CHAPTER FIVE

SUMMARY OF FINDINGS
AND RECOMMENDATIONS
Summary of Findings and Recommendations

Summary of findings

In this section the major findings of the study have been presented with reference to the objectives framed for the same. The major findings of the study presented here have been derived from the fourth chapter, wherein the findings of the study are presented in a detailed way. Here, it is proposed to present the findings under five sections — each covering a major finding in a sequential order with regard to the objectives of the study.

The first part of this section covers the major findings on the first objective of the study and that is concerned with identification and analysis of segmentation variables. In the second part, major findings on the market segmentation competitiveness of Fls have been presented. The findings on the cluster analysis are presented in the third part that mainly highlights the distinctive characteristics of the different clusters identified in the cluster analysis. The major findings of the study on product analysis, constitute the fourth section, wherein, the result of the product analysis in terms of customer’s perception, product features, objectives etc. have been represented. Finally, in the fifth and last part, the findings with regard to segmentation gaps, deficiencies have been presented with reference to segmentation attributes that are dominant in influencing customer behaviour.
Market segmentation variables employed by FIs

In this part, the result of the analysis of the first objective of the study is presented that includes the major segmentation variables employed by FIs in market segmentation and the relationship between these variables. The major findings being:

1. Demographic, behaviouristic, psychographic and socio-economic variables are the major segmentation variables employed by FIs in market segmentation. Among these, the demographic variable, that is an objective and straightforward variable, has been identified as the most prominent variable widely employed for market segmentation. Behaviouristic, psychographic and socio-economic variables are the other variables identified in the order of importance as per the weightage given by executives of FIs.

2. Demographic variables employed by FIs in market segmentation include family life cycle stages, level of income, level of education, occupation, marital status, family size, age, gender etc. of customers belonging to the household segment. Demographic segmentation variables greatly influence the customer behaviour in the context of purchase of financial products marketed by different categories of FIs.

3. Behaviouristic segmentation variables that have been identified as the second important variables employed by FIs include benefits sought by customers, customers' loyalty pattern, financial product usage rate, preference for different forms of return and preference for different categories of financial products.

4. Psychographic segmentation variables, which are also very prominent in market segmentation by FIs, include saving motives of customers, attitude of customers towards risk (risk tolerance), attitude towards
financial product and credit, saving propensity and life style of customers. Among these, saving motives of customers have been found to be a very influencing psychographic variable that includes the return from financial product, safety, liquidity, hedge against inflation, marketability risk coverage, tax concessions, financial security at old age and welfare objectives.

5. The socio-economic segmentation variable that divide the customers in terms of income, education, occupation and wealth into four classes consisting of upper class, upper middle class, middle class and lower class. Socio-economic segments exhibit significant difference between risk tolerance, saving propensity and preference for financial products in purchase decision process.

6. Life cycle stages of customers, a prominent demographic variable that is very suitable for segmenting customers in the marketing of financial products divides customers into bachelor empty nest, young married empty nest, young married full nest, older full nest and older empty nest. These segments exhibit significant difference in saving propensity, risk tolerance and preference for return in the purchase of financial products.

7. Similarly, in multivariable segmentation analysis, it is found that young full nest that belonging to the life cycle segments, upper class and middle class segments belonging to the socio-economic segment, businessmen and professionals belonging to the occupational segment exhibit a high degree of risk tolerance and saving propensity in comparison with other customer segments.

8. Customers who belong to the young full nest, businessmen, professionals and upper class segments exhibit a remarkable
preference for insurance and mutual fund products with higher equity components, that show their aggressive strategy in creating portfolios with diversified financial products with a higher equity component. On the contrary, employees, retired individuals, customers belonging to the lower income group prefer depository products.

9. Among saving motives, which is a prominent psychographic variable, safety has been identified as the most influencing one followed by liquidity and return that are placed in second and third position respectively in terms of the degree of influence. Segment-wise analysis of influence of the saving motives on different customers in the purchase of financial products also shows the same pattern of influence. The significant difference in the degree of influence of different saving motives is also found in the analysis, which is substantiated by the test of significance.

