

Awareness of Customers About Banks' and NBFCs' Auto Loan Facility : Profile Mapping Based on Psychographic and Demographic Variables

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Abstract

The success story of every financial scheme/offer mainly depends upon the extent of knowledge people have about it. The present study focused on the importance of the awareness level among customers about auto loan facility and applied financial services by using the K-means cluster analysis technique applied observe three distinct clusters which had been identified on the basis of final cluster centers (mean values for the variables) which identified the three sets of respondents who were different from one another as far as their acceptability dependent upon their attitudes towards the awareness of financial institutions regarding auto loan facility is concerned. The cluster one represented a group of 282 respondents as mix awareness level of respondents about financial institution's auto loan scheme, the second cluster had 236 respondents who were having positive awareness level as well as negative awareness levels about financial institution's auto loan facility. However, in the last cluster 276 respondents were those were only highly aware as well as moderately aware regarding financial institutions' grant auto loan facility.

Key Words

Awareness, Auto Loan, Banks and NBFCs, Profile Mapping

INTRODUCTION

Nowadays, Indian financial institutions are accelerating the pace of development through adopting and adapting with latest technology into their day

to day operation with the motive to make easy and flexible dealing with customers. Due to the availability of the banking and non-banking financial companies people have been accessing the technological advancement arrived in the market, especially in automobile industry. These financial institutions come up with auto loan schemes which enable every corner of the society to purchase any automobile product either; two-wheelers, three-wheelers, or four-wheelers, whether they have surplus money or not. This scenario has changed the Indian automobile industry as well as social life of the Indians and this transformation has made the Indian two-wheeler automobile industry number one industry in the world. On the other hand, banking and non-banking financial companies also rendering the various services like electronic services (Nouman Anwar Dar, 2012), which are so crucial for banking and non-banking companies to mount the market share through connecting more and more customers with the current loan schemes. Despite it, there is lack of awareness among people about various financial loans offered by various financial institutions and present mechanism of all financial institutions not yielding any robust results which must help the economy to jump high as to access the double digit growth number. Therefore, previous research has thrown the lights on efforts that have to be made by all financial institutions to increase the awareness about auto loan as well as other financial schemes framed only for the people (H. S. Adithya, 2013; Sonu Garg and Parul Agarwal, 2013; M. E. Doddaraju, 2013; Vinayagamoorthy and M. Somasundaram, Sarika, R. Lohana, 2014).

REVIEW OF LITERATURE

N. Yesodha *et al.* (2011) explored that the majority of the respondents used mobile banking whenever they think fit so. Secondly, the study highlighted that there is no significant difference among the *education groups* in the average awareness score on mobile banking usage, and there were also no significant differences among the *monthly income groups* in the average awareness score on mobile banking usage, indeed, there were no significant differences in the bank account and average awareness score on mobile banking, usage, simultaneously no significant difference aroused between *public and private bank* in the overall problem score of internet banking. On the other hand, they advocated that in order to augment the awareness level about mobile banking all banks have to give pre-information before or once the technology is launched. Secondly, pros and cons of this technology should be revealed and also give assurance regarding proper security services should be provided because that is the main reason for not adopting mobile banking technology.

Selvaraj (2011) examined the *awareness level of the customers regarding services provided by the State Bank of India* of Erode district of Tamil Nadu (India). The study explored that majority of the respondents (70%) had very low level of awareness in relation to the services provided by the bank, in addition, the study was conducted *in the rural areas*. The worthwhile suggestions that banks have to step out with for crucial measures to enhance the awareness level through conducting awareness programs in the rural areas and the bank have to concentrate more on promotional activities by offering good value-added products. The banks have to make the proper availability of their innovative products & services among customers by effective awareness strategies to increase the purchase and performance of the banks (G. Nagarajan *et al.*, 2013).

Nouman Anwar Dar (2012) identified the electronic banking as a crucial sector of the banking industry, because it has been considered as very less time consuming, minimizes costs and people have one click access to banking services. However, new advanced and innovative system in banks gives freedom to the customers to access their accounts at any place through mobile banking. Moreover, these electronic services in banking sector need more awareness among customers so that each and every person could understand first, then use it as more conveniently. Importantly, this study has emphasized on growth and awareness of electronic banking in Pakistan. Results indicated that despite all the opportunities and benefits created by the e-banking, there have been still many challenges that still exist in the financial sector. Indeed, there are also some limitations of e-banking as it requires awareness, knowledge and skills to operate it.

