

The Expansion Model of Customer Service on Internet

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Abstract:

The main idea of this article is devoted to the online customer service issues, to explore the quality of key factors and their impact on customer service quality. Several influence factors such as companies focus on customer service, creation of customer service standards, human resources, customer relationship management will be identified and analyzed. The efficient customer service online is determined by such factors as a speed of response to electronic requests, the qualification of personnel, used customer service tools, call centers, standards of customer service and recourses in compliance with the standards of the real situation.

Analysis of e-business situation in Lithuania is reviewed. Reasons that oppose this type of commercial development were identified. A questionnaire filled by customers allows us to analyze the quality of online services. The key customer expectations and problems were identified. During the investigations of quality insurances project for improvement of proposals and communication was prepared. The model is applied to companies operating on the Internet. In order to successfully apply this model, organizations need to focus on customers, modern approach to customer services, and provision of support over Internet and usage of international technologies for service processing.

Keywords: customer service, business model, consumer expectations, expansion model, Internet network, e-business.

I. INTRODUCTION

Modern competitive environment, all trade organizations are forced to fight for every customer in order to keep the market at the significant level. Advanced tools prepared in this competition have a special focus on customer service. Service quality is becoming a strategic factor for organizations that provide strong competitive advantage over the other market participants.

In recent decade, a big number of companies started their business online, but only a small part has managed to gain a competitive advantage. On the contrary, a large part simply went bankrupt. Therefore unrealistic expectations and an incorrect use of business model might be pointed out as the main reason for failure. However, it is necessary to emphasize the successful development of the Internet activities. It is very important to understand consumer expectations and their ability to adjust. Particular attention should be paid to customer satisfaction area in order to avoid dissatisfied customer cases.

With the rapid development of technologies efficient customer service has acquired a broader meaning not only in stores but also in cyberspace. Customer services, depending on business areas, include more factors and criteria from which the customer chooses one or another product or service. Three, four decades ago the idea of global information network (the current Internet network), could have looked attractive for many users. Today the network is used by approximately 3milliards various users worldwide. Chart 1 represents individuals using the Internet, by level of development, 2005-2014 (left) and by region (right).

The Internet as a global network allows smaller networks to be joined by millions of users worldwide. For a long time, the Internet was mostly academic research and work tool. Recently, many businesses and individual consumers all around the world have realized the potential of the Internet and its possibilities. People all over the world can use the Internet to obtain information, communicate with each other, have access to a wide range of services and information resources, to buy and sell goods and services in cyberspace. It is more

than obvious that the Internet covers many areas, rapidly changing the traditional business organization with new entrepreneurial principles. However traditional customer problems occur in this field also.

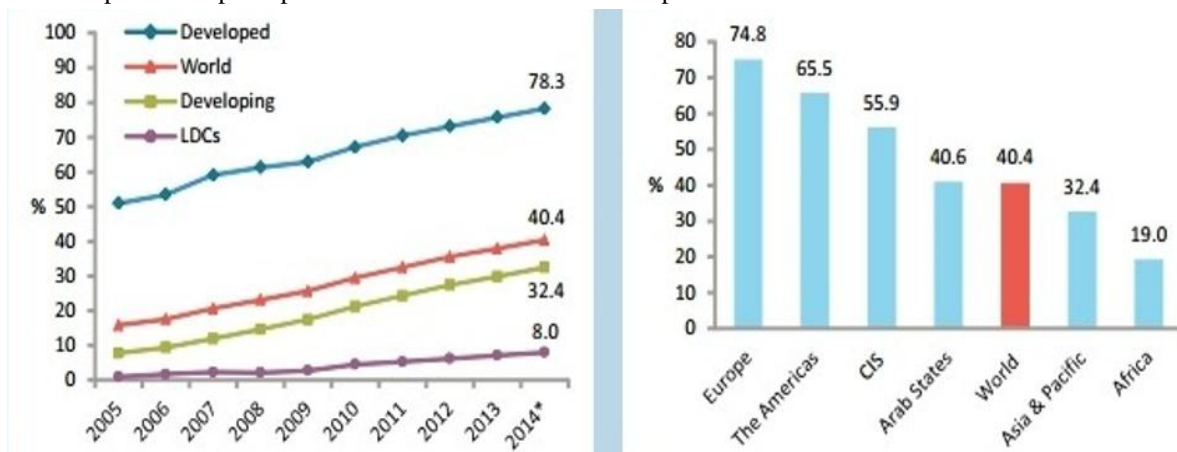


Chart 1. Individuals using the Internet. Source: ITU World Telecommunication, ICT indicators database.

