product are assembled (example Dell), but can still not influence the design of the components (Mattsson, 2000). Tailored customization means that customers can influence the fabrication, assembly as well as distribution while the company retains control over the design and material (ibid.). The last step; pure customization is where the customer has a large influence in all four steps, an example of this could be a customer-built house. The company, their products and their market will decide to what extent the company should use customization.

3.7 Customer innovation

It is often both costly and difficult to fully understand customer’s needs (Thomke & von Hippel, 2000). Even thought the customers know what they want, it is sometimes difficult to communicate those needs to the companies. Other times, customers might not even know, or have the ability to verbalize their needs. In order to capture the customers and to be competitive of the market, companies need to develop something that makes them unique. Successful innovative companies focus on improving customer value rather than on advancing technology (Jagersma, 2003). The customers should therefore be the focus, and who knows more about that, than customers themselves. Thomke & von Hippel (2000) have designed five steps for turning customers into innovators;

1. Develop a user-friendly tool kit for customers
2. Increase the flexibility of your production process
3. Carefully select the first customers to use the tool kit
4. Evolve your tool kit continually and rapidly to satisfy your leading-edge customers
5. Adapt your business practices accordingly

Many benefits come with customers as innovators. The biggest benefit, as previously mentioned is that the customers know their own needs best. Furthermore, it saves time since the customers can create at their own site and in can also help the company to reach a larger part of the market (ibid.).

3.8 Returns Management

Returns management focuses on a reverse supply chain, which means that flows are going backwards from end-customer to company (or supplier, etc.). Returns management consists of returns, reverse logistics, gatekeeping (physical screening in order to prevent unwarranted merchandise to enter the return channel) and avoidance. These factors are managed within the company and between the members in the whole supply chain (Rogers, Lambert, Croxton, & Garcia-Dastugue, 2002). It is important to have effective management related to return issues because returns can influence relationships between company-customer and even company-suppliers. While handling the returns, companies should not only think of how to manage return flows efficiently, but also try to figure out how to cut or decrease the total volume/amount of the returns. Another important reason for why companies should decrease their returns is that it simply can affect the company profitability. The strategic importance of effectively managing returns has therefore become increasingly clear in order for companies to maximize the value for themselves as well as their customers (Mollenkopf, Russo, & Frankel, 2007).
4. Results

This part will present the results of the survey that was presented to customers at both Halens and Cellbes. The results for the two subsidiaries will be presented separately in this chapter and analyzed in the next chapter.

4.1 Halens

The survey was answered by 898 of Halens’ customers who all had made at least one purchase during the current season. 44 of the participants were male (5%) and 835 were female (95%). Figure 11 presents the age distribution of the participants. The majority of the customers were in the age of 40-59 years old. The groups which were underrepresented were customers under 20 and over 70 years old. The results showed that almost all of the customers had previously used internet for purchasing of any kind (98%). Only two percent had never made a purchase through internet before. 97 percent had purchased clothes through internet and three percent had never used web-based purchasing for clothes (most of them were women in the age group 60-69).

4.1.1 Customer demand / expectations

The first part of the questionnaire covered customer demand and expectations on mail-order companies in general. The result will be divided into five parts; product, lead-time and delivery, customer service, cost and priorities.

4.1.1.1 Product

The customers were asked if they would like to influence the design of the product they purchase. The result showed that the customer were not like-minded; 46% answered yes and 54% no. It was clear that the younger customers (age groups -19 and 20-29) were more interested in influencing the design of the products. The rest of the customer groups were evenly divided between interest and no interest in influencing the design (see figure 12).
A difference could be found while comparing the male and female answers, where only 30 percent of male customers showed interest of their own design whereas 46 percent of female customers were positive to the same question.

When it came to quality the majority of the customers (93%) had the same expectations on mail-order companies as the physical stores. Three percent had lower expectations and four percent higher expectations on the quality of products from mail-order companies. There were no big differences in the answers of customers from different age groups or gender.

One of the biggest issues for the e-commerce companies is the big amount of returns. This problem is often related to sizes and it was therefore an important question in order to understand customer behavior. The customers were asked if they measured themselves and compared their size to the company’s measurement model before placing an order. 34 percent had never compared their measurements with the company’s model, 11 percent made comparisons at every purchase while 55 percent did it at some occasions. The results showed that older customers measured themselves to a bigger extent compared to younger customers (see figure 13).

The results showed a difference between male and female answers, where a bigger percentage of male customers took their measurements before placing an order in comparison to female customers (27.3% compared to 10.4%).

Three percent of the customers ordered an item in several sizes to be sure to get a product of right size. Most of these respondents were in the age 40-59. An addition of 17 percent answered that they purchased multiple sizes in some cases, while 80 percent only ordered one size. The results were the similar for both male and female customers. 13 customers (1%) ordered a similar product from another company to ensure that they got the product on time and 48 customers (5%) did the same thing at some occasions. The remaining 94 percent did not show this purchasing behavior. The answers were similar for all the age groups as well as genders.

4.1.1.2 Lead-time and delivery

25 percent of the customers answered that the shipping cost has a big impact on a possible purchase. 58 percent agreed to a certain extent while 17 percent did not agree at all. These answers were evenly spread between ages, but a difference could be seen in gender, where male participants’ purchases were influenced by the shipping cost to a bigger extent.

Figure 13. Customers who took, and compared their measurements to Halens measurement model at every purchase
compared to female participants. 30 percent of the participants thought it was important to be able to affect the delivery time, 60 percent agreed to some extent while ten percent did not think it was important. A small difference could be seen between the genders where male customers tended to put more value in influencing the delivery time.

Furthermore, the next question was how many days (working days) customers thought was an acceptable delivery time. Four alternatives were given; 1 day, 2-3 days, 3-5 days or 7+ days. The majority of the respondents (75%) answered that 3-5 days was an acceptable delivery time. 16 percent answered 2-3 days, 11 percent answered 7+ days and no one answered 1 day. Most of the male participants (70%) thought that 3-5 days was acceptable and no one of this gender answered 7+ days. To the contrary, 12 percent of female participants answered that 7+ days delivery time was acceptable. Although, a difference could be seen within the female group, where most of the female customers who answered 7+ days were 40 years or older. Furthermore, the youngest age group (-19) had the highest percentage (44%) of customers who answered 2-3 days as an acceptable delivery time (see figure 14).

To the statement; I could pay extra for faster delivery, 30 percent agreed, 40 percent agreed to an extent while 30 percent did not agree at all. From age group 20-29 to 50-59 the percentage of customers who could imagine paying an additional fee was around 30 percent. Around 20 percent of the customers older than 59 years and younger than 19 years answered yes to the same question. The result also showed that female participants were more willing to pay an additional fee for faster delivery compared to male participants. On the other hand, 33 percent of the customers could pay less for an order in exchange for longer delivery time. 41 percent agreed to some extent and the remaining 26 percent did not agree at all. Participants in the youngest age groups (-19 and 20-29) answered that they would accept longer delivery time in exchange for lower cost, to a bigger extent than customers from older age groups. The majority of both male and female customers did not want to wait longer for a cheaper order. Although, a bigger percentage of female customers (33%) answered yes to the question above, compared to male customers (27%).
It was of interest to see if customers would pay more for an environmental friendly delivery. Only ten percent could see themselves pay extra for the sake of the environment (13.6% of male and 9.4% of female customers), 43 percent partly concurred and the rest (47%) could not agree on paying extra for environmental friendly delivery. No one in the age groups -19 and 70+ wanted to pay an extra fee for environmental friendly delivery.

The respondents were asked if it was important to choose delivery point. A majority of 77 percent thought that is was important, 19 percent agreed to an extent while only four percent did not think it was important. The answers were similar for customers from different age groups and of different gender.

The last question regarding lead-time and delivery was if customers could wait for a full delivery (complete with all items), if one of the products was out of stock. 40 percent did not want to wait, 17 percent could wait (20.5% of male and 16.6% of female customers) while 43 percent agreed to an extent.

4.1.1.3 Service

Customers were asked if they thought it was important to have available customer support during their purchase process. 52 percent thought it was important, 39 percent agreed to some extent while only eight percent did not think it was important. The answers from customers in age groups 30-69 were similar; around 10 percent did not think it was important with customer service during their purchase process. Customers from younger age groups (19-29) had a bigger interest for customer support while the participants in the age group 70+ did not think it was as important. The majority (62%) preferred customer service through e-mail, 30 percent through phone and eight percent preferred live-chat. The results were quite similar for customers in all age groups as well as for both genders, except the answers for live-chat, where a bigger percentage of the younger participants preferred this service compared to older customers. (See figure 16)
39 percent thought it was important to have the opportunity to leave feedback to the company after a purchase, 49 percent agreed to some extent while 12 percent did not think it was important.

One type of service is return policies. Therefore, customers were asked if return policies affected their attitudes towards a possible purchase. 55 percent said that it would affect a possible purchase (58% of male and 55.4% of female customers), 34 percent agreed to an extent while 10 percent did not agree. A small difference could be seen in the answers, where customers in the youngest age groups (-19 and 20-29) were the once most influenced by return policies.

4.1.1.4 Cost

The customers were asked if it was important that the price for products they purchased through internet were lower compared to physical stores. 34 percent thought it was important, 52 percent agreed to some extent while 14 percent did not think it was important. Therefore, the minority did not think it was important that products they purchased through internet cost less than in physical stores. Although, some differences could be spotted. 60 percent of the participants in age group 70+ did not think that a lower price was important compared to zero percent of the participants in age group -19. Customers from remaining age groups had similar answers, where an average of 15 percent did not think it was important with a lower price. The same percentage (34%) said that the cost of a product had a big impact on their purchase, 56 percent agreed to some extent while 10 percent did not agree. The results showed that male customers (51.2%) were more affected by the price compared to female customers (33%). The most price sensitive customers were in age group 30-39, where 62 percent answered that price had a big impact on their purchase and only 3.2 percent answered no. This group was closely followed by two other age groups (20-29 and 50-59), see figure 17.
4.1.1.5 Priorities

The customers got the assignment to arrange seven factors according to priority to their purchase; price, quality, fit, assortment, customer service, delivery-time and returns policies. The most important was marked with 7 and the least important with 1. Figure 18 presents the results, where the darker color represents bigger importance and the lighter color the less important.

