



Market segmentation in the banking industry of Iran based on customer expected benefits

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Abstract

Nowadays, analysis of customer behavior is necessary for active organizations in the field of banking that deal with many customers with different characteristics. In recent years, Iran's banking industry has faced many problems because of the poor customer orientation and customer service. Previous studies have focused mostly on identifying customers expected. Therefore, to solve the existing problem, the current study concentrated on customer segmentation of the banking industry of Iran based on their expected benefits. This study is applied and descriptive-survey research. To achieve the research objectives, through field studies and exploratory interviews with customers and banking experts, 165 benefits were extracted; then, by using expert questionnaires, these benefits reduced. Through factor analysis, nine factors of expected benefits and using cluster analysis, four customer segments of benefit-oriented, peace-oriented, interest-oriented, and moderate were identified. Peace-oriented customers show the highest relation with the banking industry of Iran and moderate customers have the largest population. Finally, consistent with the most important features of the segments, a suitable marketing solution was provided. For bank managers, this paper provides a view that identified customers' preferences. Customer identification helps banks in increasing profitability because services and products that are presented in the banks should be based on a better understanding of customers.

Keywords: Market segmentation, banking industry, expected benefits approach, factor analysis, cluster analysis.

Introduction

Currently, given the expansion of financial institutions and banks, attention to the processes of providing services and their customer-oriented attitude has been more considered by customers than ever. Thus, studies on the quality of financial services are increased and these studies propose new insights for managers in service sectors. Marketing scientists have since a long time ago perceived contrasts between gatherings of purchasers as circumstances in the market¹.

Market segmentation is a major idea of current marketing² and is one of the most inescapable activities in promoting scholastic writing and in practice³. Clients vary greatly in their inclinations and may lean toward various traits from a similar item, administration, or market offering⁴. Market segmentation is a methodology that includes the division of an enormous market into buyer portions with various necessities, qualities, or conduct which may require separate advertising approaches^{5,6}; and this empowers advertisers to recognize the similitudes and contrasts between the client bunches⁴.

Why is market segmentation methodology significant? To begin with, data about a client gives a key knowledge into a person's inspirations and requirements⁷ and increment our comprehension of promoting through the clarification and expectation of advertising marvels. In doing as such, they additionally give a

premise to better choice models⁸. Second, establishing market segmentation methodology in a hypothesis of rivalry adds to the improvement of large scale measurements promoting⁹.

The financial services sector is growing worldwide¹⁰. In recent years, the monetary and financial industry in Iran has witnessed many changes. The establishment of various private banks, Gharz al-Hasna Funds, and financial and credit institutions led to a competitive situation. Moreover, the arrival of new technologies in Iran and a change in laws and regulations have made this market dynamic and complex. In these conditions, service quality is the primary weapon in the competition^{11,12}. Also, this should be determined that which service quality component is more important for different customers. Customer's information helps banks concentrate on certain groups of customers (market segment) instead of all aspects to provide services more effectively. Banks that excel in service quality, obtain more advantages and according to the promoted level of service quality, they use more incomes to allow customers use services of other institutions, maintain customers¹³, and develop market share^{14,15}.

Different researches were done in the field of market segmentation, Machauer and Morgner¹⁶ concluded that segmentation by expected benefits and attitudes could enhance a bank's ability to address the conflict between individual service and cost-saving standardization. Using cluster analysis of

segments were formed four characteristic customer groups. Additionally, four customer groups were identified showing special preferences against information services and technology. Fullerton¹⁰ identified five distinct bank customer commitment profiles that varied in both size and behaviors and intentions. Also in study by Piercy, Campbell, and Heinrich¹⁷ based on demographic-based segmentation as a means of targeting customers of financial services identified 10 clusters.

Moreover, other previous studies in this context¹⁸⁻²³ indicate that they were trying to identify customer expected from banks or they have examined a particular bank, and they didn't the customers segmentation of the banking industry. Therefore, customer segmentation and in particular, segmentation according to customer expected benefits in this industry are rarely taken into consideration. Thus, market segmentation according to customer expected benefits, and study in the banking industry of Iran is the most important innovations of this study, and this study can more supplement past studies in this area. These findings can be of great interest to marketing followers generally, and particularly to researchers working on market segmentation.

With the increase in the urban population of Iran to over 82 million people, more customers go to the banks for daily transactions. As a result, people who go to the banks, have different needs and expected benefits; but, these differences do not mean a lack of similarity between people. In recent years, Iran's banking industry has faced many problems because of the poor customer orientation and customer service; hence, it considered it necessary to identify the customers; for this reason, it has been selected for this study. For this purpose, "segmentation" as a strategic tool helps the banks to work according to these differences and the expectations of customers. For bank managers, this paper provides a view that identified customers' preferences. Customer identification helps banks in increasing profitability, because services and products that are presented in the banks should be based on a better understanding of customers. As a result, the objectives of this study that aimed to develop marketing activities of banking industry of Iran are as follows: i. Identification of customer expected benefits in the banking industry of Iran; ii. Identification of different customer segments in the banking industry of Iran based on their expected benefits; iii. Analysis of demographic characteristics and importance of customer expected benefits in each segment; iv. Identification of the most important segments for the banking industry of Iran and determine the most important expected benefits in these segments; v. Providing marketing strategies tailored to the characteristics of the important segments.

