ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DETERMINANTS OF CUSTOMERS' BANK SELECTION IN RELATION TO FREQUENT AND INFREQUENT BANK USERS: THE CASE OF ETHIOPIAN PRIVATE BANKING SECTOR

BY

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Determinants of Customers' Bank Selection in Relation to Frequent and Infrequent Bank Users: The Case of Ethiopian Private Banking Sector

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Gashaw Tibebe (PhD). All sources of materials used for this thesis have been duly acknowledged. I further confirm that this thesis has not been submitted either in part or in full to any higher learning institution for the purpose of earning any degree.

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ENDORSMENT

As thesis research advisor, I hereby certify that I have read and evaluated this thesis prepared under my guidance by Abiy Alemayehu Kassa entitled "Determinants of Customers' Bank Selection in Relation to Frequent and Infrequent Bank Users: The Case of Ethiopian Private Banking Sector". I recommend that it be submitted as fulfilling the thesis requirement.

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ACKNOWLEDGMENTS

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LIST OF ACRONYMS

AB   Abay Bank

AdIB   Addis International Bank

ATM   Automated Teller Machine

BOA   Bank of Abyssinia

BIB   Bunna International Bank

BTS   Bartlett's Test of Sphericity

DGB   Debub Global Bank

KMO   Keiser-Meyer-Olkin

NIB   Nib International Bank

NBE   National Bank of Ethiopia

SPSS   Statistical Package for Social Science

WB   Wegagen Bank

ABSTRACT

Understanding customers' banks selection criteria has been argued to be helpful to banks in formulating the appropriate marketing strategies for reaching, attracting and retaining customers. In addition, to design a suitable marketing strategy, banks need to identify the difference between frequent and infrequent bank users in their choice of banks. However, the previous studies in Ethiopia have not given enough attention to measure the differences in bank selection criteria between frequent and infrequent bank users. So, this paper investigates the determinants of bank selection by frequent and infrequent bank users in Addis Ababa. Descriptive statistical methods were used to analyze the data. A total of 406 questionnaires are distributed to customers of seven private banks and 364 questionnaires are correctly filled and returned. The findings of the study reveal that, both frequent and infrequent bank customers place more emphasis on convenience of branches' location and its accessibility. The results of descriptive analysis also reveal that, the existence of friendly and polite staff, speed of employees to serve the customers quickly and employee's knowledge, skill and expertise are important factors of bank selection for both frequent and infrequent users. It is recommended that, banks should give much emphasis to make bank location more convenient and accessible. In addition, banks should strive to make their employees well-trained and capable to give customers a pleasant experience.

Keywords: Banks, frequent bank users, infrequent bank users

CHAPTER ONE
INTRODUCTION

1.1. Background of the Study

Understanding customers plays a pivotal role in designing marketing strategy and to remain successful in a competitive market place. Grewal and Levy (2012) assert that it is quite impossible to design any form of marketing strategy without a solid understanding about customers.

Consumers make many buying decisions every day, and the buying decision is the focal point of the marketer's effort (Kotler & Armestrong, 2012). Consumer buying decisions is influenced by many factors. Knowing these factors are useful for the marketers in identifying interested buyers and shaping products and appeals to serve consumer needs better. Most large companies' research consumer buying decisions in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy (Kotler & Armestrong, 2012).

Consumer purchases are influenced strongly by cultural (culture, sub culture and social class), social (Reference groups, Family, Roles and status), personal (Age and life cycle stage, Occupation, Economic situation, Lifestyle, Personality and self-concept) and psychological (Motivation, Perception, Learning, Beliefs and attitudes) characteristics. For the most part, marketers cannot control such factors, but they must take them into account (Kotler & Armestrong, 2012). Blackwell et al., (2006) also demonstrated that there are consumer and organizational factors that determines consumer behavior (i.e. obtaining, consuming and disposing). The consumer factors includes: culture; personality; life cycle stage; income; attitude; motivation; feeling; knowledge; ethnicity; family; values; available resources; opinion; past experiences; peer groups. The organizational factors includes brand, advertising, price, promotion, service, convenience, packaging, product features, word of mouth, retail display, quality, store ambience, loyalty programmes and product availability (Blackwell et al., 2006).

Banks can be successful by becoming customer-focused (Driscoll, 1999). For banks to survive in highly competitive business environment, they should be able to attract and retain customers.

Creating a wide customer base by attracting new and retaining existing customers is crucially important for the banks not only for their survival and growth but also for the sustainability of the economy (Saha et al., 2014).

To meet customer's needs, there is need to understand what is valuable to them and how they make decision. Understanding the financial needs of customers from the bank's perspective is cornerstone in conceptualizing their selection criteria which is largely reflected from the products and services offered by a bank.

Sometimes, marketing strategy of organizations does fail due to improperly identifying the factors or determinants that consumer consider in bank selection (Khazeh & Decker, 1993). So, service organizations should differentiate their services and products from those of competitors to keep existing customer and for attracting new customers. Libert (2004) also stressed that, meeting the needs of the customers in respect of banking service provision has emerged as a significant element of bank reputation that attracts customers to select a bank.

In Ethiopia, banks are engaged in providing numerous financial products and services to their consumers e.g., deposits, loans, foreign currency transaction, mobile banking, internet banking etc. After the Ethiopian government allowed the establishment of private banks and insurance companies in 1994, some private commercial banks have entered and opened their branches in various parts of the country. Currently, there are 16 private banks operating along with two government owned banks, namely the Commercial Bank of Ethiopia and the Development Bank of Ethiopia. The increase in number of banks has increased the competition in the banking industry that has led the use of latest technology to provide speedy services and other facilities to their customer. According to Grady and Spencer (1990), the growing competitiveness in the banking industry and similarity of services offered by banks, has made it increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services. So, the central objective of the study is to investigate the main determinants of bank selection decision by customers in Addis Ababa.

1.2. Statement of the Problem

The growing competitive and similarity of services offered by banks has made it increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services (Holstius and Kaynak, 1995). Grewal and Levy (2012) assert that it is quite impossible to design any form of marketing strategy without a solid understanding about customers. So, it is critical for the bank to define the important and determinant factors customer recognizes in their bank selection.

Globally, the issue of how customers select their banks has been given considerable attention by researchers (Sharma and Rao, 2010). Exploring such information will help banks to identify the appropriate marketing strategies that are needed to attract new customers and retain existing ones.

Although, there exist little studies to investigate the determinant of bank selection decision in Ethiopia (e.g. Metasebia and Tesfaye, 2017; Goitom, 2011, Tilahun and Gedifew, 2014); to the best of the researcher knowledge the previous studies in Ethiopia has not given enough attention to measure the differences in bank selection criteria between frequent and infrequent bank users. Based on Kaynak and Kucukemiroglu (1992) frequent bank user are those customers report to go to a bank at least once in a week while other customers have been regarded as infrequent bank user. So, this research will also adopt this definition to identify frequent and infrequent bank users. The previous studies have also failed to differentiate the customers' main and second bank. So, the research has focused on customers' main bank selection. Customers' main bank is the bank where they do most of their normal banking activities (account transaction and borrowing) it is where they have the most long standing relationship. In addition, the studies are missing some important determinants or factors like equal treatment of customers from the bank, Strong contribution to different social & ethical issues, gift for customers etc. This gaps highlight's the need for the proposed study and the research will investigate this untapped segment of the banking industry by formulating the flowing research questions:

- Which factors are more important for frequent and infrequent bank users when selecting a main bank?
- Are there any differences between frequent and infrequent bank users in the importance of different factors of bank selection?

1.3. Objectives of the Study

General Objectives

The general objective of the study is to identify the determinants of customers' bank selection in relation to frequent and infrequent bank users in Addis Ababa.

Specific Objectives

The specific objectives of the study are the following;

- To identify the factors that frequent bank users consider important when selecting a banking service;
- To identify the factors that infrequent bank users consider important when selecting a banking service;
- To identify the differences between frequent and infrequent bank users in the importance of different factors of bank selection?

1.4. Research Hypothesis

Based on the literature reviewed, the research questions and objectives of the study, the following hypotheses were developed and tested:

H1: There is no significant difference between frequent and infrequent bank users in the importance of human factor to make bank selection decision;

H2: There is no significant difference between frequent and infrequent bank users in the importance of institutional factor to make bank selection decision;

H3: There is no significant difference between frequent and infrequent bank users in the importance of physical factor to make bank selection decision;

H4: There is no significant difference between frequent and infrequent bank users in the importance of financial factor to make bank selection decision;

H5: There is no significant difference between frequent and infrequent bank users in the importance of bank reputation to make bank selection decision;

H6: There is no significant difference between frequent and infrequent bank users in the importance of availability of resources to make bank selection decision;

1.5.   Significance of the Study

The research studies the determinants of customer's bank selection decision in the case of private banks in Addis Ababa. The findings of this study will help bank decision makers to identify the major factors that may determine bank selection decisions among customers. Such information will help the management of banks in formulating appropriate marketing strategies for reaching, and attracting customers. The result of the study can also be cascaded to other financial service providers like micro-finance. The research finding will also narrow the knowledge gap in this area; will further serve as a source of information and literature review for researchers interested to conduct their study on similar areas.

1.6.   Scope of the Study/ Delimitation

Though, there are a number of private and government Banks in Ethiopia, the paper assess the main determinants of customers main bank selection choices in Addis Ababa by selecting seven private banks. Due to high cost and time shortage to include all private banks and customers, the study covered only customers of seven private commercial banks in Addis Ababa. A total of 364 existing customers are included in the study. In addition, the study is not covered Islamic banking services. By collecting general data from the respondents and other sources, the researcher tried to assess the determinants of bank selection choices.

1.7.   Definition of Key Terms

Banks: are the major types of deposit taking institution; they make their living predominantly by taking deposits which represent their liabilities and loaning these funds to borrowers which represent their assets (Pilbeam, 1998).

Frequent Bank Users: are those customers report to go to a bank at least once in a week (Kaynak and Kucukemiroglu, 1992).

Infrequent Bank Users: are those customers report to go to a bank once in two weeks or below (Kaynak and Kucukemiroglu, 1992).

1.8.   Organization of the Paper

The thesis structured into five chapters. The first chapter covers background of the study, statement of the problem, objectives of the study, research hypothesis, significance of the study, the scope and limitation of the study. Chapter two contains a review of related literature. The research design and methods are presented in chapter three. In chapter four, the results and findings of the study are discussed. The last chapter enclosed the summary of findings, conclusions drawn and recommendations.

CHAPTER TWO
LITERATURE REVIEW

The review of the literature is divided into five parts. The first and second parts discusses about consumer behavior and buyer decision process respectively. The third part discusses the theoretical foundation for the study. The fourth part discusses factors influencing customers' bank selection and the last part presents a survey of previous studies respectively.

2.1. Consumer Behavior

Understanding the key concepts of consumer behavior is vital as marketing literatures suggest that the key concept of marketing is 'customer' and thereby understanding customer is an indispensable part of marketing research and marketing decision-making (Peter & Olson, 2010; Baines & Fill, 2014) as cited by (Mihir, 2017).

Historically, the study of consumer behavior focuses on 'buying behavior' or 'why people buy'. More recently, researchers and practitioners have given focus to consumption analysis, which refers to why and how people consume and divest products and services in addition to why people buy (Grewal & Levy, 2012). Consumer behavior refers to the behavior of consumers in deciding to buy or not to buy or use or not to use or dispose of or not to dispose of the products which satisfy their needs. Blackwell et al., (2006:4) define consumer behavior as ''activities people undertake when obtaining, consuming and disposing product and services''. Kotler and Armstrong (2011) also define consumer behavior as ''the study of how individuals or groups buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants''.

Consumers make many buying decisions every day, and the buying decision is the focal point of the marketer's effort. Most large companies research consumer buying decisions in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy.

2.2. The Buyer Decision Process

Customers employ a number of processes for product/service evaluation which will eventually lead to the choice and/or preference of a particular product or service provider. Thus, Zeithalm et

al. (1993) categorize the factor into three groups of quality characteristics. Search qualities are the features that customer can see, feel or touch and might be evaluated in advance of purchase. Secondly, experience qualities are those qualities that may be evaluated during or after consumption. And finally, credence attributes are the features that customer find difficult to evaluate after purchase or consumption such as medical services provided by a doctor.

According to Kotler & Armestrong (2012), buyer decision process consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior.

