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BUILDING A CUSTOMER-FOCUSED INTERNET SITE

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Abstract

With the recent popularity of the Internet, several firms are looking for new ways of conducting their businesses electronically. A number of firms are using it for advertising and marketing their products and services. For example, Dalton et al. (1999) argue that Internet presents great opportunities for advertisement because of its competitive efficiency and effectiveness to targeting to the specific demographics. Traditionally, the Internet was considered as a communication conduit allowing the transfer of "information contents" between physical locations. However, with continuing advances in computer and communication technologies, its functions have expanded. It is now considered as an important vehicle in linking people of shared interests through virtual communities and establishing new commercial frontiers for business transactions. Despite the fact that a large number of firms are conducting their business activities through the Internet, very little is known how an e-firm attracts customers and creates value through its Internet Site. By interviewing 25 e-customers, this paper examines 10 e-firms and describes how these firms have successfully exploited the potential of the Internet in providing a superior value to their customers.

Methodology

For the purpose of this study, three focus groups with a total of 25 respondents (with age varying from 25 years to 45 years) were interviewed. The respondents in the focus groups were selected on a simple criterion: that the respondents had bought products/services through the Internet sites, or made a decision in buying or selling a product or service off-line after obtaining information about the product/service from an Internet site.¹ We examined only those Internet sites, which were used by at least three respondents. If an Internet site was not associated with at least three respondents in supporting their buying decisions, it was not included in the sample. The focus group interviews were directed for finding the respondents' reasons of making their business decisions through the Internet sites. The questions asked were open-ended, and unstructured. The responses were content analyzed by two students and a faculty member, including the moderator, for uncovering the key features of a customer-focused Internet site, which were perceived critical by the respondents in supporting their decisions in buying or selling a product either through the Internet or off-line. Three main features emerged and analyzed through the sample of the ten Internet sites. These features are categorized into 3Cs: content, community, and customer care. Customer care was further categorized into network interactivity and customer support.

A number of researchers have already elaborated on similar issues (Biro, 1998) and these conceptualizations are very insightful but they lack empirical supports. This study undertakes to test these conceptualizations through a qualitative empirical study. Though there are methodological downside of conducting a research through the focus group, however, e-commerce is still evolving, and we believe that open-ended questions and interviews can provide critical insight about important features of an Internet site from the customers' perspectives.

The list of Internet sites used for the study is shown in column 2 of Table 1. These sites were chosen because a majority of our focus group respondents have used many of these sites either for searching information, chatting purposes, or transaction purposes.

¹We did not take those transactions that are conducted through a bank's ATMs, or credit-card readers.

Table 1. The Critical Features of the Internet Sites: Content, Community, and Customer Care

S.N.	Internet Site	Contents	Community	Customer Care
1	www.amazon.com	Yes	No	Yes
2	www.ebay.com	Yes	Yes	No
3	www.fine-art.com	Yes	Yes	Yes
4	www.fashionmall.com	Yes	No	Yes
5	www.immigration.com	Yes	Yes	No
6	www.msn.com	Yes	Yes	No
7	www.philips.com	Yes	No	Yes
8	www.priceline.com	Yes	No	No
9	www.prudential.com	Yes	No	Yes
10	www.toyota.com	Yes	No	No

Theoretical Perspective

In the following section, we provide a theoretical perspective of the Internet that is functional in its nature.

Internet as a Conduit of Content Exchange

Contents are usually associated with the communication. By communicating with customers about a firm's history, products and services, an Internet site can make them aware of the firm and its product and service offerings. However, the way in which these contents are communicated through an Internet site is different from traditional media such as print, radio, and television. Information contents, therefore, need to be modified for the Internet Site. For instance, Toyota.com, an Internet Site of Toyota, offers key information such as specification, history, performance, price, exterior and interior designs, and comparisons of its car models to the Internet site visitors. With this detail, a customer can make an informed decision on its purchase of the Toyota's car. Though Toyota might not be selling its cars through its Internet site, its Internet site offers a valuable service to customers in providing critical information that could impact their decisions in buying a particular Toyota car.

By creatively packaging information contents, enhanced through audio and video clips, a firm can effectively establish its Internet presence. For example, an e-catalog can be equipped with the images of the product designs, customer reviews, and virtual tours. Instead of looking through hard copy catalogs, tracking down product and service quality specifications, and negotiating for price discounts, a customer can conveniently search, locate, and find up-to-date information on price, quantity, and delivery schedules of its orders through an e-catalog placed on the Internet. This is especially important in a fast-paced business, where too many changes in the product price, and availability take place. In a fast-paced business many of the paper based catalogues become out of date even before they are printed. However, with e-catalogue, a business can update its product descriptions in real-time. For example, prudential.com makes several real-time updates on interest rates, security returns, and account transactions of its customers. In a business, where interest rates are volatile, stocks are fluctuating, and millions of new securities are purchased and bought every day, quick and up-to-date contents about an account can be quite critical in making the investment decisions.

