Personal Demographical Factors and their Influence on Customer Satisfaction from Customer Perspective

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Abstract

Customer satisfaction is very important concept in modern business organization and also many business organizations wish to maximize their customer satisfaction. Main objective of this study examines the relationship between personal demographical factors (age, sex, income level, educational level and marital status) and customer satisfaction. Data were collected tthrough closed ended questionanaire. This study limited to customer of private commercial banks in Jaffna district. Therefore, systematic random sampling method was used to choice respondents. This study revealed that there is no significant difference between the personal demographic factors such as gender and marital status but there exist significant difference among age, income and education level on service quality. The findings of study leave plenty of scope for enhances to uplift the customer satisfaction.

Keyword: Demographical Factors, customer satisfaction

1.0 Introduction:

In the modern business world, one of the few issues on which service quality researchers agree is that service quality is an elusive and abstract concept that is difficult to define and measure (Joseph, J Cronin and Steven, A. Taylor, 1992). In an organization strving towards improving the service, identification of appropriate criteria for use in evaluating the quality of service to customers is essentials.

Over the last three decades, academicians and practitioners mostly concentrate service quality and customer satisfaction. Most experts agree that customer satisfaction is short-term, transaction specific measure, whereas service quality is an attitude formed by a long-term, overall evaluation performance.

No doubt that concept of customer satisfaction and service quality are intertwined. Even though relationship between those two concepts is unclear, some believe that customer satisfaction leads to perceived service quality, while others believe that service quality leads to customer satisfaction. In addition, the relationship between customer satisfaction and service quality and the way these two concepts relate to purchasing behaviour remains largely unexplained (Cronin, Jr., and Taylor).

Customer satisfaction and service quality research have evolved along parallel tracks (Strandvik and Liljander, 1995). Service quality is relativistic and cognitive discrepancy between experiences based norms and performances concerning service benefits (Roest and Pieters, 1997).

Findings of this study help to know the relationship between demographical factors and service quality. The findings of research could be used by marketers and management to reshapes their critical success factors and incorporate such factors in strategic planning to improve the service quality. Number of studies has been done on service quality but few research studies focused the relationship demographic factors of customers.

Main objective of the study is to identifying the significant mean difference between the customer demographic factors influence the Customer Satisfaction. Finally, this study initiated to find out that to what extent demographic factors influence on service quality among bank customers.

2.0 Literature Reviews

Customer satisfaction is very importance concept in modern marketing. Many marketers are using the customer satisfaction as one of tools to attract the customers. First of all we want to know the meaning of customer satsfaction. Many researchers (Oliver, 1981; Brady and Robertson, 2001; Lovelock, Patterson and Walker, 2001) conceptualize customer satisfaction as an individual's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. Generally, there are two general conceptualizations of satisfaction, namely, transaction-specific satisfaction and cumulative satisfaction (Boulding 1993; Jones and Suh, 2000; Yi and La, 2004).

"Transaction-specific satisfaction is a customer's evaluation of his or her experience and reactions to a particular service encounter" (Cronin and Taylor, 1992; Boshoff and Gray, 2004),

"Cumulative satisfaction refers to, "the customer's overall evaluation of the consumption experience to date" (Johnson, Anderson and Fornell, 1995).

Buchanan (1994) sees commitment as a situation where the individual directs efforts toward organizational and

professional goals and gains intrinsic satisfaction through achievement. The career commitment of a librarian could be said to be the ability of the librarian perform the job effectively, maintaining loyalty, involvement, and identification, despite the shortcomings of the job, such as recognition, working conditions, achievements, social relationships, and benefits.

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Cuthbert (1996) in his study disclosed that among the dimension in service quality the score for tangibility (3.34) is the highest, followed by assurance (3.21), reliable (3.11), responsive (3.04) and empathy (2.58). However he added that this does not represent tangibility as a major contributor towards satisfaction of the students as he believes it is the service encounter which is the determinant factor. O'Neill and Palmer (2004) also hold the exact same idea that, although tangibility is ranked as the best in term of overall performance score, but it has been ranked as the least importance by the students compared to process and empathy. Study by Perisau and McDaniel (1997) is best described as, assurance and reliability has been identified as the most important suggesting that students are most concern with the knowledge, courtesy and ability to inspire trust and confidence which is part of the assurance dimension.

