#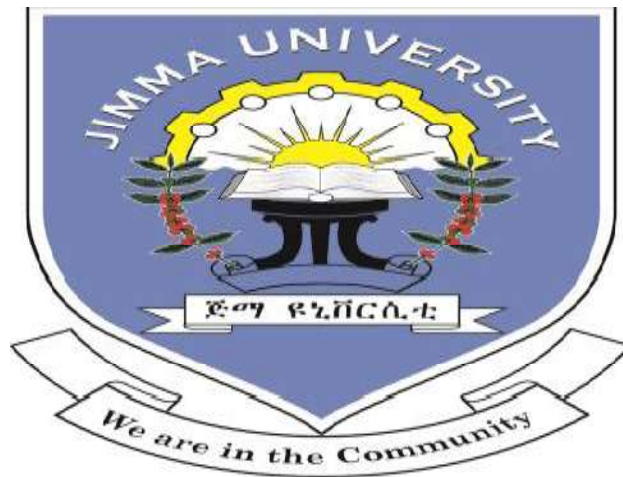 Factors Affecting Customers' Bank Selection Decision: In Case of Commercial Banks in Jimma Town, Oromia Region, Ethiopia

A Thesis Submitted To The School Of Graduate Studies Of Jimma University In Partial Fulfillment Of The Requirements For The Award Of The Masters Degree In Accounting And Finance (Msc)

By

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September, 2018

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ABSTRACT

The banking sector remains highly competitive. To win the markets, banks should focus more on customer expectations. Exploring such information will help banks to identify the appropriate marketing strategies that needed to attract new customers and retain existing ones. The objective of this study is to examine factors that affect customers' bank selection decision in private as well as state owned Commercial banks in Jimma town. The study employed descriptive and explanatory research design and mainly conducted based on data collected through questionnaires and interviews. The Sample size of the study was 384. The collected data analyzed through SPSS version (20). The descriptive and inferential statistical tools such as mean, percentage, ANOVA, correlation and multiple linear regressions used to analyze collected data. The regression model summary shows that the all independent variables explain 53.5 % variability on bank selection decision and model explains significant variability of customers' bank selection intention by five decision variables. Out of five factors, four factors were significant. Such 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. As customers place more emphasis on factors like convenience, service quality, technology and bank image and reputation, Such factors better to be considered seriously by banks in their marketing strategies which help them to attract new as well as retain the existing customers.

Key Words: Bank Image and Reputation, Bank Selection Decision, Convenience Factors, Financial Factors, Service Quality Factors, Technology Factors

DECLARATION

I declare that the thesis entitled "Factors Affecting Customers Bank Selection Decision in case of Jimma Town Oromia Region, Ethiopia "carried out by me under the guidance and supervision of Assistant prof. Tadele Mengesha and Mr.Mokanint Abera. The thesis is original and it has been not submitted previously in part or full to any university or other funding organizations except where due acknowledgment has been made in the text.

Researcher's Name   Date   Signature

_____   _____   _____

CERTIFICATE

This is to certify that the thesis entitles "Factors Affecting Customers' Bank Selection Decision: In case of Commercial Banks in Jimma Town, Oromia Region, Ethiopia" for the award of the Degree of Master in Accounting and finance carried out by Serkalem Tesfaye under our guidance and supervision. Therefore, we hereby declare that no part of this thesis submitted to any other university or institutions for the award of any degree or diploma.

Tadele Mengesha (As. Prof.)   _____   _____

Main Advisor   Signature   Date

Mokanint Abera (Mr.)   _____
_____

 Co-Advisor   Signature   Date

ACKNOWLEDGMENTS

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ACRONYMS

ANOVA	Analysis of variation
ATM	Automated Teller Machine
BI&R	Bank image and reputation
BSD	Bank selection decision
CONF	Convenience factors
FIF	Financial factors
SQF	Service quality factors
SPSS	Statistical Package For Social Sciences
TECF	Technology Factors
VIF	Variance Inflation Factors

CHAPTER ONE

1. INTRODUCTION

This chapter consists; Background of the study, Statement of the problem, research hypotheses, objective of the study, significance of the study, scope of the study and organization of the thesis.

1.1. Background of the Study

Banks play a key role in improving economic efficiency by channeling funds from resource surplus unit to those with better productive investment opportunities. It also facilitates trade and payment system by significantly reducing transaction costs and increasing convenience (NCA2006).The banking industry has characterized by increasing competition since the early 1980s (Blankson, Cheng & Spears 2007).This has been the result of a number of interrelated factors such as competition and deregulation that have revolutionized the distribution of many financial services. In other words, an increased competition resulting from a decade of deregulation of the financial services industry has meant that banks find themselves with the task of differentiating their organizations and their offerings as a means of attracting customers. To enhance the role of banks in an economy, competition is an important driving force; without competition, it is improbable to bring efficiency and foster financial sector development (Davidson, 2011).

The trend towards globalization has introduced many changes in the economic and business environment all over the world. Almost all industries were including the banking sector, in one way or the other are being affected by this trend (Goitem, 2011).Banks have created diverse products in an attempt to satisfy customers and be highly competitive (Moklish, 2009). The increased competition resulting from a decade of deregulation of the financial services industry has meant that banks faced with the task of differentiating their organizations and their products or services as a means of attracting customers (Blankson, et al 2007).

Commercial banks in Ethiopia like banks operating in the developed countries are putting more emphasis on providing more facilities and services to their customers (Goitem, 2011) .as economic environment is rapidly changing and customers are becoming more demanding and sophisticated, it has become important for financial institutions, to determine the factors, which are pertinent to the customer's selection. Therefore, for this sector, the quest lies in determining the basis on which customers, make their selection for a banking service (Aregbeyen, 2011).

The banking industry appears as one of the most rapidly emerging sector. So it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services. A set of determinant factors that have significant role in bank selection in one nation may prove to be insignificant in another. Currently there are 18 banks in Ethiopia, of which 16 are private banks and the rest are government owned banks. Even though sharing strong expansion, there are of course prominent variations along with banks in terms of their aggregate size, revenue sources, customer focus, loan concentration, and operational efficiency.With growing competitiveness in the banking industry and similarity of services offered by banks (Holstius and Kaynak, 1995).

It has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services. Usually, the marketing plans of organizations do fail at implementation due to improper identification of the factors or determinants that consumers consider in selecting who to deal with (Devilin and Gerrard, 2005).

Hence, there is need for banks, like other service organizations, to identify the important parameters that attract customer's attention and help in their choice of banks to do business. In addition, there is a need for banks to know how customers choose their banks and take measures to attract them before others do. In this regard, the basic aim of the study is to examine the basic motivational factors in customers" bank selection in Jimma town.

1.2. Statement of the Problem

Since bank is a financial institution that manages money and helps in developing the country's economy, it is important for the bank to understand the customer behavior and demands towards the bank products and services. Customers are exposing to diversified choices and they are much concerned about the value for money. This means that there are unlimited switching choices (Blankson et al, 2007). With growing competitiveness in the banking industry and similarity of services offered by banks (Zineldin, 1996), it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial service. Exploring such information will assist banks to recognize the appropriate marketing strategies needed to attract new customers and retain existing ones (Aregbeyen, 2011).

A number of studies have been undertaken on the issue of bank selection criteria in line with customers' preference, why and how they select a particular bank to serve there. A review of literature indicates that the issue of bank selection process attracted considerable attention in the bank marketing literature. Mainly in the USA and some in Europe and other regions (Christos, et al, 2012; Almossawi, 2001; Gerrard and Cunnigham, 2001; Ta and Har, 2000; Fragos, et, al, 2012; Wei and Lu, 2012; Chigamba, 2011).The literature has shown that studies made in the countries other than the USA and Europe are quite rare (Gerrard and Cunningham, 2001). Such studies have contributed substantially to the literature on bank selection. Their findings may not be applicable to other countries, like Ethiopia due to differences in cultural, economic and legal environments. Thus, it is better to consider the subject in the context of Ethiopia.

Nowadays the Banking industries have been growing rapidly in Ethiopia. Hence, in such growing industry where stiff competition exists knowing the major factors that customers value to select financial service providers is worth studying. However, as per the knowledge of the researcher there were only few counted researches done regarding, customer's bank selection decision in Ethiopia. Goiteom (2011) and Dawit (2013) examined the factors that influence customers banking choices in Addis Ababa city. Goitem (2011) tries to identify the factors that affect customer's bank selection relative to the gender of the customer's.

Dawit (2013) also try to identify bank selection criteria relative to other demographic like age, income, marital status rather than gender. Both of them employed simple descriptive and factorial analysis in their studies. First, this study attempts to fulfill literature gaps within the context of Ethiopia. Secondly, what makes the current study unique is that incorporate some important variable that have not seen in the previous studies in case of Ethiopia .In addition to this, on convenience factors, there were the inconsistencies of the findings among the previous researchers. Convenience is the most important factor that influences customer bank selection decision (Renman and Ahmed, 2008; Moklish, 2009; Sharma and Rao, 2010; Aregbeyen (2011). According to (Ta and Har (2000), Wei and Lu (2014), Msweli and Naude (2015) there were insignificant relationship between convenience factors and bank selection decision. By taking these in to consideration, the aim of this paper examines the basic factors considered by customers when select bank in Ethiopia with the particular reference Jimma town and as much as possible try to improve the inconsistence of the previous findings and support one of them.

1.3. Objectives of the Study

1.3.1 .General Objective

The main objective of this study was to examine factors that affect customers' bank selection decision in case of Jimma Town.

1.3.2 .Specific Objectives

- To examine the effect of convenience factors on customers bank selection decision.
- To analyze how financial factors affects customers bank selection decision.
- To investigate the impact of technology factors on customers bank selection decision.
- To examine how service quality factors affects customers bank selection decision.
- To analyze the impact of bank image and reputation factors on customers bank selection decision.

1.3.2. Research Hypotheses

To achieve the objective of this study, the researcher has formulated five hypotheses concerning factors affecting customers' bank selection decision in case of Jimma Town.

H1: Convenience factors are positively and significantly affects customers' bank selection decision.

H2: Financial factors are positively and significantly affect customers' bank selection decision.

H3: Technology factors has positive and significant impact on customers' bank selection decision

H4: Service quality factors are positively and significantly affect customers' bank selection decision.

 H5: Bank image and reputation has positive and significant impact on customers' bank selection decision.

1.1.5 .Significance of the Study

As the increase of the banking sectors in Ethiopia, there is no that, much enough studies in the area that created knowledge gap. This study has played a significant role in filling the gap in understanding factors affecting customers 'bank selection decision. When bankers understands more about customer behavior it will help the banks in their management planning, indirectly enhance customer base by attracting customers from its competitors, and overcome the problem of customers switching to others banks. Customer selection of bank is not only important for bank itself but also significant for the policy makers. In addition to these, this paper also serves other researchers who wish to make a study on the related topic as an input.

1.6 .Scope of the study

The study was limited to eleven commercial banks in Jimma town. These are Commercial Bank of Ethiopia, Awash Bank, Abyssinia Bank, Berhan International Bank, Wegagen Bank, Dashen Bank, Cooperative Bank of Oromia, Oromia International Bank, Buna International Bank, Nib International Bank, and United Bank.

Moreover, due to the large number of branches, the banks have and difficulty to address all of them the researcher was purposely selected one (1) branch of each eleven banks. Variables that considered in this study are convenience factors, financial factors, technology factors, service quality factors and bank image and reputation. The target populations in this study were managers and customers of each selected banks.

1.8. Organization of the thesis

The thesis structured in to five chapters as follows. Following background of the study, statement of the problem, objective of the research, research hypothesis, scope of the study, significance of the study and organization of the paper in the first chapter. Chapter two contains a review of the literature including; the theoretical review first section; this is followed, by the review of the previous studies related to the area and conclusion and knowledge gap finally. The research design and methodology presented in chapter three. Specifically, this chapter shows the research design, followed by data collection and all outlined. In chapter four, the results and findings of the study also discussed. Finally, the last Chapter is enclosing the summary of findings, conclusions drawn and recommendations and areas where further research may be product.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This chapter deals with concepts and theories that are applicable to the issues in this study. The chapter stretches an impression of Theoretical, Empirical literature and Conceptual Framework of the study that linked to the research problem obtained in the previous chapter.

2.1. Theoretical Review of the Study

2.1.1. Rational Choice Theory

In the standard view, rational choice defined to mean the process of determining what options are available and then choosing the most preferred one according to some consistent criterion. Rational choice theory is at the heart of modern economic theory and in the disciplines contiguous to economics, such as some parts of political science, decision theory, sociology, history and law that have adopted the theory as their model of decision-making. In rational choice theory, individuals are seen as motivated by the wants or goals that express their 'preferences'. They act within specific, given constraints and based on the information that they have about the conditions under which they are acting. At its simplest, the relationship between preferences and constraints has been seeing 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 various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals. Rational choice theory holds that individuals must anticipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction. The relevance of rational choice, where people compare the costs and benefits of certain actions is easy to see in respect of bank selection behavior of customers (Lovett, 2006).

Since 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 choose the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences (Levin, 2004).

Rationality, which expresses the idea of wanting more rather than less of a good, is widely used as an assumption of the behavior of individuals in microeconomic models. The patterns of behavior in societies reflect the choices made by individuals as they try to maximize their benefits and minimize their costs. Rational decision making entails choosing an action given one's preferences, the actions one could take, and expectations about the outcomes of those actions. The validity of rational decision-making is rooted in two complementary assumptions namely completeness and transitivity. Completeness requires that all actions of the individuals can be ranked in an order of preference (indifference between two or more is possible). While transitivity is a condition that if choice X is preferred to Y, and action Y is preferred to Z, then X is preferred to Z. Together these assumptions form the result that given a set of exhaustive and exclusive actions to choose from, an individual can rank them in terms of his/her preferences, and that his/her preferences are consistent. Since people want to get the most useful products/services at the lowest price compared to similar ones from others banks. In general, people will choose the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences (Ronald, 1991)

2.1.2. Competition Theory

Competition and competitiveness the terms frequently used both in business and in public discussion about the economic units, their environment and about their ability to perform according to the strategic or policy goals derived from business, economic or social objectives. The meaning of the terms remains vague the exact meaning depends on the problem under hand. Competition theory explains how firms try to win customers patronage and loyalty through service excellence, meeting customers' needs and providing innovative products (Norrthcot, 2004).

