

IT'S TIME TO CHAT...EXAMINING THE CUSTOMER EXPERIENCE DURING AN ONLINE LIVE CHAT SERVICE ENCOUNTER.

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ABSTRACT

Many organisations are now providing customer service and related support online, mostly through 'live chat' (instant messaging) interfaces. Online support services are believed to offer organisations an efficient and cost-effective means of providing customer support, however we have little understanding on what influences a customer's experience during such a service encounter in this technological environment. This paper explores the customer experience during an online service encounter with a human service representative through live chat technology. The aim of this research is to understand the variables that can influence the customer experience during an online live chat service encounter.

KEYWORDS

Online Service Encounter, Online Customer Support, Live Chat, Online Customer Experience

INTRODUCTION

New technology continues to provide organisations with opportunities to enhance their online service delivery. Numerous organisations provide customer service and online support through instant messaging platforms, known as 'live chat' interfaces (McLean and Wilson, 2016; Turel et al, 2013). These services allow customers to seek service related information from an organisation via online-based synchronous media and a human service representative who provide answers through such media (McLean, 2017; Verhagen et al, 2010). Despite the environment, whether it be online or offline, organisations realise the importance of high quality customer service (Wang, 2011). Therefore, in an attempt to provide effective online customer service, online helpdesks and live chat functions are being adopted as customer service platforms (Chattaraman et al, 2012). Online support services such as live chat interfaces are

considered a cost-effective means of providing customer assistance, as there is the potential to increase customer satisfaction by providing instantaneous 24-hour access to service personnel, increase levels of trust, while also encouraging repeat visit (Etemad-Sajadi, 2014; Turel et al, 2013; Yoon, 2010; Yoon et al, 2008).

While live chat services have numerous potential advantages, the success of such facilities depends on the experience encountered during use. Typically, customers have various options when it comes to seeking customer service assistance, including face-to-face customer service, telephone and email (Gebauer, 2007; Turel and Connelly, 2013). In spite of this, many customers now prefer to use online live-chat facilities for service related questions such as inquiries about products, orders, shipping options and access to information (Turel et al, 2013; Chattaraman et al, 2012). Despite the usefulness of online live chat facilities in enhancing the service experience, research to further our understanding of the dynamics and influencing factors of this concept is scarce in the extant literature. Thus, understanding the variables capable of influencing a customer's service encounter with a live chat operator becomes exceptionally important.

LITERATURE REVIEW

According to role-theory (Solomon, 1985), individuals learn to expect a certain level of service in particular situations, as expectations are built on previous experiences (Brehm, 1966). Customers learn the role of service-receivers and service providers from offline encounters through repeated experiences and are therefore likely to expect similar behaviour during online service encounters (Turel et al, 2013). Thus, a customer's ability to communicate with a service representative during a face-to-face service encounter in the offline environment is often taken into the online environment. Therefore, customers expect to have the option to communicate and encounter a similar service in the online environment as they would in the offline environment regardless of technological restraints (Tomb and McColl-Kennedy, 2003).

Over recent years, many studies have focused on customers' perceptions of websites and the overall service quality, introducing E-Servqual (Parasuraman et al 2005), focussing on additional web factors such as privacy, compensation and contact. However, this study is focussing specifically on the online experience with a service representative through an online live chat facility. The online live chat facility provides customers instantaneous transmission of text-based messages from customer to service representative and vice versa. In this context, the technology is a

'platform' for the human service provider thus, some of the 'website' variables become less relevant in the service encounter with a live chat operator. Therefore, service quality dimensions from Servqual will be primarily discussed along with technological system dimensions derived from the Technology Acceptance Model (TAM) and two prominent variables from IS and Services Marketing literature namely, wait time and information quality.

During face to face service encounters, customers learn to evaluate aspects of service such as the reliability of the service representative, the level of assurance from the representative, empathy shown, and how responsive the service representative is to the situation (Parasuraman et al, 1991; Turel et al, 2013). Customers often conduct such evaluations to assess whether the service representative seems to care about the customer's situation (Steinmetz and Tabenkin, 2001). This however can be more difficult in the online environment due to the lean-medium that is relied on for communication (Daft and Lengel, 1986) as individuals using live chat services lack any facial or voice cues which are often used in the offline environment to assess emotions and intentions of service staff (Yogo et al, 2000). As a result, the use of emoticons may provide the feeling of authentic empathy towards the situation. Service receivers are more receptive of good-natured, understanding service staff. Thus, regardless of technological restraints, due to increasing service expectations it is important that service staff convey understanding and show empathy towards customers during a web-based live chat service encounter as we hypothesise:

H1: Empathy shown to customers through a web-based live chat facility will result in a positive customer experience.

H1b: The use of emoticons by a service representative will positively strengthen the relationship between empathy and satisfaction with the experience.

