

# Exploring Foreigners' Online Shopping Experience in China: A Case of Taobao

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## Abstract

This study is a result of the survey done amongst foreign students who study in different universities in Wuhan, China. The names of two participated universities will not be mentioned since there were agreements between participants not to disclose some of their details including demographic information. The universities were labeled as U1 and U2. The objective of the survey is to explore general online shopping experience among foreign students in China taking Taobao website (www.taobao.cn) as a case study for the analysis. Data were collected from a total of 150 (out of 169 distributed) self monitored questionnaires and analyzed using SPSS software through descriptive statistics. The findings show that among other factors, Chinese language played a great role as an obstruction for Taobao usage amongst many foreigners and it was suggested that, Taobao has to acclimatize with multiple language versions in their website. However, other strategies to improve foreigners' online shopping experience were also discussed so as to enhance customers' loyalty and satisfaction

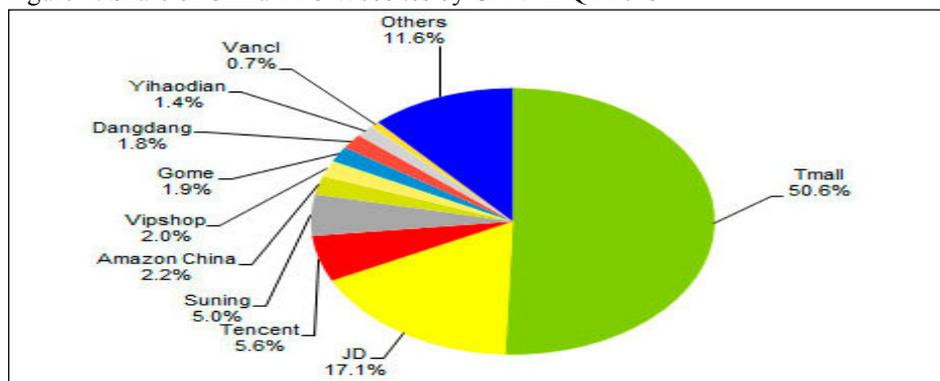
**Keywords:** online shopping, Taobao, internet, internet banking, foreign students

## 1. Introduction

China is one of the countries that have been experiencing rapid social and economic developments in an astonishing speed. This development goes concomitantly with high penetration and overwhelming revolution in online shopping that has compelled many companies to adopt it to sustain customers' needs and wants. It eventually contributed much to the transformation of the traditional (store) shopping style for electronic shopping (E-shopping) which is faster, easier, convenient and efficient shopping method. The rapid increase in online shopping has made China to be among the global best online retail place. According to Dodds et al (2013), in 2011 China online sales to customers accounted for \$120 billion supersede all her main competitors like Japan and United Kingdom and become the second largest worldwide in 2012 after the United States. The internet users increased to 540 million, which increased the online shopping for 65.5 % accounted for \$190billion USD transactions, which is more than 1.1% of all consumer goods retail sales in the United States in 2012 (Zhang et al, 2013).

All these online developments have been facilitated through the efforts made by government since 1993 to implement the e-commerce infrastructure by establishing different projects and regulations to govern and lay down the framework for electronic market (Li & Suomi;—). Furthermore, the presence of e-commerce sectors which accompanied by the increase of the internet users has also contributed much in online shopping. According to CNET Asia (2013), the largest and the leading E-commerce in China at the end of 2011 include among others Tmall.com with 39.9% market share, 360 buy.com 14.7%, Suning.com 2.4% and Amazon.cn 2.2%.The current data shows that there is an increase of online shoppers over 240 million which led to an increase of market share on E-commerce relying on business to consumer (B2C) sectors lead by Alibaba Tmall accounted for 50.6 percent of total market share, followed by 360 buy and Tencent (Millward, 2013).

Figure 1: Share of China B2C Websites by GMV in Q2 2013



Source: iResearch Global Inc. 2013

The market for online shopping in quarter 2, 2013 make a turnover of 437.13 billion Yuan, with the greatest

share numbered 67.9% by amalgamating Tmall and JD shares as a leading independent Business to Consumer market in China (iResearch, 2013). On the other, a hand B2C sector sale has grown solely \$25.6 billion, while Consumer-to-Customer (C2C) sector like Paipai and Taobao accommodate \$71 billion.