George K. Amoako (2012) in his study examined the various ways which can be so helpful in improving the customer service in the banking sector of Ghana. Previous studies threw light on the customer's perceptions which may vary by nature of the services provided by banks. Then he found that the tangibles facilities as infrastructure facilities of the bank, followed by the empathy area such as the timing of the bank and returns on deposit surpasses the customer's perception. In their research, further, they expanded the research by establishing the customer service was a combination of business process and technology in order to become more conscious of a company's customers from the perspective of 'who they are?', 'what they do?', and 'what they are like?' The results revealed that although customers at Ghana in commercial banks were not satisfied with the existing customer service but due to improvements in services there was sudden increase in numbers of new, maintenance of existing customers, increase in loan disbursement, easy and safe payment, augmenting profitability, sharp increase in market share, shoot up in revenue and mitigation in expenditure.

Sumedha Kalia and Urvashi Kalra (2012) examined various factors which influence customer's perception and satisfaction level towards E-Banking. They examined these factors; lack of knowledge, inadequate legislations and security concerns were the main causes of not using E-Banking by the SBI customers. They recommend that banks should provide 'Demo' on their website for new as well as for existing users to know about online banking services and facilities in order to increase the *awareness level in the minds of customers* to use e-banking safely.

Nidhi Grover and G. S. Bhalla (2013) examined *factors affecting awareness regarding the bank assurance among the bank customers* of Punjab and chosen private sector banks which classified the factors which affect the extent of awareness among the target sample. In their research, they used 'Probit Model' with classical linear regression model in order to probe the awareness. Therefore, the execution of the model inferred that the (i) the probability of being partially aware was the highest followed by significant awareness; (ii) probability of being completely aware of bank assurance was about 16 percent; (iii) the duration of customer's relationship with the bank positively and significantly affects the extent of awareness regarding bank assurance; (iv) the frequent dealing of the bank employees with customers regarding the bank assurance significantly enhances the level of awareness regarding bank assurance; (v) among sources of information, Bank Brochures and other publications contribute significantly in spreading information regarding bank assurance; (vi) three sources of information namely, Staff of the Bank, Newspaper, and Direct Mail to Customers are negatively affecting the probability of complete awareness whereas, found to be positively affecting partial awareness; (vii) among demographic factors, income of the consumer significantly contributes in enhancing the extent of awareness regarding bank assurance among the bank customers; and (viii) thus, the hypothesis of insignificant effect of bank awareness on choice of product has been rejected in weak form.

Chilumuri Srinivasa Rao (2013) in the study, "Consumer Awareness in Rural India with special reference to E-Banking services of State Bank of India" searched that the awareness level among consumers regarding the offers and services provided by the SBI is less, especially under internet banking services the awareness is not at ground level in the rural area. He proposed that bank needs to start a new campaign in order to educate and create awareness among consumers. Rather than merely frame up the information in the branches through posters and banners, media could use intensively for this purpose in the local language. Further, it was recommended that the SBI has to come out with significant measures to boost the awareness level through awareness programmes in the rural areas and

the bank has to gradually focus on promotional measures through agents, banks' services, advertisements, and merchant establishments which have become the prominent sources of information and awareness providers for bank customers. Moreover, it was concluded that to generate customer awareness with respect to all services of the SBI should precisely communicate with farmers, small businessmen, self-help groups, students and other small town population in the rural area to clarify all the doubts including creating awareness.

K. Poorna Head and N.Kavitha (2013) found that Indian banks have not met yet fully with surprised outcomes from CRM solutions, perhaps there has been a gap between the proper implementation and constant monitoring. One of the reasons of being unsuccessful was the improper integration of new technology and vaguer understanding of how using it. In their research, results showed that large proportion of respondents was with the age group of 35-45 and most of them were undergraduate but lain in the married category. Indeed, respondents had one or more accounts in their concerned banks. Furthermore, study indicated that there were no significant differences between the awareness about the loan facilities in public sector banks as well as in ICICI bank in relation to equipment loan, gold loan and home loan etc. and there was no relationship between public sector bank and ICICI bank with regard to awareness of loan facilities and higher instalment amount and security for obtaining loan. They suggested that banks must create awareness among customers about all new facilities which they integrated with their loan processing operation.

