

Atharva Business College Students' Choice Regarding Bank Selection

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Received: July 10, 2023
Copyright: Magar (2023)

Revised & Accepted: August 12, 2023



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Abstract

Commercial banks need to understand the things that influence prospective of customers' bank choice decisions in order to develop an effective marketing plan for gaining new clients. The purpose of this research was to examine the aspects that influence Atharva Business College students' choice of bank. In order to accomplish the stated objective, this study employed a quantitative research approach by administering questionnaires to a sample of 40 students. Descriptive statistics was used to examine the data. The study identifies six key factors that significantly influence students' choice of a bank in college. Factors include convenience in

terms of location, the friendliness of staff, low service charges, the rate of interest on loans and savings, the availability of ATM services, and mobile banking options. Researchers advise banks to regularly monitor and assess customer preferences, behaviors, and expectations.

Keywords: Choice, Factors, Selection, Students

Introduction

Atharva Business College, a college affiliated with Pokhara University, offers a variety of courses to students from across the country. The college is located in the country's capital city, Kathmandu. Many students come from outside the capital and are required to make important decisions about how to manage their personal financial matters as well as propel their professional careers, which will require them to choose a bank for their transactions. Allen and Gale (2000) stated that banks serve an important role in the economy, supporting the efficient allocation of capital, fostering economic progress, and contributing to financial stability. They play an important role in economic development by mobilizing savings, moving funds into productive investments, and providing a secure and convenient means of financial transactions. Stiglitz (1993) mentioned that banks are critical to the functioning of modern economies because they enable the effective distribution of resources, mobilize deposits, and offer liquidity to businesses and individuals. Furthermore, Allen (2001) emphasizes the importance of banks in bridging the gap between savers and borrowers, allowing capital to migrate from surplus to deficit areas. This function of intermediation encourages economic growth and investment.

Banks are very important to students because they provide a variety of financial services and play an important role in supporting their financial needs and aspirations (Anderson, Hopkins, & Valenzuela, 2019). Banks act as a main resource for students, offering them with banking products and services suited to their individual needs, such as student banking packages, low-fee accounts, and financial education materials. Banks also help students manage their student loans, scholarships, and financial aid, allowing them to support their education and achieve their academic objectives. Factors such as the availability of accessible digital banking choices, personalized customer care, trustworthiness, and the bank's alignment with their values and objectives all play a role in choosing a bank. Factors impacting students' bank choices include convenience, trust, reputation, and the bank's ability to offer specialized services and financial perks specifically designed for students (Baah, Amponsah, & Otoo, 2021). Understanding these variables is critical for banks in serving students' financial requirements and creating long-term partnerships with this vital group.

As mentioned above, the goal of the study described here was to determine the factors that influence business college students' choice of bank. More specifically, using Atharva Business College as a case study, the goal was to determine the variables that affect bank selection by students at business colleges.

Review of Literature

The literature review section gives a synopsis of previous research and theoretical frameworks about the variables that affect banking preferences among undergraduates.

Previous research suggests that several factors play a significant role in students' bank selection. Researchers like (Parekh & Pishchenko, 2013) have undertaken study related to the factors influencing the choices of bank among international students in Sweden. In Nepal, (Wagle, 2022) has concluded service convenience, confidentiality, bank charge, bank reputation and employee behavior as the major factors influencing the choice of bank in Nepal. Convenience, trust, reputation, personalized services, financial benefits, and alignment with values and aspirations are commonly identified factors. According to (Nguyen & Leclerc, 2014), students prefer banks with a solid reputation for financial stability and reliability. Trustworthy banks are viewed as safer and less likely to engage in fraudulent operations, influencing student trust in their choice greatly. The Theory of Planned Behavior (TPB) by (Ajzen, 1991) suggests that individuals' behavioral intentions, including bank selection, are influenced by their attitudes, subjective norms, and perceived behavioral control.

Allowing for a deeper understanding of what makes a bank choose one over another. Findings show that the first three most important factors are ease of use, the relationship between bank staff and customers, and banking services and cash rewards. Also, a banking service makes people feel happy, joyful, cheerful, and happy, while sadness, anger, and lying are things to avoid (Hinson, Osarenkhoe, & Okoe, 2013).

