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BAHIR DAR UNIVERSITY
POSTGRADUATE STUDIES
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

DETERMINATES OF CUSTOMER BANK SELECTION: THE
CASE OF BAHIRDAR CITY

By
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July, 2022
Bahir Dar, Ethiopia

BAHIR DAR UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE
POST GRADUATE STUDIES

**DETERMINATES OF CUSTOMER BANK SELECTION: THE
CASE OF BAHIRDAR CITY**

A Thesis Submitted to the College of Business and Economics Department of Accounting and Finance in Partial Fulfillment for the Requirements for the Degree of Master of Science in Accounting and Finance

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July, 2022
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COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

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Simachew Lake

ABSTRACT

Bank selection by a customer is a principal component of banking strategy in today's increasingly competitive environment. To keep existing customers and attract new ones, commercial banks must identify the main factors that determine bank selection decision by customers. The central objective of this study is to examine determinants of customers' bank selection decisions in the case of Bahir Dar City. This study focused on four commercial banks operating in Bahir Dar City: Commercial Bank of Ethiopia, Bank of Abyssinia, Dashen Bank, and Abay Bank. The total target population of this study is customers of four selected banks. Through a non-probability convenience sampling technique selected 400 samples from total target population. In this study mixed approach is used. This study also used both descriptive and explanatory research designs. Primary and secondary data were consumed to conduct this study. This employs a cross-sectional survey design and mainly conducted based on data collected from questionnaires and interviews. Nine factors, including 18 attributes on a five-point Likert scale were used to measure the customer bank choice. With the help of Statistical Packages for Social Scientists (SPSS v.21), data was analyzed by using descriptive and inferential statistics. Multiple linear regression was used as a model. This study revealed that the significant factors determining customers' bank selections are: ATM service, number of branches, E-banking, safety of funds, provision of customer-based service, providing of loan, and interest. While service charges and initial deposit are insignificant factors of customers' bank selection decisions. Based on the findings it was recommended that the banks should focus on Increase the numbers of branch and ATM machines. Additionally raise customer awareness of safety of funds, E-banking, as well as improve the interest, enhance skill and knowledge of staff relation with loan provision, the provision of more customer-based service, and invited for future research.

Keywords: *Banks, Banking Service, Bank selection, Customers, Bahir Dar City.*

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ACRONYMS AND ABBREVIATIONS

AB	Abay Bank
ANOVA	Analysis of variance
BOA	Bank of Abyssinia
CBE	Commercial Bank of Ethiopia
CLRM	Classical Linear Regression Model
DB	Dashen Bank
DGB	Dejub Global Bank
E-Banking	Electronics Banking
NBE	National Bank of Ethiopia
SPSS	Statistical Package for Social Science
VIF	Variance inflation factor

CHAPTER ONE

INTRODUCTION

In this chapter the background of the selected area is introduced. Then the problem statement is discussed to provide a deeper understanding about a research area for the reader. The research hypothesis, the significance of the study, the scope and limitation of the study, and the rationale for the study are also included.

1.1. Backgrounds of the study

Banks are profit-seeking financial institutions that are involved in the intermediation of economic wishes. They are the mediators of money inside the financial segments of the country and are charged with being crucial engines of economic and monetary intensification. Banks perform the precious task of providing liquidity to both deficit and surplus at the highest level of liquidity, profitability, and safety(Jain, 2020).

A customer is an individual or business entity that purchases another company's goods or services. Customers are important because they drive revenues; without them, businesses couldn't continue to exist. Customers are the principal source of revenue and the reasons for joining any business. So any company doesn't undermine the values of customers for their business. In the banking sector, customers also consume several services provided by each bank. Understanding customers plays pivotal role in designing marketing strategies and remaining successful in a competitive financial sectors. Grewal & Levy, (2012), argue that it is quite impossible to design any form of marketing strategy without an adequate understanding of customers.

On each day of life, consumers decide too many buying decisions, and this buying decision is focal point of the marketer's effort. Consumer buying decisions are influenced by many factors. Knowing these factors is useful for banks in identifying interested customers and shaping provision of financial services and appeals to better serve consumer needs. Most large companies' research about consumer buying decisions concerning to answer questions about what consumers buy, how much they buy, why they buy, where they buy, and when they buy (Kotler & Armstrong, 2011).

Consumer consumption of banking services is influenced significantly by cultural, social, and psychological characteristics. Banks, for the most part, cannot control such factors, but they must consider them (Kotler & Armstrong, 2011). Most commonly the customer bank selection is influenced by customer and bank specific factors.

As the economic environment rapidly changing, customers are more demanding and sophisticated. It has very important for banks to determine the factors that are considered in the customer selection process. Therefore, it will be of vital importance for banks to explain how customers choose among banks to conduct their day-to-day financial transactions (Lelissa & Lelissa, 2017). To meet customers' needs, there is a need to understand what is valuable to them and how they make their decision. Understanding the financial needs of customers from the bank's perspective is a cornerstone in conceptualizing their selection criteria, which is largely reflected in the services offered by a bank.

In the age of globalization, the providing of effective and quality of financial services to their potential customers has a key influence on the development of the banking sector in Ethiopia. As a result, the Ethiopian banking industry is offering a broader range of financial services to their customers in order to get revenue from customers to satisfy the needs customers (Cepheus, 2019). The banking industry has been characterized by raising competition between financial service providers since the early 1980s. In order to survive in the competitive banking business, banks must understand and fulfill the demands of their customers. To the satisfy needs of customers on the bank side, it is first required to understand what the most important factors that determine the customer bank selection decisions are.

In Ethiopia, the studies conducted on determinates of customer bank selection decisions were limited. Although few studies have been conducted, all of them are focused on customers in Addis Ababa, Jimma, Worabe, Arba Minch, Bahir Dar, and Gonder. Furthermore, to the best of the researcher's knowledge, there is one previous research work conducted in Bahir Dar City concerning the factors influencing the banking selection of customers (Tehulu & Wondmagegn, 2014). In their study of Tehulu & Wondmagegn (2014) they identified the friendly or pleasing manner of staff members, the provision of ATM service and bank speed as the more significant three factors.

The banking business success is highly determined by their customers, which means the actors for the success and failures of the banking business are customers. The customer is king in the

view of banks, because the performance of banks depends highly on the customers. Then again, the banks can't take their eyes from their customers. Mainly, the banks must understand the main criteria by which customer banking selection can be determined. But most of the time, banks can't adequately understand the main determinant factors of the customer bank selection decision. One of the significances purposes of this study is to identifying and examines the main determinant factors of customer bank selection decisions. The main question addressed by this study was about the relationship between a number of independent variables and customer bank selection. Every study has critical motivational factors to conduct a study (rationally of the study).In this study, the researcher was also motivated to study in this area because there is a huge variation in customer shares between each bank here in Bahir DarCity. As evidence, CBE (Commercial Bank of Ethiopia) has a major share of customers and DGB (Debu Global Bank) also has the least share of customers in the case of Bahir Dar City. A spread between the two is equal to 461,022customers.These facts motivate the researcher to investigate what the major factors are that impede customers from selecting one bank over others. So, the central objective of the study is to identify and examine the determinants of customers' bank selection in the case of Bahir Dar City.

1.2. Statement of the Problem

The growing competitive and mostly homogenous provision of financial services provided by banks exposes this business sector to strong competition. This has made it increasingly important that the banks identify the factors that are determining the customer bank selection decisions (Holstius, K. & Kaynak, K, 1995). To keep existing customers, attract new ones, and survive in business, every commercial banks must to identify the criteria on which customers determine their bank selection decisions(Hussein, 2021).So, it is critical for the banks to define the important and determinant factors customers recognize in their bank selection. Now, banks face many problems caused by strong competition between banks. To survive, in the strong competition of banking sector must identify what factors determine the customer bank selection decision.

Globally, the issue of how customers select their banks has been given considerable attention by researchers (Rao, A. & Sharma. R., K, 2010). These researches identified such information help banks to identify the appropriate marketing strategies that are needed to attract new customers and keep existing ones.

Previous studies that investigated customers' bank selection decisions were conducted in Ethiopia and outside Ethiopia. In this literature, several studies have been conducted and mentioned the factors influencing customers' bank selection decisions. Some of these main factors are quality of service, the bank's reputation, availability of ATM, proximity to home or work, existence of forex resources, the speed of services, convenience of bank location, internet, and mobile banking facilities, and the like are possible determinants, of service provision, corporal efficiency, availability of technology-based-service, reliability, religious motives, recommendation by a friend, advertising, branding, and third-party influences.

Many studies were undertaken to analyze factors that affect customers' preferences in banking services. A considerable investigation has been conducted outside Ethiopia on the determinants of customer bank selection decisions; some of them are (Mwange, 2017; Oluwaseyitan, Hashim, & Yusof, 2018; Dogbe 2019; Bhatt & Jain, 2020 ;). However, their findings revealed a significant relationship between convenience, availability of technology, and customers' choice of the bank. For instance, studies conducted by (Aregbeyen, 2011; Halim, Srouji, Lubis, & Hamdallah, 2018; Bugyei, 2020; Bhatt & Jain, 2020) indicated that safety of funds, reliability, religious motives, proximity, and advertising factors mainly determines customers bank selection decisions. Related studies, (Aregbeyen, 2011; Murtala Garba, Garba & Usman, 2017; Mihir Kumar, 2017; Ara, & Begum, 2018) also showed that the customer bank selection decision is influenced by the safety of funds, security arrangement of the bank, banking charge or fee, and ATM network.

In Ethiopia, a few studies have been conducted concerning customers' bank selection decisions. Among these, Goitom, (2011), Tekletsadik (2013), Tehulu and Wondmagegn (2014), Tessema (2016), Lelissa & Lelissa (2017), Yeshitila (2017), Tesfaye, Abera, & Mengesha, (2018), Addisu (2018) Eshetu (2018), Shewmolo and Getnet (2020), Hussein (2021), are a few to mention. By using a non-probability convenience sampling method, Goitom (2011), his study revealed that the two most important bank selection criteria for customers are convenience and service provision for the entire customer. The study of T/Tsadik, (2013) findings revealed that the main factors determining customers' bank selection are: Convenience, Reliability, and Service provision for the entire customer. Tessema, (2016), in his study, he discovered the significance of bank selection factors for multiple bank users and found that branch location and availability of ATMs are more influential factors. Lelissa & Lelissa, (2017), they are found that service quality availability, quality, accessibility of physical and human resources are the more

significant determinants factors customer bank choice. Yeshitila, (2017), on his study identified convenience, security, technology, marketing and promotion, bank's image, and proximity as having a significant positive relationship with bank selection decisions. The study of Tesfaye, Abera, & Mengesha, (2018) revealed that; technology factors, service quality factors, bank image and reputation factors, and convenience factors have significant and positive relation with bank selection decision. According to study of Addisu, (2018), revealed that gender, age of respondents, levels of education, types of employment, secure feeling, numbers of branches and proximity of the bank to home or workplace were the significant factors in customers' bank selection decision. Eshetu (2018), he also identified that convenience, the number of branches and ATMs, bank reputation, and E-Banking are significant factors in customers' bank selection decisions. The study of Shewmolo & Getnet, (2020) findings also reveals that the five most important bank selection criteria for customers are good customer service, security arrangement of the bank, ATM facility, offered variety of services, and internet banking. The most recent study of Hussein (2021) indicated that: convenience and service provision are the most important factors that determine customer bank selection decisions.

Furthermore, to the best of the researcher's knowledge, there exists one previous research work done in the case of Bahir Dar City concerning the factors determining the banking selection decisions of customers by Tehulu & Wondmagegn (2014). The researchers in their study identified the friendly or pleasing manner of the staff, provision of ATM service, bank speed, external bank appearance, service quality, and internal sitting arrangement, secure feeling, nearness to home or workplace, availability of several branches, and too much working hour were significant factors that determine customer bank selection. On the other hand, the number of counter windows, the safety of funds, good reception at the bank, and low service charge were less significant factors for the bank selection decision.

Includes the study of Tehulu & Wondmagegn (2014), there is no existing literature in the case of Bahir Dar City that focuses on the following determinant factors of customer bank selection decisions: initial deposit requirement, loan provision, E-banking, interest charged to deposits and to loan, and provision of customer-based service. Therefore, in this study, the researcher was tried to answer and fill the above literature gap through a detailed investigation into the determinants of customer bank selection decisions in the case of Bahir Dar city.

To this end, this study was focused on the identification of factors that determine a customer's bank selection decision: service charge, the requirement of an initial deposit, providing of loan, E-banking (electronic banking), the safety of funds, number of branches, interest charged on savings and loans, availability of ATM (Automatic Teller Machine) service, provision of customer-based service, in the case of Bahir Dar City.

1.3. Research Questions

This study was tried to answer the following main research questions

- What is the connection between service charges, interest to loan and deposit with customer bank selection in Bahir Dar city?
- What is the relationship between the requirement for the initial deposit and the customers' bank selection in Bahir Dar city?
- What is the relationship between providing loans and customer bank selection in Bahir Dar city?
- What is the relationship between E-banking, ATM services with customer bank selection in Bahir Dar city?
- What is the relationship between the number of branches and customer bank selection in Bahir Dar city?
- What is the relationship between safety of funds and customer-based service with customer bank selection in Bahir Dar city?

1.4. Objectives of the study

1.4.1. General objective of the study

The general objective of the study is to examine determinants of customers' bank selection in the case of Bahir Dar City.

1.4.2. Specific objective of the study

- To examine the connection between service charges and interest to loan and deposits with customer bank selection in Bahir Dar city.
- To examine the relationship between the requirement for the initial deposit and the customers' bank selections in Bahir Dar city.
- To examine the relationship between providing loans and customer bank selection in Bahir Dar city.

- To examine the relationship between E-banking, ATM service with customer bank selection in Bahir Dar city.
- To examine the relationship between the number of branches, and customer bank selection Bahir Dar city.
- To examine the relationship between safety of funds, and provisions of customer-based services with customer bank selection in Bahir Dar city.

1.5. Research Hypothesis

Based on the study question, the following alternative hypothesis was developed and tested in regard to the independent variables and customer banking selection decisions.

H1: There are significant differences in the customer banks selection decisions based on the difference in a service charge.

H2: There are significant variations in the customer banks selection decisions, with a difference in the number of branches.

H3: There are significant differences in the customer banks selection decisions, with varying amount of loan provision.

H4: There are significant variations in customer banks selection decisions, with a difference in providing E-banking to customers.

H5: There are significant variations in the customer banks selection decisions, with a difference in the safety of funds.

H6: There are significant variations in the customer banks selection decisions, with a difference in the required amount of initial deposit.

H7: There are significant variations in the customer banks selection decisions, with a difference in the interest charged to deposits and loans.

H8: There are significant variations in the customer banks selection decisions, with the difference in the availability of ATM service.

H9: There are significant variations in customer banks selection decisions, with a difference in the provision customer-based service.

1.6. Significances of the study

The value of this research can be viewed from two dimensions: theoretical contributions and practical implications. Theoretically, this study filled the gap in the literature on customer bank

selection decisions used to achieve their objective. Therefore, the findings of this study can add an important value to the current body of literature and can serve as a starting point on which future studies can be built. Most importantly, on the practical side, approaches and experiences that are applied in the research can be disseminated to the concerned body about which factors determine the customer bank selection decision.

1.7. Scope and limitation of the Study

This study limits its scope only to researching determinants of customers' commercial bank selection decisions in the case of Bahir Dar city. Although, there were different factors that affected the customers bank selection decision, this study was delimited to the following determinant factors; service charge, requirement of the initial deposit, providing of loan, E-banking, the safety of funds, number of branches, interest considered to deposits and charged to loan, availability of ATM service, and provision of customer-based service. This research was also carried out at four commercial banks in Bahir Dar city: Commercial bank of Ethiopia, Bank of Abyssinia, Dashen Bank, and Abay Bank.

1.8. Rationales of the research

The rationale behind this research was the existence of different factors that impede customer bank selection decisions. By reviewing different literature, the researcher identifies several important factors that impede customer bank selection, such as reputation, availability, location of ATM, parking space, nearness, bank friendliness of personnel, safety of funds, availability of technology-based service, the location of branches, pleasing manner of the staff, ATM service, bank speed, innovation, promotion, and service quality.

Currently, many banks here in Bahir Dar City and provide banking services to customers. But each bank has a different number of customers to share. CBE has a large number of customer (464,532) compared to other banks, while DGB has small a number of customers (3,510). According to the data obtained from Bahir Dar City office(2022), there is a great difference in the number of customers(share) between each bank, so the number of customer who have a variation between CBE (own high share of the customer) and Debub Global Bank (has a low share of the customer) is 461,022. This motivated the researcher to undertake a study in this area to identify what factors determine the customers' bank selections one bank over other.

1.9. Organization of Paper

This paper is organized into; Chapter One, which consists of the background of the study, statement of the problem, objectives of the study, significance of the study, research questions, scope and limitations of the study. Chapter Two: Review of literature includes conceptual literature review, empirical review, and frameworks are elaborated and Chapter Three: Research Methodology this segment includes research issues regarding research design, population, sample size and sampling technique, type of data and tools/instruments of data collection procedures of data, Chapter Four data analysis and presentation were elaborated, and Chapter Five summary and future recommendations based on research findings were provided.

CHAPTER TWO

RELATED LITRATURE REVIEW

Introduction

This section discusses key concepts of customer bank selection and the factors influencing the customer bank selection decision. In addition, in this chapter, theoretical frameworks, empirical literature, a summary of literature, and knowledge gaps in the literature are presented.

2.1. Theoretical Review

2.1.1. Banking sectors

Banks are financial institutions that accept deposits from the general community and obtain money from such other sources as may be available to them in order to extend loans to those in need of the money. The bank is a financial institution that deals in money and credit. It accepts deposits from its customers and provides loans and advances to those who require credit for various purposes. Banking is an activity that involves the acceptance of deposits with the intention of lending or investing. Furthermore, in addition to accepting deposits and lending funds, banking also involves providing various other financial services along with its main banking activity (W/mariam, 2011).

2.2. Rational choice theory and competition theory

The relevant theoretical expositions underpinning the study are the rationality of choice theory and competition theory. The rational choice theory provides useful insights into the preference or selection behavior of individual or business customers, while the competition theory explores how firms try to combat customers' patronage and loyalty through service improvements, meeting customers' needs, and providing innovative products. Choice theory also referred to as rational choice theory or rational action theory, is a framework for understanding and often formally modeling social and economic behavior (Aregbeyen, 2011).

