The case of Amazon.com: towards a conceptual framework of online customer service experience (OCSE) using the Emerging Consensus Technique (ECT)

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Abstract

Purpose – The concept of online customer service experience (OCSE) has recently received great interest from academia and businesses alike. Despite the belief that providing superb online experiences will influence customers' online buying behavior, most of the research focuses solely on the controllable factors of the online experience. Based on its empirical findings, this article proposes a dynamic conceptual framework of online customer service experience, which incorporates the individual dimensions of the online experience according to the stage of the customer journey.

Design/methodology/approach – Using the means–end approach in 62 semi-structured interviews with a representative sample from three countries, and a new tool to elicit behavioral aggregation, the Emerging Consensus Technique (ECT), the author conceptualizes online customer service experience (OCSE).

Findings – The study identifies *functionality* and *psychological factors* as the two main dimensions of online customer service experience. *Functionality* encompasses the technical attributes of the web vendor, namely the sub-dimensions *usability, product presence, communication, social presence*, and *interactivity*. *Psychological factors* consist of the attitudinal based sub-dimensions *context familiarity, trust,* and *value for money*. The conceptual model extends and expands existing literature on online customer service experience models. In particular, the study identifies that the individual importance of the online customer service experience dimensions differ depending on which stage of the experience, namely prior to, during, or after the transaction the customer is in. Moreover, the study reveals the presence of one previously unexplored key component of the online customer service experience: *social presence*.

Originality/value – Using and validating a new tool of extracting elicit behavioral aggregation, the ECT, the study conceptualizes the online customer service experience, exploring previously unexplored key dimensions of OCSE. The model highlights the dynamic nature of OCSE by exploring the relative importance of each identified dimension in relation to the stage of the interaction, i.e. before, during, or after the transaction/purchase, between the customer and the service provider.

Paper type Research paper

Introduction

In only a few years the Internet has established itself as a tool that not only changed the way we communicate but also the way we do business. The Internet, a true global communication medium, has evolved as the primary source of information for billions of people. In the last 5 years the user numbers doubled worldwide, and for over 2 billion people the Internet is now a part of their lifestyle (Nielsen Online, 2010). Online shopping and e-commerce changed the face of the retail environment, impacting industries and markets in a variety of ways. A prime example of a business strategy based upon, and thriving from, the Internet is Amazon. Amazon conducts its business with its partners directly and exclusively over the Internet. In order to succeed, Amazon's business model calls "for extensive customization of their information system and business processes to accommodate customer requirements (and service experiences) on line" (Mahadevan, 2000, p. 6).

Originally, the comparable low-cost characteristics of the Internet, being a direct channel between a firm and customers with relatively low investment and maintenance costs, were considered the key drivers of online-based businesses success (Chang and Chen, 2008). Soon, however, because users (a) encountered technical problems, (b) found their transactions put on hold, the delivery of their desired products delayed, and their messages not responded to, and (c) that accessing information proved to be a daunting task, the perception of the Internet as a reliable distribution channel was put at risk (Beldad *et al.*, 2010). Subsequently, online-based businesses shifted their efforts towards improving the quality of the online services. In order to succeed in this endeavor businesses with an e-commerce presence had to understand what attributes contribute to the service quality online customers desire. This online management paradigm shift is similar to an offline management shift from product brand to service-based relationship marketing (Klaus and Maklan, 2007; 2011). The Internet triggered another shift by advancing service-based relationship marketing from its initial database orientation into mutual and interactive experience-driven relationships with customers (e.g. Payne and Frow, 2005). Maklan and Klaus (2011) conclude that there is a need for new strategies and practices capable of addressing the challenges businesses are facing today in an emerging connected world which is not only more interactive, but community-centric rather than company-

centric, and supported by the increasingly 'rich data' on the Internet". Subsequently, an emerging paradigm reflecting this focus is proposed by marketing researchers – the customer service experience (e.g. Lemke *et al.*, 2011). Researchers state that customer experience plays a significant role in shaping positive attitudes and influencing customer behavior (Demangeot and Broderick, 2006).

Exploring the customer experience, in particular using online channels, is of increasing importance to businesses and academia (Verhoef *et al.*, 2009). Research exploring what constitutes the online customer experience – considered one of the hot topics for Internet marketing research (Schibrowsky *et al.*, 2007) – is, despite evolving from its stages of infancy (Boyer and Hult, 2006), still in need of further exploration (Trueman, Cornelius and Wallace, 2012). Previous studies indicate that the creation of compelling online experiences for web users will have numerous positive impacts for online retailers (Dholakia *et al.*, 2004). Researchers consequently call for the development of customer experience frameworks to understand the customer service experience in a single context (Lemke *et al.,* 2011), and in particular in online environments (Bolton and Saxena-Iyer, 2009).

With 2 billion Internet users worldwide, and 41 per cent of these users buying books online, the Internet is an essential part of the book supply chain (Nielsen, 2010). In 2010, online sales in the United States alone represent a market worth approximately 12 billion US$ (ITU, 2010). Our study of the online book market therefore allows a sufficient exploration and development of a corresponding online customer service experience (OCSE) framework capturing both browsing and goal-orientated behaviors (Barnes and Vidgen, 2001).

The aims of our paper are threefold, namely (1) we aim to explore what constitutes OCSE in our chosen context, (2) based on these findings develop a conceptual framework of online customer service experience (OCSE), (3) and explore the dynamic nature of OCSE by allocating OCSE dimensions in terms of importance according to the stage of the interaction between and customer and service provider.

This paper is laid-out in the following way: First, we introduce, summarize and synthesize the existing literature on offline and online customer experience. Next, we

explore what constitutes the emerging OCSE definition through the means of a qualitative study. Then we report the findings of our study, introducing a conceptual OCSE framework, and explore its dynamic nature. Finally we discuss the study's findings, their implications for theory and practice, limitations and future research directions.

