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COMPETITIVENESS IN THE BANKING SERVICES SECTOR TODAY FROM THE PERSPECTIVE OF GENERATION Z

Abstract

The purpose of the article. In order to respond rapidly to changing customer demands and technological advances, the modern banking services market must adapt quickly. Financial institutions offering similar products and services pose a threat to the banking sector. In order to adapt to market demands, banks must leverage their potential, select appropriate strategies and competitive tools as well as develop offerings that will be well received by customers, enabling them to achieve a strong competitive position. It is also crucial for banks to adapt to the requirements and expectations of Generation Z, who are characterised by impatience and an expectation of quick responses. They are a fully digital group. Social media significantly influences the decisions of its members. This study aimed to identify the factors influencing the competitiveness of banks in Poland from the perspective of Generation Z customers.

Methodology. The empirical research conducted for this study took the form of a quantitative survey. This was based on a questionnaire administered to a sample of 500 people. The study aimed to assess the factors influencing the competitiveness of banks in Poland from the perspective of Generation Z, and to identify the most important factors when choosing a bank. The focus was on banks operating in Poland.

Results of the research. The survey results indicated that Generation Z values new technologies above all else when interacting with a bank, while price is not a key factor for them. At the same time, the development of technology-based services continues to require support in the form of instructions on the bank's website or assistance from advisors and employees, in line with customer expectations. Therefore, questions and complaints about banking services raised by this group of young people should be addressed promptly, in line with their preferences. The survey results also show that traditional distribution channels do not appeal to this group of customers.

Keywords: banking services, bank, Generation Z, competition

JEL Class: G1, G5



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Introduction

The operations of banking institutions are becoming increasingly demanding and complex amid globalization, competitive pressures, rising customer expectations, and generational shifts. Banks must take into account developments across the entire financial industry, as well as those of their competitors within the sector. The financial industry is committed to implementing cost-saving digital platforms to reach a broad range of financial services consumers. Digital platforms can increase financial inclusion by providing access to financial services in a more affordable, convenient, and secure manner (Jack & Suri, 2014; Aziz & Naima, 2021; Khan et al., 2022).

Competition in the banking sector, in turn, is viewed as a process of rivalry among entities striving to achieve the same goals. In an effort to meet market demands, banks leverage their potential and select appropriate strategies and competitive tools. It is therefore essential to create an offering that is positively evaluated by customers and conducive to building a sustainable competitive advantage. In this context, competitiveness is understood as the ability to provide high-quality services whose value and appeal exceed those of competitors operating in the same sector and offering similar or identical products and services. Continuously strengthening competitiveness is one of the key challenges for banks.

The main objective of this article was to identify the elements that build banks' competitiveness from the perspective of Generation Z. The following specific objectives were formulated:

1. To identify the factors influencing the choice of a bank by Generation Z customers.
2. To determine the expectations of Generation Z customers regarding entities in the banking sector.
3. To identify the most important elements that distinguish a bank in the market, according to representatives of this generational group.
4. To determine whether, from the perspective of Generation Z representatives, financial institutions offering products similar to banking products constitute competition for banks.

In light of the established objectives and based on a review of the literature, the following research hypotheses were formulated:

- H1. Price is not a key factor influencing Generation Z's choice of banking services;
- H2. New technologies are the leading aspect of banks' competitiveness in Poland among Generation Z customers.
- H3. Members of Generation Z are willing to use the services of financial institutions (other than banks) if they perceive them to be modern, innovative, and backed by positive reviews from other users.

For the purposes of this study, an empirical study (quantitative research) was conducted. The quantitative study analyzed the experiences and expectations of Generation Z individuals. The sample selection for the quantitative study was non-probability sampling. The sur-

vey questionnaire consisted of questions regarding customers' experiences and expectations regarding their interactions with commercial banks and other financial institutions. It included single-choice, multiple-choice, and open-ended questions. The respondents were characterized by age, gender, education level, and place of residence.

The study utilized a critical analysis of secondary sources, as well as the following methods: analysis, synthesis, description, deduction, induction, and reduction. The application of these methods complemented one another. Deduction enabled theoretical knowledge to be translated into assumptions concerning the population under study, while induction allowed conclusions to be formulated based on empirical findings. Synthesis and reduction, in turn, facilitated the integration and systematic organization of the collected information. The combined application of these approaches contributed to a comprehensive interpretation of Generation Z representatives' preferences regarding the use of banking services.

