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THE STUDY OF FACTORS AFFECTING WHILE SELECTING A BANK FOR AN INDIVIDUAL IN JAMNAGAR REGION

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ABSTRACT

The lifeblood of the economy is money which managed by the banks. The banks of any country have directly relation with economic growth of the country. The bank provides various services with modern time advances. The individual who considers opening a bank account has various options from the list of banks which are providing similar services regulated by RBI. The current research attempts to identify the factors that has more influence on the mind of the customers of Jamnagar city. The study was conducted on the people of the Jamnagar and study revealed that the bank staff behaviour is most influencing factor while selecting a bank.

INTRODUCTION

Any economy depends on its banks. The strength of a nation's banking sector directly affects the rate of economic growth. Savings accounts, various forms of deposits and loans, debit and credit cards, ATMs, universal banking, online banking, mobile banking, the ability to use cheques and draft, locker facilities, and many other services and amenities are provided to customers by banking sector. Without banks, it is quite impossible to envision how society and business would function. Even though banking operations are very standard and safety standards are quite high due to tight banking rules, customers nevertheless choose a bank after due consideration of a wide range of variables.

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The individual considering opening a bank account has various options to choose from varieties of banks like Public Sector Banks, Private sector banks & Co-operative banks. There are various factors which have impact the individual while opening an account with the bank. These factors are service provided by bank, technology provided by bank in terms of mobile and internet banking, presence of ATMs, advertisement of the bank, ease of account opening, behaviour of the staff etc.

LITERATURE REVIEW

Era Jasmin & Begum Humaira (2018) did research that focuses on attributes that have influences on customers' choice about banks especially for northern region of Bangladesh. Data were collected with the help of a structured questionnaire which comprise total 35 attributes within five dimensions. Mean scores of all attributes indicate modern equipment and technologies, security arrangement of bank, secure feeling in financial transaction, honesty and trustworthiness of staff, and confidentiality of account information as five most important factors. In other hand five least important factors are enlarged operation hours, parking facilities, recommended by friends or relatives, sponsorships for extracurricular activities, and remittance service. These results are based on customer's perceptions.

Mansour Ilham Hassan Fathelrahman (2018) did research to identify the key determinant of the bank selection decision by Sudanese banks' customers. The results concluded that Corporal Efficiency in term of 'Trust and Commitments', 'Privacy and Confidentiality', 'Efficiency in carrying out transactions', 'Efficiency of counter services' and 'Friendly and Responsive attitude of banking staff' is the most important determinant that has influenced the customer's selection decision. Other factors perceived to be important include bank marketing efforts, convenience and service delivery.

Dr. Zaid Ahmad Ansari (2019) conducted research to find out important factors for consumers in Saudi Arabia to select a bank for their banking needs. With the help of Factor Analysis Technique Sixteen variables had been group into three factors i.e., "Product Offerings of the Bank" consisting of nine variables, "Service Delivery of the Bank" with five variables and "Banking Institution Type" including two variables respectively. "Security information" and "It should be government bank" were the most important factors for the consumers in Saudi Arabia to select a bank.

Menka Pathria & Dr Ramandeep Saini, (2020) conducted research on factors affecting bank selection with reference to an urban customer perspective in the Gurugram city of northern India. The respondents were asked to rate on 31 attributes with the relative importance while selecting a bank. The responses were analysed with the help of Factor Analysis. The study found that reputation and service products offered by banks are most important factor followed by reputation for the selection of bank. The top three determinants are service products, reputation, and word of mouth. Although service quality shares least space in the factors however the factor loading of items like bank employee's response to customer's problems and convenience of ATMs have a great importance in shaping the choice behavior of customers.

Sahadev Bhatt and Dr. Swati Jain, (2020) made research on factors influencing customers' bank selection decision in Nepal. The research is done through distributing and collecting 137 questionnaires to respondents from the defined population of the clients of commercial bank in Bhairahawa city, Nepal. The study reveals that reliability is the most important factor influencing the customer in choosing a bank. The factor analysis results revealed that reliability and convenience are the most important determinants of bank choice. This factor includes security arrangement, many branches, reputed brand name, fast and evidence service and ATM facilities. In contrast, responsiveness and value-added services which includes convenient location, provide internet/online banking facility, offers phone banking facility and provides good customer reception were least significant attributes of bank selection for Nepalese customers.

RESEARCH METHODOLOGY

RATIONALE OF THE RESEARCH

The modern banking concept focuses on the identification of customers' needs and wants so that the offerings can be customized to satisfy their needs at the best efforts. What customer perceive about the bank's services and what factors influence their choice in selecting a particular bank is the core issue of this research. This research analyses various factors or determinants such as banking infrastructure, customer service quality, different facilities provided by the banks and other important factors which are considered by the customers while opening a bank account.