In rational choice theory, individuals are seen as motivated by the wants or target that express their 'preferences'. At its simplest, the relationship between preferences and constraints can be seen in purely technical terms as the relationship of a means to an end. The rational choice theory holds that individuals must anticipate the outcomes of alternative courses of action and calculate which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Scott, 2000).

Competition occurs when two or more organizations act independently to supply their products to the same group of consumers. Direct competition exists when organizations produce similar products that appeal to the same group of consumers. Indirect competition exists when different firms make or sell items that, although not in head-to-head competition, still compete for the same amount of money in the customers' pockets (Aregbeyen, 2011).

2.2.1. Definition of customer

A customer is an individual or business entity that purchases another company's goods or services. Customers are important because they drive revenues; without them, businesses could not continue to exist. All businesses compete with other companies to attract customers, either by aggressively advertising their products, by lowering prices to expand their customer bases, or by developing unique products and experiences that customers love (www.investopedia.com).

2.2.2. The Consumer Behavior Theory

Consumer behavior refers to the buying behavior of final consumers. It is the behavior that consumers display when searching for, when purchasing, using, evaluating, disposing of the product or the idea that they have for the product that will satisfy their needs. The study of consumer behavior therefore seeks to understand how consumers make decisions on how to spend their available resources with regard to purchasing (Kotler, P., & Keller K.L., 2006). Understanding the key concepts of consumer behavior is vital as marketing pieces of literature suggest that the key concept of marketing is customer and, thereby, understanding the customer is an indispensable part of marketing research and marketing decision-making (Baines & Fill, 2014).

Consumer behavior is not only influenced by external factors, but also by attitudes and expectations. These attitudes and expectations are constantly changing in response to a continuous flow of events, information, and personal experiences (Peer, 2009). (Kotler & Armstrong, 2011) Also define consumer behavior as the study of how individuals or groups buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

2.2.3. Steps in the Customer Decision Process

Researchers realized that decision makers possess a set of approaches ranging from careful analysis to pure whim, depending on the importance of what they are utilizing and how much effort the person is willing to put into the decision.

A. Need or Problem Recognition

The buying process starts with need recognition. The buyer recognizes a problem or need.

B. 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 various brands. Such a search could be ongoing, specific, or incidental.

C. Evaluation of Alternatives

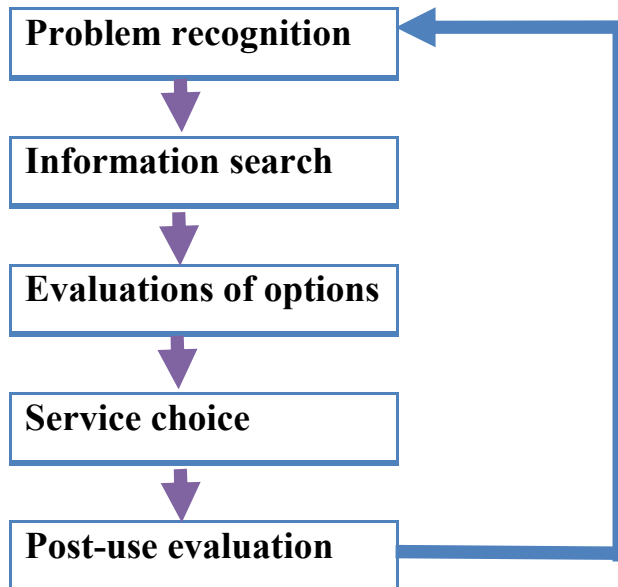
Once the consumer has gathered information and identified the alternatives, he compares the different alternatives available on certain features.

D. 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.

E. Post Purchase Behavior:

After the purchase, the consumer uses the product and reevaluates the chosen alternative in light of its performance vis-à-vis the expectations. (Kotler & Armstrong, 2011).



Source: Kotler and Armstrong (2011, p. 152)

2.3. Factors Influences on customers' Bank Selection Decision

In the overall world, much research on determinants or criteria of customers' bank selection decisions has been done. The vast majority of studies have focused on customers and how they select the bank that will provide them with general banking services. However, most of the previous studies have used a broad and in most cases different set of bank selection criteria. In

this study, these various sets of factors are to see how much bank-specific factors influence customer bank selection.

2.3.1. Bank specific-factors

Previous studies focused on bank selection criteria have identified various bank specific factors that determine customers' bank choice, such as number of branches, E-banking, service charge, availability of service, price, accessibility, innovative products, quality of premises, promotion, staff management, reputation and confidence, financial performance, and bank loyalty. From the banks' perspective, many factors affect the customers' bank selection decisions. Some of these factors are raised and examined in this study. Such as

2.3.1.1. Number of branch

Based on the study by (MohamadS., MohamadR., & Nur Khashima, 2013; Tehulu & Wondemagegn, 2014; & Ahmed A., 2011), availability of a large number of branches in different locations was among the important factors in customers' selection of a bank. According to others researchers, a bank with more branches offices is more likely to be chosen by the customers (Katitcioglu, S.T., Tumer, M, & Kilinc, C., 2011). When there are more branch offices, it is more convenient for a customer to do their transaction or deal with a bank.

2.3.1.2. Service charge

(Aregbeyen, 2011), He identified low or reasonable service charges, as one of the major factors in a banks' selection by the sampled respondents. (Kumar, 2017) Also found out in his study, the intra-bank banking charge or fee is playing a critical role in influencing customer bank selection. Based on the study conducted by Lelissa & Lelissa, (2017) to investigate the main determinants of bank selection decisions by customers in Ethiopia, most of the customers appear less sensitive to prices of different banking services. Based on the study conducted by Tehulu & Wondmagegn, (2014) they identify factors influencing customers. According to their findings, low service charges have no significant impact on customers choosing their respective banks (Commercial bank of Ethiopia, Dashen bank, Abyssinia bank and Wegagen bank) over united bank. Furthermore, (Maiyaki, 2011) contends that service cost and benefit have little influence on bank selection. Service charge on their accounts is one of the most significant factors for customer bank selection decision (Owusu, 2014).

2.3.1.3. Requirement of initial deposit

A minimum deposit or initial deposit is the minimum amount of money required to open an account with a financial institution, such as a bank. At the time of opening bank accounts for customers, the bank required a number of things. Such as, identification card, a passport-size photo, and an initial deposit. A minimum initial deposit is one of the requirements that every bank has. A minimum or initial deposit is the minimum amount of money required to open an account with a financial institution. So the requirement for a minimum initial deposit influences the customers' bank selection decision.

2.3.1.4. Safety of funds

Safety of fund means level of the gurantiee for money deposited in the banks. A study conducted by Aregbeyen, (2011) about the determinants of banks' selection criteria by business customers in Nigeria. Under his investigation take total of 1750 respondents on the importance of 25 different factors while choosing a deposit bank were sought and analyzed. The study reveals that the safety of funds is one of the major reasons for customers' choice of banks. According to the study (Tehulu & Wondmagegn, 2014), the safety of funds is aminor consideration in customer bank selection.

2.3.1.5.Availability of ATM service

ATM's full form is Automated Teller Machine which is a self-service banking outlet. Customers of the bank can withdraw money and check the balance. Different banks provide their ATM services by installing cash machines in different parts of the country. Some studies in the literature suggest that the number of ATMs has been found to be the most important selection criteria for bank customers. The findings of Saleh, Rosman, and Nani (2013) revealed that one of the most significant factor affecting the Kelantan, Malaysia, customers in choosing a bank was the accessibility of ATM service. This factor consists of several items, which are the banks'having an ATM facility; convenient ATM locations; and 24 hour availability of ATM services. Similarly the study by Tilahun and Gedifew (2014) revealed that the ATM service isan important factor in banking selection decision criteria among Bahir Dar City Bank customers. Furthermore, a study conducted by Katitcioglu, S.T., Tumer, M, &Kilinc, C. (2011) investigates the bank selection criteria of undergraduate students who are future potential customers of banks from different regions of the world in a small island economy. They found that the availability of ATM services is the most important factor when considering banks and their services.

2.3.1.6. E-Banking

E-banking is a platform used to offer the banking service without physical existence. The competition in the banking industry has become fierce with the emergence of technology such as ATM and E-banking electronic banking; and customers' are expecting more demand for financial services (Hinson, R. E., Osarenkhoe, A., & Okoe, A. F., 2013).

Balance inquiry, cash withdrawal, transfer within the same bank, and statement printing are some of the major practices of E-banking in those banks that are providing the service to their customers. ATM, debit card, internet banking, and mobile banking are the various E-banking channels that banks use to provide these services to their customers.

2.3.1.7. Provision of loans

The primary functions of bank is accepting deposit and providing of loan to their customers. Based on the needs and application of customers it will be providing the loans by the banks. The banks also evaluation the application of customers with respect institution's lending policies and National loan policy. Most banks provision of loan is low because of the loans by nature has a default risk. From customers perspective needs to get loans from financial institutions. The loan is one determinant factors of customer bank selection decision.

Banks are financial institutions that accept deposits and make loans. A person who needs a loan to buy a house or a car usually obtains it from a local bank. Most Americans keep a large proportion of their financial wealth in banks in the form of checking accounts, savings accounts, or other types of bank deposits. Because banks are the largest financial intermediaries in our economy, they deserve the most careful study. However, banks are not the only important financial institutions. (Mishkin, 2004)

2.3.1.8. Provision of customer-based service

Currently, banks provided service to their customers based on something feature of customers. Based on gender, religion, age, type of business, and occupation banks provided unique services to specific customers. The main reason for providing of this customer based service by bank is to attract or increase number of customers.

2.3.1.9. Interest

Interest is amount of revenue or payment for which consider on deposit and loan accounts. Interest can be computed by using different options. The total interest is the outcomes of principal (money), interest rate, duration of time Interest rates are among the most closely

watched variables in the economy. Interest also the principal source of banks revenue. Most commonly banks make the profit by accepting deposit with lower rate of interest and make provision of loans at higher level of interest rate. The spread between the two levels of interest rate is profit share of the banks. Customers also get revenue from their deposits', this fact determines customer bank selection decisions.

Interest is mainly affected by the movement of interest rate. Their movements are reported almost daily by the news media, because they directly affect our everyday lives and have important consequences for the health of the economy. They affect personal decisions such as whether to consume or save, whether to buy a house, and whether to purchase bonds or put funds into a savings account. Interest rates also affect the economic decisions of businesses and households, such as whether to use their funds to invest in new equipment for factories or to save their money in a bank. (Mishkin, 2004)

2.4. Empirical Review

For several years, great effort has been devoted to the study of bank selection decisions of customers in different parts of the world. However, due to differences in the methodologies and approaches used, no single factor was found to be as influential as others in affecting customers' selection decisions.

2.4.1. International studies

A study was Conducted a study about the determinants of banks' selection criteria by business customers in Nigeria(Aregbeyen, 2011).. The study reveals that the safety of funds and the availability of technology-based services are the major reasons for customers' choice of banks. Besides, significant gender and age differences in the factor selection and preferences were observed.

The study bySaleh, M., S., Rosman, R., M. & Nani, N., K(2013) surveyed 100 bank Muslim and non-Muslim customers to identify the most important factors influencing customers in selecting a bank in Malaysia. Their finding shows that accessibility is a significant choice criterion, which includes ATM facilities, convenient ATM locations, 24-hour availability of ATM services, and speedy service. On the other hand, reliability, responsiveness, value-added service, convenience, and assurance also increase in importance.

The study undertaken by Muzenda (2014) to identify customers' retail bank selection decisions in South Africa was done by considering five dimensions: security, service quality, technology and service, location, and affordability. The study indicated that customers' bank selections are highly affected by security feelings and less by affordability.

(Mwange, 2017), His study attempted to investigate the determinants of commercial bank selection decisions by students at the University of Zambia. Finally, the researcher findings showed that out of forty determinants of student bank selection factors, the top ten in ascending order included the following: bank proximity to the university; recommendation by a friend; many tellers in bank; bank has a branch on campus; university uses the same bank; convenient location; reputation of the bank; staff courtesy; proximity to student's home, and innovative e-banking services

(Garba, Jaji, & Usman, 2017),The authors examined in their work the factors that determine bank selection decisions in northern Nigeria, with evidence from Bauchi state. They mentioned some influence on the customers' bank selection decisions of bank customers in the study area, are technology and security factors in determining customers' selection decisions.

(Kumar, 2017) His research aims to contribute to the academic body of knowledge and better understand the managerial implications of customers' bank selection criteria in Bangladesh. The findings show the intra-bank banking charge or fee is playing a critical role in influencing customer bank selection. The large ATM network with enough security is found as one of the top patronizing factors influencing customer bank selection.

The study conducted (Srouji, Halim, Lubis, & Hamdallah, 2018), aimed to identify the determinants of bank client selection by Islamic and conventional banks in Jordan. The main results concluded that religious motives of customers were an important variable among Islamic bank clients when it was not for conventional banks. While bank convenience and bank reputation and images were positively significant for both types of banks, but quality of services, location of branches, availability of ATMs', efficiency in carrying-out transactions, facilities provided by banks, and bank image were significant to conventional bank clients' selection only. In their study (Oluwaseyitan, Hashim, & Yusof, 2018), they explored the determinants of banking selection among international students in Malaysian public universities. The findings showed in their study revealed five determinants out of nine identified from the literature, as the principal determinants of banking selection, among international students. These are (i) third-

party influences, (ii) location convenience,(iii) ATM availability, (iv) services quality, and (v) financial benefits from saving.

According to the study conducted (Dogbe, Bamfo, & Sarsah, 2019), their study examines the bank selection criteria employed by Ghanaian university students. Exploratory factor analysis was first conducted to determine the constructs that measure students' selection of bank criteria. The study extracted six constructs that measured bank selection criteria by university students. These were operational competence, external influence, physical evidence, e-banking facilities, convenience, and cost of operating a bank account. Out these, e-banking facilities, convenience and cost of operating a bank account, were statistically significant in determining the selection of a bank.

(Fathelrahman, 2019), The purpose of his study is to identify the key determinant of bank selection decisions by Sudanese banks' customers. Mean analysis and exploratory factor analysis is applied to rank the most important determinants of bank selection. The researchers' main results concluded that corporal efficiency is the most important determinant that has influenced the customer's selection decision. Other factors perceived to be important include bank marketing efforts, convenience and service delivery.

In his study Bugyei, (2020) investigated the determinants of customers' bank selection decisions in the Mfantseman Municipality in Ghana. The findings disclosed a significant relationship between customers' choice of bank and advertising, branding, distance to bank location and types of electronic services offered by banks.

The study was conducted by Sahadev & Swati, (2020), with the aim of to studying the bank selection criteria of the Nepalese customers. To achieve their objective, the research was conducted by distributing and collecting 137 questionnaires to participants/respondents from the defined population of the clients of a commercial bank in Bhairahawa city, Nepal. A finding from their study reveals that reliability is the most important criteria or factor influencing the customer in choosing a bank. The factor analysis results revealed that reliability and convenience are the most important determinants of bank choice. In contrast, value-added services and responsiveness were the two least significant attributes of bank selection for Nepalese customers. In their study Ibrahim, Hamid & Abdulai, (2021)they examines first-year students' (who mostly are opening/operating bank accounts for the first time on their own) bank selection and loyalty decisions. An exploratory analysis of 320 usable questionnaires was done. The study found, in

order of importance that: bank service, convenience, service quality, bank image, staff attitude/recommendations, core service, communication, and customer service were factors influencing their bank selection decisions in Ghana. Also, friendly operations, regulations, relationship management, service quality/ financial benefits, client satisfaction, and bank image were identified in order of importance to be responsible for their loyalty to banks in Ghana.

In the study of (Layla A. & Amaldeen F., 2021), they identifies the selection criteria of businessman for banking in Saudi Arabia. The researchers' methodology was conducted through a survey analysis, which will determine and understand the factors that businessman looks for when selecting a bank. The results showed that businessmen looked more into commercial banking. The most important factors are the products and services provided by the bank, Internet banking, more ATMs, and the thing that motivates customers to use bank is the economy of the country and the situation that caused them to make the decision related to the bank.

2.4.2. Local studies

In Ethiopia, a few studies have been conducted concerning customers' bank selection decisions.

Among these, W/mariyam, (2011), Tekletsadik (2013), Tehulu and Wondmagegn (2014), Tessema (2016), Agarwal P. K.(2017),Kebede (2017), Lelissa and Lelissa (2017), Yeshitila (2017), Eshetu (2018),Addisu (2018), Tesfaye, Abera, Menegsha,(2018), Shewmolo and Gwtwnet (2020), Hussen (2022),are a few to mention.

By using a non-probability convenience sampling method, W/mariyam, (2011) took a survey of 201 bank customers and studied determinants of customer satisfaction in banking in Ethiopia. His study indicated the most two important bank selection criteria for customers are convenience and service provision for all customers, while the bank's image is the second most important factor for male customers. His recommended that hierarchical information integration maybe a potentially useful method for bank managers to study complex decision-making problems such as bank choice.

Tekletsadik (2013) identified convenience, dependability, and service provision as the most important factors in his study in the case of Addise Abeba city. In his study, he used 120 customers from four banks in Addis Ababa and deployed factor analysis. Finally, these studies revealed that the main factors determining customers' bank selection are: convenience, reliability, and service provision for the entire customer base. On the hand, the least three

important factors of bank selection for customers are product assortment, reputation, and recommendation from family and friends.

Their study of Tehulu & Wondmagegn, (2014) focused on examining the determinants of customers' bank selection decisions in private and state owned commercial banks in Ethiopia. In their study, they employed a survey type, specifically a questionnaire, to collect data from sample respondents of 204 customers in five commercial Banks. The result of their study revealed that the friendly or pleasing manner of staff, ATM service, bank speed, service quality, external bank appearance and internal sitting arrangement, secure feeling, proximity to home or work place, availability of several branches, and long operating hours were significant factors.

(Tessema, 2016), in his study, examines the significance of bank selection criteria for multiple bank users and how customers rank the factors based on their importance level to patronizing multiple banks and banking services. He also used a non-probability convenience sampling and incorporated 193 respondents. The findings of his study showed that branch location and availability of ATMs are influential and significantly more important in prompting the choice of multiple banks.