Offline customer experience

Companies today focus on creating customer loyalty and a competitive advantage by creating favorable customer experiences (CE) (e.g. Badgett, Boyce and Kleinberger, 2007). Johnston and Clark (2008) posit that CE is receiving greater attention as a business driver anda key strategic objective for companies. Some companies have developed a customer experience strategy to emphasize the strategic importance of experiential based value. Berry *et al.* (2002, p 88), state "customers always have an experience – good, bad or indifferent – whenever they purchase a product or service from a company". Vargo and Lusch (2006) posit experiences are not only associated with hedonic consumption but also part of utilitarian value. Therefore companies, rather than simply developing and offering products and/or services, aim to design and communicate value propositions in order to create memorable favorable CEs. Despite identifying the CE concept's importance for organizations, the focus of traditional service marketing literature has been the measurement of customer satisfaction and service quality (Verhoef *et al.*, 2009). At present, various scholars are challenging the use and adequacy of the current definition of service quality (e.g. Seiders *et al.*, 2005), its usefulness, and its corresponding measures (Schembri, 2006), arguing that CE is the key determinant of service quality evaluation.

Whilst many scholars and practitioners acknowledge that experience should be the new focus of managerial attention, they are less unified on both its accurate definition and its constituents. Service marketing literature concerned with the theoretical construct of customer experience is limited, and founded on the belief that CE is a summation of all the clues that contribute by some means to an overall experience (Mossberg, 2007). This conceptualization of CE has been investigated only recently, highlighting the *holistic* and *total* nature of the CE. Verhoef *et al.* (2009) suggest that the CE is of a cognitive, social, affective, and physical nature. Their often-cited model of customer experience creation suggests that the determinants of the CE

include the following elements: social environment; service interface; retail atmosphere; range of products; price; customer experiences in alternative channels; and the retail brand. Verhoef *et al.* (2009) state that the situation of the CE (e.g. type of store, location) and the consumer themselves (e.g. attitudes, task-orientation) can moderate the overall CE. This model also reflects the work of other researchers, proposing the *holistic* nature of CE as the customer's response to all direct and indirect encounters with a company (e.g. Gentile *et al.*, 2007). Verhoef *et al.*'s (2009) framework, while quite comprehensive, fails to provide empirical evidence, and researchers call for empirical studies exploring what constitutes the CE in different contexts.

Online customer service experience

Exploring the link between the customers' perceptions of the online and the overall quality of service has been the traditional focus of online academic studies (e.g. Gallero *et al.,* 2006). However, just as in services marketing research, this focus is shifting towards exploring the online CE (Nambisan and Watt, 2011), This shift is triggered by the evolution of the originally static nature of e-commerce sites towards a more dynamic and interactive nature. Researchers posit that providing superb online experiences will positively influence the customers' online buying behavior (e.g. Bridges and Florsheim, 2008).

Different frameworks of the web experience have been proposed – in particular, the concept of flow has received wide scholarly attention as a possible way of defining the nature of compelling online experiences. According to Novak *et al.* (2000, p. 24), "Flow on the web is a cognitive state experienced during online navigation that is determined by high levels of skill and control, high levels of challenge and arousal and focused attention, and is enhanced by interactivity and telepresence". Several studies suggest that flow is a practical way to understand consumers' interactions with web sites (Smith and Sivakumar, 2004). However, the usefulness of the flow concept in goal-directed circumstances (e.g. buying books online) has been called into question (Hoffmann and Novak, 2009). Demangeot and Broderick (2006) suggest that consumers' perceptions of purchasing online are strongly associated with the traditional shopping activity. However, online customers should not be perceived as just shoppers, but also as visitors and information technology users (Cho and Park,

2001). We posit therefore that OCSE is more complex than the traditional shopping experience (Constantinides *et al.,* 2010). Parasuraman *et al.* (2005) proposed a scale of e-service quality, which suggest dimensions of online service quality. The aim of our study is however, to explore the CE, which, be definition goes beyond the construct of service quality (Klaus and Maklan, 2012). The online customer experience research focal points are controllable factors influencing the experience (Constantinides, 2004), i.e. searching, browsing, finding, selecting, comparing, and evaluating information, as well as transacting with the online service provider (Li and Suomi, 2009). Constantinides (2004) summarizes the majority of this literature in three dimensions, namely functionality, psychological factors, and content factors. This framework is based on a literature review, and lacks empirical validation. According to Weinreich *et al.* (2008), we still know surprisingly little about the way people interact with the Internet. For example, there is no clear and agreed definition of the experiential elements of web sites (Demangeot and Broderick, 2006). Research submits that existing CE and OCSE conceptualizations, while comprehensive, might vary between contexts. In a subsequent study, validating the different dimensions of customer experience Klaus and Maklan (2012) explored that, despite being advocated by researchers, the influence of peer-interactions and the role of the brand could not be validated as a factor of the customer experience. Customer experience is, by definition, context-specific, i.e. will vary between contexts (e.g. Maklan and Klaus, 2011) and needs to be explored subsequently in a context-specific setting (see e.g. Lemke et al., 2011). Moreover, researchers advocate that to explore a relatively new construct, such as customer experience (Verhoef et al., 2009), context should include only one type of purchase, because the validity of repurchase intentions varies significantly across contexts (Chandon et al., 2005) and a single setting is more likely to produce significant results than a study across many settings (Darby and Karni, 1973; Sharma and Patterson, 2000). Moreover, research argues that OCSE, like the offline CE might be of dynamic nature. Scholars posit that companies could benefit from exploring the dynamic nature of the OCSE according to the stages of the customer journey (Voss et al., 2008). The challenges outlined above led to a call of the literature for empirically derived frameworks looking at the OCSE in (a) a more holistic fashion from a customers' point-of-view, (b) taking into account both browsing and goal-orientated behaviors (Barnes and Vidgen, 2001), and exploring the relative importance of the experience attributes according to the stage of OCSE (e.g.

Jin and Park, 2006), in one specific context. In the following sections we discuss how the study addresses this research gap.

Based on research reviewed and summarized above, we define the emerging OCSE concept as follows:

> "OCSE is the customers' mental perception of interactions with a company's value proposition online. These mental perceptions in turn drive a set of outcomes, namely benefits, emotions, judgments (including perceived value) and intentions."

To explore the phenomenon of interest and develop a conceptual framework of OCSE the theoretical framing above will guide an empirical investigation described in the following section.

Method

In order to discover the meaning and domain of OCSE, the study features a three-step method. First, to articulate the meaning and the domain of OCSE, the study explores the perceptual attributes of the customer's experience through in-depth interviews using the soft laddering technique (Botschen *et al.,* 1999). Next, we code and purify the data, incorporating a systematic comparison approach and hierarchical coding to ensure that we observe all the data thoroughly and explore all its dimensions (Strauss and Corbin, 1990). Finally, the emerging dimensions were the scrutinized by a panel of judges using emerging consensus technique (ECT).

