

**Analysis of Psychographic variables influencing the trust of
customers towards ability of banks to perform promised services: A
Segmentation approach**

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ABSTRACT

The banking industry in India has undergone sea changes since post-independence. The business depends upon client services and the satisfaction of the customer and this is compelling them to improve customer services and build up relationship with customers. The present study is an attempt to analyze the psychographic variables influencing the trust of customers towards ability of banks to perform promised services. Their shared attitudes towards their trust towards bank were identified on the basis of their agreement towards various variables. 35 variables were originally considered under the construct for studying the attitudes of customers. Two public banks considered for the study include Punjab and Sind Bank and Union bank of India and the private banks include HDFC bank and IDBI bank. Data is being collected from the customers of these four respective banks from three major cities of Punjab that include Amritsar, Jalandhar and Ludhiana. Cluster analysis identified two segments of customers i.e. service oriented customers and relation oriented customers. The study provides implications for bank officials who can offer

more effective advice to the customers as per their needs and take into account the differences among different segments in order to help such segments improve their decisions.

Keywords: Public banks, Private banks, attitudes, psychographic segmentation, customers.

Introduction

Until the late 80's Indian Banking was primarily held by public sector banks. Government was shielding these banks from all type of competition, both from internal and external environment. The concept of customer satisfaction was only limited to books and journals. Since economic reform in early 90's banking has undergone drastic changes, facing intense competition in the market. Opening of Private sector & Foreign banks in India have not only changed the rules of game but have changed the game itself. The banking industry in India has undergone sea changes since post-independence. The business depends upon client services and the satisfaction of the customer and this is compelling them to improve customer services and build up relationship with customers. The main driver of this change is changing customer needs and expectations. Customers in urban India no longer want to wait in long queues and spend hours in banking transactions. This change in customer attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the customer's doorstep. With the emergence of universal banking, banks aim to provide all banking product and service offering under one roof and their endeavor is to be customer centric. With the emergence of economic reforms in world in general and in India in particular, today's banks have come up in a big way with prime emphasis on technical and customer focused issues (Kanojia and Yadav, 2012).

The present study is an attempt to analyze the psychographic variables influencing the trust of customers towards ability of banks to perform promised services. Their shared attitudes towards their trust towards bank were identified on the basis of their agreement towards various variables. 35 variables were originally considered under the construct for studying the attitudes of customers. These variables were checked for internal consistency and reliability. All the 35 variables considered are shown in Table 4A have been derived from studies of Wood and Zaichkowsky (2004) and Funfgeld and Wang (2009). Such psychological attitudes towards investing reveal the customers trust towards bank .

Review of literature

Bhatia , K. et.al (2015) explained that banks are backbone of any economy. With the debut of multinational private sector banks, banking sector is facing stiff competition and a thirst to enhance their service quality in order to gain a competitive edge over their customers. Public sector banks are facing stiff challenges from the private sector banks and are under tremendous pressure to cope up with the facilities provided by the multinational banks. While public sector banks have an advantage of perception and strong rural network private sector banks have better services and amenities. The study was aimed at comparing public sector and private sector on the criteria of public perception, basic amenities customer centric services and their bench strength. The authors conducted a field study taking a sample size of 50 and a strong reliability of .901 was measured on cronbach's alpha reliability test using SPSS version 16.0. Further, independent T-test was applied to data. The author concluded that not only traditional family banks owned business flourished here but modern challenging areas like information technology, communication, computer software, media, fashion etc. are also flourishing here. Since 1993 the Indian banking has entered into new era and its expansion is affected by entry of private banks and foreign banks. Tough competition, development of financial markets, relaxation in government control and awareness among customer will require more changes in approach of banks. The present research was conducted keeping in review the sharp differences between public and private sector banks at the district level.

