

Attitudes, Interests, and Opinions Framework in Public Sector Bank Selection: A Psychometric Study

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Abstract

Public Sector Banks (PSBs) in India have historically served as the cornerstone of the nation's financial system, relying heavily on government ownership to foster deep customer trust. However, rapid digitalization and emerging competition have forced these institutions to re-evaluate the changing consumer psychographics that drive bank selection. This study utilizes the Attitudes, Interests, and Opinions (AIO) framework to identify the key elements influencing customer selection of PSBs in Belagavi, Karnataka. Utilizing convenience sampling, a 40-item questionnaire—comprising demographic details and 30 AIO-related items—was distributed to 450 PSB respondents. The questionnaire demonstrated high reliability, with a Cronbach's alpha of 0.976. After ensuring sampling adequacy through KMO and Bartlett's tests, separate Exploratory Factor Analysis (EFA) with Principal Component Analysis (PCA) was conducted on each scale. The analysis revealed that the three AIO scales each merged into a single, one-dimensional component, explaining 67.31%, 65.62%, and 70.93% of the total variance in Attitude, Interest, and Opinion, respectively. Results indicate that customer attitudes are primarily driven by trust and perceived safety linked to government ownership, which are further connected to staff behavior and digital banking satisfaction. For the Interest and Opinion scales, digital usability and transaction security emerged as critical factors, alongside pricing, accessibility, reliability, and the customer's intention to recommend. Notably, despite a sample bias toward younger, highly educated individuals, the "government-backed" identity maintained a highly consistent, strong association across all three constructs. Finally, customer demographic profiles were analyzed to map their relationships with the identified AIO factors. These findings offer valuable insights for PSBs seeking to leverage their traditional trust equity while adapting to modern digital demands.

Keywords

AIO Framework, Public Sector Banks (PSBs), Bank Selection Criteria, Exploratory Factor Analysis (EFA), Consumer Behavior, Digital Banking Trust.

Introduction

Banking serves as the foundation of any contemporary economy, and in India, this function has traditionally been fulfilled by Public Sector Banks (PSBs). After the nationalization phases in 1969 and 1980, PSBs were given a dual responsibility that extended beyond mere commercial success: gathering domestic savings, providing credit to priority sectors such as agriculture and small industries and expanding banking services to rural and semi-urban regions (Ghosh, 2017; Sudarshan & Hegde 2024). Established to enhance financial inclusion among India's underserved populations, Small Finance Banks (SFBs) serve a distinct consumer segment whose unique attitudes, interests, and opinions necessitate psychographic rather than merely demographic analysis.(SHASHIDHAR, S., KULKARNI, S., & SRIVATSA, H. S. (2025).Even today, despite the reforms, mergers, and recapitalization that have reshaped the sector, PSBs continue to hold a leading position in deposits, priority-sector lending, and government-related disbursements across the country.

This research article investigates the specific behavioral drivers that lead individual customers in Turkey to choose participation banks over traditional financial institutions. By applying the Theory of Reasoned Action, the authors surveyed 440 individuals across twelve geographic regions to determine which psychological and social factors most influence their banking decisions. The study identifies nine key determinants of customer behavior, including religious sensitivity, trust, social influence, and benevolence(Ergün & Dağlı, 2022).

More recent investigations into e-banking adoption reveal that public banks continue to be viewed as dependable and government-supported, despite lagging behind private banks in terms of digital convenience (G et al., 2024). This study explores the comparative dynamics of service quality and customer satisfaction between public and private sector banks in India. Employing a mixed-methods approach, it integrates quantitative surveys and qualitative interviews to assess five SERVQUAL dimensions—tangibility, reliability, responsiveness, assurance, and empathy.(Akila & Ramesh, 2025)

This gap is the specific point of departure for the present study. While service quality, interest rates, and convenience are well-documented influencers of bank choice, the psychographic dimensions that reflect lifestyle and inner attitudes remain understudied, especially in the Indian banking context. Addressing this gap contributes to the literature on three counts: it applies the AIO (Attitudes, Interests, and Opinions) technique to banking consumer behaviour for the first time in the present research context; it develops a validated psychometric scale specific to bank choice and it offers practical implications for bank marketing and customer relationship management.

The purpose of this study was to identify and measure the psychographic factors Attitudes, Interests, and Opinions that influence customers' choice of Public Sector Banks in India and to examine how these factors relate to customers' demographic profiles.

Research Problem

Despite the availability of multiple banking options, customers demonstrate clear preferences for particular banks. While service quality, interest rates, and convenience are known influencers, the psychographic dimensions reflecting lifestyle and inner attitudes remain understudied, especially in the Indian banking context.

Significance of the Study

This study contributes to the literature by (i) applying the AIO technique to banking consumer behavior for the first time in the present research context (ii) developing a validated psychometric scale specific to bank choice and (iii) providing practical implications for bank marketing and customer relationship management.

Literature Review

The inquiry into why customers select one bank over another has long been a topic in marketing research. Anderson, Cox, and Fulcher (1976) were pioneers in utilizing determinant-attribute analysis for bank selection, pinpointing peer recommendations, location, reputation, service fees, and the friendliness of staff as crucial factors influencing decisions. Later international studies have generally identified a similar array of elements — such as fund security, service quality, convenience, interest rates, and staff conduct — though their significance varies depending on the market context (Mansour, 2019)

General Psychographic Studies

Recent literature on Indian banking frequently highlights that the perceived security of public sector banks (PSU) extends beyond a mere product feature, reflecting an attitude based on the belief that state ownership equates to an implicit safeguard against failure. According to Vashisht and Singh (2023), public sector banks are considered more secure, especially for deposits and savings, due to the government's backing, which provides customers with an implicit sense of stability. However, these banks often trail behind private institutions in terms of digital innovation and user experience.