Research on how Technical University students choose banks. A cross-sectional survey of 545 Takoradi Technical University students was analyzed using factor analysis. Robust E-banking, Customer Experience, ATM Access, and Third Party Influence influenced bank selection among Takoradi Technical University students (Baah, Amponsah, & Otoo, Determinants of Technical University Students' Choice of Banks: Empirical Evidence from Takoradi Technical University, Ghana, 2021).

Research examines the key bank-specific and personal variables that influence consumer bank choice. An exploratory factor analysis of the 101 questionnaire's 38 variables. The result on individual factors identified four critical factors that determine commercial bank choice in Ethiopia: the speed of services is among the best in the industry, the extent of the branch network is adequate, the location of branches is appropriate, and forex resources are easy to get in the bank (Lelissa & Lelissa, 2017).

There have been a number of studies conducted on the topic of the reasons why students choose a certain bank, but none of these studies give the information of Kathmandu valley students or

colleges. As a result, the purpose of this study was to address the geographical gaps that had been identified.

Methods & Materials

The quantitative research design was used in this study. To collect data at a precise point in time, a cross-sectional design was applied. The study's target group consists of bachelor students enrolled at Atharva Business College. Bidiu and Moran (2021) recommended that 40 respondents is appropriate for most of the quantitative studies. So, the total respondents in this research was 40. The primary data was gathered. To collect quantitative data, the questionnaire included both closed-ended and 5 points Likert-scale items from 1(strongly disagree) to 5(strongly agree). The acquired data was examined statistically using statistical tool i.e. IBM SPSS 20.0 (Mahat & Mathema, 2018; Neupane, Pant, & Bhattarai, 2023). To summarize and describe the data, descriptive statistics such as frequencies, percentages, and measures of central tendency was employed. To investigate the links between the listed factors and bank selection, inferential statistics such as correlation analysis was used. The reliability analysis conducted using Cronbach's Alpha coefficient resulted in a value of .847, indicating a good level of internal consistency among the items included in the analysis. The analysis involved a total of 15 items. A Cronbach's Alpha coefficient of .847 suggests that the items in the measurement scale are reliable and that they measure the construct consistently (Mahat & Aithal, Women's Articulates towards Career Advancement, 2022).

Results and Discussion

Demographic Information

Table 1: Demographic Information

Gender of respondent			
SN		Frequency	Percent
1	Male	18	45.0
2	Female	21	52.5
3	Others	1	2.5
Age of respondent			
SN		Frequency	Percent
1	19 or under	3	7.5
2	20 - 25	36	90.0
3	26-30	1	2.5
Marital status of respondent			
SN		Frequency	Percent
1	Married	2	5.0
2	Unmarried	38	95.0

Sources: Field Survey, 2023

Table 1 gives the complete description of respondents according to their gender. Approximately 45% of the respondents which is 18 out of 40 were male and 52.5% of respondents were female which is 21 out of 40 and the rest 2.5% i.e. only 1 respondent belonged to the other category.

Most of the under graduate students of Atharva Business College fall within the age range of 20-25. 36 out of 40 respondents were in the age range which represented 90% of total population. And 3 of the respondents were 19 and under which made them 7.5% and lastly only 1 respondent was in the age range of 26-30 representing a total of 2.5%.

Total of 38 respondents were unmarried and the rest 2 were married. This made married respondents 5% and unmarried a total of 95%.

Table 1 provides information on the level of education of the respondents. It shows that out of the total 40 respondents, all of them are undergraduate students, currently pursuing their bachelor's degree in Atharva Business College.

