Conversational Commerce vs. Conventional Commerce: Matter of Customer Satisfaction in Urban Thai Office Employees

Tantham Rungvithu

Master of Arts in Communication Arts and Innovation
Graduate School of Communication Arts and Innovation and Management
Innovation (English Program)
National Institute of Development Administration, 2018
Conversational Commerce vs. Conventional Commerce: Matter of Customer Satisfaction in Urban Thai Office Employees

Tantham Rungvithu
GSCM NIDA

Assistant Professor ……………………………………….. Advisor
(Chutisant Kerdvibulvech, Ph.D)

The Examining Committee Approved this Independent Study Report Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Arts (Communication Arts and Innovation).

Assistant Professor ……………………………………….. Committee Chairperson
(Chutisant Kerdvibulvech, Ph.D)

Associate Professor ……………………………………….. Committee
(Jitraporn Sudhivoraseth, Ph.D)

Assistant Professor ……………………………………….. Committee
(Asawin Nedpogaeo, Ph.D)
Title of Research: Conversational Commerce vs. Conventional Commerce: Matter of Customer Satisfaction in Urban Thai Office Employees

Author: Tantham Rungvithu

Degree: Master of Arts (Communication Arts and Innovation)

Year: 2018

Abstract

Conversational commerce has become an emerging global marketing communication trend in the past few years. Recent studies suggested some beneficial aspects of conversational commerce in customer satisfaction, while some claimed different areas that conventional (traditional) commerce still excell in. Therefore, this research examined and compared conversational commerce with conventional commerce in terms of customer satisfaction towards Thai urban office employees, which helped to determine areas of improvement for conversational commerce sellers. Accordingly, a convenient sampling quantitative and qualitative surveys were conducted with the sample size of 50 (n=50), on Thai office employees aged 22-60 years. Nine different customer satisfaction factors and commentary session were employed to determine the effectiveness and winner of each commerce type via vertically designed ordinal Likert Scales. Mode scores were utilised as an average comparison tool for customer satisfaction of both commerces.

Results suggested that the two commerces rate competitively in terms of customer satisfaction, with the Likert level of 4 (satisfied) in all factors. However, they excelled in different aspects. Accordingly, conversational commerce rates higher in terms of product cost, keeping customers in touch, and product/brand image, while conventional commerce rated higher in terms of meeting customer needs, point-of-purchase condition, and delivery time.

Although both commerces rated close in terms of seller credibility and product expectancy, conventional commerce tended to be more preferred in customers’ minds.
Additionally, the areas of chatbot and cryptocurrency are briefly discussed as a forthcoming conversational commerce trend.
ACKNOWLEDGEMENTS

The author would like to express sincere thanks to the major advisor, Assistant Professor Dr. Chutisant Kerdvibulvech for his valuable advice, informational supports, digitization-related knowledge, and encouragement in making this Independent Study Report successful.

I also would like thank the committees Associate Professor Jitaporn Sudhivoraseth, Ph.D and Assistant Professor Dr. Asawin Nedpogaeo for their thoughtful comments and suggestions during the research process. Moreover, a sincere thank is dedicated to Dr. Jeremiah Morris who provided kind technical advices for appropriate data analysis methodology and research process.

Thank is also dedicated to NIDA Online Library Database and staffs who greatly support me to effectively get access to the proper and accurate online database.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>viii</td>
</tr>
<tr>
<td>CHAPTER 1 INTRODUCTION</td>
<td></td>
</tr>
<tr>
<td>1.1 Problem Statement</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Research Objectives</td>
<td>7</td>
</tr>
<tr>
<td>1.3 Conceptual Framework</td>
<td>8</td>
</tr>
<tr>
<td>CHAPTER 2 LITERATURE REVIEWS</td>
<td></td>
</tr>
<tr>
<td>2.1 Factors Contributing to Customer Satisfaction</td>
<td>9</td>
</tr>
<tr>
<td>2.2 Customer Satisfaction Measurement</td>
<td>12</td>
</tr>
<tr>
<td>2.3 Hypothesis</td>
<td>15</td>
</tr>
<tr>
<td>CHAPTER 3 METHODOLOGY</td>
<td></td>
</tr>
<tr>
<td>3.1 Research Design &amp; Question Design</td>
<td>16</td>
</tr>
<tr>
<td>3.2 Recruiting Participants</td>
<td>21</td>
</tr>
<tr>
<td>CHAPTER 4 FINDINGS</td>
<td></td>
</tr>
<tr>
<td>4.1 Factor 1 (Product Costs)</td>
<td>24</td>
</tr>
<tr>
<td>4.2 Factor 2 (Meeting Customer Needs)</td>
<td>25</td>
</tr>
<tr>
<td>4.3 Factor 3 (Seller’s Friendliness)</td>
<td>26</td>
</tr>
<tr>
<td>4.4 Factor 4 (Keeping Customers in-touch)</td>
<td>27</td>
</tr>
<tr>
<td>4.5 Factor 5 (Deserving Expected Product)</td>
<td>28</td>
</tr>
<tr>
<td>4.6 Factor 6 (Delivery Time)</td>
<td>29</td>
</tr>
<tr>
<td>4.7 Factor 7 (Point-of Purchase Condition)</td>
<td>30</td>
</tr>
<tr>
<td>4.8 Factor 8 (Seller Credibility)</td>
<td>31</td>
</tr>
<tr>
<td>4.9 Factor 9 (Product/ Brand Image)</td>
<td>32</td>
</tr>
<tr>
<td>4.10 Overall Results</td>
<td>33</td>
</tr>
</tbody>
</table>
4.11 Cryptocurrency Interview Summary 34

