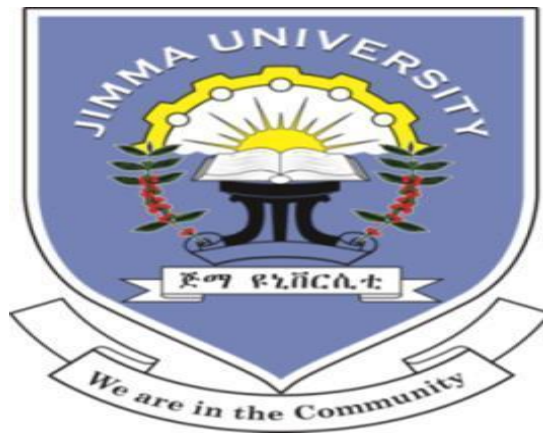


***DETERMINANTS CUSTOMERS BANK SELECTION DECISION: THE  
CASE OF COMMERCIAL BANK OF ETHIOPIA IN JIMMA TOWN***



***A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF JIMMA  
UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
AWARD OF DEGREE OF MASTERS IN BUSINESS ADMINISTRATION (MBA)***

**BY: -ZINASH TSEGAYE**

**UNDER THE SUPERVISION OF**

***MAIN ADVISER TAYE AMOGNE (PhD)***

***CO-ADVISOR MRs NECHITU LEGESE***

**JIMMA UNIVERSITY**

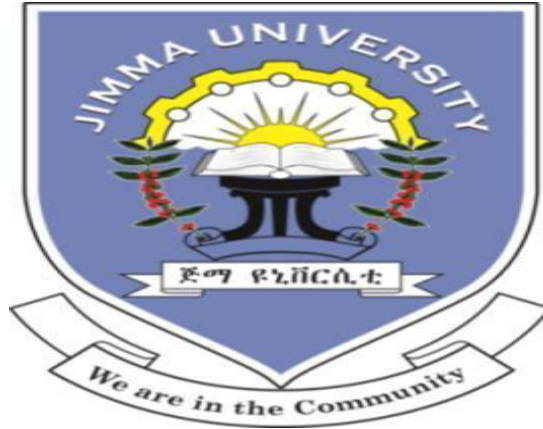
**COLLEGE OF BUSINESS & ECONOMICS**

**MBA PROGRAM**

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## Declaration

I, the undersigned, declare that this Thesis on the Topic of the determinants of bank selection decision the case of commercial bank of Ethiopia in Jimma town has not submitted to any other college, institution or university other than Jimma University.

*Researcher' s Name*

*Date*

*Signature*

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## Certificate

This is to verify that the thesis done by Zinash Tsegaye on the Topic of the determinants of bank selection decision the case of commercial bank of Ethiopia in Jimma town that submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA) under our guidance and supervision.

*Therefore, we hereby declare that no part of this thesis has submitted to any other university or institutions for the award of any degree or diploma.*

*Main Adviser' s Name*

*Date*

*Signature*

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*Co-Advisor' s Name*

*Date*

*Signature*

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## **ACRONYMS**

ATM	Automated Teller Machine
CBE	Commercial Bank of Ethiopia
KMO	Keiser-Meyer-Olkin
NBE	National Banks of Ethiopia

## **Abstract**

*The main objective of this study is to examine the determinant of customer's bank selection decision in the Commercial Bank of Ethiopia Jimma Town. It also intended to define the comparative importance of each factor in customers' bank selection decision. The study employed as a quantitative research design to identify the determinants of customers' bank selection decision and relied on primary sources of data. The target population of the study focused on customers of Commercial Bank of Ethiopia in Jimma town. A non-probability sampling technique of convenience sampling (availability sampling) used in this study. Taking 14 branches of commercial banks in Jimma town, data collected from 158 customers that are available at branch office during data collection from all branches. The data for the study collected through structured questionnaires administered to the selected customers. The collected data analyzed using the Statistical Package for the Social Sciences (SPSS V.20). Descriptive Statistics was used to describe respondents demographic backgrounds, banking behavior of respondents and to rank the major determinants of bank selection decision while Exploratory factor analysis used for data reduction and finding an optimum grouping and number of common factors persuading a set of measures from 32 items included in the survey. The one sample t-test confirmed the importance of all factors in customers' bank selection decision at  $p < 0.10$ . The result of this study shows that, the determinants of customers bank selection decision in the Commercial Bank of Ethiopia Jimma town are; bank image & reputation, service quality factors, convenience factors, technological factors, promotional factors, financial factors as well as social factors. This study also tries to find out the factors that customers consider essential in selecting their choice of banking services in Commercial Bank of Ethiopia Jimma town. The result revealed being a government owned bank; experience /establishment time of the bank; trust in the Bank for security of funds and confidence and Goodwill of bank among customers considered as very much important. Furthermore, Social Factor and Financial Factors had positive and significant relationship with customer bank selection decision while Technological Factor, Promotional Factors and service quality factors had positive and insignificant relationship with customer bank selection decision.*

**Key words: -Bank selection decision, customers, Service of banks.**

# CHAPTER ONE

## INTRODUCTION

This Chapter aims at introducing the determinants of bank selection decision by Commercial Banks of Ethiopia customers in Jimma town, statement of the problems, objectives of the study, significance of the study, research questions and scope of the study was discussed.

### 1.1. Background of the Study

Banks play a vital role in improving economic efficiency by channeling funds from resource surplus unit to those with better productive investment possibilities. Banks also play prominent role in trade and payment system by significantly reducing transaction costs and increasing convenience. Banks in Ethiopia are involved in hard competition to attract customers by delivering various services. The significance of banking and financial services in the world services industry cannot be understated. Today, new technologies and information systems are forcing these institutions to offer more sophisticated and innovative services in the banking and finance industry. The competitive financial atmosphere also led banks and financial institutions to increase their service quality and follow new technologies (Tehulu, T. A. and Wondmagegn, G. A. , 2014).

The banking industry in Ethiopia has been booming with the sector entertaining more participants from both private and public sector. An NBE (2016) report indicates that there are currently 2 public banks and 16 private banks with a total branch network of 3187 across the country and a total capital of Birr 43.06 Trillion. During the fiscal year 2015/16, banks opened additional of 494 new branches (2015/2016). Another notable progress in the industry besides the expansion in the number of branches is the advance in the level of technology with which banks intend to offer efficient services to clients (Lelissa, 2017). Encountering advertisements and messages on various banking service offers and technology acquisitions has become a common everyday experience. Tekletsadik (2013), however notices that even though sharing strong expansion, there are prominent variations along with banks in terms of their aggregate size, revenue sources, customer focus, loan concentration, and operational efficiency.

As economic environment is rapidly, changing potential customers offered multiple of options. Lelissa(2017),claim that the increase in the number of banks in the industry to some extent has increased the sense of competition among banks. With growing competitiveness in the banking industry and similarity of services offered by banks (Holstius, K. & Kaynak, E, 2000) it has become increasingly important that banks

identify the factors that determine the basis upon which customers choose between providers of financial services. Lelissa(2017),also notice that meeting the needs of the customers in respect of banking service provision has emerged as a significant element of bank reputation that persuades customers to select a bank. Therefore, it will be imperative for banks to explore how customers make a choice among banks to conduct their day-to– day financial transactions (Lelissa, 2017).

One possible theory explaining customer' s choice is the rational choice theory. According this theory rational choice involves determining what options are available and then choosing the most preferred one according to some consistent criterion (Lelissa, 2017). Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Scott, 2000). Research on the factors affecting customers' selection of a bank has researched in various contexts. According to (Rao, 2010) argue that a set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another. For example, a study of bank selection decisions in Singapore has placed high emphasis on the pricing and product dimensions of bank services (Ta, H. P. and Har, K. Y., 2000). In Bangladesh, (Siddique, 2015) low interest rate on loan, convenient branch location, safe investment (accountability of the govt.) variety of services offered and low service charges in his study. On the other hand, a similar study in Nigeria revealed that the safety of funds and the availability of technology Based service(s) as the major reasons customer choice of banks (Arebgeyen, 2011).

In Ethiopia, (Lelissa, 2017) identified the speed of services, the extent of the branch network, and forex resources as top three factors. Looking at private banks in Addis Ababa, (Tekletsadik, 2013) also identified convenience, reliability and service provision as chief factors determining customers ' bank selection. Tehulu, T. A. and Wondmagegn, G. A. (2014) also identified friendly or pleasing manner of staff, ATM service, and bank speed as the top three factors. While the findings of (Tekletsadik, 2013), have different outcomes, all considered selected banks and limited sample size affecting the general ability of their findings. Further, the research used varying definition of factors influencing customers ' choice of banking service rendering the comparison and general ability of their outcomes impossible. With this in mind, this research conducted identification of factors determining the customers ' selection of a bank with due attention to an exhaustive list of potential factors and ample sample size.

## 1.2. Statement of the Problem

A number of studies have undertaken to analyze factors that affect customers' preference in banking services. Among these studies include, Wei (2013) identify "Good service provision", "assurance", "value added service", "convenience and security" have significant influence on the bank selection decision. Jingxian Lu. Include Mokhlis, S, Mat, N & Salleh, H (2008) who examined the determinants of bank selection criterion gender-based choice decisions. Correspondingly, in Bahrain (Almossawi 2001), a case of college students and in Greece (Mylonakis 2007), a research task of customer preferences in the home loans market, GoitemWoldemariam (2011), who examined factors influencing the choice of banking service in Addis Ababa were done. According to rehman and ahmed(2008),mokhlis(2009), masweil and naude(2015), Sharma and Rao (2010) and Arebgeyen(2011) convenience is the most important factor that influence customer Bank selection decision. However, some researchers found that there were insignificant relationship between convenience factors and customers bank selection decision (Ta, H. P. and Har, K. Y., 2000); Wei and Lu, 2014; (masweil and naude, 2015), and Agarwal,2017).

Knowing customers' bank selection criteria has been argued to be helpful to banks in identifying the appropriate marketing strategies needed to attract new customers and retain existing ones (Arebgeyen, 2011). Indeed, 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. The issue of bank selection process attracted considerable attention in the bank marketing literature, mainly in the USA, Europe and other regions (Lee and Marlowe, 2003; Ta and Har, 2000 ;). On the other hand, the studies conducted in the field mostly targeted the general population while some focused on some sampled segments (Almossawi, 2001). While, such studies have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries, due to differences in cultural, economic and legal environments. A set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another (Rao and Sharma, 2010). Hence, the results of these studies may not significantly applicable to other countries like Ethiopia, due to differences in cultural, political, economic and legal environments.

In Ethiopia, the Banking sector has been growing significantly and keeping pace with the social and economic improvements (Eshete, Teshome and Abebe , 2013). However, indicated that the Ethiopian banking industry characterized as highly profitable concentrated while moderately competitive. They further claimed that the

Banks performances governed largely by macroeconomic performances than competitive parameters. On the other hand, Kifle (2016) suggested that commercial Banks in Ethiopia are feeling the competitive pressure, which led to huge investment in their branch network expansion, adopting new technology and rolling out new products. However, one can notice that introduction of new product offerings as well as technology by banks seems to be very similar across the board limiting differentiation. Therefore, by taking these in to consideration the aim of this paper is to examine the determinant factors considered by customers when select bank in Ethiopia with the particular reference Jimma town. Banking sector in Ethiopia has been growing significantly despite its social and economic problems. However, only a few studies found which made an effort to determine the crucial factors that customers perceive as important in their choice of bank in Ethiopia. This study initiated to accomplish this aim. The researcher has conducted very few studies in the Ethiopian context with inconsistencies in outcome, importance level of the factors as well as definition of factors and very rare of them conducted in Jimma town on this topic.

To this end, this research undertook the identification of factors that determine customer's choice of a bank and determined the criteria that customers consider essential when selecting a banking services. And also define the comparative importance of each factor in customers' bank selection decision with due emphasis on an exhaustive list of potential factors as well as use of a representative sample size to allow generalization and this study intended to fill the gap by exploring the determinant factors for the selection of bank by customer in CBE Jimma town. Finally this paper add to the current body of literature by empirically identifying the determinants that customers consider when selecting their bank and the study evaluate the relative importance of various selection criteria that influence bank choice in Jimma town.

### **1.3. Research Questions**

- What factors do customers consider essential in selecting their choice of banking services in CBE Jimma town?
- What is the relationship between convenience factor, Service quality, Financial, Bank image & reputation, Technology, Social factors and the Bank Selection Decision in CBE Jimma town?

### **1.4. Objectives of the study**

#### **1.4.1. General objective**

The general objective of this study is to examine the determinant of bank selection among customers decision in case of Commercial Bank in Jimma town.

#### **1.4.2. Specific Objectives**

- ✓ To identify the major criteria that customers consider essential when selecting a banking services in Jimma town;
- ✓ To investigate the relationship between determinants of customer' s bank selection factors and customer' s bank selection decision in CBE Jimma town.

#### **1.5. Significance of the study**

This study has a number of advantages for various banks to survive in the market that, Banks will improve their services as well as makes suitable marketing strategy by understanding the preferences of customers as new input for better service. The findings of this study have value to banks especially those who aim to expand their customer. The results of this research also have an advantage of knowing which factors are highly influencing in bank selection decision. It would also help plan of CBE to identify the factor that could affect bank selection decision by customer and use the result for setting directions. It has also theoretical contribution that would fill an important gap in the literature that is, exploring bank selection criteria on CBE users in the Jimma town. Therefore, the findings of this study add to the existing body of the literature and serve as a starting point on which future studies can build base.

