Bank Selection Determinants by Age Group Educated People Located in Dhaka City: A Study of Private Commercial Banks

Akim M. Rahman[1]; Maisa Taslim Washi[2]; Saiful Islam[3]; Munuree Mozahed[4]

[1]Associate Professor and Dean, Faculty of Business,
Dr. Momtaz Begum University of Science and Technology
[2]Premier Bank Credit Officer, Gulshan, Tejgaon Link Road Branch, Dhaka.
[3]Journalist, Bangladesh
[4]LM Ericsson Bangladesh Limited

[1][https://must.ac.bd/faculty-of-business/]

Publication Date: 2026/08/06

Abstract: This study advances evaluating factors that dominate bank selection by young, educated cohort population located in Dhaka City of Bangladesh for to be bank customers. The survey outcome of a mix of 300 employees & students where students come from diverse academic disciplines & backgrounds who are customers of private commercial bank(s). The findings reveal that the most important variables that influence customers' choices are digital banking facilities, branch location and profit rate. The findings show that digital banking places first where the bank environment places the last when it comes to the selection of bank(s) for banking services. Notifications through mobile banking transactions and bKash services have dominated all digital facilities used by the banks. This study bridges the existing gap in banking literature by identifying the important bank selection determination factors. Finally, it concludes some policy recommendations, which are expected to have impacts in multi-faucets on marketing efforts for private commercial banks (PCBs), particularly located in Dhaka City, Bangladesh.

Keywords: *e-Banking Services, IT Facilitation, Internet Services, ICT Innovation, ATM Card Services.*

How to Cite: Akim M. Rahman; Maisa Taslim Washi; Saiful Islam; Munuree Mozahed (2026) Bank Selection Determinants by Age Group Educated People Located in Dhaka City: A Study of Private Commercial Banks. *International Journal of Innovative Science and Research Technology*, 11(7), 3097-3112. https://doi.org/10.38124/ijisrt/26jul086

I. INTRODUCTION

Globalization trends have introduced many changes in today's economy & business environment globally where Technological advancement, particularly ICT, innovations and its utilizations have dominated the globalized economy significantly (Charles, 2010). Similar resources and their utilization in multi-faucets are governing today's economic growth no matter what country we talk about.

With the prospect for being cost-effective & comparative on facilitation issues in multi-faucets, the banking sector in Bangladesh has undergone considerable changes since after the government announced policies privatizing commercial banks (Chowdhury, 2009; Al-Amin, 2010). This was started with privatization of few state-owned commercial banks and then induction of new ones from private sector to establish a market-based banking system (Akhtar, 2002). In this journey, the banks have been becoming competitive within their own domain of financial system attracting its current & probable customers by providing various innovative banking services, which has led banks to take advantage of ICT utilization in banking services.

In today's economy globally, the utilization of ICT dominates economic success, the provision of cost-effective & quality services to customers etc. are becoming key factors of growth trends of banking sector in Bangladesh (Basel Committee Report, 2001). As a result, PCBs in Bangladesh are becoming increasingly more competitive in banking sector (Bangladesh Bank, 2013). Since the beginning, it has been emphasis to provide innovative facilities to the customers for continuing positive value added each year (Bangladesh Bank, 2013).

In this progression journey, the public owned banks are becoming victim on loan default and its stagnation on

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

providing digital services (Bangladesh Bank, 2013). Today electronic communication is becoming a cornerstone for business where government agencies and economies such as PCBs have been utilizing ICT significantly for promoting its advancement. Because of diverse socioeconomic factors and current some weak facilitations of broadband or Wi-Fi services, the digital services in banking are still new & risky in Bangladesh. Obviously, these *scenarios* are severe in rural areas where nearly 70 percent of total population resides. But this limitation is not becoming a bottleneck in banking revolution in today's Bangladesh. It is moving one step further in the progression by utilizing the mobile phone option where over eighty percent of the population of the nation has access to it (Wagemaker *et al*, 2019). Besides online facilities, it allows business parties or individuals to pay directly *via* mobile phone. It provides account users authorizing payments, reconciling accounts, and accessing a variety of other banking services with facilitations of ATM, visa card, master card, Q-cash, E-cash, Ready cash etc.

In recent years, mobile facilitations on banking services such as bKash, the digital notification (i.e., text messaging) of transactions etc. in Bangladesh appear to be further appealing to the customers. Today some banks are taking advantage of these facilitations. The reason is that customers here are not required to provide computer literacy to perform the required tasks. Some PCBs have personalized their ATM booth for 24hrs cash withdrawal in its limited locations. In this setup, since notification on each transaction goes directly to accountholders *via* mobile services, the security issues are generally assumed to be protected.

With these opportunities & facilitations, banks, particularly PCBs compete in the market attracting bank-customers by providing quality services where banks very often face challenges in determining & emphasizing factors in their operation. Particularly, in today's globalization, utilization of ICT facilitations and then expanding its customers are becoming two important preconditions where banking services in Bangladesh are no exception. Since socioeconomic factors have direct influences on accessing to ICT, the PCBs and since over 70 percent people reside in rural areas in Bangladesh, the banks are struggling to expand its services, mainly in rural areas. Accordingly, rather opening new branches, particularly in rural areas, utilization of mobile serves is becoming important reaching out potential customers in areas such as rural areas in Bangladesh. Furthermore, capturing foreign earners as the bank customers, banks create many facilities for them.

However, in efforts based on goals, banks are required to gather information on many faucets including socioeconomic factors when it comes to attracting individuals in choosing bank(s) in today's world. It is important to mention here that it would be a challenging task monetarily for a bank, *particularly* for a PCB to carry out such kind of scientific study. This limitation deserves investigation(s) by academia or by independents for meaningful outcomes. Accordingly, the findings can be helpful to banks, namely the PCBs in designing effective policies on issues attracting probable customers and for keeping up with needs of existing customers.

This study takes on the challenges determining the basis on which educated cohort-customers, both depositors and borrowers in banking system, make their bank selection. Accordingly, this study aims at exploring these determinants in further detailed in Bangladesh and then identify factors of customer-orientated services. It will further help single out determining factors and then position them based on preferences of customers. Thus, it is expected that the findings can be valuable to banking sectors in economy, particularly to the PCBs when it comes designing its policies attracting customers and expanding its branches even in rural areas of Bangladesh. It can further be helpful to PCBs keeping their customers intact without fearing losing them.

II. LITERATURE REVIEW

In today's tech-drive business world, many studies have identified the modern banking needs for the benefits in economy and for customers. Chen (1999) conducted a survey on 336 domestic-owned and 39 foreign-owned banks in Taiwan in 1997 to identify critical factors of success on adopting various business strategies in the banking sector. Here data was analyzed using analysis techniques which highlighted four factors. These factors were: i) ability of the bank to manage operations ii) bank marketing & developing bank trademarks and iii) financial market management. Besides this, another survey was conducted earlier (Thornton & White, 2001) analyzing consumers' attitude towards the usage of financial distribution channels. All these findings reveal that banks have adopted a multiple distribution channel to meet the needs of different market segments. It has further been adopted that if a financial institution finds its profit to be coming mainly from service-oriented customers, then it would be best for the banks to concentrate on human interface type of services like branch network. If banks are to attract or retain convenience and technological change-oriented customers, then it should focus further on online electronic or digital types of distribution channels. Besides this, in a competitive *scenario*, customer service, user-friendly technology, and sophisticated customer products are important components within the marketing mix. But communication is also emerging as a crucial element in the marketing activity of a bank (Basel Report, 2001) in today's globalization no matter which economy we talk about. Also in today's world, efficiency issues, maintaining courtesy and resolving complaints promptly as the most important attributes in determining overall customer satisfaction, while other important attributes were convenience of location (Holstius *et al.*, 1995).

Zineldin (1996) conducted a survey on 19 potential factors of banking services that customers consider as important in selection of a bank in Sweden economy. These factors are i) reputation & recommendations by others, ii) interesting advertisement & convenience of location, iii) opening hours & high technological services. In the survey study, each respondent was asked to rate the importance of

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

each of the afore-mentioned factors on a scale of 5 (important) to 1 (completely unimportant). His study revealed that friendliness and helpfulness of personnel, accuracy in transaction management, and availability of loans were the most key factors.

Nielsen *et al.* (1998) conducted a nationwide survey in Australia for 25 banks and 2,500 bank business customers to rank the factors to be considered more important in bank selection process there. The study findings referred clearly reveal that business firms place more importance on the willingness of the bank to meet their credit needs and the efficiency of the bank in its day-to-day operations. Whereas bankers place higher importance on their ability to offer i) competitive prices, ii) a full range of products and iii) digital services there.

In year 2013, another study was conducted that took a survey of 300 customers of a specific bank and studied the determinants of customer satisfaction in retail banking services in Pakistan (Jamal *et al.*, 2013). The findings of this study indicate a strong relationship between service quality and customer satisfaction. Rehman *et al.* (2008) took similar survey of 358 customers of three type banks i) privatized ii) nationalized and iii) private banks located in Pakistan. The findings of their study reveal that customer services are to be found number one, which was an expected result because private banks are more customer-oriented than those of nationalized or privatized in general (Basel Committee Report, 2001; www.bangladesh-bank.org). Another study was carried out by Al-Amin *et al.* (2010) on issues particularly i) performance ii) problems & prospects on e-banking in Bangladesh. This study has identified IT infrastructure, internal network, country domain and above all a high-speed optic link to the information superhighway. Besides these studies-findings, the Basel Committee Report (2001) identified several types of electronic banking in Bangladesh and then measured customers' satisfactions on e-banking. Relying on Basel Committee Report and BB's own assessment reports (www.bangladesh-bank.org), the BB has identified few PCBs that are dominating in providing ICT based services in Bangladesh. Dutch-Bangla Bank Ltd (DBBL), BRAC Bank Ltd, HSBC Ltd, Bank Asia Ltd, Trust Bank Ltd, Mercantile Bank Ltd and Eastern Bank Ltd etc. are becoming major players in PCBs sector in facilitating e-banking services in Bangladesh (www.bangladesh-bank.org; Basel Committee Report, 2001).

