

## Determinants of Bank Selection by Depositors Based on Consumer Behavioural Factors

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### Abstract

Understanding how consumer behaviour influences bank selection is crucial for banks to attract and retain depositors. By examining consumer behavioural factors, banks can customise their strategies to align more effectively with the needs and preferences of their target customers, thereby enhancing both profitability and liquidity. Hence, this research explores the specific factors that Malaysian depositors consider when choosing a bank for their banking activity. This study employs the theory of planned behaviour to determine the links between customer behavioural factors, such as attitude, subjective norms, perceived behavioural control, and bank selection intention among Malaysian depositors. The researchers disseminated 384 questionnaires to Malaysian bank customers to acquire data on depositors' bank-selection intentions. Structural equation modelling results for Malaysian depositors reveal that attitudes, subjective norms, and perceived behavioural control are significantly related to their intentions of bank choice. According to the findings of the research, it seems that customers choose their banks based on their expectations of how their savings and investments would perform. This choice is often influenced by recommendations from those closest to them, as well as the perception of convenient access to banking services and manageable account maintenance expenses. However, future research would benefit from incorporating additional factors, such as financial literacy, risk tolerance, and technological adoption, into the investigation. Analysing the impact of these factors could enrich our understanding of how they interact to shape and mediate the influence of attitude, subjective norms, and perceived behavioural control on bank selection intention.

**Keywords:** Banks, Attitudes, Subjective Norms, Perceived Behavioural Control, Malaysia

### Introduction

Banks are one of the most important components of a country's financial system and serve several purposes throughout the organisation. Accepting deposits and issuing loans and advances are core tasks, whereas agency services and utility functions are subsidiary ones.

Yet, lending remains the backbone of the banking industry due to the high returns it generates (Ali & Pua, 2018). The availability of sufficient capital is essential for banks to meet the credit needs of their customers. Meanwhile, banks need to keep their liquidity high so that they can quickly convert their assets into cash when depositors want to withdraw their money. This is in line with the Basel Committee on Banking Supervision's (BASEL) Third Basel Accord on Enhancing the Regulation and Supervision of Financial Institutions (BASEL III) (Hlatshwayo et al., 2013).

Therefore, it is essential for banks to entice depositors to invest and save in their institution. The higher the amount of cash put into banks, the higher the bank's liquidity (Grundke & Kühn, 2020). This is strong evidence that depositors have a significant role in bank profitability, and banks need to pay attention to the factors that make depositors choose one bank over another. As banks are also of many types and provide a variety of services, depositors have established certain criteria for selecting banks in which to place their assets and money.

The study of customers' perceptions on their choice of banks is affected by consumer behaviour, which is heavily impacted by personal experiences and social groupings (Ibrahim & Arshad, 2017). Theory of Planned Behaviour (TPB) states that the availability of easy access to banking services, the reputation of banks, and the quality of services given by banks might attract depositors (Tucker et al., 2019). Aside from financial incentives from banks, information available to both potential and current customers and the influence of social group members may be the most important factor in attracting and retaining bank customers (Adekiya & Gawuna, 2015).

Alternatively, customers' perceptions of a bank's organisational and managerial strengths will be a reliable indication of which institution they will choose to deposit their money with (Adekiya & Gawuna, 2015). Extra focus on credit risk and bank size, for instance, is required to maximise profitability (Ekinici & Poyraz, 2019; Saleh & Afifa, 2020). Managers at banks may check a borrower's credit history before approving a loan. As a result, the likelihood of loan defaults is reduced, helping financial institutions maintain their positive reputation.

Hence, bank characteristics and consumer behaviour are important factors when selecting a bank to deposit money. According to the existing literature, there is a dearth of study on Malaysian depositors. It is possible that the characteristics are different due to the fact that Malaysians have many options, including commercial and Islamic banks. Determinants may differ as the depositor's perception changes from time to time according to economic conditions and the bank's performance (Ferreira & Dickason-Koekemoer, 2020). Therefore, this research is designed to comprehend the determinants of depositor bank selection based on consumer behaviour factors.

## **Literature Review**

### **Bank Selection**

Customers in today's market tend to choose among different banks by weighing many factors, including cost, reliability, quality of products and services, and overall effectiveness (Ghamry & Shamma, 2022; Ighomereho & Sajuyigbe, 2022). Customer-centric banking practices in developing and emerging countries gradually shift from a collection of tangible determinants to intangible determinants of bank selection (Andaleeb et al., 2016). If the services delivered are aligned with consumers' needs and expectations, it leads to customer satisfaction and results in an extended relationship between the service provider and the customer (Kaur et al., 2021). Therefore, it is imperative for managers to fully understand consumer preferences

and product selection processes. They can then use this information to come up with business strategies that will help the organisation generate more revenue (Mitik et al., 2017; Eriksson et al., 2020).