CHAPTER 5 DISCUSSION

5.1 Discussion 36
5.2 Limitations 41
5.3 Future Studies 41
5.4 Conclusions and Recommendations 44

REFERENCES 48
List of Figures

<table>
<thead>
<tr>
<th>Figures</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 A four- five- and six-point semantic differential, Likert scale</td>
<td>13</td>
</tr>
<tr>
<td>1.2 Vertically Aligned Likert Scales, as Compared to Their Horizontal Counterparts</td>
<td>14</td>
</tr>
<tr>
<td>2.1 Sample Survey Questions in Part 1 and Part 2</td>
<td>18</td>
</tr>
<tr>
<td>2.2 Sample Survey Questions in Part 3 (Commentary Box)</td>
<td>20</td>
</tr>
<tr>
<td>3.1 Results for Factor 1 (Product Costs)</td>
<td>24</td>
</tr>
<tr>
<td>3.2 Results for Factor 2 (Meeting Customer Needs)</td>
<td>25</td>
</tr>
<tr>
<td>3.3 Results for Factor 3 (Seller’s Friendliness)</td>
<td>26</td>
</tr>
<tr>
<td>3.4 Results for Factor 4 (Keeping Customers in Touch)</td>
<td>27</td>
</tr>
<tr>
<td>3.5 Results for Factor 5 (Deserving Expected Product)</td>
<td>28</td>
</tr>
<tr>
<td>3.6 Results for Factor 6 (Delivery Time)</td>
<td>29</td>
</tr>
<tr>
<td>3.7 Results for Factor 7 (Point-of-Purchase Condition)</td>
<td>30</td>
</tr>
<tr>
<td>3.8 Results for Factor 8 (Seller Credibility)</td>
<td>31</td>
</tr>
<tr>
<td>3.9 Results for Factor 9 (Product/Brand Image)</td>
<td>32</td>
</tr>
<tr>
<td>4 Overall Results of Factors Excelled by Each Commerce Type</td>
<td>33</td>
</tr>
<tr>
<td>5 TacoBot and Echo Chatbots</td>
<td>42</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

1.1 Problem Statement

Conversational commerce has recently become a vital aspect in merchandising and marketing communication in the modern world. This type of commerce allows humans to communicate via artificial chatting robots, texting programs, and simulating cyber helpers. Large innovative firms have assigned large budgets for the development of robots with Deep Learning and Natural Language Processing in order to allow the devices to deliver data and services in a convenient and two-way communication manner (Mctear, 2017). Conversational commerce sellers are found to be more effective in terms of digitized connectivity, high virtual interaction, and seller credibility when compared with regular e-commerce sellers. Recently, there have been several studies on the pros and cons of e-commerce and face-to-face commerce, but there is still a limited amount of findings when it comes to the new area of conversational commerce. In fact, conversational commerce has grown rapidly in recent years. Additionally, there have been different foreign publications claiming the advantages of either conversational commerce or conventional commerce. However, in Thailand, there are still no comparative findings between conversational commerce and conventional commerce in terms of customer satisfaction benefits.
Therefore, this research will examine the differences between conversational commerce and conventional commerce by using nine customer satisfaction factors from literature reviews to determine different areas in which conversational commerce and conventional commerce excel in. In addition to a statistical comparison, this research can be utilized by marketing communicators, digital-era sales specialists, and those that study communication arts in order to acquire the potentialities of conversational commerce in terms of sales promotion, daily-life online marketing, SME product, and startup services. At the same time, areas of improvement for conversational commerce are provided for modern marketers to perform competitively with conventional off-line vendors.

Additionally, since cryptocurrency has become an emerging payment trend, this research will determine the connection between conversational commerce and cryptocurrency. The two subjects can be interrelated, as digital currency has become more and more prevalent and therefore can be accepted as legal tender for exchange in the near future, which could result in higher customer satisfaction in ease of payment and payment variety. Accordingly, information on cryptocurrency will be accessed via an expert interview session.
Scope of the Study

This research will focus mainly on the Thai office employee subjects that contribute to a large number of conversational commerce and technological activities in Thailand via chatting applications such as Facebook, Line, and Instagram. The subjects also contribute to high spending power in terms of the purchase of daily products, as well as social sharing (word-of-mouth), which highly benefits online merchants.

Although AI (artificial intelligence) and chatbot prototypes and startup services have become more and more prevalent, this research will particularly focus on human-to-human conversational commerce via digitized texting applications on digital devices, which is more prevalent and accessible for Thai office employee subjects compared to chatbot technology or artificial intelligence, which is currently under the development process in the Thai online market.
Operational Definitions:

Conversational Commerce

According to Messina 2015, “conversational commerce” refers to business activities that aim to provide comfort, customization, and product selection services to customers when traveling from one place to another and requiring concise product information from sellers. This communication method can be accessed through audio and written command with humans or robot (chatbot) systems through various communication applications.

Accordingly, the term conversational commerce was initially introduced to the author by Ken Lee, CEO and global business consultant at Belleview Research, at a TMA Top Talk event in Bangkok, in June 2017, and it is believed that it will be a new marketing megatrend by 2030. Conversational commerce, or abbreviated as “c-commerce,” has recently become a buzz word in the modern global communication marketing field. Modern purchasing methods have been transformed from conventional commerce, which refers to the normal method of selling, buying, and bargaining over products through face-to-face interaction and communication, into a more interactive and digitized “chatting” between sellers and buyers. Moreover, these trends are becoming more and more prevalent among young adults, especially those that work in urban offices, where technology accessibility, purchasing power, and social networks are highly established. Some of the popular applications for conversational commerce are Line, Facebook Message, WeChat, and WhatsApp, Uber, or even shopping via Facebook Messenger.
E-Commerce

E-commerce refers to the process of buying and selling products or services in an online marketplace or website. The communication between buyers and sellers could be one-sided, two-sided, or automated by digitized services such as virtual online stores or food applications. Payment using e-commerce can be done using various methods, such as online banking, credit card payment, and cash-on delivery services.

