



## **Chapter VI**

# **Online Customer Service**

Rick Gibson  
American University, USA

### **ABSTRACT**

*The purpose of this study is to find an effective online customer service strategy. Although the effectiveness of the online customer service will vary and depend on the type of business the company is involved in, the usage of different types of tools in this arena have proven to be more useful than others. Effectiveness in this work will be used, in the sense that the more effective strategy will lead to more satisfied customers, a higher customer retention rate and higher revenue for the business.*

## ONLINE CUSTOMER SERVICE

Why does online customer service have to be researched? Online customer service has become an integral part of success for companies conducting business on the Web. The Internet is changing the way firms interact with customers. However, according to the research that has been done on the subject, it is found that most companies are not fully utilizing the Internet fully for online customer service. For example, almost 70 percent of shoppers abandon their shopping carts before making a purchase, primarily due to the lack of online customer service (Bennett, 2000).

This finding is very engaging since it points out that many web businesses lose business because of the ineffectiveness of online customer service. Moreover, unlike in the off-line world, the customer can easily switch from one business to another with a click of a mouse (Motti, 2000). Another interesting fact is that more than 50 percent of e-commerce websites do not have any type of customer service that guides the customer to the web page where he/she can get help (Trott, 2000). In addition, it is estimated that \$1.6 billion was lost in sales in 1999 due to the lack of online customer service (Lucent Technologies).

Web businesses have found out that customer service is as important in the virtual store as it is in the traditional “brick and mortar” store (Bennett, 2000). In addition, the purposes of providing quality customer service is the same as in the web as in the “brick and mortar” stores, which are attracting and retaining target customers in order to increase sales and profits (Boone & Kurtz, 1995). However, the methods of conducting customer service off-line and online differ greatly. The businesses that are not online usually use call centers where customer service agents assist the customers via telephone. On the contrary, online businesses rely on several methods in supporting their customers. An interesting study conducted by Forrester Research indicated that in 1997, 97 percent of customer interactions regarding customer service were via telephone. The remaining 3 percent were via e-mail (2%) and the Internet (1%). However, it is estimated that in 2003, 56 percent of customer interaction with the customer service department will be via the web. Thirty percent will be via e-mail; nine percent will be via cross-channels (with the usage of multiple means), and only five percent will be via telephone (Cincom).

Most traditional retailers view customer service as a problem solving action after the sale. The businesses that want to assist their customers online effectively will have to disagree with the statement above. In e-commerce, customer service begins the moment that a visitor enters the website. The customers have to be assisted during shopping in case they have product questions and/or product locations. They have to be able to find help during the purchasing process in case

6 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/online-customer-service/30317](http://www.igi-global.com/chapter/online-customer-service/30317)

## Related Content

---

### Structure Evolution of B2B Enterprise Networks

Kexi Zhao, Michael J. Shaw, Mu Xiaand Chandrasekar Subramaniam (2005). *Advances in the Economics of Information Systems* (pp. 113-131).

[www.irma-international.org/chapter/structure-evolution-b2b-enterprise-networks/4911](http://www.irma-international.org/chapter/structure-evolution-b2b-enterprise-networks/4911)

### Integration between Regression Model and Fuzzy Logic Approach for Analyzing Various Electronic Commerce Effects on Economic Growth in Organizations

Hamed Fazlollahtabarand Mohammad Ali Ehsani (2010). *Journal of Electronic Commerce in Organizations* (pp. 17-31).

[www.irma-international.org/article/integration-between-regression-model-fuzzy/46945](http://www.irma-international.org/article/integration-between-regression-model-fuzzy/46945)

### Dynamic Planning Models for E-Business Strategy

Janice M. Burnand Colin G. Ash (2008). *Electronic Commerce: Concepts, Methodologies, Tools, and Applications* (pp. 854-862).

[www.irma-international.org/chapter/dynamic-planning-models-business-strategy/9516](http://www.irma-international.org/chapter/dynamic-planning-models-business-strategy/9516)

### Impact of Digital Revolution on the Structure of Nigerian Banks

A.A. Agboola, D.O. Yinusaand O.O. Ologunde (2009). *Journal of Electronic Commerce in Organizations* (pp. 31-39).

[www.irma-international.org/article/impact-digital-revolution-structure-nigerian/37398](http://www.irma-international.org/article/impact-digital-revolution-structure-nigerian/37398)

### Impact of Intermediary and Seller Trust on Consumer Repurchase and E-WOM Intentions: Demographics Moderating Trust Transference

Arifur Rahman, Tanvir Ahmed, Ali Imran Daiyanand Md. Abdullah Al Mamun (2022). *Journal of Electronic Commerce in Organizations* (pp. 1-19).

[www.irma-international.org/article/impact-of-intermediary-and-seller-trust-on-consumer-repurchase-and-e-wom-intentions/292471](http://www.irma-international.org/article/impact-of-intermediary-and-seller-trust-on-consumer-repurchase-and-e-wom-intentions/292471)