Competition occurs when two or more organizations act independently to supply their products to the same group of consumers. Competition classified into direct and indirect. Direct competition exists where organizations produce similar products that appeal to the same group of consumers. Indirect competition exists when different firms make or sell items which although not in head to head competition still compete for the same money in the customers pocket(Shaffer, 2002).

Both direct and indirect competition causes commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products(The greater selection typically causes lower prices for the products, compared to what the price would be if there were no competitions (monopoly) or little competition (oligopoly). Thus, the competitive strategy of firms is dependent upon consumers' choice characteristics, which tend to influence firms productive decision towards the satisfaction of consumers preferences (Shaffer, 2002).

The relevance of rational choice, where people compare the costs and benefits of certain actions, is easy to see in respect of bank selection behavior of customers. Since people want to get the most useful services at the lowest price compared to similar ones from others banks. Then they will compare prices or costs and benefits. In general, people will choose the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences. Both direct and indirect competition, cause commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products (panzer, 19870).

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In general, people will choose the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences. The banking industry is highly competitive, with banks not only competing among each other, but also with non-banks and other financial institutions. The reason being that most bank products development are easy to duplicate and when banks provide identical services, they can only distinguish themselves based on price and quality. Consequently, customers' retention is potentially an effective tool that banks can use to an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment (Cetorell, 2001).

2.1.3 .Customers Behavior

Customer behavior refers to any action that a customer takes related to your company, but as marketers, we are particularly interested in actions that we can track and learn from to build relationships. In the mobile world, t hese behaviors usually indicate some form of engagement, such as views, downloads, or purchases. If your goal is "increasing engagement one month after download," you might want to focus on how your efforts impact app opens, activity levels, or responses to offers in push notifications. Some of the most valuable information can be about what time of day people are most responsive and what forms of outreach are intriguing enough for them to click to learn more. The information you gather can help you improve segmentation, personalization, and increase the likelihood that you will reach the right person, with the right message, at the right time. Customer behavior is the process individuals or groups go through to select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires (Kotler and Armstrong, 2011). Consumer behavior not only influenced by external factors, but also by their attitudes and expectations. These attitudes and expectations are constantly changing in response to a continuous flow of events, information and personal experiences (Peer, 2009)

2.1.4. Steps in the Customer Decision Process

Customer behavior is the process individuals or groups go through to select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires (Kotler and Armstrong ,2011) Consumer behavior is not only influenced by external factors, but also by their attitudes and expectations. These attitudes and expectations are constantly changing in response to a continuous flow of events, information and personal experiences (Peer, 2009).

Fig. 2.1: The customer decision-making process

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┌──────────────────────────────────┐
│       Problem recognition        │
└──────────────────────────────────┘
                 ↓
┌──────────────────────────────────┐
│       Information-search          │
└──────────────────────────────────┘
                 ↓
┌──────────────────────────────────┐
│       Post-use evaluation        │
└──────────────────────────────────┘
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│       Evaluation of options      │
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│       Post-use evaluation        │
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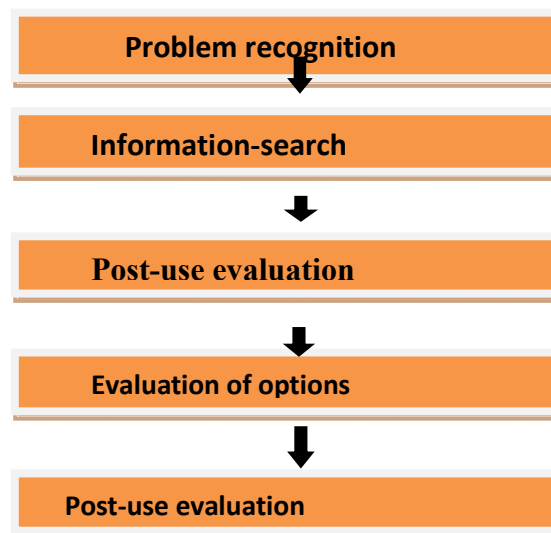
Source: Adopted from Sells (n.d.) Consumers behavior,

1. Need or Problem Recognition

The buying process starts with need recognition the buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person's normal needs for example, hunger or thirst rises to a level high enough to become a drive. A need can also be triggered by external stimuli. For example, an advertisement or a discussion with a friend might get you thinking about buying a new car. At this stage, the marketer should research consumers to find out what kinds of needs or problems arise, what brought them about, and how they led the consumer to this particular product. (Kotler, 2011).

2. Information Search

 After a need is recognized, the consumer goes for an information search, to be able to make the right purchase decision. He gathers information about the product category and the variations, various alternatives and the various brands. Such a search could be ongoing, specific or incidental. The consumer could recall information that is stored in his memory (comprising information gathered and stored, as well as his experiences, direct and indirect). He could also seek information from the external environment. he sources of information search could be personal (family, friends, peers and colleagues), commercial (marketers' communication in the form of advertising, salespersons, publicity etc), public (mass media, consumer forums, government rating agencies) and experiential (self and others' experiences). Personal contacts are highly influential sources, public sources are highly credible, (Kotler, 2011).

 3. Evaluation of Alternatives

Once the consumer has gathered information and identified the alternatives, he compares the different alternatives available on certain features. A consumer considers these features in choosing among alternatives. These could be functional/utilitarian in nature (benefits, attributes, features), or subjective/emotional/hedonic (emotions, prestige etc.).The consumer also uses decision rules that help a consumer simplify the decision process at the end of the evaluation, purchase intentions are formed, (Kotler, 2011).

4. Purchase Decision

After the consumer has evaluated the various alternatives, he selects a particular brand. Consumer purchases may be trials/first purchases or repeat purchases. The consumer may further have to make decisions on where to buy from, how much to buy, whom to buy from, when to buy and how to pay. It is noteworthy that a purchase intention (desire to buy the most preferred brand) may not always result in a purchase decision in favor of the brand; it could be moderated by attitudes of others and unexpected situational factors, (Ibid).

5. Post Purchase Behavior

After the purchase, the consumer uses the product and reevaluates the chosen alternative in light of its performance vise viz. the expectations. He/she could be experience feelings of neutrality (Performance meets expectations), satisfaction (Performance exceeds expectations) or dissatisfaction (Performance falls short of expectations). This phase is significant as it (i) acts as an experience and gets stored in the memory; (ii) affects future purchase decisions; (iii) acts as a feedback, (Kotler, 2011).

2.1.5. Influences on Customers' Decisions

Journey maps, customer insights, and data analysis all bring a greater understanding of the customer, of course, do not change customers' behavior. Ultimately, it is not about what people say, but what they actually do. Many things can influence the outcomes of your customer so observe, validate, learn and act on how customers behave to have true influence. Actively seek to understand customers and their behavior. Organizations' want to know how customers behave to fulfill business objectives attract, convert, sell, retain etc. Understanding why customers behave a certain way does not come from NPS scores, customer satisfaction surveys or trouncing data. Following all customer activities and transactions does not explain customer behavior either. Actively seeking to understand customers' behavior creates opportunities to improve business by zooming in on what matter to customers (Ibid).

The resulting behavior switching products or providers and mass might seem unexpected but makes sense when considering how change in regulation or a alternative service pushes consumers in a certain direction. Customers that buy your products and say they like them may still summarily switch provider. Collecting and examining piles of data from numerous sources can make organizations blind to how and more importantly why; customers behave the way they do. Measuring satisfaction or likelihood of switching does not provide customer context, nor does profitability or effort to serve. Customers have basic dislikes – like waiting, lack of clarity, or perceived low value, but do not necessarily act on them. A customer's experience of an issue begins now when he or she is aware of and starts acting on it.

Before the customer actually talks to sales or service agents, he or she might have spent hours or even days on research, trying alternatives and talking to others. The organization, however, only sees the time this customer has spent on queuing at support centers or talking with agents. That explains why some customers get upset "only" after talking with an agent for a couple of minutes. What an organization does or does not do in practice is what a customer experiences. The reasons why an organization treats a customer a certain way is completely irrelevant to them. Organizations' that look at their practices and behavior and do not accept the "excuses" around their people processes and systems see how customers are "forced" to behave a certain way. 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 three main categories: internal, situational and social influence (Ibid)

Fig. 2.2: Influences on customer decision making

Situational influence

Physical environment

Time

Internal Influences

Perception

Motivation

Learning

Attitudes

Personality

Age groups

Life style

Decision Process

Social Influences

Culture

Subculture

Social class

Group

Utilizing
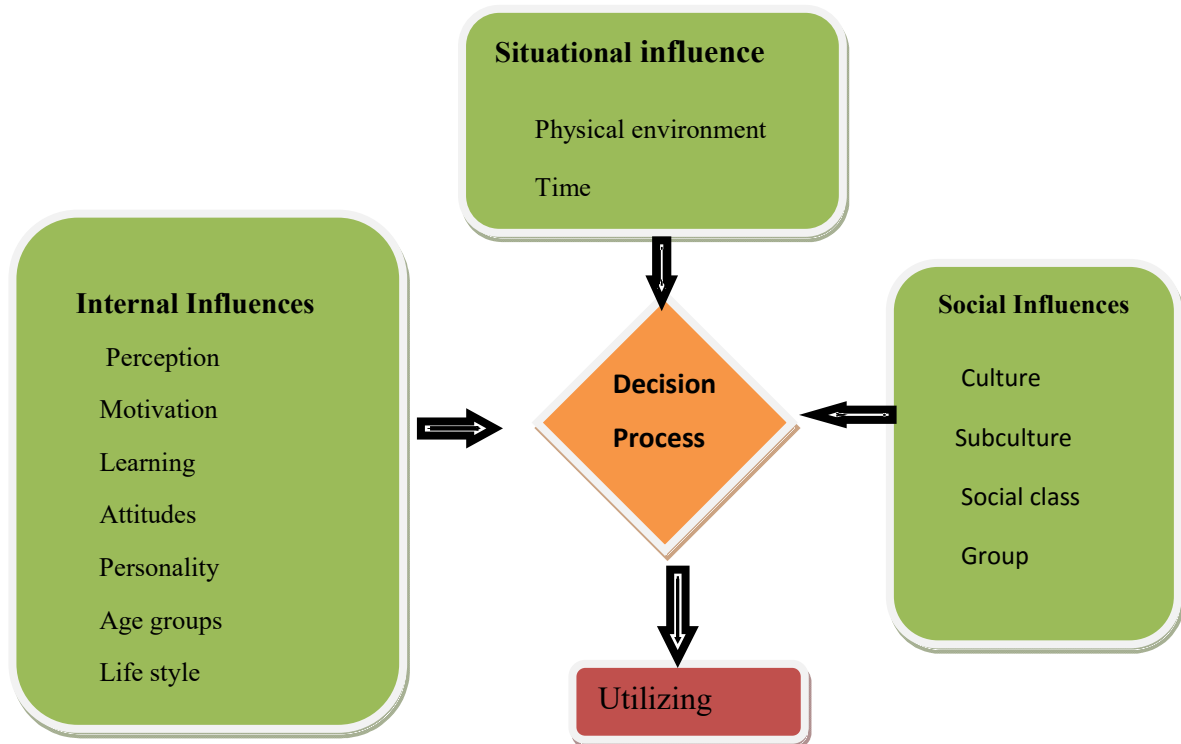
Source: Adopted from Sells S. (n.d.), Consumers behavior

2.1.5.1. Internal influences on customers' decisions

Service-giving organizations know that one customer's ideal treatment can be quite different from that of another customer. You may think the ideal treatment is a vigorous internet banking, while your best friend dreams of a typical fast customer service and your father is set on having a friendliness of the staff in the organization. Some of these differences are due to the way in which customers internalize information about the outside world such as perception, exposure, attention and interpretation. *Perception* is the process by which people select, organize and interpret information from the outside world (Sells, n.d.).

1. Perception: A Motivated person is ready to act. How the person acts is influenced by his or her perception of the situation. All of us learn by the flow of information through our five senses: sight, hearing, smell, touch, and taste. However, each of us receives, organizes, and interprets this sensory information in an individual way. Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world. People can form different perceptions of the same stimulus because of three perceptual processes: selective attention, selective distortion, and selective retention (Desmond, 1972).

2. Motivation: A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst, or discomfort. Others are psychological, arising from the need for recognition, esteem, or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive (or drive) is a need that is sufficiently pressing to direct the person to seek satisfaction (Kotler, 2011).

3. Learning: Learning describes changes in an individual's behavior arising from experience. Learning theorists say that most human behavior is learned. Learning occurs through the interplay of drives, stimuli, cues, responses, and reinforcement. A drive is a strong internal stimulus that calls for action. A drive becomes a motive when it is d directed toward a particular stimulus object. Cues are minor stimuli that determine when, where, and how the person responds (Kotler, 2011).

4. 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, 2011)

5: Personality: each person is distinct personality influences his or her buying behavior. Personality refers to the unique psychological characteristics that distinguish a person or group. Personality is 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 be attributed to a particular brand (Frank, 2002).

6. Age groups: People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle he 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).

7. 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). Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world, (Desmond, 1972).

