

Benefit Segmentation for Unit trust Products in Malaysian Financial service Industry

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Abstract

The purpose of this paper is to empirically a model that reflects the different types of benefit perceived by unit trust retail investors. A quantitative analysis through a personal survey to unit trust customers was performed. A customer study in the mutual fund service industry was conducted on one of the famous government linked company that provides unit trust products in Malaysia. Data were analyzed through factor analysis and regression model is estimated. The results from the regression model suggest that functional and experiential benefits have a major influence on customer satisfaction and purchase intentions. The findings also suggest that unit trust providers should consider treating consumers as partners in their provision of existing services toward unseen criteria and overlooking these less visible area, such as feelings of being successful, comfortable, confidence, independent, and having optional to make decision. This study is strategically important to unit trust providers in Malaysia to encourage them to offer new benefit for their customer. The present study is limited in its scope and a first approach of benefit construct is considered and future research was suggested by adding new constructs in order to deepen into the analysis of the relationship between customer and unit trust providers.

Key words: Retail investors, Unit trust, Benefits, Consumer behaviour, Financial service

1. Introduction

Financial services industry in Malaysia has become much more complex and competitive since deregulation activities were made by the Malaysian government in the early 2000s. Deregulation allowed banks to seek new merger between banks, investment from new foreign banks and the introduction of new products and systems such as Islamic products into conventional banking system. Since then, relevant information has been crucial and has become one of the major component in effective decision making in financial services. Further more in today's highly competitive retail financial services environment, the importance of pertinent information cannot be overemphasized and the importance of financial intermediaries are also increased (Ribnikar 2011). Marketers must recognize the value of information as an important source to the firms and adds value to the organizations. According to O'Malley, Patterson and Evans (1995: 29), this added value can be achieved through effective analysis, through the combination of different data sets or making the information more thorough, or through manipulation for particular situations.

One of the products offered by the financial provider in Malaysia is mutual fund or better known as unit trust fund. These products were created by asset management companies especially the main branches of the financial providers to attract investments from both retail and institutional investors. Until now, both retail and institutional investors are increasingly choosing unit trusts funds as their investment opportunity for many reasons. The Malaysian government through their unit trust company, Permodalan Nasional Berhad (PNB) has always been offering the Malaysian people, products from their unit trust investment since the early 1980 until now. Currently there are 10.4 million account holders and 127 billion units in circulation for PNB's unit trust (Husairy and Kyra, 2011). In response to this opportunity, financial providers in Malaysia have shown a new interest in marketing their products and services to their customers more effectively. To be more competitive in the market, all of them utilize marketing tools and techniques. According to Kaynak and Harcar (2005), the concept of service differentiation and market segmentation has been applied.

In financial services, especially in Malaysia, the marketing of financial products is still predominantly based on demographic features of customers. Although it is easier to track down demographic characteristics without much difficulty, a correlation between demographics and the clients' need cannot be assumed (Machauer and Morgner, 2001). With the availability of technology such as information technology, it is not so difficult to draw conclusions about the behavior of customers especially their preferences from the bank's database or the customers information files. However, with only preferences from the customers are not possible because of cost and time constraint faced by the financial service providers. The problem can only be solved by a classification of customers according to the multi-dimensional intrinsic characteristics of personality of each customer who patronized the financial services. With this

situation, application of segmentation has become an extremely important strategy for financial service providers. From this approach, homogeneous customer groups can be defined so that a better customer orientation can be achieved.

The present paper proposes a multi-dimensional approach to customer segmentation by using the approach proposed by Haley (1968 in Minhas and Jacobs, 1996). According to Haley (1968 in Minhas and Jacobs, 1996), the normal segmentation approaches such as demographic, socio-economic, or geographic were not efficient predictors of future buyer behaviour. He proposed another approach, which he called “benefits segmentation”. It is therefore the purpose of this paper to explore the extent to which one particular form of segmentation, namely benefit segmentation, can offer to marketers in this industry.

This study, in line with prior research, adapts a benefit segmentation approach to the financial service industry in particular the unit trust products. Since most published studies are rooted in Western society, it is interesting to study in heterogeneous and culturally distinct as Malaysia (Baharun et al, 2011). Further more, to the best of our knowledge, published studies for benefit segmentation in unit trust are absent. The paper begins by providing a theoretical background of the relevant literature. This is followed by the methodology and the results from the quantitative study are presented. The paper concludes with a discussion of the implications of the findings and identifies limitations and areas for future research.

