An analysis of the factors influencing customers' bank selection in Bangladesh

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ABSTRACT

It is increasingly being recognised that identifying and evaluating customer's banking behaviour has a strong effect on marketing success. However, there is a paucity of literature and empirical research on bank selection criteria in Bangladesh. Research data can potentially improve a bank's performance. This research aims to contribute to the academic body of knowledge and better understand the managerial implications of customers' bank selection criteria in Bangladesh. In order to fulfil this objective, this research developed a theoretical framework of bank selection criteria which has been tested on retail customers by integrating both the existing and potential customers. The theoretical framework is based on constructs documented in the consumer behaviour, service quality and services marketing literature.

The results of this study suggest that retail customers' bank selection could be better explained by the proposed theoretical framework. Bank selection is in fact a multidimensional construct as the selection of a bank is often related to purchasing a particular banking product or service which has a significant effect on the different dimensions of bank selection a customer may have. Banks need to integrate many criteria in their marketing strategies in order to be considered the optimal provider of financial goods and services. In general, banks would benefit from adopting two different marketing strategies in terms of segmenting, targeting and positioning: one for attracting potential customers and then a different strategy for retaining existing customers, as this research has identified significant differences between potential and existing customers' bank selection processes.

DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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LIST OF ABBREVIATIONS

ANOVA:	Analysis of variance
ATM:	Automated teller machine
BBS:	Bangladesh Bureau of Statistics
CA:	Current account
CRM:	Customer relationship management
CSR:	Corporate social responsibility
EBM-model:	Engel, Blackwell & Miniard model
DCC:	Dhaka City Corporation
GDP:	Gross domestic product
IMF:	International Monetary Fund
IT:	Information technology
KMO:	Kaiser-Meyer-Olkin
L/C:	Letter of credit
MB&CC:	Money, Banking, and Credit Committee
M-R-model:	Mehrabian and Russel model
OECD:	Organisation for Economic Co-operation and Development
SD:	Savings deposits
SME:	Small-medium enterprise
SMS:	Short messaging service
SPSS:	Statistical package for the social sciences
STP:	Segmenting, targeting and positioning
UAE:	United Arab Emirates
UK:	United Kingdom
VIF:	Variance inflation factor
WoM:	Word-of-mouth
WB:	World Bank

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CHAPTER ONE: INTRODUCTION

1.1 Background

The economy of Bangladesh enjoys a favourable economic environment, growing over 6 percent annually (World Bank, 2016). Industrialisation and trade have soared to new heights, and major economic indicators, such as Gross Domestic Product (maintains an increasing trend), exports and imports (tripled by threefold), and per capita GDP which has more than doubled over the last 10 years (World Bank, 2016). This real growth has fuelled the Bangladesh banking sector, which has seen an increase in deposits by over 400 percent and assets by over 500 percent over the last 10 years (Islam, 2015a). As of June 2016, the banking sector of Bangladesh consisted of 56 schedule banks including 4 state-owned commercial banks, 4 state-owned specialised banks and 39 domestic and 9 foreign commercial banks (Bangladesh Bank Annual Report, 2015-16). The banking sector assets in Bangladesh stood at US$ 107.1 billion at the end of 2013 compared to US$ 88.8 billion in the previous year which reflects 80 percent of the country's GDP (Rahman, 2014). Continuous liberalisation, opening up the economy, and deregulation have made the banking sector of Bangladesh not only a highly competitive, but also a less concentrated market (Ahmed, 2012; Fatima & Razzaque, 2013), where the performance is not determined by market share of banks in relation to asset, loan and deposit size rather by superior efficiency or economies of scale (Ahmed, 2012). According to Karim and Chowdhury (2014), there is a little variation of products and services offered by the existing banks indicating the product and services are relatively homogeneous and easily available to their rivals. Therefore, the homogeneity of product and services and availability of close substitutes give customers a high bargaining power that varies significantly across nature and type of product and relationship between customer and bank, and largely determined by the switching costs involved in that relationship (Manri & Manri 2007). The existence of a large number of banks having similar products, country-wide presence except for foreign banks that reveal that the banking organisation has limited power to influence the market competitiveness (Fatima & Razzaque, 2013), which in turn, indicates the limited bargaining power of banks. Hossain and Ullah (2011) found that banking customers in Bangladesh are very price-sensitive and averse to switching to new service providers. However, the recent widely-used strategy of '*eliminating*

switching cost' by the rival banks made it easier for customers to end the switching process with minimum time, cost and effort. Karim and Chowdhury (2014) recognised that the banking customers are becoming demanding and the use of sophisticated marketing techniques by existing banks put the customers in driving seat which is also a sign of limiting the bargaining power of banks (Ahmed, 2012). Ideally, banks do business with customer's money indicating that the importance of customers for the banks is as important as it is to the competitors (Kumar *et al.*, 2010).

The banking sector in Bangladesh is characterised by a market structure which is not only competitive but less concentrated, customers who are sophisticated and price-sensitive, a service which is relatively standardised and homogeneous, an availability of product which is very high across rivals, and regulation and supervision which are very strong suggest that creating a wide customer base by attracting new and retaining existing customers is crucially important for the banks not only for their survival and growth but also for the sustainability of the economy (Saha *et al.*, 2014).

In such a competitive and less differentiated financial market, the role of marketing as an integrated management function (rather than just advertising and selling) is well grounded in the literature (Ennew & Binks, 1996; Miniard *et al.*, 2013; Lovelock & Wirtz, 2016). There are a number of factors which explain this inevitability of integrated marketing such as opening up the economy, privatisation and deregulation of financial organisation, higher customers' expectations and increasing competitiveness. Moreover, dominance of service nature, distinctive features, high regulation and supervision, and volatile nature has made the marketing functions of financial organisation relatively broader than other sectors. Research has emphasised increasing competitiveness in the financial services sector which is not limited to only the developed nations but also in different developing countries such as Bangladesh's banking sector, which lead to fundamental structural changes and value proposition. Effective operation in such an increasing competitive environment requires the banking organisations to have a clear understanding of their competitive advantages by creating a distinctive position in the marketplace. The importance of competitive advantage as a dominant way of achieving the firm's objective through overcoming the competitive pressures and threats is very well grounded in the literature (Solomon *et al.*, 2010;

Grewal & Levy, 2012; Hoyer *et al.*, 2013). There are number of marketing, financial and organisational initiatives and strategies that have been suggested to overcome these pressures and threats. The strategy of differentiating the organisation and its offering from those of competitors lie in the heart of marketing and aspect relates to the theoretical aspects (Porter, 1998) and practical aspects (Alamgir *et al.*, 2010).

The creation of such a distinctive position and its sustainability is much more important in a condition or situation where the market is increasingly competitive (Ullah, 2013), where the product is relatively homogeneous (Karim & Chowdhury, 2014) and the market is regulated (Uddin & Suzuki, 2011) where tangible evidences to evaluate quality are absent (Lovelock & Wiritz, 2016), and where more importance is attached to experience and credence attributes (Miniard *et al.*, 2013). This situation is clearly apparent for the organisations operating and competing in the financial market where the creation of such distinctive position is extremely important (Ullah, 2013).

Lovelock and Writz (2016) emphasise that in such a situation a firm is not for everyone that requires creating some determinant attributes by which they can separate them from their rivals and create a distinctive and explicit recognition in attracting and retaining customers. How this distinctive and explicit recognition can be created requires identifying the important and determinant attributes from a customer's perspective. Moreover, the selection of service provider is no less important than investigating the service quality which has been addressed extensively in the services marketing literature to explain the criteria used in judging quality of service linked with the post-purchase stage. As far as the selection criteria of bank is concerned, the emphasis is given on developed and Middle Eastern countries with a notable exception of the studies of Rashid and Hassan (2009), and Jahiruddin and Haque (2009) which partially attempt to investigate the selection criteria of financial service providers but report conflicting and biased results (this will be discussed in detail in chapter two of literature review).

The current research of identifying and analysing the factors influencing customers' bank selection in Bangladesh may be of particular significance for several reasons. Firstly, there is a great deal of evidence to suggest that the evaluation of alternatives in services marketing is dominated by experience and

credence attributes (Lovelock & Writz, 2016) which might suggest that different selection criteria are used. Secondly, identifying important and determinant attributes of selection criteria offer a better understanding of how a distinctive position can be created including those changes occur over time. Thirdly, it will form a basis of assessing whether the differences between studies across different geographic segments are due to procedures (i.e. methodology) used in investigating the bank selection criteria or due to actual differences. Finally, it will offer a comprehensive aspect of comparing and contrasting the factors influencing customers' bank selection from different perspectives (e.g. type of bank; nature of bank account; type of customer; stage of purchase).

The research on bank selection criteria could be conducted for SMEs and corporate businesses but might not reflect the consumers' retail market, because there are some organisational factors sometimes dominate the basis of bank selection (Jaffar & Musa, 2013) and they do not fit well in the retail market environment (Freeman & Turner, 1990). Moreover, most of the research in the field of bank selection have been conducted on developed countries and recently extended to Middle Eastern countries. This observation highlight's the need for this study, as it investigates this untapped segment of the banking industry of Bangladesh by formulating the flowing research question: *What are the key important and determinant factors influencing customers' bank selection in Bangladesh, and are there any differences in bank selection criteria between existing and potential customers*?

1.2 Objectives of research

In answering the above research question, this study aims to develop a conceptual framework of customers' bank selection criteria in Bangladesh. The research objectives can be described as follows:

I. To identify the bank selection criteria that retail customers perceive as important;

II. To develop a conceptual framework of customers' bank selection criteria;

III. To identify the determinant factors of customer's bank selection criteria;

IV. To evaluate empirically the proposed conceptual framework of customers' bank selection criteria;

V. To identify strategies to help banks with their positioning.

1.3 Structure of the research

This research commences with this introductory chapter (i.e. chapter one) which discusses the background of the research and the rationale for this research. Chapter one also outlines the research questions, aims, and objectives of the research.

Drawing on the relevant literatures, chapter two (i.e. literature review) discusses the field of consumer behaviour in relation to consumer buying process, factors affecting customers' behaviour, customer involvement, and retail customers' bank selection criteria. Key concepts of service and its characteristics are also discussed in this chapter. This chapter emphasises the review of empirical literature on bank selection criteria in order to identify the gap in the bank selection literature and formulated the research questions, aim and objectives.

Chapter three provides an empirical background of the Bangladesh banking industry in terms of evolution, current status, performance, and customers' banking behaviour.

The chapter four mainly discusses the research methodology applied to the study and examines the overall research design that is available to the researcher. On the basis of the research gap derived from literature review (i.e. Chapter two) and empirical overview of Bangladesh banking industry (i.e. chapter three) the chapter four starts with conceptualising the research in relation to proposing the conceptual framework and formulating the hypothesis. This is followed by highlighting the research process, research epistemology, the theoretical perspective, the research strategy and the research design. This chapter also presents issues related with methods of data collection and procedures of data analysis. This chapter ends with statistical evaluation of two important issues namely validity and reliability which confirms that the instrument used is reliable and the collected data set is valid as well.

Chapter five reports the empirical results derived from the application of different appropriate statistical techniques. The chapter starts by presenting the demographic characteristics of the sample respondents. This is followed by correlating demographics with the banking behaviour. Then, the results regarding the determinants of bank selection criteria are presented, followed by highlighting the result of the hypotheses tests.

Chapter six presents the discussion of the study findings. This chapter starts by presenting the nature of association between the respondents' demographics and their banking behaviour. This is followed by an account of evaluating the determinants of customers' bank selection criteria, and then the results of the hypotheses tests are discussed. Finally, a summary of the research findings and their managerial implications along with the contribution and distinctiveness of this research are discussed.

Chapter seven, the final chapter, brings together the valuable insights with regards to the findings of the research. Next, the conclusions together with the managerial implications of research are discussed. This is followed by a discussion of the limitations of the research and recommendations for future research.

CHAPTER TWO: CONSUMER BEHAVIOUR AND RETAIL CUSTOMERS' BANK SELECTION CRITERIA

2.1 Introduction

Given the highly competitive and moderately concentrated banking sector of Bangladesh (Ahmed, 2012; Karim & Chowdhury, 2014), marketing in terms of retaining existing customers and attracting new customers is paramount (Islam, 2015a). Understanding customers plays a pivotal role in designing marketing strategy. Grewal and Levy (2012) assert that it is quite impossible to design any form of marketing strategy without a solid understanding about customers. In general, it is agreed in the marketing literature that consumer behaviour or understanding customers consists of answering several questions: Why do customers behave in certain way? How do they make their decisions? Who is making the decision of purchase? Where do they purchase? When are the decisions taken?

This research acknowledges that understanding the financial needs of customers from the bank's perspective is cornerstone in conceptualising their selection criteria which is largely reflected from the products and services offered by a bank (Wilkie, 1994; Karim & Chowdhury, 2014). This idea is also emphasised in the study of *Evans,* Moutinho and Raaij (1996), who argue that products and services offered by an organisation create benefits that contribute to the realisation of consumers' needs and values. So it is critical for the bank to define the important and determinant factors customer recognises in their bank selection. There are several studies, both theoretical and empirical, that exist in the area of service quality applied to the banking sector of Bangladesh (e.g. Siddiqi, 2011; Fatima & Razzaque, 2013) and internationally (Bahia & Nantel, 2000; Fei & Hshiung, 2011; Arikan & Guner, 2013). Blackwell *et al.*, (2006), Kotler, Keller, Goodman and Hansen (2009), Grewal and Levy, (2012) suggest that the purchase decisions of consumers can be broadly divided into two major stages: pre-purchase or purchase; post-purchase stage. They propose that each of these stages have some sub-stages: need recognition; information search; pre-purchase evaluation of alternatives; purchase decision; consumption; post-consumption evaluation; divestment.

This chapter is organised into three different sections. Section 2.2 focuses on conceptualising consumer behaviour and the factors affecting consumer behaviour. This section also focuses on some of the key characteristics of financial products and services together with consumer involvement. Section 2.3 focuses on identifying the bank selection criteria of retail customers on the basis of different empirical research. Next, section 2.4 identifies the gaps in the literature of bank selection in order to formulate the research questions, aims and objectives.

2.2 Consumer behaviour

Before critically evaluating the bank selection criteria of retail customers, it is useful to have an understanding of the key fundamentals of consumer behaviour as marketing literatures suggest that the key concept of marketing is 'customer' and thereby understanding customer is an indispensable part of marketing research and marketing decision-making (Peter & Olson, 2010; Baines & Fill, 2014). This section of consumer behaviour focuses on defining consumer behaviour, conceptualising consumer decision process and identifying the major factors influencing consumer behaviour. The section also discusses some of the key aspects of services including the characteristics of services with particular focus on the banking products and services, and customer involvement.

The study of consumer behaviour is a multi-disciplinary applied science based on economics, psychology and anthropology (Szmigin & Piacentini, 2015). In marketing, it involves an in-depth understanding of the consumers' decision-making process. Early literatures, in particular Howard (1977), and Gronhaung and Venkatesh (1986), define consumer behaviour as individual decision-making. Indeed, consumer behaviour is an intertwined and interdisciplinary subject area focussing on the buying and consumption of goods and services. Historically, the study of consumer behaviour focuses on 'buying behaviour' or 'why people buy'. More recently, researchers and practitioners have given focus to consumption analysis, which refers to why and how people consume and divest products and services in addition to why people buy (Grewal & Levy, 2012). For example, Blackwell *et al.*, (2006:4) define consumer behaviour as "**activities people undertake when obtaining, consuming and disposing product and services**". A similar view is delivered by Kotler *et al.*, (2009: 224) who define consumer behaviour as "**the study of how individuals or groups buy, use and dispose of**

goods, services, ideas or experiences to satisfy their needs and wants".
Thus, t appears that consumer behaviour is a study of activities and processes involved when peoples engage in searching, selecting, purchasing, using, evaluating and disposing of products and services to satisfy their unmet desires and needs.

2.2.1 The consumer decision process model

The study of consumer behaviour has gained popularity in the fields of marketing and retailing where exploring the decision process of consumers is one of the dominant trends in consumer behaviour research. Therefore, researchers continually develop theoretical models for understanding the process of consumer decision-making. According to Blackwell *et al.*, (2006) regardless of disciplinary orientation, the EBM model is the most broadly applied model in the field of consumer behaviour. This model represents a roadmap of consumers' minds that can be used by business organisation in designing marketing strategy. It also focuses on consumer activities (i.e. think, evaluate and act) occur during decision-making and shows how this is affected by different internal and external forces. According to the EBM model (see Appendix 2.1), the consumer decision process involves seven systematic stages: stage i. need recognition; stage ii. information search; stage iii. pre-purchase evaluation of alternatives; stage iv. purchase; stage v. consumption; stage vi. post consumption evaluation; stage vii. divestment. However, in the services marketing literature, researchers such as Lovelock and Writz (2016) divided consumer decision-making under three broad stages: Pre-purchase stage; Service encounter stage; Post-encounter stage, which is basically a summarised aspect of the seven-stage model of consumer decision-making mentioned above.

The EBM model reveals that consumers' decision-making is influenced by several factors that can be classified under two broad categories namely: environmental influence; individual differences. However, this model provides a systematic explanation of consumer decision-making along with the forces influencing decision-making, Kotler *et al.*, (2009) demonstrated that there are some other stimuli including marketing (e.g. product, price, distribution, communication) and other stimuli (economic, political, and technology) play an important role in explaining consumers' purchase decisions (see Appendix 2.2). According to this model the stimuli side can be broken down into two sub-sections namely

marketing stimuli (product, price, place, and promotion) and *environmental stimuli* (economic, technological, political, cultural, demographic and natural). Here it is worthy to mention that the marketing stimuli are under the control of the marketer while the environmental stimuli relates to fairly uncontrollable forces. However, the environmental stimuli can heavily influence the way the marketing stimuli is structured (Goodhope, 2013). These stimuli enter the consumer consciousness (a combined aspect of consumer psychology and characteristics) that ultimately results in buying or purchase decisions in the form of product and brand choice, dealer choice and, purchasing timing, amount and frequency. Despite of some significant contribution on top of the EBM model, this model does not consider the role of cognition, belief or emotional aspects in explaining consumer purchase decision-making. Moreover, extra emphasis on relation between the stimuli and response of consumer with no focus on the process made it limited for practical implication. For example, this model considers the buyer's responses as a result of a conscious and rational decision process. However, in reality many purchase decisions occurs not only without much more concentration and following the decision-making process, but are also determined by the consumers' level of involvement into the product, purchase, and advertisement, which have significant implication in shaping customer behaviour (Szmigin & Piacentini, 2015). In the following subsection, a comprehensive attempt has been made to identify the factors that influence consumer behaviour.

Blackwell *et al.*, (2006) demonstrated that there are two distinct groups of influences namely *consumer influences* and *organisational influences* that affect consumer behaviour (i.e. obtaining, consuming and disposing). The consumer influences include a number of factors: culture; personality; life cycle stage; income; attitude; motivation; feeling; knowledge; ethnicity; family; values; available resources; opinion; past experiences; peer groups. The factors under the organisational influences can be identified as brand, advertising, price, promotion, service, convenience, packaging, product features, word of mouth, retail display, quality, store ambience, loyalty programmes and product availability. Despite identifying wide ranges of influences some of the key factors have been overlooked such as emotion and coping, community attachment of the organisation, and also situational factors including purchasing situation and temporal state. Moreover, despite living in an increasing service-dominated

economy, the models discussed above do not focus on time and performance factors. This observation indicates that the marketing mix should include at least two key elements including time and performance because services can be described as 'performances' and 'experience' that are most commonly time-based (Lovelock & Writz, 2016).

Banking as a (financial) services industry faces some distinctive marketing challenges in comparison to a physical goods market, since Nagdeman (2009: XXII) had noted that "*financial service providers are not selling a company, a product, or a service. They are selling trust*". The financial services sector is largely shaped by government policies, business trends, deregulation, social changes, advances of information technology, and internationalisation. All these factors, collectively are reshaping the competitive landscape, demand, supply and even the customer's style of decision-making where competition occurs not only among business within the same industry but also among firms from other industries who are positioned to offer new solutions to customers' needs through different alternative approaches (Saha *et al.*, 2014). Moreover, there are some distinctive characteristics of services (These will be discussed in a later section 2.2.2) that raise the question if the concepts and practices developed for manufactured products are directly transferable to service based organisation such as, bank. The answer goes very close to 'no' in particular when the customers are not in a position to become the owner of the products or service offered by the banking organisations. As a result, customer expectations and decision criteria in the services sector tend to differ from those of manufactured goods. Thus, to capture the distinctive nature of services, this research extends the marketing mix stimuli by adding elements that best reflect the nature of banking service industry, which is illustrated in the following figure 2.1.

Figure 2.1: Factors affecting consumer behaviour

Marketing Mix factors
-Product elements
-Price and user outlays
-Location and time
-Promotion and education
-Process
-People
-Physical environment

Psychological and Personal factors
-Motives   -Ethnicity
-Age &income   -Attitudes
-Perception   -Feeling
-Learning   -Knowledge
-Lifestyle   -Experience
-Life stage   -Opinion
-Resources   -Occupation
-Values

Consumer Behaviour

Social and Environmental Factors
-Family
-Culture
-Values
-Reference and peer groups
-Technological
-Political

Situational Factors
-Purchase situation
-Shopping situation
-Temporal state

Source: Compiled by author

According to the figure 2.1, it is evident that there are many forces categorised by four broad dimensions affecting consumers' purchase activities of obtaining, consuming and disposing, since Solomon, Bamossy, Askegaard and Hogg (2010) noted that consumer behaviour is influenced by many different perspectives and it is hard to think of a field that is more interdisciplinary.

From the marketing perspective the study of consumer behaviour can be divided into three independent dimensions: the study of culture; the study of social group; the study of individual, which are often interrelated (Kotler *et al*., 2009). This indicates that many things have changed in the financial services sector. For example, the increasing use of information technology in banking the role and importance of 'proximity' or 'close to home or business' is decreasing at least for customer who like to do distance or self-service banking. However, in many aspects, the challenges facing the financial services sector, in particular, understanding customers remains the same to a large extent. This study aims to identify and analyse the factors influencing customers' bank selection. Literature on customer's bank selection criteria has established that the customers' bank

selection decision is a multi-attributes based decision that leads researchers to focus on different bank attributes (i.e. *evaluative criteria*) relevant to customer bank selection criteria regardless of individual or psychological influences.

As noted there are a significant number of factors associated with individual and environmental influences affecting customer behaviour. Moreover, there are also significant individual differences in terms of needs, motivation, values, personality where some of them are relatively enduring and some are often evolving. This means that banks need to go beyond understanding what individual and environmental factors influence customers' bank selection by focusing on identifying what customer see as offering value (Har & Ta, 2000). This also suggests that there might be a marginal implication of investigating consumer's individual determinants (e.g. personality, attitude, belief, and feeling) and environmental influences (e.g. social class, family structure) on customers' bank selection pattern (Hoek *et al.,* 2000). This could be further explained by the fact that customer's intention to select their bank is determined largely by *evaluative attributes* (Abduh & Omar, 2012). Therefore, it could be argued that studying customers' bank selection on the basis of their individual determinants or environmental influences might not be the most effective approach. It, thus, might be more useful to discover what customers do actually in any specific buying situation (i.e. selection of bank) and analyse it instead of measuring individual differences or environmental influences whose predictive power are limited (Hoek *et al.,* 2000). Prior to identifying the factors influencing customers' bank selection criteria this research would like to provide a brief view of service and its salient characteristics with a particular attention to banking products and services.

2.2.2 Service and its characteristics

Researchers define service as the 'sum of intangible activities derived from interaction between the customer and service provider'. For example Gummesson (1987: 22) defines ''**a *service is something that can be bought and sold but which you cannot drop on your foot***''. A similar view is delivered by Zeithaml *et al.,* (1993) by arguing that service is a benefit that one party can offer to another which is essentially intangible. This view is in agreement with Parasuraman *et al.*'s (1985) view that services are 'essentially intangible'. They argue that services are 'activities that give satisfaction'. Palmer (2014) also argues that services are intangible because they have no physical presence.

Past marketing literature defines service by identifying its characteristics and contrasts it against goods (Farsi & Taghizadeh, 2012). The more recent literature, such as Lovelock & Writz (2016) define service as performance or exchange of value between two parties in the market. This indicates the fact that service is conceptual that neither touched nor formulated and hard to measure. Moreover, any attempt of measuring and evaluating service need to be based on different tangible characteristics including delivery, customisation, consistency, and speed. This explains the importance of trust and confidence in evaluating service such as banking (Almarri *et al.*, 2007) where *intangible* elements (e.g. process) dominate value creation (Lovelock & Writz, 2016).

Even though a service is intangible, it has some more particular characteristics. For example, a service is *not storable* which means that the opportunity to buy or sell service can easily be lost (Palmer, 2014). It has also been suggested that service is *inseparable* from production, since the production and consumption often occurs at the same time and place that often cannot be separated. For example, the bank manager may prepare in advance to carry out service, but most of the banking service is produced simultaneously as the customer consumes the service. This implies that in banking customers are involved and participate in the production process where the production of many services is in the full spotlight of customer. Thus, it can be assumed that it is very difficult to centralise the mass production of service (Obaid, 2006).

Besides, services cannot be examined or inspected, because of its human interaction and expression (Kotler & Turner, 1993). Moreover, a service is *variable* which is difficult to control and monitor to ensure that the service meet the standards set by management (Palmer, 2014), since Nagdeman (2009) affirms that no two service provisions are exactly the same. For example, provision of retail banking service to different customers would differ not only in delivery but also in the evaluation by different customers. Another important characteristic of banking service is increasing use of non-physical channel in service distributing. Nowadays, most banks offer customer different distributional channels including visiting branch, telephone banking, ATM network, Internet banking, and mobile banking. Given the above characteristics of services, Nagdeman (2009) identified the concept of 'ownership' as a key feature of service which is applicable for banking products and services, because the customer only gets temporary access

or use of it. The similar view is offered by Palmer (2014) who argues that a service itself cannot be owned.

According to Zeithaml *et al.*, (2009), a service cannot be evaluated prior or even after its use provided that customer requires to rely on their experiences of the service itself for an objective evaluation during and even after the service delivery at least not in a way possible for a product. The high intangible nature of banking products and services often increase risk for the banking customer, as they are difficult to evaluate in advance of purchase. Based on product attributes (i.e. ease or difficulty of evaluation of a purchase in advance) researchers and academics separate products and services into three useful classes: i. search products; ii. experience products; and iii. credence products (Lovelock & Writz, 2016).

According to Lovelock and Writz (2016), *search products* or *services* have attributes that help customer to get some prior information to evaluate their purchase. For example, the bank can promise that after six months of continuing with this account (i.e. any particular product) the maintenance cost will be 30 percent down. In this case, this tangible characteristics (account maintenance cost) help customers to understand and evaluate their purchases. In another example customer can assess some attributes before selecting a bank, such as type of available products, proximity or location, and auto teller machine (ATM) network, interest on loan, and interest on deposit. Conversely, *experience products* and services are those having attributes that customer cannot evaluate before purchase or experience (Lovelock & Writz, 2016). This includes reliability of service, ease of use, customer support, responsiveness, transferring money through internet banking facilities. Purchasing of this kind of services is perceived to be more risky than of product and services having search attributes. Finally, the products and services (e.g. loan application, advisory service from banking expert, service recovery) have *credence* attributes where customers cannot evaluate confidently even after the purchase due to lack of enough knowledge. In this case, customers are forced to trust them and tend to rely on brand image, word-of-mouth and even price (Blackwell *et al.,* 2006; Lovelock and Writz 2016). According to their findings it can be assumed that banking products and services are high in experience and credence attributes.

The banking products and services are not only high in credence and experience attributes (Lovelock & Writz, 2016) but also the level of contact between customer and bank varies significantly by products and services offered (Hinson *et al.,* 2009). According to Lovelock and Writz (2016), retail banking can be identified as a high contact service where certain service products such as internet banking, mobile banking are low contact service. This implies that there is a high degree of interaction between customers and banks throughout service delivery where customers are more likely to visit or enter the bank particularly in the bank selection stage, because the retail banking is not only a people process service but also an information-based service organisation (Lovelock & Writz, 2016). Based on the above discussion regarding service and its implication for banking sector, it can be deducted that customer involvement is a key aspect of service that plays a key role in explaining customers' banking behaviour (i.e. bank selection).

2.2.3 Involvement and consumer behaviour

Past marketing researchers of consumer behaviour have developed a number of theories to explain and predict consumer behaviour (Howard & Sheth, 1969; Blackwel *et al.*, 2006). Their findings propose that consumer search for and use information for making purchase decisions. This finding also suggests that consumers' purchase decisions are often based on evaluation. However, consumers make different decisions sometimes without extensive search and evaluation of information. This is the point through which the concept of *involvement* in marketing has evolved (Zaichkowsky, 1985). Thus, involvement refers to "**a *person perceived relevance of the object based on their inherent needs, values and interests***" (Zaichhkowsky, 1985: 342).

Broderick and Mueller (1999) define *involvement* as the extent to which a person is characterised by a cognitive process that connects individuals to product or services. In this case the person may progress through a number of mental states: relevance of product to unmet desires; specific interest or emotions; the risk and uncertainty associated with the purchase. Some researchers consider *involvement* as motivation to search and process information (Greenwald & Leavitt, 1984; Bloch *et al.,* 1986; Drichoutis *et al.,* 2007). However, some researchers found it for personal relevance (Zaichkowksy, 1985; Bian & Moutinho, 2011). According to their findings, it can be assumed that involvement is the

degree of arousal an individual has for an object of personal relevance. This object can be with product and might lead to the concept of 'product involvement' (Miniard & Cohen, 1983; Dholakia, 2001), or it can be with the purchase which leads to the concept of 'purchase involvement' (Mittal & Lee, 1989), or it can be with the advertisement which leads to the concept of 'advertisement involvement' (Greenwald & Leavitt, 1984).

There are three major factors: physical; personal; situational that might influence customer level of involvement (Zaichkowksy, 1985; Bian & Moutinho, 2011). Compared to a 'low involvement consumer', a 'high involvement consumer' is likely to show higher interest in information search, greater brand difference, and stronger brand preference (Blackwell *et al.*, 2006). Moreover, the degree of involvement differs by nature and type of products. For example, there are some products in banking that are low-involved (e.g. current account) while some are highly-involved (e.g. savings account). According to Dholakia (2001), the perceived risk and uncertainty associated with the purchase is one of the key influential factors of customer involvement.

Literature on marketing supports the relationship between customer involvement and brand choice. For example, Mittal and Lee (1989) assert that involvement positively affects brand choice, which in turn affects brand support positively. Moreover, Park (1996) demonstrated that involvement and loyalty correlate highly which supports the findings of LeClerc and Little (1997) where it has been established that customers with high level of involvement are more likely to show brand loyalty. Applying this theory to the banking sector where the products and services are not only intangible but there are considerable risk and uncertainty, it can be assumed that the banking products and services are high-involved products. This is because the banking customers have minimal tangible cues in order to evaluate in advance of purchase which leads them to conduct different consumer activities more intensively. The implication of these findings suggest the fact that the customers are likely to pay special or higher level of attention to select their providers of financial products and services (i.e. bank) at least compared to daily necessary goods and services. This means that customers are likely to engage into more extensive consumer activities (i.e. searching, evaluating and purchasing) when the involvement with products or purchases is high (Howard & Sheth, 1969; Kotler *et al.*, 2009). However, when the involvement is low

consumers are likely to buy products or select a brand that they know and like (Blackwell *et al.*, 2006). On the basis of the above discussion, it can be concluded that the level of involvement plays a key role in consumer decision-making processes, in particular, when the purchase involves higher risk and uncertainty. The following section aims to review the empirical literature pertaining to customers' bank selection.

2.3 Factors influencing customers' bank selection

This section of the literature review aims is to critically examine the empirical research conducted on customers' bank selection.

2.3.1 Demography, product cost, benefits and features

In line with the findings derived from the discussion of consumer behaviour, it is logical to focus on demographics as it is noted that demographics play a key role in consumer research (Ball & Tasaki, 1992). For example, Jahirudding and Haque's (2009) research and Junior *et al.'s* (2013) study recognised that banks need to be aware of the factors that their target customers consider important when selecting a bank. They evaluate the pattern of choice of several selected banks with respect to different demographic characteristics including gender, age, education and income. These studies suggest that bank selection criteria differ significantly by the individual differences in terms of gender, age, education, and income. Gerrard and Cunningham (1997) used a sample of degree students from Singapore to investigate the relative importance of determinants of bank selection and state that security, availability of electronic banking, quality service, convenience, and promotional offers as top five contributors. This study also suggests that the bank selection criteria differ significantly over different courses even within the same occupation and same context. In contrast, Har and Ta (2000) conducted a study on same context (i.e. Singapore) in understanding banking preferences of degree level students and suggest price and product differentiation as two most critical factors they value in their bank selection with a minimum influence of demographics on their bank selection. Another similar research study by Al-Mossawi (2001) conducted in a different geographical context (Bahrain) indicates no effect of demographics on their bank selection criteria. Thus, it can be assumed that marketing strategy based on demographics might not be enough to accomplish bank's customer attraction and retention strategy, in particular, when the firm is already in operation and market is relatively

matured   rather it can gives an insights about the question of who are the customer (Har & Ta, 2000). However, the analysis of demographic trends is imperative for marketing because market demand is ultimately derived from customers' demand (Blackwell *et al.*, 2006). In addition to this, the current and future demographics of market are important to understand about what types of products people need, where they are likely to buy them and what are the critical attributes to satisfy them most.

Customers looking for a financial product require them to select a bank indicating that the principal reason for bank selection is buying a product or services that meets their financial needs. So, if a product is designed poorly it will not result in meaningful value for the customer even if the other elements of value creation are well executed. The bank offering consists of some core products (e.g. saving, investment, security) that responds to customers' primary needs and arrangement of supplementary service elements that enable customers to use the core products that adds customer value. According to Siddique (2012), among others features of products and services, the pricing of products and services plays a key role in influencing customers' bank selection which is also important for the bank. This is important for the bank because pricing is the central mechanism through which banks generate income (Lovelock & Writz, 2016). In addition, for customers it is seen as a cost (i.e. interest rate on loan or service charge) and benefit (interest on deposit).

Among others the products and services that gives customer higher economic benefit have been identified as a key bank attribute customers consider in their bank selection (e.g. Hedayatnia & Eshghi, 2011; Salehi & Rajabi, 2015). However, there is considerable divergence of opinions about its relative importance in explaining customers' bank selection. For example, Salehi and Rajabi (2015) found that economic benefits are a key factor in customers' bank selection but Che-Wel and Noor (2003) argue that personal and social values are associated with the product and organisation dominates customer's bank selection. In this respect, Maiyaki (2011) further argues that product cost and benefits have minimum effect on bank selection. According to their findings, it can be assumed that however the relative importance of cost and benefits as evaluative criteria differ by country or customer, the features and characteristics of products play a profound role in explaining customers' bank selection where some

customers might give higher importance to its economic benefits, some customers might place more emphasis on social benefits, or some customers might show preference on other dimensions (e.g. convenience). In this regards the study of Marlowe and Lee (2003) demonstrate that the relative importance customer attach to different bank selection criteria is significantly influenced by the nature and type of financial needs of customer where the role of any specific bank is minimal. Moreover, this variation about relative importance does not necessarily mean that consumers are not price or benefit-conscious.

According to the Organisation for Economic Co-operation and Development's (OECD) *Global Competitiveness Report 2014-15*, the people of Bangladesh lie in the middle of buyer sophistication scale (1= purchase based solely on price, and 7= purchase based on sophisticated analysis of performance attributes) with a score of 3.5 that give it rank 62 out of 144 countries in the world. So, on the basis of this finding, one can argue that the customer will not purchase a product or select a bank unless they recognise that the benefits derived from their purchase (i.e. bank selection) will exceed the cost. Customers often go beyond *primary costs* and *benefits* (i.e. costs and benefits associated with product and services) by assessing the secondary cost and benefits (i.e. costs and benefits associated with time, effort and spatial) associated with the bank selection which can be expressed as the outlays of time and effort. In banking, these outlays include additional *monetary costs* (i.e. travel expenses to reach the bank or service location) and time expenditure (i.e. mental and physical effort) which can be expressed as the fact of 'convenience' (Blankson *et al.*, 2007).

Convenience is a term that can be applied to almost any human activity (travelling, exercising, cooking, brand selection) that occurs when the barriers to conduct an activity are eliminated or reduced (Valerie & Vaughan, 2009). The American heritage dictionary (2006) defines 'convenience' as that which is easy to reach, accessible, near or close-at-hand indicating some form of spatial qualities. There are considerable literatures on customers' bank selection (e.g. Jahiruddin and Haque, 2009; Katircioglu *et al.*, 2011; Lakstutiene and Naraskeviciute, 2012) suggest that convenience is one of the most critical factors influencing customers' bank selection.

The increasing dynamism of life makes people time-poor where hassle-free banking is highly valued to support their busy lives (Siddique, 2012). According to Parvin and Perveen (2012), the number of customers are increasing who holding the view that services need to be available when it matches them rather than when it matches the bank. If any bank offers extended business hours or is open during weekends it creates a sense of *convenience* in the minds of customers. Hence, it can be said that that banks will be in better position to attract and retain customers that give the customer convenient products and services. Convenience in banking is important because customers' time and effort are finite that incur cost and loss of energy which have significant influence on their bank selection (Hinson *et al.*, 2013). Moreover, it can give simplicity in delivering banking products and services that people use on a regular basis (Maiyaki, 2011). As the president of Provident bank noted the largest consumer segment we have seen is what we call 'convenience seekers' (Saliba, 2004). However, Blankson *et. al.*, (2007) challenged this in terms of closeness of bank or branch to a customer's home or workplace and extended working hours of banks. They argued that although convenience is one of the most important factors that affect customers' bank selection but by definition and implication it varies across customer, product type and market structure. For example, there may be some customers who select a bank because of its promotion or the fact that some customers are 'advice seekers' who want trusted guidance. Moreover, Mokhlis *et al.*, (2008) states that customers might choose a bank by product features or benefits (e.g. rate of interest on loan and deposit) offered by the banks. Other customers may select a bank for location-convenience when it due to 'core accounts' such as a current account that requires them to visit a bank branch frequently. As to why people select a particular bank lies in the centre of understanding customers' needs prioritisation because every purchase decision originates from need recognition (Grewal & Levy, 2012). For example, a customer intends to fulfil a financial need of opening long-term fixed deposit account where proceeds or benefits derive from the account are given once after the maturity of the account. In this respect, customers are more likely to be motivated by the need of selecting a bank which offers higher return while less emphasis might be given on proximity or other criteria of bank selection such as location-convenience. In contrast, a customer who recognises a need to open a current account that requires frequent visits to a bank to get the benefits of the product and services. In this case, customers are

more likely to give higher priority on the proximity or location dimension of bank selection or offers distance banking facilities.

Banking is a sector where product differentiation particularly over a longer period of time is often difficult that made it really, and truly a service industry (Saliba, 2004). Banking products and services are provided in a shared service setting, meaning that customers from different distinct segments (e.g. retail, business and corporate) are likely to come at the same place and same time with diversified needs. In banking, customers are likely to pay for temporary use of an object or for access to physical facilities which are difficult for customer to buy or own (Lovelock & Writz, 2016). This finding indicates that giving customer wider choice to how they choose bank can be an effective way of differentiating a product-offering (Salehi & Rajabi, 2015).

Some literatures on bank selection (e.g. Thwaites & Vere, 1995; Blankson *et al.*, 2007) have recognised 'convenience' as close to customers' home or business or job place, while some others (Rashid & Hassan, 2009; Parvin & Perveen, 2012) found a large network, self-service facilities, availability of parking spaces as notion of convenience. This means that 'convenience' is not only context-specific, but also person-specific. For example, availability of parking spaces is a dimension of convenience for customers who own a car and use a car as a mode of transportation to reach the bank which is also context-specific. Notwithstanding, customers who use public transport to get access to the bank or visit bank on walk perceived proximity of location as convenience. This viewpoint was later adopted by several researchers (e.g. Juniar *et al.*, 2013; Souiden & Marzouki, 2015) who found that among others 'convenience' is one of important attributes customers consider in choosing their bank. Customer now-a-days are busy and very time-sensitive who see wasted time as a cost that can be avoided through choosing a bank which is positioned to offer convenience.

The advancement of technology followed by its successful use by the banks in distributing products and services through non-physical channels has changed the definition of convenience (Valerie & Vaughan, 2009). According to Zaman and Chowdhury (2012), major banks in the private sector in Bangladesh have achieved the ability to use electronic channels to deliver most of the services including ATM network, telephone banking, Internet banking, SMS or text banking or mobile banking, although these channels are suffering from different problems in relation

to access to internet, security, extra charge (Fatima & Razzaque, 2013). Zaman and Chowdhury (2012) found that there are many customers, especially younger customers, who want the convenience of technology and less likely to visit the bank branch in satisfying their financial needs. Nevertheless, there may be some customers who still value the older 'convenience' and feel more comfortable to visit the bank branch and be served by bank personnel to meet their financial needs. This finding indicates the fact that the meaning of convenience varies by individual in terms of their perception, learning, life style, lifecycle stage, knowledge and attitudes (Valerie & Vaughan, 2009; Hinson *et al.*, 2009). The rapid advancement in information and communication technology (ICT) has significantly affected the banking industry of Bangladesh, as Zaman and Chowdhury (2012: 70) point out ''***technology-driven product and services are not 'nice to have' but an 'impossible to survive without'***''. Bangladesh is a country where more than one-third of total population fall between the age 15-30 years but lack of enough domestic employment opportunity the people of Bangladesh tend to migrate across different countries in the world as skilled, semiskilled and unskilled labour.

There are more than 8.6 million Bangladeshi migrants working and living abroad (Overseas Employment, 2013), with about two million people added to this figure every year which make it the 8th largest remittance receiving country in the world (World Bank, 2016). Total remittance in 2013 was US $14.18 billion which accounts 23.2 percent of national income and 48.9 percent of total export earnings of Bangladesh. More than two-thirds of migrants use banking channels to remit their income. Thus, it can be said that banks having international presence in particular Europe, North American and Middle Eastern countries is another dimension of convenience for banking customers in Bangladesh.

Bangladesh is a country of 160 million people (Bangladesh Bureau of Statistics, 2016) where more than 130 million people (81.5 percent) are using mobile phone and about 50 million people (31.2 percent) are using their mobile phone device to access internet (Bangladesh Telecom Regulatory Commission, 2016). Therefore, the provision of technology-oriented products and services by some banks are playing a key role in developing a favourable attitude of some customers who like to do remote banking. Therefore, regardless of variation of weight about the dimensions of convenience suggested by several studies, it can be argued that the role and importance of convenience banking is inevitable and has a profound

influence on customers' bank selection. This seems to suggest that banks need to be designed their offering accordingly if they want to be considered by customers as the provider of their financial goods and services (Fatoki & Chigamba, 2011). It is also evident that most of the aspect of convenience is sophisticated that enables customers to evaluate their bank selection process. But due to the service-dominated nature of banking, customers find it difficult to evaluate their purchase. In such a purchase situation, customers are more likely to depend on some intangible cues such as brand image and reputation.

2.3.2 Brand image and reputation

Banking as a predominantly service dominant industry faces some distinctive marketing challenges relative to the physical goods market. As Lovelock and Wirtz (2016) note, banking is such a global industry shaped largely by government policy, social changes, business trends, and advances in technology. All these factors together reshaping the demand, supply, competitive landscape, and even the customers' purchase pattern. Constant deregulation and advances in information and communication technology (ICT) have broken the rigid structure of financial organisations where competition is not limited to the same industry rather than among firms from other industries that are positioned to offer a new solution to customers' needs by adopting alternative approaches (Johnson & Gustafsson, 2003). In addition to this, the evolving nature of customers' needs and behaviour together with changing lifestyle, require banks to focus more on marketing if they want to meet or even anticipate these needs with product and services that customers perceive as offering value for money.

Banking products and services provide few tangible cues (Lam *et al.*, 2011) that place customers in a difficult position to evaluate major banking attributes which have significant influence on customers' bank selection processes (McGuire & McLaren, 2009; Siddique, 2012). The marketing literature (Dholakia, 2001; Blackwell *et al.*, 2006) suggest almost every purchases involved risk and uncertainty which are relatively higher for banking products and services (Owusu-Frimpong, 1999). According to Lovelock and Wirtz (2016), the level of involvement in terms of product and purchase is relatively high for banking customers that requires customers to conduct extensive consumer behaviour activities (i.e. searching, evaluating, and purchasing). However, this level of involvement may vary by product nature and level of consumer knowledge. For example, the level of

involvement in buying a savings account product is much wider than buying a checking or current account product, because the risk associated with saving account product is significantly higher than current product for higher switching cost. Moreover, the intangible nature of banking products and services, together with the dominance of credence and experience attributes, put customers in an uncertain position (Maiyaki, 2011). In such a situation, the brand and reputation of a bank can play a significant role in customers' bank selection. This is supported by Rao and Sharma (2010) who found that reputation is often used by customers to measure the quality of products and services or the bank.

Most of the literature tends to conceptualise the role of brands in adding value to product and services, legal protection and differentiation (Goodyear, 1993; Bradley 1995). However, Chernatony (1993) expanded these roles by adding different evolutionary stages: differentiation stage; ownership stage; functional and ownership stage; service stage; legal stage; risk reducer stage and symbolic stage. Keller (1998) demonstrated a more comprehensive model by differentiating the role of brand from the consumer and organisation perspectives. Keller (1998) argued that the role of brand to the consumer are identification, risk reducer, search cost reducer and symbol of quality. However, the functions of brand to the organisation are means of legal protection, signal of quality, unique association, source of financial return and competitive advantage. Hence, it can be said that the role of brand to the customers are identification, signal of certain attributes, adding value, symbolic and risk reducer. In contrast, the role of brands to the organisation are means of sending signals, means of legal protection and source of competitive advantage, and source of return.

Several studies (e.g. Katircioglu et *al.,* 2011; Hedayatnia & Eshghi 2011) found consistent influence of brand reputation on customers' bank selection while Salehi and Rajabi (2015) also confirm this finding with little variation across different customers and market segments. However, Souiden and Marzouki (2015) found insignificant influence of brand reputation on customers' bank selection.

Making a reasoned choice about bank selection requires being informed, and being informed requires information stored in the memory of a customer. This is more important for the first-time customers as information stored in the memory of customer relevant to their purchase decisions (Blackwell *et al.,* 2006; Kotler *et al.,* 2009; Baines & Fill, 2014). Moreover, it is argued that what customers know or

what customers do not know about existing banks strongly influence their purchase decisions (Peter & Olson, 2010). Thus, it can be assumed that bank selection decision from an experienced customer is more reasoned than that of a less experienced or a less knowledgeable customer. Now the question is how this knowledge develops in the mind of customer. According to Kotler *et al.,* (2009) this kind of knowledge depends on the linkage between customers and the brand; this is referred to *brand association* (Armstrong & Kotler, 2011). According to Peter and Olson (2010), brand association reveals what customers know about the brand in terms of beliefs about brand attributes or perception about the brand quality. The research in this area of assessing the impact of brand association on brand selection indicates that there is a positive relationship between brand association and brand purchase (Al-Tamimi *et al.*, 2009; Rao & Sharma, 2010).

Hence the brand can play a significant role in building a company's image and reputation which in turn enables customers to relive risks associated with the purchase (Roselius, 1971; Tsai *et al.,* 2011). Moreover, it has a paramount role in delivering information about other attributes (credence or experience) that could not be evaluated during the pre-purchase stage (Zeithaml, 1997; Nagdeman, 2009; Lovelock & Wirtz, 2016). In this regard, Alamgir *et al.,* (2010) noted that a product or services from a known brand creates a distinctive appeal in the minds of customers and they are more likely to purchase a brand associated and known to them, because products are temporary that can be copied by a competitor easily, but 'a brand is unique and timeless' (Quiston, 2004). This discussion about the role and importance of brand and reputation in customers' bank selection indicates that developing a strong brand image or reputation is a function of time that might take a long time. In such a scenario, the service provider often invests their money and effort to create some physical cues which often work as a medium of expressing the brand.

2.3.3 Physical cues and the environment

Customers often employ different evaluative criteria in selecting their bank. The evaluation of service providers is the key that leads them to choose a particular service provider and its product-offerings. It has been noted that the attributes and characteristics associated with product and services can be divided under three broad categories: search product or attributes; experience products or attributes; credence products or attributes (Owusu-Frimpong, 1999; Lovelock & Writz, 2016).

According to Maiyaki (2011), financial products and services can be characterised by high level of experience and credence attributes. This implies that customers often find it difficult not only to evaluate quality of products and services but also to identify risk and uncertainty associated with their purchase. Therefore, customers often depend on several tangible cues to evaluate the service provider and its products and service offerings which can be broadly referred as store environment or physical environment, since (Maiyaki, 2011: 253) had noted that "**when customers choose and prefer a service provider based on tangible cues, they are more likely to become loyal to the service provider**".

The research on the impact of physical environment can be subdivided into three main categories: impact on customer; impact on employees; impact on both customers and employees (McGuire & McLaren, 2009; Kearney *et al.*, 2013). Customers across different sectors want their service experience to be pleasant indicating that customers often seek a physical environment that gives them pleasure (Yuksel & Yuksel, 2002).

For understanding the influence of physical environment on customers, Kotler (1973) first introduced the concept of *atmospherics* (also known as servicescape or physical environment) as conscious design of space to create certain effects that increases a customer's purchase probability. The physical environment is a man-made, physical surrounding. Mehrabian and Russel (1974) first developed a theoretical model (mostly known as M-R environmental physical model) by explaining the effect of the physical environment on human behaviour, which is widely used in many areas (e.g. marketing, retailing). According to the M-R model, the physical environment often induces emotion of customers including pleasure (good or happy), arousal (excited or active), or dominance (control or importance) that play a key role to change customer behaviour including approach (positive response), and avoidance (negative response). Donovan and Rossiter (1982) tested the M-R model in a retail setting and found the pleasure (spending behaviour) and arousal (willingness to interact with a sales person or time spent in the store) dimension were powerful predictors, while dominance an insignificant factor. However, the model M-R has largely been criticised by Belk (1975) and Machleit and Eroglu (2000) who argue that the number of emotional responses is likely to be more than three where situational variables (i.e. presence of other customers) need to be taken into account to explain the impact of physical

environment. For instance, Harrell *et al.,* (1980) argue that how the service-providing space is crowded influences customer behaviour. On the basis of this finding, at least one assumption can be made that banks need to design the retail environment in such a way that either lessen perceived crowding or help consumers to adapt to crowding.

According to Baker *et al.,* (1994), *store* or *physical environment* consists of three major factors: ambient factor; design factor; social factor. The *ambient* factor consists of scent, lighting and music. The *design factor* includes layout and assortment where social factor includes human factors. Irrespective of sector there are four dimensions of physical environment widely accepted by the existing literatures: ambient dimension (Baker *et al.,* 1994; Kim & Moon, 2009), aesthetics dimension (Ryu & Jang, 2007), spatial dimension and seating comfort (Wakefield & Blodgett, 1994). Firstly, *ambient condition* that refers to the intangible aspects (e.g. lighting, temperature) that affect human response (Bitner, 1992). Secondly, the eye-catching *aesthetics* that includes architectural design, decor and interior design that customer view and evaluate (Wakefield & Blodgett, 1994). Thirdly, the spatial layout reveals how the machinery, equipment and furnishing are arranged and their spatial relationship. A good spatial layout makes customers feel convenient and comfortable (Wakefield & Blodgett, 1994). Finally, the waiting arrangement or seating comfort that refers to level of *physical comfort* derived from waiting arrangement and seating quality (Lam *et al.,* 2011). At this point, it is clear that store or physical environment consists of both human and non-human elements which have some distinctive implication in understanding consumer behaviour.

Different studies (e.g. Rashid & Hassan, 2009; Jahiruddin & Haque, 2009) on customers' bank selection reveal that the physical environment is critical to customers for their bank selection. According to these studies, banks should create a physical environment that influences customers to develop a favourable attitude towards the bank. As a global evaluative judgement attitude has a significant relationship with consumer purchase decisions (Peter & Olson, 2010). For example, if it is said that someone has a favourable attitude towards a bank, it means that he/she likes the bank and evaluates the bank as good and desirable. On the contrary, having negative attitudes towards a bank leads someone to dislike the bank and evaluates as bad and undesirable. It is noted that customer's

belief and feeling about a bank play a key role in developing favourable attitudes, because if consumers believe a particular bank is successfully differentiated, they are more likely to be attracted to it. However, if a bank is perceived as undifferentiated will face more challenges in attracting and keeping customers where consumers have less reasons to repurchase and customer loyalty is unlikely (Hackley, 2009).

In this respect, both Baker *et al.*, (1994), and Ngyyen and Leblanc (2002) investigated the role and importance of physical environment and found that physical environment had a significant positive influence on perceived corporate image that in turn stimulate customer purchase decision. Moreover, Bahia and Nantel (2000) noted that in banking most of the value addition comes from process, performance, and distributional setting. Thereby, banks are required to employ *physical cues* and metaphors to highlight service benefits and demonstrate a bank's competitiveness. The research in this field about the importance of physical cues and metaphors suggest that the following elements: appearance of building; interior furnishing and equipment; sign and printed materials; landscaping; staff appearance; have significant influence to shape customer purchase decision (Hackley, 2009). In summary, even though the influence of physical environment is context-specific, it is apparent that the physical environment can be a strong influential factor on customer cognition that, in turn, affects customers' bank selection behaviour. Moreover, it can influence customers' feelings which may help customers to develop a positive attitude towards a particular bank.

2.3.4 Well trained and competent front level staff

The banking products and services are largely intangible and often difficult to visualise and understand (Nagdeman, 2009). There are many services provided by the banks can be described as mentally intangible provided that it is difficult for customers to visualise the experience in advance of purchase even after the purchase, and to understand what the customers are going to get. These characteristics of banking products and services make product purchase or bank selection risky, in particular for the first-time customers who lack previous experience. In such a situation a well-trained front level bank staff or customer service representatives can minimise the risk of purchase by dealing with customers through specifying product features, educating them, documenting the

product performance and through bringing a comparative view of the product benefits and features.

Moreover, due to inseparability characteristic of banking services, customers are likely to be involved in co-producing the banking products and services and getting benefits and value from the product and services (McGuire & McLaren, 2009). This implies that customers are often play a role of partial employees (Namasivayam, 2004; Hsieh *et al.,* 2004), as McGuire and McLaren (2009) demonstrated that service firms (e.g. banks) have much to gain from educating and helping customers that can make them more competent and productive, which in turn creates a favourable attitude towards a bank. For example, the benefits from a product may be competitive, the product-offering may be well-positioned but if the front line staff or sales staffs fail to communicate this to the customer this will create a negative image in the minds of customers. Hence, it can be said that employing well-trained, motivated, and responsible staff that possess good interpersonal skills can be regarded as an opportunity to differentiate one bank over others (Hedayatnia & Eshghi, 2011). These skills and competences are more important for banks because unlike manufactured products (e.g. motor cars), the service cannot be produced at a distant or at a separate location or in a controlled environment where marketers have the opportunity to check for conformance with quality standard long before the product handed to the customer.

Despite considerable advances in technology orientation, there are many banking services which demand direct interaction between customers and bank staff that strongly influence customer's perceptions about a bank. In the banking environment, service is to produce and deliver directly and often consumed as it produces that requires final assembly must be taken place in real time while customer are often present physically. An additional characteristic of banking service is that it cannot be stored like inventory, as services involve actions and performances (Furrer *et al.,* 2002). Consequently, banks need to keep arrangement in terms of labour, facilities, equipment ready in a productive form to create and deliver the service on demand. This finding indicates that the front-line staffs need to be competent about their job and responsibility through providing needed information, persuasion, as most communication in service marketing is educational in nature (Nagdeman, 2009). In this regard, Hedayatnia & Eshghi

(2011) found that employee competences such as friendliness of staff, responsiveness can play significant roles in influencing customer bank selection.

2.3.5 Word of mouth and recommendation

In the marketing literature, the word-of-mouth has gained momentum to explain consumer behaviour (Chevalier & MayZlin, 2006; Jalilvand & Samiei 2012; Mudassar *et al.,* 2013). According to Sen and Lerman (2007), word-of-mouth refers to informal personal communication about a company or its products and services. Again2, Mousavi *et al.,* (2015: 680) define WoM as "***exchange of thought, ideas, or comments between two or more consumers that none of them are of marketing source***". Thus, it can be concluded that word-of-mouth is a non-commercial and informal exchange of ideas, thoughts, and experiences or feelings between two or more people about a company or its products and services in which people express their satisfaction or dissatisfaction, or both.

Advances in information communication technology and people's mass participation in the social networking have changed the way of information transmission that leads to the emergence of '*word-of-mouse*' communication (Jalilvand & Samie, 2012). Henning-Thru *et al.,* (2004), define *word-of-mouse* communication as any statement made by any potential, existing or former customer about a company or its products and services which is made available and accessible through the Internet. This new form of exchange of information has become an important platform for customer opinions (Mayzlin, 2006) proposes that this form of communication is more effective and influential than word-of-mouth (Chatterjee, 2001) due to its higher reach and greater accessibility (Jalilv & Samie , 2012).

There is a consensus that corporate marketing is biased where people are naturally reluctant to readily accept marketing messages. Moreover, it is widely recognised that any marketing message can achieve a higher credibility when it comes from a non-business source or trusted or respected spokespeople. This implies that any non-business source can play a significant role in forming and stimulating consumers' purchase decision than that of any business sources. This is particularly important in banking services where they conduct business with people's trust (Nagdeman, 2009).