The picture shows that price got the most sevens and return policies got the most ones. Quality and fit was also important, while customer service and delivery time was less important. Although, it is hard to determine which factor was most important without calculations. In order to make a good presentation of the results the answers were
presented in percentage. A score was calculated for every factor and number. For example, the most important factor gave 7 points, this score was then multiplied by the numbers of answers (in this case 0.26 * 898). This gave a total sum of 4248 for the price factor. Calculations were performed for every factor giving a result of seven different sums. All factors percentages and sums are presented in table 1.

<table>
<thead>
<tr>
<th>Factors</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Sum</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>26%</td>
<td>15%</td>
<td>20%</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>11%</td>
<td>4248</td>
<td>2</td>
</tr>
<tr>
<td>Quality</td>
<td>15%</td>
<td>32%</td>
<td>17%</td>
<td>10%</td>
<td>11%</td>
<td>10%</td>
<td>5%</td>
<td>4310</td>
<td>3</td>
</tr>
<tr>
<td>Fit</td>
<td>24%</td>
<td>19%</td>
<td>23%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>4337</td>
<td>1</td>
</tr>
<tr>
<td>Assortment</td>
<td>9%</td>
<td>8%</td>
<td>11%</td>
<td>39%</td>
<td>15%</td>
<td>10%</td>
<td>9%</td>
<td>3556</td>
<td>4</td>
</tr>
<tr>
<td>Customer service</td>
<td>11%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>25%</td>
<td>18%</td>
<td>19%</td>
<td>3098</td>
<td>5</td>
</tr>
<tr>
<td>Delivery-time</td>
<td>6%</td>
<td>0%</td>
<td>11%</td>
<td>12%</td>
<td>20%</td>
<td>26%</td>
<td>14%</td>
<td>2434</td>
<td>7</td>
</tr>
<tr>
<td>Return policies</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>32%</td>
<td>2793</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 1. Customer priorities presented in percent at Halens

As previously mentioned the factor with the highest percentage of 7 was price. On the other hand, the factor with highest sum was fit (4337) and thereby got highest total priority. Quality came on second place with 4240 points and price at third place with 4248 points. Assortment got total priority four, customer service five, return policies six and delivery-time at seventh place.

Some differences between male and female customers could be found. For example, fit and assortment were more important in the eyes of female customers while return policies and customer service were more important to male customers.

The results showed that customers in different age groups had similar priorities. Although, some differences could be found regarding price, assortment, return policies and customer service. Price was most important for customers in age groups -19 and 20-29 and least important for customers in age group 40-49. Quality was the most important factor for customers of age -19, while return policies were most important for customers in age group 20-29. Moreover, the factor assortment was more important for customers in younger age groups.

4.1.2 Customer experience

The second part of the survey covered customers experience and opinions of Halens. This investigation was constructed in order to see if Halens fulfilled the customers’ demands and expectations. The results will therefore be presented in the same outline as part one of the survey; product, lead-time and delivery, customer service and cost. A fifth headline was also added to the second part of the questionnaire; returns.
4.1.2.1 Product

The first questions had the intention to investigate if the product met customer demand and expectations. One of the most important factors for e-commerce companies is that the product customers see on the screen is the same as they will receive. Therefore, the first statement was “the product matched the picture and description”. 40 percent of the customers agreed, 55 percent agreed to some extent while 5 percent did not agree. Female and male customers had similar answers but difference could be seen in the answers of the younger customers. 21.4 percent of the participants in age group -19, and 11.4 percent in age group 20-29 answered that the product did not match picture and description. This could be compared to customers in remaining age groups where an average of four percent gave the same answer to the same question.

The second question investigated if the quality met the customers’ expectations. The results showed that 44 percent received a product which quality met their expectation, 51 percent agreed to some extent while five percent did not agree. Male customers were in general more pleased with the quality compared to female customers. The results also showed that customers from the three youngest age groups (-19, 20-29 and 30-39) were less pleased with the quality.

Furthermore, the participants were asked about the fit of the garment. 37 percent stated that the garment had the fit they expected, 53 percent agreed to some extent while ten percent did not think the garment had the fit they expected. The answers showed that male customers were more pleased with the fit compared to female customers. When it came to fit, as in previous question, the three youngest customer groups (-19, 20-29 and 30-39) were less pleased. Although, the oldest customers (70+) showed similar results as the youngest customers, and were less pleased with the fit of the garments.

Since customers can not try the garment before purchase, fit is a difficult area for e-commerce companies. It is therefore important that the customers can take their own measurements and compare it to the companies’ measurement model. The customers were
therefore asked if Halens measurement model in the catalogue was easy to find and understand. 52 percent stated that it was easy to find and understand, 43 agreed to some extent while five percent did not agree. The same question was asked regarding the measurement model at the web-site. 44 percent said that it was easy to find and understand, 48 percent agreed to some extent while eight percent did not agree. The results for catalogue compared to web-site were similar with one exception. Male customers found it more difficult to find and understand the measurement model in the catalogue compared to female participants. Overall, customers in age group -19 and 20-29 had bigger difficulties related to the measurement model compared to customers from other age groups. In addition, the results showed that female customers in general had it slightly easier to understand the measurement model compared to male customers.

4.1.2.2 Lead-time and delivery

Customers were asked if they were given the opportunity to choose delivery point. 62 percent answered yes and 38 percent no. A clear pattern could be seen where the youngest age group (-19) had the highest percentage of yes (71.4%). The percentage decreased for every age group and was lowest (25%) for customers in the oldest age group; 75+.

To the question; “did the package arrive on time?”, 86 percent answered yes and 14 percent no. The results were similar for all participants, where the majority answered that the package was delivered within time-span promised.

4.1.2.3 Service

The third category of questions was on the topic of service. The first question was therefore; “I had sufficient customer support during my purchase”. 55 percent of the customers fully agreed, 38 percent agreed to some extent, while seven percent did not agree. Customers from different age groups and of different gender gave similar answers. Although, 12.5 percent of male customers did not think they had sufficient customer support during their purchase, compared to 6.7 percent of female customers.

Next question was if the customers easily could find the product they were looking for. 61 percent thought it was easy, 36 percent agreed to some extent while three percent did not agree. Female participants could more easily find what they were looking for compared to male customers.

4.1.2.4 Cost

61 percent of the customers thought that the cost was reasonable for the product they purchased. 37 percent of the customers agreed to some extent while three percent did not agree. The results showed no big difference by gender but a difference could be seen in the age groups. 7.1 percent of the customers in age group -19 did not think the price was reasonable for the product, this percentage decreased with age of the customer.

4.1.2.4 Returns

E-commerce companies have a high percentage of returns and constantly want to lower that percentage. 88 percent of the customers who took part in this research had returned an
order at some point, while the remaining 12 percent had never returned an order. The results showed that older customers had a higher percentage of returns (up to 91.5%) compared to customers in the youngest age group (57.1%). Since the percentage of returns is so high, it is of big interest to know the reason for these returns. Figure 20 presents the reasons for returns (multiple choices were possible).

![Figure 20. Reasons for returns at Halens](image)

The most common reason for returns (88%) was that the product did not have the expected fit. The second most common reason was that the product did not have the expected quality (38%), closely followed by products that did not match picture/description (35%). Nine percent of the participants said that they had returned an item because they ordered the product in two or more sizes, and returned the ones that did not fit. Five percent returned and order because of too long delivery time and four percent because they regretted the purchase but could not cancel the order. There were no big differences between male and female answers. Although, some differences could be seen while comparing customers from different age groups. The most common reason of returns (40%) for customers up to 19 years was that the product did not match the picture/description compared to an average of 19% in the other age groups. Customers in age group 70+ had a bigger percentage compared to other groups regarding returns related to wrong fit. Otherwise the results were quite similar.

In addition to the seven options that were given, the customers could also add their own reasons for returning an item. 31 of the participants gave another reason for their returns. 14 of them had experienced that wrong item was delivered; it could be wrong size or a totally different item. The statements below are translated from Swedish.

"Totally wrong delivery. I got a completely different product then I ordered."
Ten of the customers stated that they had received a defect product. Many of the customers stated that the seams were torn or that the product had other defects.

“I received a defect product, the seams were torn.”

Furthermore, seven of the customers said that sizes vary, and that the garments not always were consistent with the measurement model.

“Sometimes size 42 fits, and other times I need to have (up to) size 46. It is a bit strange that different garments have different sizes.”

Moreover, customers were asked if it was easy to return a package from Halens. 99 percent of the customers answered that it was easy, and only one percent though that it was difficult. The customers that though it was difficult were asked why, and the most common answer was that it was difficult to package.

“It is difficult to get the right packaging.”

Others stated that returning an item was time consuming and that they wanted to follow the events through the web-site in order to have real-time information of status, for example when Halens have received their returned package.

“It took extremely long time to return an item and you can not follow the status at Halens’ web-site.”

Since e-commerce has a problem with unclaimed packages it was of big interest to see if and why the customers chose not to claim their package. The majority of the customers (94%) had never left an unclaimed package, but the remaining six percent had placed an order without claiming it. Figure 21 shows the main reasons for unclaimed packages (multiple choices were possible).

![Figure 21. Reasons for unclaimed packages at Halens](image)
The most common reason for unclaimed packages (59%) was because the customer did not have enough money. The second most common reason (26%) for unclaimed packages was that the customer was not able to get to the default delivery point. 15 percent did not claim up their package because of too long delivery time and two percent got a faster delivery from another e-commerce company and therefore left the package at the delivery point.

Furthermore, customers were given the opportunity to present own examples of reasons why they not claimed their package. The statement below is translated from Swedish.

“I forgot about it and when I came to the delivery point the package had already been returned to Halens.”

No big differences could be seen between female and male customers. The results were also similar for customers of all ages.
4.2 Cellbes

The survey that was presented to Halens’ customers was also answered by 1478 of Cellbes customers, and the same rule applied; all had made at least one purchase during the current season. 58 of the participants were male (4%) and 1478 were female (96%). Figure 22 presents the age distribution of the participants. The majority of the customers were 50-69 years old. Underrepresented age groups were customers under 30 and over 70 years. 95 percent of the customers (89.7% male and 95.3% female) had previously used internet for purchasing of any kind, while five percent had never made any purchases through internet before. 94 percent had purchased clothes using internet and six percent of the customers had never used web-based purchasing for clothes. A higher percentage of female customers had used internet for purchasing of clothes compared to male customers (93.7% compared to 89.7%).