Theoretical development: Market Segmentation: Market segmentation is among important and key concepts in marketing discussion today^{24,25} and is taken into consideration by companies with strong brands such as banks. In today's complicated world consumers face so many choices for

choosing and purchasing goods and services²⁶; and usually customer responses comes from what brand is actually in their mind²⁷. In total, 81 percent of global marketers' report that they mainly compete on the basis of customer experience²⁸. But, not all consumers are alike and recognition of customers experience is need to understanding of different customer segments and their unique characteristics²⁹. Accordingly, Market segmentation is the most ideal approach to focus on client wants and needs¹.

Market segmentation, in its strategic sense, regularly alludes to such things as the utilization of specific measurable strategies for distinguishing gatherings of potential clients who have various requirements, needs, tastes, and inclinations⁹. The segmentation procedure necessitates that the all-out market included being partitioned into homogeneous segments, choosing the objective sections, and making explicit showcasing programs¹. It can help firms to find out about inclinations and requirements of customers and tailor various approaches for focused portions so as to improve buyer fulfillment and furthermore increment income⁶.

Although segmentation can be done several ways, it can be grouped into four broad categories, namely, geographic, demographic, psychographic and behavioural segmentation. In practice, these approaches are not applied one at a time³⁰. A marketing manager may combine these approaches, wherever appropriate, in different markets to give product¹.

In research in this area, Bassi²⁴ in studied for forecasting financial products acquisition via dynamic segmentation (An application to the Italian market) identified 5 clusters. The results of Souza, Bassi, and de Freitas³¹ study show that there are six clusters of operations and four classes of clients in the market, each with distinct profiles and needs. Garland³² segmented the retail banking customers based on customer satisfaction and customer loyalty. Cho, Bonn, and Brymer³³ concluded that a factor-cluster segmentation approach generated five homogenous subgroups: highly constrained, cost and time conscious, family togetherness, unmotivated and minimally constrained. Also Mir mohammadi, Nejhand Fard, and Izadkhan³⁴ in a study on segmentation of chain stores based on the expected benefits (Adan chain store), identified and described five clusters.

Market segmentation in microbanking context: Recently, client analysis is proceeding to develop in significance for monetary help organizations⁷. Improvements in the financial and banking division, for example, execution of new advancements, continually changing of client needs, increment in the number of items offered and deregulation process have made division rehearses significant in that segment³⁵. Asiedu³⁵ showed that division rehearses have gigantically affected on the exhibition of the chose banks in Colombia.

In the coming era and given the situation of PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) in

the banking industry as well as the market size, variety in products and services, difference in lifestyles and tastes of customers, and presence of economic and cultural entities in different groups. Ignoring this issue puts banking industry of Iran on a challenging path in attracting and retaining customers and the complied marketing programs will lose their effectiveness ignoring other factors. Also, limited financial and technical resources do not allow the banks to operate in a wide range and provide various products and services for different customer groups without giving attention to this important marketing aspect. Accordingly, the benefits are divided into two parts: first, segmentation enables the banks to provide the required services and change themselves. Second, it helps the banks to identify the most important and valuable customers³⁶. Generally, the main foundations of market segmentation are geographical^{1,30,37,38}, demographic^{1,17,25,30,39}, psychological^{1,30,39,40}, and Behavioral^{1,30,41}.

Expected benefits approach: From the presentation of market segmentation in the late 1950s, the methods for division have developed massively⁴². Nobody single methodology is the best when leading the business sector division⁴³. Numerous advertisers regularly review that a prerequisite for the accomplishment of a division program is that the division is quantifiable, significant, available, unique, and noteworthy²⁵.

To Haley⁴⁴, the advantages that individuals search in using a given item are the essential explanations for the presence of genuine market segments³⁹. According to many scholars, in the present conditions, the use of many criteria through lack of a logical relationship between them and future purchase behavior of customers is not that effective.

To compensate for the shortcomings of these methods, criteria such as expected customer benefits should be used. Because, the segmentation approach based on expected benefits is a form of behavioral segmentation¹⁵, and this approach is a direct measure of difference in preferences between customers and provides a practical analysis for managers. The benefits consist of total product benefits and satisfactions that meet the needs of a person⁴⁵. This type of segmentation follows its causal relationship in the future behavior of banking customers, but it should be noted that although it is difficult to have a correct choice to show real incentives of customers, these criteria (benefits) can have a key role in compiling marketing strategies for the bank and (other marketing process steps) and move towards customer-orientation. Indeed, Attitudes and expected benefits as measures of the subjective evaluation of bank service attitudes towards various aspects of the customer-bank relationship result from goals and knowledge or customer experiences¹⁶.