The main goal of the work is to create an online customer service development model that will create the preconditions for effective customer service on the Internet.

New information technologies (IT) rapidly and quite aggressively approach everyone's work environment as well as everyday life. The ongoing advance of science and technologies affect the crucial changes in work processes, such as increase in a role of planning, management, system analysis and other intelligent operations. These technologies are gaining crucial significance in economics, politics and social areas, thus allowing transition from industrial to informational society.

II. CUSTOMER PROBLEMS (HOW TO SELL, HOW TO BUY)

The online stores usually sell things or services. Users are satisfied as long as the online store is able to meet or exceed their expectations. However, in the case when these needs are not fully satisfied, it is necessary to carefully examine the causes and take appropriate adjustment factors. The customer must be provided with the broadest possible range of communication tools, namely the possibility to contact the company in a customer-friendly manner. In traditional business transaction, the buyer contacts the seller. Therefore, in the case of failure, the seller may urgently take the necessary measures to tackle the problem. However, online shoppers communicate with the information system, and therefore the possibility to contact the staff quickly and easily is limited. In case of complaints it is necessary to respond quickly and take actions to solve the problem of dissatisfied customers. Thus, to retain customer loyalty, it is essential to find proper and quick solution to the problem. Company's future success may greatly depend on satisfied customer's verbal recommendations.

Sohel Ahmad claims that the 67.4% of the respondents used e-mail for communication, while 31.8% had chosen phone as the preferred method. However, if customers faced a problems, 48.6% of them used e-mail, and 51.4% of them preferred phone. This indicates that when the problem arises clients prefer "live" telephone communication. Some customers were dissatisfied when they could not contact the company by phone [14].

It should be noted that users should be able to contact the online shops by telephone. Reducing the cost by withdrawing the telephone customer service may seem profitable, but data of Sohail Ahmad study shows that the possibility to communicate only by email may lead to the loss of customers. This can have a great negative impact on the outcome of the price reduction. Online shopping may cost more by giving customers access to communicate. On the other hand, it should be noted that some customers can not describe the problem which had occurred by e-mail communication. [12].

It is expected that volume of online sales will continue to grow significantly as more and more people in the world use the Internet as a shopping tool. However, despite the significant rise in sales via the Internet, there is evidence that sellers are willing to use all the possibilities. The dilemma is how to turn Internet searchers into actual buyers and make them loyal customers. It was calculated that some online buyers represent only 2.8÷3.2% of the site's visitors[13]. One of the main reasons is the lack of customer service quality. Another reason that some online shoppers do not receive answers to their questions. Whereas online sellers criticise the high costs to attract new customers leading to the failure to give them proper care.

Although customer service is the subject of many authors and a great number of researches, most of them confide in the traditional trade or services. The majority agrees that the appropriate customer service is the key to success, but the sales of goods or services via the Internet is still an obscure study of what factors are important to the customers.

The previous research supports the opinion of the critically important role in the process of vendor selling goods in traditional stores. Poor customer service has been identified as one of the main reasons for which many shopping centers are losing their customers and sales. According to Chain Store Age report, almost 75% of successful buyers accentuate the seller, while more than 80% of dissatisfied buyers accuse the seller.

However, the vendor who serves customers in traditional retail store way, while online shopping, does not exist. Obviously it leads to the lack of service, because online buyers may expect assistance similar to the traditional shopping. Internet shopping in some cases can be complicated and difficult without a sales assistant, but it is unlikely that the online shops would limit their activities.

III. HARDWARE/SOFTWARE PROBLEMS

Services offered to Internet users are extremely important for Business-To-Consumer (B2C) e-commerce field. Essential services to help consumers to buy a product online could be described as follows: i) search of products; ii) quick response to user queries, iii) assistance in completing the buying process; and iv) the confidence and assurance of data security. Electronic search is an extremely important service on the Internet. Users are comfortable that the service is available 24 hours a day, seven days a week. This information is available in a form of online catalogues, which includes: i) product description and price; ii) payment methods; iii) consumer opinion about the product; iv) possibilities of product search by keyword; v) advertising in various search sites. Customers will also assess the information on complementary products in the search process. Also positively evaluated links to additional information that may be necessary for users.

The research has shown that customers particularly welcome the electronic responses to the requests, order confirmation, delivery and payment information sent by e-mail even if it is an automatic response. It should be emphasized that an electronic response helps to strengthen the relationship between the seller and the consumer compensating the lack of attention in a typical store. The users also appreciate the emails with confirmations or apologies for delays as well as information about new products and sales.