4.2.1 Customer demand / expectations

Since the customers of Cellbes were presented with the same questionnaire as customers of Halens, the first part of the survey covered customer demand and expectation on mail-order companies in general. The results will be presented as previously; product, lead-time and delivery, customer service, cost and priorities.

4.2.1.1 Product

47 percent of the customers answered that they would like to influence the design of the product they purchase, while the remaining 53 percent were not interested. The younger customer groups were more interested in contributing ideas to the design process (69.6% of 20-29) compared to older customers (34.4% of 70+). The percentage of customers who wanted to influence the design of the products declined in every age group.

47.8 percent of female customers compared to 33.3 percent of male customers were interested in influencing the design of the products they purchase.

Moreover, 92 percent of the customers had the same expectations on mail-order companies as on physical stores. Four percent of the customers had lower expectations and three
percent had higher expectations on the quality of products from mail-order companies compared to physical stores. A difference could be seen between the genders, where 14 percent of male customers had higher expectations on mail-order companies compared to three percent of female customers. No big differences could be found between the answers of customers of different age.

Cellbes customers were asked, in the same way as Halens customers, if they measured themselves and compared their size with the company’s measurement model before placing an order. 32 percent of the customers never took their measurements or compared it with the company’s model. 14 percent took their measurements and made comparisons at every purchase, while 54 percent performed this procedure at some occasions. A bigger percentage of male customers (33.3 percent) took their measurement before every purchase, which could be compared to 13.3 percent of female customers. Results showed that a bigger percentage of older customers took their measurements compared to younger customers, see figure 24.

![Figure 24](image.png)

**Figure 24.** Customers who took, and compared their measurements to Cellbes measurement model at every purchase

Only three percent of the customers (3.1% of female and 8.8% of male customers) answered that they ordered an item in several sizes in order to be sure to get a product of right size. 14 percent ordered multiple sizes at some occasions and the remaining 83 percent did not show this purchasing behavior. The result showed that younger customer groups showed bigger tendency to order multiple sizes. 50 percent of the participants in age group +19 and 56.5 percent of customers in age group 20-29 answered that they never purchased multiple sizes, compared to 88.3 percent of customers in age group 60-69 and 91.7 percent in age group 70+. Only one percent of the customers ordered a similar product from another company to ensure that they got the product on time. Four percent ordered a similar product at some occasions, while 95 percent only placed one order at one company at a time. No big differences could be found in the answers while comparing age groups and gender.

4.2.1.2 Lead-time and delivery

On the subject of shipping cost, 25 percent of the customers stated that the shipping cost had a big impact on their purchase. 53 percent agreed to a certain extent while 22 percent answered that the shipping cost did not have a big impact on their purchase. The percentage of “I agree” and “I agree to some extent” where similar for most of the age groups and were around 75 percent in total, except for the youngest (-19) and oldest (70+) age groups where the percentage were closer to 90. The result also showed that shipping cost was more
important to male customers compared to female. Moreover, customers were asked if they found it important to have an effect on delivery time. 28 percent answered that it was important, 57 percent agreed to some extent while 15 percent did not think it was important. While comparing the answers from different age groups, no big differences could be found. Although, male customers showed a bigger interest in controlling delivery time compared to female customers.

How many delivery days (working days) are acceptable? The majority of the customers (69%) answered 3-5 days. 20 percent said that 7+ days is acceptable while 11 percent answered 2-3 days. Only two of the respondents answered 1 day. Although the majority of the customers from all age groups answered that 3-5 days was an acceptable delivery time, some differences could be found. The younger customers tented to answer 3-5 days or less, while most of the older customers answered 3-5 days or more (see figure 25). The answers were similar for male and female customers.

![Figure 25. Customers’ opinion of acceptable delivery time at Cellbes](image)

27 percent of the customers stated that they could pay extra for faster delivery, 37 percent agreed to some extent while 36 percent did not want to pay extra for faster delivery. 57.1 percent of male customers did not want to pay extra for faster delivery compared to 34.8 percent of female customers. Around 35 percent of customers in age groups 20-29 to 50-59 could imagine paying an additional fee for faster delivery. This percentage was around 20 percent for customers in age groups -19 and 60-69, and 13 percent in age group 70+. Furthermore, the participants were asked if they could pay less for an order in exchange for longer delivery time. 29 percent answered yes, 41 percent agreed to some extent and the remaining 30 percent did not agree at all. The results showed that customers from younger age groups were more interested in paying less for an order in exchange for longer delivery time compared to customers from older age groups. Another small difference could be seen in the answers where male customers were less interested in waiting longer for a delivery compared to female customers.
11 percent of the respondents at Cellbes stated that they could pay extra for an environmental friendly shipment. 40 percent agreed to some extent, while the remaining 49 percent did not want to pay extra for the sake of the environment. A difference could be seen while comparing the male and female answers, where 11.1 percent of female customers and 7.1 percent of male customers wanted to pay extra for an environmental friendly shipment. The youngest customers (-19 and 20-29) showed least interest of paying an additional fee for the environment.

The respondents were asked if they found it important to choose delivery point. The majority of the customers (74.3%) thought it was important, 19.3 percent agreed to an extent while the remaining 6.3 percent did not think it was important. Male and female respondents gave different answers, where 74.8 percent of female customers thought it was important compared to 55.4 percent of male customers. No big differences could be found while comparing the different age groups.

The customers were asked if they wanted to wait for a full delivery (complete with all items), if one of the products was out of stock. 19 percent answered that they could wait, 37 percent agreed to some extent, while 44 percent did not want to wait (44.1 % of female and 37.5% of male customers).

4.2.1.3 Service

51 percent of the customers thought that it was important to have available customer support during their purchase process. 38 percent agreed to some extent while the remaining 11 percent did not think it was important. Male and female customers answered similarly.

The answers from customers in age groups 40-70+ were similar; around 10 percent did not think it was important with customer service during their purchase process. Furthermore, customers in younger age groups (19-39) showed a bigger interest for customer support. The majority (65.3%) preferred customer service through e-mail, 27.3 percent through phone and 7.3 percent preferred live-chat. The results showed that customers from different age groups gave different answers. Younger customers were more interested in live-chat, while older customers more interested in support via e-mail. Male customers showed bigger
interest for support via e-mail and were less interested of live-chat compared to female customers.

40 percent of the customers thought it was important to have the opportunity to leave feedback to the company after a purchase. 48 percent agreed to some extent while 12 percent did not think it was important. Female participants thought it was more important compared to male customers (40.5 percent of female compared to 23.2 percent of male customers). Answers also showed that younger customers gave bigger importance to feedback compared to customers in older age groups.

The customers were asked if return policies affected their attitudes towards a possible purchase. 58 percent said that return polices affect a possible purchase, 31 percent agreed to some extent while 11 percent (10.8 % of female and 19.6 percent of male customers) said that it not affected a future purchase. A small difference could be seen in the answers, where customers from youngest age groups (-19 and 20-29) and customers from age group 70+ were most influenced by return policies.

4.2.1.4 Cost

Furthermore, customers were asked about the price of a product purchased through internet compared to in a physical store. 41 percent thought it was important that a product they purchased via internet would be cheaper than a product from a physical store. 47 percent of the customers agreed to some extent while 12 percent did not think it was important. Therefore, majority of the customers thought it was important that products they purchased via internet had a lower price than in physical stores. 11.8 percent of female customers did not agree compared to 23.2 percent of male customers. There were no big differences in the answers of customers in different age groups. 36 percent of the customers said that price for a product had a big impact on their purchase, while 53 percent agreed to some extent. The reaming 11 percent did not agree. The results were similar compared by gender, although male customers thought that price was a bit less important compared to female customers. Furthermore, the results showed that younger customers were more price sensitive compared to older customers (see figure 28).
4.2.1.5 Priorities

Customers from Cellbes arranged seven factors (in the same way as Halens customers) according to priority; \textit{price}, \textit{quality}, \textit{fit}, \textit{assortment}, \textit{customer service}, \textit{delivery-time} and \textit{returns policies}. The most important was marked with 7 and the least important with 1. Figure 29 present the results, where the darker color represents bigger importance and the lighter color less importance.

The picture shows that price and fit received the most sevens and return policies got the most ones. Quality was also important while customer service and delivery time were less important. It is hard to determine which factor was most important without calculation,
calculations were made in order to get a clearer picture. As in previous chapter, the results is presented in percentage. A score was calculated for every factor and number. The most important factor gave 7 points; this score was then multiplied by the numbers of answers (in this case 0.27 * 1478). The calculation resulted in a total sum of 7094.4 for the price factor. Calculations were performed for every factor, resulting in seven different sums. All factors percentages and sums are presented in table 2.

<table>
<thead>
<tr>
<th>Factors</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Sum</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>26%</td>
<td>15%</td>
<td>20%</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>11%</td>
<td>7094</td>
<td>3</td>
</tr>
<tr>
<td>Quality</td>
<td>15%</td>
<td>32%</td>
<td>17%</td>
<td>10%</td>
<td>11%</td>
<td>10%</td>
<td>5%</td>
<td>7183</td>
<td>2</td>
</tr>
<tr>
<td>Fit</td>
<td>24%</td>
<td>19%</td>
<td>23%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>7227</td>
<td>1</td>
</tr>
<tr>
<td>Assortment</td>
<td>9%</td>
<td>8%</td>
<td>11%</td>
<td>39%</td>
<td>15%</td>
<td>10%</td>
<td>9%</td>
<td>5084</td>
<td>4</td>
</tr>
<tr>
<td>Customer service</td>
<td>11%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>25%</td>
<td>18%</td>
<td>19%</td>
<td>5084</td>
<td>4</td>
</tr>
<tr>
<td>Delivery-time</td>
<td>6%</td>
<td>0%</td>
<td>11%</td>
<td>12%</td>
<td>20%</td>
<td>26%</td>
<td>14%</td>
<td>4759</td>
<td>6</td>
</tr>
<tr>
<td>Return policies</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>32%</td>
<td>4537</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 2. Customer priorities presented in percent at Cellbes

The factors with highest percentage of 7 were price and fit. Although, after calculations results showed that fit got the highest sum (7227). Quality came on second place with 7183 points and price at third place with 7094 points. Assortment got total priority four with the same sum as customer service. Return policies came on sixth place and delivery-time at last place; seventh.

