



**DETERMINANTS OF CUSTOMERS BANK SELECTION
DECISION IN GURAGE ZONE: THE CASE OF BANK
CUSTOMERS IN WOLKITE TOWN**

MASTERS OF BUSINESS ADMINISTRATION (MBA)

**KIBEBEW GEBRE SIRA
(ID.NO.GSE/016/2011)**

WOLKITE UNIVERSITY, WOLKITE, ETHIOPIA

JUNE, 2021

**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION
IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN
WOLKITE TOWN**

**KIBEBEW GEBRE SIRA
(ID.NO.GSE /016/2011)**

**A THESIS SUMMITTED TO THE DEPARTEMENT OF
MANAGMENT, COLLAGE OF BUSINESS AND ECONOMICS,
SCHOOLS OF GRADUATE STUDIES WOLKITE UNIVERSITY
WOLKITE, ETHIOPIA**

**IN PARTIOAL FULFILMENT OF THE REQUERMENTS FOR THE
DEGREE OF MASTER OF ART IN BUSINESS ADMINISTRATION**

JUNE, 2021

ACKNOWLEDGEMENTS

First and foremost, I want to thank Almighty God and St. Mary for his endless help in giving me healthy, strength, help in all situations for the success of my life and accomplishment of my master degree in Business Administration through the weekend education program provided by Wolkite University. Secondly, I also would like to express my heartfelt gratitude to my advisor **Dr. Shiferaw Mtiku** and Co-advisor **Alemayehu Takele(MBA)** for the valuable professional and technical assistance and constructive criticism they gave me all through my work; thus making this researches a real success.

Thirdly, I would like to express my sincere thanks to my wife **W/ro Asnakech Gizaw** and my friend **Ato Shewangizaw Yitna** for their financial support and encouragement. Without their support, it would have been impossible for me to go through this piece of work and even finish the class. Thanks for their strength and patience in managing advice. Finally, I would like to express my sincere thanks to all bank Managers, customer service officers and all the Bank customers for their cooperation in providing the relevant information and support.

The researcher

DECLARATION OF THE AUTHOR

I hereby declare that this MBA dissertation is my original work and has not been presented for a degree in any other university, and all sources of material used for this thesis / dissertation have been duly acknowledged. The thesis have carried out independently a research work entitled “**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN WOLKITE TOWN**” in partial fulfillment of the requirement for the degree of **Master’s** with, M.B.A. Program in Management with the guidance and support of the research advisor. I do here by declare that this thesis is my original work and that it has not been submitted by any other person for an award of degree in this or any other university/institution. Moreover, no other person’s work has been used without due acknowledgement.

Name of the students: Kibebew Gebre Sira

Signature _____

Date _____ **Place and Date of Submission:** _____

SCHOOL OF GRADUATE STUDIES

WOLKITE UNIVERSITY

ADVISORS' APPROVAL SHEET

This is to certify that the thesis entitled “**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN WOLKITE TOWN**” Submitted in partial fulfillment of the requirement for the degree of **Master’s** with specialization in Business Administration, the Graduate program of the Business and economics college departments of management, and has been carried out by **Kibebew Gebre Sira ID.No GSE/016/11**, under our supervision. Therefore, we recommend that the student has fulfilled the requirements and hence here by can submit the thesis to the department.

Shiferaw Mitiku (PhD)

Name of major advisor



signature

10/06/2021 G.C.

date

Alemayehu Takele (MBA)

Name of co-advisors



signature

04/10/13 E.C.

date

SCHOOL OF GRADUATE STUDIES

WOLKITE UNIVERSITY

BOARD OF EXAMINERS' APPROVAL SHEET- 1

We, the undersigned, members of the Board of Examiners of the final open defense by **Kibebew Gebre Sira** have read and evaluated his thesis entitled “**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN WOLKITE TOWN**”, and examined the candidate. This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the Requirements for the Award of Degree of Master of Business Administration (MBA).

_____ Name of the Chairperson	_____ Signature	_____ Date
_____ Name of Major Advisor	_____ Signature	_____ Date
_____ Name of Internal Examiner	_____ Signature	_____ Date
_____ Name of External examiner	_____ Signature	_____ Date
_____ SGS Approval	_____ Signature	_____ Date

Final approval and acceptance of the thesis is contingent upon the submission of the final copy of the thesis to the SGS through the DGC/SGC of the candidate's department/School.

Stamp of SGS Date: _____

SCHOOL OF GRADUATE STUDIES

WOLKITE UNIVERSITY

BOARD OF EXAMINERS' APPROVAL SHEET- 2

As members of the Board of Examiners of the final Master's degree open defense, we certify that we have read and evaluated the thesis prepared by **Kibebew Gebre Sira**, under the title “**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN WOLKITE TOWN**”, and recommend that it be accepted as fulfilling the thesis requirement for the degree of Master of Business Administration (MBA).

_____	_____	_____
Name of the Chairperson	Signature	Date
_____	_____	_____
Name of Internal Examiner	Signature	Date
_____	_____	_____
Name of External Examiner	Signature	Date

Final approval and acceptance of the thesis is contingent upon the submission of the final copy of the thesis to the SGS through the DGC/SGC of the candidate's department/School.

Thesis approved by

_____	_____	_____
DGC/SGC	Signature	Date

CERTIFICATION OF THE FINAL THESIS

I hereby certify that all the corrections and recommendation suggested by the Board of Examiners are incorporated into the final Thesis entitled “**DETERMINANTS OF CUSTOMERS BANK SELECTION DECISION IN GURAGE ZONE: THE CASE OF BANK CUSTOMERS IN WOLKITE TOWN**”, by Master of Business Administration (MBA).

Name of the Designate	Signature	Date

Stamp of SGS Date: _____

Remark

Use this form to submit the thesis with major correction suggested by the examining board

6 copies

TABLE OF CONTENT

Title	Page
ACKNOWLEDGEMENTS.....	ii
DECLARATION OF THE AUTHOR	iii
ADVISORS' APPROVAL SHEET.....	iv
BOARD OF EXAMINERS' APPROVAL SHEET- 1.....	v
BOARD OF EXAMINERS' APPROVAL SHEET- 2.....	vi
CERTIFICATION OF THE FINAL THESIS	vii
TABLE OF CONTENT.....	viii
List of Tables	xi
List of Figures	xii
List of Acronyms and Abbreviation	xiii
ABSTRACT.....	xiv
CHAPTER ONE.....	1
INTRODUCTION	1
1.1. Background of the Study.....	
1.2. Statements of the problem	
1.3. Research Questions.....	7
1.4. Objectives of the study	7
1.4.1. General Objectives of the Study	7
1.4.2. Specific Objectives	7
1.4. Significance of the Study.....	8
1.5. Scope of the Study	8

1.6.Limitation of the Study	9
1.7.Operational Definition	9
1.8.Organization of the Study	11
CHAPTER TWO	12
REVIEW OF RELATED LITERATURE	12
2.1. Theoretical Framework of the Study	12
2.1.1. Theories on Mode of Choice and Decision Making.....	12
2.1.2. Rational Theory	12
2.2. Theoretical Literature Review	15
2.2.1. Customer Behavior	15
2.2.2. Steps in the Customer Decision Process.....	16
2.2.3. Impacts on Consumer Decisions.....	17
2.3. Empirical Literature Review	22
2.3.1. Determinant of customer’s bank selection decision	22
2.3.2. The role of Customer’s socio-demographic variables on Bank selection decision	26
2.4. Identified Literature Gap	27
2.5. Conceptual Framework	29
2.6. Hypothesis	30
CHAPTER THREE	31
RESEARCH DESIGN AND METHODOLOGY	31
3.1. Description of the Study Area	31
3.2. Research Design and Methodology	32
3.2.1. The Research Design	32
3.2.2. The research Approach	33
3.3. Sources of Data.....	33
3.4. Population, Sample Size and Sampling Techniques.....	33

3.5. Data collecting instrument	36
3.5.1. Questionnaires:	36
3.5.2. Interview	36
3.5.3. Validity	37
3.5.4. Reliability.....	37
3.6. Procedures for Data Collection.....	38
3.7. Methods of Data Analysis.....	39
3.8. Ethical Considerations	40
CHAPTER FOUR.....	41
DATA PRESENTATION, ANANYISIS AND INTERPRETATION	41
4.1. Demographic Characteristics of Respondents	41
4.2. Determinants of Customer Bank Selection Decisions.....	48
4.2.1. Factor Analysis	48
4.2.2. Description of Determinants of Customers’ Bank Selection Factors	51
CHAPTER FOUR.....	71
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	71
5.1. Summary of the Major Findings.....	72
5.1.1. Major Determinants of Customers’ Bank Selection Decisions	72
5.1.2. Relative Importance of Each Determinants of Customers’ Bank Selection	72
5.1.3. The socio-demographic variables affect customer’s bank selection decision	73
5.2. Conclusion	75
5.3. Recommendation	75
References.....	77

List of Tables

Table	Page
Table 3.1: List of banks population and sample size of the Respondents to be Include in the study -----	35
Table 3.2: Reliability of the instrument -----	38
Table 4.1: Demographic Characteristics of respondents -----	42
Table 4.2: Number of respondents' in selected banks -----	44
Table 4.3: Banking Behaviours' of Respondents -----	46
Table 4.4: Customers Bank choice -----	47
Table 4.5: Length of relationships with Bank/s and types of service/s used -----	48
Table 4.6: KMO and Bartlett's Test for whole respondents -----	50
Table 4.7A: Factor and descriptive analysis of determinants of customer bank Selection decisions -----	57
Table 4.7B: Factor and descriptive analysis of determinants of customer Bank selection decisions -----	56
Table: 4.8: Ranking importance and test of agreement on determinants of customer bank selection decisions -----	57
Table 4.9: Summery of Hypothesis -----	60
Table 4.10: Ranking importance of customers' bank selection factors by gender-----	61
Table 4.11: Ranking importance of bank selection factors by age -----	64
Table 4.12: Ranking importance of bank selection factors by occupations -----	67
Table 4.13: Ranking importance of bank selection factors by Monthly Income level----	69

List of Figures

Figures	Pages
2.1. Figure Step in the Customer Decision Process -----	17
2.2. Figure Internal Factors Influencing Customer Decisions -----	18
2.3. Figure Conceptual model of ethical school leadership -----	29
3.4. Figure Garage zone administration maps -----	32

List of Acronyms and Abbreviation

List of abbreviation	Meaning of abbreviation
AIB	awash international bank
ATM	automated tailor machine
BIB	buna international bank
BOA	bank of abyssinia
CBO	corporate bank of oromiya
CB	customer behavior
CBE	commercial bank of Ethiopia
OIB	oromiya international bank
CP	customer preference
CPA	principal components analysis
DB	dashen bank
DBE	development bank of Ethiopia
KMO	kaiser- meyer- Olkin
NBE	national bank of Ethiopia
SPSS	statistical package for social science
SSQ	speed and service quality

ABSTRACT

The objective of this study was to investigate the determinants of customers' decision on selection of banking services in Gurage Zone Wolkite Town. Therefore, the study was intended to identify determinants of customers bank selection decision, prioritize determinants factors affecting customer bank selection decision based on their importance and assess the role of customer socio-demographics variables on bank selection decision. The study used quantitative and qualitative research approach and employed descriptive & explanatory research survey design. A total of 384 (96.48%) students, business man and employees out of 398 respondents were participated in the study. Seven bank managers and seven customer's officers were included as a sample through purposive sampling and others included through stratified random sampling technique. Questionnaire and interview were the main instruments of data collection. The analysis of the quantitative data was executed through descriptive and inferential statistical methods. Exploratory factor analysis is computed to reduce the number of variables, interpret the results and identify the underlying relationships between measured variables. Accordingly, 34 of the items were maintained and grouped in to eight components. In addition, the Kendall's Wall's coefficient of concordance model is computed to make rank order analysis and it revealed that significant level of agreement is found in ratings of bank image, service quality, convenience, technological, promotional, and social and proximity whereas, no significant agreement was found between the respondents in ratings of financial factors. Accordingly, convenience, proximity, bank image, technological, service quality, promotional and social were significant whereas, financial factor was found to be insignificant factors in determining customers bank selection decision. Hence, banks are recommended to give more emphasis for significant factors to hold and satisfy their existing and new entrant customers.

Keywords: *Bank selection, Banks, Banking service, Customers and Quality.*

CHAPTER ONE

INTRODUCTION

This chapter presents the back - ground of the study, statements of the problem, research question, and objective of the study, significance of the study, scope of the study, definition of terms and organization of the study.

1.1. Background of the Study

Different empirical evidences shows that banks can be successful by becoming customer focused. Today's most successful companies are committed to understanding the desired outcomes of their customers, and they're designing experiences to help their customers achieve those outcomes.

In other words, they're focused on customer success (Tyler, 2017). This is because the customer, which is the supplier of the fund and the one borrowing from them, remains their life blood.

On the other front, meeting the needs of the customers in respect of banking service provision has emerged as a significant element of bank reputation that persuades customers to select a bank (Leibert, 2004). Therefore, it will be imperative for banks to explore how customers make a choice among banks to conduct their day-to-day financial transactions.

Such assessment will be important to banks to identify the appropriate marketing strategies needed to attract new customers and keep existing ones (Kaynak, 1992). The banking industry has been successful with the sector entertaining more participants from both private and public sector (NBE, 2018/2019).

The increase in the number of banks in Ethiopia to some extent increased the sense of competition among banks (Lelissa, 2017). Such competition spirit will obviously call for banks to orient their strategies towards attracting customers.

A notable progress in the industry in such regard is the expansion in the number of branches and the advance in the level of technology which both intended to offer efficient services to clients. Regardless of whether banks move in such front is in line with the preference of customers, it remains gradually significant that banks identify the factors that determine customers choose between different providers of financial services (Rao, S. & Sharma , R.K, 2010).

Today, new technologies and information systems are forcing these institutions to offer more sophisticated and innovative services in the banking and finance industry. The competitive financial atmosphere also led banks and financial institutions to improve their service quality and follow new technologies (Tehulu, T. A., Wondmagegn, G. A., 2014). In Ethiopia, 16 private and 2 government-owned banks are operating at the end of December 2019. Bank expansion will be 68.8 % in privet banks and the rest 28.2% are public banks during the review period.

The number of private banks in the country has started to expand following the downfall of the socialist government 25 years ago. Nowadays in the Ethiopian banking institution, there are 5564 networked bank branches according to the 2018-2019 NBE report. As a result, the bank branch to population ratio stood at 1: 20,286.5. Among the total 5564, bank branches 1,924 banks are located in Addis Ababa and the rest 3,640 banks are found in the regions.

The significant banks' branch expansion was undertaken by CBE with 1,578 branches, Awash International Bank with 423 branches, Dashen Bank 421 branches, Cooperative Bank of Oromiya 405 and fewer branches have Addis International Bank, Debub Global Bank, and Enat Bank opened less than 80 branches (NBE, 2018/2019).The total capital of the Ethiopian banking institution has increased by 18.4 percent in the 2018/19 budget year noted the National Bank of Ethiopia annual report on Ethiopian economy. According to reports the total capital of bank in Ethiopia has increased by around 8% to 85.7 billion birr (around \$3.1 billion at the prevailing exchange rate) at the end of Ethiopian fiscal year ended June 2018 (Stories, 2018).

The reason behind such a rise in the capital is growth in the private banks branch. Another notable progress in the number of branches is the advance in the level of technology with which banks intend to offer efficient services to clients (Lelissa, M. B. and Lelissa, T. B., 2017).

Encountering advertisements and messages on various banking service offers and technology acquisitions has become a common everyday experience (Tekletsadik, 2013). However, notices that even though sharing strong expansion, there are prominent variations along with banks in terms of their aggregate size, revenue sources, customer focus, loan concentration, and operational efficiency.

One possible theory explaining customers' choice is the rational choice theory. According to this theory rational choice involves determining what options are available and then choosing the most preferred one according to some consistent criterion (Lelissa, 2017). Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Scott, 2000).

On the contrary, competition theory tries to explain how firms try to win customers patronage and loyalty through service excellence, meeting customers' needs and providing innovative products. Combining the two one can (Lelissa, M. B. and Lelissa, T. B., 2017) suggest that customers select the alternative that is likely to give them the greatest satisfaction out of what is provided by firms trying to win competition. This implies that selection is done logically and that it can be influenced by what firms do. Research in to factors affecting customers' selection of a bank has been researched in various contexts (Rao, S. & Sharma , R.K, 2010).

However, argue that a set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another. For example, a study of bank selection decisions in Singapore has placed high emphasis on the pricing and product dimensions of bank services (Ta H.P. and Har,K.Y, 2000). According to (Siddique, Md. N., 2005)identified low interest rate on loan, convenient branch location, safe investment (accountability of the govt.) variety of services offered and low service charges in his study.

On the other hand, a similar study in Nigeria revealed that the safety of funds and the availability of technology- based service(s) as the major reasons for customers' choice of Banks (Arebgeyen,O., 2011). In Ethiopia (Lelissa, M. B. and Lelissa, T. B., 2017) identified the speed of services, the extent of the branch network, and fore resources as top three factors. Looking at private banks, (Tekletsadik, 2013).Also identified convenience, reliability and service provision as chief factors determining customers' bank selection (Tehulu, T. A., Wondmagegn, G. A., 2014).

Also identified friendly or pleasing manner of staff ATM service, and bank speed as the top three factors; While the findings of (Lelissa, 2017), (Tekletsadik, 2013) and (Tehulu, T. A., Wondmagegn, G. A., 2014). Have different outcomes, all considered selected banks and limited sample size affecting the generalize ability of their findings. Further, the research used varying definition of factors influencing customers' choice banking service rendering the comparison and generalizability of their outcomes impossible.

With this in mind, this research conducted identification of factors determining the customers' selection of a Bank with due attention to an exhaustive list of potential factors and appropriate sample size. Financial results for the 2010 fiscal year prove an industry enjoying high growth, high profits, and high dividends. Even in the middle of a challenging situation, all key areas of banking operations: collecting deposits, providing loans, and foreign exchange dealing, showed growth of more than 20 percent.

Even though sharing strong expansion, there are of course prominent variations along with banks in terms of their aggregate size, revenue sources, customer focus, loan concentration, and operational efficiency. Presently, there are 13 banks in Gurage Zone Wolkite Town of which 11 are private banks and the rest are government owned banks. Moreover, looking ahead, banks will surely be confronted by the entry of 6 new banks¹.

¹Birhan Bank, Awash bank ,Cooperate Bank of Oromiya, Buna international Bank, Dehub Global Bank and Development Bank of Ethiopia (July 2020)

In this regard, the basic aim of the study is to examine the basic motivational factors in customer's bank selection decision in Gurage Zone Wolkite Town. In order to achieve the research aim, the study adopted both quantitative and qualitative research approach specifically survey method through personally administered questionnaires.

1.2. Statements of the problem

Bank plays an important role in the economy in providing a service for people wishing to save and credit (Economics help, 2020). Bank should be able to lend money to customers and business in both upturns and down turns. In addition, payment for goods and services should be processed swiftly, safely and at low cost Nnorgs Bank, (12/2019).

In this regard currently in Ethiopia, the pace of the banking system to mobilize adequate resources would not be sufficient, given the large fund requirement of the economy that would certainly result in liquidity gap. The major reasons for liquidity gap are money may be kept in traditional way and majority of population is unbanked. This shows that the deposit mobilization practice among sampled banks in Ethiopia is not developed. So this type of traditional banking practices should be stopped and replaced by the new and relevant deposit mobilization strategy.