Therefore, our discussion will focus on Alibaba's Taobao by examining the online shopping experience by taking a sample of foreign students who are studying in Wuhan. This sample includes foreign students from almost all continents, including Africa, America, Australia, Europe and Asia.

### 1.1 Taobao in China

Taobao is the emerging and the largest online shopping platform in the world, involving consumer-to-consumer services with its origin in China. It is owned by Alibaba Group Limited established in May, 2003 and currently it has 435 million consumers and 7.1 million sellers in which every day they accommodate the revenues of \$258 million USD (Manchanda & Chu, 2013; Dodds et al, 2013). In 2008 they introduce the Business-to-Consumer platform, namely Tmall which brought the great changes in terms of quality brands and goods that suits their customers. Ultimately, in January 2012 it started operating with "Tian Mao" as its domain name (Great business idea, 2013; Manchanda & Chu, 2013).

## 2. Research methodology

### 2.1 Research Design

This research survey adopted descriptive research design and explore the online shopping experience amongst foreign students who use the Taobao shopping site. With reference to Yin (2004) as cited by Mwambota et al (2013) suggest that the descriptive analysis helps the research to have a deep understanding of the study he/she is doing. In this case, the descriptive study was selected to suit this study survey as it helps in giving enough information on the subject matter.

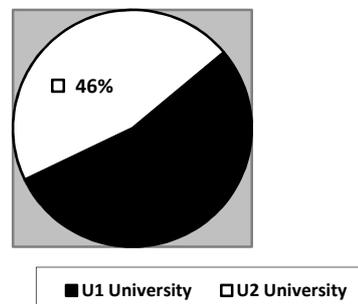
### 2.2 Sample design

The objective of the survey is to explore general online shopping experience among foreign students in China taking Taobao website (www.taobao.cn) as a case study for the analysis. In order to achieve the goal, two universities were selected, a random sampling of participated foreign students were selected. 54% were from the first university named as U1 and 46% from the second university named as U2.

Table 1: Distribution of Interviewees

Interviewee	Number (N)	%
PhD foreign students	3	12.5
Masters foreign students	7	29.16
Bachelor degree foreign students	5	20.83
Chinese language certificate foreign students	9	37.5
<b>Total</b>	<b>24</b>	<b>100</b>

Figur2: Distribution of Foreign Students



### 2.3 Research instruments

Self monitored questionnaire were designed as a research instrument because of its affordability in terms of cost as well as being an easy way to collect information and reduce bias among the participants. The questionnaire comprised two sections for users and non users. It had five sections with 16 items developed to assess the respondents' online shopping experience in this study. Some of the items used four response scale (strongly agree=1; agree=2; strongly disagree=3 and disagree=4) to rate the specific features compelled them to use Taobao or not, together with the challenges that they face when using Taobao. Other three items developed for the participant to rate the websites linked with Taobao like Tmall, rating general customer satisfactions and delivery using a four point scale varies (very satisfied=1, somewhat satisfied=2, somewhat dissatisfied=3 and very dissatisfied=4). The remaining items included different general and direct questions encompasses of open ended question about the strength and weakness of Taobao.

### 2.4 Data collection

Data collected from the distributed questionnaires were about 81 foreign students (54%) from the first university labeled U1 and 69 foreign students (46%) from the second university labeled U2. Questionnaires were distributed through subject teachers and class representatives for the period of three weeks, whereby the first week was for the pilot survey which included 19 students from MBA first year students. Furthermore, "One-on-one open interviews" were administered to get clarity and more information related to the study by randomly selecting foreign students from different academic levels from the two universities. However, this study also uses

observation and secondary data from different literatures. All filled in questionnaires were numbered after being collected in order to minimize the risk of data mixing so as to maintain accuracy during data entry and analysis.

