



The Journal of Sri Krishna Research & Educational Consortium  
**INTERNATIONAL JOURNAL OF  
MARKETING AND  
MANAGEMENT RESEARCH**  
Internationally Indexed & Listed Referred e-Journal



## **CONSUMER DEMOGRAPHICS AND EXPECTED SERVICE QUALITY**

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### **ABSTRACT**

*A sound banking system is a vital pre requisite for financial system stability and economic growth of the country. The competition between banks has also increased tremendously. Sri Lankan financial system of the country mainly depends on banking system because it represents a share of 70.8% of the total financial system of the economy (Central Bank Report, 2010). The rapidly changing and highly competitive environment which banks are forced to operate within are pushing them to rethink about their attitude towards customer satisfaction and optimisation of service quality.*

*This study is aimed at identifying the significance of the consumer demographics on the overall evaluation of expected service quality and in terms of each service quality dimensions by the consumers in the retail commercial banking industry (private and public banks) of Sri Lanka. A sample of 150 consumers was selected through stratified random sampling technique. The retail consumers who maintain savings, fixed deposit and current accounts and have been dealing with those banks more than two years were considered. Survey method used to gather primary data and was developed on SERVQUAL model of service quality. Hypotheses were tested using ANOVA and findings showed that except age other demographic factors are not discriminators of expected quality. Expected service quality in terms of each dimension varies depending on the age of the consumer.*

**KEYWORDS:** *Banking industry, Consumer Demographics, Expected Service Quality, Retail Consumers.*

## 1. INTRODUCTION

Demographics continue to be one of the most popular and well-accepted bases for segmenting markets and customers (Belch and Belch, 1993; Kotler, 2000). By specifically identifying the key demographics of one's target market, a basic profile of the targeted customer emerges. Even if other types of segmentation variables are used (e.g. behavioral, psychographic) a marketer must know and understand demographics to assess the size, reach and efficiency of the market (Kotler, 2000). Moreover, demographics are easier to measure than other segmentation variables. Pointing out the importance of demographics and their relationship with marketing, Lazer (1994, p. 4) noted the following: "Effective marketing and pertinent, timely demographic data are inextricably intertwined. Demographic data are among the most significant marketing-intelligence inputs. They are central to formulating marketing plans and strategies and are basic to the development of competitive advantage".

The same scenario is evident through, the study done by Wijetunge and Goonatillake, 2003, which says that the main reason for the dissatisfied customers is the failures in core service quality and relational service quality. More dissatisfied customers are come with complaints related to the core service quality dimensions. Table 1.1 shows the information on the same.

**TABLE 1: SATISFIERS AND DISSATISFIERS: NUMBER OF RESPONSES**

Item	Satisfiers	Dissatisfiers
Relational Quality	66	31
Core service quality	10	50
Empathy	3	3
Tangibles	0	3
Feeling of Safety	1	1
Physical Access	4	16
Electronic Access	2	0

Source: Wijetunge and Goonatillake, Sri Lankan Journal of Management, 2003

Core Service Quality is a very important determinant of satisfaction even for middle- income customers who comprised the major portion of the sample of this study (Wijetunge and Goonatilake, 2003). Key to satisfying customer retail banking customers lies in the area of service quality (Wijetunge and Goonatilake, 2003).

Therefore with these evidences both from the international and as well from the local background it can be convinced that there can be an impact from the demographic variables of the consumers on their expected service quality. Further, this study is addressing the research gap of unavailability of literature with respect to the consumer demographics and service quality in the Sri Lankan context. Hence with this background it is worthwhile to the bankers to identify the differences in the service quality expectations in terms of different demographic characteristics of the consumers.

The study mainly focuses on the retail consumers of the local commercial banks. It includes all the private and public commercial banks. The study considered only the bank branches located in the Gampaha District. Further the study includes consumers who have been dealing with the selected banks for more than two years, who are maintaining current, fixed deposit and savings accounts. The demographics of age, gender and income level of the consumers are considered for the study.