The essential for knowing such new strategy and to scale up the current deposit mobilization effort forces this study to be undertaken. Bank deposits come from the depositors who are investing their money in selected banks. So as to undertake this process the money should be available first. Deposit is the most liquid money that is found in the treasury of commercial banks and which is ready to be borrowed by a body in need of the fund.

A deposit of the selected banks may be affected by different factors. Since a deposit is most useful asset of the bank it important to find out the factors affecting it and determining the relationship between them. This study will fill this gap by identifying the factors that can affect the deposit of the sampled banks and determined the extent they are affecting it. However, a number of empirical studies have been undertaken to analyze factors that affect customers' preference in banking services.

Among these studies include (Salleh H., 2008), who examined the determinants of bank selection criterion in Malaysia considering undergraduate students; while (Mokhlis, 2009) attempted to analyze gender-based choice decisions. Similarly, in Bahrain (Almossawi, M., 2001) a case of college students and in Greek (Mylonakis, 2007), a research task of customer preferences in the home loans market were done.

Other studies are also undertaken in Europe (Cicic et al, 2003); Greek by (Mylonakis, 2007), and in Africa a study in Ghana by (Spears N.,2007); in Nigeria by (Mokhlis S., Mat N. Salleh H., (2010), (Maiyaki, (2011) countries on the issue of bank selection criteria in line with customers' preference: why and how they select a particular bank to be served there.

Although such studies have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries like, Ethiopia due to difference in cultural, economic and social environment. Performances are governed largely by macroeconomic performances than competitive parameters.

On the other hand, Kifle (2016) suggested that many Banks in Ethiopia are feeling the competitive pressure which led to huge investment in their branch network expansion, adopting new technology and rolling out new products. However, one can notice that introduction of new product offerings as well as technology by banks seems to be very similar across the board limiting differentiation.

To the best of the researcher's knowledge, there exists no previous research work in undertaken in Gurage Zone Wolkite Town concerning the determinants of customers' bank selection decision criteria. Therefore, this study is particularly intended to examine the determinants of customers' bank selection decision in the Gurage Zone Wolkite Town.

Regardless of whether banks' efforts in such front in line with the preference of customers, understand what factors lead customers to choose one bank over another has significant importance. Furthermore, the researcher has only found very few empirical evidences in the Ethiopian context with inconsistencies in outcome as well as conceptual

scope for the definition of technological, financial, quality service, convenience, and bank image, social, promotional, socio-demographic factors and proximity factors. To this end, this research undertook the identification of factors that determine customer's choice of a bank, with due emphasis on an exhaustive list of potential factors as well as use of a representative sample size to allow generalization.

1.3. Research Questions

This research attempts to answer the following basic questions.

- What are the major determinants of customers' bank selection decision?
- What is the relative importance of each determinant of customers' bank selection?
- How the customer's socio-demographic variables affects customer's bank selection decision?

1.4. Objectives of the study

1.4.1. General Objectives of the Study

The general objective of the study is to investigate the determinants' of customers' bank selection decision in Gurage Zone Wolkite Town.

1.4.2. Specific Objectives

The specific objectives particularly, the study tries:

- To identify the major determinants of customers' bank selection decisions.
- To priorities determinants factors affecting customer bank selection decision based on their importance.
- To assess the role of customers' socio-demographics variables (age, gender, income level, employment status, education level and marital status) on their bank selection decision.

1.5. Significance of the Study

The research is examining the determinants of customers' bank selection criteria as well as evaluating the relationship between personal status of the customers and sound decision of selection. The importance of this study can be viewed from two dimensions: theoretical contributions and practical implications.

Theoretically, the study is filling an important gap in the literature that is, exploring bank selection criteria for potential customers in the Gurage Zone Wolkite Town. Therefore, the findings of this study is adding to the existing body of the literature and serving as a starting point on which future studies will be built. On the practical side, the study is helping bank decision-makers (both governmental and private banks) in identifying the major factors that may determine bank selection decisions among customers. Such information is helping the management of practicable banks in formulating appropriate marketing strategies for reaching and attracting customers. Understanding customers' behavior is a key component of any marketing activity for banks. Investigating the main determinants of bank selection decision is benefiting practitioner in understanding their customers better.

Assuring messages aimed at potential customers to create the intended outcome is also requiring accurate segmentation of potential customers. A better understanding of determinants of bank selection criteria together with socio-demographic influences, service quality factors, convenience factors, technology factors, social factors, and bank image and proximity supports accurate segmentation. Undertaking this research therefore, is shading more light on the above issue for practitioners. In addition, identifying determinants of bank selection by bank customers in Gurage zone Wolkite Town used also compliment the general literature in this topic area.

1.6. Scope of the Study

This research focuses on a specific sector of customers and thus the result does not represent the general public. Although better to conduct the study in wide scale as determinants of customer bank selection decisions factors address quality banking service

for all customers, the researcher delimits the study in one government and six private banks in Gurage zone Wolkite Town. The reason that Gurage Zone Wolkite Town is selected for this study ahead of all other Woredas of the Zone is because of two major reasons. As far as the researcher's knowledge, there are no researches that have been conducted in the Zone on the same issue.

Second the researcher's better experience of its socio-cultural and geographical setting is another reason to select it for the study. Besides, more bank institutions are not available to render bank services in other Woredas except CBE and NIB at some extent in a few Woreda. Due to these reasons, the customers have no alternative rather than using CBE and somehow NIB.

Therefore, due to these and other constraints like money, time and material, the researcher delimits the study in the seven banks available at Wolkite town. Moreover, the study conducted only to customers of selected banks in Gurage Zone from different occupations. The target population for the study includes those who are users of the bank for deposit and borrowing of the selected 7 banks available at Wolkite Town.

1.7. Limitation of the Study

Even though the research has attained its objectives, there were some unpreventable limitations. Lack of interest to fill the questionnaires properly and timely on the side of respondents and interviewees as well as similar research works on the issue investigated in the Gurage Zone Wolkite Town impedes the researcher from consulting more findings in the literature as well as in the discussion part.

1.8. Operational Definition

Determinant's of Customers Bank Selection Decision: the assistance and advice provided by a company to those people who buy or use its products or banking services in Gurage zone Wolkite Town to examine the significance of bank selection criteria and how customers rank the factors based on their importance level to patronize banks and banking services (Goiteom, 2011).

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

Social Factors: Show that recommendation by parents and friends i.e. A peer was the most important criterion which had significant influence on customer bank choice Social factors include Bank recommended by family, friends, relatives and peers Employer's requirement or recommendation could also be regarded as a social factor (Mrgaret, 2014).

Technological Factors: in the recent time, the development in technology has affected Business organizations in several ways, most especially in terms of management and Control marketing and research; operations and decision making. Many studies revealed that customers emphasized on the importance of technology factors to select Banks (Cicic et al,2004, in Helen, 2018).

Financial Factors: Findings of Boyd *et al.* (1994) reveal that interest paid on savings Accounts, interest charged on loans and quick service is viewed as having more importance (Kazeh and Decker (1993).

Promotional Factors: The advertising is not the main criterion for consumers in choosing their bank. According to (Arebgeyen, 2011), any branch banking and number of branches is the major factor in a bank selection by the sampled respondents.

Convenience Factors: (Schram,J., 1991) identified that convenience remains the primary reason why most college students choose their banks. Gerrard and Cunningham (2001) found convenience factor was rated significantly higher by multiple bankers.

Service Quality: delivering quality services and products to customers had significant positive influence for success and survival of today's competitive banking environment. By using a survey of households, Omar and Orakwue (2010) evaluated the relative importance of bank selection criteria used by bank customers in Nigeria.

Bank Image: Image and reputation is important factor for customers to patronize a bank (Almossawi M., 2001); conducted a study in Bahrain to examine the bank selection criteria employed by college students.

Socio-demographics factors: are nothing more than characteristics of a population. Generally, characteristics such as age, gender, ethnicity, education level, income, type of client, years of experience, location, etc. are being considered as socio-demographics and are being asked in all kinds of surveys (Checkmaret Com, 2013).

Role of Banks: the functions of banks are divided into two categories: The primary functions of banks include: accepting deposits and lending money. The most important activity of banks is to activate deposits from the public (Spiegel, F., 2014).

Proximity factors: the state of being near something/somebody in distance for the purpose of time conception and convenience for deliver banking service near the home/working area (Merriam-Webster, 2021).

1.9. Organization of the Study

The study is organized into five chapters. Chapter one contains background information of the study, the statement of the problem, objectives of the study, research question, significance of the study, delimitations of the study, limitations of the study, definition of significant terms used in the study and organization of the study.

Chapter two presents the review of literature pertinent to the study. Chapter three covers the detailed study research methodology and entailed description of the study area, the research design, target population, sample size and sampling procedure, the research instruments, validity and reliability of research instruments, data collection procedures and data analysis techniques and ethical considerations. Chapter four consists of data analysis, presentation and interpretation of the study findings while chapter five presents the summary, conclusions, recommendations and suggestions for further research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents a literature review covering basic topics in the subject area beginning with the general concept of customer's selection decision making for a service followed by particular topics covering determinants of customer's bank service selection. Discussion of relevant empirical work in the area of customer's bank selection is organized based on their chronological context and a conceptual framework guiding this research depicted.

2.1. Theoretical Framework of the Study

2.1.1. Theories on Mode of Choice and Decision Making

Several theories have tried to describe and model the choice and method of decision making by individuals. Theories justification options look at it from two angles, mainly what affects the options and the process to opt it. These theories assume that options do not happen randomly and certain logic of factor decides the outcome. Some of the theories that discuss what affect choice and process of choice are discussed below.

2.1.2. Rational Theory

According to Levin and Milgrom, (2004) cited in Helen, (2018), ,rational choice refers to the process of determining what options are available and then selecting the most preferred one according to some consistent principle. Rational choice theory is the process of determining what choices are convenient and then taking the most chosen one according to some consistent criterion (Levin, 2004 cited in Helen, 2018). Rational choice theory predicts that all people try to actively maximize their benefit in any surroundings and therefore consistently try to reduce their losses.

The theory is based on the idea that all humans base their decisions on rational calculations, act with rationality when choosing, and objective to raise either pleasure or profit. As it is not possible for individuals to achieve all of the various

things that they want, they must also make choices relation to both their goals and the means for achieving these goals (J., 2000).

Rational choice theory also specifies that all complicated social occurrences are motivated by individual human actions. The rational choice theory affords useful ideas on the choice or selection behavior of individual customer. However, critiques of rational choice theory argue that individual do not continuously make rational utility-maximizing decisions. Others also argue that individuals will not be able to make rational decisions due to the fact that they will not obtain all the confirmation they would need to make the best possible decision.

2.1.3. Competition theory Armstrong(2006);

Competition theory describes how organizations try to win customers support and honesty through service excellence, meeting customers' needs and delivered that advanced products. Competition arises when two or more firms act independently to supply their products to the same group of consumers. Direct Competition exists where organizations produce comparable products that request to the same group of clients.

Indirect competition occurs when different partnerships make or sell items which although not in head to head competition still compete for the same money in the customers' pocket. Both direct and indirect competition cause commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products (Arebgeyen, 2011) Thus, the competitive strategy of companies is reliant on upon consumers' choice characteristics which tend to influence organizations productive judgment towards the satisfaction of consumers first choice.

2.1.4. Nicosia Consumer decision making Model;

According to Shaw and Clean (2011), Nicosia's model of buyer behavior (Nicosia, 1966) is familiar as the first wide-ranging model of buyer behavior. Nicosia's model involves four fields beginning with the announcement of facts to affect the consumer 's attitude (influenced by firm aspects and consumer attributes, remarkably

consumer Predispositions), followed by a search and evaluation process, a decision, and outcomes in terms of behavior, consumption, storage, familiarity and comment. Nicosia's preparation of the process to contain an iterative, or repurchase cycle is important for conceptual framework development and very relevant to the services context. However, a major constraint of the Nicosia model is that it is from the marketer's viewpoint rather than the customer's, with consumer activities only very largely definite.

2.1.5. Engel, Kollat, and Blackwell Consumer Decision-making Model;

According to Engel, Kollat & Blackwell (1968), Nicosia's model was familiar by Engel, Kollat, and Black well in the late 1960s one of the powers of the revised model is the reply or inspect which establishments for repetitions of partial decision-making. For example, a consumer may proceed past the inputs to arrive at the required problem appreciation stage, achieve an external search for evidence and then for some reason, select out of concluding the decision-making process.

While the decision-making development may be carry out, there may present no determined to purchase and thus the decision process may be completed or postponed at any point, providing response for use as inputs next time a need is aroused. An example of this is the stereo type of window shopping, or in the context of financial services, presence an investment conference without necessarily having an intention to invest in the short term. Responsibility of the process may be considered a trial run for remember at a later stage, or the process interrupted by something more important, or the consumer simply did not have the capacity to undertake the remainder of the process.

2.1.6. Howard and Sheth Consumer Decision-making Model;

According to the Howard and Sheth, (1969) model accessible an advance at the time because of an improved level of specificity in terms of the associations between variables, for example, the model notes not only that attitude influences purchase, but also that intention is a controlling variable Hunt (1972). The model is also distinguished for including a wide range of inputs into the process in terms of marketing variables

and social influences, which is an important step on the way to current input-process-output models.

2.1.7. McCarthy, Perreault and Quester Consumer Decision-making Model;

McCarthy, Perreault and Quester (1997), model of customer decision-making, or a variant of it, looks in most 21st century introductory marketing and consumer behavior textbooks for example (Kotler,2010) and (Armstrong, 2006). Mainly the McCarthy et al. model is a modification of the Engel et al. model with some minor changes and interpretations. For example, McCarthy adds the concept of criteria for choice which is an important unpacking of the assessment task; since it distinguishes that the task of setting up criteria is quite different to evaluating the alternatives.

The McCarthy et al. (1997) model has been talented to group like shapes in a form with rational easiness while remaining inclusive. It does however the study will be focuses on display some of the weaknesses that are common to the models that preceded it, such as: depicting a linear process; depicting a limited and counter- intuitive influence of social and situational variables (they are shown as only impacting only on need want awareness); and not clearly indicating the manner in which psychological variables influence the process. Because of as noted earlier, these issues are more important in the perspective of financial services.

For that reason, McCarthy, Perrault, and Quester Consumer Decision-making Models are the best relative to other models because of its clarity of constructs in a form with logical simplicity than other models. Besides, this theory of model is recently used theory. Hereafter, the remaining models are comprehensive, this model become important and selected for the purpose of examines determinants of bank selection decision.

2.2. Theoretical Literature Review

2.2.1. Customer Behavior

Customer behavior; Is the developments of individuals or groups go through select to purchase use and dispose of goods, services, ideas or familiarities to satisfy their needs

and desires consumer behavior is not only influenced by external factors, but also by their attitudes and expectations. These methods and prospects are constantly changing in response to a continuous movement of events, information and personal familiarities (Peer, 2009). Consumer behavior refers to the buying behavior of final consumers.

It is the behavior that customer's display when penetrating for, when purchasing, using, evaluating, disposing the product or the idea that they have for the product and if it will achieve their need. According to Armstrong, (2006), the study of end user behavior accordingly search for to recognize how the consumers make decisions on how to apply their current assets in regard to purchase (Kotle, 2000).

Consumer behavior is of significance to the marketers as it supports them understood why and how persons make decisions. So that they can make better promoting decisions to have a great competitive advantage at the market place Consumers make many buying decisions every day. Furthermore, most large corporations' research Consumer buying decisions particularly with an aim to find replies to requests such as; what consumers buy, where they buy, how and how much they buy, when they buy? And why they buy and how they establish what they have bought and don't essential.

2.2.2. Steps in the Customer Decision Process

Investigators acknowledged that decision creators surely own a set of approaches ranging from exact analysis to pure whim, depending on the significance of what they are utilizing and how much exertion the individual is ready to put into the conclusion.

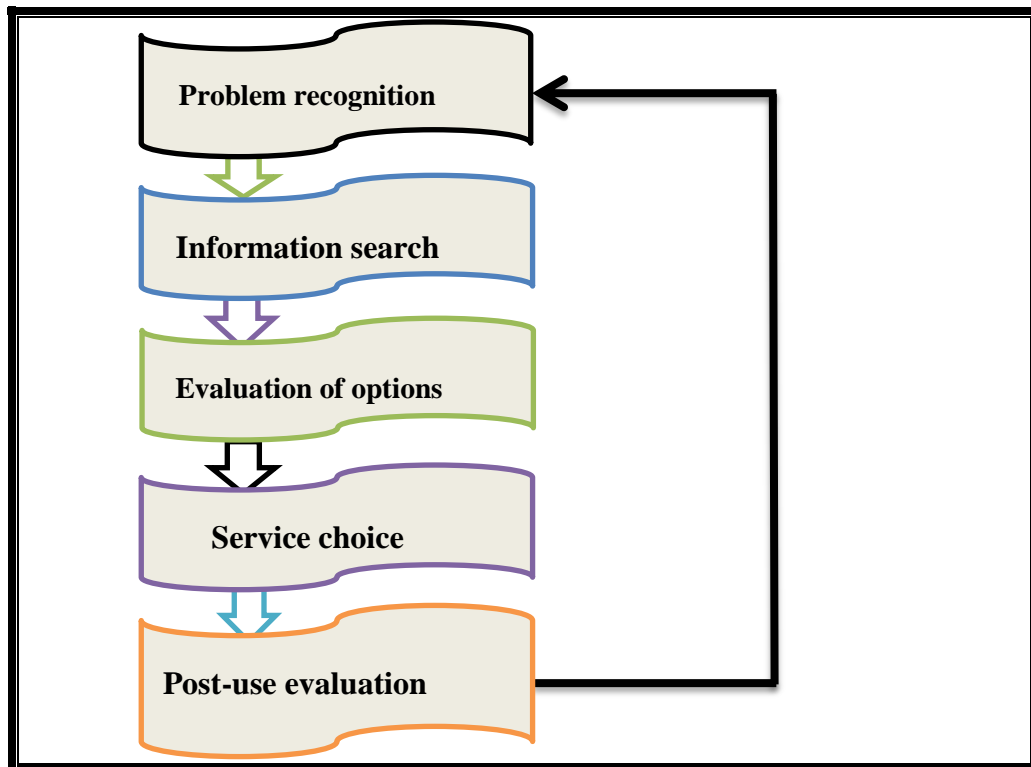


Figure 01 Source: Adopted from Sells, *Consumers behavior*, pp. 157)

2.2.3. Impacts on Consumer Decisions

Independently considerate the procedure of the customer decision-making process, industries also tries to decide what impacts in clients' lives affect this procedure. Service giving organizations know that one customer's perfect dealing can be to an inspiring amount dissimilar from that of additional client. You may think the ideal handling is strong internet banking, while your best friend dreams of a typical fast customer service and your father is set on having a friendliness of the staff in the organization.

Some of these differences are due to the way in which customers internalize information about the outside world such as perception, exposure, attention and Interpretation. A numeral of diverse causes in customers' lives impact on the consumer decision making process. Organizations need to understand these influences and which ones are significant in the achievement process to make effective marketing decisions. Here are two main classifications of factors: internal and external factors (Langkos, 2014).

2.2.3.1. Internal Factors Influencing Customer Decisions

Perception: - Perception is how we purposefully and deliberately process information. It is how we understand around the world and dissimilar thought from place to place. Self-awareness plays a large role in customer purchase decisions. Each and every individual has a perceptual screen that is unique to them. In order to successfully influence a customer's purchase decision, you as a marketer, must learn how to position yourself in such a way so that you are filtered properly through a customer's perception.