2.1.5.2. Situational influences on customers' decisions:

These factors can affect what, where and how customers utilize their choices from different organizations. It is no secret that people's moods and behaviors are strongly influenced by their physical surroundings such as advertizing. There is one motto by the advertising archives: "As customers are exposed to more and more advertising, advertisers must work harder than ever to get their attention". In addition to the physical environment, time is another situational factor. Organizations know that the time of day and how much time one has to make a utilize affect decision making. Time is one of consumers" most limited resources. We talk about „making time" or „spending time", and are frequently reminded that „time is money". They should provide fast service for their customers (Ibid).

1. Physical Environment: Under the physical environment, there are so many factors, which affect the customer's decision. From this the first one is the economic situation in Various stages in the business cycle (inflation, depression, recession etc.) and their resultant impact on money flows in the economy, level of demand , government orientation towards economy and monetary policies (interest rates etc.). Second is related to the technological aspects like rate of technological change; technology transfer and adoption (Loudon.D, 1993).

2. Time: In addition to the physical environment, time is another situational factor. Organizations know that the time of day and how much time one has to make a utilize affect decision making. Time is one of consumer's most limited resources. As frequently reminded, that time is money. There for they should provide fast service for their customers (Ibid).

2.1.5.3 .Social influences on customers' decisions

Although we are all individuals, we are also members of many groups that influence our utilizing decisions. Families, friends and classmates often influence our decisions, as do larger groups with which we identify, such as ethnic groups and political parties.

1. Culture: Culture is the most basic cause of a person's wants and behavior. Human behavior is largely learned. Growing up in a society, a child learns basic values, perceptions, wants, and behaviors from his or her family and other important institutions. Every group or society has a culture, and cultural influences on buying behavior may vary greatly from country to country. A failure to adjust to these differences can result in ineffective marketing or embarrassing mistakes (Foxall, 1982).

2. Sub Culture: Each culture contains smaller subcultures, or groups of people with shared value systems based on common life experiences and situations. Subcultures include nationalities, religions, racial groups, and geographic regions. Many subcultures make up important market segments, and marketers often design products and marketing programs tailored to their needs (Foxall, 1982**).**

3. Social Class: Social class is ordered and relatively permanent divisions/stratifications in the society into upper, middle and lower classes; members in a class share similar values, interests, lifestyles and behaviors; the division is based on combination of occupation, income, education, wealth, and other variables (Peter. 1990).

4. Group: Groups are people to whom an individual looks as a basis for personal standards; they are formal and informal groups that influence buying behavior; reference groups could be direct (membership groups) or indirect (aspiration groups); reference groups serve as information sources, influence perceptions, affect individual's aspiration levels; they could stimulate or constrain a person's behavior (Ibid).

2.1.6 .Customer Satisfaction

Customer satisfaction indicates the fulfillment that customers derive from doing business with a firm. Customers derive satisfaction from a product or a service based on whether their need is met effortlessly, in a convenient way that makes them loyal to the firm. Hence, customer satisfaction is an important step to gain loyalty. The most popular view of customer satisfaction in academia is that customer satisfaction is the judgment borne out of the comparison of pre–purchase expectations with post purchase evaluation of the product or service experience (Oliver, 1997).

Customer satisfaction can result from any dimension (whether or not its quality related) and its judgments may arise from non-quality issues (e.g. needs, equity, and perceptions of `fairness') and require experience with the service provider (Rampersad, 2001). Satisfied customers are likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. Customer satisfaction is the key to the profitability of retail banking (Hung, et al, 2003).Attempting to offer all things to all people is difficult, if not impracticable in a competitive marketplace. Many financial institutions are selecting a few key target markets and concentrating on trying to serve them better than their competitors do. Customers and business banks have three main targeting choices. They can attempt to become financial supermarkets, low-cost producers, or market nichers: Financial services supermarket strategy is only appropriate for a few, very large, diversified banks and financial institutions such as Citicorp, American Express. Low cost producers offer limited services at discount prices and compete on price the most obvious examples are discount brokerage firms and money market funds that offer limited services efficiently (Zineldin, 1996).

 Specialty or niche banks primarily focus on the needs and desires of a particular market segment with a particular product mix such as mortgage loans, venture financing, special trade markets and industry sectors. Many regional and national banks have adopted niching strategies, targeting market segments where they have key strengths and experience. Not surprisingly, many small and medium-size institutions are targeting commercial customers and prospects and avoiding intense competition for consumer business.. A bank has to analyze and consider its strengths and weaknesses, its market opportunity, and its competitors Customer satisfaction is a strategic support to obtain a long-term profitable growth. This may have its own advantages and main results. More loyalty of customer can creates a cross selling & up selling of services/ products of one organization, great customer retention can results a long customer life time value for the institution. Better short and long-term business performances may also consequences a higher stock returns; stock value and cash flow less volatile and long period strong competitive positioning can consequence a market leadership in one institution (Unicredit Group, 2008).

Although customer withholding is the goal of the service provider, substitute measures are typically used owing to the constraints involved in longitudinal studies. These measures relate to attitudes or future intentions towards the service provider (Levesque et al, 1996). There are three regularly used measures of generally service quality, meeting expectations and customer satisfaction (Hausknecht, 1990; Heskett et al, 1994).

The customers' contentment begins with obvious, operational definitions from both the customer and the organization. Understanding the inspirations, expectations and requirements of both provide a foundation in how to provide best service to the customer. It may even provide information on making improvements in the nature of business. This is the heart of research into customer satisfaction. Service quality is one of the customers" judgments about an entity's overall excellence or superiority. It is a form of attitude and results from a comparison of expectations to perceptions of performance received (Haque, et al, 2009).As Mols defined, service quality is a measure of how well the service level delivered matches customer expectations (Mols et al. 1997).

A study carried out by Haque et al. (2009) found that customer satisfaction arbitrates the effects of automated bank service quality on financial performance. Customer satisfaction can reconsidered as the key construct to bank financial performance. However, this research found that internet service quality had no significant relationship with customer satisfaction; improvement in the quality aspects of this dimension could enhance overall satisfaction and thus financial performance (Khattak, et al, 2010).

the major factors were management proficiency, bank's personal knowledge, cost of services, efficiency of transactions, and facilities of parking. In contrast, the customers as least important factors in choosing banks selected advertising campaign, working hours and financial counseling (Munusamy, et al, 2010).They found that assurances, tangibles, understanding and responsiveness are the most important factors that generate customers" satisfaction and these factors have a positive relationship with customer satisfaction. Their finding also indicates that measuring the level of performance and satisfaction when it comes to the intangible expectations are the most difficult things for the customers (Munusamy, et al, 2010)

2.2. Empirical Review of literature

Various experimental research using different methodologies and approaches have been done in various parts of the world to investigate the bank selection criteria of the customers. In this sub section, based on prior empirical studies, we have discussed the determinants of customers' bank selection variable wise.

2.2.1. Bank Selection Criteria

2.2.1.1. Convenience factors

Convenience means a product, process or services with easy accessibility, save resources and reduced frustration. A numbers of investigations carried out to determine the relationship between convenience and bank selection. Renman and Ahmed (2008) concluded that the most important bank selection criteria are convenience, bank reputations, quality of a product and others factors. Their respondents showed that bank selection criteria like location convenience seem to be influencing the bank selection mostly. Convenience is one of the most important variable influencing customer choices among other factors namely customer services, online banking facilities and overall bank environment (Moklish, 2009).

A study conducted by (Rao&Sharma, 2010) on bank selection criteria concludes that convenience is an important determinant. Factors such as parking facility, free delivery of demand, phone banking, and free home cash delivery suggest that consumers want convenience in banking and they want to save time. Convenience is one of the factors that will affect the decision of selecting a bank by customers (Aregbeyen, 2011).

When a bank location is nearby customer it will be easy for a customer to do their transaction and a bank has convenience, location will have an advantage compare to its competitors who do not have convenience location to its clients (William, et al, 2012). Convenience is an important factor that will influence bank selection by customers because not every customer might have the same view of convenience (Ojan, et al, 2012; Robert, et al, 2013).

When the location of a bank is nearby with customers home or working place, the customers will more prefer have transaction with a bank. Some researchers stated that the citizen would select a bank with more branch offices in the country the more likely. When the number of branch office is more it is more convenience for a customer do their transaction or deal with a bank (Hinson, et al, 2013). However, some researchers found that there are insignificant relationship between convenience and bank selection decision (Ta &; Wei and Lu, 2013, Agarwal, 2017).

Fernandez (2008) conducted a survey and results indicated no attribute obtained was an outright determinant of bank selection choices. This attributed to the diverse needs of respondents as revealed by this survey. While some determinants such as location was of prime importance when selecting a bank, other factors that emphasize of better social interaction between banker and client, is gaining prominence partly due to the influence of Asian culture. It also revealed the use of the consumer decision-making model when selecting bank choices (Fernandez, 2008).

2.2.1.2 .Service quality factors

Ta and Har (2000) stated that, delivering quality services and products to customers had significant positive influence for success and survival of today's competitive banking environment. Gerrard and Cunningham (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 et al (2001), 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)

Arsil, 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, 2006).

A study which is presented by(Safakli, 2007) 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 nonIslamic elements as higher priority weights. The main factors determining consumers' bank selection are Service Quality and Efficiency Service quality is the most important criteria will influence the result of selecting a bank by customer (; Moklish, 2009; Katircioglu, et al, 2011). 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, et al, 2012).

2.2.1.3 .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. The three most important factors in selecting bank business customers were lending rates, accessibility of borrowing, and the number of services offered (Schmidt et al, 2009).

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, select the bank that they perceive, and provides the highest benefits to them with the lowest cost given for their preference (Kausar et al, 2009).

Omo(2011)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. Roman and Anca (2012) 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 end. In the short-run, mortgage rates and firm rates follow the money market however; it may changes in the end. Consumer rates desired a price mark-up and do not exhibit high sensitive towards the money markets rate in the end. Thus product pricing correlation with bank selection may produce different correlation depends on the time (Ksenija and Biruta, 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 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 be sacrificed to obtain the banks products or services (Robert et al, 2013).

A study conducted by Abduh et al. (2010) on the Indonesian customer's attitude. They targeted the customers of Islamic banks. Finding of his study were that most customers prefer banks based on announcements of the country's council on interest rates is their first consideration in patronizing a particular bank and puts reason of safety of fund during the financial crisis, has greater possibility to patronize Islamic banks in Indonesia (Abduh ,et al, 2010)

Saleh, et al (2013) also found out that the emergence 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. This is why price of products and service 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; Turinawe, et al, 2013).

Khattak et al, (2010) analyzed the customer's satisfaction and awareness level towards the Islamic banking system and investigated the relationship between different demographic variables and the satisfaction and awareness of customers by taking a sample of 156 customers. They go to the point that the major factors were management proficiency, banks personal knowledge, cost of services, efficiency of transactions, and facilities of parking. In contrast, the customers as least important factors in choosing banks selected advertising campaign, working hours and financial counseling (Khattak, et al, 2010).

2.2.1.4 .Bank image and reputation

There are some common things that customers will consider when select a bank. such as, an overall image of bank, goodwill of bank among customers/ Reputation, advertisement in mass Medias, Modern looking / External appearance of the bank, Employee dress, transaction security and financial performance(Boston, 2001). Rehman and Ahmed (2008) conducted a survey and show that the most important criteria identified by respondents are bank reputation. Robert, Aihie, and   Abednego (2013) Found that financial factors, like safekeeping of funds are quite important in the customers mind.

Hinson et al (2013) researches show that security issues related with the reputation of the bank through the survey from respondents, Some respondents said, "Through the bank reputation then customers know which bank can be trusted and they personally would not go out for just any bank but has proved overtime". 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 (Hinson et al, 2013)

2.2.1.5 .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. Poturak (2003) revealed that the opportunity of telephone banking rank is quite low which are forty-seven. Lichtenstein and Williamson (2006) found out that banks would be better on managing consumer experiences and satisfaction by moving to internet banking. 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 were served through checks, pay orders, with the introduction of Automatic Teller Machines (ATMs) for interacting with consumers, and provide better services(Kan and Afaki, 2007).

Banking industry is 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 (Kausar, 2009).

Customers 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 are 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, 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 (Ksenija and Birut, 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 (Verhoef and Lemon, 2013;Rob,2014).

