



**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**DEPARTMENT MBA IN FINANCIAL SERVICE**

**DETERMINANTS OF CUSTOMERS' BANK SELECTION**  
**DECISION IN ADDIS ABABA CITY**

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**ADDIS ABABA UNIVERSITY  
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**DETERMINANTS OF CUSTOMERS' BANK SELECTION  
DECISION IN ADDIS ABABA CITY**

**BY:  
TEFERA KIFLE**

**APPROVED BY BOARD OF EXAMINERS**

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## DECLARATION

I declared that the research work entitled: Determinants of Customers' Bank selection Decision in Addis Ababa City, and all resources or the materials used for this paper has been acknowledged.

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## LETTER OF CERTIFICATION

This is to Certify that Mr. Tefera Kifle has carried out the research work entitle:- 'Determinants of Customers' Bank Selection Decision in Addis Ababa City' under my guidance and supervision. Accordingly I assure that his work is appropriate and standard enough for the submission in partial fulfillment of the requirement for the award of Masters of Art in Business Management.

Confirmed by: Amare Abawa (PhD)

Research Advisor

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Signature

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## **ABSTRACT**

*The overall purpose of this paper was to identify the key factors in a customer's bank selection decision in Addis Ababa. This study used a mixed research approach (qualitative and quantitative) and a mixed research design (explanatory and descriptive) and used both primary and secondary data. Primary data were collected from customers through self-administered questionnaires from 384 of his randomly selected customers using a method that combined convenience and simple random sampling techniques. The collected data were then analyzed using statistical tools (SPSS version 25), and both descriptive and inferential statistics were used for data analysis. Descriptive statistics include percentages, means, and frequencies and standard deviation. Inferential statistics such as Pearson's correlation coefficient ( $r$ ) and some linear regressions are used by researchers to determine whether there is a relationship between independent and dependent variables (a customer's bank choice decision). Therefore, the survey results show that customers' bank selection decisions are positively and strongly correlated with financial, technology, quality of service, and advertising factors, but not with social relations, convenience, and reputation factors indicated that it did not. Based on the result of the study the researcher has recommended that the board, manager and employees of the bank should have to give highest priority to those four core variable such as finance, technology, service quality, and promotion related factor while giving banking service to the customer because those factors are significantly affect customers bank selection decision. Finally, the study also recommended that all concerned organ of the bank should identify and understand not only changing, but also pulling and pushing factors for customer to select the bank they use for getting service.*

***Key words: customer bank selection decision, service quality, convenience, technology, social, financial, reputation and promotion related.***

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

The importance of banking and financial services to the global service industry cannot be underestimated. Today, new technologies and information systems are forcing these institutions to offer more sophisticated and innovative services in the banking and financial sector. The competitive financial environment has also pushed banks and financial institutions to improve the quality of their services and adopt new technologies. Increased competition naturally benefits bank customers (Tehulu and Wondmagegn, 2014).

Today's competitive financial environment has prompted banks and financial institutions to improve the quality of their services and adopt new technologies. International trends in the banking sector as a result of increased competition among banking sectors are forcing these sectors to improve customer satisfaction (Salih et al., 2013). "The rapidly changing economy and the increasing sophistication and complexity of customers require financial institutions to be cognizant of the factors involved in how they choose their customers (Boyd, Leonard, & White, 1994). Therefore, research in the banking sector is based on the premise that not only customers but also depositors and borrowers choose banks themselves" (Hafeez, Reman, & Saima, 2008).

Studies show that banks can succeed if they are customer-centric (Driscoll, 1999). Because the clients they fund and borrow from them remain their elixir of life. On the one hand, meeting customer needs in terms of banking service delivery has emerged as an important factor in a bank's reputation that drives customers to choose a bank (Leibert, 2004). It will therefore be imperative for banks to study how customers choose banks when conducting their day-to-day financial transactions. Such assessments help banks identify appropriate marketing strategies necessary to attract new customers and retain existing ones (Kaynak and Kucukemiroglu, 1992). The banking sector has been characterized by increased competition since the early 1980s (Blankson et al., 2007). This

is the result of a number of interrelated factors, including competition and deregulation that have revolutionized the distribution of many financial services. In other words, his decade of deregulation in the financial services industry has left banks with the challenge of differentiating their organizations and services to attract customers (Blankson et al., 2007).

Ethiopia's banking sector is thriving and the sector has more participants from both the private and public sectors. According to the NBE report (2019), as of the end of 2019/20, the number of banks reached 18 (16 private, 2 public), with a nationwide network of 6,511 branches and a total capital of 112.9 billion birr. It has become. During 2019/20, banks opened a further 947 new branches (NBE, 2019). In addition to expanding the number of branches, another notable advancement in the industry is that the technological level advancement of this bank is aimed at providing customers with Lelissa and Lelissa economic services (2017). Encountering advertisements and news related to various banking service offerings and technology acquisitions has become a daily experience. Tekletsadik (2013) despite strong expansion, banks vary widely in terms of industry size, revenue streams, customer focus, credit concentration and operational strength.

As the business environment becomes more dynamic, potential customers are presented with a variety of options. Lelissa (2017) argues that the increasing diversity of banks in the industry has created a degree of competitiveness among banks. Given the increasing conflict within the industry (Grady and Spencer, 1990) and the similarities in the services offered by banks (Holstius and Kaynak, 1995), it seems to the banks that these customers are having some kind of problem. It is becoming increasingly important to identify the factors that support assumptions. Lelissa (2017) also points out that meeting buyer needs in terms of providing banking services has become an important part of bank names that persuade customers to choose a bank. It is therefore imperative for banks to consider how they can create alternatives to banks for their customers to process their day-to-day financial transactions. According to rational alternatives, what is important is what options are offered and therefore choosing the most popular options based on consistent criteria (Lelissa, 2017). Rational people make choices that are likely to give them the

greatest satisfaction (Scott, 2000). On the contrary, competition theory attempts to explain how firms seek to win customer favor and loyalty through excellent service, meeting customer needs, and offering innovative products (Lelissa, 2017). Combining the two allows you to encourage your customers to choose their preferred options and provide them with maximum satisfaction with what the company has to offer to stay ahead of the competition. This means that the choice is logical and can be influenced by how the company operates. Analyzes of the factors that influence customers' bank selection have been studied in a variety of contexts. However, Rao and Sharma (2010) argue that many determinants that play an important role in bank selection in one country pair may not matter in another country pair. For example, a study of bank choice decisions in Singapore focused heavily on the valuation (pricing) and product aspects of banking services (Ta and Har, 2000).

According to Siddique (2015), the country of Bangladesh provides a favorable financial environment characterized by low interest rates on loans, easily accessible branch locations, secure investment options backed by government accountability measures, and minimal service charges. On the contrary, in a study conducted in an African country, the primary factors influencing customers' bank selection were found to be the safety of funds and the ease of utilizing technology-based services (Arebgeyen, 2011). Similarly, prior research conducted in Ethiopia has identified several crucial foundations for determining customer bank selection. For instance, Lelissa (2017) highlights that the speed of service delivery, the accessibility and breadth of the branch network, as well as foreign currency resources significantly influence customers' bank selection decision-making. Tekletsadik (2013) conducted a study on private banks in the capital city of Ethiopia and identified convenience, reliability, and service provision as crucial factors influencing customers in their choice of bank.

According to Tehulu and Wondmagegn (2014), the overarching factors perceived as most significant by customers are the amicability of employees, ATM service quality, and promptness of banking services. Tekletsadik (2013) and Tehulu and Wondmagegn (2014) present divergent results in their respective studies on selected banks, limited by a reduced sample size, thus impeding the generalizability of their findings. Moreover, the

present study utilized diverse criteria for determining the factors that impact customers' selection of banking services. This variance in definitions renders it impossible to compare and generalize the findings. The primary objective of this investigation was to examine the determinants that inform customers' choices of financial institutions in the urban setting of Addis Ababa.

## **1.2 Statement of the Problem**

Organizational marketing plans typically fail to execute because the factors and determinants that consumers consider when choosing contacts are not properly identified (Khazeh and Decker, 1992). Banks, like any service organization, must effectively identify key parameters that capture the attention of customers and enable customers to choose which bank to transact with. Banks need to know how their customers choose them and take steps to attract customers faster than other banks. It has been argued that understanding customer bank selection criteria can help banks identify the appropriate marketing strategies needed to attract new customers and retain existing ones (Kaynak and Kucukemiroglu, 1992).

The issue of bank selection criteria, particularly in relation to customers' preferences and their decision-making process in choosing a particular financial institution for their service, has generated considerable research interest in recent years. As such, several of studies have been conducted on this subject to address this concern. An extensive examination of the literature reveals that the topic of bank selection process has received noteworthy attention within the realm of bank marketing literature. The Studies by Christos et al. (2012), Almosawi (2001), Gerrard and Cunningham (2001), Ta and Har (2000), Fragos et al. (2012), Wei and Lu (2012), and Chigamba (2011), have predominantly conducted research within the boundaries of the United States, with a limited number of studies being conducted within Europe and other regions. It has been highlighted by the literature that investigations undertaken in countries other than the USA and Europe are notably atypical (Gerrard and Cunningham, 2001).

The Ethiopian banking sector has undergone significant changes over time, both in terms of competition and transaction volume. As the number of banks entering the industry

increases, it is inevitable that the way customers do banking will change. Therefore, any bank will strive to increase its market share in order to remain competitive and profitable in the market. This is achieved, among other things, by focusing on identifying the needs and desires of our customers and tailoring our services to those needs.

There are only few counted researches done regarding customers bank selection decision in Ethiopia. Goiteom (2011) and Dawit (2013) examined the factors that influence customers banking choices in Addis Ababa city. But some of them consider gender, and other of them consider demographic like age, income, marital status and availability of digital banking instruments as factor that determine customer bank selection decision using simple descriptive and factorial analysis in their study. Therefore, this study believed to be unique because this study attempts to fulfill literature gaps within the context of Ethiopia. Secondly, the study has incorporated some important variable that have not seen in the previous studies in case of Ethiopia such as social relationship related factor, technology related factor, financial related factor, promotional related factor, service quality related good will and convenience related factor using both descriptive and inferential statistics. Therefore, this study was intended to fill this research gap.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The overall purpose of this study was to explore the determinants of customer bank selection decision in Addis Ababa city.

#### **1.3.2 Specific Objectives**

The following were the specific objectives of the study:

- To examine the effect of social factor on customers' bank selection decision
- To examine the effect of financial factor on customers' bank selection decision
- To test the effect of reputational factor on customers' bank selection decision
- To test the effect of service quality factor on customers' bank selection decision

- To test the effect of promotional factor on customers' bank selection decision
- To test the effect of convenience effect on customers' bank selection decision
- To examine the effect of technological factor on customers' bank selection decision

#### **1.4 Significance of the Study**

The findings of this investigation will facilitate the enhancement of the Bank's management strategy concerning the comprehension of customers' behavior. Hence, primary advantages can be anticipated for practitioners as they gain a deeper comprehension of their customers, allowing for retention and the provision of continuous satisfaction. Furthermore, the investigation carried out holds great significance for the banking sector as it endeavors to uphold service levels while simultaneously adhering to global performance benchmarks. In addition, the adoption of this approach can aid financial institutions in their strategic planning endeavors, while simultaneously bolstering their customer acquisition efforts by drawing patrons away from rival establishments and mitigating the issue of depositor attrition. Fourthly, the present study's findings will serve as a substantive contribution to the extant literature on the factors that shape customer bank selection. As such, this paper's output holds considerable value for scholars, academicians, and other researchers seeking to deepen their understanding of this important phenomenon. Ultimately, this study will establish a fundamental basis for subsequent investigations concerning the variables that influence the decision-making process pertaining to a customer's selection of a banking institution.

#### **1.5 Scope of the Study**

The present research endeavors to investigate and analyze two distinct dimensions within its overarching scope. The present research encompasses both the conceptual and geographical domains. The geographic focus of this research pertains to the clientele of banking institutions situated in the city of Addis Ababa. Due to constrained resources and the researcher's limited experience, it is unfeasible to encompass the total populace of bank patrons in Ethiopia for this investigation. Addis Ababa was chosen as the research

site due to its proximity to the researcher. The present research is primarily concerned with the banking industry, with a specific focus on customers of banks located within Kirkos Sub City woreda 07 in the metropolitan area of Addis Ababa. This investigation does not encompass other banking industries. The present study centers on the customers' bank selection process, as expounded in the conceptual framework, wherein the primary independent variables include social factors, technological factors, financial factors, promotional factors, convenience factors, service quality factors, as well as bank image and reputation factors. This study is limited in its scope to examine only certain determinate factors, while additional determinants may exist beyond the purview of this investigation.

## **1.6 Limitations of the Study**

The present study was accompanied by certain limitations that may have impacted its findings and conclusions. Given the nature of the investigation, it must be noted that certain facets remain bereft of substantial scholarly inquiry. One primary limitation of the data collection process was the reliance on self-reported information from respondents. This approach resulted in some instances of non-response due to intolerance or failure to return the completed questionnaire within the designated timeframe. Subsequently, the study's independent variable is subject to limitation, as it is constrained by merely seven independent variables. Additionally, the study is restricted by limitations of financial and time resources.

## **1.7 Organization of the Study**

This paper was categorized into five chapters. The first chapter includes the background of the study and organization, statement of the research problem, research hypothesis, research objectives, and significances of the Study, scope of the study and limitation of the study. The second chapter deals with a review of the literature. The third chapter presents the research design and methodology through research design/type and sampling design. Results were analyzed using correlation and regression of variables. Discussion of the result found from the study was presented in fourth chapter. The fifth chapter discussed summary, conclusion and recommendation of the study.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

This section deals with concepts and theories that are applicable to the issues in the study. The chapter stretches an impression of Theoretical, empirical literature and conceptual framework of the study that linked to the research problem obtained in the previous chapter.

#### **2.1 Theoretical Review of the study**

The relevant theoretical expositions underpinning the study are theory of Consumer Behavior Competition theory and the rational choice theory.

##### **2.1.1 Definitions of the Key Concepts**

A bank is an organization, usually a business, which accepts deposits, grants (grants) credit, issues credit and debit cards, makes payments, transfers checks, and provides other services. Banks act as intermediaries between lenders of money (depositors) and users of money (borrowers) (Whiteley, A.1999). Banks underwrite the inherent risks associated with financial transactions and provide the most important element of security for both depositors and borrowers. An organization established by a state or federal government (usually a corporation) that is responsible for most or all of the following:

It accepts demand deposits and term deposits, redeems financial instruments drawn on them, and pays interest on them. Discounting banknotes, taking out loans, investing in securities. Collect checks, bills and notes. Proof of depositor's check. and issue bills of exchange and bank checks. (Devlin, J.F. 2001). Banks are the main type of depository institution. They mainly make a living by taking deposits, which are liabilities, and lending the funds to borrowers, which are assets. The bank lends money at a higher interest rate than the fund, and the difference is equivalent to the gross profit rate before deducting expenses and taxes. You can earn commissions and commissions by selling different products. Maintenance fees, credit card facilities, insurance, etc. (Pilbeam,

1998). A bank is an institution that deals with money and credit. It accepts deposits from the public and gives loans and advances to the poor for various purposes. Banking is an activity that involves accepting deposits for the purpose of lending or investing. Banking operations include accepting deposits and loans, as well as providing a variety of other services in addition to the main operations of banking. These are primarily agency services, but there are also general services.

### **2.1.2 Rational Choice Theory**

Rational choice theory explains that individuals are motivated by desires and goals that represent their preferences. They act on the information they have about the circumstances in which they act within certain given limits. At its simplest, the relationship between preferences and constraints can be viewed in purely technical terms as the relationship between means and ends. Individuals cannot achieve all the things they want, so they must also make choices about their goals and the means by which they are achieved (Scott, 2000). The relevance of rational decisions, where people compare the costs and benefits of particular actions, is easily seen from the high customer ratings of bank selection actions. People want to get the most useful goods/services at the lowest price/convenience, but the merits/importance of certain banking services/offers (e.g. how convenient or attractive they are) Judging by comparison with similar services from banks. Then compare prices or costs and benefits. In general, people choose banks based on their preferences that they believe will offer the highest rewards or benefits at the lowest cost (Levin, 2004). You may choose an alternative course of action, taking into account personal preferences and environmental conditions. Decision rationality considers how successful a decision's outcome is in maximizing utility (i.e., satisfies an individual's initial choices) under specific contextual constraints (state of nature) constrained by doing It was also hoped that decision makers would have access to all information relevant to the subject of their decision making and thus be able to practically consider all possible courses of action (Mercier, 2008).

The rational choice approach involves a systematic evaluation of available options, wherein the individual selects the most desirable option based on a standardized criterion (Levin and Milgrom, 2004). One pertinent alternative theory posits that the process

entails identifying the available choices and selecting the most suitable one based upon a consistent criterion, referred to as the "rational alternative theory" (Levin, 2004). The theoretical framework of rational choice posits that individuals strive to optimize their interests through a systematic approach of minimizing their losses in any given situation. The notion posits that individuals make decisions based on logical deliberation, exhibit rationality when engaging in choice selection, and strive to maximize either gratification or financial gain. Given that individuals cannot possibly be aware of all the diverse aspirations and necessities they possess, they must also exercise discretion in the pursuit of their objectives and the modalities utilized to achieve them (Scott, 2000).