The simplest way to do this is to make it very known how your Product/service will provide a resolution to your customer's complications. Service giving organizations know that one customer's ideal treatment can be quite different from that of another customer. You may think the perfect controller is active internet banking, while your best friend's vision of a typical fast consumer service and your father are set on having a friendliness of the working together in the organization.

Some of these changes are due to the way in which customers adopt information about the outside world such as perception, exposure, attention and interpretation. Perception is the process by which people select, organize and be aware of information from outside world.

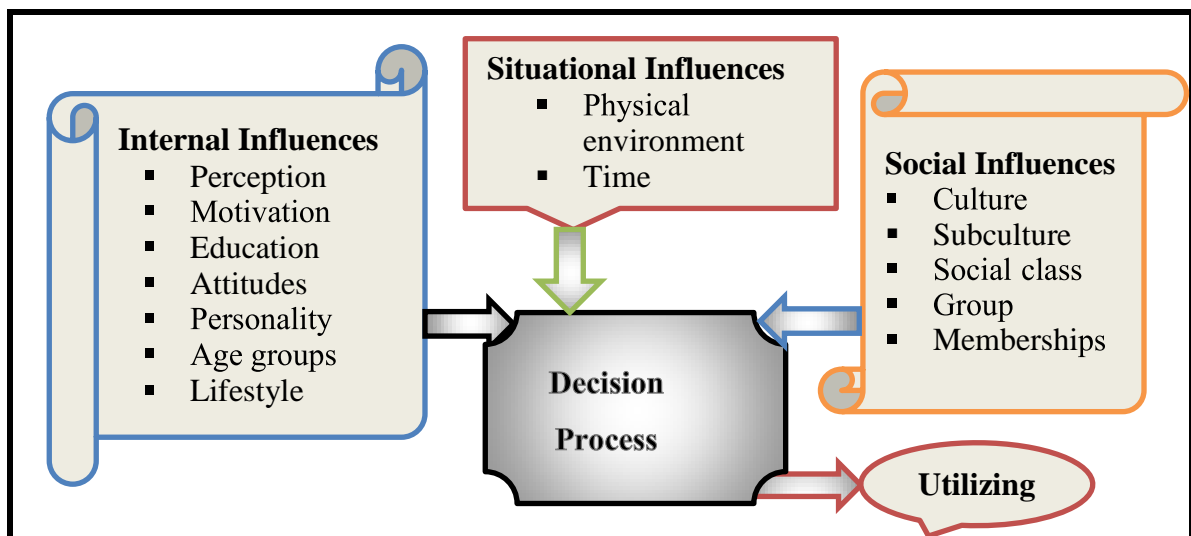


Figure 02 customer decisions making process (2014 inst. of law)

According to Helen, (2018), different factors in customer's lives influence the consumer decision making process. Organizations need to understand these influences and which ones are important in the exploit process to make effective marketing decisions.

Education: A person knowledge absolutely encouragements their purchasing decisions. Knowledge is the summation of all the education and experience owned by a person. As a marketer, the key to obtaining new customers and retaining old ones is getting people to be open-minded and to admit new information about your product. This can often be a tricky task, and again is why appropriate positioning is critical. Besides to (Mark, 2013), the significant work of recognizes the increasingly diverse world of International education, declaring that leadership now requires diverse types of skill and forms of leadership bendable enough to meet varying agreements and new demands.

Motivation: Motivation is a vast internal influence when it derives to a customers' purchase decision-making process. If somebody is interested to realize something, they will often chance meeting a problem along the approach, and will search for solutions in order to achieve what it is they are agreed out to do. For instance, say you are interested to get fit. Wonderful! That's fantastic! Now what? Well, you need some sort of a solution. You could join a health club, invest in a personal trainer, purchase a kettle bell, etc. There are a variety of possible solutions, and depending on your level of motivation, some May be more enticing than others. However, do not confuse motivation with involvement, which is about how much effort a customer puts into making a decision. Again, as a marketer, you will have a greater advantage if you can find out what is motivating your customers (Goswami, 2020).

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

Personality: each person's distinct personality influences his or her buying behavior. Personality refers to the unique psychological characteristics that distinguish a person or group. Personality is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness. Personality can be useful in analyzing consumer behavior for certain product or brand choices. The idea is that brands also have personalities, and consumers are likely to choose brands with personalities that match their own. A *brand personality* is the specific mix of human traits that may be attributed to a particular brand (Pradhan, D., Duraipandian, I., & Sethi, D., 2016).

Life Style: people coming from the same subculture, social class, and occupation may have quite different lifestyles. Lifestyle is a person's pattern of living as expressed in his or her psychographics. It involves measuring consumers' major AIO (activity, interest and opinion) dimensions activities (work, hobbies, shopping, sports, social events), interests (food, fashion, family, recreation), and opinions (about themselves, social issues, business, products). Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world.

Age and Life-Cycle Stage: people change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle the stages through which families might pass as they mature over time.

Life stage changes usually result from demographics and life changing events marriage, having children, purchasing a home, divorce, children going to college, changes in personal income, moving out of the house, and retirement. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans for each stage (Frank, 2011).

2.2.3.2. Situational Factors Influencing Customer Decisions;

These factors can affect what, where and how customers utilize their choices from different organizations. It is no secret that people's moods and behaviors are strongly influenced by their physical surroundings such as advertising. There is one motto by the advertising archives: "As customers are exposed to more and more advertising, advertisers must work harder than ever to get their attention". In addition to the physical situation, time is another situational factor.

Organizations know that the time of day and how much time one has to make a utilize affect decision making. Time is one of consumers' most limited resources. We talk about making time " or spending time", and are frequently reminded that "time is money". They should provide fast service for their customers.

2.2.3.3. Social influences on customers' decisions;

Although we are all individuals, we are also memberships of many collections that influence our make use of decisions. Families, friends and classmates often influence our decisions, as do larger groups with which we identify, such as ethnic groups and political parties in cited in (Helen, 2018).

2.2.3.4. External factors influencing customer decisions:

Culture: No external influence has as much of a profound impact on a person's purchasing decisions than their culture. People often share beliefs, attitudes, and behaviors. And that is exactly what culture is; the shared behavior between the members of a society. If you want to know your customer, then it would be a considerably wise decision to first try and understand their culture cited in (Goitom, 2011).

Social Class: This may be financial, educational, or occupational. Depending on what social class a potential customer belongs to, will critically influence their purchase decisions.

Social /professional groups: similar to culture but on a smaller scale. These are the groups that people often feel the need to associate or even disassociate themselves with. Considerate the group's that your customer belongs to essential for a marketer's achievement.

2.3. Empirical Literature Review

Several empirical research using different procedures and methods have been conducted in various parts of the world to examine the bank selection criteria of the customers. While such studies have underwritten considerably to the literature on bank selection, their findings may not be effective to other countries, due to dissimilarities in cultural, economic and legal environments. Another notable fact across many of the research is that none use a specific frame sticking to any of the choice theory or processes.

2.3.1. Determinant of customer's bank selection decision

Financial institution not only buying and selling money, especially banks, are fetching highly competitive day by day due to service variety, easiness of service availability, culture based products offering and technology used in service delivery. According to (Kaynak and Holstius, 1995 cited on (Wei and Lu, 2013), but also aim to deliver suitable financial services to customers. While some fundamentals of decision-making apply to all types of purchases, the specific circumstances for high credence products, such as financial services require a diligent decision.

Banks try to practice customer-oriented activity to influence customers 'decision. Besides to Kaynak et.al, (1999), banks need to have an inclusive Understanding of customers' attitudes, perceptions and behavior and what matters to those customers. Furthermore Levin, (2004), notes the relevance of rational choice, where people compare the costs and benefits of certain actions, is easy to see in respect of bank selection behavior of customers. Since people want to get the most useful products/services at the lowest price/convenience, they will judge the benefits/significance of a certain banks

services/offers (for example, how useful is it or how attractive is it) compared to similar ones from others banks.

Then they will compare prices or costs and benefits. In general, people will select the bank that they observe provides the greatest repayment or benefits at the lowest cost, given their preferences. In order to understand bank/banking choice or selection behavior of individual customer various studies have been conducted in different countries in different parts of the world.

Determinants of bank section like any other service depends on preferences or needs as well as the attributes of the banking service attributes offered by the service provider. Customers are selecting banks considering various features of the service proposition. Thus, to attract customers, banks are facing challenges more than ever. But to attract customers it is crucial to know what selection criteria customers are adopting in selecting banks. Such selection criteria of the customers open an area of research on bank selection criteria of customers. Combination the various determinants acknowledged by the empirical research, one can identify about seven groups of determinants. Those factors are summarized below:

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

Technological Factors: In the recent time, the development in technology has affected business organizations in several ways, most especially in terms of management and control; marketing and research; operations and decision making. Many studies revealed that customers emphasized on the importance of technology factors to select banks (Cicic et al,2004, in Helen, 2018). Availability of functional and secured ATMs

all times, & number of counter windows and connectivity to other bank's ATMs are also considered to be the important choice determinants (Aregbeyen, 2011).

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

Promotional Factors: According to Mylonakis, (2007), the findings in Greece that founds bank customers may not be interested in advertising at first while choosing their bank. However this is the initial reaction of all those who are interested in achieving the most Cost - beneficial and favorable terms. The point is that advertising is not the main criterion for consumers in choosing their bank. However, its existence is a prerequisite, as it verifies a bank's critical presence in the market and plays an important role in their choices. Banking advertising includes advertising availability of several branches, availability of parking space nearby, and long operating hours by banking institutions. According to Aregbeyen, (2011) and Maiyaki, (2011), any branch banking and number of branches is the major factor in a bank selection by the sampled respondents.

Convenience Factors: More over Schram,(1991), identified that convenience remains the primary reason why most college students choose their banks. According to Gerrard, (2001), found convenience factor was rated significantly higher by multiple bankers. Many studies in the literature also suggested that convenience of bank location had a significant positive influence for customers on bank choice (Kaynak and Kucukemiroglu, 1992; Riggall 1979; Laroche et al., 1986; Martenson, 1985; Reed 1972). Therefore, it seems that convenience related factors like the location

of the bank and opening hours of the bank are important in the decision-making process of the consumer.

Bank Image: As mentioned (Almossawi, 2001) revealed that important factor for customers to patronize a bank. A study was conducted in Bahrain to examine the bank selection criteria employed by college students. The result found that the key factors determining college students' bank selection were: bank's reputation, availability of parking space near the bank, friendliness of bank personnel and availability and location of automated teller machines (ATM).

Furthermore, Arebgeyen, (2011) revealed that safety of funds is the major significant factor for customers' choice of bank in his study carried out in Nigeria. Gerrard and Cunningham, (2001) surveyed a sample of 184 Singapore's undergraduates to establish a ranking of the various dimensions which influence their bank selection decisions. Using factor analysis, seven bank selection dimensions were identified by the researchers, the most important being undergraduates should feel secure, followed by electronic services and service provision. As to Cicic *et al.*, (2004), young customers place more emphasis on factors like good reception at the bank (Cicic et al,2004, in Helen, 2018).

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

Proximity factors: the state of being near something/somebody in distance for the purpose of time conception and convenience for deliver banking service near the home/working area (Merriam-Webster, 2021).

2.3.2. The role of Customer's socio-demographic variables on Bank selection decision

2.3.2.1. Difference in Gender-Based Bank Choice

Previous studies listed gender differences as one of few demographic characteristics that determine are some significant differences in choice criteria for retail banks in Canada with respect to basic demographic factors. Among the more interesting findings of this study were that males attached greater emphasis on overdraft privilege whereas females are more concerned with friendliness of staff and safety of funds. According to the study by Boyd et al. (1994) in the USA reported that males are more interested in quick service and convenience of location, as opposed to females, who placed a greater emphasis on availability of current accounts and interest on saving accounts.

However, the importance of the differences found was unclear because the authors did not test for significance. Besides Almassawi, (2001), In Bahrain conducted a survey on bank choice criteria and reported that male and female college students exhibited significant differences in 22 out of 30 bank selection factors. According to his findings, male students prefer banks based on: availability of parking space nearby, availability of ATM in several locations and convenient ATM locations conversely banks' reputation and 24 hours' availability of ATM service are the most important factors in selecting banks by female respondents.

Furthermore the study 52% of the respondents already has bank accounts. The male proportion of the population has more bank accounts opened (66.4%), in comparison with the female proportion of the population (33.6%). Another study done by Omar (2008) analyzes the factors that affect the choice of retail banks by men and women customers in Nigeria. He found that the most important factor considered by male customers was safety of funds, followed by efficient service and speed of transaction. Female customers on the other hand, considered speed of transaction as the most important factor, followed by safety of funds and recommendation by relatives and/or friends. In a more current study conducted in Malaysia, Mokhlis, (2009), found that six factors influence bank preference

to both male and female are: attractiveness, marketing promotion, Automated teller machine (ATM) service, proximity, people influences and financial benefits.

Totality, the results generate an interesting point in the researchers that gender differences do not discriminate the attitudes toward banking services and selection of bank. In general, it can be concluded that even though there have been studies on bank selection criteria's in some developed and developing nations, as per the knowledge of the researcher, there appear to be no studies that examine the factors affecting customer preferences in banking services in Ethiopia. It is, therefore, not known whether the customers of the Ethiopian banks choose a bank based on proximity, effective service, bank's reputation, friendliness of bank personnel, or any other criteria. In this context, the purpose of this study is to investigate the determinants affecting customers section in banking services in Gurage Zone Wolkite town.

2.4. Identified Literature Gap

According to Almosawi M., (2001), the literature differences found were unclear because the authors did not test for significance. In Bahrain conducted a survey on bank choice criteria and reported that male and female college students exhibited significance differences in 22 out of 30 bank selection factors. Furthermore these findings, male students prefer banks based on availability of ATM in several locations and convenient ATM locations conversely banks "reputation and 24 hours' availability of ATM service are the most important factors in selecting banks by female respondents. Moreover, the study most important factors Reputation, availability of ATM in parking space near bank. According to Oyd, Leonard and White, (1994), finding of personnel, other findings difference in selection process between male and female in the paper .the results of the study reveal that reputation, interest charged on saving accounts, interest charged on loans, quick service, location on city and hours of operation are viewed as having more importance than other criteria such as friendliness of employees, modern facilities and drive - in - service.

However, a research by Awang M.S., (1997) reviewed that customer preferred to deal with banks that can provide quality services such as fast and efficient service, staff work

accuracy, friendliness of personnel and warm reception. According to Mokhlis, (2009), Sampled 350 undergraduate Students in Malaysia to identify factor which influence their bank selection decisions and to examine whether undergraduates constitute a homogenous group in relation to the way they select a bank.

Using “factors analyses” they found that undergraduates secure feelings was the most important factor in influencing the students in selecting a bank. ATM service was the second prioritized factor followed by financial benefits. The next criteria were service provision, proximity and branch location that can be grouped as moderate factors. Generally from the studies identified the major gap that are determinants of customers bank selection decision, to assess the major determinants of customers’ bank selection decision, the relative importance of each determinant of customers’ bank selection, the customer’s socio-demographic variables affect customer’s bank selection decision and the extent of customer satisfaction on banking services rendered by the bank of their choice.

In difference, availability of financial advice was among the lowest ranking determinant attributes.

In conclusion, the study will determine from the literature in different attribute. Lastly, the study will determine from the literature in different bank customer service offer are not hiring to give quality service for the customer. Availability of technology base service, convenience (location), the main findings of the paper; significant factors include friendly or pleasing manners of staff ATM service, bank speed and service quality among other factors.

Convenience, proximity, reliability and service provision are main factors demographic variables Convenience, reliability and Service provision are main factors demographic Variables also influence bank selection. And also the literature is not considering basically levels of financial potential of the customer; they have not bank branch nearest to customer and not consider the area, living standard and socio - demographic factors of the customer around Gurage zone Wolkite Town.

2.5. Conceptual Framework

Based on the theoretical and empirical literature review presented above, this research has identified potential determinants of customers' bank selection as, technological factors, financial factors, promotional factors, convenience factors, Service quality factors, bank image factors, Socio - demographic Factors, levels of customer Satisfaction, as well as social Factors & proximity factors. The investigator consequently has developing the following conceptual framework to guide the research.

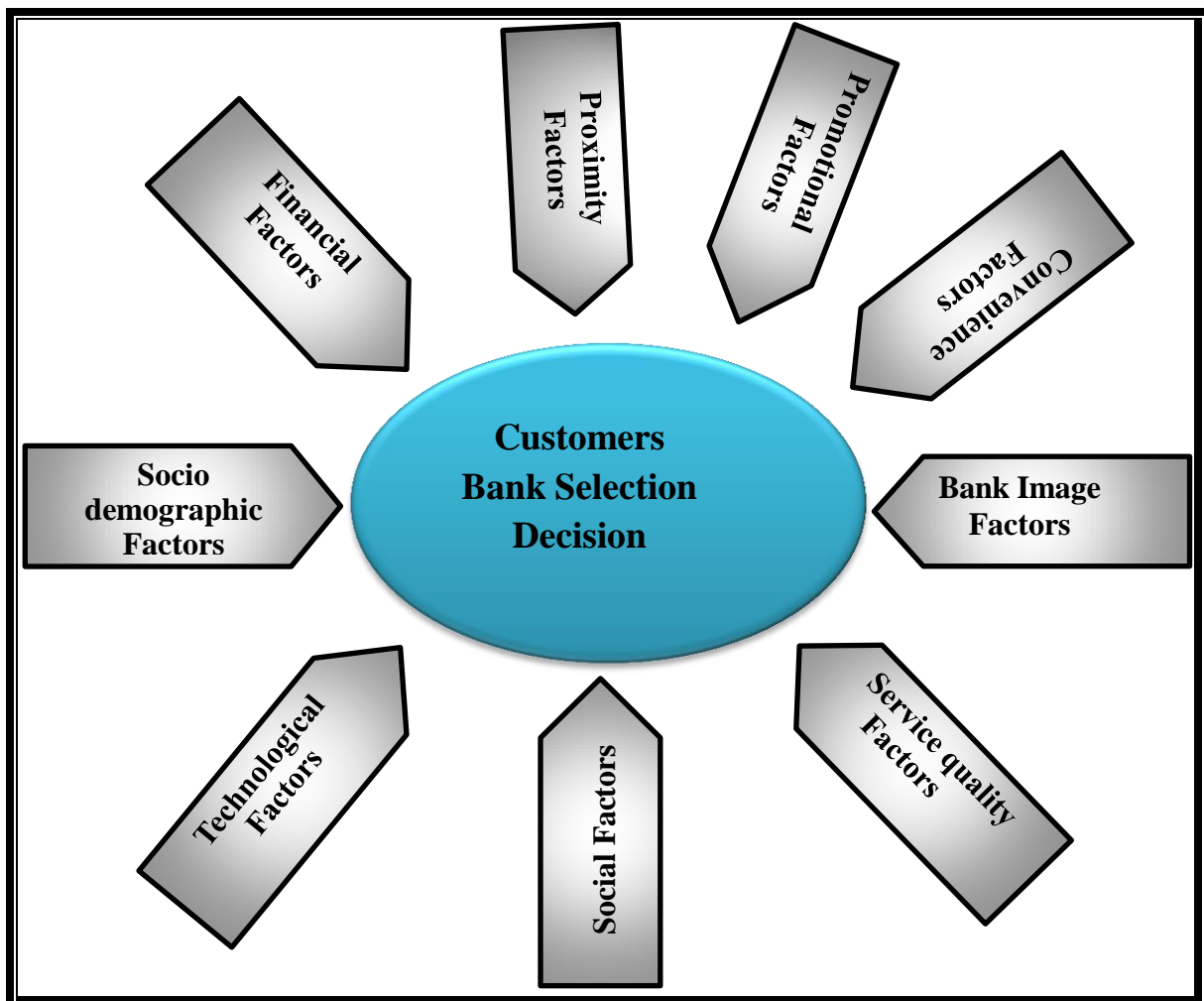


Figure 3: Research framework developed based on theoretical and empirical review

2.6. Hypothesis

The study sought to prove the following hypothesis:

- H1a: Bank's Image positively and significantly determines customers' bank selection decision.
- H1b: Service quality positively and significantly determines customers' bank selection decision.
- H1c: Convenience Factors positively and significantly determines customers' bank selection decision.
- H1d: Technological Factors positively and significantly determines customers' bank selection decision.
- H1e: Promotional factor positively and significantly determines customers' bank selection decision.
- H1f: Financial Factors positively and significantly determines customers' bank selection decision.
- H1g: Social factors positively and significantly determine customers' bank selection decision.
- H1h: Proximity of the bank positively and significantly determines customers' bank selection decision
- H1i: socio demographic factors positively and significantly determines customers' bank selection decision

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the methodological aspects of the research, which include the description of the study area, the research design, the research methods, sources of data, study population, sample size and sampling techniques, data collecting instruments, data analysis and interpretation and ethical considerations.