### 3. Results and Discussion

#### 3.1 Findings from the Sample Composition

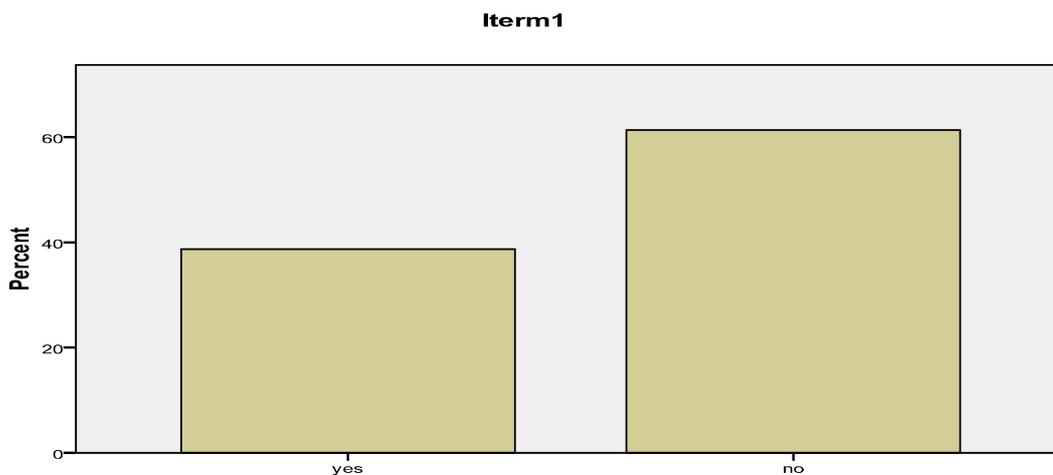
The findings show that 150 filled in questionnaires (out of 169 distributed) were collected involving 56.4% male and 43.6% female, 39.3% Asian and Pacific, 49.3% African, 6.6% American and 4.6 European. The findings also show that there were students from different levels of education such as certificate 12.1%, diploma 15.4%, bachelor's degree 35.6%, masters' 30.9% and PhD 6.0%.

The respondents under 20 years old were 26%, 21- 30 years old were 60.7%, 31-40 years old were 10%, while 41-50 years old have an average of 6.9%. The average age was 30 years; with the age category of 20-30 (60.7%) have higher shopping habit than any other age group amongst foreign student's online shoppers. Other categories with large numbers of Taobao online foreign student's shoppers were bachelor's degree with 35.6 % and Single students in the marital status category with 68.7% respondents followed by masters' students in the education level category with 30.9%.

Table 2: Different categories with highest online shopping experience

Demographic description	Categories	Percent (%)
Age	21-30	60.7
Gender	Male	56.4
Level of education	Bachelor's degree	35.6
Marital status	Single	68.7
Scholarship	CSC scholarship	58.4
Nationality (continental wise)	Africa	49.3

Figure 2: Users and Non-users of Taobao



The questionnaire was categorized into two major parts. The first part involves students who are non-users of Taobao, while the other part involves the users. The respondents were to classify themselves using an objective question (labeled as Item1) by agreeing or disagree using 'Yes' or 'No' response. The findings show that students who are non-users of Taobao accounted for 61.3%, whereas users account for 38.7%.

#### 3.2 Shopping Experience

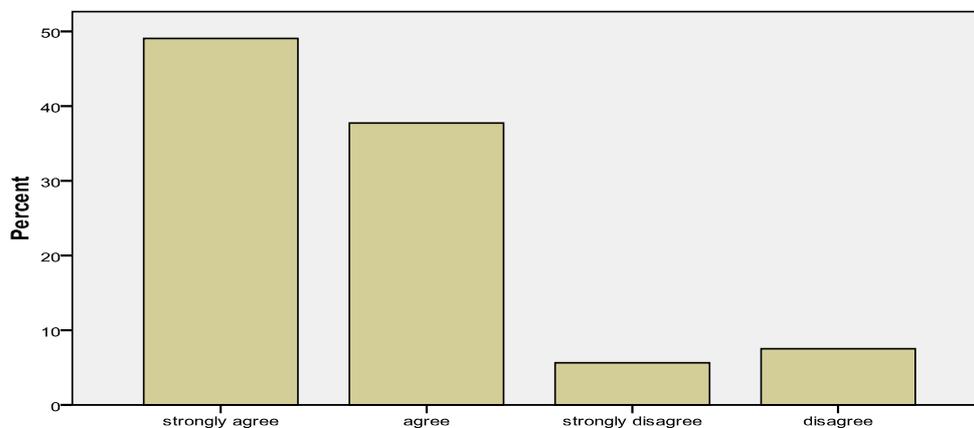
People shop different items in order to fulfill their needs and wants in a specific period of time through traditional style (Store shopping) or online shopping system. But obviously they select shopping method which is reliable and convenient to sustain their needs. Due to the innovation and development of science and technology the shopping behavior is transforming from traditional shopping store to an online system. Depending on shopping context the consumers' searching and buying products through the internet (Luo, 2011). In this study many foreign students selects to shop online with taobao because of dissimilar reasons.