In general, customers like to find information on a company's history and mission, products and services with relevant details of price, quality, and performance. At the same time, however, they do not want to be bogged-down with each and every detail about the company. Therefore, it is critical for a firm that it augments customer experience by providing relevant information contents through its Internet site (Reichheld and Schefter, 2000). For example, Philips.com Internet site creatively uses audio and video clips for advertising its products and services through its Philips.com site. The visitors do not only hear soothing music but also view different video clips of the Philips' products.

The other difference between the Internet and the traditional media such as prints, Radio, and TV arises because of the way information is exchanged. In case of the traditional media, customers usually behave passively, as they do not actively seek information. In contrast, in case of the Internet, customers play active roles, as they purposefully seek, search, and interpret information. A firm's Internet site that can capture customers' attention quickly can provide advantages by bringing more business to the company (Watson, et al., 1998).

To capture customer attention, a number of companies are making prudent use of intelligent agents to deliver personalized messages to the customers in the Internet Sites. For example, Amazon.com uses as collaborative filter technology to match the

customer preferences in books, CDs, and other merchandise on the basis of the buying history of the individual. By matching individual buying behavior, Amazon.com can direct customized message to its customers' preference (Violino, 2000).

Packaging information contents creatively is not a simple task, as it depends on the type of the industry. In each industry, customers want different kinds of information (de Figueiredo, 2000). For example, an e-business competing in the fashion industry will need to organize its information contents so that the color, the brand, and the cost of merchandise, and the look of the fashion-models become obvious to the customers. On the other hand, an e-firm competing the health industry will like to organize information on the basis of the latest medical research, its doctors' affiliations, education, and experience.

Internet as a Community Builder

Information contents are controlled by the company management, however, a community is built by the customers. Usually, a company supports the development of virtual communities through its Internet Sites, by allowing customers access to discussion forums, community chat, bulletin boards, and newsgroup.

The members of the communities seek, search, and exchange their ideas, and experience, related to the company's offerings. For example, Immigration.com, an Internet site, has enabled a virtual community of international students, workers, and professionals, who are seeking advice and sharing their experience in obtaining the right kind of the U.S. visa. More than 20,000 registered and thousands of unregistered people daily log on this site to search for the relevant information of their interests and share other peoples' experience. It has become a premier site for the international community of students, workers, professionals, and visitors, who will be going through a long, tedious, and arduous process of visa conversion process. By maintaining this site, Khanna, the immigration lawyer, has tripled its share of the immigration cases over the last two year.

Sometimes, instead of building a community, a firm may post customers' comments, reviews, and ideas on its Internet sites. Although this kind of selective posting does not constitute a community, nevertheless, if a company posts customers' comments and feedback in a sincere way, it can retain its loyal customers and attract new customers on its site. For example, Amazon.com posts its customers' comments and reviews about different books, music videos, and tapes sold through its Internet site.

Building, maintaining, and sustaining a virtual community is not easy, because a company needs to continually update, archive, and index past information that can be quickly accessed by the members of the communities. Also, a company needs to moderate these discussions critically, because discussion-threads often may not fit the purpose of the company and may loose the purpose of the community that the company wants to build. On the other hand, a company cannot prescribe rigid rules how these discussions should take place. In general, therefore, a company may need to enforce general rules on the types of the discussion thread that can be pursued through its Internet discussion board(s). For example, eBay clearly prohibits any kind of selling and trading through its discussion board.

By linking a community of people through its Internet Site, a company can gain advantages of efficiency and "good will," which is increasingly being seen as a sign of customer loyalty and satisfaction. For example, fine-art.com has successfully used a collaborative network for art works. Over 200,000 viewers use the Site for the arts every month. This Site offers a number of interesting forums to different communities of interests, ranging from selling and buying of arts to the valuation of the original artworks. Usually, a customer, who likes to know more information about an artist, or a piece of artwork, can obtain valuable advice through this Site.

Internet as the Care Taker

The main aim of a business is to satisfy customers. An Internet site can increase customer satisfaction, by offering the convenience of orders, delivery, billing, and one-stop shopping. For example, priceline.com, an Internet Site of a consortium of companies, sells its customers multiple lines of products, ranging from groceries to airline tickets and hotel rooms with the option of customers naming the price. By introducing the advantage of one stop shopping, priceline.com has become one of the premier Internet sites (recently its shares are fallen, but that discussion is beyond the scope of this paper).