Conventional Commerce

The term conventional commerce in this research refers to a process of merchandising in which buyers and sellers physically meet at a physical marketplace or stores. All of the activities of conventional commerce are done on a face-to-face basis, from greeting, identifying customer problems, advising on the right products and details, to the purchasing stage.

Social Commerce

Social commerce is one of the significant platforms of subsets of conversational commerce. This commerce refers to digitized merchandising via social media sites which provide interaction, two-way communication, and word-of-mouth social sharing online, such as product reviews, brand introductions, and purchasing outlets on Facebook and YouTube.
Customer Satisfaction

Customer satisfaction refers to the degree to which a particular customer of both conversational commerce and conventional commerce is satisfied with the product or service, measured on an ordinal quantitative Likert scale. Customer satisfaction is defined in the present study according to nine customer satisfaction factors summarized and obtained from the literature review.

Cryptocurrency

Cryptocurrency refers to digitized currency that can be used for payment or exchange from one person to another. Cryptocurrency is enhanced by blockchain technology, which allows the currency sender and receiver to transfer the currency without middlemen, yielding shorter transfer time and lower transfer costs.
1.2 Research Objectives

1. To determine the best customer satisfaction rates between conversational commerce and conventional commerce according to each of the nine customer satisfaction factors.

2. To evaluate the effectiveness of conversational commerce and conventional commerce for future strategic implications for marketing communication.

3. To briefly determine the reasons for customer satisfaction, or dissatisfaction, with conversational commerce for its future development.

4. To briefly examine the forthcoming cryptocurrency and its impact on conversational commerce and customer satisfaction for future digitized marketing communication.
1.3 Conceptual Framework

Factors Determining Customer Satisfaction
- Product Cost
- Meeting Customer Needs
- Seller Friendliness
- Keeping the Customers in touch
- Deserving Expected Products
- Delivery Time
- Point-of-Purchase Condition
- Seller Credibility
- Product/Brand Image

Factors Determining Customer Satisfaction
- Product Cost
- Meeting Customer Needs
- Seller Friendliness
- Keeping the Customers in Touch
- Deserving Expected Products
- Delivery Time
- Point-of-Purchase Condition
- Seller Credibility
- Product/Brand Image

Customer Satisfaction
(Independent Variable)

Customer Satisfaction
(Independent Variable)

Comparison
(Dependent Variable)
CHAPTER 2

LITERATURE REVIEW

2.1 Factors Contributing to Customer Satisfaction

Customer satisfaction in this research refers to the extent to which the quality of a product or service reaches the buyer’s expectations. In order to measure customer satisfaction, some of the contributing factors in this research were gathered from the following articles.

2.1.1 Customer Satisfaction with Conventional Commerce

According to S and Says (2016), one noticeable advantage of conventional (traditional) commerce is that the buyers can tangibly examine the products before proceeding to payment. Another advantage is that conventional commerce can provide the product right after the purchase is made, while the online method still requires delivery time. Therefore, the survey questions in this research will also determine if the product’s physical expectancy and delivery time in conventional commerce still play a significant role over those in conversational commerce.

One of the related aspects of conversational commerce (also considered as a governed field of conversational commerce) is e-commerce, which seems to be one of the most popular marketing platforms for Thai office employees. One related article on the factors
determining e-satisfaction on the part of American customers concluded that higher satisfaction with e-commerce results in more purchases. Additionally, when determined by the amount of money spent in e-commerce, e-service quality, e-satisfaction, and e-royalty have strong relationships with one another. Yet, the area in which face-to-face commerce still dominates is the ability to allow buyers to physically test the goods before paying in order to get what they are actually looking for (Nisar & Prabhakar, 2017).

In addition, a study of a Chinese researcher also found significant elements leading to customer satisfaction. Li (2013) concluded that image, price, reliability, tangibles, empathy (understanding the customer’s needs), seller responsiveness, assurance, and perceived value (brand images) have a significant impact on customer satisfaction and customer loyalty in a Chinese shoe company. These factors, in turn, create more customers and expand the market further.
2.1.2 Customer Satisfaction in Conversational Commerce (C-Commerce)

Recent studies have determined the factors that could relatively influence customer satisfaction in conversational commerce. A study on social commerce which refers to business activity derived from social media platforms examined Instagram users. The results suggest that fame and product cost attributes greatly determine the credibility of the electronic vendors, while comfort, electronic point-of-purchase quality, and motivation also have a positive impact on the purchase decision. Yet, the interaction with the sellers results in negative outcomes in terms of credibility (Yahia, Al-Neama, & Kerbache, 2018).

Piyush, Choudhury, and Kumar (2016) suggested five areas that can generate positive interaction with buyers in conversational commerce, which are identifying the buyers to match their needs, making cordial and modest greetings (friendliness), questioning the buyers to prove that they actually “get into” the product concept, hearing from buyers to understand their situation, and maintaining concise but friendly responses. Accordingly, these five points were summarized and adapted for the survey questions in this research.

Buyer comforts and social exchanges are also strong determinants of buyer satisfaction. A survey was conducted with 480 respondents (n= 480), Indian shoppers aged over 18 years. Four factors were determined; namely, social interaction, convenience, customer satisfaction, and customer experience. The outcomes indicated that the level of “convenience” and “social interaction” had a positive effect on both buyers’ experience and satisfaction (Srivastava & Kaul, 2014).