RESEARCH OBJECTIVES

1. To study the factors affecting selecting a bank by an induvial customer.

2. To identify the most preferred factor by customer while selecting a bank.

3. To study the area of improvement required by the bank to enhance the customer experience.

RESEARCH DESIGN

The current research is descriptive research conducted by collecting primary data from the people of Jamnagar. The structured questionnaire was developed with a Likert scale of five point to record the importance of various factors. The sample was selected using the non-probability sampling method. The sampling was done using Convenience sampling and sample size was 100 respondents. The Data Analysis

Demographic Factor	Options	Respondents (%)
Age	Up to 20 years	15
	20-40	74
	40-60	11
Marital Status	Married	46
	Unmarried	54
Education	Up to HSC	12
	Graduation	44
	Post-Graduation	44
Occupation	Job	35
	Business	21
	Others	44

The above table shows the demographic factors of the collected data from the respondents. Majority of the respondents were educated with either graduation or post-graduation degree. 74% of the respondents were between the age group of 20-40 years.

Factors	Count	Sum	Average	Variance
Services	100	387.16	3.88	0.946608
Facilities	100	391.83	3.92	0.829122
Infrastructure	100	368.87	3.69	0.818022
Bank staff	100	411.75	4.12	1.296029
Recommendation from family members & friends	100	384	3.84	1.751919
Bank reputation	100	387	3.87	1.467778
Advertisements	100	336	3.36	1.606465
Reputation or Image of the bank	100	373	3.73	1.411212
governmental bank	100	341	3.41	1.900909

The above table shows the factors which are preferred by individual for selecting a bank. The highest average ratings were found for Bank Staff i.e., 4.12 which means in the digital era or technology driven world most people still are dependent are on the behaviour the staff. The next preferred factors are facilities and services provided by the bank. The least preferred factor was the advertisement of the bank which shows that in modern times also the people not selecting banks based on the advisement like other products.

ANOVA TABLE

Source of Variation	SS	df	MS	F	F crit
Between Groups	47.21951	8	5.902439	4.416501	1.948778
Within Groups	1190.778	891	1.336452		
Total	**1237.998**	**899**			

Using ANOVA test 5% significance level, table value is 1.94 while calculated value is 4.41. Here calculated value is higher than table value. So, H0 is rejected and H1 is accepted which state that there is significance difference among the influencing factors to select a bank. The individuals are not influence by all the factors equally and are more influenced by some of the factors.

FINDINGS

1) In service provided by the banks, average 4.28 respondents indicate fund transfer as a most required service and overdraft service has least score which is 2.97. The average score of SMS service, mobile banking, online banking and ATM service is 3.75, 4.01, 4.06 and 4.16 respectively.

2) In facilities provided by the banks, most od the respondents selected the fast and quick response as a most required facility, the average score for the same is 4.22. The average score of enlarge working hours is 3.43 which is less required.

3) In infrastructure parameters the most required and considerable factor is bank should use modern equipment's and technology, the average score is 3.96 and the less required is interior and exterior appearance of the bank, the average score is 3.38.

4) In the bank staff parameters, most of the respondents point out that honesty and trustworthiness is the most required and considerable factor to open an account with the bank. The average score for that is 4.21. Availability of staff at any time is less required. The average score for that is 4.02. The average score for good service attitude and knowledge about services is 4.16 and 4.08.

5) In the general criteria, most of the respondents point out that bank reputation is the most required factor to open an account with the bank, the average score for that is 3.87. The less required factor is advertisements and mass media, the average score for that is 3.36. The average score of recommendation from friends and family, oldest bank and governmental bank is 3.84, 3.73 and 3.41.

6) The 34% respondents point out that banks should improve customer service. The area where banks need less improvement is security and interest rate because only 1% respondent select that. The 8%, 15%, 10% and 32% respondent indicate that banks need improvements in proper infrastructure, proper information about products, personalized services, and quick responses respectively.

CONCLUSION

The findings revealed that majority of the customers' decision about bank selection based on the service quality and ability of the bank to give fast & quick responses. The factor that is most considerable by the customer while selecting the bank is modern equipment's and technology. Most of the customers' decision about bank selection is based on bank staff and their honesty and trustworthiness. The findings also revealed that bank reputation is the considerable factor while selecting the bank. The area where banks need improvements is customer service. Most of the respondents indicate that it is not required to add more services so, it can be said that Banks provide enough and enough services.

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