2. Literature review

Market segmentation is a very important construct when predicting consumers’ purchasing behaviour (Park and Sullivan, 2009). Smith (1956: 5 in Alfansi and Sargeant, 2000) define market segmentation as “viewing a heterogeneous markets as a number of smaller homogeneous markets, in response to differing preferences, attributable to desires of consumers for more precise satisfaction of their varying wants”. Although after him, there are many scholars who try to redefine the concept, Smith’s original definition of segmentation still current because the heterogeneity elements in the market place. In the literature, many scholars found a variety of variables that could potentially form the basis of effective segmentation elements. The majority of the approaches to market segmentation discussed so far are useful in locating and describing target segments. According to Minhas and Jacobs (1996: 5), they suffer from underlying disadvantages that all are based on an ex post facto analysis of the kind of people who make up specific segments of a market. On the other hand, by using these variables we can’t determine what cause of development of these segments or does buying behaviour determine the membership of a segment. In the marketplace now-days, consumers differ greatly in terms of their wants and needs. On the other hand, a lot of customers may desire different benefits although it can come from the same product, service, or marketing offering.

Minhas and Jacobs (1996) suggest that the problems mentioned above can be overcome by using benefit segmentation. In early studies such as Haley (1968) and Wind (1973), they

suggested that benefit segmentation is a powerful tool for grouping heterogeneous consumers. Alfansi and Sargeant (2000: 66) argued that this approach can classify consumers according to their different requirements and hence defines a segment by causal rather than descriptive factors. Further more it can unlock the question of why consumers elect to purchase particular products and services. Koh et. al. (2010) stated that benefit segmentation is a technique to differentiate and group customers on the basis of the benefits they desire or seek. Machauer and Morgner (2001) stated that today approaches to segmentation define customer segments by post hoc. In other words, the benefits that customers seek constitute the basic reason for purchase and lastly can form a suitable basis for market segmentation. Gutman (1992) defined benefit segmentation rests on the idea that consumers select products/services based on desired benefits. Lastly, according to Minhas and Jacobs (1996), the main strength of benefit segmentation is that the benefits sought have a causal relationship to future behaviour. In this approach, our research has centered on the task of applying benefit segmentation to the financial services market, using the specific example of unit trust retail customers.

3. Conceptual framework

3.1 Benefit

A few scholars such as Haley (1968 in Botschen, Thelen and Pieters, 1999) and Wind (1978) proposed the segmentation of markets on the basis of benefit sought by identifiable groups of consumers. Kotler's segmentation, targeting and positioning model is one of the most widely understood overviews of the stages involved in the process. While there are many ways to segment customers, scholars and researchers use a variety of criteria for market segmentation depending on the product or service offered or targeted customers. For example, Kotler and Armstrong (2007) proposed that customer markets should be divided according to geographic, demographic, psychographic and behaviour variables. The more traditional segmentations, however, are based on demographic variables alone such as age, income, gender, education levels and geography. Demographic dimensions have received broader acceptance and lend themselves easily to quantification and easy classification (Kucukemiroglu, 1999, Wall and Mitchell, 2005 and Bojanic, 2007). However according to Oates, Shufeldt and Vaught (1996), demographics alone do not give a complete picture of the customer, and is not deemed sufficient and Bone (1991) indicated that the use of demographic variables can be misleading while Kucukemiroglu (1999) argued that it has been questioned. Furthermore, traditional demographic variables cannot identify the complete characteristics of the sub-markets because consumers in the same demographic group may have very different psychographic make-ups (Kotler and Armstrong, 2007). Psychographic is an approach used to define and measure the lifestyles of consumers. Psychographic segmentation can be based on social class, or personality variables (Kotler and Armstrong, 2007). However, segmentations based on psychographics remain little used, understood, or appreciated, although such segmentations are often useful for forecasting and influencing future behaviours (SRI Consulting, 1997). According to Botschen et al (1999) benefit segmentation can be regarded as an approach to market segmentation which identifies

market segments by causal factors rather than descriptive factors. Further more the concept of benefit segmentation rest on the idea that consumers select products and services based on desired benefits (Gutman, 1982). Botschen et. al. (1999) argued that benefits offering various attributes explain why people are looking for certain attributes such as sought and personal values, which are divided into instrumental and terminal values. Customers are looking at problem solution, in other words the benefit sought, which they can derive from a certain combination of attributes.