Demographic segmentation often falls short in capturing the subtle variations in consumer decision-making within financial services (Piercy et al., 2011). To overcome these shortcomings, psychographic research delves into psychological traits, including consumer market segmentation based on Attitudes, Interests, and Opinions (AIO) (Demby, 1989). Plummer (1974) demonstrated that AIO analysis offers a more comprehensive, multidimensional understanding of how individuals allocate their time and financial resources compared to relying solely on demographic data.

Consumers are naturally diverse, with unique needs, ways of living, and perspectives (Lesser & Hughes, 1986). Psychographic assessments are utilized to identify and measure preferences for goods and services (Gunter & Furnham, 1992) and are often used in conjunction with behavioral analyses (Eagly & Chaiken, 1993). In strategies involving multiple segmentation, the integration of demographic and psychographic information allows financial institutions to refine product positioning and better align with target markets (Lin, 2002). Additionally, psychographic characteristics significantly affect consumer relationship outcomes, such as the intention to spread positive word-of-mouth in various service industries (Mitsis & Foley, 2012).

2. Variables Influencing Bank Selection

This systematic review (2020–2024) identifies service quality, pricing, and digital capabilities as the primary drivers of customer switching in retail banking. To reduce attrition, it advises institutions to lower costs, elevate service standards, and enhance their digital products. (Batmunkh, 2025).

As competitive pressures increase, banks face difficulties in differentiating their core products, thus placing branding and customer centricity at the heart of achieving competitive advantage (Kaynak et al., 1991; Zineldin, 1996). The empirical literature has identified several recurrent factors that influence bank selection. Social and verbal influences such as advice from family, friends and neighbors often take precedence over financial parameters such as interest rates in bank selection decisions (Tan and Chua, 1986).

In transitional or competitive markets, a financial institution's reputation, pricing structure, and deposit safety are key selection factors (Kennington et al., 1996; Sayani and Miniaoui, 2013). Convenience and service quality including branch location, ATM availability, staff friendliness, and parking significantly shape customer bank choice (Almossawi, 2001).

Service quality and fairness, perceived quality, employee behavior, speed, and fairness in service delivery — directly boost customer satisfaction and patronage (Singh and Kaur, 2011; Sreekumar and Mahapatra, 2015; Bhatt, 2020).

3. Variables Influencing Banking Channel Selection

The transition to omnichannel banking requires assessing consumer attitudes toward self-service technology (SST) and traditional branch interactions. Modern channel selection is primarily determined by psychological concepts (Bearden, 1983). The main determinants identified in the channel adoption literature are as follows.

Attitudinal factors adoption of online banking services is determined by perceived compatibility, trial ability, complexity, and security risks (Ndubisi and Sinti, 2006). Consumers who want to minimize risk prioritize security features, ATM security, and Internet transaction protocols (Srivatsa & Srinivasan, 2010). Technology adoption also depends on the overall innovativeness of the individual and of the Internet in specific areas (Lassar et al., 2005), and the preferred attributes vary depending on the e-banking channel (e.g., mobile, online banking) and the user's age and education profile (Laforet and Li, 2005; Laukkanen, 2007).

Empirical and social utility — in addition to utility, consumers' attitudes toward technology adoption are strengthened when the interaction provides enjoyment, perceived control, and social acceptance (Curran & Meuter, 2005; Curran & Meuter, 2007). Branch settings — despite digital expansion, large or complex transactions continue to direct consumers seeking personal reassurance to traditional branch banking (Durkin et al., 2003).

4. Variables Influencing Bank Product Selection

When choosing financial products (e.g., loans, savings instruments, credit cards), consumer choices are guided by financial pricing and operational efficiency (Harrison, 2000). For credit products such as mortgage loans, critical selection criteria include interest rate competitiveness, loan processing speed, flexibility of payment terms, loan margin amounts, and service quality (Lymeropoulos et al., 2006). Additionally, lifestyle traits, promotional offers, external advice, and fee structures influence retail product adoption (Srivatsa & Srinivasan, 2010). In emerging markets, credit availability and staff expertise remain key drivers of product satisfaction (Narteh, 2013).

Synthesizing the Literature: The Gap this Study Addresses

Taken together, this body of work has mapped a wide range of discrete determinants of bank selection — location, pricing, service quality, staff behavior, digital usability, and product-specific features — chiefly through determinant-attribute and demographic-segmentation approaches. What remains largely unexplored, particularly for Indian Public Sector Banks, is whether these determinants organize into coherent lifestyle-based dispositions that can be captured psychographically, using the Attitudes, Interests, and Opinions (AIO) framework, rather than being treated as an unconnected checklist of features. This study does not seek to re-establish which factors matter in bank selection — that groundwork already exists in the literature reviewed above — but instead applies the AIO technique to determine how these established factors cluster together and take on psychographic dimension in the specific context of PSB choice.

Theoretical Grounding of the AIO Construct

The proposed conceptual framework draws from psychographic segmentation theory, which classifies consumers based on psychological and lifestyle characteristics rather than just demographic criteria. Plummer characterized lifestyle segmentation as merging the objectivity of demographic information with the depth of psychological attributes, claiming that this approach identifies complete individuals rather than isolated demographic elements (Plummer, 1974). This forms the main theoretical basis for the current study's focus on using psychographic constructs to assess bank selection, rather than relying solely on factors like income, age, or occupation.

The AIO framework, which serves as the specific tool for implementing this psychographic method, was initially created by Wells and Tigert in 1971. They employed extensive sets of self-report statements to identify consistent psychographic dimensions related to consumer lifestyles. This research utilizes the Attitudes, Interests and Opinions version of the model, a designation recognized in marketing reference sources as a valid alternative to the "Activities" formulation (All Business Dictionary of Marketing Terms; Business Dictionary).