The buying process starts with need recognition—the buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person's normal needs—for example, hunger or thirst—rises to a level high enough to become a drive. A need can also be triggered by external stimuli. For example, an advertisement or a discussion with a friend might get you thinking about buying a new car (Kotler & Armestrong, 2012).

After a need is recognized, the next step is information search, so as to be able to make the right purchase decision. The sources of information search could be personal (family, friends, peers and colleagues), commercial (marketers" communication in the form of advertising, sales persons, publicity etc), public (mass media, consumer forums, government rating agencies) and experiential (self and others" experiences). Personal contacts are highly influential sources; public sources are highly credible (Kotler & Armestrong, 2012).

Evaluation of alternatives is a stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set. Unfortunately, consumers do not use a simple and single evaluation process in all buying situations. Instead, several evaluation processes are at work.

After the consumer has evaluated the various alternatives, he/she selects a particular brand. The marketer's job does not end when the product is bought.

After purchasing the product, the consumer will either be satisfied or dissatisfied and will engage in post purchase behavior of interest to the marketer.

2.3. Theoretical Foundation

The relevant theoretical expositions behind the study are the rational choice theory and competition theory.

Rational Choice theory is an approach used by social scientists to understand human behavior. Rational choice theory assumes that an individual has preferences among the available choice alternatives that allow them to state which option they prefer (Lawrence and David, 2008). Elster (1989) stated the essence of rational choice theory when he said that "when faced with several courses of action, people usually do what they believe is likely to have the best overall outcome".

Rational choice theory is based on several assumptions: One of those is individualism; it focuses on individual behavior. The second assumption is that individuals have to maximize their goals, and the third is the assumption that the individuals are self-interested (Serdar, 2009).

Competition theory explains how firms try to win customers patronage and loyalty through service excellence, meeting customers' needs and providing innovative products. Competition in economics is best described as the existence within a market for some good or service of a sufficient number of buyers and sellers such that no single market participant has enough influence to determine the going price of the good or service. Both direct and indirect competition cause commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products (Aregbeyen, 2011). The greater selection typically causes lower prices for the products, compared to what the price would be if there was no competition (monopoly) or little competition (oligopoly). Thus, the competitive strategy of firms is dependent upon consumers' choice characteristics which tend to influence firms productive decision towards the satisfaction of consumers preferences.

So, considering rational choice theory and competition theory is important to study main determinants of bank selection choices and customer loyalty.

2.4. Factors Influencing Customers' Bank Selection

Blackwell et al., (2006) demonstrated that there are two distinct groups of influences namely consumer influences and organizational influences that affect consumer behavior (i.e. obtaining, consuming and disposing). The consumer influences include a number of factors: culture;

personality; life cycle stage; income; attitude; motivation; feeling; knowledge; ethnicity; family; values; available resources; opinion; past experiences; peer groups. The factors under the organizational influences can be identified as brand, advertising, price, promotion, service, convenience, packaging, product features, word of mouth, retail display, quality, store ambience, loyalty programs and product availability. There are also some key factors that influence consumer behavior such as emotion and coping, community attachment of the organization, and also situational factors including purchasing situation and temporal state. The marketing mix should also include at least two key elements including time and performance because services can be described as 'performances' and 'experience' that are most commonly time-based (Lovelock & Writz, 2016).

Nagdeman (2009: XXII) had noted that ''financial service providers are not selling a company, a product, or a service. They are selling trust''. The financial services sector is largely shaped by government policies, business trends, deregulation, social changes, advances of information technology, and internationalization. All these factors, collectively are reshaping the competitive landscape, demand, supply and even the customer's style of decision-making where competition occurs not only among business within the same industry but also among firms from other industries who are positioned to offer new solutions to customers' needs through different alternative approaches (Saha et al., 2014).

So, the next part of the literature review critically examines different factors that influence customers' bank selection.

2.4.1. Physical Factors

Duncan (1996) maintains that, service environment increase customer satisfaction and that within service environment customers can be exposed to numerous stimuli which potentially affect how they act, buy and the level of satisfaction they derive with service experience. Bitner (1992) indicated that the service environment has a significant impact on customer perception of overall service quality. Bitner (1990) pointed out that customers make inferences about the service quality on the basis of tangibles (the buildings, the physical layout, etc.) that surround the service environment. Gan et al, (2011), analyzed New Zealand customer satisfaction and found physical evidence significantly affect overall bank service quality.

Physical environment includes criteria such as modern-looking equipment, counter partition, parking facilities with enough security, appealing internal environment and enough sitting space (Mihir, 2017). Based on the study conducted by Mihir (2017) to analyze factors influencing customers' bank selection in Bangladesh, physical environment is the second important determinant of bank selection after institutional sub-dimension (easy access, convenient location, large ATM network, nationwide branch, global presence, long-term existence in the market, reputation, technology orientation).

The financial products and services are relatively credence and experience nature which implies that customers often find it difficult to evaluate them before or even after the purchase (Maiyaki, 2011). This leads customers to depend on different tangible cues (i.e. physical setting) to evaluate the quality of a bank and its products and services. Therefore, the bank needs to design their service providing spaces in such a way that make customers feel convenient, comfortable, secure, and give customers a pleasant experience. A pleasant and modern-looking physical environment influences customers to develop trust and a favorable attitude towards service providers which in fact is a reflection of perceived quality which is positively associated with perceived corporate image (Ngyyen & Leblanc, 2002) and customer purchase decisions (Peter & Olson, 2010).

Moreover, the results of different empirical studies (Junior et al., 2013; Maiyaki, 2011; Salehi & Rajabi, 2015) suggest that in the bank selection process, customers who are often forced to trust the service provider, tend to rely on some tangible evidence where an appealing physical environment is a significant element of tangible evidence (Lovelock & Writz, 2016).

2.4.2. Organizational Factor

Based on the finding of Mihir (2017) the institutional sub-dimension (easy access, convenient location, large ATM network, nationwide branch, global presence, long-term existence in the market, reputation, technology orientation) ranked at the top, which means its strongest contribution in explaining bank selection for existing customers.

Convenience in banking is important because customers' time and effort are finite that incur cost and loss of energy which have significant influence on their bank selection (Hinson et al., 2013). In case of bank selection decisions, convenience appears to be the main driver for customers to

choose for a bank. Therefore, convenience related factors like the location of the bank and service hours of the bank are important in customer's bank selection decision (Anderson et al. (1976)).

Bank customers in Iran and Pakistan emphasize on three common and important factors as bank selection criteria: customer services, convenient of ATM locations and on-line banking services (new methods of banking) (Rehman and Ahmed, 2008). Shevlin and Graeber (2001) also pointed out that ATM (Automatic Teller Machine) service had significant influence for a customer choice of bank.

Mihir (2017) also found that, 'large ATM network with enough security' is found as one of the top patronizing factors influencing customer bank selection.

2.4.3.   Human Factor

The staff's level of training, interpersonal behavior, discretion in rendering the service and appearance matters a lot in customer satisfaction in banking industry. Customers rely on bank employees for advice, complaint and direction towards some of the banks' products and channel of distribution. Interaction quality is an important factor when customers evaluate service quality (Haruna, 2015).

Human factor also includes the delivery of an accurate and speedy service, confidentiality, friendly and polite staff, and employee expertise. In addition, human factor is the third important determinant of bank selection after institutional sub dimension and physical environment (Mihir, 2017). This might be due to the inseparability characteristic of banking services where the major portion of customer value comes from the process and performance (Furrer et al., 2002) and the employees are required to play a significant role in this process.

Hedayatnia & Eshghi (2011) found that, employee competences such as friendliness of staff, responsiveness can play significant roles in influencing customer bank selection.

2.4.4.   Financial Factor

Based on the study conducted by Metasebia and Tesfaye (2017) to investigate the main determinants of bank selection decision by customers in Ethiopia, most of the customers appear less sensitive to prices of different banking services. For instance, the sensitivity of customers

towards the interest rate charged on loans is insignificant to remain as a fundamental bank selection factor. However, Hossain and Ullah's (2011) study which found that banking customers of Bangladesh are very price-sensitive. Findings of Boyd et al. (1994) reveal that, interest paid on savings accounts and interest charged on loans has a significant effect on bank selection.

Salehi and Rajabi (2015) found that economic benefits are a key factor in customers' bank selection as cited by Mihir (2017).

Based on the study conducted by Tilahun and Gedifew (2014) to identify factors influencing customers' Bank selection decision in Bahirdar City, low service charge has no any significant impact for customers to select their respective banks (Commercial bank of Ethiopia, Dashen bank, Abyssinia bank and Wegagen bank) as compared to United bank. In addition, Maiyaki (2011) argues that product cost and benefits have minimum effect on bank selection.

2.4.5. Brand Image and Reputation

A brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service. Consumers view a brand as an important part of a product, and branding can add value to a product. Customers attach meanings to brands and develop brand relationships (Armstrong & Kotler, 2012).

Based on Mihir (2017), the role of brand to customers is identification, signal of certain attributes, adding value, symbolic and risk reducer. In contrast, the role of brands to the organization are means of sending signals, means of legal protection and source of competitive advantage, and source of return.

The brand can play a significant role in building a company's image and reputation which in turn enables customers to relive risks associated with the purchase Roselius (1971).

The brand and reputation of a bank can play a significant role in customers' bank selection. This is supported by Rao and Sharma (2010) who found that reputation is often used by customers to measure the quality of products and services or the bank.

Alamgir et al., (2010) noted that a product or services from a known brand creates a distinctive appeal in the minds of customers and they are more likely to purchase a brand associated and known to them, because products are temporary that can be copied by a competitor easily, but 'a brand is unique and timeless' (Quiston, 2004). This discussion about the role and importance of brand and reputation in customers' bank selection indicates that developing a strong brand image or reputation is a function of time that might take a long time. In such a scenario, the service provider often invests their money and effort to create some physical cues which often work as a medium of expressing the brand.

According to Cleopas (2011) for today's young people, brand name is one of the major factors that determine their decisions for goods and services. Almossawi (2001) and Haque, Osman and Ismail (2009) add that young people prefer to deal with popular and reputable banks. This implies that banks can attract young people by engaging in various public relations and marketing activities that would give total recognition by the young customers.

Rao and Sharma (2010) found that reputation is often used by customers to measure the quality of products and services or the bank.

Based on the study conducted by Tilahun and Gedifew (2014) bank image and reputation is an important factor for customers to patronize a bank. Almossawi (2001) conducted a study in Bahrain to examine college student's bank selection criteria and found that the key factors determining college students' bank selection were: bank's reputation, availability of parking space near the bank, friendliness of bank personnel and availability and location of automated teller machines (ATM).

2.4.6. Social Factors

According to Darmayanti and Cahyono (2014), customers are becoming more conscious and often prefer to choose a bank which gives contribution to society and environment. Corporate Social Responsibility has the potential to make positive contributions to the development of society and businesses. More and more organizations are beginning to see the benefits from setting up CSR programme. As cited by Mihir (2017), Tian et al., (2011:207) reveal that ''firms selling experience products such as banks are more likely to gain a consumer's purchase support

through positive CSR initiative''. This implies that a CSR strategy is more suitable for those companies selling 'experience' products to achieve product differentiation.

Lee and Shin (2010) demonstrated that a company's CSR activities influence consumer purchase decisions favorably. Chen et al., (2015) assert that when customers find a company with good CSR practices, they tend to reward the company in terms of creating a business relationship and disseminate positive WoM (Word of Mouth). However, there is no guarantee that higher CSR initiatives can always bring positive results for the organization (McDonald & Rundle-Thiele, 2008). Oberseder et al., (2011) also suggest that although consumers might have positive attitudes towards socially responsible companies, but these might not affect their actual purchase behavior.

2.4.7. Marketing and Advertising

Although the decision for the purchase of financial goods often occurs in a person's conscious mind, external sources including activities (i.e. advertising, promotion) might stimulate awareness of one's needs (Mihir 2017). Marketing activities (advertisements, communications and promotions) that feature these benefits can play a significant role in stimulating consumer interest towards a particular purchase decision.

Based on the finding of Metasebia and Tesfaye (2017), Banks that appropriately promotes themselves has influenced their customers to choose them. Most importantly however contact by marketing staff (43%), TV/Radio advertising (45%) and above all customer referral (55%) has a higher influence on customers. On the other front, print media advert has the lowest customer attraction rate following the limited circulation of print Medias.