Ravi and Kundanbasavaraj (2013) made an attempt to examine the customer preference and satisfaction in relation to banking services both private and public banks in Shivamoga district. They that found business and vehicle loans were fast moving than other services and overall satisfaction resulted at 50%. Furthermore, average satisfaction on bank deposit schemes resulted positively while other services of banking still need to be emphasized by focusing on customer issues. Lastly, they proposed that bankers must work for 100% customer satisfaction that eventually cherish the customer delight and to sustain customers on a long-term basis.

Swati Tripathi (2013) investigated that the service quality has become a competitive weapon in the banking industry. As far as the modern time is a concern, competition becomes more concentrated and environmental factors influence the performance of banking industry. Further, she advocated that unless, banking sector could not retain their customer till they can gain the market success. In order to enhance the image of banks and grab customer loyalty, thus, banks must observe the gap between customer expectation and perceptions in relation to the quality of

services provided by them in past and in the present. Even though, banks must ensure that their marketing plans and strategies are absolutely customers oriented to reap the competitive advantages.

Vikas Gautam (2013) in his research article made an attempt to examine the attitudes of Indian consumers in relation to the banking services to review the awareness level of consumers towards banking services and their attitude in alignment to banking services. Findings threw the light on basic demographic and socio-economic factors which constantly have a significant impact on consumers' attitudes towards banking services in the Indian market. However, there were eight demographic and socio-economic factors selected for the study namely; age, gender, marital status, education level, household monthly income, employment mode, professional inclination, and banking loans owning were found to be significant in order to measure attitude with altering degrees. It was suggested that banking institutions need to keep steadily eyes focusing marketing communications for the young generation of India.

E. Hymavathi (2014) in her research titled study, "Awareness of Banking & Financial Services" explored the customer awareness towards the banking & financial services and to weigh the quality of service offered by banks and financial institutions to their customers and made an attempt to examine the relationship between the services, customer satisfaction, and loyalty. The research was completely an exploratory study with high reflection on the considerable purpose of obtaining more suitable understanding about customer needs towards the services. In the findings, showed that there was total variation in utilization of services by the customers and also, there was a change in various types of services rendered by financial institutions.

K. Lalitha *et al.* (2014) studied that the smooth functioning of e-banking network is dependent on the availability of a wider network which connects the whole country; reliable and secure information infrastructure including telecommunication infrastructure; ICT penetration in the banking sector; skilled operational personnel, legal and regulatory framework. They also opined that the customers play an important role in relation to the success of e-banking services if they really keep themselves to adopt & to update technological advancements in their banking transactions. Further, they recommended that the customer has to interact with the bankers frequently about the new technology adopted by the banking sector.

R. Elavarasi and S. T. Surulivel (2014) found that the main objective of the research was to create awareness and also explore the most liked e-banking services of banks. The findings showed that the commercial bank provides better service

in relation to e-banking services to customers and also examined the satisfaction level of the customers about internet banking website of banks. Most of the respondents were men, as compared to women and age, educational qualification, occupation, the income level of the customers were vital factors that help to recognize the actual usage of e-banking services of various banks in the study area. Further, it was found that the younger generation was using electronic banking services much higher as compared to older generation because of new innovations in information technology and their adoption level is high in e-banking. They also identified the risk as one of the factors customers were consider while opening an internet bank account because they feel insecure in the internet banking.

HYPOTHESIS

After deeply reviewing the past literature, following hypothesis was developed for this study :

H_{01} : There is no significant variation between the responses of the respondents belonging to different groups regarding the statements pertaining to the different awareness levels about financial institutions' providing auto loan facility.

RESEARCH METHODOLOGY

In this study, descriptive sampling technique was applied in order to examine the cause and effect of independent variables upon customer's awareness level. The structured questionnaire was used and five-point Likert scale adopted for gathering the feedback of the respondents. Apart from it, 850 questionnaires were distributed in Punjab and Chandigarh on judgment basis, 810 questionnaires were received back but only 794 questionnaire were properly filled with answers, thus, this represents a success rate of 99.24%, which was reckoned to be good in view of time and cost constraints. Therefore, cluster analysis technique was used to give the details about the formation of different clusters, which have been developed out of the given sample of the respondents by analyzing their responses towards different perceptual statements pertaining to awareness levels of the respondents towards financial institutions providing auto loan facility. For instance, the cluster analysis technique has been applied to differentiate the respondents into various groups on the basis of their psychographic tendencies, based upon their perceptions, about the financial institutions and their auto loan schemes. These psychographic tendencies have been extracted by analyzing the different perceptual statements on the basis of the mean of each statement within each final cluster as grouped in different clusters.