The theoretical foundation for emphasizing Attitudes over Activities as the first pillar is bolstered by the tripartite (ABC) model of attitudes, which conceptualizes attitude as a construct with cognitive, affective, and conative components (Rosenberg & Hovland, 1960). In this integration, the behavioral elements listed under the Attitudes column in the figure below — such as digital banking usage, branch visits, ATM usage, loan/credit usage, investment activity, social influence, and complaint behavior — are not viewed as mere activities in the Wells and Tigert framework. Instead, they are considered conative (behavioral) expressions of a deeper attitudinal disposition toward the bank. For example, a customer's frequent use of digital banking is interpreted as a behavioral indication of a positive attitude toward the bank's technological dependability, whereas frequent complaints suggest a negative attitudinal assessment. This reinterpretation allows the existing behavioral items in the figure to remain consistent while aligning with the "Attitudes" terminology in the study's title.

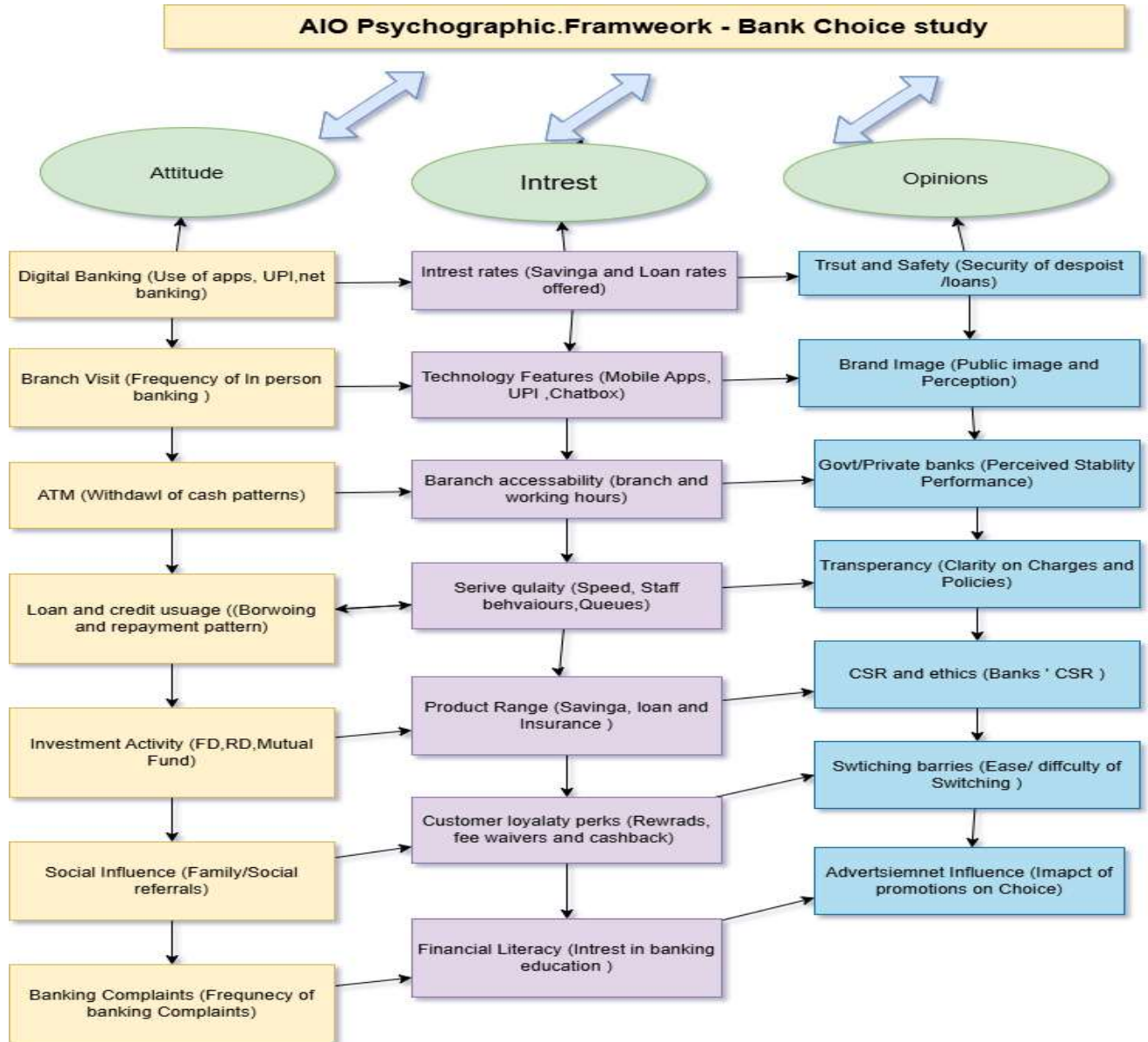
The Three Conceptual Pillars Applied to Public Sector Bank Choice

Pillar 1 Attitudes (conative/behavioral disposition toward the bank). This aspect encompasses the actions customers take in their banking activities, which reveal their evaluative perspective on the institution. It includes the use of digital banking, how often they visit branches, their ATM usage habits, borrowing patterns, investment actions, influence through social or referral channels, and how frequently they file complaints. In the context of public-sector banks, these behaviors are thought to indicate the level of comfort and trust customers have in government-owned banks compared to private ones.

Pillar 2 Interests (sustained engagement with bank-related topics). The degree to which people continue to be interested in particular things, occasions, or subjects that are pertinent to their way of life is reflected in their interests. This relates to the way consumers engage with interest rates and loan offerings, technology capabilities (including chatbots, mobile apps, and UPI), branch convenience, service and product quality, loyalty incentives, and financial literacy. As identified in recent research, psychographic and individual-difference traits drive multichannel bank customers' channel choice and channel-switching behavior (Blömker & Albrecht, 2024), substantiating the possibility of engaging customers through a tailored channel choice, delivered in a tailored way.