A thorough review of literature on the topic indicates that earlier studies on bank selection criteria were mainly conducted in case of more developed countries (Rehman *et al*, 2008). All these studies have contributed substantially to literature. But the findings of those studies may not be applicable to those of today's studies in many developing countries. This is because a massive portion of population of these countries still do not have access to internet or do not use smart phone systems. However, the utilization of ICT in today's competitive markets in multi-faucets is becoming a primary vehicle of success of banking sector in economy in most of the developing countries such as Bangladesh (Basel Committee Report, 2001). Furthermore, the earlier studies were mainly relied on bank customers without separately studying the educated young generation who are today more enthusiastic about e-banking. Since the success on digital banking mainly relies on education level and their age group, the earlier findings might be different from that of today's study in the subject area. On the other side, the recent studies relate to e-banking in Bangladesh is obviously an addition to the literature. However, these studies were concerned with problems and prospects of e-banking. Therefore, the current literature on e-banking in Bangladesh lacks studies on bank selection *criteria* where this study is an attempt bridging the gap in literature.

III. OVERVIEW OF BANK SECTOR IN BANGLADESH ECONOMY

The banking system of Bangladesh falls under Formal Sector. It is one of the three broad fragmented sectors where the other two are semi-formal & informal sectors where these three together represent the financial system of Bangladesh (BB website, 2026). These sectors have been categorized in accordance with their degree of regulation of Bangladesh Bank (www.bangladesh-bank.org). Here the formal sector includes all regulated institutions like i) Banks & Non-Bank Financial Institutions (NBFIs) ii) Insurance Companies iii) Capital Market Intermediaries like Brokerage Houses iv) Merchant Banks etc. and Micro Finance Institutions (MFIs). Here the semi-formal sector includes those institutions that are regulated otherwise but do not fall under the jurisdiction of Central Bank, i.e., the BB, Insurance Authority, Securities and Exchange Commission or any other enacted financial regulators. This sector is primarily represented by the Specialized Financial Institutions like i) House Building Finance Corporation (HBFC) ii) Palli Karma Sahayak Foundation (PKSF) iii) Samobay Bank iv) Grameen Bank etc. and v) Nongovernment Organizations (NGOs) & discrete government program(s). Here the informal sector includes private intermediaries where those are completely unregulated.

➢ *A Snapshot of Banks in Bangladesh*

After independence in year 1971, banking industry in Bangladesh started its journey with i) six nationalized commercial banks ii) two public owned specialized banks and iii) three foreign banks. In the 1980's, banking industry achieved significant expansion with the entrance of private commercial banks. Currently in Bangladesh, banks are primarily of two types, which are:

- *Scheduled Banks*

The banks that get licenses to operate under Bank Company Act, 1991 (Amended in 2003) are termed as Scheduled Banks.

- *Non-Scheduled Banks*

These banks are established for special & definite objectives, and they are operated under the acts that are enacted to meet those objectives. These banks cannot

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

perform all functions of scheduled banks under the provisions.

There are total fifty-six scheduled banks in Bangladesh that operates under full control and supervision of Bangladesh Bank which are empowered to do so through the BB Order, 1972 and Bank Company Act, 1991. As shown in Figure (1), these scheduled Banks are classified into six categories. They are

➢ *State Owned Commercial Banks (SOCBs)*

There are four SOCBs which are fully or majorly owned by the Government of Bangladesh.

➢ *Specialized Banks (SDBs)*

There are four specialized banks that are now operating which were established for specific objectives like agricultural or industrial development. The Government of Bangladesh also fully or majorly owns these banks.

➢ *Private Commercial Banks (PCBs)*

There are thirty-nine PCBs which are majorly owned by the private entities where these PCBs can be categorized into two groups such as

➢ *Conventional PCBs*

There is total 31 conventional PCBs. They perform the banking functions in conventional fashion i.e. interest-based operations.

➢ *Islami Shariah based PCBs*

There is eight *Islami Shariah* based PCBs in Bangladesh. These banks execute banking activities according to *Islami Shariah* based principles i.e. Profit-Loss Sharing (PLS) mode.

➢ *Foreign Commercial Banks (FCBs)*

There is total nine FCBs that are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

➢ *Status of e-Banking in Bangladesh*

The existing forms of e-banking that satisfy customer needs in banking services are i) online banking ii) mobile banking and iii) Tele-banking. In this progression globally, banking system in Bangladesh is no exception. However, the penetration of the process here is comparatively slow in practice but steady. In stepping towards e-banking in Bangladesh, the foreign activities electronically throughout the world were PC banking basis. Commercial banks first played the pioneering role with adoption of modern technology in retail banking during the early 1990s.

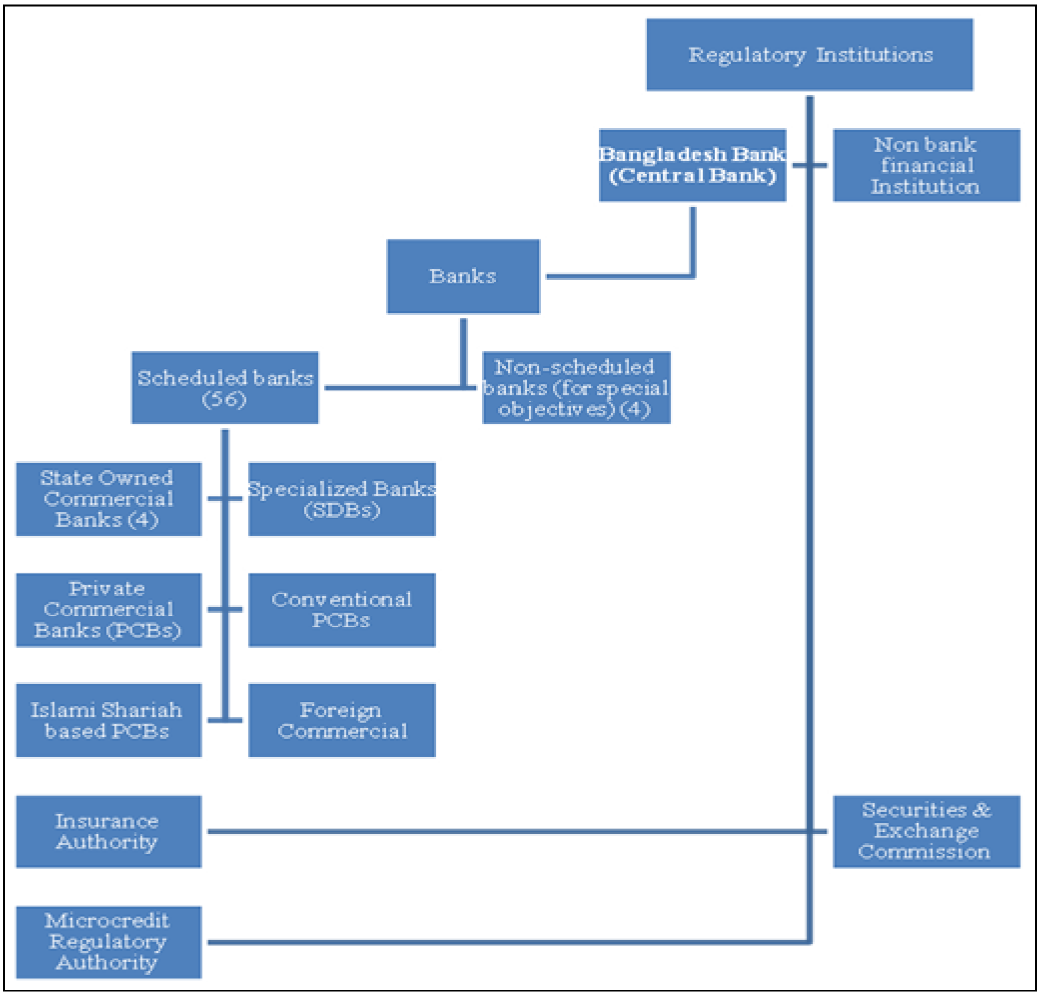

Fig 1 A Snopshot of Classification of Private Commercial Banks (PCBs) in Bangladesh

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

However, during this revolutionary period, the SCBs and PCBs came forward with technology-based services on a limited scale. In the middle of the current decade, the banking industry as a whole, except for the four SBs, rushed to offer technology-based banking services (Al-Amin *et al*., 2010) where the online services have dominated the progression.

However, because of many factors such as i) technological slow progression ii) having weak Wi-Fi services and iii) being expensive monetary, a limited segment of bank-customers has been attracted to these services. Moreover, since socioeconomic characteristics vary from area to area, mainly between city and rural banking sectors, *particularly* the PCBs are struggling to attract individuals using traditional approaches. On the same token, providing services that require utilization of networks is giving fruitful outcomes mainly in city areas where 20 to 30 percent of the total population live in city or urban areas. Thus, services that require utilization of mobile phone have significant prospects (Wagemaker *et al*, 2013) in Bangladesh where over 80 percent of total population has access to mobile phone. The e-banking system can be classified and defined in Bangladesh perspective as follows.

➢ *PC Banking*

Here PC banking refers to use of personal computers in banking activities while under PC home banking customers use their personal computers at home or at locations outside bank branches accessing their accounts for transactions by subscribing to & dialing into the bank's Internet proprietary software system using the customer's password. There are two types i) online banking and ii) Internet banking.

➢ *Online Banking*

Transactions in online banking are performed within closed network for which customer(s) uses specialized software provided by the respective bank. At present, 29 scheduled banks offer any branch banking facilities through their respective bank online network. Under modernization program of the National Payment & Settlement System, Bangladesh Automated Clearing House (Check Processing System and Bangladesh Electronic Fund Transfer Network) is also now in practice in today's banking system in Bangladesh.

