

# IS THE BEHAVIOUR OF BANKING SERVICES CONSUMERS IN MIERCUREA CIUC GENDER DIFFERENT?

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## *Abstract:*

*The attitude of men and women is different towards a product or service; as such their buying behaviour is different. The question is whether gender is really an important segmentation variable in the banking sector? Also it's worth analysing whether the commercial broadcast by television has a direct impact on the process of buying bank services, i.e. whether it contributes in a positive way to shape a positive brand identity. In order to find answers to these questions, a quantitative marketing research was conducted among residents in Miercurea Ciuc. According to the results was observed that: when purchasing banking/financial services, women too behave like men.*

*Keywords: globalization, behaviour, quantitative marketing research, segmentation variables, attitude, bank.*

## **Introduction**

According to experts, we live in the age of globalization. This phenomenon is due, on the one hand to the fact that, even in the countries where tradition appreciably defined consumer's behaviour, changes still began to appear. (Kotler and Keller, 2006, p.139). On the other hand, changes in the international economic environment greatly influence all activities undertaken by entities that operate in different sectors of the economy, meaning that no entity can afford to develop a neutral attitude towards everything that happens in the international markets. (Rekettye and Fojtik, 2009, p.36)

Randall in his book entitled "Branding in practice" identifies what are those arguments that support globalization, namely those that

undermine it. According to the author the pros include: (1) markets become uniform; (2) each market has a similar segment; (3) economy in general offers unmatched competitive advantages. Among the arguments that do not support globalization there are: (1) markets actually differ from each other; (2) local markets have a different history, a different structure; (3) global brands involve substantial compromises. (Randall, 2000, pp.162-166)

Jobber makes the following question in this regard: across Europe, will national markets be able to retain those characteristics that define them, or will show a resemblance to American markets where the preferences of different products/services buyers substantially coincide? (Jobber, 2002, p.36)

Entities, regardless of sector, should identify which are those market segments that they can serve in an efficient manner. In order to correctly determine the targeted market segment, they need to deeply know the aspects that define consumer behaviour. For the segmentation of goods and services markets different variables are used including: geographic segmentation, demographic segmentation, psychographic segmentation and segmentation based on behavioural criteria. Market segmentation in various geographical units, depending on income, gender, social class are practices commonly used in various markets. (Lefter, Brătucu et al., 2006, p.131) According to the specialists, cultural factors exert the strongest influence on consumer behaviour. (Kotler, 2001, p.236) Segmentation by gender is a variable that enjoys a high popularity both at the level of physical products and with services. (Kotler and Keller, 2006, p.338) Respondents' gender represents an untapped gold mine since there (still) are aspects that allow us analyze women and men from new perspectives. (Törőcsik, 2006, p.109) It is clear that women make purchases by other criteria than men. There are products/services that are bought by women, and there are products and services that are purchased mainly by men (Doman, Tamus et al., 2009, p.168). It should be noted that, according to Bauer and Berács (2006) consumer's behaviour differs not only from person to person, but also actual behaviour may have different shades depending on the buying situation. Bauer and Berács, 2006, pp.77-78)

After this brief presentation, the question arises whether banks operating both nationally and internationally can use the same factors

of segmentation? Moreover, must they consider the cultural differences that may arise in a country? Is segmentation by gender inevitable with the providers of banking services?

### **Current state of the research**

Formerly banks were respected, but now banks are no longer respected. Olins gives the following explanation for the situation in banks: In the '70s, banks began timidly to compete in business. Then, with the deregulation of the '80s and the opportunity to sell a broad range of financial products, insurance, mortgages and so on, competition has tightened. (Olins, 2003, p.72) Dissatisfaction can also be explained by the fact that the concept of marketing in banking has not been adapted in an appropriate manner. (Baker, 1993)

In order to meet the banking services consumers expectations, a marketing research must be conducted. Martenson (1985) based on the investigations carried, found that among the factors that determine the decision to purchase banking services, among consumers in Sweden, include: bank location, availability of loans, and payment of salary. He also states that "choice is most probably a result of a match between bank image and consumer interests". (Martenson, 1985, p. 64). Haron, Ahmad et al (1994) have done research in this regard among Muslim and non-Muslim Customers. If for Muslim consumers "fast and efficient services" was ranked first, with non-Muslim consumers the first place was taken by "friendliness of bank Personnel" as factor with a determinant role in the choice. It is interesting to note that, of the 26 variables included in the analysis, only with two alternatives the same level of importance as regards the order of selection factors

was identified, namely “convenience of location” (12 ) and, “size of bank” (21).