Despite credibility challenges in e-commerce, a subset of conversational commerce, or buying through social media, can be used to overcome the problem of e-commerce in terms of elevating the physical interaction in the virtual community. Additionally, the present
of social commerce can bring about a higher level of credibility that the buyers have on regular digital marketplaces (Baozhou, Weiguo, & Mi, 2015).

However, Featherman, and Hajli (2015) claimed that conversational commerce could bring about risks in self-service payment activities such as fraud, time consumption, and personal data infringement. Accordingly, a research on 1,024 customers summarized that when realizing the risks of payment activities, the perceived usefulness (PU) of e-commerce providers and the customer’s willingness to buy decrease. The findings of this research can be applied to E-Commerce activities in the time of social commerce, which is closely related to conversational commerce.

In addition, Hyun (2018) suggests that the buyer’s feeling for social commerce (conversational commerce) platforms is determined by usefulness, comfort, fun shopping, and financial security. The research also claims that the positive feelings towards digital vendors greatly determine electronic social sharing, the chance of re-visiting the store, and digital payment.

### 2.2 Customer Satisfaction Measurement

In order to measure the level of customer satisfaction, a Discussion Paper on Scales for Measuring Customer Satisfaction (n.d.) suggests that a Likert scale is a tool that can, overall, transform qualitative measurements into quantitative measurements regarding customer satisfaction, and the scale normally contains five important options, which are “strongly agree, agree, neutral, disagree, and strongly disagree.” The scoring from each option briefly allows researchers to calculate the average scores for all related questions (Figure 1.1)
**Figure 1.1** A four- five- and six-point semantic differential, Likert scale

**Source:** Discussion Paper on Scales for Measuring Customer Satisfaction (n.d.)
Unlike the above typical Likert method, Maeda (2014) states in “response option configuration of online administered Likert scales” that a Likert scale could be employed in a top-down axis in order to avoid respondent bias toward the left or right side, but would also consume more survey space (Figure 1.2).

**Figure 1.2** Vertically Aligned Likert Scales, as Compared to Their Horizontal Counterparts

**Source:** Maeda, 2014
By combining both scale design approaches, this research proposes a 5-option nominal Likert scale in a vertical manner. However, the scale will incorporate the term “satisfied” used by the first approach as it conveys clearer access in the customer satisfaction context.

2.3 Hypotheses

**Hypothesis 1**: Conversational commerce rates competitively with conventional commerce in terms of cost, meeting the customer’s needs, seller friendliness, keeping the customers in touch, point-of-purchase condition, and product/brand Image.

**Hypothesis 2**: Conversational commerce rates lower than conventional commerce in terms of delivery time, product expectancy, and seller credibility.
CHAPTER 3

METHODOLOGY

3.1 Research Design and Question Design

The research was carried out using Google Forms (with Thai translation), which is the most efficient platform for distributing a survey to participants that work in different areas and might have different work hours. The research applied a quantitative approach using an ordinal Likert scale which was able to convey customer satisfaction according to measurable scores. The research also applied the qualitative approach by providing a short commentary box for the respondents to determine their purchasing decisions.

The survey includes three main parts as follows:

1. Customer satisfaction with conventional commerce
2. Customer satisfaction with conversational commerce

Accordingly, each of the first two parts had exactly the same nine customer satisfaction factors summarized from the literature review, which were product cost, meeting customer needs, seller friendliness, keeping customers in touch, deserving expected services or products, delivery time, point-of-purchase condition (comfort), seller credibility, and product/brand image. These determinant were measured using a vertically-aligned Likert scale from strongly satisfied (score of five) to satisfied (score of four), neither satisfied nor dissatisfied (score of three), not satisfied (score of two) and strongly dissatisfied (score of
After gaining the results, the means and modes of the Likert scores were compared. Accordingly, the focused average scores were determined by mode, as this is the most standard type of measurement when determining discrete categorical or ordinal data. This mode is preferred in this situation because the greatest frequency of responses is significant for describing categorical variables. However, the mean score was also calculated to further analyze the data in parallel with the mode scores.

The commerce type with a higher value of mode score was considered to be the winner of each customer satisfaction factor. In the case of a similar mode score value, the number of respondents (n) of each mode score was compared. In the case of similar number of respondents (n), both commerce types had the same level of customer satisfaction.
Part 1: Your Satisfaction towards Conversational Commerce (buying via Digital Chats)
ต้นที่ 1: ความพึงพอใจของคุณต่อการซื้อสินค้าผ่านการแชท

In this part, please describe the truest feeling during your Conversational Commerce experience.

Product Cost ราคาของสินค้า

- 5- Strongly Satisfied พอใจมาก
- 4- Satisfied พอใจ
- 3- Neither Satisfied nor Dissatisfied เฉยๆ
- 2- Not Satisfied ไม่พอใจ
- 1- Strongly Not Satisfied ไม่พอใจมาก
Part 2: Your Satisfaction towards Conversational Commerce (buying at the physical store)

ตือนที่ 2: ความพึงพอใจของคุณต่อการซื้อสินค้า
หน้าร้านแบบดังเดิม

In this part, please describe the truest feeling during your Conventional Face-to-Face Commerce experience

---

**Product Cost ราคาของสินค้า**

- 5- Strongly Satisfied พอใจมาก
- 4- Satisfied พอใจ
- 3- Neither Satisfied nor Dissatisfied เฉยๆ
- 2- Not Satisfied ไม่พอใจ
- 1- Strongly Not Satisfied ไม่พอใจมาก

---

**Figure 2.1** Sample Survey Questions in Part 1 and Part 2 (Measured on Likert Scales)
3. Commentary Box: a commentary opinion box was provided in the final part of the survey in order to gain better insight into the respondents’ purchasing ideology, which was used for the analysis in the discussion. The question asks: What would you prefer, buying via digital chats or via physical vendors? Why? (Figure 2.2)

**Figure 2.2** Sample Survey Question in Part 3 (Commentary Box).
In addition to the above three parts, this study also conducted short interviews with cryptocurrency (digital currency) experts, in order to further discuss its relationship with conversational commerce and its advantages regarding customer satisfaction. The interview summary is shown in the research findings section, and is further analyzed according to the survey results in the discussion section.

