

# Determining Impact of Demographics on Perceived Service Quality in Online Retail

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## INTRODUCTION

Throughout the World Internet users, buyers and businesses are growing at an exuberant speed. Prevalence of computers and internet as one of the most influential technologies and its integration with business has made sale of goods and services through websites a profitable and low cost affair (Doostar, Akbari, & Abbasi, 2013). Businesses have realized that they can use internet as a powerful tool to increase overall service offerings (Griffith & Palmer, 1999). On the other hand, customers can avail benefit like convenience, availability of wide variety of product/service, competitive prices, extensive information, comparing alternatives etc. However, most of the retailers are selling similar products and gaining competitive advantages solely based on a cost leadership strategy is difficult (Jun, Yang, & Kim, 2004; Shankar, Smith, & Rangaswamy, 2003). In this scenario, researchers have pointed out that superior service quality can be critical for Internet retailers' long-term success (Fassnacht & Koese, 2006; Zeithaml, Parasuraman, & Malhotra, 2002). However, perception of the service quality can significantly differ between different customers, leading to difference in their satisfaction and future behavior (Sánchez-Pérez, Sánchez-Fernández, Marín-Carrillo, & Gázquez-Abad, 2007). Many

researchers have highlighted how demographic factors can influence customers' preference of online store visit (Phang, Kankanhalli, Ramakrishnan, & Raman, 2010), information search behavior (Kalia, Singh, & Kaur, 2016), consumer's online buying behavior (Li, Kuo, & Russell, 1999), differentiation of web-shoppers and non-shoppers (Karayanni, 2003) and evaluation of the e-service quality (Barrera, García, & Moreno, 2014). Ganesan-Lim, Russell-Bennett, & Dagger (2008) also mentioned in their literature review that individual consumers perceive service differently therefore quality perceptions may vary from one segment of the population to another. Acknowledging the fact that demographic information is essential for segmentation and targeting (McCarty & Shrum, 1993) or relevant in formulation of marketing or product strategy by internet retailers (Chang & Samuel, 2006), this study tries to understand whether significant difference in perceived service quality (PSQ) exist within demographic characteristics of online shoppers, such as education, age, gender, monthly income, occupation and marital status. This article is organized as follows: a literature review relevant to service quality and demographic effects on service quality perceptions is done to develop hypotheses. Then methodology and results are discussed. At the end conclusion and managerial implications are drawn.

## BACKGROUND

### Online Service Quality

To measure customer perceptions of service quality in service and retailing organizations Parasuraman, Zeithaml, & Berry (1988) developed a 22-item survey research instrument called SERVQUAL. Later, through focus group research with online shoppers, Zeithaml, Parasuraman, & Malhotra (2000) developed a framework for consumer evaluation of electronic service quality, known as e-SERVQUAL. They defined e-service quality (e-SQ) as, “the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery” (Zeithaml et al., 2000). Their framework considered 11 dimensions of e-SQ i.e. access, ease of navigation, efficiency, flexibility, reliability, personalization, security/privacy, responsiveness, assurance/trust, site aesthetics, and price knowledge. On the basis of SERVQUAL number of scales for measuring online service quality were developed in subsequent years; for example, WebQual 1.0 (S. Barnes & Vidgen, 2000), PIRQUAL (J. Francis & White, 2002), WebQual 4.0 (Barnes & Vidgen, 2003), E-S-QUAL and e-RecS-Qual (Parasuraman, Zeithaml, & Malhotra, 2005), E-A-S-QUAL (M. Kim, Kim, & Lennon, 2006), eTransQual (Bauer, Falk, & Hammerschmidt, 2006) and eSELFQUAL (Ding, Hu, & Sheng, 2011). There was origin of some independent scales like SITEQUAL (Yoo & Donthu, 2001), WebQual (Loiacono, Watson, & Goodhue, 2002), IRSQ (Janda, Trocchia, & Gwinner, 2002), .comQ (Wolfenbarger & Gilly, 2002) and eTailQ (Wolfenbarger & Gilly, 2003). Number of researchers have highlighted why consumer perception of online service quality is important (Cai & Jun, 2003; Cheng, Wang, Lin, Chen, & Huang, 2008; J. E. Francis & White, 2002; Gounaris, Dimitriadis, & Stathakopoulos, 2005; Janda et al., 2002; Jun et al., 2004; Lee & Lin, 2005; Yang & Jun, 2002; Yoo & Donthu, 2001) and how service quality can significantly affect attributes like, loyalty (Dai, Haried, & Salam, 2011; Ding et al., 2011; J. Kim, Jin, & Swin-

ney, 2009; Srinivasan, Anderson, & Ponnnavolu, 2002; Swaid & Wigand, 2009; Wolfenbarger & Gilly, 2003; Zehir, Sehitoglu, Narcikara, & Zehir, 2014), satisfaction (Bauer et al., 2006; Cho & Park, 2001; Ding et al., 2011; J. Kim et al., 2009; S. Kim & Stoel, 2004; Szymanski & Hise, 2000; Wolfenbarger & Gilly, 2003; Yang, Peterson, & Cai, 2003), customer retention (Wolfenbarger & Gilly, 2003), perceived value (Bauer et al., 2006; Zehir et al., 2014), attitude toward the website (Wolfenbarger & Gilly, 2003), behavioral intentions (Collier & Bienstock, 2006), and service enjoyment and commitment (Dai et al., 2011).

### Demographics and Service Quality

Different motivations drive shoppers to react differentially to diverse marketing messages (Moe, 2003). For instance, shoppers may search for product information actively or casually browse a webstore. This difference can be ascribed with customer's demographics and these variables offer valuable insights into ‘who consumers are’ and ‘what they need’ (Kalia, 2016a; Phang et al., 2010). For segmentation and targeting, researchers consider demographic information fundamentally necessary (McCarty & Shrum, 1993) and suggested to understand the affect of demographics like age, income and gender with respect to customer perceptions of quality (Lim et al., 2008). This section reviews prior research on the impact of demographics on service quality perceptions. As compared to previous studies, where two, three or maximum four demographic variables are undertaken; this study has comprehensively considered six demographic variables i.e. education, age, income, occupation, marital status and gender.

### Education

Researchers observed that education level influence the evaluation of service quality (Min & Khoo, 2013). Vrechopoulos et al. (2001) discovered that Internet shoppers are mostly University graduates and postgraduates, simi-

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