Table 2.1 Summary of empirical review of the study

Author& year of study	Country	Model specification	major findings
Almossawi (2001)	Bahrain	Factor analysis	✓ Banks reputation, ✓ availability of parking space ✓ friendliness of bank personnel ✓ Recommendation from family
Gerrard and Cunningham (2001)	Singapure	Descriptive and Factor Analysis	✓ Free banking ✓ Availability of many branch, ✓ youth counselor ✓ Youth image of the bank.
Cicic et al. (2004)	Bosnia	Factor analysis	✓ reception at the bank ✓ friendliness of bank personnel, ✓ ease of opening a current account ✓ confidence in bank management
Dusuki et al (2007)	Malaysia	Descriptive	✓ friendly employees ✓ Large profit minded ✓ High interest rate on loan
Rehman et al (2008)	Pakistan	Factor analysis	✓ Efficient customer services ✓ Convenience ✓ Parking facility ✓ Overall bank environment.
Moklish et al. Moklish (2008)	Malaysia	Factor analysis	✓ Recommendation from family ✓ Service quality ✓ reputation/image ✓ Interest rate.
Rao et al (2010)	India	Descriptive and Factor Analysis	✓ Friendly Employees ✓ Courtesy ✓ Parking facility ✓ Loyalty programs ✓ Brand name

			✓ Security system
			✓ low charges
			✓ Other findings
			✓ responsiveness
			✓ value added services
Maiyaki (2011)	Nigeria	Descriptive analysis	✓ Size of bank total asset
			✓ Availability of large branch
			✓ Reputation of the bank
			✓ personal security of Customer
			✓ attractivenessbank'sphysicalstructure
Areg (2011)	Nigeria	Descriptive analysis	✓ High interest rates
			✓ Convenient location
			✓ Quality of service
			✓ Safety of funds
Goitoem(2011)	Ethiopia	Factor analysis	✓ Convenience
			✓ Serviceprovisionofbanks
			✓ image
			✓ financial benefits
			✓ reputation
			✓ promotion strategy
Siddique(2012)	Bangladesh	Descriptive analysis	✓ Effective
			✓ efficient customer services
			✓ speed and quality services
			✓ image of the bank
WeiandJingxian (2013)	Gavle	Descriptive analysis	✓ Good service provision
			✓ assurance
			✓ Value added service.
			✓ Reputation
Dawit (2013)	Ethiopia	Factor analysis	✓ Convenience
			✓ Reliability

			✓ Service provision
			✓ Product Assortment
			✓ Reputation
			✓ Recommendation from family
Owusu(2014)	Ghana	multinomial regression	✓ friendly or pleasing manner of staff
			✓ service quality
			✓ external bank appearance
			✓ secured feeling
			✓ Availability of several branches
			✓ Long operating hours.
Msangi(2015)	Tanzania	Factor Analysis	✓ Account opening procedures
			✓ operating balance of an account
			✓ Culture
			✓ sub culture
			✓ Group
			✓ Personality
			✓ lifestyle
Thai(2015)	Perak	Factor analysis	✓ Convenience
			✓ Service quality
			✓ security
			✓ technology
			✓ Price of products.
Agarwal(2017)	Ethiopia	Multiple linear regression	✓ Financial factors
			✓ technology factors
			✓ bank image factors
			✓ service quality factors

2.3 Conceptual Frame work of the study

Independent variable   **Dependent Variable**

Figure 2.3 Conceptual Framework Model

| Convenience factors |
| Financial factors |
| Bank image and reputation |
| Service quality factors |
| Technology factors |

Bank selection decision
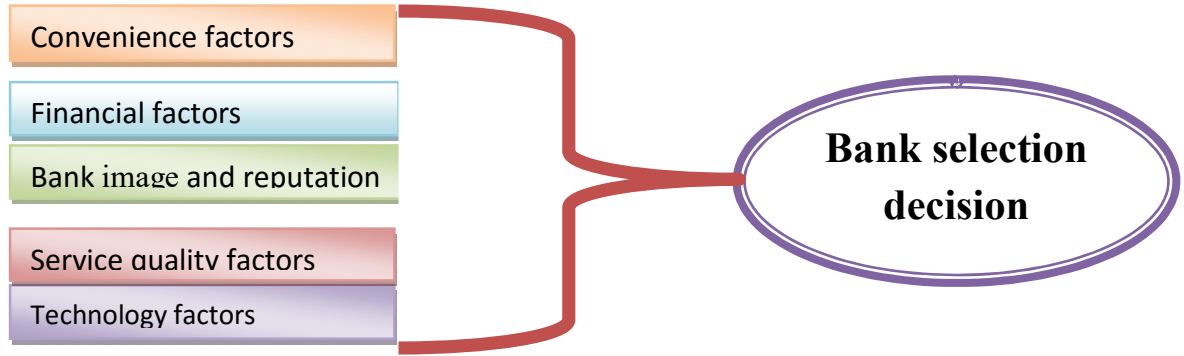
Source: own survey, 2018

2.4. Research Gaps

The review of the literature revealed that the existence of gap of knowledge in respect to factors affecting customers' bank selection decision, particularly in Ethiopia. As per the review of the literature most of the empirical studies that have conducted, with the aim of identifying factors affecting customers' bank selection decision, belongs to developed countries. There are some studies conducted in developing countries but as per the knowledge of the researcher, only a few counted studies were conduct on factors affecting customers' bank selection decision in banking service in Ethiopia. Cognizant of this fact, the researcher is motivated to undertake this study by adding some important Variable

CHAPTER THREE

3 .RESEARCH METHODOLOGY

In this chapter, efforts made to provide discussion on the major tasks carried out to undertake the research design and methodology. Therefore, Description of the study area, research design, target population of the study and sampling procedure and sample size determination, data source and collection method, method of data analysis and model specification of study variable were discussed respectively.

3.1. Description of the study area

For the present research work, the study site was Jimma town, which is found in southwestern part of Ethiopia, Oromia Region, about 346 Kilometers far from Addis Ababa. This was made so for the following reasons. For one, since the present researcher has been living in the town for some years, it believed that there could be ease of access to participants and the research site than doing the study at another place. For the other, since the researcher observed the problems for the study at this site, placing the study at the same place considered appropriate. Jimma is one of the ancient and largest towns. The town lies at latitude and longitude of 7°40â-'N 36°50â-'E / 7.667°N 36.833°E. Earlier, it was the capital of Kaffa province and that of a large Oromo kingdom until the late nineteenth century and used to attract thousands of marketers from the neighboring regions. Jimma is mainly known for its immense coffee origin and production, historical places like Abba Jifar Palace, the home of king Abba Jifar. The University of Jimma has also provided the town with another colour (Samuel taye, 2012)

3.2. Research Design

It is crucial that the data collecting and the method using research work affect its outcome. In order to achieve the objective of the research, the researcher used both descriptive and explanatory type of research design. Descriptive research design was more suitable to detail description of the findings showed in tables and percentages. An explanatory research design is used to identify the extent and nature of cause-and-effect relationships. Causal research can be conducted in order to assess the impacts of specific changes on existing norms, various processes etc. Since this study tried to examine impact of bank, selection factors on customers bank selection decision by evaluating the relationship among the variables.

3.3. Research Approach

For the purpose of this study, mixed research was used. Mixed research approach advocates the combination of both qualitative and quantitative has proved to be ideal for the study. Mixed method approach focuses on collecting, analyzing and mixing both quantitative and qualitative data in a single study or series of studies. The decisive argument here is that the use of both quantitative and qualitative approaches in combination provides a better understanding of research problems than either approach achieves alone (Creswell 2003).

3.4. Source and type of data

In this study, both primary and secondary data was collected from primary and secondary sources. In order to gather the primary data from the customers' self administered and closed ended questionnaires were prepared and delivered to them. Semi-structured interview was also applied to gather information from the bank managers. Secondary data were collected from different books, journals, articles, report and from any published and unpublished written materials, which support the study.

3.5. Data Collection Instruments

The methods of data collection may differs depend upon sources of the data. In this study, both secondary and primary data were employed. To collect primary data, questionnaires and interview were employed. The details of each data collection tools were used as follow.

3.5.1 .Questionnaire

Questionnaire is a written list of questions, the answers to which are recorded by respondents (Kothari, 2009). In this study Likert scale type of questionnaires were implemented. This instrument was used b/c it gives the advantage of collecting data from large participants in a short time. It also gives freedom to respondents to provide data. According to Kothari (2009) describe that the benefits of Likert as; quick and economical to administer and score, easily quantify (easy to calculate mean) most attitude measurement, provide direct and reliable assessment of attitudes and they lend themselves well to item analysis procedures. Questionnaires were distributed to the customers of the selected Banks in Jimma town. The bank selection factors were measured by (5) point Likert scale. Likert scale gives wider chance to respondents with (5) response categories (1=not important at all, 2= less important, 3= neutral, 4= important and 5=most important).The Likert scale method was preferred to make questions interesting to respondents and there by enhance their cooperation, ultimately to ensure maximum response rate" (Kothari, 2004).The questionnaires were divided into two sections. Section 1 about background of the respondent and Section 2 deals with bank selection factors.

3.5.2. Interview

The purpose of using interview was to enrich the data collected by the questionnaires. It also used to collect information related to factors affecting customer's bank selection decision. To prepare the items of the interview, the researcher consulted literature review and related studies. The interview conducted with all selected banks manager, where the questionnaires collected. The researcher used semi-structured interview because it is feasible for small number.

For the sake of interviewees', interview consent agreement made before the interview conducted. Everything jotted down by the researcher during the interview and was analyzed and merged with the data from the questionnaire.

3.6 .Validity and Reliability Test of data collection instrument

3.6.1. Validity test

Validity refers to the extent to which an instrument measures what supposed to measure. Data need not only to be reliable but also true and accurate. If a measurement is valid, it is also reliable (Joppe, 2000).The content of validity of the data collection instrument of this study determined through plot test. Pilot test is preliminary version of full survey operations that are to identify whether problems exist before distributed real survey to the respondents (Lavrakas, 2008). In the pilot test, the researcher involved 20 customers of commercial banks in study area. These respondents were not part of the selected sample to used in the same study but have the same characteristics. The pilot study adopted the procedures and sampling techniques outlined in the main study. Problems such as vague questions and unclear instructions that may be noticed in the research instruments during the pilot testing enabled the researcher to adjust or redesign the questions in a manner that made the instruments to be clear and free from vagueness. The corrected instruments retested to ensure that they were now working properly before proceeding to the main study. This is improved the efficiency of the tools and maximizes the response rate from the respondents because respondents then became able to answer the questions without difficulties.

3.6.2. Reliability test

Reliability refers to the consistence, stability, or dependability of the data. Whenever an investigator measures a variable, he or she wants to be sure that the measurement provide dependable and consistent results (Cooper & Schindler, 2003). A reliable measurement is one that if repeated a second time gives the same results as it did the first time. If the results are different, then the measurement is unreliable (Mugenda, 2008).

To measure the reliability of the data collection instruments, an internal consistency technique using Cronbach's alpha was applied (Mugenda, 2008). Cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalizability (Zinbarg, 2005). An alpha coefficient of 0.6 or higher indicated that the gathered data are reliable as they have a relatively high internal consistency and can begeneralized to reflect opinions of all respondents in the target population (Zinbarg, 2005).

According to Bryman and Bell (2003), Reliability is defined as fundamentally concerned with the degree of consistency measures. According to Hair et al. (2003), described Cronbach's Alpha is a method used to measure the reliability of the questionnaire between each item and the whole items of the questionnaire. The normal range of Cronbach's coefficient alpha value is between 0 and 1, and the higher value indicates that higher degree of internal consistency and the lower value lower degree of internal consistency. Different authors accept different values of Cronbach´s alpha so as to achieve internal reliability, but the most frequently accepted value is 0.60 and above to reach internal reliability of the data. Checking the validity and reliability of data collecting instruments before providing to the actual study subject is the core to assure the quality of the data (Pallant, 2006**).**

3.6.3. Analysis of reliability Test

Table 3. 1: Final reliability test results

Bank selection factors	Number of attributes	Cronbach's Alphas' Results
Convenience factors	5	0.752
Financial factors	5	0.714
Technology factors	5	0.773
Service quality factors	5	0.731
Bank image and reputation	5	0.751
Bank selection decision	5	0.762

Source: own survey, 2018

In this research average test results of the Cranach's alpha values was 0.747 Therefore, the result is greater than the minimum value 0.6 and it indicates there is not reliability problem in the instrument.

3.7. Target Population of the Study

According to the Lohr (2009), the target population is the group of people who will complete the questionnaire that related to the research. The participants of this study were Bank managers and customers. The consideration that only customers and bank managers were selected for the research was because the managers are the rule implementers and the customers are stakeholders.

3.8. Sampling techniques, Sample Size and Sampling Procedure

In this study, the researcher purposely selected eleven banks, from which the data was collected. These eleven banks are Commercial Bank of Ethiopia, Awash International Bank, Abyssinia Bank, Berhan International Bank, Wegagen Bank, Dashen Bank, Cooperative Bank of Oromia, Oromia International Bank, Buna International Bank, Nib International Bank, and United Bank. From each bank, one branch was selected due to large number they have. After that, the non-probabilistic convenience sampling technique was used to select respondents. In this study, respondents were selected because of their convenient accessibility at the time of data collection.

Because convenience sampling is appropriate in case respondent cannot be specifically located by the researcher, but subjects are selected because of their convenient accessibility and proximity to the researcher (Creswell, 2003).

Due to the difficulty to know the exact number of population of the study area the researcher applied sample size determination technique for the infinite population, suggested by the (Cochran, 1963) as follows.

$n = (Z^2 * P * q)/e^2$

Where n the total number of sample required

Z=the critical confidence level (z=1.96)

p=the population variability (p=0.5)

q=the probability of the population not to be occurred (q=1-p=0.5)

e =the maximum allowed error i.e. (e =0.05)

Therefore, the researcher has taken the maximum allowed error of 5% at a confidence level of 95% and the moderate population variability is 0.5(p=0.5) because this allows the researcher a largest sample size and the minimum error (q=0.5).

$n= (1.96^2 * .5 * .5)/ (0.05^2)=384.16=384$

Then the questionnaires were distributed to eleven selected bank customers in equal proportion. In addition to this, the data also collected from eleven bank managers through interviews purposively.

3.9. Model specification

In this study multiple linear regression model were used to achieve research objectives. The basic objective of using multiple linear regression analysis in this study was to make the research more effective in analyzing impacts of independent variables on the dependent variable. The method is used to study the relation between bank selection factors and the overall customers Bank selection decision.

Multiple linear regression equation for this study states as the following forms.

BSD= f (CONF, FINF, TECHF, SQF, BI&R)

$Y = \alpha + \beta_1 CONF + \beta_2 FINF + \beta_3 TECHF + \beta_4 SQF + \beta_5 BI\&R + e$

Where:

BSD------customers' bank selection decision, dependent variable

α ---Constant or it is a model parameter that represents the mean value of the dependent variables (BSD) when all the value of independent variable is zero.