2.4.8. Financial Performance of the Bank

Based on the finding of Metasebia and Tesfaye (2017), customers have not seriously considered financial performance and reputation in their bank choices. Only few customers consider the financial strength of banks (42%), the profitability (31%), risk exposures (25%) and their growth (28%).

Based on the finding of Satyendra & Tanu (2016) safety of deposit is one of the most important factors that customers look for when making retail banking decision in Ghana.

2.4.9.   Availability of Resource

Based on the finding of Metasebia and Tesfaye (2017), availability of resources is very critical components of the service quality and one of the determinants of bank selection in the Ethiopian banking context. The response is much strong on the availability of forex resources as more than 85% of the respondents make their banks choice based on availability of foreign exchange. The scenario is not a surprise considering the less availability of foreign currency in the Ethiopian market following the wide trade deficit and the net importing status of the country. Loan demand also remains a notable driver of bank choice as supported by a 73% affirmative response among the customers. Unavailability of products like financial assistance such as loan without collateral, credit card, flexible repayment system might be one of the reasons to be involved in multiple banking relationships (Mihir 2017).

2.5.   Empirical Review

Several experimental research using different methodologies and approaches have been done in various parts of the world to investigate the bank selection criteria of the customers. The following table summarizes some of the determinants of customers' bank selection variable based on the research findings.

Author	Title	Methodology	Sample Size	Main Findings
Metasebiay & Tesfaye (2017)	Determinants of Bank Selection Choices and Customer Loyalty: the Case of Ethiopian Banking Sector	✓Self-administered questioner. ✓Sample from 8 bank by using convenient sampling	150 customers from 8 banks in Ethiopia	The main determinants of bank selection in Ethiopia are: ✓The speed of services; ✓the extent of the branch network; ✓the location of branches; and ✓Existence of forex resources.
Mihir (2017)	An Analysis of The Factors Influencing Customers' Bank	✓Self-administered questioner by using convenient sampling.	373 respondents	✓ The 'intra-bank banking charge or fee' is playing a critical role in influencing

	Selection In Bangladesh	✓The research developed a theoretical framework of bank selection criteria which has been tested on retail customers by integrating both the existing and potential customers.		customer bank selection ✓ The 'large ATM network with enough security' is found as one of the top patronizing factors influencing customer bank selection.
Satyendra & Agarwal (2016)	Determinants Of Bank Selection: A Study of Retail Banking Consumers in Gwalior	Self-administered questioner and used convenience sampling method	300 respondents	Three factors namely 'Safety, Variety and Convenience', 'Time, Technology and Atmosphere' & 'Interest Rate, Customization, and Status' are the main factors that affect the decision of retail banking customers to select their banks
David (2012)	Determinants of Consumer Choice of Commercial Banks: A Case of Kenya Commercial Bank in Nakuru Town	Self-administered questioner	396 respondents	Influence of reference groups and Personal factors like age and lifecycle stage, economic situation and occupation have a high effects on consumer choice of a bank
Omo, (2011)	"Determinants of Banks Selection Criteria by Business Customers in Nigeria.	Data collected by using self-administered questionnaire.	1750 respondents	Availability of technology based service, convenience (location), safety of fund are the most important factors
Cleopas (2011)	Factors Influencing the Choice of Commercial Banks	Quantitative research methodology approach. used the non-probability	250 respondents based	ease of opening a bank account, financial stability of the bank, and ATM location

	by University Students in South Africa	(convenience) sampling method		are the most important factors
Goiteom (2011)	Bank Selection Decision: Factors Influencing the Choice of Banking Services	Survey method through personally administered questionnaires	a sample size of 201 customers was selected from the defined target population	convenience, service provision and employers influence as fundamental determinants of bank selection
Adewale, Adekiya and Muhammad (2015)	Bank Choice Determinant Factors: A Study of University Students in Metropolitan Kano	Simple random sampling method through personally administered questionnaires	357 students of Bayero University, Kano	Convenience, reputation, service quality, financial gains, information availability and group influence are significant determinant factors of making choice among students
Tilahun and Gedifew (2014)	Factors Influencing Customers' Bank Selection Decision in Ethiopia: The Case of Bahirdar City	✓data collected by using questionnaire ✓employed explanatory research design ✓The non-probabilistic convenience sampling technique has been used	204 Customers from five commercial banks in Bahir Dar City	Friendly or pleasing manner of staffs, ATM service, Bank speed, service quality, external bank appearance, internal sitting arrangement, secured feeling, proximity to home or work place, availability of several branches and long operating hours are significant factors.
Ahmed (2011)	Factors Determining Bank's Selection and Preference in	✓Data collected by using questionnaire ✓The respondents were selected using	500 participants	Size of bank total asset and availability of large branch network have great influence in customer's choice of

	Nigerian Retail Banking	convenience sampling		banks. In addition, attractiveness of bank's branches and loan charge tend to be less influential among the determinants of bank selection
Sayuiti, Khashima & Rahimi (2013)	Bank Selection Criteria in a Customers' Perspective	✓Data collected by using structured questionnaire ✓Exploratory factor analysis is used.	100 participants	Finding from the study reveal that, the most significant factor affects the customers in choosing a bank is the accessibility (ATM facility, convenient ATM location, 24 hours availability of ATM services, speedy service and internet banking facility). The least important factor of bank selection is gift for customers.
Martin (2014)	An Empirical Study on the Determinants of bank Selection in Ghana	✓Both qualitative & quantitative method were used ✓Data collected by using structured questionnaire and interview	250 teachers from 10 senior high school using convenient sampling	Service charge on their accounts, longevity of banks, bank with reputation, financial security of the banks, interest earning on their savings and friendly loan policy are the most significant factor for bank selection
Apena (2011)	Bank Selection Criteria in the Iranian Retail Banking Industry	✓Data collected by using structured questionnaire ✓Convenience sampling was adopted	798 customers of Banks	Finding from the study reveal that, the most significant factors affects the customers in choosing a bank are quality of service,

				innovation in banking services, staff behavior & attitude and price
Jesmin & Humaira (2018)	Factors Influencing Customers in Bank Selection: A Study on Northern Region of Bangladesh	✓Data collected by using structured questionnaire	192 customers	Availability of modern equipment and technologies, securities arrangement of the bank, honesty and trustworthiness of the staff and internet or online banking facilities are the most important factors in influencing customer's bank selection in Northern Region of Bangladesh.

Metasebia and Tesfaye (2017) analyzed the determinants of bank selection choices and Customer loyalty by using variables like price related factors, availability of services/resources, service quality, physical presence, E-banking, accessibility, quality of premises, staff and management, reputation and confidence, financial performance, promotion, innovation and loyalty.

Tilahun and Gedifew (2014) studied factors influencing customers' bank selection decision in Ethiopia by employing personal, technological, speed and service quality, bank image and reputation, convenience factors, promotional factors and financial factors as independent variables.

Mihir (2017) analyzed factors influencing customers' bank selection in Bangladesh by using variables like product cost and benefits, product features, human factors, physical factors, social factors, institutional factors, word of mouth and previous experience.

Goitom (2011) has also studied factors influencing the choice of banking services using variables like convenience, bank image, service provision, employers' influence, reputation/ promotion strategy, attractiveness, financial benefits/ technology, secure feelings.

Based on the literature reviewed, we can summarize the different factors that determine customer's bank selection as follows:

- ✓ Financial Factors
- ✓ Human Factor:
- ✓ Physical Factor:
- ✓ Social Factor:
- ✓ Institutional Factors:
- ✓ Promotion:
- ✓ Reputation of the Bank
- ✓ Availability of resources:

2.6. Conceptual Framework

The study will be conducted by using 34 items (bank selection determinants). The variables are selected from the literature review and classified in to eight major categories as shown below:

Financial Factors
- ✓ Interest paid on saving account
- ✓ Lower rate of interest on loan/advance
- ✓ Lower commission & fee

Physical Factor
- ✓ Attractive external appearance of branches
- ✓ Enough sitting space, counter partition
- ✓ Parking facilities with enough security
- ✓ Attractive interior design & equipment

Human Factor
- ✓ Employees dress & appearance
- ✓ Customers information is kept confidential
- ✓ Friendly and polite
- ✓ Fast service of employees
- ✓ Knowledge & skill of staff
- ✓ Management response to complaints & service failures
- ✓ The existence of reputable management group and board members

Social Factor
- ✓ Strong contribution to different social, Environmental and ethical issues,
- ✓ Equal treatment of customers from the bank.

Bank Selection

Institutional Factors
- ✓ Having large ATM network,
- ✓ Having nationwide branch network,
- ✓ Convenient branch location
- ✓ Extended and weekend operating hours,
- ✓ Providing a differentiated product.
- ✓ High profitability of the bank,
- ✓ Low risk exposure of the bank,
- ✓ Good financial standing of the bank.
- ✓ Availability of technology based services
- ✓ Safety of deposit
- ✓ The procedure to open bank accounts is simple

Bank Reputation
- ✓ Long term existence in the market,
- ✓ bank reputation

Promotion
- ✓ Personal contact from bank marketing staff,
- ✓ Comments and review available in different media.

Availability of Resource
- ✓ Different loans are easily available or accessible,
- ✓ Forex resources are easy to get in the bank

Adopted from: Metasebiay B. & Tesfaye B. (2017), Tilahun A. and Gedifew A. (2014), Ahmed Audu (2011), Das (2017)

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

To address the research questions, a scientific methodology appropriate to the nature of the study are identified and adopted. Hence, this part presents, the procedures adopted in designing the research, determining population and sample of the study, gathering data, analyzing & presenting data.

3.1. Research Approach

The selection of research methodology is determined by the type of research problem and its objectives. To conduct a research it is important to decide whether the research uses qualitative, quantitative or mixed method. Saunders et al., (2009) and Bryman and Bell (2011) stated that, quantitative research strategy is such a strategy that centers on quantification in collecting and analyzing data, whereas qualitative research strategy predominantly uses non-numeric technique as means of data collection (e.g. interview) and of course the procedure of data analysis (e.g. categorize the non-numeric data) as cited by Mihir (2017). Accordingly, quantitative approach has been used to answer the research questions.

3.2. Research Design

Selecting the appropriate research design and method is very crucial and must be driven by the research problem or research question and the state of knowledge in the area being studied.

Accordingly, this study employed descriptive research design since it provides an opportunity to obtain critical and practical understanding of the factors determining customer choice of banks in Addis Ababa.

3.3. Population and Sample Size

McDaniel and Gates (1999) define population of interest as "the total group of people from whom we need to obtain information". So, the target populations for this study were customers who are banking with the selected seven private commercial banks in Addis Ababa.

Since the total population of the study is infinite, sample size was calculated using the formula recommended by Cochran (1977).

Assumptions:

- Margin of error (Confidence Interval) is +/- 5%;
- Confidence level is 95%;
- Standard of Deviation is taken 0.5
- Confidence level corresponds to a Z-score for 95%, Z -Score = 1.96
- Plug in Z-score, Standard of Deviation, and confidence interval into below equation:

Sample Size = (Z-score) ^{2} * Std. Dev.*(1-Std. Dev.) / (margin of error)^2

((1.96)^2 x .5(.5)) / (.05)^2 = 384.16 =385

Adding 5% contingency for non-response rate the total sample size (n) calculated was 405 (384 + (0.05*384)).

3.4. Sample and Sampling Technique

The researcher has adopted a sampling method which has been considered as suitable to answer the research question. A multi-stage sampling technique was adopted in the research.

Since the number of private commercial banks is limited in Ethiopia and banks are vary in their financial performance, year of operation, capital amount, technology level etc. judgmental or purposeful sampling technique are adopted to select the target commercial banks. In the judgmental or purposive sampling, the sampling is carried out on the basis of the researcher judgment.

From the existing private banks in Ethiopia, nine of them have been in the business for more than ten years and seven private banks for less than seven years. Since long term existence in the market has impact in customer perception towards the bank, data was collected from four banks which stayed in the business for more than ten years periods as well as from three banks which stayed in the business for less than ten years periods. Tilahun Aemiro and Gedifew Agalu (2014) have also conducted the same research by collecting data from four commercial banks. So, the number of banks is adequate.

Wegagen Bank, Nib International Bank, Bunna International Bank and Bank of Abyssinia were selected from banks that have been in business for more than ten years. From banks that have been in business for less than ten years, the researcher had selected three banks. These are Debub Global Bank, Addis International Bank and Abay Bank. The seven private commercial banks are selected since their locations are convenient to the researcher to collect the required data.