Definition and types of banking services

Banking services are a type of financial service. As W. Srokosz (2003, p. 197) points out, financial services including banking services are specific activities carried out by financial institutions (such as lending, investment, payment and insurance institutions) in the financial market. However, it is worth noting that this definition is broader than that of banking services.

Numerous authors analysing the concept of banking services highlight other characteristics and aspects of this issue. W.L. Jaworski (1998) states that banking services are contractual relationships between a bank and a customer. The bank offers its services, and the customer receives them. These services provide specific benefits to either the customer or the bank, and they are carried out using a bank account. In his definition, the author focuses on the parties involved in using a given service and how it operates. M. Capiga (2008, p. 137) defines this concept more concisely as contractual relationships between the bank, which offers the services, and the customer, who receives them. S. Flejterski, B. Świecka build on earlier definitions by highlighting the parties involved in service provision, as well as the time and place. She believes that banking services are provided by banks and other institutions to their customers, whether business entities or individuals, either through a traditional bank branch or via an electronic distribution channel. S. Flejterski, B. Świecka on the other hand, discuss the financial aspect of such services, noting that they are most often monetary in nature, provided for a fee and in the form of contracts (Flejterski & Świecka 2008, p. 330). Based on the above definitions, it can be concluded that these services are characterised by the following (Świdarska et. al, 2016, p. 65):

- a complex structure;
- the establishment of specific relationships between the bank and the customer, typically of a financial nature;

- a uniform standard for conducting banking operations;
- the use of time as a criterion for determining their value;
- the influence of banking law.

When considering the issue of banking services, one must also examine their characteristics in comparison to other types of services. First and foremost, they are characterized by their intangible nature and the inability to store them. They are also not subject to standardization, as they are tailored to the customer's personal needs. What distinguishes this type of service is that it is tied to the person providing it, as these services are complex and require detailed knowledge of the financial services market knowledge that the average consumer lacks (Meder, 2006). Furthermore, A. Jonas points to the following characteristics of banking services: intangibility, inseparability, continuity of service, similarity, the inability to be stockpiled, the importance of trust for this type of service, and rapid technological progress. S. Flejterski, B. Świecka (2008, p. 334) also confirms that banking services belong to a particularly complex category of services. He distinguishes them specifically by their intangibility, heterogeneity, abstract nature, and high economic risk.

Services offered by banks can be classified according to the following criteria:

- the classical criterion division into credit, deposit, settlement, and ancillary services;
- the subject-based criterion division into services aimed at individual customers and services aimed at institutional customers.

This classification should also be supplemented by a criterion based on the distribution channel and customer contact, which considers the possibility of in-person contact with a bank employee or online and telephone channels. This is a key criterion that determines how relationships and communication with customers are built. Increasingly, the aspect of financial services distribution is also becoming a key factor in the decisions of younger generations. The latest advances in financial technology (FinTech) have made it possible to provide traditional financial services – such as loans, savings, and money transfers on mobile platforms and through other app-based programs (Arner et al. 2016).

Competitiveness in the banking services sector – definition

Banks are viewed as institutions of public trust. Competition in this sector is therefore not aggressive. Moderate competition is required to operate in conditions of economic stability. However, in order to remain competitive, banks must continuously take steps to enhance their attractiveness, as the competitive mechanism demands. As shown in Table 1, authors in the academic literature have identified factors influencing competitiveness in this sector over the years.

Table 1*Definitions of competitiveness in the banking services sector*

Author	Definition
Stankiewicz M. J. (2005)	Although quality is the main source of competitive advantage, in the banking sector it does not guarantee sustained advantage. A bank's temporary dominance depends on the features and price of its products
Jonas A. (2002)	A sustainable competitive advantage can be achieved by providing high-quality services, maintaining a positive image and cultivating a strong reputation
Beck T., De Jonghe O., Schepens G. (2011)	It is not possible to analyse competitiveness in the banking sector without taking into account the interdependent behaviour of banks. Therefore, it is crucial to examine competition in the banking sector from the perspective of interbank relations
Rhoades S. A. (1993), Berger A. N., Demirgüç-Kunt A., Levine R., Haubrich J. G. (2004)	The competitiveness of a banking institution is influenced by market concentration and the value of loans granted by banks
Jia K., He Y., Mohsin M. (2023)	The expansion of banking activities has strengthened the competitiveness of various types of banks and their ability to attract customers
Lin M., Li B. (2025)	Innovation and technology are the driving forces behind competitiveness
Arefiev S., Serpukhov M., Blahun I., Varava L., Baula O. (2025)	Banks must respond quickly to external challenges and implement innovative solutions while ensuring the stability of the financial system

Source: own study.