Studies by Haley^{44,46} proved the effectiveness of segmentation according to expected customer benefits. They argue that the benefits that people are looking for, constitute the main purchase reason and constitute a suitable basis for market

segmentation. Banking marketing researchers and experts want to clarify the expectations of customers from the banks to find out which services are more important to them.

In a study by Rashid²¹ e-banking (ATM, internet, telephone banking), Convenience, staff competency, appearance (internal and external), the impact of others, and advertising were introduced as the most important factors to select a bank. In a study by Sayani and Miniaoui²³, profit, advice from friends, branch position, cost of services, and reliability constituted the criteria to select a bank. Limited studies are conducted on banking industry market segmentation according to expected customer benefits. For example, Mortazavi, Kaffashpour, Habibirad, and AsemanDarreh⁴⁷ in a study on bank market segmentation in Mashhad based on expected customer benefits determined three segments. Esfidani et al.¹⁵ conducted a study in microbanking market segmentation based on expected customer benefits in Mellat Bank and identified four segments through cluster analysis. But, they have examined a particular bank, and they didn't the customers segmentation of banking industry.

Methodology

The objective of this study is customer segmentation in the banking industry of Iran based on their expected benefits. Also, demographic variables and expected benefits of each segment will be taken into consideration. The statistical population of this study included all people with a personal account (real) that at least use one of the services of the banking industry in Tehran. This component can be identified through the account ownership type.

In terms of objective and data collection methods, this study is an applied and descriptive-survey study. In this study, to prepare a list of customer expected benefits, consultation, and views of banking experts and investigation of different indexes in the previous studies in the field of banking expected benefits were used. After confirming the indexes by the marketing manager of the banks and the supervisors, a questionnaire suitable for the determined indexes was prepared and data collection and field monitoring based on the plan of interest with the guideline was performed in July 2019 and data for segmentation were extracted. To prepare this questionnaire, library studies (articles and books), field studies, and exploratory interview (structured and flexible interviews through face-to-face, phone call, and internet modes with 155 customers with financial maturity and 62 managers and staff of 31 numbers of public and private banks of Iran as banking experts) were used. Accordingly, a list of customers expected criteria (165 criteria) that selected banks according to them were extracted. Then, with the cooperation of marketing experts and consultants, including 31 faculty members and 62 banking experts and using experts questionnaire and pretest with 93 customers, 50 criteria resulted. Accordingly, validity (CVI= 0.825) of the questionnaire as well as its reliability (Cronbach's alpha = 0.871) were confirmed.

The final questionnaire was designed in two sections of demographic information of customers and the degree of importance of identifying and presenting benefits to customers in selecting the bank of interest (according to a 5-point Likert scale).

To achieve the required data, according to infinite statistical population members, the sample size was determined using the Cochran formula as 385 and for more assurance, 837 paper-based questionnaires were distributed among the customers of all public and private banks in Tehran using cluster sampling based on the district. Because, according to the prediction by the researcher about different expected advantages in different districts of Tehran, it was attempted to consider all districts. Accordingly, the branches of banks were classified and from different districts, three branches of each kind of bank were selected randomly (in total 93 branches) that includes being all districts of Tehran, and in every branch, nine questionnaires were distributed among customers. It took about 15 minutes for a respondent to complete the questionnaire and the entire data collection took about 30 days. Finally, 837 complete questionnaires were collected. On the other hand, to ensure the appropriateness of the sample size, the KMO test was used (with an approximate value of 0.918). To achieve research objectives, to determine customer expected benefits from banks, factor analysis was used and for customer segmentation according to the expected benefits, cluster analysis was used, and to determine the most important segments for the bank, conceptual maps were used. Data were analyzed using SPSS 24.

In Table-1, the questions related to the main variables (factors) are described in the questionnaire.

Results and discussion

In analyzing research data, to summarize them, placing them into the main factors, and naming them by factor analysis, for factors segmentation and determining the main segments, cluster analysis is used (cluster analysis is a set of classification methods to reduce data dimensions within homogenous groups according to similarities and differences and distance between variables)⁴⁸. Also, to determine the most important segments for banking industry of Iran, conceptual maps were used. Tests were performed using SPSS 24. In the following, the results of these methods are presented.

Factor analysis: To use factor analysis, it should be ensured that it is possible to analyze data using this method. For this purpose, the KMO test and Bartlett’s test are used. The results of the KMO test (0.918) and Bartlett’s test (0.000 and below 0.05) indicate the appropriateness of the factor analysis and using Table-2, 6 questions were eliminated and factor analysis remained on the questions. Finally, 9 main factors and 44 items related to expected customer benefits from the bank with explaining 60.29% of total variance were obtained (Objective 1). Also, total variance and rotated matrix were investigated and then, factors were named.