➢ *Internet Banking*

Internet banking refers to the use of internet as a remote delivery channel for banking services. It permits or facilitates the customer to conduct transactions from any terminal with access to the internet. Only 7 out of 48 banks are providing some modern banking services *via* internet. These services include i) account balance enquiry ii) fund transfer among accounts of the same customer iii) opening or modifying term deposit account iv) check book or pay order request v) exchange rate or interest rate enquiry vi) bills payment vii) account summary viii) account details ix) account activity x) standing instruction xi) loan repayment xii) loan information xiii) statement request xiv) check status enquiry xv) stop payment check xvi) refill prepaid card and xvii) password change *etc*.

➢ *Mobile Banking*

Mobile banking is a term used for performing balance checks, transaction notifications, payments etc. *via* mobile phone.

➢ *Tele-Banking*

Tele Banking refers to the services provided through phone that require customers to dial a particular telephone number to have access to an account which provides several options of services. Despite having huge potentials, Tele-banking services have not been widened enough in banking activities in Bangladesh. Only four banks so far have provided a few options of Tele-banking services such as detail account information, balance inquiry, information about products or services, ATM card activation, check book related service, bills payment and credit card service.

➢ *Remittance (Electronic Way)*

Today's fast-changing electronic banking channels have massively improved the flow of remittance across the world. On Bangladesh perspective, banks here have grown up relations with many international financial agencies to master the inflow of remittance into the country from the expatriates working in foreign countries. A few such operators working in Bangladesh are: i) Western Union Money Transfer ii) Money Gram iii) X-press Money and v) bKash etc. The bKash is a dominating service facilitator when it comes counting the number of users where some rented car-drives, CNG-drivers and some cases many rickshaw-pullers are taking advantages of bKash services in Bangladesh (Bangladesh Sangbad Sangstha, 2022; Miah, S. 2025). These progressional participations using bKash can be seen in big cities, *particularly* in Dhaka City, the capital of Bangladesh. It must be worth noting here that when customer(s) does not have enough cash in hand, the customer(s) check with the driver(s) and based on the two's willingness & acceptance, customers use bKash for payment (Miah, S. 2025).

➢ *Other Services*

Complaints handling, account opening procedure, bank information, change request etc. can be completed utilizing ICTs in PCBs sector in Bangladesh (www.bb.org.bd)

➢ *Objectives of the Study*

Banking sector in Bangladesh has been growing significantly despite its economic & social problems that it has been facing since the beginning of its journey. However, a very few studies have been found that have made efforts determining the crucial factors that customers perceive as important in their choices of bank selection. This study is initiated to accomplish this goal where seven PCBs located in Dhaka City are randomly chosen for this case study. The main objectives for conducting this study are:

- To assess and determine the importance of selecting factors used by educated-cohort-customers in bank selection for its banking services.
- Comparing the usefulness of services using ICT offered by PCBs located in Dhaka City.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

- To provide bank executives with insights on existing & potential services that bank customers find most to be appropriate for meeting their 21st Century needs.
- To provide PCBs executives with insights on how to be reaching out potential & probable customers in rural areas without opening new branches.

IV. RESEARCH METHODOLOGY

Commercial banking in Bangladesh has undergone methodological changes during the last decade. For instance, 1980s, the Government of Bangladesh decided to privatize most of the nationalized banks and added more PCBs. Since then, this sector has become further competitive and with supporting policies by BB, PCBs are expanding its service facilities utilizing more ICT innovations than ever before to attract or retain its customers.

➢ *Sample Selection*

Since the non-scheduled banks operate with limited functions as noted by the BB (BB website), the customers of these banks are excluded from the survey sample used in this study. Similarly, based on the purpose of this study, in selecting the survey sample, the customers of the *Islamic Shariah* based PCBs and FCBs from the category of PCBs are ignore or excluded. Thus, the respondents of the survey questionnaire are customers who represent the total number of students & service-holders of universities who fit in "educated cohort population" category. For convenience and narrowing down the scope, further constraints were set in sample selection. Here students & service-holders were randomly selected from Dhaka University, located in Dhaka City. In this study, the respondents were comprised from diverse academic disciples. Student respondents were selected from all students who were enrolled in Fall of 2020-21.

In this study, the service-holders were comprised of 100, made up of three subgroups namely 4th class employees (who were schooled but not graduated), administrative employees (with at *least* university degree) and faculty members (with at *least* postgraduate degree). This group was interviewed at their convenience on university campus.

➢ *Data Collection and Manipulation*

- *Data Collection*

For this analysis, the survey questionnaire was prepared, and data information was collected from the selected sample size where questionnaire was passed on to students along with their assignment & take-home exam and service-holders were interviewed. With an arbitrary ratio of 2:1 of students vs. service-holders, 300 (N = 300) respondents were randomly selected where the student-portion of the ratio belongs to the said 5 Sections. Most of the respondents were customers of one or more of the banks namely BRAC Bank Ltd, Dutch-Bangla Bank Ltd, HSBC Bank Ltd, Bank Asia Ltd, Trust Bank Ltd, Mercantile Bank Ltd, Eastern Bank Ltd. These banks are positioned here weighing to its degrees of providing ICT services in Bangladesh (Basel Committee Report, 2001). These banks represent the conventional PCBs under the category of "Scheduled Banks" as defined by Bangladesh Bank, located in different cities in Bangladesh.

- *Questionnaire Structured*

The questionnaire was structured to collect information while raising first question on ownership of their bank(s). By so doing, the respondents other than the PCBs were immediately eliminated from the sample size.

- *Data Manipulation*

For measuring the importance of factors, Lickert Type Scaling was followed in designing question and answer was used (1 = not important, 2 = sort of important, 3 = important, 4 = important and 5 = mandatory). Based on the purpose of the study, total 11 factors were listed and most of them were derived from similar studies conducted in other developing & developed countries (Karin Holstius and Rehman *et al.*, 2008). For capturing status of digital banking in Bangladesh, the ICT factor is broken down into 4 sub-segments namely ATM, Online, Mobile and bKash. The reliability test was conducted for these factors, and Cronbach Alpha value came out to be 0.83.2.

V. FINDINGS OF THE STUDY

Summary of the findings are as follows

➢ *Socioeconomic & Demographic Factors*

The socioeconomic & demographic characteristics of respondents are shown in Table-1. Here respondents' profiles give an indication to bank customers' age-group, education-level, position-type (i.e., "income level" variable), employment & account type with the PCBs. For capturing detailed characteristics of customers in Bangladesh perspectives, the education level, position type in profession and employment type were broken down into sub-segment(s).

➢ *Age Group*

The customers' demographics show that most customers of PCBs fall in cohort of 19 to 38 years old whereas cohort 39 to 48 years old represents the second most, the cohort of 49- to 58-year-old placed in 3rd position etc. Table-1 clearly shows that different age groups have significantly dominated the percentages of customers of DBBL, BRAC and HSBC bank located in Dhaka City. Thus, instead of taking on all seven banks, this study takes on three banks namely DBBL, BRAC and HSBC for comparison.

With the age distribution for comparison, the percentage of customers in different PCBs can be shown as follows

The age group 19 – 37 years in Fig-2 has dominated by 46.56 percentages of total Dutch-Bangla-bank customers. However, the same age cohort shown in Fig-3 has dominated by 59.86 percentages of total BRAC-bank-customers, which is 13.3 percentages higher than that of total Dutch-Bangla bank customers.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