The development of this type of formal and informal communication (i.e. word-of-mouth) is one of the key objectives of today's business (Casalo, *et al*., 2008). Word-of-mouth communication may result from both personal and impersonal sources (Goyyette *et al.,* 2010). Personal sources include friends, relatives and acquaintances and face-to-face communication from experts (Dunham *et al.,* 1997). Impersonal sources include comments by consumer, journalist, experts, newspaper, magazines, TV and online forums (Senecal *et al*., 2005). According to Al-Mossawi (2015a), all forms of WoM are not equally effective, since Al-Mossawi (2015a: 123) note that ''***the extent to which WoM influences consumer behaviour depends on the level of trust they might have in the source''***. In this respect, Schiffman and Wisenblit (2015) report that customers are more likely to rely on personal communication sources than any other forms of WoM or formal communication such as advertising because the sender or communicator has nothing to gain from consumers' subsequent actions. This is further supported by Trusov *et al*., (2009) who claim that the personal WoM is more influential than other forms of WoM communication due to its higher reliability (Gruen *et al.,* 2006) and trustworthiness (Mayzlin, 2006). In this regard, a more specific investigation is conducted by Kempf and Palam (2006) about the influence of gender on forming positive WoM and state that positive WoM is most influential on brand evaluation when the gender of communicator and recipient of WoM are opposite.

The importance and effectiveness of WoM in shaping customer's attitudes has been investigated across different sectors and from different cultural perspectives. Most of the studies provide a consensus that a customer's purchase decision is significantly influenced by WoM especially when the purchase is relatively involved (Blackwell *et al*., 2006) and having considerable risk (Shirsaver *et al*., 2012). This potentiality attracts a high level of attention from marketer to get the benefit of WoM in particular to minimise the negative effect of WoM (resulting from dissatisfaction) because the effect of negative word-of-mouth (resulting from dissatisfaction) is much more than positive WoM (Chevalier & Mazlin, 2006). These two forms of communication are important for the business and consumer. For businesses, it is important because customers attracted by WoM spread twice WoM than a new customer attracted by other means (Mudassar, *et al*., 2013). For consumers, it is important because it gives them a trust and credible source of gaining a user's experience that can reduce risk and uncertainty associated with purchase (Silverman, 2001). The customer reviews, comments posted on blogs

and social network sites are now considered as dominant platforms of online communication (Sen & Lerman, 2007). This has become a common trend for consumers to review the comments of other consumers as a source of information about the products and company in evaluating their purchase decisions (Zhang & Tran, 2009). Chevalier and Mayzlin, (2006) assert that customers find '*word-of-mouse*' very effective to get real information about their intended purchases that not only reduce the risk and uncertainty but also influence further to take final purchase decision (Chatterjee, 2001). The study by Chevalier and Mayzlin (2006) is worthy to mention that investigated the effect of online product reviews where it is suggested that the content of '*word-of-mouse*' communication significantly affects customers' purchase decisions.

In explaining customer's banking behaviour, some researchers find WoM communication an important predictor (Ashtiani & Iranmaanesh, 2012), some as moderator (Fan & Miao, 2012) and some as outcome variable (Mousavi *et al.,* 2015). The literature reveals that WoM is critical to both products and services marketing (Al-Mossawi, 2015a) but it is more important in the services sector (e.g. banking), since Lytras *et al.,* (2009) found that the strongest relationship between the customer and the firm clearly arises in the service environment where customers' approaches to purchase not only differ but also create a more direct and strong relationship with the service provider due to its relative intangibility, heterogeneity, inseparability, risk and uncertainty compared to tangible goods market (Gronroos, 1990a; Zeinthaml *et al,.* 2009). This is consistent with the view of Shirsaver *et al.*, (2012) who argue that banking has perhaps received greater attention from researchers about the influence of WoM. Hence, the banking sector has received much more attention in evaluating the effectiveness of WoM in explaining customers' banking behaviour than other sectors (Al-Mossawi, 2015a). In such an environment customers often find it difficult to evaluate the quality of products and service before the actual purchase or even after the purchase. This implies that customers often depend more on WoM communication to evaluate their purchase decision that can reduce the risk and uncertainty associated with the purchase (Har & Ta, 2000; Von & Bayon, 2004; Sweeney *et al.*, 2008). In a study of Dillon (2013) who had investigated the impact of WoM in Indian banking sector and found that majority of respondents view WoM communication as an effective means for attracting and retaining customer. Both Zhou (2004) and Shirsaver *et al.,* (2012) find similar results in Chinese and Iranian banking industry.

In addition, there are some other researchers (e.g. Ashtiani & Iranmaanesh, 2012) found WoM as a valid predictor to explain customers' bank selection process. However, Katircioglu *et al.,* (2011) disagree with their findings by arguing that WoM has a very minor positive influence on customer bank selection.

Higher intangibility, perceived risk and uncertainty together with dominance of experience and credence attributes make it difficult for banking customers to get any prior information about the quality of a bank's products and services. Given this, customers often rely on information derived from their family, friends or relatives, and online customer reviews (e.g. blogs, social media) to evaluate their decision when selecting a bank. For example, Har and Ta's (2000) study found social factors such as the WoM influences customer bank selection. However, the influence of WoM in shaping customer behaviour might vary by demographics, culture, credibility of different forms of WoM (Xia & Bechwati, 2008) and by amount of trust that the WoM receiver has on the WoM sender (Dillon, 2013; Al-Mossawi, 2015a), it could be argued that the message transmitted through WoM and word-of-mouse could affect customers' bank selection.

2.3.6 Religiosity, compliance with Sharia law and customers' bank selection

The adage: '*no man is island'* is certainly true in the study of consumer behaviour. One of the key constructs in investigating consumer behaviour is culture. Culture refers to a set of values, ideas, artefacts, and other meaningful symbols that help individuals to communicate, interact and evaluate as member of society (Szmigin & Piacentini, 2015). Trompenaars and Turner (1997) define culture as consisting of three layers. The first layer is *artefacts and products* which include things such as food, building, art, fashion, etc. The second layer is *norms and values* where norms are reflected through laws and social control (what is right and wrong) and values are the ideals shared by the member of a society. Finally, the third layer is *basic assumption* which are implicit and relatively enduring, and tend to be unquestioned by member of a certain culture. Among different forms of culture, *religiosity* is an important element identified by different studies carried out on bank selection (e.g. Loo, 2010; Nawi *et al.*, 2013; Souiden & Marzouki, 2015).

Generally speaking, the Islamic banking segment performs a very similar function of the conventional banks but in accordance with the Islamic principles that allow the customers to carry out banking activities in conformity of Islamic principles (grounded in the Holy Quran). Although, marketers can influence these through

adopting different values represented by the people in a certain society through marketing campaigns, some of these are difficult to overcome, at least in the short run. Research suggests that Muslim customers choose Islamic banks mainly on religious grounds (Lee & Ullah, 2011; Awan & Bukhari, 2011; Nawi *et al.*, 2013). However, some customers might place more emphasis on certain attributes over others due to their social class that affects bank selection in a variety of ways. For example, foreign banks are considered to have upper-class consumers, 'white collar' occupations, high income, and higher personal performance, whereas nationalised banks are perceived as having lower and lower-middle class customers. This suggests that social class can be used to segment market by identifying a social class usage of product, comparison of *social* class variables for segmentation with other variables (income, life-cycle, profession and occupation), description of social class identified in target market. Lajuni *et al.,* (2010) who investigated bank selection criteria of working-class people of Labuan and found that the customers prefer banks characterised by providers of efficient service, strictly regulated, financially stable, strong brand name and confidentiality. It is particularly noteworthy that location and physical coverage of banks were not found as effective factors in their bank selection as found in other studies (Salehi & Rajabi, 2015). Apart from this, social class is an important basis for developing a positioning strategy which creates the perception in consumer's minds about the attributes of product or organisation that requires a good understanding of the characteristics of social class of the target market and class attributes desired for the product. It is also important to note that consumers who aspire to a certain class (i.e. higher class) are much greater than those who are in them, because there are many in the middle class can go for higher class bank (e.g. foreign banks) with the symbols and allure of higher social class. For example, an individual representing middle or lower social class status (less income earner) is generally supposed to choose a bank from nationalised or private domestic segment but might select a foreign bank that is positioned for higher social class customers because of personal or group influence that persuade the individual to be regarded as part of higher social status (Jahiruddin & Haque, 2009).

The business organisations across different industries are continuously trying to influence customer behaviour through adopting customer-centric business mix. However, some of the values held by customers are relatively more enduring than others where the marketers find themselves easier to translate or adopt these

values into their marketing mix rather than trying to influence them. As a part of this process, integrating customers' social and religious values have become very popular and an effective strategy across different sector including food and beverage, clothing, and banking. Literature on customer bank selection reports that *compliance with Sharia law* is one of the key factors contributing towards customer's bank selection in Muslim countries. However, the magnitude of influence of this factor in selecting bank varies by customers' commitment towards religious values, as Khan *et al.,* (2008) note that the stronger the customer's religious commitment, the greater the likelihood for selecting an Islamic bank.

Bangladesh is a predominantly Islamic country where more than 90 percent of its population are practicing Islam. In Bangladesh, the Islamic banking system was established in 1983 to cater for the needs of Muslim customers, as they are obliged to obey the Sharia principles in all aspects of life (Nawi *et al.,* 2013). Since then, banks have continued to play an important role as a financial intermediary and have proved competent role-players in the Bangladesh banking sector. Currently there are 6 full fledging Islamic banks in Bangladesh offering different financial products and services consistent with the Sharia law. Due to its increasing popularity and attractiveness, there are several conventional banks in Bangladesh which have introduced a number of Islamic banking products and services. As an important player in the Bangladesh banking industry, the Islamic bank is no longer regarded as a bank striving only to fulfil religious obligation but more significantly, meeting other financial needs of customer and economy (Khan *et al.*, 2008).

As a Sharia-oriented banking business, the Islamic bank is strongly expected to be guided by the Islamic business philosophy as has been revealed in *The Quran*, *Hadith and Sunnah* (Lateh *et al.*, 2009). This implies that the Islamic bank not only prohibits interest with Sharia requirements but also aims to contribute the fulfilment of social objectives. According to Lateh *et al.*, (2009), the Sharia law is an Islamic principle which has three major implications in Islamic banking. *Firstly*, it does not allow any person or organisation to pay and receive interest on any financial transaction. *Secondly*, the financial relation between customer and bank will be based on profit-loss sharing. According to this principle, investors and entrepreneurs will be sharing the result of a project, either its profit and losses in an equitable way (Iqbal & Molyneux, 2005). Thirdly, according to Sharia law the

Islamic banks have to operate within the ethical and moral framework that prohibits any banking deals that are unlawful in Islam (Iqbal & Molyneux, 2005). Therefore, it can be said that *Sharia law* in banking is a sum of different principles that promote a greater level of fairness and equity in conducting banking business.

Despite the disagreement in the academic literature (e.g. Baston & Ventis, 1992; Sandage, 1999) regarding the dimensionality of religion in terms of one-dimensional, bi-dimensional or multi-dimensional, religious values or religiosity has been recognised as important cultural element which affect peoples' attitudes and behaviour, particularly in Islamic countries (Dusuki & Abdullah, 2007; Al-Ajmi *et al.*, 2009; Souiden & Marzouki, 2015). According to Loo (2010), religion or religious values is one of the important cultural elements because this is a social institution which has a considerable influence on people values and behaviour. For example, customers in Islamic banking segment seriously consider whether the bank complies with Sharia law in all stage of banking activities (Nawi *et al.*, 2013). Muslim customers in Islamic bank tends to support the idea that Islamic bank should strive to achieve its social objective more than the commercial objectives and values the interest free saving opportunities (Lateh *et al.*, 2009). However, a study by Noland (2007) argued that whatever a person's religion, it tends to influence behaviour. According to Awan and Bukhari (2011), religious values and beliefs hold an essential role in a person's lifestyle through influencing tradition (e.g. marriage, funerals), values (e.g. morals, ideas of good and bad), forming opinions on social issues and of course what is permitted or not. Several studies of bank selection confirm that customers' selection of Islamic bank is largely determined by customers' religious values (Lateh *et al.*, 2009). Confirming their opinion Abduh and Omar (2012) study found that Sharia compliance of Islamic bank is a key contributing factor affecting Islamic bank selection. This is consistent with Rashid and Hasan's (2009) study conducted in a different context. Beyond this research, there are other studies which affirm that compliance with Sharia law is one of the key factors in bank selection among Muslim customers (Loo, 2010; Awan & Bukhari, 2011). However, Dusuki and Abdullah (2007) study revealed contradicting findings meaning that religious factor was not a key factor in Islamic bank selection for Muslim customers.

2.3.7 CSR initiatives and customers' purchase decision

According to Darmayanti and Cahyono (2014), customers are becoming more conscious and often prefer to choose a bank which gives contribution to society and environment. The concept of corporate social responsibility (CSR) has been discussed from divergent perspectives ranging from a narrow economic view (maximise return on investment) (Friedman, 1962; Zenisek, 1979) to a comprehensive societal view (company status and activities with respect of societal obligation) (Abrams, 1954; Brown & Dacin, 1997). This increasing awareness about social issues supported by McGuire (1963) spans the CSR issue beyond economic, technical and legal requirements to all actions that centre on improving society. Some of the widely cited definitions of CSR are ''*a company's commitment to minimise harmful effect and maximise long term beneficial impact on society*'' (Mohr *et al.,* 2001: 47); ''*societal responsibility of business encompasses the economic, legal, ethical and discretionary expectation that society has of organisation at a given point of time*'' (Carroll, 1979: 500).

Among these Carroll's (1979) is probably the most widely cited in the CSR literature (Burton *et al.,* 2000; Turker, 2008; Lindegreen *et al.,* 2010; Ramasamy *et al.,* 2010). Carroll (1991a) demonstrated that businesses were created as economic entities driven by profit-seeking and, thus, this economic motive encompasses the other three elements of CSR. Firstly, legal responsibility includes complying with existing laws and regulation. Secondly, ethical responsibilities include the standards, norms and expectation stakeholders regard as fair and moral. Finally, philanthropic responsibility requires company to actively engage in programmes to promote human welfare and goodwill. This same view was delivered by Mohr *et al.,* (2001) who defined CSR as the integration of business operation and values in which the interest of all stakeholders are reflected in company's business policy and action.

Due to lack of theoretical convergence (Bravo *et al.,* 2012) there is no recognised consensus on a definition of CSR (Aril & Tjiptono, 2014) which is probably due to its close link with practice (Melewar & Karaosmanoglu, 2006) and different meaning to different stakeholders (Jones *et al.,* 2009). It is widely recognised that beyond profit, CSR incorporates societal and environmental obligation to different stakeholders. On the basis of seemingly contrasting argument about conceptualising CSR, this research defines CSR as the expression or behaviour of

business that aims to meet the economic, legal, ethical and philanthropic expectation by its stakeholders which need to be consistent with the vision and values of the organisation. However, to whom an organisation is beholden continues to be debated (McDonald & Rundle-Thiele, 2008).

How customers perceive firms' socially responsible behaviour or investigating the influence of CSR activities on consumer decision-making have been investigated across manufacturing and services sector that ranges from clothing (Rodrigues & Borges, 2015), to food (Loose & Remaud, 2013), to telecommunications (Salmones *et al.*, 2005; Li & Zheng, 2013), to banking (McDonald and Rundle-Thiele, 2008; Prior & Arganddona, 2008; McDonald & Lai, 2011), to shoes (Marquina, 2010) and of course multi-product perspectives (Salmones *et al.*, 2005). However, considerable researches had proved that CSR has profound positive effect on firm's performance (Marquina, 2010; Jeong *et al.*, 2013) through influencing consumer decision processes (Lee & Lee, 2015), improving competitiveness and accruing long-term benefits (Malik, 2015). But when the influence of CSR is evaluated, the findings appear to contradict one another. Some suggest that CSR has a significant positive influence on consumer purchase behaviour (Mohr & Webb, 2005; Lee & Lee, 2015; Rodrigues & Borges, 2015) while some found that CSR only has a minor influence or even no influence (Mohr *et al.*, 2001; Li & Zheng, 2013). For example, Darmayanti and Cahyono (2014) investigated the influence of CSR on repeat patronage intention in retail banking in Indonesia and found that CSR is not positively associated with repeat patronage intention.

Despite being a low carbon emitting country even among the developing countries (Masukujjaman & Aktar, 2013) Bangladesh is considered as ''***the worst sufferer of global environmental pollution''*** (Islam & Das, 2013: 43). Despite achieving increasing economic growth over the running decade and significant improvement of several socioeconomic indicators including mass literacy, relative poverty, disaster management, sufficiency in food production, it is confronting a number of social and environmental issues including adult illiteracy, relative poverty, frequent natural disasters (i.e. cyclones, floods, droughts). Banks as a financial intermediaries, not only finance different commercial projects (e.g. textile, power plant, fertiliser, paper, cement, brick field) which cause major carbon emission, but also hold a unique position that can affect these activities (Ullah, 2013). Therefore,

the banking organisations can play a pro-active role in promoting socially responsible and environmentally sustainable projects that can reduce carbon emission (Ahmed, 2012; Rahman *et al.*, 2013).

Nagdeman (2009) suggests that supporting a cause provides the organisation with an opportunity to gain appreciation and recognition from a diverse range of stakeholders. The importance of CSR is driven by the fact that the knowledge about CSR is used by consumers in the decision-making process (Nelson, 2004). The positive consumer attitude derived from a company's CSR activities is translated into favourable intention to purchase (Pivato *et al.*, 2008). Despite the increasing emphasis and allocation of funds on CSR in the marketplace the literature on retail banking customers to different CSR initiatives is scant (McDonald & Lai, 2011). Given the dominance of experience and credence attributes along with intangible nature of products and services, banks find it difficult to differentiate their products and services (Bravo *et al.*, 2012) where it is strongly suggested that creating a distinctive position in the marketplace is critically important in the financial industry (Haniffa & Hudaib, 2007; Marin & Ruiz, 2007). Since Casado-Diaz *et al.*, (2014) suggest that the impact of CSR initiatives is higher for services organisations than for manufacturing firms. Moreover, Tian *et al.,* (2011:207) reveal that "***firms selling experience products such as banks are more likely to gain a consumer's purchase support through positive CSR initiative***". This implies that a CSR strategy is more suitable for those companies selling 'experience' products to achieve product differentiation. Banks as financial intermediaries are putting CSR into practise by using diversified initiatives such as micro credit, micro finance, ethical, social and environmental funds, removal of barriers to credit access, low-income banking and financing environmentally-friendly projects (Prior & Arganddona, 2008).

The Central Bank of Bangladesh issued CSR policy guidelines in February 2011 where it was suggested that all financial organisations need to take effective measures to conduct CSR initiatives. In a more recent statement of the Governor of Bangladesh Banks claimed that every bank must spend 30 percent of its CSR fund on education purposes (Bangladesh Bank Annual Report 2015-16). Hence, the banking sector of Bangladesh concentrates its CSR activities on investment management (financing environment-friendly project such as solar and renewable energy, bio-fertiliser, and waste management), implementing alternative delivery

channels (ATMs, mobile and on-line banking), housekeeping (reduce paper use, and increase use of recyclable materials), HR function (e-recruitment, employee training and development), providing voluntary assistance and interest free loans to people affected by natural disasters, education scholarship, sponsoring major national festivals and sporting events (Ullah, 2013; Rahman *et al.*, 2013). According to these studies, CSR practices in the Bangladesh banking sector is not satisfactory provided in that there is further scope for the banks to address these issues which in turn can give them an effective technique to differentiate themselves over competitors.

In the financial services sector, stakeholders are especially sensitive to CSR issues (Bravo *et al.*, 2012) where an increasing number of customer tends to make their purchase decision by observing bank's CSR behaviour (Davies *et al.*, 2012; Grimmer & Bingham, 2013), customers are more critical to choose their bank (Darmayanti & Cahyono, 2014). Hence, the practise of CSR has become an effective marketing tool to influence customers' purchase decisions (Lee & Shin, 2010) followed by enhancing corporate image and identification (Mohr & Webb, 2005) and mediate the relationship between CSR and brand performance (Lee & Lee, 2015). Within this group, Lee and Shin (2010) demonstrated that a company's CSR activities influence consumer purchase decisions favourably. Moreover, Sweetin *et al.,* (2013) reveal that customers have higher purchase intentions to organisations recognised as more socially responsible than those are socially less responsible. Since Chen *et al.*, (2015) assert that when customers find a company with good CSR practices, they tend to reward the company in terms of creating a business relationship and disseminate positive WoM. Since, Scharf *et al.,* (2012) found that the conceptual use of CSR helps in strengthening the financial institutional brand. However, if consumers find a company 'doing badly' they are more likely to punish the company in terms of stopping purchases, creating negative WoM and protesting (Sweetin *et al.*, 2013). However, Oberseder *et al.*, (2011) suggest that although consumers might have positive attitudes towards socially responsible companies, but these might not affect their actual purchase behaviour. Indeed, as *Blackwell et al.,* (2006) indicates that all purchases may not happen in accordance with attitude.

After summarising the responses of customer towards CSR initiatives in both pre and post purchase situations across different sectors including the banking sector, it could be argued that different CSR initiatives might have different levels of impact which can vary across different cultural settings where customers might put one initiative ahead of another (Pomering & Dolnicar, 2006). There is some debate about CSR in terms of tactical or strategic value, but one could argue that CSR initiatives positively influence customers' purchase decisions. Hence, careful and planned CSR initiatives are required and communicated responsibly may help banks to attract, satisfy and retain customers that in turn can help to recapture market credibility (Bhattacharya & Sen, 2004) and gaining brand familiarity in the marketplace (De la Cuesta *et al.*, 2006; Sing, 2013a). Research has shown that brand familiarity interacts to predict brand trust and purchase intentions (Herbst *et al.,* 2014). Besides, consumers are more likely to trust organisations that involve in CSR activities (Sing, 2013a) meaning that CSR is being used by consumers to differentiate one organisation from another (Gupta & Pirsch, 2006). This is consistent with the findings of Bloom *et al.,* (2006) who argued that societal marketing gives edge to the brand over its rivals and enables to win in a highly competitive and cluttered marketplace.

However, there is a considerable debate about how the CSR activities can be conducted and how it will be communicated on which the success of CSR initiative depends (Scharf *et al.,* 2012). Moreover, there is no guarantee that higher CSR initiatives can always bring positive results for the organisation (McDonald & Rundle-Thiele, 2008). Despite these diverse benefits of practicing CSR on customer behaviour the researcher did not find any studies investigate the influence of CSR initiatives on customer bank selection. Despite the importance of CSR as an important construct for shaping customers' purchase decisions (hereafter referred to 'bank selection'). The role and importance of service quality is inevitable particularly improving customer psychological attachment to a bank, since Arikan and Guner (2013) demonstrate that among other factors (e.g. price, brand familiarity) service quality is still one of the dominant criteria for customers' purchase decision.

2.3.8 Service quality

There is a consensus in the marketing literature that customer often follow a process of buying or purchase that starts from need recognition and ends with post purchase evaluation (Blackwell *et al.*, 2006; Kotler *et al.*, 2009). However, this might vary depending on the level of involvement in terms of product or purchase. For example, for a daily necessary or routine purchase customers might go directly to the purchase stage without any focus on information seeking or evaluation (see section 2.2.3). However, if the level of involvement is high (e.g. buying a long-term fixed deposit product) meaning that customers are more likely to invest more time and effort on information search and evaluating the alternatives before making a final decision of purchase.

Based on the above findings, it could be argued that bank selection is a decision which occurs often in the pre-purchase stage or purchase stage where customers might not get the chance to evaluate the service quality, since it is recognised that customers can evaluate the service quality or performance better in post purchase stage where expectation has great significance that varies by individuals. This implies that there is no point to include service quality as a factor of bank selection criteria. According to Mousavi *et al.*, (2015) service is experiential that can be described as a process and performance. Moreover, asking respondents about service quality as a factor of bank selection who are either in process or just have selected their bank needs to be very careful otherwise it can give confusing results for the beneficiaries of research.

The counter argument, in this case, is due to high contact nature of banking services where the customer often needs to come in contact with the bank's employees. This is particularly relevant to the Bangladeshi banking sector where banks are still in the transition stage of incorporating the technology-oriented banking. For example, customers involved in a process of bank selection are often required to visit the bank and perform certain formal activities. In this case, after making a final purchase decision (i.e. selecting a particular bank) which is most likely to happen in pre-purchase stage customer still requires to make an appointment, arriving in the bank, reporting the arrival, waiting (if situation demand), meeting with service-providing bank staff, reach a decision and finally leaving. Therefore, it can be said that the customer go through a process that often gives them a perception about the quality of service quality.

Service quality in bank is important not only as a prerequisite for success but also to gain the attention of new customers, creating positive WoM communication. In banking, service quality means not just meeting expectations but rather exceeding customer expectations (Mausavi *et al.,* 2015). Moreover, customer expectations from banking has changed tremendously (Talib *et al.*, 2012) and created a differentiating opportunity for the bank (Siddiqi, 2011). This implies that service quality is critical for the selection decision as customers try to purchase such products or services which are considered having greater quality from a customer's point-of-view in terms of time, location, and resources the customer have during purchase. Moreover, the studies on bank selection (e.g. Owusu-Frimpong, 2011a; Talib *et al.,* 2012; Choudhury, 2013) have highlighted the importance of the outcomes and process aspect of bank selection. This suggests that an understanding of service quality might be helpful in developing a comprehensive theoretical framework for customers' bank selection criteria because there are many points in the selection criteria and service qualities are common.

The term 'service quality' is viewed as global value (Fei & Hshiung, 2011) that can be conceptualised as the difference between customer expectations and perceived performance of a service (Kuo *et al.*, 2009) and characterised by the features of intangibility, heterogeneity and inseparability (Mausavi, *et al.,* 2015). Gronroos (1990a) asserts quality as 'what customer perceive' while Lewis (1993) defines it as a measure of how well the service delivered matches customers' expectations. A number of models have been used to measure service quality. Two of them could be recognised as widely-accepted in the majority of service quality research.

First, the SERVQUAL model, which was developed by Parasuraman, Berry and Zeithaml (1988). The SERVQUAL model has dominated the process of measuring service quality in services marketing for several decades. SERVQUAL, which was developed by Parasuraman *et al.,* (1988) measures the difference between consumers' expectations and perceptions of service quality. The model has been widely used to measure service quality across a range of services organisations, including bank, call centre, television repair companies, airlines, and hotels. The SERVQUAL scale involves a survey containing 22 service attributes, grouped into

five service quality dimensions: reliability; responsiveness; assurance; empathy; tangibles.

Second, the model developed by Gronroos (1984) and argues that there are three main dimensions of service quality: *technical* (outcome); *functional* (process); *image* (the sum of technical and functional). After some modification, Gronroos (1990a) introduced six dimensions of a good service quality: professionalism and skills (outcome related); attitude and behaviour; accessibility and flexibility; reliability and trustworthiness; recovery (process related); reputation and credibility (image related) which were basically the sub-divisions of his three primary dimensions.

There are two major problems in using these models in the context of bank selection. The first problem related with these models is 'an omission of asking about a complete range of products and services' which has been widely recognised in the literature on bank selection criteria (Sing, 2011; Arikan & Guner, 2013). Secondly, the literature recognises higher importance of technical quality or objective criteria in investigating customers' bank selection process (Saleh & Rajabi, 2015). In this respect, Zulfiqar *et al.,* (2014) demonstrate that technical quality has a larger impact on customer bank selection process than functional quality.

After reviewing this service quality model which can be identified as an important element of customer bank selection criteria, although one could argue that service quality can be judged or measured on post purchase stage while bank selection is a pre-purchase or purchase stage decision (Zeithaml, 1997; Gabbott & Hogg, 1997). However, the importance of service quality cannot be underemphasised particularly in the selection stage because customers are more likely to use their observation, others' opinions and experience in addition to their own experience in evaluating these criteria for their bank selection (Gabbott & Hogg, 1997).

2.3.9 Marketing and advertising

Although the decision to purchase of financial goods often occurs in a person's conscious mind, external sources including activities (i.e. advertising, promotion) might stimulate awareness of one's needs. For example, marketing activities (e.g. advertisement or display) urging people to start thinking about their retirement needs may influence people to recognise a need which could play a significant

role in motivating them. It is agreed that perceived risk is relevant for purchasing financial products and services which are difficult to evaluate before purchase or even post-purchase. In this situation, first-time buyers are likely to face greater difficulties than a customer having prior knowledge and experience. In such a situation, marketing activities including advertising can create more search attributes and reduce the experience and credence attributes to visualise service benefits (Farsi & Taghizadeh, 2012; Lovelock & Writz, 2016). Moreover, due to perceived high-risk involved in purchasing banking products and services, banks often use different metaphors (images, certification) in their advertisements for demonstrating its size, fundamental strength which in turn help customer to reduce the perceived risk. Therefore it can be said that marketing activities (advertisements, communications and promotions) that feature these benefits can play a significant role in stimulating consumer interest towards a particular purchase decision.

2.4 Discussion

After identifying the factors influencing customers' bank selection through reviewing the literature, it is evident that there are a wide range of empirical research across different segments of customer, product and in different countries. The existence of such a wide range of evidence grounded in the literatures assisted Kennington and Rakowska (1996) to devise '*universal*' criteria consisting four broad categories: *convenience* (location, extended operation hour); *quality service* (reliability and efficiency, customer recognition, quick, polite and friendly customer service, efficient management); *reputation* (soundness, image and stability of bank); *economic trade-off* (interest offer on deposit and interest charge on loan, fees, commission, competitiveness). At this point, the research summarises the gap under some critical commentary.

All the previously conducted research on bank selection has relied on investigating the existing bank customers (who already selected their bank) by asking them about the criteria they have considered in their bank selection decision (e.g. Blankson *et al.,* 2007; Rashid & Hassan, 2009; Parvin & Perveen, 2012). These researches ignore the fact that some of the interviewees might have taken their bank selection decision a long time ago. This methodology of interviewing existing customers in investigating their bank selection leads these researchers to utilise 'retrospective recall' bias. Gardial *et al*., (1998: 558) notes that **"*relying on long*

term memory may introduce some biases". Moreover, Koriat (1993) affirms that recall bias is a major threat to the internal validity, which can often be imperfect and unreliable as Green (2006) points out memory traces in human is a poor version of the original perceptions. Therefore, it could be argued that some of the interviewees may not be able to give the researcher the correct answer that represents their exact attitude at the time when the decision of bank selection was taken. In order to minimise this bias associated with 'retrospective recall', this research goes for asking existing customer about their future bank selection and includes an additional group of potential customers who do not have a bank currently but about to select a bank in the very near future (i.e. students currently studying in university). This different way of asking and inclusion of such a sample lead this study to provide a comprehensive and comparative aspect about the bank selection criteria.

The most significant insight revealed by studies on bank selection is that all attributes are not equally important to the customers in their bank selection process. This gives the banks a way of entering the market in creating some unique attributes that determine customers' bank selection. In this regard, most of the research uses the terms 'important' and 'determinant' criteria interchangeably without a great deal of focus on differentiating them. However, there is a substantial difference particularly when the research finding is expected to have managerial contribution. According to Khazeh and Decker (1993) the true determinants of bank selection decisions are a function of not only the importance of bank attributes but also the degree of similarities or dissimilarities among banks with respect to that attributes. Anderson *et al.*, (1976) supported this argument, but Edris (1997) went so far by arguing that in order for an attribute be a determinant in the choices process the attribute must exhibit two characteristics. Firstly, the attribute must be regarded as 'important' meaning that the consumers are very likely to be 'extremely offended' by the attribute's absence while its presence gives consumer 'much satisfaction'. Secondly, the attribute must be perceived as 'differentiated' by consumers with respect of the presence of the important attributes. These two terms (i.e. 'important' and 'determinant') need to be considered differently and can also be explained by using two inter-related terms: 'order qualifiers' and 'order winners'. The term *order qualifiers* which works as an 'important factor', while *order winners* works as a 'determinant factor'. According to

Hill (2005), the *order qualifier* is the sum of characteristics of a product, services or organisation required in order for the product, services or organisation to be considered by customers. The *order winner* is a set of characteristics that win a customer's final purchase in relation to the product, service or brand (Hill, 2005). In order to create *order qualifiers*, the company (e.g. bank) needs to be as good as their competitors, while the firm needs to perform better than its competitors to provide *order winners*. In this case, the emphasis is on cooperation and interaction between marketing and operation. The operation-related employees are responsible for providing the *order wining* and *order qualifying* attributes identified by the marketing employees. It is this interaction which enables the organisation to compete and win in the market-place. It is important to note that both parts are of equal importance even if they are different. Banks must be careful to make their marketing decisions based on *order qualifiers* and *order winners* as these are not only market-specific, but also time-specific.

Customers' bank selection is a multi-attribute based decision where all of them may be important factors but not the determining factor. For example, a particular banking product (e.g. saving certificate) which is not only available in all banks but also offers same benefits, then the products benefits (interest) is an important factor but not the determining factor of bank selection, as customers here are more likely to employ some additional evaluative criteria (e.g. reputation of bank or recommendation by a non-business trusted sources) over product benefits which will determine their purchase.

Although among others, factor analysis has been identified as one of the best ways of identifying the determinant attributes (Myers & Alpert, 1968; Alpert, 1971) but was subject to considerable limitations. For example, there are some criteria ranks at the very end of the list but appear to have a strong determining power. This is not because they are very important to the customer in bank selection decisions but due to categorisation technique (i.e. factor analysis) of the attributes. On the basis of this finding, it can be argued that creating a competitive or differentiating strategy may not be helpful for banks due to minimum importance or determining power to the customer which is somewhat confusing. Determinant attributes are important for banks because the research suggests that this is considered not only by consumers to take decisions about from which bank they

will make purchases but also the marketer can use it to differentiate their product-offering (Juniar *et al.*, 2013; Zulfiqar *et al.*, 2014; Rani, 2015).

Major of the previous researches (e.g. Hedayatnia & Eshghi, 2011; Katircioglu *et al.,* 2011; Al-Mossawi, 2015a) conducted on bank selection criteria demonstrated reliance on the literature in developing their research instrument and evaluating the measurement devices (i.e. identifying the factors customer value for their bank selection). This is consistent with the notion that the range of factors that have been identified without conducting any validity measures (i.e. pilot studies, validity assessment of the scale or contextualising the research) that lead them to miss the opportunity to justify if there are any changes happened regarding the factors constituting the bank selection decision to reflect the differences exists due to different socio-economic and cultural settings.

The dynamic nature of banking industry, together with differences of environmental settings, limits the scope of using an existing research instrument to study customers' bank selection criteria, although some of the empirical researches (e.g. Parvin & Perveen, 2012; Siddique, 2012) had demonstrate dependence on existing instruments developed in different environmental settings. This trend of using existing instruments (i.e. absence of validity measures) in most of the research fail to give an account of the validity of their instruments in terms of what is supposed to be measured as it is designed to measure. However, some previously conducted research seems to give greater emphasis on content validity (appropriateness of question) by ignoring the importance of external validity.

Most of the research has shown limited focus to ensure the consistency of the results by focusing on established forms of consistency estimators such as inter-rater or observer reliability (different rater/observer gives consistent answer or estimates), test-retest reliability (consistency of measure evaluated over time) or parallel-form reliability (The reliability of the two test constructed in the same way and from the same content). Since Creswell (2003) notes that an instrument can be reliable but might not be necessarily a valid measure due to dissimilarities of socio-economic and cultural settings, market structure, and the nature of the relationship between banks and customers (Souiden & Marzouki 2015). In this

regard, a further explanation is given by Ardic and Yuzereroglu (2009) where it is suggested that customers' bank selection is largely determined by the nature and types of product customers are going to buy which is often considered as an indispensable part of bank selection.

Diversity of needs and motives necessitated by consumers influence them to engage in split or multi-banking. There are a large number of studies that have focused on the issue of bank selection criteria including a particular cultural, ethnic or religious context. Far fewer studies have addressed the issue of customers' bank selection in multiple banking settings which is partly addressed by Devlin and Gerrard (2005) and made a significant contribution by investigating the relative importance of bank selection criteria for customer's first and secondary bank selection. This study reveals some differences in consumer first and secondary bank selection by claiming that the secondary banks selection is more justified. A pretty similar view is reported by Zineldin (1996) conducted on Swedish customers.

Most of the research conducted previously on customers' bank selection decisions originated either from Western countries or Middle Eastern countries. However, there are some studies noted to give a focus on nationwide comparison in relation to bank selection decision (Furrer *et al.*, 2002; Blankson *et al.,* 2007). This suggests that there are significant differences not only across different geographical segments but also within the same market segment. It is particularly noteworthy from these findings that the marketing strategy (e.g. segmentation, targeting and positioning) and others should be very specific reflecting the needs of segmented and target customers. Despite the existence of a wide range of literature on the customers' bank selection criteria in particular on the Western and Middle Eastern countries, the focus on the Bangladesh banking industry has remained very scant (Parvin & Parveen, 2012) despite considering that it is the largest service industry of Bangladesh (Rahman, 2014; Islam, 2015a).

According to Malik (2015), banking is perhaps a sector among others that is deeply affecting by the process of liberalisation, globalisation and privatisation accompanying with technology advancement. These multidimensional effects have made the banking industry an ever-changing and competitive one in the domestic and world market (Saha *et al.*, 2014). In order to strive the contemporary

banking organisations are using different sophisticated marketing techniques together with different value added service. As a part of this process investing in different social and environmentally friendly project (i.e. green banking, bio-plant) have become an integral part of their marketing strategy which have been provided as significant influential factor of consumer purchase decision (Masukujjaman & Akhtar, 2010; Ullah, 2013). Despite this increasing importance to both banks and customer, the existing literature has not shown any evidence regarding the influence of such initiatives on customers' bank selection.

On the basis of the literature review directed towards conceptualising consumer behaviour, factors affecting consumer behaviour, key characteristics of service, customer involvement followed by identifying the bank selection attributes, it can be argued that that the customers' bank selection criteria differs significantly not only by countries but also within the same market setting. The rationale for this research is to enable the researcher not only to identify and analyse the factors influencing customers' bank selection in Bangladesh but also to explore the answer to the research questions: *What are the key important and determinant factors influencing customer bank selection in Bangladesh, and are there any differences in bank selection criteria between existing and potential customers*? Answering these research questions is important for the following reasons.

First, almost every research used important factors and determining factors interchangeably, which suggests that there is not only a gap in the literature and but also having a great importance to this research. The problem with this is that the research did not make any distinction between important and determining factors of customers' bank selection which might need further explanation; particularly about the difference between important and determining factors in bank selection.

Second, customers' bank selection is a multi-attribute based decision. This implies that there are a number of criteria which have been summarised under few broad factors or attributes (Owusu-Frimpong, 2011a; Hedayatnia & Eshghi 2011). This indicates that the factors or evaluative criteria remain the same over time but the sub-criteria have changed significantly. This also suggests that the financial industry seems to be living at the end of one era and the start of the next, meaning creating a new solution that can meet the emerging needs of customers is critical

for bank. In short, the question remains the same over time but requires different and new answer in a new way. In answering the above research question, this research will investigate the issues linked with the research aim which is to develop a conceptual framework of customers' bank selection criteria while the research objectives are as follows.

I. To identify the bank selection criteria that retail customers perceive as important;

II. To develop a conceptual framework of customers' bank selection criteria;

III. To identify the determinant factors of customer's bank selection criteria;

IV. To evaluate empirically the proposed conceptual framework of customers' bank selection criteria;

V. To identify strategies to help banks with their positioning.

After an evaluation of the literature, it is evident that every bank needs to create some distinctive attributes that can determine customers' decisions of bank selection. Moreover, the answer of the research question will attempt to fill the gap in the literature by developing a conceptual framework (the conceptual framework will be presented in chapter four) together with identifying whether any significant differences that exist between two different groups of customer. There is no such research in this area, particularly in the context of Bangladesh. Furthermore, the increasing importance of the service economy and ever-changing nature of the banking sector have created the need for an increasing focus on customers' banking behaviour (Siddique, 2012).

2.5 A summary of the theoretical findings

The above discussion suggests that customers' bank selection decisions are a highly involved decision which is not only for its interactive and service-dominance, but also for the existence of higher level of perceived risk and uncertainty; this leads customers to consider and evaluate a number of factors for their bank selection. Here it should be noted that all the factors customer consider and evaluate for their bank selection are important, but not equally. Thus, the degree of importance customers attach to different factors of bank selection or what factors (or combination of factors) are determining their bank selection vary significantly over individual, market segments, nature of banking relationship, nature and type of products, and nature and type of banks.

The academic literature pertaining to the topic suggests that the degree of importance customers attach to different bank selection criteria not only differs across different customers or market segments, but also within same market segment; this is mainly due to individual differences or diversity of financial needs. For instance, the relative importance of technologically-advanced banking is greater to the younger generation of customers in comparison to other customer segments. In addition, the role and importance of interactive (or face-to-face banking) is greater for older age customers. This ultimately suggests that it is more effective for the banks to go beyond individual or segmental differences by identifying customers' financial needs and demands, in particular when banks seek to gain a competitive position in the market-place. It appears that customers' bank selection is often related with particular goods and services offered by banks which create benefits that contribute to the realisation of customer needs. Thus, which particular factors (or combination of factors) determine customers' bank selection largely depends on the nature and type of products linked with their bank selection. For example, what is delivered (i.e. technical aspect) is given the highest level of importance when customers' bank selection relates with purchasing a savings product. In addition, when the bank selection is based on buying any basic or current account product, the highest level of emphasis is given on how the product and services are delivered (i.e. functional aspect). Moreover, when the need of bank selection originates from the need of a credit or loan product, the highest level of importance is given on word-of-mouth recommendations (i.e. the interactive and relational aspect). A growing body of the

literature on bank selection suggests that customers' bank selection is largely bank-specific as different banks have different value propositions. For example, the Islamic banking system in which interest-free banking is the key value proposition, while it is interest-based banking which is used in the traditional or conventional banking system (i.e. interest-based banking). However, there are some general trends about bank selection criteria across different geographic, products, and market segments which might not be stable over time as the criteria associated with bank selection work in different combinations in different ways in different markets, and with different customers. Based on these theoretical findings, together with the empirical background of the Bangladesh banking sector (which will be discussed in Chapter three), a conceptual framework will be developed and presented in Chapter four (section 4.2.1), which ultimately enables this research to develop a series of hypotheses presented in Chapter four (section 4.2.2).

2.6 Conclusion

On the basis of the literature review regarding consumer behaviour, factors affecting consumers' bank selection, a summary can be drawn that the literature review starts with conceptualising consumer behaviour together with giving emphasis on the characteristics of financial products and services. Drawing on the critical review of literature on customers' bank selection criteria, it appears that research into customers' needs and their priorities can give vital insight into specific attributes which require emphasis and how much they might be valued by bank customers. Moreover, the attributes affecting retail customers' bank selection are not located in a series of points in isolation rather it is an interactive process where the factors are interrelated. This chapter had identified the gap in the literature and attempts to add to the body of knowledge by formulating the research questions, and objectives. The next chapter (i.e. chapter three) will focus on giving an empirical overview of the Bangladesh financial system with a particular focus on its banking sector to demonstrate the context that will inform the formulation of hypotheses.

CHAPTER THREE: EMPERICAL BACKGROUND - OVERVIEW OF THE BANGLADESH BANKING SECTOR

3.1 Introduction

This research aims to identify and analyse the factors influencing customers' bank selection in Bangladesh. Thus, this chapter provides an overview of the Bangladesh banking sector in terms of evolution, current status, performance, and customers' banking behaviour.

3.2 The Bangladesh financial system and banking industry

The financial system of Bangladesh can be identified as a combined aspect of financial markets, financial instruments, financial institutions, and financial arrangements (See Appendix 3.1). After independence in 1971, the then newly-formed Bangladesh government (The Peoples' Republic of Bangladesh) started its journey with 6 nationalised commercial banks, 2 state-owned specialised banks and, 3 foreign commercial banks. At that time, the financial system, particularly the banking sector, was totally nationalised and insulated from liberalisation and globalisation, which was basically to rehabilitate the war-devastated economy (Nguyen *et al.,* 2011). But unfortunately this nationalisation policy did not work well and has deteriorated the entire banking sector due to inefficient management and lack of efficient allocation of resources, and emergence of a monopoly (Uddin & Suzuki, 2011). In these circumstances, encouraging foreign and domestic private ownership have been identified as a suitable strategic choice for accelerating the performance of banking in particular for the commercial banking sector (Uddin & Suzuki, 2011). This leads to the necessity of opening up the banking sector and for the Bangladesh government to accept the financial reform program devised in the 1980s initiated by two major international donor agencies namely the International Monetary Fund (IMF) and the World Bank (WB). The reform started through privatisation and deregulation as per the suggestion of the National Commission on Money, Banking, and Credit Committee (MB&CC). Allowing market forces in determining interest rates and a flexible exchange rate system have made the banking sector competitive with an increased number of domestic private and foreign banks (Karim & Chowdhury, 2014). Despite Muslims representing more than 90 percent of its total population, the banking system of Bangladesh is experiencing a *dual banking nature* (i.e. a combination of Islamic banking and Non-Islamic banking system) dominated by a Non-Islamic banking

system in terms asset, deposit, market coverage and market history (Noman *et al.,* 2017).

The Bangladesh Bank (Central Bank of Bangladesh) is at the top of banking system and is accountable for assuring prudential administration and performing central banking activities necessary to a smooth-running of banking industry. As a bank-dominated financial system (Uddin & Bristy, 2014) the banking sector of Bangladesh is relatively larger than economies having similar size, levels of development, and per capita income (Nguyen *et al.,* 2011). As of June 2016, the banking sectors of Bangladesh consists of 56 schedule banks includes 4 state-owned commercial banks, 4 state-owned specialised banks, 39 domestic, and 9 foreign commercial banks (The list of all commercial banks is attached in Appendix 3.2). The banking system of Bangladesh is providing its services through 8,794 branches across the country which are mostly city based (Bangladesh Bank, 2016). Out of which, 3,536 branches belongs to state-owned commercial banks while it is 3,692, 70 and 1,496 for the domestic private commercial banks, foreign commercial banks and specialised banks respectively (Bangladesh Bank, 2016). The banking sector of Bangladesh has achieved noticeable success from a number of perspectives. For example, the population per branch was 57,700 and 20,162 in 1972 and in 2010 respectively (Nguyen *et al.,* 2011) but now it is 18, 390 (Bangladesh Bank, 2016). Despite a longer history of operation, wider customer base and market coverage of nationalised commercial banks, the private sector banks occupy a greater proportion of banking sector assets and control a large proportion of money supply in circulation (Karim & Alam, 2013). The state-owned banks are suffering from problems related to high level of non-performing loan, low profitability, and large capital shortfalls. Moreover, government- appointed boards on one side, and huge political influence in loan sanction on the other side, keep the state-owned banks less competitive and less appealing to customers (Hossain & Ahmed, 2014). The banking sector asset of Bangladesh stood at US$ 107.1 billion at the end of 2013 compared to US$ 88.8 billion in the previous year which reflects 80 percent of the country's GDP (Rahman, 2014).

The economy of Bangladesh is service-sector based representing 56.2 percent of the country's GDP (Bangladesh Bureau of Statistics, 2016). Banking is predominantly a service-based industry and the products offered by existing banks are relatively standardised that can be broadly categorised as deposit or liability

products and loan or asset products. The deposit or liability products consists of different types of current account (CA) and saving deposits (SD) in meeting the financial needs of both individual and corporate customers. The loan or asset products consist of different types of loan and credit schemes for both individual and corporate customer. According to Rahman (2014), the total range of services offered by banks can be categorised under three broad headings. First, the general banking functions include account opening, cash handling, deposit management. Second, the credit banking service deals with loan distribution and management. Third, the foreign exchange banking includes L/C (Letter of credit) function, remittance management and foreign currency. Besides these, the banks are used to play some agency services (e.g. provision of pension; receiving utility bills; acts as a self-custody of valuable materials and documents). The recent increasing trend of per-capita income, although the absence of favourable investment opportunities at the micro level, has made the purchase of savings and investment products a popular basis of bank selection among the banking customers of Bangladesh (Haque, 2015a).

The value creation process of bank in Bangladesh has been affected significantly by the organisational structure, business strategy, customer service and related functions (Zaman & Chowdhury, 2012). The technology-driven banking initiated by the foreign banks and adopted by some domestic private banks in Bangladesh opens a new era for the banking sector in Bangladesh with a promising outlook. This rapid advancement in information and communications technology has significantly affected the banking sector of Bangladesh in relation to reducing the cost of service production and delivery. Despite a significant improvement in technology-driven banking (in the form of: core banking, Internet banking, SMS banking, mobile phone banking, electronic fund transfers, automated teller machine (ATM), point-of-sale, debit cards and credit cards, and online letters of credit), the banking sector of Bangladesh is facing a number of obstacles and challenges. These include inadequate and unsecured ATM booths, power failures, online scams, extra charges of using other bank's ATMs, and additional charges in inter-bank and intra-bank banking (Zaman & Chowdhury, 2012; Islam, 2016b). Moreover, a lack of willingness and awareness to use of technology-driven banking appears as significant impediments towards reaping the benefits of technology-oriented banking in Bangladesh (Zaman & Chowdhury, 2012).

3.3 The market structure and performance of the banking sector in Bangladesh

Ahmed (2012) investigated the relationship between concentration (market structure) and performance of the Bangladeshi banking industry and found a decreasing trend of market concentration (i.e. from a high concentrated market to a moderately concentrated market). This study also finds that the performance of Bangladeshi banking sector is not determined by market share of banks in relation to asset, loan and deposit size rather by superior efficiency and economies of scale. Ahmed (2012) also argues that capital-asset ratio is positively linked to bank's profitability because well capitalised banks are more capable to take riskier operation and portfolio that enables them to hold more equity. In an investigation of 80 commercial banks sampled from Hong Kong, South Korea, Malaysia Philippines, Thailand, and Indonesia over a period 1999-2004 reports that minority domestic private ownership and foreign ownership bank perform better than state owned bank (Thierno *et al.,* 2005). This cross-national empirical evidence also suggests that the effect of ownership on performance is determined by the nature and state of that country's economy. For example, Gilbert and Wilson, (1998) and Hao *et al.,* (2001) report a positive association between foreign ownership and bank efficiency in Korea. In contrast, Sathye (2001) reports superior performance of domestic commercial banks compared to their foreign counterparts in Australia. The same result was found in the study of De-Young and Noole (1996) which indicate income efficiency of foreign commercial bank is lower than the domestic banks in the USA. Generally, banks are expected to gain knowledge with age (Elizabeth & Elliot, 2004) but the maturity of banks in Bangladesh does not have any considerable impact on their overall performance (Uddin & Suzuki, 2011). Despite wide deregulation and liberalisation, the performances of state-owned and specialised banks are far behind from the expectation (Kumbirai & Webb, 2010). Out of the four major types of banks (state-owned commercial; state-owned specialised; domestic private commercial; foreign commercial) the specialised banks and state-owned commercial banks are more vulnerable although the latter category of banks is showing an improving trend in recent years (Uddin & Suzuki, 2011). In Bangladesh, the performance of a banking organisation is largely determined by the ownership status of bank (Uddin & Bristy, 2014). For example, Uddin and Suzuki (2011) and Uddin and Bristy (2014) point out private and foreign banks are performing better than the state-owned commercial and specialised

banks even with less market coverage. State-owned commercial banks are suffering from losing customers due to inefficient management and poor service quality (Khondaker & Mir, 2011). However, the market structure indicates the sustainability of state-owned commercial banks is far more critical for Bangladesh than other forms of banks due to their existence in the rural areas focusing welfare gain instead of profit maximisation (Khondaker & Mir, 2011; Haque, 2013). Therefore, it can be concluded that the performance of banks are dependent on the management efficiency in formulating strategic plans and its effective implementation.

The importance of customer service in retail banking is well-grounded. For example, Zeithaml *et al.,* (1993), Yavas *et al.,* (2004) reveal service quality as the root of customer satisfaction and linked to behavioural outcomes in terms of recommending, switching, word of mouth and complaint. There are considerable studies investigated the impact of customer service on loyalty (Arasil *et al.,* 2005), customer retention (Rust *et al.,* 1995), and profitability (Duncan & Elliott, 2004; Lee & Hwan, 2005). There are two broad dimensions of service quality (Parasurman, *et al.,* 1991; Morgan & Piercy, 1992): *outcome or operational* aspects; *relational* aspects. The outcome or operational aspect is primarily tangible and centred on operation and delivery systems such as timeliness, accuracy, convenience that have use of measuring efficiency of the organisation (Angur *et al.,* 1999). In contrast, the relational aspect which is relatively intangible can be described as customer treatment or customer service which has been used widely in measuring service quality (Parasuraman *et al.,* 1991a; Bahia & Nantel, 2000). Angur *et al.,* (1999) state that the relational aspects are becoming more important due to higher standardisation of technical services by the current banks. The relational aspect is more subjective and based on how the customer is made to feel when interacting with the bank or staff (Roberts & Campbell, 2007). Any issue related with outcomes or operational aspects can be monitored and corrected easily and quickly as can be dictated through customer feedback. The relational aspect is showing a unique challenge because the customers are far less likely to complain about treatment or customer service compared to operational issues (Yavas *et al.,* 2004). It is more difficult to resolve the problem as the issue related with treatment and customer service is more subjective. Again any dissatisfaction derives from treatment or customer service may motivate customer to switch without making any complain (Roberts & Campbell, 2007). The service industry such as banks

have greater strategic interest in service quality which is not only for its positive relationship with profitability, quality and productivity (Duncan and Elliot, 2004) but also for its inverse relationship with its cost structure (Arasil *et al.*, 2005).

In the banking business, which factors customer value more or less may vary for different reasons. For example, Siddique's (2012) research on the Bangladesh banking industry found that customers give their greatest importance to the *reliability* dimension of service quality that measures how banks fulfil their promises and show interest to get the job done. The second highest important factor is the *responsiveness* of employees that measures promptness in service delivery and wiliness to help customers followed by the element of *assurance* that includes safety and consistency of service.

There are some common trends in customers' banking behaviour in Bangladesh. The traditional social constructions, norms and beliefs have limited women's participation in outside-home economic activities (Kalam, 2016). However, the social attitude towards women in engaging outside home-based economic activities are changing and the proportion of women participating in formal sector is increasing; although women are still outnumbered by their male counterparts. Moreover, women's participation is still centred on different low-skilled and low-paid economic activities where they are mostly paid through different non-banking channels, such as cash, and food for work (Islam, 2011). Consequently, a large portion of economically-active women do not feel the need to use a bank and remained 'unbanked'. Customers with a high level of income are more likely to buy saving certificates, fixed deposits, bonds, etc. (Ahmed, 2012) than other customer segments. People with lower levels of income are more likely to depend on the recommendations of friends and relatives in selecting their bank. Young customer group which possess the dominant share of customer in Bangladesh banking place more emphasis on friendliness of bank employees, technologically advanced banks such as internet transfer, quick and easy access to ATM booth (Redwanuzzaman & Islam, 2013). Despite wide opportunities associated with newly-flourished technology-oriented banking, a considerable portion of customers are putting greater importance on face-to-face banking over technology oriented banking (Nupur, 2010). This is an indication that technology oriented banking has not been able to replace the need for face to face banking. Durkin *et al.,* (2003) argue that socially-oriented customers are less likely to use the technology-

oriented banking. This is an indication that the responsibilities of bank staff have become more critical, particularly in the delivery of non-routine and complex financial services.

The economic intensification of Bangladesh is accelerating while the banking sector is facing fierce competition and challenges of retaining existing and attracting new customers (Saha *et al.,* 2014). Empirical research conducted so far on service quality and customer satisfaction in the international banking has shown a clear association between service quality and customer satisfaction. This link is also found critical for the banking sector of Bangladesh (Nupur, 2010; Khondaker & Mir, 2011; Mondal & Saha, 2013). Satisfying customers on a long-term basis in services such as retail banking is not only different from satisfying customer in a single transaction-based service but also more complex and challenging (Fatima & Razzaque 2013). Research suggests that dissatisfaction of customers is still the major reason behind customers' switching to other banks (Manri & Manri, 2007; Khondaker & Mir, 2011), which means that customer satisfaction still remains at the heart of service delivery process (Karim & Chowdhury, 2014). As most of the banks in Bangladesh are offering similar products and services, improving customer satisfaction and loyalty are increasingly important in maintaining and increasing competitiveness which are key elements to success (Khondaker & Mir, 2011). Increased customer satisfaction leads behavioural outcomes in a positive way such as commitment, intensity to stay (customer retention), mutually rewarding relationship (bond), increase tolerance level for service failure and positive WoM (Arasil, *et al.,* 2005).

Given the higher level of price sensitivity of Bangladeshi customers, offering of a competitive deal (i.e. lower interest for loan products and higher interest for deposit products) has become an effective strategic choice for banks (Hossain & Ullah, 2011). The commercial banks are required to act in accordance with the policies and procedures directed by the Central Bank of Bangladesh, provided that the commercial banks have limited authority to increase the interest on deposit and decrease the interest on loan. According to existing policy of Bangladesh bank the difference between lending rate and deposit rate should not go over 5 percent, which leads banks to set their interest rate on deposit and loan within a limit set by the central bank of Bangladesh. This leads the commercial banks to shift their focus in other value creation aspects in order to be competitive and considered as

the provider of financial goods and services. Karim and Chowdhury (2014) investigated the relative importance and impact of service quality dimensions (i.e. tangibility, reliability, responsiveness, assurance and empathy) on customer satisfaction in the Bangladesh banking. The study refers to customers as the 'real asset' for banks as they do business with a customer's money. In this regard, Ahmed, (2012) and Karim and Chowdhury (2014) also acknowledged this association between service quality and customer satisfaction which in turn impacts on the financial performance, manufacturing cost, customer retention, customer loyalty and competitive advantage. The study by Uddin and Akhter (2012) conducted on Bangladesh banking sector found a strong statistically significant impact on customer satisfaction with the highest impact of *responsiveness* followed by *tangibility, empathy, assurance,* and *reliability*. This study also observed that quality service and fair service charges have statistically significant positive impact on customer satisfaction while perceived value is playing a mediating role by creating an indirect influence on customer satisfaction. In a separate study of measuring service quality between private and public bank Masukujjaman and Akhter, (2010) reveal the overall service quality of private banks is much higher than in public banks.