Wilkie (1994) proposed the benefit segmentation procedure based on three levels that consist of (i) benefit sought, (ii) personal characteristics and (iii) attitudinal outcomes. On the other hand, Keller (1999) proposed that benefits can be further differentiated into three categories, functional benefits, symbolic benefits and experiential benefits. According to Liang, Wang and Farquhar (2009) functional benefits generally correspond to product-related attributes such as financial gain, safety concerns, planning, and value-added services. Symbolic benefits refer to the extrinsic advantages associated with product or service consumption and generally correspond to non product-related attributes. Based on previous studies, they are related to needs for social approach or personal expression (Koh, Yoo and Boger Jr., 2010; Aspara and Tikkanen, 2010), interpersonal action (Liang et. al. 2009), and confidence (Nilsson, 2009). In this level, customers may value the prestige, exclusive and self image by using or consuming the product or service they have. And the third level is experiential benefits, which is related to how the customer feels to use the product or service. According to Liang et. al. (2009) they can relate to both product and non-product related such as user image, convenience (Park, Lim, Bhardwaj and Kim, 2011) and positive experiences (Ruiz-Molina, Gil-Saura and Berenguer-Contri, 2009).

As a summary, benefits which customers seeki in a given product or services offered in various attributes explain why customers are looking for certain attributes. According to Botschen et. al. (1999: 41), from the customer's point of view it is not the product's attributes which count, but the problem solution – the benefit sought- which they derive from a certain combination of attributes. As benefits are added to strengthen customer's motivation of purchase and then increase customer's satisfaction. Generally, this behaviour fosters a positive atmosphere, creating long-term relationships and increase the strength of satisfaction with the provider. This study thus hypothesizes the following:

H1a: Higher perceived functional benefits lead to higher customer satisfaction.

H1b: Higher perceived symbolic benefits lead to higher customer satisfaction.

H1c: Higher perceived experiential benefits lead to higher customer satisfaction.

3.2 Satisfaction

Bloemer and Ruyter (1998, p. 501) define satisfaction in the context of retail as “the outcome of the subjective evaluation that the chosen alternative meets or exceeds expectations”. On the other

hand many scholars found that benefits are significantly correlated with satisfaction (See works done by Liang et al, 2009; Park et al, 2011) and satisfaction is considered an important outcome of buyer-seller relationships (Smith and Barclay, 1997; Goedertier, Geskens, Geuens and Weijters, 2011). According to Liang et al (2011: 132), customer satisfaction studies must include an additional level of measurement that focuses on the functional and emotional benefits that are the most powerful purchase motivators. This study adopted satisfaction definition made by Anderson and Narus (1990), which state that satisfaction as a consumer's affective state resulting from an overall appraisal of their relationship with the provider. This study adopted two indicators developed by a few researchers as follows:

I am satisfied with the diversity of services provided by the unit trusts provider (Muslim and Zaidi, 2008, Williams and Naumann, 2011)

I will recommend the unit trusts provider to my family and friends (Alfansi and Sargeant, 2000; Kaynak and Harcar, 2005).

3.3 Purchase intentions

The behavioural intentions of customers are recognized in the literature as the import predictors. In many marketing literature, it is accepted that satisfaction has a positive influence on post-purchase behaviour (see previous works done by Cronin and Taylor, 1992 and Oliver and Swan, 1989). The relationship between satisfaction and purchase intentions has been recently examined by Hong, Janda and Muthaly 2010; Williams and Naumann 2011, and Ganguli and Roy, 2011. The majority of them have confirmed that there is a significant positive relationship between customer satisfaction and repurchase intentions. This study adopted three indicators developed by a few researchers as follows:

I intend to use the service of my unit trusts provider in the future (Ganguli and Roy, 2011).

I will make a unit trust investment in the same provider in the future (Park et al 2011, Pellinen et al. 2011).

I will make an additional investment with the same provider in the future (Pellinen et. al. 2011, Saha and Theingi, 2009).

For both instruments in measuring satisfaction and purchase intentions, the statements in the questionnaire were refined based on the financial context chosen for this study. Based on the studies mentioned above, we therefore hypothesize as follows:

H2: Higher customer satisfaction leads to higher purchase intentions.

4. Methodology

The primary study was conducted in the state of Johore, the southern part of Peninsular Malaysia, whom can be considered as a representative of the social strata existing in the Malaysian society. This research was conducted in three stages. In the first stage a comprehensive review of the literature relating to financial services and benefits was undertaken from a variety of sources especially from soft and hard resources. The main aim of the first stage is to delineate benefit variables that should be included in the subsequent primary study. In the second stage, a series of on-line panel were conducted to determine the extent of appropriate variables used to the Malaysian unit trust funds industry. Five senior officers from well-known asset management companies in Malaysia with three series in-depth interviews were conducted for this purpose. With this approach, the content validity was assured, by the use of multidisciplinary panel who designed the questionnaire agreeing on the adequacy of the questions (Bosman et al, 2011: 433). In the third stage of the study, a quantitative study was initiated to identify any potential linkages between benefits, satisfaction and intentions.