Pillar 3 Opinions (evaluative beliefs about the bank). Opinions represent the attitudes individuals hold in response to specific events, along with their views or beliefs — operationalized here as evaluative judgments on trust and safety, brand image, government-versus-private bank preference, transparency, CSR/ethics, switching barriers, and advertisement influence. This pillar is especially salient for public-sector banks, where the "government-backed" identity itself functions as a trust

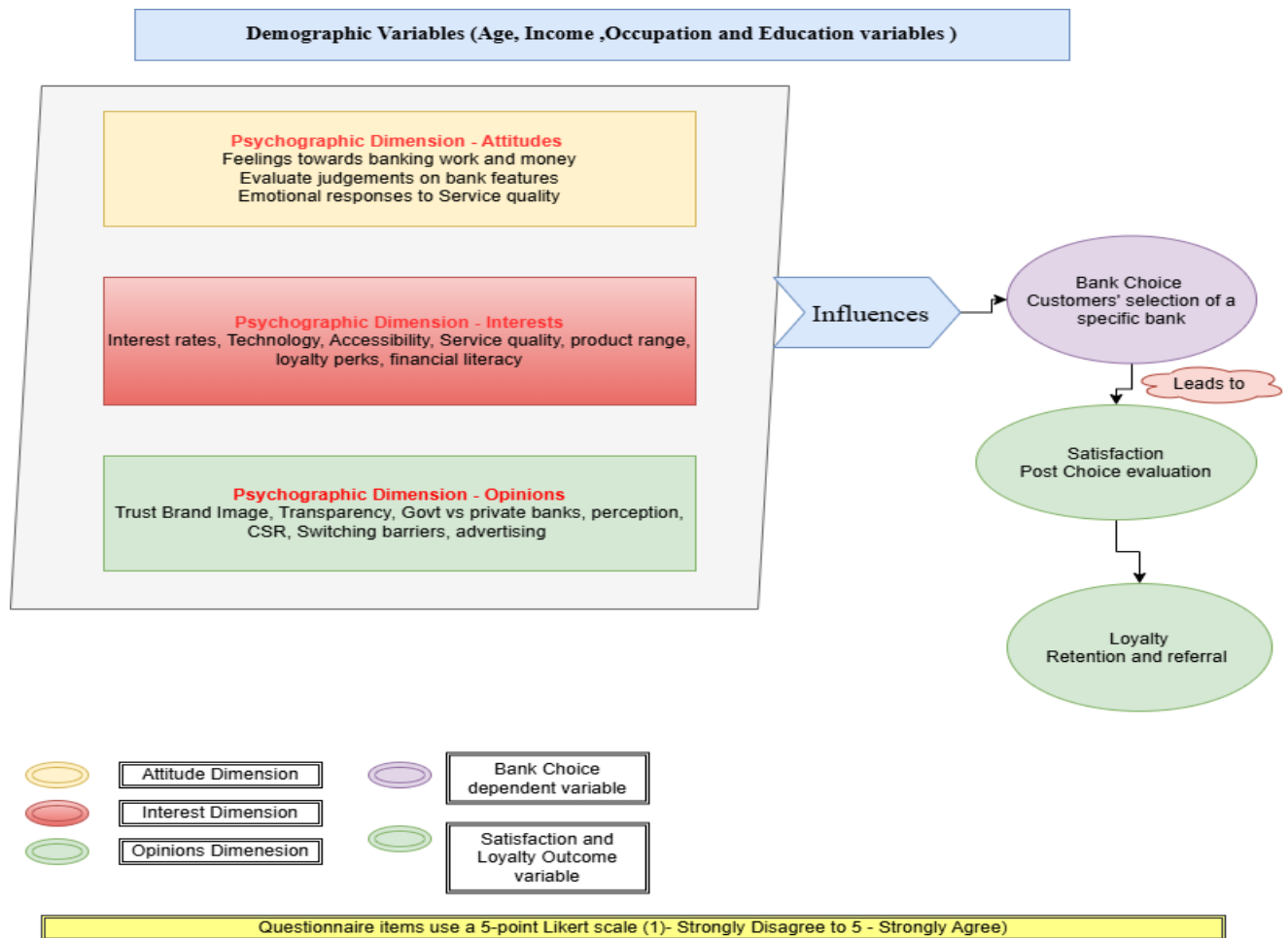
signal: a 2024 psychographic segmentation study in Canadian banking identified distinct consumer clusters — visionaries, skeptics, and conservatives — differentiated by psychographic traits shaping their trust in and engagement with the banking system, particularly during digital transitions (Fares, Aversa, & Lee, 2024), a finding directly transferable to the public- vs. private-bank trust dichotomy in the present framework.



Source: Created using draw.io

Fig 1 : AIO Psychographic Framework

Conceptual framework diagram



Source: Created using draw.io

Fig 2: Framework for drafting questionnaires

Road Map of the Study

Building on this AIO-based conceptual foundation, the present study specifically investigates how customers' Attitudes, Interests, and Opinions toward Public Sector Banks converge into underlying psychographic factors that shape bank choice and how these factors relate to customers' demographic profiles. The rest of this article is organized as follows: the Research Methodology section outlines the research design, sampling procedure, measurement instrument, and validity and reliability checks; the Results and Discussion section presents the reliability analysis and the exploratory factor analysis of the Attitude, Interest, and Opinion scales, and interprets these findings against four broad themes trust and stability as fundamental influences, the digital transition, the one-dimensionality of the AIO constructs, and demographic influence; and the closing sections set out the study's limitations and directions for future research.