Saha *et al.,* (2014) investigated the determinants of customer satisfaction of bank customers in Bangladesh with a quantitative research study and found the quality of products, service costs, safety and guarantees, request fulfilment times, service speed, technical facilities and interior decoration as statistically significant predictors. This study also finds that customer shows highest preference on *reliability* followed by *costs associated with service* (account charge/fee, interbank-transaction fee, tax provision in deposits), Service speed (transaction processing time, on time service facilities, prompt response, online transaction speed). Increasing trend of service charge is the most noticeable concern of the customer in the private commercial banks of Bangladesh. In contrast, customers of state-owned commercial banks have placed their highest priority on *convenience factors* which include responsiveness and assurance. The second most important factor is *physical attributes* or comfort such as interior design, tidiness that increase comfort. The *assurance* ranks in third position indicating that staff should be competent and confident to solve customer's problems at the first opportunity.

3.4 A summary of context

The banking sector of Bangladesh, which is relatively larger than similar less developed economies, is experiencing a decreasing trend of market concentration, offering standardised products and services, and enjoying a positive link between capital-asset ratio and profitability. The side-by-side existence of Islamic and Non-Islamic banks in Bangladesh is an indication of duel banking system where compliance with Islamic (or sharia law) principles have not deemed a necessary condition to become successful. The supremacy between Islamic and Non-Islamic is yet to prove but the growing interest of Non-Islamic banks towards opening Islamic wings appears as a sign of recent popularity of Islamic banking system. The homogeneous nature of offering by existing banks are mostly deposit and loan products while the services include general banking functions (account opening, cash and deposit management), credit banking (e.g. credit management) and foreign exchange banking (e.g. foreign currency, letter of credit, remittance). Despite a longer operation history, wider market coverage, and a greater customer share of state-owned banks, the private sector banks not only share the larger portion of banking assets but are also performing better than that of state-owned banks. The women representing more than half of the total population of Bangladesh are facing considerable barriers and disadvantages in nearly every aspect of their lives; in particular participating into outside-home income earning activities which ultimately keeping them unbanked. Given the higher degree of price sensitivity of Bangladeshi customers, the interest-rate-spread policies of the Central Bank of Bangladesh have limited the authority of commercial banks to bring any major changes related with technical aspect of value creation by increasing the deposit rate or decreasing the lending rate. This ultimately increases the importance of improving the effectiveness of the functional and interactive dimension of value creation in order to gain a competitive position in the market place. Due to similar positioning in terms of location, which is mostly city-based, the improvement of customer satisfaction and loyalty are becoming increasingly important to the banks for staying in the market place and maintaining an above average performance. The recent increase in per capita income and lacking investment opportunities, the buying of saving and investment products have become very popular basis of bank selection among the customers in Bangladesh. Customers with a higher level of income are more likely to buy saving certificates, fixed deposits, bonds, etc. With regards to quality of service providers

(i.e. banks), the reliability dimension which measures the bank's willingness to help customers, and deliver a prompt service is given the highest level of preference; while the increasing trend of service charges appears as the most noticeable concern to customers. With regards to bank selection, customers with lower levels of income and education are more likely to depend on the recommendations of friends and relatives. The demand of technology-oriented banking has become more obvious to the young generation customers than other customer segments, although a considerable portion of customers are favouring face-to-face banking over technology-oriented banking. Despite a considerable improvement of technology-driven banking, inadequate service delivery points, a lack of security, frequent power failures, a lack of awareness and willingness among customers to utilise technology-oriented banking significantly affect the success of technology-oriented banking in Bangladesh.

3.5 Conclusion

This chapter has provided a brief overview of the evolution of the Bangladeshi banking sector. The structure of financial system was also discussed followed by an overview of performance of different types of banks, customers' banking behaviour. By reviewing the literature on these issues, this chapter concludes that the banking sector in Bangladesh remains competitive where customers are increasingly enjoying greater bargaining power. This chapter connected the literature with research questions, strengthening the rationale for this research and guided the researcher in developing subsequent chapters. The next chapter four (i.e. Research methodology) focuses on conceptualising the research together with the research methodology.

CHAPTER FOUR: RESEARCH METHODOLOGY

4.1 Introduction

Having outlined the context (i.e. chapter one), literature on consumer behavior and bank selection (i.e. chapter two), empirical overview of Bangladesh banking sector (i.e. chapter three), this chapter starts with conceptualisation in terms of proposing the conceptual framework and formulating the hypothesis before going to outlining the research methodology used for the study before, during, and after the data collection to answer the research question and ensure that they are methodologically sound. The type and nature of the research problem play key roles in designing the research and subsequently the selection of appropriate research philosophy (Creswell, 2003; Saunders *et al.*, 2009). This chapter also focuses research process in terms of research epistemology, theoretical perspectives, research strategies and research methods surrounding this research. This includes a detailed discussion and justification of the nature and importance of research methodology and the selected quantitative research methods for data collection. Moreover, the process and procedures employed in conducting the customer survey are presented. Finally, before going on to discuss the ethical issues this chapter will present research sampling issues, and validity and reliability of the research data.

4.2 Conceptualisation

Based on the discussion and analysis made in Chapters two and three, the conceptualisation occurs under two following subsections namely: presenting the conceptual framework (4.2.1) and formulating the hypothesis (4.2.2) based on that conceptual framework.

4.2.1 The conceptual framework of customers' bank selection criteria

The suggested conceptual framework that will be presented and discussed in this section is based on a number of empirical and theoretical foundations discussed in chapter two of literature review as well as those outlined in chapter three. The conceptual framework divides customers' bank selection criteria into three sets of broadly defined constructs or dimensions namely: *technical dimension; functional dimension; interactive and relational* dimension. The first two dimensions are closely associated with the service quality models discussed in Chapter two, while

the last one relates to customer relationship management (CRM). This classification partially corresponds to the structure of bank selection decisions proposed by Ulengin (1998) which explained that customer bank selection criteria could be divided into three main elements with a number of sub-elements. These three main elements are: product mix; delivery channel; customer relationship. Although this model made a significant effort to conceptualise the bank selection criteria, which is similar to what this study is attempting to research. But the problem with this study is that it overlooked a number of important factors especially the functional attributes or process aspect. It should not be overlooked because the banking sector is a service-driven industry (Nguyen *et al.,* 2011; Karim & Alam, 2013) where Gronroos (1984), and Morgan and Piercy (1992) noted that the process aspect or functional quality is not only a significant dimension of consumer decision-making process but also a core area of differentiation for the organisation in attracting and retaining customers (Hossain & Ullah, 2011). Due to the growing importance of interactive and relationship marketing in the contemporary banking sector, the conceptual framework had added interactive and relational dimension as a separate dimension. This is important because the literature indicates that customers' choice of bank is not a discrete or a one-off decision but an arrangement of a long-term commitment between the bank and its customers (Thunman, 1992). Moreover, it is worthy to mention that when the purchase process is relatively involved, having higher perceived risk and dominates by the credence and experience attributes, customers do not have any tangible evidence to evaluate their purchase (i.e. bank selection) and become more likely to depend on interactive and relational attributes (Angur *et al.,* 1999; Lovelock & Wiritz, 2016). The following figure 4.1 reveals the conceptual framework of this research.

Figure 4.1: Conceptual framework for customers' bank selection criteria
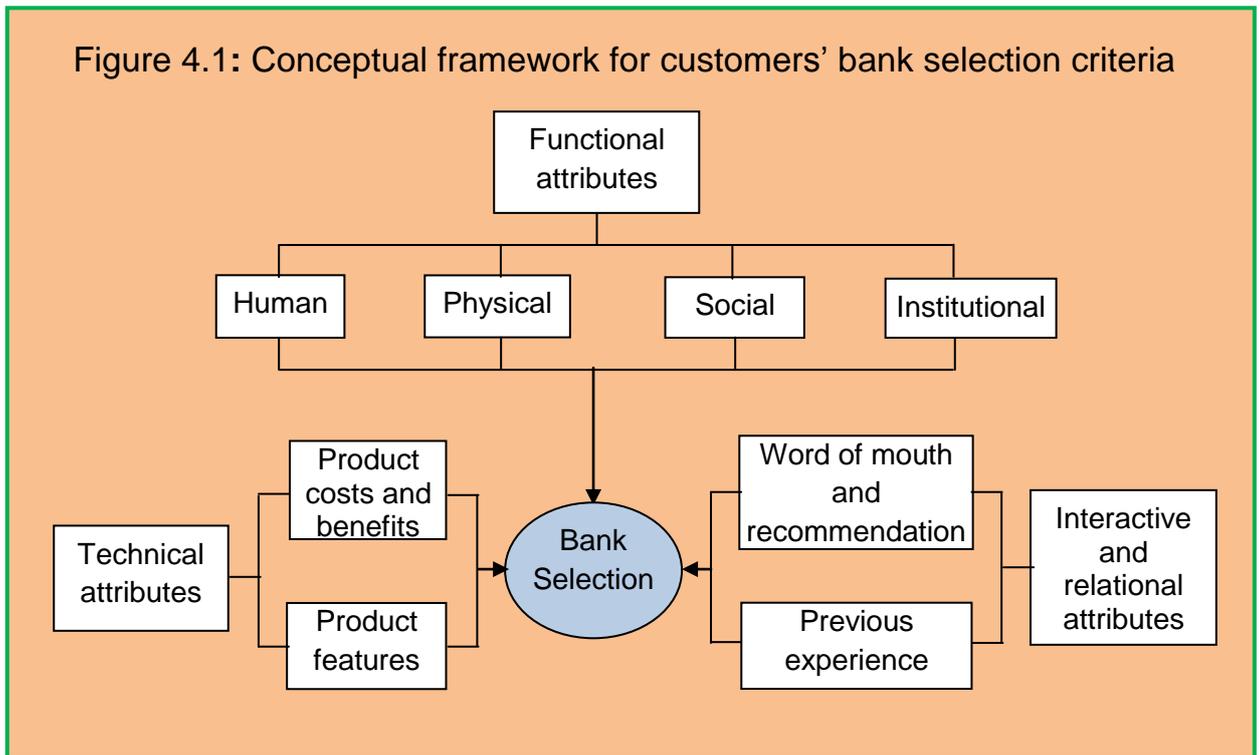
In the above conceptual framework (figure 4.1), it is evident that three choice decision dimensions are identified which are the *technical* dimension, *functional* dimension, and *interactive and relational* dimension. Each dimension has its own set of sub-dimensions. Firstly, the technical dimension (i.e. what is delivered) which is made up with two interrelated sub-dimensions namely: product costs and benefits; product features. However, the literature suggests that it is difficult to divide it but they have been constructed separately because the banking sector features a number of products (e.g. interest free, social banking) which have been identified as a differentiating strategy as Polat *et al.,* (2014) noted the social values and features associated with the product play an important role in explaining customer's bank selection. Secondly, the functional dimension (i.e. how it is delivered) consists of four sub-dimensions namely human, physical, social and institutional factors. Thirdly, the interactive and relational dimension consists of two sub-dimensions which are WoM and positive recommendations, and previous experience. One of the key aspects of this framework is that it is a service-oriented model that is based on considering the multi-dimensional aspects consumers' bank selection criteria.

4.2.2: Formulation of hypothesis

The conceptual framework of retail customers' bank selection (Figure 4.1) encompasses different factors into eight sub-dimensions of bank selection. These eight sub-dimensions are further summarised under three main dimensions of bank selection. Based on the findings presented in Chapter two, which is further highlighted in section 2.5, it can be argued that all the dimensions or sub-dimensions of bank selection are not equally important to customers in their bank selection decisions. Moreover, based on the contextual discussion and analysis conducted in Chapter three (i.e. Empirical background-overview of Bangladesh banking sector), the framework until this point does not suggest either the technical dimension, or functional dimension, or interactive or relational dimension is more important over others. But it suggests that all of these three major dimensions should be integrated to obtain a comprehensive understanding of retail customer' bank selection criteria. On the basis of conceptual framework presented above (Figure 4.1), a number of hypotheses are formulated which are divided into three main tiers:

The first tier of hypotheses are going to include both customer groups (i.e. existing and potential) which are more focused into testing the hypotheses in general; regardless of whether customers have bank account or not. Moreover, to determine whether any significant difference exists between these two groups of customer has also been tested.

The second tier of hypotheses is directed towards customers who already have bank (i.e. existing customers).

The third tier of hypotheses focuses on potential customers by testing whether any significant differences exist across different bank selection dimensions.

First tier of hypotheses

There are conflicting results in both the marketing literature and bank selection literature regarding the influence of customers' demographics (e.g. gender, marital status, education, and occupation) on their purchase patterns or bank selection. For instance, there is support for the argument that demographic characterises have influence on attaching importance into different dimensions of bank selection; and there is also an argument that indicates no influence of demographic

characteristics on attaching importance into different dimensions of bank selection. Thus, the following hypothesis is proposed.

H₁: Demographic characteristics have no influence on the importance of different sub-dimensions of bank selection.

There is support in the services marketing literature that consumer activities (i.e. need recognition, information search, and evaluation of alternatives, purchase, consumption, and divestment) not only differ by different customer segments but also within a particular segment. This variance of consumer activities in terms of bank selection has also been evident: both across the customer segments and within a customer segment. One of the key objectives of this study is to answer the research question: *Is there any significant differences between potential (i.e. who do not have a bank) and existing customer segments (i.e. who have a bank)*? In order to answer this research question the following hypothesis has been formulated

H₂: There are significant differences in the importance of the different sub-dimensions of bank selection between potential and existing bank customers.

Second tier of hypotheses:

There is a growing body of literature that suggests that there are various forces influencing customers' bank selection criteria and that customers attach different levels of importance to each of these. In essence, it can be said that the degree of importance customers attach to different dimensions of bank selection differ from one situation to another which is largely informed by the nature and type of financial needs. This is an indication that in general, customers attach a similar level of importance to different dimensions of bank selection which leads this research to devise the following hypothesis.

H₃: For existing customers, there are no differences in the importance of functional, technical, and interactive and relational dimension for bank selection.

However, a paucity of research in the current bank selection literature about whether the numbers of banks customers currently hold have any effect on their future bank selection in relation to attaching importance to different dimensions of bank selection. In this regard, the literature suggests that the selection of a second or third bank is more justified than the selection of first bank by arguing that selection of first bank is mostly situational (i.e. meeting emergency financial needs). Based on these arguments the current research assumes the following hypothesis.

H_4: There are differences in the importance of technical, functional, and interactive and relational dimension for bank selection in relation to number of banks customer holds.

With regard to the effect of customers' multiple banking behaviour on selection criteria or part of it, there is not sufficient evidence in the literature that classifies the impact of customers' multiple banking relationship on future bank selection decision. The literature suggests that the selection of a bank is not a one-off decision provided that customers may have relationship with one more or multiple banks. This means that there are very few banks positioned that can meet diversified financial needs of customers which leads them to establish banking relationship with different banks. On the basis of this finding, it can be assumed that it is difficult to identify any general trends of customer choice patterns; this helps to formulate the following hypothesis.

H_5: For customer with multiple bank relationship there are no differences in the importance of technical, functional, and relational and interactive dimensions of bank selection.

In conclusion, customer's bank selection is often associated with purchasing particular (or a set of) products or services which are consistent with their financial needs. The literature suggests that the products and services offered by banks largely reflect the needs of customers as the products and services offered by banks create values and benefits that contribute to the realisation of customer's needs. It is also evident that particular products or services offer certain features and benefits which are often distinguishable (the products and services offered by existing banks in Bangladesh are discussed details in Chapter three – section 3.2). As a result, the following four hypotheses can be formulated.

H_6: Customers with different products and services attach different levels of importance in technical, functional, interactive and relational dimension of bank selection.

H_7: Customers who have attachment with saving and investment products attach most importance on technical dimension.

H_8: Customers who have attachment current account products attach most importance on functional dimensions.

H_9: Customers who have attachment with loan products attach most importance on interactive and relational dimension.

It has been apparent that that the frequency of going to a bank varies between customers, which is largely due to variances of customers' financial needs For example, customers who are necessitated to go to a bank frequently are likely to attach more importance to locational or proximity dimension of bank selection. This does not mean that customers who go to a bank less frequently do not give importance to this dimension, but less than those who need to go to a bank frequently. On the basis of this argument it can be assumed that the degree of importance customers attach to different dimensions of bank selection differ between frequent and non-frequent bank users which, leads to formulate the following three hypotheses.

H_{10}: There are differences of importance in technical, functional, and interactive and relational dimension of bank selection between frequent and non-frequent bank users.

H_{11}: For customers who are frequent bank users, the institutional sub-dimension of the bank selection is more important than the other three functional sub-dimensions such as human, physical, and social.

H_{12}: For customers who are non-frequent bank users, the product cost and benefits is more important than product features within technical dimension of bank selection.

The banking system of Bangladesh is a blended aspect of interest-based (i.e. conventional banking) and non-interest based (i.e. Islamic banking) banking systems. However, it is also evident that these two banking systems offer similar types of products and services but there are some distinguishable differences in their value proposition between these two banking systems. This suggests that customers attach different level of importance to different dimension of bank selection, which enables this research to formulate the following hypothesis

H_{13}: There are differences in importance of technical, functional, and interactive and relational dimension of bank selection between customers of Islamic and non-Islamic bank as their main bank.

There is considerable evidence in the existing bank selection literature that customers who choose non-Islamic banks are highly influenced by the maximisation of their economic benefits; which indicates that there is a greater level of importance that customers attach towards cost and benefits aspect of bank selection criteria. In other words, these customers attach a lower level of importance towards the criterion of interest-free banking and profit and loss sharing systems, operating within an ethical and moral framework; these are the three key fundamental principles of the Islamic banking system. Based on this argument, the following two hypotheses can be formulated.

H_{14}: For customers who have made the Non-Islamic bank as their main bank attach greater importance on functional dimension over technical dimension.

H_{15}: For customers who have made the Islamic bank as their main bank attach greater importance on technical dimension over functional dimension.

Third tier of hypothesis:

The diversity of customers' needs and demands across different customer segments is evident in the customers' bank selection patterns. Considering this particular segment of potential customers (i.e. who are currently unbanked) which are students, the literature supports the argument that the degree of importance customers attach to different criteria of bank selection differs significantly. Based on this, the following hypothesis can be formulated.

H_{16}: For potential customers, there are significant differences in the importance of functional, technical, and interactive and relational dimension for bank selection.

The literature examined the relative importance of different bank selection criteria as a whole and found that no attempt had been made to investigate the relative importance of factors within a particular dimension (based on the segregation defined in the conceptual framework of retail customer bank selection criteria; see Figure 4.1). There is an indication that Bangladesh bank customers are relatively price sensitive. This means that the purchase decision is largely based on price without a sophisticated analysis of other performance attributes. Based on this argument one could formulate the following hypothesis.

H_{17}: Potential customers attach more importance on product cost and benefits over product features within the technical dimension of bank selection.

Based on the existing literature, customer's bank selection is largely need specific. In other words, which particular aspect (or combination of aspects) of bank selection will be given priority is determined by the nature and type of customers' financial needs. Considering the nature of financial needs of this particular segment of customer (i.e. potential customers) which is largely centred on reliability and responsive aspect of bank selection, the following hypothesis is proposed.

H_{18}: Potential customers attach more importance on human sub-dimension over institutional sub-dimension within the functional dimension of bank selection.

Neither the literature nor the result of piloting can find support for the argument that there are differences between WoM recommendation and previous experience variables within the interactive and relational dimension of bank selection. Therefore, this suggests the following hypothesis.

H1$_9$: There is no difference of importance between word-of-mouth and previous experience within interactive and relational dimension of bank selection.

4.3 Research process: An overview

This research selects such a methodology that could fit its nature and type. Therefore, the study chooses objectivism as epistemology, positivism as research philosophy, quantitative as research strategy, and a survey questionnaire as the principal method of data collection. The figure 4.2 illustrates a brief view of the adopted research process.

Figure 4.2: Research process
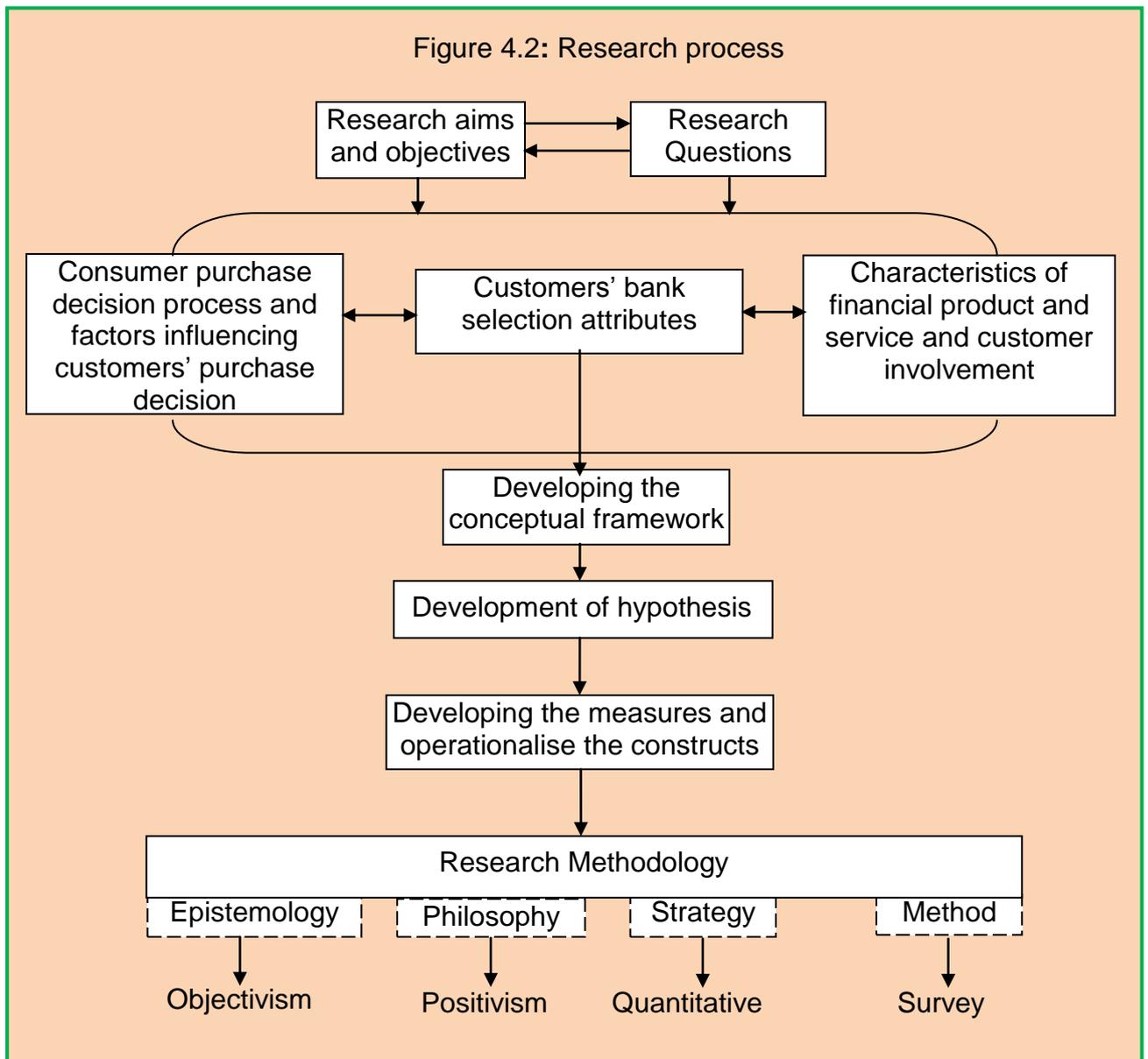
Creswell (2003) defines the research design as a process consisting of research potential and assumptions corresponding to the process of data collection and data analysis. The selection of research design or process is informed by the nature of research question and objectives (Saunders *et al.,* 2009). The research process contains four major elements: epistemology; theoretical perspective or

research philosophy; methodology; methods, which are explained in the following sub sections.

4.3.1 The research epistemology

The term epistemology, which refers to the ways of knowing and learning that forms the basis of knowledge (Ritchie *et al.,* 2014), plays a key role to make a reasoned judgement about the selection of research methodology (Creswell, 2003). According to Crotty (2006), the epistemological point provides researchers a philosophical ground, which in turn, could help them to decide what types of knowledge is satisfactory and adequate in a particular field of study. In this regard, a similar view is delivered by Bryman and Bell (2011) who argued that epistemology refers to what should be considered as acceptable in a certain field of study. On the basis of the above discussion it can be argued that the term 'epistemology' as a part of methodology is concerned with the set of assumptions about how the knowledge is existed and how it can be generated.

According to Ritchie *et al.,* (2014), there are two types of epistemology namely inductive (i.e. bottom-up approach) and deductive (i.e. top-down approach). In regards to inductive approach, the learning process or the knowledge is created through observation of real world. By contrast, under the deductive approach, some presumptions or hypotheses are made and test it against the observation. Thus, it could be argued that inductive approach centres on development of theory while deductive process focuses on testing the theory or assumptions (Saunders *et al.*, 2009). An additional view is given by Crotty (2006) who explained the term 'epistemology' from three different perspectives including objectivism, subjectivism and constructionism. According to him, *subjectivism* which is closely associated interpretivist approach- a social phenomenon creates from the consequences of social actors where the researcher is a part of research being researched. In regards to *objectivism,* the research issue exists as a meaningful entity where the researcher and the area being researched are separated, and is primarily associated with *positivist* approach (Saunders *et al.,* 2009). Moreover, the researcher believes that there is something objective truth that can be discovered (Collis & Hussey, 2003). Finally, the *constructionism* perspective which tells us that the issue being researched is largely constructed and changes frequently where there is no objective truth that can be discovered. In this case emphasis is given to identify the meaning behind the reality (Crotty, 2006).

On the basis of above discussion and analysis, it could be argued that any planned and logical initiatives could help to establish the predetermined assumptions or fact as true or false. Moreover, the objectivism which has a close association with the positivism stance often encourages the use of survey and quantitative methods of data collection and data analysis (Crotty, 2006). This research is concerned with not only understanding knowledge as objective proof, but also developing knowledge based on the opinions provided by bank customers regarding their bank selection decisions. These two points support the view that the researcher is not only independent but also separated from the area being researched. Moreover, the views and opinions hold by researcher are not influencing the research process. After considering these issues the researcher here finds the objectivism as the most appropriate epistemological stance to understand the research effectively and answer the research questions.

4.3.2 Theoretical perspective and research philosophy

Theoretical perspectives as a philosophical stance tell about the basis of methodology. There are four major philosophical stances including positivism, realism, interpretivism and pragmatism (Saunders *et al.,* 2009). The following table gives a comparative aspect of these four philosophical stances.

Table 4.1: Comparison of four research philosophies

	Ontology (what is knowledge / nature of reality)	Epistemology (how we know knowledge/what constitutes acceptable knowledge)	Axiology (what value go into knowledge/the role of value in research)
Positivism	Objective and independent of social actors.	Observable phenomena can provide credible data.	Researcher takes an objective stance and research is conducted in a value-free way.
Interpretivism	Subjective and socially constructive.	Focus upon detail of the situation and the reality behind the details.	Research is value bound where researcher is a part of what is being researched.
Realism	Objective and exists independently of human thought.	Focus on explaining within a context.	Research is value laden and researcher is biased by world view, cultural experiences.
Pragmatism	External and multiple views are chosen to answer the research question.	Integrate different perspectives to investigate observable or subjective meaning.	The researcher adopts both objective and subjective points of view.

Source: Adapted from Saunders *et al.,* (2009:119)

In the light of the above findings, it can be fairly assumed that there are two major philosophical stances namely *positivism and interpretivism* with respect to theoretical perspectives. To confirm this, Bryman and Bell (2011:16) assert ''***Interpretivism is a term given to a contrasting epistemology to positivism***''. These two fundamental philosophies (i.e. positivist and interpretivist) can also be explained by the aims and assumptions related with research. For example, the positivism philosophy dominates by the aim of discovering universal law or

generalising the facts in explaining human behaviour under the assumption of '*the world is objective*' (Cavana *et al.,* 2001; Saunders *et al.,* 2009). However, under the *interpretivism* approach, the aim is discovering socially-constructed subjective meaning by assuming that the world is subjective and changeable (Cavana *et al.,* 2001).

There are some arguments in for and against both interpretivism and positivism. For example, interpretivism views positivism as a pre-dated philosophy by arguing that reality is random (i.e. not patterned) and meaningful social actions that can only be understood by interpreting the meaning and motives behind the reality which cannot observed empirically (Robson, 2011). It is also argued that people construct the world by attaching meaning to it while actions or behaviour can only be studied by these meaning, ideas or constructs which are internal to people consciousness not things. However, positivists believe that reality exists outside and independently of human mind by arguing that nature is made up of objective, observable and society is an objective reality. In this case positivists employ quantitative data to uncover the pattern by allowing them to produce a precise statement or framework of relationship that explain human activity. Considering the above points, it could be argued that the philosophical stance most appropriate for a research is determined by the nature and types of research problems together with associated aims and assumptions embedded into the research (Creswell, 2003; Saunders *et al.*, 2009).

This research is based on a theoretically-justified conceptual framework where some constructs have been developed to answer the research questions and address the research aims and objectives. Moreover, the planned and organised research activities adopted to answer the research question leads this research to adopt positivism as theoretical perspective. Furthermore, there are considerable amount of empirical researches about customers' bank selection decision have followed positivist research philosophy (e.g. Blankson *et al.,* 2007; Rao & Sharma, 2010; Abduh & Omar, 2012). The researcher also intends to conduct this research in a value-free way by maintaining an objective stance which also works as one of the logical reasons behind the adoption of this philosophical stance.

4.3.3 Research strategy

It is noted in earlier discussion that the choice of an appropriate research strategy is an indispensable part of research methodology which is also informed by type and nature of research. Moreover, it is also important to deploy a research strategy consistent to the circumstances of any given study (Creswell, 2003). As a result, this research will employ such a strategy that helps to accommodate its purpose and thereby assist in developing a conceptual framework, and help to evaluate and justify the theoretical framework. They are important because this research is based on identifying and analysing the factors customers consider in selecting their bank. According to the literature of research design it is important to decide whether the research use qualitative strategy or quantitative research strategy or mixed method (i.e. a combined aspect of qualitative or quantitative).

Saunders *et al.*, (2009) and Bryman and Bell (2011) state that quantitative research strategy is such a strategy that centres on quantification in collecting and analysing data, whereas qualitative research strategy based on words, phrase in data collecting and analysing. A similar view was delivered by both Creswell (2003) and Davies (2007) who stated that quantitative research strategy centres on numbers and figures while they are words, sentences, and narratives for qualitative research. According to their view it could be argued that quantitative research strategy is such a strategy that centres on using number as technique of data collection (e.g. questionnaire) and procedures of data analysis (e.g. statistics). And qualitative research strategy predominantly uses non-numeric technique as means of data collection (e.g. interview) and of course the procedure of data analysis (e.g. categorise the non-numeric data).

It is evident that there are some fundamental assumptions embodied in understanding these two contrasting research strategies. For example, using the qualitative research approach, multiple realities take place within a given situation where it is important to reduce the distance between the researcher and research participants being researched or interviewed (Ritchie *et al.,* 2014). Conversely, in quantitative research it is assumed that there is some reality that can be studied objectively that makes researcher independent from the research in terms of what is being researched (Bryman & Bell, 2011). In addition to this, there are some key differences. For example, principle orientation in the role of theory in quantitative research is deductive (i.e. theory testing) while it is inductive (i.e. development of

theory) for qualitative research. Due to the existence of different assumptions in both of the research strategies, there are some strengths and limitations associated with both of them. For example, for the quantitative research strategy, it is often argued that if it is done correctly the results will be representative (Bryman & Bell, 2011); the data can be collected on a large-scale through standardising the data collection procedure (Creswell, 2009); a in-depth analysis can be conducted by employing sophisticated statistical techniques which can be replicated and enable statistical inferences to be drawn (Grossnickle & Raskin, 2000). The quantitative research strategy is not free from limitations. For example, a lack of flexibility might not allow the researcher to cover any emerging issues. In addition, the position researcher holds might produce bias where self-reflection might be neglected (Bryman & Bell, 2011).

In contrast, there are some strengths and weaknesses associated with qualitative research design. For example, one of the advantages is that due to its natural setting the qualitative research design offers wider flexibility and feedback that enables the researcher to adapt to the changes. It also has some shortcomings including the subjective approach of research redesign might produce significant bias as it involves a small sample where it is often very difficult to generalise the results and make insightful decisions. Moreover, it is difficult to distinguish any small difference which is often very critical in today's research environment. In a qualitative research strategy, the Justification, objectivity and truthfulness of research findings are based on coherence, believability and instrumental utility which are often difficult to materialise (Bryman & Bell, 2011).

It is already noted that the selection of research methodology is dominated by the nature and type of research problem, and its aims and objectives. Keeping this in mind, the choice of quantitative research strategy is reasoned as the most appropriate for this research. The research involves investigating customers' purchase decisions (hereafter the 'bank section criteria') which have significant marketing implications (i.e. designing marketing strategies) that require participation of a considerable amount of research participants which might not be appropriate under a qualitative research design. Moreover, there are considerable amount of research and consistent evidence supporting this view that the most appropriate research strategy for investigating customers' bank selection criteria is quantitative research design, in particular when the research demands more

emphasis on practical and managerial implications (Fatoki & Chigamba, 2011; Mousavi *et al.,* 2015). Therefore, the above discussion justifies the choice of a quantitative approach as the research strategy through administering questionnaire for data collection to investigate customers' bank selection criteria.

4.3.4 Research design

Before going on to describe the methods of data collection, the researcher would like to clear the issue of research design which is a plan of action that indicates specific steps that need to be taken to answer the research question and achieve the research objectives. In marketing research, it is important because it helps to choose among decision alternatives to solve the research problem. However, there are many influences that can impact the choice of research design including attitude of researchers, research budget, and available time. The choice of research design is primarily influenced by the objective of research implied by the research question. There are three major types of research design namely exploratory, descriptive, and causal (Smith, 1998).

Exploratory: When the research is very new and little is available in the existing literature. It is an initial search that involves in exploring issues, ideas and gaining insight by using multiple sources of information with an open mind and flexible attitude (Zikmund *et al.,* 2013).

Descriptive: This type of research is more established than exploratory research based on aims to give a detailed description about attitudes and behaviour of a certain population, event or phenomena in a precise manner (Creswell, 2003).

Causal: When the research aims to predict the outcome by investigating cause and effect relationship among different variables (Creswell, 2003).

The above points lead to the understanding that this research is dominated by the characteristics of causal research as the research design involves in making some pre-assumptions (i.e. hypothesis) and aims to explain the relationship between different variables. The research complies with three key characteristics of causal research in terms of manipulation, measurement and control, as it is considerably noted that customers' bank selection decision is a multi-attributes based decision and the research aims to determine the degree to which one variable is causally related to others. This research is also linked with some descriptive elements as it is based on available existing literature and aims to determine bank selection

criteria. It is highly structured in its approach of data collection where the researchers has some prior knowledge about who will be the target population; how the questions are to be phrased; where to find the research population; why these particular questions need to be asked?

4.4 Methods of data collection

Generally, there are three mains method of data collection in a survey research: observation; interview; questionnaire. The current research utilises a questionnaire to investigate the customers' bank selection criteria. The questionnaire has been developed on the basis of the review of literature in relation to the aims and objective of the research. The developed questionnaire has been distributed to target respondents based on a target sample size. In essence, this research adopts a survey method for data collection. Goodwin (2005) defines a survey as a method to measure attitudes, beliefs and tendencies of a certain group of people through asking them a structured set of questions or statements. It is often argued that a quantitative strategy is the most appropriate to offer and assess the relationship between variables depending on the developed theoretical framework. Moreover, Trochim (2001) identifies survey research as a commonly used technique of data collection for measurement nature of research in marketing and business. According to Zikmund and Babin (2016), the survey method is an appropriate method of collecting quantifiable data from research participants in particular when the research aims to identify, examine and generalise the research findings. The use of survey method which is commonly linked to deductive approach provides an opportunity for the researcher to employ tangible techniques of ensuring reliability and validity (Creswell, 2003; Saunders *et al.*, 2009).

A survey is a method of data collection by asking a list of pre-formulated questions in a defined sequence to a sample of individuals often assumed to be representative of the larger population (Zikmund & Babin 2016). This provides a further opportunity to identify attitudes, opinions and beliefs through understanding people's intention and preferences towards a certain object (Fowler, 2002). The questions listed in questionnaire need to be logical and follow an order that helps sample participants to express facts, intentions and beliefs. The task of collecting primary data by using a survey method can be performed by different ways (e.g. face-to-face contact; sending questionnaire by e-mail or general mail or telephone call). The key concerning issue here is whichever way is chosen, the entire

process is organised (e.g. operationalisation, wording; ordering and executing) in a way respondents feel convenient and comfortable. There are a number of factors that work behind the adoption of questionnaire as a technique of data collection proposed by Sunders *et al.,* (2009: 363-365). These are as follows

- ✓ Characteristics of respondents;
- ✓ Importance of including a certain individuals or group;
- ✓ Size of sample required to answer the research question;
- ✓ Types of question need to ask;
- ✓ Number of question need to ask;
- ✓ Time available to complete data collection and
- ✓ Available resources (time; financial; human; technical).

This research involves asking various questions to many individuals in a short period of time to gain an understanding about their views and tendencies regarding their bank selection criteria. Under considering the above points, the questionnaire can be referred as the most appropriate method of data collection. It is also noteworthy that this method is referred and supported in a similar type of previous research (Mousavi *et al.*, 2015; Salehi & Rajabi, 2015). Moreover, there are substantial evidences about the use of the questionnaire as a method of data collection in investigating customers' issues in a wide range of service industries. On the basis of the above discussion, the researcher intends to employ a quantitative research strategy in the form of a questionnaire.

4.4.1 Research instruments and data collection method

It was noted that the measures that will be used in investigating customers' bank selection are developed through a review of the literature. The questionnaire that had been used in collecting data from respondents consists of three major sections. The first section focuses on customer banking behaviour. The second section is the most important part of the questionnaire that includes the main scale of the customers' bank selection attributes. In this section, the participants were asked to indicate the level or degree of importance they are likely to attach in different criteria in their bank selection process. The third section deals with identifying some selected socio-demographic characteristics of respondents. The socio-demographic questions are ordered in the last section for allowing the participants a fresh mind in answering the vital part of questionnaire. However,

there are several instruments available in the literature, this research would like to use a revised scale for the following reasons.

Firstly, the nature and type of market highly influence customer buying behaviour (Baron, 2009). Moreover, there is a considerable impact of culture on customer purchase decision meaning that what is valued most in individualistic culture might be less valued in a collectivist society (e.g. Bangladesh). Furthermore, there are different emergent factors that have been overlooked in previous researches and some included items have no implication for the current research context.

Secondly, most of the research (e.g. Jahiruddin & Haque 2009; Pervin & Parveen, 2012; Siddique, 2012) did not undertake any consistence measure to validate their scale which also leads researcher to add some new measures of investigating customers' bank selection.

Thirdly, in the previous research no significant attempt has been made to triangulate the data collection technique by using multiple sources of information which had been considered in this research.

The above points and arguments support the view that the revised measures can be used effectively to investigate the bank selection decision of customer. Like other bank selection researches (e.g. Blankson *et al.,* 2007; Rashid & Hasan, 2009) a seven-point Likert scale had been employed as the literatures (e.g. Malhotra, 1996) suggest that there is a positive relationship between number of scale points and scale reliability. In this case, Malhotra (1996) further emphasised that seven or more scales are required in particular when any research is likely to employ sophisticated statistical techniques for data analysis. Despite these favourable attributes of using a seven-point scale the decision of using this was not straightforward for this research as it comes into effect after some pre-testing (these details are described in the piloting section later). Therefore, the research participants have been asked to evaluate or rate each statement on a seven-point Likert scale by assigning a value of 1= not important at all to 7=very important.

Before developing the items included in questionnaire the context of Bangladesh bank and customer viewpoints have been considered. The questionnaire has also been examined by banking professionals and academics before piloting. After the piloting, the structured form of questionnaire has been distributed to target respondents by adopting a probability sampling (The details about sampling issues

is discussed later in this chapter). Before going to the next section (i.e. administering the questionnaire), this section ends with justifying why this research has chosen a structured questionnaire.

Firstly, most of the information needed to answer the research question is attitude-type. In this regard, Churchill (1995) asserts that attitudes, opinions, intentions and motivation could be ascertained by communication method as there might be some problems related with the accuracy of replies. However, the use of observation methods seems limited in scope to gain information about some socio-demographic characteristics.

Secondly, the research objectives which involves comparing and contrasting across different bank selection attributes from different perspectives. This is suggested that a structured form of questionnaire is not only effective but also respondent convenient. Moreover, it increases the response rate in terms of time and ease of responding (Parasuraman *et al.,* 1991a).

Thirdly, this research did not require collecting any personal and sensitive data from the respondents that could embrace the respondents. This sort of characteristics embodied in the questionnaire enables this research to adopt a structured form of questionnaire.

 Finally, there are a considerable amount of previous empirical researches have successfully completed the data collection with a structured form of questionnaire (e.g. Rao & Sharma, 2010; Salehi & Rajabi, 2015).

4.4.2 Questionnaire administration

According to Saunders *et al.,* (2009) there are two major types of questionnaire administration namely self-administered and interviewer administered while each of them could be further divided into several categories (e.g. internet mediated, delivery and collection, structured interview). The questionnaire had been administered by the method of self-administration with a face-to-face interaction in accordance with the procedure of a multi-stage probability sampling (i.e. a combined aspect of cluster and stratified sampling).

The researcher himself had distributed the questionnaire to customers on the basis of customers' willingness to participate in the data collection process. After distributing the questionnaire the respondents had been requested to complete the

questionnaire in the area considered convenient and safe for both researcher and participants. The justification of adopting the 'face to face' method of administering questionnaire had been chosen for several reasons. Firstly, it has potentiality to yields greater percentage of acceptable return and relatively lower refusal rate (Saunders *et al.,* 2009). Secondly, the face-to-face administration of questionnaire is often considered as the most appropriate method of questionnaire administration in the less-developed or developing countries (Kumar, 2000). Thirdly, the nature and causes of non-response can be identified more easily using face-to-face questionnaires compared to other types of questionnaire administration such as postal or Internet-mediated. Fourthly, Bangladeshi people are more comfortable and have experience of providing data through face-to-face (self-administration) contact practised by different governmental and non-governmental organisations compared to other forms of survey methods such as e-mail, telephone or postal due to underdeveloped postal and limited access of target respondents to the Internet.

4.4.3 Pilot testing

The final data collection should not start without necessary pre-test of the questionnaire (Malhotra, 1996; Bryman & Bell, 2011). The pilot testing of the questionnaire can be defined as a process of testing the measures or items for the purpose of improving the effectiveness of questionnaire by identifying and eliminating any potential problems (Malhotra, 1996; Saunders *et al.,* 2009). In other ways it provides an opportunity to evaluate how well the measures flow and to check whether it is necessary to rearrange any or some of them to improve the quality of questionnaire on the basis of outcomes and suggestions (Bryman & Bell, 2011). Considering these attributes the piloting had been executed on three different stages before finalising the questionnaire and conducting final field survey.

4.4.3.1 First stage of piloting

The draft questionnaire was piloted among the Bangladeshi students currently staying in UK over the months of December 2015 and January 2016. In choosing the student the emphasis is given on three key criteria. Firstly, those have come here very recently for study purposes. Secondly, those who have bank accounts in Bangladesh. Thirdly, those have originated from the expected sample location (i.e. Dhaka). This is supported by the existing literatures. For example, Saunders *et al.,*

(2009: 394) state that "*it is better to pilot test the questionnaire using friends or family than not at all*". He also argues that it will help to assess the face validity (i.e. whether the questionnaire appears to make sense). Moreover, it can gives an opportunity to have an idea of completion time of the questionnaire; any obvious problems in the questionnaire; the clarity of questionnaire; addition or omission of any aspect. The piloting in the first stage had been carried out for two basic reasons. Firstly, to check the wording. Secondly, to identify any other problems mentioned above. Here it is mentionable that prior to conducting the pilot study in this first stage, the draft questionnaire had been translated into *Bengali language* (the official and national language of Bangladesh) from *English*. This was to enable the respondents of the pilot study and thereby the final customers to participate in this research comfortably and effectively. As per requirement of this research, the *Bengali* form of final questionnaire has been translated into *English* language using the same layout by an independent translator whose mother tongue is *Bengali* together with a good knowledge in *English*. Before conducting the piloting, in both first and second stages the researcher here designed a short list of instructions for the respondents which included assessing the wording difficulty, identifying if there any unnecessary item that need to removed or reworded, assessing the need to include any new items not included in provided questionnaire, examining the importance of different items included in the questionnaire in their bank selection decisions and finally the ordering and layout of the questionnaire.

In this stage of piloting, 10 recently migrated (less than 1 year) students were chosen from the University of Bedfordshire and University of Birmingham. In this case, the personal interviews were chosen on the basis of importance of personal interaction with the respondents and thereby gaining their comments, views and opinions about the entire aspect of questionnaire.

4.4.3.2 Second stage of piloting

The second stage of piloting was carried out on January-February 2016 for the same purpose mentioned in the first stage of piloting. The second stage of piloting conducted on 6 bank employees located in the area of final sample (i.e. Dhaka-the capital city of Bangladesh). The piloting of this stage not only lessened the weakness of depending solely on quantitative research strategy but also complements the view of Ritchie *et al.,* (2014) and Robson (2011). They argued

that there is something beyond the traditional reliability and validity test often conducted in quantitative research design. To fill this gap (lacking of triangulation), this stage of piloting was carried out on 6 bank officials to improve contents and validity of the survey questionnaire by considering their views, comments and opinions and their practical experience.

4.4.3.3 Third stage of piloting

The feedback from the first and second stages of piloting was reviewed before conducting the third (final) stage of piloting in February 2016. This consisted of two separate phases. The first phases involved 30 customers, where half of respondents were given a seven-point scale questions, while the other half were given a six-point scale by removing the neutral position. Two different scales have been used in the first phase to examine how respondents respond in terms of neutral position.

The second phase of piloting involves surveying a total of 60 customers who were also located in the final sample location in Bangladesh (i.e. Dhaka) in February 2016. The same purpose mentioned above (i.e. first and second stage) was also maintained during this stage as well. This procedure further supports the view of Saunders *et al.,* (2009) and Zikumund and Babin (2016) who suggested that during the piloting or testing research instrument, it is far more effective to include those who are quite similar to the target respondents (i.e. more likely to participate in the final stage of data collection). The following subsection discusses the feedback of the pilot study.

4.4.3.4 Feedback from the pilot study

The measures appeared in the questionnaire given to the respondents were amended at every stage of piloting. The results from the pilot study revealed that there were certain areas that need to be modified in order to improve the effectiveness of the questionnaire. The modifications came under three major areas: generating additional items; rewording items; separating items. The researcher recognised the need to include some items to develop a satisfactory and comprehensive set of items for identifying the factors related with customers' bank selection. The following table reveals the additional items that had been generated from the pilot study.

Table 4.2: The additional items derived from the comments and suggestions of pilot respondents

S.N.	Item description
I.	Working as intermediary in purchasing property.
II.	Paying profit or interest on balance of current account.
III.	Removal of settlement fee.
IV.	Quick service recovery in case of service failure.
V.	Equal treatment from the bank.
VI.	Free from political intervention.

Although some items have been included as indicated in the above table 4.2, the results of the pilot study confirmed the importance of the measures included in the original questionnaire, thus no item was eliminated. However, the pilot study suggested rewording some items to better capture their true meaning which are revealed in the following table 4.3.

Table 4.3: The revised items of the questionnaire

S.N.	Original items	Reworded items
I.	How often you visit your man bank?	How often do you go to your main bank for conducting banking operations?
II.	Knowledgeable staff.	Expert staff.
III.	Higher return on deposit.	Higher return/profit/interest on saving/deposit/investment.
IV.	Previous good experience with the bank.	Previous good experience and trust with the bank.

In addition to rewording the items presented in the table 4.3, the results of pilot study suggest the separation of some items to increase the degree of independence of the items included in the questionnaire. The following Table 4.4 reveals the original and separated items.

Table 4.4: The list of original and separated items

S.N.	Original items	Separated items
I.	Lower cost/charge/commission related with the product and services.	Lower rate of interest on loan/advance.
		Lower commissions and fees.
II.	Modern looking and appealing internal environment (less waiting time, comfortable and enough sitting space, counter partition, parking facilities).	Modern looking equipment.
		Appealing internal environment.
		Enough sitting space.
		Counter partition.
		Parking facilities with enough security.
III.	Recommendation by others.	Recommendation by family members, friends and relatives.
		Recommendation by employer.

As mentioned earlier in the piloting (i.e. section 4.4.3.3) that two separate scales have been offered to the respondents during the first phase of third stage piloting. Half of the respondents were given a seven-point Likert scale (ranging from 1 to 7) by keeping neutral option. The other half of the respondents was given a 6-point Likert scale questions (ranging from 1 to 6) by removing the neutral option. In this regard, the result of the pilot study suggests that there were an insignificant amount of respondents (6.7 percent) have maintained the neutral position for rating the scale. On the basis of these findings, the researcher finds the relevance of keeping the neutral position in the final questionnaire.

Moreover, no problems have been found by the respondents in the item's layout and sequence apart from the issue of length of questionnaire. Finally, it can be concluded that the respondent's assessment of the items in relation to customers' bank selection was positive.

However, different established measures found in the literature were included to operationalise constructs, several measures were modified and adapted through rewording and separating to understand effectively and suit the context being studied which is supported by the literature (Rust *et al.,* 1995). As evident above, some of the items were re-worded and separated on the basis of the respondent's (professionals and customers) comments and suggestions for obtaining a clear

understanding as Aaker, Kumar, Leone & Day (2016) pointed out that a clear understanding of measures should be given utmost importance to encourage a large and effective response. Followed by making necessary changes were derived from the pilot study, the questionnaire was finalised (The final form of questionnaires in Bengali and English are attached in Appendix 4.1 & 4.2) as there are wide ranges of literatures strongly support this kind of procedure (e.g. Saunders *et al.,* 2009; Bryman & Bell, 2011). This procedure also assisted the researcher to meet a number of objectives: to generate some important items which were not included in the pilot form of questionnaire; to evaluate the importance of included items for identifying customers' bank selection; to assess the layout and sequence; to develop a comprehensive set of measures to operationalise the construct; to improve the administration of questionnaire.

4.4.4 Sampling (methods, procedure, size, and location)

This section of sampling addresses the plan to obtain the sample followed by discussing the sampling methods. After choosing the sampling method the issues of sampling procedure, location and sampling size will be discussed.

The issues related with sampling are not only a complex process but demands a careful concern, as it is noted that any wrong sampling could causes considerable damage to the reliability and validity of research (Babbie, 1996). Both Saunders *et al.,* (2009) and Bryman and Bell (2011) supports the view that the size of sample has considerable impact on how the sample represent the population. For example, Saunders *et al*., (2009) state that the larger the size of sample, the more likely the generalisation to be the reflection of the population. However, there are some factors that could impact the determination of sample size such as the statistical techniques the research requires to employ in answering the research question (Saunders *et al.,* 2009), resources (i.e. time; money; human) available for data collection (Bryman & Bell, 2011).

One of the fundamental issues related to sampling is choosing an appropriate sampling procedure. According to Saunders *et al.,* (2009), sampling is a process of selecting individuals who are supposed to participate in the data collection process. Generally, there are three key issues related to the sampling procedure, namely: the *sampling unit* (i.e. who is to be surveyed); *sampling size* (i.e. how many individuals respond); and *sampling procedure* (i.e. how the sample unit will

be chosen). There are two basic types of sampling methods including probability sampling and non-probability sampling (Saunders *et al.*, 2009).

4.4.4.1 Probability sampling

In probability sampling, each sample unit of a population bears equal or non-zero chance of being included in sample. This is the best-known and widely-used sampling method for its strong theatrical base and option of calculating the confidence limits and statistical error that allow adopter to obtain a representative sample. The probability sampling enables the researcher to assess the accuracy of estimates (Tansey, 2007).

The simple random sampling is the basic form of probability sampling where the elements of population are selected once without replacement by using random number tables. It enables the researcher to avoid subjective bias which might often occur in a personal selection of sample. Despite wide acceptability and sound theoretical basis, this sampling might not be deemed as most appropriate when the target population covers a large geographical area, in particular when the data collection requires personal contact with the respondents and in the absence of sample frame (Saunders *et al.,* 2009).

Another form of probability sampling is stratified sampling where a fixed strategy is followed to select the sample and all the units of population do not have equal chance of being included in the sample. This is more appropriate when the population is geographically dispersed and no emphasis is given to contact face to face with research participants (Saunders *et al.*, 2009).

The cluster sampling is a technique of sampling where the population is divided into different clusters on the basis of homogeneity; this is often referred as two-stage sampling. The first stage involves clustering while the second stage involves selecting the elements from the cluster. Finally, when a combined aspect of stratified and cluster sampling is used then it is called multi-stage probability sampling (Bryman & Bell, 2011).

4.4.4.2 Non-probability sampling

In the non-probability method of sampling the elements of population do not bear equal chance of being included as sample and the selection of sample is highly influenced by researcher's personal judgement (Bryman & Bell, 2011). Like the probability sampling the non-probability sampling can be further categorised as quota sampling, purposive sampling, convenience sampling, and snowball sampling. Under the method of *quota sampling* the quota is segmented into different mutually exclusive sub-group followed by using judgement to select the sample from each segment. In this case, special attention is given where the proportion of sample elements is consistent with the proportion of element consists of the population. In the *judgmental or purposive sampling* the sampling is carried out on the basis of expert judgement. There is no objective method of examine the reliability of sampling. *Snowball sampling* is adopted when the researcher finds it difficult to obtain the elements of sample. In this case, it is very important to have contact with a few elements then they are used to find other elements of the target population. The *convenience sampling* is based on the basis of availability of the respondents which is often used to collect relatively large completed responses economically and quickly.

On the basis of the above discussion, the researcher intends to adopt the sampling method which has been considered as most suitable to answer the research question. Thus, this research has adopted probability sampling as a means of selecting sample respondents. The probability sampling had been adopted for two key reasons. First, the sample comes from probability sampling is more representative to population. Second, the statistical techniques (i.e. Friedman test, Wilcoxon signed-rank test, Mann-Whitney U test, Kruskal-Wallis test) require to test the hypotheses and analysing the data bear the assumption of probability sampling (Burns & Burns, 2008). Moreover, it is noted that the probability sampling is much more theoretically sound than other types of sampling (Saunders *et al.*, 2009).

4.4.4.3 Sampling unit and sampling procedure

It has already been noted that the researcher finds probability sampling as the most appropriate type of sampling to be used in this study. Before going on to discuss the sampling procedures the researcher would like to justify who are the ideal target respondents for identifying and evaluating customers' bank selection. The ideal situation might be surveying those customers as respondents who are currently unbanked and most likely to choose their bank in the near future. But in reality, it is very difficult to find this group of customers who are currently holding the intention or very likely to choose their bank in the near future. In order to minimise this difficulty, the customers who already have bank are thus considered the target population for this research by asking them about the criteria they would like to consider for their future bank selection. As the literature suggests any future or selection of secondary bank is more justified (Zineldin, 1996; Devlin & Gerrard, 2005).

Bank selection might also be a pre-purchase decision for the first-time customer (i.e. customers who are currently unbanked). One of the key objectives of the current research is to evaluate if there are any differences between existing and potential customers in their bank selection criteria. In order to address this objective the current research also includes a group of customers who are currently unbanked and in a close proximity to choose their bank in the near future. In this regard, the residential students of the University of Dhaka located in the heart of study location (i.e. Dhaka-the capital city of Bangladesh) have been considered as the target population. The reasons to select this group as potential customers are threefold. Firstly, the Dhaka University is the oldest and biggest public university of Bangladesh in which the students come from different corners of the country. Secondly, they are not only the promising and an attractive group of customers but they also are the potential employees for the banks currently operating in the marketplace. Thirdly, it enabled the researcher to access the unbanked population within the pre-planned time-frame and deploy a probability sampling method due to the existence of a clear population frame.

To sum up the above discussion about sampling, it can be said that the target respondents for the current research comprised of two groups of customers: existing customers (i.e. who are already banked); potential customers (i.e. who are currently unbanked). The inclusion of such unbanked population gives the current

research an opportunity to get insights about the similarity or difference between these two groups of customer regarding their bank selection criteria. Besides this, it enables the current research to focus on both pre-purchase and post purchase situation. This in turn, supports the view that the findings from this research can be useful to address the issues of both customer attraction and retention strategies as most of the previous research (e.g. Rao & Sharma, 2010; Zulfiqar *et al.,* 2014; Salehi & Rajabi, 2015) have been conducted solely on post-purchase situation.

4.4.4.4 Location and access to sample

Dhaka (i.e. the capital city of Bangladesh) more precisely the Dhaka City Corporation, was found to be the most appropriate location of sample for the current research due to the existence of the competitive nature of market environment from both sides (i.e. customer and banks). In order to keep the sample selection process random and make the sample representative a multi-stage probability sampling (i.e. a combined aspect of cluster and stratified sampling) design had been adopted. The first stage involves the clustering of sample (i.e. location of banks and students halls) while the second stage involves the selection of sample elements or units (i.e. customers) from those randomly selected clusters by following a fixed strategy.