Current research highlights the importance of customer-centric criteria in the choosing of a financial institution (Bathija, 2021). This research aims to determine why and how current and prospective depositors have chosen certain financial institutions over others as long-term financial partners. According to Kaur & Quareshi (2015) a customer's propensity to do business with an organization is directly correlated to the customer's level of faith, confidence, and trust in that organization. The reputation of a bank is vulnerable and readily exposed to word-of-mouth, and it may spread rapidly either positively or negatively (Manohar et al., 2019). This means that social factors, like recommendations from friends or family, are likely to play a big role in deciding which customers choose to open accounts at certain financial institutions.

Simon's (1990) bounded rationality theory asserts that customers have limited cognitive capacity and will stop searching once adequate solutions have been identified. Typically, in the consumer decision process, they tend to follow the traditional five-step evaluation process. The process includes problem recognition, information search, alternative evaluation, choice and outcome evaluation (Bruner & Pomazal, 1988). According to the Engel Model, the customer decision process consists of defining issues, generating alternatives, evaluating alternatives, selecting an alternative, implementing the decision, and monitoring the results (Engel et al., 1995). This is also supported by Howard & Sheth's (1969) theory of buyer behaviour, Blackwell et al.'s (2001) consumer decision model, Fishbein & Ajzen's (1977) theory of reasoned action, and Ajzen's (1985, 1991) theory of planned behaviour.

## **Consumer Behaviour**

### ***Attitude***

Attitude is "learned inclination to react consistently favourably or unfavourably to a particular thing (Ajzen, 1989). Expectancy-value theory proposed by Fishbein & Ajzen (1975) posits that people's attitudes naturally emerge from the belief they already have about an object. Beliefs about something are often developed by linking it to other objects, traits, or experiences. When it comes to a person's attitude toward behaviour, each belief connects the behaviour to a certain outcome or to another thing, like how much it costs to do the behaviour (Ighomereho & Sajuyigbe, 2022). Nevertheless, researchers examining the behaviour of bank customers and their interaction with these institutions have paid a great deal of attention to attitude since it is one of the basic aspects affecting consumers' purchasing behaviour. In numerous prior studies on the topic (e.g., Kannaiah et al., 2017; Giovanis et al., 2019; Ho et al., 2020), researchers found that consumers' attitudes significantly influenced their intentions.

### ***Subjective norm***

The second predictor is a social factor termed subjective norm. Subjective norms are the social pressures exerted by important people, such as family, friends, and co-workers, to do or refrain from performing behaviour (Aji et al., 2020; Choi & Park, 2020). Alhassany & Faisal (2018) point out that consumer' perceptions of a service's value may be influenced by the views and ideas of others. For actions with substantial normative consequences, subjective norm would be the most important predictor of actual use when self-influence is stronger than subjective norm.

However, divergent findings have been found on the influence of subjective norm on behaviour. According to Zhang et al. (2018), subjective norms have a smaller influence on personal behaviour. Chang et al.'s (2020) research found little importance of subjective norm. Conversely, Ighomereho & Sajuyigbe (2022) reported that subjective norms have a positive and significant impact on the adoption of banking services. The findings of Ighomereho & Sajuyigbe's (2022) research are consistent with those of other studies (Alhassany & Faisal, 2018; Teka, 2020), which found that subjective norm strongly influenced the adoption of banking services.

### ***Perceived Behavioural Control***

An individual's decision is a reflection of their perceived behavioural control (PBC) about their capabilities to perform judgments and behaviour regarding their independence over the choice to do the behaviour (Hamid & Bano, 2021). Perceived behavioural control is the degree to which an individual believes they have the ability to refrain from engaging in certain behaviour (Ibrahim & Arshad, 2017). Individuals who believe they have a great deal of control over their behaviour are more likely to be motivated to actually engage in that behaviour (Ajzen, 2020).

According to Ajzen (2020), PBC may impact in two ways as stated by the Theory of Planned behaviour. First, PBC can alter the intention to do the behaviour. Second, PBC can directly influence the behaviour in a manner that depends on the concerned intention. Depositor's decision-making and behaviour may be influenced by both internal and external control factors. External control factors include things like money, time, and the cooperation of partners, whereas internal control factors centre on the knowledge, experience, and abilities of the individuals involved (Ajzen, 2020). Because PBC have such a direct impact on an individual's behaviour, those with a high PBC are more likely to engage in or abstain from a given behaviour. In this regard, Raut (2020) discovered that individual investors' perceived behavioural control predicts their future investment behaviour.

