A Product-Specific/Unobservable Approach to Segmentation for a Value Expressive Credit Card Service

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Abstract : Using data from a nationally representative financial panel of Canadian households, this study develops a psychographic segmentation of the customers of a value-expressive credit card service and tests for effects on relational response differences. The variety of segments elicited by agglomerative and k means clustering and the familiar profiles of individual clusters suggest that the face validity of the psychographic segmentation was quite high. Segmentation had a significant effect on customer satisfaction and relationship depth. However, when socio-demographic characteristics like household size and income were accounted for in the psychographic segmentation, the effect on relational response differences was magnified threefold. Implications for the segmentation of financial services markets are considered.

Keywords : customer satisfaction, financial services, psychographics, response differences, segmentation
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