The study was also conducted in Arba Minch city by Agarwal (2017), In his investigation, a sample size of 385 customers of any bank was used for contacting the customers and collecting the responses from the customers. The author indicated that the result of his study states that technology factors and social influence are significant factors, while convenience factors have an insignificant impact.

(Shode, 2016), His study was conducted on the determinants and outcome of customer satisfaction at the Commercial Bank of Ethiopia by taking evidence from Addis Ababa. Seven branches were selected randomly in his study. To achieve the objective of the study, five point liker-scale questionnaires were developed and distributed to 210 customers in a convenience sampling base. As indicated in his study, service quality, service features, and a customer compliant handling system were discovered to be major determinants of customer satisfaction in Ethiopia commercial banks.

The study conducted by Lelissa & Lelissa (2017) aimed to examine the main determinants of bank selection decision and customer loyalty in Ethiopia. This study identifies the critical bank specific and personal factors that have a bearing on the customers' bank selection by using an exploratory factor analysis on the 101 questionnaire, which has 38 component factors. They found that

service quality and availability, as well as the quality and accessibility of physical and human resources appear to be the major determinant factors in bank choice.

The study Yeshitila (2017), investigated the determinants of bank selection in Addis Ababa and how customers rank the factors based on their importance level to patronizing banks and banking services. By using a two-stage stratified sampling method with both qualitative and quantitative data analysis techniques, 358 bank customers in Addis Ababa city from different occupations, ages, and income groups participated. The findings of his study revealed that convenience, security, technology, marketing & promotion, the bank's image, and proximity have significant positive relationships with bank selection decisions, while service quality, financial benefits, and the bank's reputation have significant negative relationships with bank selection.

Eshetu (2018) also conducted a study on empirical analysis in criteria employed by graduating students in Addis Ababa University towards their bank selection decisions. In his study, using a non-probability convenience sampling technique, he also selected a total of 400 graduating students. The findings of the study showed that the convenience, number of branches and ATMs, bank reputation, and E-Banking are found to be significant factors for students' bank selection decisions. This study recommended that banks should consider increasing the number of branches and ATMs easily accessible on campus, at home, and at work with extended operation hours and functional ATMs and offer electronic banking services.

The study of, Addisu (2018), used descriptive statistics and a multinomial logistic regression model (MLRM) to measure the level of relationship between the dependent variable of each of the five commercial banks' selection decisions and the determinant factors. The results of the multinomial regression model indicated that gender, age of respondents, levels of education, types of employment, friendly or pleasing manners of staffs, ATM service provision, numbers of counter windows, speed, service quality, external appearance, sitting arrangement total asset of banks, safety of funds, secure felling, numbers of branches, and proximity of the bank to home or workplace were the significant factors on customers' bank selection decision.

Their study goal was to look into the factors that influence customers' bank selection (Tesfaye, Abera, & Mengesha, 2018). Their study employs a cross-sectional survey design and is mainly conducted based on data collected through questionnaires and interviews. The sample size of the study was 384. The Findings of their study revealed that, out of five factors, four factors such as: technology factors, service quality factors, bank image and reputation factors, and convenience

factors have significant and positive relations with bank selection decisions, while financial factors have insignificant relations with bank selection decisions.

The study of Shewmolo & Getnet(2020)was conducted with the purpose of analyzing the major factors influencing a customers' selection of a bank and how customers rank the factors based on their importance level for patronizing the banking services of Worabe town, Ethiopia. A descriptive, cross-sectional survey was conducted among 395 convenience bank customers and used to identify the predictors of bank choice from different occupations in the analysis. The finding indicated in their study reveal that group effects, role, status, and family effects have significant effects on customers' bank selection but, that culture has an insignificant association with customer bank preference as well as the five service quality dimensions have significant effects on customer bank selection. Their findings indicate that the five most important bank selection criteria for customers are good customer service, security arrangement of the bank, ATM facility, offered variety of services, and internet banking. Low service charges and parking service, on the other hand are the least important two factors in bank selection for customers.

For the most recent studies conducted by Hussen (2021), this study peruses about designing a suitable marketing strategy to keep existing customers and attract new ones. Commercial banks need to identify the criteria on which customers determine their bank choice decisions. The analysis is based on responses given by 201 customers in Addis Ababa city from different occupations (students, employees, and businessmen). The finding from his study reveals that the two most important bank selection criteria for customers are convenience and service provision for the entire customers' base, while the bank's image is the second most important factor for male customers. Financial benefit, technology, and reputation and promotion strategy for female customers are the least important factors in bank selection for customers.

Thus, the current literature on banking in Ethiopia shows some studies on bank selection decisions. But it is not adequately addressed like each research doesn't examine how to determine the customer bank selection decision by the following factors: requirement of initial deposit, provision of loan, interest charged to loan and deposit, and provision of customer based service. So this study will attempt to bridge this gap.

2.5. Summary of the literature review and knowledge gap

A review of the literature regarding the determinants of customer bank selection decisions has been conducted. As per the review of the literature, most of the studies that have been conducted with the aim of identifying factors influencing bank selection decisions belong to developed countries and emerging countries such as the USA, China, Bangladesh, Malaysia, and Pakistan. Moreover, the literature review also reveals the existence of limited studies conducted in Africa so far, such as in South Africa, Ghana, Nigeria, and Sudan.

In Ethiopia, some studies attempt to identify determinants of bank selection decisions. In his study, W/mariyam, (2011) identifies the two most important bank selection criteria for customers: convenience and service provision. Tekletsadik (2013) in his study identified convenience, reliability, and service provision as the main factors as the most important factors.

In his study Tessema, (2016) it is also discovered on his study that branch location and ATM availability are important factors in customer bank selection. In Ethiopia commercial banks Services quality, services features, and customer complaint handling system were discovered to be major determinants of customer bank selection decision (Kebede, 2016).

(Agarwal, 2017) He found that technology factors, social influence, service quality factors, bank image factors, and financial factors have significant impacts on customer bank selection intention, while convenience factor have an insignificant impact. The study by Lelissa and Lelissa (2017), with a descriptive analysis using mean scores and factor analysis, concluded that speed of services, the extent of the branch network, the location of branches, and the availability of forex resources were the most important factors. The study of Yeshitila, (2017), revealed that convenience, security, technology, marketing, and promotion, the bank's image, and proximity have significant positive relationships with bank selection decisions.

(Eshetu, 2018), in his study, showed that convenience, number of branches, and ATMs, bank reputation, and E-Banking are found to be significant factors for students' bank selection decisions. According to (Addisu, 2018), the result of the multinomial regression model for the total sample indicated that gender, age of respondents, levels of education, types of employment, friendly, pleasing manners of staff, ATM service provision, numbers of counter windows, speed, service quality, external appearance, sitting arrangement, total assets of banks, safety of funds, secure felling, numbers of branches, and proximity of the bank to home or workplace were the significant factors on customers' bank selection decisions.

Recently, (Shewmolo & Getnet, 2020), Mentioned that findings from their study reveal that group effect, role and status, and family effect have significant effects on customers' banks. According to Hussein most recently study (2021), the two most important bank selection criteria for customers are convenience and service provision for all customers, while the banks' image is the second most important factor.

To the best of the researcher's knowledge, there is one previous research work done in Bahir Dar city administration concerning the Factors Influencing Customers' Bank Selection Decision in Ethiopia: The Case of Bahir Dar City, conducted by (Tehulu & Wondmagegn, 2014). In their study, the researchers found out Results of the multinomial regression model indicated that the friendly or pleasing manner of a staff, ATM service, bank speed, service quality, external bank appearance and internal sitting arrangement, secured feeling, proximity to home or work place, availability of several branches and long operating hours were significant factors, whereas others' recommendations, number of counter windows, safety of funds, good reception at the bank, and low service charge were insignificant factors for bank selection decision.

However, in the study of Tehulu & Wondmagegn, (2014) they did not pay attention to such determinate factors of customer bank selection decisions such as: initial deposit requirement, providing of , E-banking, interest charged to saving and loans, provision of customer-based service. The study of Tehulu and Wondmagegn was conducted in 2014, which means this study was conducted before 8 (eight) years from now. This study was conducted after several years had passed since the study of Tehulu and Wondmagegn. In part because the banking business changed from time to time dynamically, in eight years a number of things have changed, especially in the banking industry. So the researcher in this study took the time variation as one of the research gap with the study of Tehulu and Wondmagegn.

In general, there is no study that examines how determinants of customers' bank selection decisions are based on the following determinant factors; requirement of initial deposit, providing of loan, E-banking, interest charged to deposited and loan, provision of customer based service in the case of Bahirdar city. So this study will attempt to bridge this gap.

2.6. The conceptual frame work

Based on the theoretical and empirical literature review presented above, this research has identified potential determinants of customers' bank selection as service charge, requirement of

initial deposit, provision of loan, E-banking, safety of funds, number of branches, interest rate charged to saving and loan, availability of ATM service, provision of customer-based service. The researcher therefore has developed the following conceptual framework to guide the research.

The relationship between dependent and independent variables can be expressed in the following

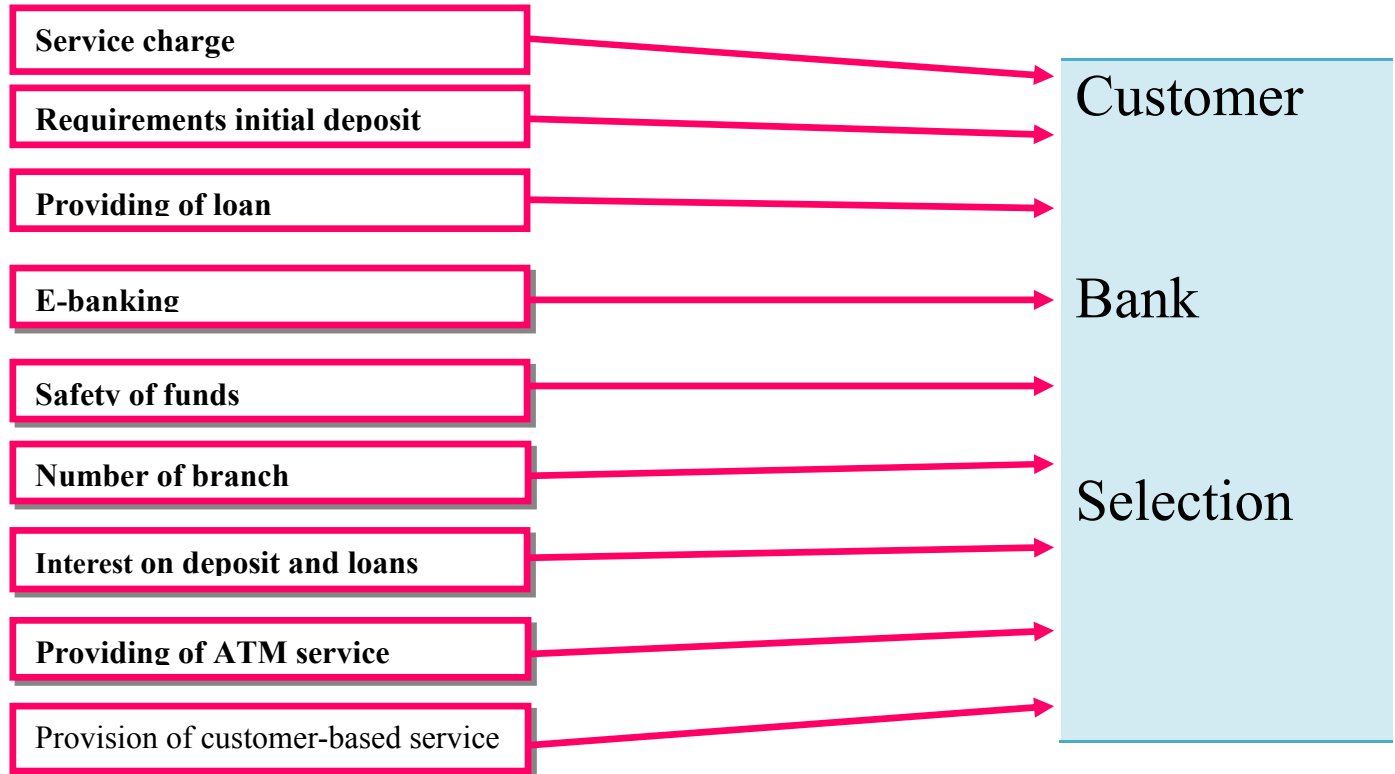


Figure 2.1 Conceptual Frameworks (Own Model)

As Figure 1 shows, consumers bank selections (dependent variable) is influenced by bank specific (service charge, requirement of initial deposit, providing of loan, E- banking, safety of funds, number of branch, interest in deposited and to loan, availability of ATM service, provision of customer based service).

CHAPTER THREE

METHODOLOGY

3.1. Introduction

This chapter discussed procedures and activities undertaken, focusing on namely the study research design, research approach, target population, sample, sampling technique, sampling size, questionnaire design, data collection instrument, variables, variables measurement, reliability test and data analysis technique. Besides, the section deals with a discussion on instrument development and ethical issues.

3.2. Research Approach

There are three basic types of research approaches: quantitative, qualitative, and mixed approaches (Creswell, 2003). A mixed research approach was employed. That means both qualitative and quantitative approaches were employed in this study. This was done mainly to strengthen the results of the study through triangulating findings to be obtained using both approaches to target populations.

3.3. Research Design

A research design constitutes the guidelines for the collection, measurement, and analysis of collected data (Cooper& Schindler, 2014). In this study, both descriptive and explanatory research design were employed to achieve the objectives of the research. Because the descriptive research design was better suited for a detail description of the findings presented in tables, percentages, and pie charts, as well as an explanatory research designs aid to show the relationship between factors influencing customer bank selection (independent variables) and customers bank selection decision (dependent variable). Then these studies describe and critically examine the factors influencing the customer bank selection decision in the case of Bahir Dar City. It is also designed as a cross-sectional study; where the data is only to be collected at one point in time. The study employed cross-sectional survey data using a questionnaire since it involves respondents from different banks as of a single point-in-time in the form of quantitative measures.

3.4. Target population

This research is aimed at identifying determinants of customers' bank selection decisions in the case of Bahir Dar City. Currently, there are nineteen banks operating in Bahir Dar City, including the newly opened banks of Amhara and Tsedey banks. First Amhara Bank and Tsedey Bank are excluded from the list of eighteen banks because they have been in operation for less than a year. From the remaining banks only four banks were selected at the judgment of the researcher. The primary reason for selecting only the four banks mentioned below is that these four banks have more than half of all bank customers. These are CBE (commercial bank of Ethiopia), BOA (Bank of Abyssinia), DB (Dashen Bank), and AB (Abay Bank). Four banks were selected from other banks based on the number of customer shares. The banks are listed sequentially in below table 1 based on rank in the number of customers respectively. So the target population of this study is customers who have a deposit account in four selected banks in the case of Bahir Dar City.

Table 3.1 target population

Rank	Name of the bank	Number of customers (frequency)	Percentage
1	CBE (commercial bank of Ethiopia)	464,532	63.07%
2	BOA (Bank of Abyssiniya)	119,709	16.25%
3	DB (Dashen Bank)	99,571	13.52%
4	AB (Abay Bank)	52,649	7.16%
Total target population		736,461	100%

Source: Bahir Dar City office (2022).

In this study, it was selected a sample from the populations above-mentioned in list. The target population of this study is customers of a selected bank operating in Bahir Dar city. Information about the target population was obtained from the office of Bahir Dar city. A total target population of this study is 736,461 customers that comprise 464,532 (63.07%) CBE, 119,709(16.25%) BOA, 99,571 (13.52%) DB, and, 52,649 (7.16%) AB.

3.5. Sample

According to Cooper & Schindler (2014), pointing out that it is not possible, practical, and sometimes expensive to gather data by considering the entire population. Therefore, a smaller component of the population that was assumed to be representative is considered. A sample is defined as a smaller and more accessible subset of the population that accurately represents the overall group, enabling one to give a true picture of the population as a whole with respect to the particular aspect of interest of the study. There are two common sampling methods employed to select a sample from the population: the Probability sampling is a procedure which gives each individual in the population a non-zero probability of selection, which means that it gives an equal chance for every element in the population. Inversely, non-probability sampling is the selection of the sample based on personal judgments or convenience. From four commercial banks that have large customer shares, a different number of customers were taken non-randomly based on their proportion.

3.5.1. Sampling technique and sampling frame

The researcher has adopted a sampling method that has been considered suitable to answer the research question. This research is aimed at identifying determinants of customers' bank selection decisions in the case of Bahir Dar City. In this study, non-probabilistic convenience sampling techniques were applied to get information from the customers of banks that operate in Bahir Dar city. In this study, by using a non-probability sampling techniques, samples were distinguished from population

3.5.2. Sample size determination

A smaller portion of the population that was assumed to be representative is considered. As a result, the study uses Yamane, (1968) sample size determination formula to determine the sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Where,

n: is sample size.

N: is the total population.

e²: is probability of an error

$$n = \frac{736,461}{1+736,461 \times 0.05^2} = 399.78 \text{ approximately } 400$$

At N = 736,461, e = 5% (at least 95% confidence level), thus the sample size is 400.

As indicated in table 2, samples are distributed based on the proportional based on numbers of customers.

Table 3.2: shows the sample distribution.

Name of bank	Sample
Commercial Bank of Ethiopia	252
Bank of Abyssinia	65
Dashen Bank	55
Abay Bank	28
Total sample	400

Source: own computation

3.6. Sources of data

In this study, both primary and secondary sources of data were employed to collect relevant information.

3.6.1. Primary Sources

Primary data is fresh data that is gathered for the first time, and this happened to be original in character (Kothar, 2004). This study mainly utilized primary data sources, which was collected from customers of selected commercial banks in Bahir Dar City. The main primary data collection instrument is the questionnaire. Interview guides are also designed to aid in the process of obtaining the primary field data. A self-administered questionnaire and one structured interview question were used to obtain primary data from the respondents.

3.6.2. Secondary Data

The secondary data sources were the data was also collected from the office of Bahir Dar City office.

3.7. Data Collection instrument

3.7.1. Questionnaire

To achieve the target, the study used a well-designed questionnaire as the best instrument. This was completed by the customers of each bank.

3.7.1.1. Questionnaire Design

The conduct of this study mainly used the primary data obtained through the personally administered questionnaires. To enhance the response rate, the questionnaires were delivered by hand to the customers of the bank's non-probabilistic approach and convinced them to participate in this study. The participants who participated in this study filled out the questionnaires by themselves, but when necessary, the data collector (the researcher) assisted by elaborating and explaining the concepts behind the questions. This kind of distribution and collection was applied to minimize the problems of non-response error of respondents to some questions which they considered sensitive to those questions. They did not clearly understand the intended questionnaire.