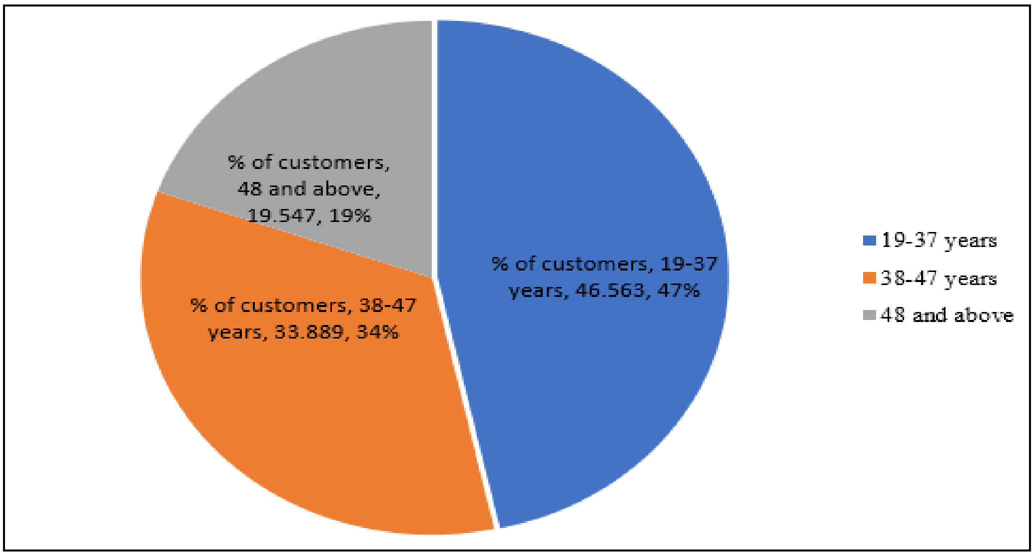

Fig 2 Dutch-Bangla Bank Customers in Percent at Different Age Group

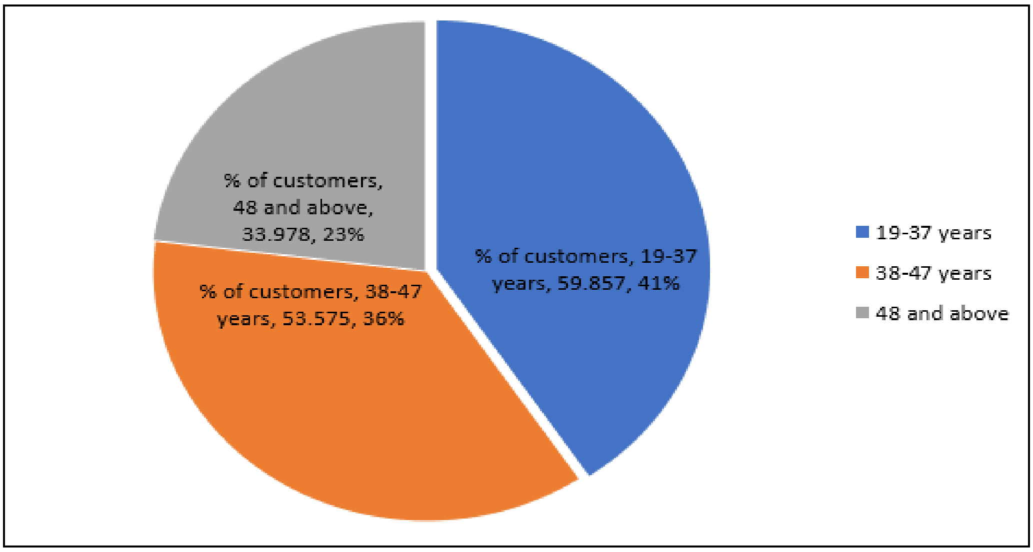

Fig 3 BRAC Bank Customers in Percent at Differeent Age Group

In *contrast*, Fig-4, the cohort group 38 – 47 years has dominated the customers' numbers by 53.62 percent in the HSBC bank.

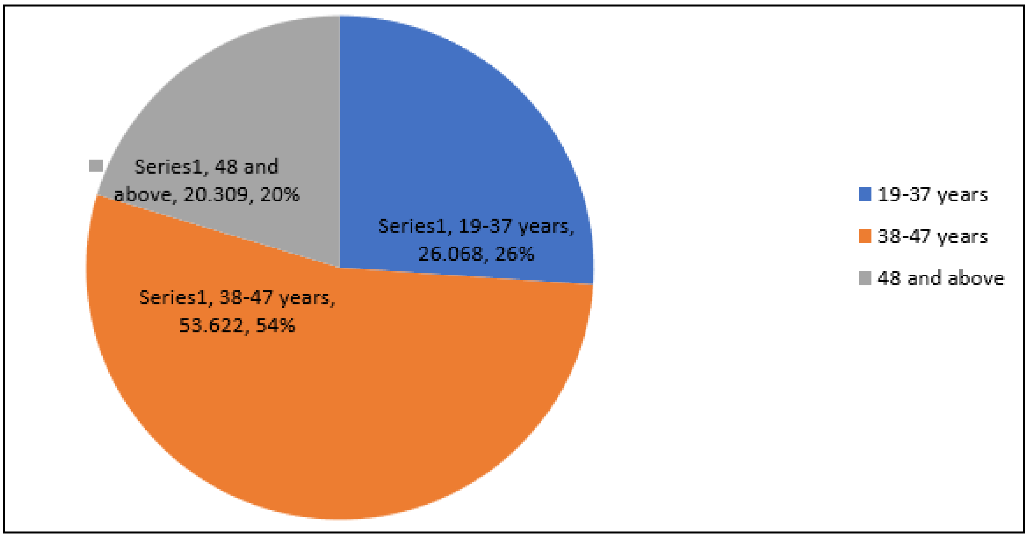

Fig 4 HSBC Bank Customers in Percent at Different Age Group

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

➢ *Education Level*

The sub segments of "education level" are below college, university level, which represents currently students in university or college levels, which includes sub-segments such as 1st year, 2nd year, 3rd year and 4th year students.

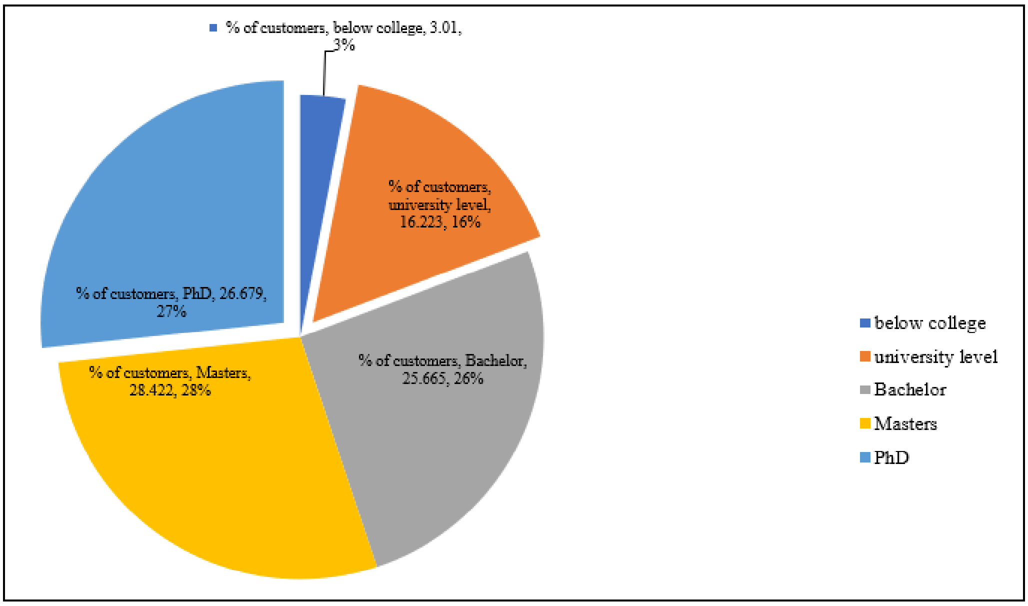

Fig 5 Dutch Bangla Bank Customers in Percentage with Different Education Level

It is worthy to mention here is that the 4th class employees, probably with below college level education, do not require having account with bank for cashing salary from the DU. However, all other employees are mandatorily required to cashing salaryies through bank accounts. Fig-6 shows that 15.60 percent of customers are in university or college in case of BRAC bank where bachelor's degree dominated the customers.

Whereas, Fig-7 shows that 7.84 percent customers are students in university or college level in case of HSBC bank where PhD dgeee dominted the customers' percentages.

It is noteworthy to mention here is that choosing HSBC bank has advantages when it comes interest rates. Furthermore, most of the customers in HSBC bank have more than one account with another bank and most of them have investment or savings accounts.

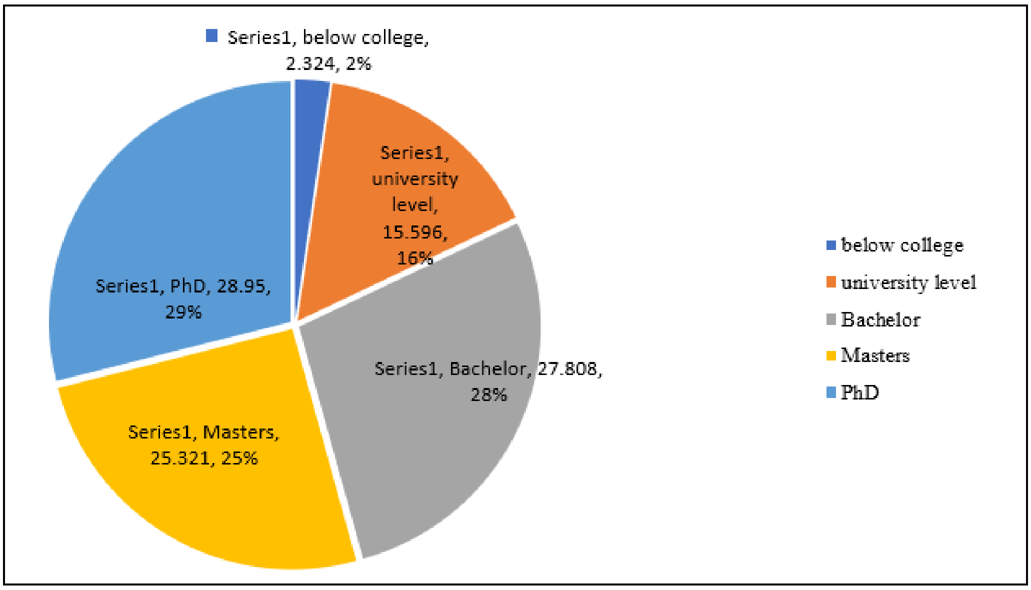

Fig 6 BRAC Bank Customers in Percent with Different Education Level

Furthermore, other sub segments of the "education level" are Bachelor's degree, Master's degree and PhD degree. Fig-5 shows that 16.23 percent customers are university or college level students in case of Dutch Bangla Bank where Master degree holders dominated the Dutch Bnagla bank customers.