### **Underpinning Theory**

#### ***Theory of Planned Behaviour***

The theory of planned behaviour refers to concepts referring to behavioural dispositions, such as social attitude and personality traits, that have played an important role in these attempts to predict and explain human behaviour (Ajzen, 1985; Sherman & Fazio, 1983). The best way to predict a customer's buying behaviour is to look at his or her intentions, which are affected by his or her attitudes and subjective norms (Saleki et al., 2020). Customers are rational beings who set their norms and behave according to their normative beliefs (Bhutto et al., 2020). The theory of planned behaviour (TPB) was proposed by Ajzen (1985) as an extension of the theory of reasoned action (Fishbein & Ajzen, 1975) for conditions where individuals do not have complete control over their behaviour. The Theory of Planned Behaviour (TPB) states that behaviour intentions and actual behaviour are also affected by something called perceived behavioural control (PBC), which is a third antecedent to the theory. An individual's belief in his or her own ability to regulate whether or not to engage in the targeted behaviour is reflected in this construct. This statement relates to the current study, which indicates that certain bank customers have a propensity to choose banks without doing thorough cognitive investigation and gaining understanding of the bank's benefits and regulations. There is a possibility that they are attracted to the banks just because of advertisements or word-of-mouth.

## Hypotheses Development

### ***H<sub>1</sub>: There is a significant relationship between depositors' attitudes and bank selection.***

An individual's attitude toward a specific conduct is determined by his or her cognitive, affective, and behavioural responses to the execution of that behaviour (Brand et al., 2019; Kaiser & Wilson, 2019). These attitudes are shaped by the connection and intensity of certain qualities and attributes with a specific behaviour. Moreover, the perceived usefulness and relative benefit of the behaviour itself can affect an individual's attitudes (Owusu et al., 2021). Specifically, positive outcomes of switching financial providers influence an individual's attitude about switching behaviour and, thus, improve his or her chances of engaging in it (Adams & de Kock, 2015; Yen & Chang, 2015).

### ***H<sub>2</sub>: There is a significant relationship between depositors' subjective norms and bank selection.***

Subjective norms are social pressures exerted by influential people, such as family members, friends, and co-workers. These social norms impact an individual's decision to engage in a certain activity (Ruefenacht et al., 2015; Tandon et al., 2020). Customers, from the viewpoint of the TPB, are self-aware, rational individuals who establish and act in accordance with their own normative views (Fishbein & Ajzen, 1975). Research has shown that a person's subjective norms are directly affected by his or her normative beliefs and perceptions of acceptable social behaviours, as well as his or her motivation to follow them (Ajzen, 2020; Rejón-Guardia et al., 2020).

### ***H<sub>3</sub>: There is a significant relationship between depositors' perceived behavioural control and bank selection.***

Perceived behavioural control is attained when customers believe they have the prerequisite opportunities and resources to switch (Ajzen, 2020; Bhutto et al., 2020). According to PBC, a customer's perceived switching costs may prevent them from making a move (Nguyen et al., 2020). Switching costs include search, time, transaction, monetary, emotional, cognitive, and psychological barriers. They decrease one's perceived control of a certain behaviour and thus reduce his or her motivation and intention to perform it.

## Methodology

### **Data Collection**

Data for this research was collected employing an online questionnaire based on a survey method. The researcher used "Google Form" to disseminate 384 questionnaires to Malaysian bank customers to obtain data on depositors' bank-selection intentions. Snowball sampling technique was used to collect the data from the respondents. This article focuses on 16-year-olds and older Malaysian bank customers. This is in accordance with the Malaysia Employment Act of 1966, which stipulates that the minimum age to become a legal employee is 16. Therefore, in order to earn monthly payments, one must open at least one bank account.

### **Data Collection Instruments**

Current study employed close end questions to design the questionnaire. The questionnaire is split into two parts: the main structure and the demographic profile. This first section elicited information about the determinants (attitude, subjective norm, and perceived behavioural control) of depositor bank selection based on consumer behaviour factors. The



main construct will be measured by the extent to which respondents agree or disagree with each statement in the survey using a 5-point Likert scale.

The items for the independent variables of the research, customer behavioural factors, were obtained from previous studies. Attitude is the first customer-behavioural factor derived from Ajzen (1985) and has 3 items. The items are: saving and investing money in banks are effective, saving and investing money in banks are good, and saving and investing money in banks are foolish. Subjective norm as the second customer-behavioural factor adopted from Ajzen (1985), Ruefenacht et al. (2015) and Yen & Chang (2015). The items include: the vast majority of my closest people believe I should have a bank account, the majority of my influencers believe I should get a bank account, and almost all of my close friends and family members have at least one bank account. The third behavioural factor, perceived behavioural control, was derived from Ajzen (1991). The items are: creating a bank account is easy, the cost of holding a bank account greatly outweighs its benefits, and the cost of interest applied on most banks is very high for me. Finally, the items for the bank selection, the dependent variable of the study, criterions were taken from Adekiya & Gawuna (2015) and Eriksson & Hermansson (2018).