3.2 Recruiting Participants

The participant recruitment process employed convenient sampling, where various individuals of both genders were invited to participate in the study. They were aged between 22-60 years and had graduated with a bachelor to a doctoral degree. The recruitment criteria were broken down into three parts, demographic and psychographic design, establishing sampling size, and respondent qualification.

Demographic and Psychographic Design

Although young adults tend to be more connected to conversational commerce, these versatile demographic ranges (22-60) were set to ensure that the total outlook of the office population, which included first jobbers and those with high managerial positions and that were both males and females, was covered in this pilot study on urban office employees. In addition, demographic segmentation could be studied in further research. The participants were randomly selected from the researcher’s TNN news broadcast company, an electronic device sales offices, a university offices, an aviation outsourcing companies, social networks, as well as those that work in an office-format company in urban area, mainly
Bangkok. These samples from such companies effectively represent the majority of office employees, because all of them work in urban areas, live in a technologically-friendly environment, absorb word-of-mouth and recommendations from colleagues through social interaction and social media, have high online spending power, and, most importantly, have first-hand experience with conversational commerce.

Establishing Sampling Size

The number of participant was 50 (N=50), which is sufficient for a small-sized initial study case and would provide enough sufficient and reliable data to compare the mode score for each commerce type. According to Isaac and Michale (1995), the sufficient number of respondents for a pilot project is the range of 10-30 respondents. Accordingly, this range was sufficient to examine the null hypothesis, while capable of disregarding insignificant affecting data. However, this research added more respondents to reach 50 (N=50), as this number yielded a lower margin of error. It is to be noticed that the sampling size of 50 was based on convenient sampling of a limited number of networking companies due to time constraints and the pilot research conditions. Therefore, the results gained might be represented differently when utilizing research samples from different companies or departments.
Respondent Qualifications

Before providing a response, the participants were required to have three qualifications as follows:

1. Be a full-time worker in a respected urban company
2. To have been involved in a minimum of three conversational commerce purchases of any products
3. To have bought products worth no more than 1,000 baht in order to establish a common standard for both commerce methods

Accordingly, the survey assured that all of the respondents remained anonymous for the protection of their privacy. After the three recruitment parts were completed, the survey was distributed to the sample size between the 1st of October 2017 and the 31st of November 2017 in Bangkok, Thailand.
CHAPTER 4

FINDINGS

4.1 Factor 1 (Product Cost)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=31), and 4 (Satisfied) for conventional commerce (n=30). Therefore, the winning commerce type for this factor was conventional commerce. Additionally, the mean
score for this factor was 3.94 or conversational commerce, 3.82 for conventional commerce (Figure 3.1).

4.2 Factor 2 (Meeting Customer Needs)

![Figure 3.2.1 Results for Factor 2, Meeting Customer Needs in Conversational Commerce](image1)

![Figure 3.2.2 Results for Factor 2, Meeting Customer Needs in Conventional Commerce](image2)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=35), and 4 (Satisfied) for conventional commerce (n=31). Therefore, the winning commerce type for this factor was conversational commerce. Additionally, the mean score for this factor was 4.02 for conversational commerce, 3.98 for conventional commerce (Figure 3.2).
4.3 Factor 3 (Seller Friendliness)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=27), and 4 (Satisfied) for conventional commerce (n=27). Therefore, both commerce types had equal customer satisfaction scores for this factor. Additionally, the mean score for this factor was 3.68 for conversational commerce, 3.74 for conventional commerce (Figure 3.3).
4.4 Factor 4 (Keeping Customers in Touch)

According to the results, the mode for this factor was 4 (satisfied) for conversational commerce \((n=23)\), and 4 (Satisfied) for conventional commerce \((n=27)\). Therefore, the winning commerce type for this factor was conventional commerce. Additionally, the mean score for this factor was 3.60 for conversational commerce, 3.62 for conventional commerce (Figure 3.4).
4.5 Factor 5 (Deserving Expected Products)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=27), and 4 (Satisfied) for conventional commerce (n=27). Therefore, both commerce types had the same customer satisfaction score for this factor. Additionally, the mean score for this factor was 3.58 for conversational commerce, 4.14 for conventional commerce (Figure 3.5).
4.6 Factor 6 (Delivery Time)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=23), and 4 (Satisfied) for conventional commerce (n=24). Therefore, the winning commerce type for this factor was conventional commerce. Additionally, the mean score for this factor was 3.76 for conversational commerce, while 3.92 for conventional commerce (Figure 3.6).
4.7 Factor 7 (Point-of-Purchase Condition)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=31), and 4 (Satisfied) for conventional commerce (n=29). Therefore, the winning commerce type for this factor was conversational commerce. Additionally, the mean score for this factor was 3.82 for conversational commerce, while reading 3.90 for conventional commerce (Figure 3.7).
4.8 Factor 8 (Seller Credibility)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=26), and 4 (Satisfied) for conventional commerce (n=26). Therefore, both commerce types had the same customer satisfaction score for this factor. Additionally, the mean score for this factor was 3.66 for conversational commerce, 3.82 for conventional commerce (Figure 3.8).
4.9 Factor 9 (Product/Brand Image)

According to the results, the mode for this factor was 4 (Satisfied) for conversational commerce (n=37), and 4 (Satisfied) for conventional commerce (n=28). Therefore, the winning commerce type for this factor was conversational commerce. Additionally, the mean score for this factor was 3.92 for conversational commerce, 4.18 for conventional commerce (Figure 3.9).