10. Risk tolerance analysis based on risk tolerance test suggests a low risk appetite of customers because hardly 10 per cent of the customers are grouped in the risk loving segment. As per analysis more than 80 per cent of the customers have a low to medium risk appetite and are not comfortable with risky financial products. Analysis shows that 48 per cent of customers belong to the risk averse category, 42 per cent to the moderate risk loving segment and it is very interesting to note that only 10 per cent of customers belong to the risk loving segment. However customers in all segments having high income and good education exhibit high risk tolerance.

11. Segment-wise risk tolerance analysis reveals that customers belonging to the 20-35 years age group, males, businessmen, bachelor empty nest, young married full nest, upper class segments exhibit a high degree of
risk tolerance whereas the customers above 65 years of age, females, retired employees and old empty nest exhibit low risk tolerance.

12 Segment-wise analysis of saving propensity of customers belonging to different segments indicates that the upper middle class, customers in the middle age group, customers with higher education, businessmen and young full nest have a high saving propensity in comparison with other segments.

13 Customers belonging to different segments exhibit different patterns of preference for financial product, forms of return and benefits. When customers in the young full nest, businessmen, middle aged and upper class have a high preference for insurance and mutual fund products and growth of fund, other segments prefer depository products and income from financial products.

14 Analysis of relationship between segmentation variables in terms of Karl Pearsons correlation indicate a strong relationship among some variables. Of these relationships, the correlation between income and saving propensity, income and risk tolerance, age and saving propensity, age and risk, tolerance, level of education and saving propensity/risk tolerance are significant.

Market segmentation competitiveness of FIs

In this part, it is proposed to present the results of the analysis of market segmentation competitiveness of FIs, which is measured in terms of seven competitiveness factors. The major findings derived from the analysis are:

1 Analysis of segmentation competitiveness factors shows that different customer segments attach the highest weightage to price policies and strategies of FIs. The ranking of these segmentation competitiveness
factors reveals that transparency, simplicity and quickness of procedures, proximity and accessibility to FIs are very important factors for the customers belonging to different segments.

2. In the analysis of market segmentation competitiveness in terms of perceived performance score by both the customers and a panel of judges, it is found that KPMF gained the maximum score in respect of different factors and its overall score is the highest, followed by FBL, LIC, SBI GSS/NSS and UTI respectively.

3. Competitiveness factor-wise analysis suggests that the performance of GSS/NSS in respect of the service related attributes is very low in comparison to the performance of other FIs. However, the performance of NSS with regard to location of service centres and return is satisfactory.

4. A high degree of correlation is found between market segmentation competitiveness and customer satisfaction, customer repurchase intention and word-of-mouth decisions. The higher the market segmentation competitiveness of FIs, the higher the customer satisfaction and customer retention.

5. The results of Fishbein formula of brand preference standing also reveals the same pattern of competitiveness of FIs in respect of various factors. According to this analysis the overall competitiveness index of FIs is calculated as – LIC – 56.97, UTI – 50.39, SBI – 52.92, FBL 60.44, KPMF 71.41 and GSS/NSS 51.69. Thus the performance of financial institutions in the private sector is better than the performance of FIs in the public sector.
Cluster analysis

Cluster analysis performed to diagnose various clusters of different categories of FIs and to analyse distinctive characteristics of these clusters. The major findings of cluster analysis are presented below

1. Cluster analysis for contractual intermediaries i.e., LIC reveals that insurance conscious risk-avoiders, saving conscious reassurance seekers, children’s future conscious solvency seekers, financial security conscious regular income seekers, less risk conscious wealth accumulators, ailment conscious calculative investors and family conscious financial planners are the major clusters/segments constituting the customer base of LIC.

2. Saving conscious return seekers, liquidity conscious quality service seekers, safety conscious conservatives, solvency conscious wealth accumulators are the major clusters identified in the cluster analysis of depositories viz., SBI, FBL, GSS/NSS.

3. Risk averse conservative investors, moderate risk loving professional investors, risk loving aggressive investors are the major clusters that have been identified from the cluster analysis of investment intermediaries viz., UTI and KPMF.

4. Cluster analysis in respect of the above form of financial institutions presents a clear indication of differences amongst the clusters in terms of some cluster profiles viz., principal benefit sought from financial product, distinctive characteristics, demographic characteristics, saving behaviour, banking habits and preferred financial products.