Profile Mapping of Respondents

A consumer profile is concerned with defining consumers categorically so that they can be grouped for making purposes.

Marketers use demographic variables to segment customer group by various characteristics. In consumer's markets marketers would typically use demographic characteristics such as age, gender, marital status, occupation, family income, self-income, education, family size, family type etc. to define market segments or demographic data really provide the most relevant analysis to find and target specific groups of consumers, exactly the same as they want or not. Since demographic data does not provide insights into the consumer's emotional being of the consumer who is the ultimate buyers of company's product. Hence psychographic studies of consumers can be valuable in the field of marketing and finance, as demographics provide in-depth motivational and psycho-graphical state of consumer. Psychographics is the study of attitudes, perception, personality, values, interests, lifestyle of the consumers. A combination of both the demographic and psychographic views can provide improved information required for segmenting, targeting and profiling the consumers. From marketing point of view, demographics define what buyers commonly need whereas psychographics define what buyers want and buy. As psychographics define operational behaviors that are much more powerful drivers than the physical demographic features. In the next stage of the analysis, we determined how the clusters differ in terms of the demographic characteristics of the participants.

Psychographic Segmentation of Respondents : An Application of Cluster Analysis

This section gives the details about the formation of different clusters, which have been developed out of the given sample of the respondents by analyzing their responses towards different perceptual statements pertaining to awareness levels of the respondents towards financial institutions providing auto loan facility. For instance, the cluster analysis technique has been applied to differentiate the respondents into various groups on the basis of their psychographic tendencies, based upon their perceptions, about the financial institutions and their auto loan schemes. These psychographic tendencies have been extracted by analyzing the different perceptual statements on the basis of the mean of each statement within each final cluster as grouped in different clusters.

Application of K-Mean Cluster Analysis

The general objective of the cluster analysis is to participate, or sub –

divide, a set of objects into homogeneous sub-groups, or into a hierarchical arrangement of homogenous sub-groups, so as to determine the characteristics specific for each cluster. The cluster may be of brand or persons based on their perceptions for a particular problem or issue. In the present study, to segment our respondents K-mean cluster analysis has been used. This procedure attempts to define homogeneous groups of cases based on selected characteristics, using an algorithm that can handle large number of cases. However, in algorithm numbers of cluster are to be specified. The object of K-Means analysis is to arrive at a cluster solution which each case is closer to the mean of the cluster to which it belongs than to the mean of any other cluster. K-Mean cluster analysis needs to assign case to a fixed number of groups whose features are not yet known but are based on a set of specified variables.

Table 2 shows the final cluster centers forming three clusters on the basis of the psychographics of the respondents for the given 25 statements. To check the variations among three clusters for the means of the variables in each of the clusters, ANOVA statistics has been applied to test the null hypothesis.

DISCUSSION OF RESULTS

Demographic Profile of the Respondents

From banks' and NBFCs' standpoint it is important to profile all the borrowers as auto loan borrowers before we begin to discuss the results of the data analysis, as borrower demographics is the foundation of the market division. This may affect the all financial institution's strategy decisions. The demographic features of different respondents are exhibited in the Table 1.

Table 1

Characteristic	Descriptive Statistics (No. of Respondents and Percent)
Sate	595 Punjab (74.9%); 199 Chandigarh (25.1%)
Geographic Area	552 Urban (69.5%); 242 Rural (30.5)
Gender	620 Male (78.1%); 174 Female (21.9%)
Marital Status	553 Married (69.6%); 241 Single (30.4%)
Age	222 20 to 30 (28%); 294 30 to 40 (37%); 207 40 to 50 (26.1%); 71 Above 50 (8.9%)
Occupation	167 Business (21%); 308 Government Employee (38.8%); 319 Non-government Employee (40.2%)
Education	98 Below Graduate (12.3%); 331 Graduate (41.7%); 260 Post Graduate (32.7%); 105 Professional (13.2%)
Family Income	153 10,000 to 50,000 (19.3%); 316 50,001 to 1,00,000 (39.8%); 132 1,00,001 to 1,50,000 (16.6%); 116 1,50,001 to 2,00,000 (14.6%); 77 Above 2,00,000 (9.7%)
Self Income	262 5,000 to 25,000 (33%); 277 25,001 to 45,000 (34.9%); 112 45,001 to 65,000 (14.1%); 111 65,001to 85,000 (14%); 32 Above 85,000 (4%)
Family Size	95 0 to 2 (12%); 552 2 to 5 (69.5%); 147 Above 5 (18.5%)
Type of Family	523 Nuclear (65.9); 271 Joint Families (34.1%)