3.1. Description of the Study Area

Guraghe zone is one of the 13 zones of Southern Nation's Nationalities and Peoples, Regional State (SNNPRS). It is located at 430km north of the southern nation's nationalities and people's regional state capital (Hawassa) and 155km south of Addis Ababa. Guraghe zone is bordered in the North, Northwest, Northeast and East by Oromia region, in the West by Yem special Woreda, in the South by Hadiya zone, and in the Southeast by Silte zone.

Guraghe zone is structured into sixteen Woreda and two town administrations. On the other hand, Guraghe zone contains 437 rural Kebeles and fifteen municipal centers. Gurage languages are spoken as first language by 80.54% of population, 5.28 % spoke Amharic, 4.09 % spoke Libido 3.2% spoke Kebena, 2.98% spoke Silte and 1.06% spoke Oromo; the remaining 2.85% spoke all other primary language reported (Gurage Zone Adm., 2020).

According to central statistical Agency (2007), the total population of Guraghe zone is 1,279,646 of whom 622,078 were men and 657,568 women, with an area of 5,893.40 square kilometers. The percentage share of female population in the zone is 51.5 percent. Gurage has population density of 217.13. From the total population 119,822 or 9.36% are urban inhabitants. A total of 286,328 households were counted in this Zone. It shares 8.5 percent of the southern region population (i.e. 15, 042,531). Guraghe zone stands in a 4th position in southern region in terms of zonal population.

Guraghe zone shares 5.3 percent from the southern region average population distribution i.e. (110,931.9 sq.km). According to Guraghe zone public services and human resource

development (2018) report, there are 26 public organizations. The total employees of the organization were 1048 (men, 679 and female, 369).

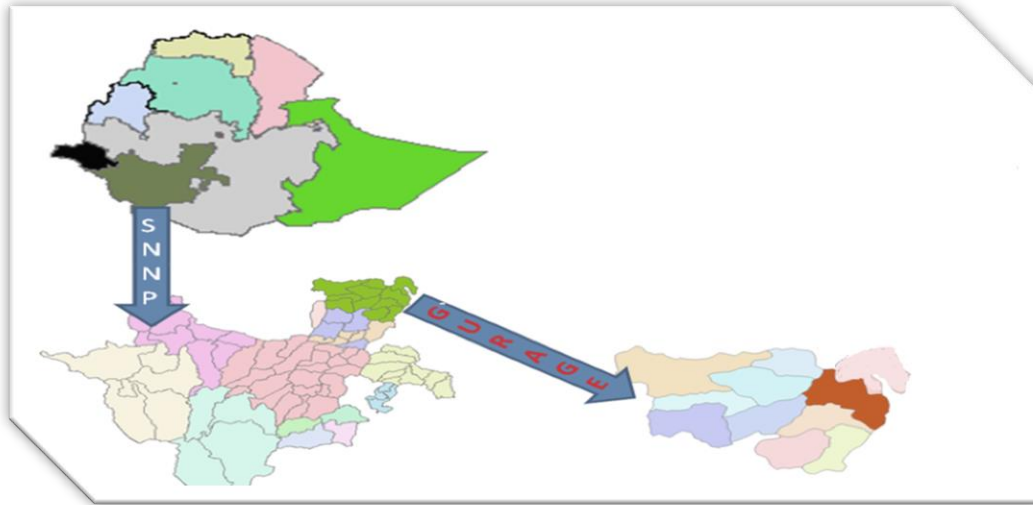


Fig 04 Gurage Zone administration web site <http://www.guragezone.gov.et/>

3.2. Research Design and Methodology

3.2.1. The Research Design

The study employed descriptive and explanatory research survey design, because of its sufficient and relevant information. The design could adequately investigate the determinants of customers' bank selection decision in Gurage Zone. Furthermore, recommended when gathering data about respondents' perceptions, beliefs, opinion scores, and outcomes (Creswell, John W., 2003). Cohen, Manion and Morrison, (2007), asserted that many scientific disciplines, especially social science and education, use descriptive survey design. Besides, (Creswell, John W., 2003) such design also used to obtain general overview of the subject, and to generalize study findings from sample to population. The design also allows the researcher to gather necessary information using effective data collecting instruments.

3.2.2. The research Approach

The study used mixed method approach through collecting and analyzing both quantitative and qualitative data. The researcher initially collected data through survey questionnaires then used semi-structured interviews to substantiate the quantitative data. Mixed methods approach is important to examine the same phenomenon from multiple perspectives (Cohen et al, 2007).

This method is useful to build upon the strength that exists between quantitative and qualitative methods in order to understand a given phenomenon than is possible using either quantitative or qualitative methods alone (Creswell, John W., 2003). In this approach, the researcher used quantitative data (QUAN) as a major aspect of data collection and analysis and thereafter a small qualitative (qual) data collection and analysis procedure and the qualitative data is used to refine the quantitative data.

3.3. Sources of Data

Questionnaires were used to gather primary data from various source (customers of the target banks) and secondary source of data (empirical evidence) were collected using journal article and books with relevant literatures. Data for the study was obtained from primary sources and the subjects of the study were bank customers, employees and managers in each selected sample banks.

3.4. Population, Sample Size and Sampling Techniques

The target population for the study included those who are users of the bank for deposit and borrowing of selected banks available in Wolkite Town. There are 13 banks in Wolkite Town, two of them are government bank and the rest 11 are privately owned banks. From two government and 11 privately owned banks, of which one government and six privately owned banks are have a better experience in providing bank services, the rest 6 are newly opened having less customers and service providing experience yet as compared to others. Therefore, the researcher focused on the first six private and one government banks which have better customers service providing experience to be the target population of the study hopping that customers served in more experienced service providing banks have been responding about the determinants of

customer bank selection decision since they are well informed about the banks' service providing culture in which they are served for assuming that banks having less customer and service providing experience the newly opened banks have been representing by the banks having better experience.

Hence, from 13 banks found at Wolkite Town, seven were selected using stratified random sampling technique and had equal chance of being selected. Consequently, the banks selected for the study were: Commercial Bank of Ethiopia, Nib International Bank, Oromia International Bank, Bank of Abyssinia, Dashen Bank, United Bank and Wogagen Bank. According to the data obtained from the sampled banks in Gurage Zone Wolkite town, the total numbers of customers were found to be 90,089.

Accordingly, Commercial Bank of Ethiopia accounts 44,562, Nib International Bank 16,315, Oromiya International Bank 5,043, Bank of Abyssinia 6,139, Dashen Bank 8,130, United Bank 2,900 and Wogagen Bank 7,000 from the total population of bank customers. Besides, in order to select the representatives of the sample and determine the size, the researcher used sample size determination with confidence level 95% and tolerable errors $\pm 5\%$ i.e. Yamane's (1967) developed a formula to calculate a representative sample for proportions as: -

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

Where: -

- N = the population size
- e = the levels of residual error (0.05)
- n = Sample size
- The area under the normal curve for 95 % level of confidence suppose we want to calculate a sample size of population whose degree of variability is known. Assuming the maximum variability and taking 95% confidence level with $\pm 5\%$ precision, the calculation for required sample size will be as follows;

$$n = \frac{90,089}{(1 + 90,089 (0.05^2))} = 398$$

Therefore, as shown in Table 1 below, from the total population of **90,089** (100%), 398 (0.4%) customers sample representatives were selected. Consequently, from the total number of respondents 398(100%), 197 (49%) commercial bank of Ethiopia, 72 (18%) Nib international bank, 27 (6.8%) bank of Abyssinia, 36(9%) Dashen bank, 13(3.3%) United Bank, 22(5.5) Oromia international Bank and 31(7.8%) Wogagen Bank was selected from the sampled banks using stratified random sampling technique to give proportional chance of being a sample from each bank. Informants for the qualitative portion of the study were selected by purposive sampling for the reason that this sampling technique helps researchers to specify the characteristics of the population of interest and locate individuals with those characteristics.

Table3.1: List of banks population and sample size of the respondents to be included in the study.

Name of Bank	Population size	$n = \frac{(T.N.P)(T.S.S)}{T.P}$	Sample size
Commercial Bank of Ethiopia	44,562	$n = \frac{44,562 * 398}{90,089}$	197
Nib international Bank	16,315	$n = \frac{16,315 * 398}{90,089}$	72
Bank of Abyssinia	6,139	$n = \frac{6,139 * 398}{90,089}$	27
Dashen Bank	8,130	$n = \frac{8,130 * 398}{90,089}$	36
United Bank	2,900	$n = \frac{2,900 * 398}{90,089}$	13
Oromiya international Bank	5,043	$n = \frac{5,043 * 398}{90,089}$	22
Wogagen Bank	7,000	$n = \frac{7,000 * 398}{90,089}$	31
Total	90,089	$n = \frac{90,089 * 398}{90,089}$	398

Source field survey, 2021

Note; T.N.P = Total number of population, T.S.S =Total Sample size and T.P = Total population

3.5. Data collecting instrument

The researcher used two different data gathering tools: questionnaire and interview.

3.5.1. Questionnaires:

The researcher used questionnaire as a main data gathering tool because this tool is advantageous that they can be mailed or given to large number of people at the same time (Fraenkel & Wallen, 2009). So, they can ease the way of collecting the same data from wider number of respondents. It is also easier to handle the data gathered by this tool and simpler for respondents to answer within short period of time. Therefore, the researcher used personally administered questionnaires including close-ended and open-ended questions.

The questionnaire has three parts: the first part of the questionnaire describes the respondents' personal information include: gender, age of respondents, marital status, occupation, level of education and monthly income. The second part is about banking behavior of respondents. The third and the largest part is the determinants of customer's bank selection decision variables comprised: convenience factors, service quality, *bank image*, *promotional factor*, financial factors, technological factors, social factors and proximity; and level of customers satisfaction with the banking services rendered variables comprised responsiveness, assurance, empathy, tangibles and reliability filled by customers of selected banks.. The items were measured on five-point likert-type with response scale varying from '1= not important at all' to '5= most important'.

3.5.2. Interview

Interview guide open - ended questions were used to gather in-depth qualitative data from 7 managers and 7 customer service officers working in the sampled banks. The researcher conducted the interview in the banks where they are working. The researcher prepared an interview protocol in advance and used it to take notes during the interview and took 30 minutes for interviewing each interviewee. Interviews are important sources of data as participants can be asked key questions about the study. Because interview has greatest

potential to release more in-depth information, according to Creswell (2003), interview allows participants to provide data to meet the study objectives. The data through interview was collected by the researcher.

3.5.3. Validity

In order to check the validity of the research instruments, the pilot test was done in two banks at Wolkite namely Birhan bank and Buna International banks with 30 bank customers in each selected banks. Pilot test is initial version of complete survey tasks that is used to identify whether complications exist before disseminated actual survey to the respondents (Lavrakas, 2008). Moreover validity in this study refers to face validity which is surface level judgment of whether the items seem to measure the determinants of customer bank selection decisions (McBurney 1994:123 cited in Woynshet, 2019). The participants of the pilot test were oriented to comment on the questionnaires of them understand ability, incisiveness, appropriateness, redundancy and the like.

After the dispatched questionnaires were handed back, necessary revisions at the word level requiring corrections were taken based on the feedback from the pilot participants. Therefore, a reliability test of the pilot test data was carried out to check the consistency and accuracy of the measurement scales using SPSS version 23 for determinants of customer's bank selection decision variables. Accordingly, it was found that a reliability of determinants of customer's bank selection decision variables 0.915.

The feedback obtained from the pilot participants was used to modify the questionnaires and the data were used to measure Validity is related to content and whether the content reflects determinants of customer bank selection decisions was pilot-tested and the feedback obtained from it was indicated that the content reflects determinants of customer bank selection decisions.

3.5.4. Reliability

Reliability, is concerned in the mechanism's capacity to generate a consistent outcome in measurement. Reliability is the degree to which the measure of a construct is consistent

or responsible. As Cronbach's alpha shows the results are acceptable hence Bryman & Cramer, (1990) cited in Cohen *et al*, (2007) suggested that the reliability level is acceptable at 0.8.

Therefore, a reliability test of the pilot test data was carried out to check the consistency and accuracy of the measurement scales using SPSS version 23 for determinants of customer's bank selection decision. Accordingly, it was found that a reliability of determinants of customer's bank selection decision variables 0.915. It was checked by two MA holders who both agreed that they feel the instrument measures determinants of customer bank selection decisions.

The reliability of the instrument using Cronbach alpha test but the data of the pilot test was not actually taken as part of data of the main study. Therefore, reliability as internal consistency items of the instrument were checked by using Cronbach's alpha and had a reliability of .937 as shown in Table 3.2 below.

Table 3.2 Reliability of the instrument

S.N	Determinant factors	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
1	Determinants of Bank selection decisions.	.937	.938	34

Source field survey, 2021

3.6. Procedures for Data Collection

Before dispatching the questionnaire, two data collectors were selected and fully oriented about the questionnaires and how to collect data from the sample banks by researcher in order to make the data gathering procedure free from confusions and smart. The data collectors were also selected because their familiarity with the study area.

Their familiarity of the research areas thought to facilitate the data collection process. Then, the questionnaire was dispatched and collected through these assigned data collectors. But, nearby follow up was made by the researcher throughout the data

collection process. Furthermore, the researcher has provided orientation for all respondents concerning the objective of the study and how the items would be answered. Then, the questionnaire was dispatched to sample bank customers.

Interview was also conducted with bank managers and employees by the researcher himself. The researcher had initial contact with the interview to explain the objective of the study. While conducting the interview, the researcher used only notes.

3.7. Methods of Data Analysis

The study was finally organized, summarized and analyzed using statistical package for the social sciences (SPSS version23). Descriptive analysis such as percentage, frequency, mean, grand mean and standard deviation were used to statistically describing, aggregating, and presenting the study and Kendall's Wallis Coefficient of Concordance model is computed to make rank order analysis for the data collected through questionnaire.

According to Gibbons (1993), such models are not single measurable entities but are constructs of a number of other directly observable variables. By, Kendall's Wallis Coefficient of Concordance rank order analysis model helps to validate that respondents are able to distinguish between the various variables despite the similarity of the items to be questioned. This coefficient value helped to check whether there is a significant agreement or not in rankings among the sample respondents, in this case sample of bank customers. The model helps to prove or disprove the proposed hypothesis.

The Kendall's W Coefficient ranges between 0 and 1. If the score is 0 there is no agreement among the respondents. If it is 1, then there is complete agreement among the respondents on the ranking or rating of the variables. The coefficients placed in between these two extremes. If is below 0.5 and significant it can be said that there is significant low level of agreement. If it is 0.5 and significant there is moderate level of agreement. In case it is 0.75 and above it can be interpreted as there is high degree of agreement.

The data collected from bank customers through closed and open ended items of the questionnaire those are respondents' personal information especially, their gender, age of

respondents, marital status, occupation, level of education and monthly income were analyzed by using frequency tables and percentages.

Furthermore, determinants of customer bank selection decisions sub levels analysis was based on related frequencies tables means and percentages obtained from frequencies tables and descriptive statistics. The level of agreement for interpreting the data (mean value) that the researcher used for decision to determinants of customer bank selection decisions was [1.00-1.49] = Not important at all; [1.50-2.49] = Less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = Most important (Endris, 2012).

3.8. Ethical Considerations

In considering the rules and regulations while conducting research using human subjects, the following ethical considerations was taken into account during the course of the research. At the beginning permission was requested and obtained through proper intuitional means following a letter of introduction and request for cooperation from Wolkite university Department of Management, College of Business and Economics. It was made clear that the research would conduct a survey of determinants of customers bank selection decision in banks selected.

Informed consent was also obtained from bank customers to be surveyed based on information made available to them and their voluntary participation. In this study, confidentiality and anonymity of the respondents would be emphasized to protect their privacy and the dignity (Cohen et al., 2007). Because information can be sensitive they were assured that the information they supply would be treated anonymously and confidentially and no other party than the researcher would have access.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter dealt about analysis of instrument data results obtained from customers' of seven banks of Gurage Zone in Wolkite Town. The survey instrument comprised of thirty four (34) items the determinants of customer's bank selection decision with eight sublevels (convenience factors, service quality, bank Image, promotional factors, financial factors, technological factors, social factors and proximity)

The questionnaires also requested participants of this study to provide demographical information for straight forward questions such as gender, age, marital status, occupation, level of education and monthly income in addition to banking behavior of respondents. To collect the data on the issue 398 questionnaires were distributed and only 384 (96.4%) were properly filled and handed back. The other 14(3.5%) were not returned back or not included in the analysis due to the problems from respondents in lack of filling the questionnaire with complete information.

Descriptive analysis like mean, standard deviation, percentage and inferential statistical analysis methods like Kendall's Wallis Coefficient of Concordance rank order analysis model were used for the analysis of the research questions of this study. The level of agreement for interpreting the data that the researcher used for decision to determinants of customers bank selection decision in Gurage Zone Wolkite Town was [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important (Enderis, 2014).

4.1. Demographic Characteristics of Respondents

The participants of this study were customers of different banks in Gurage Zone Wolkite Town. As mentioned before, among the different data collecting tools, self-administered questionnaire used to assess determinants of customers' bank selection decision and interview guide open-ended questions to collect data from the bank customers officers and managers for the qualitative part of this study.