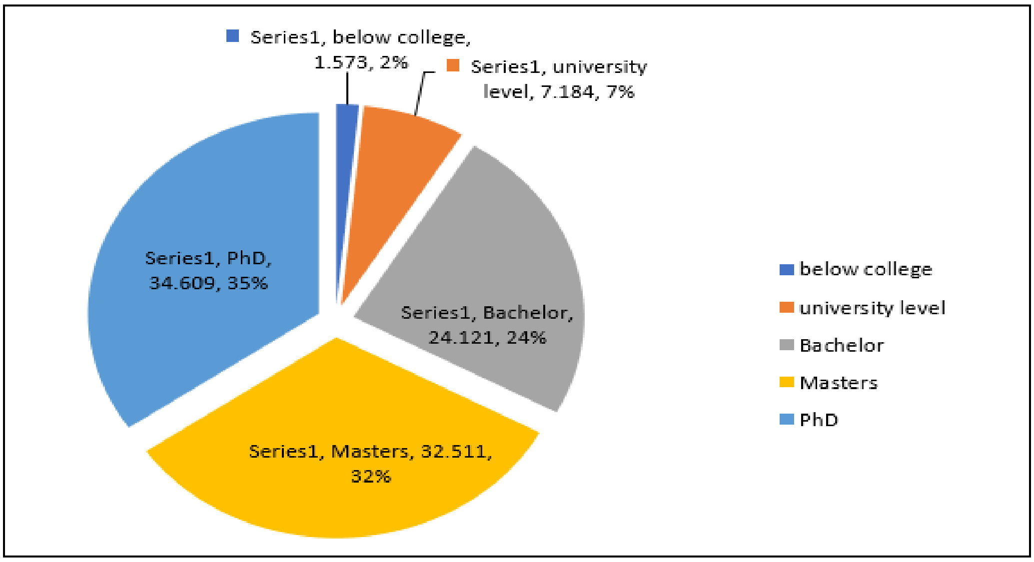

Fig 7 HSBC Bank Customers in Percent with Different Education Level

The data statistics on student-customer group is shown in Fig-8 to Fig-9 for Dutch-Bangla, BRAC and HSBC banks respectively.

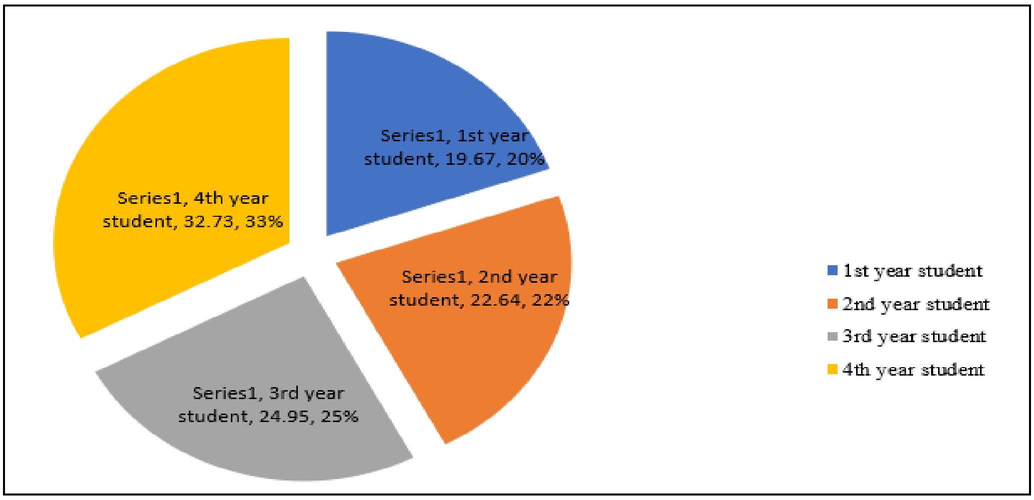

Fig 8 Dutch-Bangla Bank Customers in Percent who are Currently Students at University Level

➢ *Employment Type*

Fig-11 shows that little over 50 percent of the Dutch-Bangla Bank customers have fulltime position. In comparison, Fig-12 shows that 64.15 percent of BRAC Bank customers' have fulltime position in employment.

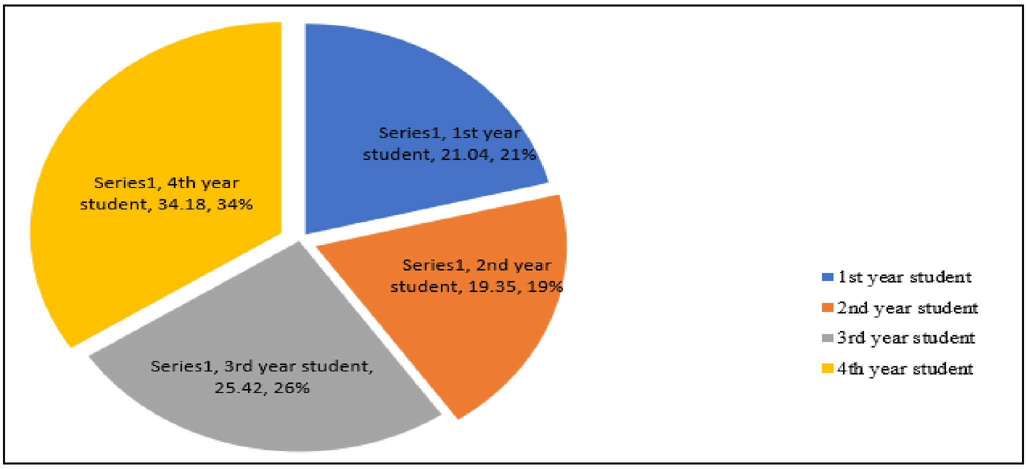

Fig 9 BRAC Bank Customers in Percent that are Currently Students in Different Level at University

And Fig-13 shows that 56.75 percent of HSBC bank customers have part-time positions.

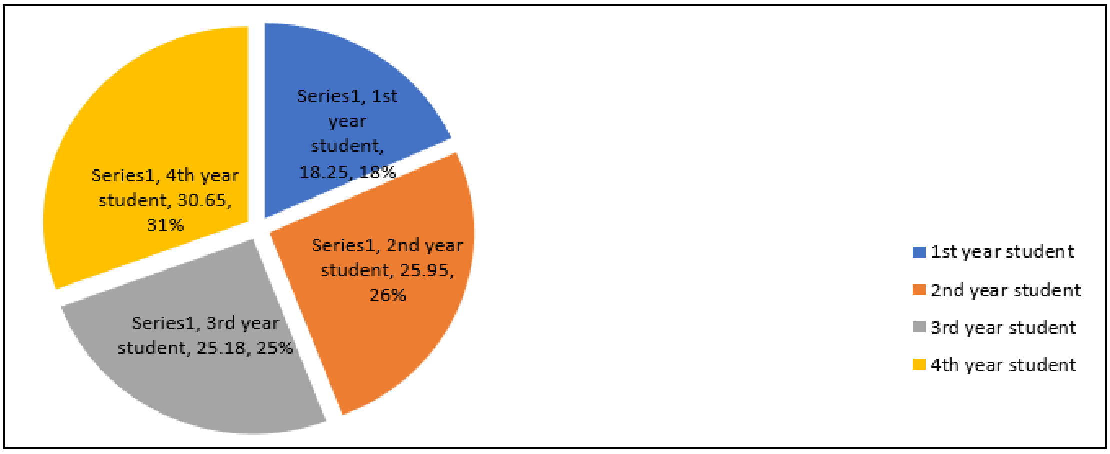

Fig 10 HSBC Bank Customers in Percent that are Currently Students in Different Level at University

It is worthy saying that here most of the faculty members in different universities located in Dhaka City have part-time positions where they are retired from previous jobs or more than one job.

➢ *Position Type*

Fig-14 shows that 49.63 percent Dutch-Bangla bank customers are faculty members whereas Fig 15 shows that 48.24 percent BRAC bank customers are faculty members.

In *contrast*, Fig-16 shows that 63.56 percent HSBC customers are faculty members in Dhaka City.