Research Methodology

Research Design

This study adopts a descriptive and analytical research design. A cross-sectional survey approach is used to collect primary data from bank customers. The design is appropriate given the objective of identifying and measuring psychographic patterns across a representative sample.

Population and Sampling

Target Population: All individual bank account holders in the study area (Belagavi City, Karnataka) constituting the study population.

Sampling Method: Stratified random sampling followed by convenience sampling within strata. Strata are defined by bank type (public sector) and customer age group.

Sample Size: A minimum of 450 respondents is targeted. Sample size adequacy is verified using the Kaiser-Meyer-Olkin (KMO) test before factor analysis (KMO $\geq$ 0.70 required).

Data Collection

This study employs both primary and secondary sources of data collection. Primary data were gathered through a structured questionnaire incorporating Activities, Interests, and Opinions (AIO)-based Likert scale items, measured on a five-point scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), alongside a set of demographic items designed to capture respondent profiles. The questionnaire was administered through two modes: in-person surveys conducted at bank branches and online surveys distributed via digital survey platforms, thereby ensuring a broader and more representative reach of respondents.

Secondary data, on the other hand, were sourced from a range of published materials, including prior research studies, Reserve Bank of India (RBI) Annual Reports, official bank websites, peer-reviewed academic journals, and standard textbooks on consumer behavior and psychographic research. The integration of both primary and secondary data sources was intended to enhance the reliability and comprehensiveness of the study's findings.

Measurement Instrument

The questionnaire is structured in five parts:

Part A: Demographic profile (age, gender, income, occupation, education, type of bank)

Part B: Activities dimension (7 items)

Part C: Interests dimension (7 items)

Part D: Opinions dimension (7 items)

Part E: Bank choice and satisfaction items (5 items)

A 5-point Likert scale is employed for all psychographic items. For bank choice items, a mix of multiple-choice and rating scales is utilized.

Validity and Reliability

Content Validity: Items were developed based on established AIO literature and reviewed by two academic experts in marketing and finance.

Construct Validity: Confirmed through Exploratory Factor Analysis (EFA). Items loading below 0.50 on their primary factor will be removed.

Reliability: Assessed using Cronbach's Alpha coefficient. A threshold of $\alpha \geq 0.70$ is considered acceptable for each dimension.

Research Objectives

1: To identify the key factors influencing customers' choice of public sector banks using the AIO framework.

H0: The AIO variables do not converge into significant underlying factors influencing bank choice (sampling adequacy is not met).

H1: The AIO variables converge into significant underlying factors influencing bank choice (sampling adequacy is met, confirmed by KMO and Bartlett's Test of Sphericity).

2: To analyze customers' banking-related Activities and extract the significant underlying factors shaping bank selection.

H0: The Activities-related variables do not load significantly onto any common underlying factor.

H1: The Activities-related variables load significantly onto one or more common underlying factors.

3: To examine customers' Interests related to banking products, services, and features, and extract the significant underlying factors.

H0: The Interest-related variables do not load significantly onto any common underlying factor.

H1: The Interest-related variables load significantly onto one or more common underlying factors.

4: To assess customers' Opinions regarding trust, brand image, technology, and service quality, and extract the significant underlying factors.

H0: The Opinion-related variables do not load significantly onto any common underlying factor.

H1: The Opinion-related variables load significantly onto one or more common underlying factors.

5: To determine the psychographic profiles of bank customers by identifying the total variance explained by the extracted AIO factors, and examine their relationship with demographic variables.

H0: The extracted AIO factors do not explain a significant proportion of variance in customers' psychographic profiles, and demographic variables show no significant association with these factors.

H1: The extracted AIO factors explain a significant proportion of variance in customers' psychographic profiles, and demographic variables show a significant association with these factors.

Results and Discussion

A reliability test was conducted on all 30 AIO items of the questionnaire. The Cronbach's Alpha value of 0.976 is well above the generally accepted threshold of 0.70 (Kothari, 2009), indicating excellent internal consistency among the 30 items. This confirms that the questionnaire is a highly reliable instrument for measuring customer Attitude, interest, and Opinion toward PSU banks

Table 1 Summary of Sampled Respondents

Age	N	%
18 years and above	47	10.4
19 - 25 years	340	75.6
26 - 35 years	33	7.3
36 - 45 years	10	2.2
46 - 55 years	12	2.7
55 years and above	8	1.8
Education		
Secondary	25	5.6
Higher Secondary	33	7.3
Bachelor	155	34.4
Master	225	50.0
Doctorate	1	0.2
Others	11	2.4
Occupation		
Marketing/ Business	293	65.1
Procurement	11	2.4
Administration	24	5.3
Human Resources	15	3.3
Product and Operation Specialist	23	5.1
Self-employed	9	2.0
Corporate managers	3	0.7
Legal Professional	20	4.4
Design Professional	12	2.7
Service Industry Worker	3	0.7
Students	8	1.8
Retired	4	0.9
Others	25	5.6

<i>Income</i>		
<i>Less than ₹15,000</i>	<i>299</i>	<i>66.4</i>
<i>₹15,000–₹30,000</i>	<i>71</i>	<i>15.8</i>
<i>₹30,000 – ₹60,000</i>	<i>43</i>	<i>9.6</i>
<i>Above ₹60,000</i>	<i>37</i>	<i>8.2</i>

Source: Field Survey

From the above table 1 the variables considered important in the selection of PSU banks were identified from the literature and validated for relevance to the current research context through discussions with banking customers and bankers. The Attitudes, interest, and opinions were to be measured for these variables.

