# Chapter 29
# Determining Impact of Demographics on Perceived Service Quality in Online Retail

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## ABSTRACT

*This chapter starts with a premise: whether significant difference in perceived service quality (PSQ) exists within demographic characteristics of online shoppers, such as education, age, gender, monthly income, occupation, and marital status. Web survey has been administered to 308 online shoppers of the four most popular e-retailers in India, who have made at least one online purchase in past six months. Hypotheses have been formulated on the basis of panoptic literature review of six demographic factors (i.e., education, age, income, occupation, marital status, and gender). Kruskal-Wallis (H Test) and Mann-Whitney Test have been used to check difference in PSQ within different demographic factors. No significant difference in PSQ within different demographic factors has been found, except within different occupational categories. Subsequent post-hoc test elucidated significant difference within business-service and business-student groups; however, there was no significant difference within service-student groups.*

## 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

DOI: 10.4018/978-1-5225-7766-9.ch029

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, & Rusell, 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 (Wolfinbarger & Gilly, 2002) and eTailQ (Wolfinbarger & Gilly, 2003). Number of re-