

The Analysis of SEO from Jumei Youpin's Crash

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Abstract. Jumei Youpin is the first and largest cosmetics group purchase website in China, with the rapid development of Jumei, the anniversary of Jumei fell into the "double crisis" of brand and reputation. Causes and solutions after the occurrence of crisis is the key, and the prediction of future cosmetics industry trends makes the growth of Jumei more healthy and stable.

Introduction

Jumei Youpin is the first and largest cosmetics group purchase website in China, with the rapid development of Jumei, at present, the Jumei has more than 300 million registered users, more than 80% of women buy cosmetics in Jumei mall, and it creates a miracle that group purchase mode transform into professional vertical B2C e-commerce website. In March 1, 2013, the anniversary of Jumei paid national attention to many consumers, the sales of website more than one billion within three days. But after a half month, the anniversary of Jumei fell into the "double crisis" of brand and reputation. So, why the Jumei which is the industry's best service standards fell into the "double crisis" of brand and reputation? After the crash of Jumei, how to take measures to make the recovery?

Background

The Jumei Youpin was born in March 2010, it is the first and largest cosmetics group purchase website in China. In December, 2010, the "Internet Weekly" organized by the Internet Economic Forum, Jumei was awarded the "2010 annual the most popular women's group purchase website," the Jumei in less than a year achieved the sales of 100 million. In 2011, the Jumei elegantly turned, self-built channels, warehouse and logistics, independent marketing cosmetics. Jumei use the form of vertical category to operate B2C female cosmetics website, it dedicated to provide users with better professional services and create alternative fashion shopping platform.

Purpose

Jumei Youpin as the cosmetics industry largest group purchase website in China, from its inception, one day sales less than 100 yuan to sales exceeded 20 million in December, 2010, and then sales exceeded 100 million in February, 2011. The amazing development speed of Jumei paid attention to the investment community, and it quickly gained over ten millions dollars of high investment at home and abroad, which makes the Jumei development path is very flat. With the arrival of the Jumei celebrated the third anniversary by various major well-known websites, the anniversary attracted attentions to many consumers in China, the website sales over one billion within three days. But after a half month, the anniversary of Jumei fell into the "double crisis" of brand and reputation: on the one hand, in the service, the collapse of logistics delivery is not timely, the customer cannot contact; on the other hand, the quality of goods, many customers questioned the website fake sound in an endless stream, for a time the Jumei pushed into the cusp of public opinion. Through the analysis of the Jumei Youpin "301 anniversary", we can find out the advantages and disadvantages of Jumei Youpin, as well as potential threats the company will face, and according to the results of the analysis to formulate corresponding solutions in order to promote the further development of Jumei Youpin.

The Situation of Related Research in China and at Abroad

Domestic Research Situation in China

With the development of electronic commerce in all walks of life, the cosmetics industry, e-commerce has also been an unprecedented development, according to an industry authoritative data show that China's cosmetics market will be to maintain an average annual growth rate of 15% in the coming years. At present, China has become the world's most promising cosmetics market, along with China's rapid and sustained economic growth in the cosmetics industry, China's national economy has become one of the fastest growing industries. The beginning of reform and opening up, China's cosmetics industry production sales is 3.5 billion. China's cosmetics production sales exceeded 100 billion yuan in 2006, the rapid growth of the cosmetics industry production sales, China sales of cosmetics as shown in figure 1 from 2006 to 2009.

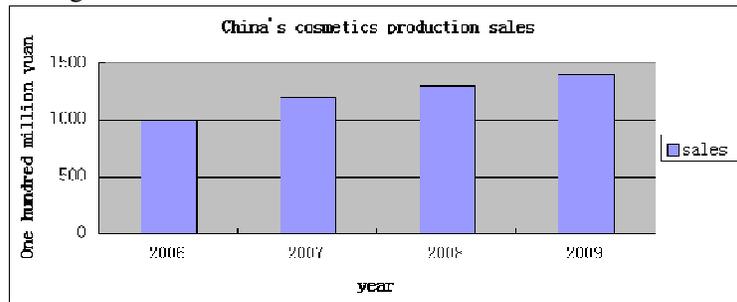


Figure 1. China's cosmetics production sales.