In the first stage of selecting bank location, the clustering process depends on the geographical demarcation of Dhaka City Corporation (DCC) by thanas (a middle level administrative unit). According to current statistics, there are 49 thanas in the Dhaka City Corporation (the full list is provided in the in Appendix 4.3). During this stage, all the thanas are labelled by name and eight thanas have been selected randomly without replacement which gives the researcher the following locations of sample as shown in Figure 4.3 below.

Figure 4.3: The location of sample (existing and potential customers)
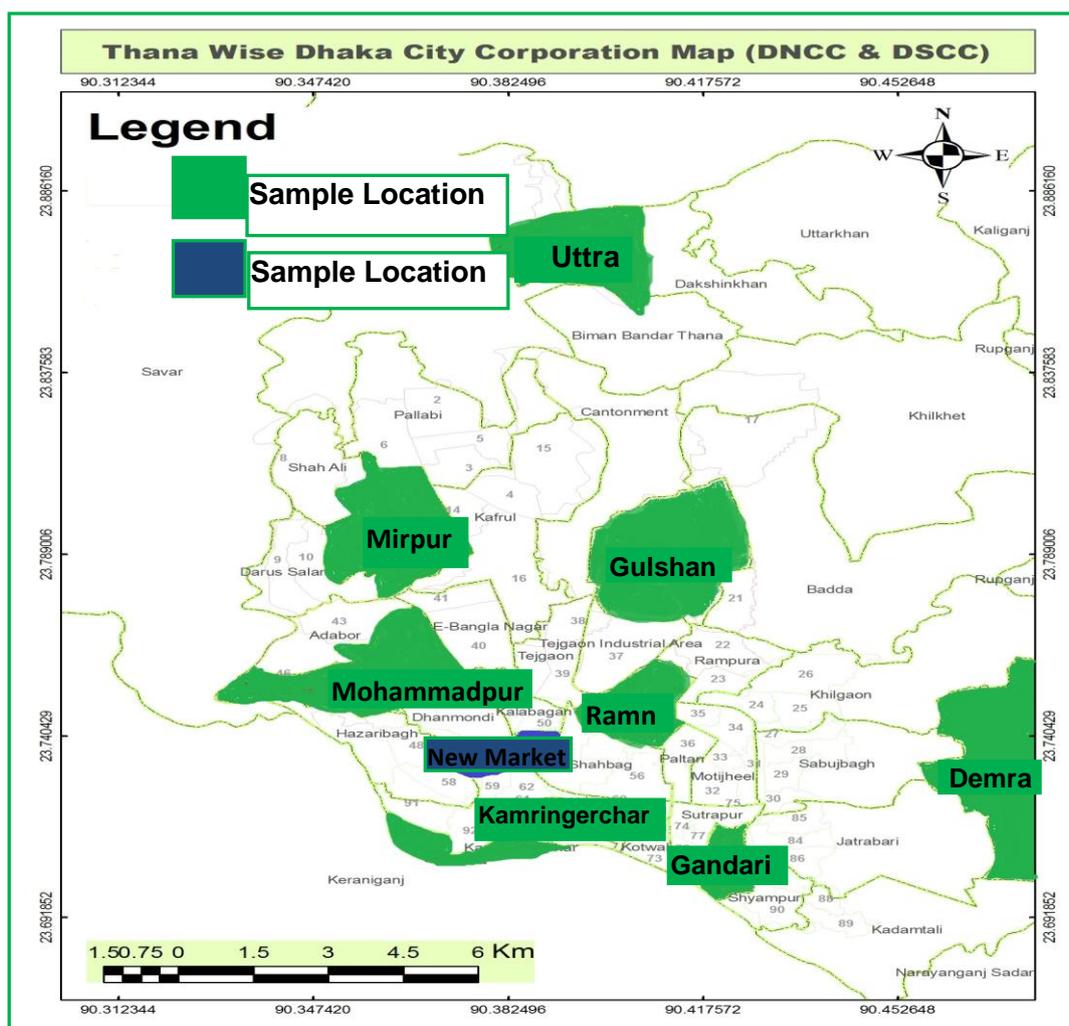
After selecting the eight locations of banks to be surveyed, the second stage of sample selection started with the purpose of selecting final sample units from the customers who visited the branch of banks during the survey period (i.e. April 2016). During this stage of sample selection process, every third customer who came out of the bank was approached by the researcher with a team of 4 members once the first unit of sample has been chosen randomly. Among them the customers who were invited to participate in the research have been selected as the final sampling unit for the current research. This same sequence of sample selection was maintained across all other locations and banks until reaching the desired size of sample.

One of the key objectives of this research is to investigate whether any significant differences exist between existing and potential customers. This aspect of research design extends the data collection process to include potential customers who are unbanked. The location of potential customers was the student's

residential halls of Dhaka University. As with the existing customers, the sample selection process of potential customers involved two separate stages. The first stage involved the selection of student's residential halls of Dhaka University. There are 22 student residential halls of Dhaka University comprising of 17 for male and 5 for female students (a full list of halls are enclosed in Appendix 4.4). There is a hall residing of international students, but this was eliminated from the sample section process due to the inappropriate nature of sample. Four halls were selected randomly consisting of three male halls (i.e. *Zahurul Huq Hall, SurJa Sen Hall and Kabi Jashim Uddin*) and one female hall (*SamsunNahar hall*) as shown in Figure 4.4.

Figure 4.4: The locations of sample (potential customers)
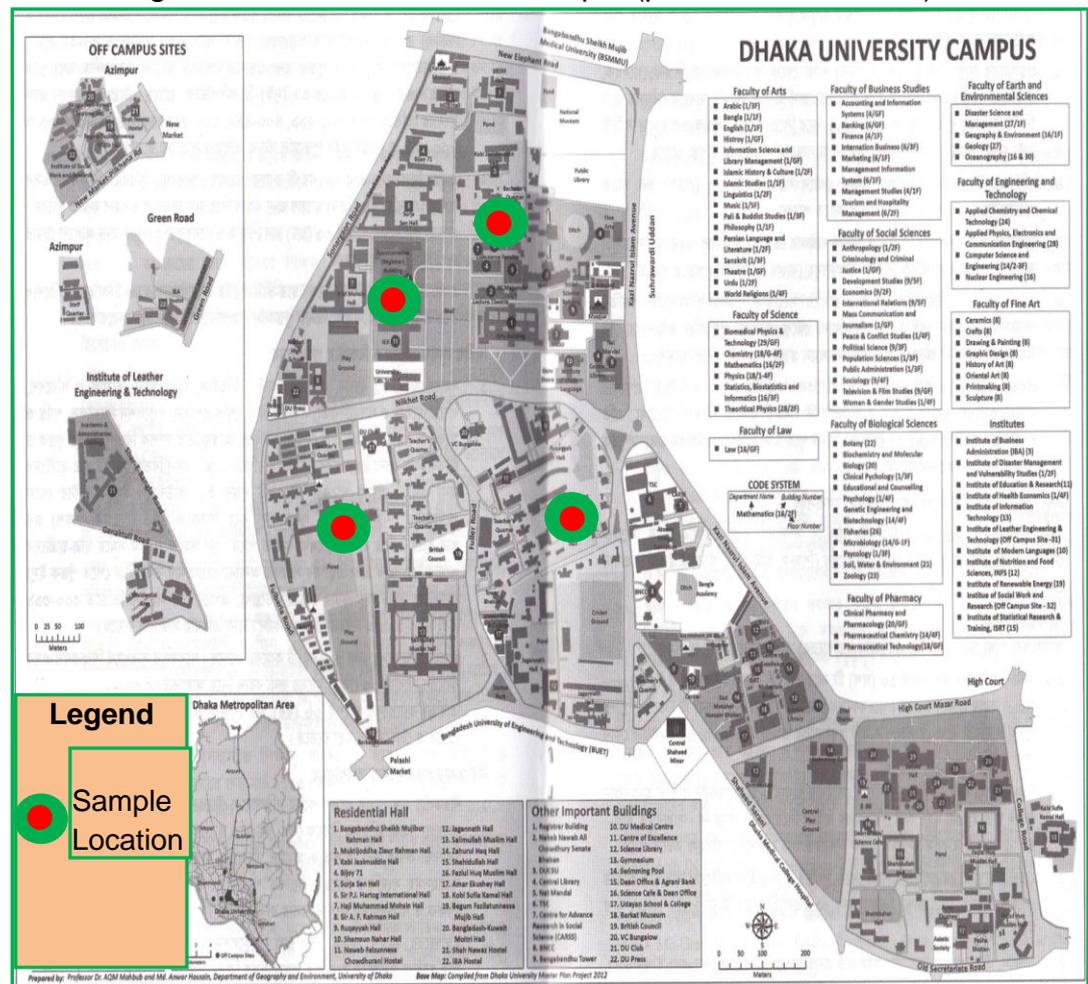
After selecting the location of sample, the second or final stage of selecting sample units was initiated through visiting the rooms bearing odd number of 4 selected residential halls with the purpose of identifying the sample units who are currently unbanked and likely to select their bank in near future. This process had continued until reaching the desired size of sample. It should be noted that due to strong restricted access policy of the female hall, the first phase of data collection

ends with a male-dominated sample. In order to resolve this problem, an additional female team member had been employed to get access to female participants. In order to make the sample more representative, every fifth respondent from the first phase of the data-set was removed which ultimately gives the data-set a reasonable balance between male and female participants. However, it is important to note that this is the situation in most Islamic countries such as Bangladesh where females are less likely to engage in outside economic activities that require them to have a bank.

On the basis of the above discussion this research finds the multi-stage probability sampling (i.e. a combined aspect of cluster and stratified sampling) as the most appropriate sampling procedure for the following reasons.

First, this assisted the researcher to make a face-to-face contact in administrating the questionnaire which is proved as most appropriate method under the consideration of cultural setting, underdeveloped status of postal department and customer's limited access to Internet.

Second, it enables the researcher to access the target respondents who were interested and available to participate into the data collection process.

Third, it is an appropriate approach to collect data from a relatively large amount of completed questionnaires economically within a given period of time.

Fourth, the adoption of this type of sampling procedure enables researcher to attain not only a good response rate but also comply with the assumption of different statistical tools that this research requires to deploy for data analysis (Burns & Burns, 2008).

4.4.4.5 Sample size determination

The use of large sample is recommended by the literature. This implies that the sample should be representative of the larger population. There is a consensus within the literature that larger the size of sample the more the sample is representative. In the absence of a solid sample frame together with time and resource limitations, the researcher decided to determine the sample size on the basis of two important aspects:

Firstly, considering the requirements of employing different statistical tests to meet the aims and objectives of this research. For example, Hair (2003) suggests that

sample size of more than 100 is decent for factor analysis while McDaniel and Gates (1999) state that there should be a minimum sample size of 100 to run a regression model. Hair *et al.,* (1998) further proposed that the sample size should be five times greater or equal to the number of items (variables) in the questionnaire. The number of measures used in this research is 43 meaning that the sample size of more than 215 can be considered as appropriate.

Secondly, reviewing the sample size used by similar researches in this field of research. For example, Miniaoui (2013) distributed a total of 246 questionnaires to customers for investigating customers' bank selection in the United Arab Emirates (UAE). Senyucel (2009) had investigated customers' bank selection decision of Cypriot and Turkish customers by using a sample size of 350. Also, Zulfiqar *et al.,* (2014) surveyed 150 customers in Pakistan. In a study by Rao and Sharma (2010), 312 retail customers were surveyed in India. Fatoki and Chigamba (2011) conducted a similar type of research study in South Africa by using a total sample size of 250.

The determination of the sample size for this research is also affected by the fact that the minimum sample size for a consumer survey ranges from 300 to 500 (Crouch, 1984). Moreover, the two points have been considered in prior to the determination of sample size for the current research. First, the higher the size of sample is more representatives the sample to population (Saunders *et al.,* 2009). Second, the size of sample should meet the requirement of deploying statistical tests the research requires to answer the research questions.

On the basis of the above discussion it could be argued that determining the sample size is a trade-off between time and cost and desired degree of precision. In essence, there is no optimal size of sample that needs to be achieved in research. On the basis of the above argument, the researcher considered a sample size of more than 300 as suitable and appropriate for answering the formulated research questions. With the view of 'the higher the size of sample is more representative to the population'' and to achieve a sample size of more than 300 the researcher surveyed 450 customers. After initial screening and checking, a sample size of 373 was found to be suitable for the current research (with a response rate of 82 percent).

4.5 Ethical issues and approaches

The nature and type of the current research which requires human participation and thus it has been viewed as fundamental to successful completion of any research (Saunders *et al.,* 2009). This research is not beyond this consideration, as Cooper and Sachindler (2008) state that ethics are an acceptable norm and standard of behaviour that guide people's behaviour and relationships with others. In this regards the researcher set out to identify and address the potential ethical issues. The first step was to identify the ethical issues that might rise through the whole journey of conducting this research in particular with the data collection, storing, analysis and sharing of the findings on the basis of the cultural setting in which the research will be conducted. In addition to this, the researcher paid careful attention to make sure that nobody (neither participant nor researcher and organisations) was affected by the research activities (Cooper & Sachindler, 2008). This implies that the practising of structured ethical guidelines should protect both the researcher and participants from any unexpected issues during and even after the research (Bryman & Bell, 2011). Among other issues the researcher would like to keep focus on two major issues namely informed consent and protection of confidentiality which have been suggested by the literature to keep the research free from any ethical issues (Saunders *et al.,* 2009; Bryman & Bell, 2011). In accordance with the view delivered by DeLeeuw *et al., (*2008), the following two major steps were considered to address such ethical issues.

4.5.1 Informed consent

There was a participation information sheet in the questionnaire (the front page of the questionnaire) that clearly informed participants about the aims and objectives of the research, together with explaining reasons of their inclusion. Moreover, a participation consent form attached with the questionnaire had been used to capture the consent of participants along with detailing their right to participate, and withdrawing participation at any stage of research. The researcher was also committed in making sure the respondents understand the contents of the questionnaire as well. Besides, no attempt had been made to influence the respondents in any way during the data collection process. Finally, an arrangement has been made to produce the evidence of their consent to participate in the data collection process through a participation consent form.

4.5.2 Protection of confidentiality

Any breaching of confidentiality might cause risk to the research participants in the form of criminal prosecution; rising of embracing situation. There are different ways that can cause breach of confidentiality such as forgetting to remove personal details (e.g. name, contact number, address, and e-mail address). Moreover, improper data that can enable unauthorised access to stored information which might also breach the confidentiality.

In keeping with the above points, the researcher followed the ethical guidelines directed and approved by the University of Wales Trinity Saint David. In this regards, the researcher kept the option of participating in the research voluntarily; the participants had been reassured that their data will be kept strictly confidential on a password-protected computer; the questionnaire does not have any personal identification markers (i.e. all data will be anonymous); there were no personal questions with the exception of minimum demographic information of respondents. At the end of the questionnaire, the participants were asked if they would wish to obtain a copy of the results on completion of the research. If they wish to do so they were encouraged by notifying the contact details of the researcher through the participation information sheet.

4.6 Validity and reliability of data

It is suggested that prior to the actual data analysis, the researcher must make sure that the measurement scale is valid and reliable to keep the research free from any mistakes and misinterpretation of the data. The issue of validity and reliability are going to be discussed in the following two sub-sections.

4.6.1 Validity

Valid data is crucial for any research and refers to "***the issue of whether or not an indicator (or a set of indicators) that is devised to gauge a concept really measure that concept***" (Bryman & Bell, 2011:159). Field (2009) defines validity as whether the instrument measures what it was designed to measure. Thus, validity refers to whether the measurement scale is suitable and it measures what it was aimed to measure.

Burns and Burns (2008) classify validity as *external validity* (i.e. the degree to which the result of a sample is transferable to a population) and *internal validity*

(i.e. the extent to which the condition within the experiment are controlled). Among the different types of validity (i.e. face validity, content validity, criterion validity, construct validity, concurrent validity and predictive validity), there are four common validity measures (face validity; content validity; criterion validity; construct validity) received the most attention from the marketing research methodology researchers (Burns & Burns, 2008; Bryman & Bell, 2011) which will be discussed as follows.

4.6.1.1 Face validity

Burns and Burns (2008) define face validity as public relation validity in terms of what an instrument looks like and seems to measure, and what it is supposed to. It is suggested that the major ways of ensuring this type of validity are subjective judgement of the researcher, experts on this subject or people familiar with the research issue. The face validity of the instrument used in this research was confirmed through a continuous effort including the feedback from academic, pilot study and professionals from the banking sector before and during the questionnaire development stage.

4.6.1.2 Content validity

According to Burns and Burns (2008: 427), content validity reflects ***"the extent to which the content of a measurement reflects the intended content to be investigated"***. This supports the view that content validity is about how well the researcher develops measurement items to measure the domain of variable. This research adopted a comprehensive effort to capture the content validity though two major subsequent stages. The first stage involved defining what is to be measure through conducting an extensive literature review. The second stage comprised of piloting the questionnaire and offering feedback from the professionals related with the topic.

4.6.1.3 Criterion validity

The *criterion validity*, also known as *external validity* refers to the extent to which the results of the study may be generalised to other settings and samples (McDaniel & Gates, 1999) or predictive validity that seeks to determine the extent by which the future performance of a related measure can be predicted by a current measure (Burns & Burns, 2008). As there was no previous data available to the researcher from other researches about the bank selection criteria and no related variables that could be measured in the same questionnaire has relationship with bank selection criteria. This means that any direct measure of assessing the criterion validity has not been possible for the current research. However, the current research has adopted findings and analysis form previously-established and peer-reviewed international studies as an alternative means of assessing criterion validity for the current research.

4.6.1.4 Construct validity

The concept construct validity has received most attention from the methodologist researcher, by combining all other types of validity which seems to very similar of defining validity itself (Iacobucci, 1996). There are two types of validity that make up *construct validity* namely convergent validity and discriminant validity. The *convergent validity* indicates the degree of association among different measurement instruments that claim to measure the same concept (i.e. the degree similarity among different operationalisation measure) while the *discriminant validity* refers to the lack of association among constructs which are supposed to be different (McDaniel & Gates, 1999). This study also suggested that there must be presence of both convergent and discriminant validity for measures to be considered as valid.

The study by Iacobucci (1996) suggests a precise and effective means (i.e. factor analysis) to conceptualise unobservable constructs or assessing construct validity with an emphasis that the factor analysis not only attempts to group different factors that are similar to one other (i.e. convergent validity) but also separate factors that are distinctive to one another (i.e. discriminant validity).

On the basis of the above analysis, it can be argued that the technique of factor analysis can be used to evaluate the construct validity for the measures of the current research which is supported by considerable literature indicating that the factor analysis can be employed to test the convergent and discriminant validity which make up the construct validity. Before running the factor analysis in assessing the construct validity, the research here would like to highlight some of the key issues related with factor analysis in relation to method of extraction, the method of rotation, and the number of variables to be extracted.

Method of extraction

Burns and Burns (2008: 444) suggest that the principle *component analysis* is used when ***"the researcher wants to identify the nature of the constructs underlying responses in a specific content area which is termed as the basis of construct validity***''. One of the key objectives of this research is to identify and evaluate the factors dominating customer's bank selection decisions. Another objective is to evaluate if there is any underlying factors that require determining what set of items fit together. Besides the above, an attempt has been made to identify the difference between two independent groups of sample respondents. This means that the variance across different bank selection constructs and between two groups of customers is more important than covariance. Based on the above analysis, the researcher finds the principle component analysis as the most appropriate.

Method of rotation

One of the steps of a factor analysis is to enable the researcher to identify meaningful factors. The current research finds the '*direct oblimin type of oblique rotation*' as the most appropriate as Burns and Burns (2008: 449) point out that ''***it is the most appropriate for identifying correlated factors towards a certain construct***''. In addition to this, Hair *et al.,* (1998) suggest that this particular type of rotation is most effective when the underlying goal of factor analysis is to attain different factors which are theoretically meaningful. However, Burns and Burns (2008) found that if the purpose of factor analysis is to reduce the number of original variables (i.e. finding the uncorrelated factor) then the most preferable method of rotation is *orthogonal rotation* in the form of *Varimax rotation* (Burns & Burns, 2008) which is not the case for this research.

The number of factors to be extracted

With respect to how many factors will be extracted the criteria of eigenvalues (i.e. the amount of common variance explained by that factor) had been used as the literature suggest that factors having an eigenvalues of more than 1 could be considered as significant (Hair *et al.,* 1998; Burns & Burns, 2008).

Before going on to run and interpret the results of the factors analysis for the purpose of evaluating the construct validity, it should be noted that the study is designed to compare and contrast across different bank selection attributes. Therefore, due to the theoretical meaning of the items where the main objective is to find out the correlated factor, the factor analysis involves running the analysis separately instead of as a whole for several key reasons: Firstly, to bring a more precise aspect of comparison between two groups of customer. Secondly, there are a large number of items (i.e. 43) included in the bank selection criteria. Thirdly, the operationalisation measures are developed through a multiple stage of judgement (i.e. the literature review, taking opinion from academics and professional and piloting). Fourthly, to comply with the assumption of a factor analysis as Burns and Burns (2008) reveal that in order to run the factor analysis the ratio of number of sample and variable must be at least 5:1, although10:1 is preferable. Finally, it is not uncommon to run more than one set of factor analysis in marketing research (e.g. Winstead, 1997).

Prior to analysis, it is important to examine whether the data set is appropriate for conducting the factor analysis. In this respect, the measure of sample adequacy, namely a Kaiser-Meyer-Olkin and Bartlett's test of sphericity had been conducted as suggested by Burns and Burns (2008). It is argued that KMO measures the sample adequacy, which should be greater than 0.5 for a satisfactory factor analysis to be conducted.

Table 4.5: The KMO values of technical dimension of bank selection

Items	Factors	K-M-O values of sample adequacy*
Higher profit/interest/return on saving /investment/deposit Lower rate of interest on loan/advance Lower commissions and fees Charge free inter-branch banking Charge free intra-bank banking	Product cost and benefits	0.821 (0.000)
Transparency in charging Profit-loss sharing scheme Charge free account with no minimum deposit Removal of settlement fee Paying profit or interest on balance of current account Interest free loan and saving opportunities	Product features	0.875 (0.000)
*The values within bracket indicate level of significance		

Table 4.6: The KMO values of functional dimension of bank selection

Measures/items	Factors	K-M-O values of sample adequacy*
Accuracy in service Confidentiality Speedy service Friendly and polite staff Employee expertise	Human	0.824 (0.000)
Modern looking equipment Appealing internal environment Enough sitting space Counter partition Parking facilities with enough security	Physical	0.861 (0.000)
Easy availability of financial assistance Easy opening of bank account The banks offers a strong contribution to different social, environmental and ethical issues Equal treatment of customers from the bank	Social	0.800 (0.000)
Easy access Convenient location Having large ATM network with enough security Having nationwide branch network with enough security Having global presence Long term existence in the market Bank reputation Technology orientation Extended and weekend operating hours Working as intermediary in purchasing property Banks run through the principle of 'prohibition of interest' Free from political intervention	Institutional	0.957 (0.000)
*The values within bracket indicate level of significance		

Table 4.7: The KMO values of interactive and relational dimension of bank selection

Measures/items	Factors	K-M-O values of sample adequacy*
Recommendation by family members, friends and relatives	Word of mouth	0.716 (0.000)
Recommendation by employer		
Comments and review available in different media		
Previous good experience and trust with the bank	Previous experience	0.704 (0.000)
Existence of a known person in a bank		
Quick service recovery in case of service failure		
*The values within bracket indicate level of significance		

The results presented in the above three tables (table 4.5, 4.6 & 4.7) regarding the K-M-O measures of sample adequacy about different bank selection dimensions suggest that no items should be removed for conducting factor analysis, which in turn proves the appropriateness of a factor analysis. The results indicate that the K-M-O measures of sample adequacy values are very satisfactory with a 0.000 level of significance of the Bartlett's test of sphericity. More specifically, there are only two occasions the KMO values lie between 0.7 and 0.8 which can be identified as 'middling' while the rest of the KMO values lie above 0.8 and can be identified as 'appropriate' (Burns & Burns, 2008). On the basis of these findings, which create a strong ground for running a factor analysis, the following tables reveal the results of factor loading of different factors associated with customers' bank selection criteria.

Table 4.8: Factor analysis of technical dimension of bank selection

Factors	Items/measures	Commu-nalities	Factor loading	% of variance explained	No. of components extracted
Product cost and benefits	Higher profit / interest / return on saving / investment / deposit	.550	.742	54.030	1
	Lower rate of interest on loan / advance	.602	.776		
	Lower commissions and fees	.453	.673		
	Charge free inter-branch banking	.539	.734		
	Charge free intra-bank banking	.558	.747		
Product features	Transparency in charging	.601	.775	53.308	1
	Profit-loss sharing scheme	.408	.639		
	Charge free account with no minimum deposit	.492	.702		
	Removal of settlement fee	.642	.801		
	Paying profit or interest on balance of current account	.643	.802		
	Interest free loan and saving opportunities	.412	.642		

Table 4.9: Factor analysis of functional dimension of bank selection

Factors	Items/measures	Commu- nalities	Factor loading	% of variance explained	No. of components extracted
Human	Accuracy in service	.546	.739	51.691	1
	Confidentiality	.464	.682		
	Speedy service	.464	.681		
	Friendly and polite staff	.540	.735		
	Employee expertise	.570	.755		
Physical	Modern looking equipment	.638	.799	60.318	1
	Appealing internal environment	.633	.796		
	Enough sitting space	.602	.776		
	Counter partition	.538	.734		
	Parking facilities with enough security	.605	.778		
Social	Easy availability of financial assistance	.610	.781	64.756	1
	Easy opening of bank account	.669	.818		
	The banks offers a strong contribution to different social, environmental and ethical issues	.689	.830		
	Equal treatment of customers from the bank	.623	.789		
Institutio-nal	Easy access	.522	.722	53.422	1
	Convenient location	.520	.721		
	Having large ATM network with enough security	.447	.668		
	Having nationwide branch network with enough security	.447	.669		
	Having global presence	.604	.777		
	Long term existence in the market	.568	.754		
	Bank reputation	.491	.701		
	Technology orientation	.541	.736		
	Extended and weekend operating hours	.571	.756		
	Working as intermediary in purchasing property	.630	.794		
	Banks run through the principle of 'prohibition of interest'	.492	.702		
	Free from political intervention	.577	.759		

Table 4.10: Factor analysis of interactive and relational dimension of bank selection

Factors	Items/measures	Commu- nalities	Factor loading	% of variance explained	No. of components extracted
Word of mouth	Recommendation by family members, friends and relatives	.705	.839	73.716	1
	Recommendation by employer	.744	.863		
	Comments and review available in different media	.763	.873		
Previous experience	Previous good experience and trust with the bank	.735	.857	70.866	1
	Existence of a known person in a bank	.720	.849		
	Quick service recovery in case of service failure	.671	.819		

The above three tables (table 4.8, 4.9 & 4.10) present the results of the factor analysis in terms of communalities, factor loading, percentage of variance explained and number of components extracted across different factors (product cost and benefits, product features, human, physical environment, social, institutional, word-of-mouth and previous experience) as bank selection criteria. Regarding the overall fit of factors analyses, four fundamental issues should be highlighted. Firstly, the total amount of variance explained which exceeds the threshold level 0.50 in all eight occasions (Hair *et al.,* 1998). Secondly, the issue of factor loading (i.e. the correlation between the factor and original item) should be more than 0.30 (Burns & Burns, 2008). However, Hair *et al.,* (1998) further explained the issues and suggest that the factor loading should be at least 0.45 for a sample of 150-199 and 0.35 for a sample of 250-349 for a significance level of 0.05. In this case, no factor loading falls below the minimum level. Thirdly, the issue of cross-loading which is not applicable for this research as there is no such evidence. Finally, it can be said that the above analysis played a significant role in assessing the validity of the construct provided that the constructs could be used to explain the developed theoretical framework for customer's bank selection criteria.

It should be noted that this research has two additional variables: one for existing customer segment that measures customer's responses in terms of spreading positive things about their current bank, considering their bank as first choice for future use, paying higher price to enjoy the existing benefits and switching to competitors in case of any problem with the existing bank. The other variable is for potential customers that deal with the how likely they are to meet their financial needs in terms of opening a bank account, asking financial assistance from family and relatives, using the service of money lenders, and using the service of micro-credit and micro finance-providing organisation. In this regard, a separate validity assessment was conducted and found the construct is valid for both cases. For example, the KMO values for the dependent variable of existing customer are 0.77 with a significant level of 0.00. It also found that these factors explained the variance of 62.17 percent with the value of factor loading 0.78, 0.78, 0.83 and 0.77. The factor analysis for the dependent variable of potential customers reveals a K-M-O value of 0.74 with a significance level of 0.00. In addition, the measures underlying the dependent variable explained 55.41 percent of total variance with the factor loading of 0.69, 0.76, 0.76 and 0.74.

4.6.2 Reliability of data

However, the terms validity and reliability seem to be almost synonymous, they are quite different in relation to the evaluation of measures of concepts (Bryman & Bell, 2011). Saunders *et al.,* (2009: 156) define reliability as ''***the amount of agreement to which data collection technique or analysis produce consistent finding***''. It refers to the consistency and stability of findings in different independent occasions. There are several ways of assessing reliability such as test-retest reliability, equivalent forms and internal consistency. Among these three types of reliability assessment the test-retest and internal consistency have gained most attention by the researchers (e.g. Burns & Burns, 2008; Saunders *et al.,* 2009; Bryman & Bell, 2011) which are going to be discussed in the following sub-sections.

4.6.2.1 Test-retest reliability

According to Burns and Burns (2008), the test-retest reliability assesses the ability of the same measures to yield consistent result when used in a look like condition over time. This assessment attempts to measure the stability of the measures on different occasions or different points of time. Functionally speaking, a test-retest reliability assessment has not been carried out in this research but similar instruments with minor changes have been used at two different points of time during the piloting stage. It has been noted that there were no major variation of results apart from minor readjustment which reveals the stability of the measures over time.

4.6.2.2 Internal consistency reliability

It is one of the most-frequently suggested methods of assessing the reliability of a measure which shows the ability to yield similar result by using different sample over a particular period of time (Saunders *et al.,* 2009; Bryman & Bell, 2011). According to Burns and Burns (2008) the basic form of measuring inter-consistency reliability is the inter-item reliability method which is executed by dividing the scale into two independent groups and the results are correlated. The key problem in this case is the likelihood of getting different results due to absence of clear indication of how the scale will be divided into two groups. In order to resolve this problem the use of Cronbach's Alpha has deemed as the most appropriate, which measure the average reliability if the items are measuring the same construct (Burns & Burns, 2008).

Before to assessing the reliability by Alpha test some key point need to be noted. First, the acceptable level of Alpha value is 0.70 but it may be lower for any exploratory nature of research while the Alpha value above 0.8 can be regarded as highly acceptable (i.e. reveals homogeneity of items). Second, the increase of items underlying in a construct tend to increase the value of Alpha coefficient (Hair *et al.,* 1998). Third, any construct having less than three items may not be employed for testing internal consistency by Alpha test (however, there is no construct with less than three items in this research)**.** On the basis of the above analysis Table 4.11 reveals the Alpha coefficient of the scales.

Table 4.11: Alpha coefficients for scale

S.N.	Scales	No. of items	Alpha value
I.	Product cost and benefit	5	0.786
II.	Product features	6	0.823
III.	Human	5	0.766
IV.	Physical environment	5	0.835
V.	Social	4	0.818
VI.	Institutional	12	0.920
VII.	Word of mouth	3	0.822
VIII.	Previous experience	3	0.794

The findings presented in Table 4.11 support the argument that the internal consistency reliability is satisfactory which in turn supports the view that the measurement scale is reliable in terms of internal consistency.

4.7 The issue of multicollinearity

However, the previous analysis of validity and reliability had proved that the data set could be used for further analysis with confidence. According to methodologist researchers it is not suggested to keep or use the items under a scale if the multicollinearity is high. This means that a high level of multicollinearity among the items indicate that they are not independent to each other which ultimately affect the reliability of research instruments and the finding of research (Burns & Burn, 2008). For assessing the multicollinearity of original constructs (i.e. how the items under different constructs are correlated), this research employed the technique of collinearity assessment (i.e. the tolerance and VIF value). According to this assessment any item having VIF value of less than 10 indicates the items are reliable for performing any further analysis (i.e. the analysis is free from the issue of multicollinearity) (Burns & Burns, 2008). However, it is strongly suggested that the lower the better.

Table 4.12: The result of multicollinearity diagnosis

Constructs	Item/ Dependent variable	Items/independent variables	Collinearity statistics	
			Tolerance	VIF
Product cost and benefits (PCB)	PCB-1	PCB- 2	.695	1.439
		PCB- 3	.759	1.317
		PCB- 4	.687	1.455
		PCB- 5	.678	1.475
Product features (PF)	PF-1	PF- 2	.756	1.322
		PF- 3	.698	1.434
		PF- 4	.566	1.767
		PF- 5	.565	1.770
		PF- 6	.763	1.310
Human (HU)	HU-1	HU-2	.722	1.295
		HU- 3	.769	1.300
		HU- 4	.728	1.373
		HU- 5	.710	1.409
Physical (PH)	PH-1	PH- 2	.598	1.673
		PH- 3	.618	1.617
		PH- 4	.687	1.456
		PH- 5	.623	1.606
Social (SO)	SO-1	SO- 2	.589	1.698
		SO- 3	.558	1.791
		SO- 4	.659	1.517
Institutional (IN)	IN-1	IN- 2	.549	1.821
		IN- 3	.619	1.616
		IN- 4	.623	1.604
		IN- 5	.463	2.158
		IN- 6	.502	1.993
		IN- 7	.565	1.770
		IN- 8	.530	1.888
		IN- 9	.503	1.987
		IN- 10	.433	2.310
		IN- 11	.552	1.811
		IN-12	.500	2.000
Word of mouth (WoM)	WoM-1	WoM-2	.584	1.712
		WoM-3	.584	1.712
Previous experience (PE)	PE-1	PE-2	.718	1.393
		PE-3	.718	1.393

Table 4.12 shows that there is no item having a VIF value of greater than 3. This implies that the data is free from the issue of multicollinearity (i.e. items used to measure the construct are independent). This also suggests that any further analysis could be performed with high degree of confidence.

4.8 Data Analysis procedures and techniques

As this research involves analysing the data collected through questionnaire, quantitative data analysis methods were used to achieve three key objectives: getting a feel for the data; testing the goodness of data; testing hypotheses developed. One of the important initial steps of data analysis is an examination of data that should be performed prior to any in-depth data analysis (Hair *et al.,* 1998). This involved testing accuracy, missing data analysis, detection of outliers, and test of normality.

The examination of accuracy for this research involves identifying incomplete, inconsistent, and missing responses which is conducted on both during and after the data collection. After examining the data, the research focused on identifying the outliers which can be performed either by statistical (i.e. Z scores) or graphical methods (i.e. box plots). In this research, boxplots were used to detect the outliers. However, normality is often assumed in large sample (Hair *et al.,* 1998), but for this study it was important to get a 'feel of the data' (i.e. nature and distribution of data) before going on to identify the appropriate techniques of data analysis. As the literature (e.g. Burns & Burns, 2008) suggest the distribution nature of data plays a key role for not only choosing the most appropriate technique of data analysis but also for obtaining statistically-sound results.

The distribution nature of data can be assessed by either graphical methods (e.g. histogram) or statistical techniques (e.g. Shapiro-Wilk or Kolmogorov-Smirnov). Considering the attributes of both approaches the normality assumption was tested via graphical (i.e. histogram) and statistical (i.e. Shapiro-Wilk) methods which reveals that the data are not normally distributed (Appendix 4.5 details the result of normality test*).* Thus, the collected data violates the assumption of normality (i.e. normal distribution; homogeneity of variance; independence of observation) (Field, 2009). This finding creates the basis of using non-parametric analysis techniques in order to produce a statistically sound result. Moreover, Pallant (2007) reveals that the non-parametric techniques are considered ideal when the data are measured on nominal (categorical) and ordinal (ranked) scale. The initial data analysis involved using of different descriptive statistics (i.e. frequency, mean, percentage). Moreover, a set of hypotheses were established to operationalise the research, which gives this research a causal aspect and leads

the study to use Chi-square, Friedman, Wilcoxon signed-rank, Mann-Whitney U, and Kruskal-Wallis test.

4.8.1 Descriptive statistics

The descriptive statistics or analysis as a preliminary technique (Pallant, 2007) provides information about questionnaires and to better understand sample characteristics. In this research, the descriptive statistics, such as frequency distribution and percentage have been used to determine the occurrence while and mean was used to observe the general tendency.

4.8.2 Cross tabulation, Pearson chi-square, and Fisher's exact test statistics

Cross tabulation is used to determine the association between variables in terms of calculating percentages and the number of observations. The Pearson chi-square is a non-parametric test of independence associated with cross tabulation used to determine whether the association between categorical variables with two or more categories can be considered as a good fit (Burns & Burns, 2008). The Fisher's exact test statistics is used when the distribution of data does not comply with the assumption of Pearson Chi-square test (i.e. more than 20% of cell has expected count less than 5).

4.8.3 Friedman test, Wilcoxon signed-rank test, Kruskal-Wallis test, and Dunn's non parametric multiple comparison for post hoc test

One of the key aims of this research is to evaluate the degree of importance customers assign into different bank selection dimensions. One of the key ways is to measure the degree of variance by applying the Friedman test (i.e. a non-parametric alternative test to one way ANOVA). The Wilcoxon signed-rank test helps to compare observations across two conditions in separated measures or matched pair's context to determine whether there are significant differences between the observations. However, the Wilcoxon signed-rank fails to identify the differences within sample. Due to this shortcoming, this research also uses the technique of Kruskal-Wallis test. According to Burns and Burns (2008) the Kruskal-Wallis test is a non-parametric alternative to one way ANOVA and also an extended form of Man-Whitney U test. This test is used in this research to identify which group(s) of customers differ from other groups. In this regard, the Dunn's non-parametric multiple comparisons for a post hoc test was conducted as this is the most conceptually and theoretically defensible approach when the data is not

normally distributed and has multiple groups with unequal sample size (Manacorda *et al*., 2013).

4.8.4 Spearman test of correlation and regression

Correlation is a statistical tool which is more powerful than chi-square as it shows both the direction and strength of relationship of variables being measured (Pallant, 2007). One of the key objectives of this research is to identify the determinant criteria of bank selection which leads the study to run a correlation for producing the correlation matrix which is often considered as the precondition of conducting regression analysis (Burns & Burns, 2008). Additionally, the correlation has been used to assess the degree of multicollinearity between different bank selection criteria which is further used to construct a statistically sound regression model for identifying the relative importance of different bank selection factors. In this research, a multiple regression technique was used to identify the statistically significant bank selection factors that constituted strong predictors of customer bank selection behaviour.

4.8.5 Mann-Whitney U test

This research involves investigating whether if there is any difference of two independent groups of customer in terms of those have a bank (i.e. existing customers) and those have not (i.e. potential customers). The Mann-Whitney U test was used as an alternative of t-test to identify whether any statistically significant difference exists between two independent samples or groups of customers (Burns & Burns, 2008).

4.9 Limitation of research design and implementation

The following two subsections discuss the limitations of the research design and how these limitations have been resolved.

4.9.1 Questionnaire length

Respondents complained about the length of questionnaire during piloting. In response to their complaint a considerable rearrangement was made without changing the contents of questionnaire.

4.9.2 Confidentiality and access to the sample frame and sample

One of the difficulties that arose was the high level of secrecy of banks over customer's details. It was important to get a solid sample frame that could allow the researcher to utilise simple random sampling. To overcome this, a trained team of 4 members led by the researcher approached respondents to ask whether they had bank accounts. This posed some difficulty when some of the respondents showed their reluctance. In such cases, the researcher explained that he was in need of help in pursuing his research and the questionnaire was then handed to the respondents. Those who did not have a bank account (i.e. came the bank as representative) would realise that the questionnaire was irrelevant to them provided that they would return the questionnaire to the researcher.

4.10: Conclusion

This chapter explained the research methodology used in the study to answer the research questions and materialise the research objectives. This research is categorised as quantitative research as it aims to gain a deeper understanding of customer bank selection criteria. The questionnaire was distributed using a multi-stage probability sampling method after undertaking three stages of pilot testing the questionnaire. The statistical software, IBM SPSS 22 version was deemed most appropriate for the analysis of data by using different statistical techniques namely factor analysis, descriptive statistics, cross tabulation and chi-square, Wilcoxon signed-rank test, Friedman test, Mann-Whitney U test, Kruskal-Wallis test and Spearman correlation, and multiple regression. This next chapter-five focuses on the findings of the research by applying different descriptive and inferential statistical techniques.

CHAPTER FIVE: FINDINGS AND HYPOTHESIS TESTING

5.1 Introduction

This chapter presents the findings of the research by using different relevant descriptive and inferential statistical techniques to meet the aims and objectives of this research. The chapter consists of three major sections. The first section starts by identifying the general characteristics of respondents along with their demographics and banking behaviour. The second section discusses the determining bank selection criteria. The final section presents the results of the hypotheses testing.

5.2 Demographic profile of respondents

This initial part of the findings reveal the various aspects of respondents' demographics: gender; marital status; education; occupation. In this regard table 5.1 shows that 68.4% of the participants were male and 32% were female. This is representative of everyday life in Bangladesh. In essence, the low participation of female respondents in comparison to male respondents can be explained by the reality of conservative nature of a Bangladeshi Muslim society that imposes some restrictions on women's participation in outside-home economic activities. This is not surprising as the World Bank's statistics show that more than 60% of the work force is male (World Bank, 2016), which suggests that this sample could be considered representative according to gender. With regard to education, table 5.1 reveals that 4% of respondents have no formal education, 7.2% have SSC or O-level education, 47.7% have HSC or A-level education, 28.2% have undergraduate level of education, and 12.9 % have post graduate level of education. 60.9% of the respondents were unmarried, 38.9 % were married.

Regarding occupational status of respondents, 11.5% are self-employed, 23.9% are private sector employees, 2.4% are public sector employees, and 3.2% are employed in semi-public sector. As table 5.1 below indicates, 50.9 % are students. This higher percentage of student participants can be explained by the fact of the research design which requires selecting a separate customer segment which is students, who are currently unbanked but possess higher potential to be banked in near future.

Table 5.1: Demographic profile of respondents

Gender			
Particulars	Frequency	Percent	Cumulative percent
Male	255	68.4	68.4
Female	118	31.6	100
Total	*373*	*100.0*	
Education			
No formal education	15	4.0	4.0
SSC/O-level	27	7.2	11.3
HSC/A-Level	178	47.7	59.0
Undergraduate	105	28.2	87.1
Post graduate	48	12.9	100.0
Total	*373*	*100.0*	
Marital status			
Unmarried	227	60.9	60.9
Married	145	38.9	99.7
Other	1	.3	100.0
Total	*373*	*100.0*	
Occupation			
Self employed	43	11.5	11.5
Private sector	89	23.9	35.4
Public sector	9	2.4	37.8
Semi-public	12	3.2	41.0
Wage earners	8	2.1	43.2
Students	190	50.9	94.1
Unemployed	22	5.9	100.0
Total	*373*	*100.0*	

From the above findings (see Table 5.1) the sample can be described as a male-dominated where the majority of respondents have college and university level academic qualifications.

5.3 Banking behaviour of respondents

As discussed earlier, the first part of the questionnaire consisting of introductory questions were deployed to ascertain key aspects of banking behaviour such as length of relationship with the bank, ownership status of main bank, modes of transportation, time duration in reaching to bank, frequency of going to bank, main methods of conducting banking, nature and type of products and services customers have across their main and secondary banks, and finally the split or multiple banking behaviour. It should be noted here that customers who are

currently banking (i.e. banked) have only been considered to explore the issue of customers' banking behaviour.

Table 5.2: Years of relationship with the main bank

Years	Frequency	Percentage	Cumulative percent
1-4	48	26.23	26.23
5-8	106	57.92	84.15
9-12	29	15.85	100.0
Total	*183*	*100.0*	

Table 5.2 shows that more than half (57.92 %) of respondents have a relationship with their main bank for a period of 5 to 8 years with 26.23 % and 15.85 % for 1-4 years and 9-12 years respectively. These findings suggest that increasing the customer-base by attracting new customer is becoming more-challenging in recent times which might be an indication of the competitive nature of market. It is evident that the Bangladeshi banking sector comprises of different types of ownership which have some distinctive appeal to the customer. Table 5.3 shows the ownership status of customers' main bank.

Table 5.3: Ownership status of customers' main bank

Ownership status	Frequency	Percentage	Cumulative percent
State owned (non-Islamic)	32	17.5	17.5
Domestic private (non-Islamic)	94	51.4	68.9
Domestic private (Islamic)	29	15.8	84.7
Foreign private (Islamic)	17	9.3	94.0
Foreign private (non-Islamic)	11	6.0	100.0
Total	*183*	*100.0*	

With regard to the ownership status of customers' main banks (table 5.3), it is evident that more than half of customers (51.4%) reported domestic private bank (non-Islamic) as their main bank followed by 17.5%, 15.8%, 9.3% and 6.0 % for

state-owned (non-Islamic), domestic private (Islamic) and foreign private (Islamic) and foreign private (non-Islamic) banks respectively. These findings suggest that the majority of customers are comfortable with establishing a banking relationship with domestic private (non-Islamic bank) banks compared to the other four types of bank.

Due to the service-dominated characteristics of banking, how the customers get access to the bank (i.e. mode of transport) and time duration to reach the bank are two important aspects of explaining customers' banking behaviour. Table 5.4 reveals that 42.6% of customers use a Rickshaw (i.e. a three-wheeled passenger cart pulled by a man used to travel to short-distance destinations) to reach the bank while more than one-fifth (21.9%) of customers go on foot to the bank. With regard to time duration in reaching the bank, there are 85.2% customers who need less than 20 minutes to reach to the bank. These findings in relation to modes of transport and time taken to reach the bank support the fact that the banks have adopted a policy of a mass service distribution network with an attempt to give customers easy and quick access to the bank.

Table 5.4: Modes of transport and time duration to reach to bank

	Particulars	Frequency	Percentage	Cumulative percent
Modes of transport	Walk	40	21.9	21.9
	Bicycle	4	2.2	24.0
	Rickshaw	78	42.6	66.7
	Motor bikes	17	9.3	76.0
	Private car	16	8.7	84.7
	Public transport	28	15.3	100.0
	Total	*183*	*100.0*	
Time duration to reach bank	Less than 20 minutes	156	85.2	85.2
	20-40 minutes	22	12.0	97.3
	40-60 minutes	5	2.7	100.0
	Total	*183*	*100.0*	

How frequently customers go to a bank is an important factor influencing customers' bank selection. Table 5.5 shows that only 41% of customers go to the bank once-a-month, followed by 22.4% and 20.2% of customers who are likely to go once-a-week and once in two weeks respectively.

Table 5.5: Frequency of going to the main bank

Frequency of going to bank	Frequency	Percentage	Cumulative percent
Daily	3	1.6	1.6
2/3 times a week	26	14.2	15.8
Once a week	41	22.4	38.3
Less than one in a week	1	.5	38.8
Once in two weeks	37	20.2	59.0
Once in a month	75	41.0	100.0
Total	*183*	*100.0*	

This finding indicates that the nature of the relationship customers have with their bank do not require them to go to the bank frequently and they may have alternative options to meet their banking needs without going to the bank. In this regard a probable question might arise about the method of contacting or conducting banking, which is presented in Table 5.6 below.

Table 5.6: Method of contacting bank or conducting banking activities

Methods	Frequency	Percentage	Cumulative percent
Visit in person	133	72.7	72.7
Sending representative	0	0.0	72.7
Mobile and telephone banking	50	27.3	100.0
Internet banking	0	0.0	100.0
Total	*183*	*100.0*	

In terms of method of contacting or conducting banking, it is evident that more than 70% of customers prefer and are used to going bank in person to meet their banking necessities followed by 27% of customers use the method of mobile and telephone banking for satisfying their banking needs. This finding of dominance of '*going to bank in person*' might be an indication of lower reliability of other methods of banking (i.e. sending representative, mobile and telephone banking, internet banking) due to customer's unwillingness towards distance banking or underdeveloped distance banking system.

Split or multiple banking

This section focuses on getting more insight into customer's banking behaviour by identifying single and multiple bank users together with structuring the products and services across main and secondary bank.

Table 5.7: Number of banks used by customers

Number of banks	Frequency	Percentage	Cumulative percent
One	28	15.3	15.3
Two	136	74.3	89.6
Three	19	10.4	100.0
Total	*183*	*100.0*	

Table 5.7 shows that about 85% of customers use more than one bank. This might be for protection reasons in case of sudden changes in a bank's internal policies. Moreover, unavailability of products or better performance of certain products in other banks might be other reasons to be involved in multiple banking relationships.

The findings from Table 5.8 indicate that the nature and type of product varies over customer's main and secondary banks. For example, the product and services associated with their main bank is highly concentrated on current and saving accounts which in total accounts for 89.6%. In contrast, the product and services related with a secondary bank are relatively widespread which includes money transfer (25.17 %) credit card (23.87 %) and bill payment (23.89%), salary account (12.26 %) and overdraft facilities (7.07%).

Table 5.8: Products and services – customers use from their main and secondary banks

Products and services	Frequency	Percentage	Cumulative percent
Main bank			
Current account	79	43.2	43.2
Saving account	85	46.4	89.6
Loan	19	10.4	100.0
Total	*183*	*100.0*	
Secondary banks			
Credit card	37	23.87	23.87
Money transfer	39	25.17	49.04
Salary account	19	12.26	61.30
Overdraft	11	7.07	68.37
Loan	12	7.74	76.11
Bill payment	37	23.89	100.0
Total	*155*	*100.0*	

The previous finding about customer banking behaviour indicates that domestic private banks have the major share of market in terms of customers than other types of bank. However, customers are less frequent to go to bank, but were more comfortable in interactive banking compared to distance banking. It is also suggested that customer's banking relationship with respect of nature and types of product and services varies over main and secondary bank.

5.4 Correlating demographics with banking behaviour

This section focuses on identifying the association between customers' demographics and their banking behaviour.

5.4.1 Ownership status of main bank and demographics

Table 5.9: Cross tabulation between ownership status of customers' main bank and gender

Ownership status of main bank	Count and percentage	Gender		Total
		Male	Female	
State-owned (Non-Islamic)	Count	19	13	32
	%	59.4	40.6	100.0
Domestic private (Non-Islamic)	Count	62	32	94
	%	66.0	34.0	100.0
Domestic private (Islamic)	Count	22	7	29
	%	75.9	24.1	100.0
Foreign private (Islamic)	Count	11	6	17
	%	64.7	35.3	100.0
Foreign private (Non-Islamic)	Count	7	4	11
	%	63.6	36.4	100.0
Total	*Count*	*121*	*62*	*183*
	%	*66.1*	*33.9*	*100.0*

Table 5.9 indicates that domestic private bank (non-Islamic) is the main bank for more than half (51.37 %) of all customers in which 66% are male and 34 % are female. This is followed by state-owned (Non-Islamic) bank which accounts 17.49 % in which 59.4% are male and 40.6 % are female. In order to test whether there is any association between gender and ownership status of customer's main bank, a Pearson chi-square test was performed and found that there is no significant association between gender and ownership status of customer's main bank with a p-value of .750 which suggests a weak effect size (Cramer's V = 0.103) (*Test details are attached in Appendix 5.1*).

Table 5.10: Cross tabulation between ownership status of customers' main bank and marital status

Ownership status of main bank	Count and percentage	Marital status		Total
		Single	Married	
State-owned (Non-Islamic)	Count	16	16	32
	%	50.0	50.0	100.0
Domestic private (Non-Islamic)	Count	66	28	94
	%	70.2	29.8	100.0
Domestic private (Islamic)	Count	20	9	29
	%	69.0	31.0	100.0
Foreign private (Islamic)	Count	9	7	16
	%	56.3	43.8	100.0
Foreign private (Non-Islamic)	Count	9	2	11
	%	81.8	18.2	100.0
Total	Count	120	62	182
	%	65.9	34.1	100.0

Findings from Table 5.10 indicate that the ownership status of main bank is not associated with marital status, as the results of a Pearson chi-square test indicate no statistically significant association (p =.171) with a weak level of effect (Cramer's V =.188) (*Details results shown in Appendix 5.2*).

Table 5.11: Cross tabulation between ownership status of customers' main bank and education

Level of education	Frequency and percentage	Ownership status of main bank					Total
		State-owned (Non-Islamic)	Domestic private (Non-Islamic)	Domestic private (Islamic)	Foreign private (Islamic)	Foreign private (Non-Islamic)	
No formal education	Count	9	5	1	0	0	15
	%	60.0	33.3	6.7	0.0	0.0	100.0
Primary and secondary	Count	16	20	8	4	0	48
	%	33.3	41.7	16.7	8.3	0.0	100.0
University	Count	7	69	20	13	11	120
	%	5.8	57.5	16.7	10.8	9.2	100.0
Total	*Count*	32	94	29	17	11	183
	%	17.5	51.4	15.8	9.3	6.0	100.0

Table 5.11 reveals that customers who have lower level of education (i.e. no formal education, and primary and secondary) are more likely to choose state-owned bank as their main bank. For example, 60 % of customers who do not have any formal education have made the state-owned bank as their main bank. On the other hand, the customers who have higher level of education (i.e. undergraduate or post graduate) seem to more likely to choose different types of domestic and foreign private bank as their main bank. This might be an indication that customers have a lower level of education find it difficult to have banking relationship with private bank which might be due to bank's sophisticated market positioning. In order to test the association between level of education and ownership status of main bank Fisher's exact test statistics was used (as there are more than 20% of cells have expected count less than 5). The result indicates a statistically significant association between customer's education status and ownership status of main bank as p = 0.00 and Cramer's V = .342 which indicates a strong association (*The details of calculation is attached in Appendix 5.3*).

Table 5.12: Cross tabulation between ownership status of customers' main bank and employment by sector

Employment	Frequency and percentage	Ownership status of main bank					Total
		State-owned (Non-Islamic)	Domestic private (Non-Islamic)	Domestic private (Islamic)	Foreign private (Islamic)	Foreign private (Non-Islamic)	
Private sector	Count	23	75	20	13	9	140
	%	16.4	53.6	14.3	9.3	6.4	100.0
Public sector	Count	2	5	9	4	1	21
	%	9.5	23.8	42.9	19.0	4.8	100.0
Unemployed	Count	7	14	0	0	1	22
	%	31.8	63.6	0.0	0.0	4.5	100.0
Total	*Count*	*32*	*94*	*29*	*17*	*11*	183
	%	*17.5*	*51.4*	*15.8*	*9.3*	*6.0*	100.0

Table 5.12 reveals that the choice of private banks as main bank is more evident for the customers who are currently employed in private sector. This same situation also persists for the customers who are currently unemployed. This finding of preferences towards private bank to customers might be explained by the fact of their higher level of operational performance and efficiency over other types of bank. In order to test the association between employment and ownership status of main bank, a Fisher's exact test statistics was conducted (as there are more than 20% of cells have an expected count of less than 5). The result indicates a statistically significant association between customer's employment and ownership status of main bank, as p = 0.001 and Cramer's V = .262 which indicates a moderately strong association (*The details of calculation is attached in Appendix 5.4).*

5.4.2 Main method of conducting banking and demographics

Table 5.13: Main methods of conducting banking activities by gender

Main method of conducting banking	Frequency and percentage	Gender		Total
		Male	Female	
Going to bank in person	Count	73	60	133
	%	54.9	45.1	100.0
Mobile and telephone banking	Count	48	2	50
	%	96.0	4.0	100.0
Total	Count	121	62	183
	%	66.1	33.9	100.0

Table 5.13 shows that going to the bank in person dominate the method of conducting banking in which 54.9% are male and 45.1% are female customer. However, 27.3% use mobile and telephone banking, of which 96% are male and only 4 % are female. This finding indicates that male customers feel more comfortable in using technology oriented banking such as mobile or telephone banking. In this regard, a Pearson chi-square test suggests that there is a significant association between gender and method of conducting banking activities with a 0.000 level of significance and a strong effect size (Cramer's V = 0.387) (*The details of calculation is attached in Appendix 5.5*).

Table 5.14: Main methods of conducting banking activities by marital status

Main method of conducting banking	Frequency and percentage	Marital status		*Total*
		Single	Married	
Going to bank in person	Count	86	47	133
	%	64.7	35.3	100.0
Mobile and telephone banking	Count	34	15	49
	%	69.4	30.6	100.0
Total	Count	120	62	182
	%	65.9	34.1	100.0

Table 5.14 shows the dominance of unmarried customers in both types of methods of banking, however, according to Person chi-square test there is no statistically significant association (p =.551) with a very week association (Phi = -.044) (*see Appendix 5.6*).

Table 5.15: Main methods of conducting banking activities by education

Main method of conducting banking	Frequency and percentage	Level of education			*Total*
		No formal education	Primary and secondary	University	
Going to bank in person	Count	15	43	75	133
	%	11.3	32.3	56.4	100.0
Mobile and telephone banking	Count	0	5	45	50
	%	0.0	10.0	90.0	100.0
Total	Count	15	48	120	183
	%	8.2	26.2	65.6	100.0

Table 5.15 indicates that going to the bank in person dominates the method of conducting banking activities as 72.68 % of total customers reported that they prefer to go to bank in person. The use of mobile or telephone banking is highly concentrated with customers who have a University level education. This finding indicates that customers who have a high level of education are more likely to use distance or self service banking than customers who have a lower level of education. A Pearson chi-square test also supports this association as statistically significant with a p-value 0.000 and Cramer's V of .321, indicating a strong association (*see Appendix 5.7*).