#### **1.6. Scope of the study**

The study focuses on examining the determinant of bank selection among customer' s decision in case of Commercial Bank in Jimma town. The study emphasized on the social factors, technological, financial, promotional, convenience, service quality factors, and bank image & reputation factors. The reason why this topic had selected is that, very few studies has conducted in the Ethiopian context with inconsistencies in outcome, importance level of the factors as well as definition of factors and very rare of them conducted in Jimma town on this topic. The population of the study focused on active customers in 14 branches of CBE Jimma town (Source: CBE Jimma town). A non-probability sampling technique of convenience sampling (availability sampling) used in this study and with a 90 % of confidence level and a 10 % of tolerable margin of error. To Measure the quality of data, researcher used Cronbach's alpha test and to test the hypotheses of the study, the researcher used the tools



Factor analysis, KMO' s, mean scores, standard deviations, percentages, F test and Eigen values and multiple regression used. The study carried out within Jimma Town, between the periods of April to July 2020.

## **1.7. Organization of the study**

The thesis organized into five chapters. It starts with the introduction, which includes background, statement of the problem; objectives, research question, scope as well as significance of the study second chapter reviews of literature that deals with concepts and past study and information related to the study. The third chapter explains research methodology including description of the study area, sampling techniques, method of data collection tools for data analysis and model specification. In the fourth chapter, the main findings of the study have discussed. Finally, conclusion and recommendation provided in chapter five.

## **1.8. Limitation of the Study**

This study has certain constrains that must be considered when assessing the outcomes of its findings and implications. This study empirically examined some factors that affect bank selection decision on bank users. However, some other factors can have impact on bank users but not examined in this study. It is limited only to customers of CBE in Jimma town and the participated respondents are from some types of occupations. Results may vary if research will conduct in other parts of Ethiopia in addition to other occupations. In other ways lack of time and money that limited the research effort to remain within Jimma town. The resource limitation also influence the researcher' s capacity to organize more structured sampling mechanism. This study did not comprise comparison options. For comparative purposes, the future research can conduct with a sampling frame composed of customers with a different cultural background such as university students, Farmers, and such like. In addition, future studies can also study dimensions that influence customers to engage in switching behavior from one bank to others

## **1.9. Definitions of Variables**

### **1. Convenience factor**

Convenience factors influence Bank selection. Convenience includes factors such as proximity of ATM location, proximity of branch locations, easy opening account and location being near to home, work and college (Shahbaz H, 2014). Robert, E. H.&Aihie (2013) , observedsignificance effect of convenience on Bank selection decision. There were other studies also to observe that convenience was a significant variable that influenced customers for

Banks selection (Anthony, Ishmael, and Joy, 2015; (Hafeez, U. R. &Saima, A. , 2008); (Dawit, 2013).However, research conducted in Arba Minch Town by Agarwal (K., 2017) discovered that convenience had an (Hafeez, U. R. &Saima, A. , 2008) insignificant effect on Bank selection decision.

## **2. Service quality factors**

Service quality factors (Ta, H. P. and Har, K. Y., 2000) stated that, delivering quality services and products to customers had significant positive effect for success and survival of today' s competitive banking environment. (Gerrard, P. & Cunningham, J. B. Singapore Undergraduates, 2001) identify the factors that determine the consumer decisions on choosing their providers of financial services by the similarity of services which offered by bank has become important. According to (Newman, K. & Cowling, A, 1996) service, quality came second in terms of relative importance considered by female customers than a male customer when selecting their banks. Those banks, which with more extra services provided were more favorably (Cicic, et. al , 2004)(Arasli, et. al, 2005) also found out that banks which with more extra services provided were more favorably. The results suggest safety of fund; efficient service quality and speed of transactions have significant positive influence on customers' bank selection decision in order to fulfill satisfaction of customer it is very important to know the customer character and it can be classified into five categories which are intangibility, inseparability, heterogeneity, perish ability and ownership.

This is because the view of the service quality from each of the category from different with each other. And it will indirectly influence a customer selecting bank (Lymperopoulos C. Chaniotakis I. E., & Soureli M. , 2006) a study which is presented by (Safiek, et.al, 2009) in bangladesh where there' s a six full-fledged Islamic banks found corporal efficiency, confidence, core banking services, and others. Majority of the respondents set the non-elements as higher priority weights. The main factors determining consumers' bank selection are service quality and efficiency service quality are the most important criteria influence the result of selecting a bank by customer (mokhlis, 2009). When the transaction speed is fast or efficient will reduce the degree of intention switching to others bank. Decision of selecting a bank by customers also can be explain by range and quality of services provided by bank. When the services offer by bank is wide, will attract attention from customers in decision of selecting a bank (Parvin, A. & Perveen, R. , 2012)

## **3. Financial factor**

Financial factors findings of (Safiek, et.al, 2009) reveal that interest paid on savings accounts, interest charged on loans, quick service, reputation and hours of operation viewed as having more importance than other criteria such

as friendliness of employees, modern facilities, and drive-in-service. York (2009) found that the three most important factors in selecting a bank business customers were lending rates, accessibility of borrowing, and the number of services offered found out that the emergence of new technology created a situation where consumers are more aware of market conditions and cause more sensitive towards price and service in their financial services choices. They would compare prices, cost or benefits from the banks that offers the similar products and services and select the bank that they perceive and provides the highest benefits to them with the lowest cost given for their preference ((Kausar, F, K., Manarvi, I, 2009) (Omo, 20011). Research on the determination of bank selection concluded that young generations have high expectation on the pricing and product diversity of the bank services; while third party influence have the least votes (Rehman& Ahmed, 2008).

Studies on the heterogeneity of bank pricing supported this. The result shows that there is heterogeneity in bank pricing in the short run however not in the long run. In the short-run, mortgage rates and firm rates follow the money market however; it may change in the long run. Consumer rates desired a price mark-up and do not exhibit high sensitive towards the money markets rate in the long run. Thus product pricing correlation with bank selection may produce difference correlation depends on the time (Ksenija, I. & Biruta, S. , 2012) (rashid,2012) found out that more than half of the customers prefer better price perceptions and switched their bank selection choices because of that, showing that unfavorable price perceptions create an effect on customer intention to switch. Customers would usually demand to have the best product and services at the lowest price from the banks. Price of financial institution products and services serve from a customer' s perspective that it must sacrificed to obtain the banks products or services (Robert, et.al, 2013). Saleh, et.al, (2013) also found out that the emergence of new technology created a situation where consumers are more aware of market conditions and cause more sensitive towards price and service in their financial services choices.

They would compare prices, cost or benefits from the banks that offers the similar products and services and select the bank that they perceive and provides the highest benefits to them with the lowest cost given for their preference, (Turinawe, E. D., Mwesigwa, R. , 2013). This is why price of products and service is found to be an important factor for customer in their bank selections, as customers expect and willing to pay the price for the better product and services quality for it (rob, 2014). Bank image and reputation there are some common thing that customers will consider when select a bank such as an overall image of bank, good will of bank among customers/ reputation, advertisement in mass medias, modern looking / external appearance of the bank, employee dress,(Rehman& Ahmed, 2008). Conducted a survey and show that the most important criteria identified by respondents are bank reputation and some of the respondents explained that the prestigious bank is

trustable, and conducts any transactions with the reputable bank make them feel safe while compare to the others bank (Robert, E. H.&Aihie, O. & Abednego, F. O. , 2013).

#### **4. Technology factor**

Technology factors technology refers to the modern life information technology that characterized by ever changing evolution to assists and develops a better financial activity in banking industry. According to Lichtenstein, S., Williamson, K. , (2006) banks will be better on managing consumer experiences and satisfaction by moving to internet banking if consumers understand such experience involve a process of adjustment and learning and not only with the adoption of new technology. For financial institutions such as banks, technology reduced the trouble on manual input on registers and ledgers with customers that served through checks, pay orders, with the introduction of automatic teller machines (ATMS) for interacting with consumers, and provide better services. Banking industry largely adopted of technology and automation technology in order to improve their competitive advantage in the bank market. Staff of banks should discover that the new generations of people enjoy using the advanced technology devices such as ATMS. This shows that the new generations of customers are preferable to cooperated with the bank which could provide them the more fast, more convenience and easier process to conduct with the bank services rather than the factors which are hospitality, bank premises condition and bank location according to (Kausar, F, K., Manarvi, I, 2009).

Schmidt, M. K., Bergsiek, M. & Kolesnikova, M. , (2009) found out that customers are becoming harder to be please this is because they are getting smarter, more sensitive to price, less forgiving, more demanding from bank, and many of the bank competitors provide equal or better offers to them. Technology has a major influence in how, banking and financial services delivered, creating wide range of alternative mechanism such as online banking and ATM and reducing the dependence on the branch network as core delivery mechanism (Dangolani, S. K., 2011). Hence, the challenge is not limit to the bank to pleasing and makes the customers satisfied as competitors do the same; the challenge is to produce delighted and customers that would stay loyal. This challenge is the bank needs to increase the financial sophistication of customers now, in order to do that the bank need to use more efficient of information technology and the entry of new aggressive (Ksenija, I. & Biruta, S. , 2012), (Saleh, et.al , 2013).

The developments of information technology and communication technology have enabled banks to build large customer database and analyzing data on consumer preferences in a more efficient way. These significant changes together with technological improvements could reflect in the fast growing of the banking system. Creating high competitiveness and concentration in the banking industry ((Wei, 2013).The new generations of customers are

preferable to cooperated with the bank which could provide them the faster, more convenience and easier process to conduct with the bank services rather than the factors which are hospitality, bank premises condition and bank location (rob, 2014)

## **5. Promotional Factors**

The findings of Mylonakis, (2008) in Greece found that Bank customers may not be interested in advertising at first while choosing their bank, but this is the initial reaction of all those who are interested in achieving the most cost beneficial and favorable terms. The point is that advertising is not the main criterion for consumers in choosing their bank. However, its existence is a prerequisite, as it verifies a bank's critical presence in the market and plays an important role in their choices. Banking advertising includes advertising availability of several branches, availability of parking space nearby, and long operating hours by banking institutions. According to (Aregbeyen, 2011) and (Maiyaki, 2011), any branch banking and number of branches is the major factor in a bank selection by the sampled respondents.

## **6. Social factor**

When we consider personal factors, Tan and Chua (1986) in Singapore, found that s advice of friends; neighbors ‘ and family members have a strong positive influence on customers ‘ decisions, compared with other variables in selecting financial institutions. (Ta, H. P. and Har, K. Y., 2000) also show that recommendation by parents and friends, i.e. peers, was the most important criterion which had significant influence on customers ‘ bank (Kotler, P. and Armstrong, 2011) choice. Social factors include Bank recommended by family, friends, relatives and peers. Employer‘ s requirement or recommendation could also be regarded as a social factor.

## **7. Bank Image and Reputation**

Image and reputation is essential factor for customers to use a bank. Almassawi (2001) conducted a study in Bahrain to examine the bank selection criteria employed by college students. He 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). Aregbeyen (2011) revealed that the safety of funds is the major significant factor for customers‘ choice of bank in his study carried out in Nigeria. Gerrard and Cunningham (2001) surveyed a sample of 184 Singapore‘ s undergraduates to establish a ranking of the various dimensions which influence their bank selection decisions.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **INTRODUCTION**

The review of related literature begin by defining what the general concept of customers ‘ selection decision making for a service followed by theories of decision making and choice of bank selection by customer’ s particular topics covering determinants of customers ‘ bank service selection. Discussion of related empirical work in the area of customers ‘ bank selection has also presented and a general framework guides this research is given.

#### **2.1. Theoretical framework on Decision Making and Choice**

##### **2.1.1. Theories of Decision Making and Choice**

Several theories tried to describe and model the choice and process of decision making by individuals. Those theories assume that choices do not occur accidentally and certain reason of factor determines the consequence. This means, theories explaining choice particularly what affects choice and the process of choice.

##### **2.1.2. Rational theory**

Rational choice theory explains that, individuals are seen as motivated by the wants or goals that express their preferences. They act within specific, given restraints and based on the information that they have about the situations under which they are acting. At its simplest, the relationship between preferences and constraints can see in the purely technical terms of the relationship of a means to an end. As it is not possible for individuals to achieve all of the numerous things that they want, they must also make choices in relation to both their goals and the means for attaining these goals (Scott, 2000). The relevance of rational choice, where people compare the costs and benefits of certain actions, are easy to see in high opinion of bank selection behavior of customers. Meanwhile people want to get the most useful products/services at the lowest price/convenience, they will judge the benefits/significance of a certain banks services/offers (for example, how useful is it or how attractive is it) compared to similar ones from others banks. Then they will compare prices or costs and benefits. In general, people will select the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences (Levin, 2004).

The customers can choose among alternative courses of action, taking into account individual preferences and conditions of environment. The rationality of decision is gagged by taking into account in what measure the results of the decision have succeeded in maximizing utility (that is, satisfying individual first choice) under some specific contextual limitations (states of nature). It also expected that the decision maker is able to get all information related to the subject of the decision, and therefore he/she may actually take into account, all possible course of action (Mercier, 2008).

### **2.1.3. Howard and Sheth Consumer decision-making Model**

Howard and Sheth (1969) model presented an advance at the time because of an enhanced level of specificity in terms of the relations between variables, for example, the model summaries not only that attitude influences purchase, but also that intention is a moderating variable (Hunt & Pappas, 1972). The model is also notable for including a wide range of inputs into the process in terms of marketing variables and social influences, which is significant step towards current input-process-output models.