Equal number of customers (58 from each bank) was taken from each of the selected banks. Since, banks are providing nearly the same services and it is difficult to determine the number of customers especially those customers using money transfer services, equal number of questioners was distributed for all banks. The selection of the sample from each bank is done by using convenient sampling where customers that were banking in the head office branch are selected to fill the questionnaire.

3.5. Sources of Data and Instruments of Data Collection

3.5.1. Source of Data

The main research data collection tool used in the research is primary data. The researcher also collected secondary data from the related research paper and reports and used the data for literature review and for empirical analysis. Additional secondary data also obtained from written materials like: academic books, journals, research papers and internet resources.

3.5.2. Instruments of Data Collection

The researcher utilized a structured questionnaire to investigate factors that determines customers' bank selection. Questionnaire was developed on the basis of literature reviewed in relation to the aims and objective of the research. The research also adopted a survey method of data collection. A survey is a method of data collection by asking a list of pre-formulated questions in a defined sequence to a sample of individuals often assumed to be representative of the larger population (Zikmund & Babin 2016). A survey method helps to measure ideas, opinions and beliefs through understanding people's intention and preferences related to some initiative.

The distributed questionnaire has three major sections. The first section focuses on customer's banking behavior or relationship with the respective bank. The second section is the most important part of the questionnaire that includes the main determinants of the customers' bank selection attributes. In this section, the participants are asked to indicate the level or degree of importance they are likely to attach in different criteria in their bank selection process. The five point likert scale was used to investigate the bank selection decision of respondents. Therefore, the research participants are asked to evaluate or rate each statement on a five-point Likert scale by assigning a value of 1 = not important at all to 5 = very important. Section three of the questionnaire also deals with identifying some selected socio-demographic characteristics of respondents.

A total of 406 questionnaires are distributed to customers and 364 questionnaires are returned and the rest are unreturned or discarded due to missing data. So, the response rate is 90% as shown in the following table.

Table 3.1: Distributed Questionnaire and Response Rate

Name of Banks	No. of questionnaires distributed to customers	No. of Questionnaire correctly filled and returned	No. of Questionnaire discarded	Response Rate by Percentage (%)
Debub Global Bank	58	49	9	84%
Bank of Abyssinia	58	55	3	95%
Nib International Bank	58	48	10	83%
Wegagen Bank	58	58	0	100%
Addis International Bank	58	50	8	86%
Abay Bank	58	52	6	90%
Buna Bank	58	52	6	90%
Total	**406**	**364**	**42**	**90%**

3.6.   Questionnaire Administration

The researcher personally had distributed the questionnaire and collected the responses. Customers are participated in the research based on their willingness. The respondents had been requested to fill the questionnaire while they are using bank services. The researcher had distributed the questionnaires and collected the responses based on the schedule set by St. Mary University for data collection.

3.7.   Data Analysis Method

The process of data analysis started as soon as the completed questionnaires were returned. The primary data collected through questionnaire are sorted and screened for any errors and then processed using Statistical Package for the Social Sciences (SPSS version 20 for windows). Responses are ranked and rated for their significance of impact based on their mean value.

The quantitative data are analyzed using frequency, mean score of the 5 point Likert scale calculated and percentages. In addition, attempt to draw a careful interpretation from empirical findings and literature reviews are done. To analyze the validity of the data factor analysis was used.

3.8.   Validity of Data Collection Instrument

To reduce the chance of confusion and ensuring the validity and correctness, pilot tests are conducted by distributing the questionnaires in order to reduce the irrelevant and redundant questions before going for final data collection. The questionnaire also examined by banking professionals and the research advisor before piloting to check content validity.

Based on the response and comments given from the respondents, necessary adjustments are made on the wording, phrasing, sequencing as well as other issues related to the questioner. Before analyzing the collected data, the data are checked for accuracy, completeness and compatibility with the purpose of the study.

3.9.   Reliability Statistics of the Five Point Likert Scale Questions

The level of importance of each of the bank selection factors was measured using likert type data collection instrument consisting of 34 items with five point rating scale ranging from 1 = not

important to 5 very important. To insure the reliability of the items the responses was evaluated based on Cornbach's alpha test of reliability.

Table 3.2: <u>Reliability Statistics of the Five Point Likert Scale Questions</u>

Factor	No. of Items	Cronbach's Alpha
Human Factor	7 items	0.726
Financial factor	3 items	0.701
Physical Factor	4 items	0.710
Institutional Factor	11 items	0.853
Promotional Factors	2 items	0.305 (Dropped)
Bank Reputation	2 items	0.706
Social Factor	2 items	0.409 (Dropped)
Availability of Resource	3 items	0.702

According to Guilford (1965), Cronbach alpha coefficient of 0.7 and above is considered appropriate and acceptable. As evidenced by Table 3.2 the cronbach alpha coefficient for two variables (promotion and social factors) are below 0.70 thresholds. So, the two factors are dropped from the analysis.

3.10. Ethical Consideration

Ethical considerations in research are critical. Therefore, data collected from respondents are used only for the research purpose and kept confidential. The names of the respondents are not revealed by the researchers and their response was voluntary. The researcher also tried to give proper acknowledgment or credit for all contribution to research.

Participants were highly advised and encouraged to give honest and genuine answer, opinion, suggestion in the course of the study. Manuals, policy, procedures and other relevant documents collected from selected banks are kept confidential and are not disclosed to third party in any form.

CHAPTER FOUR

RESULTS AND DISCUSSION

This part presents the results of the research by using different relevant descriptive statistical techniques to meet the aims and objectives of this research. This part consists of the analysis of the demographics and banking behavior of the respondents, the most important and least important determinants of customer's bank selection factors and different statistical results.

4.1. Demographic Profile of Respondents

The demographic characteristics of the respondents (both frequent and infrequent bank users) are shown in Table 4.1. The respondents profile gives an indication to the sampled respondents' gender, marital status, age, education level; monthly income and occupation.

Table 4.1 shows that, from the total 364 respondents 69.8% of the participants were male and 30.2% were female. The demographic analysis also shows that, 5.2% of the respondents have attended primary education, 29.4% have completed secondary education, 25.5% of the population have diploma and 39.8% have university Degree. Regarding the marital status of the respondents 41.8% of the respondents were unmarried and 58.2% were married. From Table 4.1 it can be realized that, out of the total 364 respondents who participated in the study, 40.4% are self-employed, 55.5% are private and public sector employees, 2.7% are students, and 1.4% are unemployed. The highest proportion of the respondents (about 67.6 percent) earned an average monthly income above Birr 5000, 22.3% was between 4001-5000, 6.3% ranging from 2001-4000 and the rest 3.8% were below Birr 2,000.

Table 4.1 Demographic Profiles of Respondents

Variable	Category	Total Number of Respondents is 364	
		Frequency	Percent (%)
Sex of the Respondents	Male	254	69.8
	Female	110	30.2
Age of the Respondents	18-25 years	61	16.8
	26-35 years	157	43.1
	36-45 years	104	28.6
	46-55 years	32	8.8
	Above 55 years	10	2.7
Marital Status of the Respondents	Unmarried	152	41.8
	Married	212	58.2
Educational Level of the Respondents	Primary level	19	5.2
	Secondary level	107	29.4
	Diploma	93	25.5
	Degree	145	39.8
Occupation of the Respondents	Business man	147	40.4
	Student	10	2.7
	Employee	202	55.5
	Unemployed	5	1.4
Monthly Income of the Respondents	Below 2000 Birr	14	3.8
	2000-4000 Birr	23	6.3
	4001-5000 Birr	81	22.3
	Above 5000 Birr	246	67.6

Source: 2018/19 Survey Data

4.2. Banking Behavior of the Respondents

Banking behavior of the respondents (both frequent and infrequent bank users) are shown in Table 4.2. Banking behavior of the respondents includes length of relationship with the main bank, frequency of going to bank and type of products and services customers have with their main bank.

Table 4.2. Banking Behavior of the Respondents

Description	Category	Frequency	Percent
Respondents' Year of Relationship with the Main Bank	Less than 1 Year	27	7.4%
	1 to 5 years	222	61%
	5 to 10 years	82	22.5%
	Above 10 years	33	9.1%
Products and Services That Customers Use From The Main Bank	Saving Account	263	72.3%
	Current Account	163	44.8%
	ATM	147	40.4%
	Money Transfer	104	28.6%
	Forex	45	12.4%
	Loan	75	20.6%
Frequency of Using Bank Services	Customers using bank services frequently (daily or weekly)	165	45.3%
	Customers using bank services infrequently (once in two weeks or month)	199	54.7%

Source: 2018/19 Survey Data

Table 4.2 shows that, majority (61%) of the respondents have a relationship with their main bank for a period of 1 to 5 years. 22.5% of the respondents have a relationship with their main bank for a period of 5 to 10 years. 7.4% and 9.1% of the respondents have a relationship with their main bank for a period less than one year and above ten years respectively. Accordingly, more than 68% of respondents have a relationship with their main bank for less than 5 years. So, this

might be an indication that, in recent times banks are increasing their customer-base by attracting new customer.

Based on table 4.2, the main products and services that customers utilized from their main banks are saving account, current account and ATM services. Table 4.2 indicates that, most of the respondents (72.3%) have owned saving accounts with their main bank. These may be due to, the procedure and document requirement to open saving accounts are simple. 44.8% of the respondents are also owned current accounts. From the total respondents, 40.4% of them are using ATM services. The majority of respondents are also using multiple products and services from their main bank.

How frequently bank users go to a bank to use different services is one of the most important issue that influence their bank selection. Table 4.2 shows that, 45.3% of respondents are go to their main bank frequently i.e. daily or weekly. 54.7% of respondents are likely to go to their main bank infrequently (once in two weeks, monthly or below). This indicates that, the natures of relationship that majority of respondents have with their main bank do not require them to go to bank frequently (daily or weekly).

4.3. Demographic Profile of Respondents Based on their Frequency of Using Bank Services

Table 4.3. Demographic Profile of the Respondents Based on their Frequency of Using Bank Services

Description	Frequency of using bank services	Items	Frequency	Percent
Sex of the respondents based on their frequency of using bank services	Frequent Bank Users	Male	128	77.6
		Female	37	22.4
		Total	**165**	**100**
	Infrequent Bank Users	Male	126	63.3
		Female	73	36.7
		Total	**199**	**100**

Description	Frequency of using bank services	Items	Frequency	Percent
Occupation of the respondents based on their frequency of using bank services	Frequent Bank Users	Business man	95	57.6
		Student	2	1.2
		Employee	68	41.2
		Unemployed	0	0
		Total	**165**	**100**
	Infrequent Bank Users	Business man	52	26.1
		Student	8	4
		Employee	134	67.3
		Unemployed	5	2.5
		Total	**199**	**100**
Marital status of the respondents based on their frequency of using bank services	Frequent Bank Users	Unmarried	68	41.2
		Married	97	58.8
		Total	**165**	**100**
	Infrequent Bank Users	Unmarried	84	42.2
		Married	115	57.8
		Total	**199**	**100**
Education level of respondents based on their frequency of using bank services	Frequent Bank Users	Primary level	10	6.1
		Secondary level	49	29.7
		Diploma	40	24.2
		Degree	66	40
		Total	**165**	**100**
	Infrequent Bank Users	Primary level	9	4.5
		Secondary level	58	29.1
		Diploma	53	26.6
		Degree	79	39.7
		Total	**199**	**100**

Description	Frequency of using bank services	Items	Frequency	Percent
Income of the respondents based on their frequency of using bank services	Frequent Bank Users	Below 2000 Birr	1	0.6
		2000-4000 Birr	2	1.2
		4001-5000 Birr	31	18.8
		Above 5000 Birr	131	79.4
		Total	**165**	**100**
	Infrequent Bank Users	Below 2000 Birr	13	6.5
		2000-4000 Birr	21	10.6
		4001-5000 Birr	50	25.1
		Above 5000 Birr	115	57.8
		Total	**199**	**100**
Age of the respondents based on their frequency of using bank services	Frequent Bank Users	18-25 years	24	14.5
		26-35 years	69	41.8
		36-45 years	53	32.1
		46-55 years	14	8.5
		Above 55 years	5	3
		Total	**165**	**100**
	Infrequent Bank Users	18-25 years	37	18.6
		26-35 years	88	44.2
		36-45 years	51	25.6
		46-55 years	18	9
		Above 55 years	5	2.5
		Total	**199**	**100**

Source: 2018/19 Survey Data

Table 4.3 shows that, 63.3% of infrequent bank users and 77.6% of frequent bank users are male. Female respondents are accounted for the remaining 36.7% of infrequent and 22.4% of frequent bank users. This finding indicates that, low participation of female customers than male customers in using bank services.