Moreover, through extrapolations (role learning) from the offline environment, customers expect service staff to provide reliable information that is current, relevant, accurate and complete. A customer's repeated service experiences teach them what to expect when in the role of a service receiver, either online or offline. Therefore, it is reasonable for customers of web-based live chat facilities to expect a service representative to provide reliable information. Reliability is a key dimension of Parasuraman et al's (1991) Servqual measurement of service quality. It is rational to think that reliability of the service

representative will play an important role in a web-based live chat service encounter. Therefore, we hypothesise:

H2: The perceived reliability of the web-based service representative will strengthen the perceived quality of information provided through a live chat facility.

Furthermore, customers expect service representatives to provide competent and trustworthy information that will satisfy their information needs (Flanigan and Metzger, 2007). Assurance from a service representative over the quality of the information is an important dimension of service quality (Parasuraman et al, 1991). Fogg (2003) highlights that the trustworthiness and perceived credibility of a service provider in the online environment is an important part of the information evaluation process. Supported by role theory (Solomon et al, 1985), customers learn to expect service providers to offer assurance over the service and information they provide in the offline environment, thus we hypothesise:

H3: The perceived assurance provided by a web-based service representative will strengthen the perceived quality of information provided through a live chat facility.

H4: Perceived high quality information provided by the web-based service representative will have a positive effect on the customer experience.

Research within the offline environment has shown that as wait time increases, satisfaction decreases (Davis and Volman, 1990; Taylor, 1994). Often coined as a benefit of live chat technology is the reduction of wait time, yet this has not been empirically examined. Resource allocation theory (Zakay, 1989) outlines that customers calculate wait time estimations during an activity. Individuals consider time as a scarce resource, which should be spent prudently (Jacoby et al, 1976). Therefore, customers often view the length of time spent waiting increases the investment that is required to be made to obtain the service and in return reduces the utility that can be derived from it (Berry et al, 2002). As discussed, a key dimension of Parasuraman et al's (1991) Servqual measurement of service quality is responsiveness. However, when customers are forced to wait longer than they perceive as acceptable, the service provider may be perceived as being unresponsive (McGuire et al, 2010). Reducing the perceived wait time appears to be important within the online environment (McLean and Wilson, 2016; Hong, 2013) thus we hypothesise:

H5: A responsive web-based live chat service representative will reduce a customer's perceived wait time.

H6: Customers who perceive to spend an appropriate wait time during a live chat service encounter will have a positive customer experience.

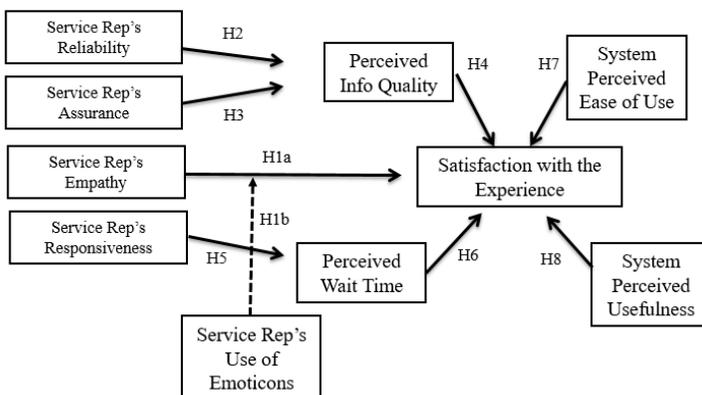
Technological factors of perceived ease of use and perceived usefulness have been herald as influential variables in influencing the adoption and use of new technologies (Kim et al, 2017). Further research highlights that such variables originally derived from the Technology Acceptance Model (TAM) have an impact on customer satisfaction (Rose et al, 2012). While a customer's interaction is with a human service representative, this service is provided within a computer-mediated environment and therefore technological factors may become influential on the customer's experience, thus we hypothesise:

H7: The perceived ease of use of the live chat facility will positively influence satisfaction with the experience.

H8: The perceived usefulness of the live chat facility will positively influence satisfaction with the experience.

Figure 1 outlines a graphical representation of our conceptual model.

Figure 1 Conceptual Model



CONCLUDING REMARKS AND NEXT STAGE OF RESEARCH

This research has proposed a conceptual model to be empirically tested which will aid in shedding light on the variables capable of influencing the

customer experience during an online live chat service encounter. An online questionnaire has been deployed in order to capture the data required to test the hypothesised relationships. Data collection comes from individuals in the UK that have used a mobile phone network provider's web-based live chat facility within 5 days of taking the survey. Mobile phone networks have adopted web based live chat facilities as one of the main methods of seeking customer support, therefore they offer an interesting context to study.

In total, 4 different mobile network providers' live chat facilities have been selected namely, o2, Vodafone, EE and Three. Each live chat facility is powered by various platforms, however, each live chat facility allows individuals to conduct two-way synchronous communication with a service representative. Due to the range of live chat facilities that are used in their natural setting for true customer support enquiries we are able to produce generalisable results. In order to analyse the data, we will use Structural Equation Modelling (SEM) using AMOS Graphics. The benefit of structural equation modelling is that the hypothesised model can be tested simultaneously in an analysis of the whole model of variables.

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