The rational choice theory postulates that all intricate social phenomena are propelled by individual human actions. The rational choice theory offers valuable insights into individual client decision-making behavior regarding choice and selection. At the core of rational decision-making lies the act of selecting a course of action among available alternatives based on personal preferences and expectations regarding their respective outcomes. The soundness of rational decision making is founded upon two interdependent assumptions: completeness and transitivity. The principle of completeness stipulates that the entirety of an individual's actions must be capable of being arranged in an ascending or descending sequence of subjective preferences, with the possibility of indifference between two or more actions. In addition, the condition of transitivity necessitates that if a person favors option A over option B, and expresses a preference for option B over option C, then option A must also be favored over option C. Conjointly, these assumptions give rise to the conclusion that when presented with a comprehensive and limited pool of actions, an individual has the ability to rank them based on their personal preferences, which consistently remain constant (Aregbeyen, 2011). Nonetheless, rational choice theory has faced criticisms that challenge the premise that individuals invariably make logical decisions that maximize their utility. There are proponents of the view that individuals may not effectively exercise their decision-making abilities as they may not possess all the relevant information necessary to arrive at the most optimal decision.

### **2.1.3 Theory of Consumer Behavior**

The term "consumer behavior" pertains to the purchasing actions exhibited by end-users or ultimate customers. The behavior exhibited by potential consumers during the stages of information search, purchasing, utilization, assessment, and disposal of a product or idea is a crucial determinant of their satisfaction with the product and its ability to meet their requirements. The examination of consumer behavior aims to understand the decision-making process that customers undergo when allocating their resources towards purchases, as articulated by Kotler in 2006. The act of selecting, acquiring, utilizing, and disposing of goods, services, ideas, or experiences to fulfill one's wants and necessities is referred to as the consumer behavior process (Kotler and Armstrong, 2011). Consumer purchasing behavior refers to the purchasing behavior of final consumers. Many factors, traits and characteristics influence a person's personality, consumer decision-making processes, shopping habits, buying behavior, the brands they buy and the retailers they visit. A purchase decision is the result of all these factors. Individuals and consumers are influenced by their cultures, subcultures, social classes, member groups, families, personalities, psychological factors, etc., and are influenced not only by their social and social environment, but also by their cultural tendencies (Mohamed Ali, 2016). Consumer behavior is about how people buy and use goods and services. Understanding consumer behavior can help businesses become more hands-on in the way they sell, design, develop and otherwise influence their customers.

The impact on consumer behavior is not solely limited to external influences but is also intertwined with their attitudes and expectations. The present attitudes and expectations undergo a constant state of flux owing to a continual deluge of events, information, and individual experiences (Peer, 2009).

### **2.1.4 Competition Theory**

The theoretical framework of competition elucidates the strategies that businesses employ to attract and retain customers by means of exceptional service, fulfilling their requirements, and offering groundbreaking merchandise. Competition arises when

multiple entities engage in autonomous behavior aimed at providing goods and services to a shared set of consumers. In the business world, direct competition prevails when organizations engage in the production of comparable commodities that cater to a similar cohort of consumers. Indirect competition refers to the phenomenon characterized by firms that produce or vend diverse products, which, albeit not in direct competition, nevertheless vie for the same financial resources in the consumers' purse. Both direct and indirect competition motivate commercial enterprises to create novel products, services, and technologies, thus enhancing consumer options and augmenting product quality (Aregbeyen, 2011). The competitive strategy of firms is contingent upon the traits inherent in consumers' choices, which inherently guide firms' productive decisions towards satisfying the predilections of the consumer base.

## **2.2 Theoretical Review of Banks**

Banks constitute the principal category of institutions engaged in the acquisition of deposits. Their primary source of income is derived from the act of receiving deposits, which represent their liabilities, and subsequently allocating these funds to borrowers, which represent their assets. Financial institutions lend out money at an interest rate that is comparatively higher than the rate at which they receive funds in the form of deposits. The discrepancy between these rates is indicative of the financial institution's gross profit margin, prior to accounting for expenses and taxes. Furthermore, financial institutions have the potential to generate revenue through the promotion and provision of diverse offerings, including but not limited to foreign currency exchange services, secure storage solutions, consultation, account administration expenses, credit card options, and insurance policies (Pilbeam, 1998).

The operational activities of banks can be segregated into two distinct categories, namely primary and secondary functions. The primary functions of financial institutions, or banks, encompass the acceptance of deposits. The pivotal function of banks is to mobilize deposits from the general public. Individuals possessing excess income and savings often consider it favorable to place such funds in the custody of financial institutions, commonly known as banks. The second pivotal function of banking institutions is the

provision of loans and advances. Loans and advances are extended to both the general public and the business community, with interest rates surpassing those permitted by banks on different deposit accounts.

### **2.3 Bank Preference Criteria**

Bank preference criteria relate to bank services or image that customers perceive to be of importance in bank preference (Janian, Kamaruddin & Hoe, 1998). By focusing and approaching customers on how they perceive the bank and its competitors compared to different variables and attributes such as happiness, joy, cheerfulness and enjoyment resulting from banking services, Avoid evoking emotions such as sadness, anger, or delusion. The emergence of technologies such as ATMs and mobile banking (electronic banking) has increased competition in the banking sector. Consumers expect increased demand for financial services (Hinson, Osarenkhoe, Okoe, 2013). A bank's preference criteria are considered by customer groups that, due to today's intense competition among banks, have a positive impact on a bank's market share (Rashid, 2012). Banks are financial institutions that deal with money and are essential to the economic development of the country, so the bank preference criteria will provide customers with better needs and study the factors that motivate more customers to choose banks thereby playing an important role for the customer (Parvin and Perveen, 2012). The question of how consumers choose their banks has been studied by many researchers (e.g.) Boyd et al., 1994) argue that today's rapidly changing economic environment is making financial institutions an important factor in determining the factors that determine customers' bank preference processes. Finally, understanding customer bank preference criteria helps banks identify appropriate marketing strategies to attract more customers and retain satisfied customers (Aregbeyen, 2011).

### **2.4 Customers' Decisions**

In addition to comprehending the operational methodology of the client's decision-making process, industries endeavor to ascertain the factors that impinge on the lives of consumers and affect this process. Individuals engage in a cognitive process of evaluating

the prospective advantages and drawbacks of various alternatives in order to arrive at a reasoned decision. The process of rational decision making entails the selection of a course of action that is informed by an individual's personal goals, past achievements, and anticipated outcomes of the chosen pursuit. The soundness of rational decision making is firmly rooted in two corresponding principles, specifically, completeness and transitivity. The significance of the rational choice theory in this context lies in the fact that individuals engage in a cost-benefit analysis to arrive at a maximally advantageous decision in selecting a banking institution that affords them convenience for conducting financial transactions. Due to concerns regarding the safety of their investments, as well as a desire to obtain cost-effective and convenient banking services and products, customers engage in comparative evaluations of various banks' offerings (Aregbeyen, 2011).

## **2.5 Influences on Customers' Decisions**

Numerous factors can potentially affect the outcomes of a customer, thus it is imperative to duly observe, validate, learn, and subsequently take action in order to wield genuine influence over their behavior. It is imperative to undertake proactive efforts in comprehending the customers and their behavioral patterns. The study of customer behavior is of crucial interest to organizations, as it serves as a key enabler in accomplishing various business objectives such as customer attraction, conversion, sales, and retention. Gaining an understanding of the factors that drive customer behavior cannot be adequately achieved through relying solely on metrics such as Net Promoter Scores (NPS), satisfaction surveys or exhaustive data analysis. Merely tracking all consumer activities and transactions does not elucidate customer behavior. Proactively endeavoring to comprehend the behavioral patterns of customers presents possibilities for enhancing business performances through meticulous examination of what holds significance for clientele. According to Desmond (1972), customers' decisions are influenced by three primary categories, namely internal, situational, and social influences.

### **2.5.1 Internal Influences on Customers' Decisions**

Service-oriented organizations recognize that each client's desired treatment may significantly differ from that of another customer. One may posit that an optimal remedy would be a robust online banking platform, whereas one's aide may envision a traditional expedient customer service and one's progenitor may prioritize a cordial rapport among the personnel constituting the institution. Several of these variations are attributable to the methods through which clientele attribute information regarding the external sphere, such as perception, exposure, attention, and interpretation. Perception can be defined as an intricate cognitive process that involves the sequential selection, categorization and interpretation of external stimuli by individuals (Sells, n. d)

### **2.5.2 Situational Influences on Customers' Decisions**

The aforementioned factors are likely to exert an influence on the choices made by consumers, with regard to their utilization of offerings from diverse organizations, in terms of both the scope and manner of usage. It is widely acknowledged that individuals' emotional and behavioral states are significantly impacted by their tangible environment, including commercial messaging. The advertising archives espouse a slogan that posits the increasing level of exposure customers have to advertising's ubiquitous presence necessitates an escalated effort from advertisers to capture and maintain their audience's attention. Moreover, time constitutes a significant situational factor in addition to the physical environment. Organizations are cognizant of the fact that decision-making is impacted by temporality and the duration of available time for productive action. Time represents a scarce resource among individuals who consume goods and services. In the discourse of colloquial language, the topic of time is commonly discussed in reference to the act of creating or utilizing it, wherein it is often emphasized that time holds a monetary value. It is imperative for the service provider to offer prompt services to their clientele.

### 2.5.3 Social Influences on Customers' Decisions

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

### 2.6 Consumer buying process

#### The Consumer Buying Process



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#### 2.6.1 Problem Recognition

The preferences and necessities of individual customers are susceptible to fluctuation and are contingent upon their unique personal circumstances, whereas the requirements of corporate customers are contingent upon the developmental stage and prevailing conditions of the enterprise. Private customers exhibit a diverse range of requirements that determine their payment obligations, such as. Cheques are a financial instrument that necessitates the postponement of payments, such as deferring the payment until the date specified on the cheque. Financial tools such as loans, mortgages, and credit cards may necessitate coverage. Various types of insurance, such as house insurance, health insurance, and life insurance, impose a necessity to amass wealth. For instance, accumulation of wealth may be required to afford the necessary premiums associated with these insurance policies. The aforementioned investment vehicles include managed funds, equities, insurance-based savings, and other related financial instruments.

Consequently, there exists a desire for information and guidance, for instance. Tax and financial planning, amongst other related areas. According to Ennew and Waite (2007),.

Due to the scarcity of inherent appeal and the resulting intricacy of the gamut of financial services obtainable, it is frequently posited that purchasers do not actively recognize their requirements for diverse financial products. Rather, they tend to remain essentially passive participants in a decision-making process until the point of purchase (Knights et al. , 1994, as cited in Ennew & Waite, 2007). During this phase, the sales strategy transitions towards the explicit targeting and stimulation of the consumer's inherent desires.

### **2.6.2 Information Search**

The process of information search pertains to the approach utilized by customers in obtaining pertinent details, either through retrieval from their own recollections or through external sources such as marketing materials, input from other buyers, or from independent third-party entities (Kotler & Armstrong, 2011). In the absence of personal experience, customers are likely to rely heavily on the testimonies of others in the form of word-of-mouth recommendations, as well as the overall credibility of the organization. It is crucial for customers to draw upon their own past encounters with the product to make informed decisions. If authentic measurement challenges arise for consumers pertaining to the collection of data, these obstacles are amplified when the customer attempts to evaluate multiple services (Ennew & Waite, 2007).

### **2.6.3 Evaluation of Alternatives**

Ennew and Waite (2007) posit that the methodology and approach employed by customers in making purchasing decisions varies markedly depending on their individual perspectives and shopping patterns. Certain customers have been observed to utilize a single attribute, such as cost or convenience, as the determining factor in their selection of a product, rendering their decision-making process highly predictable. However, the majority of eleven customers take into consideration multiple attributes, assigning varying degrees of importance to each (Kotler & Armstrong, 2011). The study is

rendered complex by the existence of credence attributes in numerous financial services, as asserted by Ennew & Waite (2007).

#### **2.6.4 Purchase Decision**

Academic: The common expectation is for a purchase to ensue as a logical culmination of comprehensive alternative evaluation, barring unforeseen complications. Previous deliberations have proposed that, a considerable number of financial service consumers only generate or initiate their needs at the instance of acquisition. Consequently, the procurement process is frequently instigated by a proactive sales endeavor by the supplier, as posited by Ennew & Waite (2007).

#### **2.6.5 Post Purchase**

The examination of financial services post-purchase involves inherent challenges, as elucidated in the aforementioned rationales. It is commonly acknowledged that analysis tends to prioritize the examination of practical aspects of a service, namely how tasks are executed, over the assessment of technical aspects, i. e what tasks are executed. This preference is primarily due to the greater difficulty in evaluating the latter (Lovelock & Wright, 1999).

Nevertheless, in instances where a profound level of confidence has been duly established between the buyer and the vendor, substantial benefits tend to accrue to both parties. The establishment of trust is expected to engender a certain level of persistence in the interactions between buyers and sellers. To acquire the essential expertise and knowledge required for evaluating the responsibility of an institution, an individual must invest substantial amounts of time and energy. Thus, it is common for clients who have successfully obtained satisfaction from an establishment to remain loyal to it, rather than embark on the expensive and time-consuming process of exploring and verifying alternative providers (Ennew & Waite, 2007).

## **2.7 Determinants of Customers Bank Selection**

Customers evaluate banks based on the diverse features offered by the service proposition. In light of current circumstances, banks are confronted with increasingly daunting challenges in their endeavors to attract customers. In order to attract customers to banking institutions, it is imperative to comprehend the specific selection criteria employed by customers when choosing a particular bank. The identification of various selection criteria employed by customers in choosing banks provides a promising avenue for scholarly investigation into the topic of bank selection criteria among clientele.

### **2.7.1 Social Factors**

The principle determinant in a customer's selection of a banking institution, as determined by studies conducted by Aregbeyen (2011), Almosawi (2001), and Cicic, Brkic, and Agic (2004), is the affable and accommodating demeanor exhibited by its staff members. When considering individualized factors, this characteristic is paramount in the minds of the bank's customer sample. According to the research conducted by Syed and Guruswamy (2007), the second most prevalent cause of client defection from retail banks in Mekelle city was attributed to inadequate employee demeanor. Rehman and Saima (2008) and Boyd et al. (1994) have evidenced that employee attitudes do not significantly impact other personal issues. Conversely, Tan and Chua (1986) conducted a study in Singapore and discovered that recommendations from friends, neighbors, and relatives exhibit a strong positive impact on customers' decision-making regarding financial institutions compared to other factors. The empirical evidence presented by Anderson et al. (1976) has been substantiated by subsequent studies conducted by Kaynak (1991), Ta and Har (2000), Almosawi (2001), and more recently by Rao (2010). These studies collectively demonstrate that recommendations from elderly individuals and acquaintances exert a significant influence on consumer decision-making. The crucial factor that significantly impacted customers' choice of bank was their peers, thereby emphasizing the pivotal role played by social networks in shaping consumer behavior.

### **2.7.2 Financial Factors**

They value different priority criteria relatively highly and use these criteria in their decision-making process. Important criteria for this group are financial aspects such as availability of credit and interest charged on credit. These economic considerations appear to be equally important in other studies. In a Unidex Reports survey (1982), customers were asked what they disliked most about their banks. Some of the most unpopular factors include fees, minimum balances that are too high, and interest rates that are too low. Beckett, Hewer, and Howcroft (2000) find that the advent of new technologies is making consumers more aware of market conditions and more price and service sensitive when choosing financial services. discovered. The prices of financial institution products and services, from the customer's perspective, show the sacrifices that must be made in order to obtain the bank's products and services (Zeithaml, 1998). Banks charge fees for services and charge interest on loans and interest payments to specific accounts, creating a broader sense of pricing in the banking sector (Gerrad and Cunningham, 2004). Keaveney (1995) also found that more than half of customers preferred better price perception and switched bank choices as a result. This indicates that unfavourable price perception influences customer switching intentions. Customers typically demand the best products and services at the lowest prices from banks. They compare the prices, costs and benefits of banks offering similar products and services and select the bank they believe offers the best benefits at the lowest cost (Aregbeyen, 2011). For this reason, the price of products and services has been found to be an important factor in customers' banking preferences, as customers expect and are willing to pay for higher quality products and services in return (Mabin and Balderstone, 2003).

According to the research conducted by Metasebia and Tesfaye (2017), which aimed to examine the primary factors influencing customers' selection of banks in Ethiopia, it was found that the majority of customers exhibit a low sensitivity towards the varying prices of banking services. One example of a finding in the field suggests that the sensitivity of customers towards the interest rate charged on loans does not warrant consideration as a core determinant of bank selection. Hossain and Ullah (2011) conducted a study that determined the price sensitivity of banking customers in Bangladesh. Their findings are

contrasted with those of Boyd et al. (1994), who concluded that the interest rates associated with savings accounts and loans have a noteworthy impact on the selection of a particular bank. According to Salehi and Rajabi's (2015) research as reported by Mihir (2017), the selection of a bank by customers is significantly influenced by economic benefits.