The researchers used some disproportionate quota such as sex, ethnic, urban and rural areas to ensure that all level of population are represented in the multicultural society. A cross-sectional design methodology was used over a period of three months. The survey instrument was developed based on the literature review. The questionnaire was issued to groups of people who were waiting in a variety of scenarios, with an element of convenience sampling. The questionnaire was administered face-to-face; as such the response rate was satisfactorily high. The main research instrument was designed to cover benefits sought which were selected on the basis of research gaps as identified in the literature. The questionnaire for the study was developed in English and then translated into the Malay language by a bilingual associate. Back translation was also done to check for any inconsistencies or translation errors. To ensure content validity, we used the most popular and valid instrument from past researches with some modifications made to suite the multi-cultural society in Malaysia, which consists of a 30-item questionnaire. All questions were rated on a four-point modified Likert scale from “1” (strongly disagree) to “4” (strongly agree). Final formatted questionnaires were sent to our grant provider for formal approval before being printed and the data collection began. In data collection activities, where door-to-door recruiting and interviewing was used, interviewers were present during the interview providing direction or answering questions when required. No financial or non-financial incentives were offered to the respondents, but it was stressed that their co-operation would be appreciated. In addition, several questions related to socio-demographics and the economics’ status of the population were included.

Table 1 Technical details of the research

Universe	Unit trust retail investors whom investing their monies in GLC's fund
Geographical scope	Johore State of Peninsular Malaysia
Sample size	100 investors in 6 district of Johore (600 consumers)
Sample design	Personal survey to retail investors at the mall-intercept concepts
Data Collection period	May- July 2011
Scales (Modified 4 point Likert after pre-test)	Benefits (Pellinen et. al., 2011, Park et. al. 2011; Kim and Lee, 2011; Liang et. al. 2009; Ruiz-Molina et. al. 2009; Park et. al. 2009; Koh et. al. 2010; Botschen et.al. 1999) Satisfaction (Hong et. al. 2010; Willians and Naumann 2011, Ganguli and Roy, 2011) Future Intention (Liang et. al. 2009; Park et. al. 2009)
Statistical Techniques	Factor analysis and multiple regression
Statistical software	SPSS version 16.0

The survey instrument was developed based on the literature review. Table 1 exhibits the main characteristics of the research. Items for measuring benefits have been adapted from several similar studies such as Pellinen et. al.(2011), Park et. al.(2011), and Kim and Lee (2011) because they have been widely applied in financial services. Furthermore, the items for measuring satisfaction and purchase intentions were taken and adapted from Liang et. at. (2009) and Park et. al. (2009), respectively. All items were rated on a modified four-point scale ranging from “strongly disagree” (1) to “strongly agree” (4) after a pretest to a select population with consist of a multicultural society. Using the framework of benefit segmentation, this study employed unit trust purchasing benefits as the basis for segmentation and profiled the identified segments in terms of satisfaction and repurchase intentions. On the basis of the literature review presented above, Figure 1 shows this study’s benefit segmentation framework.

A total of 452 valid questionnaires were obtained from the period of three months of the fieldwork. In aggregate a usable response rate of 75.3 per cent was obtained after cases with missing values were deleted before the data analysis. The sampling method solicited respondents with varied personal characteristics as listed in Table II. Respondents were slightly more to be female (56.2 per cent). Almost more than half (52.0 per cent) were public sector workers. The results also suggest that 30.3 per cent of the respondents invested or purchased their unit trust from government-link companies, 30.8 per cent had invested in private or non-government link companies and 39.9 per cent had mixed of both unit trust providers. With respect to the entity investment, the sample was represented equally for both private and public unit trust providers. The Majority of the respondents (52.0 per cent) held public positions while 26.1 per cent held private position, 12.9 per cent were self-employed, 6.0 per cent were homemakers, only 2.0 per cent were pensioners and the rest were others including students and the un-employed.



Figure 1: Benefit segmentation framework for unit trust retail investors

5. Results

As a first step in our data analysis, we conducted a comparable reliability scores. Self-administered questionnaires were used for all measures. The independent variables in this study included all benefit related attributes (functional, symbolic and experiential). The dependent variable is purchase intention and the intervening variable is satisfaction. All measures of endogenous construct used for the model constructs are listed in Table 3.