Anita (2014) represented the time that a customer spends for availing the services with the bank is very important whether that is less or more. Relationship marketing should be emphasized upon and special training should be provided to all the corporate staff members in the bank, making them aware about the actual meaning and use of this concept. Result shows the t-test conducted for the sample. As per the results concluded, all the variables except location of the bank and timely delivery of the services were found significant. Further, this research showed that private banks are ahead of public banks in strategic intent that is they consider the customers while making new policies and services for winning their satisfaction. The findings of the study showed that private sector banks are providing better services in terms of extra services like home facility, 24*7 hours facility etc, query resolution through telephone, prices of the services and above all availability of the multiple products (all the significant t-values taken). This study showed that if the facilities in the branch infrastructure, décor, sitting facility, signage, etc. are adequate, it not only leads to

customer satisfaction but overall improvement in working of the branch as well whether it is availability of latest products, strategic intent, timely delivery of services. If all the signage are in place it will direct the customer to right desk without wasting their time which further helps the service officer in attending the customers in time and cater to their needs.

Bagoria, R. (2014) presented the comparative study between the private sector banks and public sector banks in mobile banking in different cities. M –banking is the provision of banking service through electronic channels and the customer can access the data without any time and geographical limitation. The researcher identified the how much mobile banking adoption in different Banks in Different cities like Jaipur, Jhunjhunu, Jodhpur in Rajasthan and metro cities like Delhi. The research was basically concerned with the customer aspect of mobile banking searching for customer satisfaction level and adoptions of banks. This was a comparative study of Public sector banks and Private Sector Indian banks and find out the majority of which kind of transaction in banks is done in different cities. In terms of transaction volume and value, State Bank of India and SBBJ were found as the most popular mobile payments services provider. ICICI Bank was found as the next largest player. The results indicated that the average value of mobile transactions executed through the public sector bank is far higher than its private sector.

Rather, M., R. (2013) presented that digital generation has upturned norms of communication, engagement, decision-making and transaction in Banking Sector. Marketing practitioners and scholars now become more accountable to justify marketing expenditure by adding more customers' value. Customer experience becomes a differentiating factor for public and private sector banks. Attempt had been made in the study to assess and compare the performance of public and private sector banks in terms of customers' experience and customers' satisfaction pertaining to Personnel, Products and Services offered, Facilitating services, Image, Network accessibility, Technological excellence of Banks. It has been found that public sector banks are not behind in providing new innovative services and products, customer centric approach by employees, strengthening image of bank, expanding accessibility, offering more augment services to the customers. It further indicated that private sector banks are losing its experience based core competitive area where they started with that leads to serious strategic challenge for private sector banks. Both Public and Private Sectors banks are striving very hard to win the customers with varieties of innovative services. Though Private Sectors banks are comparatively having less experience in Indian market but they have quickly well understood Indian Consumers. Those

Public Sector Banks which have reinvented their marketing approach remained competitive. Customers start perceiving both public and private banks equally in terms of service quality, knowledge of employees and overall marketing approach of banks. Private sector banks successfully woo more number of young customers. So both public and private sector banks will have opportunities and threats generated by initiatives of each other.

Jayant Kumar H.P and Prajakta H. (2012) examined the service quality aspects of public and private banks in north Gujarat region. Customer expectations and perceptions were measured and analyzed from current research. 300 customers of public and private banks were surveyed through questioner with 22 items on it. Independent T Test was carried out to compare expectations of both the group of customers. Multiple regressions was applied to understand the contributions of independent variables like Age, Gender, Occupations, Annual Incomes, Education in explaining expectations and perception. Two Regression models were developed. The result explained the in regression model for expectations, occupations and education were found to be the most explanatory variables among all and expectations was highly dependent or occupation and education.

Waqarul, H. and Muhammad, B. (2012) compared the public and private sector banks of Pakistan by evaluating their customer satisfaction. This research was mainly based on primary data which had been collected through a well-structured questionnaire (adapted from three different studies). The questionnaire has been distributed to 351 different respondents on different chosen locations. The research made a useful contribution as there are very low number of studies has been conducted in Pakistan on such areas like price, technology, reliability, customer service, location and infrastructure. This research showed that customer satisfaction varies from person to person and, bank managers need to conduct more researches in order to evaluate customer satisfaction more strongly.

Virk N. & Mahal K.P (2012) gouged the comparative analysis of level of customer satisfaction towards services provided by public and private sector Banks. A questionnaire based primary survey is being conducted in Chandigarh city with sample of 160 customers's selected using convenient sampling method. Independent sample T test has been applied for doing comparison. Regression results shows that branch facility is positively correlated with teller services, relationship with managers, Mutual fund services and telephone enquiry thus contributing to

customer satisfaction. The study concluded that private sector banks are more preferred by majority of customers as they emphasize more upon buildings with their clients and are better equipped with modern infrastructure as compared to public sector banks.