The distribution of the respondents by occupation shows that, for infrequent bank users the majority of respondents are employees of public or private sector institutions. In addition, the majority of frequent bank users are self-employed. This finding indicates that, the natures of the relationship business persons have with their main bank require them to go to the bank frequently. However, the natures of relationship public and private sector employees, unemployed person and students have with their main bank do not require them to go to the bank frequently.

As shown in table 4.3, 58.8% of frequent bank customers and 57.8% of infrequent bank customers are married.

As indicated in table 4.3, the majority of both frequent and infrequent bank users are holder of university degree. The result shows that, using various bank services may increase with the increase in educational level of customers. Only 6.1% of frequent and 4.5% of infrequent bank customers are below secondary level education.

As indicated in table 4.3, the customers were distributed by their monthly income into four categories. The survey revealed that, the majority of both frequent and infrequent bank users respondent earn a monthly income of above Birr 5,000. This may be indicating that, people having higher income are using bank services more than people having lower income.

Based on table 4.3, the customers are grouped into five age groups. The largest percentage of the respondents for both frequent and infrequent bank users is fall under the age of 26-35 years.

4.4. Factor Analysis

Factor analysis is a statistical method used to investigate the correlation between the variables by the method of providing common dimensions, known as factors. This method helps to deduct random variables and identify the valid variables for further analysis. Rotated Component Matrix obtained from factor analysis helps to choose factors whose value are above 0.5, since the rotated value above 0.5 is considered acceptable.

4.4.1. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity

Before conducting factor analysis, it is vital to confirm whether the data set is appropriate for conducting the factor analysis. Burns and Burns (2008) argued that, KMO measures the sample adequacy, which should be greater than 0.5 for a satisfactory factor analysis to be conducted. In addition, the Bartlett's test of sphericity index should be less than 0.05 (Sig. <0.05) which suggests the sample of survey is good enough for factor analysis as sited by Das (2017). Accordingly, Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of sphericity are shown in table 4.4.

Table 4.4: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.922
Bartlett's Test of Sphericity	Approx. Chi-Square	4705.741
	Df	465
	Sig.	0.000

Source: 2018/19 data analysis

The results in table 4.4 (BTS = 4705.74; sig. =0.00) indicated that the data were appropriate for the purpose of principal component analysis. This mean that, there exist relationships between the variables and that they can be appropriately included in the principal component analysis. The result of the KMO measure of sampling adequacy is computed and which was found to be 0.922. The results indicate that there are sufficient items for each factor because the KMO result exceeded the minimum requirement of 0.50. The two tests supported the appropriateness of the factor analysis technique.

4.4.2. Results of Factor Analysis

Factor analysis are conducted and the results of the factor analysis are shown in table 4.5 in terms of communalities, factor loading, percentage of variance explained and number of components extracted across the factors. Factor loading is the key output of factor analysis and it shows the correlation between each of the variables and the estimated component. The total amount of variance explained should exceed 0.50 (Hair et al., 1998). In addition, factor loading

(i.e. the correlation between the factor and original item) should be more than 0.30 (Burns & Burns, 2008). Based on the factor analysis, in all six cases, the total amount of variance explained exceeds 0.50. In addition, the factor loading for all items is more than 0.30. So, all the six items could be used to explain customer's bank selection criteria.

Table 4.5: Factor Analysis

Items	Factors	Factor Loading	% of variance explained	No. of components extracted
Providing new products and services	Institutional Factors	.785	51.257	2
The procedure to open bank accounts is simple		.740		
Having large ATM network		.705		
Low Risk exposure of the bank		.698		
The location of branches is convenient and easy to access		.665		
Safety of deposit is guaranteed		.656		
The bank has many branches throughout the country		.655		
Providing service for extended hours		.634		
Availability of technology based services		.540		
Highly profitability of the bank		.482		
Good financial standing of the bank		.906		
Lower rate of interest on loans	Financial Factor	.797	58.053	1
Lower commission and fee		.752		
Paid higher interest on saving account		.735		
Having enough sitting space and counter partition	Physical Factor	.828	54.342	1

Attractive external appearance of branches		.822		
Attractive interior design and equipment of branches		.700		
Having enough parking space with security		.568		
Employee's fast serve	Human Factor	.831		
Friendly and polite employees		.807		
Customer's banking information is kept confidential		.729		
Knowledge, skill and expertise of staff		.710	53.324	2
Reputable management group and board members		.593		
Employees dress and appearance		.458		
Long term existence in the market	Reputation	.848	71.973	1
Having good reputation in the market		.848		
Loan products are easily available in the bank	Availability of Resource	.805		
The bank is providing differentiated products (eg. Different saving and loan products)		.774	59.072	1
Forex resources are easy to get		.725		

Source 2018/19 Data analysis

4.5. Determinants of Bank Selection

4.5.1. The Most Important Determinants of Customers' Bank Selection

The most important factors customers consider when choosing commercial banks have highest mean values. Table 4.6 and 4.7 shows the most important determinant of the choice of commercial bank by frequent and infrequent bank users respectively based on their mean values.

Table 4.6: <u>The Most Important Determinants of Customers' Bank Selection for Frequent Bank Users</u>

Ranks	Items	Mean	Std. Dev.
1	The location of branches is convenient and easy to access	4.3333	0.75976
2	Knowledge, skill and expertise of staff are better than other banks employees	4.2667	0.75976
3	Employees of the bank are friendly and polite	4.2424	0.47204
4	The bank employees serve the customers quickly	4.2121	0.77135
5	Safety of deposit is guaranteed	3.5455	1.06184

Source 2018/19 Data analysis

The result presented in table 4.6 indicates that, location of branches is the most important determinant of customers' bank selection for frequent bank users. Based on their mean values ranking, the 2nd, 3rd and 4th most important determinants of customers' bank selection for frequent bank users are human factors like the existence of friendly and polite staff, speed of employees to serve the customers quickly and employee's knowledge, skill and expertise. The fifth important determinant of bank selection for frequent bank users is safety of deposit.

Table 4.7: The Most Important Determinants of Customers' Bank Selection for Infrequent Bank Users:

Ranks	Items	Mean	Std. Dev.
1	The location of branches is convenient and easy to access	4.2814	0.82951
2	Employees of the bank are friendly and polite	4.2563	0.73350
3	Knowledge, skill and expertise of staff are better than other banks employees	4.2462	0.72799
4	The bank employees serve the customers quickly	4.2211	0.79223
5	Availability of technology based services like mobile and internet banking service has an impact in selecting a bank	3.0854	1.05779

Source 2018/19 Data analysis

The result presented in Table 4.7 indicates that, location of branches is also the most important determinant of customers' bank selection for infrequent bank users. The 2nd, 3rd and 4th most important determinants of customers' bank selection for infrequent bank users are also human factors like the existence of friendly and polite staff, speed of employees to serve the customers quickly and employee's knowledge, skill and expertise. The fifth important determinant of bank selection for infrequent bank users is availability of technology based services like mobile and internet banking service.

Based on their mean value ranking, convenience of branches' location and its accessibility plays a key role in determining customers' bank selection decisions for both frequent and infrequent bank users. This may be due to low development of technology based banking services (e.g. internet, or mobile banking) in the country. So, customers are forced to visit their respective branches to get the required bank services. This finding is not entirely unexpected as this finding is consistent with the result of studies which found that location is one of the main determinants of bank selection (e.g. Metasebia and Tesfaye, 2017; Aregbeyen, 2011; Goitom, 2011; Adewale et al., 2015; Tilahun Aemiro and Gedifew Agalu, 2014). Sanyang (2009) also found that convenient location are treated as one of the most important factors in selecting banking services in Gambia. Laroche et al. (1986) conducted a survey and found that convenience of location are one of the major factors which consumers perceived as important in their bank selection decision. So, the result of this study shows consistency with previous works in Ethiopia and elsewhere.

Based on the analysis, the 2nd, 3rd and 4th most important factors of customers' bank selection for both frequent and infrequent bank users are human factors like the existence of friendly and polite staff, speed of employees to serve the customers quickly and employee's knowledge, skill and expertise. 301 respondents said that knowledge, skill and expertise of employees are important factors to select a main bank. Around 80% of the respondents also indicate that, speed of employees and the existence of friendly and polite staff are important determinants of bank selection. These finding is also confirmed the finding of few researches conducted to identify the determinant of bank selection in Ethiopia. Based on the finding of Tilahun Aemiro and Gedifew Agalu (2014), friendly or pleasing manner of staffs is one of the main determinants of customers' bank selection. Tesfaye and Metasebia (2017) also found that, the speed of service is one of the

main determinants of customers' bank selection. Based on the study conducted by Robert et al. (2013) to investigate bank selection criteria among undergraduate students in the University of Ghana, one of the decisive factors in the bank selection process by the undergraduates is the employee customer relation. However, a number of researchers in another country (e.g. Aregbeyen, 2011; Adewale et al., 2015; Audu, 2011) found that, human factors are not the main determinant of customers' bank selection. This may be due to the availability of technology based services (e.g. internet, or mobile banking) and minimal face to face banking in other countries. Due to low availability of technology based services and high face to face interaction between bank employees and customers in Ethiopia, human factor is one of the key determinants of customer's main bank selection for both frequent and infrequent bank users in Ethiopia. However, frequent bank users give more importance to human factors than infrequent bank users.

The fifth important determinant of bank selection for frequent bank customers is safety of deposit. However, for infrequent bank customers the fifth important determinant of bank selection is availability of technology based services like mobile and internet banking service. Based on the research conducted by Aregbeyen (2011) safety of fund and availability of technology based service are the most important factors of bank selection in Nigeria. Satyendra and Tanu (2016) also found that availability of technology based service is one of the most important factors of bank selection. Since, infrequent bank users have no considerable amount of bank transactions, they may prefer using ATM to withdraw money and mobile banking services to follow their account balances and transactions.

4.5.2. The Least Important Determinants of Customers' Bank Selection

The least important factors customers consider when choosing commercial banks have the lowest mean values. Table 4.8 and Table 4.9 show the least important determinant of customers' bank selection for frequent and infrequent bank users respectively based on their mean value.

Table 4.8: <u>The Least Important Determinants of Customers' Bank Selection for Frequent Bank Users:</u>

Ranks	Items	Mean	Std. Dev.
1	Interest charged on loans is small as compared to other banks	2.3939	1.08592
2	The number of ATM is adequate and accessible	2.4364	0.95183
3	The interior design and equipment of branches are attractive	2.4727	1.04510
4	Interest paid on saving account is highest of all banks	2.4909	1.08548
5	The bank is in the market for a long period of time	2.8909	1.05355

Source 2018/19 Data analysis

For frequent bank users, interest rate charged on loans is the least important factor to be considered in choosing commercial banks. The number of ATM is the 2nd least important factor to be considered in bank selection decision. Based on the result of the descriptive analysis, the third least important factor is also attractiveness of interior design and equipment of branches. Interest paid on saving account is the fourth least important factor of customer bank selection. Reputation of the bank or long-term existence of the bank in the market is the fifth least determinants of customer's bank selection.

Table 4.9: <u>The Least Important Determinants of Customers' Bank Selection for Infrequent Bank Users:</u>

Ranks	Items	Mean	Std. Dev.
1	Forex resources are easy to get in the bank	2.3367	1.03583
2	Interest charged on loans is small as compared to other banks	2.3819	1.09400
3	The interior design and equipment of branches are attractive	2.4372	0.97692
4	Loan products are easily available in the bank	2.4724	1.07214
5	Commission & fee collected by the bank for different bank services is the lowest as compared with other private banks	2.4925	1.00438

Source 2018/19 Data analysis

For infrequent bank users', availability of forex resource is the least important determinant of customers' bank selection. From the total infrequent bank customers, 94 customers (47%) said availability of forex resource is not important factor. The second least important factor for infrequent bank customers is interest charged on loans. The third least important factor for infrequent bank users is attractiveness of interior design and equipment of branches. For infrequent bank users', availability of loan resource is the 4th least important determinant of customers' bank selection. Another price related factor i.e. commission & fee collected by the bank for different bank services is also the 5th lowest determinant of bank selection for infrequent bank users.