5. Amongst the clusters diagnosed in respect of LIC, insurance conscious risk avoiders is the most dominant cluster (22 per cent of sample) that primarily buy insurance products for risk coverage which is the main target of LIC. Financial protection of the dependent, convenient terms of
premium payment, individualised attention and care are certain primary consideration of the cluster in the purchase of insurance products.

6. 'Saving conscious return seekers' is the dominant cluster (32 per cent of sample) that has been diagnosed from the customers of depository intermediaries that exhibit a high saving propensity and price sensitivity. 'Liquidity conscious, quality service seekers' is another favourite of depositories, who seek high liquidity and flexibility from financial offerings.

7 'Risk-averse conservative investors' is the most dominant cluster diagnosed from the customers of investment intermediaries who seek highly safe mutual fund product with very low equity component. In the analysis, it is found that 'risk-loving aggressive investors' is another cluster that exhibit high risk tolerance. Even though the size of this cluster is comparatively small (14 per cent) it is the favourite of mutual funds.

Product analysis

Products offered by all the six Fls, have been analysed in this part in terms of customers perception on product, product objectives, features and portfolio strategies etc. The main findings of product analysis are presented below

1 Analysis of customer perception on products suggests that, in terms of liquidity of product, depositories and mutual funds have the highest rating. In terms of safety, product of LIC, SBI and NSS are the highly rated and NSS come first with a rating of 8.25. In terms of return from the products, KPMF and NSS are in the first and second position respectively
2. Overall, endowment policies and policies with profit are the most sought after products, marketed by LIC whereas the demand for whole life policies and policies without profit is not so enthusiastic.

3. Whole life plans are preferred by risk averse customers engaged in intermediate and skilled occupation with a high risk exposure with average and below average income. They belong to young and middle life cycle stage with dependent children.

4. Large and medium commercial employers, higher and intermediate professionals and white-collar employees drawing a high salary prefer endowment policies.

5. Customer segments of LIC exhibit a high degree of preference for insurance products with profit. The customers have a strong motive to get financial return from insurance products in addition to risk coverage.

6. Large and medium scale businessmen, higher professionals, substantial farmers and the self-employed with a fairly high investment are the various customer segments demanding money back policies offered by LIC.

7. Children's policies with guaranteed addition money back are preferred by the middle class customer segment engaged in different occupations having children below ten years of age. Their primary financial goal is associated with the children's career and future.

8. Similarly with regard to the preference for mutual fund products, the demand for growth and income fund and balanced fund is high followed by growth fund and sector fund. Risk tolerance of customers, preference for forms of return, liquidity consciousness, flexibility etc. are the major considerations for these FIs in the design of financial
products and for the formulation of investment and portfolio strategies of the products.

9. Intermediate professionals and managerial personnel, white-collar employees and the self-employed are the target segments of UTI and KPMF for income fund and liquid fund. Periodic distribution of income and tax benefits is the main benefits incorporated in these financial products to attract the target segment.

10. Equity fund, growth fund and liquid fund products are offered to higher professionals, businessmen, top executives and self-employed individuals who belong to higher income strata. Income accumulation and steady growth of investment and consequent capital appreciation are the main financial benefits of these products that influence the target segments.

11. Liquidity, guaranteed return, safety etc. are the main product benefits offered by depositories viz., SBI, FBL GSS/NSS to attract target segments. Savings bank account, savings plus account, salary-plus account are special form of demand deposit products in the product mix of SBI to satisfy the liquidity requirements of customers. Reinvestment Plan Deposit, Multi Option Deposit, Senior Citizens Deposit Scheme, Long-term Floating Rate Deposit scheme are the various financial product versions in the term deposit product line of SBI targeting risk averse customer segments.

12. Federal Saving Fund Account, Super Saving Fund Account, Multi Benefit Deposit Scheme, Federal Flexi Deposit Scheme are various product versions in time and demand product lines offered by FBL which satisfy the savings motives of liquidity, return and flexibility of target segments.
13. Post Office Savings Account, Post Office Recurring Deposit Scheme, Monthly Income Scheme, Indira Vikas Patra etc. are the most sought after financial products in the product mix of GSS/NSS. High safety and fairly good return are the main reasons for the popularity of GSS.

14. Financial products of GSS/NSS are the most popular products among the lower middle class and lower class segments because of the accessibility to a wide network of post offices located even in the remote areas and the very low amount required for opening accounts.