The study undertaken by Tilahun and Gedifew (2014) aimed to ascertain the factors that influence customers' selection of banks in Bahirdar City. Their findings revealed that the level of service charge did not play a significant role in determining customers' choices between Commercial Bank of Ethiopia, Dashen Bank, Abyssinia Bank, and Wegagen Bank, in contrast to United Bank. Moreover, Maiyaki (2011) posits that the impact of product cost and benefits on the decision-making process of selecting a bank is minimal.

### **2.7.3 Technological Factors**

The present study is in accordance with the research conducted by Shevlin and Graeber (2001), who investigated the multifaceted determinants impacting consumers' decision-making process regarding the selection of a particular banking institution. It was acknowledged that the provision of ATM (Automatic Teller Machine) service held significant sway in facilitating a customer's decision-making process when it comes to selecting a bank. The study conducted by Kamakodi et al. (2008) provides corroborating evidence that the accessibility of technology-based services plays a crucial role in customers' decisions to select banks, particularly when learning about bank customers' switch behavior. The present research highlights that customers of banks in both the Islamic Republic of Iran and the Islamic Republic of Pakistan regard three key factors as central determinants when selecting a banking institution. These include: the quality of customer services, the accessibility of automated teller machine (ATM) locations, and the availability of online banking facilities, which represent innovative approaches to banking (Rehman and Ahmed, 2008).

The findings of the regression analysis indicate that the presence of numerous counter windows does not significantly affect the choice of commercial banks, namely the Dashen Bank, Abyssinia Bank, and Wegagen Bank, as compared to the United Bank in

Ethiopia. The present study presents divergent results from the research conducted by Senyucel (n. d)

#### **2.7.4 Promotional Factors**

Mylonakis (2008) conducted a study in a Balkan state, which revealed that although bank customers may not consider advertising a decisive factor when selecting a bank, this initial reaction seems to be typical of those who seek to obtain the most cost-efficient and advantageous terms. The objective of this study is to ascertain that advertising should not be the sole criterion for consumers when making a selection of their preferred bank. The presence of a bank's existence may, in fact, be deemed as essential since it substantiates the bank's significance in the market and assumes a crucial position in their decision-making processes. Banking advertising encompasses the promotion of accessibility of numerous branches, availability of nearby parking facilities, and prolonged operational hours provided by banking institutions. Consistent with the works of Aregbeyen (2011) and Maiyaki (2011).

#### **2.7.5 Convenience Factors**

Convenience means easy access to a product, process or service, saving resources and reducing frustration. According to some researchers, convenience is one of the factors that influence customers' banking decisions (Hinson, Osarenkhoe, & Okoe, 2013). If a bank's location is close to its customers, it will be easier for customers to complete transactions and the bank will have an advantage over competitors that are not conveniently located for customers.

However, Zineldin (1996) notes that technology allows customers to make payments in a variety of ways, such as debit cards, online banking, credit cards, credit cards, etc., so the convenient location of a bank is a major factor in the customer's choice of bank. Banking can be done on your mobile phone. Some researchers argue that convenience is an important factor influencing customers' banking preferences, as not all customers hold the same view of convenience (Hinson, Osarenkhoe, and Okoe et al. 2013).

Schram (1991) identified that the primary factor motivating a majority of school students to choose specific banking institutions is convenience. According to the work of Gerrard and Dancer (2001), the aspect of convenience was deemed significantly more important by numerous individuals within the banking profession. A number of studies in the extant literature have indicated that clients' bank selection is significantly influenced by the convenience of bank location. This assertion has been echoed by earlier research conducted by Kaynak and Kucukemiroglu (1992), Riggall (1979), Laroche et al. (1986), Martenson (1985), and Reed (1972). Consequently, the inference can be drawn that convenience-related variables such as the spatial proximity of the banking establishment and operational hours are central to the consumer's deliberative process.

### **2.7.6 Service Quality Factors**

According to Julian and Ashen (1994), the deliberate provision of quality services and products to customers holds significant positive implications for the attainment and ultimate endurance of contemporary banking environments characterized by intense competition. Omar and Orakwue (2006) conducted a household survey to assess the relative significance of bank selection criteria utilized by customers of banks in African countries. The findings suggest that the security of the fund is viewed as a paramount consideration by customers when selecting a bank. Additionally, the provision of cost-effective services coupled with a high standard of transactional efficiency significantly influence customers' ultimate bank preference.

### **2.7.7 Bank Image and Reputation Factors**

In the context of business, a brand is a distinctive identifier for a product or service, comprising a name, term, sign, symbol, or design, or a composite of these elements, which is used to denote the origin or source of the offering, and to differentiate it from others in the marketplace. The perception of the brand by consumers is deemed a significant contributory factor towards a product, with branding being capable of enhancing the overall value of the merchandise. According to Armstrong and Kotler

(2012), brands are imbued with meaning by customers, who then develop relationships with the brand.

According to Mihir's (2017) scholarly research, brand names serve a multitude of functions for consumers, including identification, signaling of specific attributes, value enhancement, symbolic representation, and risk mitigation. Contrastingly, the function of brands for an organization can be attributed to serving as signaling mechanisms, providing legal protection, bestowing competitive advantage, and generating revenue. The establishment of a brand is an influential factor in constructing the image and reputation of a company. This subsequently enables customers to mitigate the risks inherent in the act of purchasing, as outlined by Roselius (1971).

The perception and standing of a financial institution will significantly impact clients' bank selection. According to Rao and Sharma (2010), a commonly referenced authority on consumer behavior, customers frequently employ brand reputation as a measure of the perceived quality of both banking services and products. The discourse pertaining to the function and significance of brand nomenclature and reputation in the selection of a banking establishment by customers suggests that the establishment of a resilient brand image or reputation is a process that may entail considerable temporal investment. Given such circumstances, the service provider often invests substantial financial resources and effort into creating tangible cues that serve as a means of conveying the entirety of their services. As posited by Cleopas (2011), contemporary youth are significantly influenced by brand recognition when it comes to their consumption choices regarding merchandise and amenities.

According to Tilahun and Gedifew's (2014) investigation, the perception of a bank's image and reputation plays a pivotal role in the decision-making process of consumers to establish a patronage relationship with the financial institution. Almossawi (2001) conducted an investigation in Bahrain in order to examine the criteria employed by college students in selecting their financial institutions. The findings of the study indicate that the pivotal factors which significantly influenced the choice of bank among college students were the bank's brand identity, proximity of car parking facilities in the vicinity

of the bank, interpersonal demeanor of bank personnel, as well as the location and accessibility of automated teller machines (ATMs).

## **2.8 Empirical Review of the Study**

Multiple investigations have been conducted by numerous scholars on the criteria employed for selection of banks. The present investigation draws upon a broad selection of scholarly sources, including a diversity of journals and research papers. Numerous studies have been conducted in various countries, while taking into account several factors that may influence the selection criteria employed by customers when choosing a bank. This section provides a critical analysis of literature that has been previously conducted in the field. The exploration of the criteria for selecting banks was first initiated by Anderson et al. in academic literature.

Aregbeyen (2011) conducted a study to identify the determinants of bank selection by Nigerian customers. His research found that the security of funds and the availability of technology-enabled services were the top reasons customers chose banks. Specifically, secure safety of funds, fast and prompt service, minimal waiting time, proper complaint handling, reputation and reliability, one-stop banking, banking at all branches, innovative products and Service, Low/Reasonable Service Fees and Friendliness/Interviewees considered employee convenience to be a key factor in choosing a bank. Number of branches, proximity to home, work, etc., transaction notifications and regular communication with customers, constant availability of working and secure ATMs, connectivity to other banks' ATMs are also important decisions. However, all other factors scored lower, but that doesn't mean they aren't important at all. Maiaki (2011) showed that factors such as the size of a bank's total assets and the availability of a large branch network greatly influence customers' choice of bank. He also found that customers prefer certain banks over others. To this end, First Bank was the most preferred bank by customers in Nigeria's banking sector, followed by United Bank for Africa and Intercontinental Bank

In recent years, technological developments have had various impacts on corporate organizations, especially in terms of management and control. Many surveys found that

customers stressed the importance of technology factors in their bank selection (Hedayatnia and Eshghi, 2011; Rao and Sharma, 2010). The availability of always functioning and secure ATMs, the number of tellers and connectivity to other bank ATMs are also considered important decision factors (Aregbeyen, 2011; Mokhalis, 2008; Almosawi, 2001). When investigating bank customer switching behavior, the main reason customers switch banks is believed to be the availability of technology-enabled services (Kamakidi, 2008). This factor is implied to have a positive impact on customers' bank selection, and also indicates that they do not want to waste valuable time in queues. Advertisements for banks include the availability of multiple branches, the availability of nearby parking lots, and long hours of operation for banking institutions. According to Aregbeyen (2011) and Maiaki (2011), the bank branch and the number of branches are the main factors interviewees choose a bank for.

In Bahrain, an examination of the perception of college students towards Islamic banks was conducted by Almosawi (2001). The findings of the study indicate that Islamic bank selection is primarily influenced by factors such as bank reputation, convenience, and the presence and accessibility of Automated Teller Machines (ATM). Subsequently, Aish and colleagues in 2003, a comparative analysis was conducted to assess the determinants of bank selection among the segment of small businesses in the United Kingdom and Egypt. The findings unveiled a number of commonalities and furnished proof supporting the notion that brand significantly influences the choice of banks for small enterprises in both the United Kingdom and Egypt. This investigation serves to bolster the viewpoint that the technical caliber of services takes precedence over functional quality when individuals make determinations in regards to selecting a banking institution.

It has been found that, in the context of small businesses, customers in both Egypt and the UK prioritize the assessment of financial considerations, including fees, interest rates, and credit accessibility, when making decisions related to bank selection. Kamakodi and Khan (2008) conducted a survey among banking customers in India to investigate the factors that impact their decision-making process when selecting a bank. The authors determined that the top ten parameters that hold the greatest importance to customers are: the safety of their funds, the availability of secured automated teller machines (ATMs),

the overall accessibility of ATMs, the reputation of the bank, the provision of personalized attention, courteous manners, confidentiality, proximity to work, the timely provision of services, and friendly staff that demonstrate a willingness to accommodate customers.

In 2008, Rehman and Ahmed conducted a research study which examined the primary factors that influence customer choices in selecting a bank within Pakistan's banking sector. The results of the investigation demonstrate that there exists a significant influence of various factors on the selection of banking services by customers. These include customer service, convenience, online banking amenities, and the overall environment of the bank. Mokhlis (2009) contends that fast and efficient service, amicable and supportive personnel, and the reputation of a bank are critical considerations in the selection process of a banking institution. Particularly, Mokhlis (2009) emphasizes the substantial influence of amiable staff in the decision-making process, with the hours of operation, length of waiting lines, location convenience, and proficiency of staff following as significant considerations. According to Mokhlis (2009), customers place significant emphasis on electronic services, particularly automated teller machines (ATMs), due to their ability to provide rapid and hassle-free access to banking services. Rashid and his colleagues (2009) conducted a study to examine the key determinants that influence customers' bank selection decisions with respect to Islamic banks in Bangladesh. The findings of the study indicate that a significant proportion of the participants accorded greater importance to Corporal efficiency, Core-Banking services, and Confidence. The present analysis has identified corporal efficacy and confidence as the two primary factors of significant import. Additionally, a research study undertaken by Rao and Sharma (2010), focusing on the factors that influence the choice of banks among MBA students in India, has identified convenience as a significant determining factor. The inclusion of amenities such as a parking facility, complimentary delivery services, telephone banking, and free home cash delivery indicate that customers prioritize convenience and efficiency within the realm of banking, with a particular interest in time-saving measures.

Maiyaki's (2011) research conducted on banking customers in Nigeria indicated that the crucial factors governing the decision-making process of bank selection were the extent of bank assets and the breadth of its branch network. The preceding factor denotes the necessity for ensuring safety and mitigating uncertainty, while the latter underscores expediency. The authors Ahmad et al. In 2011, a study was conducted to investigate the determinants of bank selection among customers in Malaysia. The study revealed that convenience, accessibility of automated teller machines (ATMs) and their locations, availability of parking spaces, attractive bank locations, and operating hours were all significant factors influencing a customer's choice of bank. Subhani et al. conducted research in Pakistan. In 2012, a study was conducted to examine ten distinct factors aimed at assessing the criteria utilized by consumers when selecting Islamic banking services. The present study revealed that profitability and minimal service fees were the primary determinants, while religious incentives and service quality were secondary factors considered for making choices.

Hinson, et al. conducted research in Ghana in 2013, a study was conducted to explore the criteria used by undergraduate students in selecting banks through a qualitative survey. The sample population under study consists of 492 individuals who identify as African. Unfortunately, the provided text is incomplete and does not offer enough information for me to accurately rewrite it in an academic style. Please provide the complete text so that I can assist you. The topic of interest is Bus Management. The present study's results have confirmed that convenience, bank staff-customer relations, and banking services/financial benefits are the foremost determining factors of significance. In their study, Htaya and colleagues (2014) discerned five elements that serve as determinants for individuals selecting a banking institution in the Maldives. The present study identified several determinants that have emerged as key factors in the process of selecting a bank. These factors include perceived cost, e-banking, service quality, corporate social responsibility, and social influence, which are considered to be the novel drivers of banking choice. As per Khaitbaeva's (2014) research, the pivotal factors that affect the banking choices of student-customers in the UAE are service fees, proximity to both the location and ATM, and ease of use. Al-Hunnayan and Al-Mutairi (2016) conducted a study focused on the key determinants influencing customer selection of Islamic banks in Kuwait. The

findings of their research reveal that the quality of service, low service charges, amicable and responsive attitudes of bank personnel, as well as recommendations from acquaintances and relatives are regarded as the most critical factors in selecting a bank.

Bugyei (2020) conducted a study on the determinants of customers' bank choice in the Mphanseman community of Ghana. A descriptive cross-sectional survey design was used for this study. The data was collected through questionnaires that were self-completed by the bank's customers. Data were analyzed using the statistical method of multinomial logistic regression. The results showed that there was a significant correlation between customer bank choices. Advertising, branding, distance from bank locations, types of electronic products offered by banks, etc. Banks also need to launch more electronic products that meet the changing needs of potential customers. Msangi (2015) conducted a study at Tanga City Council, Tanga City, Tanzania, on the factors that influence customers' choice of banking services. His research used both quantitative and qualitative techniques with a sample size of 200 customers. He found that ease of account opening; account balance, ATM efficiency and technology all have a significant impact on consumer bank selection. The study also found that demographic factors such as income, age, lifecycle stage, role and status, and social class have a significant impact on consumer bank selection.

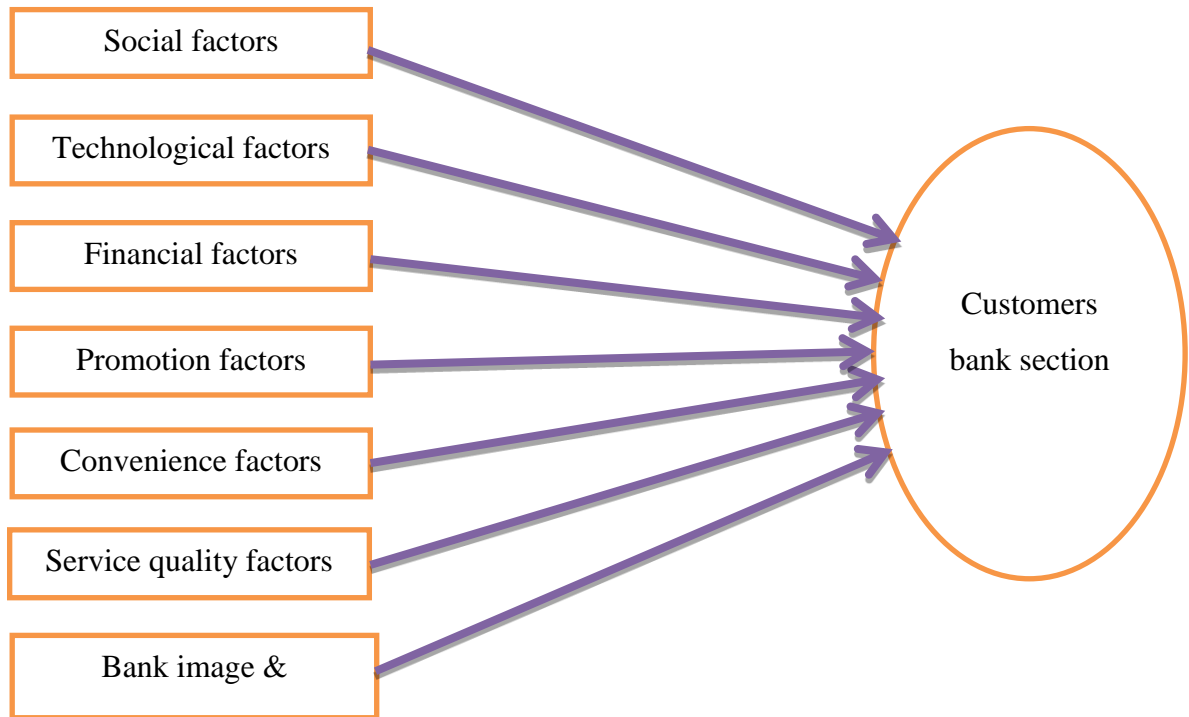
Ismael and Krishna (2022) conducted a study investigating the importance of bank selection criteria and how customers rank factors based on their importance in prioritizing banks and banking services. Both quantitative and qualitative techniques are used. This analysis is based on the responses of 201 customers of various occupations (students, employees, businessmen) in Addis Ababa city. A non-probabilistic convenience sample was also used. As a result of this survey, the two most important criteria for choosing a bank for customers as a whole are "convenience" and "service provision", and for male customers, "bank image" is the second most important criterion. Finally, hierarchical information integration is recommended as a potentially useful method for bank managers to study complex decision-making problems such as bank selection.