Online businesses particularly welcome the orders received via the Internet, comparing them to the abundance of faximiles, especially "decoding" hand-written documents. Online orders have their standard form. Therefore error probability is reduced resulting in better consumer satisfaction. Customers should be given access to review the history of orders and check their order status. It is also important for a customer to know the final product price before shipping. Although the majority of e-commerce organizations allow their customers to shop freely providing the opportunity to choose the most convenient method of payment (for example, payment by check, money order or cash on delivery), an electronic payment method should be encouraged. Electronic transfer saves time and ensures the accuracy of information.

E-business companies which provide services to the clients have to evaluate the security of payment transmissions and information security significance to business processes. Our studies have shown that many potential buyers terminate their transactions due to security issues. Safety of personal data, knowing that it will not be disclosed to the third parties also strengthens customers trust [16].

To ensure trust and security, vendors should constantly show attention to their customers, who have to be informed about the latest security. Knowing this, the buyers will definitely rely on secure websites. While promoting sales online, sellers have to reply to customer requests, the site should publish answers to frequently asked questions and also contain photos of products and to get consumer feedback.

Electronic commerce research has confirmed that the majority of sellers use the World Wide Web to inform customers about new products and services. In order to serve customers better before and after the sale process, sellers will also use technologies such as electronic mail and online service. Ebusiness organizations are also aware of the importance of new and "fresh" information site. It helps to attract customers and get them to visit the site more often. Organizations also use the multimedia to customers who are interested in presenting new products [2].

In the meantime, customers claim that completing various forms online and sending them takes more time. It also showed that the site projects, where navigation is difficult and ease [5].

After several marketing researches some interesting facts revealed. As example, electronic service quality may be significantly increased through implementation of new service tools and technologies. Using such tools companies according to the most popular searching results on the Internet could gather information about individual needs of customers and offer several implementations for the market. Also, implementing technologies intended to gather information about separate clients allow easily understand individual current needs and their dynamics to offer best business solution. Systemizing current needs dynamics helps in developing only relevant services for particular group of clients. Moreover, personalized offers and advertisements for various client groups help to receive friendliness and loyalty of customer[8].

Maximum efficiency could be achieved through supplying whole relative service set, starting with product description, order, payment and finishing after-sales services. Only implementation of all these services allows introducing company as online consumer representative to potential clients. In that case consumers receive real service from initial contact to purchase and delivery. Ideally, smooth service in refund and complaints cases must be ensured to increase convenience and confidence of each client.

E-services concept as one of the key success factors in electronic business was studied briefly from theoretical as well as practical point of view. Electronic service could be defined as service in cyberspace. Therefore, electronic service role definition is highly important. Up to 12 million GBP of benefit could be lost as consequence of pure service. Despite the fact that number of consumers exploring electronic services benefits increases, high quality service must be ensured. Negative consumers experience could complicate Internet market development[15].

IV. COMPLEX ESTIMATION

According to theoretical recommendations, nearly 80÷85 % of networkbudget should be devoted to development of electronic services. Main reason is electronic conception understanding much wider than only orders, electronic orders organization and e-mail connections. Contribution of each available electronic service and electronic providers is forming the future of electronic commerce [3].

Electronic service researches have been started recently. Van Riel describes five electronic service components in his works as follows: i) main service; ii) facilitation of services; iii) the promotion of the service; iv) complementary services; v) user interface, allowing customers to access services[17]. Nowadays, theory based on two main approaches. First focuses on technological user interface, its improvement and expansion. Meanwhile, the second uses existing high-quality services theory as a basis for further scientific research.

Increasing quality of electronic services allows to achieve better efficiency and quality of services provided to customers. Main aim of designers is to understand the need of consumer, and correspondingly, aim of academic researchers to evaluate Internet facilities and describe suitable structure of electronic system. Unfortunately, only few researches have been performed to explore factors forming quality. Most complicated task of electronic system designer is a creation of high-profile web site, which could be competitive comparing to huge number of competitors. One of the ways would be creation of attractively designed web site, using bright colors, Java scripts, video and audio tools, etc or achievement of high functionality of the system. Six criteria of consumer impact according to Abels are wellknown: i) benefits; ii) content; iii) structure; iv) linking regularity; v) search; vi) appearance[1]. Table 1 represents the factors influencing consumer in detailed manner.

Dholakia and Rego[7] intended for creation of functional and attractive site suggest using following features: regular data updating; sufficient incoming and outgoing web site links; distinctive details; partner banners.