An e-business may also offer the advantages of flexibility in directing marketing efforts toward customer convenience, customization, and customer care. Amazon.com is an excellent example of exploiting the capabilities of the Internet for customer care. It not only informs its customers to the latest arrival or release of new products such as books, CDs, and videos, but also provides quality service by fulfilling customer orders in time, with a thank-you note, two free bookmarks, and other discount

coupons. In general, an Internet site should offer at least two kinds of capabilities, 1) networks interactivity, and 2) customer support.

Networks Interactivity

Network interactivity refers to the extent an Internet site enables customers or visitors to customize information contents according to their choice and allows the facilities of e-mail and other traditional mediums, such as 1-800 phone number, to interact with the company.

The e-mail facility between customers and a company is critical, as customers may often want to comment about the quality, performance, and delivery of the products and services. If customers do not find an avenue to comment about their experience and opinion on a particular business transaction with the company, the customers may find it annoying and dissatisfying.

Through a company's Internet site, customers around the world may interact with the company. Therefore, it becomes essential that the company respond to customers' personal inquiries in a customized fashion. A large number of general inquiries can be responded through the FYI section, but to address customers' personal inquiries, grievances, comments, a company needs to take time and customize its responses for each of the customers.

Often, a company uses customer feedback in improving its internal processes, and introduces new products and services that are more market oriented. For example, Microsoft.com takes the advantages of customer feedback by allowing its customers to download its beta version of the software free so that they can identify bugs and suggest possible changes in the software design.

Customer Support

Customer support refers to terms, conditions, return policies, billing questions and their resolutions, and product and service related support information. Usually, many business Internet sites explicitly state the terms and conditions for customer supports, while in some sites, finding such important information becomes difficult.

In general, customers should easily be able to find "support and service" information through an Internet site. Because when customers face problems in their business transactions, they like to communicate their concerns to the company, without facing problems (Dalton, et al, 1999). Amazon.com is a good example that explicitly provides most of the customer-support information through its Internet site. Similarly, the fashionmall.com site makes it clear that any merchandise bought through the site can be returned to any store. One can find following information on fashionmall.com site, "Easy shopping. Simple returns and exchanges. To any Wilsons Leather Store or by mail."

To sustain long-term relations with customers, a company should be able to resolve transaction problems faced by the customers. By offering different answers and long delays in resolving customers' problems, customers are unlikely commit to the company. Moreover, these customers are likely to tell their experience to others, which may further impact the business of the firm negatively. In general, it costs between two to 20 times as much to win a new customer than to retain an existing one who has a complaint.

Implications

So far we have argued that a company's Internet site in the virtual world does not merely constitute as an advertising venue, it is, rather, a representation of wider social systems and customer focus as shown in Table 1.

During our focus group interviews, we found that a company may be in a better position to retain its loyal customers and attract new ones, if it can think of its Internet site as a "traditional village," where people are encouraged to discuss their concerns, views, and opinions, and after all, are being cared and respected.

Certainly, not all of the businesses maintain and sustain such wider perspectives of their Internet sites. However, by carefully blending a mix of contents, community, and commerce, e-firms can make their effective presence in the Internet. The example of Amazon.com illustrates this point. Although Amazon.com Internet site does not support the creation of a community, by posting customers comments and their reviews of the books/music video/auction sales, it tries to balance this shortcoming. Or

take the case of msn.com. Microsoft has not provided many options for customer support through its Internet site, as customers are often frustrated due to installation failures or system crash in downloading updated version of the Microsoft's software, however, Microsoft still manages to make its effective presence in the Internet, because it continually offers up-to-date information on its software, including the security issues, which enhances customer satisfaction and keeps them current in a fast moving industry.

Conclusions

An e-business is more than telemarketing or mass mailing of discount coupons to a wide variety of customers, it, rather, represents a different kind of competitive arena that is shaped through the innovative use of the Internet. For example, it offers the possibilities of one-to-one marketing, customization, and quick delivery.

For a company making effective Internet presence depends on three factors: structuring of information contents, creation of virtual communities, and caring for the customers.

While the main purpose of an Internet site could be to communicate, however, contents alone do not sustain the interests of the customers for making a business transaction through the site. To sustain customers' interests, a business needs to build a virtual community and be ready to care for its customers by offering them after sale support and advice.

Communities provide a sense of identification to the members. This is critical for motivating customers to freely share their ideas, knowledge, and experience pertaining to the company's offerings. By allowing customers and users to build a virtual community, a larger number of potential customers are attracted on the site and begin to do business with the company.

Finally, a company should offer the channels of communication with its customers. To retain customers, a firm should be ready to address their concerns, comments, and inquiries. Besides, a company should also make it possible to call its customer support staff through 1-800 phone number, in case customers encounter problems with the quality or performance of the products or services ordered.

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