The definitions cited also highlight the sector's evolution over the years. These definitions show that price is not the most important aspect of competition in banking. According to the authors cited above, the key factor influencing competitiveness in the banking sector is the number of these institutions and the size of their market shares. Information technology also has a significant impact on banks' competitiveness. A prerequisite for competitiveness is ensuring fast and efficient service and offering a wide range of products and services tailored to customer expectations. This, in turn, requires the introduction of product and organizational innovations. Therefore, competitiveness in this sector today means building a security-focused business model. Such measures are intended to support innovative development in the age of technological advancement, ensure competitiveness, and guarantee sustainability and stability under all conditions. The digitized nature of finance poses new challenges, such as cyberfraud and data breaches, which require consumers to be more vigilant and knowledgeable about potential misuse of financial resources, including banking services in the digital world (Lukonga, 2018).

It is also essential to build relationships with customers, particularly by creating value for them. The most important aspects of creating value for customers are: offering unique benefits, analyzing customers' long-term needs and expectations, the bank's continuous strategic development, and positive differentiation.

Today, increased competition in the banking sector has not only led to a rise in the number of new entrants but has also weakened the restrictive effects previously observed in a highly concentrated market. Cetorelli and Strahan (2006) argued that a less competitive banking system tends to allocate resources to large, established firms, raising barriers to entry for new firms and thereby limiting financing channels, which ultimately weakens economic growth. The above indicates that the competitiveness of the banking sector also contributes to economic development.

At this point, however, it is worth emphasizing that many financial services are moving into the virtual space, which fosters the development of alternative finance, involving the raising of funds and incurring liabilities through online platforms (Bilan et al., 2019, p. 70). This aspect poses a particular threat to the competitiveness of banks from the perspective of younger generations and their preference for innovative and technologically advanced solutions.

Factors Influencing a Bank's Value

As shown in Table 2, it is possible to identify a group of factors that currently influence an entity's competitiveness in the banking sector based on the definition of competitiveness.

Table 2
Factors Affecting Banks' Competitiveness in the Market

Contemporary factors contributing to a bank's competitive advantage	Intangible assets	Brand
		The bank's image
		Customer Loyalty
		Personalized Offer
	Human Resources	Employees
		Customers
	Material resources	Financial Assets
		Distribution Channels
		Technology

Source: own study.

The figure above illustrates how competitive advantage factors can be divided into three groups. The first group comprises tangible factors, including financial assets, a network of branches, ATMs, cash deposit machines and online or mobile service channels. It also includes modern software programmes that enable the creation of customer databases and the analysis of customer needs. Banks can leverage the potential of big data and artificial intelligence to gain a better understanding of customer needs, thereby increasing customer satisfaction by offering personalised services (Klein, 2019). These technologies allow banking institutions to focus on individual customer needs and respond effectively to their expectations (Cherkaoui, 2020), thereby gaining a competitive advantage in terms of intangible factors. Using new technologies enables banking institutions to provide 24/7 services while increasing operational efficiency and reducing operating costs (El Achari & Hattab, 2024; Lugun, 2024).

The second group consists of the bank's human resources, namely its employees and customers. Arefiev, Serpukhov, Blahun, Varava and Baula (2025) point out that human capital plays a key role in banks' competitive strategy. Based on the definition of competitiveness, we can identify a group of factors that currently influence competitiveness in the banking sector, as shown in Table 2.

Customers influence the creation of the bank's values, such as the quality of service and the products and services it offers.

The third group consists of intangible sources of competitive advantage, which include: brand, image, organizational culture, the quality of services provided, and the bank's personalized offerings. Today's consumers expect fast, easily accessible, and personalized banking services (El Achari & Hattab, 2024). This classification of factors contributing to a bank's competitive advantage appears to be the most appropriate grouping of factors in today's era of new technologies, as well as in an era where the human factor and intangible assets hold great significance for banking institutions in Poland.

A prerequisite for determining a bank's market position is identifying the sources of competitive advantage. These may take the form of distinctive or replicable capabilities. The former are difficult for competitors to copy. Therefore, achieving a sustainable competitive advantage focuses primarily on building it based on distinctive sources. These include: employee skills, the institution's reputation and image, the quality of customer relationships, and a unique and personalized offering. Developing an effective combination of distinctive values is possible only through consistently implemented strategies that is, a program centered on a conscious choice of what the bank intends to do and what it will not do. The concept of value-based management is based on the assumption that the value of any institution is created by two categories of assets: tangible and intangible. The first group of assets falls within the tradition of banking sector management. Therefore, these assets can be described as traditional factors of competitive advantage. In contrast, effective management of intangible assets creates a set of non-traditional factors of competitive advantage. These require a foundation in the capabilities that distinguish banks, such as market strategy, customer relationships, and the quality and personalization of services.