Table 1. Factors influencing consumer

Factors	Comments
Benefits	Easy access to the site, a user-friendly interface.
Contents of Information Structure	Information is useful, up-to-date, laconic, not repeating, relevant, not much commercials. Clearly defined structure and web site data. The text on the site is divided into appropriate, well-marked subdivisions. Large text-blocks are reduced.
Regularity of links	Site includes links that are appropriate and correct. No links to sites which are being developed or designed.
Search	Implemented website page and information search system. Search results are precise, and provide a useful reference list in the shortest term.
Design	Site design must be user-attractive. Each page should have graphical elements related to page information. Convenient printing view settings (background should not be dark).

Z. Yang suggested variation of factors which are impacting service quality, showed in Table 2.

Table 2. Internet service quality factors according Yang, see Ref. [6]

Factors	Comments
Reliability	Accuracy of order, prompt delivery and correct account generation.
Responsiveness	Quick responses to customer queries, call or e-mail messages (in time), quick and convenient information search.
Access	Includes contact details of the company's home address, e-mail addresses, telephone and fax numbers, company representatives, access to online chat and other communication tools.
Ease of use	Easily memorable site address (URL), a well-planned and structured web design, convenient navigation, laconic and clear information.
Attentiveness	Consists of an individual seller's attention, the personal gratitude and the possibility to carry out searches or leave comments in a user-friendly way.
Credibility	Associated with the online activities of the organization's history, received awards, promotions and banners of business partners.
Security	Ensures personal data privacy and security, minimizes risks while purchasing on the Internet.

Summing up, different approaches for achieving high quality and efficiency could be applied, both design features and functionality factors. Differences between approaches appear because of various user needs, depending on user. Content of web site, target audience are very important. Optimal result could be achieved combining functionality, design, content and innovative factors to satisfy each customer.

Obviously, implementation of all earlier mentioned actions influence higher cost of web site design, operation. However, it allows becoming competitive on the Internet market and makes perfect investment for the market leadership over time. S. Osborn submitted an electronic service quality model, which is described in Table 3.

Table 3. E-mail. A model of service quality

	Creation	Exploitation	
Inner search, inner navigation	Simplicity	Reliability	Frequent updates of contents
Colors, graphics, pictures, animations	Design	Effectiveness	Data transfer, search, navigation
True references, time-after-time renewing	Structure and distribution of references	Support	Easy instructions, FAQ, help, on-line help
Specific information; interactivity according to the country tradition	Content	Communication and security	Multilanguage portal

Earlier described model is suitable for companies, have developed their business as based on the Internet or plan it in near future. Two main web site phases could be determined: designing and operating. Several factors which determine quality of service should be mentioned. It is essential to create simple, convenient and at the same time attractively designed system.

Secondary factors such as regular links, structure and content according to S. Osborn are less important on the first phase. However, on operating stage other features are important, so designer should ensure constant information updating, data reliability, implementation of searching system and communication with customers. Several language interface, as well as, data and payment safety would be benefits of the web site.

According to famous specialist of business management E. Berkovitz's opinion, the key of every successful business is coping with their customers' needs. Theoretician of marketing S. Kaynama is sure that every successful business has to gain and maintain their clients while effectively keeping up with their expectations. High quality of customer service is essential to keep up with competition. Although, most of managers would agree that customer serving is of great significance, very few could define what exactly that is. Customer service is a factor that helps to increase sales and competitive ability [10].

Growth of digital economy is based on ability to communicate among participants in business. The most significant obstacles are these: i) inadequate development of telecommunication networks; ii) problems in compatibility of the telecommunications, information technology and trading; iii) high cost of services; iv) low quality and capacity of communication channels; v) lack of information security[18].

Currently, the most common technologies are based on exchange and sharing of operational information (text, audio, video), as well as technologies based on creation and supporting of informational resources. These technologies consist of email, forums, and various other websites.

The main problems in development of e-business are various differences and gaps in laws that govern the informational service market. There are significant differences in laws of data protection, international trading regulations, determining the origin of goods. Laws, describing the responsibilities of communication channel operators who are responsible for the authenticity and security of data, differ in every country, too. Another problem is securing and resolving authenticity of electronic documents, contracts, transactions and storage.

There are many obstacles that need to be taken into consideration in order to have a successful business. These should be noted as quite important.

1. Distrust: anxiety about price and unknown degree of risk, fear of getting scammed.
2. Lack of knowledge about efficiency of applying the Internet and informational technologies, lack of experience of development of strategy for e-businesses, doubts, whether a product or service is suitable for e-business.

The informational society is a society that is open-minded, educated, willing to learn and share it's knowledge. People who belong to it are able to adapt technologies in daily chores, effectively use national and international web resources. Public institutions are able to take up good decisions and ensure access to secure information of good quality by using the web resources.

