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Bank Selection Criteria in Developing Country: Evidence from Bangladesh

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ABSTRACT

This study examined the bank selection criteria employed by university students in Dhaka, Bangladesh. Exploratory factor analysis revealed five criteria (E-banking, Competence, Influence, Convenience and Appearance) that students consider influential while selecting a bank. A number of ANOVA and t-tests resulted noteworthy relationship between demographic groupings of the students and their bank selection criteria. Electronic banking and competence of the bankers appeared as two most important criteria. The findings confirmed that bank customers move through a phase of development of bank choice while they first looked for very basic services and then moved to higher level of services such as personal care and priority attention.

Key words: Student banking, tangible banking services, segmentation, e-banking, Asia, Bangladesh

INTRODUCTION

Various extant literatures explore the bank selection criteria (Evans, 1979; Gerrard and Cunningham, 2001; Kaynak and Yavas, 1985; Ross, 1989; Zineldin, 1996) of which a majority covers the general population. Conducting study on bank selection criteria concerning specific segment of population, such as on students and youth segment (Lewis, 1993), matured customers (Hood and Walters, 1985), Islamic vs. Non-Islamic banking customers (Gerrard and Cunningham, 1997; Haron *et al.*, 1994; Metawa and Almossawi, 1998; Rashid and Hassan, 2009), will assist in bank market policies and setting up of priorities for customer targeting, retaining and long term customer relationship management (Ries and Trout, 1986; Zineldin, 1996). Effective segmentation strategies provide the banks with competitive edge that counts in larger and stable bottom line (Kotler, 1994; Zineldin, 1996).

Despite the importance of segmentation in banking policies, researches on bank selection criteria have been widely uncommon in developing countries like Bangladesh. Most of the extant literatures were conducted in developed western, Middle Eastern and South-East Asian countries (Gerrard and Cunningham, 1997, 2001; Haron *et al.*, 1994; Rashid and Hassan, 2009). Another group of studies extended the study to test the impact of respondents' demography on the selected criteria (Gerrard and Cunningham, 2001). However, the ultimate policy implication for managers and bank policy makers has been largely overlooked (Rashid and Hassan, 2009).

Due to fierce competition among financial institutions, bank selection criteria considered by emerging customer groups will have constructive impact on bank's market share (Rashid and Hassan, 2009). Consequently, to sustain the competitive advantage banks offer various services to the students. Savings, SME development and employment related issues carry significant policy implications as well (Rashid and Hassan, 2009).

This study was conducted on university students from different universities located in Dhaka city, capital of Bangladesh. Bangladesh is a special consideration here for two reasons. Firstly, it is one of the intensely competitive markets with 49 banks, more than 25 non-bank financial institutions, over 25% in SME employment growth rate and over 6.5% of GDP growth rate per year. Secondly, apart from being a potential market segment, already employed students had been receiving their salary through bank accounts. Students also preferred paying the tuition fees through bank accounts and most of the city centered shops accepts electronic payments. This study examined the bank selection criteria applied by university students. The study ranked the criteria based on demographic background of the students. The study concluded with policy recommendations to fasten development of the banking sector.

Tangible and intangible factors/ services: Bank selection criteria found to be different for students compared to other groups due to quite a few reasons. A number of external (external to the core banking operation, or tangible) factors affect bank selection mechanism. Among these factors, peer affect including family tradition, influence by employer and advertisements by banks (Fitts, 1975; Lewis, 1993; Mason and Mayer, 1974; Riggall, 1980; Schram, 1991), social involvement by banks are major factors influencing various customer groups. Placement of branches and ATM machines (Kaufman, 1967; Kaynak *et al.*, 1993; Laroche *et al.*, 1993; Reed, 1972; Yue and Tom, 1995), physical security of the branches and ATM locations (Gerrard and Cunningham, 2001; Javalgi *et al.*, 1989) are the two factors related to convenience that influence the customers. There had been a number of religious issues (Kader, 1993, 1995) and cost-benefit and financial stability of the bank (Holstius and Kaynak, 1995; Khazeh and Decker, 1992; Ma, 1996) that carried significant weights in bank selection mechanism of customers. Convenience found to be the most common factor in almost all studies.