Nonetheless, the second part of the questionnaire is the demographic section, which contains 7 questions to gain the basic information of respondents. For example, the researcher needed to collect the characteristic of respondent such as gender, age, ethnicity, education level, occupation, bank of preference, and satisfaction of bank services.

### **Data Analysis Method**

This study uses SPSS to convert the collected data to numerical form. The SPSS data will be used to support the study's hypothesis. Structural equation modelling (SEM) using SmartPLS 3.2.4 will be used to evaluate the measurement and structural models in this research. Four types of analysis, namely descriptive analysis, reliability test, normality test, and multiple linear regression analysis, will be used by the researcher. Descriptive statistics are used to characterise the fundamental characteristics of the study's data and summaries the sample and measurements. The Cronbach's Alpha Coefficient will be used in the pilot test of the main construct to assess the internal consistency or reliability of the research. Twenty Malaysian bank customers above the age of 16 will participate in the pilot study.

Researcher will also use exploratory data analysis in SPSS. Normality test will be conducted to test whether the data collected is normally distributed (parametric) or non-normally distributed (non-parametric). The SPSS will provide two statistics, which are Kolmogorov-Smirnov and Shapiro-Wilk. In addition, there are also 2 dimensions of the normality test, which are skewness and kurtosis. Nonetheless, multiple regression analysis will be used to examine the relationship between independent variables and a dependent variable. This strategy is chosen by the researcher in order to determine which independent variable has the most impact on customers' intentions to choose a bank. Conclusions will be drawn about the study's hypotheses based on the results of the regression analysis.

### **Results And Discussions**

#### **Respondents Characteristics**

Table 1 tabulates the characteristics of the respondents, which reveals that Maybank, with 119 respondents (39.7%), and CIMB Bank, with 125 respondents (41.7%), dominated the sample. It was found that 39% of the respondents use the same bank as their employer for payroll deposits. There were 229 Malay respondents (76.3%), followed by 35 Chinese (11.7%).

Seventy per cent of the respondents are between the ages of 21 and 30, while just three per cent are aged 51 and over. There were 202 bachelor's degree holders (67.3%) among the respondents. Of the respondents, most (151, or 50.3%) had incomes of less than RM1, 000, while the other majority (66, or 22.0%) had incomes of between RM1,001 and RM3,000. Nonetheless, with 131 respondents, or 43.7%, Selangor has the highest total.

Table 1

*Respondents Characteristics*

Characteristics	Dimensions	Frequency	Percentage
Bank	Maybank	119	39.7
	CIMB Bank	125	41.7
	Public Bank	7	2.3
	RHB Bank	5	1.7
	Hong Leong Bank	2	0.7
	AmBank	1	0.3
	Bank Rakyat	13	4.3
	OCBC Bank	1	0.3
	HSBC Bank	5	1.7
	Bank Islam	16	5.3
Others	6	2	
Same Payroll bank	Yes	117	39
	No	48	16
	Not employed	135	45
Gender	Male	87	29
	Female	213	71
Ethnicity	Malay	229	76.3
	Chinese	35	11.7
	Indian	13	4.3
	Sarawak	13	4.3
	Sabah	10	3.3
Age	20 years and below	21	7
	21-30 years old	210	70
	31-40 years old	40	13.3
	41-50 years old	20	6.7
	51 years old and above	9	3
Education	Primary education	1	0.3
	Secondary education	17	5.7
	Foundation /A-Level/Diploma/STPM	56	18.7
	Bachelor's degree (B.S.C, B.A, etc.)	202	67.3
	Postgraduate education (PhD, DBA, etc.)	24	8

Income	Less than RM1000	151	50.3
	RM1001-RM3000	66	22
	RM3001-RM5000	41	13.7
	RM5001-RM7000	12	4
	RM7001-RM9000	7	2.3
	RM9001 and above	23	7.7
State	Johor	28	9.3
	Kedah	7	2.3
	Kelantan	7	2.3
	Melaka	4	1.3
	Negeri Sembilan	8	2.7
	Pahang	11	3.7
	Perak	14	4.7
	Perlis	3	1
	Pulau Pinang	11	3.7
	Sabah	6	2
	Sarawak	23	7.7
	Selangor	131	43.7
	Terengganu	15	5
Wilayah Persekutuan	32	10.7	

### Descriptive Statistics

As illustrated by Table 2's descriptive statistics, the minimum, maximum, mean, and standard deviation values for all variables are in close proximity. The difference between the minimum and maximum value among the 300 respondents is modest. When compared to the mean, the standard deviation value is less. A standard deviation quantifies the dispersion of the data relative to the mean (Hossain & Zariyawati, 2022). A low standard deviation implies that the data are concentrated around the mean, while a large standard deviation shows that the data are more dispersed (Zariyawati & Reyad, 2022).