Factors Determining Generation Z Consumers' Choice of Banking Services in Light of an Empirical Study

Characteristics of Generation Z

Representatives of Generation Z participated in the study conducted for this report. They constitute a generational group of people born between 1997 and 2012 (Moon & Erdem, 2026). This is the first generation to have grown up with constant access to the internet and social media (Calek, 2021). Generation Z spends more time online than offline and prefers to use technology to communicate and maintain relationships. There is also a tendency among members of this generation to replace phone calls with video or text-based communication. The ability to

communicate without the Internet is significantly declining among members of this generation (Calek, 2021). J. Twenge, Z. Krizan, G. Hisler (2017) noted that Generation Z faces a problem related to constant internet use and being online.

This generation is taking advantage of ever-newer digital possibilities. Social media such as Facebook, YouTube, and Instagram play an important role in this group’s lives (Mazurek-Łopacińska, 2018). TikTok is also gaining popularity among Generation Z, allowing young people to learn about finance and other areas of life in a more enjoyable way (Waško, 2016).

It is also worth noting that members of Generation Z feel the need to express their own opinions, which explains their activity on social media, blogs, and forums. Before making a purchase, this group of consumers seeks out reviews on social media groups. They are also fairly impatient customers who value quick access to goods and do not want to wait long (Mazurek-Łopacińska, 2018, p. 64). What particularly characterizes this group of consumers is the fact that they are sensitive to the values upheld by the organizations whose services they use. The following factors become important:

- issues of fair treatment of employees;
- the interests of local suppliers;
- an ethical approach to production;
- environmental considerations.

This shows that Generation Z wants to have a real impact on the world around them. At the same time, Generation Z poses a challenge from a marketing perspective, as it exhibits the lowest level of brand loyalty compared to previous generations (Sharma & Dutta, 2025). Consequently, maintaining long-term customer engagement by creating memorable experiences such as virtual brand experiences – has become a strategic priority for companies (Bilgihan et al., 2024). The characteristics of Generation Z are presented in Table 3.

Table 3
Generation Z – Behaviors and Decisions

Description	Generation Z
Sales and marketing – impact	Social media, online networks, low loyalty
Purchase decision	Opinions on blogs and social media forums, rationalized and guided by one’s values
Finance	A strong tendency to save

Source: own study.

Understanding the behaviours of different generations and consumer trends requires changes to the content and methods of communication with consumers. The literature emphasises that Generation Z will pose a particular challenge for businesses in the near future, as they are characterised by:

- significant purchasing power (Fromm, 2024);
- high levels of spending on innovations based on new technologies (Dynata, 2022);
- a high level of social engagement and openness to new technologies (Moon et al., 2025).

Understanding generational differences enables businesses to tailor their strategies to their target audience. Given the characteristics of Generation Z, banking institutions face the challenge of attracting this customer group, whose behaviours and preferences differ from those of previous generations (Generations X and Y).

Methodology of the study

The empirical research conducted for this study consisted of a quantitative survey. The survey was based on a questionnaire administered to a sample of 500 people.

The main objective of the study was to assess the factors contributing to the competitiveness of banks in Poland as perceived by members of Generation Z. The study sought to identify which factors are important when deciding which bank to choose. The focus was on banks operating in Poland.

To achieve the main objective, the following specific objectives were also defined:

- factors that distinguish a bank in the market among Generation Z representatives;
- from which sources do Generation Z customers obtain information about a bank and its offerings?
- factors influencing the choice of a bank by customers from the analyzed generation;
- customer expectations regarding entities in the banking sector;
- what is most important to customers when working with a financial institution?

The survey was conducted using the CAWI method. The questionnaire used for the survey consisted of questions regarding customers' experiences and expectations regarding their interactions with banks. Single-choice and multiple-choice questions were used, as well as open-ended questions.

Research results

Representatives of Generation Z indicated that innovative solutions, recommendations from other users on online forums and the bank's security were important factors when choosing and establishing a relationship with a bank (see Table 4).

