Chapter XIV
Evaluating Group Differences in Gender During the Formation of Relationship Quality and Loyalty in ISP Service

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ABSTRACT

This study examines the moderating role of gender during the formation of relationship quality and loyalty in the context of IT service. In the proposed model, expertise, relational selling behavior, perceived network quality, and service recovery indirectly influence a customer's loyalty through mediation of relationship quality. Gender moderates each model path. The moderating effects are examined simultaneously using data from customers of Taiwan's leading Internet service provider. Test results indicate that the influences of perceived network quality on relationship quality and of relationship quality on loyalty are stronger for males than females, while relational selling behavior influences relationship quality more for females than for males. Furthermore, service recovery influences relationship quality for both the male and female groups, but its influence does not differ significantly between the two groups. Finally, expertise exerts an insignificant influence on relationship quality for both groups. Implications of the empirical findings also are discussed.

INTRODUCTION

A battle for e-commerce is rising rapidly in Taiwan, one of the most competitive markets around the globe. Many emerging e-commerce companies, especially those that focus on B2C (business-to-consumer) are struggling to get more customers. These companies devote a large amount of their investment to state-of-the-art infrastructure and promotion, and extensively to outright customer subsidies. For instance, many ISPs (Internet service providers) are offering giveaways (e.g., MP3 players) or price discounts for new customers who sign up during a specific period of time.

There is no question that a focused approach to establishing the strengths and unique competitive edge of a company is necessary for survival, given the intense competition. Notably, the continuance of IT usage at the individual user level is crucial to many business-to-customer electronic commerce firms, such as ISPs, online retailers, online banks, online brokerages, online travel agencies, and so forth (Bhattacherjee, 2001). However, such continuance relies on achieving relationship quality and customer loyalty. As indicated by Chen and Hitt (2002), the expectation of B2C companies is that early investments in customer acquisition will result in a long-term stream of profits from loyal customers, which will offset the costs. Previous studies have demonstrated the importance of relationship quality and loyalty and their impact on firm profitability and customer retention (Crosby, Evans, & Cowles, 1990; Tam & Wong, 2001), but the first step in effectively managing relationship quality and customer loyalty in IT service contexts is identifying their antecedents. This study identifies the critical customer loyalty determinants from the perspective of users and also clarifies their importance in loyalty formation.

This study differs from previous works in two important ways. First, this work focuses on the study of relationship quality in the marketing of an intangible ISP service. The reason that intangible services (e.g., ISP services) should be treated differently from tangible goods is that consumers have more difficulty evaluating the quality of intangible services than physical goods prior to, during, and after consumption (Grove, Pickett, & Laband, 1995; Rushton & Carson, 1989). It has been suggested that the advertising and promotion for intangible services should differ from those of physical goods (Rushton & Carson, 1989). This study investigates customers using an ISP service and, through an examination of gender differences, brings implications for IT marketers. Second, gender generally is neglected in IT behavioral research (Gefen & Straub, 1997). This study is one of the earliest to conceptualize and to test a model of IT relationship quality that includes gender as a moderator. Since gender generally is acknowledged to influence profoundly one's response to marketing strategies (Brady & Robertson, 1999; Laroche, Saad, Cleveland, & Browne, 2000; Mattila, Grandey, & Fisk, 2003; Maxwell, 1999), specifying the moderating impacts of gender can guide IT service providers to design different strategies for different customers and, consequently, achieve high relationship quality and customer loyalty.

RESEARCH FRAMEWORK AND HYPOTHESIS DEVELOPMENT

The conceptual model, displayed in Figure 1, is a direct modification of those given by Crosby et al. (1990) and Lin and Ding (2005). The model not only includes relational selling behavior and expertise (Crosby et al., 1990) but also integrates two key variables specific to the IT service field: perceived network quality (Kettinger & Lee, 1994) and service recovery (Bob, 1989), which are rarely tested in IT service contexts.

In the proposed model, expertise, relational selling behavior, perceived network quality, and service recovery indirectly influence customer loyalty through the mediation of relationship

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