Table 4.1: Demographic Characteristics of Respondents

Items		Respondents		Interviewees		Total	
		Fr.	%	Fr.	%	Fr.	%
Sex	Male	224	58.3	8	57	232	58
	Female	160	41.7	6	43	166	42
	Total	384	100	14	100	398	100
Age	Below 27 years	91	23.7	0	0	91	23
	27-35 Years	133	34.6	4	28	137	34
	36-45Years	140	36.5	5	36	145	36
	more than 45 years	20	5.2	5	36	25	6
	Total	384	100	14	100	398	100
Marital status	Single	152	39.6	3	21	155	39
	Married	216	56.3	11	79	227	57
	Divorced	14	3.6	0	0	14	3.5
	Widowed	2	0.5	0	0	2	0.5
	Total	384	100	14	100	398	100
Occupation	Student	62	16.1	0	0	62	15.6
	Businessman	71	18.5	0	0	71	17.8
	Employee	251	65.4	14	100	265	66.6
	Total	384	100	14	100	398	100
Level of education	Primary completed	54	14.1	0	0	54	14
	Secondary completed	54	14.1	0	0	54	14
	Diploma	44	11.4	0	0	44	11
	Bachelor Degree	206	53.6	8	57.1	214	53
	Master Degree or above	26	6.8	6	42.9	32	8
	Total	384	100	14	100	398	100
Monthly income	Less than Br.2,000	86	22.4	0	0	86	22
	Br.2,000-4,000	36	9.4	4	28	40	10
	Br.4,001-7,000	178	46.3	5	36	183	46
	Greater than Br.7,000	84	21.9	5	36	89	22
	Total	384	100	14	100	398	100

Source: *Computation from field survey data, 2021*

As clearly seen in the Table 4.1 above, the majority of bank customers 224(58.3%) are males while the rest 160(41.7%) are females. From the data one can see that more males have opened bank account as compared to females. According to Cicic et al.(2004), Rao & Sharma (2010), conducted a study under the title of bank selection criteria employed by students in a southeastern European country specifically in Bosnia and Herzegovina, male proportion of the population has more bank accounts opened (66.4%), in comparison with the female proportion of the population (33.6%).

Regarding the age of the respondents', the age range of below 27 years 91 (23.7%), between 27-35 Years 133 (34.6%), 36-45Years 140(36.5%) and 20 (5.2%) are above 45 years. This shows that majority of customers in the selected banks of Gurage Zone are 36-45 years old and they are found at the active and productive age.

The data obtained from the same table depicted that the majority of the respondents 216(56.3%) are married and 152 (39.6%) are single. The rest 14 (3.6%) and 2 (0.5%) are divorced and widowed respectively. These shows that married peoples have more utilized different bank services in the selected banks. With regard to respondents' occupation, the majority 251(65.4%) are employees. The rest 71 (18.5%) and 62(16.1%) are businessman and students respectively.

The data indicated that employees have more utilized bank services than business man and students. This might be due to the reason that most of government employees salary paid through banks specially commercial bank of Ethiopia. Concerning educational level, Primary and secondary completed respondents are 54 (14.1%) each. The rest 44 (11.4%), 206(53.6%) and 26(6.8%) of the respondents are diploma, Bachelor Degree and Master Degree or above respectively.

From this point of view, it is possible to assume that peoples who are degree holders more used bank services. Regarding to respondents monthly income, the majority 178(46.3%) of the respondents earn between Br.4, 001-7,000. The rest 86(22.4%), 84 (21.9 %), and 36 (9.4%) earn Less than Br.2, 000, Greater than Br.7, 000 and Br.2, 001-4,000 monthly income respectively. On top of this information, from 14 respondents of interviewees, 8 of them were males and the rest female.

As to the age level of the informants, four participants were under 27-35 years, five respondent falls under the age of 36 - 45 years and five respondent falls under the age of more than 45 years. Regarding to their levels of education eight of them were Bachelor Degree and six of them were Master Degree or above. With regard to the marital status of the informants, 11(79%) and 3(21%) were married and single respectively. With respect to their monthly income, 4(28%), 5(36%) and 5 (36%) earn between Br.2, 000-4, 000, Br. 4,001- 7,000 and greater than Br 7,000 per month respectively. Concerning on informants occupation, 14 (100%) were employees.

Table 4.2 Number of respondents' in selected banks.

S.N	List of Bank	Frequency	Percent
1	Commercial Bank of Ethiopia	191	49.7
2	Nib International Bank	70	18.2
3	Bank of Abyssinia	26	6.8
4	Oromiya International Bank	22	5.7
5	Dashen Bank	35	9.1
6	United Bank	12	3.1
7	Wogagen Bank	28	7.3
Total		384	100.0

Source field survey data 2021

As clearly seen in Table 4.2 above, respondents in the selected banks accounted 191(49.7%), 70(18.2%), 26(6.8%), 22(5.7%), 35(9.1%), 12(3.1%),and 28(7.3%) were customers of Commercial Bank of Ethiopia, Nib International Bank, Bank of Abyssinia, Oromiya International Bank, Dashen Bank, United Bank and Wogagen Bank respectively. With regard to the use of bank services, as depicted in the table 4.3 below, around 384(100%) of the customers responded that they have used bank services. In relation to the need of other facilities than the currently rendered services, 195(51%) of the respondents claimed that they need more other facilities than the services currently given from the bank. Goiteom (2011), on his study title with bank selection decision: factors

influencing the choice of banking services found that 50% of the respondents during his study were responded that they need other services than the services offered during the study period. His finding was directly related to this study.

The remaining 189 (49%) bank customers replied that they did not need any other facilities other than the service currently rendered. In terms of the satisfaction of the customers with the banking services, 322(84%) of the customers responded that they have been satisfied with the service given from the bank.

Most of the customers 330 (86%) did not have the intention to shift their bank; however, as seen from the table above, still around 54(14%) of the customers had an intention to change the bank they currently used. This showed that the majority of the customers are determined to stay to the bank they have been using. This may be due to the case that banks might provide convenient bank services to their respective customers. However, from the total current bank customers, about 14% have the intention to shift their bank to other customer bank, whereas around 86% do not have an intention to change their current customer bank.

Hence, banking behavior of respondents showed that majority of bank customers are responding as they have been satisfied with their current bank. Therefore, the bank customers are satisfied with the banking service behavior. From the discussion above, we can have a conclusion that most of the sampled bank customers are satisfied with the service and banks are also working in making customers to stay to the current bank of Ethiopia.

Table 4.3 Banking Behaviors of Respondents

No.	Variable	Response	Frequency(N=384)	Percentage
1	Do you use bank services?	Yes	384	100
		No	0	0
		Total	384	100
2	Do you need any other facility to add other than the services currently rendered from your customer bank?	Yes	195	51
		No	189	49
		Total	384	100
3	Are you satisfied with banking services you are rendered?	Yes	322	84
		No	62	16
		Total	384	100
4	If you ever changed your customer bank, has the current bank solved your aforementioned problems?	Yes	278	72
		No	106	28
		Total	384	100
5	Do you have an intention to change your customer bank in the future?	Yes	54	14
		No	330	86
Total			384	100

(Sources, own survey 2021)

From the Table 4.4 below, the total sampled bank customers were asked to respond to which bank/s they have utilized for their banking services. Generally, 244(63.5%) of sampled bank customers replied that they have been utilized only one bank for their respective bank services. Accordingly 141(36.7%), 30(7.8%), 24(6.3%), 18(4.7%), 12(3.1%), 12(3.1%) and 7(1.8%) of

customers utilized only Commercial bank of Ethiopia, Nib International bank, Bank of Abyssinia, Dashen bank, United bank, Wogagen bank and Oromiya International bank alone respectively.

However, the remaining 140(36.5%) of customers replied that they have been used more than one bank. Generally, most of sampled bank customers' used only single bank for their bank services and some of them utilized more one bank.

Table 4.4 Customers Bank Choice

No	Variables	Name of banks	Frequency	Percent
1.	Which bank/s do you utilize for your banking services?	Commercial bank of Ethiopia	141	36.7
		Nib international bank	30	7.8
		Bank of Abyssinia	24	6.3
		Oromiya international bank	7	1.8
		Dashen bank	18	4.7
		United bank	12	3.1
		Wogagen bank	12	3.1
		I use more than one bank	140	36.5
TOTAL			384	100

Source SPSS output, 2021

With regard to the length of relationship with the bank, as presented in table 4.5 below, 185 (48.2%), 157(40.9%) and 42(10.9%) of the respondents have length of relationship with the sampled banks below 5 years, 1-5 years and less than a year respectively. The data obtained from the table depicted that the majority of the respondents have used more than 5 years. In relation to the types of bank services that customers used from the bank mainly are deposit services (current account and saving account), transfer services, ATM Services, and loan/credit services.

Regarding the types of bank services used in the bank, 49(12.8%) and 47(12.2%) of customers have been using current account and saving account respectively. Furthermore, around 288(75%) of bank customers used multiple banking services such as Current Acct, Saving Acct, Transfer, ATM, Transfer, Loan Credit.

Table 4.5 Length of relationships with Bank/s and types of service/s used

No	Variables	Length of relationship	Frequency	Percentage
1	Length of relationship with your main bank/s in terms of years.	Less than a year	42	10.9
		1-5 years	157	40.9
		above 5 years	185	48.2
		Total	384	100
2	Types of service/s used in that bank (Multiple answers possible).	Types of service	Frequency	Percentage
		Banking service on Current Account	47	12.2
		Banking service on Saving Account	49	12.8
		Multiple banking services such as Current Acct, Saving Acct, Transfer, ATM, and Loan Credit.	288	75
Total			384	100

Source SPSS output, 2021

4.2. Determinants of Customer Bank Selection Decisions

As mentioned in the methodology part, it was proposed to use descriptive and inferential methods of analyses. Accordingly, factor analysis, descriptive analysis like percentage, frequency, mean, grand mean and standard deviation and inferential statistical analyses were used to statistically describing, aggregating, and presenting the study. Kendall's Wallis Coefficient of Concordance rank order analysis model was also used to analyze the data collected through questionnaire.

4.2.1. Factor Analysis

Factor analysis is a statistical method which enables researchers to take a set of variables and reduce them to a smaller number of underlying factors which account for as many

variables as possible (Cohen et al., 2007). It detects structure and commonalities in the relationships between variables. Thus it can be used to analyze interrelationships among a large number of variables and to explain these variables in terms of their common underlying dimensions or factors (Helen, 2018). Factor analysis is a data reduction statistical technique which is planned to simplify the correlation matrix depicting a small number of factors which can explain the correlation.

According to Hair et al., 2005 in Goitom (2011), the reliability of factor analysis is dependent on sample size. Although the sample size needed for factor analysis depends on many things, as a general rule, factor analysis involves no fewer than 150 participants (Cohen et al, 2007) and communalities after extraction should be above 0.5 (Field, 2005 cited in Goitom, 2011) in order to get a reliable solution. Hence such type of analysis is worthwhile to considerate the main dimensions (factors) that instigate the detected sets of items (Hair et al., 2005). Varimax-rotated factor analysis was executed on the principal items signifying the different constructs to endorse empirically the theoretical structure of the scale. Factoring ceased when all eigenvalues of greater than one were obtained and when a set of factors explained a large percentage of the total variance was achieved (Hair et al., 2005 in Goitom, 2011).

The exploratory factor analysis mainly helps to simplify the wide individual items in the questionnaire through summarizing them in a gross component (Metasebiay & Tesfaye, 2017). Therefore, exploratory factor analysis was used in order to detect constructs and examine relationships among the listed ordinal scaled questions in relation to determinants of customers' bank selection decision from 384 respondents.

As a result, The 34 items are categorized into eight factors that integrate bank image, service quality, convenience, technological, promotional, financial, social factor and finally proximity. According to Metasebiay & Tesfaye (2017), three steps are appeared in exploratory analysis namely: KMO and Bartlett's Test, Factor extraction and rotation and Factor interpretation. It is a prerequisite to agree on whether the data gathered is suitable for factor analysis before running exploratory factor analysis.

The test appropriate for this exploration is the Keiser-Meyer-Olkin (KMO) and Bartlett's Test that measures the sampling appropriateness which describes the strength of inter-correlations among those items (Metasebiay & Tesfaye, 2017). The KMO index should be above 0.6 and the Bartlett's sphericity index should less than 0.05(sig. <0.05) which recommends the sample of survey is good enough for factor analysis (Cohen et al. 2007). Factor analysis deemed appropriate for the items since the Keiser-Meyer-Olkin (KMO) measure of sampling adequacy test index equaled .848 in which Keiser's measure of sample adequacy above 0.6 is good enough to perform a factor analysis. Moreover, the Bartlett's test gives a significance level of less than 0.0001 confirming the appropriateness of the factor model as shown in Table 4.6 below.

Table 4.6 KMO and Bartlett's Test for whole respondents

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	8649.417
	Df	561
	Sig.	.000

Source SPSS output, 2021

When the standards reveal that the data is suitable for factor analysis, principal components analysis is used to extract the data, which helps determining the factor underlying the relationship between a numbers of variables. The total variable explained box is telling that it extracts one factor accounts for 69.619% of the variance of the relationship between variables.

As to Goytom, (2011), positive or negative loading on factors can be obtained. A negative loading indicates that the variable has an inverse relationship with other factors. The higher the loading, the more important is the factor. With regard to interpretation of factor loadings, any variable with a loading of 0.4 or greater is regarded as significant as associated with the appropriate factor (Hair et al. 2005 in Goytom, 2011).

4.2.2. Description of Determinants of Customers' Bank Selection Factors

Using the Eigenvalue greater than one rule, eight factors are identified. All characteristics with factor loadings of 0.40 and above are taken. Means and standard deviations were also computed for all elements or items taken within each factor to find the comparative importance of such elements to the respondents in their bank selection decision. Besides, Grand mean and SDs were calculated to rank all the dimensions or determinant factors identified by principal component factor analysis. In relation to the whole factor means, the third factor is the most important pertaining to customers' bank selection decision and the sixth factor is somewhat the least important.

The first factor in Table 4.7A depicts a choice of factor based on overall image of the bank, good will of bank among customers, past experience of the bank compared to others, safety of funds and confidence and easiness of opening bank account. This factor accounts for 11.873% of the total variance. This factor may be considered as bank image. Considering the mean scores and SDs of the items respectively, easiness of opening bank account (3.79, 1.063), overall image of the bank (3.74, 1.075), safety of funds and confidence (3.73, 1.195), good will of bank among customers (3.7, 1.104) and past experience of the bank compared to others (3.64, 1.195) have all high mean scores in this factor, indicating the immense significance of bank image in determining customers' bank selection decision.

The second factor categorizes a dimension centered on accuracy and timeliness of statements, fast and efficient service, its extended operation hours (i.e. Saturday, evening, etc.), friendliness of bank personnel, minimum waiting time, speed of transaction and availability of internet bank services. This factor may be considered service quality factor and accounts for 11.206% of the total variance. All items under this factor are more important regarding to the mean scores rated by the respondents in determining customers' bank selection decision. However, the most important items with mean scores and SDs respectively, are accuracy and timeliness of statements (3.84, 0.989) and fast and efficient service (3.79, 1.145), while the last but not least important item is availability of internet bank services (3.56, 1.123).

Leadership style of the bank (3.92, .922), the ethics of employees of the bank (3.8, 1.04), the reward system of banks to the customer (3.72, 1.04) and the ability of the bank to hold customer (3.68, 1.09) with mean scores and SDs respectively, are categorized under the third factor named with convenience factor. Items listed under this factor accounts 10.342% of the total variance. Within this factor, as Shown in Table 4.7A & 4.7B below, all items are more important items in determining customers' bank selection decision although leadership style of the bank with mean score of (3.92) and the ability of the bank to hold customer (3.68) respectively took the first and the last (fourth) place.

The fourth factor has been labeled as "Technology". Items load positively on this factor are availability of mobile banking services, availability of internet banking services, connectivity with other banks and the facilities of ATM. Items listed under this factor accounts 9.106% of the total variance. Among the items in this factor, the facilities of ATM services with mean score and SD (3.85, 1.108) ranked the first place and Availability of internet banking services with mean score and SD (3.56, 1.123) took the fourth place. An implication of this is that all items are more important elements to determine customers' bank selection decision process.

The fifth factor encompasses items associated with being a government owned bank, the banks' ability to advertise itself appropriately, and personal contacts from the bank marketing staff, the bank is heading in growth path and presence of the bank in newspaper and print media. Hence, these items are well-thought-out as promotional factor. Items listed under this factor accounts 7.710% of the total variance. The bank is heading in growth path with mean score of (3.75) is the most important item within this factor whereas presence of the bank in newspaper and print media with a mean score of (3.4) is somewhat important.

The sixth factor contains low interest rates on loan, high interest on saving accounts and low service charges. This factor is considered as financial factor and it accounts 7.526% of the total variance. Low service charges with a mean score of (3.41) and high interest on saving accounts (3.30) are the items under financial factor which ranked the

highest and the least means. This implies that the items under this factor are all rated at somewhat important levels by the responses of the respondent.

The seventh factor includes items related to the reception and hospitality the bank, Recommendation by family and friends and external appearance of the bank, Being familiar with banks employee and Working culture of the bank. This factor is labeled as social factors which accounts 5.970% of the total variance. Working culture of the bank has the highest mean rank (3.77) implying that the item is more important in determining customers' bank selection decision. Whereas, being familiar with banks employee ranked the least mean score (3.49) signifying the item falls under somewhat important level of ratings among the items stated under social factor.

Finally, the closeness/nearness to my home/work place and the convenient location of the bank grouped under the eighth factor which is labeled as proximity factor. This factor account 5.885% of variance (see Table 4.7B). The items convenient location of the bank and the closeness/nearness to my home/work place ranked first and second with mean scores of (3.82) and (3.69) respectively indicating that both items are more important to determine customers' bank selection decision under this factor.

When interview were conducted to bank managers and customer service officers in relation to determinants of customers bank selection decision, the majority (71%)of the respondents described:

“Location of the bank to customers’ residence and working place, leadership style of the bank to hold customers, employee ethics to serve customers with due respect, the system in which the bank used to reward and motivate customers to utilize the banks for their banking services and the advancement of the bank in using technologies to provide quick services (ATM services, mobile banking, internet banking, CBE Birr and others are the major ones to hold the existing customers and to attract new customers.” (Personal communication, 5, 6, 7/05/2013 E.C)

Nevertheless, it is vital to remark that among the eight factors described above, the third and the eighth two factors are regarded as the higher mean importance rankings than the other

variables, emphasizing the significance of convenience and proximity for determinants of customers' bank selection decisions. Moreover, the responses given form the respondents' for qualitative and qualitative data implied their consistency regarding to convenience and proximity factors.

Furthermore, Schram,(1991) recognized that convenience remains the primary reason why most college students choose their banks. (Gerrard, 2001), added that convenience factor was rated significantly higher by multiple bankers.

Many studies in the literature also suggested that convenience of bank location had a significant positive influence for customers on bank choice (Kaynak and Kucukemiroglu, 1992; Riggall 1979; Laroche et al., 1986; Martenson, 1985; Reed 1972 as cited in (Goitom, 2011). Finally, the criteria listed in Table 4.7 A & 4.7B include only those which had factor loadings of 0.425 and above. There for results are summarized based on their factor loading scored, mean scores and SDs.

Table 4.7A Factor and descriptive analysis of determinants of customer bank selection decisions.

Factors and Items	Factor analysis			Descriptive analysis		
	Factor loading	Eigen value	% of variance	Mean	SD	Rank
Factor 1: Bank image		11.367	11.873	3.72	1.1	4
Overall image of the bank	.781			3.74	1.158	2
Good will of bank among customers	.775			3.7	1.052	4
Past experience of the bank compared to others	.772			3.64	1.195	5
Safety of funds and confidence	.706			3.73	1.04	3
Easiness of opening bank account	.656			3.79	1.063	1
Factor 2 : Service quality		2.67	11.206	3.71	1.065	5
Friendliness of bank personnel	.728			3.68	1.052	4
Speed of transaction	.722			3.65	0.988	6
Fast and efficient service	.676			3.79	1.145	2
Accuracy and timeliness of statements	.669			3.84	0.989	1
Availability of internet bank services	.612			3.56	1.123	7
Its extended operation hours (i.e. Saturday, evening, etc.)	.541			3.78	1.04	3
Minimum waiting time	.452			3.67	1.116	5
Factor 3: Convenience		2.558	10.342	3.78	1.025	1
The ability of the bank to hold customer	.774			3.68	1.09	4
The ethics of employees of the bank	.763			3.8	1.04	2
Leadership style of the bank	.734			3.92	.922	1
The reward system of banks to the customer.	.577			3.72	1.04	3

Source SPSS output, 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important.