In the following, factors are named and the results with items related to each factor, and Cronbach’s alpha are presented in Table-3.

Table-1: Number of questions based on the questionnaire main variables and factors.

Demographic variables	Questions about expected benefits		
	Factors number	Factors name	Questions number
Questions 1 to 7	Suggested factor 1	Services	8 to 20
	Suggested factor 2	Rates	21 to 24
	Suggested factor 3	Convenience	25 to 29
	Suggested factor 4	Perceptible things	30 to 33
	Suggested factor 5	Inform	34 to 36
	Suggested factor 6	Security	37 to 40
	Suggested factor 7	Staff	41 to 48
	Suggested factor 8	Technology	49 to 53
	Suggested factor 9	Reputation	54 to 57

Table-2: Rotated components matrix and description of the total variance.

Component	Initial special values			Sum of the squares of extracted factor loads			Sum of the squares of rotated factor loads		
	Total	Variance percentage	Cumulative percentage	Total	Variance percentage	Cumulative percentage	Total	Variance percentage	Cumulative percentage
1	13.510	28.835	28.835	13.510	28.835	28.835	6.964	14.288	14.288
2	2.844	6.257	35.092	2.844	6.257	35.092	3.321	7.318	21.606
3	2.495	5.483	40.575	2.495	5.483	40.575	3.126	6.885	28.491
4	2.105	4.616	45.191	2.105	4.616	45.191	2.958	6.511	35.002
5	1.766	3.863	49.054	1.766	3.863	49.054	2.794	6.147	41.149
6	1.517	3.308	52.362	1.517	3.308	52.362	2.566	5.640	46.789
7	1.323	2.877	55.239	1.323	2.877	55.239	2.247	4.927	51.716
8	1.213	2.633	57.872	1.213	2.633	57.872	2.167	4.752	56.468
9	1.121	2.429	60.301	1.121	2.429	60.301	1.752	3.831	60.299

Table-3: Information about the research’s main factors.

Factors number	Factors name	Number of Indicators	Description of Indicators	Cronbach's alpha
Factor1	Services	12	Provided free and comprehensive e-card, Branchs free service, Accounts checking, Diverse electronic services, Speed of banking operations, Stability in Electronic Services, Networking banking, Providing loans with the right conditions, Convenience in opening or closing an account, Lottery and valuable prizes, Providing modern banking systems, Provided Inventory and bill declaration in a variety of methods at minimal cost	0.901
Factor2	Staff	7	Employee willingness to meet customer needs, Appropriate number of employees, Individual attention and responsiveness to customers, Friendly and respectful behavioral, honesty of employees, legal justice in providing services, knowledge and skill of employees	0.817
Factor3	Convenience	4	Number of branches in city and country, Proximity to branch, More bank working hours, Proximity to ATMs	0.782
Factor4	Security	4	Preservation Privacy of people, Commitment of bank to promises, Low risk and financial stability of bank, security in e-banking	0.796
Factor5	Reputation	4	Bank reputation, the bank is private or Governmental, Bank’s financial power, participation in community	0.720
Factor6	Inform	3	Financial advice, E-Information about the new product or service, providing by staff with adequate information about services and products in branches	0.709
Factor7	Technology	4	Presentation Extensive ATM and card reader services, Presentation diverse e-banking services, Presentation more mobile and phone banking services, bank innovation and products creation	0.743
Factor8	Perceptible things	3	Branch appearance (internal/external) and staff, branch facilities, attractive advertising	0.726
Factor9	Rates	3	Providing low profit rate facilities, offering a range of investment products, profit rate for accounts	0.702

After extracting and naming customer expected benefits from banks, in the first step, customers should be classified according to their expected benefits. The results of step two are presented here.

Cluster analysis: For factors segmentation among customers (objective 2), dendrogram diagram (also for clusters distance, the square of the euclidean distance was used) was used in the hierarchical cluster analysis. There are several methods to calculate the center of the clusters. McQueen⁴⁹ proposed a method in which, cluster center is recalculated when sample belonging to that became a cluster. To perform segmentation and determine the number of segments in this plan, K-Means analysis in SPSS 24 was used and finally, four segments were resulted. Final cluster centers resulted from K-Means analysis are indicated in Table-4. The content of this table indeed indicates the importance and priority of each factor or their behavioral importance in each segment.

Following the analysis of importance of customer expected benefits in each segment, analyses of demographic characteristics, behavioral characteristics, and the importance level of benefits are carried out according to customer expected benefits in each segment and the results are presented Table-5 (objective 3).

In this section, the most important data in Tables-4 and 5 regarding each segment are analyzed.