The Likert scale was used for the most relevant question about factors that influence bank selection decisions. The questionnaire consists of three different parts. At the beginning of the survey, a few demographic questions were asked, such as gender, age, marital status, occupation, level of education, and level of income. The second part, adapted from previous related studies, consists of Likert scale items which measure the independent factors and dependent variable. After that, the most important question for this topic is the second part question about factors influencing bank selection decisions by using five likert scales. This likert scale Questionnaires is used by adopted from others literatures (Tessema 2016, Yeshitila 2017, Boru 2017, Kedir 2018) with minor modification. The respondents were asked to answer the statements on a five-point Likert scale ranging from "Strongly Disagree" (1) to "Strongly Agree" (5). A Likert-type scale is considered more reliable because, under this method, respondents answer each statement included in the instrument (Khotari, 2004). Finally, the third section includes one open-ended questionnaire. In this section one open-ended question was added for a pilot study to give the respondents a chance to say if there is additional information or factors that they want to mention.

A questionnaire was distributed to customers of selected banks, which selected the sample based on non-probabilistic convenient sampling techniques. A questionnaire was distributed in place of each bank.

3.7.2. Interviews

In addition to questionnaires, face-to-face interviews were conducted with the managers or concerned bodies appointed by the manager of a bank. This study mainly focused on what factors determine customer bank selection decisions. That means in this study the principal source of data is customers. But the researchers was conduct interviews with managers or concerned bodies of the bank for two critical reasons. The first reason is to verify some information about the bank specific factors that determines the customer selection decision included in this study and the second reason is to obtain another determinant factor that is not included in this study but determines customer bank choice in order to appoint further researchers to investigate in this area.

3.8. Data Analysis

The data was analyzed by using descriptive statistics and inferential statistics. Descriptive statistics involve the help of frequencies and mean. Inferential statistics are important for predicting or estimating the values of one variable with the help of the value of another variable, concerning the different levels of each independent variable and design to show the relationship between the variables. Data was analyzed using descriptive statistics, regressions processed by SPSS version 21.0.

3.9. Model Development and Specification

To analyze the data, different kinds of statistical methods, including descriptive statistics and inferential statistics were used. In this study, multiple linear regression models 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 the impacts of independent variables (service charge, a requirement of the initial deposit, providing of loan, E-banking, the safety of funds, number of branches, the interest charged on deposits and loan, availability of ATM service, provision of customer based-service factors) on the dependent variable (customer bank selection decision). The method is used to study the relationship between bank selection

factors (independent variables) and the overall customers' Bank selection decision (dependent variable). Gujarati (1995) defines a regression function as follows: Regress a customer's Bank

These describe as:

$$CBSD_i = \alpha + \beta_1 SC + \beta_2 ID + \beta_3 PL + \beta_4 EB + \beta_5 I + \beta_6 NB + \beta_7 ATM + \beta_8 SF + \beta_9 CS + \dots + \epsilon_i \dots \dots \text{Eq. (2)}$$

Where, β_1 is the partial slope for x_1 on y

CBSD--customer's bank selection decision (dependent variable)

SC= Service charge

ID =Requirement of initial deposit

PL = providing of loan

EB = E-banking

I=Interest on deposited and loan

NB=Number of branch

ATM=availability of ATM service

SF = Safety of funds

CS=providing of customer based service

ϵ_i - Error term

Multiple linear regression model assumptions were conducted based on (Gujarati, 1995).

3.10. Study Variables

In this research, both the explanatory variable and the dependent variable were practically utilized.

3.10.1. Dependent variable

The dependent variable is the effect or result that occurs as a result of the explanatory variable. The dependent variable of this research is customer bank selection decisions. The five-point likert scale is the subjective measure of the customer banking selection decision. In short, the dependent variable is measured by using questionnaires that ask customers of banks by use a five-point likert scale. To measure the dependent variable, it provides two likert scale questions for customers concerning loyalty and their level of confidence (sure or feel happy) in their choice.

3.10.2. Explanation of the Independent variable

The independent variables are the variables that influence or affect directly or indirectly the dependent variable. In this study, there are nine independent variables included. As for the

dependent variable, all the variables were measured by using the Likert scale. They were measured on a five-point Likert-type scale of importance, ranging from 5 (very important) to 1 (not important at all). Likert scale items measure the independent factors that influence customer bank selection decisions. A five-point Likert scale questionnaire instrument consisting of 18 items was developed.

3.10.2.1. Service charge

Banks earn revenue from different sources; one of these is service charges levied on the banks customers. A service charge is the amount of payment for the consumption of a service. The banking sector is one service sector that considers the service charges from customers for the provision of service. From bank to bank, the service charges have a variation. In order to avoid or make a small payment of service charges, customers drain their bank choice.

To measure how much determines customer bank selection decisions by service charges, it provided to customers concerning the lowest service charge and make comparisons with other banks'.

3.10.2.2. Requirement of initial deposit

Banks create their own unique bank accounts for new customers. The banking business required a number of things to open a customer account, such as an identification card, an application letter, and proof of demographic background. One of the major requirements of customers asked by banks is an initial deposit. But customers' need to open the account even without making any required initial deposit. But most banks require a different amount of deposit to open a bank account. This requirement of the bank also influenced the customers' bank selection decision.

3.10.2.3. Providing of loan

One of the major roles of the banking business is the provision of loans in a number of options to their customers. Customers also want to get loans from banks for various purposes. Customers of the banks have to limit their day-to-day activities because of the scarcity of money. To overcome the scarcity of money, as an option try to get loans from banks. But sometimes customers can't get a loan as easily as they wish. The National Bank of Ethiopia (NBE) set rules regarding the provision of loans for all banking businesses. In fact, the requirements of each bank for the provision of loans vary from one bank to another. To use these variations, the customers' bank choice is migrated from one bank to another. Because customers are highly motivated to get the

loans from banks, their bank selection decision is also determined by the level of loans provided to customers.

3.10.2.4. E-banking

The competition in the banking industry has become fierce with the emergence of technology such as mobile banking, and electronic banking; consumers are expecting more demand for financial services (Hinson, R. E., Osarenkhoe, A., & Okoe, A. F., 2013). Balance inquiry, cash withdrawal, transfer within the same bank, and statement printing are some of the major practices of E-banking in those banks that are providing the service to their customers. Currently, every banking day-to-day operation is performed by using an E-banking system. But this study showed from customers' perspective and tried to show how much customers bank selection is determined by their usage of E-banking systems. Customers also engage in E-banking by using Mobile banking. Mobile Banking lets you handle many banking transactions via mobile. For instance, it may use mobile to view account balance, request transfers between accounts, and pay bills electronically.

3.10.2.5. Safety of funds

Every customer of every bank deposits a different amount of money into their account. Each customer gives attention to how much safety deposit funds are in the bank. If the customer is confused about the safety of funds, they can automatically withdraw their funds. So the funds safety keeps the safety of deposited money from different financial risks.

3.10.2.6. Number of branch

The number of branches is the total number of bank offices opened by the head office to provide bank services to their customers. One bank can have a number of branches to satisfy the customers' needs of getting banking service in an adequate and convenient location.

3.10.2.7. Interest on deposits and loans

The main source of income for the banking business is spread between interest charged on deposits and loans. So the banking business tries to impose less interest on deposits and charge a higher rate of interest on loans with the intention of making more profit. From the customers' perspective, they prefer to pay a small interest rate on their liability (loan) and use the deposit to get more interest. Based on these facts, one of the determinant factors in customer banking selection decisions is the interest charged for deposits and loans. An Interest rate is a rate of return paid by a borrower of funds to a lender of them, or a price Paid by a borrower for a

service, the right to make use of funds for a specified period. Thus it is one form of yield on financial instruments.(Darskuvienne, 2010)

3.10.2.8. Availability of ATM service

A study in Bahrain by Al-mossawi (2001) revealed that the chief factors determining college students' bank selection are the availability and location of automated teller machines (ATMs), such as their availability in several convenient locations and 24-hour availability of ATM service. The ATM service is making the day-to-day activities of bank customers easier by providing financial services instantly. Currently, the banks have different numbers of ATM machines in Bahir Dar City. Customers also prefer one bank over others in terms of the level of ATM service.

3.10.2.9. Providing of customer-based service

Currently, the bank provides several types of services to their customers. Some of this service is available to customers based on specific customer features such as age, gender, religion, business type, and types of occupation. Therefore, one factor that determines customer bank choice is the availability of service based on a customer's specific characteristics.

3.10.3.Variables measurement

Bothe dependent and independent variables measurement is summarize as follows:

Table 3.3 summary of variables measurement

Name of variables	Type of variables	Measurement tool	Criteria (attributes)
Customer bank selection decision (CBSD)	Dependent	Five-point likert scale (likert scale)	Loyalty
			Confidence
Service charge (SC)	Independent	likert scale	Low service charge
			Comparatively low service
Requirement of initial deposit (ID)	Independent	likert scale	Convinces to open bank account
			Required small initial deposit
Providing of loan (PL)	Independent	likert scale	accessibility of loans
			Easy requirement to get loan
E-banking (EB)	Independent	likert scale	Availability of mobile and internet banking
			get instant SMS notification
Interest (I)	Independent	likert scale	Low interest on loan
			High interest on deposit
Number of branches (NB)	Independent	likert scale	convinces branch location
			Easy to make transaction outside of Bahir Dar City
ATM service	Independent	likert scale	24-hour ATM service
			Convenient locations ATM service
Safety of funds (SF)	Independent	likert scale	Level of deposit guaranteed
			Do not Worried about banks financial standing
Provision of customer based service	Independent	likert scale	providing a differentiated service
			services based on characteristics' of customer

3.11. Test of data collection Instrument

Basically, the instruments were developed depending on the objectives of the study and research questions. The principles of questionnaires, such as using simple and clear language, short statement and appropriate punctuation, were also considered at the time that the researcher developed the instrument. In addition to this, questionnaires prepared in English were translated into an Amharic version. This is because some respondents were unable to read and understand English.

3.12. Instrument Validity

Validity is the accuracy and meaningfulness of the inferences that are dependent on the research results. It is the level at which results obtained from the analysis of the data actually represent the phenomena under study. This contends that the accuracy of the questionnaire data depends in a crucial way on the ability and willingness of the participants to give the information requested. For this, a pilot study was conducted to refine the methodology and test instruments such as a questionnaire before administering the final phase.

Questionnaires were test potential respondents to make the data collection instruments objective, relevant, suitable to the problem, and reliable. Issues raised by respondents were corrected, and a questionnaire was being refined. Besides, proper detection by an advisor was also being required to ensure the validity of the instruments. Finally, the improved version of the questionnaire was printed, duplicated, and dispatched.

3.13. Instrument Reliability

The reliability of instruments measures the consistency of instruments. Creswell (2009:190-92) considers the reliability of the instruments as the degree of consistency that the instruments or procedure demonstrate.

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a measure. (Sekaran, 2004).

The researcher utilized Cronbach's alpha to retest instrument reliability. This was achieved by asking a similar question in a slightly different way at a later time to similar people. The instruments' reliability was evaluated by examining the consistency of the value between the two measurements; thus, the Cronbach alpha is used to measure the reliability of the question; as shown in the table below. The cronbach alpha is 0.735, which is acceptable and greater than the minimum requirement for the test.

Table 3.4test of Reliability statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.735	10

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha \leq 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

3.14. Ethical considerations

All the research participants who are included in this study were appropriately informed about the objective of the research and their willingness and consent before the commencement of distributing the questionnaire and asking interview questions. Although all interview sessions tried to tape-record, it was impossible as the respondents were not voluntary. Regarding the right to privacy of the participants, the study secured the confidentiality of the identity of each respondent. In all cases, names are kept confidential, so collective names like “respondents” were used. All contributors to this study are acknowledged, and a list of references is attached.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1. INTRODUCTION

This chapter discussed, analyzed, and interpreted results or findings from data that were collected mainly from the customers of banks found within Bahir Dar city. The data was obtained through questionnaires and interviews.

4.1.1. Reliability test

According to Guilford (1965), a Cronbach alpha coefficient of 0.7 and above is considered appropriate and acceptable. Reliability is the “extent to which measurements reflect true individual differences among examinees.” It is the “degree of consistency with which (an instrument) measures what it is measuring.” The higher the reliability of an instrument, the less influenced it is by random, unsystematic factors. The Cronbach alpha was used to measure internal reliability by unit weighting items with salient loadings in a factor where Cronbach’s alpha coefficient of 0.5 or higher was considered acceptable (Mokhlis, 2009). These factors produced alpha coefficients of .735, indicating high internal consistency and reliability. Accordingly, the analysis conducted on this study produced an alpha coefficient of 0.735, indicating high internal consistency and reliability, also understandable to the respondent. In general, the reliability result for the variable is indicated below.

Table 4.1: Summary of the reliability test

Reliability Statistics	
Cronbach's Alpha	N of Items
.735	10

Source: SPSS output results 2022

4.1.2. Response rate

The researchers targeted a sample of 400 customers of the banks, and all of them responded correctly. This represents a 100% response rate, as table 5 below clearly demonstrates. All 400 questionnaires that were distributed were returned. This indicates that the response rate is 100%. The returned questionnaires are carefully checked and analyzed by the researcher. In general, this indicates high response rates were attributed to the self-administered approach undertaken in distributing questionnaires.

Table 4.2: Response Rate.

No	Respondent Classification	Frequency	Percentage
A	Responded	400	100
B	Did not responded	0	0
Total		400	100

Source: field survey (2022).

4.1.3. Background information about the respondents

A summary of findings on customers' profiles along six variables: gender, age, marital status, level of education, occupation, and level of income (average monthly income of the respondent) has been presented in Table6.

Table 4.3: Customers' (respondents') Demographic Characteristics

		Frequency	Percent	Valid percent	Commutative percent
Respondent sex	Male	215	54	54	54
	Female	185	46	46	100
	Total	400	100	100	
Age of respondents	Less than 30 years	142	35.5	35.5	35.5
	From 31-45 years	151	38	38	73.5
	From 46- 60 years	78	19.5	19.5	92.8
	Above 60 years	29	7	7	100.0
	Total	400	100	100.0	
Marital status of respondents	Single	149	37	37	37.3
	Married	230	58	58	94.8
	Divorced	12	3.0	3.0	97.8
	Widowed	9	2	2	100.0
	Total	400	100	100	
Respondent s level of education	No formal education	2	.5	.5	.5
	Primary school	40	10.0	10.0	10.5
	Secondary school	106	26.5	26.5	37.0
	TVET (diploma)	48	12.0	12.0	49.0
	Degree above	204	51.0	51.0	100

	Total	400	100	100	
Occupation of respondents	Private employee	101	25.0	25.0	25.0
	Public employees	121	30.0	30.0	55.0
	Pensioned	15	4.0	4.0	59.0
	Trader	120	30.0	30.0	89.0
	Unemployed	38	40	10.0	99.0
	Other	5	1.0	1.0	100
	Total	400	100	100.0	
Monthly income of respondents In birr	Less than 5000	110	27	27	27
	>5,000<10,000	125	31	31	58
	>10,000<15,000	59	15	15	73
	>15,000<20,000	23	6	6	79
	Above 20,000	47	12	12	91.0
	None	36	9.0	9.0	
	Total	400	100	100	

Source: Survey Data (2022)

As shown in table 6, depending on the gender of the participant, 215 (54%) of the respondents were males and the remaining 185 (46%) were females. This demonstrates that the numbers of male and female who participated in this study is not equal, implying that male respondents outnumbered female respondents.

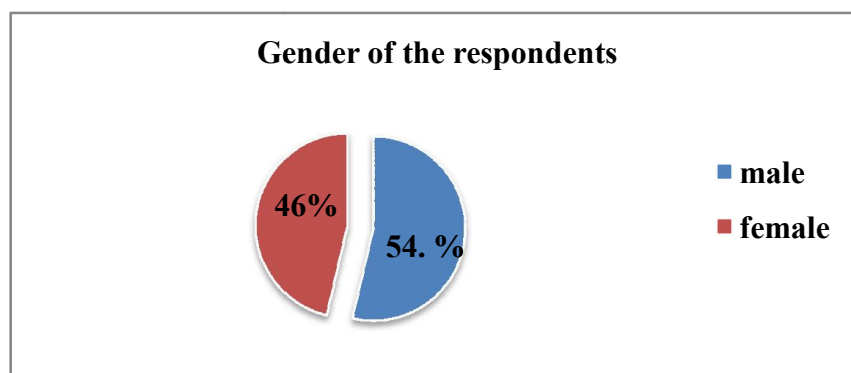


Figure4.1: Graphical presentation of the gender of the respondents

Concerning age, the majority of the respondents are in two age groups. This is less than 30 years and 31-45 years, representing 35.5% and 38% of the respondents, respectively. The age group between 46 and 60 years accounts for 19.5%, while those over 60 years account for only 7%.

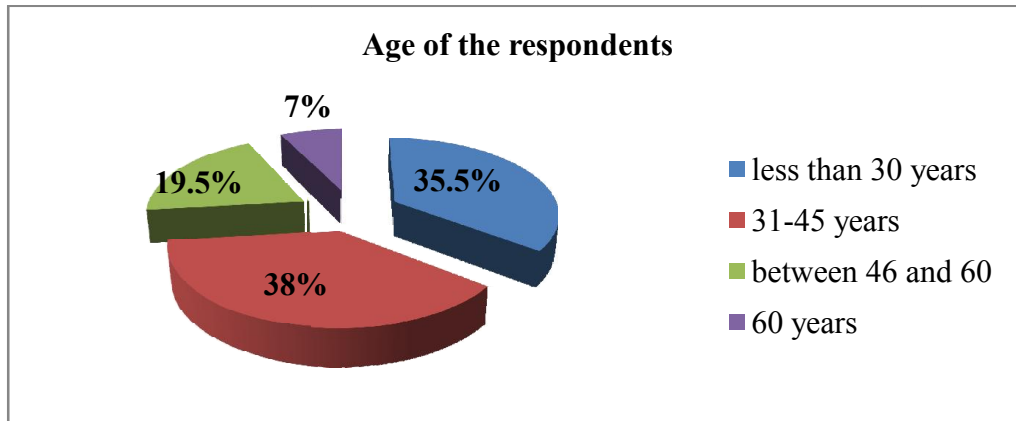


Figure 4.2: age of the respondents

As revealed in table 5, the majority of 58% of the respondents are married, but the remaining 37%, 3%, and 2% of the respondents are single, divorced, and widowed, respectively.