V. ELECTRONIC COMMERCE IN LITHUANIA

Internet sales are pulled back by lack of trust between customers and sellers or service provider – customers are afraid that they may be scammed and would not be able to get their money back. These are gaps of legal basis. However, the recent Information Society Services Act should create conditions for more confidence in e-commerce in Lithuania. It is more based on discipline for e-sellers and should result in increase in confidence between customer and seller, thus increasing popularity of e-commerce.

The main reasons that hinder the further use of the Internet are indicated by the lack of time and foreign language skills, which is quite surprising because Lithuania is one of leading countries in Europe by knowledge of foreign languages among population. That might be caused by the fact that majority of websites are available only in English. Although, the main reason, in author's opinion, is the lack of knowledge and skills. Most of people are afraid of shopping on internet because of the thought that everyone is trying to scam everybody and it is impossible to catch them afterwards.

Table 4 represents Lithuanian IT sector SWOT analysis.

After performing the Lithuanian IT sector SWOT analysis, it is clear that this sector is not sufficiently developed, does not cover all the possibilities. We are situated in a location that is business-favorable, have enough skilled and relatively cheap labor and enough of new products and technologies. The main problem is that we do not use them properly. On the slow deployment of innovation in educational institutions and outdated study programs we are unable to prepare workers qualified enough for IT sector. This in turn leads to the additional time and expenses in training staff, and is one of the negative factors in order to attract foreign investment. Problems are also caused by large regional differences. Major cities are well-advanced and attract most of the investment, which leads to even slower development in other regions in respect of large cities.

Table 4. IT sector SWOT analysis

Strengths	Weakness	Opportunities	Threats
A favorable geographical position	Lack of IT satisfies the needs of new staff qualifications	State initiatives, development of information society	Labor force emigration
Sufficiently qualified and relatively cheap IT labor force	Legal environment not conducive to public relations with IT development	European Social Fund	Competition growth in both national and international level
The pace of new product and service installation	Insufficient investment volume of large regional differences.		Impossibility to collaborate with European Social Fund
ISO standards for the installation	Insufficiently developed IT infrastructure (especially in the periphery)		
Based programs and measures provided for modernization of production, innovation and scientific and business relations to improve	Slow pace of installation of innovation in Education offices		

In order to ensure permanent and continuous growth of the IT sector, it is necessary to properly assess and, if necessary, make decisions to eliminate potential threats. One of the current threats to Lithuania is emigration - the government provides higher education and then allows qualified professionals going abroad. Another threat is the growth in international competition. To ensure the stable development of the IT sector, there is a need for constant and uninterrupted process of training up worker qualification and putting up innovative techniques.

Each country's e-readiness score is counted according to 6 sectors: technological infrastructure, social and cultural environment, government's vision and politics, business environment, legal framework and lastly, business and private customers.

Lithuanian electronic progress rate is one of the most rapidly growing in recent years. This was the result of a good legal framework for country and the susceptibility of business innovation and technology. The growth stopped because of insufficiently developed technological infrastructure, so the priority now should be the development of broadband internet project.

The rapidly growing number of Internet home users, and growth of e-business improve the overall performance of the information society in comparison with the EU average. Lithuania is leading in the open source software usage in businesses.

Mentality of people responsible for Lithuanian business structures need to change. Most of large local businesses are not familiar with quality management, enterprise resource planning systems, business process reform, Six Sigma and various other western economy pillars. Meanwhile, the western economy is currently redeveloped, everything turns into everything. Many Lithuanian business owners have trouble understanding these transformations. It is even more difficult to properly react to them, apply and use them.

Innovations as well as changes are always accompanied by various fears of facing them unprepared properly. This sense is reinforced by different rumors or shortcomings. That way, development of innovations halts or, at least, slows down significantly.

In order to identify the web-based business development problems in Lithuania author made a special questionnaire. It was published online and was filled by people using news.omnitel.net newsgroup. This is the most popular newsgroup server in Lithuania. Newsgroups are international discussion board based on Usenet, where people discuss important events, publish recent news and discuss about anything they want. There are about 50 000 articles posted daily. In order to navigate properly, they are divided into subgroups according to topic of the post. The form was also e-mailed, asking it to forward to other recipients. Consumer Survey was conducted via the Internet. 1592 respondents completed the questionnaire. The first question was aimed to find out the ways of communication, which respondents prefer to communicate with companies.