Segment-1: This segment includes 98 (20.9%) respondents. Males (56.1%), married respondents (66.3%), age group 25 to 35 years old (40.8%), respondents with bachelor's degree (39.8%), self-employed (2) respondents (39.8%), respondents with 20 to 40 million rials income (37.8%), and relationship period from 1 to 5 years (40.8%) constituted the demographic

variables percentages in this segment. In this segment, all factors are of great importance and have the highest score compared to other segments. The high importance of benefits for respondents in this segment shows that these customers are benefit-oriented.

Segment-2: This segment includes 126 (27%) respondents. Males (69%), single respondents (51.6%), age group 25 to 35 years old (38.1%), respondents with diploma's degree (47.6%), administrative and financial employee respondents (50%), respondents with 20 to 40 million rials income (34.1%), and relationship period from 5 to 10 years (31.7%) constituted the demographic variables percentages in this segment. Here, the services and technology factor has medium importance, the employee factor is considered insignificant. The rates factor has the lowest score compared to other segments and is insignificant and the factors of convenience and perceptible things, inform, security and reputation has importance more than medium. The high importance of psychological and sedative benefits for respondents in this segment shows that these customers are peace-oriented.

Segment-3: This segment includes 83 (17.8%) respondents. Males (67.5%), married respondents (60.2%), age group 25 to 35 years old (37.3%), respondents with diploma's degree (49.4%), self-employed (2) respondents (61.4%), respondents with 10 to 20 million rials income (50.6%), and relationship period from 5 to 10 years (37.3%) constituted the demographic variables percentages in this segment. In general, the respondents in this segment attribute low importance to all factors. The low importance of benefits for respondents in this segment (this segment also has the longest relationship with the bank) shows that these customers are interest-oriented and interested in this bank.

Table-4: Final Cluster Centers.

Factors		Segment 1	Segment 2	Segment 3	Segment 4
Factor1	Services	4.44	3.01	3.15	3.10
Factor2	Staff	4.33	2.15	3.23	3.03
Factor3	Convenience	4.26	3.89	2.82	3.12
Factor4	Security	4.11	3.90	2.85	3.00
Factor5	Reputation	4.37	3.85	2.80	3.09
Factor6	Inform	3.58	3.63	2.24	3.15
Factor7	Technology	4.41	3.16	3.08	2.99
Factor8	Perceptible things	4.20	3.53	2.57	3.09
Factor9	Rates	3.39	1.62	1.71	2.83
Members of each segment		20.9%	27%	17.8%	34.3%

Table-5: Demographic characteristics of each segment (numbers in percent).

Demographic variables		Segment 1	Segment 2	Segment 3	Segment 4
Members of each segment		20.9	27	17.8	34.3
Gender	Female	43.9	31.0	32.5	34.4
	Male	56.1	69.0	67.5	65.6
Marital status	Single	33.7	48.4	39.8	47.5
	Married	66.3	51.6	60.2	52.5
Age	Under 18 years	0.0	4.0	3.6	2.5
	18 to 25 years	20.4	25.4	22.9	26.9
	25 to 35 years	40.8	38.1	37.3	35.6
	35 to 45 years	21.4	19.8	19.3	21.9
	45 to 55 years	11.3	10.3	14.5	8.1
	55 to 65 years	6.1	1.6	2.4	3.1
	65 to 75years	0.0	0.8	0.0	1.9
Education	Lower than diploma	15.3	15.8	19.3	23.7
	Diploma	39.8	47.6	49.4	39.4
	Bachelor	28.6	31.0	26.5	31.3
	Masters and higher	16.3	5.6	4.8	5.6
Duration of related with the bank	Less than 1 year	24.6	13.5	12.0	11.3
	1 to 5 years	40.8	27.0	32.5	41.3
	5 to 10 years	23.4	31.7	37.3	32.5
	Over 10 years	11.2	27.8	18.2	14.9
Income (Rials)	Less than 10 million	6.0	19.0	12.0	15.6
	10-20 Million	32.7	25.4	50.6	34.4
	20-40 Million	37.8	34.1	32.5	36.9
	40-60 Million	19.4	13.6	3.7	10.0
	60-80 Million	3.1	6.3	0.0	2.5
	Over 80 million	1.0	1.6	1.2	0.6
Job	Educational, cultural and artistic	9.1	15.9	14.5	10.6
	Administrative and financial employee	27.6	13.4	6.0	15.6
	Manager and responsible	11.2	4.8	1.2	7.5
	Self-employment/Freelance Jobs(1) (doctor, lawyer, engineer)	3.1	4.0	6.0	3.1
	Self-employment/Freelance Jobs(2) (Businessman, Shopkeeper, Coach, Farmer, Worker)	39.8	50.0	61.4	49.4
	Others	9.2	11.9	10.9	13.8

Segment-4: This segment includes 160 (34.3%) respondents. Males (65.6%), married respondents (52.5%), age group 25 to 35 years old (35.6%), respondents with bachelor’s degree (39.4%), self-employed (2) respondents (49.4%), respondents with 20 to 40 million rials income (36.9%), and relationship period from 1 to 5 years (41.3%) constituted the demographic variables percentages in this segment. Here, the respondents gave a relatively moderate degree of importance to all factors. This shows that the customers are moderate and are satisfied with this amount of benefits.