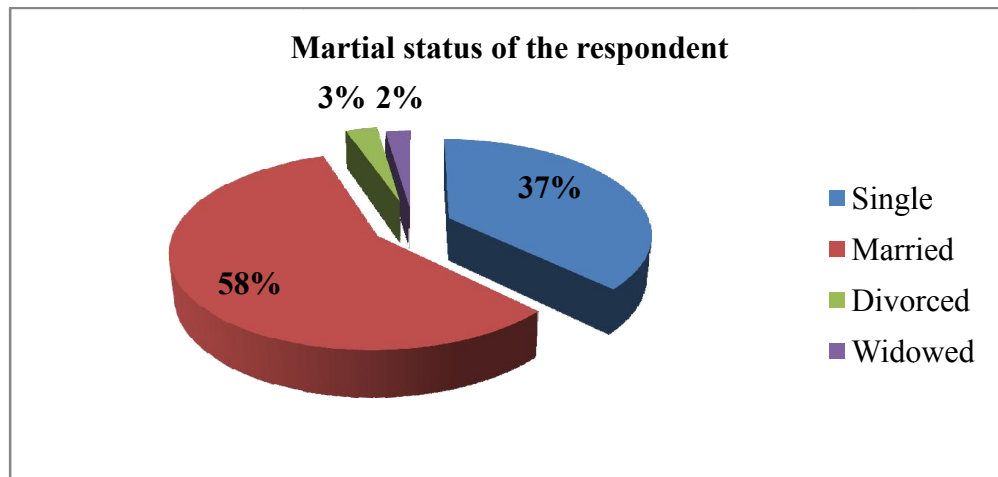


Figure 4.3: Marital status of respondents

Regarding the respondents' level of education, a majority of the respondents have a degree or an education level of above. According to the data, 26.5% of respondents have completed secondary school, 10% have completed primary school, and 12% have completed college. A good number, 51% of the respondents have also earned a first or higher degree. This shows that the adoption and use of banking services have some kind of correlation with education level. However, a considerable percentage of respondents 0.5% have no formal education, meaning that they haven't attained any level of formal education.

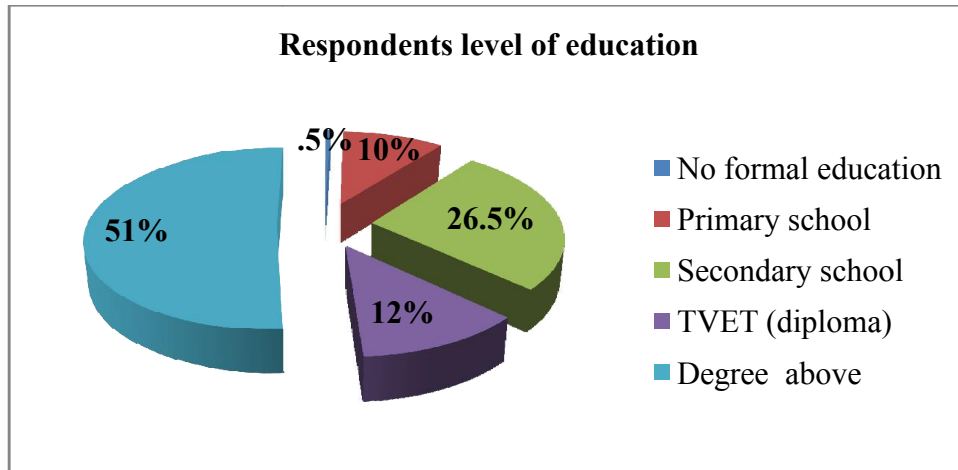


Figure 4.4: Respondents level of education

Table 5 also presents the occupational status of customers. As it was indicated that 30% of respondents were government employees, similarly 30% of respondents are traders, 25% also worked in private sectors, 10% had no job or were unemployed, 4% of the respondents are pensioned and the remaining small number 1%, mentioned different types of occupation other than the above categories.

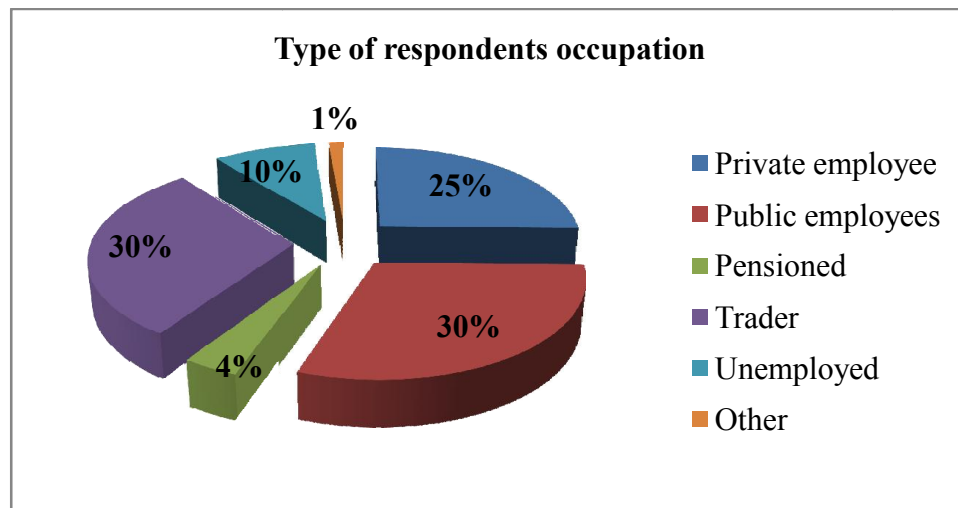


Figure 4.5: respondents' type of occupation

Table 5 reveals that the majority 31% of the respondents who are using bank services have an average monthly income of more than 5,000 Birr and less than 10,000 per month. The second vast majority of respondents, 27%, have an income level of less than 5,000 birr per month. The remaining responders have a monthly income of 10,001-15,000, 15,001-20,000, and above 20,000, which is 15%, 6%, and 12%, respectively. But the remaining 9% of respondents do not have any income at this time.

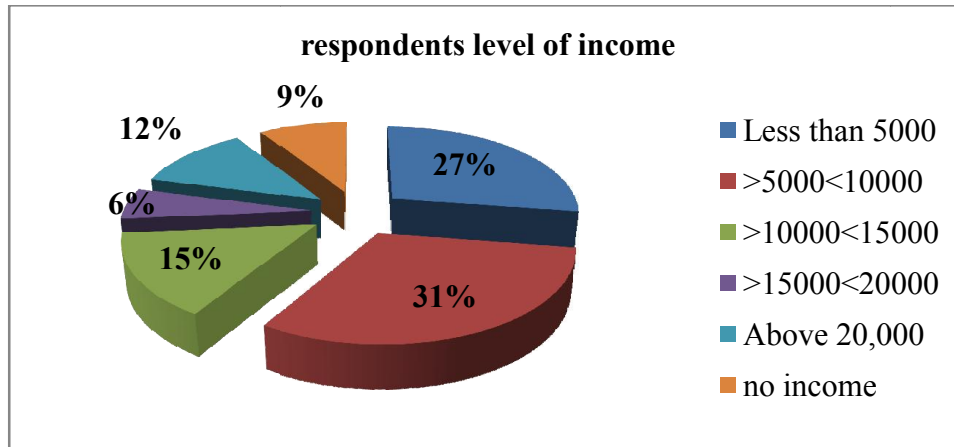


Figure 4.6: graphical presentation of respondents' income level

4.2. Descriptive statistics of the variables

The descriptive statistics analysis of each component of the customer bank selection decision is organized into various factors, including: service charges required initial deposit, providing a loan, E-banking, interest charged to deposit and loan, number of branches, ATM service, safety of funds, and provision of customer-based special services.

The response obtained from the respondents to each factor is rated based on the five-point Likert scale. Therefore, respondents were given the chance to rate the descriptive for the above-mentioned factors. The descriptive analysis of customers' responses to each item in section one (general information of respondents); section two (bank selection criteria on bank users, customer bank selection decision); and finally included single open-ended questions.

4.2.1. Service charge

The first variable taken into account in this study as a factor that influences the banking choice of the customer is the service charges required by banks as a fee for the provision of financial services.

Table 4.4: response about service charges

I have selected the bank because of bank consider Low service charges				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	84	21.0	21.0	21.0
Disagree	158	39.5	39.5	60.5
Neutral	69	17.3	17.3	77.8
Agree	50	12.5	12.5	90.3
strongly Agree	39	9.8	9.8	100.0
Total	400	100.0	100.0	

Commission & fee collected by the bank for different bank services is the lowest as compared with other private banks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	163	40.8	40.8	40.8
	Disagree	135	33.8	33.8	74.5
	Neutral	58	14.5	14.5	89.0
	Agree	21	5.3	5.3	94.3
	strongly Agree	23	5.8	5.8	100.0
	Total	400	100.0	100.0	

Source: SPSS output results 2022

The results presented in table7 indicate that, by using the five-point likert scale provides two questions for respondents concerning how much service charge influences the customer's bank selection decision. The respondents' feedback shows an average of two questions,36.65% of the respondents disagree that the bank service charge influenced their bank selection decision, also 30.9% of the respondents also strongly disagree , 15.9% of the respondents are neither agree nor disagree, and8.9%are agreed. To that end, 7.8% of these respondents strongly agree that service charge have an impact on their choice of bank. This indicated that more than 66% of respondents disagree about service influencing their bank selection decisions.

Based on the responses received from the respondents, the mean score of the service charge factor is 2.2725.This indicates most of the bank customers' believe that bank choice can't be significantly influenced by service charges.

4.2.2. Requirement of initial deposit

Table4.5: customers' response on required initial deposit

Convenience of opening an account					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	95	23.8	23.8	23.8
	Disagree	92	23.0	23.0	46.8
	Neutral	76	19.0	19.0	65.8
	Agree	47	11.8	11.8	77.5
	strongly Agree	90	22.5	22.5	100.0
	Total	400	100.0	100.0	

Required small amount of initial deposit by bank to open bank account

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	163	40.8	40.8
	Disagree	96	24.0	64.8
	Neutral	55	13.8	78.5
	Agree	33	8.3	86.8
	strongly Agree	53	13.3	100.0
	Total	400	100.0	100.0

Source: SPSS output results 2022

As indicated in table 8, the majorities of 32.3% of respondents strongly disagree, 23.5% of respondents disagreeing, 16.4% of respondents are neutral, 17.9% of customers strongly agree, and 10.05% of customers agree. Based on data obtained from the respondents by using questionnaires, most of the respondents feel the required initial deposit can't highly affect their bank choice. The mean score of the required initial deposit factor is 2.5775. This indicates this factor does not highly influence the customers' bank choice.

4.2.3. Providing of loan

Table 4.6: summary of customers' response about provision of loan

I became a customer of the bank because loans are easily available and accessible

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	72	18.0	18.0
	Disagree	134	33.5	51.5
	Neutral	49	12.3	63.8
	Agree	49	12.3	76.0
	strongly Agree	96	24.0	100.0
	Total	400	100.0	100.0

I have selected the bank because the bank requirement is easy to giving loan.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	106	26.5	26.5
	Disagree	121	30.3	56.8
	Neutral	88	22.0	78.8
	Agree	42	10.5	89.3
	strongly Agree	43	10.8	100.0
	Total	400	100.0	100.0

Source: SPSS output results 2022

According to the above table, based on an average of two questions the respondents' feedback shows 31.9% of respondents disagree, 22.25% of respondents strongly disagree, 17.4 percent strongly agree, 17.15% of customers are neutral, and 11.4% of customers agree. One of the basic functions of a bank is to providing of loans to their customers. But most banks can't provide loans as an expectation of a customer with a fear of default risk. In this study, it was examined how much the provision of loans determines the banks choice of customers. This study also found out that the mean score of the providing loan factor is 2.6975. This indicates most respondents respond that providing loans is the least important factor concerning customer bank choice. In general, 54% of the respondents responded that the provision of loans is not a factor that determines their bank selection decisions. Then the provision of loans is the least important factor that determines customer choice of the bank.

4.2.4. E-banking

Table 4.7: summary of customers' response about E-banking

I have selected the bank due to the availability of mobile and internet banking services

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	54	13.5	13.5	13.5
Disagree	82	20.5	20.5	34.0
Neutral	54	13.5	13.5	47.5
Agree	59	14.8	14.8	62.3
strongly Agree	151	37.8	37.8	100.0
Total	400	100.0	100.0	

I have selected the bank because I get an instant SMS notification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	55	13.8	13.8	13.8
Disagree	55	13.8	13.8	27.5
Neutral	36	9.0	9.0	36.5
Agree	123	30.8	30.8	67.3
strongly Agree	131	32.8	32.8	100.0
Total	400	100.0	100.0	

Source: SPSS output results 2022

Customers are asked about whether the banks' availability of E-banking services has influenced their banking choice. Based on the average of two question responses of respondents, 35.3% of customers are strongly agree, 22.8% of customers agree, while 17.15% of customers disagree, 13.65% of the respondents strongly disagree, and 11.25% of customers are neutral. In this study, the mean score of the E-banking factor was 3.4888. This indicates that the E-banking service is one of the most important factors with respect to customer bank selection.

4.2.5. Interest charge for deposit and loan

Table 4.8: customers' response regard with interest

I have selected the bank because the rate of interest paid on saving deposits is better than other banks

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	60	15.0	15.0	15.0
Disagree	109	27.3	27.3	42.3
Neutral	56	14.0	14.0	56.3
Agree	65	16.3	16.3	72.5
strongly Agree	110	27.5	27.5	100.0
Total	400	100.0	100.0	

I have selected the bank because the rate of interest charged for loans is small as compared to others

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	68	17.0	17.0	17.0
Disagree	106	26.5	26.5	43.5
Neutral	67	16.8	16.8	60.3
Agree	68	17.0	17.0	77.3
strongly Agree	91	22.8	22.8	100.0
Total	400	100.0	100.0	

Source: SPSS output results 2022

The above table shows the response of the customers about how much interest is given and imposed by the banks, which determines the customers' bank choice. However, 26.9% disagreed, 25.15% strongly agreed, 16.65% agreed, 16% strongly disagreed, and 15.4% are neutral. From data collected from the respondents, this study find out that the mean score for this factor is 3.0800. This indicates interest is one of the important factors that influenced the

customer bank selection decision. In this study, reveals that interest is the important factor that influences the customer bank selection decision.

4.2.6. Number of Branch

Table 4.9:respondents'feedback concerning number of branches

Convenience branch locations					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly Disagree	15	3.8	3.8	3.8
	Disagree	35	8.8	8.8	12.5
	Neutral	62	15.5	15.5	28.0
	Agree	121	30.3	30.3	58.3
	strongly Agree	167	41.8	41.8	100.0
	Total	400	100.0	100.0	

I have selected the bank due to the easiness money transfer /receive for customers /family out of Bahir Dar City.

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly Disagree	13	3.3	3.3	3.3
	Disagree	34	8.5	8.5	11.8
	Neutral	59	14.8	14.8	26.5
	Agree	129	32.3	32.3	58.8
	strongly Agree	165	41.3	41.3	100.0
	Total	400	100.0	100.0	

Source: SPSS output results 2022

Table 12 shows that majority of 41.55% of the respondents strongly agree that the number of branches heavily influences their bank choice, 31.3% agree, while 15.15% are neutral, 8.65% disagree, and the remaining 3.55% strongly disagree with impact number of branches on their bank selection. Above 70% of the respondents strongly agree that the number of branches opened by the bank is the major factor that determines their bank selection decision. The study also revealed that the number of branches is the most important decision variable at 4.000 in the bank selection process and was ranked at the top. The value of too many branches for customers is making it easier for their day-to-day lives by receiving service in a convenient location and also making transactions outside of Bahir Dar City through the bank. In this study, 72.85% of the respondents agree that their bank selection decision is highly influenced by the number of

branches and ranked at the top. This implies that the number of branches is the top determinant factor that determines the customer bank selection decision.

4.2.7. ATM service

Table 4.10: customers' response towards ATM services

I have selected the bank because of twenty four hours availability of ATM machines

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	49	12.3	12.3
	Disagree	112	28.0	40.3
	Neutral	64	16.0	56.3
	Agree	37	9.3	65.5
	strongly Agree	138	34.5	100.0
	Total	400	100.0	100.0

I have selected the bank to get ATM service Convenient locations

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	47	11.8	11.8
	Disagree	99	24.8	36.5
	Neutral	68	17.0	53.5
	Agree	64	16.0	69.5
	strongly Agree	122	30.5	100.0
	Total	400	100.0	100.0

Source: SPSS output results 2022

The other question also asked for respondents concerning ATM services provided by banks for their customers. In response to this question, 32.4% of customers strongly agree, 26.4% disagree, 16.5% are neither agree nor disagree, 12.8% agree, and 12.05% strongly disagree. The selected four banks in this study and here in Bahir Dar City they have an ATM service available to their customers. The ATM service of the bank varies from bank to bank in the number of ATM machines and the setting of ATM machines in convenient locations. This study reveals that the mean ATM service factor score is 3.2725. This indicates ATM service is the most important factor that influenced the customers' bank selections. Related with too easy of an ATM machine to withdraw cash, the customers pay attention to ATM service. Most customers needed ATM service and preferred to consume financial services with banks having an adequate number of

ATM machines and service. As this study indicated, ATM service is one of the most important factors that determine customer bank selection decisions.

4.2.8. Safety of funds

Table 4.11: customers' response concerning safety of funds

Safety of deposit is guaranteed					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly Disagree	47	11.8	11.8	11.8
	Disagree	106	26.5	26.5	38.3
	Neutral	57	14.3	14.3	52.5
	Agree	61	15.3	15.3	67.8
	strongly Agree	129	32.3	32.3	100.0
	Total	400	100.0	100.0	

I have selected the bank because I am not worried in the financial standing of the bank

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly Disagree	42	10.5	10.5	10.5
	Disagree	99	24.8	24.8	35.3
	Neutral	53	13.3	13.3	48.5
	Agree	58	14.5	14.5	63.0
	strongly Agree	148	37.0	37.0	100.0
	Total	400	100.0	100.0	

Source: SPSS output results 2022

For the question about the safety of funds for customers, obtain the following feedbacks 34.65% strongly agree, 25.65% of customers disagree, 14.9% of customers agree, 13.8% of the customers are neutral, and 11.15% of the customers strongly disagree. Based on the mean score of 3.3625 for the safety of fund factor, this indicates this factor is one of the most important that determines customer bank selection is the safety of funds. Based on the data collected from the respondents almost 50% of the respondents agree their banking choice is determine by safety of funds, and they are believe the safety of funds deposited in the bank is guaranteed and don't worried financial standing of the bank.

