



# Retaining customers by utilizing technology-facilitated chat: Mitigating website anxiety and task complexity



Jingjun (David) Xu \*

Department of Finance, Real Estate, & Decision Sciences, W. Frank Barton School of Business, Wichita State University, Wichita, KS 67260, USA

## ARTICLE INFO

### Article history:

Received 4 October 2014

Received in revised form 5 December 2015

Accepted 29 December 2015

Available online 7 January 2016

### Keywords:

Performance

Enjoyment

Social presence

Intention to return

Website anxiety

Perceived task complexity

Technology-facilitated chat

## ABSTRACT

We examine how technology-facilitated chat moderates the effect of website anxiety on intention to return to a website, and alleviates the negative impact of task complexity on the three factors (performance, enjoyment, and social presence). We also investigate how website anxiety moderates the relationship between user perceptions of the three factors and intention to return, and how the three factors could be negatively influenced by task complexity. Among others, the results reveals that technology-facilitated chat moderates the effect of website anxiety on intention to return, and attenuates the negative effect of task complexity on user perceptions of the three factors.

© 2016 Elsevier B.V. All rights reserved.

## 1. Introduction

Customer retention is important to business success [80] and profitability [81]. Users' website anxiety [5,10] and shopping task complexity [64] are two of the barriers that might decrease customer retention. This study examines the role of technology-facilitated chat in mitigating the possible negative effects of task complexity and website anxiety on customer retention. The chat function leverages available communication media, such as instant messaging, to allow a firm's customer service employees to interact with customers "virtually." Some companies such as Dell.com and LandsEnd.com have provided technology-facilitated chat through their websites. Marketing research surveying e-commerce directors and online customer service decision makers shows that only 26% of respondents had already implemented live chat [56]. Among those implementing live chat, 74% of participants said that live chat had improved the quality of service and 73% claimed it had improved the conversion rate of products. Given that it is a unique service technology that can add a human element to the online service environment, it is important to investigate how the possible negative effects of task complexity and website anxiety can

be lessened by the implementation of technology-facilitated chat. The results of this study will be relevant to e-commerce companies or companies that provide online customer service and strive hard to retain customers, particularly those that have not yet implemented technology-facilitated chat.

In order to demonstrate the positive effects of technology-facilitated chat in retaining online customers (the key objective of the study), it is necessary to examine how customers' intention to return to a website is formed, and how it is influenced, directly or indirectly, by website anxiety and task complexity. Online customers' intention to return to a website is widely recognized to be influenced by their perceptions of performance, enjoyment, and social presence (hereafter referred to as the "three factors") in using a website (e.g., [67,23,51,52]). However, whether website anxiety changes the effectiveness of these three factors (or some of them) in influencing intention to return remains unknown. Although Internet users constitute 42.3% of the global population,<sup>1</sup> less than half have made online purchases.<sup>2</sup> This is because users are anxious with regard to using websites, as website anxiety is a major factor influencing people's use of websites [62]. Presumably, a user with a high level of website anxiety will be less inclined to return to a website. However, it is less obvious whether

\* Correspondence to: Department of Finance, Real Estate, & Decision Sciences, W. Frank Barton School of Business, Wichita State University, 1845 Fairmount St, Wichita, KS 67260, USA. Tel.: +1 316 978 6242.

E-mail address: [david.xu@wichita.edu](mailto:david.xu@wichita.edu)

<sup>1</sup> <http://www.internetworldstats.com/stats.htm>.

<sup>2</sup> <http://www.statista.com/statistics/261676/digital-buyer-penetration-worldwide/>.

the relative impact of each factor (perceptions of performance, enjoyment, or social presence) on users' intention to return to a website will be different for users with high versus low website anxiety.

Thus, we examine how website anxiety moderates the association between the three factors and intention to return. Its importance is three-fold. First, the moderating effect of website anxiety in this context has not been examined in the literature. Studies have examined the effect of anxiety in general [142] and specifically how computer anxiety directly influences usage intention [127], usage [20], and overall satisfaction [83]. Few studies have investigated the moderating role of website anxiety in influencing intention to return. Second, it will deepen our understanding of the phenomenon and demonstrate that the impact of these three factors on intention to return is not universal for all individuals. This will allow us to further understand the types of users (i.e., with low or high website anxiety) for which performance, enjoyment, or social presence best predict intention to return to a website. By incorporating this user characteristic, we can describe the dynamic nature of individual perceptions about websites [127]. Third, in terms of practical significance, this research can help online merchants develop strategies for customizing their website features to best fit the unique characteristics of their customers (i.e., with low or high website anxiety). With the prevalence of online business, it is important to explore the individual differences in customer website use [70]. All vendors deal with a degree of customer heterogeneity, and the degree of website anxiety is one of the key differences among customers that may then hinder website adoption [62]. Understanding how website anxiety moderates the effect of the three factors on intention to return helps website designers minimize the possible negative impact of that anxiety through the selection of improved remedial or even preventive treatments.