### **1.5 OBJECTIVES OF THE STUDY**

- I. To examine whether the degree of expected service quality varies with different demographic characteristics of the consumer
- II. To identify whether the importance assigned by consumers to each dimension of expected service quality varies with different demographic characteristics of the consumer.

## **2. LITERATURE REVIEW**

Parasuraman et al (1985) described service quality as: the ability of the organisation to meet or exceed customer expectations. Customer expectations may be defined as the desires and wants of consumers that is what they feel a service provider should offer rather than would offer (Parasuraman, Zeithaml and Berry, 1988). Definitions of service quality, therefore, focus on meeting the customers' needs and requirements, and how well the service delivered matches the customers' expectations of it. In recent years, greater emphasis has been placed on the need to understand the role of expectations, given the fact that consumers' expectations of quality are increasing, and people are becoming more discerning and critical of the quality of service that they experience. Swartz and Brown (1989) drew some distinctions between different views on service quality, drawing from the work of Gronroos (1983) and Lehtinen and Lehtinen (1991) concerning the dimensions of service quality. What the service delivers is evaluated after performance (Swartz and Brown, 1989, p.190). This dimension is called outcome quality by Parasuraman et al. (1985), technical quality by Gronroos (1983), and physical quality by Lehtinen and Lehtinen (1991). How the service is delivered is evaluated during delivery (Swartz and Brown, 1989, p. 190). This dimension is called process quality by Parasuraman et al. (1985), functional quality by Gronroos (1983), and interactive quality by Lehtinen and Lehtinen (1991). In their empirical findings, Cronin and Taylor specifically explored the relationship between service quality, satisfaction, and purchase intention. Furthermore, they compared SERVQUAL's efficacy with attitude-based methods (as applied in consumer satisfaction/dissatisfaction research) of measuring service quality. An attitude-based conceptualization would argue for either an importance-weighted evaluation of specific service attributes or even just an evaluation of performance on specific service attributes. The service quality models they examined were (1) a performance measure, (2) a performance measure weighted by importance, and (3) SERVQUAL weighted by importance. Their analysis suggests that service quality is an antecedent of customer satisfaction and that satisfaction has a stronger influence than does service quality on purchase intentions (McAlexander et al, 1994).

The construct of service quality as conceptualized in the service marketing literature is focused on perceived quality, defined as a consumer's judgment about an entity's overall excellence or superiority (Zeithaml, Parasuraman and Berry, 1990). As virtually all organizations compete to some degree on a basis of service (Zeithaml, Parasuraman and Berry, 1990), service quality then becomes significantly important to achieve a genuine and sustainable competitive advantage. Service-based companies are compelled by their nature to provide excellent service in order to prosper in increasingly competitive domestic and global marketplaces, where there is no "tangible" product to equate otherwise to quality. Customer-driven strategies require satisfying customer preferences; Customer perceptions and expectations of service quality are increasingly used to forecast company profitability and prospects for improved market share. Although many other "quality-focused" initiatives have often failed to enhance company performance, customer-perceived service improvements have been shown empirically to improve profitability (Buzzell and Gale, 1987).

The shift from an industrial to a customer-value paradigm (Albrecht, 1992) places service at the centre of company efforts to improve profitability. Many companies intending to employ a customer service-based strategy find the process of identifying and measuring customer preferences very difficult, often owing to mistaken business perceptions of customer wants (Drucker, 1964; Andrews et al, 1987; Fornell, 1992). Nonetheless, providing superior service quality requires creating a distinct relationship between what the customer wants and that which the company provides, or a relationship between customer requirements and essential business elements (Evelyn and DeCarlo, 1992). Service quality literature recognizes expectations as an instrumental influence in consumer evaluations of service quality (Gronroos, 1982; Parasuraman et al., 1985; Brown and Swartz, 1989). Expectations are understood as the desires or wants of customers, that is what the service provider should offer (Parasuraman et al., 1988), and studying companies understood to be leaders in various industries (and not limited to direct competitors), that is "benchmarking" or "studying the winners", has become a vital source in identifying gaps that exist between customer expectations and company performance (Albrecht and Zemke, 1985) as perceived by its customers. Meeting rising customer expectations has proved to be one of the most difficult challenges to service businesses as quality is found to be measured most accurately through the eyes of the customer and it should be regularly measured (Reichheld and Sasser, 1990). Companies that actively search for and incorporate the best service methods and processes to improve the performance, regardless of sources, and ultimately the perceptions of their customers, are found to excel in relation to their competitors. In practice, companies that exceed customer expectations without impairing profit margins have frequently been found to develop a solid foundation of customer loyalty, based on segmented service (Drucker, 1964).

