

Bank Selection Criteria by the Students: Input to the Banking Sector of the Philippines

¹Dennis B. Alferos, ²Engr. Jerry S. Cristobal

Ramon Magsaysay Technological University

Abstract: The main objective of this is to determine the bank selection criteria used by the graduate students in choosing a bank. The expected results shall serve as input to the bank authorities of the different banks operating in Zambales, Philippines. This study used the descriptive research design with the questionnaire as the main instrument in gathering data. The sampling technique used was the purposive and convenience sampling technique. The respondents' attitude on the bank selection criteria are as follows: they "Strongly Agree" in terms of services, marketing, attractiveness, price and proximity. "Agree" in terms of recommendation. After the analysis of data gathered the following recommendations are given. Bank may have continuous improvement of service and products necessary to stay in the competition especially the rural banks which compete with the national and commercial banks; and may consider the utilization of technology and the social media in marketing their products and services to increase their reach to possible clientele. Bank operators have to consider immediately sending technician to fix malfunctioning ATM; may educate the people by giving awareness programs in learning how to save then bank; may improve better the ambiance of the bank and provide parking space for the vehicles of clients; and may reconsider the reduction in amount as required in opening an account and maintaining the account so as to invite more depositors with minimal income. Bank employees may shorten the waiting time by effectively and efficiently accomplishing every transaction.

Keywords: bank selection criteria, banking sector.

1. INTRODUCTION

The modern concept of banking originated in Italy during the Middle Ages and slowly spread through Europe and other continents. In the Philippines, the concept of banking started with the establishment of *Obras Pias* during the 16th century Spanish colonial period. It continued to flourish throughout the American colonial era, during World War II, and even after. According to Bunye (2012), the 1948 enactment of the Charter of the Central Bank of the Philippines set into motion the operation of the country's monetary authority. Since then, financial services continued to grow through the 1980s and 1990s as a result of a great increase in demand from individuals, companies, governments, and financial institutions. Moreover, the early 21st century saw a major shift away from traditional banking to Internet banking (Zalatar, 2013).

Understanding customers' banks selection criteria has been argued to be helpful to banks in identifying the appropriate marketing strategies needed to attract new customers and retain existing ones (Kaynak and Kucukemiroglu, 1992). Indeed, the growing competitiveness in the banking industry (Grady and Spencer, 1990), and similarity of services offered by banks (Holstius and Kaynak, 1995), has made it increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services.

Consequently, the issue of "how customers select banks" has been given considerable attention by researchers (Aregbeyen, 2011). However, a review of literature also indicates that studies related to bank selection criteria have been mainly conducted in the USA and some European countries. While, such studies have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries, due to differences in cultural,

economic and legal environments. A set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another (Rao, 2010).

Commercial, national and rural banks cater the financial needs and services of individuals, government agencies, business establishments and other entities making the local economy of the capital continue to flourish. With this situation, competition is high among these banks on how to encourage customers to bank with them. The researcher is much interested to determine the factors that customers consider in choosing a bank. Thus, this study is entitled “Bank Selection Criteria by the Graduate Students: Input to the Banking Sector”.

2. METHODOLOGY

This study used the descriptive research design with the questionnaire as the main instrument in gathering data. This method is considered most appropriate, since it was intended to investigate the attitudinal relationship and differences of the respondents with their age, sex, civil status, address, program enrolled, occupation, monthly income, monthly savings, bank affiliation, and bank product offerings available.

The target respondents were the graduate students of the Ramon Magsaysay Technological University enrolled in the 2nd trimester of AY 2016 – 2017. A respondent may or may not be affiliated in any of the thirty-three (33) banks operating in Zambales which include Banco de Oro (BDO), EastWest Bank, PS Bank, Philippine National Bank (PNB), Metrobank, Bank of Commerce (BOC), Cooperative Bank, Bank of the Philippine Islands (BPI), China Bank, GM Bank, Jose Rizal Bank, BridgeBank, Land Bank of the Philippines (LBP), Producers Bank, Countryside Rural Bank of Palauig Zambales, Inc. (CRBPZI), Banko Zambaleño, Rural Bank of Cabangan, Rural Bank of San Felipe, Rural Bank of San Narciso, Rural Bank of San Antonio, Rural Bank of San Marcelino, Security Bank, Bataan Saving Bank, Union Bank, Progressive Bank, Planters Bank, ZamBank, RCBC, United Coconut Planters Bank, Development Bank of the Philippines, Allied Bank, Pacific Saving Bank, Zambales Rural Bank, Inc.