Table 4

Factors influencing the development of banks' competitive advantage in Poland from the perspective of Generation Z (based on the results of the survey study)

Analyzed aspects	Factors	Dataset
Factors important in cooperation with a bank	Security	31.00%
	Innovative solutions	28.80%
	Positive opinions of other users	20.00%
	The bank's website	35.00%
Factors influencing the development of banks' image	Opinions of other users	33.60%
	The way customers are treated	43.80%
	Speed of problem resolution and complaint handling	41.80%
Characteristics of modern banks (what should they be like?)	Security	45.90%
	Innovative	41.10%
Elements distinguishing a bank in the market	Professional and fast service	19.60%

Source: own elaboration based on the conducted empirical study.

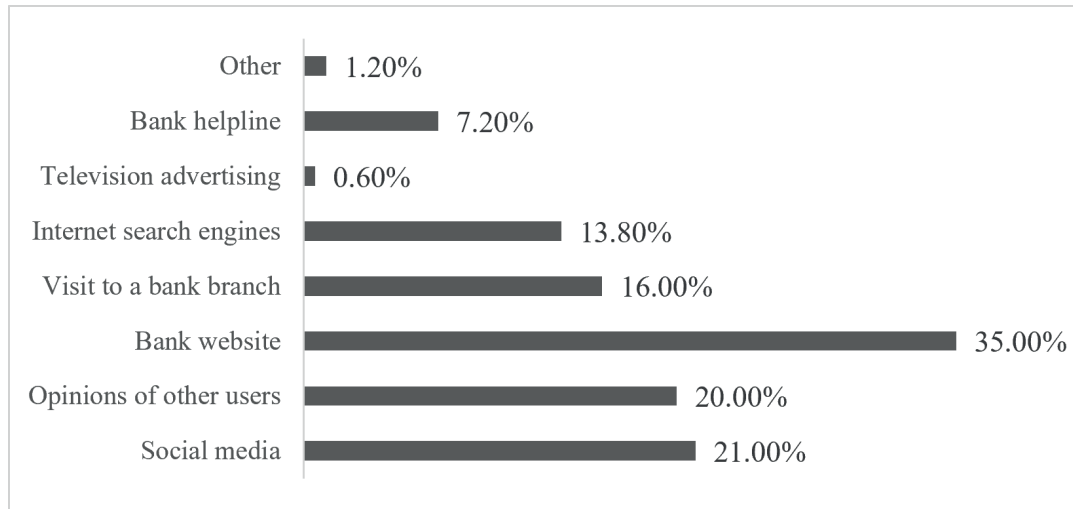
The aforementioned elements relate to intangible factors of competitive advantage, such as customer opinion, security, innovative services and the quality of customer service.

Respondents were asked to indicate where they obtained information about their bank's offerings (see Figure 1 for the results – p. 124). The bank's website was identified as the predominant source of information (35.00%). Customers also obtained information through social media (21.00%), the opinions and experiences of other customers (20.00%), and internet search engines (13.8%). By contrast, television advertising played only a marginal role in the process (0.6%).

In most cases, the bank's website appears to play the most important role in communication between the bank and its customers, and in providing information about the bank's offerings. Alongside this, respondents from Generation Z frequently cited social media and the opinions of other customers as sources of information about banking offers. A small group of respondents obtain information from the bank's helpline or advertising. Other sources of information mentioned by respondents included mobile applications, economic portals and correspondence from the bank (e.g., emails).