---

**Figure 3.9.1** Results for Factor 8, Product/Brand Image in Conversational Commerce

**Figure 3.9.2** Results for Factor 8, Product/Brand Image in Conventional Commerce
4.10 Overall Results

Factors Excelled by Each Commerce Type

![Bar Chart]

**Figure 4** Overall Results of Factors Excelled by Each Commerce Type

Overall, both conversational commerce and conventional commerce were rated similar to one another (Figure 4). Accordingly, conversational commerce rated higher in three factors, which were product cost, keeping the customer in touch, and product/brand Image. Conventional commerce dominates three factors, which are meeting customer needs, point-of-purchase condition, and delivery time. Meanwhile, both conversational commerce and conventional commerce had similar customer satisfaction rate in three factors, which were seller friendliness, deserving expected products, and seller credibility.
4.11 Cryptocurrency Interview Summary

**Question:** What is your view of cryptocurrency and its advantage for Thai product consumers and conversational commerce?

**Interviewee:** Sathapon Patanakuha, Founder and Managing Director of SmartContract Thailand and BLOCK M.D (Blockchain Startup Companies)

According to Sathapon, cryptocurrency was introduced to the Thai market in 2016, and has shown increasing acceptance. This growing trend allows consumers to utilize cryptocurrency according to their specific needs. There are two ways to look at cryptocurrency—investment and exchange. First, for investment, the seller might not expect high liquidity, but rather keep the cryptocurrency for long-term profits. Second, for financial exchange, a seller might expect high liquidity for their quick daily access.

Sathapon pointed out that there are some pros and cons if cryptocurrency is approved by the Bank of Thailand as a legal tender. In terms of customer satisfactions, cryptocurrency allows two parties to transfer their assets regardless of the middleman. As a result, the transfer process is more convenient and less time consuming compared to cash transfer. It could also reduce related financial costs, which would benefit both sellers and buyers. In addition, it serves not only as tender, but also as an investment tool for customers.

However, he added that in the case of high demand of the system, cryptocurrency transfers could face high traffic, resulting in higher costs and more transaction time than cash transfers. The way to solve this issue is to select the right and publicly-recognized cryptocurrency type which provides high liquidity and a fast transfer rate with a low fee.

For the approval from the Bank of Thailand, Sathapon said that the chance is still low in terms of making it a legal tender, unless it is adopted by a vast majority of influential nations that trade with Thailand. However, a more possible method is to let the Bank of Thailand create its own cryptocurrency, as also researched and developed by many countries. Yet, he believes that the absence of legal tender in cryptocurrency would not affect financial exchange credibility in the retailing commerce much, but could be a challenge for large companies which require strict audit systems.
He finally advised that, in order to make cryptocurrency become more practical in the Thai market, convenience is a major key that will allow more and more citizens to get access to it, either by obtaining it directly or via cash purchases. Also, this new currency should be highly secure and capable of sustaining simultaneous transfer traffic at the same time.

(S. Patanakuha, phone interview, Jan 15, 2018).
CHAPTER 5

DISCUSSION

5.1 Discussion

According to the results, both conversational commerce and conventional commerce rated similar to one another for all questions, with 4 (satisfied) as a mode score, where it can be inferred that both commerce types had a similar standard when it came to the customer satisfaction rating, as well as the mean scores. However, there were some significant aspects that could be found when examining in detail in the sub-level.

Point-of-Purchase Condition and Purchase Condition

The overall results implied that conversational commerce had become a competitive player with, or even outperformed, its conventional counterpart. For example, the results for point-of-purchase condition suggested that conversational commerce was less likely to encounter point-of-purchase challenges. In fact, it even performed better than with conventional commerce. In addition, the seller friendliness factor also rated highly for both commerce types.

Brand Image

Even though both conversational commerce and conventional commerce rated “4” for all factors, there was a significant indication of brand image in Factor 9 (product/brand image). Accordingly, 37 respondents rated 4 for conversational commerce while only 28 respondents rated 4 for conventional commerce. This difference suggests that the new
conversational commerce trend does not exert much challenge related to the brand image of the product, given that the prices are lower than 1,000 baht. In fact, it even rates higher than conventional commerce. This result indicates an increasing image acceptance for conversational commerce in daily usage products. However, the two commerce types were not very distinguished in terms of mean score. In fact, the mean score for conventional commerce rated higher than that for conversational commerce. This could be a result of the fact that more than 32 percent of the respondents rated 5 (strongly satisfied) for conventional commerce, while only 10 percent did so for conversational commerce, so it can be inferred that the product image acceptance of the product was high for both commerce types when determining the mode score; however, those that were “strongly satisfied” with the brand/product image still belonged to conventional commerce, as suggested by the mean score. Consequently, a modern marketing communicator can apply this idea to promote and increase the brand image for a product with low prices or daily usage products, not only to make the audience become satisfied, but become “strongly satisfied,” in order to compete with the traditional face-to-face vendors. This development could be done in two ways: recruiting a larger crew and determining the value-added content. For example, conversational commerce sellers can invest more in hiring content creators, photographers, models, or image editors. Meanwhile, they might also need to create a suitable value-added theme on videos, banners, or ads in social media and conversational platforms, such as Facebook or Line.
Delivery Time

Another interesting Likert score for conversational commerce was the Delivery Time factor. Interestingly, conversational commerce performs were seen to be almost just as good as conventional commerce. Both commerce types scored almost the same, with the mode of 4 (n=23) for conversational commerce and mode of 4 (n=24) for conventional commerce. This little margin implies that delivery time creates less trouble for Thai office employees, and therefore delivery time is less likely to be a hindrance for them when it comes to purchase decisions. Therefore, conversational commerce sellers could utilize more motorbike hailing delivery services in city areas such as Bangkok not only to enhance their stance with conventional commerce sellers, but also to guarantee the receiving time within the same date of the order, provided that the buyer’s address is in the same city.