Determining optimum levels of customer service is understood to depend on accurately assessing customer expectations, so that companies are able to meet highly-valued customer expectations and avoid employing those services that customers do not value; regular customer feedback has been determined essential to such successful customer satisfaction strategies (Evelyn and DeCarlo, 1992). Successful customer service focused companies measure their service to ascertain how well they are satisfying their customers

(Evelyn and DeCarlo,1992; Albrecht, 1985), and superior companies have been shown to be consistently excellent listeners to their customers (Albrecht, 1985).

Much of the research has been carried out within the framework of the Service Quality Gap Model of Parasuraman et al (1985). This conceptual framework has made a substantial contribution to the understanding of the concept of service quality and the factors that influence it, by identifying four gaps“ which can occur in organizations. According to Parasuraman et al (1985), a gap represents a significant hurdle in achieving a satisfactory level of service quality. This model is more of a diagnostic tool, which if used properly should enable management at all levels to identify service quality short-falls systematically. Since this model is externally focused it has the potential to assist management in identifying pertinent service quality factors from the perspective of the customer. These gaps “can cause quality problems and it is these quality problems which give rise to a fifth gap of the difference between the customer’s expectations of the service and his/her perceptions of the service that is actually received. The authors have defined this difference as Service Quality. In this respect, perceived service quality is the disconfirmation or disparity that is the mismatch, between the consumer’s expectations and perceived service performance. Without doubt, conceptual service quality models are useful in so much as they provide an overview of the factors which have the potential to influence the quality of an organization and its service offerings. They facilitate our understanding and can help organizations to clarify how quality shortfalls develop. However, they are almost invariably simplified versions of reality. They can be misleading in that they tend to suggest that there are simple relationships between complex phenomenon, and that systems operate by rules of cause and effect. However, human behaviour significantly affects the quality of an organization and its offerings, and this is more evident in service organizations.

## **2.3 SERVQUAL**

SERVQUAL is an instrument which had been used more frequently in the studies done on the area of service quality in several service industries which was developed by Parasuraman et al (1988).

### **2.3.1 THE ADVENT OF SERVQUAL**

In 1985, Parasuraman et al developed the SERVQUAL instrument (refined in 1988, 1991 and again in 1994), for the measurement of service quality. It has become one of the most renowned in the service quality domain.

The five SERVQUAL dimensions are a concise representation of the core criteria that customers employ in evaluating service quality. As such it is reasonable to speculate that consumers would consider all five criteria to be quite important (Parasuraman, 1988). It was developed to measure perceived service quality as the key output variable and in its finalized form it has 22 pairs of Likert-type scales. The first 22 items are designed to measure customer expectations of service for a particular service industry expectations, while the remaining 22 are intended to measure the perceived level of service provided by a particular service organization (perceptions). Service quality is then measured by