The laddering technique is the standard method for assessing cognitive structures within the means–end paradigm (Reynolds and Gutman, 2001). During the laddering process, interviewers ask probing questions to reveal structural relationships between attributes (means), consequences and personal values or goals (ends). Interviewees shared their individual experiences with the online book shopping at Amazon in a sequential order. The interviewees described their OCSE starting from searching for the information needed, through evaluation of the information, followed by their choice, the transaction, and evaluation of the outcome. The links between attributes of

OCSE and service outcomes (consequences) are means–end chains (Reynolds and Gutman, 1988). We achieved data saturation (Glaser and Strauss, 1967) after conducting individual in-depth interviews with 62 interviewees from 3 different countries, each interview lasting between 30 and 75 minutes. Interviews were conducted with 22 customers in the United Kingdom, 20 customers from the United States, and 20 customers from Sweden. These three countries were chosen on the basic of theoretical reasoning and to avoid possible cultural biases (Silverman, 1996). All three countries fall into Hofstede's "small power distance/high individualism" category (1984), displaying similar cultural values, which enable a higher than average Internet penetration (ITU, 2010), essential for this study. The economic strength and wealth of these countries strongly predicts their population's adoption of new technologies (Hargittai, 1999) – another key factor for the study. We conducted the interviews at a pre-arranged location either at the respondents' home or work place, depending on the interviewees stated preference. The interviews were transcribed and independently coded by three marketing researchers. Coding follows the grounded approach described by Ryan and Bernard (2003), which draws heavily from Strauss and Corbin (1990). We start with open coding within the interviews and extend the analysis to axial coding to compare between interviews. We incorporate a systematic constant line-by-line comparison approach and hierarchical coding exploring repetitions, similarities, and differences (Charmaz, 2000). This ensures that we observe all the data thoroughly and explore all its dimensions. This coding approach keeps the researcher focused on data rather "than theoretical flights of fancy" (Ryan and Bernard, 2003, p. 91). It posits that categories are the classification of more discrete concepts. According to Strauss and Corbin (1990), "this classification is discovered when concepts are compared one against another and appear to pertain to a similar phenomenon. Thus, the concepts are grouped together under a higher order, more abstract concept called a category" (p. 61).

The exploratory research was undertaken to investigate customer experiences and episodes purchasing books from Amazon.com from a customer's point of view. The study is based on participants' experience and explores their perceptions when considering the different stages involved in the experience before, during, and after their purchase – an approach advocated by other CE studies (e.g. Voss *et al.*, 2008). The 62 volunteer participants were recruited through social network sites (e.g.

Facebook) of the research team, and no incentives for participation were offered. All participants had used Amazon extensively in the past (4.5 years on average), and purchased an average of 6.5 books in the 12 months prior to the interview, qualifying them as "a judgment sample of persons who can offer ideas and insights into the phenomenon" (Churchill, 1979, p. 67).

Demographic profiles of the respondent samples were reviewed by managers of Amazon and considered to be representative of its customer base (Zeithaml *et al.,* 1996). Appendix A contains descriptive profiles of samples. The samples are analogous, and a χ^2 test revealed that the samples do not differ significantly in terms of age, gender, educational background, or household income. A transcript of a sample interview is attached as Appendix B.

The initial categorization of all attributes was the outcome of an extended workshop involving the primary researchers. Each member of the research team named and defined every attribute of OCSE based on their individual coding results. In a subsequent stage, researchers discussed differences in their attribute categorization and agreed on revised attributes and dimension definitions. Some attributes appeared in more than one interview. The researchers examined transcriptions and individual codes to identify such repetitions and define standardized attribute names, resulting in a coherent coding structure. This analysis generated a pool of 30 attributes in 7 dimensions of OCSE.

To maximize the content and face validity of the dimensions generated from the exploratory research, we developed the Emerging Consensus Technique (ECT), which draws on the grounded exploratory approach (e.g. Strauss and Corbin, 1990) and the Q-sorting technique (Funder *et al.*, 2000), and is based on utilizing a panel of expert judges. ECT allows the researcher to develop a validated, clear, and concise labeling of attributes, dimensions, and their individual allocation in the conceptual framework of the phenomenon of interest, employing multiple experts and a combination of behavioral (emerging consensus) and mathematical methods, as recommended in the literature (O'Hagan *et al.*, 2006). The expert panel comprised seven marketing academics familiar with the subject of (online) customer experience.

Employment of the ECT follows six steps: (1) attribute labeling and describing; (2) attribute label and description selection; (3) advanced attribute label and description selection; (4) dimensions and sub-dimensions reliability testing; (5) attribute validity testing; and (6) model readability and applicability testing, described in more detail as follows:

1. First, the panel judges were individually presented with the quotes corresponding to the attribute originating from the categorization procedure outlined above. The judges received the quotes in sequential order on one card for each attribute and were asked to name and define each attribute based on the information provided, i.e. the original quotes from the coding references.

2. Next, the judges were shown the original quotes for each attribute, the names and descriptions for the attribute given by them, and the names and descriptions for the attribute given by the research team. Each of the judges was then asked which of the two names and which of the two descriptions fitted the data better. Based on their judgment, a name and description for the attribute was noted.

3. In subsequent sessions, the judges were given all possible names and descriptions for the individual attribute, together with the original quotes used to label the attributes. The judges were then asked to choose the one most applicable to the name and description of the attribute. The research team then compared the findings and selected the names and descriptions emerging from the judges' feedback. In order to qualify, a name or description for an attribute had to be selected by at least three of the four judges.

4. Using the Q-sort technique (Funder *et al.*, 2000), each attribute in the initial pool was printed on an index card and each panel member was asked to create dimensions and sub-dimensions based on the similarity representing aspect of the customer experience. It was up to the members to decide on the number of dimensions they used and to find appropriate labels and descriptions of the dimensions. The proportion of agreement among the judges was high, demonstrating high reliability. Interrater reliability was calculated with Spearman correlation coefficient between the judges' assessment and was $r = 0.85$, $p < 0.05$. The sorting procedure (Moore and Benbasat, 1999) generated two main dimensions, with eight sub-dimensions, and 28 attributes of the OCSE. Two

attributes were dropped because a number of judges identified them as being too ambiguous to fit into the emerging dimensions.