Gaps/deficiencies in market segmentation by FIs

In this part, the gaps/deficiencies with regard to market segmentation, all the six FIs are examined in terms of 12 attributes, which different customer segment consider as important in purchasing a financial product. The major findings are:

1. Financial product design and differentiation, innovations, responsiveness, reliability, locational convenience, non-personal communication, financial incentives, provision of financial advice, employees' knowledge, time convenience and image of FIs are the attributes identified for diagnosing the gaps/deficiencies of FIs in market segmentation.

2. Gap analysis in respect of LIC reveals that customers of different segments do not feel that there are any deficiencies in respect of product design and differentiation of insurance products. However, customers find deficiencies in respect of financial incentives and customer service. Gap analysis suggests that LIC does not provide dependable and consistent service, personal care and individualised attention according to the expectation of customers.
Segmentation deficiency analysis of UTI shows that even though UTI has a wide product range and diversity in product mix; customers of different segments find deficiencies in product design and diversity. Customers are dissatisfied with the failure of UTI in fulfilling promises in respect of certain financial products like MEP and especially the failure in providing timely financial advice for the creation of portfolios.

The most prominent segmentation gaps or deficiencies of SBI identified are in respect of responsiveness, customer relationship, employees' courtesy, knowledge etc., which is very clear from the low perceived performance score assigned to these attributes. However, the superiority of SBI on locational convenience, financial incentives, image etc., are revealed in higher perceived values of these attributes.

FBL shows segmentation gaps/deficiencies in non-personal communication, provision of financial advice and financial incentives. The difference between the expected value indices and the perceived value indices with regard to these attributes are significant.

Segmentation gaps/deficiencies of KPMF are with regard to locational convenience, non-personal communication and image in respect of which it gets a low perceived performance index.

Recommendations

Although a single research study with limited objectives cannot provide a scientific basis for effective implementation of market segmentation in financial product marketing, findings of this type of researches may be helpful to give some suggestions for practice. The results of the analysis may throw light on certain dimensions of financial market segmentation especially in understanding the customer behaviour by analysing various variables influencing customers in respect of the purchase decision process for financial products.
In the light of the implication of the research findings, some specific recommendations are given in the following points for successful implementation of market segmentation by FIs for marketing of financial products.

1. To achieve excellence in market segmentation, FIs should adopt a more dynamic and prognostic approach in market segmentation by giving more weightage to multivariable segmentation involving behavioural and psychographic variables. Single variable segmentation is found to be ineffective in certain contexts in which only one variable is taken into account for creating micro segments.

2. FIs should conduct in-depth periodic customer surveys to diagnose the interactive impacts of demographic, psychographic, behavioural and socio-economic variables in multivariable segmentation through cluster analysis, determinant attribute analysis, factor analysis etc.

3. While selecting additional segmentation variables in multivariable segmentation, it should be ensured that additional variables are really useful in improving the perceived value of financial product mix, so that there is no wastage of resources, time and energy to collect data on such additional variables.

4. Well planned marketing promotion programme should be framed attaching more importance to innovative promotional programmes to motivate upper class and upper middle class segment, young full nest, old full nest professionals, businessmen etc. who have substantial savings and exhibit a high saving propensity. Special attention should be given to convince these segments the distinctiveness and special benefits of financial product since they look for real difference in the product offerings.
5. FIs should attach more weightage to behaviouristic segmentation variables in multivariable segmentation, when financial products are similar to other competing products and customers' needs are not affected significantly by other variables because behaviouristic variables are very powerful in effecting differentiation in financial product offering.

6. Customers who belong to the young full nest, business, profession and self-employment should be the main target of LIC and UTI. Instead of following pressure tactics in marketing insurance products, the LIC should formulate a positive and educative promotional approach in creating insurance consciousness and product awareness among these potential segments and to sell insurance products.

7. Risk tolerance being the most dominant psychographic segmentation variable employed by investment intermediaries and risk appetite of customers varies in accordance with change in economic conditions and other extraneous variables, UTI and KPMF should conduct objective and scientific risk tolerance tests periodically, to ascertain the level of risk tolerance of customers so as to effect necessary modifications in financial products in respect of risk dimensions.