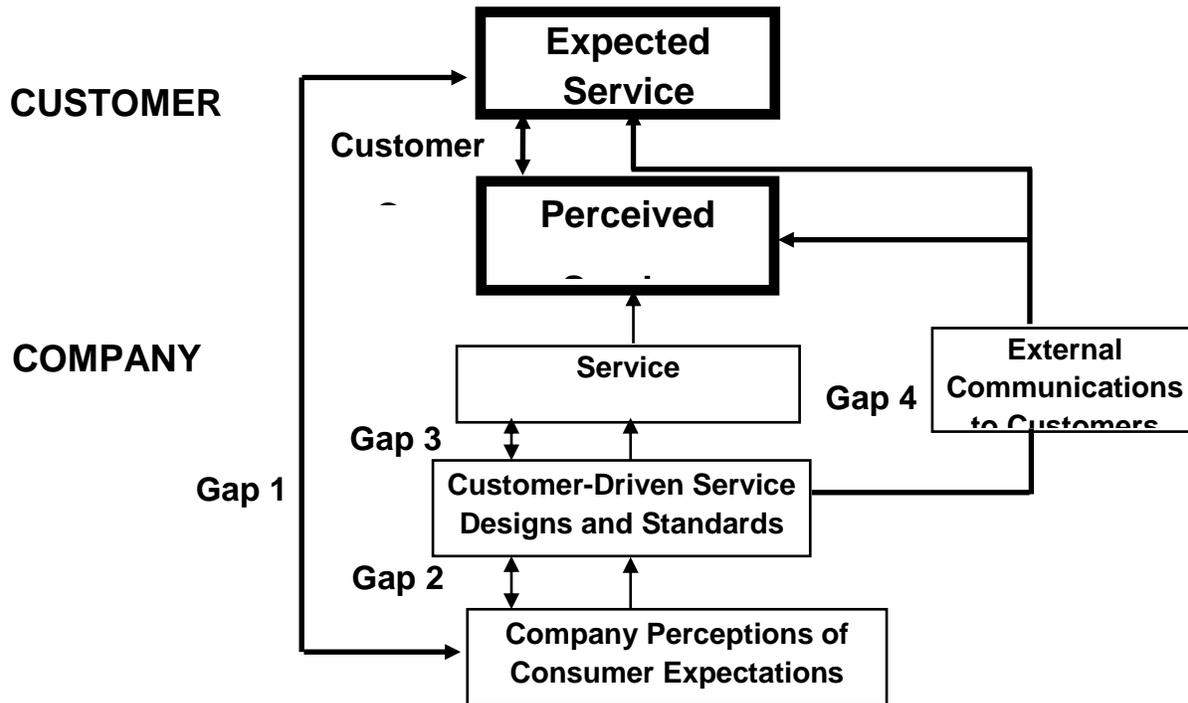
calculating the difference in scores between the corresponding items (perceptions minus expectations). However, it is limited to current and past customers, because respondents need to have some knowledge and experience of the organization in order to be able to complete the scale. The SERVQUAL instrument was designed to measure service quality across a range of businesses. Parasuraman et al (1985; 1988) measured the quality of services provided by the following:

- banks,
- in retail,
- in a long-distance telephone company,
- in a securities broker,
- in an appliance repair and maintenance firm, and
- in credit card companies.

Parasuraman et al (1985) concluded that consumers evaluate service quality by comparing expectations to performance on ten basic dimensions. The scale (Parasuraman et al., 1988) was developed by, first, writing a set of about 100 questions that asked consumers to rate a service in terms both of expectations and of performance on specific attributes that were thought to reflect each of the ten dimensions. Next, the data were analyzed by grouping together sets of questions that all appeared to measure the same basic dimension, such as reliability. Parasuraman et al (1988) also tested their SERVQUAL scale for reliability and validity. The major test of reliability was coefficient alpha, a measure of the extent of internal consistency between, or correlation among, the set of questions making up each of the five dimensions, such as the five reliability questions. The minimum reliability that is acceptable is difficult to specify. If reliability is low, such as below 0.60, one is faced with the choice of investing time and money in additional research in an attempt to develop a revised measure with greater reliability, or using the measure, recognizing that fluctuations in measured quality may be due only to measurement rather than a change in quality. High reliabilities, such as 0.90 or above, are desirable. In principal, the validity of a bathroom scale is easy to test as one could simply place a standard weight on the scale and see if the scale gave the correct value. The validity of a measure of service quality is difficult to test as a proven criterion is not available. The general approach to testing the validity of marketing scales is to measure the agreement between the measure of interest, SERVQUAL, and a second measure of quality, convergent validity and/or a measure of a variable that should be related to quality, concurrent validity. Parasuraman et al (1988) provided evidence of convergent validity as they measured agreement between the SERVQUAL score and a question that asked customers to rate the overall quality of the firm being judged and also concurrent validity, whether the respondent would recommend the firm to a friend.