Table 5.16: Main methods of conducting banking activities by employment

Main method of conducting banking	Frequency and percentage	Employment			*Total*
		Private sector	Public sector	Unemployed	
Going to bank in person	Count	99	12	22	133
	%	74.4	9.0	16.5	100.0
Mobile and telephone banking	Count	41	9	0	50
	%	82.0	18.0	0.0	100.0
Total	Count	140	21	22	183
	%	76.5	11.5	12.0	100.0

Table 5.16 above indicates that 74.4% customers who go to a bank in person are employed in the private sector, followed by 9 % cent of customers who are employed in the public sector. However, 82% of customer who use mobile and telephone banking are employed in private sector. This finding indicates that the likelihood of using mobile and telephone banking is greater for customers who are employed in the private sector than customers employed in the public sector. In order to test the association between method of banking and employment a Pearson chi-square test found a statistically-significant relationship (p=.004) with a moderately strong effect (Cramer's V = 0.246) (*The test results are shown in Appendix 5.8*).

5.4.3 Frequency of going bank and demographics

Table 5.17: Frequency of going to bank by gender

Frequency of going to bank	Count and percentage	Gender Male	Female	*Total*
Daily	Count	2	1	3
	%	66.7	33.3	100.0
2/3 times a week	Count	22	4	26
	%	84.6	15.4	100.0
Once a week	Count	28	13	41
	%	68.3	31.7	100.0
Less than 1 in a week	Count	1	0	1
	%	100.0	0.0	100.0
Once in two weeks	Count	27	10	37
	%	73.0	27.0	100.0
Once in a month	Count	41	34	75
	%	73.0	27.0	100.0
Total	Count	121	62	183
	%	66.1	33.9	100.0

Table 5.17 indicates that frequency of going to a bank by gender is evenly distributed which is also supported by the result of Fisher's exact test with a p =.056 with a moderately strong association (Cramer's V= .231) (*Details of statistics in Appendix 5.9*)

Table 5.18: Frequency of going to bank by marital status

Frequency of going to bank	Count and percentage	Marital status Single	Married	*Total*
Daily	Count	2	1	3
	%	66.7	33.3	100.0
2/3 times a week	Count	16	10	26
	%	61.5	38.5	100.0
Once a week	Count	24	17	41
	%	58.5	41.5	100.0
Less than 1 in a week	Count	0	1	1
	%	0.0	100.0	100.0
Once in two weeks	Count	21	15	36
	%	58.3	41.7	100.0
Once in a month	Count	57	18	75
	%	76.0	24.0	100.0
Total	Count	120	62	182
	%	65.9	34.1	100.0

The overall findings from the table 5.18 reveal that there is no statistically significant association between frequency of going to bank and marital status, which is also evident from the Fisher's exact test (p =.138) which is a moderately strong association (Cramer's V=.203) (*see Appendix 5.10*).

It is evident that customers feel more comfortable to *go to the bank in person* as a method of conducting banking activities than other methods. An attempt was taken to explore the issue of frequency of going to bank by selected demographics such as education and occupation. Table 5.19 reveals customers' frequency of going to a bank by education.

Table 5.19: Frequency of going to bank by education

| Frequency of going to bank | Frequency and percentage | Level of education | | | Total |
		No formal education	Primary and secondary	University	
Daily	Count	0	1	2	3
	%	0.0	33.3	66.7	100.0
2/3 times in a week	Count	2	4	20	26
	%	7.7	15.4	76.9	100.0
Once in a week	Count	2	11	28	41
	%	4.9	26.8	68.3	100.0
Less than one in a week	Count	0	0	1	1
	%	0.0	0.0	100.0	100.0
Once in two weeks	Count	7	1	19	37
	%	18.9	29.7	51.4	100.0
Once in a month	Count	4	21	50	75
	%	5.3	28.0	66.7	100.0
Total	Count	15	48	120	183
	%	8.2	26.2	65.6	100.0

Table 5.19 shows that customers are very less frequent in going to the bank as it is evident that there are only 1.6% of customers go to a bank on a daily basis. There are only 14.2% of customers go to bank 2-3 times per week which is frequented by customers having university level education. The same trend appears in case of less frequent visitor to banks (i.e. once in two weeks and once in a month). In order to test whether any association exists between frequency of going to a bank and level of education a Fisher's Exact test was used but found no statistically significant association (p=.388) with a very weak effect (Cramer's V = .0169) (*see Appendix 5.11*).

Table 5.20: Frequency of going to bank by employment

Frequency of going to bank	Frequency and percentage	Employment			Total
		Private sector	Public sector	Unemployed	
Daily	Count	3	0	0	3
	%	100.0	0.0	0.0	100.0
2/3 times in a week	Count	22	2	2	26
	%	84.6	7.7	7.7	100.0
Once in a week	Count	31	6	4	41
	%	75.6	14.6	9.8	100.0
Less than one in a week	Count	1	0	0	1
	%	100.0	0.0	0.0	100.0
Once in two weeks	Count	32	3	2	37
	%	86.5	8.1	5.4	100.0
Once in a month	Count	51	10	14	75
	%	68.0	13.3	18.7	100.0
Total	Count	140	21	22	183
	%	76.5	11.5	12.0	100.0

Table 5.20 shows that customers who go to bank on a daily basis are frequented by those employed in the private sector. The same trend appears for customers who go to the bank 2 to 3 times per week. However, customers who go to the bank less frequently, such as once every two weeks or once in a month, are also dominated by customers who are employed in the private sector. The findings indicates very minimum difference which is also evident from the result of Fisher's exact test which indicates statistically insignificant (p =.615) with a Cramer's V of 0.534 (*see Appendix 5.12).

5.4.4 Multiple or split banking and demographics

The study made an attempt to assess the split or multiple banking behaviour of customers with respect to demographics, such as, gender, education, occupation, and marital status. Findings reveal that 85% of customers possess multiple banking behaviour provided that they have banking relationship with more than one bank. Table 5.21 also shows that male customer is more involved in multiple banking than female customers. An additional attempt was made to identify an association between customer's split banking and their demographics.

Table 5.21: Customers' multiple banking behaviour by gender

| Number of banks | Frequency and percentage | Gender | | Total |
		Male	Female	
One	Count	16	12	28
	%	57.1	42.9	100.0
Two	Count	87	49	136
	%	64.0	36.0	100.0
Three	Count	18	1	19
	%	94.7	5.3	100.0
Total	Count	121	62	183
	%	66.1	33.9	100.0

The Pearson Chi-square test result indicate a significant association between number of banks and gender with a p-value of .016, and a moderate association (Cramer's v = 0.212) (*see Appendix 5.13*).

Table 5.22: Customers' multiple banking behaviour by marital status

| Number of banks | Frequency and percentage | Marital status | | Total |
		Single	Married	
One	Count	20	8	28
	% of total	71.4	28.6	100.0
Two	Count	87	49	136
	% of total	64.0	36.0	100.0
Three	Count	13	5	18
	% of total	72.2	27.8	100.0
Total	Count	120	62	182
	% of total	65.6	33.9	100.0

The overall findings from the above table 5.22 indicates that banking behaviour is evenly distributed by marital status and indicates no statistically significant association as the p-value (.629) of Pearson chi-square test is above the critical value with a weak effect size (Cramer's V=.071) (*The test statistics are shown in Appendix 5.14*). The implication of this finding is that non-married customers is more attractive customer segments for a bank looking for increasing customer base as the evidence suggests they are more likely to engage in multiple banking relationship compared to married customers.

Table 5.23: Customers' multiple banking behaviour by education

| Number of banks | Frequency and percentage | Level of education | | | *Total* |
		No formal education	Primary and secondary	University	
One	Count	2	10	16	28
	%	7.1	35.7	57.1	100.0
Two	Count	13	34	89	136
	%	9.6	25.0	65.4	100.0
Three	Count	0	4	15	19
	%	0.0	21.1	78.9	100.0
Total	Count	15	48	120	183
	%	8.2	26.2	65.6	100.0

Table 5.23 indicates that there is a positive relationship between the number of banks used by customers and their level of education. Customers with a higher level of education are more likely to be involved in multiple-banking behaviour than those with lower levels of education. Despite this, a Fisher's exact test results found that there is no statistically significant association ($p = .486$) with a very good effect size (Cramer's V= 0.412) (*The details of test result is attached in Appendix 5.15*).

Table 5.24: Customers' multiple banking behaviour by employment

| Number of banks | Frequency and percentage | Occupation | | | *Total* |
		Private sector	Public sector	Unemployed	
One	Count	19	2	7	28
	%	67.9	7.1	25.0	100.0
Two	Count	107	14	15	136
	%	78.7	10.3	11.0	100.0
Three	Count	14	5	0	19
	%	73.7	26.3	0.0	100.0
Total	Count	140	21	22	183
	%	76.5	11.5	12.0	100.0

It is indicative that customers who have single banking behaviour tend to be those employed in the private sector (67.9 %). The same trend appears for both customers who have double and triple banking relationship. The Fisher's exact test result suggests that there is a statistically significant association (p = .032) with a minimally-accepted effect (Cramer's V=0.173) (*The details of the test results are shown in Appendix 5.16*).

The results presented in the section 5.4 propose that the association between customers' demographics and their banking behaviour is not certain. Moreover, it can be said that there are some aspects of banking behaviour found as having a significant association and some aspects do not. (A further explanation of these results is provided in section 6.2 of next Chapter six). These findings reflect the idea that designing any marketing strategy based on customers' demographic characteristics might not be sufficient; and needs to go beyond the demographics characteristics.

5.5 Determinant criteria of bank selection

As discussed in chapter two (section 2.4) the determinant criteria are not the only important criteria rather than the outcome of multiplying the relative importance customers assign to a criteria by relative similarity/dissimilarity of that criteria across different banks currently operative in market. Based on this, the identification of determinant criteria is divided into two steps as suggested by Edris (1997). The first step involves establishing that the criteria are important while the second step involves identifying determining criteria. In order to make sure the criteria used in the survey are important the justification is based on calculating a mean score of every bank selection criteria individually. The following table 5.25 reveals the mean score of all criteria used in the survey.

Table 5.25: The importance of bank selection criteria

Criteria	Mean	Median	Std.
Higher profit/interest/return on saving /investment/deposit	5.76	6	.76
Lower rate of interest on loan/advance	5.77	6	.73
Lower commissions and fees	5.83	6	.77
Charge free inter-branch banking	5.78	6	.77
Charge free intra-bank banking	5.85	6	.79
Transparency in charging	5.62	5	.73
Profit-loss sharing scheme	5.45	5	.67
Charge free account with no minimum deposit	5.71	6	.80
Removal of settlement fee	5.61	5	.75
Paying profit or interest on balance of current account	5.6	5	.74
Interest free loan and saving opportunities	5.48	5	65
Accuracy in service	5.94	6	.81
Confidentiality	6.05	6	.82
Speedy service	6.01	6	.82
Friendly and polite staff	6.04	6	.81
Employee expertise	6	6	.82
Modern looking equipment	6	6	.88
Appealing internal environment	6	6	.85
Enough sitting space	5.99	6	.85
Counter partition	5.98	6	.83
Parking facilities with enough security	6.08	6	.85
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	6.01	6	.78
Easy opening of bank account	5.91	6	.82
The banks offers a strong contribution to different social, environmental and ethical issues	5.94	6	.81
Equal treatment of customers from the bank	6	6	.82
Easy access	5.80	6	.84
Convenient location	5.85	6	.86
Having large ATM network with enough security	6	6	.85
Having nationwide branch network with enough security	6	6	.86
Having global presence	5.65	6	.81
Long term existence in the market	5.90	6	.85
Bank reputation	5.96	6	.85
Technology orientation	6	6	.84
Extended and weekend operating hours	5.90	6	.86
Working as intermediary in purchasing property	5.88	6	.83
Banks run through the principle of 'prohibition of interest'	5.57	5	.82
Free from political intervention	5.85	6	.90
Recommendation by family members, friends and relatives	6.09	6	.81
Recommendation by employer	6.04	6	.81
Comments and review available in different media	6.07	6	.81
Previous good experience and trust with the bank	6.04	6	.84
Existence of a known person in a bank	6.07	6	.84
Quick service recovery in case of service failure	6.10	6	.84

Table 5.25 reveals the mean score for all criteria are above the neutral score (i.e. 4) in a 7 point Likert scale where 1 indicates 'not important' and 7 indicates 'very important'. Moreover, the difference between the mean and median scores is marginal with a low standard deviation, which in turn indicates the data points are close to the mean. Thus, the criteria that have been used in measuring customers' bank selection criteria provide a valid base to be deemed important.

Next, it is important to identify the determining criteria of customers' bank selection, which had been calculated by multiplying the relative importance customer assign to each criteria by the degree of similarity/dissimilarity of that criteria across different banks currently operative in the market (i.e. Determinant = relative degree of importance of an item * relative degree of dissimilarity of that item across different banks). The calculation of determinant criteria of bank selection is carried on three separate occasions: combining both existing and potential customers; for existing customers; for potential customers. This is necessary for two reasons: first, to identify whether any difference exists between existing and potential customer groups; second, to get a comprehensive view about the determinant criteria of bank selection. Table 5.26 reveals the results of the determinant criteria of bank selection.

Table 5.26: The determinant criteria of bank selection for combined, existing, and potential customers

Criteria	Rank of determinant criteria		
	Combined	Existing	Potential
Profit/interest/return on saving /investment/deposit	10	11	14
Rate of interest on loan/advance	11	24	9
Commissions and fees	14	22	10
Inter-branch banking charge/fee	7	12	7
Intra-bank banking charge/fee	1	1	6
Transparency in charging	29	25	36
Profit-loss sharing scheme	15	21	19
Charge free account with no minimum deposit	30	27	35
No settlement fee	27	23	37
Profit or interest on balance of current account	38	37	38
Interest free loan and saving opportunities	8	16	8
Accuracy in service	35	38	30
Confidentiality	20	10	23
Speedy service	17	9	22
Friendly and polite staff	18	6	28
Employee expertise	24	17	25
Modern looking equipment	19	28	11
Appealing internal environment	26	30	13
Enough sitting space	28	29	31
Counter partition	23	13	29
Parking facilities with enough security	33	31	27
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	6	14	5
Easy opening of bank account	25	18	26
Strong contribution to different social, environmental and ethical issues	21	26	12
Equal treatment from the bank	16	15	20
Easy access	37	36	33
Convenient location	34	33	32
Large ATM network with enough security	2	2	1
Nationwide branch network with enough security	4	4	3
Global presence	12	19	16
Long term existence in the market	31	32	17
Bank reputation	9	5	15
Technology orientation	3	3	2
Extended and weekend operating hours	22	8	24
Working as intermediary in purchasing property	36	34	34
Banks run through the principle of 'prohibition of interest'	13	20	18
Free from political intervention	32	35	21
Quick service recovery in case of service failure	5	7	4
Note-Details calculation is shown in Appendix 5.17, 5.18 & 5.19			

Table 5.26 shows that there are some differences in ranking order. For example, the criteria '*intra-bank banking charge/fee*' ranks as 1st for both combined sample and existing customers but ranks 6th for potential customers. The criteria '*large ATM network with enough security*' is perceived as 1st for potential customers but

2nd for both combined sample and existing customers. These findings suggest that what is delivered – in particular the economic trade-off – is more important to existing customers while it is how the products and services are delivered for the potential customer (A further discussion is given in section 6.3.1 of next Chapter-six).Despite this similarity in ranking, the results of determinant criteria of bank selection reveal a high degree of dissimilarity across these three different occasions as indicated by following table 5.27.

Table 5.27: Top seven determinants criteria of bank selection over three arrangements

Rank	As a whole (combined)	For existing customer	For potential customer
I	Charge free Intra-bank banking facilities	Charge free Intra-bank banking facilities	Large ATM network with enough security
II	Large ATM network with enough security	Large ATM network with enough security	Technology orientation
III	Technology orientation	Technology orientation	Nationwide branch network with enough security
IV	Nationwide branch network with enough security	Nationwide branch network with enough security	Quick service recovery in case of service failure
V	Quick service recovery in case of service failure	Bank reputation	Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system
VI	Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	Friendly and polite staff	Charge free Intra-bank banking facilities
VII	Charge free Inter-branch banking	Quick service recovery in case of service failure	Charge free Inter-branch banking

Despite some similarities regarding ranking of determinant criteria of bank selection across three occasions, as presented in Tables 5.26 and 5.27, the dissimilarities dominates the comparison. Moreover, there are some criteria customers have been perceived as more important than others but indicate less determining power and vice-versa (Appendices 5.17, 5.18 & 5.19). For example, the criteria '*service recovery in case of service failure*' ranks 1st in relation to relative importance for both combined sample and potential customers but ranks 5th and 4th respectively in relation to its determining power. This is because however, customers attached highest level of importance to '*service recovery in case of service failure*' for their bank selection but have less dissimilarity across

different banks, which actually plays a key role in reducing the determining power of this criteria and vice-versa.

In order to resolve the above issue (higher level of importance but less determining power and vice versa) the study ran a regression analysis by summarising the items under certain factors (i.e. product cost and benefits, product features, human, physical, social, institutional, word-of-mouth, and previous experience) as indicated by the theoretical framework in chapter four. As a part of this process, first, two separate versions of factors analysis were conducted to ensure the items underlies those factors are unidimensional (Appendix 5.20 & 5.21). The first version involved a factor analysis of existing customers (i.e. who are currently banked), while the second version included potential customers (i.e. who are currently unbanked). And second, a multicollinearity test was conducted of those items underlined by above mentioned factors to make sure the underlying constructs are linearly related with substantial degree of accuracy (see Appendices 5.22 & 5.23). The overall findings from the factor analysis in terms of high level of KMO values, significant value of a Bartlett's test, high loading, and multicollinearity test in terms of low VIF value clearly demonstrate enough evidences for applying a regression analysis in investigating the determinants of bank selection. As an additional step, a correlation matrix was developed before running the regression model for identifying the appropriate factors to be included in the final regression model.

5.6 Determinants of customers' bank selection factors

The determinants factor of customers' bank selection is divided into two separate sections. The first section involved customers who are already banked (i.e. existing customers) where the customer bank selection is considered as output or dependent variable, while eight bank selection factors: product cost and benefits; product features; human; physical; social, institutional; word-of-mouth (WoM), and previous experience have been used as independent variables. The second section involved including potential customers where customers' choice of finance is considered as a dependent or output variable and eight bank selection factors: product cost and benefits; product features; human at; physical; social, institutional; WoM and previous experience were considered as independent variables.

5.6.1 Determinants of bank selection for existing customers

The literature indicated that the first task before running a multiple regression is to assess the intercorrelations or multicollinearity between variables. Table 5.28 illustrates the correlation matrix which shows intercorrelations between different bank selection factors.

Table 5.28: The correlation matrix

		Product cost and benefits	Product features	Human	Physical	Social	Institutional	WoM	Previous experience
Product cost and benefits	r Sig (2-t) N	1							
Product features	r Sig (2-t) N	.890** .000 183	1						
Human	r Sig (2-t) N	.024 .749 183	.041 .578 183	1					
Physical	r Sig (2-t) N	.839** .000 183	.847** .000 183	.046 .532 183	1				
Social	r Sig (2-t) N	.018 .810 183	.033 .658 183	.581** .000 183	.129 .081 183	1			
Institutional	r Sig (2-T) N	-.470** .000 183	-.534** .000 183	-.128 .084 183	-.696** .000 183	-.234** .001 183	1		
WoM	r Sig (2-t) N	-.353** .000 183	-.284** .000 183	.120 .107 183	-.083 .265 183	.323** .000 183	-.463** .000 183	1	
Previous experience	r Sig (2-T) N	-.310** .000 183	-.229** .002 183	.155* .037 183	-.035 .640 183	.351** .000 183	-.504** .000 183	.813** .000 183	1

**Correlations is significant at the 0.01 level
**Correlations is significant at the 0.05 level

The correlation matrix (Table 5.28) represents a set of correlation variables to determine two issues: Firstly, the nature of association between different bank selection factors and to explain the meaning behind such an association. Secondly, the degree or intensity of that association in order to check the presence of multi-collinearity.

With regard to nature of relationship between different bank selection factors, the findings indicate a strong and statistically significant positive correlation (r= .890**) between *product features* and *product cost and benefits*. This means the customers who attach a higher level of importance to product costs and benefits also tend to attach a higher level of importance to product features. The factor *physical* is positively related with *product cost and benefits* (r=.839**) and *product features* (r=.847**) which indicate customers who attach a higher level of

importance to *physical* are also likely to attach a higher level of importance towards *product costs and benefits*, and *product features* in their bank selection decisions. The factor *social* found as significantly related with *human* factor (r=.581**) which is an indication of customers who assign a higher level of importance to the *social* sub-dimension of bank selection also attach higher level of importance to *human* sub-dimension of bank selection. The factor *institutional* is found negatively correlated with *product costs and benefits* (r=-.470**), *product features* (r=-.534**), *physical* (r= -.696**), and *social* (r=-.234**). This indicates that the customers are in a trade-off position between *institutional,* and *product cost and benefits*, *product features*, and *social* sub-dimension of bank selection. The negative correlation of 'WoM with *product cost and benefits* (r=-.353**), *product features* (r=-.284**), and *institutional* (r=-.463**) is an indication of customer who attach higher level of importance to WoM are likely to attach lower level of importance to the factors of *product cost and benefits*, *product features*, and *institutional* in their bank selection decision. This might be due to higher level of importance of WoM over the attributes of *product cost and benefits, product features and institutional* as bank selection criteria. The factor *previous experiences* is negatively correlated with *product cost and benefits* (r=-.310**), *product feature* (r=-.229**), and *institutional* (r=-.504**) which can be explained by the fact that any *previous experience* reduces the importance of *product cost and benefits, product features, and institutional factors* in their bank selection decisions.

Secondly, with regard to intensity of relationship, Cohen *et al.,* (2002) suggest that a correlation coefficient above 0.9 is a 'cause of concern' of multicollinearity. In this model, there is only one case where the inter-correlations are relatively high (i.e. .89) but below 0.9, which suggests multicollinearity does not appear to be a problem. It should also be noted that the Pearson *r* highlights only the first order correlation and there may exist more subtle forms of correlation. To further understand this issue, the test of multicollinearity is deployed to make sure the regression model and thereafter the results are statistically sound, as shown in Table 5.29.

Table 5.29: The result of the multicollinearity test

Model	Collinearity statistics	
	Tolerance	VIF
Product features	.214	4.673
Human	.642	1.557
Physical	.183	5.450
Social	.553	1.808
Institutional	.87	5.339
Word of mouth	.271	3.694
Previous experience	.273	3.667
Dependent variable: Product cost and benefits		

After examining the VIF values, which is much lower than 10 and tolerance values which is higher than 0.1, shows no concern of multicollinearity (i.e. to include the above factors in the regression model), as Hair *et al.,* (2006) and Field (2013) suggest that small tolerance value (less than 0.1) and large VIF value (above 10) indicate high collinearity.

Table 5.30: Model summary [b]

Model	R	R^2	Adjusted R^2	Std Error of the estimates	Durbin Watson
1	.879[a]	.772	.762	.35439	1.7664
a. predictors: (Constant), Previous experience, physical environment, human. Social, word of mouth, product features, institutional, and Product cost and benefits					
b. Dependent variable: Customer bank selection					

Table 5.31: ANOVA[a]

Model	Sum of square	df	Mean square	F	sig
Regression	74.166	8	9.271	73.816	.000[b]
Residual	21.853	174	.126		
Total	96.019	182			
a. Dependent variable: Customer bank selection					
b. Predictors: (Constant), Previous experience, physical environment, human. Social, word of mouth, product features, institutional, and Product cost and benefits					

Table 5.32: Coefficient [a]

Model	Standardized coefficient Beta	Sig.
Product cost and benefits	.233	.014
Product features	.409	.000
Human	.417	.000
Physical	.553	.000
Social	.208	.000
Institutional	.858	.000
Word of mouth	.126	.076
Previous experience	.343	.000
a. dependent variable (customer bank selection)		

The regression results with a combined correlation (R) of .88, while the adjusted R^2 of .76 indicate that 76% of variation in customers' bank selection can be explained by variables included in the model (*A detailed discussion is given in section 6.3.2 of next chapter-six*). The F value of 73.82, with p =.000 reveal that the independent variables are significantly related to the dependent variable which is evident in the coefficient table 5.32. This coefficient table also suggests that institutional factor with β value of .58 and p value of .000 is the most influential factor in explaining customers' bank selection followed by physical (β .55, p .000) human (β .42, p .000), product features (β .41, p .000), previous experience (β .34, p .000), product cost and benefit (β .23, p .014).

5.6.2 Determinants of bank selection for potential customers

In order to explain potential customers' bank selection, choice of finance was considered a dependent variable, while product cost and benefits, product features, human, physical, social, institutional, WoM and previous experience were considered as independent variables. Prior to developing the regression model, the study intends to develop a correlation matrix and assess the multicollinearity of the variables (i.e. the bank selection factors) which are presented in the following two tables (table 5.33 & 5.34).

Table 5.33: The correlation matrix

		Product cost and benefits	Product features	Human	Physical	Social	Institutional	WoM	Previous experience
Product cost and benefits	r Sig (2-t) N	1							
Product features	r Sig (2-t) N	.378** .000 190	1						
Human	r Sig (2-t) N	.028 .702 190	-.048 .509 190	1					
Physical	r Sig (2-t) N	.104 .153 190	.198** .006 190	.459** .000 190	1				
Social	r Sig (2-t) N	.139 .056 190	.336** .000 190	.050 .490 190	.072 .323 190	1			
Institutional	r Sig (2-T) N	.084 .248 190	.277** .000 190	-.060 .411 190	-.160* .028 190	.766** .000 190	1		
WoM	r Sig (2-t) N	-.072 .321 190	.230** .001 190	-.209** .004 190	-.098 .176 190	.221** .002 190	.365** .000 190	1	
Previous experience	r Sig (2-T) N	-.190** .009 190	-.365** .000 190	-.151* .038 190	-.166* .022 190	-.032 .659 190	.081 .264 190	.318** .000 190	1

**Correlations is significant at the 0.01 level
*Correlations is significant at the 0.05 level

The same purposes (i.e. nature and intensity of association) supported the development of correlation matrix for potential customers. The results suggest that the factor *product features* is positively correlated with *product cost and benefits* (r=.378**). This is an indication that the level of importance towards *product cost and benefits, and product features* go in the same direction. The factor *physical* is weakly correlated with *product features* (r=.198**) but strongly with *human* (r=.459**), which might be a sign of dependence between *human* and *physical* in the value creation process as most of the value in banking service originates from process and performance in which *physical* environment play an important role. The factor *social* is also found significantly correlated with *product features* (r=.336**); this might be due to the association between *product features* and *social* factors*;* as both factors reflect some degree of customer orientation. The factor *WoM* is negatively associated with the *human* factor (r=-0.20) which indicates a slight trade-off between *WoM* and *human* factor of bank selection. Finally, the *previous experience* is found to be weakly correlated with *product cost and benefits* (r=-.190**), *human* (r=-.151*), *product features* (r=-.365**), and *physical* (r=-.166*), which is also a sign of customers' trade-off attitude in attaching

importance into these criteria of bank selection. In other words, it might be a preference of *previous experience* over *product cost and benefits, product features, human and physical* in their bank selection process, or vice versa.

Finally, with regard to degree or intensity of association, the correlation matrix reveals that the highest value of correlation coefficient is .766 which is far below of .9. These results suggest multicollinearity does not appear to be a problem. The following table 5.64 reveals the result of multi-collinearity test.

Table 5.34: The result of the multicollinearity test

Coefficient [a]		
Model	Collinearity statistics	
	Tolerance	VIF
Product features	.633	1.580
Human	.732	1.367
Physical	.664	1.505
Social	.363	2.752
Institutional	.332	3.009
Word of mouth	.687	1.455
Previous experience	.685	1.460
a. Dependent variable: Product cost and benefits		

The test of multicollinearity (where no VIF value is higher than 3 and tolerance level higher than .10) indicates no concern to develop the regression model in explaining potential customer's choice of finance. The regression results are presented in the following tables (Tables 5.35, 5.36 & 5.37).

Table 5.35: Model summary [b]

Model	R	R^2	Adjusted R^2	Std Error of the estimates	Durbin Watson
1	.900[a]	.810	.802	.30410	2.109
a. Predictors: (Constant), Previous experience, physical environment, human. Social, word of mouth, product features, institutional, and Product cost and benefits					
b. Dependent variable: Customer choice of finance					

Table 5.36: ANOVA[a]

Model	Sum of square	df	Mean square	F	Sig.
Regression	71.396	8	8.924	96.502	.000 b
Residual	16.739	181	.092		
Total	88.135	189			
a. Dependent variable: Customer choice of finance					
b. Predictors: (Constant), Previous experience, physical environment, human. Social, word of mouth, product features, institutional, and Product cost and benefits					

Table 5.37: Coefficient [a]

Model	Standardized coefficient Beta	Sig.
Product cost and benefits	.115	.001
Product features	.215	.000
Human	.152	.000
Physical	.264	.000
Social	.219	.000
Institutional	.477	.000
Word of mouth	.136	.001
Previous experience	.165	.000
a. Dependent variable: Choice of finance		

The regression results show a combined correlation (R) of .90, while the adjusted R^2 of .80 indicates that 80% of variation in customers' choice of finance which can be explained by different bank selection factors included in the model. The F value of 96.5, with p =.000, reveal that the independent variables are significantly-related to the dependent variable which is also evident in the coefficient table 5.37(*See section 6.3.3 for further explanation*). The coefficient table shows that the institutional factor with *β value of .48 and p value of .000* is the most influential factor in explaining customer choice of finance followed by physical (*β .26, p .000*), product features (*β .21, p .000*), social (*β .22, p .000*), previous experience (*β .16, p .000*), human (*β .15, p .000*), word of mouth (*β .14, p.001*) and product cost and benefit (*β .11, p .001*).

5.7 Results of the hypothesis testing

This section reveals the result of the hypotheses testing to provide deeper insight into customers' bank selection criteria from several perspectives.

5.7.1 The first tier of hypotheses

The first tier of hypotheses provide an aggregate view that includes both existing and potential customers to investigate whether respondents' demographics have any significant influence on bank selection criteria, and if there are differences of importance that customers attach to different dimensions or attributes of bank between existing and potential customers. The first hypothesis is presented below:

H₁: Demographic characteristics have no influence on the importance of different sub-dimensions of bank selection.

The non-parametric Mann-Whitney U test was used to investigate the influence of gender (male and female) and marital status (married and unmarried) as the data are not normally distributed (*see Appendix 5.24*) and violates the assumption of homogeneity of variance (*See Appendix 5.25*). Kruskal-Wallis test was used to investigate the influence of education while Mann-Whitney U test has been used for assessing the impact of employment status and employment type. Regarding gender, the results in table 5.38 indicate that gender (male and female) does not have any significant influence in five out of eight bank selection sub-dimensions ($p > 0.05$) but for the product cost and benefits, product features, and human attributes ($p < 0.05$). This means that the degree of importance customers attach to these three sub-dimensions (i.e. product cost and benefits, product features, and human attributes) differs by male and female.

Table 5.38: Mann-Whitney U test statistics for gender*

S.N.	Sub-dimensions of bank selection	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
I.	Product cost and benefits	8242.000	40882.00	-7.08	.000
II.	Product features	12084.000	44724.00	-3.08	.002
III.	Human	10543.500	17564.50	-4.67	.000
IV.	Physical	14518.500	47158.50	-.546	.585
V.	Social	13950.000	20971.00	-1.13	.255
VI.	Institutional	13894.000	20915.00	-1.11	.234
VII.	Word of mouth	14957.000	47597.00	-.92	.927
VIII.	Previous experience	11994.500	22015.50	-.05	.958
The rank statistics is attached in Appendix 5.26					

With regard to marital status, the results of a Mann-Whitney U test reveal that there is a significant influence of marital status (married and unmarried) in most of the bank selection sub-dimensions ($p < .05$) except for product features, and institutional sub-dimensions of bank selection ($p > .05$) (*see in the Table 5.39*).

Table 5.39: Mann-Whitney U test statistics for marital status*

S.N.	Sub-dimensions of bank selection	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
I.	Product cost and benefits	13756.50	39634.50	-2.69	.007
II.	Product features	15347.50	41225.50	-1.10	.267
III.	Human	11248.00	21833.00	-5.17	.000
IV.	Physical	13302.00	23887.00	-3.13	.002
V.	Social	13292.00	23877.00	-3.15	.000
VI.	Institutional	15049.00	25634.00	-1.39	.163
VII.	Word of mouth	13405.50	23990.50	-3.05	.002
VIII.	Previous experience	14476.00	25061.00	-1.98	.04
The rank statistics is attached in Appendix 5.27					

In order to investigate the influence of customers' educational level on the degree of importance to different sub-dimensions of bank selection the customer's level of education was categorised into three groups: (no education; primary and secondary level education; university level education). The Kruskal-Wallis test was used for the existence of two or more groups or independent variables which suggests that the level of education has a significant influence on the importance of most of the bank selection sub-dimensions ($p<.05$), except for the product features, and institutional dimension ($p>.05$).

Table 5.40: Test statistics for Kruskal-Wallis [ab]

S.N.	Sub-dimensions of bank selection	Chi-Square	df	Asymp. Sig.
I.	Product cost and	10.685	2	.004
II.	Product features	3.243	2	.198
III.	Human	46.053	2	.000
IV.	Physical	25.716	2	.000
V.	Social	7.796	2	.020
VI.	Institutional	2.911	2	.233
VII.	Word of mouth	27.463	2	.000
VIII.	Previous experience	11.035	2	.004
a. The rank and test statistics for this test is attached in Appendix 5.28				
b. Grouping variable: Education				

A Kruskal-Wallis test result suggests that education has a significant influence on the importance of bank selection sub-dimensions except for product features, and institutional. However, the test results fails to define which specific customer groups in relation to level of education are different. In order to define which group of customers (in terms of level of education) are different, a Dunn's non parametric multiple-comparison for post-hoc test was conducted over the sub-dimensions found as significant, as this is the most conceptually and theoretically defensible approach when the data is not normally distributed and having multiple groups with unequal sample size. Table 5.41 shows the differences exists across different bank selection sub-dimensions founds as significant in table 5.40.

Table 5.41: The existence of differences in different sub-dimensions of bank selection found as significant

Sub-dimensions of bank selection	Sample 1-sample 2	Test statistics	Std. error	Std. test statistics	Sig.	Adj. Sig.
Product cost and benefits	Primary and secondary – No formal education	77.361	28.53	2.71	.007	.020
Human	University level-primary and secondary education	76.890	11.44	6.72	.000	.000
Physical	University level-primary and secondary education	57.300	11.44	5.00	.000	.000
Social	University level-primary and secondary education	29.907	11.42	2.61	.009	.026
Word of mouth	No formal education-primary and secondary education	-97.829	28.39	-3.44	.001	.002
	University level-primary and secondary education	50.859	11.35	4.48	.000	.000
Previous experience	University level-primary and secondary education	30.782	11.35	2.71	.007	.020
Note- Details test results attached in Appendix 5.29A-5.29F						

Table 5.41 shows that in most of cases (i.e. five out of seven) customers having primary and secondary level of education differs significantly from customers who have a university level of education. There are only two cases (i.e. product cost

and benefits, and word-of-mouth) where differences exist between customers having no formal education and primary and secondary level of education.

A Mann-Whitney U test was used to investigate whether employment (i.e. employed vs. unemployed) and occupation (i.e. private sector vs. public sector) have any significant influence on the importance of different bank selection sub-dimensions. Table 5.42 reveals the results of Man-Whitney U test.

Table 5.42: Mann-Whitney U test statistics for employment status and type

S.N.	Sub-dimensions of bank selection	Asymp. Sig (2-tailed)	
		Employment status (employed vs. unemployed)	Employment type (Private vs. public)
I.	Product cost and benefits	.011	.970
II.	Product features	.037	.022
III.	Human	.000	.324
IV.	Physical	.000	.485
V.	Social	.000	.400
VI.	Institutional	.700	.598
VII.	Word of mouth	.000	.658
VIII.	Previous experience	.045	.858
*The test result is attached in Appendix 5.30 for employment status and 5.31 for employment type			

Table 5.42 reveals that with regard to employment status (i.e. employed vs. unemployed) there is a significant difference in seven out of eight bank selection sub-dimensions while there is only one case (i.e. product feature) which was found as statistically significant for employment type (i.e. private vs. public).

The results of hypotheses testing regarding the influence of different demographics (i.e. gender, marital status, education, employment status, and employment type) reveal both gender and marital status have a partial statistically significant influence on the importance of different bank selection sub-dimensions. However, education and employment are more evident. Thus, test results fail to produce enough evidence to accept the conferred hypothesis (i.e. *Demographic characteristics have no influence on the importance of different dimensions of bank selection*), which in turn, suggests that demographic characteristics have significant influence in some criteria of bank selection in assigning the level of

importance into different sub-dimensions on bank selection (*A detail discussion is conducted in section 6.4.1 of next chapter-six*). The second hypothesis focuses on testing whether any significant differences or similarities could be identified between the two groups of customers (i.e. existing customers and potential customers), which can be described in the following way.

H_2: There are significant differences in the importance of the different sub-dimensions of bank selection between potential and existing bank customers.

In order to test this hypothesis (H_2), a non-parametric Man-Whitney U test was used as this test enables a measure of the variance of importance customers attach to different sub-dimensions of bank selection. Table 5.43 reveals the results of an independent sample Mann-Whitney U test.

Table 5.43: The result of Mann-Whitney U test between existing and potential customers

S.N.	Sub-dimensions of bank selection	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
I.	Product cost and benefits	14768.00	32913.00	-2.53	.01
II.	Product features	15940.50	34085.50	-1.40	.161
III.	Human	8615.50	25451.50	-8.46	.000
IV.	Physical	11672.00	28508.00	-5.51	.000
V.	Social	10486.00	27322.00	-6.67	.000
VI.	Institutional	16273.50	33109.50	-1.07	.285
VII.	Word-of-mouth	7542.50	24378.50	-9.57	.000
VIII.	Previous experience	11098.00	27934.00	-6.11	.000
The rank statistics is attached in Appendix 5.32					

The results indicate that there are statistically significant differences in the importance of different sub-dimensions of bank selection except for the product features and institutional (P>.05) between potential and existing customer. However, a detailed discussion is provided in section 6.4.2 of next chapter-six, it means that customers from both groups have different banking behaviour in most of the cases and there are enough evidences to accept the proposed hypothesis

(i.e. *there are significant differences in the importance of the different sub-dimensions of bank selection between potential and existing bank customers*).

5.7.2 The second tier of hypotheses

The second tier of hypotheses is directed towards customers who are already banked (i.e. existing customers). The first hypothesis shows whether any significant differences exist across technical, functional, and interactive and relation dimension of bank selection which can be expressed as follows.

H_3: For existing customers, there are no differences in the importance of functional, technical, and interactive and relational dimension for bank selection.

In order to test this hypothesis, a non-parametric Wilcoxon signed-rank test as an alternative to paired sample t-test was conducted. It should be noted that checking such differences in the attached importance requires the use of a summated scale for technical, functional, and interactive and relational dimensions as previously explained (Hair *et al.*, 1998). In addition, the application of this test gives rise of three pair wise comparison in the form of technical vs. functional, functional vs. interactive and relational, and interactive and relational vs. technical dimension of bank selection (see Table 5.44).

Table 5.44: The result of Wilcoxon signed-rank test [a]

	Functional-Technical	Interactive-Functional	Technical-Interactive and relational
Z	-.806[b]	-.782[c]	-.027[c]
Asymp. Sig.	.420	.434	.978
a. The rank statistics is attached in Appendix 5.33			
b. Based on positive ranks			
c. Based on negative ranks			

The result of Wilcoxon signed-rank test suggests that there are no statistically significant differences on any dimensions: (i.e. technical vs. functional; functional vs. interactive; relational and interactive vs. technical). This means that the formulated hypothesis (*H_3*) could not be rejected. In essence, no significant differences exist between different dimensions bank selection attributes. This is in fact the reflection of equal amount of importance to these three main dimensions

of bank selection when the relative importance of different dimensions of bank selection is investigated (*See 6.4.2.1 for detail discussion*).

It is often assumed that customers who have multiple banking relationships try to maximise their financial satisfaction. As it indicated earlier in this chapter, there are only 15.3% of customer have only one bank relationship, 74.3% customer have double bank relationship, and 10.4% customers have triple banks relationship (table 5.7). Therefore at this point of study, in order to address the issue of are there any differences of attaching importance into different bank selection dimensions the following hypothesis has been developed.

H₄: There are differences in the importance of technical, functional, and interactive and relational dimension for bank selection in relation to number of banks customer holds.

In order to test this hypothesis (H_4), a Kruskal-Wallis test was used and the result is shown in the following table 5.45.

Table 5.45**: The results of a Kruskal Wallis test [a] [b]

	Technical	Functional	Interactive and relational
Chi-square	14.40	2.09	10.55
Df	2	2	2
Asymp. Sig	.001	.351	.005
a. The rank statistics is attached in Appendix 5.34			
b. Grouping variables: number of banks			

Table 5.45 indicates that there are differences in attaching importance into different dimensions of bank selection in relation to number of banks customer holds in two occasions: technical, interactive and relational attributes out of three. This finding suggest that the number of banks customer holds have influences on attaching importance on different bank selection dimensions (*See section 6.4.2.2 for more discussion*). Customers who have multiple bank relationships are likely to evaluate their bank selection decisions by considering all available options. This means that in general, there are no any specific dimensions or attributes that they assign more or less interest, which helps the researcher to develop the following hypothesis in relation to customers having multiple banking relationships.

H₅: For customer with multiple bank relationship there are no differences in the importance of technical, functional, and relational and interactive dimensions of bank selection.

In order to test this hypothesis (H$_5$), the Wilcoxon signed-rank test was used as it enables to make a pair-wise comparison in particular when the data violates the normality assumptions. The following two tables (table 5.46 & 5.47) reveal the descriptive statistics and results of Wilcoxon signed-rank test.

Table 5.46: Descriptive statistics

Dimensions	N	Mean rank	Mean	Std. deviation	Minimum	Maximum
Technical	155	1.99	5.8299	.61043	5.09	7.00
Functional	155	2.22	5.7881	.25143	5.15	6.35
Interactive and relational	155	1.80	5.7559	.64557	4.67	7.00

Table 5.47: The test statistics of Wilcoxon signed-rank test

	Technical-Functional	Functional-Interactive and relational	Interactive and relational- Technical
Z	-.330[b]	-.931[b]	-.839[c]
Asymp. Sig. (2tailed)	.742	.352	.402
a. The rank statistics is attached in Appendix 5.35 *b. based on negative ranks* *c. based on positive ranks*			

The descriptive statistics reveal that customers who have multiple bank relationships attach most importance to technical dimension with an average of 5.83, followed by 5.79 and 5.76 for functional, and interactive and relational dimension. The result of Wilcoxon signed-rank test revealed (table 5.47) that there is no statistically significant differences in importance across technical, functional, and interactive and relational attributes of bank selection (p>.05), which in turn suggests the acceptance of formulated hypothesis (i.e. *For customers with multiple bank relationship there are no differences in importance of technical, functional, interactive and relational dimension*). (*See section 6.4.2.3 for detail discussion*).

The literature suggests customers' expected relationships (based on type of product or services they are going to buy through their bank selection) with banks influence their bank selection processes in the form of attaching different levels of importance to different dimensions of bank selection. This study found that the main product from a customer's main bank ranges from a current account to saving to loan or credit products. The study found that 46.4% of a customer's main product is saving and investment and 43.2% and 10.4% for current account and loan product respectively (see table 5.8). This leads to the development of following hypothesis which measures if there is any difference of attaching importance into different dimensions (i.e. technical, functional and, interactive and relational) of bank selection by nature and type of products and services.

H_6: Customers with different products and services attach different levels of importance in technical, functional, interactive and relational dimension of bank selection.

In order to test this hypothesis, a non-parametric Kruskal-Wallis test was used to evaluate whether customers with different products attach different levels of importance across different dimensions of bank selection.

Table 5.48: Descriptive statistics

Dimensions	N	Mean	Std. dev.	Minimum	Maximum
Technical	183	5.7769	.60126	5.09	7.00
Functional	183	5.7947	.24708	5.15	6.35
Interactive and relational	183	5.7705	.64396	4.67	7.00

Table 5.49: The result of Kruskal- Wallis test [ab]

	Technical	Functional	Interactive and relational
Chi-Square	56.755	53.079	52.177
df	2	2	2
Asymp. Sig.	.000	.000	.000
a. Grouping variable: types of product *b. The rank statistics result is shown in Appendix 5.36*			

The descriptive statistics in the above table 5.48 show that the customers, irrespective of types of account attach most importance on functional attributes (5.79) followed by technical (5.78) and interactive and relational attributes (5.77). The Kruskal-Wallis test results (see Table 5.49) reveal that there is a significant

difference across all three dimensions of bank selection which means that the levels of importance customers attach to different dimensions differ by nature of product and services customer would like to purchase through their bank selection.

The result of above hypothesis (H_6) suggests that the degree of importance into different dimension differ significantly but which particular dimension (or combination of dimensions) is given preferences over which products and services are not yet established at this stage of the study. In order to resolve this issue, a set of three hypotheses (H_7, H_8 & H_9) have been developed depending on three main type of products and services namely saving and investment products, current products, and loan or credit products. The first hypothesis is related to saving products, which can be expressed in the following way:

H_7: Customers who have attachment with saving and investment products attach most importance on technical dimension.

In order to test this hypothesis, two pair-wise comparisons (i.e. technical vs. functional, and technical vs. interactive and relational) are conducted by using a Wilcoxon signed-rank test was. Table 5.50 shows the result of descriptive statistics and the table 5.51 shows results of a Wilcoxon signed-rank test.

Table 5.50: Descriptive statistics

Dimensions	N	Mean	Std. Deviation	Minimum	maximum
Technical	85	6.2021	.63192	5.09	7.00
Functional	85	5.7136	.26795	5.15	6.35
Interactive and relational	85	5.9000	.67121	5.00	7.00

Table 5.51: The results of a Wilcoxon signed-rank test [a]

	Technical-interactive and relational	Technical-functional
Z	-1.729 [b]	-8.745 [b]
Asymp. Sig. (2-tailed)	.084	.000
a. The rank statistics result is attached in Appendix 5.37 *b. based on negative ranks*		

The test results from the descriptive statistics (table 5.50) reveal that technical dimension is given highest level of importance in comparison to functional, and interactive and relational dimension of bank selection. This is also confirmed by the result of Wilcoxon signed-rank test as it indicates a statistically significant difference (table 5.51). These mean that the acceptance of hypothesis H_7- customers who wish to select their bank with saving products, attach the highest level of importance towards the *technical dimension* over other two dimensions of bank selection (i.e. *functional,* and *interactive and relational* dimensions).

With regard to current account products, the following hypothesis (H_8) was developed by suggesting that customers who are interested in selecting a bank based on current account products are likely to attach highest level of importance towards functional dimension (i.e. how the services are delivered) over technical dimension that includes product cost and benefit (i.e. what is delivered) and interactive and relational (i.e. word-of-mouth and previous experience) dimension of bank selection.

H_8: Customers who have attachment current account products attach most importance on functional dimensions.

In order to test this hypothesis (H_8), a two pair-wise comparisons (i.e. functional vs. technical, and functional vs. interactive and relational) are used by deploying Wilcoxon signed-rank test. The results of descriptive statistics and Wilcoxon signed-rank test are presented in the following tables 5.52 and 5.53.

Table 5.52: Descriptive statistics

Dimensions	N	Mean	Std. Deviation	Minimum	Maximum
Technical	79	5.39	.18786	5.09	6.09
Functional	79	5.93	.14234	5.58	6.27
Interactive and relational	79	5.40	.30625	4.67	7.00

Table 5.53: The results of a Wilcoxon signed-rank test [a]

	Functional -Interactive and relational	Functional-Technical
Z	-7.639b	-7.218b
Asymp. Sig. (2-tailed)	.000	.000
a. The rank statistics result is attached in Appendix 5.38 *b. based on negative ranks*		

The test results reveal that functional attributes or dimension (mean value = 5.93) are more important than interactive and relational attributes (mean value = 5.40), and technical attributes (mean value = 5.39) for customers choose bank through opening a current account products. The dominance of functional dimension over technical, and interactive and relational dimension has also been proved as result of Wilcoxon signed-rank test found as statistically significant (Table 5.53). Finally, the results allow this research to accept the hypothesis H_8. With regards to bank selection through choosing a loan or credit product, the following hypothesis was developed.

H_9: Customers who have attachment with loan products attach most importance on interactive and relational dimension.

In order to test this hypothesis (H_9), a two pair-wise comparison (interactive and relational vs. technical, interactive and relational vs. functional) is conducted by using Wilcoxon signed-rank test. Table 5.54 and table 5.55 show the results of descriptive statistics and Wilcoxon signed-rank test respectively.

Table 5.54: Descriptive statistics

Dimensions	N	Mean	Std. Deviation	Minimum	maximum
Technical	19	5.4737	.19773	5.09	5.91
Functional	19	5.5769	.16667	5.23	5.81
Interactive and relational	19	6.7105	.29314	5.83	7.00

Table 5.55: The results of a Wilcoxon signed-rank test [a]

	Interactive and relational-technical	Interactive and relational-functional
Z	-3.786[b]	3.825[b]
Asymp. Sig. (2-tailed)	.000	.000
a. The rank statistics result is attached in Appendix 5.39 b. based on negative ranks		

The test results reveals that interactive and relational dimension (mean value = 6.71) is more important than technical attributes (mean value = 5.47), and functional attributes (mean value = 5.58) for customer having attachment with loan or credit account products. The dominance of interactive and relational dimension over technical and functional dimension has also been proved as the result of Wilcoxon signed-rank test found as statistically significant. Therefore it can be

concluded that the above hypothesis (H$_9$) could be accepted. The result of the above three hypotheses (H$_7$, H$_8$, and H$_9$) reveal that the relative importance customers attach to different dimensions differ significantly by expected products and services associated with their bank selection (see section *6.4.2.4*).

The literature suggests that customers who are required to go to a bank frequently to meet their financial needs are more likely to place higher importance on certain dimension over others, as their financial needs differ from those who are less likely to go to bank frequently. Based on this argument, the following hypothesis was developed.

H$_{10}$: There are differences of importance in technical, functional, and interactive and relational dimension of bank selection between frequent and non-frequent bank users.

Before testing the above hypothesis (*H$_{10}$*), it should be noted that by frequent bank user, the study indicates those customers report to go to a bank at least once in two weeks while other customers have been regarded as non-frequent customers. In order to check such differences a Mann-Whitney U test was used which provided the following results (table 5.57).

Table 5.56: Descriptive statistics

Dimensions	N	Mean	Std. dev.	Minimum	Maximum
Technical	183	5.7766	.60338	5.09	7.00
Functional	183	5.7944	.24702	5.15	6.35
Interactive and relational	183	5.7703	.64395	4.67	7.00

Table 5.57: The results of a Man-Whitney U test [a] [b]

	Technical	Functional	Interactive and relational
Mann-Whitney U	2450.00	2330.50	2618.50
Wilcoxon W	8336.00	5180.50	8504.50
Z	-4.567	-4.886	-4.095
Asymp. Sig, (2-tailed)	.000	.000	.000
a. The details of rank statistics is attached in Appendix 5.40			
b. Grouping variable: frequent vs. non-frequent bank user			

The test results from a Mann-Whitney U test indicate that there are significant differences of importance over technical, functional, and interactive and relational dimension of bank selection between frequent and non-frequent bank users. This in turn suggests the acceptance of formulated hypothesis (H_{10}). The mean rank statistics (see Appendix 5.40) suggest that the frequent bank users place more importance on functional attributes (mean rank = 107.92) over technical (mean rank=77.19), and interactive and relational dimension (mean rank= 78.75) while the non-frequent bank customers attach more importance to technical dimension (mean rank =113.33) over interactive and relational (mean rank = 111.09) and functional dimension (mean rank = 69.07) of bank selection.

The acceptance of above hypothesis (H_{10}) raises the issue of which particular aspects of functional and technical dimension have most importance to frequent or non-frequent bank users. In order to resolve this issue, two more hypotheses (H_{11} & H_{12}) were developed. The first one is related to frequent bank users and is expressed in the following ways.

H_{11}: For customers who are frequent bank users, the institutional sub-dimension of the bank selection is more important than the other three functional sub-dimensions such as human, physical, and social.

In order to test the above hypothesis (H_{11}), a Wilcoxon signed-rank test was used to measure the relative importance of institutional sub-dimension over the other three sub-dimensions of functional dimension (i.e. human, physical and social), that could gives three possible results. First, frequent bank users attach more importance to institutional sub-dimension over human sub-dimension. Second, the frequent bank users attach more importance to institutional sub-dimension over physical sub-dimension. Third, frequent customers attach more importance to institutional sub-dimension over social sub-dimension. Table 5.58 and 5.59 show the results of descriptive statistics and the results of a Wilcoxon signed rank-test respectively.

Table 5.58: Descriptive statistics

Sub-dimensions	N	Mean	Std. Dev,	Minimum	Maximum
Human	108	5.7333	.51591	5.00	6.60
Physical environment	108	5.5056	63095.	4.40	7.00
Social	108	5.6065	.48962	5.00	7.00
Institutional	108	6.1620	.58370	4.92	6.83

Table 5.59: A Wilcoxon signed-rank test [a]

	Institution-human	Institution –physical environment	Institution-social
z	-4.929[b]	-4.928[b]	-5.677[b]
Asymp. Sig (2 tailed)	.000	.000	.000
a. The rank statistics result is attached in Appendix 5.41			
b. based on negative ranks			

It is evident that the mean score for institutional sub-dimension is 6.16 with 5.73, 5.50 and 5.60 for human, physical and social sub-dimension respectively, which show that frequent bank users attach highest level of importance to institutional sub-dimensions over human, physical and social sub-dimension, which are statistically significant. Indeed, a Wilcoxon signed-rank test results clearly established the dominance of institutional sub-dimension over human, physical and social sub-dimensions of bank selection, which conforming the acceptance hypothesis (*i.e. customers who are frequent bank users, the institutional sub-dimension of bank is more important than the other three functional sub-dimensions such as human, physical and social*). The second hypothesis in this regard is related to non-frequent bank users which can be expressed as the following hypothesis:

H_{12}: For customers who are non-frequent bank users, the product cost and benefits is more important than product features within technical dimension of bank selection.

In order to test the above hypothesis a Wilcoxon signed-rank test was used to provide the following results.

Table 5.60: Descriptive statistics

Dimensions	N	Mean	Std. dev.	Minimum	Maximum
Product cost and benefits	75	5.9848	.66592	5.00	6.83
Product features	75	6.1600	.66251	5.20	7.00

Table 5.61: The results of a Wilcoxon signed-rank test [a]

	Product cost and benefit - Product features
Z	-5.584[b]
Asymp. Sig (2-tailed)	.000
a. The rank statistics result is attached in Appendix 5.42	
b. based on negative ranks	

The mean rank statistics (Appendix 5.40) indicate that non-frequent bank users attach more importance to product features over product cost and benefits, which is also supported by the result of Wilcoxon signed-rank test (table 5.61). Therefore, it can be said that the degree of importance attach to different dimensions of bank selection differ between frequent and non-frequent bank users (*Further discussion is given in 6.4.2.5*).

In order to identify whether any similarities or dissimilarities exist between Islamic bank and Non-Islamic bank customers about the level of importance they attach into different dimensions of bank selection the following hypothesis was developed.

H_{13}: There are differences in importance of technical, functional, and interactive and relational dimension of bank selection between customers of Islamic and non-Islamic bank as their main bank.

In order to test this hypothesis, a Man-Whitney U test was used, which provides the following results.

Table 5.62: Descriptive statistics

Dimensions	N	Mean	Std. dev.	Minimum	Maximum
Technical	183	5.7769	.60126	5.09	7.0
Functional	183	5.7947	.24708	5.15	6.35
Interactive and relational	183	5.7705	.64396	4.67	7.00

Table 5.63: The results of a Man-Whitney U test [a]

	Technical	Functional	Interactive and relational
Mann-Whitney U	1323.000	3040.000	2297.000
Wilcoxon W	10776.000	12493.000	3478.000
Z	-5.915	-.358	-2.445
Asymp. Sig. (2-tailed)	.000	.721	.014
a. The rank statistics is attached in Appendix 5.43			

The results in the above tables indicate that the differences exist in two (i.e. technical, and interactive and relational) out of three occasions. However, these results show that the level of importance customers attach towards bank selection dimension differs significantly by types of bank (i.e. Islamic and Non-Islamic bank), but does not show anything in which dimension these two type of bank customers attach more importance. In order to address this issue, the following two hypotheses (H_{14} & H_{15}) were developed:

H_{14}: For customers who have made the Non-Islamic bank as their main bank attach greater importance on functional dimension over technical dimension.

In order to check the weighting of importance, a Wilcoxon signed-rank test was used, and provided the following results.

Table 5.64: Descriptive statistics

Dimensions	N	Mean	Std. Dev.	Minimum	Maximum
Technical	137	5.6397	.53402	5.09	6.82
Functional	137	5.7925	.24958	5.23	6.35

Table 5.65: The results of Wilcoxon signed-rank test [a]

	Technical-Functional
Z	-3.248 [b]
Asymp. Sig.	.001
a. Rank statics is attached in Appendix 5.44 b. based on positive ranks	

The results show that customers who made non-Islamic bank as their main bank assign more importance to functional attributes over technical attributes, which means the acceptance of alternative hypothesis (i.e. *for customers who have made the Non-Islamic bank as their main bank attach greater importance on functional dimension over technical dimension*). The second hypothesis related to customers who made the Islamic bank as their main bank can be expressed as follows:

H_{15}: For customers who have made the Islamic bank as their main bank attach greater importance on technical dimension over functional dimension.

In order to check such supremacy of technical dimension over functional dimension, a Wilcoxon-signed rank test was conducted, and provided the following results.