8. Yet another important dimension which needs special attention is the consideration of saving motives in designing financial products. Safety, having emerged as one the most important saving motives of the customers in all segments, FIs should formulate a long term marketing strategy to enhance their reputation, image and credit-worthiness.

9. Since customers of different segments attach a high priority to services, elements in marketing mix, maximum efforts should be put in incorporating transparency, convenient hours, commitment, accuracy and punctuality of employees, personal care and individualised attention in the creation and delivery of financial services.
10. Though customers do not give much importance to non-personal communication in financial product marketing, lack of awareness of the availability of diversified products and their financial need satisfying capacity, FIs may undertake aggressive promotional programmes to create positive responses to offers and for inculcating a rational saving behaviour among target customers.

11. Since customers of depositaries give more weightage to locational convenience, more attention is to be given to improve locational convenience by ensuring adequacy of branch offices, physical facilities and accessibility to branch offices. Though E-Banking to a great extent reduces the necessity for branch offices, the need for branches and other physical facilities continue to be an important factor for personal and face to face customer service which is definitely an added advantage for market segmentation.

12. Since customers' satisfaction, retention, word-of-mouth-decisions are positively correlated to market segmentation competitiveness, FIs should infuse more innovations to product offers, offering more financial incentives and concessions. They should use more creative and educative advertisement in the appropriate media including TV commercials and provide reliable and quick customer service to improve the competitiveness of market segmentation.

13. While designing financial products, FIs should take special care to create differentiation in the financial product offered since core product offered by FIs in the same category appear to be similar. Therefore differentiation should be achieved by infusing more transparency, simplicity, quickness in procedures and by showing sincerity, friendliness, personal care and individualised attention in customer service.
14. Since liquidity is one of the main considerations of customers of the different segments and since insurance products have long term maturity, contractual intermediary i.e., LIC should design more money back policies in different product lines.

15. Similarly, since customers of LIC expect both risk coverage and fair return from insurance products, LIC should design more attractive and customer-friendly product with profit options.

16. Since risk tolerance of the different customer segments in general irrespective of their demographic psychographic difference is moderate and below average, mutual funds, viz., UTI and KPMF should formulate more mutual products with low equity component and guaranteed minimum return.

17. Effective personal and non-personal promotional programmes should be implemented by investment and contractual intermediaries to popularise tax saving financial products among those customers having income tax liability because a large number of customers are not fully aware of the various tax concessions available from these financial products.

18. Depository intermediaries viz., SBI, FBL and GSS/NSS should introduce more product versions having more liquidity and flexibility in the demand and time deposit product lines similar to salary-plus account designed by SBI for the salaried class which is a classic example of segment-specific financial product.

19. FIs should initiate appropriate measures to eliminate various segmentation deficiencies to ensure optimum utilisation of resources among various attributes, which are the basic controllable variables for marketing financial products. This can be accomplished by achieving a fairly good match between the customer's expectation and the perceived performance in respect of these attributes.
Suggestions for future research

Analysis of the finding of this study shows that there is scope for further investigation on this topic and the study provides some benchmark for future research in the field. In this study only certain aspects on market segmentation by FIs are dealt with and some other issues on this topic not covered in the study may encourage new research in the area. In fact, such studies may be useful to substantiate the findings and conclusions of the present study and to provide conclusive evidence on the probable reasons behind these findings.

The present research study on market segmentation by FIs is conducted with a special focus on customer behaviour. The study mainly examines segmentation variables employed by FIs in market segmentation in the context of the marketing of financial products meant for savings mobilisation. The universe of the study is limited to the customers of FIs belonging to household sector. Also the study is circumscribed within the objectives framed and there are a number of issues on the topic, which need further investigation and exploration.

The study of customer behaviour in the context of marketing of financial products is a complex one and all aspects of this issue are not addressed in this study. An important objective of the study is an investigation on customer behaviour to diagnose different segmentation variables employed by FIs. However, variables are not fully covered in their entirety in this study. Further investigation into psychographic variables such as life style of customers, attitudes and behavioural variables such as loyalty status and benefits sought by customers will definitely bring to light valuable clues on market segmentation by FIs.
Similarly in market segmentation there are a number of techniques that are widely employed by FIs to create clusters/segments of customers. In this study only cluster analysis is employed to diagnose various clusters of different categories of FIs and to analyse distinctive profiles of different clusters. Thus, further research on the other techniques of market segmentation such as determinant attribute analysis, factor analysis etc. may be employed to dig out the other dimensions of market segmentation techniques.