5. Next, three marketing academics familiar with the research were given the conceptual description of the two main dimensions and eight sub-dimensions and asked to rate the 28 attributes as either "very applicable," "somewhat applicable," or "not applicable" relative to the respective dimension. Attributes needed to be rated at least as "somewhat applicable" to be retained. This procedure resulted in retaining all the attributes, main dimensions, and sub-dimensions.

6. Finally, three CE managers and two marketing researchers reviewed the readability and applicability of the dimensions and corresponding attributes, confirming the conceptual model (see Figure 1). Brief descriptions of each attribute and sub-dimension are given in Appendix C.
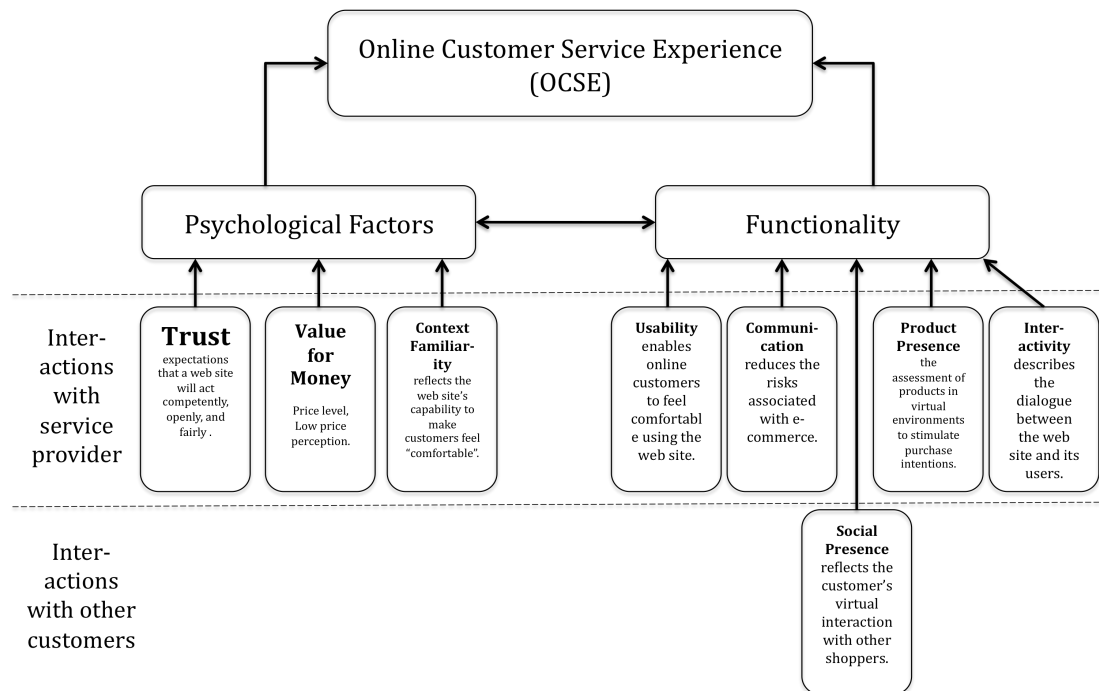

Figure 1 Conceptual model online customer service experience (OCSE)

In a subsequent workshop the research team explored the importance of the validated dimensions according to the individual stage of the customer experience. We examined all transcriptions and individual validated codes to identify the presence of the attributes and dimensions in relation to their being discussed prior to, during, or after the purchase/transaction. After allocating the dimensions accordingly, we examined the dimensions further in order to define the stages more precisely based on

the well-cited work of Bowman and Faulkner (1997) on consumer behavior, into the following: starting from searching for the information needed, through evaluation of the information, followed by their choice, the transaction, and finally the evaluation of the outcome of OCSE. Each category was named and defined. An inter-coder reliability index of 92% was computed, showing the level of agreement of the categorizations and dimension allocation.

Findings

The study identifies 28 attributes of OCSE, categorized into two main and eight sub-dimensions. The two main dimensions are *functionality* and *psychological factors*.

Sub-dimensions of the *functionality dimension* are associated with the technical performance of a web site and are essential service parts enabling users to have their requirements met. These are usability, product presence, communication, social presence, and interactivity.

1. *Usability* relates to attributes that enable online customers to feel comfortable using the web site, such as perceptions of site speed, ease-of-use, and hyperlink design. These attributes are directly and profoundly influencing the online consumer's experience. Customers have clear expectations that the web site should provide users with basic features effective in helping them to achieve a specified goal. Consistent with this view, the findings suggest that the greater the perceived usability of the web site, the greater the likelihood of electronic exchange. As one respondent states, "A lot of people are scared of buying online but here is super simple, the search capability is amazing and makes things easier." The findings provide evidence that the effectiveness and efficiency of the web site have an impact on both customers' intention to use the web site again and whether they will recommend it to others. One interviewee mentions, "If the web site is difficult to use, I leave. If the web site is hard to read, I leave. Now, if the web site is the opposite of these, it is very likely am going to buy something."

2. *Product presence* represents the requirement to assess products in virtual environments and subsequently stimulate purchase intentions, such as image interactivity, and additional access to content ("look inside" feature). This was evident from quotes such as "The option to 'click to look inside' is very nice and

it actually makes me feel like I am in the store," and "If I cannot actually touch the book, I, at least, want to take a peak, and see if I like it." In order for customers to perceive the presence of a product, the web site will need to offer users options to interact and manipulate visual images of a product, an important aspect of OCSE.

3. *Communication* describes attributes reflecting the customer's perception on how communication reduces the risks associated with e-commerce, such as follow-up and transaction confirmation messages, similar to what traditional service marketing literature describes as reassurance in customers' perception of service quality. Interviewees considered delivery acknowledgment as an important attribute, since it reduces the uncertainty associated with online purchasing. One interviewee summarized the importance by stating that "I am expecting a confirmation email. This gives me a sense that I am dealing with someone else apart from the computer."

4. *Social presence*, a previously unexplored dimension of OCSE, constitutes attributes reflecting the customer's virtual interaction with other shoppers through comments, product reviews, and social media linkages. This dimension was often cited with reference to its impact on the purchase decision process, in particular in the information search and alternatives evaluation stages, evident by quotes such as "Reading customer reviews is really helpful because it gives me more information about the book or product, but it is also interesting to know about the experiences of other people using the product." The ability to explore experiences of other customers helps other customers to overcome the unfamiliarity and lack of physical presence associated with online interaction, one interviewee makes a point that, "(He) trusts other users more than advertising". Consequently, the findings suggest that social presence positively impacts important customer experience outcomes, such as perceived trust, usefulness, and enjoyment of the interaction, as one respondent states, "It's great to talk to other people that share your passion".

