Check the ratings of the attractiveness of the target markets for banking products and services (Case Study: Tejarat Bank of Shiraz)

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Abstract: in this study, the attractiveness of The target markets of the bank's products and services in Tejarat Bank Shiraz is investigated .confirmatory factor analysis (CFA) was used to assess the validity of the study. Hypothesis 1- The attractiveness of the target market in (customers) influences on banking products and services. "The attractiveness of the target market has significant effect on banking products and services. Hypothesis 2- competitive factors in attractive target markets (customers) influence on banking products and services. "The attractiveness of the competition in the target market (customers) has a significant impact on banking products and services. "Hypothesis 3- attractiveness of the technology in target markets (customers) influences on banking products and services. "Technology in target markets has a significant impact on banking products and services. "According to the model parameters, all indicators are better than desirable, therefore, it can be concluded that the data are well fitted model.

Key words: Attractive factors; Target markets; Banking products; Banking services; Tejarat Bank

1. Introduction

A mixture of old and new tasks can be outlined for the present and future marketers. Assess the attractiveness of the market is one of the tasks, despite the strategic importance of these decisions of choosing target markets is not consistent and uniform approach does not exist in the literature on this subject . As a result, marketers who try to select the target market face to with operational limits to determine the process.

One of the consequences is the inability of marketers to do market segmentation and correct tracking.

Today saw the introduction of new products and services in the banking industry, Products that target certain customers. Unfortunately, digging deep in bank management decision making suggests that most decisions related to the selection of target markets is done without the use of scientific method and based on personal experience. (Brown, 1984)

The most important consideration of managers and elites in banking industry is the interesting sources of different groups of customers while increasing resources alone cannot show the attractiveness of certain sectors of the market, Because in many cases, such as customer service are some of the bank's strategic objectives are in conflict, The Bank does not fit with the products or technology, Or even increase market share at the same time increase or decrease the risk of the Bank's profitability

The most important prerequisite for the selection of target markets is determining the main criteria for evaluating the attractiveness of the market, use of inappropriate criteria (e.g., relying solely on increasing market share by attracting more resources) to select target markets can lead to bad decisions and even bank failures in competition. The aim of such research is essential for the correct target market segments in banking account. (Brown, 1984)

2 Principles and theoretical framework

2.1. Criteria for evaluating the attractiveness of the market

To analyze the strategies of successful companies, one thing to show off: companies have certain strategy of targeting markets and competitive positioning, the main factor in achieving its strong competitive position. (Cravens, 2000)

Therefore, the main issue is to define and select market segments for active marketing from the prospective of Kotler, company consider two fundamental factors to evaluate the different market segments: the overall attractiveness of the market, and the company's objectives and resources (Kotler, 2012)

According to Cooper, attractive market is a market in which there is little competition, Capacity growth, the number of competitors and the market participants is small, Customer needs have yet to be fulfilled. In practice, this implies that the decision appeal to the target

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market due to environmental factors, competitive position and resources available. According to Dib opinion, debate on what factors must be involved in assessing the attractiveness of market segments focus on topics such as market growth potential, and the level of competition, the nature of the customer's needs, the relative expertise and market entry barriers.

This is consistent with the views of Mc Donald and Danbr which define attractiveness factors including: growth, the availability of the desired size, capacity and profitability in the latest study by Abrat, the main criteria include the ability to buyers, competitive position, market size, expected market growth and the appropriateness of the objectives and resources of the enterprise market. (Simkin, 1998)

2.2. Market segmentation

Most active in the field of marketing and market segmentation criteria laid down by Kotler about familiar. These criteria are: Measurable (in such a way that the desired size and capacity can be measured) Availability (ability to achieve the desired and serve it) striking (sufficient market size and profitability) and actionable (ability to provide services through effective marketing programs)

The criteria of their many researchers have proposed a new version of content standards that are widely obey Kotler for example, Webster has raised the foundations of the scheme should be measured regularly by an important group of customers and in line with the organization's marketing strategy. Similar list is suggested by Toss Hot and Speih and any criterion as a measure of compatibility is not added

This criterion indicates that what extents are consistent with the strengths of the current business. The above criteria are similar standards of attractiveness of the market to help determining the specific groups of customers.