As already mentioned, the principal rationale for using segmentation approach by FIs is that in a heterogeneous market, an FI that develops an appropriate marketing mix can provide higher customer satisfaction. Therefore in this study, this dimension of segmentation approach is also examined. However, more studies with focus on the relevance of marketing mix in segmentation are needed to bring to light the other dimensions of relationship between marketing stimuli and customer response in the context of marketing of products by FIs.

In this study, the market segmentation approach of the new generation FIs are not examined. Therefore future studies on market segmentation by FIs may focus on such institutions also. Comparative studies may also be undertaken to examine the difference in the segmentation approaches of the new generation FIs and existing FIs.

It is hoped that the present study in conjunction with future studies on the topic, may reveal new insights on the market segmentation by FIs. Also, research by academicians and FIs should simultaneously be carried out to enable its scientific critical testing.
Managerial implications of the study

Clamoring for ways to ensnare new customers and squeeze out more revenue from the ones they already have, FIs have to practice the market segmentation approach with greater vigour and enthusiasm. However, in the globalised economic scenario, the task of market segmentation approach demands drastic and pragmatic change in FIs market orientation, because in the new economic environment, customer behaviour is fast changing and various other new FIs pose new challenges in marketing.

In this situation, marketing managers of FIs should address the problems of market segmentation with the support of reliable results derived from the investigations covering different facets of marketing. The results of the present study also may have certain practical implications for marketing managers and top executives of FIs since it enables them to identify key customer segments to develop segment-specific products and for communicating the most motivating messages to customers.

For many FIs, a futuristic approach in market segmentation provides the right platform for winning initiatives. For this, the first and foremost task of the FIs is to diagnose the heterogeneous characteristics of customers and to identify the right customer segments on the basis of similarity in the characteristics of customers.

The results of the study on customer behaviour suggest, to marketing managers of FIs, certain important implications. The study reveals that there exist significant differences in the demographic, psychographic, behaviouristic and socio-economic characteristics of customers, which are illustrated in the findings of the study. This insight on the customer behaviour may help marketing managers of FIs to look beyond traditional segmentation approach to provide an indepth understanding needed to make a well defined portrait of target segments.
Similarly, the analysis of saving motives of customer segments also reveals valuable clues to marketing managers on these powerful internal stimuli, influencing customers in saving decisions. The ranking of nine saving motives on the basis of their degree of influence on the customers’ decision making, reveals important clues to managers to reshape segmentation strategies and to blend together various elements of marketing mix in an effective way.

The result of risk tolerance analysis is also very important from a managerial point of view, especially for portfolio managers of mutual fund to develop innovative financial products. As per the financial planning fundamental, the mutual fund manager has to ascertain risk tolerance of different segments to design and market suitable financial package in accordance with the customers’ risk tolerance. Any way, risk tolerance analysis of this study may be useful for marketing managers of FIIs to perceive the risk assumption capacity of customers belonging to different segments and to determine the risk components to be infused in different financial products.

The findings of the study also suggest several strategic implications with regard to product, pricing and location in the marketing of financial products. As deregulation of financial system infuse necessary autonomy to FIIs to develop diversified financial products, managers can increase the width and depth of their product mix for better market penetration and the market development. From the strategic perspective, marketing managers should consider product strategy as the corner stone of building an enduring relationship with their customers and in enhancing reputation for their financial offers. The result of product analysis of the study may be examined by marketing managers to view financial product in totality to understand the components of the core product.
Similarly, market segmentation gap analysis reveals the gap between the expected performance and the perceived performance of FIs from the point of view of customers regarding certain segmentation attributes. From the aggregate results of the segmentation gap analysis, the managers can diagnose the areas where FI is failing to rise up to the expectation of customers and where more resources allocation is required. Similarly, where the perceived performance is greater than the expected performance in respect of certain attributes, naturally, marketing managers can understand that there is misallocation of resources with regard to such attributes.

Analysis of the segmentation competitiveness factors, which are basically various components of the marketing mix, suggests that in developing a marketing mix strategy, FI managers should consider the impact of marketing mix element on the target segment. This clearly implies that for successful market segmentation there should be a match between marketing mix and target segments and FIs strategic capabilities.