##### 3.2.1. Shopping on Taobao is easy and serves time

The study results show that about 49.1% foreign students Taobao users "strongly agree" that shopping on Taobao serves time (Question labeled as Item 1K) while 47.3% "agree" that it is easy to buy. They were strongly agreed because it provides the relevant and quality information with minimal cost and less effort which is more convenient for customers to purchase efficiently as it does not involve movement from one place to another looking for physical store (Zhao, 2012 & Luo, 2011), rather through electronic ways which ultimately serve time

to do other activities, while on the other hand 7.5% and 10.9% disagree about time serving and its easier to shop online respectively.

Figure 3: Levels of agreement on how shopping Taobao serves time



### 3.2.2 Product Delivery System

The survey study results show that the majority of participants about 60% rated positively on the Taobao product delivery system as delivery is quick and reliable, however, according to many interviewed foreign students argued that most of the delivery personnel are Chinese speakers and rarely do they speak English. Conversely, many interviewed foreign students come from different language speaking community like French, Spanish, Arabic to mention few, but majority mentioned English language as a language that they expect the delivery personnel should speak so as to easy communication during product delivery. They also pointed out that however delivery is done by different companies, but they all using mobile communication in order to reach the buyer during delivery, which recommended positively by many students as a good communication strategy. On the other hand, most interviewed gave high credit for signing in and issuance of receipt during delivery as a good way which makes the delivery system as an official.

### 3.2.3 Products Price

Taobao is an online platform that a consumer can find the original brand products at low price compared to others online platform in China (The Global Legal Post, 2013). This view can be substantiated by the number of students who responded by showing their level of agreement that, Taobao provides the lowest price amongst other online shopping sites which accounted for 46.3% of respondents who strongly agrees as opposed to 5.6% who strongly disagree. Nevertheless, the prices have been motivating factors for shopping on Taobao not only foreign students but also the indigenous Chinese students and Chinese people in general. In supporting this view Zhao, (2012) argues that the price is the basic thing that has an immense influence for many people to shop online because most of them are reasonable and affordable (more review on Alba et al. 1997 & Burke et al. 1992as cited by Zhao, 2012). According to the interviewed students claim that shopping on Taobao is of the highest advantage to foreigners because sellers in most traditional store shopping put higher price of the product than the actual price, therefore the buyer power of negotiation determines the final price that the particular product can be bought, however, most of them were not sure if the price increase in store shopping is only for foreigners or even to Chinese natives.

### 3.2.4 Information given on Taobao

According to the survey results Taobao consumers have access to a variety of products with a wider choice and design in one screen at a specific time. The findings show that about 46.6% “strongly agree” and 50% of all students “agree” that the information provided on Taobao are sufficient enough to fulfill the buyer’s need. Many interviewees explained that the information provided especially the views about particular products as rated by other customers, helps foreign customers to know after sales experience of the product from different customers as well as the authenticity of the seller which to a great extent has an influence in buying decision. The one with higher rates and good comments motivate buyers to buy, this information is of high values to buyers as far as the buying decision is concerned

### 3.2.5 Product descriptions on Taobao

According to some interviewees, they claimed that sometimes the quality of what is portrayed in the product picture is not similar to the quality of the delivered product. This sometimes creates dissatisfaction to the buyer. From the research findings, about 29.1% of respondents were strongly disagreeing that the description of products on Taobao is more accurate as compared to 18.2% who were strongly agreed.