Some differences between male and female customers could be found. For example, fit and quality were more important to female customers while price and customer service were more important for male customers.

The results showed that customers in different age groups had similar priorities. Although, some differences could be found. Price was most important for customers in the age of 19-39, while fit was more important for customers in the age of 50-69. The results also showed that customer service and delivery time was more important for younger customers (-19-29) and least important for customers in age group 70+. Quality was most important for customers of age 30-49 while assortment was more important for customers in younger age groups.
4.2.2 Customer experience

Since the same questionnaire was presented at Halens as well as Cellbes, the aim of the second part is the same; to collect information about Cellbes customers purchasing experience. The purpose of this part was to investigate if Cellbes fulfilled the customers’ demands and expectations. The results will be presented with the same outline as before; *product, lead-time and delivery, customer service, cost and returns*.

4.2.2.1 Product

The first statement was; “the product fully matched the picture and description”. 46.3 percent of the customers agreed, 48.3 percent agreed to some extent while 5.3 percent (8.7 % male and 5.3% female customers) did not agree. Younger customers (-19 and 20-29) answered that the product did not match the picture and description to a bigger extent in comparison to what customers from other age groups answered.

The second question was if the quality met the customers’ expectations. 49 percent of the customers thought that the quality met their expectation, 45 percent agreed to some extent while 6 percent did not agree. Male customers were in general more pleased with the quality compared to female customers. The results also showed that customers from the two youngest age groups (-19 and 20-29) were less pleased with the quality of the products. Although, the majority of all customers said that the quality met their expectations.

![Figure 30. Customer experiences of products at Cellbes](image)

42 percent of the customers said that the garment met their expectation regarding fit. 50 percent agreed to some extent while eight percent did not feel that the fit met their expectation. The result showed that male customers were in general more pleased with the fit compared to female customers. No bigger differences could be found while comparing the answers between different age groups.

Furthermore, the customers were asked if the companies’ measurement model was easy to find, at the web-site as well as in the catalogue. 58 percent thought that the measurement model was easy to find in the catalogue, 37 percent agreed to some extent while five
percent did not agree. 51 percent of the customers said that the companies’ measurement model at the web-site was both easy to find and/or understand. 43 percent agreed to some extent while the remaining six percent did not think it was easy to find and understand. Male customers had more trouble finding and understanding the measurement model compared to female customers. Customers in age group 19 and 20-29 also had bigger difficulties regarding the measurement model, this was also true for customers in age group 70+, especially the model at the web-site.

4.2.2.2 Lead-time and delivery

51 percent of the customers answered yes and 49 percent answered no to the statement; *I was given the opportunity to choose delivery point.* There were no big difference between male and female customers but there was a difference while comparing the age groups. Younger age groups had a higher percentage of yes which decreased as the age got higher.

90 percent of the customers confirmed that their package arrived on time while 10 percent answered that it was not delivered in promised time-frame. There were no big differences in the answers while comparing different age groups. Moreover, a difference could be seen while comparing the answers of the genders where 82.6 percent of male and 90.6 percent of female customers answered that the package was delivered on time.

4.2.2.3 Service

Moreover, customers were asked if they had sufficient customer support during their purchase. 58.3 percent fully agreed, 35.3 percent agreed to some extent, while 6.3 percent did not agree. The customers gave similar answers. Although, the youngest customer group (19) thought they had sufficient customer support to a bigger extent compared to customers from other groups. Additionally, customers in age group 70+ were leased pleased with the customer support during their purchase. No big difference could be seen while comparing the answers from male and female customers.

The customers were also asked if it was easy to find the product they were looking for. 65 percent answered yes, 33 percent agreed to some extent while two percent did not agree. Male customers had more trouble finding what they were looking for compared to female customers. Customers from the oldest age group had bigger problems finding what they were looking for compared to younger customers.

4.2.2.4 Cost

The customers were asked if they thought the cost was reasonable for the product they purchased. 61 percent of the customers answered yes, 37 percent agreed to some extent while two percent did not agree. The results showed no big difference in the answers of male and female customers. The results also showed that a higher percentage of younger customers did not think that price was reasonable for the product, this percentage decreased for the customers in older age groups.
4.2.2.4 Returns

80 percent of the customers answered that they at some point had returned an order, which the remaining 20 percent had not. Female customers had a higher percentage of returns (81.3%) compared to male customers (56.5%). Age group 50-59 had the highest percentage of returns with 84.2 percent while the youngest age group had the lowest percentage. There is of big interest to know the reason for a returned item. The customers were therefore asked why they had returned an order. Figure 32 presents the reasons for returns (multiple choices were possible).

The most common reason for returns (88%) was that the product did not have the expected fit. The second most common reason was because the quality of the product did not meet the customers expectation (32%). 27 percent of the customers said that they had returned a product because it did not match picture/description. Eight percent of the participants said that they had ordered the product in two or more sizes and returned the garments that did not fit. Three percent changed their minds and could not cancel the order and a additional three percent returned a product because of too long delivery time. There were no remarkable differences in the answers except that 18 percent of the customers in age group 20-29 had returned an item because they ordered multiple sizes. This could be compared to an average of five percent in the other age groups.

As an addition to the seven options that were given, customers could add their own reason for returning an item. 61 of the participants gave another reason for their returns. 22 of these customers had experienced that wrong item was delivered; it could be wrong size or a totally different item. The statements below are translated from Swedish.

"I ordered a jacket and got a purse."
Furthermore, 17 customers had received a defect product. Some customers stated that the product was torn, while others stated that the product had stains or were not clean.

“Buttons were missing from the garment.”

22 customers said that the sizes vary, and that products not always were consistent with the measurement model.

“The sizes do not match the measurement model. Same size varies from item to item.”

Moreover, the customers where asked if it was easy to return a package from Cellbes. 99 percent answered yes (96.2% male and 98.7% female customers) and one percent answered no. Most of the customers had similar answers, except customers from age group 30-39 where 5.6 percent answered no compared to an average of one percent. The customers who thought it was difficult to return a package were asked why. The most common reason was related to packaging.

“It is difficult to find packaging that fits.”

Others said that it was expensive and hard to keep track of the costs that occurred while returning an item.

"It was expensive and the customer service did not give me sufficient support”.

"It was impossible to know how much to pay."

Some of the customers stated that it was time consuming and difficult to know where they should leave the package.

"It was complicated to find a place to send the package."

Additionally, customers were asked if they ever chosen not to claim their package. The majority of the customers (96%) had never left an unclaimed package, but the remaining four percent had placed an order without claiming the package. Figure 33 shows the main reasons for unclaimed packages (multiple choices were possible).

The most common reason for unclaimed packages (69%) was because the customer did not have enough money to claim their package. The second most common reason (17%) was that the delivery time was too long. 13 percent of the customer did not claim their package because they were not able to get to the default delivery point. The remaining two percent got a faster delivery from another e-commerce company.
Furthermore, the customers were given the opportunity to state examples of other reasons why they left their package unclaimed. The statements below are translated from Swedish.

“I lost the advice of delivery”

“I did not get any order confirmation, neither through phone or by mail.”

The customers from age group 20-39 and 40-49 had highest percentage for the reason “I did not have money to claim up my delivery”. Customers from age group 50-59 and 60-69 had highest percentage of unclaimed packages because of too long delivery time. No bigger differences could be seen in the male and female answers.
4.3 Observations

Observations took place for both Cellbes and Halens customers. While observing customers during their purchase process it could be found that some were faced with problems or difficulties. The results showed that the same issues were spotted for customers from both subsidiaries. This is most likely because the web-sites are designed the same way. These observations will be presented below.

- While browsing the site and searching for a specific garment, some customers experienced limitations with garment colors. In some cases they wanted to browse more than one color, but the site limited them to one.

- When the customers came to the check-out stage, some of them wanted to change the delivery point, but it was not possible. For example; one customer said that she wanted to change delivery point to one closer to her workplace.

- At the check-out stage, some customers wanted faster delivery, or express mail. But there were no options to choose type of delivery. Therefore, some of the customers decided not to continue their purchase. After browsing the web-page, other options were found. But in order to make use of these services, the customers had to call customer support to arrange a faster delivery after placing an order.

- Other customers, especially male customers, wanted to pay with credit card or through internet bank. The only options available were invoice or cash (paying while claiming the package).

- None of the customers took their measurements before placing an order. Although, the reason for this might be the fact that they were observed.
5. Analysis

This part will present analysis based on the results in previous chapter. The survey result will be analyzed in order to find differences and similarities in the customer’s answers. This analyze will be the base for further discussions and suggestions.

5.1 Survey

Since the majority of the participants were female and only five percent at Halens and four percent at Cellbes were male, the answers from the female customers might have higher reliability. The same applies for customers in the age groups -19 and 70+ who only represented one and two percent of Halens respondents. The same needs to be taken into consideration for customers in age group -19 and 20-29 who together represent two percent of Cellbes respondents. The younger customers (-19 and 20-29) most likely turn to Bubbleroom, which is one of Halens Holding ABs subsidiaries. Results showed that three percent of Halens customers and six percent of Cellbes customers had never used web-based purchasing for clothes. Most of these customers were in age group 60-69 and they most likely use catalogue or telephone as a purchasing method.

5.1.1 Product

Results showed that there is an interest of influencing the design of the product. Younger customers showed a bigger interest (69.6% of the customers in age group 20-29 at Cellbes) to participate in the design process, compared to an average of 40 percent of the older customer groups. Although, we need to take into consideration that participants from that group were underrepresented. Even so, the results from Halens showed that younger customers had a bigger interest of influencing the design of the products. Nevertheless, there was still a big part of the customers who were interested in this area. Therefore, both Halens and Cellbes could focus on this area in order to improve customer satisfaction and at the same time attract new customers.