Table 5.66: Descriptive statistics

Dimensions	N	Mean	Std. dev.	Minimum	Maximum
Technical	46	6.1858	.60997	5.27	7.00
Functional	46	5.8010	.24207	5.15	6.19

Table 5.67: The results of a Wilcoxon signed-rank test [a]

	Functional-Technical
Z	-3.256 b
Asymp. Sig. (2-tailed)	.001
a. The rank statistics result is attached in Appendix 5.45 b. based on positive ranks	

The results propose that the alternative hypothesis could be accepted, which means that customers who made the Islamic bank as their main bank attach greater level of importance to technical attributes over functional attributes, which confirms the acceptance of alternative hypothesis (i.e. *for customers who have made the Islamic bank as their main bank attach greater importance on technical*

dimension over functional dimension). The result from above three hypothesis (H_{13}; H_{14}; H_{15}) suggest that the degree of importance customer attach into different dimensions of bank selection differ by types of bank (Islamic bank & Non-Islamic bank). A further explanation indicates that customers who make Islamic banks their primary bank attach a higher level of importance on the *technical dimension* while it is the *functional dimension* for customers who make Non-Islamic banks as their primary bank (See section *6.4.2.6* for a more detailed discussion).

5.7.3 The third tier of hypotheses

The following four (H_{16}, H_{17}, H_{18} & H_{19}) hypotheses attempts to evaluate whether any difference of importance exists across three main dimensions of bank selection for potential customers.

H_{16}: For potential customers, there are significant differences in the importance of functional, technical, and interactive and relational dimension for bank selection.

The Friedman test was used to investigate whether there any significant difference regarding relative importance exists across three main dimensions of bank selection. Table 5.68 shows the descriptive statistics and the results of a Friedman test (table 5.69 & 5.70).

Table 5.68: Descriptive statistics

Dimensions	N	Mean	Std. dev,	Minimum	Maximum
Technical	190	5.5957	.37471	5.00	6.45
Functional	190	6.0836	.39135	5.19	6.73
Interactive and relational	190	6.3675	.48568	5.17	7.00

Table 5.69: Ranks

Dimensions	Mean rank
Technical	1.28
Functional	2.15
Interactive and relational	2.57

Table 5.70: A Friedman test statistics results

N	190
Chi-Square	164.801
Df	2
Asymp. Sig.	.000

The Friedman test results suggest that the degree of importance customer attach to three main dimensions of bank selection differs significantly, which conforms the acceptance of above hypothesis (H_{16}). The Friedman test result (table 5.69) also suggests that among the three main dimensions of bank selection, potential customers attach the highest level of importance to interactive and relational dimension. However, a statistically significant difference exists but where exactly the differences remain an unanswered question. In this regard the Wilcoxon signed-rank test was used which reveal that the differences exist across all three combinations: (i.e. technical vs. functional; functional vs. interactive and relational; interactive and relational vs. technical) as indicated by the results of Wilcoxon signed-rank test (see Table 5.71).

Table 5.71: The results of a Wilcoxon signed-rank test

	Technical-Functional	Functional- interactive and relational	Interactive and relational –Functional
Z	-10.306[b]	-5.830[b]	-10.650[c]
Asymp. Sig (2-tailed)	.000	.000	.000
b. based on negative ranks			
c. based on positive Ranks			

The results suggest that potential customers are likely to attach different level of importance across three main dimensions of bank selection, which gain enough evidence to accept the formulated hypothesis (i.e. *for potential customers, there are significant differences in the importance of functional technical, and interactive and relational attributes for bank selection*). The following hypothesis (H_{17}) is formulated to assess which particular sub-dimension is given preferences within technical dimension,

H$_{17}$: *Potential customers attach more importance on product cost and benefits over product features within the technical dimension of bank selection.*

A Wilcoxon signed-rank test (as an alternative to pair sample t test) was used to check such differences of importance within technical dimension of bank selection, and the results shown in Tables (5.72 and 5.73).

Table 5.72: Descriptive statistics

Sub-dimensions	N	Mean	Std. dev.	Minimum	Maximum
Products cost and benefits	190	5.7032	.49408	5.00	7.00
Product features	190	5.5061	.41587	5.00	6.50

Table 5.73: A Wilcoxon signed-rank test results [a]

	Product features - Product cost and benefits
z	-5.512[b]
Asymp. Sig. (2-tailed)	.000
a: The rank statistics is attached in Appendix 5.46	
b: based on positive ranks	

The results suggest the superiority of product costs and benefits over product features which indicate the acceptance of conferred hypothesis (i.e. the potential customers assign more importance to product costs and benefits over product features within the technical dimension of bank selection). The next hypothesis focuses on identifying the most important bank selection sub-dimension within functional dimension of bank selection.

H$_{18}$: *Potential customers attach more importance on human sub-dimension over institutional sub-dimension within the functional dimension of bank selection.*

In order to check such differences within the functional dimension of bank selection, a Wilcoxon signed-rank test was used, which gives the following results (see Tables 5.74 and 5.75).

Table 5.74: Descriptive statistics

Sub-dimensions	N	Mean	Std. dev.	Minimum	Maximum
Human	190	6.2621	.2949	5.00	7.00
Physical	190	6.2232	.53718	5.00	7.00
Social	190	6.1974	.61871	5.00	7.00
Institutional	190	5.9132	.62112	5.00	6.92

Table 5.75: A Wilcoxon signed-rank test results [a]

	Physical-human	Social-human	Institutional –human
Z	-496[b]	-805[c]	-5.154[b]
Asym. Sig. (2 tailed)	.620	.421	.000
a. the rank statistics is attached in Appendix 5.47			
b. based on positive rank			
c. based on negative ranks			

The results indicate that potential customers show an equal amount of importance over human, social and physical elements of bank selection. The only difference exists in higher level of importance on the human sub-dimension over institutional sub-dimension of bank selection. The next hypothesis shows whether any differences exist between two sub-dimensions (i.e. word-of-mouth and recommendation, and previous experience) within interactive and relational dimensions of bank selection.

H_{19}: There is no difference of importance between word-of-mouth and previous experience within interactive and relational dimension of bank selection.

The Wilcoxon signed-rank test was used to check this difference which gives the following result.

Table 5.76: Descriptive statistics

Sub-dimensions	N	Mean	Std. Dev.	Minimum	maximum
Word of mouth	190	6.4246	.56018	5.00	7.00
Previous experience	190	6.3105	.63510	5.00	7.00

Table 5.77: The results of the Wilcoxon signed-rank test [a]

	Word of mouth-previous experience
Z	-.869[b]
Asymp. Sig. (2-tailed)	.385
a. The rank statistics is attached in Appendix 5.48	
b. based on negative ranks	

The results suggest that there is no statistically significant difference of attaching importance between word-of-mouth and recommendation, and previous experience within the interactive and relational dimension of bank selection. (*See 6.4.3 for details about relative importance of different dimensions of bank selection for potential customers*) This suggests the acceptance of formulated hypothesis (i.e. *there is no difference of importance between word-of-mouth and recommendation, and previous experience within interactive and relational dimension of bank selection*).

5.8 A summary of key empirical findings

Before concluding this chapter, this section has summarised the key empirical findings of the research under four major subsections: banking behaviour of existing customers; association between customers' demography and their banking behaviour; determinant criteria of bank selection for both existing and potential customers; and the hypothesis testing results

5.8.1 Banking behaviour

The study found that domestic private banks are the preferred banks of customers; followed by public banks. However, all types of banks are facing increasing challenges to increase their customer base. The use of short distance travelling mode of transport (i.e. rickshaw) and the short time of reaching a bank (i.e. less than 20 minutes) suggest that the banks are positioned to reach customers through a mass distribution network strategy to give their customers proximity and locational advantages. The majority of customers are found to go less frequently to go to banks indicating that they are either in such a banking relationship that does not require them to go to the bank frequently, or they use alternative ways of meeting their financial needs without going to the bank, however, interactive banking emerges as the most popular over distance banking. The findings also

indicate a potentiality of increasing the customer base not only by customer acquisition, but also from the existing customers as the majority of customers are showing a tendency of a multiple banking relationship. The products and services from the customers' main banks are skewed towards three major products: saving products, current products and loan products; while they are money transfer, credit card, and bill payment for the secondary banks.

5.8.2 Association between customers' demographics and their banking behaviour

The study findings show that gender has no association with ownership status of customer' main bank selection. Customers who have a lower level of education are more likely to select public banks, while customers with a higher level of education opt for private banks. Customers who are employed in the private sector and unemployed are more likely to choose private banks. Male customers, customers with a higher level of education, and those employed in private sector are more likely to use technology-oriented banking. Male customers and customers with a higher level of education are more likely to engage in multiple banking,

5.8.3 Determinant criteria of bank selection

The determinant factors of bank selection are calculated on both individual and summated scale over both segments of potential and existing customers. On the basis of individual scale, the findings indicate that what is delivered is more important to existing customers; while it is how they are delivered is more important to potential customers. This is an indication of significant difference of bank selection criteria between existing customers and potential customers. On the basis of summated scale of bank selection factor, however, the results indicate that there are some similarities regarding bank selection criteria but the importance of physical setting and favourable product features gains are more important to potential customers compared to existing customers. Moreover, the results indicate that the creation of positive WoM and investing into different *cause marketing* could be an effective strategy for attracting potential customers, while it is an economic trade-off for existing customers. Table following table illustrates the result of hypothesis testing.

Table 5.78: Summary of hypothesis testing result

S.N.	Hypotheses	Results
1.	*Demographic characteristics have no influence on the importance of different sub-dimensions of bank selection.*	Partially Accepted
2.	*There are significant differences in the importance of the different sub-dimensions of bank selection between potential and existing bank customers.*	Mostly Accepted
3.	*For existing customers, there are no differences in the importance of functional, technical, and interactive and relational dimension for bank selection.*	Accepted
4.	*There are differences in the importance of technical, functional, and interactive and relational dimension for bank selection in relation to number of banks customer holds.*	Mostly Accepted
5.	*For customer with multiple bank relationship there are no differences in the importance of technical, functional, and relational and interactive dimensions of bank selection.*	Accepted
6.	*Customers with different products and services attach different levels of importance in technical, functional, interactive and relational dimension of bank selection.*	Accepted
7.	*Customers who have attachment with saving and investment products attach most importance on technical dimension.*	Accepted
8.	*Customers who have attachment current account products attach most importance on functional dimensions.*	Accepted
9.	*Customers who have attachment with loan products attach most importance on interactive and relational dimension.*	Accepted
10.	*There are differences of importance in technical, functional, and interactive and relational dimension of bank selection between frequent and non-frequent bank users.*	Accepted
11.	*For customers who are frequent bank users, the institutional sub-dimension of the bank selection is more important than the other three functional sub-dimensions such as human, physical, and social.*	Accepted
12.	*For customers who are non-frequent bank users, the product cost and benefits is more important than product features within technical dimension of bank selection*	Accepted
13.	*There are differences in importance of technical, functional, and interactive and relational dimension of bank selection between customers of Islamic and non-Islamic bank as their main bank.*	Mostly Accepted
14.	*For customers who have made the Non-Islamic bank as their main bank attach greater importance on functional dimension over technical dimension.*	Accepted
15.	*For customers who have made the Islamic bank as their main bank attach greater importance on technical dimension over functional dimension.*	Accepted
16.	*For potential customers, there are significant differences in the importance of functional, technical, and interactive and relational dimension for bank selection.*	Accepted
17.	*Potential customers attach more importance on product cost and benefits over product features within the technical dimension of bank selection.*	Accepted
18.	*Potential customers attach more importance on human sub-dimension over institutional sub-dimension within the functional dimension of bank selection.*	Accepted
19.	*There is no difference of importance between word-of-mouth and previous experience within interactive and relational dimension of bank selection.*	Accepted

The hypothesis testing result (5.78) indicates that the demographic characteristics (sex, marital status, education, and occupation) have a mixed effect on attaching importance to different dimensions of bank selection. However, there is some degree of similarity, although dissimilarities dominate the picture of comparison between potential customers and existing customers. Finally, what would be the determining factor of bank selection is more distinguishable by considering the nature of customers' financial needs as the event of bank selection, like all other consumer activities, originates from customers' need recognition.

5.9 Conclusion

This chapter focuses on identifying the key findings which aim to answer the two key research questions, which are: *What are the key important and determinant factors influencing customer bank selection in Bangladesh?* And, *are there any differences in bank selection criteria between existing and potential customers?* The findings are presented into two sections. The first section starts with an understanding of respondents' demographics, explaining their banking behaviour, and association between demographics and their banking behaviour. The next section focuses on identifying the important bank selection criteria followed by identifying the determinant factors of bank selection. The key findings suggest that there are statistically significant differences between existing and potential customers' bank selection pattern with some similarities but dissimilarities dominate the comparison, in particular with the order of ranking. The second section, the results of hypothesis testing propose that the level of importance across different bank selection dimensions and sub-dimension varies by nature of customer (i.e. potential vs. existing), frequency of going to bank (i.e. frequent vs. non-frequent users), nature of product (current vs. saving vs. loan and credit) and type of bank (i.e. Non-Islamic vs. Islamic). The next chapter-six focuses on evaluating the implications of these findings in the context of the research literature.

CHAPTER SIX: ANALYSIS AND DISCUSSION

6.1 Introduction

This chapter aims to contextualise the results by discussing and analysing the results presented in the last chapter (i.e. chapter five) through reflecting upon the findings with respect to relevant literature. The discussion and analysis have been carried out in two major sections. The first section focuses on evaluating the determinants of bank selection on both individual criteria to identify the determinant power and on summated scale to explain the extent to which customers' bank selection is measured, explained and predicted for establishing the relative importance of different bank selection factors. The second section continues with discussing the result of the hypotheses to enhance the practical implications of this research. Before proceeding to the main discussion an additional aspect is outlined about the nature of association between demographics and banking behaviour for existing customers.

6.2 The nature of association between customers' demographics and banking behaviour

This section discusses the association between customer's demographics and their banking behaviour. The demographics include gender, marital status, education and employment while banking behaviour includes ownership status of customer's main bank, main method of conducting banking, frequency of going bank and split or multiple banking. Table 6.1 summarises the key results regarding the association between demographics and banking behaviour.

Table 6.1: The nature of association between customers' demographics and banking behaviour

	Ownership status of main bank	Main methods of conducting banking	Frequency of going bank	Multiple or split banking
Gender	No	Yes	No	Yes
Marital status	No	No	No	No
Education	Yes	Yes	No	No
Employment	Yes	Yes	No	Yes

The results reveal that gender has no association with ownership status of main bank and frequency of going to a bank, which might be due to a bank's similar positioning and similarity of financial needs by gender. With regard to method of

banking, the finding indicates a statistically significant association, which means that there is a difference in IT literacy and use between men and women while men are more likely to be involved in distance banking (i.e. mobile and internet banking). With regard to split or multiple banking, the findings suggest a significant association which means that male customers are less loyal than female as the likelihood of getting involved in split banking is greater to male than female customers. A further explanation of this finding regarding the customer's involvement into split or multiple banking relationships supports the view that a customer's bank selection process is a multi-attributes-based decision and also an indication of inability of existing banks to meet customer's diversified financial needs that leads customers in particular male customers to get involved in a multiple banking relationship. The implication of this finding is that banks not only need to adapt more technology to increase their efficiency but also to be positioned in such a way that can meets diversified customers' financial needs to give more satisfaction to their customers.

Marital status has no association on any aspects of banking behaviour (i.e. ownership status of main bank; method of conducting banking activities; frequency of going to bank; multiple or split banking). This means that a customer's marital status has no influence on their banking behaviour. This is an indication that customers' banking behaviour is determined by their financial demands and needs rather than their marital status. Thus, banks need to design their marketing techniques based on customer's financial needs and demands rather than marital status.

The level of education has influence over two aspects of banking behaviour. First, on ownership status of main bank, which suggest that customers who have a higher level of education are more likely to make a private bank as their main bank. This might be the reflection of a bank's positioning as supported by both Karim and Alam (2013), and Uddin and Bristy (2014) who found that private banks are well ahead in offering efficient and quick financial service over public bank, which is in fact the indication of a higher perceived status of private bank over public bank. In other words, customers with lower levels of education may find it less convenient to do banking with private banks due to the co-production nature of banking service that requires both customers and service providers to come together and customers are often required to play a role of partial employee

(Namasivayam, 2004; Hsieh *et al.,* 2004) which might be difficult for customers who have a lower level education. The practical implication of this finding is that banks are not fully *customer-centric* or it may be the outcome of bank's targeting and positioning strategy.

Second, customers who have a higher level of education are more likely to be involved in distance banking than customers who have a lower level of education. This might be due to the positive association between level of education and information technology (IT) literacy as it might be logical that customers with a lower level of education might not have the same level of IT literacy and access to IT facilities. The implication of this finding can be interpreted not only by the inability of banks to educate customers about the use and benefits of the distance system, but also to develop a distance banking system that works for everybody irrespective of a customer's level of education. Moreover, willingness to adapt any particular system which varies by individual and security issues related with using distance banking might be a possible explanation for this difference.

The results also reveal that employment has a significant association in three out of four aspects of banking behaviour. This means that customers who are employed in the private sector show a higher likelihood of making a private bank as their main bank, of distance banking and of multiple or split banking. A further interpretation of this finding suggests that customers who are employed in the private sector prefer to select a financial provider (i.e. bank) that is able to provide them with a quick and efficient service that meets their financial needs without having to go to a bank, and offers a competitive deal. The implications of these findings are that a public bank needs to increase its efficiency, provide a quick and efficient service, offer a technologically advanced banking service, and a higher economic trade-off.

The overall findings are consistent with previous studies in this field (see Jahiruddin & Haque, 2009; Junior *et al.,* 2013) which found influences of demographic characteristics on customers' banking behaviour. However, there are some discrepancies regarding the results of other published studies (e.g. Katircioglu *et al.*, 2011) which found that demographics have no influence on customers' banking behaviour. Finally, it can be concluded that the influence of demographics on banking behaviour is not conclusive. This mixed influence of customers' demographics on their banking behaviour is in fact the reflection of

diversity of financial needs and differences in the level of involvement associated with products and services (i.e. bank selection). For example, Marlowe and Lee (2003) reveal customer's banking behaviour in terms of what type of bank or what kind of products and services they choose have a significant influence on attaching importance to different dimensions of bank selection. This in turn, suggests that to what extent a customer is involved into consumer activities determine the pattern of relative importance of bank selection criteria; rather than the individual differences (Katircioglu *et al.*, 2011).

6.3 Determinants of bank selection

Due to the existence of two types of samples (i.e. potential customer and existing customer) the result in terms of determinants of bank selection criteria comes up in two aspects. The first aspect is based on individual criteria (6.3.1) which involve combining both sample (i.e. existing; potential), the second aspect is based on summated scale which is further subdivided into two subsections. The subsection (6.3.2) focuses on existing customers while the subsection (6.3.3) focuses on potential customers.

6.3.1 Determinant bank selection criteria (individual criteria based approach)

The results presented in the previous chapter (Table 5.27) indicate that '*intra bank-banking charges or fees*' rank as the 1st determinant for both combined samples and existing customers. This means that the costs of product and services (i.e. technical aspect) play a key role in determining bank selection decisions for both combined sample and existing customers. This is not entirely unexpected as this finding is consistent with the results of studies (e.g. Har & Ta. 2000; Saha *et al.*, 2014; Zulfiqar *et al.,* 2014; Salehi & Rajabi, 2015) which found that cost and benefit associated with bank selection process play a critical role but contradicts with the results of other studies (Gerrard & Cunningham, 1997; Mokhlis *et al.,* 2008; Maiyaki, 2011; Parvin & Perveen, 2012), which suggested easy account opening and secure feeling are the two most determining factors of bank selection while cost and benefits have a minimum effect of customers' bank selection (Maiyaki, 2011). Here it should be noted that the criteria '*charge free intra-bank banking'* ranks in 6th position to potential customers which might be due to lack of enough idea or practical experience about the cost of products and

services, as it is believed that what customers know or what customers do not know about existing banks strongly influences their purchase decisions (Blackwell, *et al.,* 2006; Peter & Olson, 2010). Therefore, it is important for banks to reduce or remove this fee or charge through implementing branch-free banking that allows customers to conduct their banking activities in any branch of a particular bank without giving any extra charge or fee. The provision of such types of facilities will not only improve customer satisfaction (Saha *et al.*, 2014) but also increase the efficiency of bank in the value creation process as Valerie and Vaughan (2009) remark that the largest consumer segment in banking is the '*convenience*' seeker. Therefore, technological improvement and its successful use in distributing the bank services through non-physical channels can play a paramount role in providing convenience.

The criteria '*large ATM facility with enough security*' ranks 2nd to both combined sample and existing customers but it ranks 1st to potential customer (Table 5.27). This higher level of determining power of '*large ATM facilities with enough security*' is in line with the studies (Mokhlis *et al.*, 2008; Katircioglu *et al.*, 2011) which is not only for the benefits associated with ATMs (i.e. meeting financial needs without going to bank) but also for inefficient and ineffective ATM services in Bangladesh. This is because the ATM service of Bangladesh is encountering numerous challenges in the form of extra surcharges by using other banks' ATMs, poor power supply and inadequate security (Fatima & Razzaque, 2013). Thus, banks need to make sure customers can easily and quickly access to ATM services (i.e. accessing accounts, withdrawing funds, checking balances, and making payments) to consummate their banking transaction with perceived ease of use, minimum transaction cost and enough security. It is established that efficient ATM services enhances operation performance, which in turn increases customer satisfaction through adding flexibility and value in terms of speedy handling of numerous transactions which is rarely expected from traditional delivery channels. This not only enables the banks to curve their cost structure but also could play a significant role to implement the much needed value proposition in banking '*service needs to be available when it matches customers rather than when it matches the bank*' suggested by Parvin and Perveen (2012).

The criteria '*technology orientation*' ranks 3rd position for both combined sample and existing customers but ranks in 2nd position to potential customers (Table 5.27). This is not only an indication of importance of technology in banking but also a change of the market environment in terms of higher appeal of technology-oriented banking to potential customers, as technology orientation in banking is another form of convenience which allow customer to save their time, cost and effort. The implication of this finding is that the banks need to respond to this changing market environment by improving their technological orientation for not only attracting new customer but also retaining the existing customer. Moreover, it could be viewed as an effective technique of maintaining total quality over the value creation process of bank through sophisticated product development, reaching geographically distance market, innovative delivery channel, cost reduction and relationship marketing (Ullah, 2013; Islam & Das, 2013). In this regard, the bank should be very careful in enhancing their technology-orientation with sufficient security as cybercrimes against the banking industry are becoming increasingly sophisticated and highly targeted.

Another notable aspect of the findings is that, the criteria '*bank reputation*' is one of the widely cited factor across the studies of bank selection (e.g. Lakstutiene & Naraskevciute, 2012; Darmayanti & Cahyono, 2014), but in this study it fails to be listed on top 7 determinants of bank selection for combined sample and potential customer segment while it gains 5th position to the existing customer (Table 5.27). This lower determinant power of reputation in bank selection process is similar to the findings reported by Mokhlis *et al.,* (2008) but contradicts with the findings of Lakstutiene and Naraskeviciute (2012) where the reputation is accorded 1st in importance. This may be an indication that the banks in Bangladesh have not been able to differentiate themselves based on their reputation in particular for the potential customer segment. The role and importance of reputation is vital for every organisation but it gains more importance in banking industry in particular when banks deal with attracting new customer. This is because banking industry is pre-dominantly a service industry (Hackley, 2009) where customer's evaluation of alternatives (i.e. which bank to choose) is dominated by experience and credence attributes (e.g. reputation) over search attributes (e.g. interest on loan or deposit). Therefore, it is critical for the banks in Bangladesh to maintain a balanced approach to build reputation as it plays a paramount role in developing trust which is often called the main capital of banking business (Nagdeman, 2009).

There are several implications of these findings. First, however, there is some inconsistency in the order of ranking across these three samples which is mainly due to the evolving nature of customer needs and behaviour together with changing lifestyle, but these could be the basis for bank not only for attracting new customer and but also to retain existing customer. In essence, the retail marketing strategy could be standardised irrespective of the stages of purchase (i.e. pre-purchase and post-purchase) or types of customer (i.e. existing or potential customer). Second, however, the technical aspect of bank selection criteria in terms of cost and benefits represent more determining power, but the functional aspect in terms of how the product and services are delivered is more important in particular for a post-purchase situation. Therefore, it can be said that a smart positioning strategy is extremely important, bearing in mind that the products and services provided by banks are of a continuously consumed nature where the issue is not only to attract customers but also retaining them (Saha *et al.*, 2014).

6.3.2 Determinant factors of bank selection for existing customer (summative approach)

Given the limitation associated with calculating determinant factors of bank selection with the method of multiplying the relative importance of each criteria by the degree of similarity/dissimilarity with respect to those criteria between different banks in the marketplace, the study depends on summated scales (which are discussed in section 5.5 of chapter five). The results derived from the regression analysis (see Table 5.32) reveals that the institutional sub-dimension (easy access, convenient location, large ATM network, nationwide branch, global presence, long-term existence in the market, reputation, technology orientation) ranked at the top, which means its strongest contribution in explaining bank selection for existing customers. This suggests a highest level of importance towards how the bank is committed to deliver its service rather than what is delivered. This finding is consistent with earlier studies (i.e. Jahiruddin & Haque, 2009; Junior *et al.,* 2013; Zulfiqar *et al.,* 2014) which view 'functional or process aspect or how the service is delivered' as not only proximity but also an integrated aspect of spatial qualities in the form of simplicity in delivering product and services that customers use on a regular basis. However, this development is contrary to Blankson *et al.,* (2007) which suggests although the functional aspect

or how the service is delivered as one of the most important factors that affect customers' bank selection but what is delivered or the technical aspect plays a key role in determining customers' bank selection. This inconsistency might be for inclusion of new criteria due to the contextual differences. Moreover, there is a consensus in the academic literature on bank selection that the priorities of one dimension over others might vary by customers, product type and market structure. Therefore, an essential first step in bank marketing is to ensure that the offering corresponds with customer's long-term needs despite their relatively preference over economic or cost-benefit trade-off.

The second important determinant of bank selection is *physical environment* that includes criteria such as modern-looking equipment, counter partition, parking facilities with enough security, appealing internal environment and enough sitting space. However, this higher level of importance accorded to physical sub-dimension is rare within the bank selection literature except for a study by Ngyyen and Leblanc (2002). There is an agreed consensus that service is nothing but experience (Mousavi *et al.,* 2015) that needs to be pleasant for customers and is a process that creates value for the business (Nupur, 2010). Another possible explanation for this higher level of importance to physical sub-dimension might be for poor physical setting of existing banks that causes discomfort for customers (Wakefield & Blodgett, 1996). Moreover, the financial products and services are relatively credence and experience nature which implies that customers often find it difficult to evaluate them before or even after the purchase (Maiyaki, 2011). This leads customers to depend on different tangible cues (i.e. physical setting) to evaluate the quality of a bank and its products and services. Therefore, the bank needs to design their service providing spaces in such a way that make customers feel convenient, comfortable, secure, and give customers a pleasant experience. This is because the banking product and service are delivered in a shared service setting where customers from different distinct segments (i.e. retail, business) are likely to be at the same location and same time has different needs. Moreover, a pleasant and modern-looking physical environment influences customers to develop trust and a favourable attitude towards service providers which in fact is a reflection of *perceived quality* which is positively associated with perceived *corporate image* (Ngyyen & Leblanc, 2002) and *customer purchase decisions* (Peter & Olson, 2010). Moreover, the results of different empirical studies (Junior *et al.,* 2013; Maiyaki, 2011; Salehi & Rajabi, 2015) suggest that in the bank

selection process, customers who are often forced to trust the service provider, tend to rely on some tangible evidence where an appealing physical environment is a significant element of tangible evidence (Lovelock & Writz, 2016).

The third important determinant of bank selection is *human* factor that includes the delivery of an accurate and speedy service, confidentiality, friendly and polite staff, and employee expertise. These findings confirm the results of a number of studies (e.g. Pervin & Parveen, 2012; Kumar *et al.,* 2010; Siddique, 2012). In this regard, the Siddique's (2012) research which studied the relative importance of different service quality dimensions is particularly relevant. The study found that the responsiveness of employees that reflects promptness in service delivery play a key role. This might be due to the *inseparability* characteristic of banking services which makes it a high contact service (Lovelock & Writz, 2016) where the major portion of customer value comes from the process and performance (Furrer *et al.,* 2002) and the employees are required to play a significant role in this process. This is more important in the Bangladesh banking sector where the majority of customers prefer face-to-face banking over self-service banking, such as Internet, telephone or mobile banking (Nupur, 2010), despite wider opportunity associated with recently flourishing technology-oriented banking. This is an indication that the Bangladesh banking customers are more socially-oriented and make the role of banking staff even more critical. Therefore, banks need to make sure that employees are well-trained and competent to give customers an enjoyable experience.

The results from the regression model also reveal that product features, previous experience, product cost and benefits, and social factors were statistically significant. However, this is in line with past studies of bank selection (i.e. Blankson *et al*., 2007; Maiyaki, 2011; Farsi & Taghizadeh, 2012) but there are some differences regarding the weighting of priorities (i.e. the relative importance). This might be due to the contextual differences or inclusion of some emerging bank selection criteria in this study that have not been examined before. The practical implication of this finding is that banks need to prioritise their marketing activities that reflect the needs of customers as there is always a scarcity of organisational resources. Another noteworthy aspect of this model is that despite the higher customer involvement and higher risk and uncertainty in bank selection

(Owusu-Frimpong, 2011a) the factor 'word-of-mouth' (recommendation by friends, relatives, and employer and comment and review available in media) was found to be insignificant for predicting existing customer's bank selection. This finding confirms the results of other studies (i.e. Katircioglu *et al.,* 2011, Siddique, 2012) but differs from some published studies (e.g. Shirsaver *et al.,* 2012; Dillon, 2013; Al-Mossawi, 2015a), which suggest that word-of-mouth is an essential attribute of bank selection. The insignificance of WoM in influencing customers' bank selection might be because customers have either enough information to make their own financial decisions or do not find the source, influencer reliable or trustworthy, as Al-Mossawi (2015a: 123) noted "**the extent to which WoM influences consumer behaviour depends on the level of trust they might have in the source**". Moreover, intention to keep their financial decision hidden to others could also be the reason for the insignificance of WoM as a sub-dimension of bank selection within interactive and relational dimension of bank selection.

6.3.3 Determinants of choices of finance for potential customers (Summative approach)

The regression results presented in earlier chapter (see table 5.37) regarding the relative importance of different bank selection factors or sub-dimensions to the potential customers concluded that all the factors in the model were found to be statistically significant. The results suggest that the institutional factor is found as the most important determinant of choice of finance to potential customers followed by physical, product features, social, previous experience, human, WoM, and product cost and benefits. The result also suggests that, despite some resemblances, there are some considerable differences between potential and existing customers over the determinants of bank selection. This is an indication of the view that banks need to adopt a customised marketing approach for attracting customers who are un-banked (i.e. potential customers) and retaining customers who are already banked (i.e. existing customers). For example, the factor 'word-of-mouth' is found as statistically significant to potential customers but not for the existing customers in explaining customer bank selection decisions. This means that banks should look carefully at implementing *interactive marketing* (e.g. social media, direct marketing) in creating positive WoM which has significant influence on customer's bank selection decision. There is no evidence in the literature regarding the relative importance of different bank selection factors for potential

customers, but there is a growing body of evidence (e.g. Al-Mossawi, 2015a) indicates that word-of-mouth (and word-of mouse available in social media) play a prominent role in shaping customers' purchase activities (i.e. bank selection). Another noteworthy difference is that the higher level of influence of *product features* and *social* factors on customers' choice of bank. This means that the bank can increase their customer-base by stressing their effort towards improving product features (i.e. charge free account, profit-loss scheme, interest free loan, no settlement fee, transference in charging, interest on balance) and engage themselves into innovative *cause marketing* (i.e. easy availability of financial assistance, easy opening of bank account, contribution to society and equal treatment from the bank).

6.4 Discussion of hypothesis testing results

The discussions in the previous sections of this chapter have highlighted the determinants of bank selection criteria irrespective of customers' banking behaviour. However, it has been interpreted that customer choice of a bank starts with meeting their financial needs that varies from customer-to-customer. Thus, an attempt has been taken to discuss the results of the hypothesis presented in chapter six (section 5.7). The discussion of hypothesis results is further sub-divided into three major sub-sections. The first sub-section gives an aggregate view that includes both types of customers which starts with a discussion of whether gender, marital status, education, and employment status and type have any influence on the degree of importance to different dimensions of bank selection. This is followed by analysis of whether any differences exist between existing and potential customers. The second subsection is based on existing customers and the third sub-section on potential customers to determine whether there are any significant differences in the level of importance customers assign to different dimensions of bank selection.

6.4.1 Influence of customers' demographics in the level of importance to different sub-dimensions of bank selection criteria

6.4.1.1 Gender

Apart from the differences in two sub-dimensions (i.e. product cost and benefits; product features) of technical dimension and one sub-dimension (i.e. human) of functional dimension, there are no statistically significant differences in the level of importance over other five sub-dimensions (i.e. physical; social; institutional; word of mouth; previous experience) of bank selection (see table 5.38). The results indicate that female customers attach more importance to product cost and benefits and product features than male customers but the latter attach more importance to human attributes than female customers (*Appendix 5.26*).

This means that female customers are more concerned about the technical aspect of bank selection criteria compared to male respondents. In essence, female customers are more interested about the visible costs and benefits (i.e. quality of product) they are expecting to pay or receive from their bank while male customers are more concerned about the process of delivering the service (i.e. quality of service provider). This higher preference of female customers towards technical dimension can be better explained by their nature and type of relationship with the bank where they are not required to go to the bank frequently. This in fact leads them to put more emphasis on the technical dimension of bank selection instead of the functional dimension of bank selection as how the service is delivered is found less important to them. Moreover, because of the existing socio-economic culture, Bangladeshi women are less likely to buy such a product that requires them to go to bank frequently and thus, they tend to go to the bank only when there is an urgent need, otherwise they ask their relatives (father, brother, husband) to go to the bank on their behalf (Miniaoui, 2013). However, the higher preference of male customers towards the functional aspect can be interpreted by the fact that male customers are more likely to conduct banking activities for themselves and other female family members which leads them to give more focus on how the service is delivered (i.e. functional dimension of bank selection) instead of what is delivered (i.e. technical dimension of bank selection) in their bank selection process. Therefore, banks should focus on the technical aspect for female customer and functional aspect for the male customer respectively when designing their marketing and customer service strategies.

6.4.1.2 Marital status

With regard to marital status, the findings indicate a statistically significant difference in six out of eight sub-dimensions of bank selection (*see table 5.39*). This finding reveals that with the exception of product costs and benefits, the unmarried customers assign more importance to the other seven sub-dimensions of bank selection compared to married customers. Thus, married customers are assigning more importance to product costs and benefits than unmarried customers (*see appendix 5.27*). This is an indication that the married customers are more economically conscious that unmarried customers in their bank selection decision. These outcomes are in line with the findings of a study by Rashid and Hassan (2009) which found that married customers attach greater importance to core banking aspects (i.e. economic trade-off) while unmarried customers attach more importance to corporate efficiency. This might be due to the difference of socio-economic obligation over pre and post marriage life, where married people are expected to become more economically concerned than unmarried people.

6.4.1.3 Education

The degree of importance customers attach to different sub-dimensions of bank selection differs significantly in six out of eight sub-dimensions by customer's level of education (see Table 5.40). Customers who have a lower level of education are more demanding, as they attach a higher level of importance to all aspects of bank selection, and their bank selection process is dominated by economic trade-off in terms of cost and benefit. This finding is consistent with previous research (e.g. Jahiruddin & Haque, 2009; Parvin & Perveen, 2012) which reported education as a significant factor with regards to the selection of a bank. However, this is inconsistent with the study by Rashid and Hasan (2009) which found that the influence of education in bank selection is minimal.

6.4.1.4 Employment status and type

Regarding the degree of importance customers assign to different sub-dimensions of bank selection indicates that the influence of employment status (employed vs. unemployed) is much more evident than that of employment type (private vs. public) in their bank selection decision. For employment status the difference exists in seven sub-dimensions except the *institutional sub-dimension* but for employment type the difference exists for only in one sub-dimension (i.e. product

features) of bank selection (*see table 5.42*). This suggests that being in employment is more important than type of employment in explaining a customer's bank selection process by employment status and employment type. This finding is consistent with the study carried out by Parvin and Perveen (2012) which found that employment has a significant effect on a customer's bank selection decision. Thus, customers with different employment status have various levels of preferences over different dimensions of bank selection. For instance, with regard to technical dimension, employed customers attach higher level of importance to all sub-dimensions than unemployed customers. However, for functional, and interactive and relational dimensions of bank selection, unemployed customers attach a higher level of importance to all sub-dimensions of bank selection compared to employed customers. Therefore the findings suggest that employed customers place more importance to the technical dimension (i.e. what is delivered) in their bank selection, while unemployed customers attach more importance to the functional dimension (i.e. how it is delivered). This might be due to the differences of their demands and reasons behind their bank selection. For example, the demand for products that incur cost or produce benefits such as, deposit, loan products are more important to employed customers than that of unemployed customer. However, the demand for products and services such as current accounts, money transfers, bank drafts is greater to unemployed customers where the customer value is largely determined by a quick and efficient service (i.e. how the service is delivered). Therefore, it is important for banks to give equal importance to both technical and functional dimensions of value creation.

After discussing the influence of demographics on level of importance customers attach towards different sub-dimensions of bank selection, it can be concluded that the influence is ambivalent. In fact it corresponds to the dominant argument that the factors customers consider for selecting their banks and the level of importance they assign to different dimensions of bank selection varies by their financial needs along with their economic, social, and cultural standpoints. There is consensus that there are a number of factors associated with individual and the environment factors influencing customers' bank selection. Some of them are rather stable and some are evolving (Szmigin & Piacentini, 2015). This suggests that banks need to go beyond these individual and environmental influences by identifying what customers perceive as value (Har & Ta, 2000) and what

customers do in a specific purchase situations (i.e. bank selection). The following section (6.4.2) examines the similarity and differences of attaching importance to different sub-dimensions of bank selection between existing and potential customers.

6.4.2 Level of importance to different sub-dimensions of bank selection between existing and potential customers: A comparative aspect

The level of importance customers assign in different sub-dimensions of bank selection differs in six sub-dimensions (product cost and benefits; human, physical, social, WoM, and previous experience) except product features and institutional sub-dimension of bank selection. This means that the comparison regarding the level of importance attached to different bank selection criteria between customers having bank (i.e. existing customers) and customers that do not have bank (i.e. potential customers) is dominated by differences or dissimilarities.

In general, for the eight sub-dimensions of bank selection, two were found to be similar (product features and institutional dimensions), while the other six (product cost and benefits, human, physical, social, WoM and previous experience dimensions) were found to be different. These differences indicate that existing customers attach a higher level of importance to product costs and benefits or technical aspect of bank selection criteria, while potential customers attach a higher level of importance to human, physical, social, WoM and previous experience and functional dimensions during bank selection. It could be further interpreted that what is delivered (i.e. output aspect) that can be evaluated in advance or during bank selection is more important to existing customers, while how it is delivered (i.e. the process aspect) that can only be evaluated during and after the bank selection is more important to potential customers in the process of bank selection. Moreover, the importance of WoM and previous experiences as interactive and relational dimension of bank selection is greater to potential customers than existing customers. Altogether, dissimilarities dominate the picture of comparison (i.e. the level of importance attached to the different dimensions of bank selection between existing and potential customers) and, therefore, banks should apply different marketing strategies or a strategy that incorporate these differences to attract new customers and retain existing customer.

6.4.2.1 Degree of importance into different dimension of bank selection: A general approach

This section has focused on identifying any specific association or trend that dominates the bank selection process of existing customers. The results of H_3 indicate that there are no statistically significant differences in the level of importance over three main dimensions of bank selection (technical; functional; interactive and relational). In essence, all three dimensions of bank selection are equally valued by existing customers during their bank selection. Generally speaking, it means that there is no specific dimension customers consider for their bank selection, which is a reflection that customers' bank selection is a multi-attributes based decision. This finding is consistent with other previous research studies in the field (Mokhlis *et al.,* 2008; Salehi & Rajabi, 2015) which found that the level of importance customers assign to different dimensions of bank selection varies depending on the customers' needs prioritisation but it is most likely that customers select a bank which is positioned to meet their long term financial needs. A further interpretation of this finding indicates that banks need to position themselves in a way that enables customers to meet their diversified financial needs. However, this result indicates that there are no differences of importance in different dimensions of bank selection, but it does not apply to other situations of banking behaviour.

6.4.2.2 Number of banks customers hold

The results of H_4 reveal that with the exception of functional aspect, the level of importance customers attach to technical, and interactive and relational aspects varies significantly in relation to the number of banks customers hold currently. This means that number of banks customer holds has significant influences on assigning the level of importance in their future bank selection process at least in the technical, and interactive and relational dimensions of bank selection criteria. This also suggests that customers who currently maintain three-bank relationships depend more on an economic trade-off than customers having one or two-bank relationships in their future bank selection as they assign a higher level of importance on technical attributes. However, customers who currently maintain a single-bank relationship are likely to attach more importance to interactive and relational attributes of bank selection than customers having two or three-bank relationships in their future bank selection. This is an indication of the customers'

lower levels of loyalty towards their current banks which might lead them to switch to another bank. Therefore, banks need to make sure that their competitive positioning is in place to increase a customer's loyalty by offering greater customer value.

6.4.2.3 Multiple banking relationships

In the previous section, it was found that the number of banks customer hold has an influence on the level of importance to different dimensions of bank selection but one question remains unanswered: Do customers' multiple banking relationships represent any specific banking behaviour? This question has been answered by testing the H_5, which indicates that there are no differences in the level of importance over any dimensions (technical; functional; interactive and relational) of bank selection (*see Table 5.47*). This means that any future bank selection processes of customers who are currently involved into multiple banking are not motivated by any specific dimension of bank selection. However, there is a paucity of evidence in the literature, which suggests there are no differences in the level of importance attached to different dimensions of bank selection; in particular when it comes to the customers who are already in multiple banking relationships. In this regard, the only exception is the study of Devlin and Gerrard (2005) which investigated the relative importance of different bank selection criteria for customer's first and secondary banks, and it is claimed that the selection of a secondary bank is more justified. This is an indication that in order to attract this type of customer (i.e. who are already banked) banks need to be more innovative and sophisticated in product design and service delivery.

6.4.2.4 Level of importance by product category (current; saving; loan)

It is often argued that customers choose a bank to purchase a particular product or service which is consistent with their financial needs. This gives rise to the question: Do customers attach similar level of importance towards different dimensions of bank selection over different types of product and services? In other words, are there any differences in level of importance to different dimensions of bank selection by different products or services customer want to buy through their bank selection?

This issue has been addressed in H_6 and the results indicate that the level of importance customers assign to three main dimensions of bank selection differs

significantly by nature or type of product. This means that there is a significant effect of nature and type of products on customer bank selection decision. However, one cannot find such evidence to support this finding in the current literature regarding the effect of '*types of product*' on bank selection. Therefore, it is critical for banks to recognise the needs of customers or what types of product and services they are looking for at the very first instant. This will help the bank (mainly bank employees) to deal with customers through highlighting the features and benefits associated with the products. Although this result supports the view that customer's bank selection is influenced by the products and service they want to purchase through their bank selection, it does not show which dimension is more or less important for which products or services. This is important to explore because why people select a bank lies at the centre of understanding customer needs prioritisation, as every purchase decision (i.e. bank selection) originates from need recognition (Grewal & Levy, 2012). To fill this gap three more hypotheses have been developed (H_7; H_8; H_9) and the results are interpreted in the following three ways.

First, the results of H_7 indicate the dominance of technical dimension over the other two main dimensions of bank selection for customers who have attachment with saving and investment products. This means that customers who wish to select their bank through purchasing saving or investment products attach the highest level of importance towards the technical dimension of bank selection over functional, and interactive and relational dimension of bank selection. However, this product-specific effect on bank selection is not well grounded in the literature of bank selection, but there is an indication that one of the prime reasons of why customers select bank or save or invest money into bank is to gain interest or profit (Har & Ta, 2000) in which it was also remarked that Asians customer are very interest rate-conscious. This is supported by Hossain *and* Ullah's (2011) study which found that banking customers of Bangladesh are very price-sensitive. Another possible explanation of this could be the lack of investment opportunities in other sectors that leads customers with extra liquidity to save into the bank for a secure earning in the future. The implication of this finding is that banks need to place emphasis on this dimension of bank selection while it deals with customers wishing to buy saving or investment products as a part of their bank selection process.

Second, the results of H_8 suggest the dominance of the functional dimension over the other two dimensions of bank selection (technical, and interactive and relational) for customers have attachment with current account products. This means that customers who wish to select their bank through purchasing a current account product attach the highest level of importance towards the functional dimension of bank selection which has been interpreted as process aspect (i.e. how the expected services are delivered). This highest level of importance towards the functional aspect of bank selection can be further explained by the fact that customers with such products and services hold a position to trade-off the return or benefits with higher flexibility of day-to-day banking in terms of proximity, a fast and efficient service, as no visible return or profit is offered to customers against this kind of product or services. There is no existing research that specifies such effects on bank selection criteria especially for retail customers, with the exception of Marlowe and Lee (2003), which investigated the potential effect of product associated with bank selection. However, Marlowe and Lee (2003) did not provide any extent or direction of this effect but they determined that the relative importance customers attach to different dimensions of bank selection varies when the selection of bank originates from the needs of any specific product and services. This is because what customers need or want is largely reflected from the products and services offered by banks and contribute to the realisation of their needs and wants (Karim & Chowdhury, 2014).

Third, the results of H_9 suggest the dominance of interactive and relational dimension over the other two dimensions of bank selection (technical and functional) for customers with loan products. This means that customers attach greater importance to the interactive and relational dimension over other two dimensions of bank selection criteria when the choice of bank relates with the necessity of loan or credit. In fact this result partially corresponds to prior research (e.g. Lytras *et al.*, 2009; Al-Mossawi, 2015a) in relation to explaining the bank selection on an aggregate level without specifying any context (i.e. the product and services). A further interpretation of this finding suggests that the role and importance of interactive and relational dimension of bank selection is critical, especially when the selection of a bank originates from the necessity of loan or credit. This higher level of importance towards interactive and relational dimension of bank selection (mainly for customers whose bank selection relates to credit or loan product) might be due to existing banking practices of Bangladeshi in granting

loans or credit, which is not only subjective but also highly influenced by the customer's relationship with the bank management staff or recommendations from an influential person instead of depending on any objective criteria in the loan sanction process (Uddin & Bristy, 2014). It can be concluded that the level of importance customers assign into different dimensions of bank selection largely depends on the nature and type of product, which ultimately drive customer to select their bank (Ardic & Yuzereroglum, 2009).

6.4.2.5 Frequent vs. non frequent bank user

The results (*see table 5.5*) indicate that the frequency of going to a bank differs by customers and has a significant influence on the degree of importance customers attach to different dimensions of bank selection criteria. This is also evident from the results of H_{10} which found a significant difference between frequent and no-frequent bank users over all three dimensions of bank selection criteria (*see table 5.57*). For example, the result of H_{11} suggests that customers who are frequent bank users attach a greater level of importance to functional aspect in particular to the institutional sub-dimension within the technical dimension of bank selection. This means that customers who are frequent bank users (i.e. go to a bank at least once in two weeks) or their relationship with the bank requires them to go to the bank very often, then customers will select their bank which is well-positioned to offer simplicity and flexibility (i.e. access, presence, coverage, technology).

The result of H_{12} suggests that non-frequent customers attach a greater level of importance to product features than product cost and benefits within the technical dimension of bank selection. This is an indication that if the customer's relationship with the bank does not require them a frequent visit to the bank, the preferences are given on the criteria underlined by product features over product cost and benefits within the technical dimension of bank selection. There is no previous research that has investigated the influence of customers' frequency of going to a bank on bank selection criteria directly, but there is a significant influence together with conflicting findings in the literature regarding the importance of technical and functional dimensions in the bank selection criteria. Some authors support the argument that suggests the dominance of the technical dimension over others in bank selection (Jahiruddin & Haque, 2009), but equally there is support for the counter argument that suggests the dominance of the functional dimension or at least as equal as technical dimension in influencing

customer's bank selection criteria (Juniar *et al.*, 2013; Zulfiqar *et al.*, 2014). Hence, this study suggests that the dominance of one dimension over other dimensions of bank selection is largely determined not only by customer's financial needs and demands, but also the expected form of relationship between customers and the bank after selecting the bank. Based on these findings, regarding the pattern of dominance of one bank selection dimension over another, it could be concluded that what dimension (or combination) is given preference over another is chiefly determined by the expected nature of the relationship with the bank and value creation process from the purchased products and services (Hedayatnia & Eshgji, 2011; Mausavi *et al.*, 2015).

6.4.2.6 Islamic bank and non-Islamic bank

Given the fact that Bangladesh has a population comprising of more than 90% Muslims, with a dual banking system where Non-Islamic banks operate alongside the Islamic bank. This has given rise into investigating if there is any difference in levels of importance over the three main dimensions of bank selection between customers of Islamic and non-Islamic banks as their main bank (H_{13}). The results of this hypothesis indicate that apart from the functional dimension, there are statistically significant differences in the level of importance over technical, and interactive and relational dimension of bank selection. Although the differences dominate the picture of comparison, the similarity over the functional dimension is an indication of attaching an equal level of importance by customers from both types of bank (Islamic and Non-Islamic bank). These differences over technical, and interactive and relational dimensions of bank selection and similarity over the functional dimension suggests the view that how the services are delivered is equally important to both Islamic and Non-Islamic bank customers. Hence, it can be suggested that although what is delivered in terms of compliance with sharia law, interest-free banking is playing a key role in particular for the Islamic bank customer, but the role and importance of how the services are delivered (i.e. functional dimension of bank selection) is playing a significant role in bank selection for both Islamic and non-Islamic bank customers. Therefore, it can be stressed that the compliance with sharia law or Islamic banking does not guarantee the success of Islamic banking.

However, there are differences in the level of importance, the extent to which customers from Non-Islamic and Islamic bank attach a higher or lower level of importance is not clear. The analysis of H_{14} suggests that customers who made non-Islamic bank as their main bank attach a greater level of importance on the functional dimension over the technical dimension (see Table 5.65), which is an indication of how the product and services are delivered is more important than what is delivered in terms of technical aspect of bank selection. This finding is consistent with the study of Miniaoui (2013) which found customers of non-Islamic banks tend to be more practical in making decisions by giving a long-term focus in their bank selection, as Zeithaml (1997) emphasises the notion that both the experience and credence attributes (i.e. the functional dimension of bank selection) are more important in the service domain. The same concept is offered by Ford *et al.*, (1990) who argue that some characteristics of products and services only become available or judged more easily in a post-purchase situation.

According to the results of $H_{15,}$ customers who made Islamic banks as their main bank have assigned greater importance on technical dimension over functional dimension of bank selection (see Table 5.67). This means that what is delivered is more important than how it is delivered. Thus, the criteria that can be better judged in a pre-purchase situation, such as sharia compliance, interest-free banking is more important to customers who make the Islamic bank as their main bank. However, there are different non-Islamic banks (i.e. interest based bank) that are positioned to offer Islamic banking products. This result is consistent with several other studies (Miniaoui, 2013; Rani, 2015) which concluded that bank's compliance with the Islamic law (e.g. profit-loss scheme; interest-free loans) is one of the critical factors for customers who choose an Islamic bank. These finding are in contrast with the study by Dusuki and Abdullah (2007) who documented that interest-free banking, compliance with sharia law are important but not the prime reason for selecting an Islamic bank. The implication of this finding is that despite offering Islamic products and services like as an Islamic bank with little or no differentiation the Non-Islamic banks are still unable to attract customers who evaluate their bank selection decisions based on a bank's compliance with sharia law. The explanation could be customers do not seem to be so concerned about the religiosity of products (i.e. the Islamic products offered by non-Islamic bank) but what matters more to them is the religiosity of organisation. This is an indication that a complete affiliation with Islamic banking principles is more

important rather than just to exploit the religious values by offering some Islamic banking products and services under the banner of non-Islamic banking. This should be a reminder to the non-Islamic banks offering Islamic products. In this view, the non-Islamic bank in general is required to adopt new marketing strategies to attract customer to their products, and also further research need to be carried out in investigating the facts and forces making such a hindrance is important. And the last but not least, how customers perceive the integrity of banks that offer both types of products (i.e. Islamic; Non-Islamic) under the banner of interest-based banking is not only confusing to the customer, but also contradictory from the religious point-of-view.

6.4.3 The hypothesis testing result about potential customer

This part of the discussion attempts to discuss some of the empirical findings about potential customers' banking behaviour (in general) by identifying the similarity and differences across different dimensions of bank selection. First of all, the results of H_{16} suggest that potential customers assign different level of importance over all three main dimensions (technical; functional; interactive and relational) of bank selection (*see tables 5.70 & 5.71*). These variances of importance across three main dimensions of bank selection reflect one of the dominants theoretical findings deducted in Chapter two (section 2.4) that all factors or dimensions of bank selection are important but not equally. This initial outcome leads to a further analysis (hypotheses H_{17}; H_{18}; H_{19}) to identify the dominance of sub-dimension within three main-dimensions of bank selection criteria.

The results of H_{17} indicate a statistically significant difference in the level of importance between product cost and benefits and product features within the technical dimension of bank selection criteria. This means the potential customers attach a higher level of importance to product costs and benefits over product features (see Table 5.73). However, although there is no prior research on potential customers, various studies have attempted to investigate the bank selection behaviour of student segments and these find support regarding the dominance of cost benefit trade-off or pricing (Har & Ta, 2000) over other factors. Moreover, there is a general trend that the banking customers of Bangladesh are extremely price sensitive (Hossain & Ullah, 2011), which is also evident in the

Organisation for Economic Co-operation and Development's (OECD) global competitiveness 2014 report. According to the OECD report, the people of Bangladesh lie in the middle of the buyer sophistication scale; meaning that the purchase decision is relatively price-oriented, rather than quality oriented.

The results of H_{18} show the dominance of human over institutional within functional dimensions of bank selection (*see table 5.75*). Thus, they are concerned about the responsive aspect of service quality which is more judged in post-purchase situation. Regarding the dominance of human over physical, social and institutional sub-dimensions, it is suggested that these belong to the post-purchase criterion (e.g. friendliness, responsiveness, and speed) which may be available or better judged during the post-purchase stage, rather than the pre-purchase stage (Gardial *et al.*, 1994). This provides a clear signal that different post-purchase criteria are being considered or evaluated by potential customers who are actually in a pre-purchase situation. Therefore, it can be concluded that banks need to be integrated both pre- and post-purchase evaluative criteria even the strategy is directed to attracting potential customers (i.e. who are currently unbanked).

The results of H_{19} indicate that potential customers are expected to assign an equal level of importance to WoM and previous experience within the interactive and relational dimension of bank selection (*see table 5.77*). This is an indication that the banks need to consider these two sub-dimensions of bank selection equally. Therefore, the higher level of importance towards product cost and benefits (within the technical dimension), human aspect (within the functional dimension) and equal importance over both dimensions within the interactive and relational dimensions support the concept that the student market is an expensive segment for the bank to attract and are less loyal than the general population.

6.5 Review of research findings and managerial implications

This section provides a summary of the key research finding and their managerial implications (see table 6.2 below).