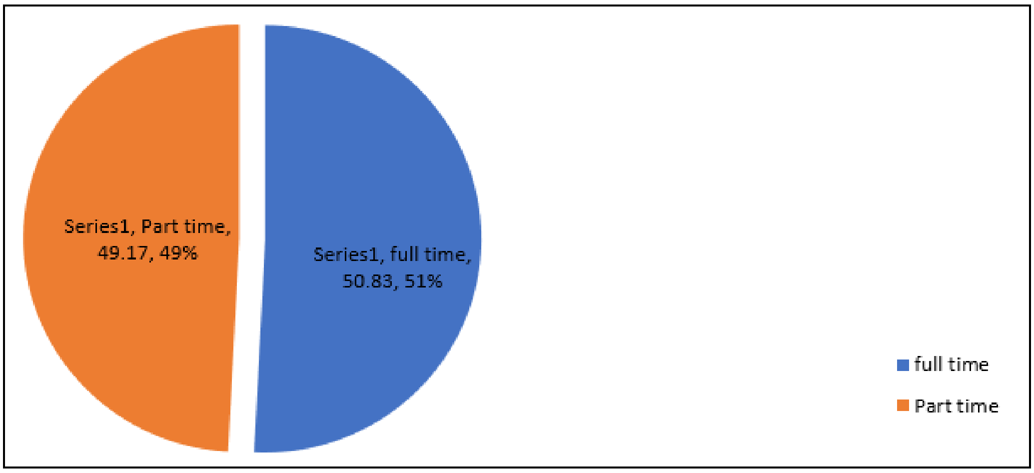

Fig 11 Dutch-Bangla Bank Customers' Employment Type in Percentage

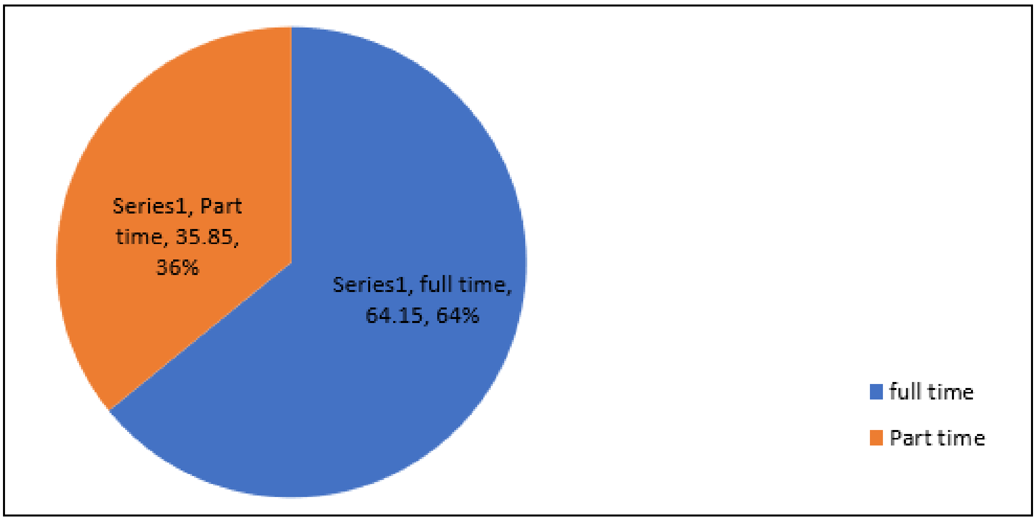

Fig 12 BRAC Bank Customers' Employment Type in Percentage

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

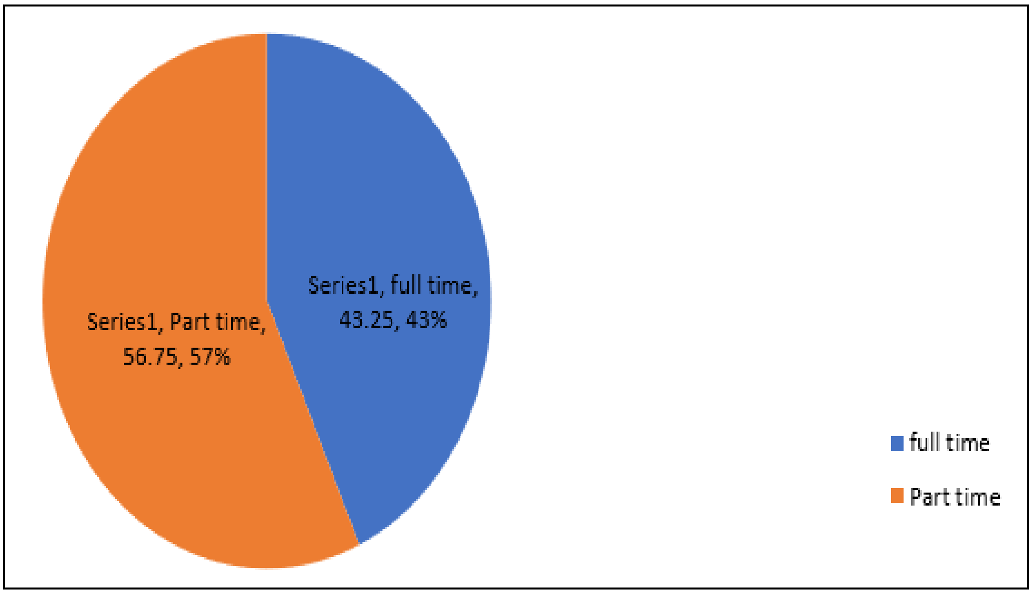

Fig 13 HSBC Bank Customers' Employment Type in Percentage

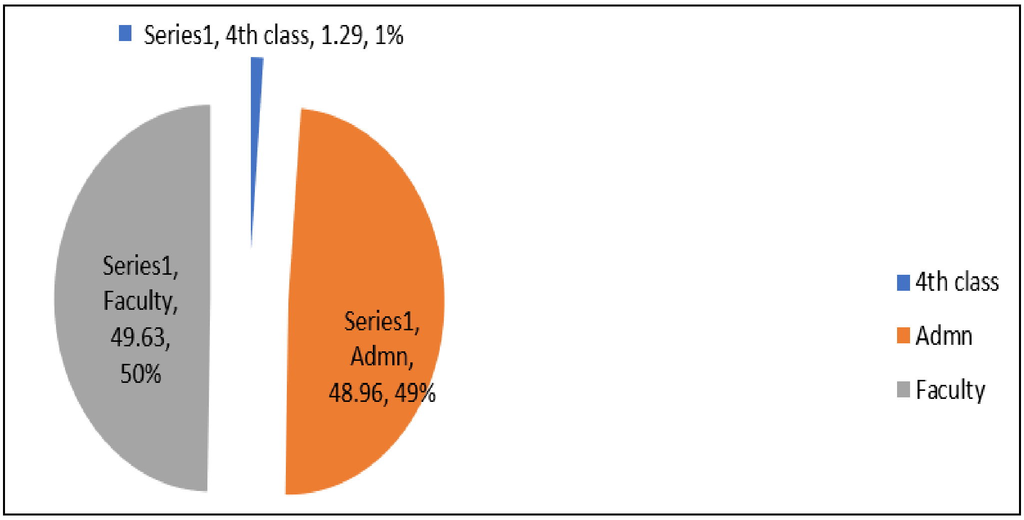

Fig 14 Dutch-Bangla Bank Customers' Position Type in Percent

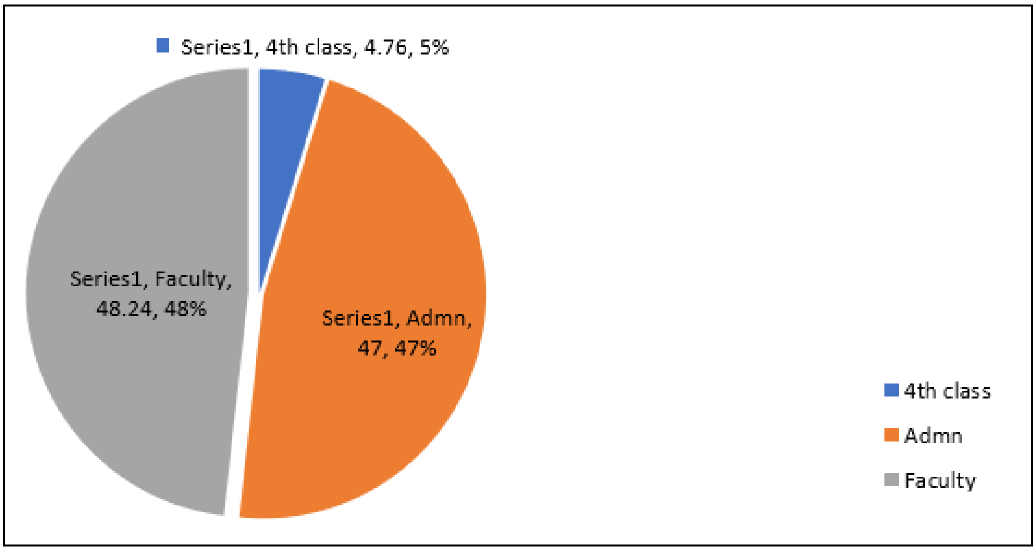

Fig 15 BRAC Bank Customers' Position Type in Percentage

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

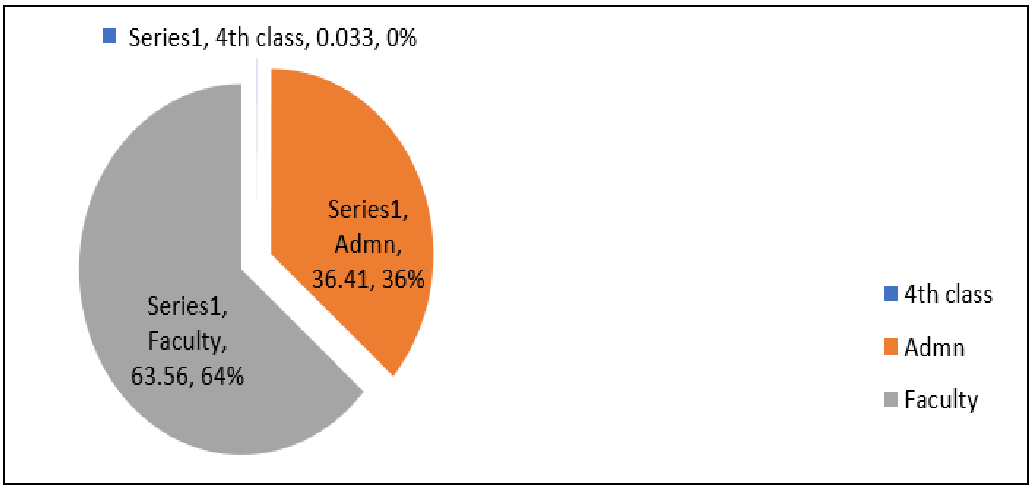

Fig 16 HSBC Bank Customers' Position Type in Percent

➢ *On ICT Utilization Perspective*

Table - 2 displays customers' perceptions of the most principal factors that they perceive in their choice of PCB in Dhaka City. Here Mean values are calculated accordingly. It was not surprising that the most principal factors for bank customers were ICT oriented services. Here mobile phone services have dominated the process, and the profit rate placed second. In this assessment, the convenient location was also important. In comparison, overdraft protection & motivational efforts by banks were identified as the *least* principal factors. In preference evaluation aspects, Table - 2 clearly shows that customers of three PCB banks namely Dutch-Bangla, BRAC and HSBC have dominated the utilization of ICT. Thus, this study has chosen the customers of the said three banks for further evaluation on utilizing ICT in choosing banks for receiving banking services satisfactorily.

➢ *Utilization of Automatic Transaction Machine (ATM)*

Fig-16 shows that the BRAC bank has dominated attracting customers when it comes facilitating the utilization of ATM where mean value of the of customers' perceptions toward ATM is 2.9 whereas the mean value in case of Dutch-Bangla bank is 2.79 and HSBC depicts 1.01, which placed the 3rd among all the PCBs in this study.

➢ *Online Services*

Fig-17 shows that, the Dutch-Bangla bank has dominated attracting customers when it comes providing Online services. In this respect, BRAC placed 2nd and the HSBC placed the 3rd among all PCBs located in Dhaka City.