Regardless of age, gender or company, the majority of the customers had the same expectations on the quality of products from mail-order companies compared to physical stores. It was also the third most important factor while ordering clothes from an e-commerce company according to the customers from Halens, and the second most important according to Cellbes customers. Although, only 44 percent of Halens customers and 49 percent of Cellbes customers stated that the quality of products fully met their expectations. 51 percent of the participants from Halens and 45 percent from Cellbes thought that the quality met their expectations to some extent. Moreover, quality issues were the second most common reason for returns at both Halens and Cellbes. The reason why many e-commerce companies cannot fulfill the customers’ expectations on quality might be because customers cannot touch and see the material in real life. Pictures and descriptions only tell half the story and e-commerce companies cannot compete with physical stores in that area. It is therefore crucial that the company have clear descriptions of the garments but also that customers really read those.
When the customers were asked if the product matched the picture and description, only 40 percent of Halens and 46.3 percent of Cellbes customers fully agreed. 55 percent (Halens) and 48.3 percent (Cellbes) agreed to some extent while the remaining five and 5.3 percent did not agree. Halens younger customers (-19 and 20-29) were less pleased compared to older customers. The result at Halens showed that 21.4 percent of the customers in age group -19 and 11.4 percent in age group 20-29 said that the picture and description did not match. Although, since there were few participants in age group -19 analyses of this number should be made with caution. Similar results could be found at Cellbes. This problem is the third most common reason for returns at both Halens and Cellbes, where 35 percent compared to 27 percent had returned an item because it did not match picture and description.

It is not only hard to present a clear picture of texture and look of the product. What is even more difficult for e-commerce companies is to provide customers with a garment of right fit without trying it on. Only 37 percent of the customers at Halens said that the fit fully fulfilled their expectations. 43 percent agreed to some extent while ten percent did not agree. The results were similar at Cellbes, where 42 percent of the customers said the product met their expectations, 50 percent agreed to some extent and eight percent did not agree. Although, only 11 percent of Halens and 14 percent of Cellbes customers took their measurements and compared it to the respective companies measurement model before placing an order. This might be a reason why only 37/42 percent of the customers were satisfied with the fit of the garments.

The three youngest customer groups (-19, 20-29 and 30-39) were less pleased with the fit of the garments. Furthermore, the result showed that younger customer groups did not measure themselves to the same extent as older customer groups. Male customers were more pleased with the fit than female customers, which could be directly related to because they took their measurements before every purchase to a bigger extent compared to female customers (27.3% compared to 10.4% at Halens and 33.3% of male customers and 13.3 % of female customers at Cellbes). The result showed that there is not only problem with fit of garments, but the core issue might be that the customers do not use the measurement model. 52 percent of the participants thought that it was easy to find and fully understand the measurement model in Halens catalogue, 43 percent agreed to some extent while five percent did not agree at all. The customers at Cellbes gave similar answers (58 found it easy, 37 agreed to some extent and five percent did not agree). The same question was asked regarding the web site and the results showed that 44 percent of Halens customers thought it was easy, 48 percent agreed to some extent while eight percent did not agree. 51 percent of Cellbes customers said it was easy to find while 43 percent agreed to some extent. Most of the customers who had trouble to find and understand the measurement model at the web-sites were customers from older age groups. This might be because they are less familiar with computers and internet purchasing. Roughly, half of the participants could not fully understand or find the measurement model. It is therefore not surprising that many of the customers are not fully satisfied with the fit of the garments.

This is a big problem since the result showed that fit was the most important factor for both customers at Halens and Cellbes while ordering clothes from an e-commerce company. At
the same time, the most common reason for returning an item (88% at both subsidiaries) was because the product did not have the expected fit. Some of the customers also said that it was hard to decide a size since they vary from garment to garment.

Since sizes and fit are problem areas, a certain customer behavior can be spotted. Three percent of the customer’s (at both Halens and Cellbes) ordered a garment in several sizes in order to be sure to receive a product of right size. An addition of 17 percent of the customers at Halens and 14 percent of customers at Cellbes purchased multiple sizes in some cases. Nine percent of customers at Halens and eight percent of customers at Cellbes had returned an item because they ordered multiple sizes. This behavior was more usual among younger customers and might also be related to the fact that younger customers do not measure themselves to the same extent as customers from the older age groups. This is one of the reasons why returns are increasing and could be avoided by proper measurement models and customers that actually use them correctly.

5.1.2 Lead-time and delivery

Results showed that shipping cost has a big impact on a potential purchase. 17 percent of the customers at Halens stated that it did not have an impact, while 25 percent of stated that it had a big impact while 58 percent agreed to some extent. The results from Cellbes were very similar, and once again no bigger differences could be seen in the answers from the two subsidiaries. While arranging different factors according to priority to the customers purchase, delivery time came on last place at Halens and sixth place for Cellbes customers.

Most of the participants in this survey stated that 3-5 days is an acceptable delivery time. Younger customers leaned towards shorter delivery time (2-3 days), while the older customers though 7+ days was acceptable to a bigger extent. This information is important. There is no need to strive for as short delivery as 1 day, as many e-commerce companies pursue, when in fact not one single customer at Halens, and only two customers at Cellbes answered 1 day. To aim for a service level that the customers not even need is not only unnecessary, but also costly. Moreover, results showed that five percent of the returns at Halens and tree percent of returns at Cellbes were related to too long delivery time (the fourth most common reason at Halens and fifth at Cellbes). Furthermore, 15 percent of the customers at Halens and 13 percent at Cellbes who had left an unclaimed package stated that it was because of too long delivery time. An addition of two percent (at both subsidiaries) did not claim the package because they got a faster delivery from another company. This is therefore a very important issue, where actions could be made to satisfy customers who have bigger demands on lead-time.

30 percent of the customers at Halens and 27 percent at Cellbes stated that they could pay extra for faster delivery. 40 percent / 37 percent agreed to some extent to the same statement. This means that the customers are willing to pay extra for a service some e-commerce companies want to give for free. If some of the customers are willing to pay for that extra service, it would be a waste to not take that into consideration while designing the delivery model. An addition of 33 percent of the customers at Halens and 29 percent at Cellbes stated that they could pay less for an order in exchange for a longer delivery time. 41 percent of the customers at both Halens and Cellbes agreed to some extent. Moreover, 30 /
28 percent stated that it was important to effect the delivery time, plus an addition of 60 / 57 percent of the customers who agreed to some extent. Therefore, it seems important to listen to each customers need. It seems unnecessary to rush and order for a customer that could wait for over a week. In the same way it seems pointless to let another customer wait 5 days when he/she is willing to pay extra for a faster delivery.

17 percent of the customers at Halens and 19 percent at Cellbes said that they could wait for a full delivery (complete with all items) if one item was out of stock. An addition of 43 percent of the customers at Halens and 37 percent at Cellbes agreed to some extent. Since there is a delivery cost for every package, (picking, packing and delivering) it could be of interest to wait and send the whole order instead of partial orders for the customers that accept it. In some cases the customers might order a bikini top and bottom and have to wait for one part that is out of stock. In this scenario it might be good to give the customers an opportunity to wait for a full order, since the customer might not want to use one item until the other has arrived.

77 percent of the customers at Halens and 74.3 percent at Cellbes stated that it was important for them to have the opportunity to choose delivery point, while 19 percent agreed to some extent. When asking the customers if they were given the opportunity to chose delivery point, only 62 percent of the customers at Halens and 51 percent at Cellbes answered yes. Since it seems to be a question of importance, the percentage of yes could be higher. The result showed that younger customers had a higher percentage of yes than customers from older customer groups. This might be because younger customers use internet as a purchasing tool to a bigger extent than older customers. This might also be the reason why Cellbes had a higher percentage of yes, since the participants had a higher average age than participants from Cellbes. It is therefore important to introduce a tool where also customer using catalogue can choose delivery point. The second biggest reason for unclaimed packages at Halens and third most common reason at Cellbes was that customers did not have the opportunity to get to the default delivery point. This could be avoided if the customer could choose where to claim their package.

One of the most important parts for e-commerce companies is to deliver on time. 86 percent of the participants of the survey at Halens said that their package arrived on time, compared to 90 percent of the customers at Cellbes. Even though these percentages represent the majority of the customers, the percentage should be higher.

5.1.3 Service

While placing an order, it is important that the purchasing process is easy and that the customer can get support if needed. The majority of the customers thought it was easy or somewhat easy to find what they were looking for, while three percent of the customers at Hales and two percent at Cellbes did not agree. It is therefore important that those who had any kind of problem finding what they were looking for, or had any other problem, could get customer support. 52 percent of the customers at Halens stated that it was important to have available customer support during their purchase process. 39 percent of the customers agreed to an extent. Similar results could be seen at Cellbes where 51 percent fully agreed and 38 percent agreed to some extent. These percentages could be compared to the actual
service level where 55 percent of the customers at Halens and 58.3 percent at Cellbes, fully thought that they had sufficient customer support during their purchase. While asking the customers to arrange seven factors after priority to their purchase, customer service ended up on fifth place.

The results showed that customers at Halens and Cellbes had similar opinions of how they preferred customer service. The majority of all customers (62 percent at Halens and 65.3 percent at Cellbes) preferred customer support through e-mail. 30 percent of Halens customers and 27.3 percent of Cellbes preferred customer support by phone and seven percent (7.3% at Cellbes) through live-chat. In order to boost the customer satisfaction it might be a good idea to introduce live-chat as a customer support, in order to please an even bigger part of the customer base.

Since the customer is the companies’ most important critic, it is important to get their feedback in order to evolve as a company. 39 percent of the customers at Halens and 40 percent at Cellbes agreed that it is important to have the opportunity to give feedback to the company. Another 49 percent at Halens and 48 percent at Cellbes agreed to some extent, while 12 percent did not think it was important. Many of the customers think that it is important to give feedback to the company and it is therefore important to form a relationship with the customers, for example through social media as Halens and Cellbes already are doing.

Another issue that is related to customer service is cancellation of an order. The result showed that four percent of the returns at Halens were orders that the customers had regretted, but did not know how to cancel. Three percent of the returns at Cellbes had the same reason. There might be solutions to make it easier for customers to cancel an order if they should regret it.

The customers had the opportunity to give examples of reasons why they returned a package. 45 percent of those who gave another reason than the pre-provided at Halens (36 percent at Cellbes) said that they got wrong delivery. Some of these were right products but in wrong sizes, but others were completely wrong items. This type of mistakes should, if not eliminated, be very unusual. These types of mistakes can make the company loose customers. The same goes for defect products, such as stained or torn garments.