Using the Slovin’s formula, four hundred seventy three (473) were computed as sample. These respondents were expected to be more knowledgeable and can make comparison about the thirty three banks. The respondents were selected through random sampling. This research design gave an equal treatment in all population where each of the samples had a chance to be chosen as respondents.

The researcher constructed a survey questionnaire to collect the needed data for this research. The survey questionnaire is consists of two parts. The first part of the questionnaire deals with the respondent’s profile in terms of age, sex, civil status, municipal address, program enrolled, occupation, monthly income, monthly savings, bank affiliation, and bank product offering(s) available. The second part solicited their level of attitude on the bank selection criteria grouped according to services, marketing, attractiveness, price, recommendations, and proximity. Follow-up interviews were also conducted. All persons who can shed light on the problems were interviewed in structural. By using this method, the researcher gained insights about the problems stated and was able to conceptualize probable solutions.

Validation of instrument is needed in order that gathering of data and information would be reliable in all aspect of the research. The survey instrument was validated by the researcher’s adviser, member of the review panel, and at least twenty (20) respondents. Suggestions and recommendations were solicited from these individuals. A dry-run was conducted to shed the gray areas.

The sampling technique used was the purposive and convenience sampling of random sampling. It is a technique where one among the total of the population can have the equal chance to be chosen or selected.

Statistical Assignment of Class Interval with its Corresponding Qualitative Value:

Class Interval	Qualitative Value
4.20 - 5.00	Strongly Agree
3.40 - 4.19	Agree
2.60 - 3.39	Neutral
1.80 - 2.59	Disagree
1.00 - 1.79	Strongly Disagree

The Likert Scale shows the class intervals, which include the lower and the upper limits per class, and its corresponding qualitative value used for the interpretation of the computed weighted mean. Class size is 0.80 for equal interval.

3. RESULTS AND DISCUSSIONS

Table 1 Attitude of the Graduate Students of RMTU On Services as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Convenience of opening an account	4.38	Strongly Agree	2.5
2. Availability of ATM in several locations	4.36	Strongly Agree	4
3. Availability of ATM 24 hours	4.35	Strongly Agree	5
4. Convenient branch locations	4.33	Strongly Agree	6
5. Appropriate range of services offered	4.27	Strongly Agree	9
6. Provision of fast and efficient service	4.27	Strongly Agree	9
7. Branch opening hours	4.21	Strongly Agree	13.5
8. CCTV equipped	4.43	Strongly Agree	1
9. Professionalism of bank staff	4.38	Strongly Agree	2.5
10. Adequate number of tellers	4.27	Strongly Agree	9
11. Online and offline security	4.23	Strongly Agree	11
12. Mobile phone banking facilities	4.21	Strongly Agree	13.5
13. Accurate bank statements	4.32	Strongly Agree	7
14. Internet banking facility	4.22	Strongly Agree	12
15. Foreign exchange	4.19	Agree	15
Overall Weighted Mean	4.30	Strongly Agree	

As presented on Table 1, the respondents “Strongly Agree” that the services provided by the banks are major criteria in their bank selection with an overall weighted mean of 4.30.

Specifically, the respondents ranked the highest item #8 “CCTV equipped” (4.43, Strongly Agree) and the least item #15 “Foreign exchange” (4.19, Agree).

Banks are often seen as the most secured institutions on the planet. People entrust their money with them and it is their job to keep it safe. In order to fulfil this commitment, top-notch bank video surveillance systems are a necessity. With recent innovations in digital technology and IP surveillance, many banks are looking to increase the effectiveness of their security systems by investing in this new technology.

Mylonakis, J., P. Malliaris and G. Siomkos (1998), concluded that the most important bank selections criteria are convenience, bank reputations, quality of products and services, interest rates and fees, education and personnel contacts, facilities, branch environment, services and after service satisfaction. Their research on bank customers of Greece showed that bank selection criteria like location-convenience, quality of service (attention to the customer, personalized service, no queues) seen to influence the bank selection and factors like advertising did not seem to influence bank customers at all.

Table 2 Attitude of the Graduate Students of RMTU On Marketing as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Reputation of the bank	4.54	Strongly Agree	1
2. Brand image of the bank	4.47	Strongly Agree	2
3. Influential marketing campaign	4.31	Strongly Agree	6.5
4. Availability of information brochures	4.31	Strongly Agree	6.5
5. Integrity	4.45	Strongly Agree	3
6. Corporate social responsibility programs	4.36	Strongly Agree	5
7. Customers feel secure	4.44	Strongly Agree	4
8. Several branches	4.30	Strongly Agree	8
9. With global affiliations	4.29	Strongly Agree	9
10. Grants to students	4.18	Agree	10
Overall Weighted Mean	4.36	Strongly Agree	

As shown on Table 2, the respondents “Strongly Agree” that the marketing strategy provided by the banks is a major criterion in their bank selection with an overall weighted mean of 4.36.