Keeping the Customer in Touch

However, there were some areas that conventional commerce excelled. Despite the development of chat applications, which allows for convenient conversations between buyers and sellers, it was evident that conventional commerce still performs better in terms of keeping the customer in touch. According to the comments, “keeping the customer in touch” not only refers to the respondents as the act of caring alone, but also to the building of a similar understanding of products. One respondent claimed that face-to-face chatting allows both parties to embrace similar viewpoints of the products in terms of seller advice and comparison, which could hardly be done in chatting applications. Another respondent also claimed that he could ask the seller more “specifically” than talking in chats, which could solve their purchasing problems in detail. This fact implies that, contrary to Yahia, Al-Neama, and Kerbache (2018), the interaction with sellers is crucial for the seller’s
credibility when it comes to conversational commerce. Hence, in addition to texting, conversational commerce sellers could open more channels to get in touch with their customers with voice or video calls to explain and to provide their insights into the products so that the buyer will have the same understanding of the products. Moreover, thanks to chatbot technology, which demands less investment in human sales representatives; however, the present chatbots are capable of handling basic texting responses. Therefore, more chatbots could be developed in order to handle the complex questions that a specific buyer might come up with.

**Cost**

Focusing on the cost factor, interestingly, the majority of respondents still prefer the face-to-face method as it provides more financial advantages for them. One respondent claimed that the price bargaining process was enabled when it comes to conventional commerce. However, the number of respondents (n) in terms of mode score was very close between the two commerce types (30 for conversational commerce and 31 for conventional commerce). From this fact it can be inferred that the pricing problem has become smaller and that the pricing in conversational commerce is becoming very competitive with its face-to-face counterparts. Therefore, in addition to the online promotion method, price bargaining strategies in conversational commerce might be considered in order to increase the seller’s flexibility. For example, a seller could tailor make a promotion for a particular segment of buyers, including unique discounts or free giveaways. However, this strategy must be done with high caution to avoid seller bias.
Meeting Customer Needs, Seller Credibility, and Product Expectancy

Technically, from the Likert results, the factors meeting customer needs, Seller credibility, and Product Expectancy seemed to yield similar results for both commerce types. However, when examining the respondents’ viewpoints, conventional commerce played a crucial role for them. Most of the respondents that supported conventional commerce claimed that this method allows them to physically try the product before actually being satisfied with it. Therefore, conventional commerce sellers could improve their services by increasing more image angles and details as much as possible regarding the product description.

Cryptocurrency Interviews

For the cryptocurrency interviews, cryptocurrency, such as Bitcoin, can be utilized hand-in-hand with conversational commerce as one of its payment methods. With Blockchain technology, cryptocurrency can be helpful in terms of increasing customer satisfaction in terms of such factors as transaction time, saving middleman fees in translation, and long-term investment. These advantages would, in turn, enhance the competitiveness of cost and time, which were found to rate competitively between conversational commerce and conventional commerce.

For small-sized conversational commerce businesses, cryptocurrency might be reliable and promptly transferred at one point; however, since cryptocurrency is currently not a legal tender in Thailand, nor is the transfer traceable due to a lack of middlemen, its usage for large companies should be done with high concern regarding anonymity, which in turn would have an impact on their branding and credibility and yield an advantage to conventional commerce vendors. More cryptocurrency access points and platforms in office
or city areas could also be provided by large corporations in major city areas in order to generate more cryptocurrency transactions, provided that the broker’s system is highly liquidized, secure, and capable of handling the transfer traffic. Additionally, a pilot project on Thai cryptocurrency on the part of the Bank of Thailand could be considered in order to further establish credibility of product quality among the buyers and sellers.

5.2 Limitations

There are two major limitations to this research. First, because the limited accessibility of sources the methodology used in this research was standard measurements of customer satisfaction with a basic Likert Scale format, the means and the modes could be further developed to a more advanced and complex calculation system to gain more accurate results. Secondly, due to time constraints, the research survey covered only a small-sized convenient sample, which could be developed on a larger scale in the future in order to obtain a more precise overview of the general Thai office employee population.

5.3 Future Studies

In addition to this research, it is recommended that the context of conversational commerce could be further expanded to that of chatbot technology. Accordingly, chatbot refers to any artificial intelligence software that impersonate a real-life communicator by accessing audio, written input, or a combination of both methods. These chatbots can be accessed through popular messaging platforms (Momoh, 2016). Accordingly, chatbot technology has been transformed from a website platform into texting applications and mobile communication, inviting more service providers into the field. There is speculation that this technology can be applied to the e-commerce market. Evidence can be seen in the
verbal input used with basic money transfers, which take a shorter time compared to interacting face-to-face with humans (Gracia, Carr, & Costa, 2017).

According to Piyush, Choudhury, and Kumar (2016) conversational commerce is enhanced by two factors, which are the spread of smartphone texting applications and the rise of AI, which are modern tools that have a great impact on customers. Companies and researchers are currently working on communicable robots, which are incorporated by machine learning (ML) and human-like language learning, allowing the robot to perform in terms of customer care, customer assistance, and other purchasing issues.