Table 2 reveals that the three groups emerged out of the responses of the selected respondents. Based on the responses, the characteristics of the respondents assumed to be homogeneous within each group or cluster, i.e. cluster one is separate from the second cluster. The clusters are explained on the basis of the responses, within each cluster for given variables. In order to define clusters, corresponding means for three different centers are considered. The inclination of mean values of the Likert scale from 1 to 5 is used to define the strength of aware/not aware against each variable and it formed the basis of explaining the clusters.

Table 2

Final Cluster Centers

Sr. No.	Statements	Cluster		
		1	2	3
1.	Aware about Public Banks provide auto finance facility	2.00	1.00	1.00
2.	Aware about Private Banks provide auto finance facility	2.00	1.00	2.00
3.	Aware about Non Banking Financial Companies provide auto finance facility	2.00	2.00	2.00
4.	Familiar with rate of interest on loan amount	4.00	2.00	2.00
5.	Knowledge regarding % percentage of loan amount given over products actual cost	3.00	4.00	2.00
6.	Aware about terms and conditions of contract made with financial institutions	4.00	4.00	1.00
7.	Aware regarding security and guarantee requires for taking loan	4.00	4.00	1.00
8.	Aware about loan schemes and repayment modes for loan	1.00	2.00	1.00
9.	Aware towards to access and review the previous amount of loan paid	4.00	4.00	1.00
10.	Knowledge about initially, documents required and processing fees for loan	2.00	2.00	1.00
11.	Knowledge regarding penalty charges on late payment of instalments	5.00	5.00	2.00
12.	Aware towards loan processing time in financial institutions	5.00	1.00	1.00
13.	Knowledge about query and grievance redress cell in financial institutions	5.00	1.00	1.00
14.	Aware about instalment procedures under financial institutions	5.00	1.00	1.00
15.	Aware about relationship management applies in auto financing by financial institutions	2.00	3.00	2.00
16.	Familiar with various options to select repaying loan amount through instalments	3.00	3.00	2.00
17.	Aware about finance facility is for all segments; two-wheeler, three-wheeler and four-wheeler vehicles	3.00	1.00	1.00

Contd.

Contd. Table 2

18.	Awareness among advertisement campaign used by financial institutions for auto loan facility	2.00	5.00	2.00
19.	Knowledge about tax and other miscellaneous charges during loan taking period	3.00	2.00	1.00
20.	Awareness regarding registration process for taking loan	2.00	5.00	1.00
21.	Aware about 24*12*365 services before and after taking loan	2.00	5.00	1.00
22.	Aware about direct connection with customer establish by financial institutions without intermediaries	2.00	5.00	1.00
23.	Knowledge regarding especially zero % type finance schemes	3.00	5.00	1.00
24.	Awareness for all necessary legal formalities before entering into contract with financial institution	3.00	4.00	2.00
25.	Knowledge about various types of penalties if become defaulter on repaying loan	5.00	1.00	1.00
	Number of Cases in Each Cluster	282.0	236.0	276.0

Cluster 1

Cluster one consists of 282 respondents who are either expressing the moderately awareness level towards financial institutions providing auto loan facility, as many more or are some neither they highly aware nor they less aware about some facilities of all the financial institutions under auto loan scheme, some of the respondents are less aware as well as very least aware about some attributes comes under auto loan schemes. Firstly, there are majority of the respondents who are moderately aware about some facilities like: public banks, private banks, non-banking financial institutions, initial documents required and processing fees before taking auto loan, relationship management facility under auto loan scheme, advertising campaign of financial institutions, registration process for taking auto loan, 24×12×365 services available, direct connection with customers by financial institutions without intermediaries. These nine statements are the positive aspects of awareness levels among people towards financial institutions. As far as the zero level of awareness is concerned, the response received to neutrality (neither they are highly as well as moderately aware. nor the less and very least aware). These neutrality responses are like, "percentage of loan amount to be financed under auto loan, various options to select repaying loan amount through instalment, finance facility for all segments like; two-wheeler, three-wheeler and four-wheeler vehicles,