In Ethiopia, Goitom (2011) conducted a survey of 201 bank patrons to analyze the factors influencing customer satisfaction within the sphere of retail banking. The findings

demonstrate a significant correlation between the level of customer satisfaction and the quality of service provided. The existing literature on banking in Ethiopia reveals a dearth of research regarding the criteria applied by consumers when selecting a bank. The present study endeavors to address this gap in knowledge.

## 2.9 Conceptual Framework

Previous studies clearly indicated that various factors affect the decision for selecting banks. Considering this, several models and structures of these factors have been studied. An overview of this study is presented in the conceptual framework which is given in figure below.



**Figure 2.1 Conceptual Framework**

Source: (Gan Thai Wee & Wang Ying 2015).

## **2.10 Research Hypothesis**

The following hypotheses were tested in this paper.

- H1: Social factor has a positive and significant effect on customers' bank selection decision.
- H2: Financial factor has a positive and significant effect on customers' bank selection decision.
- H3: Technological factor has a positive and significant effect on customers' bank selection decision.
- H4: Service quality has a positive and significant effect on customers' bank selection decision.
- H5: Organizational image and reputation has a positive and significant effect on customers' bank selection decision.
- H6: Convenience factor has a positive and significant effect on customers' bank selection decision.
- H7: Promotional factor has a positive and significant effect on customer's bank selection decision.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study utilized mixed research designs, including descriptive and explanatory methods. Mugenda and Mugenda (2003) assert that the first research design serves the purpose of obtaining data pertaining to the state of a certain phenomenon in order to explain its existence in correlation with variables or conditions present within a given scenario. The second research design methodology facilitates timely and efficient data collection through the utilization of interviews and questionnaires administered to a targeted sample. Additionally, it seeks to elucidate the underlying reasons and mechanisms that account for the observed relationship between two phenomena or aspects within a given situation (Ranjit Kumar, 2011). The Explanatory research design is a valuable tool for researchers in testing theoretical constructs. In order to adequately design a questionnaire, it is essential to first establish the relationship between variables for the theories being tested, according to Ghauri and Gronhaug (2005).

#### **3.2 Research Approach**

This study incorporated a combination of quantitative and qualitative research methods. In order to achieve improved information acquisition and develop a more comprehensive comprehension, the utilization of the qualitative approach has been implemented alongside the quantitative method of research. Furthermore, Creswell (1994) posits that qualitative research facilitates the interpretation of raw data by the researcher, thus emphasizing the researcher's role in making meaning from the collected data. This encompasses the process of generating a comprehensive account of individualized data, scrutinizing the data to ascertain prevalent patterns or groupings, and culminating with a nuanced evaluation or deduction. Alternatively, the utilization of qualitative research methodology serves the purpose of elucidating a theoretical framework that accounts for the variable under investigation.

### 3.3 Target Population, Sample Size and Sampling Techniques

#### 3.3.1 Target Population

The target population in this paper was all customers who have been using bank product and service in Addis Ababa city. Those customers are largely those who are businessman, salaried employees, student and others (housewife, pensioners, remittance reviser etc.).

#### 3.3.2 Sample Determination

The concept of sample size refers to the number of participants selected for a particular study. For the current investigation, the sample size was derived from the total population of Bank customers located in the Addis Ababa city. The rationale for selecting a subset of the total population was based on the practicalities of conducting a study, such as time, cost, and accessibility. Additionally, the nature of this study posed certain challenges, such as the unavailability of a sampling frame of banks' customers or an infinite population. Given these constraints, an alternate recommended approach involves utilizing a formula to determine the sample size from an unknown population size or a population that is excessively large. This method is suggested by Scott M. as appropriate in such situations. According to Smith, who holds a Doctor of Philosophy degree and published the information in 2020.

Necessary Sample Size (n) =  $(Z\text{-score})^2 * StdDev * (1-StdDev) / (\text{margin of error})^2$

Where, n is desired sample size for the study, Z –score from normal distribution table @1.96,

Std is standard deviation @ 5% and margin of error @5%.

Therefore,  $n = ((1.96)^2 * .5(.5)) / (0.05)^2$

$= (3.8416 * .25) / 0.05$

$= 0.9604 / 0.0025 = 384.16$

**n=384** is respondents are needed for this study

### **3.3.3 Sampling Technique**

The present study employed a non-probability sampling, specifically convenience sampling techniques, notably convenience sampling, to secure a sample of 384 respondents and gather data from them. The customer population under investigation was derived from Woreda 07, located within Kirkos Sub City of Addis Ababa. This particular sub city was chosen purposively due to its prominence as a hub for financial services and extensive processing of daily financial transactions, as evidenced by the presence of numerous bank headquarters. Furthermore, the government has officially designated Kirkos Sub City as a financial center of the country.

### **3.4 Instrument of Data Collection**

In order to attain the study objective, a combination of primary and secondary data was employed. The primary data was procured via the implementation of a questionnaire. This study aimed to examine the factors influencing individuals' bank selection decisions. Specifically, the study explored social, technological, financial, promotional, convenience, service quality, bank image, and reputation factors, drawing on relevant theoretical literature. The prepared questions were designed to facilitate inquiry into these factors and elicit participants' perspectives on them. The present study relied on secondary sources of data sourced from a variety of reputable and well-regarded mediums, such as books, scholarly journals, online platforms, and yearly reports.

### **3.5 Procedures of Data Collection**

For this study the researcher used non probability sampling techniques to identify the respondents from the branch, even if there are different types of non-probability sampling techniques, the appropriate one for this study is convenience sampling method and researcher used select respondents form bank branch office operating in Woreda 07. In the context of primary data collection, a total of 384 self-administered questionnaires were disseminated among a targeted pool of customers residing in Woreda 07 of the Kirkos sub city in Addis Ababa. Furthermore, to enhance comprehension of the questions by respondents who are unable to read English, a questionnaire version written in

Amharic language was developed and disseminated alongside the English-language questionnaire

### 3.6 Method of Data Analysis

To guarantee the comprehensiveness and coherence of the collected data, the process of data editing was conducted, which included the rectification of errors as well as addressing any potential data omissions. The data was subjected to analytical scrutiny through both qualitative and quantitative methodologies. In terms of methodology, qualitative techniques encompass descriptive statistics, such as frequencies, percentages, mean, and standard deviation. The present study employs quantitative techniques, specifically inferential statistics such as Pearson's correlation and multiple linear regressions. These statistical analyses will be conducted using Statistical Package for Social Sciences (SPSS version 25). In addition, the correlation analysis method will be utilized to examine the association between the variables under investigation. The present study employs regression analysis to discern the influence of various independent variables, including social factors, technological factors, financial factors, promotional factors, convenience factors, service quality factors, and bank image and reputation factors, on the dependent variable of bank selection decision.

### 3.7 Model Specification

In order to examine the effect of independent variables on the dependent variable, there is an estimated equation which is reflected as a function of the following variables

$$BSD = (SF, FF, TF, PF, CF, SQF, I\&RF) \dots \dots \dots (1)$$

Where,

BSD= Bank selection decision,

PF= Promotional factors

SF= social factor

CF= convenience factor

FF=financial factor

SQF= service quality factor

TF= technological factor

I&RF= image and reputation factor

### 3.8 Model Equation

The above equation number (1) can be re written in the following econometric model with its functional forms.

$$BSD= \beta_0 + \beta_1SF + \beta_2FF + \beta_3TF + \beta_4PF + \beta_5CF + \beta_6SQF + \beta_7IRF + \varepsilon \dots\dots\dots (2)$$

Whereas;  $\beta_0$  is the intercept and  $\beta_i$  (i=1, 2, 3, 4, 5, 6, 7, 8, 9) represents the coefficient for each of the independent variables

### 3.9 Reliability and validity test

#### 3.9.1. Reliability

Leontits is and Pagge (2007) posit that the reliability of measurement instruments pertains to the level of consistency they exhibit. The most frequently employed measure of internal consistency is known as "Cronbach's alpha," which is utilized for assessing the reliability of assessments that are homogeneous, i. e, measuring a single construct. In order to quantify the reliability of a measure through empirical means, a reliability coefficient of 0 denotes a lack of reliability while a coefficient of 1 represents perfect reliability. The utility of a test is enhanced when the constituent items are interrelated to a significant degree. The threshold coefficient considered acceptable within the literary realm is 0. 70 The measures may be perceived as a continuation of the Kuder-Richardson Formula (SPSS) version 25 within an academic context. As such, systematic analysis was conducted to assess the dependability of the instrument utilized in the current study, in accordance with established protocols.

**Table 3.1 Coefficient of Reliability**

| Reliability Statistics |  |            |
|------------------------|--|------------|
| Cronbach's Alpha       | Cronbach's Alpha Based on Standardized Items | N of Items |
| .715                   | .721   | 37         |

Source: (survey study, SPSS output 2023)

As depicted in the above table (table3.1), the reliability score for the data collection instrument for all 37 items is 0.715. In this regard, as noted by Zikmund, et al. (2009) scales with a coefficient alpha greater than 0.7 are considered to have a very good reliability. Therefore, based on the above test results, this instrument scored acceptable and the instrument is found reliable.

**Table 3.2 Individual Item Cronbach's Alpha, Coefficient of Reliability**

| <b>item Cronbach's alpha,</b> |                                |             |                  |
|-------------------------------|--------------------------------|-------------|------------------|
| S,No.                         | Variables                      | Item number | Cronbach's Alpha |
| 1                             | Social related factor          | 4           | 0.707            |
| 2                             | Technological related factor   | 6           | 0.710            |
| 3                             | Financial related factor       | 5           | 0.611            |
| 4                             | Promotion related factor       | 5           | 0.708            |
| 5                             | Connivance related factor      | 5           | 0.718            |
| 6                             | Service quality related factor | 7           | 0.710            |
| 7                             | Reputation related factor      | 5           | 0.703            |
|                               | <b>Total</b>                   | 37          | 0.715            |

Source: (survey study, SPSS output 2023)

As depicted in Table 3.2 above, the reliability coefficient for each of the subscales falls within the range of 0. 611 to 0718 as stated by Zikmund et al. in this respect, it is noteworthy that. According to the findings of the study conducted in 2009, it was determined that scales exhibiting a coefficient alpha exceeding 0. 70 were indicative of a high degree of reliability. Thus, according to the aforementioned test outcomes, it has been determined that the individual subscales of the instrument have obtained Cronbach's alpha values that are deemed acceptable and, as a result, the scales have been deemed to possess a high degree of reliability.

### **3.9.2 Validity**

The efficacy of the questionnaire was assessed via an evaluation of its feasibility during the pre-testing phase. The feasibility of research inquiries is appraised through the

analysis of several factors, namely the occurrence of unresponsive items, the level of acceptability among study participants, and the efficiency and ease of the administrative process. According to George and Mallery (2003), the concept of validity pertains to the degree of soundness exhibited by a research design and methodology. Consequently, it can be inferred that if there are no missing responses in a dataset, then the data obtained from respondents can be deemed to have met the requirement of validity. To guarantee the excellence of the investigation blueprint, the study's content and construct validity was checked. The scholar conducting the research utilized trustworthy and valid Likert scale statements from previous experts. The research advisor verified the face and content validity by examining the relevance of the queries and the measurement scales. The variables were evaluated through a Likert scale with five points

### **3.10 Ethical Consideration**

The researcher, as a student, espoused the belief that each participant involved in the study was entitled to the fundamental right to privacy and dignity in treatment. The research was conducted with utmost care to ensure that no individual was subjected to any form of personal harm during the course of the investigation. The researcher maintained strict confidentiality with regards to the information collected. The contributions and collaborations rendered by external parties as well as all sources utilized for the acquisition of information are duly acknowledged. The present study was founded on ethical considerations including fairness, transparency of intentions, disclosure of methodology, respect for the integrity of individuals, and informed consent from research participants.

## **CHAPTER FOUR**

### **4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

This chapter shows presentation, analysis and interpretation of the collected data. Hence then, it consists of two sections. The first section presents the characteristics of respondents in terms of sex, age, educational Qualification and occupation of the respondents. The second section discusses the main part of the study, the analysis and interpretation of data those were collected through Questionnaire collected in the form of likert scale.

#### **4.2 Response Rate**

To attain the ultimate goals of the investigation, a total of 384 questionnaires of the survey were disseminated. Nonetheless, amidst the dissemination of distributed questionnaires, a total of 353 were effectively completed and returned, constituting a response rate of 92%. However, 31 participants did not complete and submit their questionnaires, citing various reasons which rendered them unavailable for data collection. The study exhibited a response rate of 92%. As Mugenda (2009) suggests, an acceptable response rate for statistical analysis and reporting is 50%, while a response rate of 60% is deemed good, and an exceptional rate of 70% or more is indicative of high-quality data collection. The aforementioned indicates that the response rate of the present study was commendable, rendering it sufficient for the purposes of data analysis, interpretation, and reporting.

#### **4.3 Characteristics of Respondents**

In this section all variables and for the responses of all respondents were computed in the form of frequency and percent

**Table 4.1 Demographic Characteristics of the Respondents**

| Response |                    |           |         |               |                    |
|----------|--------------------|-----------|---------|---------------|--------------------|
|          | Item               | Frequency | Percent | Valid Percent | Cumulative Percent |
| 1        | Male               | 206       | 58.4    | 58.4          | 58.4               |
|          | Female             | 147       | 41.6    | 41.6          | 100.0              |
|          | Total              | 353       | 100.0   | 100.0         |                    |
| 2        | 18-25              | 36        | 10.2    | 10.2          | 10.2               |
|          | 26-35              | 133       | 37.7    | 37.7          | 47.9               |
|          | 36-45              | 113       | 32.0    | 32.0          | 79.9               |
|          | 46-55              | 27        | 7.6     | 7.6           | 87.5               |
|          | 56 and above       | 44        | 12.5    | 12.5          | 100.0              |
| 3        | below high school  | 66        | 18.7    | 18.7          | 18.7               |
|          | high school        | 82        | 23.2    | 23.2          | 41.9               |
|          | college diploma    | 74        | 21.0    | 21.0          | 62.9               |
|          | first degree       | 113       | 32.0    | 32.0          | 94.9               |
|          | master and above   | 18        | 5.1     | 5.1           | 100.0              |
|          | Total              | 353       | 100.0   | 100.0         |                    |
| 4        | salaried employee  | 103       | 29.2    | 29.2          | 29.2               |
|          | business owner     | 130       | 36.8    | 36.8          | 66.0               |
|          | Student            | 100       | 28.3    | 28.3          | 94.3               |
|          | Other              | 20        | 5.7     | 5.7           | 100.0              |
|          | Total              | 353       | 100.0   | 100.0         |                    |
| 5        | less than 1yrs     | 9         | 2.5     | 2.5           | 2.5                |
|          | 1-3 years          | 63        | 17.8    | 17.8          | 20.4               |
|          | 4-10 years         | 124       | 35.1    | 35.1          | 55.5               |
|          | 10 and above years | 157       | 44.5    | 44.5          | 100.0              |
|          | Total              | 353       | 100.0   | 100.0         |                    |

Source: (survey study, SPSS output 2023)

The information illustrated in Table 4.1 According to the first item, a substantial portion of the survey participants were male patrons, with 206 individuals constituting 58% of the population. The female customer cohort comprised 42% of the total population, which corresponded to a count of 147 individuals. This discovery can be deemed notable in the context of comprehending the gender demographics of the customer population within the remit of the investigation. The present study established that the male demographic formed the primary sample population under examination. Table 4 provides a demonstration of the aforementioned. The distribution of respondents with respect to age revealed that a total of 36 individuals (10%) were within the age bracket of 18-25 years, while the highest proportion of 133 respondents (38%) was found within the 26-35 years age range. Moreover, a total of 113 participants, accounting for 32% of the sample population, fell within the age range of 36-45 years. This was succeeded by 27 individuals, which amounted to 8% of the population, who were aged between 46 to 55 years. Additionally, a group of 14 individuals, representing 13% of the sample population, were aged over 55 years. The available data suggests that a considerable portion of the study sample can be classified within the demographic interval encompassing individuals between the ages of 26 to 35 and 36 to 45 years old.