Database and Research Methodology

The present study is mainly based on primary survey being conducted with the help of a pre-tested, well structured questionnaire which is being personally administered to 756 customers, 300 customers each from public and private banks. Two public banks considered for the study include Punjab and Sind Bank and Union bank of India and the private banks include HDFC bank and IDBI bank. Data is being collected from the customers of these four respective banks from three major cities of Punjab that include Amritsar, Jalandhar and Ludhiana. 35 variables have been considered in the study for analyzing the level of satisfaction of the respondents on a five point scale ranging from Strongly Agree to Strongly Disagree. Convenience Sampling is used to collect the data. Factor Analysis had been applied to identify the factors affecting level of satisfaction of the customers for both public and private sector banks.

Objective of the Study

The need for the study arises, as in Punjab, the research focusing on segmenting the bank customers on the basis of their attitudes has not been studied so far. So, the present study aims to fulfill the gap with following objective:

- To segment the customers based on their psychographics towards the ability of banks to perform promised services.
- To classify the clusters according to demographic characteristics and investment preferences and identify if significant differences exist in clusters.

The variables influencing the customers' decisions and respective labels assigned to variables and the description of these variables has been discussed in **Table 1** below.

Table 1: Variables influencing psychographics towards the ability of banks to perform promised services and respective labels assigned to variables

S.No.	Variables	Label
1.	I feel secure in the hands of my bank.	V ₁
2.	I feel my bank is very credible.	V ₂
3.	I derive maximum satisfaction from this bank	V ₃
4.	The bank charges reasonable interest rates on loans	V ₄
5	I like to build relationship with people at my bank	V ₅
6	The bank charges reasonable service fees	V ₆
7	I feel my bank is a reliable organization.	V ₇
8	I am very particular about the bank I use	V ₈
9	I feel that my bank gives fair deal to me.	V ₉
10	I will introduce this bank to others	V ₁₀
11	I have every confidence in my bank.	V ₁₁
12	I like people in my bank.	V ₁₂
13	Provide physical safety to the customer	V ₁₃
14	There are no hidden charges in the services offered by the bank	V ₁₄
15	I will influence others to use this bank	V ₁₅
16	I approve my banks' investment policy.	V ₁₆
17	I have got a good rapport with people in my bank.	V ₁₇
18	I trust my bank.	V ₁₈
19	I feel my bank caters well to my financial needs.	V ₁₉
20	I will continuously use this bank	V ₂₀
21	Bank keeps me informed of any charges	V ₂₁
22	I know about people in my bank.	V ₂₂
23	Service charges imposed by bank are competitive	V ₂₃
24	I share the same values as my bank.	V ₂₄
25	I support the ethical policies and practices of my bank.	V ₂₅
26	Bank takes regular feedback	V ₂₆
27	Bank has good reputation	V ₂₇
28	This bank is the best in my city	V ₂₈
29	I enjoy being recognized at my bank.	V ₂₉
30	If I end up using another bank, it will satisfy me like the one I presently use.	V ₃₀
31	Confidentiality of transactions	V ₃₁
32	I prefer one bank at a time	V ₃₂
33	I respect my bank.	V ₃₃
34	Bank hold good level of professionalism and friendliness	V ₃₄
35	I feel that my bank gives good value for money.	V ₃₅

RESULTS AND DISCUSSION

Cluster analysis technique has been used to classify the given respondents into different groups on the basis of their psychographic tendencies based upon the trust of customers towards ability of banks to perform promised services. The various psychographic tendencies such as attitudes, lifestyle which have an impact on the decisions are reported in the literature by Nagpal and Bodla (2004), Sharma and Sharma (2004), Wood and Zaichkowsky (2004) Funfgeld and Wang (2009). These psychographic tendencies have been extracted by analyzing the different perceptual statement within each final cluster as grouped in different clusters. The common issues emerging out of the respondents' perceptions towards different statements, pertaining to the attitudes is used for labeling a cluster. As a matter of fact, these common issues revealed the attitudes of respondents towards trusting their bank as a group in different clusters.