5. *Interactivity* describes the influence of the dynamic dialogue between the web site and its users, and vice versa. Whilst some participants stated that the level of customization and personalized services are functional attributes and are required to fulfill basic requirements, evident by quotes such as, "Of course, their recommendations should match what I am looking for, these are the basics,"

others believe that the level of personalization can enhance the OCSE and contribute towards saving time when purchasing online. This is manifested in citations such as "The fact that Amazon already knows my personal information feels nice and saves time. It makes shopping online a much better experience."

Customers consider the attributes of the *functionality dimension* as the basic elements of a web site, and an essential part of their OCSE. The findings confirm existing research and the positive and negative impact these functional attributes have on the customers' online experience and their purchasing and word-of-mouth behavior.

The *psychological factor*s' dimension and sub-dimensions play an important role in overcoming customers' resilience to using online channels due to the lack of familiarity with the brand, the channel, or the absence of a physical presence linked to the web site. This dimension is composed of the sub-dimensions context familiarity, trust, and value for money. These attributes can act both as barriers and enhancers of online purchases.

6. *Context familiarity* refers to a web site's ability to create an OCSE similar to that of buying in bricks-and-mortar stores. This dimension was reflected in a number of attributes, such as the visual representation of the online shop and consistency in style throughout the different sections and pages of the web sites, manifested by statements such as "Everything (on the website) shall be coherent and displayed consistent".

7. Physical distance, lack of personal contact, and the anonymity of the Internet are often cited as factors discouraging customers' use of online channels. Organizations must not underestimate the importance of the sub-dimension *trust* as a web experience element. Attributes such as the incorporation of uncertainty-reducing elements, one interviewee refers to, "explicit guarantees and terms make me more likely to buy there", the use of domain names, and the display of foreign elements are identified as important elements of OCSE. And these elements can help to reduce the uncertainty associated with purchasing in online environments. One interviewee posits, "For me, it is important to see the signatures at the bottom saying that the site is safe."

8. The sub-dimension *value for money* reflects how customers perceive the Internet as a channel offering "better value" in comparison with physical stores. More than one interviewee state that, "buying online is always cheaper". A number of participants reported that purchasing desired products at discounted prices was emotionally significant and contributed towards a positive experience. One interviewee recalled a specific event, stating, "My great experience is one that I find the book I want straight away, and it has a huge discount."

The data revealed another key finding – the variation of individual dimensions of OCSE in terms of importance. The study not only finds evidence that the importance of the dimensions varies, but adds a dynamic aspect to the construct of OCSE by connecting the dimensions to different stages of the customer journey. In particular, the study reveals which dimensions are more relevant during these sequential stages of the customer journey: search for information; evaluation of information; choice; transaction; and evaluation of outcome. These stages of OCSE can also be aligned as three stages of prior to, during, and after the purchase (see Figure 2). This confirms the notion put forward by Voss *et al.* (2008) that customers evaluate their experiences by the means of the customer journey, which is described as the customer's sequence of touchpoints with the firm in buying and obtaining service. This study supports this notion and adds an even more detailed view on which part of OCSE is weighted higher according to the state of the buying process – prior to, during, or after the interaction/transaction occurs (see Figure 2). It also establishes a link between the influences of the individual dimensions of OCSE according to the interaction sequence.
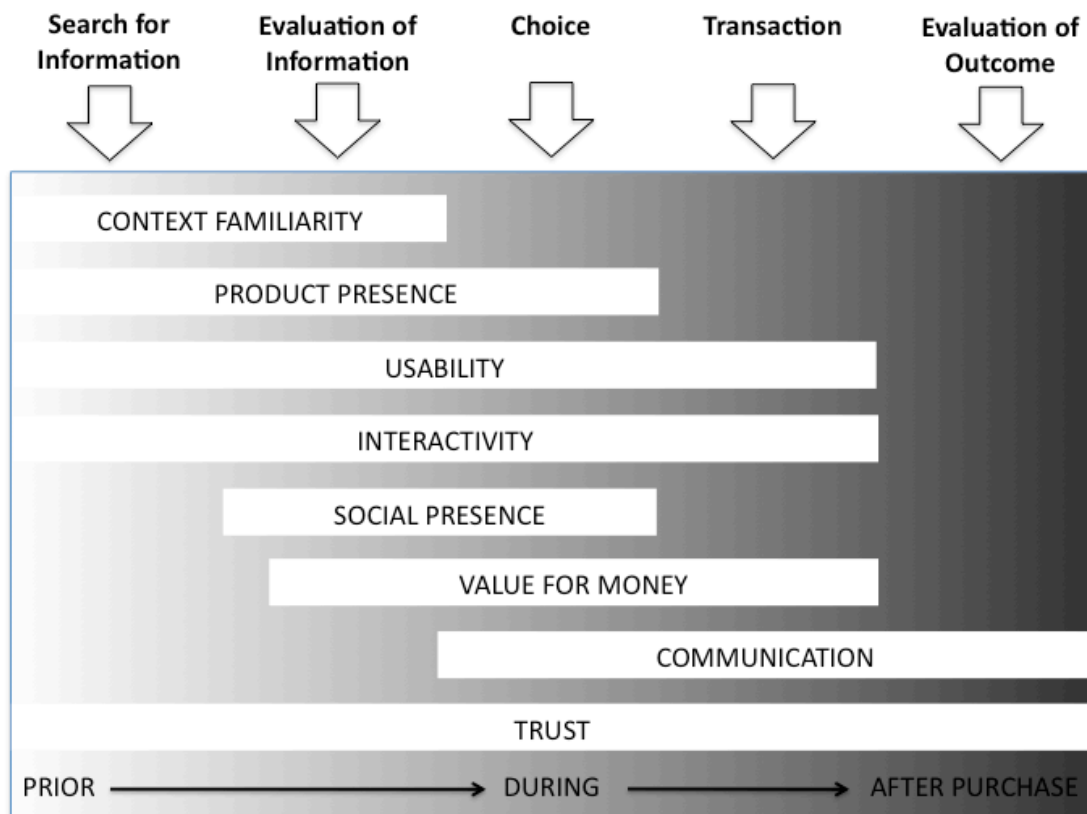
Figure 2 Dynamic model online customer service experience (OCSE)

Based on these findings we define OCSE as follows:

"OCSE is the customers' overall mental perception of their interaction with the online service provider and other customers expressed in its dimensions *functionality* and *psychological factors*. The overall OCSE mental perception and its relationship to the customers' value perception drive their subsequent purchasing and word-of-mouth behavior. The distinctive importance of each OCSE factor, and contribution to the experience overall evaluation is of dynamic nature. The factors' importance varies according to the customer's interaction stage with the service provider."