For frequent bank users, interest rate charged on loans is the least important factor to be considered in choosing commercial banks. For infrequent bank users also interest rate charged on loans has the second lowest mean value or the second least important factor to be considered in choosing commercial banks. From the total 364 respondents, 190 respondents replied that interest rate charged on loans is not important determinant of bank selection. Another price related factor i.e. commission & fee collected by the bank for different bank services is also the 5th lowest determinant of bank selection for infrequent bank users. This result is consistent with the finding of Tesfaye & Metasebia, (2017) and Ahmed A. (2011). Both researchers found that, price of service is one of the least determinants of customers bank selection. Tilahun and Gedifew, (2014) also found that low service charge has no any significant impact for customers to select their respective banks. This may be due to the demand for loan and other bank products are higher than the supply. So, price of services may not be an important factor in bank selection. Zineldin (1996) also asserted that since banks are giving unique services compared to other industry, cost and pricing is not important in this field' as cited by Tilahun Aemiro and Gedifew Agalu, (2014).

For infrequent bank users, availabilities of forex and loan resources are the 1st and 4th least important determinant of customers' bank selection. From the total infrequent bank users, 94 customers (47%) said availability of forex resource is not important factor. These finding are in contrast with the finding of Tesfaye and Metasebia, (2017). Based on their finding, availability of both loan and forex resources are important determinants of bank selection. Since most infrequent bank users are employees of private or public sector, they may not be concerned with

loan and forex services (resources). The main users of bank's loan and forex services are business persons/owners in order to run their day to day business activities. In addition, based on the demographic profile of respondents, most business persons are frequent bank customers.

For frequent bank users, the number of ATM is the 2nd least important item of customer's bank selection decision. However, Mihir (2017), Chigamba (2011) found that 'large ATM network' is one of the top patronizing factors influencing customer bank selection. In addition, Tilahun and Gedifew, (2014) identified, ATM location is one of the most important factors Influencing customers' bank selection decision in Ethiopia. Since most frequent bank users are business owners, they may prefer to use checking account to make payments or withdrawal of money. Banks in Ethiopian also limit ATM withdrawal and frequent bank users might want regularly to withdraw money above the ATM allows. However, for infrequent bank customers the number of ATM ranks as the 12th least important determinant of bank selection.

The third least important factor for both frequent and infrequent bank users is attractiveness of interior design and equipment of branches. This result is consistent with finding of Boyd et al. (1994) that interior design and equipment are one of the least important factors in selecting a bank. Audu (2011) also found that attractiveness of bank's branches is among the least determinants of bank selection. Based on the finding of Robert et al. (2013), the appearance of a bank has very little effect among the criteria that influence the choice of a bank among the respondents. So, customers may give more emphasis to location of branches instead of interior design and equipment of branches.

Long-term existence of the bank in the market is also one of the least determinants of customer's bank selection for frequent bank users. However, based on the finding of Martin (2014), longevity of banks is one of the top determinants of customer bank selection. In addition, based on the finding of Martin (2014) customers are also likely to choose a Bank that has been in existence for a long period of time due to the rate at which some new banks have been collapsing. Since the financial position of private banks is attractive and their risk exposure is minimal, frequent bank users may consider the service quality of banks instead of their longevity.

4.5.3. Mean Factor Scores by Sub Dimension

Table 4.10: Mean Factor Scores by Sub Dimension

Factors	Frequency of Using Bank Service	No. of respondents	Mean	Std. Deviation	Std. Error Mean	Ranks based on mean value
Human Factor	Frequent	165	3.6961	.57602	.04484	1
	Infrequent	199	3.5750	.57457	.04073	1
Institutional Factor	Frequent	165	3.2650	.60772	.04731	2
	Infrequent	199	3.1905	.69473	.04925	2
Physical Factor	Frequent	165	3.0470	.81879	.06374	5
	Infrequent	199	2.8304	.78524	.05566	5
Financial Factor	Frequent	165	2.8586	.89877	.06997	6
	Infrequent	199	2.6935	.76860	.05448	6
Bank Reputation	Frequent	165	3.1030	.85984	.06694	4
	Infrequent	199	3.0126	.98785	.07003	4
Availability of resource	Frequent	165	3.1273	.98410	.07661	3
	Infrequent	199	3.0377	.89320	.06332	3

Source 2018/19 Data analysis

Table 4.10 shows that, the most important determinant of customers' choice of main banks for both frequent and infrequent bank users is human factor with a mean score of 3.6961 and 3.750 respectively on a five point Likert scale. This is followed by institutional factor with a mean score of 3.2650 and 3.1905 for frequent and infrequent bank users respectively. Financial factor though has the lowest mean score of 2.8586 and 2.6935 for frequent and infrequent bank users respectively.

4.6. Result of the Hypothesis Testing

The T-test was used to determine if there are significant differences between frequent and infrequent bank users in the importance of different factors to make bank selection decision. Details of the T-test and the results of the hypothesis testing are presented below.

H1: There is no significant difference between frequent and infrequent bank users in the importance of human factor to make bank selection decision;

Table 4.11: Independent Samples Test Result for Human Factor

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Human Factor	Equal variances assumed	.365	.546	1.999	362	.046	.12109	.06056
	Equal variances not assumed			1.999	349.30	.046	.12109	.06058

Source 2018/19 Data analysis

As shown in table 4.11, the Levene's test for equality of variances shows a value of 0.546 for human factor which is greater than the 0.05 threshold which is not significant. Hence, it can be assumed that the groups have equal variances and not significantly different in variances for human factor. However, the t-test for equality of means shows a significant value of 0.046. This value is less than 0.05. Because of this, we can conclude that, there is a statistically significant difference between the means of frequent and infrequent bank customers in the choice criteria of human factor. Accordingly, hypothesis one (i.e there is no significant difference between frequent and infrequent bank users in the importance of human factor to make bank selection decision) is rejected.

H2: There is no significant difference between frequent and infrequent bank users in the importance of institutional factor to make bank selection decision;

Table 4.12: Independent Samples Test Result for Institutional Factor

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Institutional Factor	Equal variances assumed	1.398	.238	1.078	362	.282	.07452	.06915
	Equal variances not assumed			1.091	360.94	.276	.07452	.06829

Source 2018/19 Data analysis

As shown in table 4.12, the Levene's test of equality in variance shows a statistical value of 0.238 for institutional factor which is greater than 0.05 thereby implying that the groups have equal variances and are not significantly different in variances. Regarding the t-test for equality of means, a value of 0.282 is found. Since this value is greater than 0.05, we can conclude that there is no statistically significant difference between the mean value of frequent and infrequent bank customers, in the choice criteria of institutional factor. Accordingly, hypothesis two (i.e there is no significant difference between frequent and infrequent bank users in the importance of institutional factor to make bank selection decision) is accepted.

H3: There is no significant difference between frequent and infrequent bank users in the importance of physical factor to make bank selection decision;

Table 4.13: Independent Samples Test Result for Physical Factor

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Physical Factor	Equal variances assumed	.055	.814	2.569	362	.011	.21657	.08430
	Equal variances not assumed			2.559	343.868	.011	.21657	.08463

Source 2018/19 Data analysis

As evidenced by table 4.13, the Levene's test of equality in variance shows a value of 0.814 for physical factor which is greater than 0.05. Hence it can be assumed that, the groups have equal variances and are not significantly different in variances. However, the t-test for equality of means shows a significant value of 0.011. This value is less than 0.05. Because of this, we can conclude that, there is a statistically significant difference between the means value of frequent and infrequent bank customers in the choice criteria of physical factor. Accordingly, hypothesis three (i.e there is no significant difference between frequent and infrequent bank users in the importance of physical factor to make bank selection decision) is rejected.

H4: There is no significant difference between frequent and infrequent bank users in the importance of financial factor to make bank selection decision;

Table 4.14: Independent Samples Test Result for Financial Factor

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Financial Factor	Equal variances assumed	4.470	.035	1.889	362	.060	.16512	.08740
	Equal variances not assumed			1.862	324.395	.064	.16512	.08868

Source 2018/19 Data analysis

According to table 4.14, the Leven test of equality in variance shows a significant value of 0.035 for financial factor which is less than the 0.05. Hence, it can be assumed that the groups have no equal variances and significantly different in variances for financial factor. However, the t-test for equality of means shows a significant value of 0.064. This value is slightly greater than the 0.05. Accordingly, there is a no significant difference between the means of frequent and infrequent bank customers in the choice criteria of financial factor. Accordingly, hypothesis four (i.e there is no significant difference between frequent and infrequent bank users in the importance of financial factor to make bank selection decision) is accepted.

H5: There is no significant difference between frequent and infrequent bank users in the importance of bank reputation to make bank selection decision;

Table 4.15: Independent Samples Test Result for Bank Reputation

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Bank Reputation	Equal variances assumed	5.815	.016	.922	362	.357	.09047	.09813
	Equal variances not assumed			.934	361.131	.351	.09047	.09687

Source 2018/19 Data analysis

As shown in table 4.15, the Leven test of equality in variance shows a value of 0.016 for bank reputation which is less than 0.05. Hence, it can be assumed that the groups have no equal variances and significantly different in variances for bank reputation. However, the t-test for equality of means shows a significant value of 0.351. This value is greater than 0.05. As a result, there is no significant difference between the means of frequent and infrequent bank customers in the choice criteria of bank reputation. Accordingly, hypothesis five (i.e there is no significant difference between frequent and infrequent bank users in the importance of bank reputation to make bank selection decision) is accepted.

H6: There is no significant difference between frequent and infrequent bank users in the importance of availability of resources to make bank selection decision;

Table 4.16: Independent Samples Test Result for Availability of Resources

		Levene's Test for Equality of Var.		T-test for Equality of Means				
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Availability of resource	Equal variances assumed	1.368	.243	.910	362	.364	.08958	.09850
	Equal variances not assumed			.901	335.07	.368	.08958	.09939

Source 2018/19 Data analysis

Based on table 4.16, the Levene's test of equality in variance shows a statistical value of 0.243 for availability of resources which is greater than 0.05. Thus, the two groups have equal variances and are not significantly different in variances. Regarding the t-test for equality of means, a significant value of 0.364 is found. Since this value is greater than the 0.05, we can conclude that there is no statistically significant difference between the mean of frequent and infrequent bank customers in the choice criteria of availability of resources. Accordingly, hypothesis one (i.e there is no significant difference between frequent and infrequent bank users in the importance of availability of resources to make bank selection decision) is accepted.

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter presents a summary of the study, its main findings, conclusions and recommendations. In addition, this part also discusses limitations of the research and provides directions for further research.

5.1.   Summary of the Findings

In Ethiopia, banks are the most important components of the financial system that are continuously engaged in providing various financial products and services to their customers e.g. various deposit accounts, loans, forex service, money transfer, mobile banking, internet banking etc.

The Ethiopian banking sector comprises two government owned banks and sixteen private banks. To increase the number of their customers and to serve them better, all commercial banks are engaged in opening branches in various parts of the country. In addition, in order to grasp more customers, banks are introducing new services and incentives for their customers. Accordingly, this study has been conducted to identify the major factors that affect the main bank selection process in Ethiopia for frequent and infrequent bank users.

A total of 405 respondents from seven private commercial banks were sampled and a total of 364 responses were received and analyzed.

The descriptive analysis shows that, 69.8% of the participants were male and 30.2% were female. The majority of respondents (65.3% of the population) have diploma or university Degree. Regarding the marital status of the respondents, 58.2% were married.

The analysis also shows that, out of the total 364 respondents who participated in the study, 55.5% are private and public sector employees and 40.4% are self-employed. The highest proportions of the respondents (about 67.6 percent) have earned average monthly income above Birr 5,000.

Regarding the banking behavior of the respondents, the majority (61%) of the respondents have a relationship with their main bank for a period of 1 to 5 years. The main products and services that customers utilized from their main banks are saving account, current account and ATM services. In addition, the descriptive analysis shows that, 45.3% of respondents are go to their main bank frequently i.e. daily or weekly. 54.7% of respondents are likely to go to their main bank infrequently (once in two weeks, monthly or below).

Findings from this study reveal that, both frequent and infrequent bank users place more emphasis on convenience and accessibility of branches' location.