Figure 1

Sources used by respondents to obtain information about banks' offers

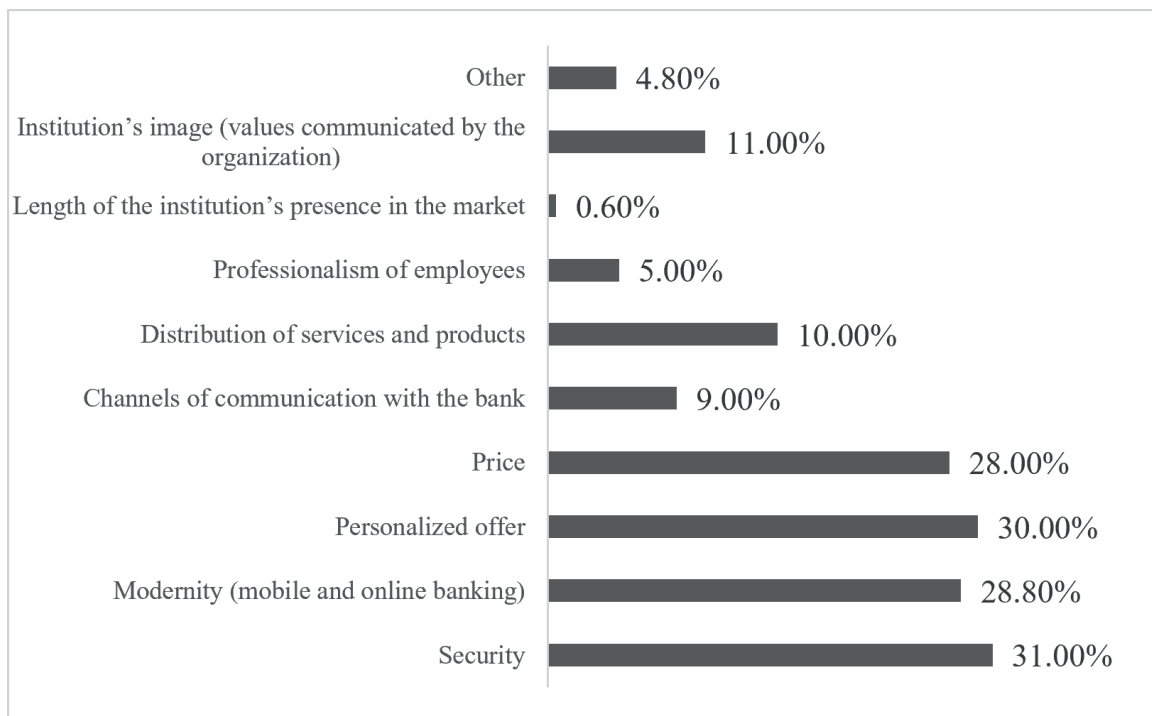


Source: own elaboration based on the conducted empirical study.

As shown in Figure 2, the aspects considered most important in cooperation with a bank were security (31.00%), offer personalisation (30.00%), the modernity of the bank and its services (28.80%). These aspects were followed by price (28.00%).

Figure 2

Factors important to respondents in cooperation with a bank



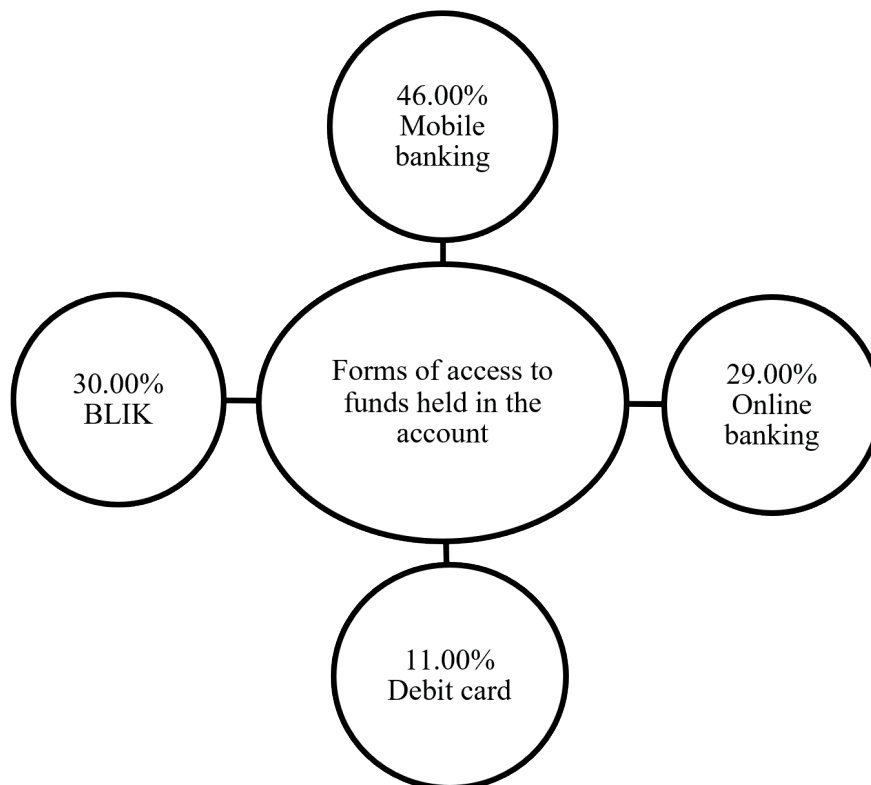
Source: own elaboration based on the conducted empirical study.

When selecting banking services, aspects such as the length of the institution's presence in the market (0.60%), the professionalism of employees (5.00%) and the channels of communication with the bank (9.00%) are important to only a small proportion of Generation Z respondents. More significant factors were security (31.00%) and personalised service (30.00%).

Mobile banking (46.00%) and online banking (29.00%) were the most common ways of accessing funds held in bank accounts among those surveyed. Respondents indicated these channels as the most frequently used for making payments and managing funds. Only a small proportion of respondents use debit cards linked to their accounts (11.00%), whereas a considerably larger proportion (30.00%) use the mobile payment service BLIK (Figure 3).