4.2.9. Providing of customer-based special service

Table 4.12: response of customers regard with provision of customer- based service

I have selected the bank because the bank has done a lot in providing a differentiated service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	78	19.5	19.5	19.5
Disagree	108	27.0	27.0	46.5
Neutral	53	13.3	13.3	59.8
Agree	46	11.5	11.5	71.3
strongly Agree	115	28.8	28.8	100.0
Total	400	100.0	100.0	

I have selected the bank because of providing specific services based on characteristics' of customer

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	52	13.0	13.0	13.0
Disagree	100	25.0	25.0	38.0
Neutral	155	38.8	38.8	76.8
Agree	38	9.5	9.5	86.3
strongly Agree	55	13.8	13.8	100.0
Total	400	100.0	100.0	

Source: SPSS output results 2022

The last inquiry for customers is about the provision of customer-based service by the banks. The respondents also give their feedback according to the above table. According to the findings of this study, 26% of the respondents are disagree, 26.05% of the customers are neutral, 21.3% of the customers strongly agree, 16.25% of the customers strongly disagree, and the remaining percent of the customers 10.5 agree. The customer-based service factor mean score is 2.9550. This indicates the above medium determinant factor of customer bank selection is availability of customer-based services provided by the bank. Comparatively customers agree about the customer based services are determine their choice of bank.

4.2.10. Customer bank selection decision

In this study, customer bank selection decisions are dependent variable. This indicates the customer bank selection decision is depends on so many factors. To measure the dependent variable the researcher provides two questions through a five-point liker scale. The theme of question is concerned on customers' loyalty and confidence on their choice of bank.

Table 4.13: response of customers about customer bank selection decisions

I am loyal customer of this bank?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	.5	.5	.5
Disagree	23	5.8	5.8	6.3
Neutral	57	14.3	14.3	20.5
Agree	66	16.5	16.5	37.0
strongly Agree	252	63.0	63.0	100.0
Total	400	100.0	100.0	
I am sure and feel happy on our choice of bank?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	1.5	.8	.8
Disagree	24	6.0	6.0	6.8
Neutral	58	14.5	14.0	20.8
Agree	55	13.75	16.3	37.0
strongly Agree	257	64.25	63.0	100.0
Total	400	100.0	100.0	

Source: SPSS output results 2022

Based on feedback obtained from customers using five-point likert scale questionnaires, the researcher obtains feedbacks from the respondents about the loyalty and confidence of the banks selection. Then, as revealed in table 16, on average, 63.6 percent of total respondents strongly

agree with questions provided to measure the customer bank selection decision (dependent variable). In addition, 15.25 percent of the respondents agree, 14.8 percent of respondents are natural, 5.9 percent of the respondents disagree, and the remaining 1 percent of the respondents strongly disagrees. In general almost 79% of the respondent are loyal, sure, feel happy on their customer bank selection decision.

4.2.11. Description of an open-ended question

One open-ended question is included in the questionnaires and provided to customers of the bank to give a chance for respondents to raise if they have other determinant factors that influence their bank choice that are not included in this study. From a total of 400 distributed questionnaires, only 83 respondents list the other factors, but the remaining 204 respondents fill in the blank space as *“I do not have other factors that determine our bank selections”* and some of the respondents cannot fill the space. Based on this, the 83 respondents’ list different factors, mention in below. Some of these factors are *reliability issues with staff, system failures, limited working hours; inadequate windows, sometimes it take a several minutes to get banking service, availability of lottery chance, because of shareholder of the bank and better customer handling system for banks. This section has great value for other researchers because it identifies some determinant factors that need further study based on the responses of the customers of banks that are not covered in this study.*

4.3. Ranking Importance of Bank Selection Factors

A ranking table was produced in order to analyze differences in the importance of bank selection criteria. A ranking table showed the mean score of each factor. Based on their mean score each factor was ranked as follows’.

Table 4.14: independent variables mean score

Factors	Mean	Rank
Number of branches	4.0000	1
E-banking	3.4888	2
Safety of funds	3.3625	3
ATM service	3.2725	4
Interest	3.0800	5
Providing of customer based service	2.9550	6

Providing of loan	2.6975	7
Required initial deposit	2.5775	8
Service charges	2.2725	9

Source: SPSS output results 2022

The one top factor that was found in the listing was the number of branches (mean = 4.000). It indicates that bank customers place a high value on the ability to save time, and many consumers place a high value on their banks providing location convenience with an adequate number of branches. The E-banking factor (mean = 3.4888) was rated as the second most important decisive factor influencing customers choice of the bank. Safety of fund (mean = 3.3625) came next in terms of the relative importance. It implies that respondents do not feel that the risk of their own funds is deposited in a bank. In particular, fund safety reflects respondents' desire to bank with a stable bank and assurance of confidentiality when making a transaction. The ATM service provision (mean=3.2725) was ranked the fourth important factor influencing customers bank choice. It indicates that customers' have recognized that banks vary in terms of performance in the availability of ATM service. Interest (mean= 3.0800) came in next. This indicates interest considered in deposits and loan is influences the customers bank choice.

The provision of customer-based service (mean=2.9550) factor was rated as the sixth factor influencing customers when deciding to select the banks. On the other hand, the required initial (mean=2.5775) deposit is another factor that determines the customers' bank selection decision in the case of Bahir Dar City. So the required initial deposit factor is ranked seventh based on its mean score as indicated in the above table. The other factor that ranked eighth was the provision of loans (mean= 2.6975). Provision of loans is one of the determinant factors for customer bank selection decisions. The last factor that ranked least was service charges. This factor (mean=2.2725) is low importance and ranked in the bottom criteria for main bank choice.

4.4. Pearson's Product Moment Correlation Coefficient

Under this, Pearson's Product Moment Correlation Coefficient was applied to evaluate or determine whether there are significant relationships between service charge, required initial deposit, providing loan, E-Banking, interest, number of branches, ATM service, safety of fund, provision customer-based service, and customer bank selection decision. The following section expresses the outcome of Pearson's Product Moment Correlation on the relationship between independent variables and explained variable. Under this, Pearson's Moment Correlation

Coefficient was applied to evaluate or determine the moment correlation. The following section expresses the outcome of Pearson’s Product Moment Correlation on the relationship between independent variables and explained variables. The table below shows the correlation coefficients for the relationships between customer bank selection decision and its independent variables. According to Duncan C. and Dennis H. (2004:38-41), the correlation coefficient can range from -1to +1. A value of -1 represents an exact negative correlation, whereas a value of + 1 represents a true positive correlation. A value of 0 correlates represents no relationship. The results of the correlation coefficient may be interpreted as follows.

Correlation	Interpretation
(-1.00 to -0.8)-----	Strong
(-0.8to-0.6)-----	Substantial. Negative
(-0.6 to -0.4)-----	medium
(-0.4 to -0.2)-----	Low
(-0.2 to 0.2)-----	Very low
(0.2 to 0.4) -----	Low
(0.4 to 06) -----	Medium
(0.6 to 0.8) -----	Substantial
(0.8 to 1.00) -----	Strong

Table 4.15: The relationships between independent variables with customer bank selection decision.

		Customer bank selection
Service charge	Pearson correlation	-.131**
	P-Value	.000
	N	400
Requirement of initial	Pearson correlation	.267**
	P-Value	.000
	N	400
Providing of loan	Pearson correlation	.431**
	P-Value	.000
	N	400
E-Banking	Pearson correlation	.530**
	P-Value	.000
	N	400

Interest to deposit and loan	Pearson correlation	.380 ^{**}
	P-Value	.000
	N	400
Number of branch	Pearson correlation	.736 ^{**}
	P-Value	.000
	N	400
ATM service	Pearson correlation	.689 ^{**}
	P-Value	.000
	N	400
Safety of funds	Pearson correlation	.335 ^{**}
	P-Value	.000
	N	400
Providing customer-based service	Pearson correlation	.420 ^{**}
	P-Value	.000
	N	400
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Source: SPSS output results 2022

Table 23 shows a weak negative relationship between service charge and customer bank selection decisions ($r=-.131$, $p=0.000$). However, there is a weak positive relationship between interest, required initial deposit and customer bank selection, ($r=.380$, $p<0.001$), and ($r=.267$, $p<0.001$) respectively. The customer bank selection decision and provision of customer-based service, ($r =.420$, $p < 0.001$), providing of loan ($r =.431$, $p<0.001$), safety of funds ($r =.335$, $p<0.001$), and E-Banking ($r =.530$, $p<0.001$) have a medium-positive relationships. On other hand, there is substantial positive relationship between the number of branches, ($r=.736$, $p<0.001$), ATM service, ($r =.689$, $p<0.001$) and customer bank selection decisions. This implies that the numbers of branches and ATM service have a significant role in determining the customer bank selection decision in the case of Bahir Dar city. Moreover, the table presents the association between the selected variables and the customer bank selection decision for a sample of 400 operators in the study area.

4.5. Tests for the Classical Linear Regression Model (CLRM) assumptions

This section presents the tests for the assumptions of four basic classical linear regression models (CLRM). The Multiple regression assumptions that are identified as primary concerns in the research include multicollinearity, normality, autocorrelation, and homoscedasticity. This section

specifically defines each assumption, addresses how to test for each assumption, and interprets the results.

4.5.1. Multicollinearity Test

The simple correlation coefficients between the independent variables have been examined to check whether there is severe multicollinearity in the model. As indicated in table 18 below, the values of all the correlation coefficients between the independent variables are lower than 0.90, which indicates the test does not detect the existence of severe multicollinearity of independent variables in the given model.

Table 4.16: Correlation Matrix

	CBSD	SC	RID	PL	E-B	INT	NB	ATM	SF	C-BS
CBSD	1									
SC	-.131	1								
RID	.267	-.033	1							
PL	.431	-.130	.194	1						
E-B	.530	-.069	.205	.262	1					
INT	.380	-.111	.198	.093	.235	1				
NB	.736	-.060	.174	.289	.449	.317	1			
ATM	.689	-.029	.174	.300	.359	.198	.494	1		
SF	.335	-.022	.102	.095	.249	.054	.315	.315	1	
C-BS	.420	-.053	.198	.141	.219	.144	.305	.305	.164	1

Source: SPSS output results 2022

As per Gujarati (2004), Multicollinearity is a severe problem if the correlation between two independent variables is above 0.90. But, as it is shown in table 18 above, the highest observed correlation for explanatory variables of this study was 0.736 between customer bank selection decision and number of branches, which is below 0.90. Multicollinearity was not a serious problem or issue in this study.

Table 4.17: Multicollinearity test

Model	Coefficients ^a	
	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Service Charges	.971	1.030
Initial Deposit	.896	1.116
Providing Loan	.842	1.188
E-Banking	.737	1.357
1 Interest	.857	1.167
Number of branches	.600	1.667
ATM service	.673	1.485
Safety of Fund	.870	1.150
Customer-based service	.843	1.187

a. Dependent Variable: customer bank selection decision

Source: SPSS output results 2022

Table 18 shows the variance inflation factor (VIF) for the Multicollinearity test. The VIF indicates whether a predictor has a strong linear relationship with the other predictors. However, there are no fixed rules about what value or cut-off point of the VIF should cause concern. Myers (1990) suggests that a value of less than ten is a good value to minimize the multicollinearity problem, while others state that the tolerable VIF is above 0.2 or 0.1. So, in this study, all independent variables of the variance inflation factor and the value of the tolerance are less than 10 and greater than 0.1 or 0.2, respectively. This indicates that there was no perfect or high relationship or association between explanatory variables.

4.5.2. Normality test

In order to measure the normality of the explanatory variables, the skewness and kurtosis are computed. The range for normality is (-1.0 to +1.0). Can then proceed with the analysis since all the independent variable meets the assumption of normality and are supported by the total sample. The residuals should be normally distributed (Gujarati, 2003).

The normality of the population is the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). On other hand, in order to examine normality, the researcher measure each variable's skewness (which aims to show the data is normally

distributed) and kurtosis (which aims to show the data is peak or flat) with respect to normal distribution. The common measure for both skewness and kurtosis normality is between -2 and 2 (George & Mallery 2010).

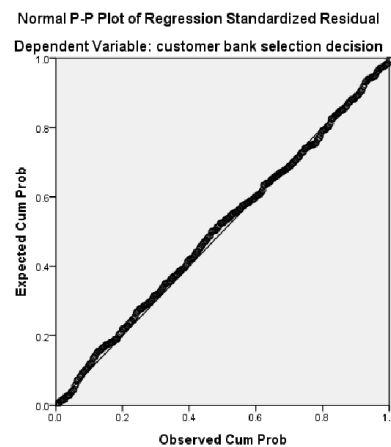
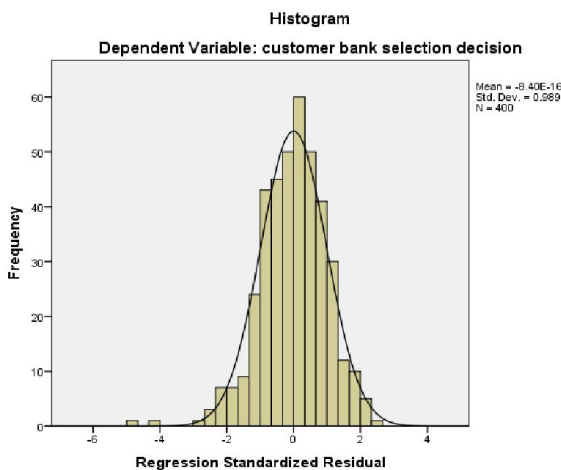
As a result, the skewness and kurtosis for nine constructs, which constitute 18 items, were between -1.74 and .831 with standard errors of .122 and .243, respectively. Based on the statically results these show that the data is normally distributed. The skewness and kurtosis of the variables are shown below.

Table 4.18: Skewness and Kurtosis

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
customer bank selection decision	400	-1.274	.122	.490	.243
Service Charges	400	.831	.122	1.042	.243
Initial Deposit	400	.381	.122	-.623	.243
Providing Loan	400	.263	.122	-.897	.243
E-Banking	400	-.486	.122	-.474	.243
Interest	400	.010	.122	-.761	.243
Number of branches	400	-.972	.122	.316	.243
ATM service	400	-.181	.122	-1.049	.243
Safety of Fund	400	-.258	.122	-.644	.243
Customer-based service	400	.163	.122	-.730	.243
Valid N (listwise)	400				

Source: SPSS output results 2022

Figure 4.7: histogram **Figure 4.8: P-P plot**



Source: SPSS output results 2022

The histogram showed that the customer bank selection decisions or dependent variable is normally distributed for each value of the independent variables and bell shaped, and then the distribution of the residuals is approximately normal.

Furthermore, the assumption test by showing at the P-P plot for the model, the dots lie closer to the diagonal line. Hence, the residuals are distributed closer to normal.

4.5.3. Test for Autocorrelation

It is assumed that the errors are uncorrelated with one another. If the errors are not uncorrelated with one another, it would be stated that they are autocorrelated or that they are serially correlated. There thus exists the probability that the wrong inferences could be made about whether a variable or not an important determinant of variations in y . therefore required a test of this assumption. Graphical methods may be difficult to interpret in practice, however, and since a formal statistical tests should be applied. The simplest test is due to Durbin & Watson (1951). Brooks (2014)

A rule of thumb is that test statistic values in the range of 1.5 and 2.5 are relatively normal.

Table 4.19: Durbin Watson Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.755	.48010	1.638

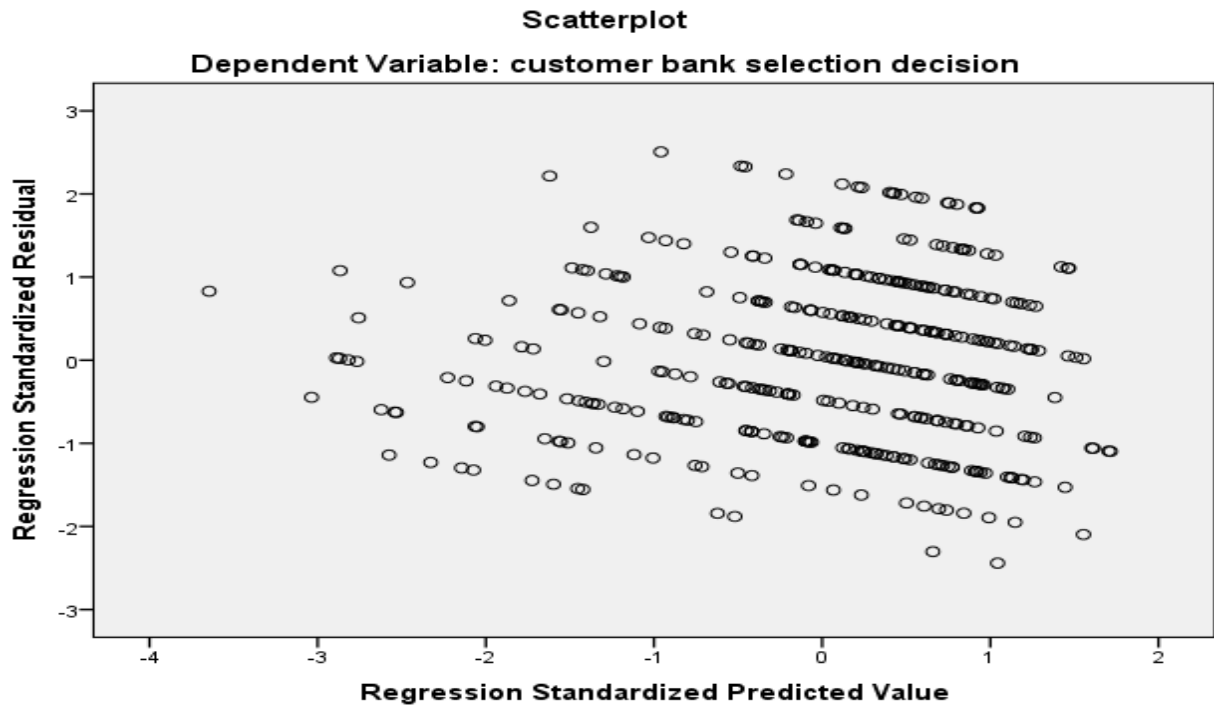
Source: SPSS output results 2022

In this case, the Durbin-Watson statistic shows that this assumption has been met as the obtained value is between 1.5 and 2.5 (Durbin Watson =1.638).