The hypothesis drawn to attain this objective is:

H₀₁: All the respondents fall in one single group i.e. all have same responses as far as their attitudes towards are concerned.

In order to test the above hypothesis and extract the optimal number of groups, if any, that included respondents with heterogeneous attitudes between groups but homogeneous within groups, Cluster analysis is conducted.

Application of Cluster Analysis

Cluster analysis is a multivariate technique whose primary purpose is to group objects characteristics they possess. (Malhotra, 2002). Here, Cluster analysis is used as a means of representing the potential structure of data to identify groups of people who share certain common characteristics in attitudes. The aim is to obtain clusters whose members are as similar in the cluster and at the same time, as distinct to the other clusters as possible (Funfgeld and Wang, 2009). There are basically three methods of conducting cluster analysis that are hierarchical clustering, K-means clustering and Two step cluster analysis. As per the objectives of the study and supportive literature, hierarchical and k-means cluster analysis has been conducted.

Determination of optimum number of clusters and initialization process: Hierarchical Clustering Procedure

In the first step, a hierarchical cluster procedure with ward's linkage and squared Euclidean distances as the dissimilarity measure was used to identify the number of clusters and define group centroids. Such agglomerative procedure uses an algorithm that initially adds all the same combinations to the cluster. The agglomeration schedule is used to identify the number of clusters in the data. It shows all possible solutions from 1 cluster to (n-1) cluster, where n is the number of respondents. Going up from the bottom of the agglomeration schedule, we looked at the column called coefficient to decide on the number of clusters. In this column, starting at the bottom, we calculate the difference in the value of coefficient in neighboring rows.

Once the number of clusters has been identified, a K-means clustering option is run on the data. The number of clusters identified above is specified and the output is obtained. The final cluster centres for each variable are part of this output and are used to interpret the average values of each variable for a cluster and thereby describe the clusters.

The output is derived by first doing a hierarchical cluster analysis to find the number of clusters that exist in the data. The agglomeration schedule is used to identify the large differences in the coefficient. The agglomeration schedule (given in Annexure II) from top to bottom indicated the sequence in which cases get combined with others until all 756 cases are combined together in one cluster at the last stage. Therefore, stage 755 represents a one-cluster solution, stage 754 represents a 2-cluster solution and stage 753 represents a three-cluster solution and so on going up from the last row to the first row. The difference between rows in a measure called coefficient in column 4 is used to identify the number of clusters in the data. It is observed that there is a difference of 4.01 (78.048-74.038) in the coefficients between the one-cluster (stage 755) and the 2-cluster solution (stage 754). The next difference is of 3.465 (74.038 – 70.573) between stage 754 and stage 753. Further, the difference between stage 753 and 752 is of 2.666 (70.573-67.907). Thereafter; the differences are smaller between the subsequent rows of coefficients. Ignoring the first difference of 4.01 which would indicate only 1-cluster in the data, we look at the next largest difference between stage 754 and stage 753 indicating a 2-cluster solution.

Through above discussion it is found that the null hypothesis 1 is rejected as there are two distinguished clusters formed instead of one cluster which reveals that respondents do not have

similar attitudes towards dealing with the banks. Hence, using the final cluster centers, the clusters are interpreted in the terms of 35 original variables.

Application of K-Means Cluster Analysis

Cluster Analysis is a class of techniques used to classify objects or cases into relatively homogeneous groups called clusters. Objects in each cluster tend to be similar to each other and dissimilar to objects in other clusters (Malhotra, 2002).

The process in Cluster Analysis determines the “Initial Cluster Centres” chosen randomly in the first pass of the data. Then iteration process further modifies these clusters on the basis of the nearest Euclidean distance to the mean of the cluster. That is, the algorithm seeks to minimize the within- cluster variance and maximize variability between clusters. The process continues until cluster means do not shift more than a given cut-off value or the iteration limit is reached. The Initial Cluster Centre can be observed from the **Table 2** below.