tax and other miscellaneous charges during loan obtaining period, zero % type special finance schemes, all necessary legal formalities before entering into the agreement with financial institutions". On the other hand, there are some respondents who are less aware as well as very least aware regarding some auto loan facilities given by all financial institutions, and these awareness statement responses are as: firstly, less aware, rate of interest on loan amount per annum on loan amount, terms and conditions of contract which agreed with financial institutions, security and guarantee required for taking loan, to access and review the previous repaid transaction of loan amount, secondly, very least aware are about, penalty charges on late payment or skipping the instalments, loan processing time in banks and non-banking financial companies, query and grievance redressal cell in financial institutions, instalment procedures and various modes for repaying loan amount, various types of penalties/charges. This can be inferred from the fact that the respondents have knowledge about all financial institutions providing auto loan facility, but they have less as well as very least awareness about basic information about all financial institutions' operational activities under auto loan facility.

To sum up the characteristics of the respondents, it can be said that in this cluster we have a group of respondents who are generally shown that they are moderate, neutral, less, very least aware respondents regarding the financial institutions who give auto loan facility, and we named it as 'mix awareness level group'.

Cluster 2

236 respondents found in this cluster are highly aware group and less aware group regarding financial institutions providing auto loan facility to masses. Therefore, there are some respondents who are highly aware as well as moderately aware about auto finance facility under Banks and NBFCs. These statements are wherein respondents are highly aware and moderately aware, first and foremost, highly aware respondents regarding the statements, public banks, private banks, loan processing time in financial institutions, query and grievance redressal cell in financial institutions, instalment procedures and various modes for repaying loan, finance facility for all segments of automobile like; two-wheeler, three-wheeler and four-wheeler vehicles, all necessary legal formalities before entering into the agreement with financial institutions and various types of penalties/charges. In addition, under moderately aware group, Non-Banking Financial Companies, rate of interest on loan amount financed, loan schemes and repayment modes for loan holders, initial documents required and processing fee for loan and tax & other miscellaneous charges during loan obtaining period. In contrast, there are some

respondents who are completely less aware about some basic information of financial institutions, percentage of loan amount to be financed, terms & conditions of contract with financial institutions, security and guarantee for taking loan, access and review of the previous repaid loan transaction, zero % type finance schemes. Lastly, some respondents fall under very least aware group who have very least awareness regarding these, penalty charges on late repayment & skipping the instalment, advertising campaign of financial institutions, registration process for taking loan from financial institutions, 24×12×365 services availability, direct connection with respondents without intermediaries.

All in all, it can be concluded that under this cluster respondents are highly aware, less aware and less as well as few are very least aware groups regarding financial institutions' granting auto loan facility to public.

Cluster 3

276 respondents out of remaining respondents are those who are absolutely either highly aware or moderately aware that financial institutions accommodate auto loan facility to public. However, in this cluster no one is neutral as well as less aware and very least aware respondents. Only the respondents who are highly as well as moderately aware regarding the basic information of financial institutions' operational activities are as; firstly, highly aware group, public banks' terms and conditions of contract with financial institutions, security and guarantee required for taking loan, to access and review the previous repaid transaction of instalment, initially documents required and processing fee for before taking loan, loan processing time in Banks and Non Banking Financial Companies, query and grievance redress cell in financial help, instalment procedure in financial institutions, finance facility for all segments in auto loan like, two-wheeler, three-wheeler and four-wheeler vehicles, tax and other miscellaneous charges during loan obtaining period, registration process for taking loan, 24×12×365 service available in financial institutions, direct connection with customer without intermediaries, all necessary legal formalities before and after entering into the agreement with financial institutions and various types of penalties/charges. On the other hand, some respondents are moderately aware about these statements, private banks, NBFC, rate of interest on loan amount per annum, percentage of loan amount to be financed, penalty charges on late payment or skipping the instalment, relationship management in financial institutions, various options to select repaying loan amount, advertisement campaign of financial institutions and zero percentage of finance schemes. The statements pertaining to awareness level of respondents regarding financial institutions under this cluster are almost positive about response from respondents.

To sum up the views of the respondents, it can be said that in this cluster we have groups of respondents who are highly aware as well as moderately aware about auto loan schemes in financial institutions.

Table 3 reveals the distance between the final cluster centers. These distances show how separated the individual pairs of cluster are. Malhotra (2005) observed that clusters that are widely distinct and separated and therefore, desirable. This implies that in the present study three clusters are significantly distinct, separated and therefore represent three groups of respondents.