The largest share of respondents opted for the phone call (40%) and only a few % less contact via e-mail (38%). Another 6% prefer direct communication online via the Internet, 16% go to company's office. In summary, the online communication (e-mail and direct connection) has already conquered telephone communication. It is likely that while the number of users is growing and the quality of the Internet improves, this difference will be even bigger.

The second question sought to find out how many people have not used the Internet to communicate with various companies. Even 92% of respondents responded positively to the question of whether they have tried to contact over Internet. Comparing the answers of the first and second questions dilemma pops up - why the majority of respondents, tried to contact over the Internet, when this form of communication is not a priority.

To the popularity and growth of the global network adds the fact that the websites are attractive and easy to reach when information is provided in hyperlink, graphical, video and audio forms. Popularity of global network as a part of commercial media is caused by ability to manage information resources around the world. Four - five years ago the global network was seen mostly as a huge library and it's biggest advantage was ability to find required information and gain access to it. Currently, though, the global network is the biggest media source, with fancy graphical appearance and unique abilities of marketing, combined with the infinite source of any information reflecting dual role.

1. A role of new communication tool, unlike the traditional media the Internet is an interactive, flexible and infinite.
2. A role of a global virtual electronic market that does not have any territorial or temporary restrictions, allowing the interactive trading of goods and changing the opportunities of distribution.

An important feature of the Internet that has a significant impact on the transformation of traditional activities is interactivity - an opportunity to manage reports of the sender and recipient interaction. This option, unlike in traditional marketing, may be applied to the Internet and World Wide Web which is fully customizable through interactive marketing. It differs from traditional market places by option to reach any place from anywhere using computer networks, removing all restrictions. Traditional marketing relies on monologue with a customer while commercial services on the global network provide options for mass interactive dialogue between information senders and recipients.

In this way communication model of "One - many" turns into a model "Many - many", which allows mutual information flow [10].

The most popular method of online communication is by email. Unfortunately, there is a problem of receiving fast and accurate answer to queries. Only 21% of respondents usually receive a reply in less than 3 hours, 23% in 3÷8 hours, and 41% of users usually receive a response only in 8÷18 hours. This is very uncomfortable, especially if you need to communicate with that company more or do not receive a proper answer for your query. 9% of respondents receive a response within 18÷36 hours. The probability that you will never receive an answer raises to 80% if you had not received one within first three days.

Providing of high quality and quick responses to customers queries may be adjusted by hiring more workers and investing in their training, also by redistributing priorities. Leaders of individual companies should be aware that 5% of people say that they usually do not receive an answer to their query.

Although this percentage is not very high, it may have a negative impact on business in future. This could mean that employees are not competent enough to answer all queries and are likely to ignore them. In order to prevent similar path there should be installed systems that would measure the amount of time it takes to answer an email and if an email stays unanswered for 36 hours – it should automatically inform the front office.

Detailed, accurate and clear answers to the customer queries are essential for succesful business. 60% of the respondents answered that they are not completely satisfied with the replies of the company representatives, 8% said that they usually receive negative or incomplete answers. Only 32% of respondents were satisfied by answers.

Customers always expect to receive the answer to all questions. The response should not be incomplete which would cause additional problems for the client. It is recommended that answers would consist links to further information on one or other matters. This should satisfy all customers - experts in their fields, as well as newcomers.

In order to effectively serve customers via the Internet, companies should continuously increase their workers' skills and motivation, that they, in turn, would interact with customers willingly. It should not be forgot that the company's personnel are the lifeblood of the company mirror. The company's management should ensure that the activities and behaviour of employees is constantly evaluated. This process, of course, should be left for the customers. By implementation of this task there should be established an evaluating system, which would add a link at the bottom of an email for evaluation. That would enable customers to quickly and conveniently evaluate every email they receive. In order to enhance the effect, the overall assessment of all customers could be linked to each employee's salary.

Respondents also had to answer a question in the questionnaire whether they are disturbed by the fact that communication is only based on emails. More than half of them (52%) said that it does not cause problems, while 13% of those surveyed were dissatisfied. The remaining 35% answered that communicating only by emails partly caused problems. The answer to this question may be linked to the results of first question that showed that 16% of those surveyed prefer direct contact, such as going to the company. This means that the virtual organization is still unable to satisfy all needs of a customer. The opportunity to chat online by just going to the company's website is innovative and rarely found. 28% of those who were surveyed welcomed this idea, and 43% thought about it more favorable than unfavorable. Unfortunately, not all customers find this opportunity attractive and able to replace a telephone conversation. Almost a third (29%) of interviewees had opposed the opportunity to communicate directly with each other. Many customers are accustomed to hear the representative of the company and are not likely to express their ideas in written form.