β_1, β_2, β_3, β_4, and β_5 were Co-efficient, or it is model parameters that represent the slops of a line that measures the change in the value of the dependent variables associated with one-unit change in the value of the independent variables

CONF----- -convenience factors

FINF-------financial factors

TECHF------- technology factors

SQF------service quality factors

BI&R-------bank image and reputation

ε_i ------ residual error term that describes the effect on Y of all other independent variables.

So in this research, multiple linear regression models were utilized to estimate the impact of each bank selection factors on customers' bank selection decision. In order to perform multiple linear regression analysis, the researcher checked whether the collected data fulfilled or not the assumption of multiple linear regressions like, Multicollinearity Normality, and sample size.

3.10. Ethical Consideration

The inclusive ethical matters were raised at each phase of investigation process. To commence the research the necessary approval and permission was obtained from Jimma University, to Jimma town commercial Banks and concerned bodies. A covering dispatch was attached to the questionnaire-assuring participant's secrecy and privacy that information obtained from them would not be revealed to the third party. Henceforth, respondent's rights to privacy, to be fully informed consent, confidentiality and anonymity was addressed individually. The name and other identifying information was not used in the questionnaires.

No confusion and related problem with excellence of data, the questionnaire; were originally written in English and then translated in to Amharic and Afan Oromo to ensure clarity and interpretation of meaning then distribute to customers. Finally, the researcher consults plentiful works of others and properly admitted them and declares that this study would be her original work. The reliability and validity address issues about the quality of the data and appropriation of the methods used in carrying out research project. Validity addresses whether a research explains or measures what you said would be measuring or explaining. Reliability address how accurate research methods and teaching produced data.

CHAPTER FOUR

4. RESULT, PRESENTATION AND ANALYSIS

This chapter provides the data analysis and discussion part of the study. The descriptive and inferential analyses as well as, the discussion of the results are provided in the subsequent sections.

4.1. Response Rate

384, questionnaires were distributed and all are returned. The returned questionnaires carefully checked, and all items are correctly responded. The returned questionnaires have 100 response rates and sufficient to analyze the data with it. This indicates that;-the bank customers under study were committed to give relevant information to the researcher. In addition to this, the relatively high response rate attributed to the self-administered approach undertaken in distributing questionnaires

4.1.1. Descriptive Statistics

4.1.2. Demographic characteristics of respondents.

Table 4.1. Demographic information of the respondents

		Frequency	Percent
Characteristics	Male	228	59.4
	Female	156	40.6
	Total	384	100.0
Age of the *respondents*	≤20	131	34.1
	21-35	139	36.2
	36-50	78	20.3
	>50	36	9.4
	Total	384	100.0
Educational background	Below grade 8 completed	19	4.9
	Grade 9-12 completed	42	10.9
	Diploma	135	35.2
	BA degree and above	188	49.0
	Total	384	100.0
Occupation	government employed	140	36.5
	Private organization	101	26.3
	Retired	35	9.1
	Others	108	28.1
	Total	384	100.0

Source: own survey, 2018

Findings on customers' demographic information along four variables: age, Sex, level of education and type of occupation has presented in table 4.1. As indicates in table 4.1, 228 are males and 156 are females, which comprise 59.4 percent and 40.6 percent of the customers respectively. This is somewhat may be the fact that in Ethiopia, still now financial decision making is the task of the male parent because they are seen as the chief income earners in the family.

The results for respondents age as depicted in the table 4.1 specifies that the majority of customers (about 36.2 percent) range between 21-35 years, while 34.1 percent fall below or equal to the age of 20. 20.3 percent are placed between 36-50 years and 9.4 percent fall above 50 years. This shows that the youth populations are superior users of the banking services than the aged population.

 In terms of their education, 49 percent have degree and above, 35.2 percent have a diploma, 10.9 percent completed grade 9-12 and the rest 4.9 below grade 8. This education level result indicates that the majority of customers of the bank have degree and above. This depicts that the adoption and use of banking services have some kind of correlation with the education level. That means as the level of education increase the awareness' to use banks as well as financial literacy increases.

Occupation of the customer's shows that 36.5 percent are public organization workers, 26.3 percent are private organization workers, where as 9.1 percent are retired and the rest 28.1 percent are include in others group. This shows that the public worker have highly committed to have a bank account than others.

4.1.3. Descriptive Analysis of Customers Bank Selection Factors

Table 4.2 Bank Selection Factors Analysis

NO.	Question	N	Mean	S.dvn
Factor one: Convenience				
1	Availability of transportation	384	3.9401	1.22807
2	Closeness to my home/work	384	3.9297	1.08045
3	It has long opening hr rather than others	384	3.9688	1.36692
4	It has several branches rather than others	384	3.9844	1.26192
5	It has pleasant bank environment	384	3.8359	1.01511
	Average mean and std	384	**3.9318**	**1.19049**
Factor two: Financial				
6	appropriate amount of service charges	384	3.3594	1.04270
7	Interest rate on saving is high.	384	3.4479	1.11594
8	capital and size of the bank is adequate	384	2.9505	1.07434
9	Financial performance of the bank is sound	384	2.6432	1.05232
10	Itsinterestrate on loans is low in contrast to others	384	3.3958	1.22190
	Average mean and std	384	**3.1594**	**1.10144**
Factor three: Technology				
11	availability of ATM at multiple location	384	3.9479	1.44432
12	it provide mobile banking	384	3.6172	1.62288
13	It provide Internet/online banking facilities	384	3.4766	1.52078
14	Connectivity to other bank ATM's	384	3.6094	1.69117
15	availability of Innovative products & services	384	3.9062	1.50597
	Average mean and std	384	**3.4573**	**1.213592**
Factor four: Service quality				
16	offered variety of service	384	3.7083	1.08073
17	willingness to listen and respond your need	384	3.4193	1.18465
18	provide service on time	384	3.9036	1.11883
19	pleasing manner of staff	384	3.5938	1.16814
5	easy contact with branch manager	384	3.0625	1.29520
	Average mean and std	384	**3.5375**	**1.16951**

Factor five: Bank image and reputation			
good will of the bank among customers attract me	384	3.1406	1.17681
I'm satisfied with over all image of the bank	384	2.9766	1.12506
advertise its service in mass media	384	3.8359	1.26064
modern looking of the bank	384	2.8594	1.10589
I'm satisfied with Employee dress & appearance	384	3.0078	1.43162
Average mean and std	384	**3.1641**	**1.2200**

Source: own survey, 2018

4.1.4. Explanation of descriptive statistics result

Characteristics of each factor were analyzed by using descriptive analysis. In order to identify the relative importance of each attributes, mean were computed for each of them. In terms of overall factor means, convenience is the most important factor in customers' bank selection decision, whereas financial factor is the least important.

The first factor in table 4.2 indicates that; bank selection factors based on several branches (mean=3.9844), Availability of transportation, Closeness to home/work place of the customers, long opening hr of the bank rather than others, and pleasant bank environment of the bank (mean=3.8359).

The Second factor identifies; bank selection factors based on high interest rate on saving (mean=3.4479), appropriate amount of service charges, low interest rate on loan, adequacy of capital and size of the bank and Financial performance of the bank(mean=2.6432).

The third factor deals with availability of ATM at multiple locations (mean=3.9479), mobile banking service, Connectivity to other bank ATM, availability of Innovative products, and Internet/online banking service (mean =3.4766).

The Fourth factor comprise items related to Service quality including, provide service on time(mean= 3.9036),willingness to listen and respond customers' need, pleasing manner of staff, offered variety of service and easy contact with branch manager(mean=3.0625).

The fifth factor including item related to bank image and reputation, advertise its service in mass media (=3.8359), good will of the bank among customers. Over all image of the bank, employee dress & appearance and modern looking of the bank (mean=2.8594)**.**

However, it is worth mentioning that, among the factors reported above the **first**, **fourth** and **third** factors were characterized by much higher mean rating of importance. That means customers bank selection decision much more affected by convenience, service quality and technology factors respectively. Whereas the modern looking and over all image of the bank were the least important.

4.1.5. Ranking Importance of Bank Selection Factor

Table 4.3 Ranking importance of Bank Selection Factors

Bank selection factors	Mean	Std. deviation	Rank
Convenience factors	3.9318	1.19049	1
Service quality factors	3.5375	1.16951	2
Technology factors	3.4573	1.213592	3
Bank image and reputation factors	3.1641	1.22000	4
Financial factors	3.1594	1.10144	5

Source: own survey, 2018

In order to analyze differences in the importance of bank selection criteria employed, a ranking table produced by showing the mean score of each factor. Table 4.3 presents the findings with respect to relative importance of banks selection criteria factors.

The top two factors that found in the listing "Convenience factors**"** (mean=**3.9318**) and "Service quality factors" (mean= **3.5375**) have highest significance on customers bank selection decision respectively.

This is consistent with the previous findings in the literature (Gerrardand Cunningham, 2001; Katircioglu, 2011; Goitem, 2011; Dawit, 2013). On the contrary, in the study conducted by Mokhlis et al. (2008), the customers ranked convenience factor as fifth from seven factors for the selection of banking services. Whereas, Almossawi (2001), ranked convenience factor as second most important factor for bank selection decision.

The Technology factors (mean= **3.45733**) was rated as the third most important decisive factor influencing customers when deciding which bank to patronize. These findings consistent with similar Study conducted by (Almossawi 2001, Aregbeyen, 20011; Hinson, et al; 2007) which technology related facilities and financial benefits ranked as an important selecting criteria for banks**.** On the contrary, in the study conducted by Goitem (2008), the customers ranked this factor as the least factor for the selection of banking services.

The Bank image and reputation factors (mean=**3.1641**) is ranked as least important factors by the customers. These findings although, consistent with the previous studies conducted by (Gerrard and Cunningham, 2001; Mokhlis et al., 2008); Mokhlis, 2009; Katircioglu, 2011). 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).

Financial factors (mean=**3.1594)** was found to be the last and least important criteria in selection of banks by the customers.This result consistent with the findings of (Gerrard and Cunningham, 2001; Mokhlis, 2009; Goitem, 2011).

4.2. Inferential statistics

4.2.1. Correlation analysis

Gujarati (2004), the correlation analysis is made to describe the strength of relationship or degree of linear association between two or more variables. In Pearson correlation matrix, the values of the correlation coefficient range between one and +1.It is common in most studies making correlation analysis among variables before going to detail regression analysis. Correlation analysis is used to identify the direction of relationship between two variables and to measure the degree of association between them.

The value of correlation lies between +1 and-1. A correlation coefficient close to either – 1 or +1 indicates that there was strong inverse or direct relationship between variables respectively; where as a correlation coefficient of zero indicates that the variables are uncorrelated. Correlation analysis is conducted in this section in order to analyze and examine the relationship between bank selection factors and bank selection decision.

Table 4.4: Pearson's correlation coefficient matrix

	BSD	CONF	FINF	TECHF	SQF	BI&RF
BSD	1					
CONF	.651**	1.000**				
FINF	.067**	.-079**	1.000**			
TECF	.341**	.256**	.-047**	1.000**		
SQF	.528**	.355**	.-079**	.256**	1.000**	
BI&R	.258**	.299**	.-029**	.414**	.212**	1.00**

Source: own Survey 2018

The correlation coefficient is a statistical measure that calculates the strength and direction of the relationship between the relative movements of the two variables (Ibid).The result of correlation analysis in the above table 4.4 shows that, there are positive relation between convenience, financial, service quality, technology, bank image & reputation and customers' banks selection decision. It means as convenience, financial, technology, bank image and reputation, and service quality factors increases, customers' bank selection also increases. Convenience factor is the most correlated (r=0.651) followed by service quality factor (r- 0.528), Technology factors (r= 0.341), bank image and reputation (the r=0.258) and Financial factors the (r= 0.067) respectively. Overall, the Pearson Correlation result shows that, the independent variables are well correlated with the customers' bank selection decision.

4.2.2 .Multiple linear regression assumptions

Before joining regression analysis, it is essential to test assumptions of multiple linear regression analysis Model (Keith, 2006; Pallant, 2005). Therefore, each assumption result was discussed below:

1. Normality test

The normality assumption is about the mean of the residuals is zero. Moreover, Normality tests are used to determine whether a data set is well modeled by a normal distribution or not, or to compute how likely an underlying random variable is to be normally distributed (Gujarati, 2009). Therefore, the researcher was used Histogram method and p-p plot of testing the normality of the data.

According to Gujarat (2009) if the residuals are normally distributed around its mean of zero, the histogram should be a bell-shaped and regression standardized residual plotted between 3.3 and -3.3. As understand from the p-p plot indicated in the appendix C, the residuals seem normally distributed and the residuals are distributed with a mean of 0 and that the data confirms to the normality assumption (Saunders, et al, 2009) standard deviation of this study is 0.993 which is approximately 1.Thus, the model fulfills the assumption of being normally distributed. Moreover, in the normal probability plot is expected that our points will lie in a reasonably straight diagonal line from bottom left to top right which can be confirmed with p-p plot depicted in the appendix C,This would suggest no major deviations from normality.

Table 4.5 Residuals Statistics on Normality Test

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.4958	4.8856	3.8521	.62577	384
Residual	-1.02476	1.03411	.00000	.57869	384
Std.Predicted Value	-2.167	1.652	.000	1.000	384
Std. Residual	-1.759	1.775	.000	.993	384

Source: own survey, 2018

2. Linearity test

This is slightly different from simple linear regression as we have multiple explanatory variables. Multiple linear regressions can accurately estimate the relationship between dependent and independent variables, when their relationship is linear in nature. If linearity is violating, all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased (Keith, 2006). This can be checked by p-p plot residual as shown in the appendix C. When, p-p residual look at straight line, the relationship between the dependent and independent variables is linear. Therefore, there is no linearity problem on the data used for this study.