Thus, emphasize is on both efforts to ensure the appropriateness of the business section of the customer. Perhaps the most important difference between these two categories is that the segmentation criteria emphasizes on defining the structure segmentation rather than the specific operational guidelines (McDonald Morrison, 1991)

2.3. General criteria for market segmentation

Kotler (1984)   measurement capabilities, accessibility, notable for being the ability to take action

Webster (1991)   measurement capabilities, ordered with the main group of customers,

Operational coordination asset market strategy

Hot and Ispeih (1989)   similar measures presented by Webster to add compatibility

Given the strength of the current business and marketing

Holi and Saunders (1993)   not homogeneous clients, measurable, and different

Variables to determine the attractiveness of the market in Tejarat Bank

1. Market factors
2. Cash flow
3. The size of the original department
4. The growth of the market
5. Market diversification
6. Bank service features
7. Competitive factors
8. Types of competitors
9. The focus on customer service with other banks
10. Differences in terms of product quality banks with other banks
11. Different companies in terms of customer service and marketing approaches with other banks
12. Technology
13. Necessary technology in the service / product
    Source: Experienced researcher

3. Research Methodology

The data collected were analyzed using EXCEL and SPSS software, version 18 and LISREL version 8.5 after collecting the questionnaires. In this study, confirmatory factor analysis (CFA) was used to evaluate the validity of the results. In CFA, several indicators of fitness model can determine the validity. 2χ, NFI, GFI, RMSEA and SRMR, NNFI calculated using LISREL software for each latent variable.

To obtain the matrix model to extract the maximum magnification and non-orthogonal Promax rotation due to the not independent possibility, other factors are used. Reliability was measured using Cronbach's alpha coefficient.

Mean Student t-test is used to examine the variable of the study. The statistical society consisted of senior specialists and managers of Tejarat Bank of Shiraz. Sample size is selected based on a formula Cochran at 0.05 error level among 123 and the questionnaires were distributed among 123 experts which were selected randomly among experts.

$$n = \frac{\frac{z^2 pq}{d^2}}{1 + \frac{1}{N}\left(\frac{z^2 pq}{d^2} - 1\right)}$$

4. Hypotheses

1. Market factors in the attractiveness of the target markets (customers) influence on banking products and services

2. Competitive factors in attractive target markets (customers) influence on banking products and services.

3. Technological factors in attractive target markets (customers) influence on banking products and services.

5. The findings

5.1. Testing of examined hypotheses

First Hypothesis: Market factors in the attractiveness of the market target (customers) influence on banking products and services. To check whether the attractiveness of the market in target markets (customers) influence on the products and banking services, average response of designed questions compared to average value of 3. T test is used. In this test the following hypotheses are defined.

$$\begin{cases} H_0: \mu = 3 \\ H_1: \mu \neq 3 \end{cases}$$

Failure to confirm the hypothesis zero means that there is a significant difference between respondents average with moderate 3. (Number ((3)) is the weighted average rating of questions in Likert scale and is acceptable criteria for high or low rates)

Table 1: The results of the t-test of market factors standard in attractive target markets (customers)

Result of test	confidence level 95%		P value	Statistic t	Variable
	High limit	Low limit			
H0 is not accepted	5.00	3.104	0.000	18.124	market factors standard in attractive target markets (customers)

As the result, the null hypothesis is not accepted. Now, the matter is that the average of responses is more or less than average level.

Table 2: Statistical indicators of market factors in attractiveness of the target markets (customers)

Standard deviance	Average	Variable
0.629	4.028	market factors standard in attractive target markets (customers)

According to the obtained mean value and 95 confidence level, it is understood that the average banking products and services in market factors in attractive target markets (customers) is greater than average.

It can be said:

"The market factor in the attractiveness of the in target markets (customers) has significant influence on banking products and services."

Hypothesis 2- competitive factors in attractive target markets (customers) influence on banking products and services.

To check whether the competitiveness factors in attractiveness of the market in target markets (customers) influence on the products and banking services, average response of designed questions compared to average value of 3. T test is used. In this test the following hypotheses are defined.

$$\begin{cases} H_0: \mu = 3 \\ H_1: \mu \neq 3 \end{cases}$$

Failure to confirm the hypothesis of zero means there is a significant difference between respondents and moderate 3

Table 3: The results of the t-test of competition standard in attractive target markets (customers)

Result of test	confidence level 95%		P value	Statistic t	Variable
	High limit	Low limit			
H0 is not accepted	5/00	3/50	**0.000**	34.103	competition standard in attractive target markets (customers)

As the result, the null hypothesis is not accepted. We are investigating whether the mean response was more than average or less.

Table 4: Tatistical indicators of competition measure in attractive target markets (customers)

Standard deviance	Average	Variable
0.463	4.426	competition measure in attractive target markets (customers)

According to the obtained mean value and 95 percent of confidence level, it can be inferred that the average standard of competition in the banking products and services in attractive target markets (customers) is more than average, and can say:

"The competition factors in attractiveness of the in the target market (customers) have a significant impact on banking products and services."

Hypothesis 3- technological factor in attractiveness of the target markets (customers) influence on banking products and services

To check whether the technological factors in attractiveness of the market in target markets (customers) influence on the products and banking services, average response of designed questions compared to average value of 3. T test is used. In this test the following hypotheses are defined

$$\begin{cases} H_0 : \mu = 3 \\ H_1 : \mu \neq 3 \end{cases}$$

Failure to confirm the hypothesis of zero means there is a significant difference between respondents and moderate 3

Table 5: The results of the t-test of technological standard in attractive target markets (customers)

Result of test	confidence level 95%		P value	Statistic t	Variable
	High limit	Low limit			
H0 is not accepted	5/00	3.2	0.000	20.364	technological standard in attractive target markets (customers)

As the result, the null hypothesis is not accepted. We are investigating whether the mean response was more than average or below.