Figure 1 represents the gaps model of service quality developed by Parasuraman et al (1995). However the present study does not focus on any gaps of the model but it focus on whether the expected service quality varies depending on the consumers demographics. The expected quality was measured for this research using the first 22 items of SERQUAL instrument.

**FIG. 1: THE GAPS MODEL OF SERVICE QUALITY**



Source: Parasuraman, Zeithamal and Berry, 1995

Previous research has shown that demographic variables are related to service Expectations quality expectations (Gagliano and Hathcote, 1994; Thompson and Kaminski, 1993; Webster, 1989). More specifically, Thompson and Kaminski (1993) found a significant relationship between age and dimensions of service quality, while Gagliano and Hathcote (1994) reported significant relationships between income and service quality expectations. Further, Webster (1989) found that age, gender and income were significantly related to service quality expectations for professional services. Further he argues that income segmentation has been a popular demographic variable utilized by a myriad of product and service marketers.

### 3. METHODOLOGY

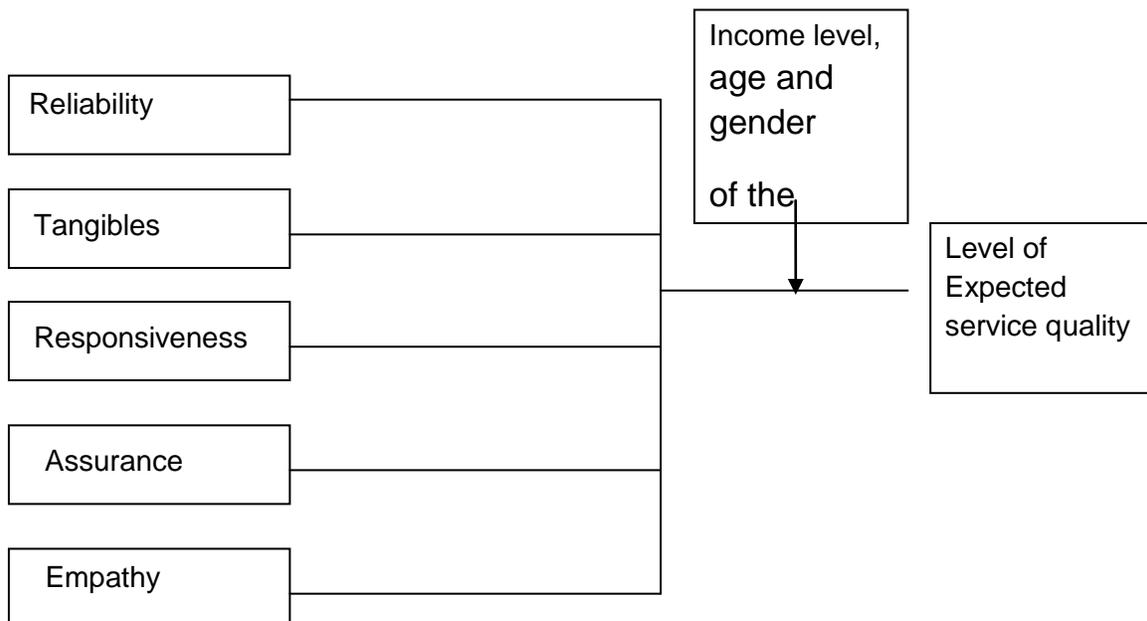
This research is primarily a descriptive research by which it attempts to discuss how the consumer demographics affect on service quality expectations of the retail banking consumers. Both primary and secondary data were used. Secondary data were collected through text books and previous research articles. Primary data were collated on survey method based on a structured questionnaire developed based on SERVQUAL model. Variables were operationalised

on the basis of SERVQUAL instrument. Four income categories were used in the questionnaire such as, below 25,000, above 25,001 and below 50,000, above 50,001 and below 75,000 and above 75,001. Six age groups were used: above 18 and below 25, above 26 and below 35, above 36 and below 45, above 46 and below 55, above 56 and below 65 and above 65. Stratified Random Sampling technique was used to select the sample elements and hypotheses were tested using one way ANOVA.