Discussion

The study introduces a conceptual model of online customer service experience (OCSE). The functional attributes describe what enables online customers to feel

comfortable using a particular web site. A usable web site is considered to be one that allows visitors to accomplish their desired goals efficiently and simply. Although online customers are not able to physically touch products, they still require assistance experiences to assess products in virtual environments in order to stimulate and manifest their purchase intentions. Another key building block of the *functionality dimension* of OCSE is communication. *Communications* can significantly reduce the risk perception associated with e-commerce. Just as in the offline world, customers expect a certain degree of interactivity in terms of personalization and responsiveness once they establish a relationship with an online service provider (Eroglu *et al.*, 2003). The study emphasizes the importance of *social presence*, a previously undiscovered dimension of OCSE. The ability to facilitate social interactions through the means of platforms such as customer reviews positively influence user trust and intentions in online environments, enhancing the credibility of the online service provider (Bagozzi, 2000). Kwortnik and Ross, (2007) identify that advice given by other customers or peer groups of potential customers influence the overall service experience. *Trust* in the online environment is of the utmost importance, and the fact that it is the only dimension influencing the customer experience throughout all interactions, before, during, and after the purchase/transaction, highlights this fact. The findings suggest that purchasing a desired product at a discounted price adds hedonic value, which in turn enhances the experience of customers (Klaus and Maklan, 2011).

The OCSE model sheds some light on the role of sensory experiences in online shopping behavior. The study indicates that sensory experiences, especially during the search and choice evaluation phase of the experience are a crucial part of the CE.

The study demonstrates that customers' perceptions in the experiential dimensions of online purchasing are, to a great extent, associated with the context of the shopping activity. This indicates that customers expect their experience to be closer to a physical shopping experience. For example, *product presence* plays a key role in allowing users to manipulate products, while *context familiarity* and *usability* are fundamental to convey store positioning, and web site *interactivity* serves as a shop assistant by responding effectively to customer needs. This confirms prior research that OCSE should be viewed first and foremost as a shopping experience (Cho and

Park, 2001). Our study extends this stream of literature by highlighting in which stage of the interaction these dimensions are of a critical nature.

The study reveals that all dimensions of OCSE are strongly connected to the temporal aspect, i.e. the stage and episode (see Figure 2) of the experience, indicating that OCSE consists of different stages of the buying process – before, during, or after the interaction/transaction occurs.

Research contribution and managerial implications

The findings indicate that customers evaluate the online customer service experience at an overall level (OCSE), a dimensional level, constituting *functionality* and *psychological factors*, and a sub-dimensional level, encompassing of 9 dimensions, namely usability, product presence, communication, social presence, interactivity, context familiarity, trust, and value for money. The study explores new dimensions constituting the customer experience in online environments, namely *social presence* and *product presence*. This supports the assertion that customer experience generally, and in online environments in particular, is a dynamic and evolving subject (Constantinides, 2004). Online customers value status reports of their order's progress transaction/delivery as a foundation for developing a relationship with the service provider. Subsequently, service providers should design processes ensuring that the customers' perception of this part of the experience is met. For example, customers find it particularly useful if confirmation emails include a link to the logistic provider with an option to receive automatic email updates once the shipping/delivery status of their order changes. The *social presence* dimension indicates that the increase of social networks on the Internet can influence and shape attitudes and beliefs towards online purchasing. This dimension is important for marketers because it indicates the strong influence of other online members in the customer's decision process. While the service provider cannot control the individual contribution of other members/customers/users, this study clearly indicates that additional information and features are appreciated by customers and lead to their willingness to build a relationship with the service provider. Therefore service provider should engage and manage these interactions by offering access and direct links to dedicated websites and social networks catering to the needs of their customers. This appreciation of the

feature during the choice and evaluation of choice stage was high no matter whether the comments were favorable or unfavorable for the purchase item in question. Therefore, online service providers are encouraged to offer these peer-review-driven components due to their long-term positive impact on the overall OCSE. These features and the consistency of features drive a feeling of convenience. If customers perceive the shopping environment as familiar, they are not only more likely to choose the familiar online environment over others, but also to spend more time in this familiar environment. Thus, consistency in all communications is important, for example customers find it desirable if the layout of service provider email communication resembles the layout and features they are used to from the website. Finally, although online customers are not able to physically touch products, they still require features assisting them in assessing products in virtual environments. This indicates that with the development of new technologies, marketers should offer new, more interactive ways to showcase their products. Additional features, such as videos demonstrating the actual use of products, or "look inside" features, giving the customer a feeling of what the product will look like, or giving them an opportunity to read more than just the cover, as they will in an offline bookshop, are highly appreciated.

In summary, managers should consider OCSE as an important strategic objective. Based on the attributes and dimensions of OCSE, we believe that the findings are of particular relevance to other online retail and business-to-customer services.

Concluding remarks, limitations, and suggestions for further research

This study proposes a new conceptualization of online customer service experience (OCSE). In particular, the study explores the online customer experience in a more holistic fashion, takes into account both browsing and goal-orientated behaviors , and explores the relative importance of experience attributes according to the stage of OCSE. The study highlights the importance of the individual dimensions in relation to the stage of the customer experience, namely prior to, during, and after the purchase. The research expands and extends current online experience research and existing frameworks, and broadens our understanding of how customers perceive their OCSE and how these perceptions in turn drive consumer behavior. Moreover, it introduces

one formerly unknown dimension and its influence on customers' evaluation of OCSE, namely *social presence.*

The study focuses upon a particular service setting with a sample of repurchasing customers in three countries. Whilst it seems reasonable to suggest that these findings will extend to similar service settings, this remains to be researched. This study does not assess cross-industry differences in consumers' assessment of service experience. Data reviewing cross-industry differences would provide more confidence in the dimensions we present and ultimately could be used to build industry-specific benchmarking tools. Repeating the study with longitudinal data would strengthen claims for our conceptual model with respect to observed consumer behavior. Given the increased use of other devices to access the internet, such as iPads and smartphone, future research should explore if, and if yes, how these devices influence OCSE.