Table 2

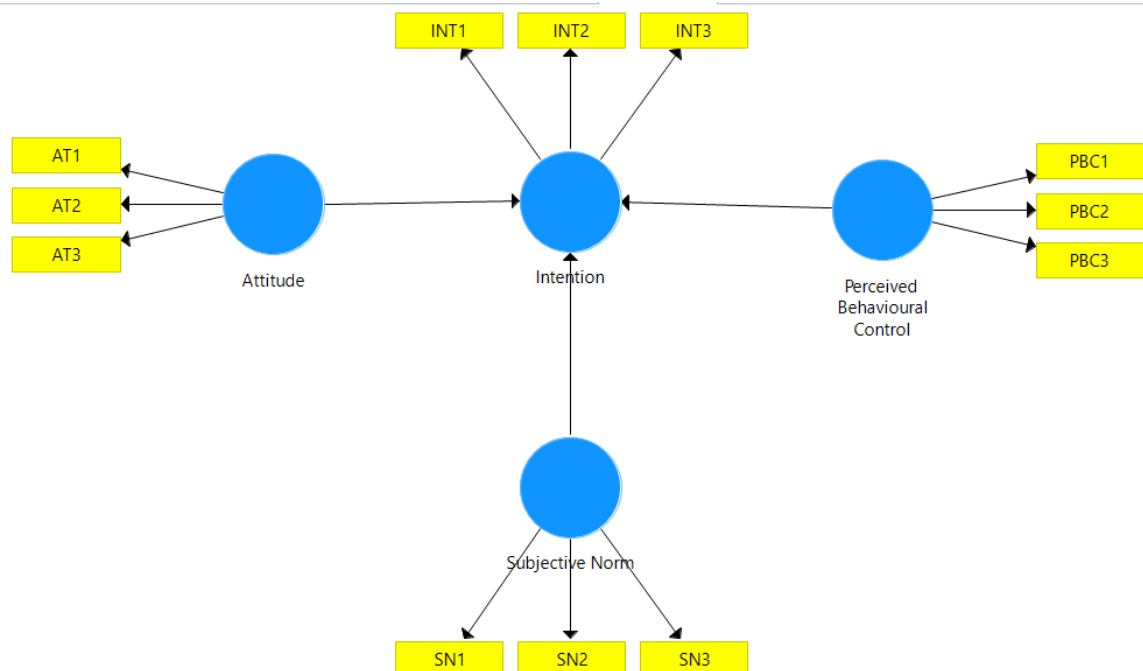
#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Attitude	300	1.67	7.00	5.446	1.164
Subjective Norm	300	1.00	7.00	5.767	1.152
Perceived Behavioural Control	300	1.67	7.00	5.361	1.055
Intention	300	1.33	7.00	5.771	1.083



## Measurement Model

Figure 1: Measurement Model



This research employed SEM utilising SmartPLS 3.2.4 to analyse both measurement and structural model. The measurement model examined the validity and reliability utilising the following analysis: internal consistency reliability, indicator reliability, convergent validity and discriminant validity. The measuring approach focuses on determining the relationship between constructs and items, and the correlational links between constructs. To begin with, a measurement model has satisfactory internal consistency reliability when the composite reliability of each constructs exceeds the value of 0.7. Nevertheless, value of 0.8 and 0.9 is more desirable (Nunnally, 1978). According to Table 3, the Composite Reliability value of Attitude (0.819), Subjective Norm (0.834), Perceived Behavioural Control (0.847), and Intention (0.899) falls between value of 0.8 and 0.9. Thus, the results indicate that the items used to represent the constructs have satisfactory internal consistency reliability.

Table 3

*Measurements Models Evaluation Result*

Construct	Items	Loading	Composite Reliability (CR)	AVE	Convergent Validity (CV) (AVE>0.5)
Attitude	AT1	0.808	0.819	0.603	Yes
	AT2	0.848			
	AT3	0.662			
Subjective Norm	SN1	0.791	0.834	0.626	Yes
	SN2	0.766			
	SN3	0.817			
Perceived Behavioural Control	PBC1	0.656	0.847	0.652	Yes
	PBC2	0.88			
	PBC3	0.867			
Intention	INT1	0.882	0.899	0.749	Yes
	INT2	0.84			
	INT3	0.873			

The measurement model of indicator reliability is assessed through item loadings. A measurement model is said to have satisfactory indicator reliability when the item's loading value at 0.70. however, factor loadings greater than or equal 0.50 is acceptable, especially if the other loadings result in high loading scores that complement towards producing average variance extracted (AVE) scores of greater than 0.5 (Byrne, 2010). Hence, value less than 0.50 will be removed from the measurement model in order to improve the assessment of convergent and discriminant validity as shown in Table 3.