The results of descriptive analysis shows human factors like the existence of friendly and polite staff; speed of employees to serve the customers quickly; and employee's knowledge, skill and expertise are important determinant of bank selection for both frequent and infrequent bank users.

For frequent bank users, interest rate charged on loans is the least important factor to be considered in choosing commercial banks. The number of ATM, attractiveness of interior design & equipment, interest rate paid on saving account and year of operation (longevity) in the business is the least important determinants of bank selection.

For infrequent bank users', availability of forex resource are the least important determinant of customers' bank selection. In addition, attractiveness of interior design & equipment, Interest charged on loans, Commission & fee collected by the bank for different bank services and availability of loan products is the least important factor to be considered in choosing commercial banks.

Regarding the result of the hypothesis, hypothesis one and three (i.e. hypothesis proposed for human and physical factors) are rejected. So, there is a significant difference between frequent and infrequent bank users in the importance of human and physical factors to make bank selection decision. However, there are no statistically significant differences in the level of importance over the other four sub-dimensions (i.e. institutional factors; reputation of the bank; availability of resources and financial factor) of determinants of bank selection.

5.2. Conclusion

This study is seen to be very important in both theoretical and practical point of views. Theoretically, this study fills an important gap in the literature especially to identify the difference between frequent and infrequent bank users in their bank selection decision. On the practical side, this study can assist bank management to identify the important factors that determines customers bank selection decisions. Such information will help the management of banks in devising suitable marketing strategies for reaching, attracting and retaining customers.

Based on the result of the analysis, convenience of bank location and human factors like the existence of friendly and polite staff, speed of employees to serve the customers quickly and employee's knowledge, skill and expertise are important factors of bank selection for both frequent and infrequent bank users.

For frequent bank users, interest rate charged on loans, the number of ATM, interest paid on saving account and year of operation in the market are the least important determinants of bank selection. For infrequent bank users', availability of forex resource, Commission & fee amount and availability of loan products are the least important factor to be considered in choosing commercial banks. In addition, attractiveness of interior design and interest charged on loans were insignificant factors for bank selection decision for both frequent and infrequent bank users.

Regarding the sub dimension of factors, the most important determinant of customers' choice of main banks for both frequent and infrequent bank user's is human factor. This is followed by institutional factor for both frequent and infrequent bank bank users respectively. Financial factor though is the least important factor for both types of customers.

Frequent bank users give more importance to human and physical sub dimension than infrequent bank users. However, there are no statistically significant differences in the level of importance over the other four sub-dimensions (i.e. institutional & financial factors; reputation of the bank; and availability of resources) of bank selection between frequent & infrequent bank user.

5.3.   Recommendations

Based on the findings of the study, the following recommendations are forwarded.

The research findings revealed that both frequent and infrequent bank users place more emphasis on factors like:

- ✓ Location of branches;
- ✓ The existence of friendly and polite staff;
- ✓ The speed of employees to serve the customers quickly; and
- ✓ Employee's knowledge, skill and expertise.

Therefore, banks management should pay attention to the above factors that have significant impact on the selection of banks. Such factors should be considered seriously by banks management in designing their strategies in order to gain competitive advantage over the competitors. Specifically, banks should increase their branch network and give much weight to make bank's location more convenient and accessible to customers. In addition, banks management should give greater attention to their human resource. Banks should strive to make their employees well-trained and capable to give customers a pleasant experience.

5.4.   Limitations of the Study

The main limitations of this study are summarized as follows.

The sample was drawn from only seven private banks in Addis Ababa city. So, the findings of the study are not entirely representative of the entire population of Addis Ababa.

This study covers existing customers of commercial banks. Potential customers are not included in the research.

The research emphasizes on determinants of customers bank selection from the customers' points of view. So, views of bank's management on the determinants of customer bank selection were not covered.

5.5.   Direction for Further Research

The study suggests the following areas for future researchers who are interested in this area:

This study concentrated on only seven private commercial banks in Addis Ababa city. Therefore, future studies should be undertaken to cover all private and public banks by including customers from other regions of the country.

This study covers existing customers having bank account. So, other researchers can conduct the same research by covering both potential and existing customers. In addition, other researchers can conduct the same research by incorporating the perception of both customers and service providers.

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APPENDIX

St. Mary University
School of Graduate Studies
MBA program
Survey questionnaire

DEAR PARTICIPANT,

This questionnaire is designed to collect data from customers of selected private banks in Ethiopia for conducting MBA thesis on the title "Determinants of Customers' Bank Selection in Relation to Frequent and Infrequent Bank Users: The Case of Ethiopian Private Banking Sector". I kindly request you to spend your precious time to fill the questionnaire and help me in collecting the information I need. I assure you that, the information you provide will be used for academic purpose only. So, you all are not expected to write your name. Any suggestions, comments and remarks are highly appreciated and are kept confidential.

I thank you in advance for your time and participation. If any questions do arise, feel free to contact me at your convenience.

AbiyAlemayehu
Tel - 0912859144
Email –abiyalemayehuk@ gmail com.

Part 1: Banking Behavior of Respondents

Q1. Which banks do you utilize for your banking services mainly?

_____.

Q2. How long have you doing banking with your main bank (i.e. where you are more involved)?

Less than one Year ☐   1 – 5 Years ☐   6 – 10 Years ☐

Above 10 Years ☐

Q3: How often you go to your main bank? (Please tick as appropriate)

Daily ☐   Once in a week ☐   Once in every two weeks ☐

Once in a month ☐   Less than once in a month ☐

Q4. Which of the main product or service do you currently use from your main bank?(Please tick all that apply)

Current account ☐   Saving account ☐   ATM service ☐

Credit facilities ☐   Forex service ☐   Money transfer ☐

Internet banking service ☐

Other, please specify _____

Part 2: Bank Selection Criteria

Please mark "√"on number for each factor by using the following scale ranging based

on their degree of importance.

5=most important   4= important   3= neutral   2=less important   1= not important at all

No.	Factors	1	2	3	4	5
1	Interest charged on loans is small as compared to other banks					
2	Commission & fee collected by the bank for different bank services is the lowest as compared with other private banks					
3	Interest paid on saving account is highest of all banks					
4	The external appearance of branches is attractive					
5	The interior design and equipment of branches are attractive					
6	The bank has enough sitting space and counter partition to provide service for its customers					
7	The bank has enough parking space with security					
8	The location of branches is convenient and easy to access					
9	The number of ATM is adequate and accessible					
10	The bank has many branches throughout the country					
11	The bank is in the market for a long period of time					
12	The bank has good reputation in the market					
13	The bank is one of the leading bank in providing new products and services					
14	The bank is providing service for extended hours including weekend and night					
15	Availability of technology based services like mobile and internet banking service has an impact in selecting a bank					
16	The bank is providing a differentiated product (eg. Different saving and loan products)					
17	Personal contact from marketing staff of the bank has influenced my bank selection decision					
18	The bank is advertising itself in different media					

19	Loan products are easily available in the bank					
20	Forex resources are easy to get in the bank,					
21	The procedure to open bank accounts is simple					
22	The bank is highly profitability					
23	Risk exposure of the bank is not significant					
24	Safety of deposit is guaranteed					
25	There is no concern in the financial standing of the bank					
26	The bank employees serve the customers quickly					
27	Employees dress and appearance are attractive					
28	Customer's banking information is kept confidential					
29	Employees of the bank are friendly and polite					
30	Knowledge, skill and expertise of staff are better than other banks employees					
31	The management is responding to complaints and service failures on time					
31	The bank has reputable management group and board members					
33	The bank has made strong contribution to different social issues					
34	The bank is treating customers without discrimination by gender, race etc.					

Part 3.Personal information

Please, put a mark in the boxes of your option.

Q1.Gender of Respondent: Male ☐   Female ☐

Q2. Age of Respondent:

18 –25 years ☐   26 – 35 years ☐

36 – 45 years ☐   46 – 55 years ☐

Above 55 years ☐

Q 3.Your highest level of education

✓ Primary completed ☐

✓ 12th Grade completed ☐

✓ Diploma ☐

✓ University Degree ☐

✓ Other (Please Specify) _____

Q4. Your marital status

Married ☐ Single ☐ Other _____

Q5. Your occupation (Please tick)

- ✓ Unemployed ☐
- ✓ Employee ☐
- ✓ Student ☐
- ✓ Businessman (Self-employed) ☐

Q6. Income level:

- ✓ Below 2,000 birr ☐
- ✓ 2,000 – 4,000 birr ☐
- ✓ 4,001–5,000 birr ☐
- ✓ Above 5,000 birr ☐

APPENDIX B: የቅድስት ማርያም ዩኒቨርሲቲ

የድህረ ምረቃ ትምህርት ቤት

በአዲስ አበባ ከተማ በሚገኙ የገል ባንክ ደንበኞች የሚሞላ የጥናት መጠይቅ

ይህ መጠይቅ የተዘጋጀው የቅድስት ማርያም ዩኒቨርስቲ የድህረ ምረቃ ተማሪ በሆንኩት አብይ አለማየሁ ሲሆን አላማውም በአዲስ አበባ ከተማ የሚገኙ የገል ባንክ ደንበኞች ደንበኛ የሚሆኑበትን ባንክ ለመምረጥ በዋናነት የሚመለከቱዋቸውን መመዘኛዎች ለመለየት ለማደረገው ጥናት የመጀመሪያ ደረጃ መረጃ ለመሰብሰብ ነው፡፡ እርስዎ በዚህ ጥናት በመሳተፍ የሚሰጡት መረጃ ለጥናቱ እጅግ አስፈላጊ ነው፡፡ መጠይቁን ከሚሞሉ ደንበኞች የሚገኝ መረጃ ለሌላ አካል ሳይተላለፍ ለሚፈለገው የጥናት ዓላማ ብቻ የሚውል መሆኑን ለመግለጽ እወዳለሁ፡፡

ስለጥናቱ ወይም ስለመጠይቁ ተጨማሪ መረጃ ከፈለጉ የጥናቱን አድራጊ አብይ አለማየሁ በስልክ ቁጥር +251-912-859144 በመደወል መጠየቅ ይችላሉ፡፡

አጠቃላይ መመሪያ

- ✓ ስምዎን መጥቀስ አያስፈልግም
- ✓ ትክክል ነው የሚለትን መልስ በተዘጋጀው ሳጥን ውስጥ የ '√' ምልክት ያስቀምጡ፡፡

መጠይቁን በመሙላት ለሚያደርጉት ትብብር በቅድሚያ አመሰግናለሁ!!

ክፍል አንድ: የደንበኛ የባንክ አጠቃቀም ሁኔታ

1. ከታች ከተዘረዘሩት ባንኮች ውስጥ በየትኛው ባንክ የባንክ አገልግሎቶችን በዋናነት ይጠቀማሉ?

   ድቡብ ግሎባል ባንክ ☐   አቢሲኒያ ባንክ ☐   ንብ ኢንተርናሽናል ባንክ ☐

   ወጋገን ባንክ ☐   አዲስ ኢንተርናሽናል ባንክ ☐   አባይ ባንክ ☐

2. ከላይ ከመረጡት ባንክ ጋር ደንበኛዎነት ከመሰረቱ ስንት ዓመት ይሆኖታል?

   ከ1 ዓመት በታች ☐   ከ1 ዓመት እስከ 5 ዓመት ☐

   ከ 6 እስከ 10 ዓመት ☐   ከ 10 ዓመት በላይ ☐

3. ከላይ በመረጡት ባንክ የትኛውን የባንክ አገልግሎት ይጠቀማሉ? (ከ አንድ በላይ አማራጭ መምረጥ ይቻላል)

   ተንቀሳቃሽ ሒሳብ ☐   የቁጠባ ሒሳብ ☐   የብድር አገልግሎት ☐

   የውጪ ምንዛሪ አገልግሎት ☐   "ኤ.ቲ. ኤም." አገልግሎት ☐

   የገንዘብ መላኪያ/መቀበያ አገልግሎት ☐

   ሌላ አገልግሎት ከሆነ ቢገለፁ _____

66

4. የባንክ አገልግሎት ለማግኘት በአማካይ በምንያህል ግዜ ወደባንክ ይሄዳሉ?