Therefore, it can be postulated that a significant proportion of banks' customers belong to the younger demographic cohort. Furthermore, as exemplified in Table 4.1 According to item 3, it is evident that the educational level of the participants varied from incomplete high school levels to postgraduate degrees or beyond. Based on the findings of the survey, it was revealed that 66 respondents, which equates to 19% of the sample, had received educational qualifications that did not exceed the level of a high school certificate. Conversely, among the participants, 82 individuals, representing 23% of the cohort, reported possessing a high school certificate. Moreover, it should be noted that a total of 74 respondents, which constitutes 21% of the sample population, have obtained a diploma certificate. Similarly, 113 respondents, representing 32% of the total sample, hold a first degree. Additionally, a total of 18 respondents, accounting for 5% of the sample, hold a graduate degree at the master's level or above. Based on the present study's results, it can be surmised that a significant proportion of respondents hold a bachelor's degree, with a diploma certificate being the next most common educational

qualification. Therefore, it can be deduced that there exists a positive correlation between the education level of bank clients and the efficacy of financial institutions in conveying information pertaining to their products and services.

As shown in point 4 of above (Table 4.1), the occupations of the respondents were white collar workers for 103 (29%) of respondents, commercial customers for 130 (37%), and commercial customers for 100 (29%). 28% of the respondents are students and 20 (6%) of the respondents have other jobs. Therefore, from the above data, we can conclude that the majority of bank customers are entrepreneurs, followed by white-collars.

As shown in Table (4.1) No. 5, “Experience using banking services,” 9 (3%) of the respondents answered that they had started using banking services less than a year ago, and 63 (18%) of them Met. 124 (38%) of respondents started banking 1-3 years ago, 124 (38%) started banking 4-10 years ago, 157 (45%) started banking I answered that I started using said they started using banking services more than 10 years ago. From this information it can therefore be concluded that the majority of the respondents interviewed for this study have many years of banking experience.

**Table 4.2 are you a customer to a bank?**

| Response |     |           |         |               |                    |
|----------|-----|-----------|---------|---------------|--------------------|
|          |     | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid    | Yes | 353       | 100.0   | 100.0         | 100.0              |

Source: (survey study, SPSS output 2023)

The description of 'bank customers' in table (4.2) above indicated that 353 (100%) of the respondents were in some way bank customers, and no respondents were not. From the above results, it can be concluded that all the respondents are bank customers who are knowledgeable about banking services and products and how to choose a bank operating in the city if necessary to receive the service.

#### 4.4 Descriptive Statistics for Study Variable

In this section, the survey explores the factors that determine whether customers choose a bank within Addis Ababa for banking services. Respondents therefore followed the Likert scale approach detailed in the table below: - Strongly Disagree (SDA) = 1, Disagree (DA) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5.

**Table 4.3 The mean distribution for bank selection decision**

| S.N | Item  | Response |           |     |
|-----|---|----------|-----------|-----|
|     |   | Mean     | Std. Dev. | N   |
| 1   | I prefer to use this bank, due to Familiarity I have with the employee of the bank.                     | 4.01     | 1.029     | 353 |
| 2   | I decided to use this bank, due to the modern technology adopted by the bank.                           | 3.91     | .872      | 353 |
| 3   | I decided to use this bank, due to availability of low charge in the bank.                              | 3.96     | .951      | 353 |
| 4   | I prefer to use this bank, due to the appropriate promotion and advertisement I have got from the bank. | 4.10     | .960      | 353 |
| 5   | I prefer to use this bank, due to the convenience of bank's branch.                                     | 4.05     | 1.100     | 353 |
| 6   | I decided to use this bank, due to service quality I have got from the bank.                            | 4.22     | .878      | 353 |
| 7   | I decided to use this bank, due to the overall good will owned by bank.                                 | 4.38     | .660      | 353 |
|     | Average Mean Bank selection criteria  | 4.09     | 0.524     | 353 |

Source: (survey study, SPSS output 2023)

As shown in Table 4.3 above, bank selection criteria such as social relations, finance, technology, advertising, convenience, quality of service, and goodwill-related criteria had an average score of 4.09 with a standard deviation of 0.524. This means social relationships, finance and technology. Advertising, convenience, quality of service and goodwill play an important role in customer decisions.

**Table 4.4 The mean distribution social related factors**

| Code | Item   | Mean | SD    | N   |
|------|--|------|-------|-----|
| SR1  | Recommendation by family and friends                           | 2.99 | 1.267 | 353 |
| SR2  | Employer's Influence/requirement me to be customer of the bank | 3.46 | 1.301 | 353 |
| SR3  | Familiar with an employee of the bank                          | 2.80 | 1.194 | 353 |
| SR4  | Familiar with shareholders of the bank                         | 2.47 | 1.060 | 353 |
|      | Average mean score of social related factor                    | 2.93 | 0.886 |     |

Source: (survey study, SPSS output 2023)

As shown in Table 4.4 above, the average rating for bank selection criteria based on social relationship factors such as recommendation from family and friends, influence of the organization's employer, and closeness to bankers and shareholders is 2.93 or higher, with a standard deviation of 0.886. This means that factors related to social relationships do not play a large role in influencing customer decisions. This small positive average suggests that most respondents cite the following socially relevant factors when choosing a bank: B. was recommended by family or friends, disagreed, or was neutral It is an important factor in choosing a bank.

**Table 4.5 The mean distribution technological related factors**

| Code | Item  | Mean | SD    | N   |
|------|---|------|-------|-----|
| TF1  | Availability of modern banking software           | 4.01 | .767  | 353 |
| TF2  | Fast Connectivity compared with other             | 4.03 | .887  | 353 |
| TF3  | The Availability of ATM network                   | 4.28 | .737  | 353 |
| TF4  | The Availability of mobile banking services       | 4.31 | .745  | 353 |
| TF5  | The Availability of internet banking services     | 4.00 | 1.138 | 353 |
| TF6  | The Availability of Point of sale terminals (POS) | 3.78 | 1.213 | 353 |
|      | Average mean of technological related factor      | 4.07 | .582  |     |

Source: (survey study, SPSS output 2023)

As shown in Table 4.5 above, the average rating of bank selection criteria depends on socially relevant factors such as the availability of modern banking software, high-speed connections, ATM network availability, mobile banking service availability, and internet banking service availability. Based on Point of sale (POS) availability is counted as 4.07 with a standard deviation of 0.582. This means that technology-related factors play a large role in customers' banking decisions.

On the other hand, this large positive average suggests that most respondents agree that technology-related factors are important when customers choose an Addis Ababa city bank for banking services increase. This means that the more technologically advanced the banking sector, the more customers in Addis Ababa prefer it.

**Table 4.6 The mean distribution financial related factors**

| Code | Item  | Mean | SD    | N   |
|------|---|------|-------|-----|
| FF1  | Its service charge is low in contrast to others         | 3.20 | 1.316 | 353 |
| FF2  | It provide High interest rates on saving accounts       | 2.90 | 1.291 | 353 |
| FF3  | Its interest rate on loans is low in contrast to others | 3.16 | 1.264 | 353 |
| FF4  | It is financially reliable                              | 4.37 | .758  | 353 |
| FF5  | Availability of loan and advance compared to others     | 3.88 | 1.069 | 353 |
|      | Average mean for financial related factor               | 3.50 | 0.815 |     |

Source: (survey study, SPSS output 2023)

As shown in Table 4.6 above, average bank selection criteria scores are based on financial factors such as: B. Relatively low service fees, high savings account interest rates, relatively low loan interest rates, and relatively low financial reliability and availability of loans and advances It counts as 3.50 with a standard deviation of 0.815. . This means that financial factors will most likely play some role in the decisions customers make when choosing a bank.

On the other hand, most respondents agreed that this positive average is most likely to be the financial factor that determines whether a customer chooses an Addis Ababa city bank for banking services. Indicates that However, based on the above data, there was a

heated discussion among the respondents that the financial factor is the key factor when choosing a bank in Addis Ababa city. In addition, the mean and standard deviation of his five-item independent variables (financially related factors in customers' bank choice) on a 5-point Likert scale indicate that bank customers can be influenced by financial products and services such as: indicates the highest potential. As an interest rate however, further research is needed to clarify this argument.

**Table 4.7 The mean distribution of the promotional related factors**

| <b>Code</b> | <b>Item</b>   | <b>Mean</b> | <b>SD</b> | <b>N</b> |
|-------------|---|-------------|-----------|----------|
| PF1         | The bank is Advertising itself appropriately            | 4.03        | 1.015     | 353      |
| PF2         | Personal contact from bank marketing staff              | 3.92        | .867      | 353      |
| PF3         | TV/radio presence of the bank is frequent               | 3.98        | .941      | 353      |
| PF4         | Presence in newspaper and print media                   | 4.10        | .967      | 353      |
| PF5         | Existence of lottery based promotion than others        | 4.07        | 1.110     | 353      |
|             | Average mean distribution of promotional related factor | 4.02        | 0.723     |          |

Source: (survey study, SPSS output 2023)

As shown in Table 4.7 above, the average rating for bank selection criteria is good advertising by the bank, personal contact by the bank's marketers, frequent TV/radio exposure of the bank, presence in newspapers, etc. based on advertising-related factors. Print media and presence/absence of advertising counted 4.02 more on a lottery basis than others, with a standard deviation of 0.723. This means that advertising-related factors play an important role in the decisions customers make when choosing a bank. On the other hand, this positive high average indicates that most respondents agree that advertising-related factors are the most decisive factor in customers choosing Addis Ababa City banks for banking services suggesting. In addition, the mean and standard deviation of his five-item independent variables (advertising-related factors in customer bank selection) on a 5-point Likert scale indicate the likelihood that bank customers are influenced by advertising-related factors in choosing a bank is the highest affected banks.

**Table 4.8 The mean distribution of the convenience related factors**

|     | <b>Item</b>   | <b>Mean</b> | <b>SD</b> | <b>N</b> |
|-----|---|-------------|-----------|----------|
| CF1 | The convenient Location of the bank                             | 4.27        | .556      | 353      |
| CF2 | Proximity to my home/work                                       | 4.37        | .607      | 353      |
| CF3 | Operating hour of bank is to my accessibility                   | 4.15        | .972      | 353      |
| CF4 | Availability of parking space                                   | 3.22        | 1.334     | 353      |
| CF5 | Existence of more branch all over the country compared to other | 4.51        | .658      | 353      |
|     | Average mean distribution of convenience related factor         | 4.10        | .427      |          |

Source: (survey study, SPSS output 2023)

As shown in Table 4.8 above, the average ratings for bank selection criteria are based on practical factors such as convenient bank location, proximity to home/work, bank opening hours, ease of access, and availability of parking. It is based on statistical factors, and there are more branches nationwide compared to other branches, with a standard deviation of 0.427. This means that the convenience factor plays an important role in a customer's bank choice decision.

On the other hand, this high positive average indicates that most respondents agree that convenience is the most important factor when customers choose a bank within Addis Ababa for banking services indicates that In addition, the mean and standard deviation of the five independent variables (convenience-related factors in customers' bank selection) on a 5-point Likert scale indicate that bank customers are most likely to be affected by convenience-related factors in bank selection indicates that of the bank.

**Table 4.9 The mean distribution of the Service quality related factors**

| Code  | Item   | Mean | SD   | N   |
|-------|--|------|------|-----|
| SQBI1 | The bank provide Fast and efficient service          | 4.36 | .526 | 353 |
| SQBI2 | Speed of transactions is high                        | 4.46 | .621 | 353 |
| SQBI3 | Pleasantness of Bank personnel or officers           | 4.03 | .898 | 353 |
| SQBI4 | Minimum waiting time for receiving service           | 4.33 | .517 | 353 |
| SQBI5 | Providing services in specified time                 | 4.27 | .863 | 353 |
| SQBI6 | It is Easier of opening of bank account              | 4.37 | .657 | 353 |
| SQBI7 | Easier to get banking service than other             | 4.31 | .606 | 353 |
|       | Average mean value of service quality related factor | 4.31 | .379 |     |

Source: (survey study, SPSS output 2023)

As shown in Table 4.9 above, average scores for bank selection criteria are based on factors related to service quality. B. The bank provides fast and efficient service, fast transaction speed, friendliness of bank staff, minimum waiting time counted as 4.31 with standard deviation of 0.379. This means that factors related to quality of service play an important role in the decisions customers make when choosing a bank.

On the other hand, this positive high average indicates that most of the respondents indicated that the most decisive factor when customers choose a bank in Addis Ababa to receive banking services is the factor related to service quality. indicates that you agree. Furthermore, the mean and standard deviation of the 7-item independent variables (convenience-related factors in customers' bank selection) on a 5-point Likert scale indicate that bank customers are most likely to be influenced by service-related factors in their bank selection indicates high quality.

**Table 4.10 The mean distribution of the reputation related factors**

| <b>Code</b> | <b>Item</b>                                      | <b>Mean</b> | <b>SD</b> | <b>N</b> |
|-------------|--|-------------|-----------|----------|
| RF1         | Overall image of bank                            | 4.20        | .754      | 353      |
| RF2         | Goodwill of bank among customers                 | 4.11        | .835      | 353      |
| RF3         | Past experience with the bank                    | 4.08        | .832      | 353      |
| RF4         | Safety of funds and confidence                   | 4.43        | .654      | 353      |
| RF5         | The bank is heading in growth path               | 4.48        | .854      | 353      |
|             | Average mean values of reputation related Factor | 4.26        | .522      |          |

Source: (survey study, SPSS output 2023)

Average ratings for bank selection criteria based on reputation factors such as bank's overall image, bank's customer favorability, previous experience with the bank and financial and trustworthiness, as shown in Table 4.9 above is 4.26 are counted and their standard deviation is 0.522. This means that reputation factors play an important role in customers' bank selection decisions. On the other hand, this positive high mean suggests that most of the respondents agree that reputation is the most decisive factor for customers to choose Addis Ababa City banks for banking services doing. Furthermore, the mean and standard deviation of the five independent variables (convenience-related factors in customers' bank selection) on a five-point Likert scale indicate that bank customers' bank selection is likely to be influenced by factors related to service quality.

## **4.5 Inferential Statistics of the Study**

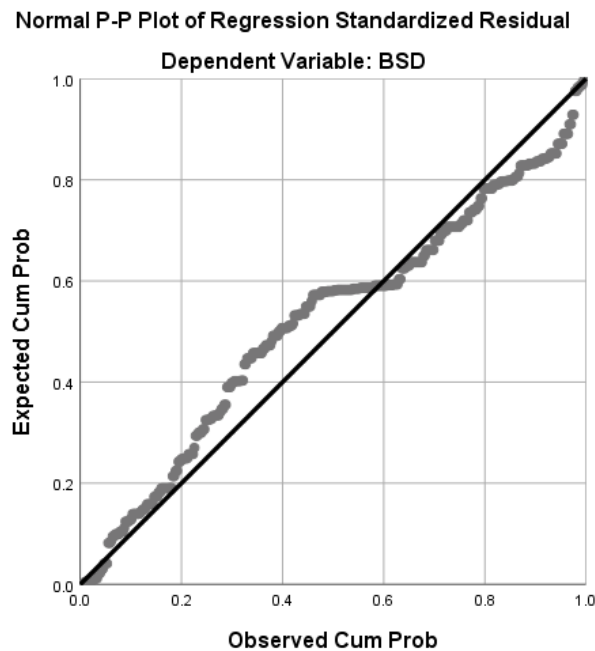
### **4.5.1 Assumptions of Multiple Linear Regression Analysis**

A diagnostic test was performed to see if the assumptions of the classical linear regression model were violated. This work attempts to test linearity, heteroscedasticity, autocorrelation, normality and multicollinearity. The results are presented and discussed as follows.

#### 4.5.1.1 Test of Linearity

This deviates somewhat from the basic framework of linear regression analysis, since it entails the incorporation of multiple explanatory variables. Multiple linear regression analysis can provide precise estimation of the association between reliant and explanatory variables, contingent on the linearity of their connection. When linearity is violated, the integrity of the regression estimates, which include regression coefficients, standard errors, and statistical significance tests, may be compromised (Keith, 2006). This can be verified by means of a p-p plot of the residuals, as depicted in Appendix C. When the residual analysis demonstrates a straight line with p-p residuals, it indicates a linear association between the independent and dependent variables. Henceforth, it is evident that the data utilized in this study does not exhibit any issue of nonlinearity as illustrated below.