4.5.4. Homoscedasticity

The assumption of homoscedasticity refers to an equal or constant variance of errors across all levels of the independent variables. This means that researchers assume that errors are spread out consistently among the variables (Keith, 2006). If the errors do not have a constant variance, they are said to be heteroscedastic. When heteroscedasticity is present, it can cause the finding to be distorted as well as weaken the overall analysis and statistical power of analysis, increase the possibility of type I error, erratic and untrustworthy F-test result, and incorrect conclusion. (Osborne & Waters, 2002). Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by regression standardized predicted value.

Figure 4.9: Graphical representation of homoscedasticity test.



Source: SPSS output results 2022

As such, regression models should be assumed to have a constant variance of residuals (homoscedasticity). One way of doing this is to look at the plot in the above, which is a scatter plot of standardized residuals against standardized predicted values. However, the graph shows a random dispersion around zero, and one can conclude that the assumption of homoscedasticity has been met.

4.5.5. Independent of residual test

The independent residual shows that the test for the presence of serial relations among the residuals. The most important tool for measuring independent residual is the Durbin-Watson statistic, which shows 1.638 in table 24. The independent residual shows that the test for the presence of serial relations among the residuals. As a general rule, the residuals for Durbin-Watson statistic ranges are an acceptable range of 1.50-2.50, so the hypothesis is accepted, as reported by kahsay and Zeleke (2019).

To examine the significance relation between the customer bank selection decision measured by five-point likert scale. The statistical results are summarized in table 24 below.

Table 4.20: Independent residuals

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.755	.48010	1.638

Source: SPSS output results 2022

As shown in table 24, the R Square value of this study is 0.760, with an adjusted R Square value of 0.755, implying that the independent (explanatory) variables explain 76% of the variation in customer bank selection decision. The remaining 24% of the variance is explained by other variables not included in this study.

Table 4.21: Goodness of Fit-ANOVA Result

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	284.803	9	31.645	137.289	.000 ^b
	Residual	89.894	390	.230		
	Total	374.698	399			

Source: SPSS output results 2022

The F-test shows the overall significance of variables, $F = 137.289$, $P = 0.000$. The F-value of the model with 137.289 and the p-value of 0.000, which is less than the $\alpha = 0.05$ level of significance, indicate that there is at least one independent variable influencing the bank selection decision. The alternative hypothesis of the model was accepted at a 1%, and 5%, significance level. Therefore, the model variables are jointly significant. The R-squared and F-statistics that the implemented models of this research are well fitted.

4.6. Regression result and Discussions

To investigate the significances relationship of between the customer banks' selection decision factors and the five-point likert scale employed. The statistical results are summarized in table 26 below.

Table 4.22: Regression result

Coefficients^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.348	.155		2.249	.025
	Service Charges	-.053	.027	-.049	-1.959	.051
	Initial Deposit	.032	.023	.037	1.393	.164
	Providing Loan	.133	.025	.145	5.351	.000
	E-Banking	.111	.025	.126	4.346	.000
	Interest	.110	.024	.121	4.506	.000
	Number of branches	.397	.034	.375	11.694	.000
	ATM service	.271	.025	.332	10.993	.000
	Safety of Fund	.049	.024	.055	2.062	.040
	Customer-based service	.107	.026	.110	4.089	.000

a. Dependent Variable: customer bank selection decision

Source: SPSS output results 2022

Table 26 shows the regression coefficients of predictor variables and their level of influence on customer bank selection decisions. Multiple linear regression analysis was computed in order to assess the relative influence of predictor variables (service charge, initial deposit, providing of loan, E-banking, interest, number of branches, ATM service, safety of funds, provision of customer-based service) on the dependent variable. The above table shows that, mostly the predictor variables made a statistically significant and others insignificant prediction in predicting the dependent variable.

Table 26 above displays the estimates of the multiple regression customer bank selection decision determinant variables for a sample of 400 customers' of the bank. All independent variables, with exception of the service charge and required initial deposit, shows highly significant and significant differences in customer bank selection decisions, because their p-value is less than 0.0001 and above respectively.

From the above table 26, the regression output reveals that the service charge p-value is 0.051, which is above than the maximum requirement of $\alpha=0.05$. this indicates service charge is insignificant factor for customer bank selection decision. The P-value for the relationship between the required initial deposit and the customer bank selection decision in this study is

0.164 above than the maximum requirement of $\alpha = 0.05$. This means that there is an insignificant relationship between required initial deposit and customer bank selection. On other hand safety of fund p-value is 0.040 but it is less than maximum requirement of $\alpha = 0.05$, so it is significant factors for customer bank selection decisions. As shows in the table, providing of loan, E-banking, interest, number of branches, ATM service, safety of funds, and provision customer-based service are all significant and peruse had highly significant relationships with customer bank selection decision because their p-value are less than 0.001.

4.7. Hypothesis test

H1: There are significant differences in the customer bank selection decisions based on the difference in a service charge.

Service charges are one factor determining customer bank selection decision. The service charge p-value is 0.051, indicating that variation in service charge be insignificant in relation to customer bank selection decisions, and it is greater than the maximum requirement of $\alpha = 0.05$. Since the p-value = 0.051 are > 0.05 can be rejecting the alternative hypotheses. To take under consideration the descriptive result of the respondents response beyond the regression result, almost more than half of the respondents disagreed about customer bank selection as determine by service charges. So it can reject the alternative hypothesis. Therefore, at $\alpha = 0.05$ level of significant; there is not enough evidence to conclude that service charges have a significant effect on bank selection decisions. According to the study by owusu (2014) customer bank selection decision are heavily influenced by service charges on their accounts.

H2: There are significant variations in the customer bank selection with a difference in the number of branches.

According to table 26, the test of equality in variance shows a significant p-0.000 for the number of branches factor which is less than $\alpha = 0.05$. The p-value of number of branches is less than .001, it indicates by how much the number of branches factor is significant. Accordingly, hypothesis two is accepted.

H3: There are significant variations in the customer bank selection with a difference in the amount of provision loans.

The availability of loans is significant in relation to the customer banks selection decision because the p-value is less than 0.001. That is less than the maximum allowed, $\alpha = 0.05$. So the alternative hypothesis was accepted.

H4: There are significant variations in customer bank selection with a difference in providing E-banking to customers.

The p-value of E-banking is 0.000, which is less than 0.001. These figures show that E-banking has a significant impact on customer bank selection decisions in the Bair Dar city. Because E-banking has p- value of is 0.000, this indicates that it has significant relation with customer bank selection decision. This indicates necessarily accepting the hypothesis.

H5: There are significant variations in the customer bank selection, with a difference in the safety of funds.

As shown in table 26, the acceptable p-value is 0.05. The p value for the safety of funds is 0.040, and the safety of funds made a significant contribution to the customer bank selection decision. So, based on the regression and descriptive results, can be accepted the alternative hypothesis. As a result of this, it is possible to conclude that the safety of funds is a significant predictor of the customer bank selection decision in Bahir Dar town.

H6: There are significant variations in the customer bank selection with a difference in the required amount of initial deposit.

The acceptable p-value is $\alpha = 0.05$, but the p value for the required initial deposit from the customer, as depicted in table 26, is 0.164. These values show that the required initial deposit of the customer is insignificant prediction for the customer bank selection decision. So the alternative can be rejected.

H7: There are significant variations in the customer bank selection with a difference in the interest rate charged to deposits and loans.

The p-value of interest charges for deposit and loan is 0.000, which is less than 0.001 as shown in table 26. Accordingly, hypothesis seven is accepted.

H8: There are significant variations in the customer bank selection with the difference in the availability of ATM service.

Based on table 26, regarding the test for ATM service the p-value is 0.000. This indicates there is a significant relationship between ATM service and a customers' bank selection decision. Since this value is less than 0.001, so it can be concluded that there is a statistically significant relationship between the service and the customers' bank selection decision. Accordingly, hypothesis eight is accepted.

H9: There are significant variations in the customer bank selection with a difference in providing customer characteristics-based service.

As shown in table 26, the test for concerning customer-based service shows a p-value of 0.000, which is less than 0.001 which is significant. Then the hypothesis is accepted.

4.8. Interview discussion

With the intention of verifying some information, the researcher interviews the manager of banks. In Bahir Dar City the four selected bank have 65 branches. This research includes the interviews of 12 individuals who are branch managers or, in some bank, interview concerned bodies appointed by managers.

Ask the same question orally to each individual. The general theme of these questions is that, based on their personal view, the researchers give interviewee a chance to mention what factors determine their customers' banking choice. Based on this question, the interviewee list the following factors; *agreements between banks with others public and private enterprises to collect enterprise revenue, strong customer complain handling mechanism, system efficiency, strong customer treatment, slacken the restrictions' to make transaction with banks like permitted the customer withdraw money without bank book, performance in keeping social responsibilities, and bank image.*

4.9. Results of Hypothesis testing with prior expectations

Table 4.23: summary of expected versus actual hypothesis results

Variables	Expected result	Actual result	Decision
Service charge	Significant	Insignificant	Reject
Number of branches	Significant	significant	Accept
Providing of loan	Significant	significant	Accept
E-banking	Significant	significant	Accept
Interest	Significant	significant	Accept
Required initial deposit	Significant	insignificant	Reject
ATM service	Significant	significant	Accept
Safety of funds	Significant	significant	Accept
Provision of customer based service	Significant	significant	Accept

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Summary of findings

The objective of the research was to identify the factors that influence customer Banks selection decisions in the case of Bahir Dar city. Specifically, to analyze the effects of various factors that influence customer Bank selection decisions. To achieve objective of this study employed both qualitative and quantitative approaches. This study is focused in four selected banks operating in Bahir Dar City; Commercial Bank of Ethiopia, Bank of Abyssinia, Dashen Bank, and Abay Bank. The study used the non-probability (convenience) sampling method to determine the factors influencing customers' bank selection decisions in the case of Bahir Dar City. A total of 400 customers of the selected bank participated in this survey.

A structured questionnaire, comprising 20 attributes, was used to evaluate customers of the bank of choice with a sample of 400 respondents. Which was selected based on the proportion in the number of customers' in every selected bank. Data was presented by using descriptive statistics, correlation, and regression analysis. In this study, multiple linear regression models were employed. The model was tested for the classical linear regression model assumptions; the model fulfills all the assumptions of the CLRM. The explanatory research set out to investigate the nine dimension variables. From all the explanatory variables, most of them are statistically significant, and the results of models enable us to make the following conclusions:

Nine independent variables were taken in this study to evaluate the difference in the bank choice of the customers with each of the explanatory variables. The statistical result indicated that there is a insignificant difference in the customers' bank selection decisions with service charge in the case of Bahir Dar city. In opening bank account for customers' banks required different things from the customer one of this is required minimum initial deposits. In this revealed that required initial deposit is insignificant factor for customer bank selection decisions.

The statistical result indicates that there is significant variation in customer bank selection decisions in the case of Bahir Dar City with respect to the number of branches. In this study, indicated customer bank choice is highly influenced by the number of branches of every bank. Moreover, this study indicates that there are significant variations in customer bank selection with the availability of ATM service. As revealed in this study, the availability of ATM services

provided by banks is the second most significant factor that determines the customer bank selection decisions.

In Bahir Dar city, in relation to the variation in access, E-Banking is the third most significant factor in customers' bank selection decisions. This study investigates how much customer bank selection decisions are influenced by the E-banking services offered by the banks. Based on both descriptive and regression results can be conclude, E-banking has a significant relationship with customer bank selection decisions.

The other indication that this study is providing a loan is that it shows a statistically significant relationship with the customers' bank choice. Every customer of every bank has different demands to get a loan. As indicated in this study, concluded the customers' bank choice has a significant relationship with the availability of loans in the case of Bahir Dar City.

On the other hand, as indicated by statistical results, customer bank selection is significantly correlated with interest given or levied by the banks. The interest is calculated for customers based on their current deposit and the banks also impose interest for loans given to customers. As indicated in the earlier section of this study, concluded the customer bank selection decision is also influenced by interest given or imposed by banks to customers. Similarly, there are significant variations in customer bank selection, with a difference in provision customer characteristics-based service. Different banks now offer different services to customers based on religious affiliation, age, gender, number of transactions with banks, and salary paid through the bank with the agreement of different companies. In this study, examine the relationship between customer bank choice and provision of customer-based service. As a finding of this study, there is a significant relationship between the customer bank choice and provision of customer-based service.

To this end, peruse the relationship between customer bank choices and the safety of funds. As indicated in this study, there is a significant relationship between customer bank selection decisions and the safety of fund in the case of Bahir Dar City.

5.2. Recommendation

For firms to survive in the contemporary, highly competitive business environment, they should be able to attract and retain customers. Bank management must develop customer-oriented strategies to compete successfully in the competitive banking business environment. The longer a bank can retain a customer, the greater revenue and cost savings from that customer. Do not

undermine the value of customers in the banking industry; because they are the principal source of revenue for the banking business. So it is mandatory to meet the demand of customers. To meet customers' need, there is a need to understand what is valuable to them and how they make decisions. This study focused on identifying and examining the determinant factors of customer bank selection decisions in the case of Bahir Dar City. So, based on the findings of the research and the conclusions made, the following recommendations are forwarded to the banks and further researchers.

Recommendations to the banks

- As this study reveals, customers place more emphasis on the number of branches. So the researcher recommends, the commercial banks must be increasing their branches in Bahir Dar City. Therefore, this factor should be considered seriously by the commercial banks in designing their marketing strategies by expanding their branches to an adequate and convenient location for customers.
- Banks must to improve the accessibility of ATM services. The results of this study also indicated the banks' ability to provide adequate ATM service is critical to influencing the customers' bank selection decisions. Then the banking sector must give full attention to providing an ATM service with a convenient location and 24-hour service. As shown in this study, if any banks increase the availability of ATM service, it can also increase their number of customers. Most banks do not have adequate numbers of ATM machines in different locations due to security issues. But this bank must pay attention to ATM service and search options to solve the security issue. To prove the security issue, additional security guards or using other organizations' security by sitting the ATM machine in or around the public enterprise.
- Each bank must offer E-banking service to their customers. The customers of the bank already use technology within their everyday lives and are comfortable within technology-based environments from their phones to other digital resources such as online banking, social media networks, and mobile banking to transfer their balances instantly via their phones and other services. To engage with their customers' needs, the bank should offer services such as electronic banking, touch-tone phone account access, and internet banking. To provide E-banking services the banks used different options,

like proactively initiating customers to use E-banking and educating customers about the value of E-banking by reducing waste of cost, time, and energy.

- Banks must be enhancing the provision of loans to their customers. Providing loan service is one of the important factors that influenced customer bank selection identified in the study. It can be ensured through adopting appropriate ways aimed at enhancing the provision of loans. Because of the default risk, most banks strictly enforce the action of making loans to customers. Because of this, customers migrate to other banks. Then the banks must be developing their staff's professional skills and knowledge to increase the ability of staff to calculate the credit default risk and to evaluate credit applications based on cost-benefit assumptions adequately.
- Making improvements on interest for customers. In fact, Interests is set by commercial banks at a macro level of each bank which considers deposits and loans, based on the range set by NBE. It is difficult to set an interest rate at district level, but every bank in the districts must transmit the pleasures of customers concerning interest. During this time, each district must play a role by sending feedback about pleasure of customers related to the setup of the interest and its rate. In this study, proof of interest is one of the significant factors that influenced the customers' bank selection decisions. So each bank, to attract more customers, must be revised and set an attractive interest rate for deposits and loans. Banks can reduce interest imposed on loans and improve interest charges on deposits by keeping their profit.
- Banks must be raising public awareness about the safety of funds. As found out by this study, one of the significant factors that determine customer bank choice is safety of funds. In fact the safety of funds stored in the bank is now more assured, because of taking a reserve from every bank by NBE, but the bank community expects to inform the public about the safety of funds in the case of Bahir Dar City. The banks can create awareness to the societies in Bahir Dar City through using different techniques, such as post their certificates awarded from NBE.
- The banks must be able to enhancing provision service based on specific customers' characteristics. As revealed in this study one of the significant determinant factors of customer bank selection is the availability of customer-based service by the bank, customer bank selection is related to the availability of customer-based service, as proved

in this study in the case of Bahir Dar City Administration. In order to enhance service provision based on customers feature take a reference from other banks. Currently, the banks provide a number of services to customer based on Age, Gender, Religion, occupation, and type of business. Therefore as per researcher recommends for bank is taking these good cultures of other banks as reference and enhance provision of service based on features of customer.

Recommendation for further researchers

- Finally, the study suggests the following further researchers who are interested in this area: This study concentrated on only four commercial banks in Bahir dar city. Therefore, future studies should be undertaken to cover all private and public banks by including customers' additional determinant factors of customer bank selection. This study covers existing customers who have bank accounts. Other researchers can conduct the same research by covering both potential and existing customers. This study also concerned more about the banks customers than service providers. In addition, other researchers can conduct the same research by incorporating the perceptions of both customers and service providers. From obtained data by one open-ended questionnaire provided to customers and interviews with bank managers noted a number of factors influenced the choice of customers other than the factors raised in this study. Some of this is reliability issues with staff, system failure, and limited working hour, inadequate windows, sometimes take a several minutes to get banking service, availability of lottery chances, and customer handling of banks. As per researcher invite other researchers by included the above determinant factors.

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Appendix –A Questionnaires

BAHIR DAR UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING AND FINANCE

POST GRADUATE PROGRAM

Survey questionnaire

SECTION I: INTRODUCTION

Dear respondents

I am a graduate student in the department of Accounting and finance in Bahir Dar University. Currently, I am undertaking research entitled “determinates of customer bank selection: the case of Bahir Dar City”. You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the current status of determinates of the customer bank selection decision: the case of Bahir Dar City. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept confidential and only used for the academic purpose. No individual’s responses will be identified as such and the identity of persons responding will not be published or released to anyone. All information will be used for academic purposes only. Thank you in advance for your Kind cooperation and dedicating your time.