Secondly, in order to identify the structure of relations between the variables that compose the benefits scale, a principal component analysis (PCA) with rotation varimax was performed to

obtain factor structure. Similarly, a PCA was conducted for the items used to measure customer satisfaction and purchase intention. The resulting rotated component matrix is shown in Table IV for benefit construct. As a result, both satisfaction and purchase intention are obtained that explains 73.65 per cent and 76.13 per cent of the total variance for both variables (Table 4).

Table 2 Profile of respondents

Demographic characteristics	Frequency	percentage
Gender:		
Male	198	43.8
Female	254	56.2
Investment entity:		
Government Link Company	137	30.3
Non-government link Companies	139	30.8
Both	176	39.9
Age:		
Between 18-30 years	219	48.5
Between 31-45 years	157	34.7
Between 46-55 years	58	12.8
56 years and over	18	4.0
Occupation:		
Self-employed	58	12.9
Public sectors	235	52.0
Private sectors	118	26.1
Homemaker	27	6.0
Pensioner	9	2.0
Others	5	1.1

As mentioned above, the 25-item instrument related to benefits was first analyzed using EFA (Exploratory factor analysis) over the 452 respondents. Items with lower than 0.4 factor loading (Hsu, Huang and Swanson, 2010) or with serious cross-loadings were dropped one at a time (i.e B6) and Cronbach alphas item-to-total correlations were recalculated repeatedly as part of the reassignment and deletion process. However Hair et al (1992) suggested that variables loading 0.50 and greater are very significant. Taking suggestions made by Hair et al (1992), for this study, the general criteria were accepted items with a loading of 0.50 or greater. Which this criteria, we deleted another two more items such as B8, and B14. EPA process resulted in a three-factor model (Table 5).

After dropping three items which were lower than 0.5, the constructs validity was tested again by applying Bartlett’s Test of Sphericity and the Kaiser-Mayer-Olkin (KMO). The results revealed that both were highly significant and it was eventually concluded that these variables were suitable for the factor analysis (Table 4). Further more all of the calculated Cronbach alphas were above 0.7 which indicates a good internal consistency among items within each identified dimension (Nunnally, 1978). The values of Cronbach alpha were 0.882 for Factor 1 (i.e experiential), 0.868 for factor 2 (functional) and 0.654 for factor 3 (symbolic). This analysis captured 53.1 per cent of the variance in the data with KMO 0.933 .Table 4 presents the rotated factor pattern and Cronbach alpha for each identified factor.

Table 3 Measurement model for satisfaction, purchase intention and average value.

Construct	Item	Mean	Cronbach’s alpha	KMO
Satisfaction	B18	3.27	0.642	0.50 *
	B25	3.23 –Ave: 3.116		73.65**
Purchase intention	B22	3.20	0.843	0.718*
	B23	3.08		
	B24	3.15 – Ave: 3.129		76.13**

Note: * Barlett’s test of sphericity Sig Level 0.000, ** Total Variance

Table 4 Rotated component matrix: Benefits

Items	Factor 1	Factor 2	Factor 3
Easy access	0.653		
Improve service	0.650		
Buy from same provider	0.633		
Suitable for my plan	0.624		
Trust the provider	0.613		
Handle complains	0.607		
No hassle	0.582		
Personal of provider	0.580		
High level of risk	0.568		
Information safe	0.564		
Safe investment		0.774	
Good return		0.726	
Easy to liquidate		0.695	
Useful information		0.653	
Losing money		0.602	
Good decision		0.585	
Past performance		0.577	
Only understand		0.572	
Not get good return			0.702
Switched for better return			0.675
Consulted an advisor			0.558
Sell if not satisfied			0.553
Reliability	0.882	0.868	0.654

A descriptive analysis using mean and standard deviation of both dependent and independent variables will help researchers to understand the respondent's perception of variables and other detailed analysis that were performed. In this analysis, respondents who are the customers of unit trust agree that the experience in purchasing the unit trust from the provider give them more "room" to evaluate the service provided by the unit trust provider (mean = 3.67), functional benefit became second (mean 3.18) and symbolic benefit became number three (mean = 3.00). On the other hand, respondents generally gave a positive rating with respect to all benefit constructs. Correlations among the benefit constructs and satisfaction and purchase intentions were relatively strong except the symbolic construct. As shown in Table V, the value obtained for the correlations between constructs allow us to confirm the discriminate validity. The researchers applied the value suggested by Anderson and Gerbing (1988) for the confidence interval in discriminate validity test. From the same table, all constructs value do not include the value 1, and the discriminate validity is confirmed.