**Figure 4.1 Plot for Linearity Test**

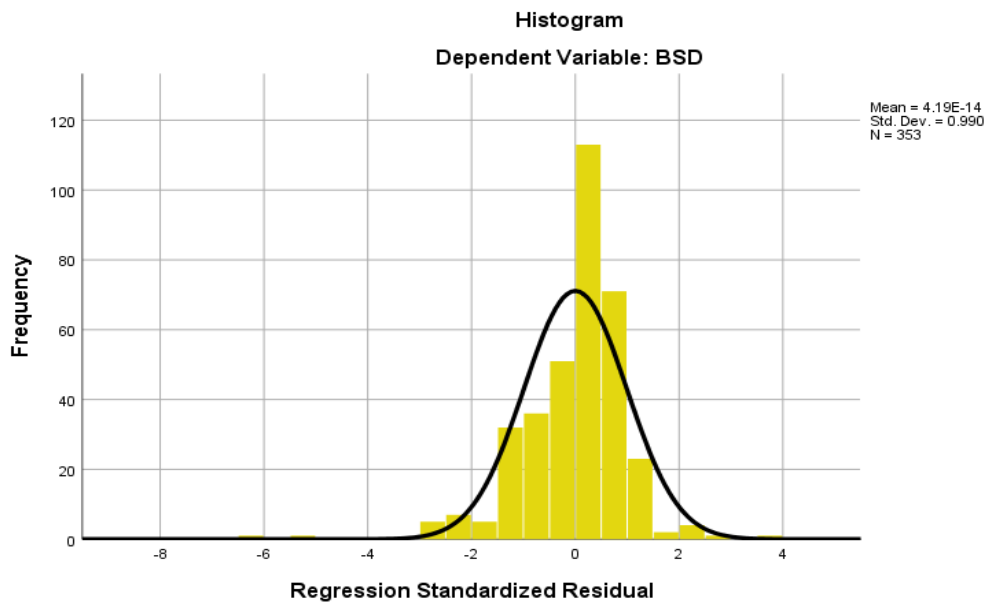


Source: (survey study, SPSS output 2023)

#### 4.5.1.2 Test for Normality

This study conducted the diagnostic test utilized for the assumption of normality in the context of the Classical Linear Regression Model (CLRM). The postulation posits that perturbations adhere to a Gaussian distribution. Frequency distributions manifest in various shapes and magnitudes. It is imperative to establish comprehensive descriptions for prevalent distributions to enable a profound understanding of the subject matter. In an optimal scenario, the distribution of data would exhibit symmetry with respect to the central tendency of all scores. Thus, in the event that vertical lines were to be drawn through the central region of the distribution, it would be expected to exhibit symmetrical characteristics on either side. The aforementioned phenomenon is recognized as a standard distribution, which is distinctive due to its bell-shaped curve. The indicated shape suggests that a significant portion of the data points are distributed in the vicinity of the central value, as is manifested by the prominent bars on the histogram. The figure presented herein indicates that the study does not exhibit any issues pertaining to normality.

**Figure 4.2 Test for Normality Distribution**



Source: (survey study, SPSS output 2023)

#### 4.5.1.3 Test of heteroscedasticity (homoscedasticity) $\{\text{var}(u_i) = \sigma^2 < \infty\}$ :-

One of the fundamental postulates in the classical linear regression model entails the presence of homoscedasticity. Brooks (2008) observes that the assumption of homoscedasticity entails that the disturbances present in the regression function of the population exhibit homoscedasticity, indicating that they possess identical variances. The variance of every disturbance term,  $u_i$ , given the values selected for the explanatory variables, is represented by a constant value of  $\sigma^2$  in academic writing conventions. One theoretical proposition of statistical analysis pertains to Heteroscedasticity, or the absence of equal variance (Gujarati, 2004), which posits unequal spread (heteroscedasticity) of data points. In the context of statistical analysis, the presence of non-constant variance within the error term, denoted as  $u_i$ , is indicative of a condition known as Heteroscedasticity.

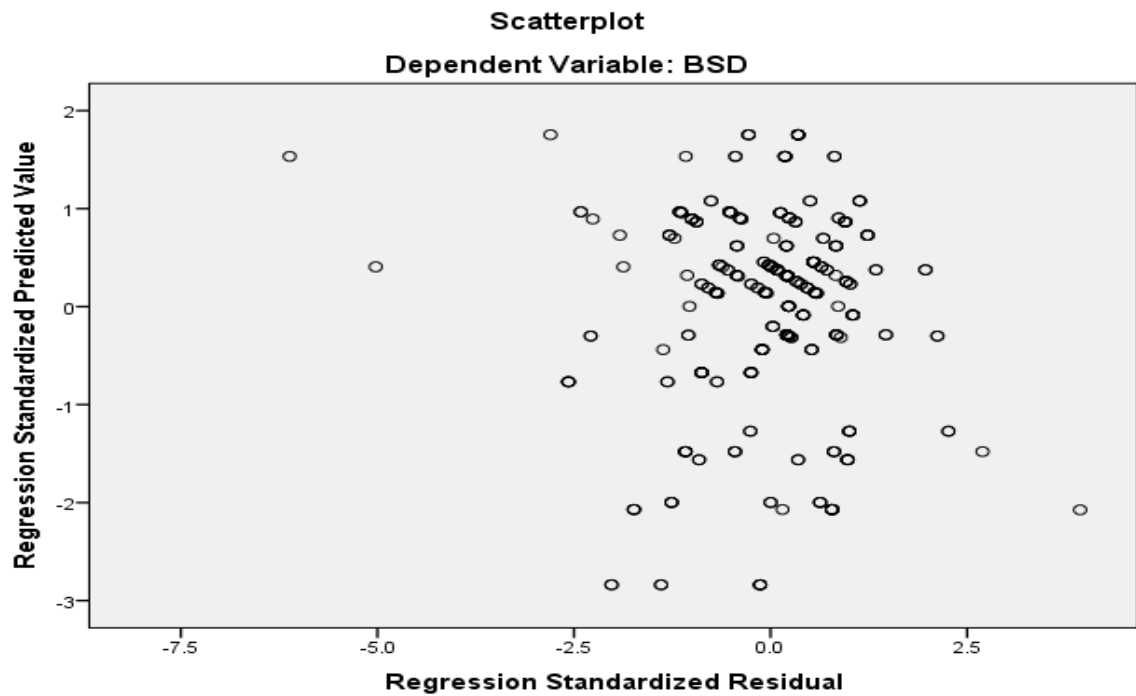
The presence of heteroscedasticity results in the loss of the Best Linear Unbiased Estimators (BLUE) property of our parameter estimates. Although they remain unbiased, their minimum variance is no longer ascertained. Regrettably, the software package SPSS lacks an intrinsic method for examining heteroscedasticity. The examination can be conducted through the composition of programmable instruction sequences. Although lacking a specifically designed test for detecting heteroscedasticity, it is possible to generate a scatterplot of standardized residuals (ZRESID) against standardized predicted values (ZPRED) as a potential means of evaluating this statistical phenomenon. If homoscedasticity is present, the resulting plot should display a random pattern. When one observes a discernible pattern, such as a funnel shape or a curve, it may suggest the presence of heteroscedasticity. The presence of a curved shape may suggest the existence of non-linearities that have not been accounted for in the relationship under examination. The presented figure illustrates the outcome of heteroscedasticity within the model. The subjoined hypothesis is posited for the purpose of performing the heteroscedasticity test.

H<sub>0</sub>: There is no Heteroscedasticity problem in the model.

H<sub>1</sub>: There is Heteroscedasticity problem in the model.

As we can observed from the below figure, the plot the residuals have a random pattern, which signifies that there is no sign of heteroscedasticity. So, the null hypothesis of no heteroscedasticity should not reject

**Figure 4.3 Result of Heteroscedasticity test**



Source: (survey study, SPSS output 2023)

**4.5.1.4 Test for Assumption of Autocorrelation  $\{cov(u_i, u_j) = 0 \text{ for } i \neq j\}$ :-**

The study undertook the diagnostic test designed to confirm the Classical Linear Regression Model (CLRM) assumption of the absence of autocorrelation. Gujarati (2004) posits that the presupposition of non-autocorrelation among the disturbances is predicated on the premise that the correlation between any two  $u_i$  and  $u_j$  ( $i \neq j$ ), given any X values  $X_i$  and  $X_j$  ( $i \neq j$ ), is nil. As posited by Brooks (2008), it is typically assumed that the errors are independent of each other. In the context of statistical analysis, if there exists correlation among errors, it would be regarded as auto-correlated or serially-correlated.

Therefore, the hypotheses of the autocorrelation test were formulated as follows:

**H0:** There is no autocorrelation problem in the model

**H1:** There is autocorrelation in the model.

**Table 4.11 Result of Auto Correlation Test**

| Durbin-Watson | Sig. F Change |
|---------------|---------------|
| 2.205         | 0.000         |

Source: (survey study, SPSS output 2023)

As shown in Table 4.11 above, the model's DW test statistic was 2.205 for the overall observation of 353 respondents with 7 independent variables. Therefore, the decision value of the test means that the model has no autocorrelation problems. According to Brooks (2008), when the DW test is between 1.5 and 2.5, the model has no autocorrelation problems. Therefore, the null hypothesis of no autocorrelation is accepted.

#### **4.5.1.5 Test for Multi-collinearity**

If one independent variable is an exact linear combination of the other independent variables, we can conclude that the model is perfectly collinear. According to Gujarati (2003), the multicollinearity test identifies correlations between explanatory variables and helps avoid double effects of independent variables from the model. Overlapping or sharing of predictive power occurs when the independent variables are multicollinear. This can have the paradoxical effect that the regression model fits the data well, but none of the explanatory variables (individually) have a significant impact on the prediction of the dependent variable. For this purpose, we used the Variance Inflation Factor (VIF) and tolerance tests to measure the multicollinearity of the explanatory variables (bank image and reputation, convenience, finance, technology, advertising, social factors, quality of service). I checked if there is a problem with For VIF values less than 10, there is no multicollinearity among the explanatory variables. On the other hand, VIFs of 10 or more indicate severe multicollinearity problems. Additionally, tolerance is a measure of how

much the variability of a given independent variable is not explained by other independent variables in the model, and is calculated using the formula for each variable. A very small value (less than 0.10) indicates a high degree of multiple correlation with other variables, suggesting possible multicollinearity (Keith, 2006; Shieh, 2010).

**Table 4.12 Result of Multi-collinearity Test**

| Collinearity Statistics |           |       |
|-------------------------|-----------|-------|
|                         | Tolerance | VIF   |
| Social                  | .819      | 1.221 |
| Technology              | .794      | 1.259 |
| Financial               | .884      | 1.131 |
| Promotion               | .936      | 1.068 |
| Convenience             | .851      | 1.176 |
| Service                 | .904      | 1.107 |
| Reputation              | .759      | 1.317 |

Source: (survey study, SPSS output 2023)

As shown in the collinearity statistics in Table 4.12 above, the VIF values for all independent variables were less than 10 and using tolerances for similar purposes. Multicollinearity test passed. In this study, tolerance values were used for each variable and independent variables were well above 0.1. Therefore, all results support the assumption of multicollinearity.

#### **4.5.2 Correlation Analysis**

The present study explicates the use of a correlation coefficient to accurately quantify the strength and direction of the linear association between two variables. Specifically, the Pearson correlation coefficient is employed to identify both the magnitude and direction of the relationship, ranging from positive to negative, while also measuring the degree of intensity within a range of -1 to +1. In this section, a correlation analysis has been conducted to ascertain the existence of a relationship between the variables that have been conceptualized in the framework. The outcome of this analysis will allow the researcher to determine the regression of the dependent variable. The researcher opted to use the Pearson correlation coefficient method, which is widely recognized for its

statistical accuracy. As stated by Evans (1996), the strength of a correlation may be assessed through the examination of its pattern, with values falling within the range of 0.00 to 0.19 indicating a very weak correlation, 0.20 to 0.39 indicating a weak correlation, 0.40 to 0.59 indicating a moderate correlation, 0.60 to 0.79 indicating a strong correlation, and 0.80 to 1.00 indicating a very strong correlation.

**Table 4.13 The Pearson correlation analysis**

| Correlations        |                     | BSD    | Social  | Techno<br>logy | Finan<br>cial | Promot<br>ion | Conven<br>ience | Service | Reputa<br>tion |
|---------------------|---------------------|--------|---------|----------------|---------------|---------------|-----------------|---------|----------------|
| BSD                 | Pearson Correlation | 1      |         |                |               |               |                 |         |                |
|                     | Sig. (2-tailed)     |        |         |                |               |               |                 |         |                |
|                     | N                   | 353    |         |                |               |               |                 |         |                |
| Social              | Pearson Correlation | .034   | 1       | .              |               |               |                 |         |                |
|                     | Sig. (2-tailed)     | .524   |         | .              |               |               |                 |         |                |
|                     | N                   | 353    | 353     |                |               |               |                 |         |                |
| Techn<br>ology      | Pearson Correlation | .083   | .408**  | 1              |               |               |                 |         | .              |
|                     | Sig. (2-tailed)     | .119   | .000    |                | .             |               |                 |         |                |
|                     | N                   | 353    | 353     | 353            |               |               |                 |         |                |
| Finan<br>cial       | Pearson Correlation | .152** | .029    | .030           | 1             |               |                 |         |                |
|                     | Sig. (2-tailed)     | .004   | .588    | .579           |               |               |                 |         |                |
|                     | N                   | 353    | 353     | 353            | 353           |               |                 |         |                |
| Prom<br>otion       | Pearson Correlation | .854** | -.027   | -.094          | .060          |               |                 |         |                |
|                     | Sig. (2-tailed)     | .000   | .617    | .079           | .261          |               |                 |         |                |
|                     | N                   | 353    | 353     | 353            | 353           | 353           |                 |         |                |
| Conv<br>enien<br>ce | Pearson Correlation | .026   | -.145** | -.193**        | .198**        | .077          | 1               |         |                |
|                     | Sig. (2-tailed)     | .624   | .007    | .000           | .000          | .151          |                 | .       |                |
|                     | N                   | 353    | 353     | 353            | 353           | 353           | 353             |         |                |
| Servi<br>ce         | Pearson Correlation | .276** | .025    | .126*          | .145**        | .025          | -.035           | 1       |                |
|                     | Sig. (2-tailed)     | .000   | .637    | .018           | .006          | .634          | .508            |         |                |
|                     | N                   | 353    | 353     | 353            | 353           | 353           | 353             | 353     |                |
| Reput<br>ation      | Pearson Correlation | .295** | .046    | -.038          | .302**        | .237**        | .287**          | .246**  | 1              |
|                     | Sig. (2-tailed)     | .000   | .391    | .480           | .000          | .000          | .000            | .000    |                |
|                     | N                   | 353    | 353     | 353            | 353           | 353           | 353             | 353     | 353            |

|     |  |
|-----|--|
| **. | Correlation is significant at the 0.01 level (2-tailed). |
| *   | Correlation is significant at the 0.05 level (2-tailed). |

Source: (survey study, SPSS output 2023)

**Financial related factor:** According to the Pearson correlation results shown in table (4.13) above, the correlation figures are  $r = 0.152$ ,  $p < 0.01$ . This indicates a high degree of positive correlation between customers' bank selection decisions and financial-related factors. Therefore, there is a statistical correlation between these two variables and a strong relationship.

**Promotional related factor:** According to the Pearson correlation results shown in table (4.13) above, the correlation figures are  $r = 0.854$ ,  $p < 0.01$ . This indicates a high positive correlation between customers' bank selection decisions and the advertising that banks do when selling banking products and services to customers. Therefore, there is a correlation and a strong statistical relationship between these two variables.

**Service quality related factor:** According to the Pearson correlation results shown in table (4.13) above, the correlation figures are  $r = 0.276$ ,  $p < 0.01$ . This indicates a high positive correlation between customers' bank selection decisions and the quality of service banks provide in selling banking products and services to customers. Therefore, there is a strong, statistically significant relationship between these two variables.

According to Julian and Ashen (1994), the proposition of providing quality services and products to customers has a significant positive impact on success and survival in today's competitive banking environment. .

**Reputation related factor:** According to the Pearson correlation results shown in table (4.13) above, the correlation figures are  $r = 0.295$ ,  $p < 0.01$ . This indicates a high positive correlation between customers' bank selection decisions and the bank's reputation in society for selling banking products and services to customers. Therefore, there is a strong, statistically significant relationship between these two variables.

Building a strong brand image and reputation is a matter of time, and it can take a long time. In such scenarios, service providers often invest money and effort in creating

physical cues that act as brand expressions. (Cleopas, 2011), brand names are one of the main determinants of product and service choices for today's youth.

### 4.5.3 Multiple Regression Analysis

Multiple regressions are a measure of association between two or more quantitative variables. The assumptions below and the table below show a regression analysis of the effect of the independent variables on the dependent variable (customer bank choice).

### 4.5.4 Model Summary

**Table 4.14 Analysis of Model Summary**

| Model Summary <sup>b</sup>  |                   |          |            |                            |                   |          |     |     |               |               |
|---|-------------------|----------|------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
| Model   | R                 | R Square | Adjusted R | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|   |                   |          |            |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1   | .904 <sup>a</sup> | .817     | .813       | .227                       | .817              | 219.427  | 7   | 345 | .000          | 2.205         |
| a. Predictors: (Constant), reputation, technology, promotion, service, financial, convenience, social |                   |          |            |                            |                   |          |     |     |               |               |
| b. Dependent Variable: BSD  |                   |          |            |                            |                   |          |     |     |               |               |

Source: (survey study, SPSS output 2023)

From the model summary table (4.14) find that R is 0.904 and R squared is 0.817. This means that approximately 81.3% of the variance in customers' bank selection (the dependent variable) is explainable (the independent variable) and the remaining 18.7% of the variance can be explained by other variables not included in the study.