Specifically, the respondents ranked the highest item #1 “Reputation of the bank” (4.54, Strongly Agree) and the least item #10 “Grants to students” (4.18, Agree) the least.

A study conducted by Almossawi, M. (2001) that examined the bank selection criteria employed by college students in Bahrain revealed that bank’s reputation is one of the key factors.

This was supported by Iruka, C.H. and Igwe, S.R. (2010), who stated that a positive (brand) image also leads to consumer loyalty, positive beliefs about brand value, and a willingness to search for the bank. For today’s young people, brand name is one of the major factors that determine their decisions for goods and services.

Table 3 Attitude of the Graduate Students of RMTU On Attractiveness as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Clean and well cared facilities	4.49	Strongly Agree	1
2. Attractiveness of bank building	4.38	Strongly Agree	6
3. Appearance and attire of staff	4.43	Strongly Agree	2
4. Professional handling of customers	4.42	Strongly Agree	3.5
5. Recognition of you as valued customer	4.39	Strongly Agree	5
6. Technology driven transactions	4.37	Strongly Agree	7
7. Customer friendly personnel	4.42	Strongly Agree	3.5
8. Parking space	4.13	Agree	10
9. Interior décor of building	4.21	Strongly Agree	8
10. No long line ups at counter	4.19	Agree	9
Overall Weighted Mean	4.34	Strongly Agree	

Table 3 shows that the respondents “Strongly Agree” that the attractiveness of the banks is a major criterion in their bank selection with an overall weighted mean of 4.34.

Specifically, the respondents ranked the highest item #1 “Clean and well cared facilities” (4.49, Strongly Agree) and the least item #8 “Parking Space” (4.13, Agree).

Almossawi, M. (2001) studied the bank selection criteria by students of University of Bahrain. Findings revealed that the chief factors determining the bank selection by students were: Bank's reputation, availability of parking space, friendliness of the bank personnel and availability and location of ATMs. Study also found that the priorities of male and female students differed.

Table 4 Attitude of the Graduate Students of RMTU On Price as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Low service charges	4.33	Strongly Agree	5
2. Financial stability of the bank	4.42	Strongly Agree	1.5
3. Confidentiality or bank secrecy	4.39	Strongly Agree	4
4. Higher returns (interest) on savings	4.27	Strongly Agree	6
5. Accountability of bank’s owners	4.40	Strongly Agree	3
6. Value for money	4.42	Strongly Agree	1.5
7. Ease of obtaining loan(s)	4.24	Strongly Agree	8
8. Low interest on loans	4.25	Strongly Agree	7
9. Reward points or gifts	4.23	Strongly Agree	9
10. Rebates	4.18	Agree	10
Overall Weighted Mean	4.31	Strongly Agree	

As presented on Table 4, the respondents “Strongly Agree” that the price provided by the banks is a major criterion in their bank selection with an overall weighted mean of 4.31.

Specifically, the respondents ranked the highest both item #2 “Financial stability of the bank” (4.42, Strongly Agree) and item #6 “Value for money” (4.42, Strongly Agree) and the least item #10 “Rebates” (4.18, Agree).

Huu Phoung Ta, Kar Yir Har (2000) under took a study of bank selection decisions in Singapore using the Analytical Hierarchy process through a study of banking preferences of college students. They are followed by the availability of self bank facilities, charges on services provided by banks, low interest rate on loans, long operating hours, availability of students privileges and recommendations by friends and parents specifically. Khazeh K, Decker WH. (1993) analyzed the determinants of consumers' bank selection decision through a survey conducted among 1198 of business school alumni of Salisbury state university in Maryland. Service charges, the reputation of the bank, interest rates on loans, time required for loan approval and friendly tellers were identified as the top 5 determinants of bank selection decision.