Table 6.2: Review of research findings and their managerial implications

Research findings	Managerial implications
The association between customers' demographics and banking behaviour (existing customers)	
Men are found less loyal than women to their service provider as men were found more likely to be involved in multiple banking.	These suggest that men are not convinced with the concept of financial supermarkets (i.e. no certain bank is positioned to meet their growing and diversified needs). Thus, banks need to be positioned as competitive in offering and dealing with these types of customers.
Men are found more comfortable in distance banking than women customers.	This means men are well-advanced in IT knowledge and usage suggesting that banks should be more focused on communicating the self-service delivery channel in attracting and retaining male customers and thus take measures to educate and encourage female customers in using self-service banking.
Marital status does not have any association with any aspects of banking behaviour.	This suggests that people's banking behaviour is free from the change of customers' marital status. Thus, banks need to be careful in using this factor in marketing.
Customers who have a higher level of education are more likely to establish a relationship with private banks. In addition, customers who have a lower level of education are more likely to establish a banking relationship with public banks.	This finding suggests that there is an opportunity for both types of banks to increase their customer base through implementing a customer-oriented approach.
Customers who are employed in the private sector than other sectors are found to be more likely to make a private bank as their main bank, to conduct distance banking and multiple banking relationships.	This finding shows that customers are more motivated to get quick and efficient service and to meet their financial needs by self-service facilities (i.e. mobile banking, Internet banking) without going to their bank, to seek the best deal available in the market. Thus, banks should address these trends that will allow them to make sure optimal use of scarce but alternative useable resources.
Determining factors of bank selection based on individual criteria (existing and potential customers)	
The '*intra-bank banking charge or fee*' is playing a critical role in influencing customer bank selection.	This suggests that banks need to provide branch-free banking facilities for offering greater customer value.
The '*large ATM network with enough security*' is found as one of the top patronising factors influencing customer bank selection.	Banks need to make sure customers can easily and quickly access ATM services to consummate their banking transactions with perceived ease of use, minimum transaction cost, and sufficient security.
The higher determining power of technology-oriented banking to potential customers than existing customers.	This is an indication of changing customer needs which suggests that it is crucial for banks to track this subtle trend in customers' expectations and make necessary adjustments to their value addition process.
The factor '*bank reputation*' is found as less determining power in influencing customers' bank selection.	The bank should maintain a balanced approach to build reputation.
Determining factors of bank selection– A summative approach (existing and potential customers)	
The criteria that are better judged in post-purchase situations are found as key contributing factors in influencing customers' bank selection for both existing and potential customers.	This suggests that the process aspect (i.e. how the services are delivered) is more important to the customer than output aspect (i.e. what is delivered). Therefore, banks need to be focused on improving the process aspect of value creation. In this regard, the development of the physical environment can also play a pivotal role as the findings suggest a pleasant and comfortable physical environment play a key role in influencing customers' bank selection criteria.
The factor 'WoM' is found insignificant for	This is an indication that the creation of WoM is going to be an

influencing existing customers' bank selection but found significant for potential customers.	effective platform for attracting new customers while the use of *'cause marketing'* could be an effective approach to develop a favourable attitude towards a bank.
Customer's demographics and degree of importance they attach to different dimensions of bank selection (existing and potential customers)	
Female, married, higher educated and employed customers attach a higher level of importance on the technical dimension over other dimensions of bank selection.	This means that the influence of customers' demographics on attaching importance to different dimensions of bank selection is not conclusive, which reflects the priority of applying a need-based marketing approach for a greater marketing competitiveness and performance.
Number of banks customers hold and degree of importance they attach to different dimensions of bank selection (existing customers)	
The number of banks customers currently hold has a significant influence on their bank selection criteria.	This means that the bank should be strategic in implementing their marketing functions, as customers who are involved in a single bank relationship put higher importance on the interactive and relational dimension while it is economic trade-off for customers who are in multiple-banking relationship.
Similarities and dissimilarities of bank selection between existing and potential customers	
Despite some similarities between potential and existing customers in their bank selection, the dissimilarities dominate the comparison.	The bank should go for designing alternative marketing approaches to make up these differences or one that integrate these differences.
Banking behaviour of customers having multiple banking relationship (existing customers)	
The customers who are involved in multiple banking do not maintain any consistent banking behaviour in terms of attaching importance to any certain dimension of bank selection.	This suggests that they are very conscious and more inclined to select banks based on the best offer. Therefore, it is very important for banks to realise customers' needs at the very first stage and deal with them accordingly.
Types of products and degree of importance to different dimensions of bank selection (existing customers)	
The types of products and services customer wish to buy through their bank selection have significant and distinguishable influences on their bank selection criteria.	It is critical for the bank to realise the financial needs of customers at the initial stage and highlights the benefits and features of that product and services as the bank selection often relates with purchasing a certain product or services.
Differences in the degree of importance to different dimensions of bank selection between frequent and non-frequent bank user (existing customers)	
How often a customer is likely to go to a bank or frequency of going to a bank is found a significant predictor of explaining customers' bank selection as the finding indicates a significant difference between frequent and non-frequent bank users.	Thus, banks need to stress their marketing function to address these differences as the findings show that frequent bank users attach a higher level of importance to the process aspect of bank selection, in particular the institutional sub-dimension that reflects convenience in terms of simplicity and flexibility, while it is the outcome aspect for non-frequent bank users which reflects the priority of product features over cost and benefit.
Differences in the level of importance to different dimensions of bank selection between customers of Islamic and Non-Islamic bank (existing customers)	
However, Non-Islamic banks are offering some core Islamic banking products alone with the traditional products, customers were found to be less interested in selecting a Non-Islamic bank for buying any Islamic products and service.	This suggests that customers are more interested to religiosity of banks rather than religiosity of products or services. Thus, non-Islamic banks need to be very careful of such a practice of offering Islamic products under the banner of traditional or non-Islamic banks as it might confuse customers that can damage their business-wellbeing.
Degree of importance to different dimensions of bank selection (potential customers)	
The higher importance of product costs and benefits over product features within the technical dimension; highest level of	This show that they are more likely to establish a banking relationship with more than one bank and that they are not particularly loyal. This does not mean that they are not a

importance to human dimension within the functional dimension; no difference between previous experience and WoM within the interactive and relational dimension make these potential customers a relatively expensive market segment.	profitable segment for banks provided that banks should target this segment as they are at the very early stage of their financial life-cycle and a wider range of products and services will be required as the relationship grows.

6.6 The contribution and distinctiveness of this research

This section aims to further develop the discussion of findings to contextualise the key contribution of this research within the existing body of knowledge on bank selection criteria.

With regard to the bank selection factors, unlike previous studies (e.g. Salehi & Rajabi, 2015; Al-Mossawi, 2015a) which considered the selection factors altogether, this research segregated the bank selection factors into three main dimensions. First, the *technical dimension*, which includes the output aspect of bank selection criteria that customers can easily evaluate prior to their purchase, such as cost and benefits, interest-free banking; Second, the *functional dimension'* which includes the process aspect of bank selection that are better judged during and post-purchase situations such as service quality, delivery channels of service. Third, the interactive and relational dimension of bank selection that includes word-of-mouth and previous experience. In addition to this, the adoption of both reactive and proactive approaches by including both potential customers and existing customers as target respondents makes the current research more comprehensive than any previous studies conducted in this field of bank selection. This is mainly because this is probably the first research that integrates the bank selection process as both pre- and post-purchase event as almost all previous researches viewed the bank selection process as post purchase event.

In respect of important selection factors, however, there is no remarkable variation between potential and existing customers, the factors that determine their bank selection decision varies significantly between them. The result shows that, however, the factor '*charge free Intra-bank banking facilities*' as a part of technical dimension of bank selection holds the premier position but factors, such as, large ATM network, nationwide branch network, technology orientation as part of the functional dimension are the major determinants of bank selection. Here, it should be noted that despite some similarities regarding the determinants of bank selection between existing and potential customers, the dissimilarities in fact dominate the comparison. This finding is further supported by the statistical test as

it finds statistically significant differences in six out of eight sub-dimensions of bank selection (*see table 5.43*). This is an indication that the bank's marketing activities in attracting potential customers (who are unbanked) and influencing existing customers (who are already banked) to retain or influence to switch from rivals should be directed to incorporate these differences that exist between potential and existing customers. This finding is based on the argument that as long the positioning is seeking to attain a distinctive position in the market, the positioning strategy should be based not only on post-purchase attributes but also on pre-purchase attributes. This is because the positioning that is only based on post purchase attributes in retaining existing customer may not guarantee the attracting of new or potential customer.

This study also adds to the literature by including the aspect of bank selection in relation to buying particular products and services. In doing so, this study identifies three core products and services as part of their bank selection: current or checking products; saving and investment products; loan and credit products. It should be noted that even though it is to some extent descriptive, this study has originality since all the previous research in this field attempted to investigate the bank selection factors altogether. The results show that when bank selection is associated with buying any particular product and service, the degree of importance customers attach towards different dimensions of bank selection is more distinguishable than investigating the bank selection as a whole. For example, when the bank selection relates with opening a checking and current account, customers attach a higher level of importance to convenience aspect of bank selection (i.e. the functional or process aspect of bank selection dimension). However, when the bank selection relates with the opening of saving and investment account it is technical or outcome aspect of bank selection. Again, if the bank selection originates from the need of credit or loan product, the customers are found to attach highest level of importance to interactive and relational dimension of bank selection. This may imply that customers' bank selection criteria are largely determined by the nature and type of their financial needs associate with their bank selection. The next and final chapter presents the summary of the research.

CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

This research aimed identifying and analysing the factors influencing retail customers' bank selection in Bangladesh banking. This final chapter will present the summary of the research that arises from the discussion of research findings in the context of the relevant literature. This chapter commences with the theoretical conclusion and followed by highlighting empirical or managerial conclusions with implications of this research. In addition to these, this chapter discusses the research limitations and provides directions for future research.

7.2 Theoretical conclusions

Although, considerable research has been conducted on the bank selection criteria of customers from different perspectives in different geographical locations, there is no research which has investigated the bank selection criteria as both pre-purchase and post-purchase events at the same time or separately. Moreover, the existing literature extensively supports the view of conducting research into such area of bank selection in different contexts, as the contextual setting affects the customers' banking behaviour (i.e. the bank selection decision). Therefore, an investigation of bank selection criteria in Bangladesh as both pre- and post-purchase event by including both potential and existing customers is required. Such a research may provide the academic field as well as the banks with subtle, intricate information that will enable them to create a strong position that banks are searching for to survive and strive.

The theoretical conclusion of this research is in fact a multi-dimensional one, as this research has investigated several issues (i.e. consumer behaviour, demographics. banking behaviours and bank selection criteria) for two different customer segments (i.e. existing customers and potential customers). The main points about the theoretical conclusion are summarised below.

The bank selection criteria could be better explained by investigating it as a both pre purchase and post purchase event. This is mainly because the competitive nature of the banking market is giving customers an increasing freedom and choice to get involved in multiple banking relationships. This means that the success of bank largely depends on increasing the customer base not only by attracting new customers (i.e. potential customers or unbanked customers) but

also retaining the existing customers together with influencing customers to switch from their competitors. The first type of customer requires an understanding of the pre-purchase criteria while the later one is related to understanding the post-purchase criteria as customers need time as a customer of bank to develop their post-purchase criteria. The criteria of bank selection between potential and existing customer may or may not differ, although this research finds a considerable differences, but the important thing is that the bank's marketing activities such as, segmenting, targeting and positioning should reflect these differences to attract new customers and retain existing customers. In conclusion, from the marketing perspective it can be argued that increasing customer base by attracting new customers and retaining existing customers depends on implementing an effective segmenting, targeting and positioning strategy (which is known as the STP framework in the marketing literature). Ideally speaking, any business organisation starts with identifying the market segment (i.e. segmentation) through to choose the profitable target segment (i.e. targeting) to position into the market (i.e. positioning). One of the key objectives of positioning is to create a distinctive position in the market by creating a wide customer-base through attracting new customers and retaining existing customers. This is because positioning that is only based on post-purchase attributes does not guarantee the attraction of new customers. On the other hand the positioning that is only based on pre-purchase attributes does not guarantee the retention of existing customer. Therefore, incorporating both pre-and post-purchase criteria, which is recommended in this research can be identified as theoretically more sound and one complete way to investigate customers' bank selection as long as it seeks to attract and retain customer.

The bank selection criteria of retail customers could be better explained by the proposed theoretical framework. The framework was developed based on an extensive literature review supported by the results of pilot survey. The proposed theoretical framework categorised bank selection criteria into three main dimensions: technical; functional; interactive and relational. The technical dimensions are further divided into two sub-dimensions (i.e. product cost and benefits, and product features). The functional dimension is divided into four sub-dimensions: human; social; physical; institutional. Finally, the interactive and relational dimension is divided into two sub-dimensions: Word of Mouth (WoM); previous experience. The theoretical application of this framework can be better

explained by three major points: firstly, it incorporates both the pre-purchase and post- purchase criteria of bank selection; secondly, it is a service-oriented framework based on the nature and characteristics of banking; and thirdly, it has given appropriate attention to make an effective distinction between outcome (i.e. what is delivered) and process aspect (i.e. how it is delivered) of bank selection criteria. This distinction presents the criteria that are better judged before the bank selection and after the bank selection. It will help to better understand the similarity and differences of importance on both across the three main dimensions and across the different sub-dimensions of three main dimensions of bank selection in general and in different situation associated with bank selection.

Finally, the three aspects associated with the methodological design adopted in this study offer additional support. First, the use of a triangulation approach which integrates the view of experienced bankers and two stages of piloting. This approach was used for the development of research instruments to increase its theoretical and practical soundness. The second aspect that relates to methodology is the integration of two independent customer segments which are currently lacking in the relevant field of research. The third aspect consists of measuring the determinant of bank selection criteria on the basis of both individual scale and summated scale which enables this research to evaluate the determinants of bank selection criteria from two different angles and to overcome the problems found in almost all previous studies in the area of bank selection criteria.

7.3 Empirical conclusions and managerial implications of research findings

The findings and results from this research have a number of empirical conclusions and managerial implications for banks which currently operate or have the intention to operate in the near future. These empirical conclusions and implications are as follows.

The selection of banks often relates with purchasing a particular product and service to meet customers' financial needs. This does not mean that this is the first and last purchase of financial products (i.e. bank selection) as the results show that the majority of customers are involved in a multiple banking relationship. The results also show that customers' bank selection processes can be better explained by bank selection with products. Thus banks should deal with customers based on their financial needs (i.e. what kind of products and service they are

looking instead of dealing them in general at the first stage). In conclusion, it has a double impact on banks. First, it will help staff to identify customer's needs and deal accordingly. Second, banks can still increase their customer base by not only increasing the number of new customers but even from the segment of existing customer, as the later (i.e. retaining existing customer) is much more important for today's banks as Saha *et al.*, (2014) noted that '*retaining an existing customer is five times more profitable than attracting a new customer*'.

However, the research finds that there are significant differences in the levels of importance that the two customer segments attach to different dimensions of bank selection. This finding reflects the argument of applying a different positioning strategy in order to get desired result. This particular finding of this study also supports the view that there are some similarities between these two customer segments which may be an indication of adopting a positioning strategy that integrate these differences.

In order to retain existing customers and influence customers to switch from their competitors, the positioning strategy should emphasise the outcome or *technical* dimension of bank selection criteria, as the results indicate that existing customers attach significantly higher levels of importance to the technical dimension of bank selection. However, while the positioning seeks to attract customers who do not have bank, bank should emphasis the functional or outcome aspects of bank selection criteria, which are not better judged before the bank selection. This in turn suggests the notion that banks need to focus on developing their reputation and image which are often used by customers to evaluate their bank selection as a means of reducing risk and uncertainty involved into their bank selection. This is very critical for this research (i.e. Bangladesh banking) as the research finds a very minimum influence of reputation on their bank selection process which is a reflection of the argument that the existing banks fail to differentiate their bank based on reputation. It can be further argued that the role and importance of reputation is much more critical to banks as they do business with customers based on trust. Moreover, customers in general attach a higher level of importance on those attributes that can only be evaluated during and after purchase in which trust is an important element of reputation.

The positioning (attraction and retention) strategy of banks should be strategic, based on the marketing objectives of banks. This means that the positioning should be consistent with the financial needs of customers instead of addressing the customers in general. For example, while customers intend to select their bank through opening a saving or deposit bank account, the bank should put more emphasis on the *technical dimension* of bank selection criteria. However, the emphasis should be directed towards the process or the functional aspect of bank selection for customers seeking to open a current or checking account and it is interactive and relational dimension for customers seeking for loan or credit products.

Although gender has no effect on customers' frequency of going to a bank and ownership status of a main bank it does have an effect on the main methods of conducting banking and multiple banking. This suggests that there is a partial association between gender and customers' banking behaviour. Banks can use this finding to design their marketing function which in turn enables them to maximise the optimal use of their scarce resources.

Customers' marital status has no influence on banks' positioning, as the finding suggests there was no significant association between marital status and customers' banking behaviour in relation to ownership status of bank, method of conducting banking, frequency of going bank, and multiple or split banking.

Although education has no effect on customers' frequency of going to a bank and multiple or split banking, but it does have an effect on the ownership status of main bank and methods of conducting banking. This suggests that there is a partial association between education and customers' banking behaviour. Thus banks can use education to design the marketing activities.

Employment should have an effect on a bank's marketing activities as the results indicate a significant association between employment and banking behaviour. This in turn suggests that the bank's marketing activities should be directed to the 'employment-type' of customer.

Banks' positioning strategies should be directed to improve their technological orientation in the value creation process as the research indicates potential customers attach a higher level of impotence to different criteria related to the technological aspect of service deliver process.

Customers' demographic characteristics (i.e. gender; marital status; education; employment) have a varied influence on the degree of importance to different sub-dimensions of bank selection. For instance, gender has influence in three; marital status and education have influence in six; and employment type has influence in seven out of eight sub-dimensions of bank selection.

Customers who have a 'three-banks relationship' depend more on an economic trade-off than customers who have 'one or two-banks relationships' as they assign a higher level of importance to technical attributes during bank selection. However, customers who are currently involved in a single-bank relationship are likely to attach more importance to interactive and relational attributes of bank selection than customers who have a 'two' or 'three-banks' relationship. This is an indication of customer's lower levels of loyalty towards their current banks which might lead them to switch to another bank. Therefore, banks need to make sure their competitive positioning and apply some effective measures are in place to increase customers' loyalty by offering greater customer value.

Customers who are frequent bank users attach a greater level of importance to the functional aspect, in particular to the institutional sub-dimension within the functional dimension of bank selection criteria. This means that customers who are frequent bank users (i.e. go to the bank at least once every two weeks) or their relationship with the bank require them to go to the bank very often, then these customers will select their bank which is well-positioned to offer simplicity and flexibility (i.e. access, presence, coverage, technology). It is also suggested that non-frequent customers attach a greater level of importance to product features than product cost and benefits within the technical dimension of bank selection. Therefore, the positioning strategies of banks should be directed towards customer's frequency of going to a bank by putting more emphasis on institutional sub-dimension of bank selection within the functional dimension and place more emphasis on product features within the technical dimension in order to retain existing customers.

This research finds significant differences of degree of importance in different bank selection dimensions between customers of Islamic and non-Islamic bank. For example, customers who have made the Islamic bank as their main bank are found to attach a greater level of importance to attributes which can be evaluated before bank selection: such as sharia compliance and interest-free banking.

However, customers who have made Non-Islamic banks as their main bank are found to attach a greater level of importance to those attributes that can be better evaluated after purchase, such as an efficient service delivery system. The study also finds that however, the Non-Islamic banks are used to offer different Islamic banking products, the customers are more interested to choose that products from core Islamic bank instead of from Non-Islamic bank. This in turn suggests that customers are more interested in the religiosity of a banking organisation rather than the religiosity of products and services. Therefore, it is very important for Non-Islamic banks (mainly based on traditional values) which are used to offer different Islamic banking products as well to rethink about this mixed strategy (offering both Islamic and non-Islamic product). This is mainly because it can produce a negative image for the bank that might reduce brand loyalty and strength.

7.4 Limitations of the research

The limitations of this study could be summarised in the following ways.

The customers' involvement in multiple banking relationships indicate bank selection is not a one-off event which reflects the argument that customers' bank selection is both a pre-purchase and a post-purchase event. This is because customers' bank selection that is only based on a post-purchase situation will certainly miss the opportunity of attracting customers who are currently unbanked which is no less important for the bank than retaining existing customer. In this case, the ideal situation is all about two key points. Firstly, the sample (i.e. the research population) should include the individuals who are about to take bank selection decision as a pre-purchase event. Secondly, including those same individuals again as sample in the future to study the bank selection process as a post-purchase event. A sample satisfies these two conditions were really unavailable in such an academic research environment. This unavailability forced this research to select a group of customers (i.e. students) as potential customers who are more likely to open a new bank account in the near future.

In Bangladesh, the sample population was drawn from only Dhaka city (the capital city of Bangladesh) and not from other cities. The study findings are therefore not entirely representative of the entire population of Bangladesh.

The study found differences between general customers and other segments and between students and other market segment. Thus, the results of this study could only be generalised safely for Dhaka in Bangladesh between retail customers who are already banked and students who are not banked yet as potential customers.

Although this study has taken the banks' points-of-view at the early stage of data collection (i.e. during piloting), the final data collection emphasises only the customers' points of view regardless of its importance towards triangulating the research findings on all aspect of research activities.

7.5 Future directions of research

The research findings revealed considerable differences in comparison of bank selection criteria between potential and existing customers. However, different alternative explanations have been provided in the discussion section, an additional research might be more effective to explore and provide deeper insight into the meaning behind these facts. Future studies should adopt a mixed research approach dominated by a qualitative research paradigm to enable a greater understanding of the bank selection criteria.

The results also suggested that there seems to be a greater amount of variation in attaching importance to different dimensions of bank selection between potential and existing bank customers. The results might be less valid in other financial organisations. Therefore, investigating other financial organisations such as investment banks, insurance companies by replicating the proposed framework will not only enable validation of the findings of this research but also help to develop a framework that represents the selection process for financial organisation more generally.

The research also showed that customers' demographics significantly affect the degree of importance they attach to different dimensions of bank selection, in particular gender, level of education, and employment type. This research also finds that there is a meaningful association between customers' demographics and banking behaviour. Since this research is the first study to identify this influence and association, further research would seek to investigate the fact and forces driving or leading to the development of such influence and association.

Studying the bank selection process from the bank's point-of-view, in addition to a customer's point of view, would certainly add to the understanding of the bank selection criteria.

A longitudinal study of a similar profile of customers over pre- and post- purchase situations in order to gain deeper insight to the changes occurring could be an interesting area of future research.

Finally, future studies could apply the proposed framework from this study to other customers segments and contexts, in order to validate the theoretical framework and gain further insight into the extent to which the findings could be generalised.

7.6 Conclusion

Thus, taking into account the aims and objectives of this research and the result produced through the entire research process, it can be concluded that this study makes a positive contribution in the direction of understanding the factors influencing customers' bank selection in Bangladesh as both a pre- and post-purchase consumer activity, and successfully contributed to the existing body of knowledge. It is expected that that this research will promote other researchers to engage in more multi-segment research with the intention of gaining a deeper understanding from different perspectives, as this type of study is well-recognised from both academics and practitioners. Finally, it can also be concluded that this study has successfully achieved the aims and objectives set at the initial stage of this study.

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APPENDIXES

Appendix 2.1: Consumer decision process model (EBM Model)

Source: Adapted from Blackwell et al., 2006:85
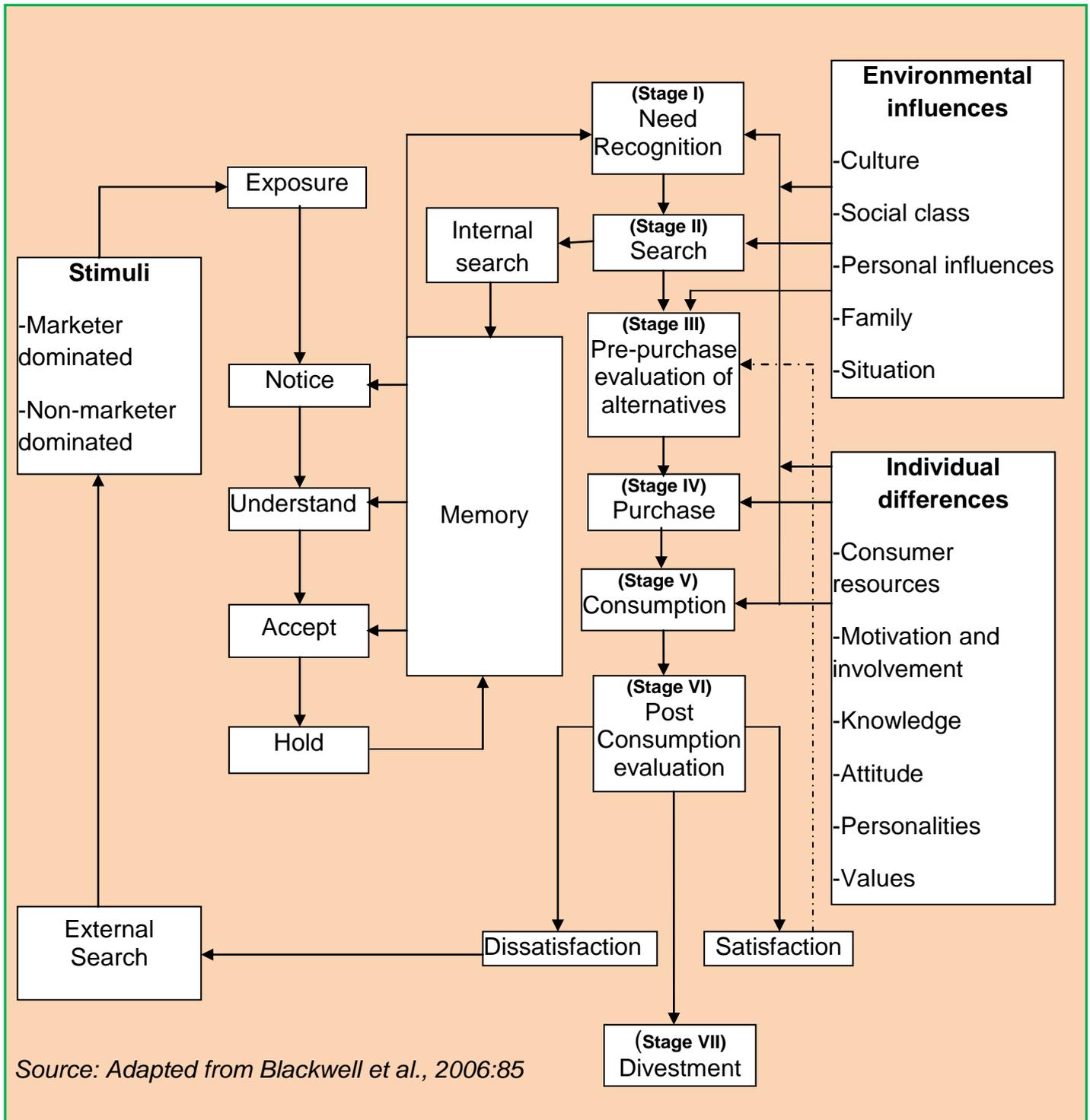
Appendix 2.2: Consumer behaviour model

Marketing Stimuli	Environmental Stimuli
Product & Service Price Distribution Communication	Political Economic Social Technological

Consumer Psychology

Motivation
Perception
Learning
Memory

Consumer characteristics

Personal
Social
Cultural

Buying decision Process

Problem recognition
Information search
Evaluation of alternatives
Purchase decision
Post purchase behaviour

Purchase decision

Product choice
Brand choice
Dealer choice
Purchase amount
Purchase timing
Payment method

Source: Adopted from Kotler et al., 2009:238

Appendix 3.1 Financial System of Bangladesh

```
                    ┌─────────────────────────────────────┐
                    │     Financial System of Bangladesh    │
                    └─────────────────────────────────────┘
         ┌──────────────────────┬──────────────────────┬──────────────────┐
┌─────────────────┐    ┌─────────────────┐    ┌─────────────────┐
│  Formal Sector  │    │ Semi-formal sector│    │ Informal sector │
└─────────────────┘    └─────────────────┘    └─────────────────┘
```

┌──────────────┐
│ Financial   │
│ Market   │
└──────────────┘

┌──────────────────────┐
│ Regulators and   │
│ Institution   │
└──────────────────────┘

┌──┐
│ **Specialised Financial Institutions**   │
│ House Building Finance Corporation (HBFC)   │
│ Palli Karma Sahayak Foundation (PKSF)   │
│ Samabay Bank (SB), Grameen Bank (GB)   │
└──┘

┌──────────────────────────────┐
│ **Money Market**   │
│ (Banks, Non-Banks   │
│ financial institution,   │
│ Primary dealers)   │
└──────────────────────────────┘

┌──────────────────────┐
│ Bangladesh Bank   │
│ (Central Bank)   │
└──────────────────────┘

┌──┐
│ **Banks**   │
│ (56 Scheduled Banks and 4 non-scheduled banks) │
└──┘

┌──────────────────────────────┐
│ **Capital Market**   │
│ (Investment Bank,   │
│ Stock Exchanges,   │
│ Credit Rating   │
│ Companies)   │
└──────────────────────────────┘

┌──┐
│ **Non-Banking Financial Institutions (NBFIs)** │
│ (31 NBFIs)   │
└──┘

┌──────────────────────────────┐
│ **Foreign Exchange**   │
│ **Market**   │
│ (Authorised dealers)   │
└──────────────────────────────┘

┌──────────────────────────────┐
│ **Insurance Development**   │
│ **and Regulatory Authority** │
│ (Insurance Authority)   │
└──────────────────────────────┘

┌──┐
│ **Insurance Companies**   │
│ (18 life Insurance and 44 Non-life Insurance companies) │
└──┘

┌──────────────────────────────┐
│ **Securities and Exchange**   │
│ **Commission**   │
│ (Regulatory of Capital Market │
│ Intermediaries)   │
└──────────────────────────────┘

┌──┐
│ Stock exchanges, Stock dealers & Brokers, Merchant │
│ Banks, Credit Rating Agencies   │
└──┘

┌──────────────────────────────┐
│ **Micro Credit Regulatory Authority** │
│ (MFI Authority)   │
└──────────────────────────────┘

┌──┐
│ Micro Finance Institutions (599 MFIs)   │
└──┘

Source: www.bangladeshbank-org

Appendix 3.2: List of 56 Schedule banks in Bangladesh

Year of Est.	Name of the bank (Type/Origin/Category)
1948	Standard Chartered Bank.(Private/Foreign /Commercial)
1971	Sonali Bank Ltd.(Public/Local/Commercial)
1972	Agrani Bank Ltd. (Public/Local/Commercial) Janata Bank Ltd, (Public/Local/Commercial) Pubali Bank Ltd., (Public/Local/Commercial) Rupali Bank Ltd, (Public/Local/Commercial) Uttara Bank Ltd.(Private/Local/Commercial)
1973	Bangladesh Krishi Bank. (Public/Local /Specialised)
1976	Habib Bank Ltd. (Private/Foreign/Commercial)
1981	Arab Bangladesh Bank Ltd,
1982	AB Bank Ltd, (Private/Local/Commercial)
1983	City Bank, (Private/Local/Commercial) International Finance Invest and Commerce Bank Ltd. (Private/Local/Commercial) Islami Bank Ltd, (Private/Local/Commercial) National Bank Ltd. (Private/Local/Commercial) United Commercial Bank. (Private/Local/Commercial)
1986	Rajshahi Krishi Unnayan Bank. (Public/Local/Specialised)
1987	ICB Islamic Bank Ltd. (Private/Local/Commercial)
1989	Bangladesh Small Industries and Commerce Bank Ltd (Private/Local/Commercial)
1990	The Bank of Tokyo-Mitsubishi, (Private/Foreign /Commercial)
1992	Eastern Bank Ltd. (Private/Local/Commercial)
1993	National Credit and Commerce Bank Ltd. (Private/Local/Commercial)
1995	Al-Arafah Islamic Bank, (Private/Local/Commercial) Dhaka Bank Ltd. (Private/Local/Commercial) Prime Bank Ltd. (Private/Local/Commercial) Social Islami Bank Ltd. (Private/Local/Commercial) Southeast Bank Ltd. (Private/Local/Commercial) Citi Bank, (Private/Foreign/Commercial)
1996	Dutch-Bangla Bank Ltd, (Private/Local/Commercial) HSBC, (Private/Foreign/Commercial) Woori Bank. (Private/Foreign/Commercial)
1997	Bank Al-Falah Ltd, (Private/Foreign/Commercial)
1999	Trust Bank Ltd, (Private/Local/Commercial) Bangladesh Commerce Bank Ltd. (Private/Local/Commercial) Bank Asia Ltd. (Private/Local/Commercial) Standard Bank Ltd. (Private/Foreign/Commercial) Export Import Bank of Bangladesh. (Private/Local/Commercial) Fast Security Islami Bank Ltd. (Private/Foreign/Commercial) Mercantile Bank Ltd. (Private/Local/Commercial) Mutual Trust Bank Ltd. (Private/Foreign/Commercial) One Bank Ltd. (Private/Local/Commercial) The Premier Bank Ltd. (Private/Local/Commercial)
2001	BRAC Bank Ltd. (Private/Local/Commercial) Shahjalal Islami Bank Ltd. (Private/Local/Commercial) Jamuna Bnak Ltd. (Private/Local/Commercial)
2003	Commercial Bank of Ceylon Ltd. (Private/Foreign/Commercial)
2009	Bangladesh Development Bank Ltd. (Public/Local /Specialised)
2012	Farmers Bank Ltd. (Private/Local/Commercial) State Bank of India. (Private/Local/Commercial)
2113	Meghna Bank Ltd (Private/Local/Commercial) Midland Bank Ltd. (Private/Local/Commercial) NRB Bank Ltd. (Private/Local/Commercial) South Bangla Agriculture and Commerce Bank. (Private/Local/Commercial)
	Bangladesh Somobay Bank Ltd, Cooperative Bank National Bank of Pakistan
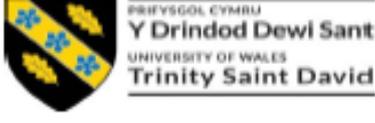
অংশগ্রহণ তথ্য ফর্ম

তারিখ: ..../০৪/২০১৬

প্রিয় অংশগ্রহণকারী,

আমার নাম মিহির কুমার দাস। আমি ইউনাইটেড কিংডমে অবস্থিত ওয়েলস ট্রিনিটি সেইন্ট ডেভিড বিশ্ববিদ্যালয়ে ডিভিশন অব বিজিনেস এ্যাডমিনিস্ট্রেশনের জন্য লেখাপড়া করছি। আমি আপনাকে "যে কারনগুলো ক্রেতাগণকে বাংলাদেশে ব্যাংক নির্বাচন করতে প্রভাবিত করে সেগুলি বিশ্লেষণ" শীর্ষক গবেষণায় অংশগ্রণের জন্য আমন্ত্রন করতে চাই।

এর জন্য আপনাকে একটি প্রশ্নমালার উত্তর দিতে হবে যেখানে আপনার উত্তরগুলি মূল্যায়ন করে নির্নয় করা হবে কোন কারনগুলি একজন বাংলাদেশিকে তার ব্যাংক নির্বাচনের সিদ্ধান্তকে প্রভাবিত করে। আপনার অবদানকে অত্যন্ত গুরুত্বের সাথে মূল্যায়ন করা হবে। আপনার সকল উত্তরগুলি অত্যন্ত গোপনীয়তার সাথে সংরক্ষণ করা হবে।

যদি আপনি এই গবেষণার ফলাফল পেতে বা জানতে আগ্রহী হন, তাহলে নিম্নের ঠিকানায় যোগাযোগ করতে পারেন।

আপনার মূল্যবান সময় ব্যয় করে অংশগ্রহণ করায় জন্য অগ্রীম ধন্যবাদ জানাই। এ বিষয়ে আপনার কিছু জানার ইচ্ছা থাকলে নিঃদ্বিধায় আমাকে জানাতে পারেন।

ঠিকানাঃ
মিহির কুমার দাস
ইউনিভার্সিটি অব ওয়েলস ট্রিনিটি সেইন্ট ডেভিড (লন্ডন ক্যাম্পাস)
উইনচেস্টার হাউস
১১ ক্রানমার রোড, লন্ডন
এসডব্লিউ৯ ৬ইজেড
মোবাইল:+৪৪২০৭২৬৬৭৬০০
ই-মেইল:১৩০৩৮৬৫@স্টুডেন্ট.ইউ ডব্লিউ টি এস ডি.এ সি.ইউ কে

পৃষ্ঠা নং- ১

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অংশগ্রহণকারীর সম্মতি ফর্ম

অংশগ্রহণকারী সিরিয়ালের নম্বর	
তারিখ: ..../০৪/২০১৬	

গবেষণার শিরোনাম: যে কারনগুলো ক্রেতাগণকে বাংলাদেশে বাংক নির্বাচন করতে প্রভাবিত করে সেগুলি বিশ্লেষণ ।

অনুগ্রহপূর্বক নিচের বাক্যগুলি পড়ুন এবং বক্সে টিক চিহ্ন প্রদান করে নির্বাচন করুন।

I	আমি নিশ্চিত করছি যে উপরিউল্লেখিত গবেষণায় জন্য ..../০৪/২০১৬ তারিখের তথ্যপত্রটি আমি পড়েছি ও বুঝতে পেরেছি। আমার তথ্যগুলি বিবেচনা ও প্রশ্ন জিজ্ঞাসা করার সুযোগ হয়েছিল এবং আমি সন্তুটীর সাথে প্রশ্নগুলির উত্তর প্রদান করেছি।	
II	আমি বুঝতে পেরেছি যে, আমার অংশগ্রহন সম্পূর্ণ ঐচ্ছিক এবং যেকোন সময়ে কোন কারন ছাড়াই আমার অংশগ্রহণ তুলে নেওয়ার পূর্ন স্বাধিনতা রয়েছে ।	
III	আমি বুঝতে পেরেছি যে, আমার প্রদত্ত তথ্যগুলি গবেষণাদল কর্তৃক ভবিষ্যতে বিভিন্ন প্রতিবেদন, অনুচ্ছেদ বা উপস্থাপনায় ব্যবহার হতে পারে।	
IV	আমি বুঝতে পেরেছি যে, প্রতিবেদন, অনুচ্ছেদ বা কোন উপস্থাপনায় আমার নাম প্রকাশ করা হবে না।	
V	উপরিউল্লেখিত গবেষণাকার্যে আমি অংশ গ্রহণ করতে ইচ্ছুক।	

পৃষ্ঠা নং- ২

প্রশ্নমালা

আপনার যদি কোন ব্যাংক হিসাব না থাকে, তাহলে প্রশ্ন নং ১০-এ যান।

১. আপনি কতদিন যাবৎ আপনার প্রধান ব্যাংকের সাথে লেনদেন করছেন? (অর্থাৎ, যে ব্যাংকের সাথে আপনি বেশি জড়িত)
অনুগ্রহপূর্ব আনুমানিক বছর প্রদান করুন------------- ।

২. আপনার প্রধান ব্যাংকের মালিকানার ধরণ কি? (অনুগ্রহপূর্বক চিহ্নিত করুন)

সরকারী	দেশি বেসরকারী (ইসলামিক নয়)	দেশি বেসরকারী (ইসলামিক)	বিদেশি বেসরকারী (ইসলামিক)	বিদেশি বেসরকারী (ইসলামিক নয়)	জানি না

৩. ব্যাংকে যাওয়ার জন্য আপনি কোন ধরণের যানবাহন ব্যবহার করেন? (অনুগ্রহপূর্বক চিহ্নিত করুন)

হেঁটে	বাই সাইকেল	রিকশা	মোটর সাইকেল	ব্যক্তিগত গাড়ি	সাধারণ যানবাহন

৪. ব্যাংকে পৌঁছাতে আপনার কত সময় লাগে? (অনুগ্রহপূর্বক চিহ্নিত করুন)

২০ মিনিটের কম	২০-৪০ মিনিট	৪০-৬০ মিনিট	এক ঘণ্টার বেশি

৫. আপনি আপনার প্রধান ব্যাংকে কি পরিমানে যান? (অনুগ্রহপূর্বক চিহ্নিত করুন)

প্রতিদিন	সপ্তাহে দুই/তিন বার	সপ্তাহে এক বার	সপ্তাহে এক বারের কম	দুই সপ্তাহে এক বার	মাসে এক বার

৬. আপনার প্রধান ব্যাংকের কোন সেবা বা পন্য টি আপনি ব্যবহার করেন? (অনুগ্রহপূর্বক চিহ্নিত করুন)

চলতি হিসাব	সঞ্চয়ী হিসাব	ক্রেডিট কার্ড	অর্থ স্থানান্তর	বেতন হিসাব	জমাতিরিক্ত ঋণ	ঋণ	বিল প্রদান সেবা	অন্যান্য(অনুগ্রহপূর্বক নিদৃষ্ট করুন...)

৭. আপনি যদি বহুব্যাংক বা দ্বিতীয় কোন ব্যাংক ব্যবহার করে থাকেন তাহলে আপনার দ্বিতীয় ব্যাংক থেকে কোন সেবা বা পন্য ব্যবহার করেন? (অনুগ্রহপূর্বক চিহ্নিত করুন)

চলতি হিসাব	সঞ্চয়ী হিসাব	ক্রেডিট কার্ড	অর্থ স্থানান্তর	বেতন হিসাব	জমাতিরিক্ত ঋণ	ঋণ	বিল প্রদান সেবা	অন্যান্য(অনুগ্রহপূর্বক নিদৃষ্ট করুন...)

৮. ব্যাংকের সেবা গ্রহণের ক্ষেত্রে আপনি কোন পদ্ধতি ব্যবহার করেন? (অনুগ্রহপূর্বক চিহ্নিত করুন)

শাখা পরিদর্শন করেন	প্রতিনিধি পাঠান	মোবাইল বা টেলিফোন	ইন্টারনেট ব্যাংকিং

৯. কতটি ব্যাংকের সাথে আপনার ব্যাংকিং সম্পর্ক আছে, (অনুগ্রহপূর্বক নম্বর প্রদান করুন)...................... ।

১০. আপনি যদি আপনার ব্যাংক পরিবর্তন করতে চান বা নিকট ভবিষ্যতে দ্বিতীয় কোন ব্যাংকের সেবা গ্রহন করতে চান তাহলে নিচের বিষয়গুলি কিভাবে বিবেচনা করবেন? (অনুগ্রহ পূর্বক অপেক্ষিক গুরুত্বের বিচারে নিম্নের সংখ্যাগুলোকে নির্বাচন করুন) ।

১= গুরুত্বপূর্ণ নয় ➜ ৭= খুব গুরুত্বপূর্ণ	১	২	৩	৪	৫	৬	৭
আমানত/বিনিয়োগের উপর বেশি লাভ বা সুদ							
ঋণ বা অগ্রীমের উপর কম সুদের হার							
কম চার্জ বা ফিস							
খরচহীন আন্তঃ শাখা ব্যাংকিং							
খরচহীন আন্তঃব্যাংক ব্যাংকিং							
খরচের স্বচ্ছতা							

১= গুরুত্বপূর্ণ নয় → ৭= খুব গুরুত্বপূর্ণ	১	২	৩	৪	৫	৬	৭
লাভ-ক্ষতি ভাগাভাগি প্রকল্প							
খরচহীন হিসাব ও কোন নূন্যতম আমানতের প্রয়োজন নাই							
নিষ্পত্তির খরচ অপসারন							
চলতি হিসাবের জেরের উপর লাভ বা মুনাফা							
সুদ মুক্ত ঋণ ও সঞ্চয়ের সুবিধা							
সেবায় নির্ভুলতা							
বিশ্বাসযোগ্যতা							
দ্রুততর সেবা							
বন্ধুভাবাপন্ন এবং ভদ্র কর্মকর্তা							
কর্মচারীদের দক্ষতা							
দেখতে আধুনিক							
চমৎকার ভেতরের পরিবেশ							
বসার জন্য পর্যাপ্ত জায়গা							
কাউন্টারের বিভাজন							
গাড়ি রাখার সুবিধাসহ পর্যাপ্ত নিরাপত্তা							
সহজসাধ্য অর্থনৈতিক সুবিধা যেমন জামানতছাড়া ঋণ, ক্রেডিট কার্ড, সুবিধাজনক পরিশোধের ব্যবস্থা							
সহজে হিসাব খোলার সুবিধা							
বিভিন্ন সামাজিক, পরিবেশগত ও নীতিগত বিষয়ে ব্যাংকের গুরুত্বপূর্ণ আবদান							
সকল গ্রাহকদের সাথে সমান ব্যবহার							
সহজ প্রবেশাধিকার							
সুবিধাজনক অবস্থান							
বৃহৎ এবং পর্যাপ্ত এ.টি.এম এর সুবিধা ও নিরাপত্তা							
দেশব্যাপি বিস্তৃত শাখা ও পর্যাপ্ত নিরাপত্তা							
বৈশ্বিক উপস্থিতি							
বাজারে দীর্ঘদিনের উপস্থিতি							
ব্যাংকের সুনাম							
প্রযুক্তির অভিযোজন							
বর্ধিত কর্মঘন্টা ও সাপ্তাহিক বন্ধের দিনেও খোলা থাকে							
সম্পত্তি ক্রয়ের ক্ষেত্রে মধ্যস্থতাকারী হিসাবে কাজ করে।							
ব্যাংক সুদ মুক্ত নীতি মেনে চলে							
রাজনৈতিক হস্তক্ষেপ মুক্ত							
পরিবারের সদস্য, বন্ধু বা আত্নীয়দের দ্বারা সুপারিশপ্রাপ্ত							
চাকুরিদাতা/শিক্ষা প্রতিষ্ঠান দ্বারা সুপারিশপ্রাপ্ত							
বিভিন্ন গণমাধ্যমের মন্তব্য ও পর্যালোচনা							
ব্যাংকের সাথে পূর্বের ভাল অভিজ্ঞতা							

পৃষ্ঠা নং- ৪

১= গুরুত্বপূর্ণ নয় ➔ ৭= খুব গুরুত্বপূর্ণ	১	২	৩	8	৫	৬	৭
ব্যাংকে কোন পরিচিত ব্যক্তির উপস্থিতির জন্য							
কোন সেবা ব্যর্থ হলে দ্রুত উদ্ধারের সুবিধা							

আপনার যদি কোন ব্যাংক হিসাব না থাকে, তাহলে প্রশ্ন নং ১২-এ যান।

১১. আপনি যদি বর্তমানে কোন ব্যাংকের সাথে সংযুক্ত থাকেন, তাহলে নিম্নের বিষয়গুলি কিভাবে বিবেচনা করবেন? (১= খুব কম, ৭= খুব বেশি)

১= খুব কম, ৭= খুব বেশি	১	২	৩	8	৫	৬	৭
বর্তমান ব্যাংক সম্পর্কে অন্যদের কাছে ইতিবাচক বলব।							
ভবিষ্যতে সেবা গ্রহণের ক্ষেত্রে আপনার বর্তমান ব্যাংকটিকে প্রথম পছন্দ মনে করব।							
অপেক্ষাকৃত বেশি মূল্য প্রদান করে বর্তমান ব্যাংক দ্বারা প্রাপ্ত সুযোগ সুবিধা গ্রহন করব।							
বর্তমানে ব্যাংকের সাথে লেনদেনে যদি কোন সমস্যা হয়, তাহলে অন্য ব্যাংকে চলে যাব।							

১২. আপনার যদি কোন ব্যাংকে হিসাব না থাকে, তাহলে নিম্নের বিষয়গুলি কিভাবে বিবেচনা করবেন? (১= খুব কম, ৭= খুব বেশি)

১= খুব কম, ৭= খুব বেশি	১	২	৩	8	৫	৬	৭
যে কোন ব্যাংকের পণ্য ক্রয় বা সেবা গ্রহন করব							
বন্ধু বা পরিবারের কারও কাছ থেকে সাহায্য গ্রহণ করব।							
মহাজনদের কাছ থেকে ঋণ করব।							
ক্ষুদ্রঋণ প্রদানকারী প্রতিষ্ঠান (ব্রাক, আশা, গ্রামীণ ব্যাংক) থেকে পন্য ক্রয় বা সেবা গ্রহন করব।							

১৩. অনুগ্রহপূর্বক বাজারে বিদ্যমান বিভিন্ন ব্যাংকের পণ্য বা সেবা সমূহের সাদৃশ্য অথবা বৈসাদৃশ্য বিচার করুণ। (১ দ্বারা বেশি সাদৃশ্য বোঝায় এবং ৭ দ্বারা বেশি বৈসাদৃশ্য বোঝায়)

১= বেশি সাদৃশ্য ➔ ৭=বেশি বৈসাদৃশ্য	১	২	৩	8	৫	৬	৭
আমানত/বিনিয়োগের উপর লাভ বা সুদ							
ঋণ বা অগ্রীমের উপর সুদের হার							
চার্জ বা ফিস							
আন্তঃ শাখা ব্যাংকিং খরচ							
আন্তঃব্যাংক ব্যাংকিং খরচ							
খরচের স্বচ্ছতা							
লাভ-ক্ষতি ভাগাভাগি প্রকল্প							
খরচহীন হিসাব ও কোন নূন্যতম আমানতের প্রয়োজন নাই							
নিষ্পত্তির খরচ							
চলতি হিসাবের জেরের উপর লাভ বা মুনাফা							
সুদ মুক্ত ঋণ ও সঞ্চয়ের সুবিধা							
সেবায় নির্ভুলতা							
বিশ্বাসযোগ্যতা							
দ্রুততর সেবা							
বন্ধুভাবাপন্ন এবং ভদ্র কর্মকর্তা							
কর্মচারীদের দক্ষতা							
আধুনিক যন্ত্রপাতি							
চমৎকার ভেতরের পরিবেশ							
বসার জন্য পর্যাপ্ত জায়গা							

১= বেশি সাদৃশ্য → ৭=বেশি বৈসাদৃশ্য	১	২	৩	৪	৫	৬	৭
কাউন্টারের বিভাজন							
গাড়ি রাখার সুবিধাসহ পর্যাপ্ত নিরাপত্তা							
সহজসাধ্য অর্থনৈতিক সুবিধা যেমন জামানতছাড়া ঋণ, ক্রেডিট কার্ড, সুবিধাজনক পরিশোধের ব্যবস্থা							
সহজে হিসাব খোলার সুবিধা							
বিভিন্ন সামাজিক, পরিবেশগত ও নীতিগত বিষয়ে ব্যাংকের গুরুত্বপূর্ণ আবদান							
সকল গ্রাহকদের সাথে সমান ব্যবহার							
সহজ প্রবেশাধিকার							
সুবিধাজনক অবস্থান							
বৃহৎ এবং পর্যাপ্ত এ.টি.এম এর সুবিধা ও নিরাপত্তা							
দেশব্যাপি বিস্তৃত শাখা ও পর্যাপ্ত নিরাপত্তা							
বৈশ্বিক উপস্থিতি							
বাজারে দীর্ঘদিনের উপস্থিতি							
ব্যাংকের সুনাম							
প্রযুক্তির অভিযোজন							
বর্ধিত কর্মঘন্টা ও সাপ্তাহিক বন্ধের দিনেও খোলা থাকে							
সম্পত্তি ক্রয়ের ক্ষেত্রে মধ্যস্থতাকারী হিসাবে কাজ করে।							
ব্যাংক সুদ মুক্ত নীতি মেনে চলে							
রাজনৈতিক হস্তক্ষেপ মুক্ত							
কোন সেবা ব্যর্থ হলে দ্রুত উদ্ধারের সুবিধা							

১৪. লিঙ্গ: (অনুগ্রহপূর্বক নির্বাচন করুন) পুরুষ............ / মহিলা.............. ।

১৫. আপনার শিক্ষাগত যোগ্যতা (অনুগ্রহপূর্বক নির্বাচন করুন)

কোন প্রাতিষ্ঠানিক শিক্ষা নাই	এস.এস.সি/ ও লেভেল	এইচ.এস.সি/এ লেভেল	স্নাতক	স্নাতোকত্তর

১৬. বৈবাহিক অবস্থা (অনুগ্রহপূর্বক নির্বাচন করুন)।
    বিবাহিত---------- অবিবাহিত--------------- অন্যান্য------------- ।

১৭. পেশা (অনুগ্রহপূর্বক নির্বাচন করুন)।

আত্মনিযুক্ত	বেসরকারী	সরকারী	আধা-সরকারী	মজুর	ছাত্র	বেকার	অন্যান্য

১৮. এ প্রশ্নাবলী সম্পর্কে কোন মতামত থাকলে স্বানন্দে গ্রহণ করা হবে।

....
....

আপনার মূল্যবান সময় দেওয়ার জন্য ধন্যবাদ ।

Appendix 4.2: Research Participant Information and Consent form, and questionnaire (English Version)
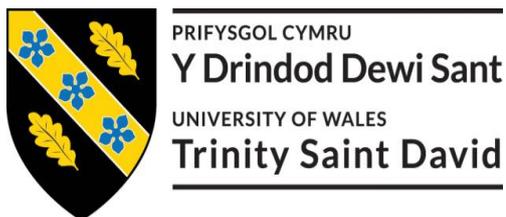
<u>PARTICIPATION INFORMATION FORM</u>

DATE: ……./ …./ ……

DEAR PARTICIPANT

My name is Mihir Kumar Das. I am studying for a DBA (Doctors of Business Administration) in the School of Business of the University of Wales Trinity Saint David, UK. I would like to invite you to participate in my research project titled '***An analysis of the factors influencing customers' bank selection in Bangladesh'***.
This involves responding to a questionnaire which will assess your responses for identifying and evaluating the factors influencing customer bank selection in Bangladesh. Your contribution would be greatly valued. All answers will be kept strictly confidential.

If you are interested in a copy of the results, please contact me using the details provided below.

I thank you in advance for your time and participation. If any questions do arise, feel free to contact me at your convenience.

MIHIR KUMAR DAS
UNIVERSITY OF WALES TRINITY SAINT DAVID (LONDON CAMPUS)
WINCESTER HOUSE
11 CRANMER ROAD, LONDON
SW9 6EJ
TEL: +442075667600
Email:<1303965@student.uwtsd.ac.uk>
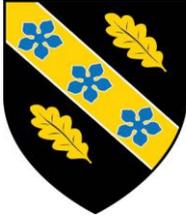
PARTICIPATION CONSENT FORM

PARTICIPATION IDENTIFICATION NUMBER

DATE:………/…. /………..

Project title: ***An analysis of the factors influencing customers' bank selection in Bangladesh'***

PLEASE READ THE FOLLING STATEMENTS CAREFULLY AND TICK THE BOXES

I.   I confirm that I have read and understand the information sheet dated **………/…./……..** for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

II.   I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.

III.   I understand that any information given by me may be used in future reports, articles or presentations by the research team.

IV.   I understand that my name will not appear in any reports, articles or presentations.

V.   I agree to take part in the above study.

Questionnaire

Q1. How long have you doing banking with your main bank (i.e. where you are more involved)?

Please insert number of years._____ years (approximately)

Q2. What is the ownership status of your main bank? (Please tick as appropriate)

State ownership	Domestic private (non-Islamic)	Domestic private (Islamic)	Foreign private (Islamic)	Foreign private (Non-Islamic)	Don't know

Q3. What modes of transport you mostly use to reach in your bank? (Please tick as appropriate)

On walk	By cycle	Rickshaw	Motor bikes	Private car	Public transport

Q4. How long it normally takes to reach your bank (Please tick as appropriate)

Less than 20 minutes.	20-40 minutes	40-60 minutes	More than 1 hour

Q5: How often you go to your main bank? (Please tick as appropriate)

Daily	2/3 x a week	1 x a week	Less than once in a week	Once in every two weeks	Once in a month

Q6. Which of the main product or service do you currently use from your main bank? (Please tick the most appropriate one)

Current account	Saving account	Credit card	Money transfer	Salary account	Over draft	Loan	Bill payment services	Others (please specify

Q7. If you have a multiple or second bank, which of the following products or services you are using from your second or third bank? (Please tick all that apply)

Current account	Saving account	Credit card	Money transfer	Salary account	Over draft	Loan	Bill payment services	Others (please specify

Q8. Which of the following methods you mostly use to conduct banking activities? (Please tick all that apply)

Visit the branch in person	Sending representative	Mobile/telephone banking	Internet banking

Q9. How many banks do you have account with?   (Please insert number): _____

Q10. If you are going to select your bank in very near future or change your main bank to any new or secondary bank, how important or unimportant would be the following criteria to you?

(*Please rank by importance by ticking the appropriate number from 1 = not important to 7 = very important*)

1= not important → 7= very important	1	2	3	4	5	6	7
Higher profit/interest/return on saving /investment/deposit							
Lower rate of interest on loan/advance							
Lower commissions and fees							
Charge free inter-branch banking							
Charge free intra-bank banking							
Transparency in charging							
Profit-loss sharing scheme							
Charge free account with no minimum deposit							
Removal of settlement fee							
Paying profit or interest on balance of current account							
Interest free loan and saving opportunities							
Accuracy in service							
Confidentiality							
Speedy service							
Friendly and polite staff							
Employee expertise							
Modern looking equipment							
Appealing internal environment							
Enough sitting space							
Counter partition							
Parking facilities with enough security							
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system							

1= not important → 7= very important	1	2	3	4	5	6	7
Easy opening of bank account							
The banks offers a strong contribution to different social, environmental and ethical issues							
Equal treatment of customers from the bank							
Easy access							
Convenient location							
Having large ATM network with enough security							
Having nationwide branch network with enough security							
Having global presence							
Long term existence in the market							
Bank reputation							
Technology orientation							
Extended and weekend operating hours							
Working as intermediary in purchasing property							
Banks run through the principle of 'prohibition of interest'							
Free from political intervention							
Recommendation by family members, friends and relatives							
Recommendation by employer							
Comments and review available in different media							
Previous good experience and trust with the bank							
Existence of a known person in a bank							
Quick service recovery in case of service failure							

If you do not currently have a bank account, please go to Q12

Q11. If you are a current bank customer, how likely are you to do the following?
(*Please rank from 1 = Very unlikely to 7 = very likely)*

1= very unlikely→ 7= very likely	1	2	3	4	5	6	7
Say positive things about your current bank to other people							
Consider your current bank as the first choice for the future use of banking services?							
Pay a higher price than competitors charge for the benefits you currently receive from your bank							
To switch to a competitor if you experience a problem with your bank							

Q12. If you currently do not have a bank account, how likely are you to do the following? (*Please rank from 1 = Very unlikely to 7 = very likely*)

1= very unlikely→ 7= very likely	1	2	3	4	5	6	7
Open an account or use the services of any banks							
Get financial assistance from family and friends							
Use the services of money lenders							
Use the services of micro credit/finance providing organisations (i.e. BRAC, Grameen Bank ASA etc.)							

Q13: Please indicate the extent to which you believe that different banks in the markets dissimilar in the following criteria. (Please rank from *1 = less dissimilar to 7 = very dissimilar)*

1 = less dissimilar to 7 = high dissimilar	1	2	3	4	5	6	7
Profit/interest/return on saving /investment/deposit							
Rate of interest on loan/advance							
Commissions and fees							
Inter-branch banking charge/fee							
Intra-bank banking charge/fee							
Transparency in charging							
Profit-loss sharing scheme							
Charge free account with no minimum deposit							
No settlement fee							
Profit or interest on balance of current account							
Interest free loan and saving opportunities							
Accuracy in service							
Confidentiality							
Speedy service							
Friendly and polite staff							
Employee expertise							
Modern looking equipment							
Appealing internal environment							
Enough sitting space							
Counter partition							
Parking facilities with enough security							
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system							
Easy opening of bank account							
Strong contribution to different social, environmental and ethical issues							
Equal treatment from the bank							
Easy access							
Convenient location							
Large ATM network with enough security							

1 = very similar to 7 = very dissimilar	1	2	3	4	5	6	7
Nationwide branch network with enough security							
Global presence							
Long term existence in the market							
Bank reputation							
Technology orientation							
Extended and weekend operating hours							
Working as intermediary in purchasing property							
Banks run through the principle of 'prohibition of interest'							
Free from political intervention							
Quick service recovery in case of service failure							

Q 14.Gender: (*Please tick*) Male _____   Female _____

Q15.Your highest level of education (*Please tick)*

No formal education	SSC/O-level	HSC/A-level	Undergraduate	Postgraduate

Q 16.Your marital status (*Please tick)*

Married _____   Single _____   Other _____

Q17. Your occupation (*Please tick)*

Self employed	Private sector	Public sector	semi-public	Wage earners	Student	Unemployed	other

Q18. Any further comments regarding the questionnaire are highly appreciated…………………………………………………………………………………………
……………………………………………………………………………………………..