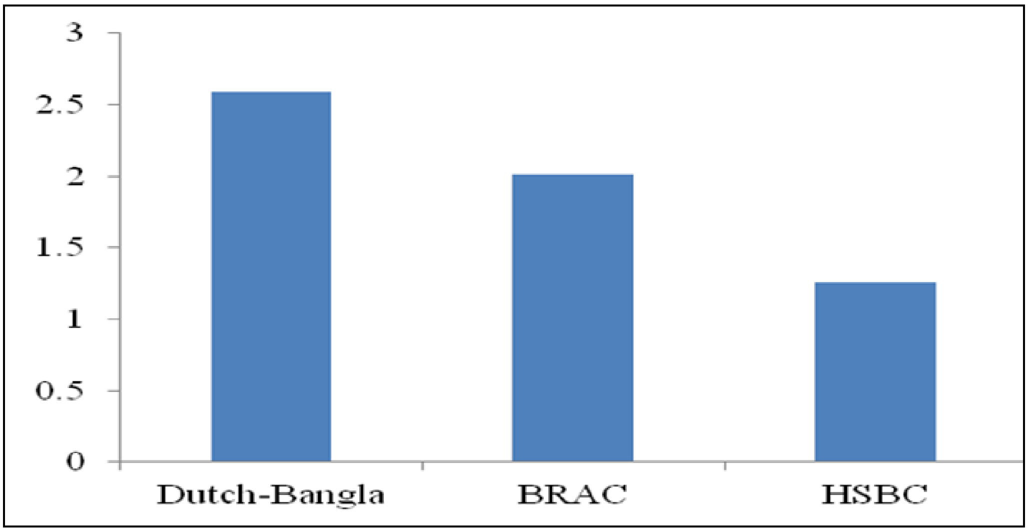

Fig 17 Mean Value of Customers' Perception Towards Online Services

➢ *Mobile Phone Services*

Fig 18 shows that the highest meaning of customers' perceptions towards attracting customer is 3.12 when it comes mobile phone services, which is dominated by Dutch-Bangla bank in Dhaka City. In this respect, BRAC placed the second, which depicts mean value 2.49. The HSBC shows 0.79 and placed the 3rd among all PCBs in Dhaka City.

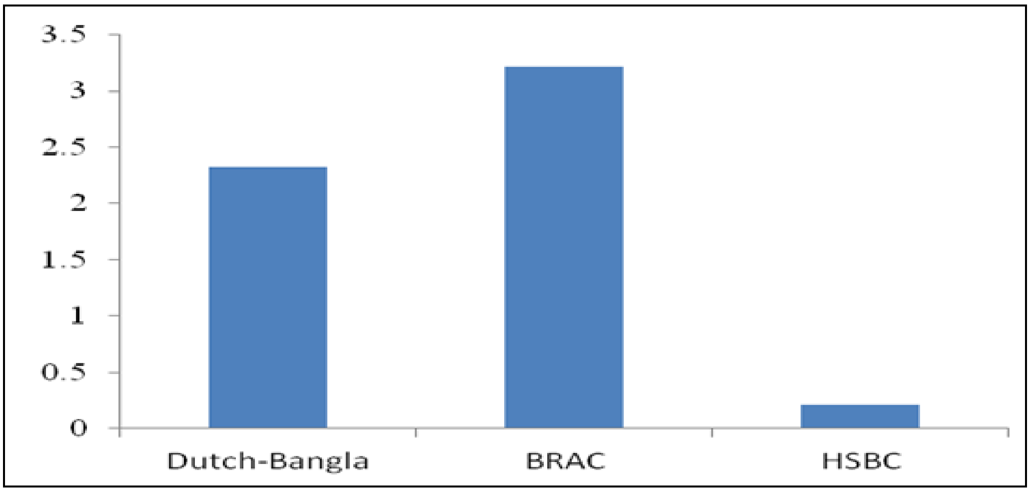

Fig 18 Mean Value of Customers' Perception Towards bKash Services

➢ *bKash Services*

The BRAC bank has dominated the bKash services when it come attracting customers where the mean value is 3.22. In contrast, Figure 19 shows that the Dutch-Bangla bank placed the 2nd.

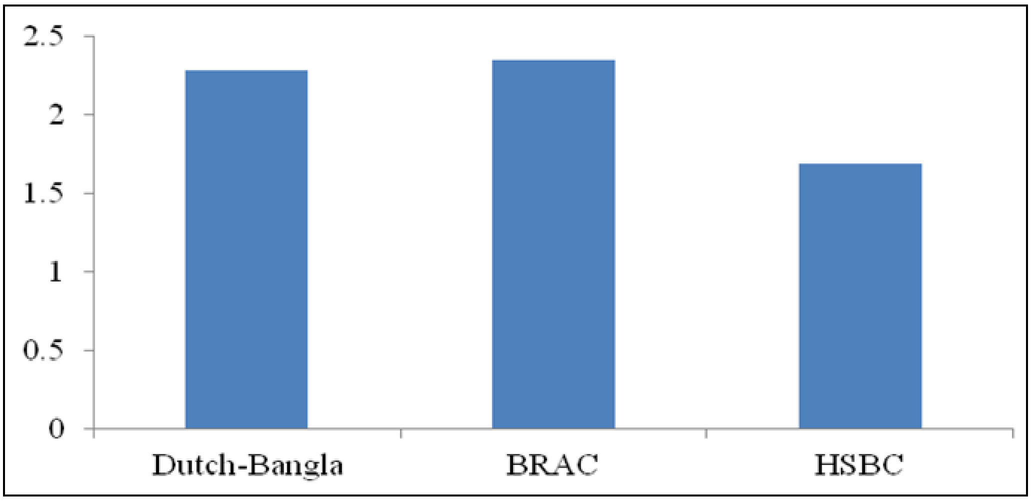

Fig 19 Mean Value of Customers Perceptions Towards Profit Rate

➢ *Other Factors that Influence Attracting Customers*

Besides socioeconomic & demographic and ICT utilization factors, PCBs influence customers' preferences using many other factors particularly i) profit rate ii) other incentives and iii) location of bank branches.

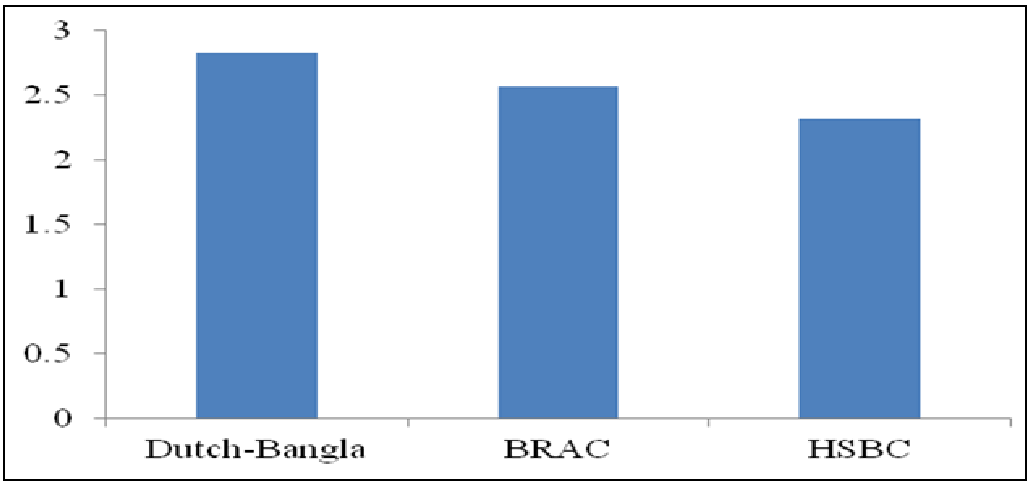

Fig 20 Mean Value of Customers' Perception Towards Motivational Incentives

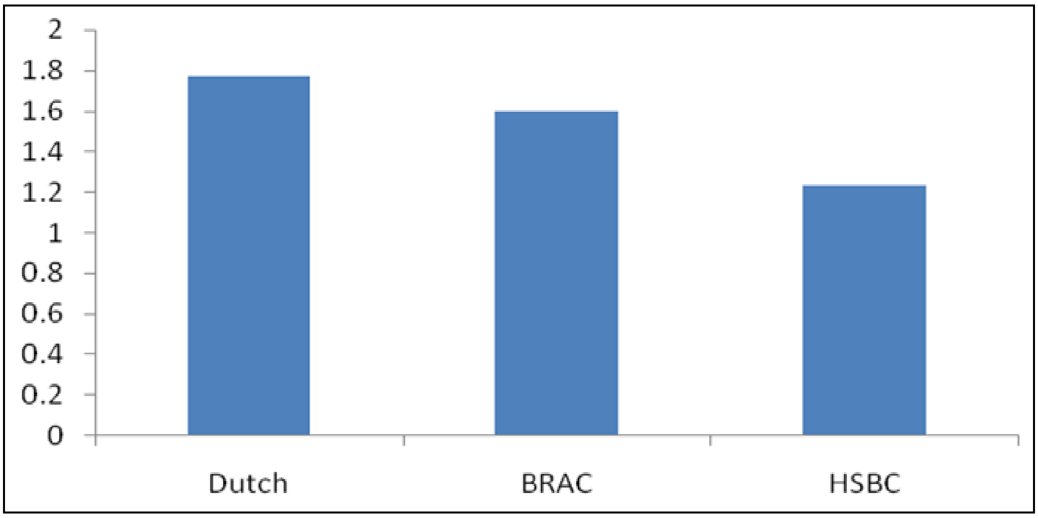

Fig 21 Mean Value of Customers' Perception Towards Location of Bank Branches

- *Profit Rate*

Fig-20 clearly shows that Dutch-Bangla bank has dominated when it comes attracting customers by offering profit rate for higher investment. The BRAC placed 2nd, which depicts the mean value 2.35 and the HSBC placed 3rd among all PCBs located in Dhaka City.

- *Motivational Incentive*

Fig-20 shows that the Dutch-Bangla barely dominated when it comes offering motivational incentives. The BRAC bank placed the 2nd that depicts mean value 2.56. HSBC placed the 3rd among the PCBs in Dhaka City.