### 3.2.6 Customer service, trust and direct contact with the seller

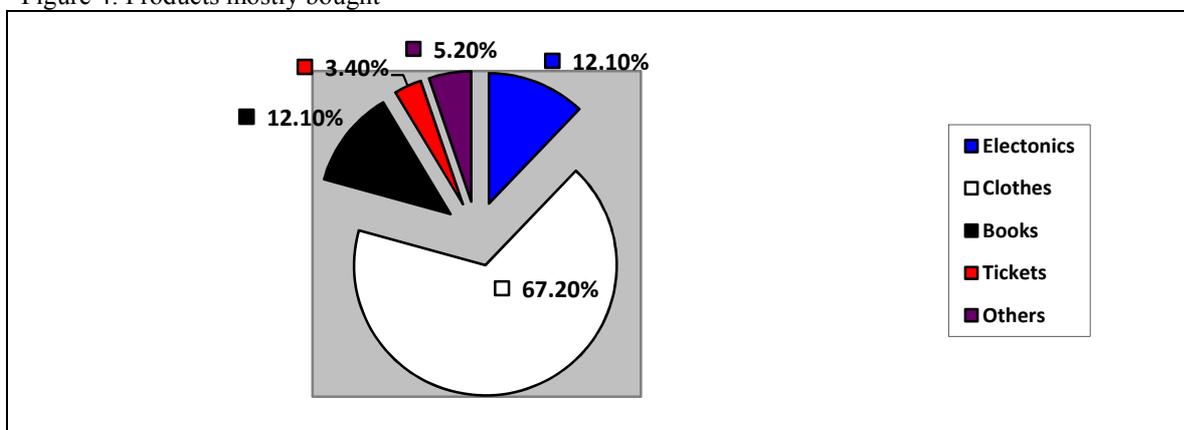
Many amongst the interviewed foreign students explained that different from other online shopping in China,

Taobao bestow the opportunity for its consumers to contact sellers directly about the product types, quality, price negotiation and the delivery period through its Ali Wangwang program (Gao, J. & Zhang, Z., 2011). Also, they argued that according to their unpublished research, about 99% of the customers who buy through Taobao they use Ali Wangwang once before the purchase and 77% they contact the seller before they pay for the products. On the other hand, the study findings show that 38.9% of students “agree” with customer service, and 46.3% show the strong trust with Taobao with its allied websites as opposed to 13% and 16.7 who disagreed with contact with sellers and show untrustworthy habit to Taobao and its links websites respectively.

### 3.2.7 Products mostly bought

Furthermore the study depicted that many foreign students buy more clothes on Taobao than other items which is about 67.2%, followed closely by electronic items which is 12.1%. This is because online shopping provides the consumers with access to different channels and links searching for different fashion designs and sizes. According to Charlton, (2011) argues that 64% of consumers confer with the retailers' websites for fashions while almost 45% of the consumers prefer to buy clothes online (see also Seock, 2003:42 & Pricewaterhouse Coopers, 2000). Furthermore, some participants who were interviewed explain that they mostly buy clothes on Taobao because it provides different cloth sizes that most of store seller do not provide, especially the larger sizes since most of their customers are Chinese who prefer small sizes due to their body morphology.

Figure 4: Products mostly bought



### 3.2.8 Where do foreigners hear about Taobao?

From the survey results most of the foreigners get in touch with online shopping specifically Taobao after they hear it from their friends and word of mouth which accounts for 66.7% and 22.8% respectively. This argument has also been supported by other studies, like Zhao, (2012) who asserted that friends has great impetus to the online shopping rather than family members' blogs and magazines. Websites, Links and ads are one of the fastest and easiest ways used as an internet marketing strategy for advertising a product or a brand in order to reach customers, however, this will only apply to internet users. However, the findings from this survey show that this method ranked the third position accounts for only 7% compared to hearing from friends and word of mouth.

### 3.2.9 Time, Period and Frequency of Using Taobao

Most of the students who depicted the usage of Taobao for a period of more than one year hold the same percentage response to those who have used it for less than six month, 14.7% and the standard deviation (SD) of 0.90, however, students who have a long history of using Taobao in categories of 2 to 4 years together with 5 years and above make the average of 10%. On the other hand, with regards to frequencies of using Taobao, it exhibits (SD= 0.93), large group of respondents accounted for 45.5% use to shop online for “sometimes” as opposed to “most of the time” and “every time” which account for an average of 19.05% and the occasional users accounted for 16.4%. Considering time, the results from this study survey show that many students shop on Taobao any time they want compared to those who buy when the price is lowered numbered 64.9% and 21.1% respectively.