Figure 3

Key methods of using funds held in a bank account



Source: Own elaboration based on the conducted empirical study.

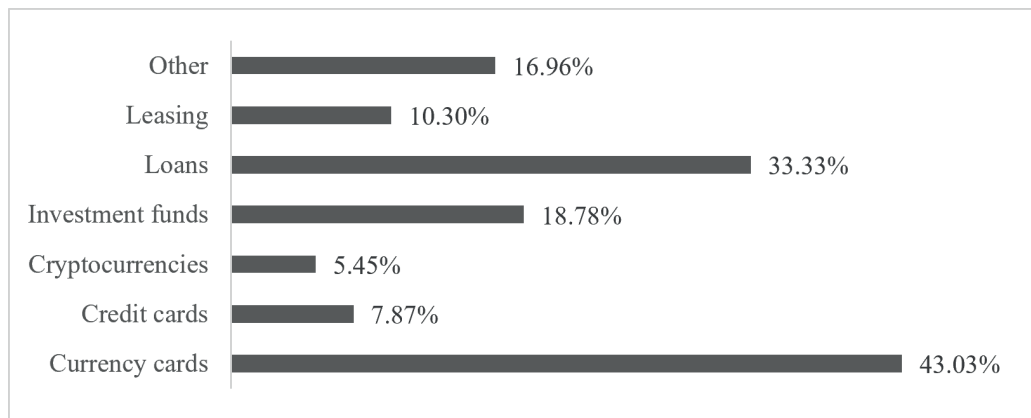
The least popular way to access funds held in a bank account is to withdraw cash at a bank branch (0.60%). Therefore, modernity was an important factor influencing respondents' choice of bank. Users of banking services value access to online and mobile banking, using these channels to manage their funds. Only a small number of respondents indicated using physical bank branches, highlighting the need to change the distribution model of banking services.

A growing number of Poles are using mobile banking to access services, enabling them to perform important operations such as making payments and opening accounts/deposits. This channel is growing in popularity, particularly among younger people, and is often the first aspect considered when evaluating a bank and its services.

Respondents were also asked about their use of services and products offered by financial institutions other than banks. 33.00% of Generation Z respondents indicated that they currently use or have used such services in the past. The main product used at non-bank financial institutions was currency cards (43.03%), as shown in Figure 4.

Figure 4

Types of products used by respondents in financial institutions other than banks



Source: own elaboration based on the conducted empirical study.

Within the ‘Other’ category, respondents suggested solutions such as structured products, currency transfers and brokerage accounts.

They were also asked about their motivations for using the services of non-bank financial institutions. 29.09% of respondents said that they chose a non-bank financial institution because its offer met their needs. For 21.21%, recommendations and positive customer reviews of a given institution and product were important. In turn, 17.57% of respondents indicated that price was a key factor. Respondents also stated that, in their opinion, non-bank financial institutions were characterised by fewer formalities, positive customer reviews and convenient, fast access to services via online platforms or mobile applications. Additionally, these services were often compatible with those of other institutions (e.g., enabling quick transfers or currency exchanges).

The above analysis indicates that respondents use the services offered by non-bank financial institutions. Correlation analysis revealed a moderate positive and statistically significant relationship between the level of savings and the number of products held that are offered by non-bank financial institutions ($r = 0.551$; $p = 0.593$; $p < 0.001$). This suggests that an increase

in savings is associated with a tendency to hold more products with non-bank financial institutions. This suggests that higher levels of savings encourage respondents to use the services of non-bank financial institutions.

The results also show a very strong positive relationship between the length of time spent using banking services and the number of products offered by non-bank financial institutions held. A very strong positive and statistically significant relationship was also found between the length of time respondents had been using banking services and the number of products offered by non-bank financial institutions that they held ($r = 0.911$; $\rho = 0.894$; $p < 0.001$). Therefore, the greater the respondents' experience of using financial services, the greater their propensity to use offerings from other institutions.

Discussion

Competitiveness in the banking sector is currently based not only on competition among banks themselves, but also on competition from financial institutions that offer products similar to those of banks but operate outside the banking sector. By leveraging new technologies and user experiences, innovative financial institutions have reshaped the dynamics of competition, placing technological agility, personalization, and innovation at the center of their value propositions (Gomber et al., 2017; Barroso & Laborda, 2022). Technology and reduced paperwork among these companies are becoming significant factors in competitiveness from Generation Z's perspective. Both FinTech companies and traditional banks are also increasingly relying on mobile apps (Lee & Yoon, 2026). This is also an important aspect for members of Generation Z, as the research has shown. Traditional banks are therefore striving to improve their services and cost structures to remain competitive, which benefits customers (Baker et al., 2023).