- *Location as a Factor*

Since differences among mean values are not significant in this case, Fig 21 shows that most of the PCBs have tried attracting customers by reaching out or locating branches near to them. In this aspect, the Dutch-Bangla dominated attracting customers. The mean value 1.596 puts the BRAC in the 2nd position. The HSBC, with mean value 1.236, placed itself to the 3rd among all PCBs.

- *Factor Analysis and the Findings*

Factor Analysis further here identifies the primary factors that customers perceive as important for their bank selection located in Dhaka City. Table-3 represents the results of factor analysis. All these characteristics with factors loading 0.50 and above were retained. Here the Extraction Here the method is based on Principal Component Analysis. This study has identified three major factors for the customers' choices for each of the seven PCBs, namely a) DBBL b) BRAC c) HSBC d) Asia e) Trust e) Mercantile and f) Eastern Bank. The principal factors for bank selection were digital banking services, *particularly* the mobile phone & ATM services dominated accordingly. The profit rate and convenient location placed second and third according. Next to these are the factors related to customer-oriented services, fees & easy to open and overdraft services according to the protection provided by the banks. Convenient location and then profit rate played significant roles in attracting customers significantly in case of Asian, Trust, HSBC and Mercantile accordingly. Survey interviews where faculty members, administrative personnel and 4th-class employees were very often interviewed informally on additional factors were helpful for better understanding of customers' perceptions. This extra information suggests that higher degrees along with higher salary customers had more than one account namely fixed, savings and other accounts with small PCBs in addition to their checking accounts with DBBL or BRAC. Therefore, it can be claimed that education level and certain cohort population (age > 50) were customers mainly at small PCBs where i) banks profit rate & convenient location ii) bank image and ii) better customer services attracted them most. Table-4 provides results of multivariate analysis in this empirical study.

These results provide bankers in PCBs sector with insight into demographics of their customers' bases. This should help banks to position themselves in accordance with the needs of their respective customers. In depth review of this analysis reveals that employees holding at least two jobs are more likely to hold a bank account in small PCBs. Similarly, higher qualification level makes bank customers more in favor of certain factors that small PCBs likely to offer for attracting them where the customers care more ICT services than that of others because of their time values.

VI. IMPLICATION OF THE FINDINGS OF THIS STUDY

Implication of the findings of this study can be seen in two phases namely government and private sector perspectives. Because of inappropriate plans and of poor implementation in practices, the National ICT Policy 2002 could not reach the perceived levels of success. *Consequently*, government took initiatives in 2008 and then in 2009 to update the National ICT Policy with the aim of making it befitting with the current and near future needs of the country.

Parallel to this progression in banking sector of economy in Bangladesh, banking sector was inspired by BB

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26jul086

and introduced privatization and began licensing significantly for new additional private banks since 2000s.

The objectives of the latest National ICT Policy are to enhance the following for sustainable economic growth.

- Social equity
- Productively
- Integrity
- Education and research
- Employment
- Exports Strengthening
- Healthcare services
- Universal access to ICT
- Environment, climate and disaster management
- Supports for worldwide movement for utilization of ICT

By voicing with the Worldwide Movement for utilization of ICT, Bangladesh has aspired to significantly prosper with its exciting opportunities and by managing its challenges as it faces. And under the umbrella of government efforts & policies in practice, few foreign countries & organizations have extended their cooperative hands in many faucets including monetary funds. With this help, few local private organizations namely the BRAC, BIID, Grameen Phone and to a lesser extent Tele Talk has professionally entered the mobile applications market (Wagemaker, *et al.*, 2013). In returns, number of users of mobile phones in Bangladesh now surpasses that of other Southeast Asian Countries including Pakistan and India. The ownership of this achievement is not just limited within the government, but it is beyond the government. Here the local private organizations, including the banking industry have played significantly for their successes in multi-faucets were generating profit & enhancing employment opportunities were in priorities. In this continuing process, Akim, Rahman first introduced in literature the idea of adopting Voluntary Insurance in digital banking services (Rahman, 2017) for enhancing the number digital banking users in Bangladesh.

Since the profit of a bank and the number of its customers are directly linked and since the ICT sector is expected to contribute significantly to government revenue generation, the application of the findings of the study can be a win-win situation for both the banking sector and then for the government as a whole (Rahman, 2202; 2023). Today banks use QR Code system for making transaction services faster (Rahman, 2023). With success in mobile phone sector as an inspiration in journey, the nation should be encouraged to complete the daunting task under the BB umbrella where banking sector can play significantly providing ICT based services to its customers and for attracting probable ones to be its customers. Thus, the findings can be inspirational tools in designing banking policies for its better outcome. It can further be educational guidance for the government when it comes to designing banking policies so that banking sector can be inspired and in default the government should be able to generate additional revenue through ICT policies.

VII. CONCLUSION

The PCBs in Bangladesh are desperately moving into a further competitive financial atmosphere with a wider variety of financial and customer-oriented services utilizing ICT. Accordingly, this study has focused on determining major factors in bank selection by its customers. Here the findings of this study reveal that ICT banking facilities, particularly the mobile bKash & electronic notification on transactions, ATM & Online services and profit & interest rate have dominated when it comes to bank selection. Convenient location of bank branches, mostly in case of small PCBs, is also considered to be one of the important choice determinants. While bank service charges, bank documentations, employees' attitudes and sitting arrangements were found to be insignificant factors in this study. But bank employees attitudes and behaviors were significant factors in certain age group customers where customers looked for friendly attitude of employees working at their selected banks. These determinants may vary slightly from city to city. But it should not be significant because here population is not significantly divided based on culture in Bangladesh. The findings of this study can provide a guide to banks in designing their future strategies in competitive economy.

➢ *Conflict of Interest Statement*

The authors declare that there is no conflict of interest associated with this research. No financial, professional, or personal relationships have influenced the findings, analysis, or conclusions presented in this study.

REFERENCES

[1]. Al-Amin, S. *et al.*, (2010), "Application of electronic banking in Bangladesh: An Overview", Bangladesh Research Publication Journal, ISSN 1998-2003, Vol. 4, no.2, pp. 172-84

[2]. Akhtar, M. H. (2002), "E- efficiency analysis of commercial banks in Pakistan: A preliminary investigation", The Pakistan Development Review, Volume 41, No. 4 (Part II), pp. 567-580

[3]. Basel Committee, (2001), "Basel Committee Report on Banking Supervision", Publication no. 82

[4]. Bangladesh Bank (2013), "Wealth distribution in south uneven, despite trade increase-Experts tell high level meeting", FE Report, 2013

[5]. Bangladesh Sangbad Sangstha (2022), Rickshaw fare can be paid thru mobile phone "tap". BAA News, Published on January 08, 2022.

[6]. Charles, T., (2010), "E-Commerce Strategies", Prentice Hall of India, New Delhi, 2001

[7]. Chen, T. Y. (1999), "Critical success factors for various strategies in the banking industry", International Journal of Bank Marketing, Vol. 17, No. 2, pp. 83-91

[8]. Chowdhury, J., (1999), "Information Technology in Bangladesh", a paper on IT policy in Bangladesh

[9]. Jamal, A. *et al.* (20013), "Factors influencing customer satisfaction in the retail banking sector in

Pakistan", International Journal of Commerce & Management, Vol. 13, no.2, pp. 29-53
[10]. Karin, H. *et al.* (1995), "Retail banking in Nordic countries: The case of Finland", International Journal of Bank Marketing, Vol. 13, no. 8, pp. 10-20
[11]. Miah, S. (2025), Cashless transactions quietly rise in informal sector, New Age, New Age Article, Published on November 25, 2025.
[12]. Nielsen, J. *et al.* (1998), "Business banking in Australia: A comparison of expectations", International Journal of Bank Marketing, Vol. 16, no. 6, pp. 253-263
[13]. Rehman, H. *et al.* (2008), "An Analysis of determinant of Bank Section in Pakistan", Pakistan Economic and Social Review, Vol. 46, no. 2, pp. 147-160
[14]. Rahman, Akim (2017), Incentive under Market System along with Informational Symmetry to Boost up Customer Attitude toward Self-service Banking: A Proposal, International Journal of Economics and Business Research, Vol. 4, No. 1, 2017, Norway University.
[15]. https://www.inderscienceonline.com/doi/abs/10.1504/IJEBR.2017.087518?journalCode=ijebr
[16]. Rahman, Akim (2022), An Empirical Study on Customers' Views of Having Voluntary Insurance as a New-product in bank-led Digital-banking Ensuring Risk-free Services, Vol. 07, No. 02, pp: 32-40, 2022, Published by Noble Academic Publisher, ISSN(e): 2519-9730 ISSN(p): 2523-0565 DOI: https://doi.org/10.51550/nijefr.511.164.170 ; URL: www.napublisher.org
[17]. https://napublisher.org/pdf-files/NIJEFR-7(2)-32-40.pdf
[18]. Rahman, Akim (2023), Rahman, Akim (2023), Customers' opinions on voluntary insurance in bank-led digital-banking : statistical analysis for policymakers' attentions, Published in Athens journal of business & economics, 2241-794X;
[19]. https://hdl.handle.net/11159/631138
[20]. https://savearchive.zbw.eu/handle/11159/631138
[21]. Thornton, J. *et al*., (2001), "Customer orientations and usage of financial distribution channels", Journal of Services Marketing, vol. 15, no. 3, pp. 168-85
[22]. Wagemaker, J. *et al.* (2019), "Grow Mobile: Mobile Opportunities for Water Management & Food Security in Bangladesh", ICT for Development, Working paper series, Vol. 3, no. 1, June 2013
[23]. Zineldin, M., (1996), "Bank strategic positioning and some determinants of bank selection", International Journal of Bank Marketing, Vol. 14, no. 6, pp. 12-22
[24]. www.bb.org.bd