#### 3.2.1. The use of Taobao

According to many interviewed participants they clarify that Taobao as an online website has a lot of use to them, but the major use being bought different products, this view has also correlate with the information collected from questionnaire responses which accounts for 83.9 % for those who use it for buying and searching the products as opposed to 14.3% who just search for information. Furthermore, some interviewed comment that searching for a product/s doesn't necessarily mean buying it, sometimes the two processes go together sometimes they don't. The intention and ability to buy doesn't depend only on searching and finding the particular product/s.

#### 3.2.11 Searching and Languages used for searching

When searching in an online shopping (Taobao) user varies according to the interest and their awareness on how to get the products. Many respondents search on Taobao by products and categories which averagely accounted for 40.4% with (SD=0.7) whereas 19.3 searches by looking for the price of the products. This happens because by using the product or its category brings the quick and direct search results, hence becomes easy for consumers to get what they really want. Additionally, according to the study findings, the Chinese language was rated as a great tool in searching on Taobao for about 50.9%, English language 47.4% and French 1.8%. Although, Chinese language rated higher than other languages used for searching but almost majority of the interviewed respondents substantiated that they basically have to translate first their search keyword/s from their native language such as English, French and Arabic to Chinese language, then they copy and paste the Chinese word in Taobao in order to get the real product/s that they are searching for. The translation is done using different translating software and website, but the Google website / translator was mentioned by the majority of interviewees. So this is how the Chinese language scored highest rank.

### *3.2.12 Rating Taobao Links and Recommending Taobao to a friend*

Despite some challenges that foreign students encounter in using Taobao, but the research study shows the highest rate in this category than any other category in the whole research. About 98.2% agree to recommend the use of Taobao to a friend while 1.8% refuses. The interviewed participants add that the reason behind this is that the opportunities that are available are many than disadvantages. Furthermore, customers who shop on Taobao are directed also to use other links which are linked with Taobao like T mall and others. Some findings from this study show that about 65.5% of all respondents rated “somewhat satisfactory” and 10.3% “somewhat dissatisfactory” to links that are linked with Taobao, while only 19.0% responded as “very satisfactory”. Although the first answer show the positive relation between those links, but the information obtained from interviewers depict some displeasure with them, the situation that needs to be improved.

### *3.2.13 Taobao Shopping challenges*

In exploring foreigners shopping experience in Taobao several challenges has been reviled throughout the study. In revealing whether the shopping procedures are longer in Taobao than in other online site in China, the average 30.6% respondents were strongly disagreeing with the difficulties and length of the procedures when shopping in Taobao whereas the average of 19.4% were strongly agreed (with standard deviation SD=1.0). The collected information from the interview show that some foreign students used to shop on EBay and some are still shopping on Amazon China website. In comparing the three websites, the majority of interviewees commented that EBay had longer shopping procedures than Taobao. On the side of Chinese language as a challenge when shopping online, the average 34.9% were strongly agreed while 9.4% disagreed. However, as pointed out earlier in item 3.3.11 above, majority of interview participants using translation software and website to let them grasp the information provided on a particular product, thus Chinese becomes a challenging language to most who do not understand it. Another important challenge is about privacy and security risk. About 46% of respondents agreed that they dread the leaking of their bank information while 24% trust the bank security system. Online transaction has been attributed to the lack of proper handling of consumers privacy and account details which makes it to become a discussion issue for many studies in electronic commerce like that of Elliot & Fewell, (2000) as were cited by Luo (2011).

The security part for Taobao has been a fundamental issue as the emergence of the vast online theft. With reference to the Global Legal Post, (2013), the Taobao has been very keen in IP protection to ensure maximum security through initiation of ethical guidelines and intensive internal regulation. Also to potentially increase the consumers' confidence by avoiding online fraud and protect their bank information the Alipay acted as the third part during the payment, whereas the seller will have to deliver the products to the buyer and after confirmation is when they will be paid (Luo, 2011).

Moreover, in 2008 Taobao established the compensation in advance rule whereby the consumer may be compensated when the product has a problem or if there is miss understanding with sellers (Jingye & Jingjing, 2012). Additionally, as far as online Banking payment is concerned about 42.6% respondents demonstrate the view that Taobao accepts only Chinese local banks in making online payment when they shop because some foreign students claim that they cannot make payment by using their bank accounts from their home countries which provide international internet banking system payment system that (accept Visa and Master card). However, about 8.5% strongly disagreed with this view.

