Giving an “E-Human Touch” to E-Tailing: the Moderating Roles of Static Information Quantity and Consumption Motive in the Effectiveness of a Virtual Salesperson

Subramanian Sivaramakrishnan, University of Manitoba
Fang Wan, University of Manitoba
Zaiyong Tang, Louisiana Tech University

This study examines the impact of a virtual salesperson in an online store on consumers’ attitude toward the web site, product, and their purchase intentions. Our results indicate that the impact of the virtual salesperson is moderated by the amount of static product information on the web site and the consumer’s consumption motive. In study 1, we show that the virtual salesperson has a positive effect primarily when static product information on the web site is limited. In study 2, when detailed product information was readily available on the web site, the virtual salesperson proved detrimental when the consumer had a utilitarian consumption motive. Implications for online marketers are discussed.

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EXTENDED ABSTRACT

An Ernst and Young study on barriers to online shopping found that the inability to talk to a salesperson and inadequacy of product information were among the most important reasons for not buying. Jupiter Research’s study on online shopping behavior found that ninety percent of online shoppers wanted some sort of human interaction during the shopping process. According to an Accenture’s survey of 25 top e-commerce sites, sixty-two percent of shoppers never complete their purchases due to a lack of real-time customer service. All these reports indicate that the lack of a salesperson and the consumer’s inability to obtain additional information translate into lost sales for e-tailers (Raymond 2001).

Online marketers are increasingly addressing these two issues by utilizing virtual salespeople to provide product information in real time. These virtual salespeople play two roles—provide information as well as a human touch to an otherwise impersonal online store. Although some e-tailers employ humans as virtual salespeople to assist online shoppers, others utilize more cost-effective artificial intelligence software that “chat” with the customer. For example, Coca-Cola uses “Hank” and IKEA uses “Anna”–virtual salespeople who provide online customer service. Nowadays, companies such as Kiwikolog (www.kiwilogic.com) and Oddcast (www.oddcast.com) market customized virtual salespeople that simulate human interactions.

Although virtual salespersons are increasingly adopted by e-tailers nowadays (Komiak, Wang, and Benbasat 2005), little is known about the effects virtual salespeople have on consumers’ attitude toward the website, product, and their likelihood of buying. In this paper, we examine the impact of a virtual salesperson (VS) on consumer response. We specifically examine whether the impact of the VS is moderated by the amount of static information available on the website and consumer’s consumption motive during the shopping process. We argue that when the web site has only limited static product information available, the VS can be rather useful for the consumer to obtain product information and can positively affect consumer attitude and purchase intention. On the other hand, the effectiveness of the VS as an information provider would diminish when the website has sufficient static product information. We further propose that the “human touch” provided by the VS can positively impact consumer attitude when consumers have a hedonic consumption motive. However, when consumers have a utilitarian consumption motive, the VS can adversely impact consumer attitude and purchase intentions.

We examine our propositions in two experiments. Our results indicate that the impact of the virtual salesperson is moderated by the amount of static product information on the website and the consumer’s consumption motive. In study 1, we show that the virtual salesperson has a positive effect primarily when static product information on the website is limited. In study 2, when detailed product information is readily available on the website, the virtual salesperson proves detrimental when the consumer has a utilitarian consumption motive. Implications for online marketers are discussed.

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