### **2.1.4. McCarthy, Perreault, and Quester Consumer decision-making Model**

The McCarthy, Perrault, and Quester (1997) model of consumer decision-making, appears in most 21<sup>st</sup> century early marketing and consumer behavior textbooks. The McCarthy et al. model is a modification of the Engel et al. model with some minor changes and clarifications. Example, McCarthy adds the concept of criteria for choice, which is an essential take out of the evaluation task, since it recognizes that the task of setting up criteria is quite different to evaluating the alternatives.

## **2.2. Consumer Behavior**

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc. and is influenced by cultural trends as well as his social and societal environment (Mohamed Ali, 2016). Consumer behavior is about the approach of how people buy and the use merchandise and services. Understanding consumer behavior will assist business entities to be more practical at selling, designing, development of products or services, and every other different initiative that influences their customers (www.tutorial points.com 2020).

Consumer behavior is of importance to the marketers as it helps them understand why and how individuals make decisions so that they can make better marketing decisions to have a great competitive advantage at the market place (Armstrong, 2006). Consumers make many buying decisions every day. Most large companies ‘ research consumer buying decisions deeply with an aim to find answers to questions such as what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy and how they dispose what they have bought and don‘ t need. The central question for marketers is how do consumers respond to various marketing efforts the bank might use? The starting point is the stimulus-response model of buyer behavior. This model shows that marketing and other stimuli enter the consumer‘ s mind and stimulate certain responses. Therefore, marketers must figure out what is in the buyer‘ s mind. Consumers‘ behaviors not only influenced by external factors as financial benefits but also by attitudes and expectations. These attitudes and expectations are constantly changing in response to a continuous flow of events, information and personal experiences (P., 2006).

### **2.3. Influences on customers decisions**

Apart from understanding the procedure of the customer decision-making process, industries also try to determine what influences in customers ‘ lives affect this process. There are two main categories: internal and external (situational and social influences) Marketing and Other Stimuli Marketing. Service giving organizations know that one customer‘ s ideal treatment can be quite different from that of another customer. A number of different factors in customers‘ lives influence the consumer decision-making process. Organizations need to understand these influences and that are important in the exploit process to make effective marketing decisions (Raghav, 2013).

#### **2.3.1. Internal Influence**

Internal factors refer to such characteristics of individuals as Perception, age, income level, interests, and state of mood, knowledge, involvements and attitudes (Raghav, 2013).

**Perception:** Perception is the by meaningful picture of the world. Perception depends not only on the physical stimuli, but also on the stimuli relation to the surrounding field and on conditions within the individual. The key point is that perceptions can vary widely among individuals exposed to the same reality (**Raghav, 2013**).

**Education:** A person ‘ knowledge undoubtedly influences their purchasing decisions. Knowledge is the sum of all the education and experience owned by a person. As marketer, the key to obtaining new customers and retain



old one is getting people to be open-minded and to accept new information about your product. This can often be a tricky task, and again is why proper positioning is critical (Raghav, 2013).

**Motivation** is a huge internal influence when it comes to a customer's purchase decision-making process. If somebody is motivated to achieve something, often encounter a problem along the way, and will seek solutions in order to accomplish what it is they are set out to do. For example, say you are motivated to get. There are a variety of possible solutions, and depending on your level of motivation, some may be more enticing than others (www. Motivation.com).

**Attitude:** people have attitudes regarding religion, politics, clothes, music, food, and almost everything else. Attitude describes a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea. Attitudes put people into a frame of mind of liking or disliking things, of moving toward or away from them. Attitudes are difficult to change. A person's attitudes fit into a pattern; changing one attitude may require difficult adjustments in many others, (Kotler, P. and Armstrong, 2011).

**Personality:** each person's distinct personality influences his or her buying behavior. Personality refers to the unique psychological characteristics that distinguish a person or group. Personality usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness. Personality can be useful in analyzing consumer behavior for certain product or brand choices. The idea is that brands also have personalities, and consumers are likely to choose brands with personalities that match their own. A brand personality is the specific mix of human traits that may attribute to a particular brand (Frank, 2002).

**Life Style:** people coming from the same subculture, social class, and occupation may have quite different lifestyles. Lifestyle is a person's pattern of living as expressed in his or her psychographics. It involves measuring consumers' major AIO (activity, interest and opinion) dimensions activities (work, hobbies, shopping, sports, social events), interests (food, fashion, family, recreation), and opinions (about themselves, social issues, business, products). Age and Life-Cycle Stage: people change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying also shaped by the stage of the family life cycle the stages through which families might pass as they mature over time. Life stage changes usually result from demographics and life changing events marriage, having children, purchasing a home, divorce, children going to college, changes in personal income, moving out of the house, and retirement. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans for each stage (Frank, 2002).

### **2.2.2. External Influences**

External factors refer to situation and environment where the consumers interrelate, which can affect attitude, decisions and behavior (Raghav, 2013).

**Culture:** No external influence has as much of a profound impact on a person's purchasing decisions than their culture. People often share beliefs, attitudes, and behaviors. That is exactly what culture is; the shared behavior between the members of a society. If you want to know your customer, then it would be a considerably wise decision to first try and understand their culture (Raghav, 2013).

**Social Class:** This may be financial, educational, or occupational. Depending on what social class a potential customer belongs to, will greatly influence their purchase decisions. It makes sense does not it? A vagrant, living under the overpass, will probably not be making a Lamborghini purchase decision anytime soon (Raghav, 2013).

## **2.4. Related Literature Review**

### **2.4.1. The bank selection process**

Because of increasing competition in the banking sector makes it critical for the banks to identify determinants of bank selection among customers. This knowledge allows banks to focus on products and services that valued the most by customers and enhance consumers' satisfaction (FathiSrouji, 2015). A good bank is an essential and sits at the center of most of our financial accounts (smart money.com accessed on 2012). Financial services marketers certainly spend a lot of time and effort in understanding why people choose to bank with them or decide to bank with a competitor. Competition is the buzzword in the present era of globalization. Commercial banks are trying to differentiate them by introducing innovative products and services (blog. compete. com. accessed on 2012).

Many banks are working to stay ahead of their competitors by providing efficient services to customers. Customers give most attention to the factors such as openness, personality, counseling service etc. Therefore, the banks that maintain these factors should continue it and the banks that do not maintain must start adopting these factors immediately (parvin, 2012). In banking today, commercial banks are not only buying and selling money, but also aim to provide appropriate financial services to customers (Holstius, 1995). Actually, customer-oriented activity refers to marketing, which require that banks have a comprehensive understanding of customers' attitudes, perceptions and behavior (Whiteley, 1999). In addition, banks need to instantly changing their marketing policies

and strategies to adapt constant environmental changes as well as match the demand of complex marketplace (Holstius, 1995).

In order to understand choice or selection behavior of individual customer and make appropriate marketing strategies, ErdenerKaynak had conducted a great number of empirical studies about the determinate of customer' s bank selection. Much research conducted in Australia (Whiteley, 1999), Finland (Holstius, 1995) and Hong Kong (Kaynak and Kucukemiroglu, 1992) showed that commercial banks' marketing orientation determined by three market segments. Firstly, " task-oriented bank customers" considered as a consumer group who emphasizes on the bank' s professionalism. Secondly, " security-oriented customers" appear in the requirement for a bank with a good reputation and high reliability. Thirdly, " interaction-oriented customers" usually prefer friendly and confidentiality service of the bank. Thus, Depend on the classification of customers, banks can be able to identify which types of market segment they belong.

According to specific market segment, marketing strategies would clearly develop in order to satisfy customers. For example, interaction-oriented customers significantly value the banking service quality, such as the variety of services, the attitude of bank employees and speed of services. Based on their needs, bank managers could train employees to be more polite and efficient in providing services to customers. Moreover, customers are divided into frequency usage and infrequency usage, based on the frequency of banking services been used. All the processes are leading to the result satisfaction. Customers will be loyal if they satisfy with the banking services. On the contrary, they would switch bank when dissatisfaction generates (Whiteley, 1999). According Goiteom W/Mariam (2011) the customer decision-making processes are: - Problem recognition, Information search, Evaluation of options, Service choice and Post-use evaluation. The stages of the consumer decision-making process that has discussed, based on the model of consumer behavior proposed are need recognition, search, pre-purchase alternative evaluation, purchase, and its outcomes (www, consumer decision-making process.com, 2019). Aregbeyen (2011) conducted a research about the determinants of banks selection criteria by business customers in Nigeria.

Msangi (2015) conducted a study of factors influencing customers' choice of banking services in Tanga City council in Tanga Tanzania. His study used both quantitative and qualitative methods with a sample size of 200 customers. He found out that easy account opening procedures, operating balance of an account and the ATM efficiency/technology has high effects on consumer choice of a bank. The study also identified that demographic factors like income, age and lifecycle stage, role and status and social class have a high effect on consumer choice of a bank. A study attempting to identify determinants of bank selection choices by Lelissa and Lelissa (2017) in

Addis Ababa used a sample of 101 participants. With a descriptive analysis using mean scores and factor analysis, they concluded that speed of services, the extent of the branch network, the location of branches and availability of forex resources were the most important factors. Tekletsadik (2013) in his study Customers Bank Selection Criteria in the case of selected private commercial banks in Addis Ababa have identified convenience, reliability and service provision are main factors as most important factors.

Study on factors influencing the choice of banking services both quantitative and qualitative methodology, using responses given by 201 customers in Addis Ababa city from different occupation (students, employees and businessmen), is employed in the analysis. A non-probability convenience sampling used and data was factor analyzed. Finding from this study reveal that the most two important bank selection criteria for customers are “convenience” and “service provision” for the entire customers while it is “bank’s image” as the second most important factor for male customers. On the other hand, the least two important factors of bank selection for customers are “financial benefits/technology, reputation and promotion strategy whereas “attractiveness” for female customers (Goiteom W/Mariam, 2011). Other study conducted by Helen W.slassie (2018) on Determinants of Customers’ Bank Selection Decision in Addis Ababa show that all the identified factors speed and service quality’, image and reputation’, convenience’, technological’, financial’, social’ and promotional’ are important to customers in their bank selection decision.

The study conducted to examine the significance of bank selection criteria on multiple bank users, and how customers rank the factors based on their importance level to patronize multiple banks and banking services in Addis Ababa show that Branch location and Availability of ATM are influential and significantly more important in prompting choice of multiple banks. Thus, finding indicates that bank customers’ place great emphasis on the attribute of saving time and many customers place great emphasis on their banks offering location convenience. Proximity and Service provision are also significantly more important in prompting multiple banks (EndaleTeseema, 2018).

Grouping the various determinants identified by the empirical research, one can identify about seven groups of determinants. Those factors summarized below:

**Social Factors** When we consider personal factors, Tan and Chua (1986) in Singapore, found that advice of friends; neighbors’ and family members have a strong positive influence on customers’ decisions, compared with other variables in selecting financial institutions. Ta and Har (2000) also show that recommendation by parents and friends, i.e. peers, was the most important criterion, which had significant influence on customers’

bank choice. Social factors include Bank recommended by family, friends, relatives and peers. Employer' s requirement or recommendation could also regard as a social factor.

**Technological Factors** In the recent time, the development in technology has affected business organizations in several ways, most especially in terms of management and control; marketing and research; operations and decision-making. Many studies revealed that customers emphasized on the importance of technology factors to select banks (Cicic et al., 2004 and Rao & Sharma, 2010). Availability of functional and secured ATMs all times, & number of counter windows and connectivity to other bank's ATMs considered to be the important choice determinants (Aregbeyen, 2011).

**Financial Factors** Findings of Boyd et al. (1994) reveal that interest paid on savings accounts, interest charged on loans and quick service viewed as having more importance. Similarly, Kazeh and Decker (1993) in their study of the determinants of customer' s bank selection decisions among university students in Maryland. USA also identified service charges and interest charged on loans as significant factors among others. Schlesinger et al. (1987) in his study conducted in New York State found that two out of the three most important factors in selecting a bank for small business customers were lending rates and accessibility of borrowing.

**Promotional Factors** The findings of Mylonakis (2008) in Greece found that Bank customers may not be interested in advertising at first while choosing their bank, but this is the initial reaction of all those who are interested in achieving the most cost-beneficial and favorable terms. The point is that advertising is not the main criterion for consumers in choosing their bank. However, its existence is a prerequisite, as it verifies a bank's critical presence in the market and plays an important role in their choices. Banking advertising includes advertising availability of several branches, availability of parking space nearby, and long operating hours by banking institutions. According to Aregbeyen (2011) and Maiyaki (2011), any branch banking and number of branches is the major factor in a bank selection by the sampled respondents.

**Convenience Factors** Schram (1991) identified that convenience remains the primary reason why most college students choose their banks. Gerrard and Cunningham (2001) found multiple bankers rated convenience factor significantly higher. Many studies in the literature also suggested that convenience of bank location had a significant positive influence for customers on bank choice (Kaynak and Kucukemiroglu, 1992; Riggall 1979; Laroche et al., 1986; Martenson, 1985; Reed 1972). Therefore, it seems that convenience related factors like the location of the bank and opening hours of the bank are important in the decision-making process of the consumer.

**Speed and Service Quality** As Julian and Ashen, (1994) stated delivering quality services and products to customers had significant positive influence for success and survival of today's competitive banking environment. By using a survey of households, Omar and Orakwue (2006) also evaluated the relative importance of bank selection criteria used by bank customers in Nigeria. The results suggest safety of fund; efficient service quality and speed of transactions have significant positive influence on customers' bank selection decision.