Bahia and Nantel (2000) believe that defining variables for marketing research conducted at the level of Banking/Financial services are: effectiveness and assurance; access; price; tangibles; services portfolio and reliability. (Bahia and Nantel, 2000, p.84)

After identifying the factors that have a decisive role in the choice of Banking/Financial service providers, particular attention should be paid to relationship marketing. Perrien and Ricard (1995); Colgate, Stewart et al (1996), and Bilal (2010) conducted detailed research in order to grasp the direct effects of relationship marketing in the banking/finance sector. Bejou, Ennew et al believe that “From the customer’s perspective, the determinants of relationship satisfaction are thought to include factors such as customer orientation, trust, length of relationship, expertise and ethics”. (Bejou, Ennew et al., 1998, p.170) Bloemer, de Ryter et al (1998) analyzed the influence of image, quality level of services and customer satisfaction on bank loyalty.

Certainly changes in the technological environment influence the marketing policies and strategies specific Banking/Financial services providers. Moutinho and Smith (2000) have introduced a new model, it having a positive contribution in terms of identifying those factors that influence the attitudes of banking/financial services consumer, both at human tellers and at automated banking level.

Sathye has identified those factors which play a crucial role in terms of “adaptation of Internet banking by Australian consumers”. (Sathye, 1999, p.324) Karjaluoto, Mattila et al (2002) studied those factors that have a major

influence on the formation of the attitudes of banking services consumers in Finland towards Internet banking. Mukherjee and Nath captures changes in India in the philosophy “on bank – to – customer trough the technological interface”. (Mukherjee and Nath, 2003, p. 5)

Due to increased competition, Banking/Financial services providers should attach greater importance to Corporate Social Responsibility because the result will be the expected one: more loyal customers. Worcester proposes to banking/financial services providers (in Britain) to give increased importance to the following activities: “strategic direction; legal threats to survival; capital management; succession; and protection and promotion of the corporate reputation.” (Worcester, 1997, p.146) McDonald and Rundle-Thiele (2008) also examined the link between Corporate Social Responsibility and bank customer satisfaction.

Besides the aspects presented above, it should be added that banking/financial services providers seek to benefit from opportunities offered by the most popular communication channel, namely advertising. This is supported by the large number of bank commercials broadcast on television. It should also be noted that every day we are bombarded with a huge volume of information. Consequently, a challenge for marketers is to formulate and transmit such information as it may not fail in this informational chaos. As Sas also states, in the today’s world, just as important is what consumer makes with the commercial, not only what the commercial makes with the consumer. (Sas, 2012, p.24).

Forsen Institute (Hungary) conducted during 22 -24 May 2007 a

quantitative marketing research in order to know the general attitude of respondents towards commercials, namely to know the extent to which banking commercials had been perceived in an appropriate manner. More than half of respondents (59%) associate commercials with a concept of negative connotation. Only 3% of respondents associate commercials with "information". The percentage of those people who associate commercials with something positive is only 4%. 80% of respondents were able to identify a specific commercial with a particular bank. Most of them mentioned the commercials of OTP Bank, then the commercials of Raiffeisen Bank (15%) and the commercials of Erste Bank (14%).<sup>(1)</sup>

### Quantitative marketing research among the population of Miercurea Ciuc

For knowing the attitudes of banking/financial services consumer in Miercurea Ciuc, a quantitative marketing research was conducted. Primary data were collected in February and March 2014.

#### Assumptions:

H<sub>1</sub>: There is a connection between respondents' gender and banking transactions.

H<sub>2</sub>: There is difference, by gender, with respect to those factors that play an important role in the process of purchasing banking services.

H<sub>3</sub>: There is difference by gender regarding respondents' attitudes towards bank ads aired by television.

H<sub>4</sub>: There is difference by gender, in terms of respondents' opinion looked at the effect of bank commercials aired on television on brand identity.

The table below (Table no. 1) presents the distribution of population in Miercurea Ciuc, both in the population studied, and in the sample.

Table no.1

#### Distribution by gender

Sex	Population	%	Sample	%
Men	15. 709	47,61%	43	43,43%
Women	17. 283	52,39%	56	56,57%
Total	32. 992	100%	99	100%

Source: National Institute of Statistics

Because both with men and for women  $z_{\text{observed}}$  value (0.85) is lower than  $z_{\text{critical}}$  value (1.96) in the sample is representative for gender.