ECT, introduced for the first time in this study, has proved to be a flexible technique to solicit meaningful behavioral aggregation using an expert panel. We encourage other researchers to use and test this relatively straightforward technique in other marketing studies in order to explore valid and reliable qualitative findings in other marketing research studies.

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Appendix A

Sample profiles[1]

Variable	United Kingdom	United States	Sweden
Age: Under 18	-	-	-
18-24	5%	10%	5%
25-34	45%	40%	40%
35-44	40%	45%	45%
45-54	10%	5%	10%
55-64	-	-	-
65+	-	-	-
Gender: Male	64%	60%	65%
Female	36%	40%	35%
Educational background: High school or less	-	5%	-
Some college	36%	30%	35%
College graduate	50%	55%	45%
Graduate school	14%	15%	20%
Annual household income (growth in US$): ≤ $20000	-	-	-
$20001 to $45000	22%	20%	25%
$45001 to $75000	36%	35%	30%
$75001 to $125000	16%	20%	25%
$125001 to $250000	22%	20%	15%
> $250000	4%	5%	5%
Average online book purchases with Amazon in the last 12 months:	6.0	7.0	6.5
Average relationship length in years/How long have you been a registered customer of Amazon.com?	5.0	4.5	4.0

[1] The numbers in each demographic column represent percentages. Numbers did not sum to 100 in all instances, and are rounded to the next integer for expositional convenience.

Appendix B

Interview Protocol:

Reference:	Interviewee 3
Gender:	Female
Age:	30
Estimated Years Using the Internet:	13
Years Using Amazon:	5
Educational Background	College Graduate
Annual Household Income	$75001 to $125000
Estimated Number of Purchases Over the Last Year:	30
Nationality:	English

How often do you use the Internet?
    a. At least once a day
    b. At least once a week but not every day
    c. At least once a month but not very week
    d. Less than once a month
    e. Not used in the last three months

How often do you buy books online?
At least 4 times a month
If you have to chose, would you prefer to buy books online or in a bookstore?
I prefer the store
Why?
I like to see the cover, I like to touch the books, and I like to smell the books. Basically I love the feel of a bookstore.
What kind of books do you buy online?
Academic books I don't care where I buy them. Novels, comics, let's say the books for pleasure I like to go to the shop.
Why do you buy books online?
It's cheaper, if cannot reach the bookstore, it's faster to go online just to chose what I want to buy and then I order it, but am willing to pay more If I go to a bookstore but unfortunately is not that simple so online is faster.
What kind of books do you buy online?
Academic, novels, comics, biographies but actually I don't travel so much but books for travel, guides something like that.
Can you discuss your last experience buying books online?
Actually, it was two days ago. I was looking for a novel because I am going on holidays this weekend. So I started by searching on Facebook about books and what people have said about a particular book. Then I was looking at a very nice website where you can compare different websites where u can buy books and you can compare the prices and get the cheapest price and the it gives you a link where you can reach the web site. Then, at the end I bought the book in Amazon. Buying in Amazon is always nice because they already know my personal details, which makes the whole thing a lot easier.
How do you get started when buying books in Amazon?

Usually I go to Amazon because is faster and if I want to buy something specific then I type the title of the book in the search bar. Last time I was looking for a Manga book, but I didn't remember the name of the book so I go to the search category books and then try to spell the name of the author. If the book is not between the first titles, sometimes is not very nice. I appreciate accuracy

Once I find the book, I directly go and see how long it takes to deliver the book and I check if there is a book discount. Then I go to Google and I compare the title in other bookstores. If Amazon is one of the cheapest I buy in Amazon. If there is a website that is cheaper but doesn't look nice still I but in Amazon.

And specifically, when you are searching for a particular book, what are you expecting from the Web site?

Well, when I type the name, I like when the thing [search bar] gives me recommendations of the title, it's really nice when the recommendation is about the book that you want, if the results do not show up the book I want, something that I hate is going to the advance search thingy [advance search feature]. The web site should be helpful. That's what is technology for.

In Amazon's home page, what elements do you find important when searching for a book?

Well, first, I don't like Amazon's web site; it is not very friendly, looks old. I don't like the design if Amazon was not famous I would not be so comfortable buying there. It is messy with all the things that they are selling, you can buy about everything and it is not very nice. With all these departments am not comfortable, I think is too much mess and it is not very well organise.

I would prefer a bookstore that is only dedicated to selling books. I cannot complain about the variety. But it is too messy, if for example you go and check a novel they tell you that you can buy e-books, audio books but still is not clear.

Now if am looking for a book that I don't remember the title, I initially type the topic in Google or I will go to Waterstones.

If am not buying something specifically I will check the books. For me, the most important thing is the cover. In my case matters a lot. For me, the cover and the title matter a lot. If the cover looks good, I would go down and look for the description of the book.

Then I would go to the reviews, and look what is being said about the book as these are full of descriptions and can say more about the book. Then I go to Facebook and look what people say about the book. Finally, I compare the price, using a comparison site that I know.

You said that the cover is the most important thing for you, but I would like you to expand and comment on why it is so important to you?

I don't know, the cover says a lot of things; I always say that the first impression matters a lot. I like images of products, makes me feel like I am in the bookstore.

In terms of the Web site, what is important to you for assessing the quality of the book?

The feature "look inside" is amazing, you actually can see content of the book, and when I am looking for products, I love having a lot of pictures of the product, or being able to handle the pictures in 3-D, that's great actually.

But why is so important to have all these features?

Well, the nicest thing when shopping is being able to touch the stuff, obviously when am buying over the Internet, I cannot do that, so all these kind of things are great to look at the products in more detail. I want to feel the product, if you know what I mean.

Basically, you are describing that you want online tools for a more vivid interaction?

Yes, that's super important. I want to feel like am really shopping if you know what I mean.

Have you ever had an experience, where you had to choose one book from a variety of titles?

Yes, always that am going on holiday that's a huge problem.

In that case, how do you evaluate the titles?

Well, I generally have an idea of the topic I want to read, so I start by going to Amazon or Facebook and checking the books and specially the reviews or comments. The book description is important, the thing [feature] in Amazon that allows you to look inside is great, but the reviews in Amazon or comments on Facebook are really important. They give me a real idea of the book, and whether or not is good.

But, why is it important to you these reviews or comments?