**Bank Image and Reputation** Image and reputation is important factor for customers to patronize a bank. Almosawi (2001) conducted a study in Bahrain to examine the bank selection criteria employed by college students. He 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). Aregbeyen (2011) revealed that the 20 safety of funds is the major significant factor for customers' choice of bank in his study carried out in Nigeria. Gerrard and Cunningham (2001) surveyed a sample of 184 Singapore's undergraduates to establish a ranking of the various dimensions which influence their bank selection decisions. Using factor analysis, seven bank selection dimensions identified by the researchers, the most important being undergraduates should feel secure, followed by electronic services and service provision. Cicic et al. (2004) asserted that young customers place more emphasis on factors like good reception at the bank.

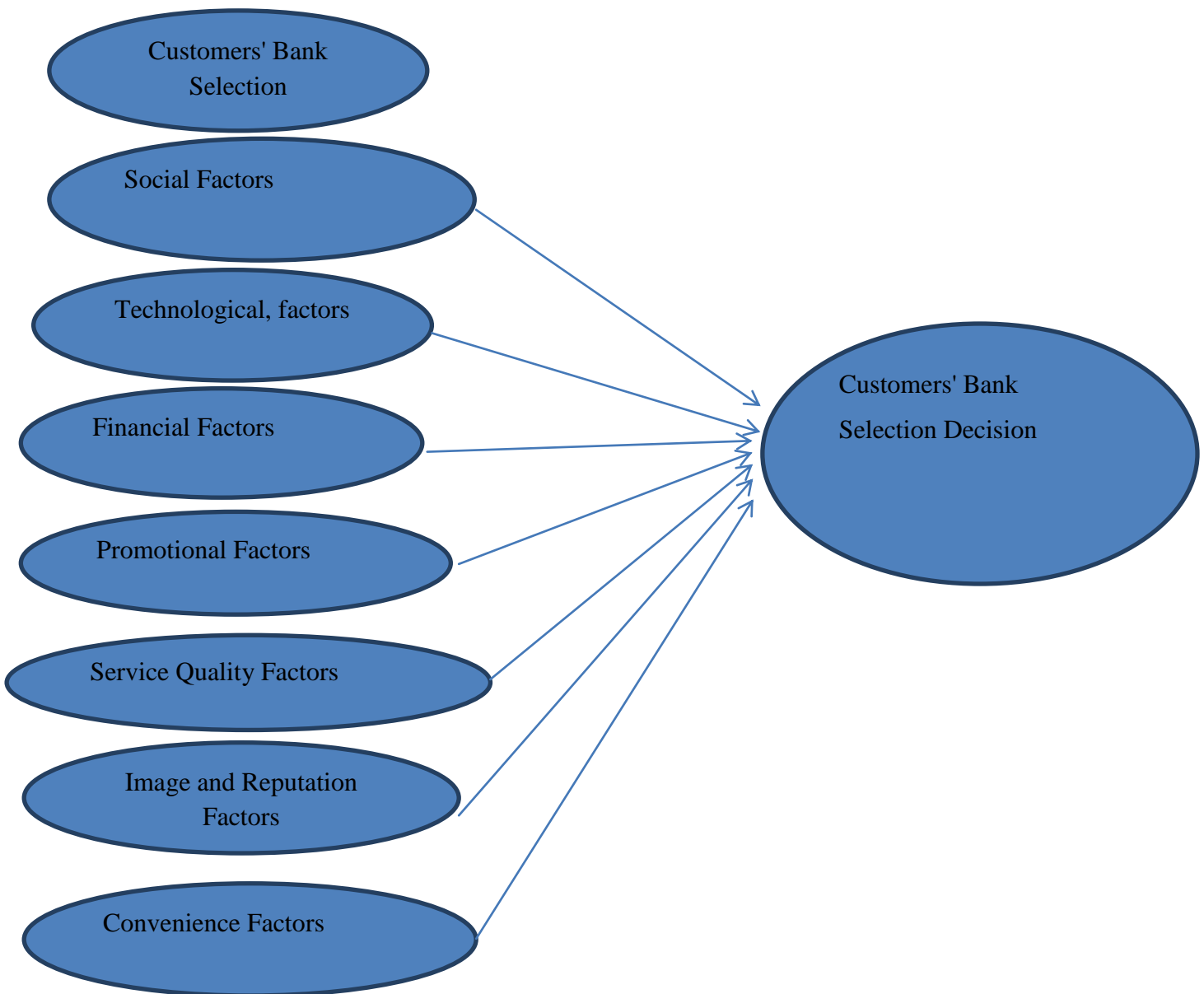
## **2.5. Summary and knowledge gap**

From the above previous studies, determinants of bank selection decision have addressed and many of them concluded positive relationship. This shows that identified factors are significant idea in bank selection. In other ways, some others found out depending only on some variables. Therefore, this explains need for further studies in different contexts for comprehensive of this strategic posture for better investigation of the factors. The above studies not represent all areas of customer behavior and criteria on selecting banks in developing countries including Ethiopia. Most of the studies used single type of questionnaires. This may limit the idea of respondents. In this study, there are both close and open ended questionnaires and discussion methods. Finally, various research using different methodologies and approaches have done in various parts of the world to investigate the bank selection criteria of the customers. While such studies have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries, due to differences in cultural, economic and legal environments. Because of day-to-day technological growth, customer needs are dynamic. Therefore, this study was needed to identify determinants of bank selection decision in Jimma town.

## 2.6. Conceptual Frame work

Conceptual Framework Based on the theoretical and empirical literature review presented above, this research has identified potential determinants of customers ' bank selection as social factors, technological factors, financial factors, promotional factors, convenience factors, service quality factors as well as bank image & reputation factors. The researcher therefore has developed the following conceptual framework to guide the research.

**Fig.2.1. Research framework developed based on empirical review(source: The author)**



**Source: Own survey, 2020**

# **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

### **INTRODUCTION**

In order to analyze the determinants of bank selection decision by customers, this section provided an overview of the research strategies adopted to address the research questions defined in chapter one. It starts with discussing the choice of research design by comparing it with other types to show why it is the most suitable one for this study, and then continues with respondents' selection using convenience technique. This chapter discusses procedures and activities that are undertaken focusing on the study's research design, questionnaire design, data collection, sampling strategy, data processing and instrument development. Especially, this chapter shows how the analysis is carried out by using SPSS software and statistical techniques including Descriptive Statistics, Factor Analysis, and Cronbach's Alpha test.

#### **3.1. Research Design**

Research design provides the structure for data gathering and analysis (Ghauri & Gronhaug, 2010, Bryman & Bell, 2007). Research design are the blueprint for fulfilling research objectives and answering research question (it is the a master plan specify the methods and procedures or collecting and analyzing the the needed information) (Cooper, D. and Schindler, P. , 2014). This study was designed as a quantitative descriptive research design to identify the determinants of customers' bank selection decision in commercial bank of Ethiopia Jimma town. According to Thyer (2001) Descriptive research design is one in which information is collected without altering the environment and it is used to obtain information about the current status of the phenomena to describe "what exists" with respect to variables or conditions in a state of affairs. Yin (2003) also stated that descriptive study research design used to describe an occasion/ process in its natural territory and the main objective is to answer how, who and what questions. Therefore, the design is suitable for this research as the study seeks to found the determinants of bank selection decision by CBE customers, what factors do customers consider essential in selecting their choice of banking services and the comparative importance of the determinants of each factor in customers' bank selection decision.



### 3.2. Sources and types of data

For this study, information obtained from both primary and secondary data sources are used. To gather primary data for the assessment is the survey method, specifically questionnaire designed and distributed in person to 158 available customers. The study also collects secondary data from documented information made available at the organization concerning customers of the bank. The purpose of choosing this method is that it helps to collect updated data from direct sources.

### 3.3. Target Population

The population in a study is the group of people or elements on which a measure subjected in order to make inferences (Cooper and Schindler, 2014). In this study, the population of interest group is account holder customers who are banking with 14 branches of the selected Ethiopian commercial banks. The population of the study focused on 178,000 active customers registered in 14 branches of CBE Jimma town (Source: CBE Jimma town).

### 3.4. Sample and Sampling Technique

As the research aims at defining the determinants of bank selection decision at CBE Jimma town, a relative large sample size suggested. The larger sample size is the more representative it can be, thus, the more reliable result is (Saunders et al., 2009). Nevertheless, the sample size depends on researchers' available resources including time, finance and human (Saunders et al., 2009).

The researcher applies Yamane (1976) sample size, determination formula to find the sample size of respondents.

$$n = \frac{N}{1+N(e)^2} = \frac{178,000}{1+178,000 \times 0.1^2} = 99$$

n= sample size need to choose

N= total population size of the study (Micros)

e = error level which is 90% of confidence level

By using this sample size formula from the 178,000 target, population 99 respondents were calculated. However, the researcher decided to select 170 respondents to maximize simple size of the respondents. Hair, et.al, (1998)

suggest that with quantitative research, at least 100 respondents should study in order to have fit the statistical methods of data analysis. Therefore, 170 questionnaires ready to collect data from customers of CBE Jimma town in the hope of receiving more than 150 responses. The use of a convenience sampling method is reliable with the sampling methods used in former related empirical studies such as Mokhlis *et. al*,(2008). Therefore, convenience sampling chosen as it is the best technique to get the highest rate of response when sending to friends and relatives.

In conducting a research, Cooper and Schindler (2014) point out that it is not possible, practical and sometimes expensive to gather data by considering entire population. Saunders, et al (2012) recommend the use of convenience sampling for reducing the time and cost required for data collection. Not only this, obtaining a sampling frame from which require a complete list of all commercial bank customers is practically impossible, applying a probability sampling technique was not be possible. Therefore, a non-probability sampling technique of convenience sampling (availability sampling) used in this study with a 90% of confidence level and a 10 % of tolerable margin of error. Taking 14 branches of commercial banks in Jimma town, data collected from **158** customers that are available at branch office during data collection from all branches.

### **3.5. Design of Measurements and Questionnaire**

The questionnaires divided into four parts: Demographic information, banking behavior of respondents, Bank selection criteria and additional information. In the part of personal information, banking behavior of respondents, and additional information nominal and ordinal measurements are used. Nominal scales used to classify objects while ordinal scales are necessary for both objectives: classifying and ranking order of objects or observations (Ghuri and Gronhaug, 2010). In the part of bank selection criteria 5-point Likert scales used. These 5-point likert are rating scales widely used for asking respondents' opinions and attitudes (Fisher, 2010), utilized to ask the customers to evaluate the degrees of their agreement with the influence of determinants of bank selection decision.

### **3.6. Methods of Data Analysis**

The collected data processed and analyzed by SPSS (version 20) software. At first, the data cleaned by removing the questionnaire with poor quality such as including too many missing values or bias ratings. Then, statistical techniques, which used for the data to achieve the research objectives, include Descriptive Statistics, Factor Analysis, and Cronbach' s Alpha test. Descriptive Statistics: (percentages, frequencies) used to describe

respondents' personal information. Descriptive statistics also used to describe the banking behavior of respondents whereas mean and standard deviation used to recap the scores of potential determinants of bank selection. On the other hand, regarding bank selection criteria, factor analysis and Cronbach' s alpha test put into the consideration of the description.

Factor Analysis: is a common name of multivariable statistical methods, which aim at defining the core structure in a matrix of data. It helps to analyze the structure of correlations among many variables by identifying a set of core dimensions, called factors (Ghuri & Gronhaug, 2010). In factor analysis, variables (or items) of the questionnaire are included in homogeneous domains which represent the similar characteristics (O' brien, 2007). EFA used to reduce the number of items in the questionnaire that do not meet the criteria of the analysis (O' brien, 2007). In this research, the following criteria of the exploratory factor analysis applied: Factor loadings, KMO, Total variance explained, and Eigenvalue. **Cronbach' s Alpha Test** used to test the internal consistency reliability of measurements, which are in formats of continuous variables (for example, 5-point Likert measurements). It includes a statistical summary that describes the consistency of a specific sample of respondents across a set of questions or variables. In the other words, it can help to estimate the reliability of participants' responses to the measurements (Helms, Henze, Sass & Mifsud, 2006).

### **3.8. Validity and Reliability of the Instrument**

#### **1. Validity**

The development of a questionnaire raises the issue of validity and reliability. Validity in general looks as if the tool has measured what it set out to measure. The fact that the questionnaire developed based on empirical literature as well as pilot testing on the instrument assures its validity. Pilot test is preliminary version of full survey operations that used to identify whether problems exist before distributed real survey to the respondents (Lavrakas, 2008). In the pilot test phase, sets of the questionnaires distributed to 14 customers at CBE Branch, examined for respondents understanding of the questions, and taken their feedback on the questionnaire. After the pilot test, a number of suggestions adopted and improved the questionnaire.

#### **2. Reliability**

According to Cooper and Schindler (2003), data reliability is concerned with a measurement of consistency. Reliability, on the other hand, is concerned in the instrument' s ability to produce a consistent outcome in measurement. Reliability is the degree to which the measure of a construct is consistent or dependable. Therefore, Cronbach' s alpha which is a measure of internal consistency, that is, how closely related a set of items are as a

group used to measure the scale reliability. Pallant (2010) suggested that Cronbach's alpha is a test for a survey's internal consistency and finding scales are reliable.