Table 4.7B Factor and descriptive analysis of determinants of customer bank selection decisions.

Factors and Items	Factor analysis			Descriptive analysis		
	Factor loading	Eigen value	% of variance	Mean	SD	Rank
Factor 4:Technological		2.027	9.106	3.73	1.13	3
Availability of mobile banking services	.814			3.78	1.148	2
Availability of internet banking services	.787			3.56	1.123	4
Connectivity with other banks	.691			3.73	1.15	3
The facilities of ATM services	.607			3.85	1.108	1
Factor 5:Promotional		1.548	7.710	3.61	1.09	6
Being a government owned bank	.795			3.6	1.151	4
The banks' ability to advertise itself appropriately	.748			3.69	1.135	2
Personal contacts from the bank marketing staff	.546			3.61	1.092	3
The bank is heading in growth path	.524			3.75	1.014	1
Factor 6: Finance		1.212	7.526	3.34	1.18	8
Low interest rates on loan	.828			3.32	1.182	2
High interest on saving accounts	.819			3.30	1.189	3
Low service charges	.584			3.41	1.168	1
Factor 7: Social		1.162	5.970	3.61	1.04	7
The reception and hospitality the bank	.641			3.59	1.044	2
Recommendation by family and friends	.639			3.57	1.108	3
Being familiar with banks employee	.508			3.49	1.05	4
Working culture of the bank	.508			3.77	.945	1
Factor 8:Proximity		1.126	5.885	3.75	1.11	2
The closeness/nearness to my home/work place	.771			3.69	1.16	2
The convenient location of the bank	.649			3.82	1.05	1

Source SPSS output, 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important.

Table: 4.8 Ranking importance and test of agreement on determinants of customer bank selection decisions

Determinant factors	Grand mean	SD	Rank	Kendall's W ^a	Chi-Square	Df	p.value
Bank image	3.72	1.1	4	.011	16.705	4	.002
Service quality	3.71	1.065	5	.018	34.862	6	.000
Convenience	3.78	1.025	1	.012	14.181	3	.003
Technological	3.73	1.13	3	.028	31.881	3	.000
Promotional	3.61	1.09	6	.019	29.22	4	.000
Financial	3.34	1.18	8	.003	2.416	2	.299
Social	3.60	1.04	7	.028	32.023	3	.000
Proximity	3.75	1.11	2	.039	15.158	1	.000

Source SPSS output, 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important.

Table 4.8, shows that convenience factor rated as the most important determinant factor of customers' bank selection decision with a grand mean score of (3.78) and SD (1.025). Leadership style of the bank, the ethics of employees of the bank, the reward system of banks to the customer and the ability of the bank to hold customer ranked from the first to the fourth respectively as crucial elements in determining customer's bank selection decision.

Proximity, technological, bank image and service quality factors ranked from the second to the fifth place with grand mean scores and SDs of (3.75, 1.11), (3.73, 1.13), (3.72, 1.1) and (3.71, 1.065) respectively as shown in Table 4.8 above. The grand mean scores obtained from the ratings of the respondent indicated that these factors are more important determinant factors of customers' bank selection decision. Regarding to these, the majority (92.85%) of the respondents of the interview said:

“The most important elements which took customers' attention to select banks for their banking services are the leadership style of the bank, employees' ethics working in the bank, the system in which the banks used to reward and motivate customers,

convenient location of the bank, facilities of the banks used to render fast and efficient services like mobile banking, ATM, internet services and the banks' connection with other banks to transfer and facilitate different transactions are crucial for the banks to be selected by customers. Other points which are vital to hold existing customers and attract the new ones may include the banks overall image, goodwill of the banks, safety of funds and confidence, the ability of the banks to help customers to open account easily, etc... help banks to be selected by customers and stay with them for long time in using bank services.” (Personal communication, 8, 9, 10/05/2013 E.C)

From these points of view, it is possible to observe the consistency of the results obtained from quantitative and qualitative data. On the other hand, promotional and social factors with grand mean scores and SDs of (3.61, 1.09) and (3.60, 1.04) respectively, took the sixth and seventh rank according to the ratings of the respondents. The grand mean scores also ascertained that promotional and social factors are labeled as more important factors in determining customers' bank selection decision. Finally, financial factor with grand mean score of (3.34) and SD (1.18) ranked the eighth place by the ratings of the respondents.

The mean score of financial factor was found to be the last and least factor related to other determinant factors. It was found to be the only factor labeled as somewhat important level of ratings in determining customers' bank selection. The result of the study was found in contrast to the study by Almosawi (2001) cited in Goitom (2011) in which technology related facilities and financial benefits ranked as the top most important selecting criteria for banks. However, it was also found to be consistent with the study by Goitom (2011) in which financial factor ranked the last and least important factor in selection of banks by customers. When interviewed were conducted, the majority (85.7%) of the respondents explained:

“The majority of bank customers want to get banking services with low service charges, low interest rates on loan and high interest on saving accounts from the banks; and these might be some of the issue that customers look forward to selecting banks for banking services.” (Personal communication, 5, 6, 7/05/2013 E.C)

However, these ideas deemed in consistent with the result obtained from the responses of the respondents through quantitative data. With regard to test of agreement on determinants of customers' bank selection decisions, it was analyzed using Kendall's Wallis Coefficient of Concordance. The result indicated that there is an agreement in the ranking of the determinant factors by the respondents as clearly seen in Table 4.8 above.

The level of agreement is significant at 5%. Accordingly, the result depicted that 3.9%, 2.8%, 2.8%, 1.9%, 1.8%, 1.2% and 1.1% of level of agreement in ranking of proximity, technological, social, promotional, service quality, convenience and bank image factors respectively by the respondents. Although, the grand mean scores of financial factors (3.34) shows the eighth ranked order of determinant factors of customers' bank selection decision, the result of Kendall's Wallis coefficient of concordance showed that there was no significant agreement between the respondents in ratings of this determinant factors. However, the result of this study indicated that the ranking importance of major determinant factors of customers' bank selection decisions in their order of ranking were found to be convenience, proximity, bank image, technological, service quality, promotional, social and financial factors respectively.

Table 4.9 Summary of Hypothesis

Hypothesis	P. Value	Remark
H1a: Bank's Image significantly determines customers bank selection decision	.002	Null hypothesis rejected
H1b: Service quality significantly determines customer's bank selection decision.	.000	Null hypothesis rejected
H1c: Convenience factors significantly determines customers bank selection decision	.003	Null hypothesis rejected
H1d: Technological factors significantly determines customers bank selection decision	.000	Null hypothesis rejected
H1e: Promotional factors significantly determines customers bank selection decision	.000	Null hypothesis rejected
H1f: Financial Factors significantly determines customers bank selection decision	0.299	Null hypothesis accepted
H1g: Social factors significantly determines customers bank selection decision	.000	Null hypothesis rejected
H1h: Proximity of the bank significantly determines customers bank selection decision	.000	Null hypothesis rejected
H1i: socio demographic factors positively and significantly determines customers' bank selection decision	.000	Null hypothesis rejected

Source SPSS output, 2021

Conclusively, it was found that with the exception of financial factors all other factors namely bank's image, service quality, convenience, technological factor, promotional, social, proximity and socio- demographic factors found to significantly determine customers' bank selection decision hence, alternate hypothesis is accepted and null hypothesis is rejected. While, financial factors to be insignificant to determine customers' bank selection decision, hence, null hypothesis is accepted.

Table 4.10 Ranking importance of customers’ bank selection factors by gender

Factors	Female			Male			Chi- square test		
	Grand Mean	SD	Rank	Grand Mean	SD	Rank	X ²	D.f	p-value
Bank image	3.68	1.11	5	3.75	1.108	3	27.338	18	.073
Service quality	3.73	1.012	3	3.69	1.11	5	59.486	21	.000
Convenience	3.82	1.011	1	3.75	1.03	2	35.037	14	.001
Technological	3.64	1.123	6	3.79	1.127	1	61.458	14	.000
Promotional	3.62	1.05	7	3.61	1.15	6	27.436	18	.071
Financial	3.44	1.173	8	3.28	1.174	8	30.620	12	.002
Social	3.73	1.02	3	3.51	1.02	7	36.963	14	.001
Proximity	3.82	1.15	2	3.71	1.07	4	35.383	8	.000

Source own survey 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important

Based on Table 4.10 above, the third factor, named ‘convenience factor’ ranked the first place by the ratings of female respondents; while this factor took the second rank by the ratings of male respondents. The grand mean score (3.82) rated by female respondents revealed that convenience factor is the leading important factor related to other factors in determining customers’ bank selection decision for female customers.

Whereas, the grand mean score of (3.75) rated by male respondents’ shows that this factor is the second important factor for male respondents in determining customers’ bank selection. The fourth factor, which is termed as ‘technological factor’ ranked the first place to determine customers’ bank selection decision for male bank customers; while the sixth ranked option for female bank customers’ for making selection decision. However, the grand mean scores (3.79) and (3.64) for male and female ratings respectively depicted that technological factor is more important factor to determine bank selection decision for both sex.

Proximity is the second ranked option for female respondents; whereas it became the fourth ranked preference for male customers. But the grand mean scores (3.82) and (3.71) for female and male customers respectively indicate that proximity become more important factor in determining customer bank selection decision for both sexes. Similarly, service quality is the third ranked option for female respondents but the fifth ranked option for male respondents; bank image ranked third for male customers' bank selection decision while it ranked fifth for female respondents; social factors ranked the third option for female respondents but it ranked the seventh option for male respondents; and promotional factor took the sixth place rated by male and the seventh place of rank by ratings of female respondents. From this point of view, it is possible to say that gender has its own impact on determinants of customers' bank selection. 75% of the respondents explained in their interview:

“Females focused on issues like leadership style of the banks to hold customers and their employees' ethics, convenient location of the banks and closeness to their home or work place as a leading criteria to select banks for their banking services while males first priority goes to technological factors such as: mobile banking, ATM, and internet services and the banks' connection with other banks to transfer and facilitate different transactions to select banks for their banking services.”(Personal communication, 8, 9, 10/213)

Although, the order of ranking within the seven factors mentioned above differs in priority, the responses of the interviewed and the grand mean scores of the factors ascertained that all are more important factors in determining customers' bank selection decision (see Table 4.10 above). However, the last factor ranked by both female and male respondents was financial factor. The grand mean score of financial factor (3.44) and (3.28) for female and male respondents respectively also depicted this factor falls under somewhat important level related to other factors.

Nevertheless, in our country scenario, most of the people have no habitual trend of using banking system rather than putting money at home or invest on physical asset. To this end, all the factors deemed more important and become the responsibility and duty of banks in order to alleviate the problem of using banking system. Hence customers having such an advantage

specified under those determinant factors directly become eager to select and start using the services. Furthermore, the chi-square statistic was computed to see whether there is a statistically significant difference between male and female ratings in ranking importance of customers' bank selection. From the listed eight determinant factors of customers' bank selection in Table 4.10 above, a statistically significant difference was observed between male and female respondent ratings in ranking all determinant factors of customers' bank selection but two of them.

Accordingly, bank image and promotional factors were the only two factors in which no statistically significant difference were found between male and female respondent ratings. Therefore, a statistically significant difference was found between male and female respondents in ranking determinant factors of customers' bank selection such as service quality ($X^2= 59.486$, $df=21$, $\rho=.000$), convenience ($X^2= 35.037$, $df=14$, $\rho=.001$), technological ($X^2= 61.458$, $df=14$, $\rho=.000$), financial ($X^2= 30.620$, $df=12$, $\rho=.002$), social ($X^2= 36.963$, $df=14$, $\rho=.001$) and proximity ($X^2=35.383$, $df=8$, $\rho=.000$).

Table 4.11 Ranking importance of bank selection factors by age

Factors	< 27 years			27-35 years			36 - 45 years			More than 45 years			Chi-square Test		
	Grand mean	SD	Rank	Grand mean	SD	Rank	Grand mean	SD	Rank	Grand mean	SD	Rank	X ²	Df	p-value
Proximity	3.90	1.14	4	3.77	1.034	3	3.62	.993	2	3.95	.872	2	57.206	24	.000
Social	3.73	.758	6	3.62	.826	6	3.43	.869	7	4.0	.578	1	121.68	42	.000
Financial	3.49	1.09	8	3.39	.931	8	3.34	.929	8	2.4	.792	8	131.494	36	.000
Promotional	3.65	.791	7	3.75	.773	5	3.52	.856	5	3.12	.763	7	170.29	54	.000
Technological	4.14	.789	1	3.79	.913	2	3.44	.974	6	3.5	.639	6	125.639	42	.000
Convenience	4.06	.703	2	3.79	.777	1	3.56	.931	3	3.95	.930	3	121.693	42	.000
Service quality	3.89	.647	5	3.59	.772	7	3.67	.743	1	3.93	.405	4	183.688	63	.000
Bank image	3.95	.662	3	3.75	.942	4	3.55	.984	4	3.66	1.02	5	191.763	54	.000

Source SPSS output, 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important

As shown in Table 4.11 above, the first factor, termed as bank image, ranked the third important factor by the ratings of the respondents who are found below the age levels of 27

years, ranked the fourth important factor by the responses of the respondents who are found between 27-35 years and 36 - 45 years and the fifth important factor rated by the respondents who are found above 45 years old customers. The grand mean score (3.95), (3.75), (3.55) and (3.66) for the respondent ratings found at the age levels below 27 years, between 27-35, 36-45 and above 45 years respectively depicted that image of the banks are considered to be more important factor of customers' bank selection decision within all the age levels of respondents.

With regard to the second factor (service quality), it is the first option for the respondents who are found at the age group of 36-45 years, the fourth choice for respondents found at the age group of above 45 years, the fifth choice for the respondents found below 27 years and the seventh ranking choice for the respondents found at the age group of 27-35 years. Although, this factor has given different ranks by the respondents' choice found at different age groups, the grand mean score rated by all age group respondents depicted that service quality is more important factor to determine customers' bank selection decision (see Table 4.11 above).

Similarly, convenience factor is the first determinant factor of customers' bank selection decision for the respondents found at the age group of 27-35 years, the second ranked option for the respondents below 27 years age group, the third ranked option for respondents found at the age group of 36-45 years and above 45 years. On the other hand, technological factor ranked the first place for the respondents found at the age group of below 27 years and took the second place of ranking rated by the respondents found at the age group of 27-35 years; whereas, this factor ranked the sixth choice of the respondents found at the age group of 36-45 years and above 45 years. However, the grand mean scores of convenience and technological factors rated by the respondents found at all the age levels revealed that these two factors are more important factors in determining customers' bank selection.

As it is clearly seen in Table 4.11 above, promotional, social and proximity factors are labeled as more important factors of customers' bank selection decision. But the grand mean scores of financial factor (3.49), (3.39) and (3.34) for respondents' found at the age groups of below 27 years, 27-35 years and 36-45 years depicted that this factor is labeled as somewhat important category and is the last choice of the respondents. Besides, financial factor is labeled as less

important factor to determine customers' bank selection decision by the ratings of the respondents who are found at the age groups of above 45 years.

The chi-square statistic was also computed to see whether there is a statistically significant difference between the respondents found at different age category ratings in ranking importance of customers' bank selection. AS shown in Table 4.11 above, a statistically significant difference was observed between respondents found at the specified age category respondent ratings in ranking all determinant factors of customers' bank selection.

Therefore, a statistically significant difference was found between the respondents classified in below 27, 27 - 35, 36 - 45 and above 45 years age category in ranking determinant factors of customers' bank selection. Accordingly a statistically significant difference was observed in bank image ($X^2= 191.763$, $df=54$, $\rho=.000$), service quality ($X^2= 183.688$, $df=63$, $\rho=.000$), convenience ($X^2= 121.693$, $df=42$, $\rho=.000$), technological ($X^2= 125.639$, $df=42$, $\rho=.000$), promotional ($X^2= 170.29$, $df=54$, $\rho=.000$), financial ($X^2= 131.494$, $df=36$, $\rho=.002$), social ($X^2= 121.680$, $df=42$, $\rho=.000$) and proximity ($X^2=57.206$, $df=24$, $\rho=.000$).

Table 4.12 Ranking importance of bank selection factors by occupations

Factors	Student				Business man				Employees				Chi-square Test		
	Grad mean	SD	Rank		Grad mean	SD	Rank		Grad mean	SD	Rank		X ²	Df	p-value
Proximity	3.63	1.12	5		3.67	1.22	2		3.81	.964	3		45.340	16	.000
Social	3.54	.825	8		3.65	.904	3		3.60	.808	7		70.693	28	.000
Financial	3.55	.701	7		3.27	1.09	8		3.31	1.011	8		69.946	24	.000
Promotional	3.57	.657	6		3.45	.889	6		3.67	.832	6		90.663	36	.000
Technological	3.68	.973	4		3.33	.983	7		3.85	.880	1		100.188	28	.000
Convenience	3.69	.806	3		3.68	.977	1		3.83	.818	2		66.073	28	.000
Service quality	3.79	.765	1		3.6	.747	5		3.72	.711	5		124.248	42	.000
Bank image	3.75	.729	2		3.62	.994	4		3.74	.932	4		75.135	36	.000

Source: SPSS output 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important.

As shown in Table 4.12 above, the first three important choices considered regarding factors that determine customers' bank selection decision are service quality, bank image and convenience factors for student respondents; convenience, proximity and social factors for

business man respondents; and technological, convenience and proximity factors for employee respondents.

The grand mean scores (3.79), (3.75) and (3.69) for service quality, bank image and convenience factors rated by student respondents, (3.68), (3.67) and (3.65) for convenience, proximity and social factors rated by business man respondents and (3.85), (3.83) and (3.81) for technological, convenience and proximity factors rated by employee respondents respectively, ascertained that these factors are more important determinant factors in determining customers' bank selection.

The fourth, fifth, sixth, seventh and eighth ranked determinant factors by student respondent ratings are technological, proximity, promotional, financial and social factors respectively. Bank image, service quality and promotional factors are the fourth, fifth and sixth ranked factors by both business man and employee respondent ratings; whereas technological factor and social factor ranked the seventh place for business man and employee respondents respectively. Nevertheless, the grand mean scores rated by all respondents for the factors which ranked from fourth to seventh place revealed that all factors are considered to be more important factors in determining customers' bank selection (see Table 4.12 above). But financial factor took the eighth place of ranking by the ratings of business man and employee respondents. Besides, the grand mean scores (3.27) and (3.31) rated by business man and employee respondents respectively indicated that financial factor is the least option and labeled as somewhat important factor in customers' bank selection decision.

The chi-square statistic test depicted that a statistically significant difference was found between respondents having different occupation in ranking all determinant factors of customers' bank selection as shown in Table 4.12 above. Consequently, a statistically significant difference was seen between student, business man and employee respondents. Accordingly, a statistically significant difference was observed in bank image ($X^2= 75.135$, $df=36$, $\rho=.000$), service quality ($X^2= 124.248$, $df=42$, $\rho=.000$), convenience ($X^2= 66.073$, $df=28$, $\rho=.000$), technological ($X^2= 100.188$, $df=28$, $\rho=.000$), promotional ($X^2= 90.663$, $df=36$, $\rho=.000$), financial ($X^2= 69.946$, $df=24$, $\rho=.002$), social ($X^2= 70.693$, $df=28$, $\rho=.000$) and proximity ($X^2=45.340$, $df=16$, $\rho=.000$).