This results, is consistent with Esfidani et al.¹⁵ who identified micro banking based on expected customer benefits from Mellat Bank in 4 segments as well as a study by Machauer and Morgner¹⁶. However, it is not consistent with Mortazavi et al.⁴⁷ who determined Mashhad’s banks based on expected customer benefits in three segments as well as with^{10,17,24,31,32,50,51}.

Then, to collect and use clustering to determine a segment that has the highest consistency with the banking industry of Iran, based on customer expected benefits in each segment, conceptual maps were used.

Conceptual maps: The objective of learning based on a conceptual map is enabling learners to complete the forgotten knowledge, clarify the existing knowledge, understand the communications, and promote critical thinking⁵². In this regard, according to a meeting with experts in the field of banking marketing, of 9 proposed benefits in the questionnaire, 4 benefits that were more important from the perspective of customers (Table-4) were selected and drawn as conceptual maps with the 4 segments and locations of banks according to their scores relative to the benefits (objective 4). Then, the conceptual maps of the analysis of the banking industry’s customer expected benefits are investigated (specifications of these maps are proposed according to a 5-point Likert scale in customer expected benefits questionnaire).

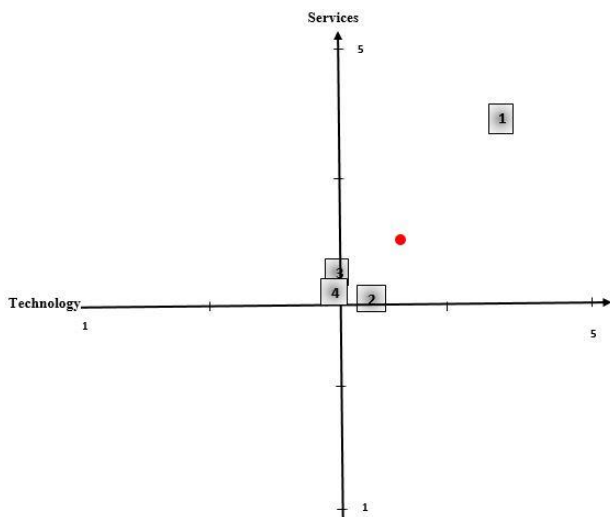


Figure-1: Conceptual map of services-technology.

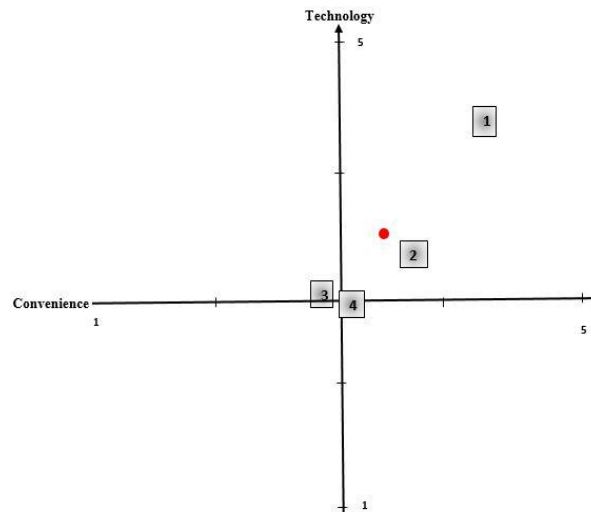


Figure-2: Conceptual map of convenience-technology.

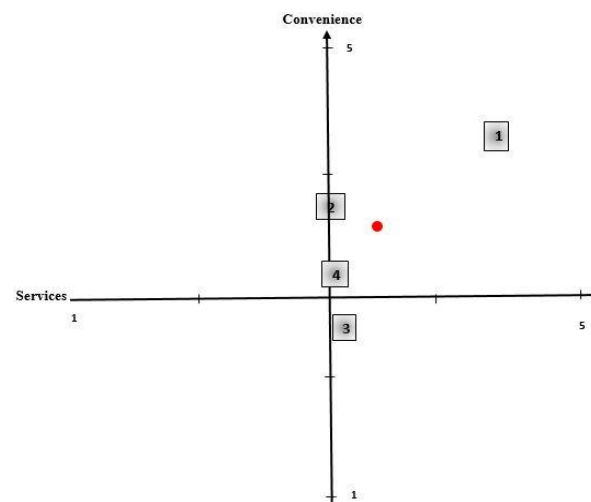


Figure-3: Conceptual map of convenience-reputation.