### **3.9. Ethical Consideration**

In order to secure the consent of the selected participants, the researcher clarified the purpose of the study and the role of participants in completion of the study. The researcher also informed participants that their participation in the study based on their willingness and the idea and comments they raise highly honored and kept confidential. In the result of the research paper personal information not included, only the summery of relevant data that helped in answering the research questions encompassed.

# **CHAPTER FOUR**

## **DATA ANALYSIS AND PRESENTATION OF FINDINGS**

### **INTRODUCTION**

In this chapter, the determinants of bank selection decisions variables in the commercial bank of Ethiopia Jimma town analyzed and interpreted by using data analysis tools that mentioned in chapter 3. In this chapter, Data background described to have an overview of the surveyed sample. Then, the results of factor analysis, Cronabach' s alpha test for measurement reliability, importance of determinants of bank selection decisions variables analysis analyzed and presented.

#### **4.1. Data Overview on Socio-Economic Characteristics of the Respondents**

From 170 questionnaires delivered to individual customers at the Ethiopia commercial banks Jimma town, 158 respondents reported and respondent rate was 93%, which is high rate for a questionnaire survey. The all-respondent sample with the characteristics of gender, age, marital status, educational qualification, monthly income, relationship with the bank and banking behaviors of respondents are reported blow:

#### **4.2. Demographic information**

##### **4.2.1. Gender of the Respondents**

The gender ratio of the respondents was fifty-five percent (55.1%) male and forty five percent (44.9%) female. Both genders relatively fair represented in the study. Even though studies conducted by (EndaleTessema, 2016) and (Metasebiya Boru, 2017) support the fact that in the Ethiopian circumstance, financial decision-making is belongs to the male parent that is considered as a chief income earner in the family but this study somewhat oppose the fact. This means Females in Jimma town are bank users.

**Table 4.1: Demographic description of respondents (source: The surveyed data)**

No.	Item	Description	Frequency	Percent	Remark
1	<b>Gender</b>	Male	87	55.1	
		Female	71	44.9	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
	<b>Age</b>	18-25 years old	25	15.8	
		26-30 years old	31	19.6	
		31-35 years old	37	23.4	
		36-40 years old	33	20.9	
		Above 40 years old	32	20.3	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
3	<b>Educational level</b>	Elementary	11	7.0	
		High school	32	20.3	
		Diploma	55	34.8	
		Degree	46	29.1	
		Masters and above	14	8.9	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
4	<b>Marital status</b>	Un married	48	30.4	
		Married	74	46.8	
		Divorced	36	22.8	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
5	<b>Monthly Income</b>	Blow 5000 birr	61	38.6	
		5001-10000 birr	44	27.8	
		10001-15000 birr	27	17.1	

	Above 15000 birr	26	16.5	
	<b>Total</b>	<b>158</b>	<b>100.0</b>	

#### **4.2.2. Age Group of the Respondent**

The distribution of age of the respondents assessed in 5 different groups, i.e. 18-25 years, 26-30 years, 31-35 years, and 36 - 40 years as well as above 40 years. Compared to the others age brackets of the respondents, twenty three percent (23.4%) were aged between 31-35 years, which was high proportion. Those aged 18-25 were 15.82%, 26-30 were 19.6%. The aged between 36-40 years old and above 40 years cover 20.89% and 20.25% respectively. The result implies that, there is a banking use culture among those in age range between 31-35 years old while the banking use culture among those in age range between 18-25 years old of the respondents were low.

#### **4.2.3. Educational level**

From the results of the study, seven percent (7%) of the respondents had elementary education while twenty percent (20.3%) are high school. Thirty four percent (34.8%) held diploma qualifications as their highest level of education. Twenty nine percent (29.1%) had degree graduate and nine percent (8.9%) had masters. The study revealed that, Majority of the respondents have diploma and degree qualifications. This shows that the adoption and use of banking services have certain kind of relationship with the education level. This support the study of (Zainabu Msangi, 2015) conducted in Tanzania.

#### **4.2.4. Marital Status of the Respondents**

While assessing the marital status, Thirty percent of the respondents (30.4%) were single compared to 46.8% who were married and 22.8 % who were divorced. Majority of respondents (about 46.8 percent) are married, 30 percent are single and the rest 22.8 % are divorced.

#### **4.2.5. Average Monthly Income of the Respondent**

The study also examined average monthly income of the respondents, which categorized into four categories. Thirty eight percent (38.6%) indicated that their average monthly income was below birr 5,000; Twenty seven percent (27.8%) earn between birr 5001-10,000; seventeen percent (17%) earn between birr 10001-15,000 and sixteen percent (16.4%) earn above birr 15000. According to these results, it found out that most of the

respondents had an average monthly income of blow birr 5,000. This implies that, majority of respondents who used CBE in Jimma town are low-income earners.

### 4.3. Banking behavior respondents

All respondents are users of banking services. According the surveyed data no one of the respondents are use non-banking institutions and other traditional saving ways for saving purposes rather than for other purpose.

#### 4.3.1. The bank they used besides CBE

The respondents questioned the number of bank(s) at which their banking services used besides CBE. The study shows that, about 56 % are single banking users this means they use only CBE and 44 % reported as multiple banking users besides CBE. This implies CBE is more preferred Bank compared to others.

#### 4.3.2. Respondents bank relationship period

The study revealed that, Thirty-seven percent (37.3%) of the respondents have between 1-5 years of banking relations with their main bank, which is short period relationship. Thirty two percent (32. 3%) of the respondents have between 6-10 years of banking relations, about Sixteen percent (15.8%) of the respondents have between 11-15 years of banking relations and 14.6% of the respondents have above15 years of banking relations with their main bank. Majority of the respondents have above5 years banking relations with their main bank.

**Table 4.2: Banking behavior of respondents (Source: Surveyed data)**

No.	Item	Description	Frequency	Percent	Remark
1	<b>Bank relationship period</b>	1-5 years	59	37.3	
		6-10 years	51	32.3	
		11-15 years	25	15.8	
		Above 15 years	23	14.6	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
2	<b>Customers' Usage of</b>	Saving account	126	79.7	



	<b>Banking Services</b>	ATM service	15	9.5	
		Mobile banking	8	5.1	
		Money Transfer	9	5.7	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
<b>3</b>	<b>Additional Service Needed by Customers</b>	Yes	54	34.2	
		No	104	65.8	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
<b>4</b>	<b>Types of facility customers need</b>	Mobile banking	17	10.8	
		Loan for government workers	19	12.0	
		Additional branch	18	11.4	
		Those who do not need other facility	104	65.8	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	
<b>5</b>	<b>Customer satisfaction</b>	Yes	127	80.4	
		No	31	19.6	
		<b>Total</b>	<b>158</b>	<b>100.0</b>	

### **4.3.3. Customers' Usage of Banking Services**

As shown in the table above, majority of the respondents are users of saving accounts services, which cover about 79.2 percent. This shows high level of customer awareness and habit of saving account services has observed as the basic types of customers tradition of banking services. In addition, they are using the other services of banks like ATM (9.4%), Mobile banking (5%) and Money transfer service which cover (5.7%) from the result. Here, the result of this study implies that, the bank have to focus on awareness of mobile banking technology and the rest services.

#### **4.3.4. Customers Service Needs**

Thirty four percent (34.2%) of Respondents need additional bank services while sixty six percent (65.8%) of respondents responded no need of additional services. Additional bank services needed by the customer are Mobile-banking facilities, additional branch expansion to reduce time of waiting, and other credit card banking services). In addition, special attentions for disabled customers are also among the listed needed services. Customers (especially government workers) need to have a loan of money from banks in low interest rate but banks not perform this. In addition, the majority of the borrowing products are particularly applicable for corporate customers and for investors this needs change from the bank. The findings of this study support the study conducted by Msangi (2015) in Tangacity Tanzania, Goiteom (2011) Addis Ababa Ethiopia. They found that, E-banking facilities (such as, internet banking facilities, telephone banking facilities, ATM services in all branches, and other credit card banking services), inter-bank networking and widening their branches in different areas are additional needed services.

#### **4.3. 5. Customers Satisfaction with Banking Services**

More than 80 percent of the respondents feel either very satisfied or just satisfied with the services offered in their main banks. Nevertheless, 19.6 percent of the respondents not satisfied by the services provided in banks. Unconvinced customers inquired to give their feeling that banks have to take as a solution for their dissatisfaction in services offered by banks. They forwarded the following ideas have taken by the banks to satisfy their customers. Banks may satisfy their customers if they expand branches to provide quick services to their customers, to offer fast and more efficient service. Other respondents feel that, if banks introduce and apply modern technological working facilities in functional way (e-banking facilities, mobile banking), handle their existing customers properly instead of trying to attract new ones. The respondents also suggest providing of loans for individual on a lowest interest rate and lower service charge as a solution for their satisfaction. The results on customer satisfaction with bank services have similarity with the results of Goiteom (2011) Addis Ababa Ethiopia. He found that, internet banking, mobile banking, and access to ATM over all branches and inter-branch networking identified as key future requirements that banks have undertaken.

## **4.4. Determinants of Bank Selection**

### **4.4.1. Exploratory Factor Analysis**

Factor Analysis is a common name of multivariable statistical methods, which aim at defining the core structure in a matrix of data (Le PhuocLuong and Doan Thi Thu Ha, 2011). It helps to analyze the structure of correlations among many variables by identifying a set of core dimensions, called factors (Ghauri & Gronhaug, 2010). In factor analysis, variables (or items) of the questionnaire are included in homogeneous domains which represent the similar characteristics (O' brien, 2007).EFA is the more popular form of factor analysis that attempts to explore the underlying structure of a large number of variables. EFA aims to obtain a set of dimensions (factors) which explain the structure of the interrelationships (correlations) between items which should relate to each other for the purpose of producing an appropriate structure model (Hair et al., 2010). EFA used to reduce the number of items in the questionnaire that do not meet the criteria of the analysis (O' brien, 2007). Factor extraction is concerned with finding “ the smallest numbers of factors that can be used to best represent the inter-relations between the set of variables” (Pallant, 2003). Communality concerns for any variables, the variances can divide into two components.

These called common variances, which shared with other variables, and the unique variance, which is specific to that measure. The communality was interested in common variances (Field, 2009).Therefore, the communality related to how much of the variance in the variables had been explained or was accounted for by the extracted factors. Through the common source with others, the communality estimates a part of the variance in a variable. Low communality may lead to its variable being omitted (Thompson, 2004). Whereas Total variance, sets out by using Eigenvalues (Kim and Mueller, 1978), is used to determine the number of factors which explain most variances in the data. Eigenvalues indicate the amount of variance explained by each factor. Eigenvectors are the weights, which can used to calculate factor scores that called loads.

Factor Rotation contains the rotated factor loadings, which related to the correlations between each item and its construct (Ahmed Mohamed Elsayed Ahmed Elsetouhi, 2014). In this research, the following criteria of the exploratory factor analysis applied: Factor loadings, KMO, Total variance explained, and Eigen value and factor extraction. Factor loadings defined as correlations of each item with the factor that it belongs. Factor loadings of the items on a factor are greater than 0.5 (with the sample size is 100) ensure that EFA has a practical significance to the analyzed data (Hair et al., 1998). The Kaiser-Meyer Olkin Measure of Sampling Adequacy (KMO) presents the level of suitability of using EFA for the collected data. The KMO should be between 0.5 and 1.0 (significant

level less than 0.005) to make sure that factor analysis is suitable for the data (Ali, Zairi&Mahat, 2006). Total variance explained is used to identify the number of retained factors in which factors can be retained until the last factor represents a small proportion of the explained variance. The total variance explained suggested to be more than 50% (Hair et al., 1998). Eigen-value is an attribute of factors, defined as the amount of variance in all items (variables) explained by a given factor (Le PhuocLuong and Doan Thi Thu Ha, 2011). Eigen-value should be greater than one because Eigen-value is less than one means that information explained by the factor is less than by a single item (Leech, Barrett & Morgan, 2005). Eigen values greater than one, which together explains a variance of greater than 50%; indicate that the factors confirmed the factorial validity (NavaneethakrishnanKengatharan, 2014).

#### 4.4.2. Testing the Quality of Data for determinants of bank selection decision Variables

This study depended on the following criteria to evaluate reliability. Beforehand running on the exploratory factor analysis, there is a requisite to decide on if the data gathered is appropriate for factor analysis. The test pertinent to the above investigation is the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test that measures the sampling adequacy, which describes the strength of inter-correlations among those items. The **KMO index** should be above 0.6 and the Bartlett's test of sphericity index should less than 0.10 (Sig. <0.10) which suggests the sample of survey is respectable enough for factor analysis. From the result all variables are remained and grouped into two component factors at the Eigen value = 1.281, KMO = 0.958 (sig. = 0.000), of total variance explained = 96%, and all factors loadings are more than 0.5. A measure of sampling adequacy of 0.0958 with a value of Bartlett's test of Sphericity (17060.626) with a high significant level (P <0.000), indicates the suitability of factor analysis. Therefore, given these overall indicators, factor analysis deemed suitable with all 32 items and factors confirm the factorial validity.