The pleasant first look changed after buying the service from the bank, when the customers got very close to bank's internal system and service provisions. Various factors related to internal operation of the bank and intangibles were also studied. Variety and quality of services, availability of online transaction services (Poh, 1996; Thwaites and Vere, 1995), reputation (Javalgi *et al.*, 1989; Yue and Tom, 1995), confidentiality (Haron *et al.*, 1994; Holstius and Kaynak, 1995) found to be major issues that influenced the trust and confidence of the customers. Faster services and document processing (Fitts, 1975; Kaynak and Kucukemiroglu, 1993), appearance of the bank, hygiene factor inside the branches and ATM locations, and official attire of staffs (Fitts, 1975) were among the common issues that attract new customers. Friendly and efficient employees in terms of knowledgeable staffs providing special attention to customers (Gerrard and Cunningham, 1997; Haron *et al.*, 1994; Holstius and Kaynak, 1995; Laroche *et al.*, 1993) and financial counseling to new customers (Kaynak and Kucukemiroglu, 1993), helped establishing the priority service attention provided by the banks to their special clients. However, among these internal to bank factors, none came out casing substantial importance.

Bank selection factors in developing and developed countries: Various studies conducted in different countries clearly distinguish the bank selection criteria applied by customers into two major groups; criteria internal and external to banks. Studies conducted in the developed countries, such as United States of America (Fitts, 1975; Kaufman, 1967; Mason and Mayer, 1974), Canada (Laroche *et al.*, 1993), United Kingdom (Gray, 1977; Lewis, 1993; Thwaites and Vere, 1995), Finland (Holstius and Kaynak, 1995) and Singapore (Gerrard and Cunningham, 1997; Gerrard and Cunningham, 2001; Ma, 1996; Poh, 1996; Ta and Har, 2000) reported intangible factors as

important determinants in bank selection. However, few studies done in the developing nations, such as Malaysia (Haron *et al.*, 1994; Kader, 1993, 1995), Turkey (Kaynak *et al.*, 1993) and Bangladesh (Rashid *et al.*, 2008), revealed significant factors mostly external to the banks.

Bank selection factors of students : Studies on bank selection criteria of students sourced from two major streams: Asian and non-Asian studies. Studies from Singapore reported e-banking (Gerrard and Cunningham, 2001; Poh, 1996), faster service (Ma, 1996; Poh, 1996), perceived security (Gerrard and Cunningham, 2001) and financial stability of the bank (Ma, 1996) as important factors. However, the most common factor, 'convenience', is almost absent in these studies and the factor 'peer affect' has been statistically insignificant in almost all of these studies (Gerrard and Cunningham, 2001; Ma, 1996; Poh, 1996; Ta and Har, 2000). Interestingly, various studies on customers of Islamic banks reveal peer affect as one of the most significant factors in bank selection (Gerrard and Cunningham, 1997; Haron *et al.*, 1994; Kader, 1993, 1995; Metawa and Almossawi, 1998).

Non-Asian studies on students are mostly done in the United States, United Kingdom and in Bahrain. The resulting factors are convenience (Gray, 1977; Lewis, 1993; Lewis and Bingham, 1991; Schram, 1991), e-banking (Thwaites and Vere, 1995) peer affect (Gerrard and Cunningham, 2001; Lewis, 1993; Schram, 1991), electronic banking Gerrard and Cunningham, 2001), financial benefits (Gerrard and Cunningham, 2001). Only a limited number of studies targeted students banking in developing countries.

Bank selection factors and demographic characteristic: Various studies extended the research on to exploring the differences in selection criteria based on demographic groupings of the students such as gender (Gerrard and Cunningham, 2001), courses enrolled (Gerrard and Cunningham, 2001) and number of accounts (Gerrard and Cunningham, 2001). In gender grouping, (Gerrard and Cunningham, 2001) studies showed that male students chose "convenience" and female students chose "banks reputation" as the first important factor. However, in gender grouping study (Gerrard and Cunningham, 2001), the only significant factor was "appearance", which was preferred more by male students than female. All the significant factors; security, service provision, non-people influence, appearance and people influence, are biased towards engineering students (Gerrard and Cunningham, 2001). Under number of bank account grouping (single or multiple banking), 'convenience' is the significant factor that is biased towards multiple bank users (Gerrard and Cunningham, 2001).

METHODOLOGICAL FRAMEWORK
Research questions: Literature review provides important insights in two areas: firstly, it provides a set of constructs and variables that can be tested as bank selection criteria; and secondly, studies done in different countries on different types of customers reveal their heterogeneous belief. Ranking of bank selection factors enable the banks deciding on strategic service offerings, promotional activities and targeting the right kind of customers reducing operating cost. Students rank different factors in different positions according to their experience; however, the factors reveal a similarity in terms of their significance. In this context of the study, two research questions are formulated.