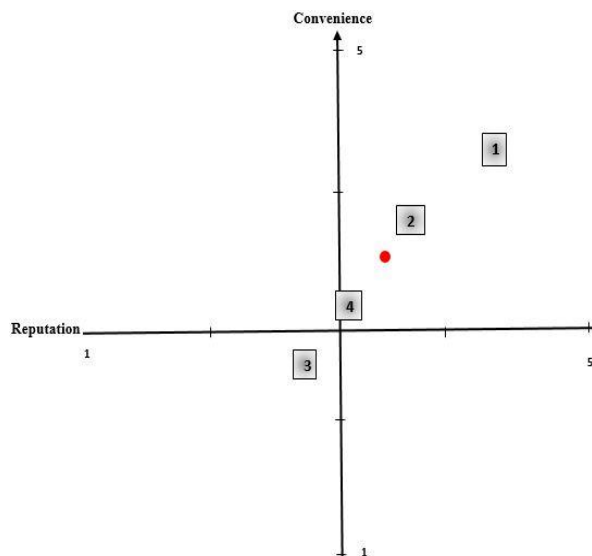


Figure-4: Conceptual map of services-convenience.

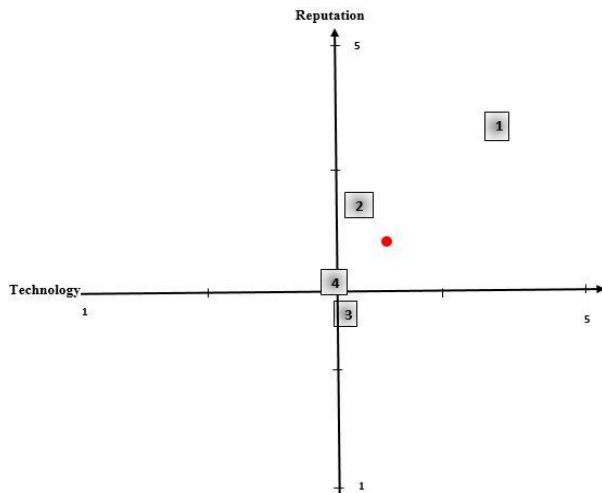


Figure-5: Conceptual map of reputation-technology.

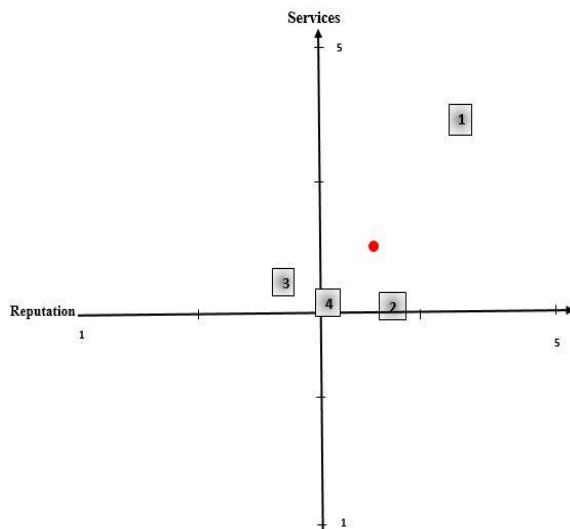


Figure-6: Conceptual map of services-reputation.

Therefore, as the most important findings from the above conceptual maps, to identify segments with the highest consistency with banking industry of Iran and determine the most important expected benefits in these segments, the arrangement of the segments in the conceptual maps shows that banking industry of Iran is more closely related to peace-oriented customers (segment 2). This group constitutes 27% of the total population who participated in this study. On the other hand, moderate customers (segment 4) constitute the largest group. This group constitutes 34.3% of the total population. Therefore, this cluster has high attractiveness for the banks.

Also, among benefits that are presented in Table-4, factors that have been taken into consideration more specifically considering scores in two groups (2 and 4) are Convenience, perceptible things, inform, security, and reputation. Therefore, indexes in these factors should be taken into consideration carefully and banks should be more concentrated and employ more effective strategies to promote these factors and their

indexes for customers. In Table-6, indexes related to these five factors are pointed out and these results (the most important customer expected benefits of two selected groups for the banking industry of Iran) are compared to other studies.

Table-6: Description of the benefit indicators and researches with similar results.

Factors	Indicators	Researches with similar results
Convenience	Number of branches in city and country	53, 54, 55, 56, 57, 21, 22
	Proximity to branch	
	More bank working hours (After working hours or on holidays)	
	Proximity to ATMs	
Perceptible things	Branch appearance (internal/external) and staff	41, 53, 47, 58
	Branches facilities	
	Attractive advertising	
Inform	Financial advice	16, 47, 58
	E-information about the new product or service	
	Providing by staff with adequate information about services and products in branches	
Security	Preservation privacy of people	53, 16, 59, 58
	Commitment of bank to promises	
	Low risk and financial stability of bank	
	Security in e-banking	
Reputation	Bank reputation	54, 56
	Bank is private or Governmental	
	Bank's financial power	
	Participation in community	

This result is consistent with Rashid²¹ who introduced e-banking, Convenience, staff competency, appearance, the impact of others, and advertising as the most important factors to select a bank; however, it is not consistent with^{16,18-20,22,23}.