3. Multicollinearity Test

If an independent variable is an exact linear combination of the other independent variables, then we can infer that the model suffers from perfect collinearity. According to Gujarati (2003), multicollinearity test helps to identify the correlation between explanatory variables and to avoid double effect of independent variable from the model. When independent variables are multicollinearity, there is overlap or sharing of predictive power. This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the explanatory variables (individually) has a significant impact in predicting the dependent variable.

For this purpose, variance inflation factor (VIF) and tolerance test were employed to check whether multicollinearity problem exists in explanatory variables (bank image and reputation, convenience, financial, technology, and service quality factors). If the value of VIF is less than 10, there is no Multicollinearity between the explanatory variables. On the other hand, VIF greater or equal to 10 is an indicator of a serious Multicollinearity problem. In addition, tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula for each variable. If this value is very small (less than .10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity (Keith, 2006; Shieh, 2010).

Table 4.6 Collinearity Statistics

	Tolerance	VIF
CONF	.647	1.545
FINF	.827	1.209
TECF	.891	1.122
SQF	.699	1.430
BI&R	.813	1.230

Source: own survey, 2018

As exposed in collinearity Statistics the above table 4.6, the value of VIF of all independent variables was found to be smaller than 10 and for similar purpose tolerance is used to test multicollinearity by having less than 0.1. In this study, the tolerance value for each independent variable is well above 0.1. Therefore, all the results confirm that multicollinearity assumption is maintains.

4. Sample size test

With a small sample, one cannot obtain a result that help to generalize other target of population. If results do not generalize to other samples, then it is little scientific value. To test sample size researcher uses a formula given by (Pallant, 2005). This formula used to test sample size problem by taking into account the number of independent variables as follow:

$N > 50 + 8m$ = $N > 50 + 8(5)$ = $384 > 90$

Where; m = number of independent variables which means Convenience factors, financial factors, technology factors, bank image and reputation, service quality factors and N- valid sample   size) .

Based on the above equation result, valid sample size 384 is greater than 90 and this result showed that the data conforms to the sample size assumption.

4.2.3. Result of regression analysis

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). The researcher employed multiple linear regression models to determine factors influencing customers' bank selection decision.

Table 4.7 Model summary of linear regression

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.736[a]	.541	.535	.58126	.541	89.107	5	378	.000	2.542

Source: own Survey, 2018

As indicate in table 4.7 adjusted R-square value for this model is 0.535, which means five Bank selection factors are able to measure customer banks selection decision at 53.5% percent. However, the remaining 0.465 percent could be some other variables, which is not considered in this study.

4.2.4. ANOVA (Analysis of variation)

Table 4.8 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	150.528	5	30.106	89.107	.000[b]
	Residual	127.710	378	.338		
	Total	278.238	383			

Source: own survey, 2018

The result of the regression in table 4.8 shows, the overall, F statistics (89.107) which is highly significant at 1% with p-value 0.000. This indicates that the regression model is feasible. Hence, the model should be-

BSD=α+β1CONF+Β2NF+β3TECF + β4 SQF+ β5BI&R+e

Table 4.9: Coefficient of factors affecting customer's bank selection decision

| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
		B	Std. Error	Beta		
	constant	1.846	.206		8.966	.000
	CONF	.177	.030	.313	.5.895	.000
	FINF	.043	.045	.045	.961	.337
	TECF	.096	.038	.114	2.512	.012
	SQF	.143	.036	.204	3.991	.000
	BI&R	.070	.028	.118	2.495	.013

Source: own Survey, 2018

Unstandardized coefficients used to constructing a regression equation (Pallant and Julie, 2005).

BSD= 1.846+.177CONF+.043 FINF+.096 TECF +.143SQF+.070 BI&R

From the table 4.9 above unstandardized coefficients shows for what extent dependent and independent variables make variation with other independent variable make constant. Moreover, the beta coefficient shows independent variable influence that of the dependent variable Customer bank selection decision of the selected banks with the selected regression model.

The result of the regression analysis for convenience factors in table 4.9 indicates that, the coefficient of convenience factors is **0.177** and p- value **0.000**.This implies that, keeping other variables constant a percentage increase convenience factors results in an increase customers by **17.7%** and statistically significant at 1%

The result of the regression analysis for financial factors in table 4.9 show that, the coefficient of financial factors is **0.043** and p-value is **0.337** .This implies that keeping other variable constant, a percentage increase on financial factors results, increase customers by **4.3%,** but statistically insignificant.

the regression output for technology factors in table 4.9 indicate that the coefficient of technology factor is **0.096** and p-value is **0.012** .This implies that keeping other variable constant, a percentage increase on technology factors results, an increase customers by **9.6%** and statistically significant at 1%.

The result of the regression analysis for service quality factors in table 4.9 show that, the coefficient of service quality is **0.143** and p-value is **0.000** .This implies that, keeping other variable constant, a percentage increase on service quality results, increase customers by **14.3%** and statistically significant at 1%.

The regression output for bank image and reputation factors in table 4.9, indicate that, the coefficient of bank image and reputation is **0.07** and p-value is **0.013.**This indicate that, keeping other variable constant, a percentage increase on bank image and reputation factor results, increase customers by **7%** and statistically significant at 1%.

In general, **Convenienc**e and **Service quality** factor have high customers' banks selection beta value and it has strong impact on customer decision respectively. Therefore, such factors better to be considered seriously by the banks managers in designing their marketing strategies, which helps them to attract as well as retain the existing customers. Nevertheless, do not forget other factors, even if they have less impact on retaining the customers.

4.3 .Discussion of the Regression result

This section presents the discussion of the detail analyses of the results of regression for each of explanatory variable and their influence on customers' bank selection decision. In addition, the discussion includes the comparison with prior empirical evidence in relation to factors affecting customers' bank selection decision and the finding of this study in comparison with prior empirical finding and hypothesis of the study.

4.3.1. Relationship between convenience factors and customers bank selection decision

The result of the regression shows that, Convenience factors positively and significantly affect customers' bank selection decision.. This indicates that bank customers increase by 17.7% when convenience factors increase by one unit. This finding is consistent to Sharma & Rao (2010), Aregbeyen (2011), Robert (2013), Zainabu (2015), Sijia (2013) and Pass (2006) who reported that convenience factors positively and significantly influenced the level of customers' bank selection decision. However, the result of this study contradicted with (Wei and Lu, 2013; Ta & Har 2000 and Agarwal, 2017).The **first** hypothesis of this study was Convenience factors are positively and significantly affects customers' bank selection decision. The result of regression analyses match with the stated hypothesis. Thus, the hypothesis of Convenience factors are positively and significantly affects customers' bank selection decision is accepted.

4.3.2. Relation between financial factors and customers bank selection decision

The regression result shows that there is positive and insignificant relationship between financial factors and bank selection decision. This finding similar to Gerrard and Cunningham's (2001) and Mokhlis (2009) which indicate that, customers' bank selection intention is not influenced by financial factors. However, this finding contradicts with Abduh (2010), Aregbeyen (2011), and Agarwal, 2017).The **second** hypothesis of this study, Financial factors are positively and significantly affect customers' bank selection decision. However, the result of regression analyses does not match with the hypothesis. Thus, the hypothesis of financial factors is positively and significantly, affects customers' bank selection decision is not accepted.

4.3.3. Relation between technology factors and customers 'bank selection decision

Technology is characterized by ever changing evolution to assists and develops a better financial activity in banking industry. Customers are becoming harder to be please, this is because they are getting smarter, more sensitive to price, less forgiving, more demanding from bank, many of the bank competitors provide equal or better offers to them.

The result of the regression shows that there is positive and significant relationship between technology factors and bank selection decision. This indicates that bank customers increase by 9.6% when technology factors increase by one unit. This finding is consistent to Williamson, 2006; Rashid, 2012; Omo, 2011; Aregbeyen, 2011 and Agarwal, 2017).The **third** hypothesis of this study was Technology factors have positive and significant impact on customers' bank selection decision. The result of regression analyses match with the stated hypothesis. Therefore, the hypothesis of technology factors has positive and significant impact on customers' bank selection decision is accepted.

4.3.4.Relationship between service quality factors and customers bank selection decision.

The importance of service quality further evidenced by (Gerrard and Cunningham, 2001). Identifying 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. The result of the regression shows that service quality positively and significantly affects bank selection decision. This indicates that bank customers increase by 14.3% when service quality factors increase by one unit. This finding is similar to Sharma & Rao (2010), Aregbeyen (2011), and Williamson (2006) who reported that service quality factors positively and significantly influenced the level of customer's bank selection decision. The **fourth** hypothesis of this study was Service quality factors are positively and significantly, affect customers' bank selection decision. The result of regression analysis was similar to the stated hypothesis. Thus, the hypothesis service quality factors are positively and significantly, affect customers' bank selection decision is accepted.

4.3.5. Relationship between bank image and reputation factors and customers bank selection decision

There are some common thing that customers will consider when select a bank such as an overall image of bank, goodwill of bank among customers/ Reputation, advertisement in mass Medias, Modern looking / External appearance of the bank, Employee dressed. The result of this study revealed that, bank image and reputation has positive and significant impact on customers' bank selection decision. This indicates that bank customers increase by 7 %when bank image and reputation factors increase by one unit. This finding is consistent to (Cicic, et al 2004; Williamson, 2006; 2009; Dangolani, 2011; Aregbeyen, 2011).The **fifth** hypothesis of this study was Bank image and reputation has positive and significant impact on customers' bank selection decision. The result of the regression analyses match with the stated hypothesis. Thus, the hypothesis of Bank image and reputation has positive and significant impact on customers' bank selection decision is accepted.

To strengthen the result of descriptive and regression analysis, interview analysis also carried out qualitatively. The interview result has shown that the bank have tried to collect information from customers about the services facilities to be improved all variety criteria taken by customers. The main types of services, mostly requested by customers were; increase the number of branch, give 24 hours service including the weekends, ATM machine in every place which accessed at any time, expand telephone banking and overall speed of service facilities.

On relation with the overall speed of service facilities, the researcher believed that the solution would be introducing modern paying or teller machines, interconnected banking systems and computerized service activities. ATM can be used to enhance customer service delivery, which could also pave the way for the reduction of the workload on tellers in banking halls.

Table 4.10 Variable conclusion

Hypothesis	accepted	Not accepted
H1: Convenience factors are positively and significantly affects customers' bank selection decision	✓	
H2: Financial factors are positively and significantly affect customers' bank selection decision.		✓
Technology factors has positive and significant impact on customers' bank selection decision	✓	
H4: Service quality factors are positively and significantly affect customers' bank selection decision.	✓	
H5: Bank image and reputation has positive and significant impact on customers' bank selection decision	✓	

Source: own survey, 2018

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this last chapter is to sum up the whole thesis but in comprehensive manner. Accordingly, the first part presents an overview of the thesis and its major findings, and finally the chapter ends up with conclusion and recommendations.

5.1. Summary

The main objective of this study was to investigate factors affecting customer's bank selection decision in case of Jimma town. Based on the central objective, five specific objectives were settled. To reach this objective, the study used both descriptive and explanatory research design. More specifically, the study used closed ended questionnaire survey of customers. In addition, interviews were conducted with respective branch managers of the bank as checklist. The descriptive results of background information of respondents indicated that majority of the total respondents 228(59.4 percent) were male and 156(40.6 percent) were female. Regarding the age of respondents 131 (34.1percent) of are aged under 20; 239 (36.2 percent) are between 21 and 35; 78(20.3 percent) are between 36- 50; 36 (9.4 percent) respondents are above 51.

The descriptive of bank selection factors indicated that, convenience (mean=3.9318), service quality (mean=3.5375) and technology factors (mean=3.4573) as fundamental determinants of bank selection, among the others. On the reverse financial factor (mean=3.1594) is the least factor that customers considered when they make a bank selection decision. The results of inferential statistics also revealed that, convenience, service quality and technology factors were the most important factors that, determine customer's bank selection decision. Whereas financial factor has statistically insignificant relationship with customers bank selection decision.

the interview results also indicate that, the main types of services facilities requested to be improved by the customers were; increase the number of branch, give 24 hours service including weekends, ATM machine in every place, which accessed at any time, expand telephone banking and overall speed of service facilities.

5.2 .Conclusion

In this new trend of globalization, banks are playing an important role in maintaining a healthy financial system and economics for the country. The economics and business environment is gradually changing and getting more competitive against other banks to compete for customers. With growing competitiveness in the banking industry and similarity of services offered by banks, it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial service.

Exploring such information will assist banks to recognize the appropriate marketing strategies needed to attract new customers and retain existing ones. Having this in to consideration, this paper also tries to investigate factors that affect customers' bank selection decision. The conclusions drawn in this section were from the research hypothesis undertaken, analysis and interpretation of the data in chapter four. Therefore, conclusion of this study presented as follows.

The result of regression analysis indicates that, most of bank selection factors examined in this study have a significant and positive relationship with customers' bank selection decision. It means that, the hypothesis developed for the study were supported and there were a relationship between convenience, service quality, technology and bank image and reputation factors and customers' bank selection decision. However, financial factor has insignificant relationship with customers' bank selection decision. The insignificance of this variable suggests that it has less impact on customers' bank selection decision.

According to this study convenience factor is the first and most important factors that have highest impact on customers' bank selection decision. The other very important findings that influence customer bank selection decisions were service quality and technology factors respectively.

The adjusted value of R square (0.535) indicates that 53.5% of dependent variable is explained by the independent variables Therefore, it implies that the examined independent variables are important determinants of customers bank selection decision.

The independent variables such, as convenience, service quality, technology, and bank image and reputation factors were significant at 5 %except financial factors.

The finding of this study also indicates that the correlation coefficient of convenience, service quality, technology, bank image and reputation and financial factors were positive, this implies that there is positive relationship between bank selection factors and customers bank selection decision.