Table 2 Identified Psychographic (AIO) Variables from the Questionnaire on Customer Perception and Experience with PSU Banks

		Trust & Safety Variables	Service & Relationship Variables	Digital / Technology Variables	Accessibility Variables	Value / Pricing Variables
Attitude	Toward s	i) Safety of Deposits in a Government-owned Bank ii) Trust due to Government Backing iii) Confidence in Keeping All Savings with PSU Bank	i) Staff Behavior & Helpfulness ii) Respect Shown by Staff iii) Issue Resolution without Repeated Visits iv) Overall Opinion / Satisfaction	i) Mobile Application Usability ii) Satisfaction with Digital Banking Services iii) Security of Online/OTP-based Transactions		
Interest	In			i) Importance of Easy-to-Use Mobile App ii) Preference for Fast, Hassle-free Transfers iii) Preference for Fully Online Service Access iv) Importance of Security Features (OTP/Fingerprint)	i) Importance of Branch Proximity ii) Preference for Wide ATM Network	i) Importance of Attractive Interest Rates ii) Influence of Better FD/RD Returns iii) Willingness to Switch for Better Rates iv) Importance of Rewards, Cashback & Offers

		Trust & Safety Variables	Service & Relationship Variables	Digital / Technology Variables	Accessibility Variables	Value / Pricing Variables
Opinion	About	i) Perceived Stability vs Private Sector Banks ii) Trustworthiness due to Government Ownership iii) Role of PSU Banks in Economic Development	i) Reliability for Everyday Banking Needs ii) Fairness in Customer Treatment iii) Likelihood to Recommend	i) Improvement in Technology & Service Quality ii) App Quality compared to Private Banks iii) Security of Online Banking Services	i) Adequacy of Branch & ATM Network across India	

Note: Categories were derived by grouping the Attitude (Q11–Q20), Interest (Q21–Q30) and Opinion (Q31–Q40) items of the questionnaire into thematic variable groups, following the same AIO classification approach used for Table 3 in the reference study.

Results of Exploratory Factor Analysis

Exploratory Factor Analysis – Attitude

An EFA was conducted on the 10 Attitude items (Q11–Q20) using Principal Component Analysis.

Table 3 KMO and Bartlett's Test – Attitude, Interest and Opinion Scales

Scale	KMO Measure of Sampling Adequacy	Bartlett's Approx. Chi-Square	df	Sig.
Attitude (Q11–Q20)	0.935	3590.961	45	0.000
Interest (Q21–Q30)	0.937	3259.166	45	0.000
Opinion (Q31–Q40)	0.943	3863.419	45	0.000

The table 3 provides for all three scales, the KMO values (0.935, 0.937 and 0.943 respectively) exceed the 0.90 threshold, indicating 'marvelous' sampling adequacy (Kaiser, 1974). Bartlett's Test of Sphericity was significant for all three scales ($p = 0.000$), confirming that the correlation matrices are not identity matrices and that the data are suitable for factor analysis.

Table 4 Attitude Scale – Communalities and Component Loadings

Item	Statement	Communality (Extraction)	Component Loading
Q11	Money is safe in a government-owned PSU bank	0.557	0.746
Q12	Trust in PSU banks due to government backing	0.525	0.725

<i>Item</i>	<i>Statement</i>	<i>Communality (Extraction)</i>	<i>Component Loading</i>
Q13	<i>Confidence in keeping all savings in a PSU bank</i>	0.732	0.856
Q14	<i>Satisfaction with behavior/helpfulness of staff</i>	0.681	0.826
Q15	<i>Feel respected when interacting with staff</i>	0.725	0.851
Q16	<i>Issues resolved without repeated branch visits</i>	0.675	0.821
Q17	<i>Ease of use of bank's mobile application</i>	0.654	0.809
Q18	<i>Satisfaction with digital banking services</i>	0.734	0.857
Q19	<i>Feel secure using online banking/OTP transactions</i>	0.712	0.844
Q20	<i>Overall positive opinion of primary PSU bank</i>	0.735	0.858

The table 4 states that a single component was extracted for the Attitude scale, with an eigenvalue of 6.731, explaining 67.31% of the total variance. All 10 items loaded strongly onto this single component (loadings ranging from 0.725 to 0.858, all above the 0.50 acceptability threshold), and communalities ranged from 0.525 to 0.735. This indicates that the Attitude items – covering perceived safety, trust in government backing, staff behavior, and satisfaction with digital services – converge into a single, unidimensional ‘Attitude toward PSU Banks’ construct rather than splitting into separate sub-dimensions.

Exploratory Factor Analysis – Interest

An EFA was conducted on the 10 Interest items (Q21–Q30) using Principal Component analysis.

Table 5 Interest Scale – Communalities and Component Loadings

<i>Item</i>	<i>Statement</i>	<i>Communality (Extraction)</i>	<i>Component Loading</i>
Q21	<i>Importance of attractive interest rates</i>	0.658	0.811
Q22	<i>Influence of better FD/RD returns on bank choice</i>	0.676	0.822
Q23	<i>Willingness to switch bank for better interest rates</i>	0.525	0.724
Q24	<i>Importance of an easy-to-use mobile banking app</i>	0.595	0.771
Q25	<i>Preference for fast, hassle-free money transfers</i>	0.729	0.854

<i>Item</i>	<i>Statement</i>	<i>Communality (Extraction)</i>	<i>Component Loading</i>
Q26	<i>Preference for banks with full online service access</i>	0.704	0.839
Q27	<i>Importance of strong security features (OTP/fingerprint)</i>	0.694	0.833
Q28	<i>Importance of a nearby physical branch</i>	0.672	0.820
Q29	<i>Preference for a wide national ATM network</i>	0.671	0.819
Q30	<i>Importance of rewards, cashback and special offers</i>	0.638	0.799

The above Table 5 states that a single component was extracted for the Interest scale, with an eigenvalue of 6.562, explaining 65.62% of the total variance. Loadings ranged from 0.724 to 0.854 and communalities ranged from 0.525 to 0.729. As with the Attitude scale, all 10 Interest items – relating to pricing, digital convenience, accessibility and rewards – converge into a single ‘Interest in PSU Bank Services’ construct.