5.1.4 Cost

The majority of the customers at Halens (34% fully agreed and 56% agreed to some extent) that the price has a big impact on their purchase. Similar results were found in the answers of Cellbes customers where 36 percent fully agreed and 53 percent agreed to some extent. It also got number two priority (after fit) at Halens, and number three (after fit and quality), at Cellbes when the customers arranged seven factors according to priority. The most price sensitive groups were -19 and 30-39 where a much higher percentage (62%), fully agreed that price had a big impact on their purchase. These customer groups might consist of young families (new mothers and fathers) who in some cases have it more difficult financially. The same goes for the customers in age group -19, who often are students with limited
economic resources. This might also be the reason why customers at Halens gave cost a higher priority, since they have a higher percentage of young customers.

When it came to the price of Halens products, the majority thought that the price was reasonable for the product (61% agreed fully and 36% agreed to some extent). Almost identical results were shown at Cellbes where 61 percent fully agreed while 37 percent of the customers agreed to some extent. The results showed that there was a higher percentage, from the same group as previous (-19), who did not think the price was reasonable for the product. There might be some solutions to attract these younger customers with some kind of discounts.

The majority of the participants thought that the price should be cheaper at e-commerce companies compared to physical stores. This is based on the 34 percent of customers at Halens and 41 percent of the customers at Cellbes who thought it was important and 52 percent at Halens and 47 percent at Cellbes who agreed to some extent. There was never a follow-up question to understand the reason of why the products from e-commerce companies should be cheaper. Although, many customers might pay more for a product they can try on and see in reality, and therefore takes a bigger “risk” ordering from an e-commerce company. The shopping experience at a store might give the product a higher perceived value than at a computer screen.

5.1.5 Returns

As previously mentioned, returns are a big problem area for e-commerce companies. The majority of the participants (88% of the customers at Halens and 80% at Cellbes) had returned an item at some point. The older customers had a higher percentage of returns compared to the younger customers. This might be because of more difficulties with fit when you get older. Not only does the body change while getting older but there is also a psychological effect, where you think “I have size L, I have always had that size”, even though your size might be changed to XL. It is therefore crucial that the customers use the companies’ measurement model. The male customers had a lower rate of returns. One of the reasons for this might be because they measured themselves to a bigger extent compared to female customers. It might also be related to that garments for male customers are more “standardized” compared to garments for females.

The majority of the customers at both Halens and Cellbes thought that it is was easy to return a package from respective company, although some issues related to returns could be found. The most common problem was how to find the right packaging. At the two websites, both Halens and Cellbes it is stated that the customers say can use the same package as the order was delivered in. This information might need to be stated more clearly in order to make it easier for the customers.

Other customers said that it was hard to keep track of the status of a return. The customers wanted to know if the returned item had reached the company, how much they should pay, and so on. Therefore it would be good if Halens and Cellbes could follow this procedure via the company’s web-sites.
Some customers do not claim their package, and both Halens and Cellbes get returns straight from the post office. The most common reason for unclaimed packages was because customer did not have enough money to claim their delivery. It might be a good idea to use pre-pay methods through visa cards, etc. to avoid this problem.

Another reason that was revealed though this research was that some customers forgot about their order, and when they got to the delivery point, the package had already been returned to Halens or Cellbes. Other customers had lost their advice of delivery. By having a system where the customer gets a reminder, both this problems could be avoided.

Although, while prioritizing seven factors that affect the customers purchase, return policies came on sixth place.

5.2 Customer segmentation

The result provided information about the customers’ expectations on e-commerce in general as well as their experience of Halens and Cellbes. The customers did not agree in all areas, therefore, different segments could be detected. With the result as a base, roughly, five customer groups could be determined. Following part will describe these customer groups, their expectations on e-commerce companies and their main area of interest.

5.2.1 Amanda

Amanda is a young, single woman without children. She might be a student and therefore has a limited financial situation. Moreover, Amanda places smaller orders at a high frequency, and place more than one order per season. Amanda is fashion forward, and orders clothes from internet because these companies are fast, cheap, and have a wide assortment. Delivery time is therefore one of her big area of interest. She is not the most loyal customer, and sometimes orders the same item from different companies, and keeps the one that arrives first. She will switch to another company if they give her better offers. Amanda does not measure herself at every purchase, but trust that the sizes are universal (S, M, L, etc.). Furthermore, she wants to be a part of the product development and is positive to affect the design of the products. She use internet as a purchasing method and also prefers customer support which is internet based (e-mail or live-chat). Based on Amanda’s internet knowledge and financial situation, credit card or internet bank are the best paying methods for her.

Characteristics: Wants fast delivery and low price, is not a loyal customer, price sensitive, fashion forward, uses computers or internet without any problem.

Order winner: Free delivery and/or returns.
5.2.2 Lena

Lena is a mother, who has children that lives at home. When she shops from e-commerce companies, she orders items for herself, her children, her husband and their home. She orders clothes through internet because it is convenient. There are a lot of items at the same site where she can place big but few orders for her whole family. They can later try the clothes at home, which make it easier than to shop in “the city”. She sometimes orders the same product in different sizes to be sure that she will receive a product of right size. She is a busy woman and sometimes wants to claim the package somewhere close to work (maybe on her lunch break or on her way home), and therefore wants the possibility to choose delivery point. Return policies are important for Lena, and possible returns should be easy and quick. She sometimes uses invoice as a paying method and other times she decides to pay at the delivery point. Because of her busy life, it is important to give her reminders that her package has arrived, otherwise she might leave it.

Characteristics: Require a wide assortment, is quite price sensitive and is positive to special offers, wants good return policies, wants to choose delivery point.

Order winner: Discount offers for loyal customers

5.2.3 Maj-Britt

Maj-Britt is a senior woman with children who has left home. She is used to purchase through catalogue, but is slowly learning the ways of internet based purchases. The most important area for Maj-Britt is the fit and the quality of the products. She is not as time sensitive as the younger customers, and can wait 1-2 weeks for an item. Maj-Britt is not interested in influencing the design of products, but is not totally closed to the idea. Furthermore, she is a loyal customer that places orders by season. When placing an order she often takes her measurements and compares it to the company’s measurement model. This results in a lower return rate than the younger customers. Maj-Britt prefers customer service through phone, since she does not use internet to the same extent as younger customers.

Characteristics: Values fit and quality, uses the catalogues and telephone as a purchasing method, is not that time sensitive, need clear instructions for internet based purchasing.

Order winner: Good customer support
5.2.4 Johan

Johan is a young, single guy who likes to follow fashion trends. He might live in a smaller town and therefore uses e-commerce companies in order to increase his choices. He might be a student or in his early career and has therefore limited financial situation. Moreover, appearance is important for him and he therefore invests in his look. Johan does not use the catalogue, instead he uses internet. He browses many web-sites in order to find the best choice for him. He is interested in fast deliveries and wants to follow the purchasing process as well as delivery status. Furthermore, Johan values good customer service and might be loyal to a company that can fulfill his needs. Moreover, Johan use internet as a purchasing method for other things than clothes, such as electronics, books and music. Furthermore, he wants use credit card as purchasing method.

Characteristics: Wants fast delivery and updated status about his purchase, price sensitive, want to use credit card as purchasing method, is loyal if treated right.

Order winner: Quick delivery

5.2.5 Lars

Lars represents a small and rare customer group at both Halens and Cellbes. He is a middle age man with a steady job. He likes to wear basic clothes in a classic style. He values good quality and can spend more money for a garment of higher standard. Lars wants a garment of perfect fit; therefore he takes his measurements and compares it to the company’s measurement model before placing an order. Price is not the essential fact while ordering clothes from internet. Lars does not want to spend much time shopping for clothes; therefore he values a web-site with a wide assortment. He is not a frequent buyer, but when he places an order, it contains many items. Fast delivery is not the most important factor for Lars, although he would like follow the status on-line as well as choose the delivery point.

Characteristics: Values good quality, is not price sensitive, can accept longer delivery time, places few but big orders.

Order winner: Customer support in terms of updated status information
6. Suggestions for improvement

This part will present suggestions for improvement for Halens and Cellbes. The main focus will be on improving the purchasing process, in order to keep the return rate as low as possible. Although, other suggestions will also be presented.

6.1 Purchasing process

During this research, areas were found that with fairly small changes could be improved. These are problem areas that were more difficult to find in the answers of a survey, but easier while observing customer during their purchase process.

6.1.1 Payment methods

As previously mentioned, many of the customers (especially younger) wanted to pay with visa card. Other e-commerce companies (Nelly.se, Gina Tricot, Hennes & Mauritz etc.) and also Halens subsidiary Bubbleroom gives the customers the opportunity to pay with credit card. In order to compete with their competitors, and to lower their returns, Halens and Cellbes should introduce this payment method (see appendix C).

6.1.2 Choose delivery point

Since one of the biggest reasons for unclaimed packages was that customer did not have the opportunity to get to the default delivery point, the customers could be given the opportunity to choose delivery point. When entering the check-out stage at the web-page, there could be another option; choose another delivery point (see appendix D). Here, the customer can type another area code or city where they could like to get their package delivered. Since today’s system finds delivery point through area code, available delivery points could be listed in the new chosen area.

The customers who order through catalogue could also be given the opportunity to change default place of delivery though a box in the order sheet.

6.1.3 Delivery status

One of the most important factors in any supply or demand chain is information and communication. Many customers said that they want more information about the status of their purchase (if the order is received, if the pay is accepted, if the order is delivered etc.). Furthermore, they want to know the status for eventual returns. This information is fairly easy to provide to the customers at Halens, since they already have their own page after becoming a customer. In order to implement this at Cellbes, they should firstly provide the customers with the same services, “my page”, as Halens customers have.

6.1.4 Cancellation

If the suggestion above is implemented, it is easier to implement this next suggestion. Since some of the returns come from unsuccessful cancelations, it is important that the customers easy can cancel an order if they change their mind. If the customer is provided by a clear
status update, they could easy cancel their order as long as it is not processed. If it is still unprocessed, there could be a button at “my page” where the customer can choose to cancel their order.

6.2 Customization

Since the research showed that the customers have a big interest of influencing the design of the products, some clear suggestions should be made.

6.2.1 Design competition

One suggestion is that the company has a design competition. A tool kit could help customers to design a print for a regular white t-shirt. There could be three categories; male, female and children. The contenders (customers) could then upload their design on the web-page, where the rest of the customers can vote. Top three designs will then be printed and sold at the web-page.