Based on this finding the researcher infers that continuous improvement on convenience, service quality, technology, bank image and reputation and financial factors help for bank to retain the existing and attract new customers.

5.3. Recommendation

Customers bank selection factors and bank selection are very energetic concept that banks recommended to comprehend it, if they want to remain competitive and grow. In today's modest situation delivering high quality service and identifying customers need in advance is the key for a sustainable competitive advantage.

In this study, **convenience is the most** significant factors that affect customers' bank selection decisions. Therefore, banks can retain the existing customer, attract the new one and overcome competitive advantage by improving convenience factors. These can be attainable by opening their branch near to the road and around many governmental as well as private offices exists, expanding number of branch not only in large cities, but also in small towns around rural area and by giving service for 24hr, if it is possible including weekends. In addition to these, the banks can increase satisfaction and get loyal customers by make more attractive their environments'.

The **second mos**t important variable that needs better attention of the banks is **service quality**. Service quality plays a role of affecting customers decision of selecting a bank and maintaining their relationship with their banks. An effective service such as offering variety of service to customers, providing service in specified time, willingness to listen and responding of customers need, pleasing manner of staff, and relationship between managers and customers have the effect of attracting customer of choosing a bank. Therefore, the bank can achieve these by using **SERVQUAL** models. SERVQUAL model helps to now the expectation and perception of customers and identify areas requiring managerial action.

Technology is the third significant factor that brings in an importance for the banks to patronize in order to increase the customer satisfaction and the chances of selecting their respective banks. Customers would prefer selecting the banks, which have, ATM at multiple locations, mobile banking, online banking, innovative product and service. Therefore, to win the market it is betters to the banks to give more emphasis on improving technology factors. minimize inconvenience at ATMs, quickly adopt technologies and modern product help to banks, launching fast broadband internet connections among all branches, as well as between other banks, expanding ATM at multiple location and having adequately skilled man power who can operate the system, were some of the main feature researcher have forwarded that makes banks competent and preferable than others.

The **fourth** important variable is **bank image and reputation**; this also needs important consideration from the banks. Good image of banks could be built up on creating an impression on customers. Advertise service provided by the banks; ensure that the availability of whatever service they advertise in the banks, having employees with good personality and creating good image in the society, can make banks more preferable than others. Therefore, it is advisable to the banks applying the stated point, in order to remain competitive.

Generally, customers of the bank more emphasis on factors likes **convenience**, **service quality**, **technology** and **bank image and reputation**. Therefore, such factors better to be considered seriously by the managers of the banks in designing their marketing strategies, which helps them to attract new as well as retain the existing customers. It is also recommended to considered financial factors, even if they have less impact on retaining the customers.

5 .4. Limitations of the study

The limitation associated with this study might be occurred that the study is only restricted to Jimma town and based on restricted variables, but there may be other variables related to customers' bank selection decision that are not included in this study.

5.5. Direction for further research

As the proposed hypothesis tested in specific banking area (customers in Jimma town), Further research can be conduct in other regions of Ethiopia to generate a more solid relationship among the constructs examined in the study further, the research shows that 46.5 % of the factors, which are not covered by this study also, have an impact on bank selection. This opens the scope of future research. Future researcher can be examining other variable that influence customers' bank selection decision. In addition, future studies can also examine dimensions that influence customers to switching behavior from one bank to another.

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APPENDICIES A

JIMMA UNIVERSITY

BUSINESS AND ECONOMICS COLLEGE

DEPARTMENT OF ACCOUNTING AND FINANCE

SURVEY QUESTIONNAIRE

DEAR RESPONDENTS

This questionnaire is designed by Serkalem Tesfaye to gather data for the purpose of thesis on the title of **FACTORS AFFECTING CUSTOMER BANK SELECTION DECISITION IN JIMMA TOWN.** All responses will be used to conduct a study for the partial fulfillment of Master's Thesis in Accounting and Finance from Jimma University and, then, as an input for banks to improve their service delivery. Your response kept confidential, as we do not ask for your name here and not used for any other purpose. Your participation is highly appreciated in advance!

Part I: Demographic Information

Please circle on the appropriate given number in front of each alternative.

1. **Gender of respondent**

Female	1
Male	2

2. Age of respondent

<20	1
21-35	2
36-50	3
>50	4

4. Occupation of the respondent:

government employed	1

Private organization	2
Retired	3
Others	4

5. Educational background of the respondent

Below grade 8 completed	1
Grade 9-12 completed	2
Diploma	3
BA degree and above	4

Part II Bank Selection criteria

 Indicate in the following table the rate of importance of the criteria you did consider by choosing a specific bank. Please put (√) mark under the appropriate number for each statement by using the following scale ranging from "5=most important" to "1=not important at all" based on their degree of importance.**5= most important, 4=important, 3= Neutral, 2= less important and 1=not important at all`**

BANK SELECTION CRITERIA		Level of importance				
		1	2	3	4	5
	CONVENIENCE FACTORS					
1	Availability of transportation					
2	The closeness/nearness to my home/work					
3	It has pleasant manner of environments					
4	It has long opening hours rather than others					
5	It has several branches rather than others					

	FINANCIAL FACTORS					
6	appropriate amount of service charges					
7	Its interest rate on saving is high in contrast to others					
8	Capital and size of the bank is adequate					
9	Financial performance of the bank is sound					
10	Its interest rate on loans is low in contrast to others					
	TECHNOLOGY FACTORS					
11	Availability of ATM at multiple location					
12	availability of mobile banking					
13	It provide Internet/online banking facility					
14	Connectivity to other bank ATM's					
15	availability of Innovative products & services					
	SERVICE QUALITY FACTOR					
16	It offers variety of services to customers					
17	Willingness to listen and respond to your need					
18	providing services in specified time,					
19	Friendly/ Pleasing manners of staff					
20	Easy contact with branch manager					
	Bank image and reputation					
21	good will of the bank among customers attract me					

22	I'm satisfied with over all image of the bank					
23	It advertises its services in mass media					
24	Modern looking of the bank					
25	I'm satisfied with Employee dress & appearance					
	Bank selection decision					
26	I'm decide to use this bank because respectful behavior of bank employees attract me					
27	I'm decide to use this bank because bank staff understand my specific need					
28	I'm decide to use this bank because the employees performance of the bank attract me					
29	I'm decide to use this bank because employees of the bank never to busy to respond to customer's request					
30	I'm decide to use this bank because fulfill its promise on timindicated					

Source: self Administered Questionnaires'

ጅማዩኒቨርስቲ

ቢዝነስናኢኮኖሚክስኮሌጅየአካዉንትንግ ትምህርትክፍል

የጥናት መጠይቅ

የተከበራችሁ የጥናቱ ተሳታፊዎች:-

ይህ መጠይቅ የተዘጋጀው በሰርካለም ተስፋዬ በጅማ ከተማ ያለውን የደንበኞች የባንክ አመራረጥ ሁኔታ ምን እንደሚመስል ለማጥናት ከጅማ ዩኒቨርሲቲ የአካዉንቲንግና ፋይናንስ ትምህርት ክፍሌ የማስተርስ ዲግሪ መመረቅያ ፅሁፍ ማዘጋጀት ነው:: የጥናቱ ዋና ዓላማ ደግሞ በባንኮች ሊይ ያለውን የባንክ አገልግሎት አሰጣጥ ስርዓት በማጥናት ክፍተቱን ጠቁመን የመፍተሔ አቅጣጫ ለማማልከት ነው:: የምትሰቡን ሓሳባ ከዚህ የዘለለ ለሌላ ዓላማ እንደማንጠቀምበትና ሚስጥሩም የተጠበቀ መሆኑን እንገልጸለን:: ለምታደር ጉልን ትብብር ሁሉ በቅድሚያ እናመሰግናለን::

ማስታወሻ:እባክዎን መልስዎን እንደያስፈላጊነቱ በተሰጠዉ ቁ.ኡሪ **ፌ**ት '√'ምልክ ትያ ስቀምጡ:

ክፍል አንድ:የ ተሳታፊዎች አ ጠቃላይ ሁኔ ታ

1. ፆታ:

ወንድ	1
ሴት	2

2. ዕድሜ:

ከ 20 ዓ መት በ ታች	1
ከ 21-35 ዓ መት	2
ከ 36-50 ዓ መት	3
ከ 50 ዓ መት በ ሊይ	4

3. .የ ሥራ ሁኔ ታ:

መን ግ ስ ት ሰራተኛ	1
የ ግ ል ተ ቅ ዋ ም ሰራተኛ	2
ጡሪ ተኛ	3

ሌላ	4

4. የትምህርት

ከ 8 ኪፈል በታች	1
ከ 9-12 የጨረሰ	2
ዲፕልማ	3
ማስተርስ ና ከዚያ በላይ	4

ክፍሊ ሁለት፡ የባንክ ምርጫመመዘኛዎች

የሚገለበት ባንክ/ኮች ሲምር ጡየ ማጠቀ መባቸዉ መመዘኛዎች ከማከተለት አማራጮች
ውስጥ ለርስዎ ባላቸዉ ጠቀሜታ መሰረት ከ "5=በ ጣም ጠቃሚ" እስከ "1=ምን ም
አይጠቅ ምም" እ ያለ አንድ ቁጥር ብቻ በማክበብ መልስዎን ያስቀምጡል ን ::

5=በ ጣም ጠቃሚ 4=ጠቃሚ 3= መካከለኛ 2=እነ ስተኛ ጥቅም 1=ምን ም አ ይጠቅ ምም

የባንክ ምርጫመመዘኛዎች		1	2	3	4	5
	መመዘኛዎች የ ጠቀሜታቸዉ ደረጃ					
1	ትራነስፖርት በቀላሉ ስለማግ ኝ					
2	ወደ ቤቴ (የ ሥራ በታዬ) ቅርብት ስለለዉ					
3	የባንኩ የስራቦታ አመቺ በመሆኑ					
4	ከሌሎች ባንኮች ለረጅምሳዓታት ስለ ማከፈት					
5	ከሌላዉባንክ በለይ ብዙ ቅርንጫፍ ስላለዉ					
	የ ፋይናንስ መመዘኛዎች					
6	የ አ ገልግሎት ዋጋዉዝቅተኛ መሆኑ					
7	የ ቁጠባ ወለዱ ከሌላዉባንክ ዓንጻር ሲታይ ከፍተኛ ስለሆነ					
8	ከፍተኛ የ ፋይናንስ አቅም/ጥንካሬ / ስለለዉ					
9	ፋይናንስ የ ማድረግ ከፍተና ችሎታስለዉ					
10	ብድር በዝቅተኛ ወለድ ሒሳብ ስለ ማስጥ					
	የ ቴክኖሎጂ መመዘኛዎች					
11	የ "ATM" አ ገልግሎት በየቦታዉስለለዉ					
12	የ ሞባል ባንክ አ ገልግሎት ስለ ማስጥ					
13	የ ኢንተርኔት ባንክ አ ገልግሎት ስለ ማስጥ					
14	ከሌላ ባንክ ATM ጋር ግን ኙነ ት ስላለዉ					

15	አዳዲስ የመሪ ምሪ ወጤት እና የአገልግሎት ግኝት ስላለው					
	የአገልግሎት ጥራት መመዘኛዎች					
16	የተለያዩ የአገልግሎት ዓይነቶች ስለለማሰጥ					
17	የደንበኛን ፍላጎት ማዳመጥ እና ምላሽ መስጠት					
18	በተወሰነ ሰዓት አገልግሎትን መስጠት					
19	በባንክ ሰረተቾች በማስጠውግብረ መልስ መርካት					
20	በቀላሉ ከቅርንጫፍ ስራስኪያጆቻጋር መገናኝት ስለማቻል					
	የምልከታና የዝና መመዘኛዎች					
21	በአጠቃላይ በባንክ መልክ መርካት					
22	ጥሩ የሆነ የደንበኞች አገልግሎት ስለማሳጥ/ለዝና /					
23	አገልግሎቶቿን በማናኛ ብዙነን ስለማያስተዋወቅ					
24	የባንኩ ውጫዊ/ውስጣዊ ቅርፅ/ መልክ የሚያምርና ዘመናዊ መሆኑ					
25	በሰረተቾች አለባበስ እና አቋም መርካት					
	በንክ የመምረጥ ውሳኔ					
26	የሰራተቾቹ በሀረ ስለተመቸኝ ኢዚሂ ለማጠቀም ወሰንኩ					
27	የባንኩ ስረተቾች ፈላጎተን ስለምረዱልኝኢዚሂ ለማጠቀም ወሰንኩ					
28	የ **ሰራተቾቹ** ቢቃት ስለማረከኝ ኢዚሂ ለማጠቀም ወሰንኩ					
29	የባንኩ ስረተቾች በሰአቱ ስለማስተናግዱ ኢዚሂ ለማጠቀም ወሰንኩ					
30	በቃላቸዉመሰረት ስለምሰሩ ኢዚሂ ለማጠቀም ወሰንኩ					

ስለትብብሮት በጣምአማስግናለሁ!!

JIMMAA YUUNIVARSIITII

KOOLLEJJII BIIZINASII FI IKONOMIKSI

DAMEE AKAAWUNTIINGII FI FAAYINAANSII

GAAFFILEE QOO'ANNOO

Kabajamtoota hirmaattota keenya

Gaafannoon kuni kan qophaa'ee **Sarkaalam Tasfaayeetiin** yoo ta'u odeeffannoo mata duree **"Maamiltootni filannoo baankii murteessuuf Dhiibbaa isaan quunnamu"** jedhu akka magaalaa jimmaatti jedhu qoo'achuuf, deebiin hundi kan gargaaru qoo'annaa Digrii lammaffaa (master's degree) Accounting and finance jedhu Jimmaa yuunivarsiitii irraa fudhadhu milkeessuuf akkasumas baankiiwwan akka galteetti fudhachuun tajaajila maamiltoota isaaniif kennan akka fooyyessaniif ta'a.