For instance, in 2016, Taco Bell introduced “TacoBot” on the company’s messaging platforms “Slack.” The bot imitates the restaurant’s staff, noting the menu and giving a response to customer inquiries. It can also suggest dishes. A more daily example for the Thai audience would be Amazon, which is one of the first trend setters of conversational commerce. It introduced “Echo,” which is an audio-sensing tool that reacts to customer commands through a virtual staff member named “Alexa,”, which is similar to Apple’s Siri introduced at the beginning of 2015 (Martinez & Mckee, 2016) (Figure 5).
Nevertheless, there are still some limitations to chatbots. In order to perform effectively, they need to be scripted with complicated data. Some difficult meanings or slang might not be understood by the bots. It is also challenging for them to reply to idealistic inquiries, nor simple play on words. Some knowledge of the products still belongs to human responses. Despite these difficulties, chatbots can perform well with specific tasks, such as replying to customer care questions, creating conference timetables, or handling emails.

Considering these trends, future research papers or experiments could utilize the chatbot concept and embed it with conversational commerce, provided that chatbot becomes more popular among the sample size, allowing data to be accessed to a larger extent.

Moreover, future research could examine the subject matter further in terms of product image. As this research suggests that conversational commerce rates higher than conventional commerce in terms of product/brand image, given that the product price was less than 1,000 baht, future studies might employ this concept to test if similar results apply to products with higher prices, or in other words, premium or high-end products.
5.4 Conclusions and Recommendations

To sum up, Hypothesis 1 was confirmed for all factors. However, Hypothesis 2 was confirmed only for the delivery time factor and the seller credibility factor, while a null hypothesis was found for the deserving expected Product factor. Nevertheless, both the conversational and conventional commerce rate were very close for all factors, with a satisfaction mode of 4 (satisfied). The two commerce types excelled in different areas. Some of the areas in conversational commerce showed very competitive outcomes or even surpassed the face-to-face routines, such as delivery time, seller friendliness, point-of-purchase condition, and product costs. Despite having close Likert results, when it comes to seller credibility and product expectancy, conventional commerce is still largely preferred in the customers’ mindset. Keeping customers in-touch does not only refer to the act of caring, but also to having a chance to test real products and to get succinct advice from sellers. Additionally, cryptocurrency can be helpful to buyers and synced hand-in-hand with conversational commerce, provided that financial exchange credibility and availability are carried out with high caution.

In terms of recommendations, since this research primarily aimed to determine the overall comparison of customer satisfaction between conversational commerce and conventional commerce, future studies might incorporate the use of nominal demographic factors (age, gender, income, chatting platform, product price range, product category, etc.) as determining variables. These factors would allow for a more elaborate comparison and insight into the subgroup level, which could yield different detailed results from the main
findings in this research. However, balance sampling approaches and calculations should be taken seriously in order to obtain a fair representation of each demographic factor.

In addition, it is to be noted that this research only aimed to ascertain overall customer satisfaction; therefore, the results from the participants represent their overall feelings towards one or multiple vendors/brands, which does not reflect the specific satisfaction rate for a particular vendor and which could be different from the overall average. Therefore, it is recommended that future studies or tests scope down the research area into one vendor and focus on the comparison between the conversational and conventional platforms that the vendor provides in order to obtain a more accurate view of the same vendor. However, the studied vendors should be publically well-known for both commerce types so that the participant recruitment is practical and so that the research scope is not overly specified.

**Recommendations for Conversational Commerce Vendors**

For small-scale and SME businesses, results from the findings and discussion can be applied to increase sales and customer satisfaction. According to the findings, premiumization of products and services is likely to be a new challenge for conversational commerce. Accordingly, conversational commerce rates very competitively with conventional commerce in the degree of “satisfied” on brand product image factor. However, modern marketers should look forward to making their products not only premium but highly premium and comparable to those in the high-end shopping malls, which seem to best satisfy buyers. This concept needs not only premium pricing, but also premium quality, service, packaging, as well as sales communication, in which a premium model and storyline plays a significant role in social media such as Facebook and YouTube. In addition, seamless and fast delivery such as one-day or half-day delivery guarantee in urban areas can be
applied. This promotion on timing needs to be prioritized in order to compete with local vendors.

For large-scale businesses, technological development needs to be achieved with high concern. There are two challenges that firms have to promptly invest in. First, the firm should consider installing product trial software in order to eliminate the lack of a physical advantage, such as initiating virtual fitting rooms for fashion products or the use of AR (augmented reality) and IOT (internet of things) technologies in order to connect the offline and online world, creating convenient and closest product tangibility. Secondly, the large corporations should consider investing in pilot projects related to cryptocurrency technology. Although cryptocurrency is neither a legal nor a stable tender in Thailand, a small prototype sales promotion for cryptocurrency can be provided to the customer who wants to invest in this new digitized assets. For example, a company might open new product lines, online marketplaces, or purchasing functions that accept Bitcoin or cryptocurrency payment. In turn, the firms will gain a new channel of sales, research analysis or study cases of cryptocurrency possibilities, and positive public relation images on technology-orientation.
Recommendations for Customers and General Audiences

For general buyers, conversational commerce can be an effective and practical choice that can overcome the financial and product credibility challenges found in regular e-commerce platforms. However, despite the high credibility and product expectation scores in the findings, when it comes to the commentary boxes and preferences, conventional commerce still dominates customers’ purchase attitude. Therefore, conversational commerce vendors can apply credibility review technique and ranking system as used in e-commerce, which will help assure the buyer’s expectations and trust regarding products and services.

For the general audience, the results from this research can be used as a comparative tool that suits different customer satisfaction areas and buying preferences. The best commerce type that suits their preference, value, and lifestyle can be considered and utilized by consumers, or future consumers, in order to solve their buying decisions between offline and conversational platforms.
References


