

Abstract

The study of service quality remains a critical issue as businesses strive to maintain a comparative advantage in the marketplace. This study both synthesizes and builds on the efforts to conceptualise the effects of service quality on customers' behavioural intentions and current consumption behaviours. Specifically, this study refined a scale for measuring service quality dimensions in banking industry, and explored its relationship with customers' purchasing behaviours. Two types of marketing segmentations (Socioeconomic-based and Lifecycle-based) were also used to study the impacts of marketing segmentation on the relationship between service quality dimensions and customers' behaviours. Structural Equation Modelling (SEM) and Multi-Sample Analysis (MSA) were performed to examine the goodness-of-fit of a theoretical model. The results of an empirical study of five hundred and three customers suggest that six dimensions of service quality can be identified in Hong Kong banking industry: image, innovativeness, staff attitudes, pricing, convenience and communication. A significant positive impact of service quality on current consumption behaviours in banking industry was also found, which show a further step in the study of service quality. Customer segments yield statistically different satisfaction scores, which verify the managerial value of customer segmentation practices. Recommendations of effective marketing strategies are provided. Additionally, future research on other segmentation variables, such as psychographics, lifestyles and benefit segmentation is suggested?