Table 2: Initial Cluster Centers

Variables	Cluster	
	1 (N=277)	2 (N=479)
V ₁	5	1
V ₂	5	1
V ₃	5	4
V ₄	5	5
V ₅	5	1
V ₆	5	4
V ₇	4	1
V ₈	5	3
V ₉	4	1
V ₁₀	3	4
V ₁₁	3	4
V ₁₂	5	1
V ₁₃	5	3
V ₁₄	5	2
V ₁₅	5	1
V ₁₆	5	3
V ₁₇	5	1
V ₁₈	5	1
V ₁₉	5	1
V ₂₀	5	4
V ₂₁	5	5
V ₂₂	5	1
V ₂₃	5	4
V ₂₄	4	1
V ₂₅	5	3
V ₂₆	4	1
V ₂₇	3	4
V ₂₈	3	4
V ₂₉	5	1
V ₃₀	5	3
V ₃₁	5	2
V ₃₂	5	1
V ₃₃	5	3
V ₃₄	5	1
V ₃₅	5	1

Table 3: Iteration History^a

Iteration	Change in Cluster Centers	
	1	2
1	6.884	8.055
2	.335	.772
3	.257	.469
4	.140	.227
5	.138	.209
6	.151	.202
7	.129	.153
8	.117	.130
9	.124	.126
10	.186	.170
11	.284	.225
12	.327	.222
13	.339	.205
14	.200	.117
15	.098	.055
16	.069	.039
17	.059	.034
18	.074	.042
19	.039	.023
20	.000	.000

a. Convergence achieved due to no or small change in cluster centers. The maximum absolute coordinate change for any center is .000. The current iteration is 20. The minimum distance between initial centers is 17.146.

The iterative process (**Refer to Table 3**) makes a change in cluster centres. When the change drops a below specified cut off rate, the iteration process stops and cases are assigned to clusters according to which cluster center they are nearest. After the iterations in the data, final cluster centres of the data are derived. **Table 4** shows the final cluster centres forming 2 clusters on the basis of the responses given by the respondents for the given statements. The characteristics of the respondents based upon their responses were assumed to be homogeneous within each cluster i.e. each cluster represented a separate group of respondents which was different from other group. In other words, each cluster represents a different group of respondents having attitudes different from other respondents falling in other clusters.

Table 4 : Final Cluster Centers

Variables		Cluster	
		1 Service Oriented Customer s (N= 277)	2 Relation/ Attachme nt customers (N= 479)
V ₁	I feel secure in the hands of my bank.	3	4
V ₂	I feel my bank is very credible.	4	5
V ₃	I derive maximum satisfaction from this bank	4	3
V ₄	The bank charges reasonable interest rates on loans	5	4
V ₅	I like to build relationship with people at my bank	2	4
V ₆	The bank charges reasonable service fees	4	3
V ₇	I feel my bank is a reliable organization.	4	3
V ₈	I am very particular about the bank I use	3	4
V _{9s}	I feel that my bank gives fair deal to me.	5	4
V ₁₀	I will introduce this bank to others	3	4
V ₁₁	I have every confidence in my bank.	3	4
V ₁₂	I like people in my bank.	2	4
V ₁₃	Provide physical safety to the customer	3	4
V ₁₄	There are no hidden charges in the services offered by the bank	4	3
V ₁₅	I will influence others to use this bank	3	4
V ₁₆	I approve my banks' investment policy.	4	3
V ₁₇	I have got a good rapport with people in my bank.	2	4
V ₁₈	I trust my bank.	3	4
V ₁₉	I feel my bank caters well to my financial needs.	5	3
V ₂₀	I will continuously use this bank	3	4
V ₂₁	Bank keeps me informed of any charges in Charges.	4	3
V ₂₂	I know about people in my bank.	3	4
V ₂₃	Service charges imposed by bank are competitive	4	3
V ₂₄	I share the same values as my bank.	3	4
V ₂₅	I support the ethical policies and practices of my bank.	3	4
V ₂₆	Bank takes regular feedback	3	4

V ₂₇	Bank has good reputation	4	3
V ₂₈	This bank is the best in my city	3	4
V ₂₉	I enjoy being recognized at my bank.	2	4
V ₃₀	If I end up using another bank, it will satisfy me like the one I presently use.	4	3
V ₃₁	Confidentiality of transactions	4	3
V ₃₂	I prefer one bank at a time	3	4
V ₃₃	I respect my bank.	3	4
V ₃₄	Bank hold good level of professionalism and friendliness	4	5
V ₃₅	I feel that my bank gives good value for money.	4	3

Defining the Clusters

The clusters are defined on the basis of the responses within each cluster for the given variables. In this case, for each variable, the corresponding mean values on the Likert Scale ranging from 1 to 5 i.e. Strongly Disagree to Strongly Agree for 2 different cluster centres are considered to define the strength of the agreement/ disagreement against each variable which portrays the respondent's attitude towards the variables and this forms the basis for defining the clusters.