Table 3: Summary of the highest and lowest rated Shopping experience

	Item	Highest Rated	%	Lowest Rated	%	SD
2.	Products you mostly buy	Clothes	67.2	Tickets	3.4	0.8
3.	Where did you hear about Taobao?	Friend	66.7	Others	1.8	5.3
4.	Time you have been using Taobao	0– 2 years	40.0	5 yrs- above	7.3	0.9
5.	How often you use it?	Sometimes	45.5	Every time	14.5	1.6
6.	When do you use Taobao?	Any time I want to shop	64.9	When shopping for friends	3.5	0.9
7.	Rating websites linked with Taobao	Somewhat satisfactory	65.5	Very dissatisfactory	5.2	0.71
8.	Customer services	Somewhat satisfactory	63.2	Very dissatisfactory	1.8	0.6
9.	Delivery system	Somewhat satisfactory	50.0	Somewhat dissatisfactory	5.2	0.5
10	How do you use Taobao?	Search and buy products	83.9	Others	1.8	0.3
11	How do you search on Taobao?	By products & categories	40.4	By price	19.3	0.7
12	The language used for searching in Taobao	Chinese	50.9	French	1.8	0.5

Furthermore, some foreign students pointed out that sometimes they can't find what they are looking for. This view was supported by 32% of respondents who agreed as opposed to averagely 22%. Moreover, this study also examines the challenge of receiving different products from what the customer bought. The respondents who supported this statement were 37.5% compared to 20.8% who were strongly disagreeing. On the other hand, the average of 35% of the respondents agrees that sometimes they go to seller's stores to pick their products whereas the average of 15% disagrees with this allegation.

### 3.3 Reasons to why some foreign students do not shop on Taobao.

The second part of this study focused on divulging the reasons behind a large number of foreign students who are not using Taobao so as to provide the immediate action to be taken to enable them to get access with it and to act as the part of the advertisement tool for Taobao. The findings from the study show that more than half (61.3%) of the total respondents (150) are not using Taobao. The followings are the revealed explanation behind this scenario;

Students who admitted that they did not hear about Taobao averagely accounted for 15.1% compared to those who disagree with 47.2%. This proves that the majority of students have heard about it, but they are not yet willing to use it. Furthermore, on the side of Taobao usage 32.2% responded that they don't know how to use while 14.4% disagree with this statement. This was substantiated during the interview since some respondents argued that previously they were using Taobao, but due to some personal and Taobao challenges including Chinese language problem they stopped using it. Many foreign students who do not use Taobao contended that Taobao is using Chinese language which become a big obstacle to them, the supporters for this accounts for 51.1% who were strongly agreed, however, this may be partially seems to be a contradicting view between these two groups since those who use Taobao rated Chinese language as the number one language they use in searching in Taobao (ref. 3.3.11 above) which accounts for 50.9%, but the reason for the Chinese language to have the highest rate was clearly explained in 3.3.11, therefore Chinese language remain to be the first hindrance for foreigners to shop on Taobao

Additionally, online fraud and security mentioned as one amongst the reasons which accounts for 36.45%, this is the highest percent for those who doubt that their money can be easily tracked through the online system, and their financial issue may not be handled properly. Trust in business, especially online shopping is of great importance as it removes the obstacles that may impede the purchasing activities (Quelch & Klein, 2006), the concept which was not agreed with 28.4% that they trust the whole online shopping and banking process. The last aspect that acts as a stumbling block for using Taobao is a traditional shopping (store), respond ended positively by 39.5% of all non Taobao users who use traditional style when shopping for their daily needs. However, it has been realized that many foreign students who are not using Taobao have strong dependence shopping online through their intimate friends who buys for them. This was agreed with 42.7% of those who depends for their friends to shop for them. Last but not list, is the category of those who do not have experience in online shopping making 34.5%, of all students who did not use Taobao. This can be influenced by many factors, but the main one is poor Information and Communication Technology (ICT) infrastructure developments in their countries of origin. Some of the students are coming from developing countries where the ICT

infrastructures are not firmly established; therefore it makes online shopping difficult to be conducted (Ziaie, 2013; Ezz, 2005 & Mwashu, 2013).