The Convergent Validity Measurement Model is evaluated by analysing its Average Variance Extracted (AVE) value. Convergence is acceptable when structures have an Average Variance Extracted (AVE) value of at least 0.5 or more. Table 3 shows that Attitude (0.603), Subjective Norm (0.626) and Perceived Behavioural Control (0.652) all have AVE value of greater than .5. In this study, the measurement model's discriminant validity is assessed by two measures: i) Fornell Lackers, and ii) Cross loadings of the indicators. A measurement model has discriminant validity when: i) the square root of the AVE exceeds the correlations between the measure and all other measures, and ii) the indicators' loadings are higher against their respective construct compared to another construct. To determine the discriminant validity, all square roots of AVE exceeded the off-diagonal elements in their corresponding row and column. The bolded elements in Table 4 represent the square roots of the AVE and non-bolded values represent the inter-correlation value between constructs. Since all off-diagonal elements are lower than square roots of AVE. hence, the result confirmed that the Fornell Lackers criterion is met.

Table 4

*The Fornell Lackers Criterion*

	Attitude	Intention	Perceived Behavioural Control	Subjective Norm
Attitude	<b>0.777</b>			
Intention	0.441	<b>0.865</b>		
Perceived Behavioural Control	0.345	0.29	<b>0.808</b>	
Subjective Norm	0.649	0.472	0.232	<b>0.791</b>

Table 5

*The Cross-Loading Output*

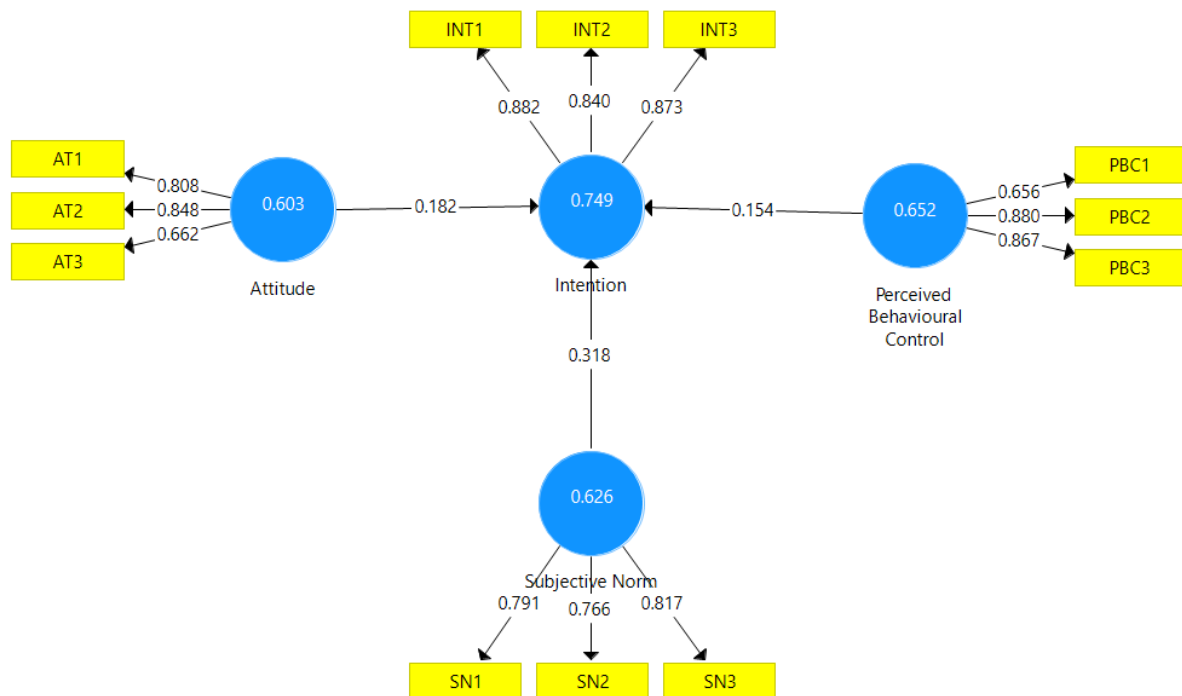
	Attitude	Intention	Perceived Behavioural Control	Subjective Norm
AT1	0.808	0.289	0.383	0.276
AT2	0.848	0.327	0.353	0.378
AT3	0.662	0.383	0.096	0.766
INT1	0.402	0.882	0.223	0.454
INT2	0.27	0.84	0.244	0.387
INT3	0.457	0.873	0.286	0.381
PBC1	0.236	0.133	0.656	0.129
PBC2	0.294	0.271	0.88	0.224
PBC3	0.303	0.264	0.867	0.193
SN1	0.476	0.34	0.275	0.791
SN2	0.662	0.383	0.096	0.766
SN3	0.403	0.393	0.19	0.817