Sincerely, Simachew Lake

Instructions:

There is no need of writing your name.

Indicate your answers with a check mark (√) in the appropriate block

SECTION II: PERSONAL INFORMATION OF THE BANKS CUSTOMER

1. Gender: Male Female
2. Age
 - A. less than 30 years From 31-45 years From 46-60 years
 - D. Above 60 years
3. Marital status: Single Married Divorced Widowed
4. Please indicate your highest level of education:
 - A. No formal education
 - B. Primary school
 - C. TVET (Diploma)
 - D. Secondary school
 - E. degree and above
5. Occupation: A. Private Employee B. Public Employee C. Pensioned
D. Unemployed 7. Please specify if you mark "Other" _____
6. Could you indicate the range of your monthly income?

Less than Br. 5, 000 <input type="checkbox"/>	5, 001 - 10,000 Br <input type="checkbox"/>	None(I haven't income) <input type="checkbox"/>	
10,001 - 15, 000 Br. <input type="checkbox"/>	15,001 - 20, 000 Br. <input type="checkbox"/>	Over Br. 20,000 <input type="checkbox"/>	

Section III: Factors affecting a customer's bank selection

Below are potential factors that could affect a customer's bank selection. Considering each factor please indicate your rating to the extent the given factor has affected your bank selection by putting a (√) on the corresponding column. The ratings are as follows:

1 = Strongly Disagree "SD" 2 = Disagree "D" 3 = Neither agree nor disagree "N"

4 = Agree "A" 5= strongly agree "SA"

S.No	Attributes (factors) Of Bank Selection	SD	D	N	A	SA
		1	2	3	4	5
A. Service charges						
1.	I have selected the bank because of bank consider Low service charges					

2.	Commission & fee collected by the bank for different bank services is the lowest as compared with other private banks					
B. Requirements of initial deposit						
3.	I selected the bank because it is convenience to opening an account					
4.	I selected the bank because required small amount of initial deposit to open bank account					
C. Providing of loan						
5.	I became a customer to the bank because loans are easily available/accessible					
6.	I have selected the bank because of the bank requirement is easy to giving loan.					
D. E- Banking						
7.	I have selected the bank due to the availability of mobile & internet banking services					
8.	I have selected the bank because I get instant SMS notification					
E. Interest charge for deposit and loan						
9.	I have selected the bank because rate of interest paid on saving deposits is better than other banks					
10.	I have selected the bank because rate of interest charged for loans is small as compared to others					
F. Number of Branch						
11.	Convenience branch locations					
12.	I have selected the bank due to the easiness money transfer /receive for customers /family out of bahir dar city.					
G. ATM Service						
13.	I have selected the bank because of 24-hours availability of ATM machines					
14.	I have selected the bank to get ATM service Convenient locations.					
H. Safety of funds						

15.	I selected this bank because of safety of deposit is guaranteed					
16.	I have selected the bank because I am not worried in the financial standing of the bank					
I. Provision of customer-based service						
17.	I have selected the bank because the bank has done a lot in providing a differentiated service					
18.	I have selected the bank because of providing specific services based on characteristics' of customer					
J. Customer bank selection decision						
19.	I am loyal customer of this bank					
20.	I am sure and feel happy on our choice of bank					

Part IV. Additional information /Factors/

21. In your opinion what other social, personal and bank related factors has influenced your bank choices?

Thank you!!

Appendix-B-Open ended Questionnaires
AN INTERVIEW GUIDE FOR THE RESPONDENTS (bank manager)

1. As your point of view what is the most common determinant actors of customer bank selection?

አባሪ 1

ባህርዳር ዩኒቨርሲቲ

የቢዝነስና የኢኮኖሚክስ ኮሌጅ

የአካውንቲንግ እና ፋይናንስ ት/ክፍል

የድህረ ምረቃ ፕሮግራም

የጥናት መጠይቅ

ክፍል አንድ መግቢያ

ውድ የጥናቱ ተሳታፊዎች፡-

እኔ በባህርዳር ዩኒቨርሲቲ የአካውንቲንግ እና ፋይናንስ ትምህርት ክፍል የድህረ-ምረቃ ተመራቂ ተማሪ ስሆን፤ በአሁን ሰዓት የመመረቂያ ፅሁፌን በማዘጋጀት ላይ እገኛለሁ። የጥናቴ ርዕስ “በባህር ዳር ከተማ አስተዳደር የንግድ ባንክ ደንበኞች የባንክ ምርጫን የሚወስኑ ነገሮችን” ይመለከታል። እርስዎም በዚህ ጥናት እንዲሳተፉ ተመርጠዋል። እርስዎ የሚሰጡትን ትክክለኛውን መረጃ ለጥናቴ ውጤታማነት በጣም አስፈላጊ መሆኑን በመገንዘብ መጠይቁን በጥንቃቄ እንዲሞሉ እጠይቃለሁ። ተሳትፎዎ በእርስዎ በጎበ ፈቃደኝነት ላይ የተመሰረተ ነው።

በመጨረሻም የሚሰጡት መረጃ ሚስጥራዊነቱ የተጠበቀና ለዚህ ጥናት ዓላማ ብቻ እንደሚውል አረጋግጣለሁ። የማንኛውም መልስ ሰጪ ማንነት በማንኛውም መልኩ የማይታተምና የማይሰራጭ ይሆናል። ሁሉም መረጃዎች ለትምህርታዊ ዓላማ ብቻ ይውላሉ። ጊዜዎን ሰውተው ስለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ስማቸዉ ላቀ

ማሳሰቢያ -በመጠይቁ ላይ ስም መጻፍ አያስፈልግም፡፡

-መልስዎትን በሳጥኑ ውስጥ የእርማት ምልክት (✓)በትክክል ያስቀምጡ፡፡

ክፍል ሁለት፡ የባለቤቱን የግል መረጃ እና ስለ ባንክ አጠቃቀም አጠቃላይ መረጃ

1. **ፆታ፡** ሀ. ወንድ ለ. ሴት
2. **እድሜ-** ሀ.ከ 30 አመት በታች ለ. ከ 31-45 አመት ሐ. ከ 46-60 አመት
 መ. ከ 60 አመት በላይ
3. **የጋብቻ ሁኔታ ፡** ሀ. ያላገባ/ች ለ. ያገባ/ች ሐ. የተፋታ/ች
 መ.ሚስቱ/ባሏ የሞተች/በት/የሞተባት
4. **እባክዎትን ከፍተኛውን የትምህርት ደረጃዎን ያመልክቱ?**
 ሀ. መደንገኛ ትምህርት የለገኝም መ. ሁለተኛ ደረጃ ትምህርት
 ለ. የመጀመሪያ ደረጃ ትምህርት ሠ. ዲግሪ እና ከዚያ በላይ
 ሐ. ቴክኒክና ሙያ (ዲፕሎማ)
5. **የሥራ ሁኔታ** ሀ. የግል ሰራተኛ ለ. የመንግሥት ሰራተኛ ሐ. ጠረተኛ
 መ. ነጋዴ ሠ. ስራ የሌለው ሌላ ሌላ ካለ ይግለጹ-----
6. **ወርሃዊ የገቢ መጠን፡** ከ5000ብር በታች ከ5, 001-10,000 ብር ገቢ የለኝም
 ከ10,001-15, 000 ብር 15,001 - 20,000 ብር ከ20,000ብር በላይ

ክፍል ሦስት፡ የባንክ ደንቦችን ምርጫ ተፅዕኖ የሚያደርጉ መንስኤዎች

ከዚህ በታች የደንቦችን የባንክ ምርጫ ተፅዕኖ ሊያደርጉ የሚችሉ መንስኤዎች ተዘርዝረዋል፡፡ እያንዳንዱን መመዘኛ በማንበብ ምንያህል የእርስዎን የባንክ ምርጫ ላይ ጫና እንዳሳደረ ከፊት ለፊት በሰንጠረዥ ውስጥ (✓) ምልክት በማድረግ መልስዎን እንዲያስቀምጡ በአክብሮት እጠይቃለሁ፡፡ አስጣጡም እንደሚከተለው ይሆናል፡

መፍቻ፡- 1=በጣም አልሰማማም 2=አልሰማማም 3 =ለመወሰን ይቸግረኛል 4=እስማማለሁ 5=በጣም እስማማለሁ

ተ.ቁ	ተፅዕኖ የሚያደርጉ መንስኤዎች (መመዘኛዎች)	1	2	3	4	5
	የአገልግሎት ክፍያ					
1.	አነስተኛ የአገልግሎት ዋጋ ስለሚያስከፍል ባንኩን መርጨዋልሁ					
2.	ባንኩን በዋናነት የመረጥኩት ባንኩ በሚሰጣቸው የተለያዩ አገልግሎቶች ዝቅተኛ የአገልግሎት ዋጋ ስለሚያስከፍል ነው					
	ዝቅተኛ የመነሻ ቁጠባ					
3.	ባንኩን የመረጥኩት የባንክ ደብተር ለመክፈት ምቹ ስለሆነ ነው					
4.	ባንኩን የመረጥኩት የባንክ ደብተር ለመክፈት ባንኩ የሚጠየቀው የመነሻ ቁጠባ ዝቅተኛ መሆን					
	የብድር አገልግሎት					

5.	ባንኩን የመረጥኩት የብድር አገልግሎት በቀላሉ ማግኘት ስለሚቻል						
6.	ባንኩ ብድር ለመስጠት የሚያቀርበው ቅድመ ሁኔታ ቀላል ስለሆነ ባንኩን መርጨዋልሁ						
	የ ኢ-ባንኪንግ አገልግሎት						
7.	የሞባይል እና የኢንተርኔት-ባንኪንግ አገልግሎት ስለሚሰጥ ባንኩን መርጨዋልሁ						
8.	ፈጣን የሆነ የአጭር የፀ-ሁፍ መልእክት ስለሚደርሰኝ ባንኩን እንድመርጠው አድርጎኛል						
	ለተቀማጭ እና ለብድር የሚጣል ወለድ						
9.	ከሌሎች ባንኮች የተሻለ ለቁጠባ ሂሳብ ወለድ ስለሚከፍል ባንኩን መርጨዋልሁ						
10.	ባንኩን የመረጥኩት ከሌሎች ባንኮች ጋር ሲነፃፀር አነስተኛ የብድር ወለድ ስለሚያስከፍል						
	የባንኩ ኮርንጫፎች ብዛት						
11.	ባንኩን የመረጥኩት ቅርንጫፎችን በአመቺ ቦታ ለማግኘት						
12.	ከባህር ዳር ውጭ ለሚገኙ ወዳጅ ዘመዶች ጋር በቀላሉ የገንዘብ ልውውጥ እንዳደርግ ስለሚያስችለኝ ባንኩን መርጨዋልሁ						
	የ “ኤቲኤም” አገልግሎት						
13.	24 ሰዓት የኤቲኤም አገልግሎት ለማግኘት ባንኩን መርጨዋልሁ						
14.	ባንኩን የመረጥኩት የኤቲኤም አገልግሎት በአመቺ ቦታ ለማግኘት ነዉ						
	የገንዘብ ደህንነት						
15.	የባንኩ የተቀማጭ ገንዘብ ደህንነት የተጠበቀ መሆኑ ባንኩን እንድመርጠው አድርጎኛል						
16.	ባንኩን የመረጥኩት የባንኩ የፋይናንስ አቋሙ አስተማማኝነት ብዙም ስለማያሳስበኝ ነዉ						
	የደንበኞችን የተለየ ነገር መሰረት አድርጎ የምስጥ አገልግሎት						
17.	ባንኩ የተለያዩ አገልግሎት በማቅረብ በኩል በርካታ ስራዎችን በመስራቱ ባንኩን እንድመርጠው አድርጎኛል						
18.	በደንበኞች የተለየ ባህሪ መሰረት ባንኩ አገልግሎት በማቅረብ ባንኩን እንድመርጠው አድርጎኛል						
	የደንበኞች የባንክ ምርጫ						
19.	እኔ የዚህ ባንክ ታማኝ ደንበኛ ነኝ						
20.	እኔ በምርጫዎች እርግጠኛ እና ደስተኛ ነኝ						

ክፍል አራት፡ ተጨማሪ መረጃዎችን መስጫ፡

21. በአንተ አስተያየት የባንክ ምርጫህ/ሽ ላይ ተፅዕኖ ያሳደሩ ሌሎች (ከላይ ከተጠቀሱት በተጨማሪ) ማህበራዊ፣ ግላዊ፣ እና ከባንክ ጋር የተያያዙ ምክንያቶች ምንድን ናቸው?

አመሰግናለሁ

APPENDIX C; regressions test results

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Customer-based service, Service Charges, Safety of Fund, Interest, Providing Loan, Initial Deposit, E-Banking, ATM service, Number of branches		Enter

- a. Dependent Variable: customer bank selection decision
 b. All requested variables entered.

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded ^a	0	.0
	Total	400	100.0

- a. Listwise deletion based on all variables in the procedure.

Reliability test

Reliability Statistics

Cronbach's Alpha	N of Items
.735	10

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.755	.48010	1.638

- a. Predictors: (Constant), Customer-based service, Service Charges, Safety of Fund, Interest, Providing Loan, Initial Deposit, E-Banking, ATM service, Number of branches
 b. Dependent Variable: customer bank selection decision

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	284.803	9	31.645	137.289	.000 ^b
	Residual	89.894	390	.230		

Total	374.698	399		
-------	---------	-----	--	--

a. Dependent Variable: customer bank selection decision

b. Predictors: (Constant), Customer-based service, Service Charges, Safety of Fund, Interest, Providing Loan, Initial Deposit, E-Banking, ATM service, Number of branches

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.348	.155		2.249	.025		
Service Charges	-.053	.027	-.049	-1.959	.051	.971	1.030
Initial Deposit	.032	.023	.037	1.393	.164	.896	1.116
Providing Loan	.133	.025	.145	5.351	.000	.842	1.188
E-Banking	.111	.025	.126	4.346	.000	.737	1.357
Interest	.110	.024	.121	4.506	.000	.857	1.167
Number of branches	.397	.034	.375	11.694	.000	.600	1.667
ATM service	.271	.025	.332	10.993	.000	.673	1.485
Safety of Fund	.049	.024	.055	2.062	.040	.870	1.150
Customer-based service	.107	.026	.110	4.089	.000	.843	1.187

a. Dependent Variable: customer bank selection decision

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
customer bank selection decision	400	1.00	5.00	4.3475	.96907	-1.274	.122	.490	.243
Service Charges	400	1.00	6.50	2.2725	.90777	.831	.122	1.042	.243
Initial Deposit	400	1.00	5.00	2.5775	1.10319	.381	.122	-.623	.243
Providing Loan	400	1.00	5.00	2.6975	1.05298	.263	.122	-.897	.243
E-Banking	400	1.00	5.00	3.4888	1.10104	-.486	.122	-.474	.243
Interest	400	1.00	5.00	3.0800	1.06545	.010	.122	-.761	.243
Number of branches	400	1.00	5.00	3.9863	.91380	-.972	.122	.316	.243
ATM service	400	1.00	5.00	3.2725	1.18713	-.181	.122	-1.049	.243
Safety of Fund	400	1.00	5.00	3.3625	1.07656	-.258	.122	-.644	.243
Customer-based service	400	1.00	5.00	2.9550	.99836	.163	.122	-.730	.243
Valid N (listwise)	400								

Correlations

		CBSD	SC	R	PL	EB	I	NB	ATM	SF	CS
CBSD	Pearson Correlation	1	-.131**	.267**	.431**	.530**	.380**	.736**	.689**	.335**	.420**
	Sig. (2-tailed)		.009	.000	.000	.000	.000	.000	.000	.000	.000
	N	400	400	400	400	400	400	400	400	400	400
SC	Pearson Correlation	-.131**	1	-.033	-.130**	-.069	-.111*	-.060	-.029	-.022	-.053
	Sig. (2-tailed)	.009		.510	.009	.168	.026	.228	.564	.663	.292
	N	400	400	400	400	400	400	400	400	400	400
R	Pearson Correlation	.267**	-.033	1	.194**	.205**	.198**	.174**	.174**	.102*	.198**
	Sig. (2-tailed)	.000	.510		.000	.000	.000	.000	.000	.042	.000
	N	400	400	400	400	400	400	400	400	400	400
PL	Pearson Correlation	.431**	-.130**	.194**	1	.262**	.093	.289**	.300**	.095	.141**
	Sig. (2-tailed)	.000	.009	.000		.000	.064	.000	.000	.057	.005
	N	400	400	400	400	400	400	400	400	400	400
EB	Pearson Correlation	.530**	-.069	.205**	.262**	1	.235**	.449**	.359**	.219**	.249**
	Sig. (2-tailed)	.000	.168	.000	.000		.000	.000	.000	.000	.000
	N	400	400	400	400	400	400	400	400	400	400
I	Pearson Correlation	.380**	-.111*	.198**	.093	.235**	1	.317**	.198**	.054	.144**
	Sig. (2-tailed)	.000	.026	.000	.064	.000		.000	.000	.283	.004
	N	400	400	400	400	400	400	400	400	400	400
NB	Pearson Correlation	.736**	-.060	.174**	.289**	.449**	.317**	1	.494**	.315**	.305**
	Sig. (2-tailed)	.000	.228	.000	.000	.000	.000		.000	.000	.000
	N	400	400	400	400	400	400	400	400	400	400
ATM	Pearson Correlation	.689**	-.029	.174**	.300**	.359**	.198**	.494**	1	.277**	.324**
	Sig. (2-tailed)	.000	.564	.000	.000	.000	.000	.000		.000	.000
	N	400	400	400	400	400	400	400	400	400	400
SF	Pearson Correlation	.335**	-.022	.102*	.095	.219**	.054	.315**	.277**	1	.164**
	Sig. (2-tailed)	.000	.663	.042	.057	.000	.283	.000	.000		.001
	N	400	400	400	400	400	400	400	400	400	400
CS	Pearson Correlation	.420**	-.053	.198**	.141**	.249**	.144**	.305**	.324**	.164**	1
	Sig. (2-tailed)	.000	.292	.000	.005	.000	.004	.000	.000	.001	
	N	400	400	400	400	400	400	400	400	400	400

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

* . Correlation is significant at the 0.05 level (2-tailed).