Chapter 40

Can Virtual Customer Service Agents Improve Consumers' Online Experiences? The Role of Hedonic Dimensions

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ABSTRACT

This chapter focuses on the navigation experience in ecommerce. The authors address the impact of a number of hedonic dimensions, specifically perceived visual attractiveness, perceived enjoyment, and sociability, in consumers' online experiences. They develop and test a research model explaining how these factors affect trust, satisfaction, and ultimately, website loyalty. Findings from a survey carried out with 132 users of an airline's website, which displays a virtual customer service agent, support the model proposed. Specifically, results confirm that enriching consumers' sensory experiences online through aesthetics, an enjoyable experience, and a social interaction interface positively affects trust, satisfaction, and subsequently, loyalty.

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INTRODUCTION

Companies continuously search for strategies to improve their online interfaces and websites (Pappas *et al.*, 2017), hence improving the quality of online navigation for users. Interface design improvement, in particular through web personalization, has an enormous potential for making online commerce more like real world shopping, enriching consumers' shopping experiences online (Cyr *et al.*, 2006; Papadopoulou, 2007; Pappas *et al.*, 2017) as well as increasing trust, satisfaction, and loyalty (Pengnate & Sarathy, 2017).

Whilst in real life the shopping process can be considered a social event, ecommerce applications need to be able to replicate and integrate elements from the social context into their online context (Papadopoulou, 2007). Childers *et al.* (2002) argued that an important motivation for engaging in online retail shopping is the hedonic function of the website. In fact, the perceived sensory experience, derived from the aesthetics of the site which can render the navigating experience more enjoyable, has been pointed as an important strategy to enrich and facilitate navigation (Childers *et al.*, 2002; Lavie & Tractinsky 2004; Van der Heijden 2003; Robins & Holmes 2008; Cyr *et al.*, 2006).

The use of virtual customer-service agents has been noted to allow consumers to personalize their experience online (Alves & Soares, 2014; Moon *et al.*, 2013; Verhagen *et al.*, 2014) by improving the perceived sociability and by rendering navigation experience more enjoyable for consumers (Wang & Fodness, 2010). Verhagen *et al.* (2014) argued that virtual customer service agents contribute to improve the quality of online service encounters, combining elements of both 'high tech' and 'high touch' and overcoming the detached and computer-mediated characteristics of internet.

Virtual customer-service agents are software systems that can be used in online settings to act as recommendation agents. They can combine multiple graphic options with high levels of interactivity encouraging two-way conversation and offering recommendations in an intuitive manner, thus enriching traditional websites' functions (Alves & Soares, 2014). These virtual customer service agents, act as recommendation agent and can take the form of human-like avatars offering a sort of social presence that can create feeling of warmth, and the perception that there is a personal, sociable and sensitive human contact (Etemad-Sajadi & Ghachem, 2015).

Earlier approaches to understand technology use have focused on utilitarian factors, in particular the Technology Adoption Model (TAM) which posits that perceived usefulness and perceived ease of use are the two beliefs relevant for determining attitudes toward technologies (Davis, 1989). However, hedonic factors have also been pointed as important not only to explain the decision to buy online but also to improve the quality and emotional pleasure of the user experience (Fiore *et al.*, 2005; Bilgihan, 2016). Our paper contributes to this stream of research by focusing on perceived visual attractiveness, perceived enjoyment and sociability. We set our study in a large airline's website with a virtual customer service agent represented by a human-like avatar. We posit that the aforementioned hedonic factors improve trust in the website given enhanced confidence in making good choices allowed by the presence of a virtual customer service agent which can take the functions of a seller. Previous studies establish the relevance of trust in an online firm as a set of beliefs that the other party will refrain from opportunistic behavior and will not take advantage of a specific situation. There is, however, insufficient knowledge about the factors that lead to trust development in online settings, especially because extant work shows inconsistent results (Kim & Peterson, 2017).

Moreover, online shopping-behavior studies aimed at understanding the consumer's adoption behaviors have focused either on different outcomes, such as loyalty (Forgas *et al.*, 2012), purchase/patronage intention (Van Der Heijden *et al.*, 2003; Kim *et al.*, 2008; Wang & Fodness, 2010; Dabholkar & Sheng,

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