THANK YOU VERY MUCH FOR YOUR VALUABLE TIME

Appendix 4.3: The list of Thana in Dhaka City Corporation

S.N.	Name of thanas	Eight randomly selected thanas
1	Jattra Bari	
2	Mirpur Model	
3	Darus-Salam	
4	Hazaribag	
5	Banani	
6	Dokkhin Khan	
7	Rupnagor	
8	Sha-Ali	1. Uttra
9	Kotoyali	2. Mirpur
10	Lalbag	3. Mohammadpur
11	Uttra Poshchim	4. Gulshan
12	VasanTek	5. Ramna
13	Badda	6. Kamringerchar
14	Airport	7. Gandaria
15	Khilgao	8. Demra
16	Gulshan	
17	Khilkhet	
18	Shazan Pur	
19	Mohammadpur	
20	Kamringerchar	
21	Tejgao	
22	Adabar	
23	Chackbazar	
24	Kalabagan	
25	Dhanmondi	
26	Motighil	
27	Sher-e-bangla Nagar	
28	Kafrul	
29	Pallobi	
30	Kadomtoli	
31	Sobuzbag	
32	New Market	
33	Tejgao Industrial	
34	Demra	
35	Mugda	
36	Shahabaz	
37	Gandaria	
38	Shampur	
39	Paltom Model	
40	Rampura	
41	Vatara	
42	Sutropur	
43	Wori	
44	Uttra Model	
45	Uttar Khan	
46	Ramna	
47	Turag	
48	Bangshal	
49	Cantonment	

Appendix 4.4: The list of residential halls of Dhaka University

S.N	Name of the hall	Three randomly selected halls
1	Hazi Muhammed Mohsin Hall	
2	Salimullah Muslim Hall	
3	Fazlul Huq Muslim Hall	
4	A.F. Rahman Hall	
5	Bangamata Sheikh Fazilatunnesa Mujib Hall (F)	
6	Bijoy Ekattar Hall	
7	IBA Hostel	
8	Amar Ekushey Hall	
9	Kobi Sufia Kamal Hall (F)	1.Zahurul Huq Hall (M)
10	Jagannath Hal	2.SurJa Sen Hall (M)
11	Kabi Jasimuddin Hall	3.Kabi Jashim Uddin Hall (M)
12	Shamsunnahar Hall (F)	4. Samsurnahar Hall (F)
13	Muktijoddha Ziaur Rahman Hall	
14	Nawab Faizunnessa Chowdhurani Chatrinibash (F)	
15	Ruqayyah Hall (F)	
16	Bangabandhu Sheikh Mujibur Rahman Hall	
17	Shahnewsaz Hostel	
18	Sir P.J. Hartog International Hall-foreign (for foreign students)	
19	Bangladesh-Kuet Maitree Hall (F)	
20	Surja Sen Hall	
21	Zahurul Huq Hall	
22	Shahidullah Hall	
Note-The halls in red colour have been kept out of population list		

Appendix 4.5: Assessing the nature of distribution or normality test

Factors	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	statistic	df	Sig.	statistic	df	Sig.
Product cost and benefits	.172	373	.000	.923	373	.000
Product features	.215	373	.000	.868	373	.000
Human	.117	373	.000	.940	373	.000
Physical environment	.149	373	.000	.927	373	.000
Social	.147	373	.000	.921	373	.000
Institutional	.165	373	.000	.891	373	.000
Word of mouth	.168	373	.000	.889	373	.000
Previous experience	.188	373	.000	.899	373	.000
a. Lilliefors Significance Correction						

Appendix 5.1: The association between ownership status of main bank and gender (Chi-Square test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.925[a]	4	.750
Likelihood Ratio	1.979	4	.740
Linear-by-Linear Association	.293	1	.588
N of Valid Cases	183		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 3.73.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.103	.750
	Cramer's V	.103	.750
N of Valid Cases		183	

Appendix 5.2: The association between ownership status of main bank and marital status (Chi-square test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.406[a]	4	.171
Likelihood Ratio	6.348	4	.175
Linear-by-Linear Association	1.439	1	.230
N of Valid Cases	182		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 3.75.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.188	.171
	Cramer's V	.188	.171
N of Valid Cases		182	

Appendix 5.3: The association between customer's level of education and ownership status of main bank (Fisher's exact test statistics).

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	42.817[a]	8	.000	.[b]		
Likelihood Ratio	43.844	8	.000	.[b]		
Fisher's Exact Test	37.300			.000		
Linear-by-Linear Association	22.178[c]	1	.000	.000	.000	.000
N of Valid Cases	183					

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .90.

b. Cannot be computed because there is insufficient memory.

c. The standardised statistic is 4.709.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.484	.000	.[c]
	Cramer's V	.342	.000	.[c]
N of Valid Cases		183		

c. Cannot be computed because there is insufficient memory.

Appendix 5.4: The association between customer's employment by sector and ownership status of main bank (Fisher's exact statistics test).

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	25.057[a]	8	.002	.002		
Likelihood Ratio	27.371	8	.001	.001		
Fisher's Exact Test	22.843			.001		
Linear-by-Linear Association	1.670[b]	1	.196	.206	.106	.018
N of Valid Cases	183					

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is 1.26.

b. The standardised statistic is -1.292.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.370	.002	.002
	Cramer's V	.262	.002	.002
N of Valid Cases		183		

Appendix 5.5: The association between main methods of conducting banking and gender

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	27.419[a]	1	.000		
Continuity Correction[b]	25.614	1	.000		
Likelihood Ratio	34.427	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	27.269	1	.000		
N of Valid Cases	183				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 16.94.
b. Computed only for a 2x2 table

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.387	.000
	Cramer's V	.387	.000
N of Valid Cases		183	

Appendix 5.6: The association between method of conducting banking and marital status (Chi-square test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.356[a]	1	.551		
Continuity Correction[b]	.177	1	.674		
Likelihood Ratio	.360	1	.548		
Fisher's Exact Test				.600	.340
Linear-by-Linear Association	.354	1	.552		
N of Valid Cases	182				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 16.69.
b. Computed only for a 2x2 table

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.044	.551
	Cramer's V	.044	.551
N of Valid Cases		182	

Appendix 5.7: The association between main method of banking and level of education (Chi-square test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.807[a]	2	.000
Likelihood Ratio	23.784	2	.000
Linear-by-Linear Association	17.826	1	.000
N of Valid Cases	183		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.10.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.321	.000
	Cramer's V	.321	.000
N of Valid Cases		183	

Appendix 5.8: The main methods of conducting banking activities and employment by sector

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.095[a]	2	.004
Likelihood Ratio	16.641	2	.000
Linear-by-Linear Association	4.473	1	.034
N of Valid Cases	183		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.74.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.246	.004
	Cramer's V	.246	.004
N of Valid Cases		183	

Appendix 5.9: The association between frequencies of going to bank by gender (Fisher's exact statistics test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9.737[a]	5	.083	.067		
Likelihood Ratio	10.462	5	.063	.071		
Fisher's Exact Test	9.778			.056		
Linear-by-Linear Association	6.006[b]	1	.014	.015	.008	.002
N of Valid Cases	183					

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .34.
b. The standardised statistic is 2.451.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.231	.083	.067
	Cramer's V	.231	.083	.067
N of Valid Cases		183		

Appendix 5.10: The association between frequency of going bank and marital status (Fisher's exact test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7.468[a]	5	.188	.171		
Likelihood Ratio	7.829	5	.166	.198		
Fisher's Exact Test	7.719			.138		
Linear-by-Linear Association	2.928[b]	1	.087	.089	.049	.009
N of Valid Cases	182					

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .34.

b. The standardised statistic is -1.711.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.203	.188	.171
	Cramer's V	.203	.188	.171
N of Valid Cases		182		

Appendix 5.11: The association between frequency of going bank and level of education (Fisher's exact test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10.474[a]	10	.400	.374		
Likelihood Ratio	10.083	10	.433	.448		
Fisher's Exact Test	10.460			.388		
Linear-by-Linear Association	.846[b]	1	.358	.370	.190	.019
N of Valid Cases	183					

a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .08.
b. The standardised statistic is -.920.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.239	.400	.374
	Cramer's V	.169	.400	.374
N of Valid Cases		183		

Appendix 5.12: The association between frequency of going bank and employment (Fisher's exact test)

Chi-square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8.602[a]	10	.570	.534		
Likelihood Ratio	9.584	10	.478	.457		
Fisher's Exact Test	8.252			.615		
Linear-by-Linear Association	3.243[b]	1	.072	.075	.037	.005
N of Valid Cases	183					

a. 12 cells (66.7%) have expected count less than 5. The minimum expected count is .11.
b. The standardised statistic is 1.801.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.217	.570	.534
	Cramer's V	.153	.570	.534
N of Valid Cases		183		

Appendix 5.13: The association between customers' multiple banking and gender (Chi-square test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.234[a]	2	.016
Likelihood Ratio	10.472	2	.005
Linear-by-Linear Association	6.028	1	.014
N of Valid Cases	183		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.44.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.212	.016
	Cramer's V	.212	.016
N of Valid Cases		183	

Appendix 5.14: The association between customers' multiple banking behaviour and marital status

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.927[a]	2	.629
Likelihood Ratio	.947	2	.623
Linear-by-Linear Association	.016	1	.899
N of Valid Cases	182		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.13.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.071	.629
	Cramer's V	.071	.629
N of Valid Cases		182	

Appendix 5.15: The association between multiple banking and education (The Fisher's exact test)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	3.958[a]	4	.412	.414		
Likelihood Ratio	5.400	4	.249	.313		
Fisher's Exact Test	3.373			.486		
Linear-by-Linear Association	1.987[b]	1	.159	.171	.098	.034
N of Valid Cases	183					

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is 1.56.

b. The standardised statistic is 1.410.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.147	.412	.414
	Cramer's V	.104	.412	.414
N of Valid Cases		183		

Appendix 5.16: The association between customers' multiple banking behaviour and employment (Fisher's exact test)

Chi-square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10.966[a]	4	.027	.027		
Likelihood Ratio	11.414	4	.022	.032		
Fisher's Exact Test	9.668			.032		
Linear-by-Linear Association	2.771[b]	1	.096	.109	.060	.021
N of Valid Cases	183					

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is 2.18.
b. The standardised statistic is -1.665.

Symmetric Measures

		Value	Approx. Sig.	Exact Sig.
Nominal by Nominal	Phi	.245	.027	.027
	Cramer's V	.173	.027	.027
N of Valid Cases		183		

Appendix 5.17: The calculation of determinacy of bank selection criteria as a whole (or combined sample)

Items	Average importance and rank*	Average similarity/ dissimilarity	Mean score (average importance*average similarity/dissimilarly)	Rank
Profit/interest/return on saving /investment/deposit	5.76 (30)	2.5174	14.50022	10
Rate of interest on loan/advance	5.77 (29)	2.4477	14.12323	11
Commissions and fees	5.83 (26)	2.2306	13.0044	14
Inter-branch banking charge/fee	5.78 (28)	3.0456	17.60357	7
Intra-bank banking charge/fee	5.85 (24)	3.4155	19.98068	1
Transparency in charging	5.62 (33)	1.6113	9.055506	29
Profit-loss sharing scheme	5.45 (38)	2.3646	12.88707	15
Charge free account with no minimum deposit	5.71 (31)	1.5791	9.016661	30
No settlement fee	5.61 (34)	1.6354	9.174594	27
Profit or interest on balance of current account	5.6 (35)	1.0831	6.06536	38
Interest free loan and saving opportunities	5.48 (37)	3.067	16.80716	8
Accuracy in service	5.94 (18)	1.0751	6.386094	35
Confidentiality	6.05 (3)	2.0214	12.22947	20
Speedy service	6.01 (5)	2.0483	12.31028	17
Friendly and polite staff	6.04 (4)	2.0322	12.27449	18
Employee expertise	6 (7)	1.9839	11.9034	24
Modern looking equipment	6 (9)	2.0429	12.2574	19
Appealing internal environment	6 (8)	1.9196	11.5176	26
Enough sitting space	5.99 (14)	1.5282	9.153918	28
Counter partition	5.98 (15)	1.9973	11.94385	23
Parking facilities with enough security	6.08 (2)	1.0992	6.683136	33
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	6.01 (5)	3.0402	18.2716	6
Easy opening of bank account	5.91 (19)	2.0027	11.83596	25
Strong contribution to different social, environmental and ethical issues	5.94 (18)	2.059	12.23046	21
Equal treatment from the bank	6 (11)	2.0804	12.4824	16
Easy access	5.8 (27)	1.0858	6.29764	37
Convenient location	5.85 (23)	1.0938	6.39873	34
Large ATM network with enough security	6 (13)	3.2949	19.7694	2
Nationwide branch network with enough security	6 (12)	3.17	19.02	4
Global presence	5.65 (32)	2.4155	13.64758	12
Long term existence in the market	5.9 (20)	1.5147	8.93673	31
Bank reputation	5.96 (16)	2.4584	14.65206	9
Technology orientation	6 (10)	3.2145	19.287	3
Extended and weekend operating hours	5.9 (21)	2.0402	12.03718	22
Working as intermediary in purchasing property	5.88 (22)	1.0751	6.321588	36
Banks run through the principle of 'prohibition of interest'	5.57 (36)	2.3861	13.29058	13
Free from political intervention	5.85 (25)	1.1609	6.791265	32
Quick service recovery in case of service failure	6.1 (1)	3.0241	18.44701	5

Figures within bracket indicates rank in terms of average importance

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Appendix 5.18: The calculation of determinacy of bank selection criteria for existing customer

Items	Average importance and rank*	Average similarity/ dissimilarity	Mean score (average importance*average similarity/dissimilarly)	Rank
Profit/interest/return on saving /investment/deposit	5.8962 (9)	2.9126	17.17327	11
Rate of interest on loan/advance	5.8852 (10)	2.0546	12.09173	24
Commissions and fees	5.9508 (5)	2.1202	12.61689	22
Inter-branch banking charge/fee	5.8361 (16)	2.9344	17.12545	12
Intra-bank banking charge/fee	5.9781 (4)	3.5574	21.26649	1
Transparency in charging	5.776 (24)	2.0874	12.05682	25
Profit-loss sharing scheme	5.5082 (35)	2.7869	15.3508	21
Charge free account with no minimum deposit	5.7049 (29)	2.0656	11.78404	27
No settlement fee	5.7596 (26)	2.1858	12.58933	23
Profit or interest on balance of current account	5.7377 (27)	1.0601	6.082536	37
Interest free loan and saving opportunities	5.5137 (36)	3.0219	16.66185	16
Accuracy in service	5.6667 (33)	1.0601	6.007269	38
Confidentiality	5.8415 (17)	2.9399	17.17343	10
Speedy service	5.7869 (22)	2.9781	17.23397	9
Friendly and polite staff	5.7869 (23)	3.0164	17.45561	6
Employee expertise	5.694 (31)	2.9016	16.52171	17
Modern looking equipment	5.6885 (32)	2.0656	11.75017	28
Appealing internal environment	5.7322 (28)	1.8743	10.74386	30
Enough sitting space	5.8033 (21)	1.9781	11.47951	29
Counter partition	5.8689 (13)	2.9126	17.09376	13
Parking facilities with enough security	5.9126 (8)	1.0984	6.4944	31
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	5.8251 (19)	2.9235	17.02968	14
Easy opening of bank account	5.6339 (34)	2.9235	16.47071	18
Strong contribution to different social, environmental and ethical issues	5.7049 (30)	2.071	11.81485	26
Equal treatment from the bank	5.765 (25)	2.918	16.82227	15
Easy access	5.8142 (20)	1.0546	6.131655	36
Convenient location	5.8634 (14)	1.0765	6.31195	33
Large ATM network with enough security	6.0601 (1)	3.1858	19.30627	2
Nationwide branch network with enough security	6.0273 (2)	3.0383	18.31275	4
Global presence	5.4098 (37)	2.918	15.7858	19
Long term existence in the market	5.9344 (6)	1.0874	6.453067	32
Bank reputation	5.9891 (3)	2.9454	17.6403	5
Technology orientation	5.9235 (7)	3.0929	18.32079	3
Extended and weekend operating hours	5.8798 (12)	2.9399	17.28602	8
Working as intermediary in purchasing property	5.8525 (15)	1.0546	6.172047	34
Banks run through the principle of 'prohibition of interest'	5.3716 (38)	2.9235	15.70387	20
Free from political intervention	5.8251 (18)	1.0546	6.14315	35
Quick service recovery in case of service failure	5.8852 (11)	2.9454	17.33427	7

Figures within bracket indicates rank in terms of average importance

Appendix 5.19: The calculation of determinacy of bank selection criteria for potential customer

Items	Average importance and rank *	Average similarity/ dissimilarity	Mean score (average importance*average similarity/dissimilarly)	Rank
Profit/interest/return on saving /investment/deposit	5.6368 (33)	2.1368	12.04471	14
Rate of interest on loan/advance	5.6684 (32)	2.8263	16.0206	9
Commissions and fees	5.7263 (31)	2.3368	13.38122	10
Inter-branch banking charge/fee	5.7421 (29)	3.1526	18.10254	7
Intra-bank banking charge/fee	5.7421 (28)	3.2789	18.82777	6
Transparency in charging	5.4737 (36)	1.1526	6.308987	36
Profit-loss sharing scheme	5.4053 (38)	1.9579	10.58304	19
Charge free account with no minimum deposit	5.7316 (30)	1.1105	6.364942	35
No settlement fee	5.4842 (34)	1.1053	6.061686	37
Profit or interest on balance of current account	5.4789 (35)	1.1053	6.055828	38
Interest free loan and saving opportunities	5.4632 (37)	3.1105	16.99328	8
Accuracy in service	6.2105 (10)	1.0895	6.76634	30
Confidentiality	6.2632 (6)	1.1368	7.120006	23
Speedy service	6.2421 (8)	1.1526	7.194644	22
Friendly and polite staff	6.3 (3)	1.0842	6.83046	28
Employee expertise	6.2947 (4)	1.1	6.92417	25
Modern looking equipment	6.3053(2)	2.0211	12.74364	11
Appealing internal environment	6.2684(5)	1.9632	12.30612	13
Enough sitting space	6.1789 (14)	1.0947	6.764042	31
Counter partition	6.1053 (15)	1.1158	6.812294	29
Parking facilities with enough security	6.2579 (7)	1.1	6.88369	27
Easy availability of financial assistance such as loan without collateral , credit card, flexible repayment system	6.2 (11)	3.1526	19.54612	5
Easy opening of bank account	6.1789 (12)	1.1158	6.894417	26
Strong contribution to different social, environmental and ethical issues	6.1789 (13)	2.0474	12.65068	12
Equal treatment from the bank	6.2316 (9)	1.2737	7.937189	20
Easy access	5.8 (26)	1.1158	6.47164	33
Convenient location	5.8421 (25)	1.1105	6.487652	32
Large ATM network with enough security	5.9579 (18)	3.4	20.25686	1
Nationwide branch network with enough security	6.0684 (17)	3.31	20.0864	3
Global presence	5.9 (22)	1.9316	11.39644	16
Long term existence in the market	5.8684 (24)	1.9263	11.3043	17
Bank reputation	5.9368 (19)	1.9895	11.81126	15
Technology orientation	6.0789 (16)	3.3316	20.25246	2
Extended and weekend operating hours	5.9263 (20)	1.1737	6.955698	24
Working as intermediary in purchasing property	5.9211 (21)	1.09	6.453999	34
Banks run through the principle of 'prohibition of interest'	5.7737 (27)	1.8684	10.78758	18
Free from political intervention	5.8842 (23)	1.2632	7.432921	21
Quick service recovery in case of service failure	6.3263 (1)	3.1	19.61153	4

Figures within bracket indicates rank in terms of average importance

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Appendix 5.20: Factor analysis of different factors for existing customers

Factors	Underlined Items	Loading	KMO values*	% of variance explained	Nr. of factors extracted
Product cost and benefits	Higher profit/interest/return on saving /investment/deposit	.768	.812 (.000)	56.587	1
	Lower rate of interest on loan/advance	.803			
	Lower commissions and fees	.700			
	Charge free inter-branch banking	.753			
	Charge free intra-bank banking	.733			
Product features	Transparency in charging	.662	.884 (.000)	58.254	1
	Profit-loss sharing scheme	.383			
	Charge free account with no minimum deposit	.668			
	Removal of settlement fee	.677			
	Paying profit or interest on balance of current account	.711			
	Interest free loan and saving opportunities	.395			
Human	Accuracy in service	.528	.793 (.000)	47.351	1
	Confidentiality	.364			
	Speedy service	.414			
	Friendly and polite staff	.514			
	Employee expertise	.548			
Physical environment	Modern looking equipment	.681	.873 (.000)	66.942	1
	Appealing internal environment	.666			
	Enough sitting space	.635			
	Counter partition	.673			
	Parking facilities with enough security	.692			
Social	Easy availability of financial assistance	.630	.802 (.000)	66.533	1
	Easy opening of bank account	.722			
	The banks offers a strong contribution to different social, environmental and ethical issues	.653			
	Equal treatment of customers from the bank	.657			
Institutional	Easy access	.624	.948 (.000)	54.184	1
	Convenient location	.552			
	Having large ATM network with enough security	.426			
	Having nationwide branch network with enough security	.397			
	Having global presence	.638			
	Long term existence in the market	.540			
	Bank reputation	.435			
	Technology orientation	.559			
	Extended and weekend operating hours	.606			
	Working as intermediary in purchasing property	.649			
	Banks run through the principle of 'prohibition of interest'	.469			
	Free from political intervention	.607			

Factors	Underlined Items	Loading	KMO values	% of variance explained	Nr. of factors extracted
Word of mouth	Recommendation by family members, friends and relatives	.658	.700 (.000)	70.370	1
	Recommendation by employer	.723			
	Comments and review available in different media	.731			
Previous experience	Previous good experience and trust with the bank	.758	.707 (.000)	72.230	1
	Existence of a known person in a bank	.729			
	Quick service recovery in case of service failure	.680			
*The values within bracket indicate level of significance					

Appendix 5.21: Factor analysis of different factors for potential customers

Factors	Underlies Items	Loading	KMO values*	% of variance explained	Nr. of factors extracted
Product cost and benefits	Higher profit/interest/return on saving /investment/deposit	.470	.766 (.000)	49.023	1
	Lower rate of interest on loan/advance	.519			
	Lower commissions and fees	.375			
	Charge free inter-branch banking	.519			
	Charge free intra-bank banking	.569			
Product features	Transparency in charging	.457	.840 (.000)	45.586	1
	Profit-loss sharing scheme	.464			
	Charge free account with no minimum deposit	.292			
	Removal of settlement fee	.542			
	Paying profit or interest on balance of current account	.498			
	Interest free loan and saving opportunities	.482			
Human	Accuracy in service	.461	.793 (.000)	46.146	1
	Confidentiality	.488			
	Speedy service	.416			
	Friendly and polite staff	.466			
	Employee expertise	.476			
Physical	Modern looking equipment	.510	.797 (.000)	47.526	1
	Appealing internal environment	.533			
	Enough sitting space	.523			
	Counter partition	.354			
	Parking facilities with enough security	.456			
Social	Easy availability of financial assistance	.547	.761 (.000)	57.980	1
	Easy opening of bank account	.566			
	The banks offers a strong contribution to different social, environmental and ethical issues	.673			
	Equal treatment of customers from the bank	.532			
Institutional	Easy access	.432	.946 (.000)	53.955	1
	Convenient location	.497			
	Having large ATM network with enough security	.487			
	Having nationwide branch network with enough security	.496			
	Having global presence	.641			
	Long term existence in the market	.609			
	Bank reputation	.560			
	Technology orientation	.518			
	Extended and weekend operating hours	.538			
	Working as intermediary in purchasing property	.611			
	Banks run through the principle of 'prohibition of interest'	.535			
	Free from political intervention	.549			

Continued

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Factors	Underlies Items	Loading	KMO values	% of variance explained	Nr. of factors extracted
Word of mouth	Recommendation by family members, friends and relatives	.619	.680 (.000)	64.395	1
	Recommendation by employer	.648			
	Comments and review available in different media	.665			
Previous experience	Previous good experience and trust with the bank	.662	.678 (.000)	64.269	1
	Existence of a known person in a bank	.662			
	Quick service recovery in case of service failure	.604			
The values within bracket indicate level of significance					

Appendix 5.22: The result of multicollinearity test for data set of existing customers

Constructs	Item/ Dependent variable	Items/independent variables	Collinearity statistics	
			Tolerance	VIF
Product cost and benefits (PCB)	PCB-1	PCB- 2	.655	1.526
		PCB- 3	.723	1.382
		PCB- 4	.638	1.566
		PCB- 5	.660	1.515
Product features (PF)	PF-1	PF- 2	.738	1.356
		PF- 3	.516	1.937
		PF- 4	.496	2.015
		PF- 5	.461	2.170
		PF- 6	.745	1.342
Human (HU)	HU-1	HU-2	.853	1.173
		HU- 3	.815	1.226
		HU- 4	.773	1.293
		HU- 5	.770	1.298
Physical (PH)	PH-1	PH- 2	.515	1.944
		PH- 3	.556	1.800
		PH- 4	.547	1.827
		PH- 5	.485	2.061
Social (SOC)	SO-1	SO- 2	.521	1.921
		SO- 3	.572	1.748
		SO- 4	.629	1.590

Continued

Constructs	Item/ Dependent variable	Items/independent variables	Collinearity statistics	
			Tolerance	VIF
Institutional (IN)	IN-1	IN- 2	.496	2.018
		IN- 3	.628	1.592
		IN- 4	.663	1.508
		IN- 5	.446	2.245
		IN- 6	.498	2.007
		IN- 7	.577	1.733
		IN- 8	.516	1.939
		IN- 9	.447	2.239
		IN- 10	.404	2.475
		IN- 11	.576	1.736
		IN-12	.465	2.151
Word of mouth (WoM)	WoM-1	WoM-2	.630	1.588
		WoM-3	.630	1.588
Previous experience (PE)	PE-1	PE-2	.709	1.411
		PE-3	.709	1.411

Appendix 5.23: The result of multicollinearity test for data set of potential customers

Constructs	Item/ Dependent variable	Items/independent variables	Collinearity statistics	
			Tolerance	VIF
Product cost and benefits (PCB)	PCB-1	PCB- 2	.756	1.323
		PCB- 3	.794	1.2602
		PCB- 4	.719	1.391
		PCB- 5	.699	1.432
Product features (PF)	PF-1	PF- 2	.752	1.330
		PF- 3	.853	1.173
		PF- 4	.698	1.432
		PF- 5	.721	1.388
		PF- 6	.744	1.343
Human (HU)	HU-1	HU-2	.785	1.275
		HU- 3	.827	1.210
		HU- 4	.811	1.233
		HU- 5	.793	1.260
Physical (PH)	PH-1	PH- 2	.757	1.320
		PH- 3	.755	1.325
		PH- 4	.850	1.176
		PH- 5	.813	1.229
Social (SO)	SO-1	SO- 2	.716	1.397
		SO- 3	.627	1.594
		SO- 4	.749	1.335
Institutional (IN)	IN-1	IN- 2	.573	1.746
		IN- 3	.558	1.792
		IN- 4	.551	1.816
		IN- 5	.406	2.466
		IN- 6	.469	2.131
		IN- 7	.492	2.034
		IN- 8	.514	1.944
		IN- 9	.533	1.875
		IN- 10	.418	2.390
		IN- 11	.515	1.942
		IN-12	.491	2.036
Word of mouth (WoM)	WoM-1	WoM-2	.758	1.320
		WoM-3	.758	1.320
Previous experience (PE)	PE-1	PE-2	.804	1.224
		PE-3	.804	1.224

Appendix 5.24: The result of normality test

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Product cost and benefits	.172	373	.000	.923	373	.000
Product features	.215	373	.000	.868	373	.000
Human	.117	373	.000	.940	373	.000
Physical	.149	373	.000	.927	373	.000
Social	.147	373	.000	.921	373	.000
Institutional	.165	373	.000	.891	373	.000
Word of mouth	.168	373	.000	.889	373	.000
Previous experience	.188	373	.000	.899	373	.000

a. Lilliefors Significance Correction

Appendix 5.25: The Levene test of homogeneity

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Product cost and benefits	.023	1	371	.881
Product features	3.270	1	371	.071
Human	14.154	1	371	.000
Physical	1.783	1	371	.183
Social	3.339	1	371	.068
Institutional	.716	1	371	.398
Word of mouth	.398	1	371	.528
Previous experience	.480	1	371	.489

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Product cost and benefits	Between Groups	327.212	1	327.212	46.007	.000
	Within Groups	2638.617	371	7.112		
	Total	2965.828	372			
Product features	Between Groups	85.177	1	85.177	8.508	.004
	Within Groups	3714.041	371	10.011		
	Total	3799.217	372			
Human	Between Groups	163.679	1	163.679	19.899	.000
	Within Groups	3051.645	371	8.225		
	Total	3215.324	372			
Physical	Between Groups	5.214	1	5.214	.467	.495
	Within Groups	4140.373	371	11.160		
	Total	4145.587	372			
Social	Between Groups	7.409	1	7.409	1.084	.298
	Within Groups	2534.918	371	6.833		
	Total	2542.327	372			
Institutional	Between Groups	88.992	1	88.992	1.600	.207
	Within Groups	20631.769	371	55.611		
	Total	20720.761	372			
Word of mouth	Between Groups	.014	1	.014	.003	.955
	Within Groups	1643.959	371	4.431		
	Total	1643.973	372			
Previous experience	Between Groups	.055	1	.055	.012	.913
	Within Groups	1699.575	371	4.581		
	Total	1699.630	372			

Appendix 5.26: The rank statistics of Mann-Whitney U test by gender

Ranks

	GENDER	N	Mean Rank	Sum of Ranks
Product cost and benefits	MALE	255	160.32	40882.00
	FEMALE	118	244.65	28869.00
	Total	373		
Product features	MALE	255	175.39	44724.00
	FEMALE	118	212.09	25027.00
	Total	373		
Human	MALE	255	204.65	52186.50
	FEMALE	118	148.85	17564.50
	Total	373		
Physical	MALE	255	184.94	47158.50
	FEMALE	118	191.46	22592.50
	Total	373		
Social	MALE	255	191.29	48780.00
	FEMALE	118	177.72	20971.00
	Total	373		
Institutional	MALE	255	191.51	48836.00
	FEMALE	118	177.25	20915.00
	Total	373		
Word of mouth	MALE	255	186.65	47597.00
	FEMALE	118	187.75	22154.00
	Total	373		
Previous experience	MALE	255	187.20	47735.50
	FEMALE	118	186.57	22015.50
	Total	373		
Technical	MALE	255	165.86	42293.50
	FEMALE	118	232.69	27457.50
	Total	373		
Functional	MALE	255	196.89	50208.00
	FEMALE	118	165.62	19543.00
	Total	373		
Interactive and relational	MALE	255	187.39	47784.00
	FEMALE	118	186.16	21967.00
	Total	373		

Appendix 5.27: The rank statistics of Mann-Whitney U test by marital status

Ranks

	MARIT_STATUS	N	Mean Rank	Sum of Ranks
Product cost and benefits	MARRIED	145	205.13	29743.50
	SINGLE	227	174.60	39634.50
	Total	372		
Product features	MARRIED	145	194.16	28152.50
	SINGLE	227	181.61	41225.50
	Total	372		
Human	MARRIED	145	150.57	21833.00
	SINGLE	227	209.45	47545.00
	Total	372		
Physical	MARRIED	145	164.74	23887.00
	SINGLE	227	200.40	45491.00
	Total	372		
Social	MARRIED	145	164.67	23877.00
	SINGLE	227	200.44	45501.00
	Total	372		
Institutional	MARRIED	145	176.79	25634.00
	SINGLE	227	192.70	43744.00
	Total	372		
Word of mouth	MARRIED	145	165.45	23990.50
	SINGLE	227	199.94	45387.50
	Total	372		
Previous experience	MARRIED	145	172.83	25061.00
	SINGLE	227	195.23	44317.00
	Total	372		

Appendix 5.28: The rank and test statistics for Kruskal-Wallis test by education

Ranks

	EDU_GROUP	N	Mean Rank
Product cost and benefits	No formal Education	15	249.90
	primary and secondary level education	205	172.54
	University level education	153	198.90
	Total	373	
Human	No formal Education	15	161.17
	primary and secondary level education	205	220.52
	University level education	153	143.63
	Total	373	
Physical	No formal Education	15	208.10
	primary and secondary level education	205	210.15
	University level education	153	152.85
	Total	373	
Social	No formal Education	15	160.33
	primary and secondary level education	205	200.42
	University level education	153	170.51
	Total	373	
Word of mouth	No formal Education	15	113.53
	primary and secondary level education	205	211.36
	University level education	153	160.50
	Total	373	
Previous experience	No formal Education	15	134.90
	primary and secondary level education	205	201.86
	University level education	153	171.08
	Total	373	

Appendix 5.29A: Post hoc test result for Product cost and benefits (PCB)

Pairwise Comparisons of EDU_GROUP
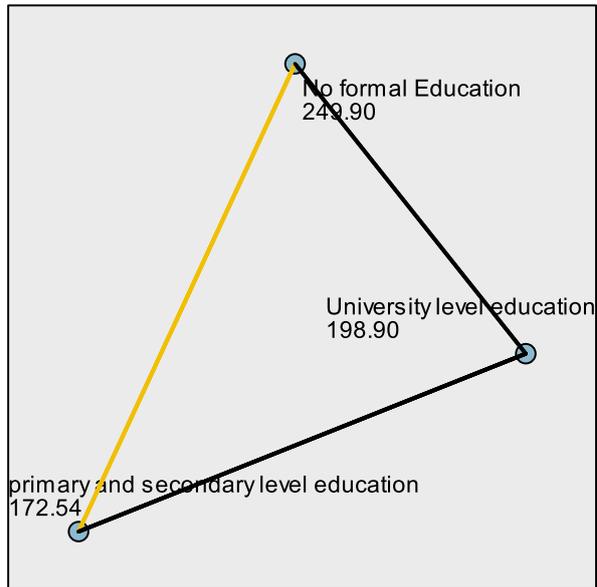
Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
primary and secondary level education-University level education	-26.359	11.406	-2.311	.021	.062
primary and secondary level education-No formal Education	77.361	28.531	2.711	.007	.020
University level education-No formal Education	51.001	28.855	1.768	.077	.231

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.29B: Post hoc test result for human attributes (HU)

Pairwise Comparisons of EDU_GROUP
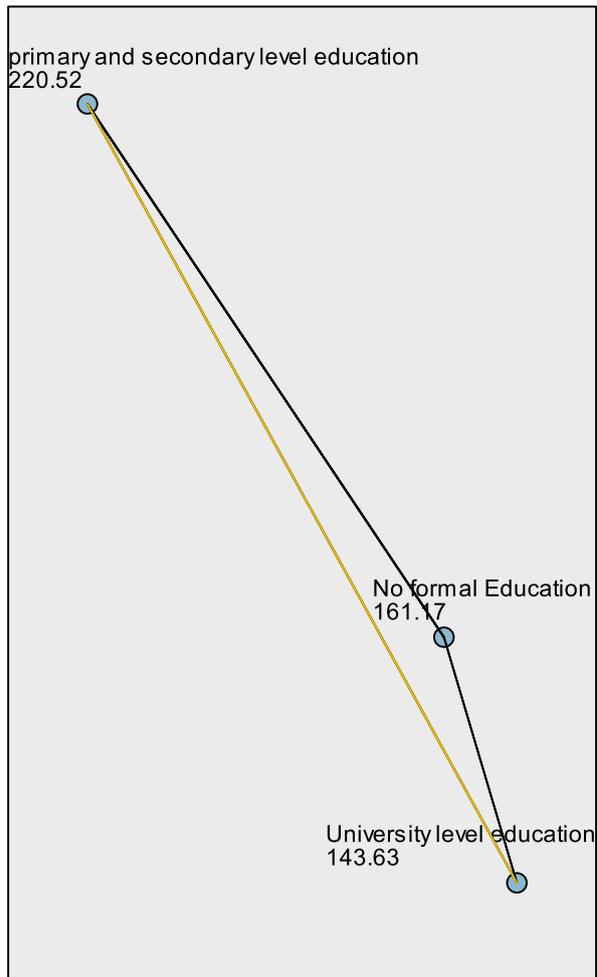
Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
University level education-No formal Education	17.539	28.940	.606	.544	1.000
University level education-primary and secondary level education	76.890	11.440	6.721	.000	.000
No formal Education-primary and secondary level education	-59.350	28.615	-2.074	.038	.114

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.29C: Post hoc test result for physical (PH)

Pairwise Comparisons of EDU_GROUP
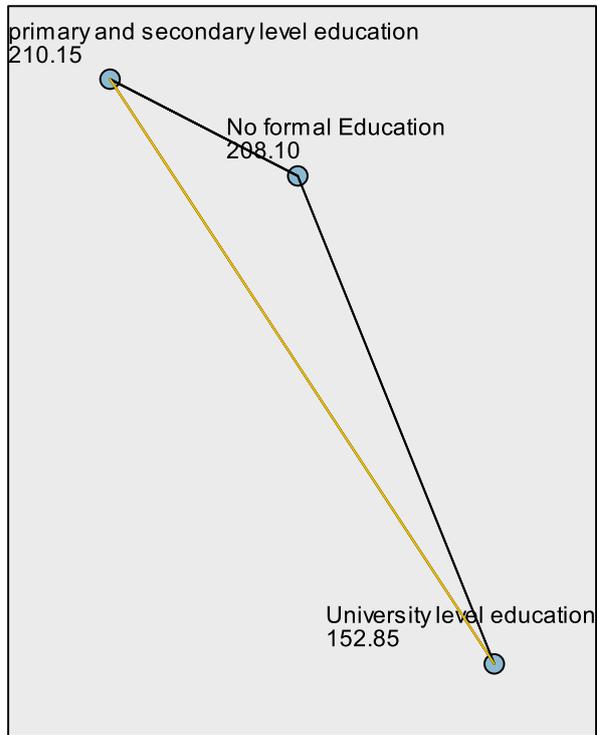
Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
University level education-No formal Education	55.250	28.946	1.909	.056	.169
University level education-primary and secondary level education	57.300	11.442	5.008	.000	.000
No formal Education-primary and secondary level education	-2.050	28.621	-.072	.943	1.000

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.29D: Post hoc test result for social attributes (SO)

Pairwise Comparisons of EDU_GROUP
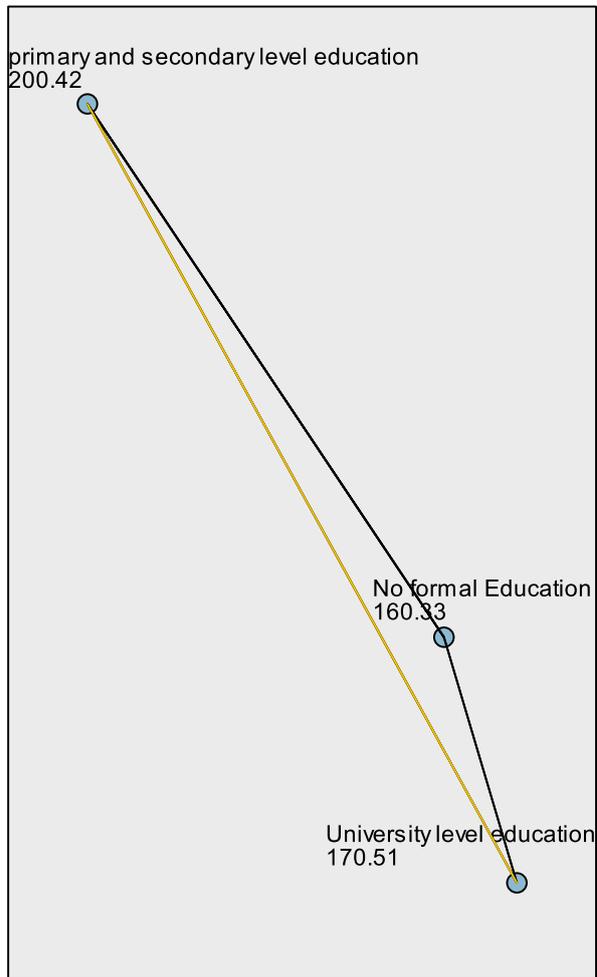
primary and secondary level education
200.42

No formal Education
160.33

University level education
170.51

Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
No formal Education-University level education	-10.176	28.891	-.352	.725	1.000
No formal Education-primary and secondary level education	-40.083	28.567	-1.403	.161	.482
University level education-primary and secondary level education	29.907	11.420	2.619	.009	.026

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.29E: Post hoc test result for Word of mouth attributes (WoM)

Pairwise Comparisons of EDU_GROUP
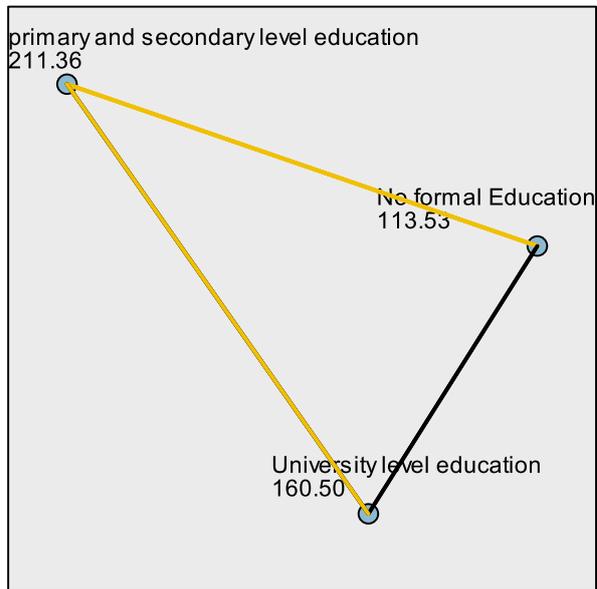

Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
No formal Education-University level education	-46.970	28.716	-1.636	.102	.306
No formal Education-primary and secondary level education	-97.829	28.394	-3.445	.001	.002
University level education-primary and secondary level education	50.859	11.351	4.481	.000	.000

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.29 F: Post hoc test result for Previous experience (PE)

Pairwise Comparisons of EDU_GROUP
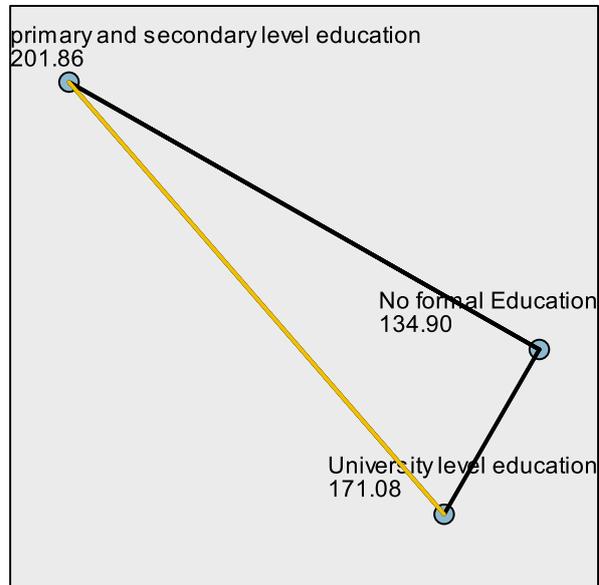
Each node shows the sample average rank of EDU_GROUP.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
No formal Education-University level education	-36.178	28.734	-1.259	.208	.624
No formal Education-primary and secondary level education	-66.960	28.411	-2.357	.018	.055
University level education-primary and secondary level education	30.782	11.358	2.710	.007	.020

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.
Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

Appendix 5.30: The rank statistics of Mann-Whitney U test by employment status

Ranks

	EMPT_GROUP	N	Mean Rank	Sum of Ranks
Product cost and benefits	Unemployed	212	174.65	37026.50
	Employed	161	203.26	32724.50
	Total	373		
Product features	Unemployed	212	176.95	37514.00
	Employed	161	200.23	32237.00
	Total	373		
Human	Unemployed	212	223.17	47313.00
	Employed	161	139.37	22438.00
	Total	373		
Physical	Unemployed	212	210.29	44581.00
	Employed	161	156.34	25170.00
	Total	373		
Social	Unemployed	212	214.02	45371.50
	Employed	161	151.43	24379.50
	Total	373		
Institutional	Unemployed	212	188.87	40041.00
	Employed	161	184.53	29710.00
	Total	373		
Word of mouth	Unemployed	212	233.57	49516.50
	Employed	161	125.68	20234.50
	Total	373		
Previous experience	Unemployed	212	217.19	46045.00
	Employed	161	147.24	23706.00
	Total	373		

Test Statistics[a]								
	PCB	PF	HU	PH	SO	IN	WoM	PE
Mann-Whitney U	14448.50	14936.00	9397.00	12129.00	11338.00	16669.00	7193.50	10665.00
Wilcoxon W	37026.50	37514.00	22438.00	25170.00	24379.00	29710.00	20234.00	23706.00
Z	-2.559	-2.087	-7.475	-4.811	-5.592	-.386	-9.697	-6.284
Asymp. Sig. (2-tailed)	.011	.037	.000	.000	.000	.700	.000	.000
a. Grouping Variable: Employment status								

Appendix 5.31: The rank statistics of Mann-Whitney U test by employment type

Ranks

	EMPT_GROUP	N	Mean Rank	Sum of Ranks
Product cost and benefits	public sector	21	80.64	1693.50
	private sector	140	81.05	11347.50
	Total	161		
Product features	public sector	21	102.55	2153.50
	private sector	140	77.77	10887.50
	Total	161		
Human	public sector	21	90.29	1896.00
	private sector	140	79.61	11145.00
	Total	161		
Physical	public sector	21	87.57	1839.00
	private sector	140	80.01	11202.00
	Total	161		
Social	public sector	21	88.90	1867.00
	private sector	140	79.81	11174.00
	Total	161		
Institutional	public sector	21	76.00	1596.00
	private sector	140	81.75	11445.00
	Total	161		
Word of mouth	public sector	21	85.10	1787.00
	private sector	140	80.39	11254.00
	Total	161		
Previous experience	public sector	21	82.67	1736.00
	private sector	140	80.75	11305.00
	Total	161		

Test Statistics[a]								
	PCB	PF	HU	PH	SO	IN	WoM	PE
Mann-Whitney U	1462.50	1017.50	1275.00	1332.00	1304.00	1365.00	1384.00	1435.00
Wilcoxon W	1693.50	10887.50	11145.00	11202.00	11174.00	1596.00	11254.00	11305.00
Z	-.038	-2.293	-.986	-.698	-.842	-.528	-.443	-.178
Asymp. Sig. (2-tailed)	.970	.022	.324	.485	.400	.598	.658	.858
a. Grouping Variable: EMPT_GROUP								

Appendix 5.32: The rank statistics of Mann-Whitney U test between potential and existing customers

Ranks				
	Group	N	Mean Rank	Sum of Ranks
Product cost and benefits	Existing	183	201.30	36838.00
	Potential	190	173.23	32913.00
	Total	373		
Product features	Existing	183	194.89	35665.50
	Potential	190	179.40	34085.50
	Total	373		
Human	Existing	183	139.08	25451.50
	Potential	190	233.16	44299.50
	Total	373		
Physical	Existing	183	155.78	28508.00
	Potential	190	217.07	41243.00
	Total	373		
Social	Existing	183	149.30	27322.00
	Potential	190	223.31	42429.00
	Total	373		
Institutional	Existing	183	180.93	33109.50
	Potential	190	192.85	36641.50
	Total	373		
Word of mouth	Existing	183	133.22	24378.50
	Potential	190	238.80	45372.50
	Total	373		
Previous experience	Existing	183	152.64	27934.00
	Potential	190	220.09	41817.00
	Total	373		

Appendix 5.33: The rank statistics of Wilcoxon signed-rank test for existing customers

Ranks

		N	Mean Rank	Sum of Ranks
Technical - Functional	Negative Ranks	111[a]	81.05	8996.50
	Positive Ranks	72[b]	108.88	7839.50
	Ties	0[c]		
	Total	183		
Functional – Interactive and relational	Negative Ranks	63[d]	123.33	7770.00
	Positive Ranks	119[e]	74.65	8883.00
	Ties	1[f]		
	Total	183		
Interactive – technical	Negative Ranks	96[g]	87.48	8398.50
	Positive Ranks	87[h]	96.98	8437.50
	Ties	0[i]		
	Total	183		

a. Technical < Functional

b. Technical > Functional

c. Technical = Functional

d. Functional < Interactive

e. Functional > Interactive

f. Functional = Interactive

g. Interactive < Technical

h. Interactive > Technical

i. Interactive = Technical

Appendix 5.34: The rank statistics for Kruskal-Wallis test

Ranks

	number banks	N	Mean Rank
Technical	One bank	28	60.50
	Two banks	136	95.15
	Three banks	19	115.87
	Total	183	
Functional	One bank	28	99.38
	Two banks	136	88.75
	Three banks	19	104.37
	Total	183	
Interactive and relational	One bank	28	98.96
	Two banks	136	95.72
	Three banks	19	55.08
	Total	183	

Appendix 5.35: The rank statistics for Wilcoxon signed-rank test

Ranks

		N	Mean Rank	Sum of Ranks
Technical - Functional	Negative Ranks	88[a]	66.60	5860.50
	Positive Ranks	67[b]	92.98	6229.50
	Ties	0[c]		
	Total	155		
Functional – Interactive and relational	Negative Ranks	54[d]	100.95	5451.50
	Positive Ranks	100[e]	64.84	6483.50
	Ties	1[f]		
	Total	155		
Interactive - technical	Negative Ranks	86[g]	75.75	6514.50
	Positive Ranks	69[h]	80.80	5575.50
	Ties	0[i]		
	Total	155		

a. Technical < Functional

b. Technical> Functional

c. Technical = Functional

d. Functional < Interactive and relational

e. Functional > Interactive and relational

f. Functional = Interactive and relational

g. Interactive and relational < technical

h. Interactive and relational > technical

i. Interactive and relational = technical

Appendix 5.36: The rank statistics for Kruskal-Wallis test

Ranks

	Product types	N	Mean Rank
Technical	Current	79	61.63
	Saving	85	122.99
	loan	19	79.66
	Total	183	
Functional	Current	79	123.00
	Saving	85	74.12
	loan	19	43.11
	Total	183	
Interactive and relational	Current	79	66.01
	Saving	85	101.36
	loan	19	158.18
	Total	183	

Appendix 5.37: The rank statistics for Wilcoxon signed-rank test (Saving and investment products)

Ranks

		N	Mean Rank	Sum of Ranks
Technical – interactive and relational	Negative Ranks	30[a]	47.77	1433.00
	Positive Ranks	55[b]	40.40	2222.00
	Ties	0[c]		
	Total	85		
Technical – functional	Negative Ranks	22[d]	23.48	516.50
	Positive Ranks	63[e]	49.82	3138.50
	Ties	0[f]		
	Total	85		

a. Technical < interactive and relational

b. Technical > interactive and relational

c. Technical = interactive and relational

d. Technical < functional

e. Technical > functional

f. Technical = functional

Appendix 5.38: The rank statistics for Wilcoxon signed-rank test (current account product)

Ranks

		N	Mean Rank	Sum of Ranks
Functional - Technical	Negative Ranks	2[a]	8.50	17.00
	Positive Ranks	77[b]	40.82	3143.00
	Ties	0[c]		
	Total	79		
Functional – Interactive and relational	Negative Ranks	2[d]	45.75	91.50
	Positive Ranks	76[e]	39.34	2989.50
	Ties	1[f]		
	Total	79		

a. Functional < Technical

b. Functional > Technical

c. Functional = Technical

d. Functional < Interactive and relational

e. Functional > Interactive and relational

f. Functional = Interactive and relational

Appendix 5.39: The rank statistics for Wilcoxon signed-rank test (Loan products)

Ranks				
		N	Mean Rank	Sum of Ranks
Interactive and relational - Technical	Negative Ranks	1[a]	1.00	1.00
	Positive Ranks	18[b]	10.50	189.00
	Ties	0[c]		
	Total	19		
Interactive and relational - Functional	Negative Ranks	0[d]	.00	.00
	Positive Ranks	19[e]	10.00	190.00
	Ties	0[f]		
	Total	19		
a. Interactive and relational < technical				
b. Interactive and relational > technical				
c. Interactive and relational = technical				
d. Interactive and relational < Functional				
e. Interactive and relational > Functional				
f. Interactive and relational = Functional				

Appendix 5.40: The rank statistics for Mann-Whitney U test (frequent vs. non-frequent bank users)

Ranks

	Group	N	Mean Rank	Sum of Ranks
Technical	frequent user	108	77.19	8336.00
	non frequent user	75	113.33	8500.00
	Total	183		
Functional	frequent user	108	107.92	11655.50
	non frequent user	75	69.07	5180.50
	Total	183		
Interactive and relational	frequent user	108	78.75	8504.50
	non frequent user	75	111.09	8331.50
	Total	183		

Appendix 5.41: The rank statistics for Wilcoxon signed-rank test

Ranks		N	Mean Rank	Sum of Ranks
institutional – human	Negative Ranks	26[a]	51.35	1335.00
	Positive Ranks	82[b]	55.50	4551.00
	Ties	0[c]		
	Total	108		
institutional - physical	Negative Ranks	29[d]	45.45	1318.00
	Positive Ranks	79[e]	57.82	4568.00
	Ties	0[f]		
	Total	108		
institutional - social	Negative Ranks	22[g]	43.34	953.50
	Positive Ranks	81[h]	54.35	4402.50
	Ties	5[i]		
	Total	108		
a. institutional < human				
b. institutional > human				
c. institutional = human				
d. institutional < physical				
e. institutional > physical				
f. institutional = physical				
g. institutional < social				
h. institutional > social				
i. institutional = social				

Appendix 5.42: The rank statistics of Wilcoxon signed-rank test

Ranks

		N	Mean Rank	Sum of Ranks
Product cost and benefits – product features	Negative Ranks	18[a]	20.50	369.00
	Positive Ranks	57[b]	43.53	2481.00
	Ties	0[c]		
	Total	75		

a. Product cost and benefits < Product features
b. Product cost and benefits > Product features
c. Product cost and benefits = Product features

Appendix 5.43: The rank statistics for Mann-Whitney U test between Non-Islamic and Islamic bank

Ranks

	BANK_TYPE	N	Mean Rank	Sum of Ranks
Technical	NON-ISLAMIC	137	78.66	10776.00
	ISLAMIC	46	131.74	6060.00
	Total	183		
Functional	NON-ISLAMIC	137	91.19	12493.00
	ISLAMIC	46	94.41	4343.00
	Total	183		
Interactive and relational	NON-ISLAMIC	137	97.50	13358.00
	ISLAMIC	46	75.61	3478.00
	Total	183		

Appendix 5.44: The ranks statistics of Wilcoxon signed-rank test for non-Islamic bank customer

Ranks

		N	Mean Rank	Sum of Ranks
Technical - Functional	Negative Ranks	92[a]	67.80	6238.00
	Positive Ranks	45[b]	71.44	3215.00
	Ties	0[c]		
	Total	137		

a. Technical< Functional

b. Technical > Functional

c. Technical = Functional

Appendix 5.45: The ranks statistics of Wilcoxon signed-rank test for Islamic bank customer

Ranks

		N	Mean Rank	Sum of Ranks
Functional - Technical	Negative Ranks	27[a]	31.06	838.50
	Positive Ranks	19[b]	12.76	242.50
	Ties	0[c]		
	Total	46		

a. Functional < Technical

b. Functional > Technical

c. Functional = Technical

Appendix 5.46: The rank statistics for Wilcoxon signed-rank test

Ranks

		N	Mean Rank	Sum of Ranks
Product features – Product cost and benefits	Negative Ranks	120[a]	96.99	11638.50
	Positive Ranks	57[b]	72.18	4114.50
	Ties	13[c]		
	Total	190		

a. Product features < Product cost and benefits
b. Product features > Product cost and benefits
c. Product features = Product cost and benefits

Appendix 5.47: The rank statistics result for Wilcoxon signed-rank test

Ranks

		N	Mean Rank	Sum of Ranks
Physical - human	Negative Ranks	78[a]	79.98	6238.50
	Positive Ranks	76[b]	74.95	5696.50
	Ties	36[c]		
	Total	190		
Social- Physical	Negative Ranks	105[d]	91.96	9655.50
	Positive Ranks	85[e]	99.88	8489.50
	Ties	0[f]		
	Total	190		
Human- Social	Negative Ranks	93[g]	90.98	8461.50
	Positive Ranks	97[h]	99.83	9683.50
	Ties	0[i]		
	Total	190		
Institutional - Human	Negative Ranks	125[j]	103.87	12984.00
	Positive Ranks	65[k]	79.40	5161.00
	Ties	0[l]		
	Total	190		

a. Physical < Human
b. Physical > Human
c. Physical = Human
d. Social< Physical
e. Social> Physical
f. Social= Physical
g. Human < Social
h. Human > Social
i. Human = Social
j. Institutional < Human
k. Institutional> Human
l. Institutional= Human

Appendix 5.48: The rank statistics result for Wilcoxon signed-rank test

Ranks

		N	Mean Rank	Sum of Ranks
Word of mouth – Previous experience	Negative Ranks	67[a]	58.92	3947.50
	Positive Ranks	64[b]	73.41	4698.50
	Ties	59[c]		
	Total	190		

a. Word of Mouth < Previous experience

b. Word of Mouth> Previous experience

c. Word of Mouth= Previous experience