### 3.1 CONCEPTUAL MODEL

Based on the reviewed literature the researcher was able to identify dimensions of service quality of reliability, tangibles, responsiveness, assurance and empathy as per the SERVQUAL model and those dimensions are using as the base for measuring the expected service quality of the banks. Further it is evident through literature that the relationship between the independent variables of dimensions of service quality and the dependent variable of service quality is moderated through the impact of the demographic variables of the consumer such as gender, age, income level, education level and geographic area of living and social class. But, the researcher is focusing only on income level, gender and age of the consumers under this study. Figure 2 illustrates the relationship among these variables.

**FIG. 2: CONCEPTUAL FRAMEWORK**



Source: Researcher's own construction, based on SERVQUAL Model

### 3.2 HYPOTHESES

H1: Consumer evaluation of expected service quality varies in terms of the demographics of the consumer.

H2: The importance assigned by the consumers to the each dimension of expected service quality varies in terms of the demographics of the consumer.

### 3.3 DATA ANALYSIS

To test the hypotheses developed, ANOVA was used through SPSS package.

H1: Consumer evaluation of expected service quality varies in terms of the demographics of the consumer.

The mean values of expected service quality were measured through the variables values of each dimension of service quality. Under this main hypothesis another three sub hypotheses can be developed as mentioned below based on each demographic variable considered for this research and they were tested using ANOVA. The confidence level used to test the hypotheses was 95%.

#### 1. CONSUMER EVALUATION OF EXPECTED SERVICE QUALITY VARIES IN TERMS OF THE AGE OF THE CONSUMER.

Table 2 indicates the results of data analysis obtained using ANOVA. There by it can be said that the hypothesis of consumer evaluation of expected service quality varies in terms of the age of the consumer is accepted since it is statistically significant because the table value of 0.006 is lesser than the P value of 0.05.

**TABLE 2: AGE AND SERVICE QUALITY**

ANOVA					
Expected Service Quality					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.005	4	1.501	3.726	.006
Within Groups	58.416	145	.403		
Total	64.421	149			

Source: Results of data analysis

Table 3 implies the Duncan multiple range test results for age categories used for this research According to that the age groups of 18-25 and 26-35 concern more about their expectations regarding the service quality.

**TABLE 3: DUNCAN MULTIPLE TEST FOR AGE AND SERVICE QUALITY****EXPECTED SERVICE QUALITY**Duncan<sup>a,b</sup>

Age	N	Subset for alpha = 0.05	
		1	2
18-25	54	6.0565	
56-65	7	6.1986	6.1986
46-55	28	6.2121	6.2121
36-45	25	6.4704	6.4704
26-35	36		6.5289
Sig.		.068	.148

Source: Results of data analysis

**2. CONSUMER EVALUATION OF EXPECTED SERVICE QUALITY VARIES IN TERMS OF THE GENDER OF THE CONSUMER.**

According to the table 3 this hypothesis is not accepted since the table value is greater than the P values of 0.05. It is not statistically significant.

**TABLE 3: GENDER AND SERVICE QUALITY ANOVA**

Expected Service Quality

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.207	1	.207	.478	.490
Within Groups	64.214	148	.434		
Total	64.421	149			

Source: Results of data analysis

**3. CONSUMER EVALUATION OF EXPECTED SERVICE QUALITY VARIES IN TERMS OF THE INCOME LEVEL OF THE CONSUMER.**

Table 4 is evident that this hypothesis also rejected as it is not statistically significant and the table value exceeds the P value of 0.005.

**TABLE 4: INCOME LEVEL AND SERVICE QUALITY ANOVA**

Expected Service Quality

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.231	3	.744	1.746	.160
Within Groups	62.190	146	.426		
Total	64.421	149			

Source: Results of data analysis

H2: The importance assigned to the each dimension of expected service quality varies in terms of the demographics of the consumer.