Cluster 1:Service oriented customers

The individual customers forming Cluster 1 are described as "Service oriented customers" include 277 respondents out of the total sample of 756. The primary characteristic of the group which separates it from other group of customers is their desire to get best service from their bank. Such a sample of customers are very particular about the charges levied by the bank as they strongly agree to statements "The Bank charges reasonable interest rates on loans" and "There are no hidden charges in the services offered by the bank". These customers are satisfied by their banks investment policies as they agree to statement "I approve my banks investment policy". Agreeing to the statement "I feel my bank caters well to my financial needs" shows their preferences to bank which provides various products to cater to their financial needs. This cluster of customers expect high level of confidentiality from their bank as they agree to statement "Confidentiality of transactions". Service oriented customers always look from deriving maximum value from their investment as they agree to statement "I feel that my bank gives good value for money". Such types of customers are not much loyal to bank and they don't like building relation with their financial consultants. Their driving force is only the service provided by their bank. They are very

particular about the latest product offerings by the bank and latest developments in the financial markets. They want latest technologies at their disposal and need convenience at their doorstep.

Cluster 2: Relation Oriented Customers

This cluster includes 479 respondents out of the total sample of 756. The primary characteristic of the group which separates it from other group of customers is their attachment towards their banks. Such customers build relations with their banks and bank staff. Customers need personal attention, recognition and feeling of belongingness with their bank. These customers remain very loyal to their banks and are not **curious** to move to other banks easily. However such customers are regular visitors to branches and are not much technology driven. Such customers demand high level of security and credibility as they agree to statements “I feel secure in the hands of my bank” and “I feel my bank is very credible”. Such customers like building relations as they strongly agree to statement “I like building relationship with people of my bank” and therefore also agree to statement “I like people in my bank”. These customers give high importance to their reputation in bank and agree to “I have got good rapport with the people in my bank”. They have a sense of loyalty towards their bank as they take pride in agreeing to statement “I will continuously use this bank” and “I share same values as my bank”. They feel their bank cares for their opinion and therefore agrees to statement “Bank takes regular feedback “ and also believe that “This bank is best in the city”. Since they have good relations with their bank and take pride in being associated with their bank, agreeing with statement “I respect my bank”. This cluster of customers work with bank where they know bank and staff very well and develop a relation with the bank and agrees to statement “Bank hold good level of professionalism and friendliness”

Table 5 : Distances between Final Cluster Centers

Cluster	1	2
1		4.247
2	4.247	

Table 5 indicates the distances between the final cluster centres. These distances indicate the length of separation between the clusters. The clusters that are widely separated are distinct and therefore desirable (Malhotra, 2007). This entails that the three clusters are significantly separated and therefore represent three distinct groups of individuals.

One Way ANOVA

The above results are further analyzed by conducting one-way ANOVA to determine which classifying variables are significantly different between the groups because there is large number of respondents. It helps in determining what each cluster is based on.

This has been done with an aim to test the following null hypothesis:

H_{02} : There is no significant variation among the responses of the respondents belonging to different clusters with regards to the attitudes towards the ability of banks to perform promised services.

In conducting the one-way ANOVA, the grouping variable is the new clusters variable. **Table 6** shows the differences between the means of all the two clusters for each variable. The F values and significant levels in ANOVA table indicate that all the variables are significant at 0.01 levels indicating that these 35 variables reliably distinguish between the two clusters. So, the null hypothesis stands rejected revealing that there is significant difference between two clusters with regards to attitudes they hold towards the ability of banks to perform promised services.

The forgoing analysis reveals that the set of respondents selected are from different groups as far as their psychographic tendencies i.e. their attitudes towards investing is concerned. K-Means cluster analysis has revealed three clusters which have been formed on the basis of the final cluster centres. These three clusters represent respondents belonging to two different groups who were distinct from each other as far as their attitudes are concerned.

