

The Functionality of Online Shopping Site within the Customer Service Life Cycle: A Literature Review

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INTRODUCTION

Online retailing is beyond infancy. With wide spread Internet penetration and upward trends toward reliance on online purchases, it has become a highly viable alternative for and complement to traditional retailing. Retailers expect to increase efficiencies, effectiveness, and competitiveness through their online presences or extensions. The world witnessed profound transformations of brick-and-mortar retailers into click-and-mortar or purely virtual retailers during the last two decades. However, exacerbated by the rise of online retailing, the growth in the number of market entries from domestic and international retailers has made the almost saturated virtual markets even more competitive and vibrant. Thus, converting store traffic into paying customers and keeping them engaged in purchasing have emerged as challenges for online retailers because of low switching costs, reduced information asymmetry, and easy comparison of alternatives. Retailers have rigorously focused their attention to creating and maintaining effective websites for customer acquisition and retention. While they have invested a substantial amount of money in website functionality to yield greater return, they have also been plagued with ineffective investment problems stemming from extensive improvement efforts of all website functionalities with little attention paid to their roles in the proposition of online competence and value creation.

It is more difficult to gain a competitive advantage through innovative web functions as retailers become more mature and competitive in polishing their websites with advanced features. The wide spread imitation of these features among competitors also makes functionality innovations short lived and costly. Merely deploying new functionalities that do not target specific customer needs is not enough to differentiate online stores from their competitors. For example; Ayanso and Yoogalingam (2009) identified four cluster profiles for online retailers based on additional functionality offerings on their websites and concluded that the retailers in the excessive cluster were no more successful than were those in the basic cluster in converting browsers into buyers. On the other hand, some customers might even experience feature fatigue when they need to break the codes of new and cool capabilities embedded into store interfaces (Thompson *et al.*, 2005). The obvious need to develop psychometrically and methodically sound metrics to gauge consumers' perceptions of functional elements on shopping site has attracted the attention of both practitioners and scholars over the years. However, despite the emerging interest in identifying a comprehensive set of website functions through such metrics, only limited and fragmented understanding exists of which functional elements of online shopping sites are important to satisfy the changing needs of online shoppers throughout the course of their relations with online vendors. Therefore, the purpose of this chapter is to build a review on previous studies to evaluate the relative importance of website functionalities to facilitate a gratifying shopping experience using the

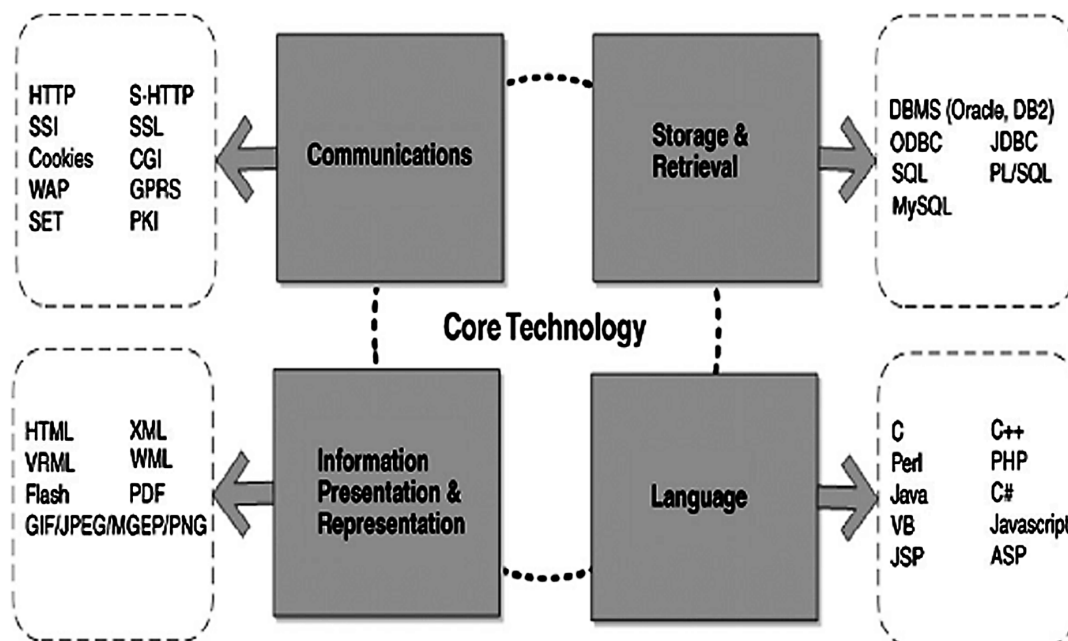
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CSLC framework. A total of 79 site functions were identified and presented according to their relations with the CSLC stages. The implications for prospective research are discussed based on the conducted review at the end of the section.

BACKGROUND

Online retailing can be defined as a process that enables customers to perform main transactions (e.g., searching, selecting, ordering, purchasing) for products, services, and information remotely over the Internet. Therefore, online retail shopping is an interactive behavior that involves intensive communication of information between the retailer and customer. This customer-retailer interaction is provided through the website during the entire purchase process. As such, it should have four essential elements that enable commercial activities using technologies, as presented in Figure 1. These elements are Communications (the establishment of virtual communication channels for the parties involved in e-commerce), Storage and Retrieval (the data structure for recording and retrieving data through the local and remote control), Information Presentation and Representation (the format of Information and its organization for exchange), and Language (the programming languages used to manipulate the data and compute resources to design the intelligence capacity of the website) (Chu *et al.*, 2007). It should be noted that each element has a vital importance to a functional shopping site and supports its respected functionalities (see Table 1). Furthermore, online shopping sites inherit both the system futures (e.g., design, functionality, security, and information) and service futures supported by the web system (e.g., reliability, responsiveness, and empathy) (Ahn *et al.*, 2004). Although some studies have considered the functionality of a shopping site as a system future, other consider it as a service future. Therefore, most previous studies on customer

Figure 1. Four elements of commercial web sites
 Source: Chu *et al.*, 2007



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