6.2.2 T-shirt creator

Another suggestion for customization might be to provide a “t-shirt creator” (see appendix E). With this creator, customers can design their own shirt by combining different options from four categories; neck line, sleeve, length and color. The customers will get the feeling of designing their own product, when they in fact have a limited number of choices. The creator can start in a small scale, but if successful, be upgraded with new applications.

6.3 Differentiation

Since all customers are individuals with different needs and demands, a “one-size-fit-all” solution is not suitable. There are two roads for Halens and Cellbes to choose from. Either, focusing on their main customer group; woman in age 30-60, or they try to enlarge their customer base with younger and male customers.

6.3.1 Male customers

During this project we have entered Halens and Cellbes web-sites numerous times. Every time we were welcomed by pictures of girls and women, presenting the latest fashion. It is not that surprising since most of their customers are female. Although, this might be intimidating for male customers who might get the feeling; “this is nothing for me”. One solution might be to split the first page with offers and news for both male and female customers (see appendix F).
6.3.2 Student discount

Since young customers are a price sensitive customer group, some special offers might get them to choose Halens or Cellbes. For example, students could be offered free delivery or a lower shipping cost in collaboration with Mecenat and CSN.

6.4 Applications

E-commerce companies have the advantage that they can use many computerized solutions. Some might be easy to implement, while others might be bigger projects. Nevertheless, it is important for companies to never stop developing, thinking that they have met their goals. They should always strive for improvement in order to be a strong competitor on the market. In order to keep current and attract new customers, companies need to develop new innovative ideas.

6.4.1 E-me

Since one of the biggest problems for e-commerce companies are the amount of returns, it is important to find the main cause of the problem. The results of this research showed that one key issue was the fit of the garment, and the root of that problem was because the customers did not take their measurements. One suggestion is that the customers could take their measurements once and save the data at their profile page at Halens.se or Cellbes.se. Every time customers log in to the page and want to add a garment to their cart, the web page matches right size to right customer. In other words, the web-page adjusts the chosen garment to fit the customer.

An even more customer oriented solution would be if the e-commerce companies collaborate in order to simplify the purchasing process. Companies can together develop an E-me based system that is standardized. This system can be used at all different clothing oriented e-commerce companies. The program or application is external (like Bank-ID), which makes it easy for customers since they use same interface at all companies. It also means that they only have to take their measurements once (off course update it from time to time) and not compare it to a handful of different measurement models.

6.4.2 Smartphone application

Technology is developing every day and tasks we before performed by paper or telephone are now digitalized. In order to keep up with the digital development, companies must widen their innovation view. One of Halens Holding Abs subsidiaries, Bubbleroom, has already become aware of the need of development and as one solution provides customers with a Smartphone application. The reality shows that Halens and Cellbes have another customer base with a higher average age compared to Bubbleroom. Although, the older generations might develop their technical and digital capabilities, and maybe faster than we can imagine. Therefore, it might be of interest to develop a smart phone application for customers at Halens and Cellbes as well.
7. Discussion

This part will discuss presented suggestions for improvement as well as the line of action of this research. Furthermore, this part will give general thoughts about the situation at Halens and Cellbes.

While working with this research we realized that survey based information collection is good in order to reach a large group of customers. Although, the information received is rather basic and flat. Many answers raised more questions, and there were no opportunities to ask follow-up questions with the intention of getting a deeper understanding of the customers’ needs. Nevertheless, the observations gave us a greater knowledge of the customers. Halfway during the project we wanted to complement the research with systemic meeting based interviews, but were denied by the company. If given the opportunity to meet customers face to face and listen to their individual stories, this research might have another depth.

Customer segmentation was a good way to identify mismatches between customer demand and provided products and services. Although, some of the customers might not fit into any of the groups, that is the characteristics of human kind; no one is the same. Therefore, the segments are not written in stone and should be seen as a tool to find shortcomings of Halens and Cellbes.

The results showed that customers at Halens and Cellbes were very alike in terms of age and gender distribution. Therefore, the comparison of the subsidiaries did not raise that many new questions. It would have been interesting to include the third subsidiary (Bubbleroom) to this research, which has a bigger amount of younger customers. This could have given the research a wider result and a better base in order compare customers of different ages.

Returns and unclaimed packages lead to high logistics costs. Some of the suggestions are easy to implement and can provide customers with smart solutions as well as saving money for the company. Implementing credit card as a payment method might be an order winner for customers from the younger age groups and might not be hard to implement since Bubbleroom already provides this service. The most common reason for unclaimed packages was that customers did not have money to claim their package. Almost 70 percent of the customers who had left an unclaimed package gave this reason. If Halens and Cellbes introduce credit card as a payment method, the customers have already paid for their order when it is delivered. Therefore, the number of unclaimed packages might decrease.

The second most common reason for unclaimed packages was that customers could not make it to the default delivery point. This issue is both easy to solve and do not need high investments. The system already finds delivery point by area code, and it would therefore not be a problem to search a new place with a new criteria. With this easy solution the rate of unclaimed packages could be reduced resulting in lower logistics costs (delivery, handling and administrational costs).
Many customers have gotten used to having the upper hand in the customer/company relationship. They want to have control over their purchase; therefore many customers want to have updated information of their purchase processes. The suggestion of providing the customers with real-time status updates is therefore not even an order winner, for some customers it is an order qualifier. This might be more time consuming to implement compared to other suggestions, but is a necessity for today’s e-commerce companies. If implementing this suggestion, other problems could easily be solved, such as cancellation of an order. If the customers can cancel an order by themselves the companies saves money in two ways. One, the returns for unwanted orders will decrease, and two the customers will do the job that customer service did before.

The research showed that many customers (roughly 50 percent) were interested in affecting the design of products. It is therefore important that Halens and Cellbes take advantage of customer’s creativity and ideas. Design competitions and solutions as t-shirt creator will not only give customers an opportunity to take part of the design process, but might also attract customers to the web-site. There is also a third advantage; the customer helps the company by taking the role of designer. This might be the first step towards customers as innovators. These services can start from a small scale and later be developed as the customers develop their innovative state of mind.

If Halens and Cellbes want to expand on male customer market, they need to reengineer their web sites. As previously mentioned, customers could be welcomed with offers for both male and female. It is easy and not costly to implement this solution. Furthermore, this solution might not only attract more male customers but persuade female customers to place an order for their husbands, brothers or sons.

Nelly.com, La Redoute, Ellos and Fashionislandland have different offers in collaboration with Mecenat for students. In order to compete with these companies, Halens and Cellbes can provide similar discounts. Students are a price sensitive group therefore these types of offers are good marketing tools. Furthermore, this factor could become an order winner for the student segment.

The E-me suggestion might be the most time consuming and costly suggestion, although it might be the most innovative. The time and cost will be generated from that the company must store all measurement data of all garments. Although, this might pay in the long run, if the amount of returns will decrease. A demand chain or as others call it, a demand network can consist of competitors. It is important that companies see the benefits of collaboration. Companies can not only save money while working together, but also take advantage of each other’s strengths.

Implementation of a smart phone application at Halens and Cellbes should not be difficult since they already have the technology in the concern (Bubbleroom). In today’s society everyone is constantly “logged in” and not many people leave their home without their cell phones (Smartphone). Therefore, application presence forms a closer relationship to customers. This gives customers the opportunity to get updated real time information of the company and their products. It is therefore not a loss, to the contrary a way to expand their customer base.
8. Conclusions

This part will try to answer the questions that were the stating-point of this research. Furthermore, this part will give some concluding words of the result, companies and customers.

It is clear that customers have individual needs and expectations. It is therefore important to know your customer in order to provide them with products and services that fulfill their demands. It is also important not to generalize the customers, but to get in contact with them in order to hear their individual stories.

This research clearly showed that there were no universal demands on product, lead-time, service and cost. Once again, the customer demonstrated that there is not just one voice; they are a choir with different parts to sing. The results also showed that the customers from Halens and Cellbes are similar in terms of gender and age with an overall similar result.

Many patterns could be found that leads to purchase, non-purchase, purchase followed by return, unclaimed package. The patterns could form different customer groups with different consumer behaviors. All returned or an unclaimed package had a story, and these stories should be the starting-point of ideas for solutions.

This research has presented a number of suggestions in order to better match customer expectations with customer experience. Suggestions for improvements have been presented in different areas which are directly related to customer experience. In order to have a strong supply and demand chain, companies must focus on the customer’s needs, and realize that every action will affect the whole chain. Therefore, an ill fitting garment will in the end have an effect on the logistic department, the same way a wrongly package order will affect the finance department. Every part in the chain is linked. Since the customers is both judge and jury, it is of great importance that the companies change their mindset from focusing on what they think that customers wants to what they know customers really needs.
9. Future Research

This part will present suggestions for future research. Some suggestions are researches outside the frame of this project while others are further development of presented suggestions for improvement.

There are a lot of opportunities to continue research in the same direction as this thesis project. Conclusions and suggestions for improvement are made based on the scope of this research and according to the time frame. Further research could provide a deeper understanding and a more reliable result.

Further research should be made in the area of customer demand and expectations. In order to get the most reliable result, face to face communications and observations are good approaches.

Since Halens Holding has a wide range of customer segments, it could be of interest that all three subsidiaries participate in common research. This could lead to a knowledge transfer inside of the concern but also from the outside (customers). This will not only transfer knowledge but also experience, ideas and innovation methods in order to strengthen their business strategy.

Another area of interest would be a research that involves customers from other countries. Since Halens Holding acts on eleven national markets, it would be of interest to see if there are any differences or similarities. This might lead to new ideas to fulfill customer demand.

There are other potential researches that could be made regarding the delivery process at Halens and Cellbes. For example, it would be interesting to learn the reasons of why an order contains the wrong item. Furthermore, the most interesting part would be to find the solutions for this problem.

As the results showed, there are many factors that contribute to returns. One of the most common reasons is related to the fit of the garments. A deeper research could be made in order to eliminate unnecessary logistic processes. This could be a continuation of “E-me” or other solutions that contributes to better fit of the garments purchased at e-commerce companies.
References


Fulfilling customer demand


BÄSTA KUND!