Communication by virtual chat takes longer for the client, but it is free and a form of reducing communication costs. It is also useful for the company. One operator can communicate with several clients at once and it is extremely convenient, if there are used certain combinations of numbers or codes. In this way, the

likelihood of errors that can occur on the phone is reduced. It is likely that this form of communication will take on greater significance since the level of Internet quality and computerization is increasing while in the future it might be replaced by a video chat.

Almost all respondents are looking for information on the Internet. They are interested in product descriptions, prices or other consumer feedback on the product or seller. 41% of respondents do not use anything besides Internet for the information, while 63% use Internet the most. Yet a third said that they are looking for information on the Internet as well as other sources. Only the remaining 3% of those surveyed said that they do not favor or use Internet for searching of information at all.

The results show the need to properly assess the impact of the Internet enterprise. Website is like an active sales manager that regularly attracts many new customers. As we know, it is much more difficult to gain a new customer than to retain already existing one. Every company's executives should pay attention to the Internet and at least own a website, that would provide all the information about its services or products.

Most of respondents - 1242 of the 1592 indicated that the biggest drawback of e-commerce is the insufficient disclosure of the properties of an item. Every customer wants to try out and touch the product, ensure that it meets his expectations before purchasing it. Although, when buying online it is physically impossible to do so. Also there is always some fear of cargo being lost or broken on transportation.

Another disturbing fact – security of private information. Almost half of respondents noted it. Personal data provision and collection procedure takes place between the data subject and the collector. That is procedures of purchase in an electronic shop, reservation of tickets and hotel rooms, electronic payments, Internet banking services. The customer provides his private information himself that includes confidential information that consists of their credit card number, home address, workplace, profession, age, etc.

Unfortunately, it is also very interesting for criminals, too. Users need to know whether their relevant information will be properly protected. Naturally, the mutual trust is very important. This process in Lithuania is overseen by the National Data Protection Inspectorate (<http://www.ada.lt>). It is responsible for law enforcement functions, examining the requests and complaints, verifying the legitimacy of the processing of personal data, draw up protocols, register the data managers, and perform other functions that are set for it.

The other disturbing fact is the insecurity of payment. Most payments on the Internet are made by credit card. Some people are afraid of making payments online by credit card. Third of respondents noted that. Some reports concerning Internet frauds are shown by media from time to time. These facts reduce confidence of customers in e-business. Payments made on Internet are kind of electronic commerce Achilles heel. In order to develop e-business further and quicker, this problem should be resolved and safer and more comfortable ways of making payments should be applied.

Respondents also noted the lack of required information about usage of Internet payments and the difficulty to use it as big drawbacks from using Internet-based shopping. This is true for users who do not use a computer very often. It is easier for them to go to an ordinary shop. In order to attract these consumers, each e-business organization should create a separate page on their website, which describes in detail how to use this service.

The next question in the questionnaire was to find the opinion of users whether they are kindly served in online shops. Only 4% agreed with that statement while 21% agreed partly. 11% totally disagreed, 11% disagreed partially. 53% of respondents had no opinion on the matter. In conclusion, it looks like the sellers on e-shops are serving their customers the same way they do in ordinary shops.

The last question was intended to clarify the need for Lithuania of software product installation and configuration service. 16% of respondents responded positively and 36% consider that as a possibility. However, 48% of those polled say that the service is not necessary. Of course, this depends on the user's computer knowledge.

VI. ONLINE CUSTOMER SERVICE DEVELOPMENT MODEL

Analysis of the e-business situation in Lithuania followed by analysis of the data collected from the survey, assumptions were made for development of online customer service model. It turns out that Internet users do not receive a fast and efficient service. It consists of a delay to respond an electronic query, complete and accurate responses. In order to effectively serve customers, the company should be easily accessible, allow customers to contact them in a most convenient way. This, in my view, should be: e-mail, telephone, live chat and other

audio and visual means. The majority of users use Internet to find information about goods and services, video and audio communication channels, although, they are not used for shopping online. Analysis of e-business and survey shows that the main reasons for that are: fear of being scammed, lack of knowledge, the insecurity of payment. In order to increase the amount of Internet shopping, companies should eliminate these fears by creating and maintaining image of trustworthy seller, guarantee the delivering of goods. Also, it would be extremely useful to add a section on webpage for inexperienced users. It should consist of the basics of e-business, description of the process and provide all the information regarding the process.