Table 5 Attitude of the Graduate Students of RMTU On Recommendation as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Influence of parents	4.03	Agree	3
2. Employer uses the same bank	4.11	Agree	1
3. Recommendations of relatives	4.02	Agree	5
4. Recommendations of friends	4.05	Agree	2
5. Recommendations of officemates	4.04	Agree	4
6. Recommendations of endorsers	3.97	Agree	7
7. Recommendations of classmates	3.96	Agree	9
8. Recommendations of bank employees	3.97	Agree	7
9. The university uses the same bank	3.94	Agree	10
10. Influence of social media	3.97	Agree	7
Overall Weighted Mean	4.01	Agree	

As shown on Table 5, the respondents “Agree” that recommendation is an important criterion in their bank selection with an overall weighted mean of 4.01.

Specifically, the respondents ranked the highest item # 2 “Employer uses the same bank” (4.11, Agree) and the least item # 9 “The university uses the same bank” (3.94, Agree).

Referrals are also an important factor in selecting a bank for both male and female customers (Almossawi, M. 2001). Devlin and Gerrard (2005) presented that relatively rudimentary factors such as location, recommendation and relationships were important choice criteria when choosing a main bank.

Table 6 Attitude of the Graduate Students of RMTU On Proximity as a Bank Selection Criterion

Bank Selection Criteria	Mean	Interpretation	Rank
1. Proximity to home	4.22	Strongly Agree	6
2. Proximity to work	4.30	Strongly Agree	3
3. Proximity to the University	4.20	Strongly Agree	8
4. Proximity to business areas	4.29	Strongly Agree	4
5. Proximity to health service providers	4.21	Strongly Agree	7
6. Proximity to security service providers	4.27	Strongly Agree	5
7. Accessible by public transportation	4.35	Strongly Agree	1
8. Proximity of ATM services	4.33	Strongly Agree	2
Overall Weighted Mean	4.27	Strongly Agree	

As presented on Table 6, the respondents “Strongly Agree” that the proximity of banks is a major criterion in their bank selection with an overall weighted mean of 4.27.

Specifically, the respondents ranked the highest item #7 “Accessible by public transportation” (4.35, Strongly Agree) and the least item #3 “Proximity to the University” (4.20, Strongly Agree).

Chiappori, Perez-Castrillo and Verdier (1995), Dell'Ariceia (2001), Park and Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the geographic transportation costs incurred by consumers as an important component of bank competition. Almossawi, M. (2001) points out that proximity and service quality are important factors for commercial banks. This suggests that university students will prefer the commercial banks with offices or ATM facilities that are close to their campuses. He added that even though there are schemes which enable ATM cardholders to use ATMs of any bank, they still need to visit the bank when necessary for some services which cannot be done through ATMs.

Table 7 Summary of Attitude on the Bank Selection Criteria

Variables	Weighted Mean	Interpretation
Services	4.30	Strongly Agree
Marketing	4.36	Strongly Agree
Attractiveness	4.34	Strongly Agree
Price	4.31	Strongly Agree
Recommendation	4.01	Agree
Proximity	4.27	Strongly Agree
Summary of Attitude	4.27	Strongly Agree

Table 7, presents that in summary, the respondents “Strongly Agree” that marketing (4.36), attractiveness (4.34), price (4.31), services (4.30), and proximity (4.27) are critical criteria in their selection of banks. They only “Agree” on recommendation (4.01).

Specifically, the respondents are very particular of the following criteria: CCTV equipped, reputation of the bank, clean and well cared facilities, financial stability of the bank, value for money, employer uses the same bank and accessible by public transportation.

Table 8 Difference on the Attitude of Graduate Students of RMTU on the Bank Selection Criteria when Grouped According to Profile Variables

Profile Variables	Source of Variation	Services			Marketing			Attractiveness		
		df	F	Sig	df	F	Sig	df	F	Sig
Age	Between Groups	7	2.1969*	0.0334	7	2.2578*	0.0288	7	3.3132*	0.0019
	Within Groups	465			465			465		
	Total	472			472			472		
Sex	Between Groups	1	0.1187*	0.7306	1	1.1242*	0.2896	1	0.2768*	0.5990
	Within Groups	471			471			471		
	Total	472			472			472		
Civil Status	Between Groups	1	0.2527*	0.6154	1	0.1488*	0.6999	1	0.3951*	0.5299
	Within Groups	471			471			471		
	Total	472			472			472		
Address	Between Groups	13	2.9052*	0.0005	13	2.7290*	0.0010	13	4.1476*	0.0001
	Within Groups	459			459			459		
	Total	472			472			472		
Program Enrolled	Between Groups	4	1.8324*	0.1214	4	1.5989*	0.1734	4	3.0039*	0.0182
	Within Groups	468			468			468		
	Total	472			472			472		
Occupation	Between Groups	14	1.4402*	0.1305	14	1.5582*	0.0875	14	2.1422*	0.0091
	Within Groups	458			458			458		
	Total	472			472			472		
Monthly Income	Between Groups	9	1.3802*	0.1943	9	1.8628*	0.0555	9	2.1738*	0.0227
	Within Groups	463			463			463		
	Total	472			472			472		
Monthly Savings	Between Groups	16	2.5665*	0.0008	16	2.0413*	0.0099	16	2.1984*	0.0048
	Within Groups	456			456			456		
	Total	472			472			472		
Bank	Between	21	2.4998*	0.000	21	2.1130*	0.00	21	1.8997*	0.0098