Next we want to present those aspects, which in our opinion, provide significant clues referring to the most popular banks in Miercurea Ciuc, and which gender carries out banking transactions in a higher percentage. According to the data presented in Table no. 2 the conclusion can be drawn that in Miercurea Ciuc, with the persons included in this research, men perform banking transactions at the rate of 90.7%, compared to women who initiate banking services at the rate of 71.4%. Because the contingency table does not allow us to conclude that there is significant difference between men and women regarding banking transactions, chi square test was applied.

Table no. 2

			Gender		Total
			Male	Female	
Are you conducting banking transactions?	No	Count	4	16	20
		% within Gender	9.3%	28.6%	20.2%
	Yes	Count	39	40	79
		% within Gender	90.7%	71.4%	79.8%
Total	Count	43	56	99	
	% within Gender	100.0%	100.0%	100.0%	

Are you conducting banking transactions? \* Gender - Crosstabulation

Table no. 3

Critical ratio for the chi square test

	Value	df.	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.602(b)	1	.018		
Continuity Correction (a)	4.471	1	.034		
Likelihood Ratio	6.010	1	.014		
Fisher's Exact Test				.023	.015
Linear-by-Linear Association	5.546	1	.019		
N	99				

a Computed only for 2x2 table

b 0 cells (.0%) have expected count less than 5.

Since (Table no. 3)  $\chi^2_{calc} = 5.602 > \chi^2_{.05;1} = 3.841$  there is a significant relationship between respondents' gender and making various banking transactions.

The results suggest that in Miercurea Ciuc, culture plays an important role regarding the roles of men, women respectively in the management of those activities that have a connection/tangency with money. But which is the bank where the most transactions are carried out? 31.2% of respondents carry out banking transactions at Raiffeisen Bank, the

second is BCR (27.5%), followed by OTP Bank. BRD SocGen is number four (8.1%).

According to these results in Miercurea Ciuc most popular banks (if we can formulate like this) are Raiffeisen Bank and BCR, while in Romania according to the market share of active banks BCR is ranked the first (17.5%) followed by BRD SocGen (13%). Raiffeisen Bank is only the sixth with a market share of 7.3% and OTP Bank is ranked 18 (1.3%).<sup>(2)</sup>

As mentioned above, the purpose of the quantitative marketing research was to know the attitude of the

population of Miercurea Ciuc to banks. The associations obtained through the questionnaire were grouped into three categories. Thus we obtained a category which included all positive associations, a category which included negative associations, and a neutral category. The neutral category included the following associations: “money” and “interest” because they can be both a source of income and expenditure. More than half of respondents (56.6%) associate bank with a neutral concept. 32.3% of respondents associated it

bank with a word that has a negative connotation, and only 11.1% of those included in the research associate bank with a positive concept.

In order to identify those factors, which are the basic pillars of the process of purchasing banking services, the questionnaire included an ordering scale. The following table (table no. 4) shows, in the order of importance, those factors that are presented in the process of choice of Banking/Financial service providers.

**Table no. 4**

**Ordering the answering variants - descriptive statistics**

	Mean
The interest rate is more favourable than with competitors (1)	2.21
The services offered are of high quality (2)	3.70
Bank Location (3)	3.79
The existence of several branches (4)	3.80
Recommended by the friends circle (5)	4.93
Recommended by the manager of the company where I work (6)	4.96
Interesting commercial, that arouses interest (7)	5.32
Incidentally, I cannot identify any criteria of choice (8)	7.22

From the results obtained it is observed that the analyzed variable “interest rate is more favourable than with competitors” is ranked first in terms of the importance given in the choice, “services are high quality” is ranked the second, “bank location” the third, and “the existence of several branches” on the 4<sup>th</sup> place.

According to the results it can be seen that personal experience plays an important role in the process of buying banking services. The last alternative is “incidentally, I cannot identify any

criterion of choice” which leads us to the conclusion that potential customers are very cautious in the choice of Banking/Financial service providers.

In order to obtain an answer to the question whether there is a significant difference in the respondents’ gender, in terms of order of importance attached to various factors in the choice of banking/financial service providers we applied Mann-Whitney test. The results obtained are shown in Table no. 5.