በየቀኑ ☐   በሳምንት አንድ ግዜ ☐   በሁለት ሳምንት አንድ ግዜ ☐   በወር አንድ ጊዜ ☐

ከላይ ከተጠቀሱት ውጪ ከሆነ ቢገልጹ _____

ክፍል ሁለት: የባንክ ምርጫ መመዘኛዎች

የሚገለገሉበትን ባንክ ሲመርጡ የሚጠቀሙባቸውን መመዘኛዎች ከሚከተሉት አማራጮች ውስጥ ለርስዎ ባላቸዉ ጠቀሜታ መሰረት ከ"5=በጣም እስማማለሁ" እስከ "1=በጣም አልስማማም" እያሉ ያለዎትን አስተያየት ከቀረቡት አማራጮች ውስጥ በመረጡት ስር የ (√) ምልክት በማድረግ መልስ ይስጡ::

1= በጣም አልስማማም   2= አልስማማም   3= አልወሰንኩም   4= እስማማለሁ   እና   5= በጣም እስማማለሁ

ተ.ቁ	ዝርዝር መለኪያ	የስምምነት ደረጃ				
		1	2	3	4	5
1	ባንኩን የመረጥኩት ከሌሎች ባንኮች አንጻር ብድር በዝቀተኛ ወለድ ስለሚሰጥ ነው					
2	ባንኩ ደንበኞቹን ለማስተናገድ በቂ የመቀመጫ ቦታ እና የአገልግሎት መስጫ መስኮቶች ስላሉት የባንኩ ደንበኛ ሆኛለሁ					
3	የባንኩ የገበያ ጥናት ሰራተኞች (ማርኬቲንግ ሰራተኞች) ባንኩን እንድመርጥ በማሳመን ትልቅ አስተዋጽኦ ነበራቸው					
4	ባንኩ አዳዲስ አገልግሎቶችን በማስተዋወቅ ከቀደምት ባንኮች አንዱ መሆኑ ባንኩን እንድመርጠው አድርጎኛል					
5	በባንኩ የተለያዩ የቁጠባ ሂሳቦችን በቀላሉ መክፈት ስለሚቻል ባንኩን መርጬዋለሁ					
6	ባንኩን የመረጥኩት የባንኩ ሰራተኞች ፈጣን እና ቀልጣፋ የሆነ አገልግሎት ስለሚሰጡ ነው					
7	ባንኩን በዋናነት የመረጥኩት ባንኩ ለሚሰጣቸው የተለያዩ አገልግሎቶች ዝቀተኛ የአገልግሎት ዋጋ ስለሚያስከፍል (ለምሳሌ ለገንዘብ መላኪያ የሚያስከፍለውን) ነው					
8	የባንኩ ሥራተኞች ለደንበኞች ትሁት እና ጥሩ አቀራረብ ያላቸው መሆኑ ባንኩን እንድመርጠው አድርጎኛል					
9	የባንኩ ውጫዊ እይታ ሳቢ መሆኑ ባንኩን እንድመርጠው አድርጎኛል					
10	የባንኩ ኤ.ቲ.ኤም ማሽኖች በበርካታ አመቺ ቦታዎች መገኘት ባንኩን እንድመርጠው አድርጎኛል					
11	ባንኩን ልመርጥ የቻልኩት የባንኩ የስጋት ተጋላጭነት ዝቀተኛ ስለሆነ ነው					
12	የደንበኞችን መረጃ በሚስጥር መያዙ ባንኩን እንድመርጠው አድርጎኛል					
13	ባንኩን የመረጥኩት ለተለያዩ ማህበራዊ አገልግሎቶች አስተዋጽኦ ስለሚያደርግ ነው					
14	የባንኩ ውስጣዊ ገጽታ እና የሚጠቀምባቸው ቁሳቁሶች ሳቢ መሆን ባንኩን እንድመርጠው አድርጎኛል					
15	ባንኩን የመረጥኩት የባንኩ/የቅርንጫፉ ሥራተኞች በባንኩ አገልግሎት ላይ ያላቸው እዉቀት እና ክህሎት ከፍተኛ በመሆኑ ነው					
16	በባንኩ አቅራቢያ በቂ የመኪና ማቆሚያ ከበቂ ጥበቃ ጋር መኖሩ ባንኩን እንድመርጠው አድርጎኛል					

ተ.ቁ	ዝርዝር መለኪያ	የስምምነት ደረጃ				
		1	2	3	4	5
17	የባንኩ ቅርንጫፎች በአመቺ ቦታ እና በአቅራቢያ መገኘት (ለቤቴና ለሥራ) ባንኩን እንድመርጠው አድርጎኛል					
18	የባንኩ የተቀማጭ ገንዘብ ደህንነት የተጠበቀ መሆኑ ባንኩን እንድመርጠው አድርጎኛል					
19	ባንኩን የመረጥኩት በሁሉም ክልሎች በቂ ቅርንጫፎች ስላሉት ነው					
20	ባንኩ አገልግሎት በመስጠት እረጅም ጊዜ ማስቆጠሩ ባንኩን እንድመርጠው አድርጎኛል					
21	ባንኩን የመረጥኩት በማህበረሰቡ ዘንድ ጥሩ ስም እና ዝና ስላለው ነው					
22	የብድር አገልግሎት በቀላሉ ማግኘት ስለሚቻል ባንኩን መርጫዋለሁ					
23	ባንኩን የመረጥኩት ተጨማሪ የአገልግሎት መስጫ ሰዓት ስላለው (ቅዳሜ ማታ) ነው					
24	ባንኩ በዘመናዊ ቴክኖሎጂ የተደገፈ አገልግሎት መስጠቱ (ለምሳሌ የሞባይል እና ኢንተርኔት ባንክ አገልግሎቶች) ባንኩን እንድመርጠው አድርጎኛል					
25	ባንኩ በሚሰጣቸው የተለያዩ (የተሟሉ) የአገልግሎት አይነቶች (ለምሳሌ የተለያዩ የተቀማጭ እና የብድር አገልግሎቶችን መስጠቱ) ባንኩን ለመምረጥ ችያለሁ					
26	ባንኩን የመረጥኩት በመገናኛ ብዙኃን አገልግሎቶቹን በአግባቡ ስለሚያስተዋውቅ ነው					
27	በባንኩ የውጪ ምንዛሪ አገልግሎት በቀላሉ ማግኘት ስለሚቻል ባንኩን መርጫዋለሁ					
28	በባንኩ ደንበኞች ያለምንም ልዩነት (ለምሳሌ በጾታ፣ ዘር) ስለሚስተናገዱ ባንኩን ልመርጥ ችያለሁ					
29	ባንኩ ትርፋማ መሆኑ ባንኩን እንድመርጥ አርጎኛል					
30	ባንኩ ስም ጥር በሆኑ የስራ ሀላፊዎች መመራቱ ባንኩን እንድመርጠው አድርጎኛል					
31	ባንኩ በአስተማማኝ የህብት ቁመና ላይ ስለሚገኝ ባንኩን መርጫዋለሁ					
32	ባንኩ በተቀማጭ ሒሳብ ላይ ከሌሎች ባንኮች እንጻር የተሻለ ወለድ መክፈሉ ባንኩን እንድመርጠው አድርጎኛል					
33	ባንኩን የመረጥኩት የባንኩ ሠራተኞች ሳቢ አለባበስ እና እይታ ያላቸው በመሆኑ ነው					
34	የባንኩ የስራ ሀላፊዎች የደንበኞችን ቅሬታ እና የአገልግሎት አሰጣጥ ችግር ለመፍታት ፈጣን ምላሽ መስጠታቸው ባንኩን እንድመርጠው አድርጎኛል					

ክፍል ሶስት፡ የተሳታፊዎች አጠቃላይ ሁኔታ

ማስታወሻ: ትክክል ነው የሚለትን መልስ በተዘጋጀው ሳጥን ውስጥ (√) ምልክት ያስቀምጡ

1. ፆታ: ወንድ ☐   ሴት ☐

2. ዕድሜ:

     ከ18 – 25 አመት ☐   ከ26 – 35 አመት ☐

     ከ36 – 45 አመት ☐   ከ46 – 55 አመት ☐

     ከ55 አመት በላይ ☐

3. የትምህርት ደረጃ:

- ✓ የአንደኛ ደረጃ ትምህርት ጨርሻለሁ [ ]
- ✓ ሁለተኛ ደረጃ ትምህርት ጨርሻለሁ [ ]
- ✓ ዲፕልማ [ ]
- ✓ የዩኒቨርሲቲ ዲግሪ [ ]
- ✓ ሌላ ካለ ይጠቀስ _____

4. የትዳር ሁኔታ:

ያላገባ/ች [ ]   ያገባ/ች [ ]   ሌላ ከሆነ ይጠቀስ _____

5. የስራ ሁኔታ:

ነጋዴ [ ]   ተማሪ [ ]   ተቀጣሪ ሰራተኛ [ ]   ስራ የሌለው [ ]

6. ኣማካይ የወር ገቢ

- • ከብር 2,000 በታች [ ]
- • ከብር 2,000 - 4,000 [ ]
- • ከብር 4,00ı - 5,000 [ ]
- • ከብር 5,000 በላይ [ ]

APPENDIX C:

Determinant of Bank Selection for Frequent and Infrequent Bank Users

Criteria	Rank of Determinant factors based on their mean value					
	Frequent Bank Users			Infrequent Bank Users		
	Mean	St. Dev.	Ranks	Mean	St. Dev.	Ranks
Availability of technology based services like mobile and internet banking service has an impact in selecting a bank	3.1515	0.94744	14	3.0854	1.05779	5
Commission & fee collected by the bank for different bank services is the lowest as compared with other private banks	3.0061	1.09598	21	2.8342	1.17105	26
Customer's banking information is kept confidential	3.5333	0.95976	6	3.2613	1.05508	11
Employees dress and appearance are attractive	3.0182	1.08466	19	2.9296	1.05652	18
Employees of the bank are friendly and polite	4.2424	0.74204	3	4.2462	0.72799	2
Forex resources are easy to get in the bank	2.9091	1.2088	25	2.799	1.12806	30
Having enough sitting space and counter partition to provide service for its customers	3.0121	0.99381	20	2.9045	1.14853	22
Interest charged on loans is small as compared to other banks	2.3939	1.08592	30	2.3367	1.03583	29
Interest paid on saving account is highest of all banks	2.4909	1.08548	27	2.4724	1.07214	23
Knowledge, skill and expertise of staff are better than other banks employees	4.2667	0.78967	2	4.2563	3.7335	3
Loan products are easily available in the bank	2.9636	1.2142	23	2.8291	1.11053	27
Risk exposure of the bank is not significant	3.3152	1.0581	10	3.206	0.95493	13
Safety of deposit is guaranteed	3.5455	1.06184	5	3.3065	1.10166	8
The bank employees serve the customers quickly	4.2121	0.77135	4	4.2211	0.79223	4
The bank has enough parking space with security	3.4364	1.14386	8	3.2312	0.94646	17
The bank has good reputation in the market	3.3152	1.08091	11	3.1809	1.02368	9
The bank has many branches throughout the country	3.1333	0.97863	16	2.9799	1.07759	15
The bank has reputable management group and board members	3.1515	1.09659	15	3.0101	1.0917	10
The bank is highly profitability	3.0485	1.06385	18	2.9347	1.16374	20
The bank is in the market for a long period of time	2.8909	1.05355	26	2.608	1.15345	25

Criteria	Rank of Determinant factors based on their mean value					
	Frequent			Infrequent		
	Mean	St. Dev.	Ranks	Mean	St. Dev.	Ranks
The Bank is one of the leading bank in providing new products and services	3.1697	0.98541	13	3.1005	1.10552	19
The bank is providing a differentiated product (eg. Different saving and loan products)	3.2909	1.07646	12	3.1558	1.09676	12
The bank is providing service for extended hours including weekend and night	3.0848	1.11205	17	2.9698	1.03918	16
The external appearance of branches is attractive	2.9152	1.11205	24	2.8141	1.26754	24
The interior design and equipment of branches are attractive	2.4727	1.0451	28	2.4372	0.97692	28
The location of branches is convenient and easy to access	4.3333	0.75976	1	4.2814	0.82951	1
The management is responding to complaints and service failures on time	3.4485	1.0899	7	3.2462	1.07997	7
The number of ATM is adequate and accessible	2.4364	0.95183	29	2.3819	1.094	21
The procedure to open bank accounts is simple	3.3939	1.01631	9	3.2261	1.12102	6
There is no concern in the financial standing of the bank	2.9818	1.00288	22	2.8291	0.98008	14

Source: 2018/19 Data analysis based on customer's response