Table 6: ANOVA

Variables	Cluster		Error		F	Sig.	Null Hypothesis
	Mean Square	df	Mean Square	df			
V ₁	7.179	1	.973	754	7.379	.007	Rejected
V ₂	6.413	1	.850	754	7.548	.006	Rejected
V ₃	186.341	1	.896	754	207.932	.000	Rejected
V ₄	28.878	1	.698	754	41.381	.000	Rejected
V ₅	569.006	1	.840	754	677.752	.000	Rejected
V ₆	26.459	1	.699	754	37.875	.000	Rejected
V ₇	86.817	1	1.051	754	82.602	.000	Rejected
V ₈	11.742	1	.921	754	12.756	.000	Rejected
V ₉	135.621	1	1.204	754	112.685	.000	Rejected
V ₁₀	9.587	1	.950	754	10.096	.002	Rejected
V ₁₁	67.700	1	1.190	754	56.907	.000	Rejected
V ₁₂	180.328	1	1.224	754	147.364	.000	Rejected
V ₁₃	65.345	1	.849	754	76.959	.000	Rejected
V ₁₄	23.578	1	.806	754	29.245	.000	Rejected
V ₁₅	12.377	1	1.084	754	11.413	.001	Rejected
V ₁₆	3.727	1	.951	754	3.918	.048	Rejected
V ₁₇	155.254	1	1.167	754	132.996	.000	Rejected
V ₁₈	3.605	1	1.087	754	3.317	.069	Rejected
V ₁₉	8.511	1	.853	754	9.980	.002	Rejected
V ₂₀	185.540	1	.894	754	207.475	.000	Rejected
V ₂₁	24.860	1	.740	754	33.600	.000	Rejected
V ₂₂	527.356	1	.907	754	581.604	.000	Rejected
V ₂₃	19.634	1	.792	754	24.787	.000	Rejected
V ₂₄	99.444	1	1.054	754	94.306	.000	Rejected
V ₂₅	10.962	1	.897	754	12.214	.001	Rejected
V ₂₆	145.360	1	1.221	754	119.068	.000	Rejected
V ₂₇	24.846	1	.952	754	26.091	.000	Rejected
V ₂₈	121.445	1	1.384	754	87.764	.000	Rejected
V ₂₉	205.284	1	1.232	754	166.569	.000	Rejected
V ₃₀	87.219	1	1.075	754	81.125	.000	Rejected
V ₃₁	12.895	1	.768	754	16.781	.000	Rejected
V ₃₂	44.456	1	1.308	754	33.993	.000	Rejected
V ₃₃	1.868	1	.971	754	1.923	.066	Rejected
V ₃₄	57.767	1	1.296	754	44.558	.000	Rejected
V ₃₅	8.768	1	1.093	754	8.025	.005	Rejected

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

Table 7: Cluster Differences across demographics

Demographic Features		Cluster1	Cluster2	Total
		n=277 Service Oriented Customers N (%)	n=479 Relation Oriented Customers N (%)	
Gender	Male	222 (51.5)	209 (48.49)	431
	Female	55 (16.92)	270 (83.08)	325
Age	Upto 30 yrs	53 (36.55)	92 (63.44)	145
	30-45 yrs	182 (54.98)	149 (45.01)	331
	45-60 yrs	31 (15.58)	168 (84.42)	199
	60& above	11 (13.58)	70 (86.41)	81
Marital Status	Single	156 (55.31)	126 (44.69)	282
	Married	118 (25.21)	350 (74.79)	468
	Other	3 (50)	3 (50)	6
Educational Qualification	Less than graduation	13 (20.31)	51 (79.69)	64
	Graduation	67 (28.51)	168 (71.49)	235
	Post graduation(prof degree)	147 (62.55)	129 (54.89)	235
	Post graduation(other than prof degree)	31 (20)	124 (80)	155
	Doctorate	19 (73.07)	7 (26.92)	26
Occupation	Service private	130 (58.55)	92 (41.44)	222
	Service govt.	30 (25.64)	87 (74.36)	117
	Own business	45 (26.01)	128 (73.99)	173
	Housewife	4 (14.28)	24 (85.72)	28
	Retired	3 (4.48)	64 (95.52)	67
	Professionals	43 (62.32)	26 (37.68)	69
	others	22 (27.5)	58 (72.5)	80
Annual Income	Less than 2 lacs p.a.	13 (35.14)	24 (64.86)	37
	2 to less than 4 lacs	44 (25.14)	131 (74.86)	175
	4 to less than 6lacs	39 (19.59)	160 (80.41)	199
	6 to less than 8 lacs	115 (53.74)	99 (46.26)	214
	8 to 10 lacs	62 (73.81)	22 (26.19)	84

	greater than 10lacs	4 (8.51)	43 (91.49)	47
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Demographic characteristics including age, gender, marital status, educational qualification, occupation and income show significant differences among the three clusters (**Refer to Table 7**).