- **Research question 1:** What is the ranking of the bank selection criteria applied by university students?

Various earlier studies (Gerrard and Cunningham, 2001; Metawa and Almossawi, 1998), conducted in Asian region confirmed the heterogeneity in bank selection criteria applied by various customer groups. However, the level of heterogeneity is not very large. Various common factors, like e-banking, convenience, peer effect and financial benefits, were identified as significant in almost all studies. Due to cultural dissimilarity, there existed differences between student and non-student customer groups. Therefore, putting up the first question in the form of exploring the raking of the factors will reveal important result, which will prove the reason for conformity among the developing country samples.

Even a decade ago, due to cultural and religious barriers in the Asian countries, female customers were conservative regarding their financial decision. In the developing Asian countries, most of the financial decisions of a student were used to be the sole responsibility of the head of the family. However, rapid cultural shift contributed changing students' dominance in banking services arena. More female students are coming to city areas to study and they start looking for part-time jobs. For large amount tuition fees, parents from remote areas tend to rely on a bank that can transfer money fast. With their little savings, students altogether start building their own SMEs', which requires bank loans. This gradual process contributes to the development of segmented customer demands over a significant time period exerting greater chance of relationship banking activity.

Thus, a male student, a working student, a student still relying on parents, a student having long-term relationship with his/her bank will experience different criteria while selecting the bank. Demographic grouping was also found important in terms of gender and number of accounts in various studies (Gerrard and Cunningham, 2001). Hence, the next research question was:

- **Research question 2:** Do university students differ in ranking of their bank selection criteria based on years of their banking experience, preferred type of banks (e.g., foreign vs. local), gender, with whom they are currently residing with (e.g., parent, other relatives, in hostels) and purposes of opening bank account (e.g., savings, fund transfer and others)

Data: From a structured list of education service providers in Dhaka city, Bangladesh; given by University Grants Commission (UGC), the Government of Bangladesh, we randomly selected 4 universities. These universities were University of Dhaka, North-South University, Stamford University and BRAC University Bangladesh. The ratio of student population (approximately 50, 20, 30 and 10% , respectively) was maintained while collecting sample data. Data were collected using structured questionnaire from a total of 400 university students, which was ultimately reduced to 378 due to some missing data. Out of total 378 students, 265 students were from undergraduate (approximately 70%) and rest from graduate programs; 252 students were male and 126 were female students.

Dhaka represents the variety of customers from Bangladesh (Rashid and Hassan, 2009), which represents the cultural and religious shift as well. University of Dhaka was the only public university in the list and the rest three were private universities. Stamford University was one of the least costly private universities in Bangladesh, BRAC University and North-South University represented the sample from expensive universities. University of Dhaka was government subsidized university; therefore, cost differential is the highest with other private universities. However, majority students study in this university represented diverse cultural and geographical backgrounds in Bangladesh. Table 1 summarizes the sample information.

Table 1: Information on sample students

Parameter	%
Gender	
Male	66.7
Female	33.3
Years of banking experience	
Less than 2 years	57.7
2 to 5 years	31.7
More than 5 years	10.6
Purpose of opening account	
Savings	
Yes	51.1
No	48.9
Bank transfer	
Yes	19.3
No	80.7
Main source of fund	
Family	39.2
Relatives	1.3
Part time jobs	18.0
Tuition	17.7
Others	23.8
Preferred type of bank	
Foreign Commercial Bank	17.7
Private Commercial Bank	60.1
Nationalized Comm. Bank	22.2
Currently dwelling with	
Parents	55.8
Relatives	7.4
Others	36.8

Methodology: A structured survey questionnaire was finalized by incorporating important information from extant literature, extensive brainstorming with the students and with the bankers, and by running a 20 sample pretest. Instead of putting sample into a limited paradigm (Gerrard and Cunningham, 2001) as college students or university undergraduate; this study tried to represent both undergraduate and graduate university with jobs and without jobs, living with family and without family. However, it made the sample data collection somewhat difficult since students are not available while they are at work. While talking to registrars and other high officials of these universities, we tried to find out a time of class when majority of the students were available; for example, most of the students have classes on Monday-Wednesday or Sunday-Tuesday slots. We managed to collect information from 20 class units (slots), where average size (number of students per classes) of the units were 20. A total of 400 samples were collected finally, which was almost double than the study done by (Gerrard and Cunningham, 2001) on Singapore an undergraduates.