Table 4.13 Ranking importance of bank selection factors by monthly income level

Factors	Less than 2000 Birr			Birr 2000-4000			Birr 4001-7000			Greater than Birr 7000			Chi-square test		
	Grand mean	SD	Rank	Grand mean	SD	Rank	Grand mean	SD	Rank	Grand mean	SD	Rank	X ²	D.f	p-value
Proximity	3.88	1.06	2	3.61	1.12	2	3.89	.728	3	3.87	.937	4	60.036	24	.000
Social	3.71	.719	6	3.45	.883	7	3.89	.574	2	3.68	.854	7	152.57	42	.000
Financial	3.33	.941	8	3.18	1.04	8	3.81	.837	5	3.5	.901	8	151.231	36	.000
Promotional	3.65	.643	7	3.5	.948	5	3.78	.749	8	3.74	.687	6	202.450	54	.000
Technological	3.75	.981	5	3.58	.968	3	3.81	.613	4	4.0	.871	2	159.784	42	.000
Convenience	3.85	.794	3	3.63	.963	1	3.78	.590	7	4.03	.657	1	97.732	42	.000
Service quality	3.83	.678	4	3.56	.775	4	3.8	.473	6	3.86	.711	5	195.956	63	.000
Bank image	3.92	.669	1	3.47	.996	6	3.94	.749	1	3.95	.888	3	122.87	54	.000

Source: SPSS output, 2021

Level of agreement [1.00-1.49] = not important at all; [1.50-2.49] = less important; [2.50-3.49] = somewhat important; [3.50-4.49] = More important; and [4.50-5.00] = most important

Regarding to income levels as shown in Table 4.13 above, bank image is placed at the top of ranking customers' bank selection factors rated by the respondents who earned less than Birr 2,000 and 4,001- 7,000 monthly income; whereas this factor is the third and the sixth choice rated by the respondents who earned more than Birr 7,000 and Birr 2000-4000 monthly income respectively.

Convenience factor on the other hand, is ranked first related to other determinant factors by the ratings of the respondents who have had Birr 2,000 - 4,000 and greater than Birr 7,000 monthly income while it acquired the third and seventh place of ranking by the ratings of the respondents who earned less than Birr 2,000 and Birr 4,001- 7,000 income per month. Proximity is ranked as the second important factor related to other factors in customers' bank selection rated by the respondents who earned less than Birr 2,000 and 4,001- 7,000 monthly income; whereas this factor ranked third and fourth rated by Birr 4,001-7,000 and greater than Birr 7,000 monthly income respondents. The grand mean scores rated by the respondents also ascertained that these factors are more important for customers' bank selection decision (see Table 4.13 above).

Furthermore, service quality, technological, promotional and social factors are regarded as more important factors of customers' bank selection since the grand mean scores rated by all the respondents were found to be greater than (3.5) and below (4.5) (see Table 4.11 above). However, financial factor is considered the last and least ranked factor of customers' bank selection decision by the ratings of the respondents who earned less than Birr 2,000 and 2,001-4,000 per month although it is considered as more important factor for customers; bank selection decision and the fifth ranked choice rated by the respondents having respectively Birr 4,001-7,000 monthly income. The grand mean scores (3.33) and (3.18) rated by the respondents earning less than Birr 2,000 and 2,001-4,000 per month respectively depicted that financial factor is labeled as somewhat important category related to other determinant factors of customers' bank selection.

A statistically significant difference was also found between respondents having different income levels in rating all determinant factors of customers' bank selection as shown in Table 4.13 above. Thus, a statistically significant difference was observed in bank image ($X^2=122.876$, $df=54$, $\rho=.000$), service quality ($X^2=195.956$, $df=63$, $\rho=.000$), convenience ($X^2=97.732$, $df=42$, $\rho=.000$), technological ($X^2=159.784$, $df=42$, $\rho=.000$), promotional ($X^2=202.450$, $df=54$, $\rho=.000$), financial ($X^2=151.231$, $df=36$, $\rho=.002$), social ($X^2=152.577$, $df=42$, $\rho=.000$) and proximity ($X^2=60.036$, $df=24$, $\rho=.000$).

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to investigate the determinants of customer's bank selection decision in Gurage Zone the case of Bank customers in Wolkite Town. Thus, this research seeks to provide the current determinants of customers' bank selection decision in Gurage Zone Wolkite Town. In order to meet this purpose, the following basic research questions were designed.

- What are the major determinants of customers' bank selection decision?
- What is the relative importance of each determinant of customers' bank selection?
- How the customer's socio-demographic variables affect customer's bank selection decision?

To answer these research questions, mixed method approach was employed. To this effect, the study was conducted in seven randomly selected banks of Wolkite Town. A total of 398 bank customers' were selected through stratified random sampling technique to participate in the study. Besides, 7 bank managers and 7 customer service officers were selected purposively, since they have had direct relation in providing bank services for bank customers.

To collect the data on the issue 398 questionnaires were distributed for bank customers and only 384(96.4%) were properly filled and handed back. In addition, interview was conducted with 7 bank managers and 7 customer service officers using 4 open-ended interview guide questions to extract in-depth information regarding to determinants of customers' bank selection decisions. To analyze and interpret the data collected from bank customers through closed ended items of the questionnaire, descriptive and inferential statistical methods like, percentage, means, frequencies tables, exploratory factor analysis and Kendall's Wallis coefficient of concordance were used. The analysis of the quantitative data was performed in the help of SPSS version 23 computer program. The data gathered through interview guide open ended questions of the interview was analyzed qualitatively using narrations to support the result obtained from quantitative analysis. Finally, the research came up with the following major findings.

5.1. Summary of the Major Findings

5.1.1. Major Determinants of Customers' Bank Selection Decisions

The exploratory factor analysis conducted depicted that the 34 items which were categorized into seven factors before changed into eight factors by changing (loading) few items in another factor and moving two items from convenience to the added factor that incorporate bank image, service quality, convenience, technological, promotional, financial, social factor and finally proximity from factor one to factor eight respectively. The eight factors identified were ascertained by using the Eigenvalue greater than one rule, and all characteristics with factor loadings of 0.425 and above were taken for analysis.

Accordingly, convenience, proximity and technological factors which accounts for 10.342%, 5.885% and 9.106% of the variation respectively, scored the highest grand mean value and half of their items scored above the average mean from the five point likert scale ascertained that these factors are labeled as the first, second and third major determinant factors in customers' bank selection decisions.

Bank image, service quality, promotional and social factors account for 11.873%, 11.206%, 1.548% and 5.970% of the variation in customers' bank selection decisions scored the fourth, fifth, sixth and seventh highest grand mean value respectively and half of their items scored above and nearly equal to the average mean values of each factor from the five point likert scale revealed that these factors are the major determinants of customers' bank selection decisions.

5.1.2. Relative Importance of Each Determinants of Customers' Bank Selection

The means and standard deviations were also computed for all elements or items taken within each factor to find the comparative importance of such elements to the respondents in their bank selection decision. The analysis of determinant factors, therefore, showed that all the eight factors (bank image, service quality, convenience, technological, promotional, social factor and finally proximity) were important to customers' in their

bank selection decisions although the degree of their level of importance vary. Ranking the factors by grand mean scores revealed that convenience factors (3.78), proximity (3.75) and technological (3.73) are the leading factors in their level of importance followed by bank image (3.71), service quality (3.71), promotional (3.61) and social factors (3.6). The grand mean values of the aforementioned factors ascertained that all factors are more important to customers' in their bank selection decisions.

The levels of agreement on determinants of customers' bank selection decisions analyzed using Kendall's Wallis Coefficient of Concordance also depicted that there was significant agreement in the rankings of the respondents' which significant at 5% level of agreement. The result indicated that there is an agreement in the ranking of the determinant factors by the respondents as clearly seen in Table 4.8 above. Accordingly, the result depicted that 1.2%, 3.9%, 2.8%, 1.1%, 1.8%, 1.9% and 2.8% of level of agreement in ranking of convenience, proximity, and technological, bank image, and service quality, promotional and social factors respectively by the respondents. Whereas, there was no significant agreement found between the respondents in ratings of financial factors.

5.1.3. The socio-demographic variables affect customer's bank selection decision

The study reveals changes in priority of determinants related to their level of importance when ranked by different demographic groups. However, the grand mean scores of the factors ascertained that all are more important factors in determining customers' bank selection decision except financial factor. The mean score of financial factor was found to be the last and least factor related to other determinant factors as ranked by both female and male respondents. A statistically significant difference was observed between male and female respondent ratings in ranking all determinant factors of customers' bank selection except bank image and promotional factors.

The grand mean scores of convenience and technological factors rated by the respondents found at all the age levels revealed that these two factors have high importance in determining customers' bank selection. Moreover, promotional, social and proximity

factors are labeled as more important factors of customers' bank selection decision. But the grand mean scores of financial factor (3.49), (3.39) and (3.34) for respondents' found at the age groups of below 27 years, 27-35 years and 36-45 years respectively depicted that this factor is labeled as somewhat important category and is the last choice of the respondents. Besides, financial factor is labeled as less important factor to determine customers' bank selection decision by the ratings of the respondents who are found at the age groups of above 45 years.

The study also revealed that the ranking order of the determinants towards their level of importance differ according to the ratings of the respondents having different occupation. For instance, the grand mean scores (3.79), (3.75) and (3.69) for service quality, bank image and convenience factors rated by student respondents, (3.68), (3.67) and (3.65) for convenience, proximity and social factors rated by business man respondents and (3.85), (3.83) and (3.81) for technological, convenience and proximity factors rated by employee respondents respectively, ascertained that these factors are more important determinant factors in determining customers' bank selection.

Regarding to income levels bank image is placed at the top of ranking in customers' bank selection factors rated by the respondents who earned less than Birr 2,000 and 4,001-7,000 monthly income; whereas this factor is the third and the sixth choice rated by the respondents who earned more than Birr 7,000 and Birr 2,000-4,000 monthly incomes respectively.

Convenience factor on the other hand, is ranked first related to other determinant factors by the ratings of the respondents who have had Birr 2,000 - 4,000 and greater than Birr 7,000 monthly income while it acquired the third and seventh place of ranking by the ratings of the respondents who earned less than Birr 2,000 and Birr 4,001- 7,000 income per month. The study revealed that the ranking order of the determinants towards their level of importance differ according to the ratings of the respondents having different income level.

5.2. Conclusion

Based on the findings of the study the following conclusions were drawn:

- The research anticipated to examine the result and significance of the identified major factors on customer's bank selection decision. The results display that bank image, service quality, convenience; technological, promotional, social factor and finally proximity are major and more important determinants of customers' bank selection decision.
- Convenience, proximity, technological, bank image and service quality were found the former and more important factors in determining customers' bank selection decision. It can be concluded that improving the services rendered by the banks could enhance customer acceptance and that improving the services in selected banks could lead to increased customer recruitment. Moreover, promotional and social factors were also found to be significant in customer's bank selection decision. However, those were the least ranked factors concluding that promotional and social factors are having low impact in customers' bank selection decision. When we come to financial factors, it was found to be insignificant implying that low service charge, low interest rate on loan and high interest on saving accounts place no impact on customers bank selection decision.
- Finally, the differences in customers' bank selection are examined from the socio-demographic factors (gender, age, occupation and income level) perspective. The finding demonstrates changes in priority of determinants are observed related to their level of importance when ranked by different demographic groups.

5.3. Recommendation

Based on the findings the following recommendations are forwarded:

- Convenience, proximity, technological, bank image, service quality, promotional and social factors were found to be major determinant and more important factors in customers' bank selection decision. Therefore, bank managers' have to beware how these major determinants factor customers to choose banks and how it can

address the issue of contributing factors in the minds of prospective customers which could also have a similar impact in which customers place high regard on them.

- Factors which are prioritized in determining customers' bank selection decision were convenience, proximity, technological, bank image and service quality which are more important and significant relatively to other factors. Therefore, banks management officials may think through actions to be taken which substantiate convenient location of the bank, the banks nears to work place/home, the facilities of ATM services, availability of mobile banking services, connectivity with other banks and availability of internet banking services are more important to hold customers' attention in selecting banks. Therefore, bank managers' have to create awareness how these determinant factors work.
- The study revealed changes in priority of determinants related to their level of importance when ranked by different demographic groups. However, the grand mean scores of the factors ascertained that all are more important factors in determining customers' bank selection decision except financial factor which is insignificant and not important for customers' bank selection decision. Therefore, banks should aim their marketing mix towards all demographic groups. Such a method will make certain attraction of job-market entering people towards bank service and also retention of the people who are likely to remain long-term loyal customers.
- Finally, previous relevant researchers have done most of the research based on many common variables affecting customers' bank selection decision criteria. This research included additional items with consistency and, it covered many banks. However, the findings were limited due to time, budget and geographic coverage. Therefore, the researcher recommended that the survey be made in other Towns of Gurage Zone and SNNPR to consolidate the results.

References

- Almossawi, M.(2001). Bank Selection Criteria Employed by College Students in Bahrain: An Empirical Analysis. *International Journal of Bank Marketing*, Retrieved <http://www.emeraldinsight.com/journals.htm?articleid=855032&show>), 15-25
- Arebgeyen, O. (2011). The Determinants of Bank Selection Choices by Customers: Recent and Extensive Evidence from Nigeria. *International, Journal of Business and Social Science* Retrieved <http://ijbssnet.com/journals/Vol2-No-22-Dec.2011/32>.
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practice*. London: 10th Edition, Kogan Page Publishing.
- Akar, E., & Topçu, B. (2011). An examination of the factors influencing consumers' attitudes toward social media marketing. *Journal of internet commerce*, 10(1), 35-67.
- Awang M.S. (1997). Bank Selection Decision: Factors Influencing the Selection of Banks Banking Services, unpublished MSc. Dissertation. University of Utara Malaysia. *Unpublished MSc. Dissertation. University of Utara Malaysia*.
- Biesok, G. W.-W. (2011). Customer satisfaction - Meaning and methods of measuring. In *Marketing and logistic problems in the management of organization* (pp. 23-41). H. Howaniec: Bielsko-Biała: Wydawnictwo Naukowe Akademii Techniczno Humanistycznej w Bielsku-Białej.
- Blankson C., Cheng J., & Spears N. (2007, July 3). Determinants of Banks Selection in USA, Taiwan and Ghana: (a. at, Ed.) *International Journal of Bank Marketing*, 25, pp. 499-489.
- Blankson C., Omar O. E., and Cheng J. M. (2007). The Retail Bank Selection in Developed and Developing Countries: A Cross-National Study of Students' Bank-Selection Criteria. *Thunderbird International Business Review Vol. 51, No. 2, pp. 183-98*, pp. 183-98.
- Boyd, W., Leonard, M. and White, C. (1994). Customer Preferences for financial Services: An Analysis: *International Journal of Bank Marketing, Vol. 12, No. 1, , pp. 9-15*.

- Checkmaret Com. (2013, August 12). Retrieved 6 16, 2020, from Google: www.chekmarket.com.
- Cicic et al.2004, Rao & Sharma,(2010).*Bank Selection Criteria Employed by Students in a Southeastern European Country: An Empirical Analysis of Potential Market Segments' Preferences;*. University of Sarajevo.
- Cohen et al,(2007).Research Methods in educatopn.Retrieved.www.e Bookstore.tandf.cok
- Creswell, John W. (2003). Planning, Conducting, and Evaluating Quantitative and Qualitative Research. *Educational Research*.
- Creswell, J. W. (2012). Educational research: Planning, conducting and evaluating quantitative and qualitative research (4th ed.). Boston: Pearson.
- Creswell, J. W. (2003). *Research design* (2nd ed.). London: Sage publishing Inc.
- Cohen, L,Mannion, L. & Morrison, K.(2007). *Research methods in Education*(6th ed.) London Routledge 2 park squared
- Cohen, L., Manion, L., & Morrison, K. (2000). *Research methods in education* (5th ed.). New York: Routledge Falmer.
- Lewis, B. R., Orledge, J., & Mitchell, V.W. (1994).Service quality: Students Assessment of Banks and Building societies.
- Dinham, S., & Scott, C. (2000). Moving into the third, outer domain of teacher satisfaction. *Journal of educational administration*.
- Dictionary.com. (2020, JUNE 17). Retrieved JUNE 16, 2020, from www.dictionary.COM
- Economics help. (2020, May 5). Retrieved, <https://www.economcs help org>. Retrieved july 13, 2020, from Google: <https://www.economcs help org>.
- Engel, J. F., Kollat, D. T., & Blackwell, R. D.,(1968). *Consumer behavior*. New York : Elshaer, I. (2012). What is the Meaning of Quality?.Holt Rinehart .
- European Journal of Economics.Finance and Administrative Sciences ISSN, Issue16,vol.Retrieved:www.eurojournals.com/ejefas16-02.pdf+Determinants+of+Choice+Criteria+in),pp 18-30.
- Field, A. (2005, 10 15). Kendall's Wallis Coefficient of Concordance rank order analysis model . *Rank order anaysis*,Retrieved, www.scirp.org.

- Gerrard, C. a. (2001). Singapore Undergraduates: How They Choose which Bank to Patronize International. *Journal of Bank Marketing*, 19(3), pp.104-114.
- Gibbons, J. D. (1993). analyzing data,how shoud the relationships between tho or more sets of observation be described.Retrieved,
<https://dx.doi.org/10.4135/9781412985291.n4>.
- Group, U. (2008). *Customer Satisfaction: Unicredit Group Experience, Bank Austria Credit anstalt CEE Division*. Lisbon: Retail & Private Banking.
- Goitom W/Mariam, (2011). Bank Selection Decision: Factors Influencing the Choice of Banking Services, Research paper Department of Accounting And Finance thesis for masters Addis Ababa University.
- Gupta, B., & Sharma, N. K. (2008). Compliance with bases of power and subordinates' perception of superiors: Moderating effect of quality of interaction. *Singapore management review*, 30(1), 1-25.
- Gurage Zone Adm. (2020, Decembe 7). *over veiw Description of gurage peoples*.(Gurage Zone administration), Retrieved September January 5, 2020, from Retrieved, <http://www.guragezone.gov.et>.
- Helen W. Selassie, (May 2018). Determinants of Customers' Bank Selection Decision: The Case of Bank Customers in Addis Ababa St. Mary's University School of Graduate Studies Department Of Business Administration.
- Hooley,T.,(2016).*Customer satisfaction with career guidance: a literature review'* Derby: University of Derby, Management. Retrieved by <http://hdl.handle.net/10545/606948/>
- Hunt, S. D. (1972). A Crucial Test for the Howard-Sheth Model of Buyer Behavior. . *Journal of Marketing Research (JMR)*, 9(3), , 346-348.
- Institute of law kurukshetra. (2014, September). Factor afecting custmer decition Making behavior. *international jornal of current researchand acadamic review*, Retrieved, www.ijcrar.com.
- Kanovska, L. (2010, January 18). Customer services: A part of market orientation. Descussion,Economicsandmanagement,retiraived,<https://www.researchgate.net/publication/268363066>.