Table 3
Distances Between Final Cluster Centers

Cluster	1	2	3
1		2.964	2.871
2	2.964		3.700
3	2.871	3.700	

Table 4 indicates ANOVA statistics calculated in respect of each variable for the motive of measuring the variation among the three identified clusters. This was done in order to test the hypothesis. ANOVA statistics indicate there is a significant variation among the two clusters. Since all the F-value were greater than three (Table value), hence the hypothesis H_{01} was rejected for all the variables.

Table 4
ANOVA Statistic (One-Way)

Statements	Cluster		Error		F-value	Sig.
	Mean Square	Df	Mean Square	Df		
Public Banks provide auto finance facility	11.608	2	.580	791	20.010	.000
Private Banks provide auto finance facility	13.045	2	.675	791	19.333	.000
Non-Banking Financial Companies provide auto finance facility	12.919	2	1.057	791	12.227	.000
Rate of interest on loan amount	76.717	2	1.017	791	75.423	.000
% Percentage of loan amount given over products actual cost	36.319	2	.704	791	51.622	.000
Terms and conditions of contract made with financial institutions	161.234	2	.770	791	209.402	.000
Security and guarantee requires for taking loan	149.986	2	.915	791	163.868	.000

Contd.

Contd. Table 4

Loan schemes and repayment modes for loan	11.888	2	.983	791	12.095	.000
To access and review the previous amount of loan paid	69.031	2	.851	791	81.104	.000
Initially, documents required and processing fees for loan	8.403	2	.810	791	10.380	.000
Penalty charges on late payment of instalments	2.343	2	1.145	791	2.046	.130
Loan processing time in financial institutions	13.302	2	.729	791	18.245	.000
Query and grievance redress cell in financial institutions	15.219	2	.702	791	21.685	.000
Instalment procedures under financial institutions	17.513	2	.637	791	27.485	.000
Relationship management applies in auto financing by financial institutions	91.327	2	.643	791	142.031	.000
Various options to select repaying loan amount through instalments	72.347	2	.654	791	110.627	.000
Finance facility is for all segments; two-wheeler, three-wheeler and four-wheeler vehicles	69.143	2	.630	791	109.773	.000
Advertisement campaign used by financial institutions for auto loan facility	186.809	2	.513	791	364.184	.000
Tax and other miscellaneous charges during loan taking period	99.824	2	.697	791	143.187	.000
Registration process for taking loan	120.677	2	.705	791	171.085	.000
24×12×365 services before and after taking loan	27.564	2	1.083	791	25.448	.000
Direct connection with customer establish by financial institutions without intermediaries	22.221	2	.904	791	24.573	.000
Zero % type finance schemes	4.125	2	.997	791	4.139	.016
All necessary legal formalities before entering into contract	5.685	2	.970	791	5.858	.003
Various types of penalties if become defaulter on repaying loan	34.576	2	.863	791	40.084	.000

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

The ongoing analysis indicates that the selected respondents were from different groups as far as their psychographic tendencies towards the acceptability of awareness levels regarding financial institutions providing auto loan facility is concerned. K-means cluster analysis technique applied observes three distinct clusters which had been identified on the basis of final cluster centers (mean values for the variables). These three clusters inferred three sets of respondents who were different from one another as far as their acceptability is dependent upon their attitudes towards the awareness of financial institutions regarding auto loan facility is concerned. The cluster one represented a group of 282 respondents who were classified as mix awareness level of respondents about financial institutions auto loan scheme as they are highly aware, moderately aware, neutral aware, less aware and very least aware. The second cluster had 236 respondents who were having positive awareness level as well as negative awareness level about financial institutions' auto loan facility. However, in the last cluster 276 respondents were those were only highly aware as well as moderately aware regarding financial institutions' grant auto loan facility to public even not single respondents were neutral, less aware and very least aware under this cluster.

CONCLUSIONS

In nutshell, it can be said that the two clusters formed, revealed three groups with varying levels of awareness about financial institutions' auto loan scheme. These are; cluster one representing the respondents who are mix aware about financial institutions' auto loan facility. Cluster second, represented the respondents who are either aware respondents or not aware respondents about financial institutions, but lastly, in the third cluster it represented the respondents are thoroughly highly aware respondents as well as moderately aware groups about financial institutions provide auto loan scheme.

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