#### **4. Conclusion**

This study has tried to show the online shopping experience to foreigners, specifically foreign students from the two universities in Wuhan, China with a collected sample data from 150 respondents. The study explores various important issues about the shopping experience for foreigners, but the main and astounding is the highest rate of non user of Taobao. This shows that the online shopping behavior for foreign student is affected much from a number of various factors as it was discussed in the study, including the most critical one which is the language barrier (the Chinese language), regardless of well situated and enshrined information and communication technology infrastructural facilities available. Also the study depicted that same student used Taobao before, but after some time they stopped using it referenced to personal affair and some of Taobao challenges. Privacy issues and online fraud are other point that seems to have effects as many respondents for both users and non user of Taobao aired out as among the factor that may restrict many from using Taobao worrying about losing their account details to the third parties.

#### **5. Recommendation**

It is high time now for Taobao to launch multiple language website versions such as English version in order to give opportunity to non Chinese natives to get easy and quick accesses to the website so as to make Taobao the online site for everyone. This will create more market, more selling and more profit as to sellers, but also it will give customers a wider opportunity in accessing information such as a clear understanding of the product description and price comparison among the sellers. It is true that Taobao has won to the large extent the Chinese market, but because this is a service industry, which is supposed to provide the service to everyone regardless of their ethnicity, it is the time to break the language barrier for foreigners to enjoy the fruitfulness of Taobao.

This study showed that most foreign students hear about Taobao through the word of Mouth, Taobao should come up with new marketing strategies like English language email marketing, doing promotion and advertisement in foreign student campuses, sponsoring international student events like new year festival, sports and games so as to make it popular brand to foreign students who will be good Taobao ambassadors here in China but also when they go back to their country. This will expose Taobao to the outside world.

Taobao has been one among the most successful online shopping site in China with its marketing targeting mostly to Chinese. It is a time now Taobao to open up its wing to reach other countries as china become more famous in trade and investment, particularly in Africa. Taobao can be used as a bridge to link China with other countries to trade with. Taobao can simplify the trading process by enabling those business people to order products while they are in their home countries instead of flocking into a different business city like Guangzhou and Shenzhen to look physically for the products. To make this possible Taobao need to use international online banking system that will enable foreign students and other foreigners to buy products here in China as well as when are at their home countries

Different respondents from the research suggested that the delivery system should be improved by making it quick as possible as currently most of interviewed mentioned three days as a delivery period. Moreover, the delivery personnel have to be trained to at least be able to speak Basic English language in order to narrow or remove the language barrier gap when communication is done during the delivery process. In contrary, foreigners also have to make sure that they learn basic Chinese language so as to get benefited with many opportunities of online shopping in Taobao and other sites in order to minimize the communication barrier between Chinese speakers and foreigners.

Another area of improvement is the information given in the product description. As some respondents mentioned that some description like pictorial description doesn't resemble with the quality of the real product after the product being delivered. Most posted pictures portray high quality products to motivate a customer to buy. Taobao management should control sellers on this aspect in order to create trust, loyalty and satisfaction to customers as well as a trust to the website.

#### **6. Suggestion for further studies**

According to the research results, clothes appeared to be the most bought products, however the research left the information gap because there were no clear qualitative findings that show why most foreigners buy clothes on Taobao than other products as it is basically expected that university students would mostly buy learning materials (such as books) than the clothes. The research with wider sample is needed to be administered to reveal the actual reasons.

There is a mentioned claim that some foreigners prefer online shopping than traditional (store) shopping because they have experienced products price increase in traditional shopping and that the negotiation power of the buyer (foreigner) determine the final price that he/she can buy that particular product, however foreigners were not sure

whether this tendency to happen only to them or even to native Chinese customers. An empirical survey study with large sample have to be done to examine the validity and authenticity of this claim and provide clear suggestions in order to control the situation so that the traditional shopping should not lose its customers. Also during the interview some foreign students demonstrated that they have been using Taobao previously, but during this research they claimed that they are not using it anymore. The research is needed to figure out the reason behind this by analyzing the impetus factor and come up with attainable solutions. Also the research has to examine the future perspectives of foreigners towards Taobao and exhibit the important role of foreigners to strengthen Taobao and how Taobao can make their life better.

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