Exploratory Factor Analysis – Opinion

An EFA was conducted on the 10 Opinion items (Q31–Q40) using Principal Component Analysis.

Table 6 Opinion Scale – Communalities and Component Loadings

<i>Item</i>	<i>Statement</i>	<i>Communality (Extraction)</i>	<i>Component Loading</i>
Q31	<i>PSU banks provide reliable services for everyday needs</i>	0.713	0.844
Q32	<i>PSU banks have improved technology/service quality</i>	0.706	0.840
Q33	<i>PSU banks are more stable than private sector banks</i>	0.690	0.831
Q34	<i>PSU banks treat all customers fairly</i>	0.614	0.783
Q35	<i>PSU bank apps are comparable in quality to private bank apps</i>	0.727	0.853
Q36	<i>PSU banks provide secure online banking services</i>	0.792	0.890
Q37	<i>PSU banks have sufficient branches and ATMs across India</i>	0.712	0.844
Q38	<i>Government backing makes PSU banks more trustworthy</i>	0.743	0.862

<i>Item</i>	<i>Statement</i>	<i>Communality (Extraction)</i>	<i>Component Loading</i>
Q39	<i>PSU banks play an important role in economic development</i>	0.683	0.827
Q40	<i>Would recommend primary PSU bank to family/friends</i>	0.712	0.844

The above table 6 states that a single component was extracted for the Opinion scale, with an eigenvalue of 7.093, explaining 70.93% of the total variance – the highest of the three scales. Loadings ranged from 0.783 to 0.890 and communalities ranged from 0.614 to 0.792. This indicates that the Opinion items – covering reliability, stability, fairness, and technology improvement and recommendation intention – form the most cohesive of the three constructs.

Discussion

The findings of this study underscore the utility of the Attitude, Interest, and Opinion (AIO) framework in providing a multidimensional understanding of customer behavior toward public sector banks (PSBs). The results are discussed below in relation to four broad themes that emerged from the analysis.

Trust and Stability as Fundamental Influences

The findings indicate that trust stemming from government ownership, along with the perceived security of deposits, serves as the most prominent attitudinal influence on customer behavior towards PSBs. Respondents' views on the stability of PSBs compared to private sector banks showed a high level of internal consistency, suggesting that the "government-backed" identity remains a strong and largely uncontested trust indicator within the Indian banking sector. This observation provides empirical evidence supporting the long-held belief that institutional ownership structure is a key heuristic for customers assessing bank reliability, especially in emerging markets where formal deposit insurance mechanisms might be seen as less important than sovereign backing.

The Digital Transition

Historically, Public Sector Banks (PSBs) have been seen as trailing behind private banks in terms of digital convenience. However, this study highlights a noticeable change in what customers prioritize. The ease of using digital banking and the safety of online transactions have become key factors influencing customer perceptions and interests regarding PSBs. The findings from Exploratory Factor Analysis (EFA) support this change, showing that satisfaction with digital service delivery and the perceived quality of mobile banking apps are now strongly associated with traditional factors like staff behavior and the quality of interpersonal service. This indicates that the digital aspect is now part of the traditional service-quality framework, reflecting a shift in customer expectations for PSBs to meet the technological standards of private and fintech rivals while maintaining their traditional trustworthiness.

One-dimensionality of the AIO Constructs

A significant discovery from this research is that, for all three AIO scales, the items merged into single, unidimensional factors like "Attitude toward PSU Banks," instead of splitting into the expected sub-dimensions such as service quality or technological adoption. This result indicates that customers do not assess individual aspects of the PSB experience separately; instead, they seem to view the entire

banking experience as an integrated package that includes trust, service delivery, and accessibility. This comprehensive evaluative approach has crucial implications for measuring psychographic constructs in banking research, as it implies that developing overly detailed scales may not align with how customers mentally organize their perceptions of PSBs.

Demographic Influence

The sample group, predominantly composed of younger individuals aged 19 to 25 and those with postgraduate degrees, provides further insight. Although this demographic is often described as digitally savvy and tech-focused, these participants still highly valued the perceived security of public sector institutions. This observation contradicts the belief that younger, well-educated consumers naturally favor private or fintech options, indicating that trust in institutions goes beyond generational and educational lines in the Indian banking sector.

Conclusion

This study provides valuable exploratory insights into consumer behavior within the banking sector, utilizing the AIO (Activities, Interests, and Opinions) framework to understand how consumer lifestyles intersect with critical banking variables, such as financial literacy and corporate social responsibility (CSR) initiatives. By exploring these dynamics within the context of an emerging urban center, the research contributes to a nuanced understanding of modern banking customers. However, to fully contextualize these contributions, the findings must be interpreted through the lens of several key methodological and demographic boundaries, which simultaneously lay the groundwork for future scholarly inquiry.

Scope for Future Research

The findings and limitations of this study point to several promising directions for future inquiry.

Comparative Analysis - Further studies could follow with the same AIO framework but extend to a comparative design that includes both public and private sector banks, which would allow a comparison of whether there are substantial differences in the psychographic variables that underpin bank choice between ownership categories.

Longitudinal Studies - A longitudinal research design would be useful to understand the development of customer perceptions of technology use and service quality over time, given the changing nature of the Indian public banking sector, which is undergoing several reforms, mergers, and digital transformation initiatives.

Cross-Regional Validation - The extension of the scope of investigation to Tier A cities and rural areas would enable the validation of the unidimensional structure of the constructs of AIOs found in this study, as well as gain insight into whether this pattern extends to a range of socio-economic contexts.