Conclusion

Customer segmentation can have an important role in determining marketing strategy and designing an advertising campaign for a bank brand, and increase its effectiveness and facilitate the innovation process in providing value-adding services⁶⁰. In recent years, Iran's banking industry has faced many problems because of the poor customer orientation and customer service; hence, it considered it necessary to identify the customers; for this reason, Iran's banking industry has been selected for this study. Market segmentation according to the expected benefits, due to formation based on customers' needs and their main purchase reason, is the strongest form of market segmentation relative to traditional methods¹⁶. Expected benefits show what customers are interested in and give importance to them and these variables are more accurate relative to descriptive variables such as demographic characteristics and lifestyle. Therefore, according to the importance of the topic, this study concentrated on the banking industry market segmentation based on customer expected benefits in the banking industry of Iran. In this regard, factor analysis, cluster analysis, and conceptual maps were used to meet the objectives, and data were analyzed using SPSS 24. In the following, a summary of the results according to research objectives is presented.

Previous studies on Iranian and World's banking industry have low consideration of the customer expected benefits or they have examined a particular bank, and they didn't the customers segmentation of the banking industry. Thus, market segmentation according to customer expected benefits, and study in the banking industry of Iran is the most important innovations of this study, and this study can more supplement past studies in this area. For bank managers, this paper provides a view that identified customers' preferences. Customer identification helps banks in increasing profitability because services and products that are presented in the banks should be based on a better understanding of customers.

About the first research objective, expected customer benefits are classified into nine categories (Table-3). About the second research objective, the customers of this bank according to their expected benefits were classified into four segments of benefit-oriented, peace-oriented, interest-oriented, and moderate (Table-4) and about the third research objective, demographic characteristics and expected benefits were described (Table-5). As a general conclusion from conceptual maps and regarding the fourth research objective, it can be said that the banking industry of Iran shows more consistency with peace-oriented customers. This group constitutes 27% of total population. On the other hand, moderate customers constitute the largest group

(34.3%); therefore, this cluster has high attractiveness. Also, among benefits presented in Table-4, convenience, perceptible things, inform, security, and reputation are taken into consideration more than other benefits.

About the fifth research objective, the most important opportunities that exist in these two segments with suggestions to promote marketing strategies are taken into consideration. i. The components of convenience, perceptible things, inform, security, and reputation that are selected as the most important factors in the selected segments (2 and 4) should be taken into consideration specifically to satisfy customers more than ever. Indeed, the banks can direct a special attention towards these factors; for example, actions such as increasing the number of ATMs and small branches in the city, promoting the appearance of branches and staff, instructing the customers about how to use electronic services of the bank.

Also, Free consultation and informing the customers, commitment to promises and privacy, presenting financial reports to gain trust and participation in society. ii. Sixty nine percent of peace-oriented customers and 65.6% of moderate customers are males. Therefore, it is better to design advertising and marketing techniques to be attractive for males; for example, using colors that are attractive and quick and accurate responding, because males like quick reactions. Also, electronic services should be increased, so that they do not have to go to the banks in person. iii. About the customers, 51.6% of peace-oriented customers are single and 52.2% of moderate customers are married. Therefore, in advertising, specific strategies should be used to attract both groups. For example, it is better to use two types of pictures in advertisings; attractive pictures for single people and another group for families or developing internet services to keep families together. iv. Both groups with age group 25 to 35 years old dedicated the highest percentage to themselves (38.1% in peace-oriented customers and 39.4% in moderate customers). These results indicate the strong presence of the youths among bank's customers.

Therefore, it is suggested to work on this issue in terms of content: using pictures related to the youths and whatever shows the energy and features of this period. For example the color of the bank's logo is an advantage in advertising. Also, in design and development of banking products and services, it is recommended to promote designs related to the youths both qualitatively and quantitatively. v. The relationship period of 5 to 10 years with 31.7% in peace-oriented customers and 1 to 5 years with 41.3% in moderate customers constituted the highest percentages. Since the fourth group is the largest group, it is suggested to use advertising in the mass media and all reminder ways such as appropriate text messages or providing various facilities and loans and lotteries and informing the customers.

The limitations of this study included distributing questionnaires only in Tehran, complicated administrative processes in banks, and lack of familiarity with customers with banking services.

For future studies, it's recommended to use other segmentation methods and integrate them according to customer expected benefits. Also, the classification of factors and criteria of this study in other countries and compare the results.

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