The questionnaire had similarity with that of the other studies (Gerrard and Cunningham, 2001). Since there was limitation of having a credit card, or asking for bank loan being a student, the questions were slightly different for this study compared to that of the Singapore an (Gerrard and Cunningham, 2001) study. There were three kinds of questions that start with some general questions on the purpose of opening the account, to whom the respondents are currently

residing with, their years of experience with the bank, the main source of their fund and their preferred type of bank. These questions were both dichotomous and multi-chotomous. Secondly, we included 30 bank selection variables in 7-point scale (1 for least important and 7 for most important). Those were slightly different from other studies on students. Lastly, there were few demographic questions based on gender, age and yearly income.

After coding the data in SPSS, necessary descriptive analyses and frequencies were run to identify input error or missing values. Data were also checked for assumptions of t-tests and ANOVA. To answer the first research question on ranking of the bank selection criteria, we run the exploratory factor analysis for principal components using Varimax rotation. After the final factor loading, we tested the reliability of the factors using Cronbach Alpha. Then, mean scores were used to rank them. Means and standard deviation of the factors along with factor loadings and Cronbach Alpha are presented in (Table 2). SPSS was used to carry out a number of t-tests and ANOVA to explore whether there were any significant differences existed in the ranking of the bank selection criteria based on sub-groups of the students.

Table 2: Factor analysis results

Factors	Loadings (after Rotation)	Mean and [Rank]	Cronbach alpha	Variance explained	Eigen-valuesE-
Banking					
ATM booth near to university	0.84				
24 hours availability of ATM booth	0.776	5.69 [1]	0.901	16.30%	4.076
ATMs' are active always	0.76				
Full productivity of ATM	0.669				
Ouline Balance Check	0.648				
Ouline Balance transfer	0.622				
Competence					
Flexibility of opening account	0.721				
Fast and efficient service	0.717				
Faster document processing	0.683				
Regular bank statement	0.609	5.43 [3]	0.858	15.03%	3.76
Professionalism of bank staff	0.591				
Friendliness of bank personel	0.534				
Wide variety of services	0.507				
Goodwill of the banking operation	0.426				
Influence					
Employer	0.835				
Teachers	0.824	4.14 [5]	0.843	13.08%	3.27
Friends	0.792				
Family members	0.76				
Bank advertisements	0.574				
Convenience					
Location of branch	0.709	5.55[2]	0.727	10.38%	2.59
Branches near to university	0.663				
Branches near to home	0.574				
Appearance					
Exterior of the bank building	0.83	5.01 [4]	0.706	8.58%	2.15
Interior of the bank	0.744				
Appearance and attire of staffs	0.61				

KMO: 0.876; Total Variance Explained = 63.37%; Principle Component Factoring, Varimax Rotation

EXPERIMENTAL RESULTS

Demographic information: Table 1 showed that majority (57.7%) of the respondents was using banking services for less than 2 years. During our data collection, we observed that most of the students in this category have actually received a job either in the form of tuition, part time job and engagement in a small business. In the context of developing country students, for daily (personal) and periodical (tuition and other) financial obligations, there are two options open for students. They can either earn, save in a bank and pay; or the payment is born by their parents. Students having a bank transfer from their parents were about 19.3%, whereas 51.1% students were using the bank for saving purpose and the rest are using the bank for other purposes such as using ATM cards, periodic cash clearance and so forth. Substantial portion (39.2) of the funds was channeled through family sources, whereas part time jobs, tuition and other jobs collectively contributed to 49.5%. There were 29 private commercial banks offering decent amount of financial services to the students. Therefore, it was not surprising that students preferring to open account with private commercial banks was 60.1, 55.8% of the respondents were at present residing with parents (mostly they are private university students), 36.8% of them were residing either in university residential halls or in privately managed accommodation.

Ranking of the bank selection factors (Research question 1): Using Varimax rotation in Principal Component Factoring; analyses in Table 2 revealed five factors representing 63.37% of the variance. This result was similar in findings with other studies done on students (Gerrard and Cunningham, 2001). The initial minimum communality criterion was chosen to 0.60, which was higher than similar studies done by (Gerrard and Cunningham, 2001). Acceptance of higher communality represents better factor-variable fit. The minimum post rotation loading was 0.50. During this process of variable filtering, five variables were rejected due to their lower loadings compared to other variables. The sample was a perfect fit for factor analysis. The KMO measure of sample adequacy was 0.876, which was 'meritorious' (Kaiser and Rice, 1974). Reliability of the factors with respect to variables has been checked with Cronbach Alpha and factors retained only when the Alpha value is more than or equal to 0.70 as suggested by Nunnally (1978). Out of total 63.37%, 'E-banking' explained the highest variance of 16.30% and the factor 'Appearance' explained the lowest 8.58%.