Table 6: Statistical indicators of technological measure in attractive target markets (customers)

Standard deviance	Average	Variable
0.607	4.116	technological measure in attractive target markets (customers)

According to the obtained mean value and 95 percent of confidence level, it can be inferred that the average standard of technological factors in the banking products and services in attractive target markets (customers) is more than average, and can say:"The technological factors in attractiveness of the in the target market (customers) have a significant impact on banking products and services."

6. Ranking examined triple criteria

6.1. Friedman test

To investigate whether the significant difference of attractive target markets on bank products and services as well as the rating criteria, The Friedman test consisting of the sub-tests and k independent samples is used. Friedman test is a nonparametric test for comparing three or more groups that are least dependent on the ratings. the results of this test are as follows:

Table 7: Friedman test

Result of test	P value	Freedom degree	Chi square statistic) χ^2 (
H0 is not accepted	0.00	3	103.21

Because of the P- value obtained suggests that the null hypothesis of equality of error of 0.05 is not accepted. The Criteria in terms of average ratings:

Table 8: Average rating Friedman test

Average of rating	Variable
3.43	Market factor
2.39	Competitive factor
2/20	Technological factor

The most influential factors in the attractiveness of bank products and services business is market factor and lowest is technological factor.

7. Confirmatory factor analysis

The questionnaire consisted of 25 questions aimed to evaluate the assessment of the attractiveness of the target markets. These questions assess the attractiveness of the target markets. Because latent variables have their own independent inquiries and questions are not independent variables, Confirmatory factor analysis is used to specify which dimension is effective.

Confirmatory factor analysis has two graphs, the coefficient of each item is presented in the first charts and graphs and significance is presented in the second. Significant level in the second chart above is calculated as follows:

T-test was used to obtain the significant level. Freedom degree= the sample size minus 1 degrees = 122. Confidence interval = 95% with error level 5%. T-test statistic for freedom degree of 122 and error level 5% is 1.96.

If the absolute value of the numbers listed on the arrows in the diagram is higher than 1.96, the coefficient is significant. If the coefficient is negative, the correlation is reverse and is direct when coefficient is positive. is direct. In the second diagram in arrows and numbers shown in black, this implies that the coefficients are significant in the model.

Table 9: fit indices of Confirmatory factor analysis model

fit indices of Confirmatory factor analysis model		
Fit indices	Desired value	Result
x^2/df	<3/00	2/040
GFI	>0/90	0/97
RMSEA	<0/1	0/092
RMR	<0/05	0/039
NFI	>0/90	0/92
NNFI	>0/90	0/95
CFI	>0/90	0/96

Sources: Structural equation modeling with LISREL by Heidar Ali Hooman.
Introduction to Structural Equation Modeling translator Vahid Qasemi.

According to the model parameters, all indicators are better than desirable, therefore, it can be concluded that the data are well fitted.

8. Conclusion

Hypothesis 1- The market factors in attractiveness of the target markets (customers) influence on banking products and services. "The market factors in attractiveness of the target markets (customers) have significant effect on banking products and services.

Hypothesis 2- The competition factors in attractiveness of the target markets (customers) influence on banking products and services. "The competition factors in attractiveness of the target markets (customers) have significant effect on banking products and services.

Hypothesis 3- The technological factors in attractiveness of the target markets (customers) influence on banking products and services. "The technological factors in attractiveness of the target markets (customers) have significant effect on banking products and services.

According to the model parameters, all indicators are better than desirable, therefore, it can be concluded that the data are well fitted to the model.

Table 10: Confirmatory factor analysis model fit indices:

fit indices of Confirmatory factor analysis model		
Result	Result	Result
x^2/df	<3/00	2/040
GFI	>0/90	0/97
RMSEA	<0/1	0/092
RMR	<0/05	0/039
NFI	>0/90	0/92
NNFI	>0/90	0/95
CFI	>0/90	0/96

Sources: Structural equation modeling with LISREL by Heidar Ali Hooman.
Introduction to Structural Equation Modeling translator Vahid Qasemi.

According to the model parameters, all indicators are better than desirable, therefore, it can be concluded that the data are well fitted to the model.

9. Management recommendations are the following

With regard to the lack of a comprehensive overview of the measures of market attractiveness, management and banking experts should note to factors over market share) the amount of resources .

banking experts tend to face less competition in target markets, And according to the specific conditions of competition in the banking industry, It seems one of the best approaches is to use Blue Ocean Strategy in the banking services, which requires extensive research and studies..

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