To reduce the sense of insecurity additional payment options could be provided, such as bank transfer, paying via GSM network, a payment card. Another drawback for e-business is poor item description on the website. Users also want to touch and feel the item they are going to buy, making sure that it meets their expectations. Unfortunately, it is not possible in cyberspace. This could be partly compensated by providing full description of the goods or services based on video and audio technology. The user that had seen a video of service or item usage in reality, should feel much more bravely, and the possibility to return a product if it does not meet your expectations would be the best option to attract a customer. Further successful development may be expected after resolving these problems. Model was made and is shown in Chart2.

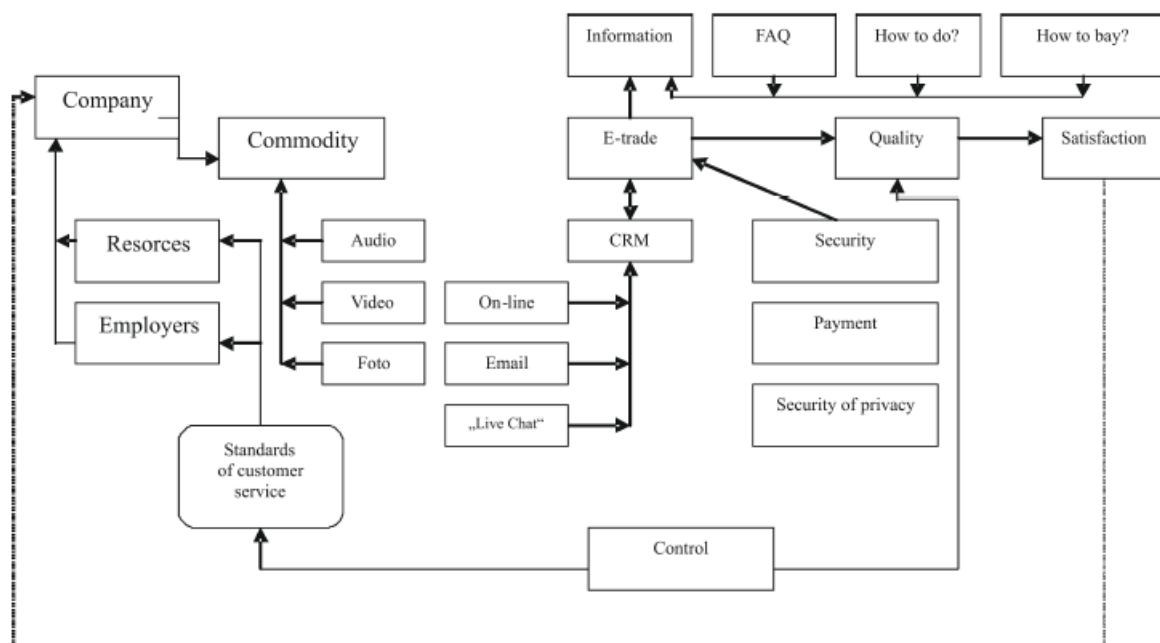


Chart 2. Successful development of electronic commerce.

So, as we see there are no obstacles that can not be passed, although obstacles do exist. In author's opinion, the key is the user and seller lack of mutual trust. This type of business is still very frightful and unusual for consumers, for they are aware of possibility of being scammed and are afraid of it. Of course, the lack of highly qualified and constantly learning managers is still a significant problem because their actions are the key to trust and confidence, followed by loyalty towards one or another business.

VII. CONCLUSIONS

The complex needs of society become the new challenges for e-business opportunities, so it is very important well-timed and effective implementation of innovations. It is estimated that the number of online buyers is only 12.8 ÷13.2% for all the visitors. One of the main reasons of this is lack of customer service quality. The study reported two problems.

1. Insufficiently fast answer to the electronic queries. This leads to such factors as unreality of labor standards, avoidance of them or its absence, insufficient management attention to this problem.
2. Insufficiently comprehensive and clear answer. This problem should be solved by improving personnel skills, properly allocated work-load and all the process should be under continuous control. The process' control in case of the Internet service is much easier. It may be done by managers, because there is no direct contact between a customer and an employee.

The presentation of characteristics of the goods or services in the Internet is one of the most important factors that stop e-business development in Lithuania. In the absence of opportunities to touch the product or service and make sure that it meets the requirements, video and audio technologies should be invoked to convey its' features. In this case the use of footage could fit ideally.

Lack willing to learn and skilled managers and the incapability to understand the dimension of ongoing changes leads to a little reasonable action or no action at all. The companies have to ensure opportunity for customers to contact in customerfriendly manner. Studies have shown that customers, who con tact by email and do not get their problems solved, are willing to solve them by phone. There is also much interest in ability to communicate directly via live chat available at the website of a company.

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