Examining the indicator loadings with regard to all construct correlations is the second way for determining discriminant validity. This is intended to demonstrate the results of cross-loading between constructs and indicators. Table 5 shows that all measurement items were loaded higher against their respective intended latent variables compared to other variables. The table also demonstrates that the loading of each block is higher than any other block in the same rows and columns. The loading clearly separates each latent from any other block in the same rows and columns. Thus, the proven cross-loading outputs are satisfied.

**Evaluation of Structural Model**

This section addresses the tests conducted to determine the structural model's validity for this research. The relationship between the constructs and the model's ability to predict the results of this investigation is shown in Figure 4.2. The measurement of the structural model is assessed by five steps procedure as proposed by Hair et al. (2014). These steps are, *Step 1: Assess the model for collinearity issues; Step 2: Assess the path coefficients; Step 3: Assess the level of  $R^2$ ; Step 4: Assess the effect size  $f^2$ ; and Step 5: Assess the predictive relevance of  $Q^2$*

Figure 2: Structural Equation Model



**Step 1: Assessment of Collinearity**

Table 6  
Collinearity Assessment

	ATN	INT	PCB	SN
Attitude (ATN)		1.857		
Intention (INT)				
Perceived Behavioural Control (PCB)		1.135		
Subjective Norm (SN)		1.73		

Note: VIF ≤ 5 (Hair et al., 2011)

The first stage in evaluating the structural model is to evaluate whether or not the study model has a collinearity problem. Table 6 shows that the construct VIF values are all less than 5, which mean that this model does not have a problem with collinearity.

**Step 2: Assessment of Path Coefficients**

Table 7 displays the results of the estimated path coefficients. The results reveals that all hypothesised relationships are significant at the level of 95% confidence interval with p-values less than 0.05: Attitude Intention ( $\beta=0.182$ , t-value=1.971, p-value=0.049), Subjective Norm Intention ( $\beta=0.318$ , t-value=3.539, p-value=0.000), Perceived Behavioural Control Intention ( $\beta=0.154$ , t-value=2.860, p-value=0.004). These findings indicate that H<sub>1</sub>, H<sub>2</sub>, and H<sub>9</sub> are supported by this study.

Table 7

*Path coefficient Assessment (N=300)*

Hypotheses	Relationship	Direct Effect ( $\beta$ )	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Value
H <sub>1</sub>	Attitude -> Intention	0.182	0.092	1.971	0.049**
H <sub>2</sub>	Subjective Norm -> Intention	0.318	0.09	3.539	0.000**
H <sub>3</sub>	Perceived Behavioural Control -> Intention	0.154	0.054	2.86	0.004**

Note: \*\*p&lt;0.05

**Step 3: Assessment of Coefficient of Determination**

The coefficient of determination (R<sup>2</sup>) is the proportion of variance in endogenous constructs that can be attributed to exogenous constructions. Thus, a larger R<sup>2</sup> value increases the structural model's predictive ability. Cohen (1998) proposes the following guidelines for evaluating the strength of endogenous constructs: an R<sup>2</sup> of 0.26 is considered substantial, an R<sup>2</sup> of 0.13 is considered moderate, and an R<sup>2</sup> of 0.02 is considered weak. However, Table 8 manifests that R<sup>2</sup> value for consumer behaviour is 0.275, which indicated that consumer behaviour explains 27.5% of the variance of bank selection intention. Accordingly, there is a strong relationship between customer behaviour and bank selection intention.

Table 8

Results of Coefficient Determination

	R Square	R Square Adjusted
Consumer Behaviour	0.275	0.295

**Step 4: Assessment of Effect Size**

The effect size  $f^2$  is an evaluation of how much each exogenous construct has on the R<sup>2</sup> value of endogenous constructs. In other way, effect size discusses the magnitude or strength of the relationship between the latent variables. According to Cohen (1988),  $f^2$  is assessed as;  $f^2$  of 0.02 is small,  $f^2$  of 0.15 is medium and  $f^2$  of 0.35 is large. According to Table 9, the effect size of attitude, subjective norm, and perceived behavioural control has a small effect on bank selection intention.