Even though the marketing of financial products based on segmentation approach poses a great challenge to FIs, it enables them to market their financial products in the most effective way. Those FIs which develop an integrated and responsive segmentation approach by properly studying and imbibing the implications of different research studies will be much ahead of their competitors in attracting, winning and retaining customer segments which naturally enhance their profitability and prosperity by leaps and bounds.

In conclusion, the results of the study demonstrate that in the marketing activities of FIs, the segmentation is at the heart of the marketing strategy which maximizes the strength of FIs in marketing financial products and ensure optimum allocation of resources to different elements of marketing
mixes and related factors. Market segmentation helps FIs positively to identify the most attractive market segments wherein they have the strength and to tailor the right financial products to meet the specific needs of target segments in a better way.

As per the study, the identification and selection of a specific customer segment for targeting a distinctive financial product depend on a number of internal and external factors. The size and accessibility of the segment, its specific financial needs, the extent to which the needs are being met by the FIs and whether the FI has the resources and the competence to satisfy the requirements and wants are particularly very important in market segmentation. Anyway, the findings of this study may provide some practical hints to solve the above issue with a focus on total customer satisfaction.

From the results of the study it can be inferred that in FIs market segmentation, logical combination of demographic, psychographic, behaviouristic and socio-economic variables are needed to create the appropriate segments and for the right blending of various elements of mixes to satisfy each segments' needs. Because in market segmentation, the main thrust of marketing mix involves the creation of preferential advantages, which enables FIs to make different offers much more preferable to the segments than those of the competitors.

The present study examined the different issue of market segmentation by FIs, covering the major segmentation variables and their relationship in multivariable segmentation, financial products, segmentation gaps in terms of performance of FIs in respect of certain attributes, market segmentation competitiveness and prominent clusters of different categories of FIs. Even though different issues cannot be covered elaborately in this type of study some of these issues are investigated to derive certain results which are useful both for FIs and different customer segments belonging to the household sector.
The results of identification and analysis of segmentation variable clearly depict the level of the sophistication in the segmentation approach of Fls. Several factors should be taken into account for the selection of appropriate variables. Segmentation variables employed by Fls should be related to the customers' needs for, use of or behaviour toward the financial product since customers' needs, wants, uses, behaviour, attitude etc., cannot be changed significantly by marketing efforts. Results of segmentation variable analysis of this study may be useful for Fls to select the appropriate segmentation variables to design a suitable financial product. As already mentioned, the selection of the right segmentation variables is a crucial step in market segmentation. The result of this study may help Fls to gain a better understanding of the possible segmentation variables and to satisfy the financial needs and requirements of different customer segments in a better way.

Cluster analysis of this study brings out the main aspects of the profile of different customer segments which will help Fls to study their customers more deeply. It also helps them to develop a customer focus culture by infusing more dynamism and novelty in the market segmentation approach.

The present study attempts to show how market segmentation can be a useful tool for marketing financial products of Fls by knowing what financial packages should be offered and which customer segment are more likely to demand these offers. However resource, time, organizational constraints associated with this type of study confines the empirical investigation within certain boundaries and naturally it affects the results derived from the study. It is to be noted that the market segmentation is not a panacea for solving all marketing problems and for effective and better customer satisfaction. Several other variables directly or indirectly affecting the marketing activities of Fls should also be considered for effective marketing of financial products.

The reward can be great if Fls practice market segmentation with enthusiasm and vigor. The 21st century will be a period of market segmentation and customisation wherein Fls have to satisfy the requirements
of more demanding, calculative and sensitive customer segments. Unlike in the past, FIIs may not be able to ensure their continued existence and growth simply because of the worst performance of their competitors. Realising the challenges and opportunities, FIIs have been increasingly practicing customer-centered approach in the marketing activities and they view market segmentation as one of the most prominent success factors even in the worst economic disasters. The results of this research work may contribute something to the FIIs, which recognizes the strengths of market segmentation, for successful marketing of their financial products. Results of this study may also help customers belonging to the household sector to view financial matters more seriously and judiciously to develop better banking habits, rational and balanced saving behaviour, so that their financial portfolios reap maximum rewards for their and the society's well-being.