#### 4.5.5 ANOVA (Analysis of Variance)

**Table 4.15 ANOVA (analysis of variance)**

| ANOVA <sup>a</sup>  |            |                |     |             |         |                   |
|---|------------|----------------|-----|-------------|---------|-------------------|
| Model   |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
| 1   | Regression | 79.003         | 7   | 11.286      | 219.427 | .000 <sup>b</sup> |
|   | Residual   | 17.745         | 345 | .051        |         |                   |
|   | Total      | 96.748         | 352 |             |         |                   |
| a. Dependent Variable: BSD  |            |                |     |             |         |                   |
| b. Predictors: (Constant), reputation, technology, promotion, service, financial, convenience, social |            |                |     |             |         |                   |

Source: (survey study, SPSS output 2023)

The F-test results and P-values in the ANOVA table (4.15) test whether the regression model as a whole is a good predictor and whether the probability of this outcome is random. In this regard, the F-test result is 11.286, which is less than 0.05 significant. This means that the probability of these outcomes occurring by chance is <0.001. The choice of bank to use is therefore influenced by a multitude of customers, including technology, finance, advertising, quality of service and reputation. This means that the independent variable significantly predicts the dependent variable, and we can conclude that the overall regression model is: It is important.

#### 4.5.6 Coefficient of Determination

**Table 4.16 Coefficient of Variable**

| Model |             | Un standardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|-------------|------------------------------|------------|---------------------------|--------|------|
|       |             | B                            | Std. Error | Beta                      |        |      |
| 1     | (Constant)  | -.311                        | .216       |                           | -1.439 | .151 |
|       | Social      | -.006                        | .015       | -.011                     | -.422  | .674 |
|       | Technology  | .120                         | .023       | .133                      | 5.151  | .000 |
|       | Financial   | .039                         | .016       | .061                      | 2.490  | .013 |
|       | Promotion   | .617                         | .017       | .851                      | 35.701 | .000 |
|       | Convenience | -.036                        | .031       | -.029                     | -1.162 | .246 |
|       | Service     | .304                         | .034       | .220                      | 9.067  | .000 |
|       | Reputation  | .035                         | .027       | .035                      | 1.307  | .192 |

Dependent Variable: BSD<sub>a</sub>

Source: - (SPSS output Survey data, 2022)

As shown in the above table (4.16), the beta values suggest a statistically significant positive relationship at the 99% confidence level between the dependent variable and the independent variable 'customer bank selection' increase. In addition, the (B value) in the non-standard coefficient column adds a technology-related factor that increases customer bank preference by 0.120 for each unit increase, indicating that financial institutions expect more banks for each unit increase. At 0.039 per customer, each unit increase in advertising is expected to increase customer bank preference by 0.617. If service quality improves by one unit, the percentage of customers choosing that bank is expected to be 0.304 of his, all other factors constant.

Promotion was found to have the strongest positive association with customers' banking decisions, followed by service quality, technology and finance. The regression equation is in this state;-

$$BSD = \alpha + \beta_1 SF + \beta_2 FF + \beta_3 TF + \beta_4 PF + \beta_5 CF + \beta_6 SQF + \beta_7 IRF + \varepsilon$$

$$CBS = -0.311 + 0.120 + 0.039 + 0.617 + 0.304 + \varepsilon$$

## 4.6 Result and discussion

### Social factor

Social factors like recommendation by family and friends requirements by employer's familiarity with an employee were ranked the least. This shows that customers mostly rely on their own in their choice of a bank and did not choose banks and banking services depending on suggestion of others. As per the regression output of model one table 4.16 above, the coefficient of social factor is negative and statistically insignificant. This implies that a one-unit increase in social factor leads to -0.006 unit decreases in customer bank choice being other variables are constant.

### Technology factor

It shows that, nowadays technology brings wide range of alternative delivery mechanisms such as ATM, mobile and internet banking, which creates ease access of bank information's. The coefficient of technology factor is and statistically significant. This

implies that a one-unit increase in technology factor leads to 0.120 unit increase in customer bank choice being other variables are constant. Technology has significant effect on in this study. this is supported by Hedayatnia & Eshghi, 2011; Mokhlis et al., 2008 It shows that technology nowadays brings wide range of alternative delivery mechanism such as Internet, online banking and ATM which creates a better competitive scene in the economy and it make ease for customers to use the service provided by the banks

### **Financial factor**

Financial factors include safety of funds and confidence and low interest rates on loans'. Service quality items include speed of transaction fast and efficient service easiness of opening an account 'which individually had the highest mean scores signifying their importance in customers bank selection. The coefficient of financial factor is and statistically significant. This implies that a one-unit increase in financial factor leads to 0.039 unit increase in customer bank choice being other variables are constant. The regression finding of this study also indicates that financial consideration has significant effect on customer bank preference this finding supported by, Zineldin (1996) asserted that due to banks giving unique services Compared to other industry, cost and pricing is not important in this field. The regression finding of this study also indicates that financial consideration has a positive and significant effect on customer bank preference in DE This finding is also supported in a study by Martenson. (1985).

### **Promotion**

The ability of banks to promote themselves to their existing customers also established a positive relationship with loyalty. This shows that banks need on continuous basis update their existing clients about their service and product offerings, new systems and improvements in the bank. This will ensure loyalty among the customer groups. The coefficient of promotion is and statistically significant. This implies that a one-unit increase in promotion leads to 0.617 unit increase in customer bank choice being other variables are constant.

## **Convenience**

Convenience has insignificant effect on banks. This finding is supported also by Schram (1991) in his article using American college students who found that convenience remains the primary reason why most college students choose their banks. Therefore in this study it implies convenience related factors like the location of the bank, having several branches, Convenience of opening an account and Easy access of the bank are important in the decision making process of the customer. As per the regression output of model one table 4.16 above, the coefficient of convenience is negative and statistically insignificant. This implies that a one-unit increase in convenience leads to -0.036 unit decreases in customer bank choice being other variables are constant.

## **Service Quality**

The level of service quality as well as its availability when need by customers remains a significant factor affecting customer loyalty to banks. This can be shown with b value of relatively large and a significance level of less than 0.05. Therefore, as shown in in other section of the reports customers demand for speedy services as well as expect the availability of them at the right time. The coefficient of service quality is and statistically significant. This implies that a one-unit increase in service quality leads to 0.304 unit increase in customer bank choice being other variables are constant. Service level has significant effect on customer bank preference on both banks. This result supported by Unidex Reports (1982) this implies that customer see the service provided by the banks. The result shows that decision of selecting a bank by customers can be explained by range and services level provided by bank.

## **Reputation**

The financial status of banks as well as their reputation is found to have a statistically positive and significant relationship with customer loyalty. Most importantly, customers demand for confidence and trust in the bank they are transacting with. This indicates that customers place high regard to items like overall image of the bank, goodwill of the bank and previous experience in their selection of a bank. The coefficient of reputation is

and statistically insignificant. This implies that a one-unit increase in service quality leads to 0.035 unit increase in customer bank choice being other variables are constant. The finding of this study also shows there are insignificant relationship between bank's image and bank selection. This shows that bank's image will have a direct effect on a customer's decision on bank selection criteria.

## **4.7 Hypothesis Testing**

We have two hypotheses the null ( $H_0$ ) and alternative ( $H_a$ ).

### **4.7.1 Rule for Accepts or Rejects the Research Hypothesis**

If the significance value (P value) is greater than the alpha value (0.05), reject the study hypothesis or accept the alternative hypothesis. Based on this criterion, the following hypotheses were tested and analyzed.

**H<sub>1</sub>**: Social factor has a positive and significant impact on customers' banking decisions.

As shown in the table above (4.16), the social factors regression coefficient (p-value) = 0.674 is greater than 0.05. We confidently reject research hypotheses or accept alternative hypotheses. Therefore, the influence of social factors on customers' bank choice is not statistically significant and shows an inverse correlation with customers' bank choice decisions.

**H<sub>2</sub>**: Financial factor has a positive and significant impact on customers' bank selection decisions. As shown in the table above (4.16), the regression coefficient (p-value) = 0.013 for financial related factors is less than 0.05. We accepted the research hypothesis. Therefore, the impact of financial factors on customers' bank choice is statistically significant and positively relevant to customers' bank choice decisions.

**H<sub>3</sub>**: Technical factor has a positive and significant impact on customers' bank selection decisions. As shown in the table above (4.16), the regression coefficient (p-value) = 0.00 for the technology-related factor is less than 0.05. We accept this research hypothesis with confidence. Therefore, the impact of technology-related factors on customers' bank selection is statistically significant and positively relevant to customers' bank selection decisions.

**H<sub>4</sub>:** The quality of service has a positive and significant impact on customers' bank selection decisions.

As shown in the table above (4.16), the regression coefficient (p-value) = 0.000 for the quality of service related coefficients is less than 0.05. We accept this research hypothesis with confidence. Therefore, the impact of service quality-related factors on customers' bank selection is statistically significant and positively relevant to customers' bank selection decisions.

**H<sub>5</sub>:** Reputation has a positive and significant impact on customers' bank selection decisions. Based on the above criteria, the regression coefficient (p-value) for the organizational image and reputation coefficients = 0.19, which is greater than 0.05, as shown in Table (4.16). We confidently reject research hypotheses or accept alternative hypotheses. Therefore, factors related to corporate image and reputation have a statistically small effect on customers' bank selection and are inversely correlated with customers' bank selection decisions.

**H<sub>6</sub>:** The convenience factor has a positive and significant impact on customers' banking decisions. Based on the above criteria, the regression coefficient (p-value) for the convenience-related factor = 0.246, which is greater than 0.05, as shown in Table (4.16). We confidently reject research hypotheses or accept alternative hypotheses. Therefore, factors related to convenience in customers' bank choice are not statistically significant, but show a positive association with customers' bank choice decisions.

**H<sub>7</sub>:** Promotional factor has a positive and significant impact on customers' bank selection decisions. As shown in Table (4.16), the regression coefficient (p-value) = 0.000 for the advertising-related coefficient is less than 0.05. We accept this research hypothesis with confidence. Therefore, advertising-related factors in customers' bank selection are statistically significant and show a positive association with customers' bank selection decisions.

In general, both descriptive and inferential statistical results of this study suggest that finance, technology, service quality and promotion have a significant and positive impact on customers' bank selection, while social factors, convenience and reputation. The factors have been shown to have no material impact on customer banks.

## **CHAPTER FIVE**

### **5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary of the Finding**

The main objective of this study is to investigate the determinants that influence customer decisions in the bank selection process in the city of Addis Ababa. In today's world, the only value companies create is the value they get from their customers. Customer value is of great value to a company. Therefore, to retain customers, businesses must ensure that the right products and services, supported by the right advertising, are offered to them at the right time. Therefore, data were collected based on a questionnaire to achieve the stated objectives of this study. The questionnaire was distributed to 384 respondents and 353 responses were collected.

Statistical software version 25 was used to analyze the collected data, and the demographic characteristics of the respondents were analyzed. Descriptive statistics include frequencies, percentages, means, and standard deviations. From the inferential analysis, data test diagnostics including correlation and regression were performed and we observed certain results such as:-

Looking at the demographics of the respondents, 58% of the 353 respondents were male and 42% were female. The age composition of the respondents was 26-36 years old with 38%, followed by 36-45 years old with 32%. In terms of occupation, the majority of respondents (37%) have their own business, and in terms of education, the majority of respondents have a bachelor's degree.

Descriptive statistics resulted in social relationship factor (mean = 2.93, SD = 0.886, technology (mean = 4.07, SD = 0.582), economic factor (mean = 3.50, SD = 0.815), and advertising factor (mean = 4.02, SD) = 0.72), convenience factor (mean = 4.10, SD = 0.427), service quality factor (mean = 4.31, SD = 0.379), reputation (mean = 4.26, SD =

0.522). Relevant Coefficients According to the data, quality of service was emphasized, followed by reputation, convenience, technology and advertising as means of influencing customers when choosing a bank in the city of Addis Ababa.

However, for inferential analysis, the Pearson product-moment correlation coefficient results were specifically used to discuss the relationship between the dependent variable (bank selection decision) and the independent variable. Thus, there was a statistically significant correlation between bank choice decisions and independent variables. Determining bank selection using technology ( $r=0.120$ ), financial factors ( $r=0.039$ ), advertising ( $r=0.170$ ) and quality of service factors ( $r=0.304$ ).

In addition to the multiple regression analysis and ANOVA results above, the linear combination of independent variables was significantly associated with the dependent variable,  $R=0.904$ , adjusted  $R\text{-squared}=0.813$ ,  $F=219.427$  ( $p=0.000$ ). An estimated 81.3% of the total variation in the dependent variable (bank choice decision) is explained by common predictors such as technology, finance, advertising, and quality of service.

## **5.2 Conclusions**

The main objective of this study is to investigate the determinants that influence customer decisions in the bank selection process in the city of Addis Ababa. On the other hand, this study has raised a fundamental research question and has addressed specific objectives. Therefore, based on descriptive and inferential statistical results and a summary of the main results, the following conclusions were drawn:-

The results of the study were based up on the discussion of data obtained from close ended questionnaire distributed to the customer of commercial banks. The growing competitiveness in the banking industry and similarity of services offered by banks necessitates a detailed understanding of the influential factors behind the bank preference decision. That is, banks should identify the factors that determine the basis upon which customers choose between providers of financial services.

This study used a combination of explanatory and descriptive research designs to explain, understand and predict relationships between variables. This study also employed a

mixed approach using both primary and secondary data sources. This study used a cross-sectional survey in which all relevant data were collected simultaneously. Primary data were collected from bank customers through a self-administered questionnaire to 353 of his selected customers using probabilistic and non-probabilistic sampling techniques.

Reputation has positive and high relationship with customer bank preference on both banks preference. Financial consideration had insignificant effect on customer bank preference and for both banks financial consideration has less relationship with customer bank preference.

The survey found that customers should not choose which bank they want to use based on their social relationship with the bank, but instead considers the main factors that customer's value when choosing a bank when using banking services. Please take into consideration.

Generally, the respondents are more inclined and dependent on reputation nowadays. Reputation can serve as a reservoir of goodwill, which can help the organization to survive. Customers are more reliant on the reliability of the bank, and they are affected more what others (relative, friends) says so that they can trust the bank and have saving account.

Convenience was constructed in such a way that it encompasses the impact of factor like, the convenient location of the bank, Easy access to the bank Convenience of opening an account and others. And it's found that it has significant factor on both banks. Therefore, this indicated that Convenience is a factor that should not be neglected as it will impact the decision of a customer selecting a bank and transactions when the bank location is strategically better than its competitors, which includes of easy access of the bank, convenience opening an account extended it working hour banks should try to maintain customer convenience with their bank location strategically.

The study concludes that customers' bank selection decisions are positive and highly correlated with financial, technical, quality of service and promotion.

Finally, the study supported the hypothesis that financial, technology, quality of service, and promotion factors are the most important determinants in customers' bank selection decisions in the city of Addis.

### **5.3 Recommendations**

Based on the conclusions drawn from the study, the identified research questions and research goals, the research should make realistic and applicable recommendations.

Therefore, researchers proposed the following recommendations:

- The study also suggest that the board , manager and employees of the bank should have to give priority to those four core variable such as finance, technology, service quality, and promotion related factor because those factors are significantly affect customers bank selection decision.
- Customers' choice of bank is primarily determined by factors such as financial factors, quality of service, advertising and technology. Banks therefore need to seriously consider such factors when designing tagging strategies, liquidating branches and using modern technology to provide superior customer service to their customers.
- Financial factors are one of the key factors identified in this study. This can be ensured by adopting appropriate strategic plans aimed at improving the financial performance of banks through improved rules and regulations on interest rate and credit management.
- Organizations should have to think critically how to impress customer by giving quality service not give by other similar organization.
- The organization should give attention on promotional strategy and ways of promotion promotional tools it have significant impact on customer bank selection.
- In this new technology era, customers are more reliant on the usage of various technologies that brings them convenience in daily life. Banks should devote into more development of technology system and adopt better business operation.

- Bank management should also be aware that some of the bank selection determinants differ from one segment to another in the business firm market. These results would enable bank managers to identify the important bank attributes that affect bank selection decisions made by each segment of the banking business in Ethiopia.
- Customers proposed the need for additional products and services to be added apart from the existing products and services of banks. As a result, banks should consider additional products and service that meet the demand of the population within the economy. The research and development process of the bank may play greater role in assessing and identifying new products and services that are required by the bank service users and relevant to meet the needs of customers. In addition, it is advisable for banks to find out ways to better familiarizing customers about the existing and new banking products or services.