**Table 4.3: KMO and Bartlett's Test (Source: the surveyed data)**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.958
Bartlett's Test of Sphericity	Approx. Chi-Square		17060.626
	Df		496
	Sig.		.000

**Table 4.4: Communalities**

	Initial	Extraction
SF15: Influence of employer to use the same bank for salary and other payment	1.000	1.000
SF16: Recommendation from family/relatives/ and/or friends	1.000	1.000
SF17 :Influence /handling of branch manager and/or workers to open account	1.000	1.000
SF18: Familiar with an employee	1.000	1.000
TF19: Availability of modern banking software	1.000	1.000
TF20: It provide internet banking facility	1.000	1.000
TF21: Availability of mobile banking services	1.000	1.000
TF22: Availability of Point of sale terminals	1.000	1.000
FF23: Low service charges	1.000	1.000
FF24: High interest rates on saving accounts	1.000	1.000
FF25: Low interest rates on loan	1.000	1.000
PF26: Personal contact from bank marketing staff	1.000	1.000
PF27: TV/radio presence	1.000	1.000
PF28: Presence in newspaper and print media	1.000	1.000
CF29:The nearness of bank branches to my location/work place/home	1.000	1.000
CF30: The nearness of ATM branches to my location/work place/home	1.000	1.000
CF31: Easy of opening a saving/current account	1.000	1.000
CF32: Extended operation hours of the Bank	1.000	1.000
CF33: Availability of parking space at or near the bank	1.000	1.000
SSQ34; Fast and efficient service	1.000	1.000
SSQ35: Speed of transactions	1.000	1.000
SSQ36: Accuracy and timeliness of statements	1.000	1.000
SSQ37: Minimum waiting time	1.000	1.000
SSQ38: Providing services in specified time	1.000	1.000
BIR39: Goodwill of bank among customers	1.000	1.000
BIR40: Past experience/Establishment time of the bank	1.000	1.000
BIR41: Trust in the Bank for security Safety of funds and confidence	1.000	1.000
BIR42: Being a government owned bank	1.000	1.000

**Table 4.5: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	Variance	Cumulative %
1	29.440	91.999	91.999	29.440	91.999	91.999	16.764	52.388	52.388
2	1.281	4.003	96.002	1.281	4.003	96.002	13.956	43.613	96.002
3	.239	.746	96.748						
4	.201	.628	97.375						
5	.177	.553	97.928						
6	.105	.329	98.257						
7	.082	.257	98.515						
8	.070	.219	98.733						
9	.056	.176	98.909						
10	.051	.159	99.068						
11	.044	.139	99.207						
12	.032	.101	99.308						
13	.030	.094	99.402						
14	.025	.078	99.480						
15	.022	.068	99.547						
16	.020	.064	99.611						
17	.018	.055	99.667						
18	.014	.044	99.710						
19	.013	.041	99.751						
20	.011	.035	99.786						
21	.011	.033	99.819						
22	.010	.030	99.849						
23	.009	.028	99.877						
24	.008	.026	99.903						
25	.007	.020	99.924						
26	.006	.018	99.942						
27	.005	.017	99.959						
28	.004	.012	99.971						
29	.004	.011	99.983						
30	.003	.008	99.991						
31	.002	.005	99.996						
32	.001	.004	100.000						

Extraction Method: Principal Component Analysis

**Table 4.6: Rotated Component Matrixa (Source: the surveyed data)**

<b>Determinants of bank selection decision</b>	<b>Component</b>	
	1	2
<b>Social Factors</b>		
SF15: Influence of employer to use the same bank for salary and other payment		.892
SF16: Recommendation from family/relatives/ and/or friends		.834
SF17 :Influence /handling of branch manager and/or workers to open account		.894
SF18: Familiar with an employee		.873
<b>Technology factor</b>		
TF19: Availability of modern banking software	.702	
TF20: It provides SMS service for transaction notification		.733
TF21: Availability of mobile banking services	.817	
TF22: Availability of Point of sale terminals		.846
<b>Financial factor</b>		
FF23: Low service charges		.749
FF24: High interest rates on saving accounts		.783
FF25: Low interest rates on loan		.792
<b>Promotional Factors</b>		
PF26: Personal contact from bank marketing staff		.739
PF27: TV/radio presence	.702	
PF28: Presence in newspaper and print media		.726
<b>Convenience factor</b>		
CF29:The nearness of bank branches to my location/work place/home	.790	
CF30: The nearness of ATM branches to my location/work place/home	.767	
CF31: Easy of opening a saving/current account	.848	
CF32: Extended operation hours of the Bank	.843	
CF33: Availability of parking space at or near the bank		.769
<b>Speed and Service Quality</b>		

SSQ34; Fast and efficient service	.812	
SSQ35: Speed of transactions	.693	
SSQ36: Accuracy and timeliness of statements	.862	
SSQ37: Minimum waiting time	.731	
SSQ38: Providing services in specified time	.845	
<b>Bank Image and Reputation</b>		
BIR39: Overall positive image of bank	.870	
BIR40: Past experience/Establishment time of the bank	.877	
BIR41: Trust in the Bank for security Safety of funds and confidence	.874	
BIR42: Being a government owned bank	.875	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

From the table above 28 items analyzed and all of them accepted with factor loading of above 0.5. The result of EFA factor analysis confirm that the major determinants of bank selection decision by CBE customers in Jimma town are; social factors, technological factors, financial factors, promotional factors, convenience factors, service quality factors as well as bank image & reputation factors. As a result, the major determinants of bank selection decision by CBE customers in Jimma town are bank image & reputation factors, service quality factors, convenience factors, technological factors, financial factors, promotional factors as well as social factors. This finding relate with the study conducted by Helen W.Selassie (2018) on Determinants of Customers’ Bank Selection Decision in Addis Ababa which show that, speed and service quality’, image and reputation’, convenience’, technological’, financial’, social’ and promotional’ are important to customers in their bank selection decision

#### 4.4.4. Measurement Reliability Test

This study depended on the following criteria to measure reliability:

1. Cronbach’ s alpha have to be above 0.6 (Heung and Chu, 2000; Liu and Arnett, 2000, and Shelby, 2011)



2. Corrected item total correlations ought to be engaged if the value is 0.3 or more (Shelby, 2011) which are already mentioned in chapter 3. Therefore, the results of reliability analysis confirmed that consistency is at an acceptable level for each factor.

In this part, Cronbach' s Alpha after factor analysis used to test the reliability of items included in the factors, which identified in the factor analysis. This test done to make sure that the measurements are reliable for further uses. Besides, statisticians recommend that it is necessary to consider the corrected item-total correlations when using the Cronbach' s alpha index. The corrected item total correlations, which reflect the correlation of variables or items designated with the total score for all other items, should be at the acceptable score of 0.3 or higher (Shelby, 2011). This research chooses the acceptable Cronbach' s alpha is 0.6 or more, with the corrected item-total correlation index is 0.3 or more. The results of Cronbach' s alpha test shown in the Table 4.4 below

**Table 4.7: The results of Cronbach' s alpha test (Source: the surveyed data)**

No	Factors	Variables	Cronbach' s Alpha	Corrected Itemtotal Correlation	Cronbach' s alpha if Item deleted	F (sig.)
1	<b>Social Factors</b>	SF15	0.990	.970	.988	37.051(0.000)
		SF16		.963	.990	
		SF17		.981	.985	
		SF18		.984	.984	
2	<b>Technology factor</b>	TF19	.975	.963	.960	152.439(0.000)
		TF20		.956	.961	
		TF21		.915	.973	
		TF22		.923	.972	
3	<b>Financial factor</b>	FF23	0.989	.967	.989	

		FF24		.984	.977	1.631 (0.197)
		FF25		.975	.984	
4	<b>Promotional Factors</b>	PF26	.987	.972	.980	31.782 (0.000)
		PF27		.961	.987	
		PF28		.982	.972	
5	<b>Convenience factor</b>	CF29	0.985	.977	.978	112.80 (0.000)
		CF30		.979	.978	
		CF31		.967	.980	
		CF32		.972	.979	
		CF33		.910	.992	
6	<b>Speed and Service Quality</b>	SSQ34	0.990	.980	.987	59.818 (0.000)
		SSQ35		.959	.990	
		SSQ36		.972	.988	
		SSQ37		.972	.988	
		SSQ38		.978	.987	
7	<b>Bank Image and Reputation</b>	BIR39	0.997	.993	.998	3.039 (0.029)
		BIR40		.993	.998	
		BIR41		.997	.997	
		BIR42		.996	.997	

Table above shows that the measure Social Factors began with four items, which are SF15 (Influence of employer to use the same bank for salary and other payment), SF16 (Recommendation from family/relatives/ and/or friends), SF17 (Influence /handling of branch manager and/or workers to open account), and SF18 (Familiar with an employee). Cronbach' s alpha for Social Factors factor was 0.990 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Technology factor have four items, which are TF19 (Availability of modern banking software), TF20 (It provide internet-banking facility), TF21 (Availability of mobile banking services), and TF22 (Availability of Point of sale terminals). Cronbach' s alpha for Technology factor was 0.975 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Financial factor have three items, which are FF23 (Low service charges), FF24 (High interest rates on saving accounts), and FF25 (Low interest rates on loan). Cronbach' s alpha for Financial factor was 0.989 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Promotional Factors have four items, which are PF26 (Personal contact from bank marketing staff), PF27 (TV/radio presence), and PF28 (Presence in newspaper and print media). Cronbach' s alpha for Promotional Factors was 0.987 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Convenience factor have five items, which are CF29 (The nearness of bank branches to my location/work place/home), CF30 (The nearness of ATM branches to my location/work place/home), CF31 (Easy of opening a saving/current account), CF32 (Extended operation hours of the Bank), and CF33 (Availability of parking space at or near the bank). Cronbach' s alpha for Convenience factor was 0.985 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Speed and Service Quality have five items, which are SSQ34 (Fast and efficient service), SSQ35 (Speed of transactions), SSQ36 (Accuracy and timeliness of statements), SSQ37 (Minimum waiting time), and SSQ38 (Providing services in specified time). Cronbach' s alpha for Speed and Service Quality was 0.990 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

Bank Image and Reputation have five items, which are BIR39 (Goodwill of bank among customers), BIR40 (Past experience /Establishment time of the bank), BIR41 (Trust in the Bank for security Safety of funds and confidence) and BIR42 (Being a government owned bank). Cronbach' s alpha for Bank Image and Reputation

was 0.998 which is greater than the 0.60 and all the remaining variables of Corrected item total correlations is greater than 0.30.

#### 4.4.5. Factors that customers consider essential in selecting their choice of banking services in CBE Jimma town

**Table 4.8: Overall factors ranking importance of different variables related to bank selection (Source: the surveyed data)**

<b>Factors</b>	<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>	<b>Rank</b>
<b>Social Factors</b>	Influence of employer to use the same bank for salary and other payment	2.6582	1.37202	158	31
	Recommendation from family/relatives/ and/or friends	2.9810	1.37527	158	28
	Influence /handling of branch manager and/or workers to open account	2.8038	1.42524	158	30
	Familiar with an employee	2.8165	1.39990	158	29
<b>Technology Factors</b>	Availability of modern banking software	3.6835	1.21607	158	18
	It provides SMS service for transaction notification	3.4304	1.33720	158	22
	Availability of mobile banking services	3.9241	1.20796	158	10
	Availability of Point of sale terminals	3.0127	1.40058	158	27
<b>Financial Factors</b>	Low service charges	3.2722	1.20851	158	26
	High interest rates on saving accounts	3.3165	1.21082	158	24
	Low interest rates on loan	3.2848	1.26235	158	25
<b>Promotional Factors</b>	Personal contact from bank marketing staff	3.3544	1.31176	158	23
	TV/radio presence	3.5759	1.22237	158	20

	Presence in newspaper and print media	3.4430	1.23893	158	21
<b>Convenience factor</b>	The nearness of bank branches to my location/work place/home	3.8544	1.23549	158	13
	The nearness of ATM branches to my location/work place/home	3.8101	1.26769	158	15
	Easy of opening a saving/current account	4.0000	1.23123	158	7
	Extended operation hours of the Bank	3.9684	1.25389	158	9
	Availability of parking space at or near the bank	3.2722	1.52118	158	26
	<b>Speed and Service Quality</b>	Fast and efficient service	3.9177	1.28174	158
Speed of transactions		3.6013	1.41394	158	19
Accuracy and timeliness of statements		4.0063	1.28438	158	6
Minimum waiting time		3.7278	1.37145	158	16
Providing services in specified time		3.9810	1.27430	158	8
<b>Bank Image and Reputation</b>	Goodwill of bank among customers	4.0443	1.28363	158	4
	Past experience/Establishment time of the bank	4.0633	1.26029	158	2
	Trust in the Bank for security Safety of funds and confidence	4.0570	1.25806	158	3
	Being a government owned bank	4.0823	1.24135	158	1

The result revealed being a government owned bank has the highest priority with mean value of 4.0823, past experience /establishment time of the bank (4.0633), trust in the Bank for security safety of funds and confidence (4.0570), Goodwill of bank among customers (4.0443), and considered as very much important. Also accuracy and timeliness of statements (4.0063), and easy of opening a saving/current account (4.0000) of the banks are the most important factors to the customers as they have higher mean value. The customers rated them high as they considered they are very much important.

Providing services in specified time (3.9810), extended operation hours of the Bank (3.9684), availability of mobile banking services (3.9241), fast and efficient service (3.9177), and the nearness of bank branches to their location/work place /home (3.8544) are important to customers before selecting bank. The nearness of ATM branches to their location/work place/home (3.8101), minimum waiting time (3.7278 ), availability of modern banking software(3.6835), and Speed of transactions (3.6013) are also important to customers before selecting bank. TV/radio presence (3.5759), Presence in newspaper and print media (3.4430), was providing SMS service for transaction notification (3.4304). Personal contact from bank marketing staff (3.3544), high interest rates on saving accounts, (3.3165), Low interest rates on loan (3.2848), Availability of parking space at or near the bank (3.2722), Low service charges (3.2722), Availability of Point of sale terminals (3.0127) are also important to customers before selecting bank.