At present, cosmetics e-commerce model with its convenient, quick, simple, reasonable prices and other characteristics to win the majority of consumer recognition and affirmation, but the e-commerce mode from professional cosmetics market and product is safe, Taobao and Jingdong Mall and other independent B2C are worse than vertical e-commerce, Lasafa, the Jumei and Zhiwo has become the cosmetics vertical e-commerce top three what consumer recognized.

Domestic Research Situation at Abroad

With the global economic recovery and improvement, cosmetics industry is also stride forward growing a road. In recent years, the cosmetics industry, there are some new elements. From the perspective of the regional distribution of the cosmetics market, Asia Pacific, Western Europe, Latin America and North America occupied 85 percent of the market, from the statistics show that Latin America as the dark horse of the global personal care market, the region trend has an increase of 15percent in 2009; the Middle East because household savings habits, consumption ability is not affected, but also growth 13.1 percent; Eastern Europe markets fell, the situation was not optimistic; Western Europe due to product factors were mixed; North America showing negative growth, which sales decreased by 1.8 percent; Japan also showed negative growth in 2009, high-end products declined by 4.4 percent, make-up products fell 3.7 percent, it has experienced a year of deflation, product retail prices is lower, at the same time, the introduction of anti falls the goods market strategy; China region, the economic crisis did not cause too much impact on the cosmetics industry, the 8.7 percent rise in 2009, the sales reached 142.1 billion yuan.

Profit Model

Jumei Youpin is a use of group purchase in the form of the B2C website, it is also a professional women's cosmetics website, so its profit model is similar to the general website. The profit mode is divided into:

- 1) Direct sales of goods profits: the Jumei has its own supply, warehouse and logistics channels;
- 2) The cooperation business advertising revenue: cooperative businesses to advertise on the website, to win the advertising revenue;

- 3) Web trading commissions.

SWOT Analysis

Strengths Analysis

- 1) Perfect service system;
- 2) Long-term stable cooperative relations with buyers and suppliers;
- 3) It is the largest cosmetics group purchase website, it has created a model group purchase for the characteristics of B2C mall;
- 4) The outstanding members of excellent creative team lead by Chen Ou, Yusen Dai and Liu Hui, etc;
- 5) Strong funds and investment team;
- 6) With a strong operational capability and the first founders of the site endorsement, namely Han celebrity endorsements;
- 7) The 30 days unconditional return policy;
- 8) Quality assurance, the goods are official brand partner;
- 9) Professional inspection process to ensure the quality of product;
- 10) The good effect of word-of-mouth Center.

Weaknesses Analysis

- 1) Promotion for the population is not enough clear and propaganda should be strengthened;
- 2) Logistics system is not perfect;
- 3) The return process is complicated, inefficient and resulting in many complaints;
- 4) Customer Service is not perfect, there is no timely chat tool and the phone is always busy;
- 5) The occasional fake and the effect of corporate, the reduction of customer confidence;
- 6) Founded late;
- 7) The low loyalty of consumer.

Opportunities Analysis

- 1) The recent development of group purchase market, there is a large space for the future development;
- 2) Government supports to the e-commerce and clears the way for the group purchase industry;
- 3) Group purchase of commercial pattern is clear and quick profit, once it has the strong operation ability and market accumulated earnings, you can quickly achieve balance.

Threats Analysis

- 1) Industry is highly competitive, there have been considerable strength of new competitors;
- 2) The limited consumer groups;
- 3) Parts of the group purchase have already seized the market, it is very difficult for people to change spending habits;
- 4) Taobao and Baidu gradually adding group purchase, they will attract a large number of consumers.