Within the frame work of this hypothesis another 15 hypotheses can be built up on the basis of each dimension of service quality and demographic variable. The table 5 represents the results of testing all hypotheses related to the demographic factor of age of the consumer. The acceptance or the rejection of each of these hypotheses is mentioned below.

- The importance assigned to the expected service quality of tangibles varies in terms of the age of the consumer- This hypothesis is accepted since the table value of 0.000 is lower than the value of 0.05.
- The importance assigned to the expected service quality of reliability varies in terms of the age of the consumer- This hypothesis is rejected since the table value of 0.070 is greater than the value of 0.05.
- The importance assigned to the expected service quality of responsiveness varies in terms of the age of the consumer- This hypothesis is not accepted since the table value of 0.088 is lower than the value of 0.05.
- The importance assigned to the expected service quality of assurance varies in terms of the age of the consumer- This hypothesis is accepted since the table value of 0.016 is lower than the value of 0.05.
- The importance assigned to the expected service quality of empathy varies in terms of the age of the consumer- This hypothesis is accepted since the table value of 0.036 is lower than the value of 0.05.

**TABLE 5: EXPECTED SERVICE QUALITY AND AGE OF THE CONSUMER**

		<b>ANOVA</b>				
		Sum of Squares	df	Mean Square	F	Sig.
Mean Expected Tangibles	Between Groups	10.720	4	2.680	5.351	.000
	Within Groups	72.622	145	.501		
	Total	83.342	149			
Mean Expected Reliability	Between Groups	5.020	4	1.255	2.221	.070
	Within Groups	81.923	145	.565		
	Total	86.943	149			
Mean Expected Responsiveness	Between Groups	4.436	4	1.109	2.067	.088
	Within Groups	77.801	145	.537		

	Total	82.237	149			
Mean Expected Assurance	Between Groups	6.218	4	1.555	3.144	.016
	Within Groups	71.700	145	.494		
	Total	77.918	149			
Mean Expected Empathy	Between Groups	6.780	4	1.695	2.644	.036
	Within Groups	92.960	145	.641		
	Total	99.740	149			

Source: Results of data analysis

The Table 6 represents the results of testing all hypotheses related to the demographic factor of gender of the consumer. The status of the hypotheses is stated below.

- The importance assigned to the expected service quality of tangibles varies in terms of the gender of the consumer- This hypothesis is not accepted since the table value of 0.873 is lower than the value of 0.05.
- The importance assigned to the expected service quality of reliability varies in terms of the gender of the consumer- This hypothesis is rejected since the table value of 0.376 is greater than the value of 0.05.
- The importance assigned to the expected service quality of responsiveness varies in terms of the gender of the consumer- This hypothesis is rejected since the table value of 0.112 is greater than the value of 0.05.
- The importance assigned to the expected service quality of assurance varies in terms of the gender of the consumer- This hypothesis is rejected since the table value of 0.459 is greater than the value of 0.05.
- The importance assigned to the expected service quality of empathy varies in terms of the gender of the consumer- This hypothesis is rejected since the table value of 0.100 is greater than the value of 0.05.

**TABLE 6: EXPECTED SERVICE QUALITY AND AGE OF THE CONSUMER**

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Mean Expected Tangibles	Between Groups	.014	1	.014	.026	.873
	Within Groups	83.328	148	.563		
	Total	83.342	149			
Mean Expected Reliability	Between Groups	.461	1	.461	.788	.376
	Within Groups	86.482	148	.584		
	Total	86.943	149			
Mean Expected Responsiveness	Between Groups	1.395	1	1.395	2.554	.112
	Within Groups	80.842	148	.546		
	Total	82.237	149			
Mean Expected Assurance	Between Groups	.289	1	.289	.551	.459
	Within Groups	77.630	148	.525		
	Total	77.918	149			
Mean Expected Empathy	Between Groups	.000	1	.000	.000	1.000
	Within Groups	99.740	148	.674		
	Total	99.740	149			

Source: Results of data analysis

The table 7 represents the results of testing all hypotheses related to the demographic factor of income level of the consumer. The status of the hypotheses is stated below.