Factors

Table 2: Factors influencing respondents' choices of a bank

Factor ranking based on their mean						
S.N	Particulars	N	Minimum	Maximum	Mean	Std. Deviation
1	Did the physical location of the bank affect you in your choice of a bank in Nepal?	40	1.00	5.00	4.1750	1.15220
2	Did staff friendliness affect you in your choice of a bank in Nepal?	40	1.00	5.00	4.0000	.93370
3	Did low service charges affect you in your choice of a bank in Nepal?	40	1.00	5.00	4.0000	1.06217
4	Did transaction charges affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.8500	.92126
5	Did virtual access affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.7250	1.08575
6	Did the rate of interest on loans and interest on savings affect your choice of bank in Nepal?	40	1.00	5.00	3.6750	1.20655

7	Did the facility of ATM services affect your choice of bank in Nepal?	40	1.00	5.00	3.6250	1.16987
8	Did recommendations from friends/relatives affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.6000	1.10477
9	Did the ease of use of the Mobile banking affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.5500	1.06096
10	Did a student package affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.5250	1.24009
11	Did general image of a bank affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.2500	1.08012
12	Did a direct approach from the bank affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.1750	.98417
13	Did the ease of use of the Debit card affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.1500	1.18862
14	Did past experience related to banks affect you in your choice of a bank in Nepal?	40	1.00	5.00	3.0750	1.24833
15	Did advertisement affect you in your choice of a bank in Nepal?	40	1.00	5.00	2.9750	1.27073
	Valid N (listwise)	40				

Sources: Field Survey, 2023

The physical location of the bank had the highest mean rating of 4.175, indicating that it played a significant role in the participants' bank selection process. This suggests that individuals in students prioritize convenient and easily accessible bank locations. Staff friendliness ranked second with a mean rating of 4.000, indicating that friendly and helpful staff members are highly valued by individuals when choosing a bank. Low service charges and transaction charges tied for the third position, both receiving a mean rating of 4.000. This indicates that individuals in college consider the cost of services when selecting a bank, preferring banks with lower service charges. Virtual access, including online and digital banking services, obtained a mean rating of 3.725, ranking it fourth on the list. This suggests that the availability and ease of virtual banking options influence bank selection to a moderate extent. The rate of interest on loans and savings ranked fifth with a mean rating of 3.675. This indicates that

individuals consider the interest rates offered by banks when making their choice. The facility of ATM services ranked sixth with a mean rating of 3.625, implying that the availability and convenience of ATM services affect bank selection. Recommendations from friends and relatives obtained a mean rating of 3.600, ranking it seventh on the list. This suggests that personal referrals play a moderate role in influencing the choice of a bank. The ease of use of mobile banking received a mean rating of 3.550, ranking it eighth. This indicates that the convenience and user-friendliness of mobile banking apps or services have a moderate impact on bank selection. A student package received a mean rating of 3.525, ranking it ninth on the list. This suggests that banks offering tailored packages or services for students may be considered to a moderate extent. The general image of a bank obtained a mean rating of 3.250, indicating that the overall reputation and image of a bank are moderately considered in the bank selection process. A direct approach from the bank received a mean rating of 3.175, ranking it eleventh on the list. This suggests that individuals in college consider direct communication or outreach from banks to a certain extent. The ease of use of debit cards obtained a mean rating of 3.150, indicating a moderate impact on bank selection. Past experience related to banks received a mean rating of 3.075, ranking it thirteenth on the list. This suggests that prior experiences with banks slightly influence the choice of a bank. Advertisement ranked fourteenth with a mean rating of 2.975, indicating that advertising has a relatively lower impact on bank selection.

Result emphasizes the importance of convenience, customer service, cost-effectiveness, digital accessibility, and personal recommendations in the decision-making process. Banks can leverage these insights to better understand customer preferences and tailor their services to meet the specific needs and expectations of customers in college.

Conclusion

The study's goal was to pinpoint the key elements that influence students' bank selection. Based on this objective the study highlights the major six factors that are most important in influencing the choice of a bank in college for students are convenience (location), staff friendliness, low service charges, rate of interest on loans and savings, availability of ATM services and mobile banking. However, researchers regard this research as a contribution to many organizations aiming to gain a better understanding of what drives students' choice of financial institutions, which is especially relevant in terms of their experience and knowledge. Researchers recommend in short that; Banks must constantly monitor and analyze client preferences, habits, and expectations. Banks can acquire important insights into client trends and preferences by employing data analytics tools and customer relationship management systems. This data-driven strategy allows banks to customize their offers, create targeted marketing campaigns, and address client demands proactively, increasing customer satisfaction and loyalty. Future researchers may consider conducting a study on the factors that influence the selection of banks from the perspective of lecturers.

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