Improvement Measures and Effect

The three anniversary of Jumei Youpin feedback activities in the March 1, 2013, Jumei has done enough publicity and all was ready, the Jumei is expected to have more than 4 million visits on the day, before the event began, the Jumei every day has 2 million daily visits. when the campaign began, poly beauty site visits from the previous 2 million before increased to about 40 million, the anniversary resulted in an instant the server crashes of Jumei, the country more than 50 percent users could not open the Jumei website. In the "301" day the orders is 100 times the usual amount, but the

load capacity of the largest gathering of only two times the usual, therefore, Jumei Youpin web server cannot carry millions of visits, and the site in advance expansion pressure is not completely ready to do promotional activities on the system to access technical level, there is no complete system expansion pressure access to promotional activities to the preparation, when too much energy and resources on the promotional activities to attract users, when the emergency plan does not take into account the full and perfect, enterprise and user communication channel is single, the large amount of order processing suddenly unprepared and predict enough, Jumei overestimated their own warehousing and logistics capability, the most fundamental problem is the founding team behind the company's development pace.

Table 1. Improvement measures and effect.

	Improvement measures	effect
Logistics	Upgrading the Jumei for each warehouse more than the original three times, fully upgraded picking, shipping and other processes	The Jumei will enhance logistics shipping rates and service levels
Services	It will develop a variety of customer service system, improve service levels and strengthen the technical level in the system construction. In order to compensate for the loss by the user during the crash, it will cut some of the goods and improve the quality of the user experience	It will make the user experience more convenient and smooth, enhancing corporate reputation and the user experience
The quality of goods	Authorization to the Jumei with the sales of cosmetics brands, each product has a corresponding numeric string of security codes, the user in your hand to genuine alliance website or cosmetics official input the numbers can judge the authenticity	Deal with the sale of fake voices of doubt, the Jumei to improve the reputation among consumers and lead to changes in the industry, so that more and more consumers are accustomed to buying brand has a security code

The Development Trends

With the growth of consumer demands and the growing global cosmetics market in the global cosmetics market, there are some new trends. From the development of the cosmetics industry at home and abroad can be seen, the global cosmetics industry is growing steadily, with the deepening of the global cosmetics market development, new trends in the global cosmetics market worthy of attention:

- 1) Products to be environmentally friendly, green and biodegradable. With the growing global environmental voice rising will be more and more cosmetic products derived from natural ingredients and raw material to appear on the market.
- 2) Products to the human body is absolutely safe. Cosmetics security not only to the health of consumers, but also to the survival of business and industry.
- 3) With the natural plants especially the efficacy of herbal ingredients have the potential to develop. The most advantage of China market, we has be richly endowed by nature conditions in the application of herbal medicine.
- 4) Anti-aging and sun will be a trend. At present, there is relatively stable and harmonious life, anti-aging skin and beauty have become increasingly demanding.
- 5) Efficacy of cosmetics will be good. Sunscreen cosmetics, cream, slimming, whitening, anti-acne, hair coloring, development of anti hair loss and other cosmetics is also essential.

Jumei Youpin can be combined with more than cosmetics online shopping trends and consumer spending trends, the safety and effectiveness of strict examination of co-branded products, in terms of quality of products strictly, only the product quality is guaranteed, to brand promotion and improvement in service, in order to retain old customers, but also through word-of-mouth effect and celebrity effect between consumers, to attract more new users. Jumei Youpin to occupy an important position in the development of China cosmetics business enterprise in the future.

Summary

With the open platform become business new a hotly contested spot, competitors will battle for resources between the brand, the price war may in the future become the norm. First, the Jumei is "Chen EC, "then the "301 anniversary", through the promotional activities, the Jumei Youpin found a lot of problems, such as: improve the website and server construction technology level, improve customer service system and improve the logistics system, upgrade, and commodity quality guarantee and public relations promotion and so on. By discovering and improving these problems, the development of Jumei will be more rapid and healthy. Of course, with all aspects of the system and a good reputation from perfect, there is concern about Jumei Youpin rising high user attention, site traffic and sales orders, high flow, high degree of concern is an important guarantee for the realization of e-commerce enterprises large sales. Marketing innovation will be driven by the business community as a Chinese e-commerce horse, Jumei in just three years to achieve completely single-month sales increased from 100 thousand to 500 million yuan breakthrough and qualify for the Tmall, Jingdong, Amazon and other B2C e-commerce first camp, firmly occupy the leading positions of China beauty category e-commerce first station, in the future development of the road can only continue to absorb the experience and recommendations, to the user as the first principle of expanding to other fields, to keep a good China beauty makeup class electric first station leader.

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