Because, they come from people, they are not just advertisements saying, "Buy my book", "my book is the best book of the year". I really don't trust advertisements. It is like the movies in the UK, all of them say "movie of the year", "the best movie since…" and at the end of the day all it is a lie.

So you find reviews and Facebook comments more trustful?

Exactly, they come from real people like you or me.

And is there something you find useful in Amazon that helps your evaluation of alternatives?

Well, as I said, I love book reviews, and I love the "look inside" thingy [feature]. Another thing that I like is that for example if click in a particular book, then Amazon is going to recommend similar titles. I find that useful.

Once you have reached a decision about which book to buy, what is it the next step for you?

Well, I click on the buy button and then the transaction.

In terms of the transaction, what it is important to you?

I look and the security signatures as they give me some level of trust and then they ask you for the address and card details but I don't like to give unnecessary details like mobile number, I don't like it. or I don't like when the web page offers me newsletters. Am waiting to see a review of the order before confirm it with the total amount of the money.

In terms of the delivery, what it is important to you?

In the UK am not expecting a long time delivery. I am expecting different options. Because sometimes I'm buying for pleasure let's say, so am willing to wait a little bit more and spend little bit less. But if for example am buying a present, I cant wait too long to get the books. Am expecting more than one option for the delivery. It is very nice to have the options of free delivery. I don't want to wait more than five days.

Once you have completed the transaction, what are you expecting?

I am expecting a confirmation email, then after a mail saying that the order is being process. This gives me a sense of how long I have to wait. And there was this particular time that after two months of buying the product they asked me if I was satisfied with it. I found that really nice.

Can you expand the last part, about the post-sale email?

I bought a set of speakers for my Ipod, but not in Amazon. Anyway, as I said I bought them I received them and everything was fine with it. Then after two months I received a really nice mail saying like, hey, do you remember that you bought a set of

speaker, we just wanted to know if everything was fine with them, if you were happy. I think that was a nice touch from that company.

How did you feel after receiving such email?

Felt nice, like they care about me. I buy a lot over the Internet, and only this web site has done that.

Overall, what are the important aspects for you, when purchasing books online?

An important aspect are the search capabilities, because if I don't find the book easily I feel like wasting my time while looking for that, or if it is not user friendly, it is complicated I think I will not reach the last step of the buying process.

The page has to be very well design, user friendly, so the customer can go [browse] to the last stage. I want search capabilities where I can put the author or the title but without going to the advance search, that's terrible for me.

Its nice in Amazon that you can chose the category, because I don't want to see irrelevant results to my search.

The most important stage for me is the searching bar. If I know the title and I know the author I would like to be able to sort it the way I want without going to the advance search. I don't want irrelevant results

Waterstones' web site is a good example of a layout. Firstly, on the left sidebar I have all the categories of the books, so if am interested in a specific novel I know where I go, then gives the idea of cleaning and most intellectual. It looks more serious. Then in the first page I have directly the different authors, recommendations of new books. In a nutshell I like minimalistic web sites and Waterstones uses that concept.

In terms of online trust, what makes u trust a web site?

For me the first impression of the web site is important. If I go to web site and suddenly lots of pops up, it does not make me feel secure. Or if the web site has a weird domain address I tend to distrust. For instance waterstones.com is a good example of name, simple, easy to remember. If I find third party Internet adverts, that does not make me feel comfortable. And most important for me, it is the presentation of the site.

Another aspect. In the buying process if there is the process of approving the transaction, it makes me feel very secure.

For instance, I bough in an online store about two weeks. That I got from a comparison web site and I think I was looking for this book where the difference was 7 pounds. Then, I landed in this page which was very nice, very clean, no strange adverts, nothing weird. It made me feel secure that there were not details that made me feel weird plus the price was considerable cheaper than any other web sites. It was similar to Waterstones with all the recommendation and categories and solely offering books or products related with books.

I don't see why I shouldn't trust because is not a considerable amount of money. But if it was a big amount of money I would not buy.

In your personal opinion, what a website can do to improve your experience?

I love loyalty cards, that makes a different. I love to see the amount of points increasing. Loyalty card more than any other promotional activity. Even if the price between one site and the other I would prefer to buy from the one where I have loyalty card.

Have you ever had a negative experience buying online?

One bad experience is this time that I ordered special delivery from this specific title because it was a present, and the other books I ordered the normal free delivery. Then I received everything in the same day, so I was not very nice that I pay to get one before the other and then I get everything at once.

And how would you describe a positive experience?
A good experience is the one where I can find a good discount because at the end of day the product is always the same and probably that's the reason I buy in Waterstones very often. Because I think they are a good example of a nice experience.
Can you expand further, why Waterstone stands out for you?
First, their web site is very clean. Second they have the loyalty card I was telling you about which I love. Third, they have good reviews and the recommendations pretty god. And finally, they are trustful.

Appendix C

Sub-dimensions and attributes customer online service experience using Amazon.com

Context familiarity

Context familiarity reflects the web site's capability to make customers feel "comfortable" in a familiar shopping context, and contributes towards a user's judgment about the site's credibility (e.g. Aiken and Boush, 2006):

1. Consistent style

2. Visual representation of an online shop

Usability

The attributes described within the dimension "usability" enable online customers to feel comfortable using the web site:

3. Hyperlink design

4. Site-user understanding

5. Search facilities and process

6. Site speed

7. Ease of use

Product presence

This requires the assessment of products in virtual environments to subsequently stimulate purchase intentions (Demangeot and Broderick, 2006):

8. Visual impact

9. Key features of product

10. Image interactivity

11. Access to the content ("look inside" feature)

Social presence

The social presence dimension reflects the customer's virtual interaction with other shoppers through comments, product reviews and social media linkages:

12. Comments

13. Product reviews

14. Social media links

Communication

Reflecting the customer's perception on how communication reduces the risks associated with e-commerce:

15. Contact (offline contact)

16. Transaction confirmation message

17. Follow-up messages

Interactivity

Interactivity describes the dialogue between the web site and its users:

18. Customer recognition

19. Search-engine value added information

20. Customization (customized recommendations)

21. Flexibility (modifying the offerings in response to customers' specific needs)

Trust

Customers' expectations that a web site will act competently, openly, and fairly (Beldad *et al.*, 2010):

22. Frequency

23. Uncertainty reducing elements

24. Domain name

25. Display of foreign elements

Value for money

26. Price level

27. Value for money

28. Low price perception