Table 5 Means, Standard deviations and correlation matrix

Constructs	Mean	SD	Functional	Experiential	Symbolic	Satisfaction	Purchase intention
Functional	3.18	0.51	1				
Experiential	3.07	0.49	0.706	1			
Symbolic	3.00	0.54	0.526	0.563	1		
Satisfaction	3.11	0.58	0.649	0.787	0.536	1	
Purchase intention	3.13	0.61	0.629	0.776	0.470	0.730	1

Notes: All correlations are significant at 0.01 level (2-tailed), n= 452

Multiple regression analysis was performed to analyze the relationship between dependent variables and all benefit constructs and addressed hypothesis as mentioned in Hair et al, 1998). Based on the result in Table 6 below, experiential ($b = 0.592, p < 0.00$) and functional ($b = 0.131, p < 0.05$) are positively and significantly associated with satisfaction, thus it could be concluded that H1a and H1c are accepted. Only the symbolic construct ($b = -0.12, p > 0.10$) is not significant at all and hypothesis H1b is rejected. The effect of satisfaction on purchase intention is also positively and significantly ($b = 0.304, p < 0.00$), thus it could be concluded that H2 is accepted.

Table 6 Results of multiple regression analysis

Constructs	B	sig
Functional	0.131	0.008*
symbolic	-0.012	0.733
Experiential	0.592	0.000*
Satisfaction	0.304	0.000*

Notes: $p < 0.01$, R square = 0.645, adjusted R square = 0.643, n = 452

6 Conclusions

The present paper has allowed us to confirm the relationship between the benefits for the customer and for the service provider in mutual fund industry in Malaysia. The study's results indicate that both functional and experiential benefit of unit trust provider are positively and significantly related to customer satisfaction, while symbolic benefits are negatively and insignificantly related to customer satisfaction. This finding demonstrates that when functional benefits such as improve services, handles complains efficiency; and additionally, experiential benefits such as easy to liquidate, past performance are more important to retail investors than symbolic benefits. Therefore, to attract new customers or to retain existing customers, unit trust providers should emphasize on the customer services which is the back bone of the service industry. Positive image in terms of functional and experiential benefits are more important to unit trust investors than symbolic benefits. Therefore both functional and experiential segmentation seem to play a more relevant role in determining customer satisfaction and loyalty towards services and products offered by unit trust provider in Malaysia.

This study shows that traditional satisfaction variables such as service quality, and operational characteristics (for example cleanliness, service speed, friendliness) are not the only effective methods of securing customer relationships or satisfaction. In other words, increasing customer satisfaction with such attributes mentioned above, does not guarantee increased overall satisfaction and more purchase intention toward unit trust providers. By identifying these unseen criteria and overlooking those less visible area, such as feelings of being successful, comfortable, confidence, independent, and having optional to make decision, unit trust providers must address these areas to satisfy their customers and finally retain their own customers. From the conclusion presented above, unit trust managers especially in the marketing area should understand why customers buy unit trust products from them. Customers should be treated as partners in the services provided to them and the reciprocal behaviour will foster a positive atmosphere between the customers and the providers. Finally there must be efforts to remove any bad image or perception among customers and reduce risk of investment, so that relationship between

customers and providers enable their relationship to progress and lastly increase loyalty among them.

The results also indicate that the relationships between satisfaction and purchase intention have positive significant coefficients from unit trust providers. Thus it can be inferred that more customer satisfaction with the services and products offered by the unit trust providers will increase their purchase intention of the unit trust products.

Finally, while conducting this research, certain limitations were identified, with some suggestions for future studies. First, this study was limited to unit trust retail investors of one government linked company and did not cover all unit trust providers in Malaysia especially in the private financial entity and has limitations in terms of external validity (An and Noh, 2009). It would be ideal to consider all unit trust providers which offer the unit trust products for retail investors in Malaysia. Secondly, this study is conducted on general unit trust. In Malaysia, there are many types of unit trust such as conventional unit trust funds, Islamic unit trust funds, government unit trust funds and non-government unit trust funds. As such, future studies could focus on the specific unit trust funds for a better understanding in this industry. For the customers or investors side, this approach can provide them with the opportunity to compare benefits that are provided by different entities of unit trust providers in Malaysia's mutual fund industry.

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