- The importance assigned to the expected service quality of tangibles varies in terms of the income level of the consumer- This hypothesis is rejected since the table value of 0.574 is lower than the value of 0.05.
- The importance assigned to the expected service quality of reliability varies in terms of the income level of the consumer- This hypothesis is rejected since the table value of 0.073 is greater than the value of 0.05.
- The importance assigned to the expected service quality of responsiveness varies in terms of the income level of the consumer- This hypothesis is rejected since the table value of 0.088 is greater than the value of 0.05.

- The importance assigned to the expected service quality of assurance varies in terms of the income level of the consumer- This hypothesis is rejected since the table value of 0.298 is greater than the value of 0.05.
- The importance assigned to the expected service quality of empathy varies in terms of the income level of the consumer- This hypothesis is rejected since the table value of 0.082 is greater than the value of 0.05.

**TABLE 7: EXPECTED SERVICE QUALITY AND INCOME LEVEL OF THE CONSUMER**

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Mean Expected Tangibles	Between Groups	1.207	3	.402	.715	.544
	Within Groups	82.135	146	.563		
	Total	83.342	149			
Mean Expected Reliability	Between Groups	4.039	3	1.346	2.371	.073
	Within Groups	82.904	146	.568		
	Total	86.943	149			
Mean Expected Responsiveness	Between Groups	3.589	3	1.196	2.221	.088
	Within Groups	78.648	146	.539		
	Total	82.237	149			
Mean Expected Assurance	Between Groups	1.935	3	.645	1.240	.298
	Within Groups	75.983	146	.520		
	Total	77.918	149			
Mean Expected Empathy	Between Groups	4.461	3	1.487	2.279	.082
	Within Groups	95.279	146	.653		
	Total	99.740	149			

Source: Results of data analysis

#### 4. DISCUSSION OF FINDINGS

According to the data analysed the age of the consumer is a major discriminator of overall service quality expectations and also service quality expectations in relation to the dimensions of tangibles, assurance and empathy. This research used six age categories: above 18 and below 25, above 26 and below 35, above 36 and below 45, above 46 and below 55, above 56 and below 65 and above 65. This research found that 18-25 and 26-35 expect a higher level of service quality.

Although the results of the previous studies have shown that income level of the consumers is a significant discriminator of service quality, the findings of this research indicate that with respect to the Sri Lankan context it is not a significant factor in evaluation of service quality expectations. Further it explains that based on the income level of the consumer he or she does not expect different levels of service quality from the banks. The gender of the consumer is also not a discriminator of expected service quality so the banks should attempt to offer a higher service quality irrespective of the gender of the consumer. Gender and income level of the consumers are not important even with the expected service quality based on different dimensions of tangibles, reliability, responsiveness, assurance and empathy. However the implication of this is that the banks should be in a position to serve their consumers by offering a higher overall service quality also in terms of different dimensions of service quality regardless of the gender and income level of the consumers.

Age appears to be the most important demographic variable to be considered in the Sri Lankan context by the bankers as it is a discriminator of overall expected service quality and also the expected service quality in terms of the dimension of tangibles, assurance and empathy. Age does not influence on expected service quality based on the other dimensions of reliability and responsiveness. Therefore the managements of the Sri Lankan commercial banks should take necessary steps to achieve higher customer expectations taking the age of the consumer into consideration. Further to this age of the consumer can be a significant factor to be thought of especially in the scenarios of market segmentation and new product development.

## **5. CONCLUSION**

Based on the results of the study it can be concluded that gender and income level of the consumer do not exert a significant impact on either overall evaluations of service quality and the service quality expectations in terms of the dimensions of tangibles, reliability, responsiveness, assurance and empathy. Age is discriminator of service quality not only in overall service quality expectations but also in terms of the dimensions of tangibles, assurance and empathy.

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