In addition, we examine the effects of perceived task complexity on the three factors. Previous studies indicate mixed results regarding the effect of task complexity. For example, in some studies, task complexity (manifested as the number or types of problems) was not found to have a negative effect on decision performance [63] and attitude [86]. Other studies, however, have shown that task complexity (manifested as the number of product alternatives) had a positive effect on users' decision confidence [125]. However, others demonstrated the negative impact of task complexity (manifested as task difficulty) on information technology usage habits [69].

In this study, we examine the effect of task complexity from the perspective of the number of product attributes, rather than the number of product alternatives, the perspective examined in most previous studies on Information Systems (IS) (e.g., [64]). This focus on the number of product attributes is more relevant to website designers. On one hand, online products have different levels of complexity, ranging from products with a small number of product attributes (e.g., pencil, watch) to those with a great number of product features (e.g., laptop, camera). The empirical examination of the effect of task complexity will enable website designers to consider whether or not to take steps to mitigate the negative effect of task complexity (if any) arising from products with highly complex features. On the other hand, the number of product alternatives in an online environment tends to be very large for each product, which makes this variable (i.e., product alternatives) constant and less relevant in influencing website designer's intervention.

Based on the above discussion, the following are the four research questions of interest:

(1) How does technology-facilitated chat moderate the effect of website anxiety on intention to return?

- (2) How does technology-facilitated chat mitigate the negative effect of perceived task complexity on the three factors?
- (3) How does website anxiety moderate the effects of perceived performance, enjoyment, and social presence on intention to return to a website?
- (4) Does perceived task complexity negatively influence each of the three factors?

The rest of the paper proceeds as follows: the next section reviews the literature. Section 3 develops the hypotheses. Sections 4 and 5 describe the research method and the data analysis, respectively. The final section discusses the theoretical and practical contributions of the study's findings and presents avenues for future research.

## 2. Theoretical foundation and literature review

### 2.1. Intention to return

We define intention to return as the idea that a user is inclined to revisit a website in future. Thus, it is similar to the concept of customer loyalty, which occurs after a consumer visits a website. However, it differs from usage intention, which refers to the degree to which a customer thinks he or she will use a website, which occurs when a consumer uses the website for the first time.

This study focuses on intention to return for four reasons. First, the behavior of returning to a website is important to the e-commerce firms, and intentions are immediate and strong predictors of actual behavior [3,4]. Second, customer retention is one of the most important aims for all online merchants [67] as it is a key driver of their financial performance [39]. It is regarded as an even more prominent factor in the survival of online businesses, as recommendations and support from loyal customers can be spread more quickly online as compared to offline [102]. Third, an increasing body of IS research has recognized the significance of intention to return [64,67,42,43,118]. The current study builds on this stream of research and focuses on intention to return. By examining the key factors and moderating factors influencing intention to return, this study provides researchers with a better understanding of the formation of intention to return for people with different levels of website anxiety. Practitioners can better manage their online presence to enhance these key factors appropriately, in order to achieve a higher level of customer retention. Finally, as the study participants will be first exposed to the experimental website, an examination of the intention to return to a website will be more appropriate in this study.

### 2.2. Utilitarian, hedonic, and relational factors

Motivations to engage in retail shopping include both utilitarian and hedonic dimensions [11,92]. "Utilitarian benefits" refer to the functional, instrumental, and practical benefits of consumption offerings such as website performance, while "hedonic benefits" refer to their enjoyment-related benefits [15,16,31]. Given the hedonic aspects of the Internet and web-based systems (e.g., [67,24,105,85,124]), and as online shoppers are motivated by both utilitarian and hedonic values, a shopping experience should account for more than just functional values [9] such as performance.

Perceived enjoyment has been considered an appropriate construct for capturing the hedonic perspective of service [11,65,72,139]. The construct of perceived enjoyment can also be derived from the flow literature [22], which describes "flow" as an affective state when individuals are involved in certain activities. In the context of computer-mediated environments, flow is used to represent a subjective psychological experience that

Download English Version:

<https://daneshyari.com/en/article/553700>

Download Persian Version:

<https://daneshyari.com/article/553700>

[Daneshyari.com](https://daneshyari.com)