Finally Recommendation from family/relatives/ and/or friends (2.9810), Familiar with an employee (2.8165), Influence /handling of branch manager and/or workers to open account (2.8038), Influence of employer to use the same bank for salary and other payment (2.6582) are least important to customers before selecting bank.

Reputation in the previous studies Goiteom (2011), ranked as a least factor. On the other hand Mokhlis (2009) and Gerrard and Cunningham (2001), this finding was ranked eighth out of the nine factors and sixth of seven factors respectively. The Speed and Service Quality that ranked as the second important criteria by customers of CBE Jimma town was ranked as third most influential out of seven factors in previous study that conducted by Gerrard and Cunningham (2001). Whereas, in the study of Mokhlis et al. (2008) this factor was rated as the fourth most important criterion out of nine factors. The convenience factor has placed as first in previous studies, which have used students and other customers as their sample (Schram, 1991; Holstius et al., 1995; Owusu-Frimpong, 1999; Lee and Marlowe, 2003; Dusuki, 2007 and Katircioglu et al., 2011). On the opposing, in the study conducted by Mokhlis et al. (2008), the customers ranked this factor as fifth factor for the selection of banking services. Whereas, Almossawi (2001) ranked convenience as second most important factor for bank selection decision in Bahrain customers. This factor ranked as the third in this study.

Technology related facilities ranked as fourth most important selecting criteria for banks. In previous study, this factor ranked as the last and least important criteria in selection of banks by the customers (Goiteom, 2011). The promotional factor, which involve in advertising the various services offered in banks and availability of several branches, came fifth importance in this study. This factor was ranked as the second most important criterion for bank selection decision by the Nigerian and Malaysian customers respectively (Maiyaki, 2011; Abduh, 2010).

The financial factor ranked as the sixth while in the study by Mokhlis (2009) financial factors ranked third important factor. The Social Factors factor was rated as the least important factor influencing customers when deciding. This factor ranked least (seventh and ninth) important factor in the studies conducted by Gerrard and Cunningham's (2001) and Mokhlis (2009) respectively.

#### 4.5. Correlations between independent and dependent variables

According to Wajahat (2010) before the start of regression analysis, it is important to check the correlation test between dependent variable and independent variables. The Pearson correlation scale ranges from -1 to +1, any value greater than zero indicates a positive direct relationship between the two variables, which implies that every increase in the independent variable will lead to the increase in dependent variable. Any value less than zero indicate a negative indirect relationship between two variables, which means that every increase in the independent variable will lead to the decrease on the dependent variable (Hafiz, 2007).

**Table 4.9: Pearson' s correlation**

		SF	TF	FF	PF	CF	SSQ	BIR	Customer Bank Selection Decision
SF	Pearson Correlation	1	.897**	.940**	.862**	.915**	.888**	.815**	<b>.852**</b>
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	158	158	158	158	158	158	158	158
TF	Pearson Correlation	.897**	1	.926**	.946**	.950**	.963**	.888**	<b>.729**</b>
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	158	158	158	158	158	158	158	158
FF	Pearson Correlation	.940**	.926**	1	.935**	.911**	.934**	.921**	<b>.805**</b>
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	158	158	158	158	158	158	158	158
PF	Pearson Correlation	.862**	.946**	.935**	1	.912**	.970**	.921**	<b>.716**</b>
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	158	158	158	158	158	158	158	158
CF	Pearson Correlation	.915**	.950**	.911**	.912**	1	.943**	.873**	<b>.698**</b>
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	158	158	158	158	158	158	158	158
SSQ	Pearson Correlation	.888**	.963**	.934**	.970**	.943**	1	.926**	<b>.715**</b>
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	158	158	158	158	158	158	158	158

BIR	Pearson Correlation	.815**	.888**	.921**	.921**	.873**	.926**	1	.608**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	158	158	158	158	158	158	158	158
CBSD	Pearson Correlation	.852**	.729**	.805**	.716**	.698**	.715**	.608**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000
	N	158	158	158	158	158	158	158	158

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.9 above shows that, Social factors correlated with customers bank selection decision (with the r value of 0.852), Technological Factor with 0.729, Financial Factors with 0.805, Promotional factors with 0.716, convenience factors 0.698, Speed and service quality with 0.715 and Bank image and reputation correlated with customers bank selection decision (with the r value of 0.608).

#### 4.6. Multiple linear Regression result

Regression analysis allows the prediction or estimation of the value of one variable (the criterion, dependent, or predicted variable; called as Y) from one or more predictor variables (called X) (Keith, 2006).

**Table 4.10: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.905 <sup>a</sup>	.819	.811	.46480	.819	97.261	7	150	.000

a. Predictors: (Constant), BIR, SF, TF, CF, PF, FF, SSQ

#### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	147.087	7	21.012	97.261	.000 <sup>b</sup>
	Residual	32.406	150	.216		
	Total	179.494	157			

a. Dependent Variable: CBSD

b. Predictors: (Constant), BIR, SF, TF, CF, PF, FF, SSQ



Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	90.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.869	.142		6.135	.000	.635	1.104
SF	.650	.105	.835	6.181	.000	.476	.825
TF	.069	.122	.086	.562	.575	-.133	.271
FF	.626	.159	.709	3.944	.000	.363	.889
PF	.186	.142	.212	1.306	.194	-.050	.421
CF	-.418	.095	-.595	-4.414	.000	-.575	-.261
BIR	-.570	.103	-.647	-5.552	.000	-.739	-.400
SSQ	.153	.166	.183	.921	.358	-.122	.428

From table above, the Adjusted R-square value in the model summary tells the goal of fit of the model. Adjusted R-square value for this model is 0.811, which means seven Bank selection factors are able to measure, customer bank selection decision at 81.1 %. F statistics (97.261) which used to measure the overall test of significance of the model had presented, since the p-value is 0.00, which is sufficiently, and the model well fitted at 1 % level of significance, which means p-value (< 0.10).

The regression result investigated in this study show that, Social Factor and Financial Factors had positive and significant relationship with customer bank selection decision in CBE Jimma town. Technological Factor, Promotional Factors and service quality factors had positive and insignificant relationship with customer bank selection decision while Convenience Factor and Bank Image and Reputation had negative and significant relationship with customer bank selection decision in CBE Jimma town. This study partially consistent with prior empirical researches done by Serkalem Tesfaye, et.al, (2019) which identify that, technology factors, service quality factors, bank image and reputation factors, and convenience factors have significant and positive relation with bank selection decision while financial factor has insignificant relation with bank selection decision in CBE Jimma town.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, AND RECCOMENDATION**

#### **INTRODUCTION**

This chapter presents the summary and conclusions from the research findings as per the objective of the study. Based on the findings of this study, suggestions for future research have given on the Determinants of bank selection decision at CBE Jimma town.

#### **5.1. Summary of Findings**

The study conducted on the 158 customers of CBE Jimma town. To collect data the researcher used a structured questionnaire that personally administered to the respondents. The questionnaire constituted 46 items. The respondents were the individual customers of CBE Jimma town from 14 branches. To measure the quality of data, researcher used Cronbach's alpha test and to test the hypotheses of the study, the researcher used the tools Factor analysis, frequencies, mean scores, standard deviations, percentages and one sample test were used.

Results of Descriptive analysis revealed that: The gender ratio of the respondents was fifty-five percent (55.1%) male and forty five percent (44.9%) female. Both genders relatively fair represented in the study. This implies financial decision-making is not only belongs to the male parent that is considered as a chief income earner in the family. Twenty three percent (23.4%) were aged between 31-35 years that has high proportion compared to the others age brackets. The result implies that, there is a banking use culture among those in age range between 31-35 years old while the banking use culture among those in age range between 18-25 years old of the respondents were low. The study concluded that the middle-aged populations are better users of the various banking services than the youth population. Thirty four percent (34.8%) held diploma qualifications as their highest level of education. This shows that the adoption and use of banking services have certain kind of relationship with the education level. While assessing the marital status, Majority of respondents (about 46.8 percent) are married. This shows that, married populations are better users of the numerous banking services than the single and divorced population.

The study also examined average monthly income of the respondents, Thirty eight percent (38.6%) indicated that their average monthly income was below birr 5,000; According to these results, it found out that most of the respondents had an average monthly income of blow birr 5,000. From the study, about 56 % are single banking

users and 44 % reported as multiple banking users. Majority of the respondents have above 5 years banking relations with their main bank. Such a long permanent status of relationship shows the capability of customer retention by the banks. Majority of the respondents are users of saving accounts services, which cover about 79.2 percent. This shows high level of customer awareness and habit of saving account services has observed as the basic types of customers tradition of banking services. Here, the result of this study implies that, the bank have to focus on awareness of mobile banking technology and the rest services.

Thirty four percent (34.2%) of Respondents need additional bank services while sixty six percent (65.8%) of respondents responded no need of additional services. Additional bank services needed for the customer; including e-banking facilities (such as, Mobile banking facilities, Additional branch expansion to reduce time of waiting, and other credit card banking services). More than 80 percent of the respondents feel either very satisfied or just satisfied with the services offered in their main banks. Unconvinced customers inquired to give their feeling that banks should to take as a solution for their dissatisfaction in services offered by banks. They forwarded the following ideas have taken by the banks to satisfy their customers. Banks may satisfy their customers if they expand branches to provide quick services to their customers, to offer fast and more efficient service.

From Factor analysis: all variables are remained and grouped into two component factors at the Eigen value = 1.281, KMO = 0.958 (sig. = 0.000), of total variance explained = 96%, and all factors loadings are more than 0.5. A measure of sampling adequacy of 0.0958 with a value of Bartlett' s test of Sphericity (17060.626) with a high significant level (P <0.000), indicates the suitability of factor analysis. Therefore, given these overall indicators, factor analysis deemed suitable with all 32 items and factors confirm the factorial validity. The result of EFA factor analysis revealed that the major determinants of bank selection decision by CBE customers in Jimma town are; bank image & reputation, service quality factors, convenience, technological, financial factors, promotional factors and social factors. The result revealed being a government owned bank has the highest priority with mean value of 4.0823, past experience /establishment time of the bank (4.0633), trust in the Bank for security safety of funds and confidence (4.0570), Goodwill of bank among customers (4.0443), and overall positive image of bank (4.0380) considered as very much important. Also accuracy and timeliness of statements (4.0063), and easy of opening a saving/current account (4.0000) of the banks are the most important factors to the customers as they have higher mean value.

Recommendation from family/relatives/ and/or friends (2.9810), Familiar with an employee (2.8165), Influence /handling of branch manager and/or workers to open account (2.8038), Influence of employer to use the same bank for salary and other payment (2.6582) are least important to customers before selecting bank.

The regression result investigated in this study show that, Social Factor and Financial Factors had positive and significant relationship with customer bank selection decision in CBE Jimma town. Technological Factor, Promotional Factors and service quality factors had positive and insignificant relationship with customer bank selection decision while Convenience Factor and Bank Image and Reputation had negative and significant relationship with customer bank selection decision in CBE Jimma town.

## **5.2.Recommendations**

Based on the findings of the study, I forward the following recommendations.

Since there is a banking use culture among those in age range between 18-25 years old of the respondents were low, the Bank should focus to make awareness to attract the young aged of the population. The bank have to focus on awareness to improve mobile banking technology and the rest services. Additional bank services needed for the customer; including e-banking facilities (such as, Mobile banking facilities, Additional branch expansion to reduce time of waiting, and other credit card banking services).

In addition, special attentions for disabled customers are also among the listed needed services. Customers (especially government workers) need to have a loan of money from banks in low interest rate but banks not perform this. In addition, the majority of the borrowing products are particularly applicable for corporate customers and for investors this needs change from the bank. Therefore, Management of the Banks should give attention on the above findings to retain their customers permanently. Customers place more weight on factors like Image and Reputation, Speed and Service Quality, Convenience, Technology factor, Promotional, and Financial factor. Therefore, such factors should consider extremely by the commercial banks in designing their marketing strategies by broadening their branches and providing good customers services to customers. To conclude, bank management should be mindful that some of the bank selection determinants differ from one segment to another in the business firm market. These results would enable bank managers to identify the important bank attributes that affect bank selection decisions made by each segment in the business market in Jimma.

### 5.3. Further research

Earlier related researchers have done most of the research based on many common variables affecting bank selection criteria. This research included additional items. Nevertheless, the findings were limited due to geographic coverage as well as in terms of comparing factors among different banks. The researcher therefore suggests:

- Meanwhile the results of this study based on customers perceptions only, investigating the correspondence between consumers and service providers' perceptions could be an important research area among interested future researchers. This will help the institutions had better understand whether both customers and banks have the same perceptions regarding issues relevant to bank selection criteria.
- In addition, future researches should explore the bank image dimensions, which customers perceived as applicable to their selection decision, giving emphasis to the choice between private and public banks in patronage situation.
- The surveys have carried out in other cities of Ethiopia to confirm the results.
- A comparative study between commercial banks to see if certain attributes can attach to specific commercial banks
- This study empirically has examined some factors that affect bank selection decision on bank users. However, some other factors can have impact on bank users, which need further research but not examined in this study. The future research could conduct with a sampling frame composed of customers with a different cultural background such as university students, Farmers, and such like.