Table no. 5

## Value calculated for Mann – Whitney test

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
U <sup>1</sup>	956.000	960.000	1003.000	1172.000	1193.500	1012.000	1200.000	1158.500
W <sup>2</sup>	2552.000	1906.000	2599.000	2768.000	2139.500	1958.000	2796.000	2104.500
Z	-1.893	-1.763	-1.442	-.230	-.075	-1.377	-.029	-.400
As <sup>3</sup>	.058	.078	.149	.818	.940	.168	.977	.689

<sup>1</sup>Mann Whitney

<sup>2</sup>Wilcoxon W

<sup>3</sup>Asymp. Sig. (2-tailed)

According to data provided by SPSS the following conclusions can be drawn:

- there is no difference between men and women in the order of importance given to those factors that determine the decision to purchase banking/financial services. Consequently respondents' thinking mode is alike when deciding to choose a provider of banking/financial services, regardless of gender,
- rational buying has gained ground compared to the emotional acquisition with women too.

After identifying the factors of choice, the question arises whether bank commercials aired on television have a positive impact on banking service providers.

64.6% of respondents stated that television is that communication means through which it comes across commercial banking most often. Therefore it is very important that banks

pay increasing importance to those aspects that define commercials' "atmosphere", which will be developed and disseminated through television.

With Likert scale we analyzed the population's attitude toward advertising through television broadcast. In the analysis we included the following variables:

- in the choice of banking service provider, a primary role is played by commercials broadcast through television.
- commercials broadcast via television have a positive influence on brand identity formation.

According to the results obtained and presented in the table below (Table no. 6) we can see that both the median and the modal value have the value 3, which is the answer variant "neither important nor unimportant". The mean score is 3.12, 3.42 respectively.

**Table no. 6****Descriptive statistics**

	In the choice of banking service providers a primary role lies with TV commercials	TV commercials have remarkable influence on brand identity formation
N	99	99
Mean	3.12	3.42
Median	3.00	3.00
Mode	3	3

According to the results obtained in the process of choosing a provider of banking services, respondents do not attach great importance to TV commercials. Also those included in the analysis are of the opinion that these commercials do not play a primary role in terms of brand identity formation.

Therefore we conclude that banking consumer attitudes to commercial banking is a neutral one.

Further we examined whether there are significant differences in the respondent's gender in terms of the two variables above.

**Table no. 7****Value calculated for Kolmogorov – Smirnov test**

	In the choice of banking service providers a primary role lies with TV commercials	TV commercials have remarkable influence on brand identity formation
Most Extreme Differences	Absolute	.061
	Positive	.061
	Negative	-.017
Kolmogorov-Smirnov Z		.301
Asymp. sig. (2-tailed)		1.000

Because the significance level is greater than .05, with the two variables included in the analysis (Table no. 7), we conclude that there is no significant difference between the two groups concerning:

- giving importance to TV commercials in the choice of banking service providers,

- positive contribution of TV banking commercials on brand identity formation.

**Conclusion**

Although consumer segmentation by gender is indicated among several providers, it does not bring added value in formulating policies and strategies made by the providers of banking/financial services in Miercurea



Ciuc. This can be reasoned by the fact that when buying banking/financial services the customer decides rationally and emotion does not influence the buying decision.

Banking/financial service providers operating in Miercurea Ciuc, in turn, must take into account that culture that defines the region, significantly influences banking/financial services consumer behaviour, consequently, the adaptation of global strategy at the markets where they operates, in light of this factor segmentation is not an appropriate strategy. Although TV banking commercials are the most "popular" ones, their impact on banking/financial services consumer

behaviour is not significant. In our opinion, the banks would benefit if more attention was given to public relations.

The biggest challenge for Banking/Financial service providers is to regain people's trust. This can be achieved only if, in formulating policies and strategies specific to the marketing mix, they consider those aspects that determine the provider appear in the position of a trust bank.

In our opinion, banks should be guided by behaviour in the sense that, when changes in the economic environment exert a negative influence on the financial situation of banking services consumers, they should react in the right way.

## NOTES

- (1) <http://forsense.hu/piac/reklamhata-kutatas-a-reklamokkal-kapcsolatos-alapveto-attitudok> (accessed March 10<sup>th</sup>, 2014 )
- (2) <http://bancherul.ro/cota-de-piata-a-bancilor-dupa-active-la-finalul-anului-2013,-conform-datelor-bnr--13024> (accessed: March 10<sup>th</sup>, 2014)

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