Affiliation	Groups Within Groups Total	451 472		3	451 472		30	451 472		
Bank product availed	Between Groups Within Groups Total	6 466 472	2.9482*	0.0078	6 466 472	1.1453*	0.3349	6 466 472	0.6148*	0.7185
* significant at 0.05 alpha level of significance (Reject Ho, Accept Ha)										
** not significant at 0.05 alpha level of significance (Accept Ho, Reject Ha)										

Services: As shown on Table 8, considering the p-value at alpha equivalent to 0.05, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of services when grouped according to age (0.0334), address (0.0005), monthly savings (0.0008), bank affiliation (0.0003), and bank product availed (0.0078).

There is no difference in terms of sex (0.7306), civil status (0.6154), program enrolled (0.1214), occupation (0.1305), and monthly income (0.1943).

This can be attributed to the number of banks operating in every town of the Province of Zambales. Banks are mostly concentrated in Iba, which is the capital town, Subic and Olongapo City. The respondents still need to transport to this places to access the banking services of mostly commercial banks.

Mylonakis, J., P. Malliaris and G. Siomkos (1998) concluded that the most important bank selections criteria are convenience, bank reputations, quality of products and services, interest rates and fees, education and personnel contacts, facilities, branch environment, services and after service satisfaction. Their research on bank customers of Greece showed that bank selection criteria like location-convenience, quality of service (attention to the customer, personalized service, no queues) seen to influence the bank selection and factors like advertising did not seem to influence bank customers at all.

Marketing: At 0.05 level of significance, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of marketing when grouped according to age (0.0288), address (0.0010), monthly savings (0.0099), and bank affiliation (0.0030).

There is no difference in terms of sex (0.2896), civil status (0.6999), program enrolled (0.1734), occupation (0.0875), monthly income (0.0555), and bank product availed (0.3349).

This can be attributed to the fact that most of those being marketed by the bank are within their immediate reach. Those living and working nearer the banks are easily informed of new services and other offerings of the banks.

A study conducted by Almossawi, M. (2001) that examined the bank selection criteria employed by college students in Bahrain revealed that bank’s reputation is one of the key factors. This was supported by Iruka and Igwe (2010) who stated that a positive (brand) image also leads to consumer loyalty, positive beliefs about brand value, and a willingness to search for the bank. For today’s young people, brand name is one of the major factors that determine their decisions for goods and services.

Attractiveness: At 0.05 level of significance, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of attractiveness when grouped according to age (0.0019), address (0.0001), program enrolled (0.0182), occupation (0.0091), monthly income (0.0227), monthly savings (0.0048), and bank affiliation (0.0098).

There is no difference in terms of sex (0.5990), civil status (0.5299), and bank product availed (0.7185). Technology, innovations, no queue, ambiance, customer-friendly staff and variety of services attract graduate students to bank with his/her chosen bank. With the number of banks operating in the province, competitive advantage thru differentiation and attractiveness make a bank be the bank of choice.

Almossawi, M.(2001) studied the bank selection criteria by students of University of Bahrain. Findings revealed that the chief factors determining the bank selection by students were: Bank’s reputation, availability of parking space, friendliness of the bank personnel and availability and location of ATMs. Study also found that the priorities of male and female students differed.