Vi är två magisterstudenter från Högskolan i Borås som tillsammans med Halens genomför en kundundersökning. Syftet med undersökningen är att få en bättre uppfattning om vad Halens kunder har för krav och förväntningar på postorderföretag inom kategorier som produkt, pris, leverans och service. Vidare vill vi undersöka hur väl Halens uppfyller dessa kundkrav. Med hjälp av dessa enkätsvar vill vi få information om vad ni som kunder värdesätter, för att Halens skall kunna erbjuda er bästa möjliga service.

Med vänliga hälsningar

Sara Algestam och Ertugrul Kilicaslan
Högskolan i Borås

KUNDRAV/FÖRVÄNTNINGAR

KUNDINFORMATION

<table>
<thead>
<tr>
<th>Ålder:</th>
<th>19</th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kön:</td>
<td>Man □</td>
<td>Kvinna □</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Har du tidigare handlat över internet?</td>
<td>Ja □</td>
<td>Nej □</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Har du tidigare handlat kläder över internet?</td>
<td>Ja □</td>
<td>Nej □</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Svara på följande frågor med åtanke på dina krav och förväntningar på distanshandeln i allmänhet
### Appendix A – Survey (draft)

#### PRODUKT

<table>
<thead>
<tr>
<th>Köparens önskemål</th>
<th>Ja</th>
<th>Nej</th>
</tr>
</thead>
<tbody>
<tr>
<td>Önskar du kunna påverka designen på produkter du köper</td>
<td>Ja</td>
<td>Nej</td>
</tr>
<tr>
<td>Vilka krav har du på kvaliteten på kläder hos ett postorderföretag</td>
<td>Lägre än i butik</td>
<td>Samma krav</td>
</tr>
<tr>
<td>Jag brukar ta mina mått och jämföra med företagets måttmall innan jag lägger en order</td>
<td>Ja</td>
<td>Ibland</td>
</tr>
<tr>
<td>Jag brukar beställa en vara i flera storlekar för att vara säker på att få en vara som passar</td>
<td>Ja</td>
<td>Ibland</td>
</tr>
<tr>
<td>Jag brukar beställa en liknande order från ett annat företag för att säkra att jag får en vara i tid</td>
<td>Ja</td>
<td>Ibland</td>
</tr>
</tbody>
</table>

#### LEDTID & LEVERANS

<table>
<thead>
<tr>
<th>Köparens önskemål</th>
<th>1 dag</th>
<th>2-3 dagar</th>
<th>3-5 dagar</th>
<th>7+ dagar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraktkostnaden har en stor inverkan på mitt köp</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Det är viktigt för mig att kunna styra leveranstiden</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hur lång leveranstid är acceptabel (arbetsdagar)?</td>
<td>1 dag</td>
<td>2-3 dagar</td>
<td>3-5 dagar</td>
<td>7+ dagar</td>
</tr>
<tr>
<td>Jag kan tänka mig att betala extra vid en snabbare leverans</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jag kan tänka mig att betala mindre för en order i utbyte mot längre leveranstid</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jag kan tänka mig att betala extra vid en miljövänlig leverans</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Det är viktigt för mig att kunna välja var jag skall hämta ut mitt paket</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jag kan tänka mig att vänta på hela leveransen om en av produktorna ej finns i lager</td>
<td>1-2-3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix A – Survey (draft)

### SERVICE

Vilken form av support föredrar du?  
<table>
<thead>
<tr>
<th>e-mail</th>
<th>telefon</th>
<th>live-chat</th>
</tr>
</thead>
</table>

Det är viktigt med tillgänglig support på hemsidan under min köpprocess 1-2-3
Det är viktigt att kunna lämna feedback till företaget efter köp 1-2-3
Returvillkor påverkar min inställning till eventuellt köp 1-2-3

### KOSTNAD

Det är viktigt att varor jag handlar på nätet har kostar mindre än i fysiska butiker 1-2-3
Produktkostnaden har en stor inverkan på mitt köp 1-2-3

### PRIORITET

Vad är viktigast för dig vid internetköp? Rangordna från 1-7 (7 är viktigast)

<table>
<thead>
<tr>
<th>Pris</th>
<th>Kvalitet</th>
<th>Passform</th>
<th>Sortiment</th>
<th>Kundservice</th>
<th>Leveranstid</th>
<th>Returnmöjligheter</th>
</tr>
</thead>
</table>

## Appendix A – Survey (draft)

### UPPLEVELSE

Svara på följande frågor med åtanke på ditt senaste köp hos Halens/Cellbes

#### PRODUKT

<table>
<thead>
<tr>
<th>Fråga</th>
<th>Svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produkten stämde väl överens med bild och beskrivning</td>
<td>1-2-3</td>
</tr>
<tr>
<td>Produkten hade den kvalitet jag förväntade mig</td>
<td>1-2-3</td>
</tr>
<tr>
<td>Produkten hade den passform jag förväntade mig</td>
<td>1-2-3</td>
</tr>
<tr>
<td>Företagets måttmall är enkel att hitta och enkel att förstå</td>
<td>1-2-3</td>
</tr>
</tbody>
</table>

#### LEDTID & LEVERANS

<table>
<thead>
<tr>
<th>Fråga</th>
<th>Ja</th>
<th>Nej</th>
</tr>
</thead>
<tbody>
<tr>
<td>Det fanns möjlighet att välja var jag kunde hämta ut mitt paket</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paketet kom inom utlovdad tid</td>
<td>Ja</td>
<td>Nej</td>
</tr>
</tbody>
</table>

#### SERVICE

<table>
<thead>
<tr>
<th>Fråga</th>
<th>1-2-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Var det lätt att hitta den vara jag sökte</td>
<td></td>
</tr>
<tr>
<td>Jag hade tillräcklig support under mitt köp</td>
<td></td>
</tr>
</tbody>
</table>

#### KOSTNAD

<table>
<thead>
<tr>
<th>Fråga</th>
<th>1-2-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jag anser att kostnaden var rimlig för den produkt jag beställt</td>
<td></td>
</tr>
</tbody>
</table>
**Appendix A – Survey (draft)**

**RETUR**

Har du någon gång returnerat en order?
- Ja
- Nej

Om ja, av vilken/vilka anledningar har du returnerat
- Stämde ej överens med bild/beskrivning
- Produkten hade ej den kvalitet jag förväntade mig
- Fel passform
- För lång leveranstid
- Jag beställde artikeln i flera storlekar och returnerade de som inte passade
- Jag ångrade mig och kunde ej annuera köpet
- Annat:_____________________

Var det enkelt att returnera paketet
- Ja
- Nej

Om nej, varför?

__________________________

Har du vid något tillfälle inte hämtat ut ditt paket?
- Ja
- Nej

Om ja, av vilken/vilka anledningar har du returnerat
- För lång leveranstid
- Jag hade inte möjlighet att ta mig till förvalt leveransställe
- Jag fick en snabbare leverans från annat postorderföretag
- Jag hade inte råd att hämta ut paketet
- Annat:_____________________

**TACK FÖR DIN MEDVERKAN!**
Appendix B – Example of survey layout

11. Det är viktigt för mig att kunna styra leveranstiden

- Instämmer ej
- Instämmer delvis
- Instämmer helt
Appendix C – Suggestion Payment method

Kassa Steg 2 (av 4)

<table>
<thead>
<tr>
<th>Dina uppgifter</th>
<th>Telefonnummer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kundnummer</strong></td>
<td>12345678</td>
</tr>
<tr>
<td><strong>Namn</strong></td>
<td>TEST CUSTOMER</td>
</tr>
<tr>
<td><strong>Adress</strong></td>
<td>TESTROAD 1, 123 45 CITY</td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
<td><a href="mailto:test.customer@email.com">test.customer@email.com</a></td>
</tr>
</tbody>
</table>

Orderbekräftelse
Skicka orderbekräftelsen till min e-postadress

[ test.customer@email.com]

☑️ Anmäl mig även till Cielbes nyhetsbrevl

Betalsätt
Välj vilket betalsätt som passar dig bäst

[ FAKTURA ] [ KONTANT ] [ KORT ]

Hämtställe
Valj det hämtställe som passar dig

[ Lundgrens Spel och Tobak
Östergångatan 48
50337 BORÅS ]

SMS-avisering
Skicka ett sms när paketet finns att hämta.

Din order

<table>
<thead>
<tr>
<th>Artikelnr</th>
<th>Benämning</th>
<th>Leverans</th>
<th>Storlek</th>
<th>Antal</th>
<th>Pris</th>
<th>Summa</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-454801</td>
<td>JACKA SVART</td>
<td>I slutet av september</td>
<td>48</td>
<td>1</td>
<td>499,00 kr</td>
<td>499,00 kr</td>
</tr>
</tbody>
</table>

Summa **499,00 kr**  
[ FORTSÄTT HANDLA ]  
[ NÄSTA ]
Appendix D – Suggestion Choose delivery point

<table>
<thead>
<tr>
<th>Dina uppgifter</th>
<th>Telefonnummer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kundnummer</td>
<td></td>
</tr>
<tr>
<td>Namn</td>
<td></td>
</tr>
<tr>
<td>Adress</td>
<td>TESTROAD 1</td>
</tr>
<tr>
<td>E-mailadress</td>
<td><a href="mailto:test.customer@email.com">test.customer@email.com</a></td>
</tr>
</tbody>
</table>

**Byt hämtställe**

- Brevbärrarkontor Knallebod, BORÅS
- Spelmagasinet, BORÅS
- Ny-Tobak, BORÅS
- Metguran, BORÅS
- OKQS Parken, BORÅS
- Lundgrens Spel och Tobak, BORÅS
- Posten Första Halsa, BORÅS
- Transerade Narcotik, BORÅS
- Posten Första Borås Centrum, BORÅS
- Gunnars Cigar. Frukt & Konfek, BORÅS
- Tullens Närbutik, BORÅS
- GA-Kiosk, Tips o Grill, BORÅS
- Farells Frukt och Tobak, BORÅS
- ICA Supermarket Halsa, BORÅS
- ICA Maxi Borås, BORÅS

**Kassa - Steg 2 (av 3)**

<table>
<thead>
<tr>
<th>Artikelnummer</th>
<th>Artikelnamn</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-13625</td>
<td>Kappa</td>
</tr>
</tbody>
</table>

Total: 599,00 kr
Appendix E – Suggestion T-shirt creator