In each cluster, the distribution of male and female differ significantly. Among Service Oriented Customers nearly 51 % males are there whereas only 17% are female. On the other hand; women are overrepresented in Relation oriented customers i.e. nearly 84 % which shows that women are more relationship oriented and males are less relation oriented with nearly 48% revealing that males are directed towards services provided by the banks.

In terms of age, marital status, education level, occupation and income;

First group of people i.e. “Service Oriented customers” are found among age groups of 30-45 yrs, however other age groups of Punjab are more of Relation oriented customers and are single with educational qualification of Post-graduation (prof degree) and Doctorate falling in occupation of Service private and Professionals with an earning income of 6 to less than 8 lacs and 8 to 10 lacs.

Second cluster i.e. “Relation Oriented Customers” are found among age group of Upto 30 yrs, 45-60 yrs and 60 & above and are married with the educational qualification of Less than graduation, Graduation and Post-graduation (other than prof degree) falling in the occupation of Service govt., Own business, Housewife, Retired and others falling in the earning income of Less than 2 lacs p.a., 2 to less than 4 lacs, 4 to less than 6 lacs and greater than 10 lacs.

CONCLUSION

The present study is an attempt to analyze the psychographic variables influencing the trust of customers towards ability of banks to perform promised services. Cluster analysis identified two segments of customers i.e. service oriented customers and relation oriented customers (**Refer to Table 8** below). Service Oriented customers are the ones who desire to get best service from their bank. Such customers are very particular about the charges levied by the bank and are mostly males and found among age groups of 30-45 yrs, and are single with educational qualification of Post-graduation (prof degree) and Doctorate falling in occupation of Service private and Professionals

with an earning income of 6 to less than 8 lacs and 8 to 10 lacs. Service oriented customers always look from deriving maximum value from their investment. However, Relation Oriented Customers are the group of customers is their attachment towards their banks. Such customers build relations with their banks and bank staff. Customers need personal attention, recognition and feeling of belongingness with their bank and are found among age group of Upto 30 yrs, 45-60 yrs and 60& above and are married with the educational qualification of Less than graduation, Graduation and Post-graduation(other than prof degree) falling in the occupation of Service govt., Own business, Housewife, Retired and others falling in the earning income of Less than 2 lacs p.a., 2 to less than 4 lacs, 4 to less than 6lacs and greater than 10lacs. The study provides implications for bank officials who can offer more effective advice to the customers as per their needs and take into account the differences among different segments in order to help such segments improve their decisions. To conclude, a thumbnail sketch of clusters is given as below.

Table 8: Thumb nail sketch of the clusters

Cluster 1- <u>Service Oriented Customers</u>	Cluster 2 – <u>Relation Oriented Customers</u>
Such customers are very particular about the charges levied by the bank. Their driving force is only the service provided by their bank. Such customers are very particular about the latest product offerings by the bank and latest developments in the financial markets. They want latest technologies at their disposal and need convenience at their doorstep.	Such customers are group of customers is their attachment towards their banks. Such customers build relations with their banks and bank staff. Customers need personal attention, recognition and feeling of belongingness with their bank
Includes middle age customers i.e. 30-45 years	Includes young customers (upto 30 yrs), higher middle age group investors (45-60 yrs) and retired (60 yrs& above)
Males are overrepresented	Females are overrepresented
Likely to be singles	Married are overrepresented
Qualification of Post-graduation(prof degree) and Doctorate	Less than graduation, Graduation and Post-graduation(other than prof degree)
Low Income Group and High Income Group	Middle Income Group
Occupation of Service private and Professionals	Occupation of Service govt., Own business, Housewife, Retired and others

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