Table 9

*Results of Effect Size  $f^2$* 

	Attitude	Subjective Norm	Perceived Behavioural Control
Intention	0.025	0.080	0.029
$f^2$	Small	Small	Small

**Step 5: Assessment of Predictive Relevance**

The purpose of predictive relevance (Q<sup>2</sup>) is to evaluate the predictive validity of a complex model. This study, however, employs an endogenous construct and a formative measurement paradigm (Hair et al., 2014).

### Summary of the Hypotheses

Table 10 exhibits a summary of the hypothesis testing results. It demonstrates that all hypotheses tested in this research are supported. The first hypothesis asserts that the relationship between attitude and bank selection intention among Malaysian depositors is significant ( $\beta=0.182$ ,  $p\text{-value}=0.049$ ). The result implies that depositors choose a bank because they believe that saving and investing in that bank will be successful, lucrative, and convincing. According to Dick & Basu (1994), relative attitudes are generated by comparing the quality ratings of one product to those of another. This indicates that depositors might choose banks based on their commitments and opinions about the bank itself.

Table 10

#### Summary of the Hypotheses

Hypotheses		Standard Beta (B)	t-value	p-value	Result
H <sub>1</sub>	There is a significant relationship between depositors' attitudes and bank selection	0.182	1.971	0.049	Supported
H <sub>2</sub>	There is a significant relationship between depositors' subjective norms and bank selection.	0.318	3.539	0.000	Supported
H <sub>3</sub>	H3: There is a significant relationship between depositors' perceived behavioural control and bank selection.	0.154	2.860	0.004	Supported

The result of Hypothesis 2 suggests that subjective norms have a significant relationship with bank selection intention among Malaysian depositors ( $\beta=0.318$ ,  $p\text{-value}=0.000$ ). Notably, social pressure from important people, such as family members, friends, and co-workers, constitutes subjective norm. Depositors in Malaysia have a tendency to trust and be readily influenced by their relatives and friends. Therefore, subjective norms are a significant driver of bank selection intention. Additionally, previous studies have shown that an individual's subjective norms are directly affected by his or her normative beliefs and perceptions of acceptable social behaviours, as well as his or her motivation to follow them (Lopez-Quintero et al., 2009; Sharma & Mishra, 2014; Ajzen, 2020).

The results of the research also support Hypothesis H3, which states that Malaysian depositors' perceived behavioural control is significantly correlated with their bank selection intention ( $\beta=0.154$ ,  $p\text{-value}=0.004$ ). According to the result, Malaysian depositors believe that opening a bank account would be simple, and the cost of holding a bank account is affordable given its advantages. Salem et al. (2019) reported that it is essential for banks to comprehend customer preferences and identify the relative benefits that customers believe to gain from the product or service's attributes. A better knowledge of customer preferences helps organisations to concentrate their efforts on generating products and services that are desired and valued by consumers, and to then advertise these products and services effectively (Pakurár et al., 2019). Understanding buyers' selection decision process and responding to customers' purchasing behaviour is not an option for businesses; it is a survival need.



**Conclusion**

Banks are an essential component of a country's financial system. The number of banks participating in the financial system grows proportionately with the expansion of the economy. Hence, a variety of strategies are used by banks to attract and retain customers, including the adoption of innovative products and services. In this regard, it is essential to analyse consumer behaviour and its effect on bank selection. The theory of planned behaviour states that the best way to predict a customer's buying behaviour is to look at his or her intentions, which are affected by his or her attitudes, subjective norms, and perceived behavioural control. Therefore, this study employs the theory of planned behaviour in an attempt to comprehend the determinants of depositor bank selection based on consumer behaviour factors. In doing so, this research disseminates 384 questionnaires to Malaysian bank customers to obtain data on depositors' bank-selection intentions.

The findings of structural equation modelling indicate that attitudes, subjective norms, and perceived behavioural control have significant relationships with Malaysian depositors' bank selection intention. The association between attitude and bank selection suggests that depositors choose a bank because they feel that saving and investing with that bank would be successful, profitable, and compelling. In terms of the link between subjective norm and bank selection, Malaysian depositors, who are loyal and readily persuaded by friends and family, often choose a bank based on the recommendations of those closest to them. According to the association between perceived behavioural control and bank selection, Malaysian depositors select banks when they believe banking services to be conveniently available and account maintenance expenses to be manageable.

Nevertheless, the aforementioned findings have significant implications for depositors, financial institutions, and policymakers. Banks may use the data to shape their business strategies and better attract customers, while depositors will get insight into what criteria should be prioritised when selecting a financial institution. Policymakers, on the other hand, may prioritise policies for financial institutions that put greater emphasis on client preferences for banking products and services.

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