Table 9 Difference on the Attitude of Graduate Students of RMTU on the Bank Selection Criteria when Grouped According to Profile Variables

Profile Variables	Source of Variation	Price			Recommendations			Proximity		
		df	F	Sig	df	F	Sig	df	F	Sig
Age	Between Groups	7	1.8461**	0.0767	7	4.6563*	4.67 E-05	7	2.1724*	0.0354
	Within Groups	465			465			465		
	Total	472			472			472		
Sex	Between Groups	1	1.3513**	0.2456	1	1.2193*	0.2701	1	0.9893**	0.3204
	Within Groups	471			471			471		
	Total	472			472			472		
Civil Status	Between Groups	1	1.4714**	0.2257	1	0.1440*	0.7045	1	0.2246**	0.6358
	Within Groups	471			471			471		
	Total	472			472			472		
Address	Between Groups	13	3.7290*	1.12 E-05	13	5.3134*	6.31 E-09	13	3.0319*	0.0003
	Within Groups	459			459			459		
	Total	472			472			472		
Program Enrolled	Between Groups	4	5.8744*	0.0001	4	3.3901*	0.0095	4	1.5191**	0.1954
	Within Groups	468			468			468		
	Total	472			472			472		
Occupation	Between Groups	14	1.9717*	0.0184	14	2.4156*	0.0028	14	1.9363*	0.0212
	Within Groups	458			458			458		
	Total	472			472			472		
Monthly Income	Between Groups	9	2.2412*	0.0186	9	4.9602*	2.21 E-06	9	1.7766*	0.0704
	Within Groups	463			463			463		
	Total	472			472			472		
Monthly Savings	Between Groups	16	1.8701*	0.0212	16	3.6166*	3.17 E-06	16	1.8202*	0.0263
	Within Groups	456			456			456		
	Total	472			472			472		
Bank Affiliation	Between Groups	21	2.5134*	0.0003	21	2.2739*	0.0012	21	1.5898*	0.0476
	Within Groups	451			451			451		
	Total	472			472			472		
Bank product availed	Between Groups	6	0.8884**	0.5031	6	4.8667*	7.75 E-05	6	0.4580**	0.8393
	Within Groups	466			466			466		
	Total	472			472			472		

* significant at 0.05 alpha level of significance (Reject Ho, Accept Ha)
 ** not significant at 0.05 alpha level of significance (Accept Ho, Reject Ha)

Price: As shown on Table 9, considering the p-value at alpha equivalent to 0.05, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of price when grouped according to address (1.12E-05), program enrolled (0.0001), occupation (0.0184), monthly income (0.0186), monthly savings (0.0212), and bank affiliation (0.0003).

There is no difference in terms of age (0.0767), sex (0.2426), civil status (0.2257), and bank product availed (0.5031).

Puong and Har (2000) undertook a study of bank selection decisions in Singapore using the Analytical Hierarchy process through a study of banking preferences of college students. The findings indicated that the most important criteria affecting undergraduates' bank selection decisions are higher interest rate for saving, convenient location and overall quality of service. They are followed by the availability of self bank facilities, charges on services provided by banks, low interest rate on loans, long operating hours, availability of students privileges and recommendations by friends and parents specifically.

Recommendation: At 0.05 level of significance, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of recommendation when grouped according to age (4.67E-05), address (6.31E-09), program enrolled (0.0095), occupation (0.0028), monthly income (2.21E-06), monthly savings (3.17E-06), bank affiliation (0.0012), and bank product availed (7.75E-05).

There is no difference in terms of sex (0.2701) and civil status (0.7045).

Referrals are also an important factor in selecting a bank for both male and female customers (Almossawi, 2001). Devlin and Gerrard (2005) presented that relatively rudimentary factors such as location, recommendation and relationships were important choice criteria when choosing a main bank.

Proximity: At 0.05 level of significance, there exists a difference on the level of attitude of the graduate students of RMTU on the bank selection criteria in terms of proximity when grouped according to age (0.0354), address (0.0003), occupation (0.0212), monthly savings (0.0263), and bank affiliation (0.0476).

There is no difference in terms of sex (0.3204), civil status (0.6358), program enrolled (0.1954), monthly income (0.0704), and bank product availed (0.8393).

Chiappori, Perez-Castrillo and Verdier (1995), Dell'Araccia (2001), Park and Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the geographic transportation costs incurred by consumers as an important component of bank competition.

Almossawi (2001) points out that proximity and service quality are important factors for commercial banks. This suggests that university students will prefer the commercial banks with offices or ATM facilities that are close to their campuses. He added that even though there are schemes which enable ATM cardholders to use ATMs of any bank, they still need to visit the bank when necessary for some services which cannot be done through ATMs.

Based on the results, what will be the inputs to the banking sector?

Banking reform has been an on-going phenomenon in financial sector. It has however, recently been intensified due to forces of globalization, which are guiding the integration of world's financial markets and economy. Banking reforms have resulted from deliberate policy response to correct perceived or impending banking sector crisis and subsequent failure. The following are the implications and challenges or inputs to the banking sectors; (1) To understand the customer behavior in retail banking.