3.0 Data Collection:
The primary data and secondary data were collected for the survey. Primary data were collected through questionnaires.

4.0 Research Design:
In the qualitative approach, questionnaire was developed to collect data for study. It consists of two parts A & B. Part A – it deals with personal demographic like sex, age, educational background, monthly income, marital status, etc. Part B – It consists of ten statement**s.**

5.0 Sampling Framework:
For this study, stratified proportionate sampling method was adopted to select respondents. Two hundred and fifty questionnaires were administered. Finally, one hundred and ninety four respondents have completed and returned the questionnaires, so response rate is 82%.

6.0 Conceptualization:
Following model shows the relationship between two variables. Thus personal demographic factor is considered as independent variable. Customer satisfaction is considered as dependent variable.
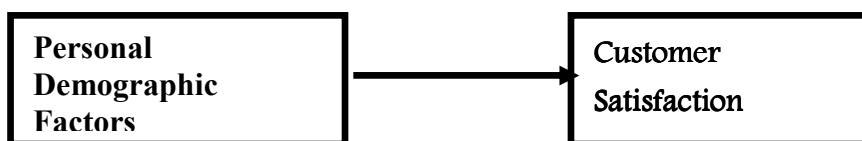
7.0 Hypothesis of the Study
H_1: There is a significant difference in between customer gender different and customer satisfaction.
H_2: There is a significant difference in between in his or her age and customer satisfaction.
H_3: There is a significant difference in between education level of customer and customer satisfaction.
H_4: There is a significant difference in between different income level of customer and customer satisfaction.

8.0 Results and Discussion
A questionnaire was used, in the present study to find out the personal demographic factors influence on customer satisfaction. Association between personal demographic factors and customer satisfaction and the significant difference among the personal variables customer satisfaction have also been clearly analyzed and summarized in the following table:

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Chi-square and Z-test for Customer

Variables	X^2	Sig. Level	N	Average	S.D	Z-value	Sig. Level
Male	0.345	N. S.	98	32.90	6.546	0.145	N. S.
Female			96	32.50	8.672		
Married	0.310	N. S.	80	33.68	7.455	1.45	N. S.
Unmarried			114	31.27	7.599		

Above table expresses that there is no association between following demograhical variables gender group, marital status and customer satisfaction. Further, there is no significant difference between male and female customer.

Variables	X^2	N	Average	F-value	Sig. Level
Age					
< 20yr.		32	104.678		
20 – 30 yrs.	7.468	41	110.124	7.608	0.05
30 – 45 yrs.		49	111.643		
45 – 60 yrs.		72	115.214		
Education					
< G.C.E.(O/L)		23	103.42		
G.C.E.(O/L)	2.043	42	105.32	2.513	0.05
G.C.E.(A/L)		36	104.44		
Degree &					
Postgraduate		49	107.22		
Professional		44	108.44		
Income					
< 15,000		43	104.35		
15,000 – 20,000	6.345	06	99.47	11.345	0.02
20,000 – 25,000		38	86.38		
25,000 – 30,000		48	108.48		
> 30,000		39	114.32		

Above table shows the difference between personal demographic factors namely, age, education and income and customer satisfaction. According to above table there is significant difference between different age group on customer satisfaction.

F – Value of different age group and servic customer satisfaction is 7.608 which are significant at 0.05 levels. Thus, F – Values denote the significant difference. Therefore, age, education and income of respondents have a significant effort on the perception of customer satisfaction.

F – Value of different education qualification and customer satisfaction is 2.513 which is significant at 0.05 level. It indicates that there is a significant difference between education qualification and customer satisfaction.

F – Value of different income level and customer satisfaction is 11.345 which is significant at 0.02 level. It clearly shows that there is significant difference between different levels of income and customer satisfaction.

9.0 Conclusion and Recommendations

This study clearly windup that there no association among personal demographic factors which are taken in the present study and customer satisfaction and hence the hypothesis one is accepted.

There is no significant difference between the personal demographic factors such as gender and marital status but there exist significant difference among age, income and education level on service quality. So, variables have a significant effect on customer satisfaction. Therefore, hypothesis 2, 3, and 4 accepted. We suggest that banks should complement good service quality improvement project.

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