Deebii yeroo laattan icciitiin keessan guutumatti kan eeggamuu fi maqaa keessanis kan hin gaafatamne ta'uu fi faayidaa biroof kan hin oolleta'uu hubattanii, hirmaannan keessan sirriitti kan jajjabeeffamuu fi dinqisiifamuu ta'uu carraa kanaan isinii ibsa.

KUTAA 1^{FFAA} HAALA WALII GALAA DHUUNFAA FI HAWAASUMMAA

1.**saala maamilaa**

Dhiira	1
Dhalaa	2

2.**Umurii maamilaa** :

waggaa 20 gadi kan ta'an	1
waggaa 21-35	2
waggaa 36-50	3
Wagga 50 ol kan ta'an	4

3.**saala hojii ilaalchisee**:

Hojjataa/ttuu mootummaa	
qacaramaa/tuu dhaabbata dhuunfaa	
kan soroma bahan /	

Kan bira	

4 .Sadarkaa barnootaa:

,kuta 8 gadi kan ta'an	1
kuta 9-12 kan xumuran	2
, dippiloomaa	3
Digrii jalqabaa fi sani ol kan ta'an	4

KUTAA 2FFAA GAAFFILEE BAANKII WALIIN WALQABATAN

KUTA 2[FFAA] ULAAGAA FILANNOO BAANKII

Gabatee armaan gadii keessatti reetii ulaagaa filannoo baankii ati yaaddu agarsiisi. Yaadota armaan gadii kanatii iskeelii sadarkaa 5 (baay'ee barbaachisaa) hanga 1(waliigalatti barbaachisaa miti) jedhutti jiran ilaaluun sadarkaa barbaachisummaa isaanii irratti hundaa'uun tokkon tokkoon lakofsa/ikelii filatte jallatti mallatto√ ka'ii5= baay'ee barbaachisaa ,4=barbaachisaa ,3=walaba(giddugaleessa) ,2=hagas mara barbaachisaa miti ,1= walumaagalatti barbaachisaa miti

	Ulaagaa filannoo baankii	*1*	*2*	*3*	*4*	*5*
	Sababoota haala mijaawaa uuman					
1	*Geejibni jiraachuu isaa*					
2	*Iddoo hojiitti/mana jireenyaatti dhihaachuu/fagaachuu*					
3	*Haallii naannoo baankii hawwataa fi miidhagaa ta'uu*					
4	*Baankii kaanirra sa'atii dheeraa banamee tajaajila kennuuisaa*					
5	*Baankilee kaan irra damee baay'ee qabaachuu isaa*					
	Sababoota faayinaansiin wal qabatan					
6	*Dhalli isaa baankii kaan caaluu isaa*					
7	*Gatiin tajaajilaaf kaffalamu gadi aanaa ta'uu isaa*					
8	*Faayinaansiin isaa baankii kaan irra cimaa ta'uu*					
9	*Akkatan hojirra olma hojimata finansii bankicha cima ta'u isa*					
10	*Dhalli liqaadhaaf kaffalamu baankii kaan irra xiqqaa ta'uu*					
	Sababoota teknooloojiin walqabatan					
11	*Iddoo baay'eedhaa tajajilaa ATM qabaachuu isaa*					
12	*Mobaayil baanking'n jiraachuu*					
13	*Tajaajila intarneetii kennuu/Online banking facility/*					
14	*ATM baankii biraa waliin walquunnamtii qabaachuu isaa*					

15	Kalaqni bu'aalee fi tajaajilaa jiraachuu isaanii					
	Sababoota qulqullina tajaajilaan wal qabatan					
16	Tajaajila garaagaraa maamiltootaaf kennuu isaa					
17	Fedhii maamiltootaa dhaggeeffachuu fi deebii laachuuf fedhii qabaachuu					
18	Yeroo murtaawaan tajaajila kennuu isaa					
19	Haalli walitti dhiheenyaa fi gammachuu hojjattootaa gaarii ta'uu					
20	Gaggeessitoota dameelee haala salphan argachu danda'uu					
	Fakkii fi beekkamtii baankii ilaalchisee					
21	Fakkii waliigalaa baankitti quufuu/gammaduu/					
22	Gochi gaariin maalitootaa fi beekkamtiidhaaf raawwatamu jiraachuu					
23	Tajaajila isaa mass midiyaa adda addaan beeksisuu isaa					
24	Baankicha alarraa yoo ilaalan bifa/haalluu gaarii qabaachuu					
25	Uffataa fi dhaabbata hojjattoota tajaajila kennanitti quufuu/gammaduu					
	Murteee filanno bankii ilalchisee					
26	Amallii fi hallii qabinsa mamila isaani ija natty toleef banki kana fayyadamuf murtesera.					
27	Hojjatonni bankicha fedhikoo waan naf hubataniif banki kanatii fayyadamuf murtesera.					
28	Ga'umsii hojjatota babnkicha ija natty toleef banki kana fayadamuf murtesesra					
29	Hojjatoni bankichaa otoo hin nuffin mamiltoota ija kessumesaniif banki kana filadhera					
30	Haala waada galaniin hoji isani waan raw'ataniif banki kana filadhera.					

Hirmanna keessanif gudda galatooma!

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APPENDIX B

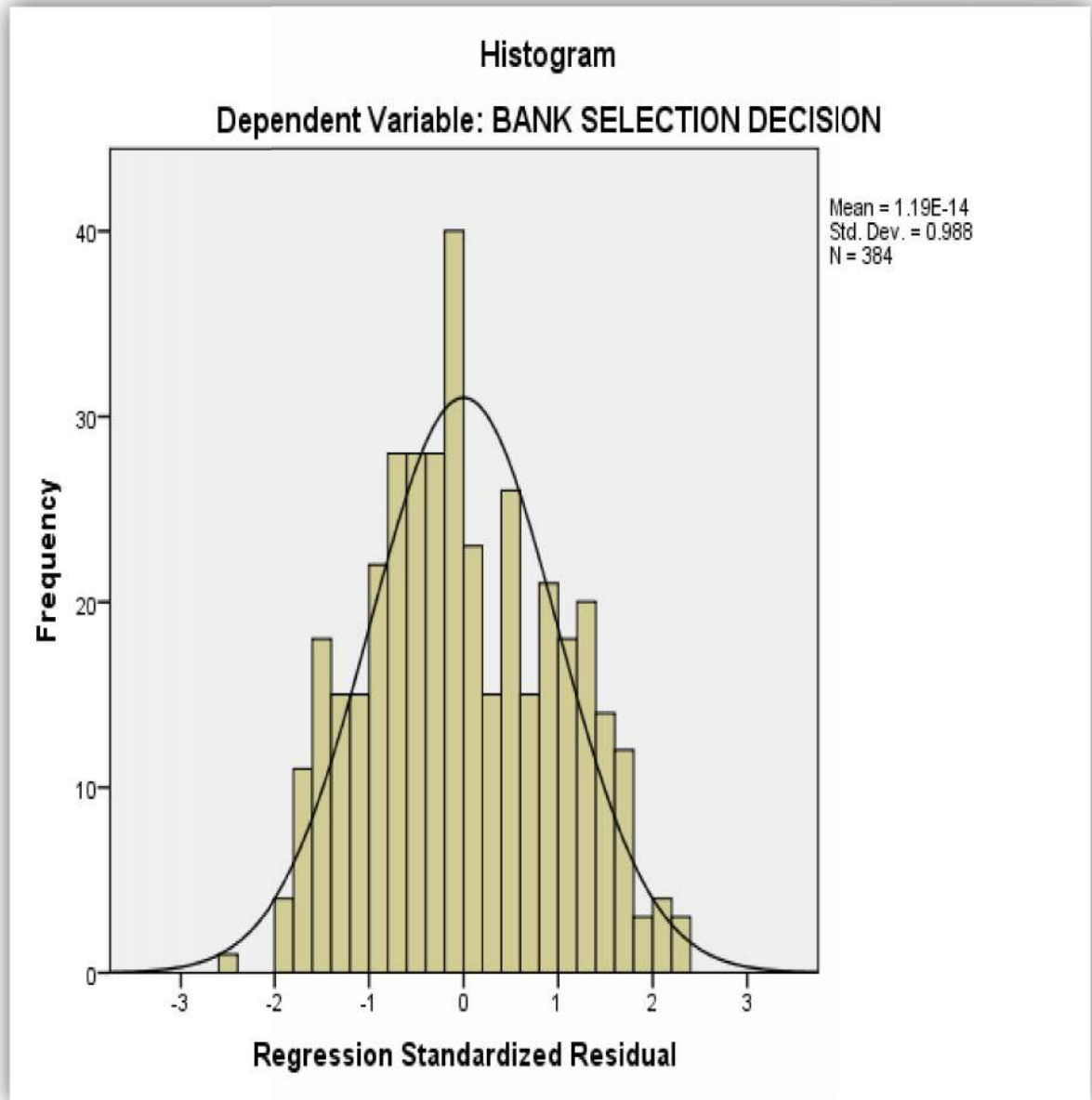## Interview Checklist for managers

Dear Respondent:

My Name is Serkalem Tesfaye, I am a postgraduate student in the department of accounting and finance (Msc) program at Jimma University.

The following are the interview question to be asked intended to collect data basing on the following topic: Factors affecting customer's bank selection decision in banking service in Jimma town commercial Banks. You are requested to assist in responding question, as you know them. The information obtained in this interview session will be confidential, and only for research purposes.
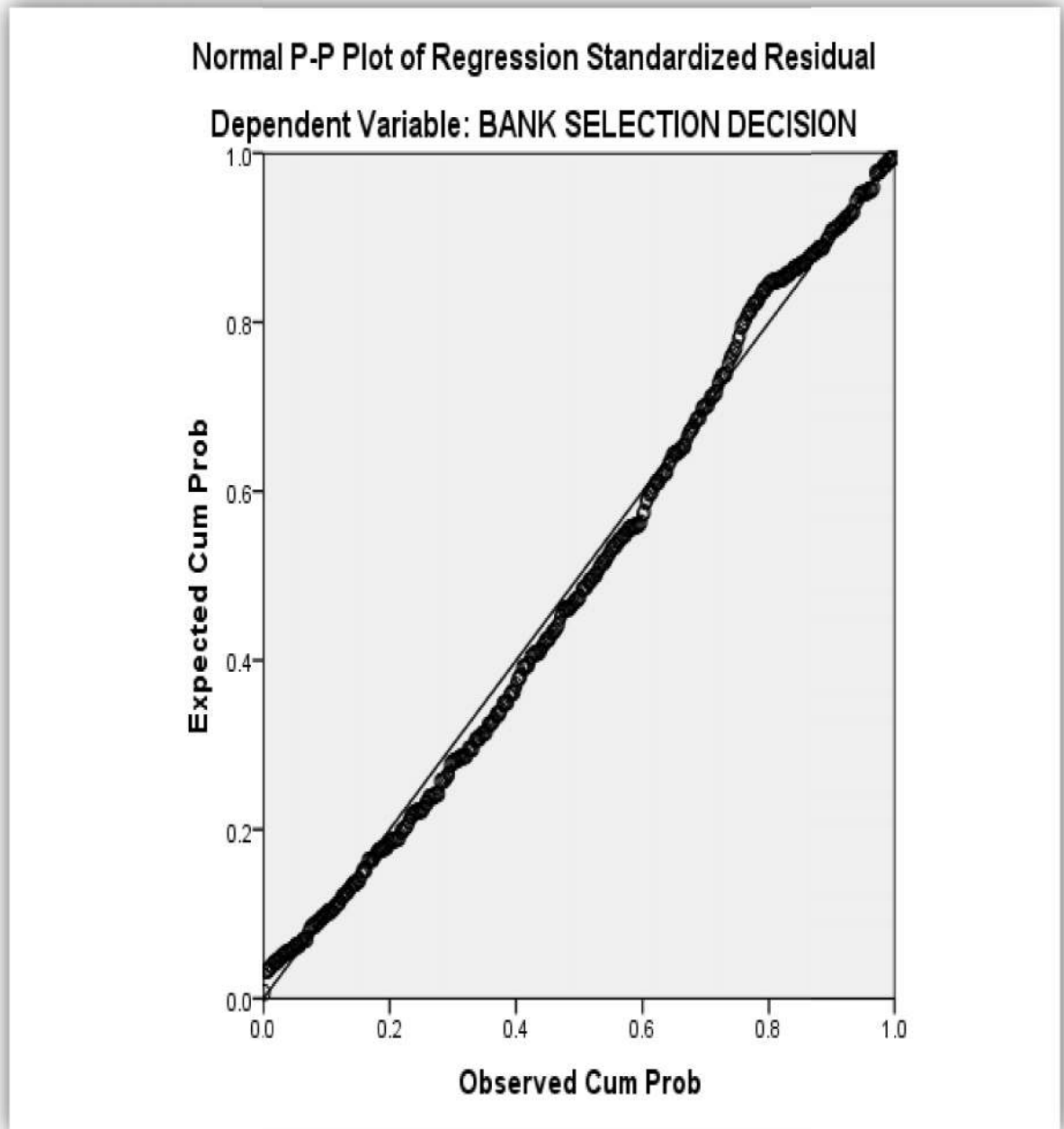
I anticipate my gratitude to your assistance

1. What type of service frequently asked by your customers?

Appendix C

Histogram

Dependent Variable: BANK SELECTION DECISION

Mean = 1.19E-14
Std. Dev. = 0.988
N = 384

Source: own survey, 2018

Figure 4.1: Normality test Histogram

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: BANK SELECTION DECISION

Source*: own survey, 2018*

Figure 4.2: P-P plot; linearity test results