(2) Specialized products and high service quality and these requirements need to be met to help reinforce trust and confidence in the banking industry. (3) Building successful relationship with the clients. (4) Banks must now take a good look at their customer base, examine what customer want, which customers they would like to retain. (5) To measure the satisfaction of the clients, service quality is the most important criteria for customers when choosing a bank. (6) Bank need to develop new strategies to target disaffected customers and prevent attrition. Improving customer service and service quality will have a major impact. (7) To prevent customer attrition, bank should consider developing "product bundles" for clients, so that there are tangible benefits in purchasing a number of products from one provider as opposed to patronizing several banks. (8) Banks must invest in and expand customer retention units to take more holistic view of customer concerns across product areas.

5. CONCLUSIONS

Based on the summary of findings obtained in this study, the researcher has concluded that: (1) A typical respondent, who is a graduate student of RMTU, is 28.70 years old, female, married, residing in Iba and taking MAEd, a teacher with a monthly income of Php 18,937.13 and a monthly savings of Php 1,792.89, with an account at the Land Bank of the Philippines and availed the savings deposit service of the said bank. (2) The attitude of the graduate students of RMTU on the bank selection criteria is as follows: [2.1] They “Strongly Agree” in terms of Services, with an overall weighted mean of 4.30. [2.2] They “Strongly Agree” in terms of Marketing, with an overall weighted mean of 4.36. [2.3] They “Strongly Agree” in terms of Attractiveness, with an overall weighted mean of 4.34. [2.4] They “Strongly Agree” in terms of Price, with an overall weighted mean of 4.31. [2.5] They “Agree”, in terms of Recommendation, with an overall weighted mean of 4.01. and; [2.6] They “Strongly Agree” in terms of Proximity with an overall weighted mean of 4.27. (3) The significant difference on the attitude of the graduate students of RMTU on the bank selection criteria according to profile variables is as follows: **Services:** There exists a difference when grouped according to age (0.0334), address (0.0005), monthly savings (0.0008), bank affiliation (0.0003), and bank product availed (0.0078) while no difference in terms of sex (0.7306), civil status (0.6154), program enrolled (0.1214), occupation (0.1305), and monthly income (0.1943). **Marketing:** There exists a difference when grouped according to age (0.0288), address (0.0010), monthly savings (0.0099), and bank affiliation (0.0030) while no difference in terms of sex (0.2896), civil status (0.6999), program enrolled (0.1734), occupation (0.0875), monthly income (0.0555), and bank product availed (0.3349). **Attractiveness:** There exists a difference when grouped according to age (0.0019), address (0.0001), program enrolled (0.0182), occupation (0.0091), monthly income (0.0227), monthly savings (0.0048), and bank affiliation (0.0098) while no difference in terms of sex (0.5990), civil status (0.5299), and bank product availed (0.7185). **Price:** There exists a difference when grouped according to address (1.12E-05), program enrolled (0.0001), occupation (0.0184), monthly income (0.0186), monthly savings (0.0212), and bank affiliation (0.0003) while no difference in terms of age (0.0767), sex (0.2426), civil status (0.2257), and bank product availed (0.5031). **Recommendation:** There exists a difference when grouped according to age (4.67E-05), address (6.31E-09), program enrolled (0.0095), occupation (0.0028), monthly income (2.21E-06), monthly savings (3.17E-06), bank affiliation (0.0012), and bank product availed (7.75E-05) while no difference in terms of sex (0.2701) and civil status (0.7045). **Proximity:** There exists a difference in their perceptions as to criteria for bank selection when grouped according age (0.0354), address (0.0003), occupation (0.0212), monthly savings (0.0263), and bank affiliation (0.0476). There is no difference in terms of sex (0.3204), civil status (0.6358), program enrolled (0.1954), monthly income (0.0704), and bank product availed (0.8393). (4) Based on the results gathered, the inputs to the banking sectors as follows: (4.1.) To understand the customer behavior in retail banking; (4.2.) Specialized products and high service quality and these requirements need to be met to help reinforce trust and confidence in the banking industry; (4.3.) Building successful relationship with the clients. Banks must now take a good look at their customer base, examine what customer want, which customers they would like to retain; (4.4.) To measure the satisfaction of the clients, service quality is the most important criteria for customers when choosing a bank. (4.5.) Bank need to develop new strategies to target disaffected customers and prevent attrition. Improving customer service and service quality will have a major impact; (4.6.) To prevent customer attrition, bank should consider developing “product bundles” for clients, so that there are tangible benefits in purchasing a number of product from one provider as opposed to patronizing several banks. (4.7.) Banks must invest in and expand customer retention units to take more holistic view of customer concerns across product areas.