Fierce competition not only among banks themselves but also with non-bank channels encourages them to innovate and offer more attractive financial products (Ghosh & Golder, 2026). As research findings have shown, non-bank institutions can attract customers who are experienced in using financial products as well as those with higher levels of savings. As a result, this may reduce the profitability of traditional banks (Karaman et al., 2021).

The emergence of alternative FinTech-based platforms may therefore also pose a threat to traditional bank lending and have a negative impact on return on assets and net interest margin (Cuadros-Solas et al., 2023). Additionally, this threat may cause traditional banks to adopt riskier lending practices and lower their lending standards in order to attract the unbanked and low-income customers and remain competitive in the market (Corbet et al., 2024).

Given the findings of this study, it should also be noted that customers are increasingly using mobile banking apps and mobile payment systems, which in turn indicates a deeper technological transformation of financial services and markets (Akinbowale et al., 2023; Ahmed et al.,

2024; Mansaray et al., 2024; Del Sarto et al., 2025). These innovations can lead to the development of innovative products and services (Aloulou et al., 2023; Yang & Masron, 2023) and significantly improve customer relationships in the banking sector (Prokopenko et al., 2022).

In addition to modernity and technology, security is important to Generation Z, which has been highlighted as a key factor for this group when interacting with a bank. A sense of security achieved, among other things, through digital payments rather than manual payments for goods or services is essential because customer integrity directly supports trust in security features, such as authentication, which ensures safe and secure transactions. In practice, financial institutions must strengthen the security of their digital services, user-friendliness, and promotional strategies to build trust and engagement among Gen Z customers (Kurniati et al., 2025).

Conclusion

To summarize the above considerations, we should now address the research hypotheses formulated in the introduction.

Hypothesis 1 (H1) – price is not a key factor influencing Generation Z's choice of banking services. This hypothesis is supported by the fact that, for Generation Z, security, modernity, and a personalized offering are important when working with a bank (figure 2). Price ranks fourth, cited by 28.00% of respondents.

This also confirms Hypothesis 2 (H2), which states that new technologies are the leading factor in the competitiveness of banks in Poland among Generation Z customers. This hypothesis is supported, among other things, by respondents' answers indicating that mobile banking, BLIK, and online banking are the primary channels for accessing funds held in a bank account (Figure 3). Current customer expectations assume that access to banking services should be fast, reliable, and user-friendly, whether via online or mobile banking.

Hypothesis 3 (H3), in turn, posits that Generation Z respondents are inclined to use the services of financial institutions (other than banks) if they perceive them to be modern, innovative, and backed by positive reviews from other users. 29.09% indicated that the reason for using the services of a non-bank financial institution was that the offering met their needs. For 21.21%, the opinions of other customers who recommended a given institution and product were important. Respondents stated that, in their view, the non-bank financial institution's offer was characterized by: less paperwork, positive reviews from other customers, and the ability to use the product conveniently and quickly via a web platform or app. This therefore confirms Hypothesis 3.

The conducted research shows that banks face intense competition both within and outside the sector. Therefore, to remain competitive, they must focus on meeting the needs of both their current and potential customers. To attract members of the studied group – Generation Z, it is

essential to meet their expectations. In this context, it seems crucial to prioritize the development of mobile and online services ensuring fast, convenient, and, most importantly, secure access to their funds. For this group, security is the most important factor considered when choosing a bank and doing business with it. Therefore, banks' investment in new technologies as well as the related cybersecurity aspects is a key element in maintaining competitiveness in the market. Consequently, the first and most reasonable recommendation is to collaborate with reliable and innovative companies specializing in the development and implementation of new financial technologies, or to establish in-house departments dedicated to this area. Equally important for Generation Z is having access to modern products tailored to their needs within a financial institution. This means that banks' offerings must be unique and customized for each customer. The use of a comprehensive database (Big Data) on customers, their needs, and their consumer behavior certainly supports this approach. Banks have been following this trend for quite some time, but it is becoming increasingly important to utilize these solutions more intensively, since, on the one hand, these are the expectations of young customers, and on the other hand, FinTech institutions are already competing in this area. The study shows that competition exists not only within the sector itself but also outside of it, which poses an additional threat to banks as they vie for the attention of Generation Z with their offerings.

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