Effect of students' demography on bank selection criteria raking (Research question 2): Recent studies (Gerrard and Cunningham, 2001; Ta and Har, 2000) explored the impact of demographic segmentation on the bank selection criteria and recommended significant implications for bank policy makers. Importance of market segmentation is significant for developing country banks for quite a few reasons that include introduction of proper marketing and promotional strategy to an appropriate niche, reduction of product delivery cost and engagement in long-term relationship banking (Rashid and Hassan, 2009). This study aimed at differencing the groups of students based on their preference to certain bank selection factors. There were six criteria selected to explore these differences, which included years of their banking experience, preferred type of banks (e.g., foreign vs. local), gender, with whom they are currently residing with (e.g., parent, other relatives, in hostels) and purposes of opening bank account (e.g. ,using savings, fund transfer and others). We used t-tests and ANOVA to find the answers. The assumptions of normality and homogeneity were checked and found satisfactory (Table 3) showed a summary of the results.

Table 3: Factor Choice Table: A summary of the groupings and significant bank selection criteria

Grouping criteria	Ranking of factor (with Mean)				
	1	2	3	4	5
Experience with banksnger					
Longer experience (> than 5 years)	Convenience [5.98]	Competence [5.84]			
Type of Bank preferred					
PCB	E-Banking [5.8]	Influence [4.23]			
FCB	E-Banking [5.78]	Influence [4.21]			
Gender					
Male	E-Banking [5.79]				
Female	Influence [4.33]				
Currently residing with					
Parents	E-Banking [5.81]	Competence [5.58]			
Relatives	Influence [4.39]				
Purpose of opening account is 'savings'					
Yes	Convenience [5.69]	Competence [5.62]	Influence [4.45]		
Purpose of opening acconnt is 'transfer of fnnd'					
'No	E-Banking [5.80]	Convenience [5.66]	Competence [5.53]	Appearance [5.09]	Influence [4.25]

E-banking was the factor chosen by almost all groups of customers as number one factor followed by competence, influence, convenience and at last appearance. On the practical side, the concluding message is that bank should invest more on e-banking which takes care of, firstly, online banking in terms of ATMs' and using internet to do banking. Secondly, banks have to ensure higher level of competence in terms of faster delivery of services. Thirdly, banks need to fasten document processing and upgraded level of branch connectivity. Fourthly, banks needs to make sure that they provide better convenience to the customers in terms of number of ATMs and branches, placement of ATMs in crowded places (i.e., shopping malls, bus stops) to reduce security hazards and, finally, banks will be establishing small booths in the university campuses to collect deposits as well as to provide other banking services to students and teachers.

DISCUSSION

The importance of this study can be seen from two important dimensions. It highlighted the shift in theory and literature for bank selection criteria in the developing countries for emerging customer segments. A mixture of 'internal to bank' and 'external to bank' factors contributed as the starting of future studies on the similar topic having comparison for the trends in developing and developed countries. Secondly, by extending the analysis among different segments of students, the study brings new input in banking service strategy for banks' managers.

Based on the mean score of variables, the most important factor was the 'E-banking' (Mean 5.69). Variables related to number and availability of ATM machine, operating hour of ATM, balance check and balance transfer facilities are included under E-banking. For the young customers like students, E-banking factor carried the highest ranking. This finding was similar to the studies done in Singapore and Bahrain on university students (Ma, 1996; Poh, 1996; Thwaites and Vere, 1995). ATM provided convenient and fast banking transfer, which was one of the highest priorities of the university students. The ATM craziness had been one step up due to banking policy of mixing ATM cash withdrawal facility, shopping facility and a certain percentage

of overdraft facility. Unlike any developed country, Bangladesh was seriously affected by law and order situation, which also urged for secured placement of ATM booths. Our informal discussion with students revealed that they preferred ATMs' in safe, crowded location with proper lighting and security facility.