#### **5.4 Future Research Direction**

The study concluded that there were significant associations between variables within the study. However, there are many other variables that may play a role in particular. It would therefore be of great benefit for other researchers to carry out research in this specific area in the future, including additional variables. The scope of research was limited, sample size, data analysis method. Therefore, future researchers are strongly encouraged to use advanced statistical software and to empirically evaluate more sophisticated models in a variety of situations/frameworks.

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# APPENDIX I

ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT MBA IN FINANCIAL SERVICE

Dear Respondent's,

My name is Tefera Kifle post graduate student in the field of MBA in financial service at AAU. For this purpose, currently I am conducting a study entitled “**Determinants of Customers’ Bank Selection Decision in Addis Ababa City**”. The major purpose of this survey is to collect data regarding to the above title. As this study is intended only for academic purpose, the information you provide in this questionnaire will be kept confidential and will be utilized only for the purpose of this study. Since your genuine response is highly valuable for the achievement of the objectives of this research, I kindly requesting you to fill your response in space provided freely. Finally, I would like to express my great acknowledgement in advance for your kind cooperation in providing me prompt responses by filling this questionnaire. For any clarification or comment please don't hesitate to contact me through the following address:-

Mobile number: +251912122648 or teferakifle17@gmail.com.et

## PART ONE: - GENERAL INFORMATION

- No need to write your name.
- Choose the suitable answer and tick (✓) in the box given for each question.

1. Gender

A. Male  B. Female

2. Age:

A. 18-25  B. 26-35  C. 36-45  D. 46-55  E. 56 and above

3. Educational level

A. Below high school  B. High school  C. college diploma

D. First degree  E. Masters and above

4. Occupation

- A. Salaried employee  C. student   
 B. Business owner  D. Other

5. Bank Service experience

- A. Less than one year  B. 1 - 3 years   
 C. 4-10 years  D. above 10 years

6. Are you customer to a bank?

- A. Yes  B. No

7. If your answer is “yes” for above question no.6 which bank prefers to use --?

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**PART TWO: -CUSTOMERS’ BANK SELECTION CRITERIA RELATED QUESTIONS**

**Please, indicate your opinion by marking the appropriate box on the five point scale where: 1=strongly Disagree 2= Disagree 3=neutral 4=Agree 5=strongly Agree**

| S.N | Bank selection decision related question  | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | I prefer to use this bank, due to Familiarity I have with the employee of the bank.                     |   |   |   |   |   |
| 2   | I decided to use this bank, due to the modern technology adopted by the bank.                           |   |   |   |   |   |
| 3   | I decided to use this bank, due to availability of low charge in the bank (financial factor).           |   |   |   |   |   |
| 4   | I prefer to use this bank, due to the appropriate promotion and advertisement i have got from the bank. |   |   |   |   |   |
| 5   | I prefer to use this bank, due to the convenience of bank’s branch.                                     |   |   |   |   |   |
| 6   | I decided to use this bank, due to service quality I have got from the bank.                            |   |   |   |   |   |
| 7   | I decided to use this bank, due to the overall good will owned by bank.                                 |   |   |   |   |   |

| Code  | Social Factors Related Questions                                | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| SR1   | Recommendation by family and friends                            |   |   |   |   |   |
| SR2   | Employer's Influence/requirement to be customer of the bank     |   |   |   |   |   |
| SR3   | Familiar with an employee of the bank                           |   |   |   |   |   |
| SR4   | Familiar with shareholders of the bank                          |   |   |   |   |   |
| <b>Technological factors related question</b> |   |   |   |   |   |   |
| TF1   | Availability of modern banking software                         |   |   |   |   |   |
| TF2   | Fast Connectivity compared with other                           |   |   |   |   |   |
| TF3   | The Availability of ATM network                                 |   |   |   |   |   |
| TF4   | The Availability of mobile banking services                     |   |   |   |   |   |
| TF5   | The Availability of internet banking services                   |   |   |   |   |   |
| TF6   | The Availability of Point of sale terminals (POS)               |   |   |   |   |   |
| <b>Financial factors related question</b>     |   |   |   |   |   |   |
| FF1   | Its service charge is low in contrast to others                 |   |   |   |   |   |
| FF2   | It provide High interest rates on saving accounts               |   |   |   |   |   |
| FF3   | Its interest rate on loans is low in contrast to others         |   |   |   |   |   |
| FF4   | It is financially reliable                                      |   |   |   |   |   |
| FF5   | Availability of loan and advance compared to others             |   |   |   |   |   |
| <b>Promotional factors related questions</b>  |   |   |   |   |   |   |
| PF1   | The bank is Advertising itself appropriately                    |   |   |   |   |   |
| PF2   | Personal contact from bank marketing staff                      |   |   |   |   |   |
| PF3   | TV/radio presence of the bank is frequent                       |   |   |   |   |   |
| PF4   | Presence in newspaper and print media                           |   |   |   |   |   |
| PF5   | Existence of lottery based promotion than others                |   |   |   |   |   |
| <b>Convenience factors related question</b>   |   |   |   |   |   |   |
| CF1   | The convenient Location of the bank                             |   |   |   |   |   |
| CF2   | Proximity to my home/work                                       |   |   |   |   |   |
| CF3   | Operating hour of bank is to my accessibility                   |   |   |   |   |   |
| CF4   | Availability of parking space                                   |   |   |   |   |   |
| CF5   | Existence of more branch all over the country compared to other |   |   |   |   |   |

| Service quality factors              |   |  |  |  |  |
|--------------------------------------|---|--|--|--|--|
| SQBI1                                | The bank provide Fast and efficient service |  |  |  |  |
| SQBI2                                | Speed of transactions is high               |  |  |  |  |
| SQBI3                                | Pleasantnessof Bank personnel or officers   |  |  |  |  |
| SQBI4                                | Minimum waiting time for receiving service  |  |  |  |  |
| SQBI5                                | Providing services in specified time        |  |  |  |  |
| SQBI6                                | It is Easier of opening of bank account     |  |  |  |  |
| SQBI7                                | Easier to get banking service than other    |  |  |  |  |
| Reputation factors related questions |   |  |  |  |  |
| RF1                                  | Overall image of bank                       |  |  |  |  |
| RF2                                  | Goodwill of bank among customers            |  |  |  |  |
| RF3                                  | Past experience with the bank               |  |  |  |  |
| RF4                                  | Safety of funds and confidence              |  |  |  |  |
| RF5                                  | The bank is heading in growth path          |  |  |  |  |

If you have additional suggestion or comments please mention it here-----  
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 -----

**THANK YOU!**

## APPENDIX II

### አዲስ አበባ ዩኒቨርሲቲ

### የንግድ ስራ እና የምጣኔ ሀብት ጥናት ኮሌጅ

### የንግድ ስራ ድህረ ምረቃ ትምህርት ክፍል

### በደንበኞች የሚሞላ መጠይቅ

#### ውድተኝነት

ይህ ጥናት በአዲስ አበባ ዩኒቨርሲቲ ፋኩልቲ ንግድ ስራ ድህረ ምረቃ ትምህርት ክፍል በአዲስ አበባ ከተማ ያልለውን የደንበኞች የባንክ አመራረ ጥሁኔታ ምን እንደሚመስል መዳሰስ የተዘጋጀ መጠይቅ ነው። በዚህ መጠይቅ አማካኝነት የሚሰበሰበው መረጃ ሙሉ በሙሉ የድህረ ምረቃ ጥናት ለምጣኔ ስራ ተግባራዊ ለማድረግ ይረዳል። የሚሰጡት መረጃ ምህንድስና ስራ ላይ ተጠቃሚ ነው። ከእርስዎ የሚሰበሰበው መረጃ የጥናት ዓይነት ለማለፍ ወሳኝ ስለሆነ ሀሳብዎን በነፃነት እንዲሰጡ እጠይቃለሁ። በተጨማሪም ምንም እንኳን አስተያየት ቢኖርዎን እንዲያስጡን ለገልጽ ለክፍል ስልክ ቁጥር [teferakifle17@gmail.com](mailto:teferakifle17@gmail.com) ወይም በስልክ ቁጥር +251-912-122-648 ሊገልጹልኝ ይችላሉ። ከወደጊዜ ያለውን ስራ መጠይቅን በመሙላት ስለተባበሩኝ ከልብ አመሰግናለሁ።

#### ክፍል አንድ: - አጠቃላይ መረጃ

ለእያንዳንዱ ጥያቄ ተስማሚ ምላሽ ትንሹ ምልክት በማድረግ ይሙሩ

#### 1. ጾታ

ሀ. ወንድ

ለ. ሴት

#### 2. እድሜ

ሀ. 18 - 25

ለ. 26 - 35

ሐ. 36 - 45

መ. 46 - 55

ሠ. 56 እና ከዚያ በላይ

#### 3. የትምህርት ደረጃ

ሀ. ከሁለተኛ ደረጃ በታች

ለ. ሁለተኛ ደረጃ

ሐ. የኮሌጅ ዲፕሎማ

መ. የመጀመሪያ ደረጃ

ሠ. ማስተርስ እና ከዚያ በላይ

4. ሥራ

ሀ. የመንግስት ሰራተኛ ለ. ተማሪ

ሐ. የግል ስራ መ. ለላ

5. ለምን ያህል ጊዜ የባንክ አገልግሎቶችን ተመቅመዋል ?

ሀ. ከአንድ ዓመት ያነሰ ለ. 1 - 3 ዓመት

ሐ. 4 - 10 ዓመት መ. ከ 10 ዓመት በላይ

6. የባንክ ደንበኛ ናት ?

ሀ . አዎ ነኝ ለ. አይደለሁም

7. ለጥያቄ ቁጥር 6 መልሶ አዎ ከሆነ የትኛውን ባንክ ለመጠቀም ይመርጣሉ?

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ክፍል ሁለት:- የደንበኞች የባንክ አመራረ ጥሁኔታ ጋር የተያያዙ ጥያቄዎች።

የሚከተሉትን ባንኮች አሠራር ጋር ተያያዥ የሆኑ ጉዳዮች ያለዎትን ግምገማ 1—5

በተጠቀሱ መለኪያዎች በመምረጥ ያሳዩ 1 = በጣም አልሰማማም 2 = አልሰማማም 3 =

ገለልተኛ 4 = እስማማለሁ 5 = በጣም እስማማለሁ

| Code | Bank selection decision related question                    | 1 | 2 | 3 | 4 | 5 |
|------|---|---|---|---|---|---|
| 1    | ባንኩን የመረጥኩት የቤተሰቤ አባል የባንኩ ሰራተኛ ስለሆነ ነው                     |   |   |   |   |   |
| 2    | ባንኩን ለመምረጥ የወሰንኩት የሚጠቀመው ዘመናዊ ቴክኖሎጂ ስለሆነ ነው                 |   |   |   |   |   |
| 3    | ባንኩን ለመምረጥ የወሰንኩት ከባንኩ ለማገኘት አገልግሎት የምከፍለው ክፍያ ዝቅተኛ በመሆኑ ነው |   |   |   |   |   |
| 4    | ባንኩን የመረጥኩት እራሱን በሚያስተዋውቀው ተገቢ ማስታወቂያ በማየትና በመረዳት ነው        |   |   |   |   |   |
| 5    | ባንኩን የመረጥኩት ባንኩ ለኔ ምቹ በሆነ አካባቢ ቅርንጫፍ ስላለው ነው                |   |   |   |   |   |
| 6    | ባንኩን ለመምረጥ የወሰንኩት በሚሰጠው የተቀላጠፈ አገልግሎት ነው                    |   |   |   |   |   |
| 7    | ባንኩን ለመምረጥ የወሰንኩት ባንኩ ባለው የቆየ ጥሩ ስም እና ዝና ነው                |   |   |   |   |   |

| Code  | Social Factors Related Questions          | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| SR1   | የቤተሰቦቼና የንደኞቼ ምክርሰምቼ                      |   |   |   |   |   |
| SR2   | የባንኩ ደንበኛ እንደሆን በተደረገብኝ ጫና                |   |   |   |   |   |
| SR3   | ለባንኩ ሰራተኞች ጋር ካለኝ ቀረቤታ                    |   |   |   |   |   |
| SR4   | ከባንኩ ባለድሻዎች ጋር ያለኝ ቀረብታ                   |   |   |   |   |   |
| <b>Technological factors related question</b> |   |   |   |   |   |   |
| TF1   | ባንኩ ን ለማዘመን የሚረዱ ሶፍትዌር መኖር                |   |   |   |   |   |
| TF2   | ባንኩ ከሌሎች ባንኮች በተሻለ ያለው ግንኙነት              |   |   |   |   |   |
| TF3   | የኤቲም አገልግሎት መኖር                           |   |   |   |   |   |
| TF4   | የሞባይል ባንክ ንግድ አገልግሎት መኖር                  |   |   |   |   |   |
| TF5   | የኢንተርኔት ባንክ ንግድ አገልግሎት መኖር                |   |   |   |   |   |
| TF6   | የፖስታ ላይ ያሉ ብዛት መኖር                        |   |   |   |   |   |
| <b>Financial factors related question</b>     |   |   |   |   |   |   |
| FF1   | ከሌሎች አንጻር የአገልግሎት ክፍያው ዝቅተኛ ስለሆነ          |   |   |   |   |   |
| FF2   | የቁጠባ ወለዱ ከሌሎች ባንኮች አንጻር ከፍተኛ መሆን          |   |   |   |   |   |
| FF3   | የብድር ወለድ ምጣኔው ከሌሎች ባንኮች አንጻር አነስተኛ መሆን    |   |   |   |   |   |
| FF4   | ገንዘብ ለማስቀመጥ ታማኒ ስለሆነ                      |   |   |   |   |   |
| FF5   | ከሌሎች ባንኮች አንጻር ብድር እና ቅድመ-ብድር ሰለሚያመቻች     |   |   |   |   |   |
| <b>Promotional factors related questions</b>  |   |   |   |   |   |   |
| PF1   | ባንኩ በተገቢው ሁኔታ ራሱን ሰለሚያስተዋውቅ               |   |   |   |   |   |
| PF2   | ከባንኩ የሽያጭ ባለሙያዎች ያለኝ የሰራ ግንኙነት            |   |   |   |   |   |
| PF3   | ባንኩ በቴሌቪዥንና በራዲዮ በተደጋጋሚ መታየትና መሰማት        |   |   |   |   |   |
| PF4   | ባንኩ ማስታወቂያ በጋዜጣ እና መጽሔት በቀላሉ መገኘት         |   |   |   |   |   |
| PF5   | ከሌሎች ባንኮች አንጻር የተለየ የሽልማት የእጣ ማስታወቂያ ሰላለው |   |   |   |   |   |
| <b>Convenience factors related question</b>   |   |   |   |   |   |   |
| CF1   | የባንኩ የስራ ቦታ አመቺ በመሆኑ                      |   |   |   |   |   |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| CF2   | ለቤቴ (ለሥራ-ቦታዬ) ቅርብ ስላለው                      |  |  |  |  |  |
| CF3   | የባንኩ የስራ ሰዓት ለኔ አመቺ መሆን                     |  |  |  |  |  |
| CF4   | የመኪና ማቆም ያቦታ ስላለው                           |  |  |  |  |  |
| CF5   | ከሌሎች ባንኮች አንጻር በሀገሪቱ በርካታ ቅርንጫፍ ስላለው        |  |  |  |  |  |
| <b>Service quality factors as well as bank image related question</b> |   |  |  |  |  |  |
| SQBI1   | የባንኩ ፈጣንና ቀልጣፋ አገልግሎት መሰጠት                  |  |  |  |  |  |
| SQBI2   | የባንኩ ዓገልግሎት ፈጣን መሆን                         |  |  |  |  |  |
| SQBI3   | መልካም የሆነ የባንኩ ሰራተኞች አቀባበል                   |  |  |  |  |  |
| SQBI4   | በባንኩ አገልግሎት ለማግኘት የሚወሰደው ሰዓት አነስተኛ መሆን      |  |  |  |  |  |
| SQBI5   | ባንኩ አገልግሎት የሚሰጥበት ሰዓት መታወቅ                  |  |  |  |  |  |
| SQBI6   | በባንኩ ሂሳብ ለመክፈት ቀላል መሆን                      |  |  |  |  |  |
| SQBI7   | የባንኩ ንግድ አገልግሎት ማግኘት ቀላል መሆን ከሌሎች ባንኮች አንጻር |  |  |  |  |  |
| <b>Reputation factors related questions</b>                           |   |  |  |  |  |  |
| RF1   | አጠቃላይ የባንኩ ግጽታ                              |  |  |  |  |  |
| RF2   | ከባንኩ በደንበኞቹ ያለው መልካም ስም                     |  |  |  |  |  |
| RF3   | ከባንኩ ጋር የነበረኝ የቀድሞ የሰራ ልምድ                  |  |  |  |  |  |
| RF4   | ባንኩ ለተቀማጭ ብር ያለው ዋስትና                       |  |  |  |  |  |
| RF5   | ባንኩ የእድገት ጎዳና ላይ መሆን                        |  |  |  |  |  |

ተጨማሪ አስተያይቶች ካሉት

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**አመሰግናለሁ!!**