Emphasize Individual Products - The current investigation has a broad institutional focus, but future research could focus more narrowly on the nature of financial products, e.g., mortgage loans or investment instruments, and assess the impact of pricing and operating efficiency on customers' choices, compared to trust in the general institution.

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ANNEXURE – Questionnaire

Email ID: _____

1. Which age group do you belong to
18 years and above
19 - 25 years
26 - 35 years
36 - 45 years
46 - 55 years
55 years and above
2. What is your highest education qualification?
Secondary school and above
Higher secondary
Bachelors degree
Masters degree
Doctorate and above
Others
3. What is your current occupation?
Marketing / sales / Business
Procurement
Administration
Human Resources
Product / Operation Specialist
Self employed / small business owner
Corporate managers
Legal Professional
Design Professional
Service Industry Worker
Students
Retired
Others
4. What is your monthly personal income range?
Less than ₹15,000
₹15,000–₹30,000

₹30,000–₹60,000

Above ₹60,000

5. Which type of area do you currently reside in?

Rural area

Semi-urban area

Urban area

Metropolitan

6. Which PSU bank do you primarily use for most banking activities

State Bank of India (SBI)

Punjab National Bank (PNB)

Bank of Baroda

Canara Bank

Union Bank of India

Bank of India

Indian Bank

Other

7. What is the primary type of account you hold with your PSU bank

Savings account

Current account

Fixed deposit account

Recurring deposit account

Loan account

Multiple types of accounts

Other

8. How long have you been banking with a PSU bank.

Less than 1 year

1-3 years

4-10 years

More than 10 years

9. Do you also use any private sector bank for your banking needs.

Yes

No

10. What is the main reason you chose your primary PSU bank.

Government backing and perceived safety

Lower service and transaction fees

Proximity to my home or workplace

Long-standing existing relationship

Recommended by family or friends

Wider accessibility in my region

Other

11. Do you feel your money is safe in a government-owned PSU bank.

Strongly disagree 1 2 3 4 5 Strongly agree

12. How much do you trust PSU banks because of their government backing.

Strongly disagree 1 2 3 4 5 Strongly agree

13. Do you feel confident keeping all your savings in a PSU bank?

Strongly disagree 1 2 3 4 5 Strongly agree

14. Are you satisfied with the behavior and helpfulness of your bank's staff?

Strongly disagree 1 2 3 4 5 Strongly agree

15. Do you feel respected when interacting with your bank's staff?

Strongly disagree 1 2 3 4 5 Strongly agree

16. Does your bank resolve your issues without requiring repeated visits to the branch.

Strongly disagree 1 2 3 4 5 Strongly agree

17. How easy do you find your bank's mobile application to use?

Strongly disagree 1 2 3 4 5 Strongly agree

18. Are you satisfied with the digital banking services offered by your PSU bank?

Strongly disagree 1 2 3 4 5 Strongly agree

19. Do you feel secure when using online banking and OTP-based transactions with your PSU bank?

Strongly disagree 1 2 3 4 5 Strongly agree

20. Overall, do you hold a positive opinion of your primary PSU bank?

Strongly disagree 1 2 3 4 5 Strongly agree

21. How important are attractive interest rates when choosing a bank

Not important 1 2 3 4 5 Very Important

22. Would better FD and RD returns influence your choice of bank?

Strongly disagree 1 2 3 4 5 Strongly agree

23. Would you switch your current bank for significantly better interest rates?

Strongly disagree 1 2 3 4 5 Strongly agree

24. How important is an easy-to-use mobile banking app to you?

Not important 1 2 3 4 5 Very Important

25. Do you prefer banks that offer fast and hassle-free money transfers

Strongly Disagree 1 2 3 4 5 Strongly Agree

26. Would you prefer a bank where most services can be fully accessed online

Strongly Disagree 1 2 3 4 5 Strongly Agree

27. How important are strong security features like OTP and fingerprint login to you

Strongly Disagree 1 2 3 4 5 Strongly Agree

28. How important is having a physical branch close to your home or workplace?

Strongly Disagree 1 2 3 4 5 Strongly Agree

29. Do you prefer banks that have a wide national ATM network

Strongly Disagree 1 2 3 4 5 Strongly Agree

30. How important are rewards, cashback, and special offers when choosing a bank?

Strongly Disagree 1 2 3 4 5 Strongly Agree

31. Do you think PSU banks provide reliable banking services for everyday needs?

Strongly Disagree 1 2 3 4 5 Strongly Agree

32. Have PSU banks improved their technology and service quality in recent years

Strongly Disagree 1 2 3 4 5 Strongly Agree

33. Do you believe PSU banks are more stable than private sector banks

Strongly Disagree 1 2 3 4 5 Strongly Agree

34. Do PSU banks treat all customers fairly regardless of their background

Strongly Disagree 1 2 3 4 5 Strongly Agree

35. Do you think PSU bank mobile apps are comparable in quality to private bank apps.

Strongly Disagree 1 2 3 4 5 Strongly Agree

36. Do you believe PSU banks provide secure online banking services

Strongly Disagree 1 2 3 4 5 Strongly Agree

37. Do you think PSU banks have sufficient branches and ATMs across India.

Strongly Disagree 1 2 3 4 5 Strongly Agree

38. Do you believe government backing makes PSU banks more trustworthy than private banks

Strongly Disagree 1 2 3 4 5 Strongly Agree

39. Do you think PSU banks play an important role in India's economic development.

Strongly Disagree 1 2 3 4 5 Strongly Agree

40. Would you recommend your primary PSU bank to your family or friends

Strongly Disagree 1 2 3 4 5 Strongly Agree

41. Do you have any additional comments or feedback about your experience with PSU banks?

(Open-ended response)