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## APPENDIXES

### JIMMA UNIVERSITY

#### COLLEGE OF BUSINESS AND ECONOMICS

#### DEPARTMENT OF MANAGEMENT MBA PROGRAM

### Appendix1.1. Research Questionnaire

Dear participants

This questionnaire designed to gather information about the major factors that determine customers' bank selection in Jimma town. All responses will be used to conduct a study for the partial fulfillment of Master' s Thesis in MBA from Jimma University and, then, as an input for banks to improve their service delivery. Your anonymity/ secrecy will strictly maintain, as I do not ask for your name here and **not** used for any other purpose.

Your personal information will keep confidential and your participation is highly appreciated.

#### Section One: Demographic Information

1. What is your Gender?

A. Male  B. Female

2. Age

A.18–25  C.31–35  E. More than 40

B.26–30 D.36 – 40

3. Indicate your Level of Education

A. High school B. Certificate  C. Diploma

D. Degree E. Other

4. Marital status

A. Unmarried  B. Married  C. Divorced

5. Range of your monthly income

A. Less than Br. 5,000  B. 5,001 - 10,000 Br

C. 10,001-15,000Br  D. Above 15000

**Part Two: - Banking Behavior of Respondents**

6. Do you **use** bank services? Yes  No

7. If your response to Question number 6 is **no**, why?

I do not have enough money

Lack of awareness

I use other alternatives (like Micro Finance Institutions, Idir, and Equb)

I do not need it please specify your reason \_\_\_\_\_.

8. If your response to Q 6 is **yes**, which bank/s do you utilize for your banking services? (List them if you concurrently use many banks).

\_\_\_\_\_.

9. What is the length of your relationship with your main bank/s in terms of years?

(Please indicate for all banks). \_\_\_\_\_.

10. What type of service/s do you use in that bank? (Multiple answers possible).

Current account saving account Loan/credit Transfer

ATM service other, please specify \_\_\_\_\_.

11. Do you need any other facility to add other than the services currently rendered from your customer bank? Yes  No

12. If your response for Q11 is **yes**, what type of service do you need to be added?

\_\_\_\_\_.

13. Are you satisfied with banking services you are rendered? Yes  No

14. If your response for Q13 is No, what could be done to solve those problems?

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**Part Three: Bank Selection Criteria**

please mark a number which best fits your opinion and tick (√) one number for each statement by using five Linkert scale the following scale ranging from “1=Strongly Disagree (SD)” to “5=Strongly Agree (SA)” based on their degree of importance.

1= Strongly Disagree, 2= Disagree, 3= somewhat agree, 4= Agree, 5= Strongly Agree

NO,	ATTRIBUTES OF BANK SELECTION	1	2	3	4	5
	<b>Social Factors (in adequate)</b>					
SF15	Influence of employer to use the same bank for salary and other payment					
SF16	Recommendation from family/relatives/ and/or friends					
SF17	Influence /handling of branch manager and/or workers to open account					
SF18	Familiar with an employee					
	<b>Technology factor</b>					
TF19	Availability of modern banking software					
TF20	It provides SMS service for transaction notification					
TF21	Availability of mobile banking services					
TF22	Availability of Point of sale terminals					

	<b>Financial factor</b>					
FF23	Low service charges					
FF24	High interest rates on saving accounts					
FF25	Low interest rates on loan					
	<b>Promotional Factors</b>					
PF26	Personal contact from bank marketing staff					
PF27	TV/radio presence					
PF28	Presence in newspaper and print media					
	<b>Convenience factor</b>					
CF29	The nearness of bank branches to my location/work place/home					
CF30	The nearness of ATM branches to my location/work place/home					
CF31	Easy of opening a saving/current account					
CF32	Extended operation hours of the Bank					
CF33	Availability of parking space at or near the bank					
	<b>Speed and Service Quality</b>					
SSQ34	Fast and efficient service					
SSQ35	Speed of transactions					
SSQ36	Accuracy and timeliness of statements					
SSQ37	Minimum waiting time					
SSQ38	Providing services in specified time					

	<b>Bank Image and Reputation</b>					
BIR39	Goodwill of bank among customers					
BIR40	Past experience/Establishment time of the bank					
BIR41	Trust in the Bank for security Safety of funds and confidence					
BIR42	Being a government owned bank					

**Part Four: Additional information /Factors/**

47. Is there any additional information that you want to add about factors/attributes/ of Bank selection decision? Yes  No  if your answer is yes, please explain:

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**Thank you!**



## Appendix 1.2 Questionnaires Amharic version

### የምርምር መጠይቅ

#### ወደተሳታፊዎች

ይህ መጠይቅ የተዘጋጀው በጅምር ተማሪ ለወንጀል የደንበኞችን ባንክ ወይም የሌላ የሌላ ማጠና ትክክርዎች ለመለየት ነው፡፡  
 የ MBA

ዲግሪ መሠረቅያ ሰነድ ለመቀጠል ወይም ጥናቱ ይቀጥላል ማለት ነው፡፡ ጥናቱ የሰነድ ማቀላቀስን ለማረጋገጥ እና ለማረጋገጥ ለማጠና ትክክርዎች ለመለየት ነው፡፡

የምትሰጡ ሐሳብ ብክዚህ ዘላለማዊ ልምድ እና ደማን ጠቀም ትችላለሁትና ማሰብ ጥሩ ነው ተጠብቀውትን እንደ ገለጻችሁን ጥያቄዎች ከ 7-10 ደቂቃ በላይ እንደ ማረጋገጥ ሳይሆን ወቅታዊ እንደ ወዳለን፡፡

የእርስዎ የግል መረጃን ማሰብ ጥሩ የተጠቀሰ እና የእርስዎ ትክክርዎችን ከሌሎች አይነት የቅጥር ምልክት ይሆናል፡፡

ለምሳሌ ገለጻችሁን ትብብር ሁብ ቅጥር እና መሳሪያ ለን፡፡

**ማስታወሻ: እባክዎን ማስታወሻ እንደ አስፋሊቲ ተጠቃሚነት ለመለየት ለ '✓' ምልክት ይጠቀሙ፡፡  
 ክፍል አንድ : የተሳታፊዎች አጠቃላይ መረጃ**

#### 1. ጾታዎን ድን ወን?

ወን ድ

#### 2. ዕድሜ

A. 18-25  C. 31-35  E. 40 በላይ   
 B. 26-30  D. 36-40

3. የትምህርት ደረጃ : የሁለተኛ ደረጃ ትምህርት ያላጠናቀቁ /ች

የሁለተኛ ደረጃ ትምህርት ያጠናቀቁ /ች  ዲፕሎማ ዲግሪ

ማስተርስ ና ከዚያ በላይ

4. የጋብቻህኔ ታ፡ያላገባ/ች  ያገባ/ች  የተፋታ/ች

5. ወርሃዊገቢዎክልል?

ከ Br ያነሰ፡ 5,000 Br  5,001 - 10,000 Br

10,001 - 15,000 Br.ከ  በላይ

ክፍልሁለት- የተሳታፊዎች የባንክንግባህሪ

6. የባንክአገልግሎቶችን ይጠቀሙ? አዎ/አይ

7. ለጥያቄ 6 የሰጠችሞላሽ የለምከሆነ ለምን?

በቁጥን ዘብየለኝም

የግንዛቤ እጥረት

ሌሎች አማራጮችን ይጠቀሙ (እንደ ማይክሮፋይናንስ ተቋማት፣ አይሪር እና ኢዩብ)

አልፈልግም :: እባክዎን ምክንያቱን ይግለጹ -----  
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8. ለ 6 ጥያቄዎ መልስ ይስጡ ሆኖ ለባንክአገልግሎት ዎች ትኛውን ባንክ / ቶች ይጠቀሙ?

(በተመሳሳይ ሰነድ ላይ ባንኮችን የሚጠቀሙ ይዘር ዝሩ) : : -----  
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9. ከዋና ወባንክ / ቶች ዎ ጋር ያለዎት ግንኙን ትከራ መታት አንጻር ምን ያህል ነው?

(እባክዎን ለሁሉም ባንኮች ያስጠቁ) : : : : -----  
-----  
----- : :

10. በዚያ ባንክ ውስጥ ምን ዓይነት ትክንኝ ልግሎት ይጠቀማሉ? (በዙሙሌሶች ይቻላል)።

የአሁኑን የሂሳብ ቁጠባ ሂሳብ / የብድር ማስተላለፍ

የኤሌክትሮኒክ ልግሎት

ሌላ፣ እባክዎን ይጥቀሱ-----  
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11. በአሁኑ ጊዜ ከደንበኛዎቹ ባንክ ማስጠንቀቂያ ልግሎቶች ሌላ ማክልሌላ ተቋም ይፈልጋሉ? አዎ አይ

12. ለ 11 ምላሽ ያደረጉ ከሆነ፣ ምን ዓይነት ትክንኝ ልግሎት ማክልሌላ ጠቅሎታል?-----  
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13. በማስጠንቀቂያ ባንክ ልግሎት ረከተዋል? አዎ አይ

14. ለ 13 ጥያቄ መልስ ያደረጉ ከሆነ፣ እነዚያን ችግሮች ለመፍታት ምን ይደረግ?-----  
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**ክፍል ስት- የ ባንክ ምርጫ ፈርቶች**

እባክዎን ለ አስተያየት ተቀባይ ማስመዘኛ ስርዓት (v) ለ እያንዳንዱ ስርዓት አንድ ተርጉም ማስጠንቀቂያ ደርጉ “Linkert scale 1 = በፍፁም አልተሟላም 5 = በጣም አልተሟላም” :

1. በፍፁም አልተሟላም 2. አልተሟላም 3. አማካኝ / መካከለኛ እስከ ጥንቃቄ 4. እስከ ጥንቃቄ

5. በጣም አልተሟላም

No	የባንክምር መቻቻምዘገባዎች	1	2	3	4	5
	<b>ማበራረዻምዘገባዎች</b>					
15	ተመሳሳይ አሠሪ ለደመወዝ እና ለሌላ ክፍያ እንዲጠቀም አሠሪዎች ተጽዕኖ					
16	ከቤተሰብ / ከዘመዶች / እና / ወይም ጓደኞች የተሰጠ ወሳኔ ሃሳብ					
17	አካወን ትላ መብረት የቅርንጫፍ ሥራ አስኪያጅ እና / ወይም ስራ ተኝተኛ እና / አያያዝ					
18	ከሠራተኛ ወጋር ይተዋወቁ					
	<b>የቴክኖሎጂ ሁኔታ</b>					
19	የዘመናዊ የባንክ ፍትደር ተገኝነት					
20	የኢንተርኔት ባንክ አገልግሎት ይሰጣል					
21	ለግብይት ማከ ወቅያየ ኤስኤምኤስ አገልግሎት ይሰጣል					
22	የኤሌክትሮኒክ ወታረ መረብ ተገኝነት					
23	የሞባይል ባንክ ገንጠል አገልግሎት መኖር					

24	የሽያጭ ለውጥ ማስተካከያ ስራ					
	<b>የገንዘብ ስራ</b>					
25	ዝቅተኛ የሥራ ልማት ስራዎች					
26	መሥሪያ ቤቅን በማስቀመጥ ለሥራ ልማት ወላጅ መሆን					
27	በብድር ላይ ዝቅተኛ የወላጅ መሆን					
	<b>የሥራ ልማት ስራዎች</b>					
28	ባንክ ተባብሮ ለሥራ ልማት ስራ					
29	ከባንክ ልማት ስራ ለማስተካከል ስራ					
30	የቴሌቪዥን / የሬዲዮ ስራ					
31	በጋራ ስራ ለማስተካከል ስራ					

	<b>ተስማሚነቷ</b>					
32	የባንክ ቅርንጫፍ ወደቤቴ (የሥራ ቦታ) ቅርብ መሆናቸው					
33	የእኔ ቦታ / የሥራ ቦታ / ቤት ድረስ የኤቲኤም ቅርንጫፍ ቅርብ መሆናቸው					
34	የቁጠብ / የአሁኑን ሂሳብ ለመክፈት ቀላል ነው					
35	የባንኩ የተራዘመ ሥራ ሰዓታት					
36	በባንክ ወይም አጠቃላይ ብድር መክፈት ለፍራፍራ					
	<b>የፍጥነት እና የአገልግሎት ጥራት</b>					
37	ፈጣን እና ቀልጣፋ አገልግሎት					
38	የግብይቶች ፍጥነት					
39	የመገለጫ ችግሮች ከአገልግሎት ሰጪዎች ጋር መቅታዎን					
40	ዝቅተኛ የጥበቃ ሂደት					
41	በተጠቃሚው ወይም ጥራት አገልግሎቶችን መስጠት					

	የባንክ ምክልኪና መግለጫ					
42	አጠቃላይ የባንክ መልካም ምክልኪ					
43	በደንበኞች መካከል ስን ፈቃድ					
44	ያለፈው / የባንኩ የጭቋም ስራ ስርዓት ደህንነት እና በራሱ መተማመን ደህንነት					
45	በባንክ ይታመን					
46	በመንግስት ባንክ መሆን					

ክፍል አራት: : ተጨማሪ መረጃ / ምክንያቶች /

47. ስለ ባንክ ምርጫ ምክንያቶች / ባህሪዎች / ማከልከል ጉዳይ ተጨማሪ መረጃ አለ?

አዎ አይ [ ] አዎ ከሆነ እባክዎ ያ [ ]

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እና መሰጠት!