6. RECOMMENDATIONS

After the analysis of data gathered the following recommendations are given.

(1) Banks are encouraged to install automated teller machines (ATM) for safety. (2) Banks may consider the utilization of technology and the social media in marketing their products and services to increase their reach to possible clientele. (3) Bank operators have to consider immediately sending technician to fix malfunctioning ATM. Maintain 24/7 availability of cash and operational machines. (4) Bank operator may reconsider the reduction in amount as required in opening an account and maintaining the account so as to invite more depositors with minimal income. (5) Banking sector may educate the people by giving awareness programs in learning how to save then bank. People must learn how to save even with modest income. (6) Banks may have continuous improvement of service and products necessary to stay in the competition especially the rural banks which compete with the national and commercial banks. (7) Bank operator may improve better the ambiance of the bank and provide parking space for the vehicles of clients. (8) Bank employees may shorten the waiting time by effectively and efficiently accomplishing every transaction.

REFERENCES

- [1] Almassawi, M. (2001), "Bank Selection Criteria Employed by College Students in Bahrain: An Empirical Analysis," *International Journal of Bank Marketing*,
- [2] Aregbeyen, O. (2011), "The Determinants of Bank Selection Choice by customers. Recent and Extensive Evidence from Nigeria", *International Journal of Business and Social Science* Vol. 2 No. 22.
- [3] Bunye (2012), "the 1948 enactment of the Charter of the Central ... ("History of Banking," 2012) Moreover, the early 21st century "saw a.
- [4] Chiappori, Perez, Castrillo and Verdier (1995), Dell'Aricecia (2001), Parkand. Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the ... Dell'Aricecia, Friedman, and Marquez (1999) suggest that the and De Bonis (2001) find that the number of ATMs in a province is ...
- [5] Cacic, M, Brkie, N., and Agic, E. (2004), "Bank Selection Criteria Employed by Students in South-eastern European Country: An Empirical Analysis of Potential Market Segments Preferences", *International Journal of Bank Marketing*, 27 (2): 1-18.
- [6] Devlin and Gerrard (2004). Choice criteria in retail banking: an analysis of Recent Trends *Journal of Strategic Marketing* Volume 12, Number 1 / March 2004 Page 13-27.
- [7] Holstius (Professor of International Marketing in the Department of Marketing,...Citation: KarinHolstius, Erdener Kaynak, (1995) "Retail banking in Nordic ...
- [8] Huu Phoung Ta, Kar Yir Har (2000). "A Study of Bank Selection Decision in Singapore using the Analytical Hierarchy Process", *International Journal of Bank Marketing* July 2000 Volume 18 issue 4 Page no 170-180.
- [9] Ibekwe, C.F. (2011), *Statistics of Marketing Research*, Owerri: Uzopietro Publishers.
- [10] Iruka, C.H. and Igwe, S.R. (2010), *Brand Management: Concepts and Strategies*, Port Harcourt: Orji Publishing House.
- [11] Kaynak, E., O. Küçükemiroglu, Y. Odabasi, (1991) "Commercial Bank Selection in Turkey", *International Journal of Bank Marketing*, Vol. 9 Iss: 4, pp.30 – 39.
- [12] Kaynak, E., and Harcar, E. (2005), "American Consumers' Attitudes towards Commercial Banks: A Comparison of Local and National Bank Customers by Use of Geo-demographic Segmentation", *International Journal of Bank Marketing*, 23(1): 73-89.
- [13] Khazeh K, Decker WH. (1993), How customers choose banks? *Journal of Retail Banking*, Vol.14, no.4, pp. 41-44.
- [14] Mylonakis, J., P. Malliaris and G. Siomkos (1998), Marketing-driven factors influencing savers in the Hellenic bank market. *Journal of Applied Business Research*, Volume 14, No. 2, pp. 109-116.
- [15] Rao, S.A. (2010), "Bank Selection Criteria Employed by MBA Students in Delhi: An Empirical Analysis", *Journal of Business Studies*, 1(2): 56-69
- [16] World Bank's *Macroeconomics and Fiscal* .and for the first 3 quarters of 2014, Philippine growth is about average when 12 See <http://business.inquirer.net/182177/dof-wants-bank-secrecy-laws-eased> for more
- [17] Zalatar - 2013 -- Presented at the Research Congress 2013. De La Salle ... BANKS. Willy F. Zalatar 1 ... major shift away from *traditional banking to Internet banking*.