Second important factor was convenience (Mean 5.55), which was one of the most common factors identified by almost all studies (Gerrard and Cunningham, 2001; Gray, 1977; Ma, 1996; Poh, 1996). Apparently it seemed that ATM and Convenience factors were coinciding with each other, since ATM provided convenience from remote location. However, all banks in Bangladesh did not provide all online facilities available to developed country customers. For example, the check and cash deposit machines are separately placed in a branch instead of any ATM due to poor law and order infrastructure. Another notable point is that ATMs in developed countries are placed mostly inside a petrol pump or in a big shopping mall that are open for 24 h. In Bangladesh, ATMs' are placed in individually rented buildings, which might be very risky sometimes. Due to these reasons, students had to go to nearby branch for various needs and they preferred having a branch near to their university or home. In light of the separation of ATM and branch activity, most of the studies separated convenience as a factor from E-banking.

One of the distinguishing factors of this study was the bank 'Competence' level in reaching the satisfaction of the customers. 'Competence' of the bank integrates the tangible and intangible abilities of the banking staff, operating systems. These are primarily 'internal to the bank' factors. Competence refers to faster service delivery, document processing in one hand, and professionalism, knowledge and friendliness of the employees towards customers in the other hand (Khazeh and Decker, 1992). However, these variables together influenced the competence level of the bank. Therefore, banks also needed to invest in internal processes rather than only putting money on establishing ATMs' and new branches. Competence was the third significant factor with a mean of 5.43.

Interaction was more important to the young generation while they were positively influenced by exterior and interior design of the bank and smartness of the employees. Based on the value of bank-customer interaction, the next factor was Appearance (Mean 5.01), which included not only costly design of the exterior but also internal structure of the deposit counter, availability of TV, AC and smart behavior of the employees. Appearance was also a common factor among studies done on students (Gerrard and Cunningham, 2001; Ma, 1996).

Finally, students gave importance to third party influences (Gerrard and Cunningham, 2001; Lewis, 1993; Schram, 1991), which included recommendation by friends, family members, teachers and employer. They were also influenced by the advertisement given by the bank. This influence was mostly obvious in Bangladesh, since to open a bank account the students had to have a referee account holder. Influence had the lowest mean score of 4.14. However, it explained 13% of the variance, which was the third highest. Nevertheless, the mean score was similar with earlier findings. Most of the developing country studies found third party influence not that much important as a bank selection criteria (Gerrard and Cunningham, 2001; Ma, 1996; Poh, 1996; Ta and Har, 2000). However, a mean score of 4.14 out of 7 was still inspiring and could be supported with studies done on Islamic banking customers, where influence was an important factor (Haron *et al.*, 1994; Kader, 1993, 1995).

To summarize the findings on ranking of bank selection factors, Bangladesh as a developing country revealed the findings similar to other developing countries where 'external to bank' factors like E-banking and convenience were two most important factors. On the other hand, 'internal to

bank' factors such as appearance and competence performed second-rate. Logic behind the factor 'Influence' appearing as the last factor could be that students were influenced once by their friends; while they are opening the account. However; convenience, appearance, E-banking were the factors they had to face every day, which made them significantly important. So, the trend of 'external' and 'internal' to bank factors sustained the fight.

CONCLUSION

Banks are the most important financial intermediaries on earth. Like any other enterprise, they build their strategy of survival and growth based on preference of their customers, which makes studies on bank selection criteria important irrespective of the type of customers, location and time. Studies on bank selection criteria applied by students in developed countries started in the 60s' (Kaufman, 1967) and the demand for this kind of studies shifted towards developing countries from the last decade (Kader, 1993, 1995). The findings of the studies covered wide varieties of factors that included convenience, e-banking, third party influence, appearance, competence level, variety and quality of services and so forth.

There were differences existed in these criterions among the developing and developed countries and among different customer groups such as general customer and students. Two major kinds of these factors included some 'internal to bank' factors and 'external to bank' factors. Developed country studies found internal to bank factors more significant compared to that of the developing country studies. The result of this study was similar to other developing country cases, which resulted in more significant 'external to bank' factors such as e-banking, convenience and influence. However, it also found that internal to bank factors, such as competence level of the banking staffs, and appearance, were also significantly important while selecting banks by students.

Banks should justify its survival from a social point of view in terms of charging reasonable cost-benefit opportunities to their customers, training employees to cope with advanced e-commerce facilities, investing in education and research and not investing in any corporate activities that includes destruction of environment or employment of child labor. Nevertheless, banks must ensure their accountability more towards people, processes and partnerships, and less towards external appearance and donations. These are some examples on which bank build its reputation that result in positive influence on the niche customer groups, and this is the way bank becomes an effective stakeholder in the society.

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