- Katircioglu et.al. (2011). Bank Selection Factors in the Banking Industry An Empirical Investigation from Potential Customers in Northern Cyprus. *Acta Oeconomica*, Vol. 61 (1) , pp. 77–89.
- Kaynak, E. &. (1992). Bank and Product Selection: Hong. *International Journal of Bank Marketing*, 10(1),3-16.
- Kaynak E. etl., (1999). Commercial Bank Selection in Turkey. *International Journal of Bank Marketing*, Vol. 9 No.4, , pp. 30-9.
- Kaňovská, L. (2010). Customer Services-A Part of Market Orientation. *Economics and Management*, 15, 562-565.
- Khazeh, K. & Decker, W. H., (1993). How Customers Choose Banks. *Journal of Retail Banking*, 14(4), pp.41-44.
- Kumar M, Kee F. T., & Charles V., (2010). Comparative Evaluation of Critical Factors in Delivering Service Quality of Banks: An Application of Dominance Analysis in Modified SERVQUAL Model. *International Journal of Quality & Reliability Management Vol. 27 N.3*, PP.351-377.
- Lüder, A., Foehr, M., Hundt, L., Hoffmann, M., Langer, Y., & Frank, S. (2011, September). Aggregation of engineering processes regarding the mechatronic approach. In ETFA2011 (pp. 1-8). IEEE.
- LANGKOS, S. (2014). *Customer Behaviour & Decision Making*. University of Derby, Marketing Management . Athens: Aggeliki Kotsolaki.
- Laroche et.al. (1986). Services Used and Factors Considered Important in Selecting a Bank: An Investigation Across Diverse Demographic Segments. *International Journal of Bank Marketing*, Volume 4, No. 1, pp.35-55.
- Lee,J.& Marlowe, J. (2003). How Consumers Choose a Financial Institution: Decision Making Criteria and Heuristics:. *International Journal of Bank Marketing*, 21/2, pp. 53-71.
- Leibert. (2004, August 25). Client Perceptions of Internet Counseling and the Therapeutic Alliance. (Leibert, Ed.) *Journal of mental health counseling*, 28(Aveleble at <https://doi.org/10.1089/0897715041526177>.), 73.

- Lelissa, M. B. and Lelissa, T. B. (2017). Determinants of Bank Selection Choices and Customer Loyalty the Case of Ethiopian Banking Sector. *European Journal of Business and Management*, Vol.9, No.13, P. 9-24.
- Levesque. (1996). Determinants of Customer Satisfaction in Retail Banking:. *Int. J. Bank Market*, 14:, pp.12-20..
- Maiyaki. (2011). Factors Determining Bank's Selection and Preference in Nigerian Retail Banking. *International Journal of Business and Management* Vol. 6, No. 1, Pp. 253-257.
- Merriam - Webster, (2021), the definition of proximity, [https://www.merriam-webster.com/dictionary/in % 20 to](https://www.merriam-webster.com/dictionary/in%20to). Accessed 18 apr.2021. 19.
- Mokhlis S., Mat N. & Salleh H.,(2008). *Commercial Bank Selection: the case of Undergraduate students*.international review of Business.Retrieved, <http://www.bizresearchpapers.com/28%5B1%5D.Moklis.pdf>.
- Mokhlis S., Mat N. Salleh H. (2010, June). Ethnicity and Choice Criteria in Retail banking a malaysaian perspective.*International Journal of Business and Management* ,Vol. 5,.
- Mokhlis, S. (2009). Determinants of Choice Criteria in Malaysia's Retail Banking: An Analysis of Gender-Based Choice Decisions,. *European Journal of Economics, Finance and Administrative Sciences ISSN 1450-2887 Issue 16,*, pp. 18-30.
- Mols et al.,(1997). European Corporate Customers' Choice of Domestic Cash Management Banks. *International Journal of Bank Marketing* 15/7 [1997] , pp.255-263.
- Mrgaret, M. K., (2014, March). Peer Group and friend influences on the social acceptability. Retrieved, <https://www.researchgate.net/publication/260531925>.
- Munusamy et al., (2010). Service Quality Delivery and Its Impact on Customer Satisfaction in the Banking Sector in Malaysia. *International Journal of Innovation, Management and Technology*, Vol.1, No. 4, pp. 399-404.
- Mylonakis, J. (2007). A Research Study of Customer Preferences in the Home Loans Market: The Mortgage Experience of Greek Bank Customers. *International Research Journal of Finance and Economics ISSN 1450-2887 Issue10*, pp.153-166.

- Nicosia, F. M. (1966). *Consumer decision processes : marketing and advertising implications*. Englewood Cliffs (N.J.) : Prentice Hall, 1966. Retrieved, <https://lib.ugent.be/catalog/rug01:001231927>.
- Nnorgs Bank. (12/2019, April 1). *Googles*. Retrieved June 23, 13/2020, from Retrieved, <Http://WW.badideaca.com>
- Owusu- Frimpong. (1999). Patronage Behavior of Ghanaian Bank Customers. *International Journal of Bank Marketing 17/7 [1999]* , South Bank University, London, UK, pp.335-341.
- Peer, V. (2009). Bank Choices in Economic Recession: A study of the influence of the financial crisis on customer choice behavior in the banking secto. *Erasmus School of Economics, Master Thesis*.
- Pradhan, D., Duraipandian, I., & Sethi, D. (2016). Celebrity endorsement: How celebrity–brand–user personality congruence affects brand attitude and purchase intention. *Journal of Marketing Communications*, 22(5), 456-473.
- R.ShaherT.A.Kasawneh O.and Salem,(2011). The Major Factors that Affect Banks' Performance in Middle Eastern Countries. *Journal of Money, Investment and Banking ISSN 1450-288X Issue 20*, pp.101-09.
- Rao, S. & Sharma , R.K. (2010). Bank Selection Criteria Employed by MBA. *Journal of business studies, vol. No 2 Retrieved*, <https://ssrn.com/abstract=1597902>), pp.56-69.
- Rehman, H. & Ahmed S. (2008). An Empirical Analysis of the Determinants of Bank Selection in Pakistan: A Customer View. *Pakistan Economic and Social Review Volume 46, No. 2*, pp. 147-160.
- Sanyang, L. (2009). Bank Strategic Positioning and Factors for Bank Selection: A case of the Gambia. *a Master thesis, Ming Chuan University*.
- Schram,J. (1991, june). How Student Choose their Banks: US Banker, . *International jornal of finance vol.110*, 75-78.
- Gupta, B., & Sharma, N. K.(2008). Compliance with bases of power and subordinates' perception of superiors: Moderating effect of quality of interaction.Singapore management review,30 (1),1-25.

- Scott, J. (Writer), & Scott, J. (Director). (2000). *Understanding contemporary society Theories of the Present*.
- Spiegel, F. V. (2014, September 22). ROLE OF BANKS IN THE ECONOMY. In EBF (Ed.). (pp. 11-14). Paris: Professor VUB and Vlerick Business School.
- Stories, B. M.–B. (2018). *Ethiopia banks capital*. Nairobi: News bussiness ethiopia.
- Ta H.P. and Har,K.Y. (2000). *A study of bank selection decisions using the Analytical Hierarchy Process*(Vol.18).Retrived, (<https://doi.org/10.1108/02652320010349058>, Trans.) Singapore: International Journal of Bank Marketing.
- Tan and Chua., (1986, March). Intention, Attitude and social infulence in Bank selection. *International Journal of bank marketing*, 4(3), pp.35-55.
- Tehulu, T. A., Wondmagegn, G. A. (2014). Factors Influencing Customers' Bank selection decision. *Research Journal of Finance and Accounting*.,5 NO 21 Retrived,(<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.865.4793&rep=rep1>),57-67.
- Tekletsadik, D. (2013), Customers Bank Selection Criteria in the case of selected private commercial banks. Retrieved, by [http://etd.aau.edu.et/bitstream/123456789/5524/1/Dawit % 20Tekletsadik%20Th](http://etd.aau.edu.et/bitstream/123456789/5524/1/Dawit%20Tekletsadik%20Th)). Addis Ababa:
- Teklet sadik,D .hwaites, D.& Vere, L. (1995). Bank Selection Criteria: A Student Perspective. *Journal of Marketing Management*, vol. 11(1-3), pp.133-149.
- Tyler Basu. (2017, December 6). The Top Customer Success Strategies Used by Successful.Retrieved,<https://www.superoffice.com/blog/customer-experience-statistics/>), 1.
- Wei and Lu. (2013). *Determinants of Swedish bank selection choices by international students*. MBA thesis, University of Gävle.

6. እባክዎትን የወር ገቢዎን በየትኛው ምድብ እንደሚገኝ ቢያሳወቁን(አማካይ ገቢም ቢሆን)

ከብር 2,000 በታች

ከብር 2,000 - 4,000

ከብር 4,001 - 7,000

ከ7,000 ብር በላይ

ክፍል ሁለት: የባንክ አጠቃቀም ሁኔታ

7. የባንክ አገልግሎቶችን ይጠቀማሉ? አዎ አልጠቀምም

8. ለጥያቄ ቁጥር 7 መልስዎ “አልጠቀምም” ከሆነ ምክንያትዎ ምንድን ነው?

በቂ የሆነ ገንዘብ የለኝም

ጥቅሙ አልታየኝም

ሌላ አማራጭ ስለምጠቀም (ለምሳሌ ጥቃቅንና አነስተኛ ተቋማት ዕቁብ)

በጭራሽ ለመጠቀም አልፈግም

ካልፈለጉ ለምን እንደማይፈልጉ ቢያብራሩልን::

9. ለጥያቄ ቁጥር 7 መልስዎ “አዎ” ከሆነ በየትኛው ባንክ ይገለገላሉ (ከአንድ ባንክ በላይ

የሚገለገሉ ከሆነ የባንኮቹን ስም ቢዘረዝሩልን).

10. ከላይ ከመረጡት/ጧቸው ባንክ/ኮች ያሉዎትን የደንበኝነት ጊዜ ለስንት ዓመት ያህል ነው? (እያንዳንዱ ባንክ ይግለጹልን)

11. ከሚገለገሉበት/ጧቸው ባንክ/ኮች ውስጥ የትኛውን የባንክ አገልግሎት ይጠቅማል?

ተንቀሳቃሽ ሒሳብ የቁጠባ ሒሳብ የብድር አገልግሎት

ለመላኪያ/መቀበያ አገልግሎት ለ “ATM” አገልግሎት

ሌላ አገልግሎት የሚጠቀሙ ከሆነ ይግለጹልን::

12. የሚገለገሉበት ባንክ/ኮች ከሚሰጠው/ጧቸው አገልግሎቶች በተጨማሪ መሰጠት አለበት የሚሉትን አገልግሎት አለ?
አዎ የለም

13. ለጥያቄ ቁጥር 12 መልስዎ “አዎ” ከሆነ መጨመር አለበት የምትሉትን አገልግሎት ምንድን ነው?

14. ባንኮች በሚሰጧቸው አገልግሎቶች ይረካሉ? አዎ አሌረካም

15. ለጥያቄ ቁጥር 14 መልስዎ “አልረካም” ከሆነ ምን ሊያደርጉ ደንበኞቻቸውን ሊያረኩ ይችላል ብለው ያስባሉ?

16. የሚገለገሉበትን ባንክ ለመቀየር ሐሳብ አለዎት? አዎ በፍፁም

17. ለጥያቄ ቁጥር 17 መልስዎ “አዎ” ከሆነ ለምን መቀየር እንዳሰቡ ሊያብራሩልን?

18. አሁን እየተጠቀምክበት ያለው ባንክ ሳትቀይሩ ብትጠቀም የባንኩ የአገልግሎት አሰጣጥ ችግር ይቀረፋል ብለህ ታምናለህ ወይ? አዎ በፍጹም

ክፍል ሦስት: የባንክ ምርጫ መመዘኛዎች

19. የሚገለገሉበት ባንክ/ኮች ሲመርጡ የሚጠቀሙባቸው መመዘኛዎች ከሚከተሉት አማራጮች ውስጥ ለእርስዎ ካላቸው ጠቀሜታ አንጻር ከ“5= እጅግ በጣም ጠቃሚ” እስከ “1=ምንም አይጠቅምም” እያሉ አንድ ቁጥር ብቻ በማክበብ መልስዎን ያስቀምጡልን።

5=እጅግ በጣም ጠቃሚ 4=በጣም ጠቃሚ 3 =አልፎ አልፎ ጠቃሚ 2=አነስተኛ ጥቅም
1=ምንም አይጠቅምም.

የባንኩ ስም-----

አማራጮች	ዝርዝር መግለጫ		ደረጃ				
	1	2	3	4	5		
ሀ. የደንበኞች የ ባንክ አገልግሎት መምረጥ የሚያስችሉ ሁኔታዎች							
ምቹነት	1.	ባንክ ቤቱ የደንበኞች አቀባበልና አያያዝ					
	2.	የባንክ ቤቱ ሰራተኞች ስነምግባር					
	3.	የባንክ ቤቱ የሥራ አመራር ስርዓት					
	4.	ባንክ ቤቱ ለደንበኞች የሚሰጠው ሽልማት					
ጥራት ያለው አገልግሎት	5.	ከባንክ ቤቱ ሰራተኞች ጋር ያለው ግንኙነት					
	6.	ፈጣን የሰነድ ልውውጥ					
	7.	ፈጣንና በቂ አገልግሎት ስለሚሰጥ					
	8.	ትክክለኛና ፈጣን የሰነድ ዝውውር					
	9.	የኢንተርኔት ባንክ አገልግሎት መኖሩ					

	10.	የቅዳሜና ማታ ተጨማሪ የስራ ሰዓት መኖሩ					
	11.	አጠር ያለ የባንክ አገልግሎት ቆይታ					
የባንኩ ዝና	12.	አጠቃላይ የባንኩ መልካም ገጽታ					
	13.	የባንኩ ዝና/ሥመጥር መሆን					
	14.	ከሌሎች ባንኮች አንጻር የባንኩ የአገልግሎት ጊዜ ርዝመት					
	15.	የገንዘብ አያያዝ ደህንነትና ባንክ ቤቱ የሚወሰደው ጥንቃቄ					
	16.	የባንክ ሂሳብ ቁጥር ለማውጣት ያለው የስራ ቅለት					
የማስተዋወቅ ሁኔታ	17.	መንግስታዊ ባንክ መሆኑ					
	18.	ባንክ ቤቱ በተለያዩ የመገናኛ ብዙሃን እራሱ በተገቢው ማስተዋወቅ					
	19.	ባንክ ቤቱ ከገበያ ጥናት ዘርፍ ያለው የአካል የስራ ግንኙነት					
	20.	የባንክ ቤቱ የእድገት መስመር ላይ መሆኑ					
	21.	የባንክ ቤቱ አገልግሎቶች በአግባቡ ለተለያዩ ለህትመት እና ጋዜጣ ማስተዋወቅ					
የገንዘብ አያያዝ ሁኔታ	22.	በቁጠባ ሒሳብ ላይ ከፍተኛ ወለድ ስለሚከፍል					
	23.	ዝቅተኛ የአገልግሎት ዋጋ ስለሚያስከፍል (ለምሳሌ ለመላኪያ የሚያስከፍለውን)					
	24.	ብድር በዝቅተኛ ወለድ ሒሳብ ስለሚሰጥ					
የሰራተኛ ሁኔታ	25.	የሞባይል ባንክ አገልግሎት ስለሚሰጥ					
	26.	የኢንተርኔት ባንክ አገልግሎት ስለሚሰጥ					
	27.	ከሌሎች ባንኮች ጋር ያለው ግንኙነት					
	28.	የ “ATM” አገልግሎት ስለሚሰጥ					
ማህበረሰባዊ ሁኔታ	29.	የባንክ ቤቱ ሰራተኞች ሰነድ አገልግሎት					
	30.	ፈጣን የሰነድ ዝውውር					
	31.	ፈጣን የሰነድ ልውውጥ					
	32.	ትክክለኛና ፈጣን የሰነድ ዝውውር					
	33.	የኢንተርኔት ባንክ አገልግሎት መኖሩ					
	34.	የቅዳሜና ማታ ተጨማሪ የስራ ሰዓት መኖሩ					
	31.	አጠር ያለ የባንክ አገልግሎት ቆይታ					
የቅርብ ሁኔታ	33.	ከስራ ቦታ / ከመኖሪያ ቤት ያለው ቅርብነት					
	34.	ባንክ ቤቱ ያለበት ቦታ አመቺ በመሆኑ					

20. ጥናቱን በተመለከተ ማንኛውም ዓይነት አስተያየት ካለዎት?

እናመሰግናለን !!

Appendix, B

Survey Questionnaire (English Version)

Survey Questionnaire

Dear Respondents,

This questionnaire is designed to gather information about the major factors that Determine customers' bank selection in Gurage Zone Wolkite Town. All responses will be used to conduct a study for the partial fulfillment of Master's Thesis in business administration from Wolkite University and, then, as an input for banks to improve their service delivery your anonymity/ secrecy will be strictly maintained as we do not ask for your name here and will *not* be used for any other purpose. Besides, this Survey should only take about **5 minutes** of your time. We are grateful for your Cooperation in advance!

N.B Please put a "√" mark to all your responses in the space provided beside to each Question (if necessary).

Thank You

Principal Investigator: Kibebew Gebre Sira

Email: kib.geb21@gmail.com

Name of the bank -----

Part I: Personal Information

1. **Gender:** Male Female
2. **Age of respondent:** Below 27 years 27-35 Years
36-45Years more than 45 years
3. **Marital Status:** Single Married
Divorced Widowed
4. **Occupation:** Student Businessman Employee
5. **Level of education:** Primary completed Secondary completed
Diploma Bachelor Degree Master Degree or above
6. Could you indicate in which category your **monthly income** belongs?
 1. Less than Br. 2, 000 Br. 4, 001- 7, 000
 2. Br. 2, 000-4, 000 greater than Br. 7, 000

Part II: Banking Behavior of Respondents

7. Do you use bank services? Yes No

8. If your response to Q7 is **no**, why?

- 1. I don't have enough money
 - 2. Lack of awareness
 - 3. I use other alternatives (like Micro Finance Institutions, Idir, and Equb)
 - 4. I don't need it
 - 5. Please specify your reason.
-
-

9. If your response to Q7 is **yes**, which bank/s do you utilize for your banking Services?
(List them if you concurrently use many banks).

10. What is the length of your relationship with your main bank/s in terms of years?
(Please indicate for all banks). Less than a year 1-5 years above 5 years

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

- 1. Current account
 - 2. Saving account
 - 3. Loan/credit
 - 4. Transfer
 - 5. ATM service
 - 6. Other, please specify.
-
-

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

13. If your response for Q12 is **yes**, what type of service do you need to be added?

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

15. If your response for Q14 is **No**, what would be the reason for your dissatisfaction and what could be done to solve those problems?

 16. Do you have an intention to change your customer bank? Yes No

17. If your answer to Q17 is **yes**, please elaborate why?

18. If you ever changed your customer bank, has the current bank solved your aforementioned Problems? YES NO

Part III: Bank Selection Criteria

19. Indicate in the following table the rate of importance of the criteria you did consider by choosing a specific bank. Please **circle one** number for each statement by using the following scale ranging from “**5=most important**” to “**1=not important at all**” based on their degree of importance. Where, **5= most important 4= More important 3= somewhat important 2= less important 1= not important at all**

Name of the bank -----

Variables	Items	Scale				
		1	2	3	4	5
a. Determinants of customer’s bank selection decision						
Convenience factors	1. The ability of the bank to hold customer					
	2. The ethics of employees of the bank					
	3. Leadership style of the bank					
	4. The reward system of banks to the customer					
Service quality	5. Friendliness of bank personnel					
	6. Speed of transaction					
	7. Fast and efficient service					
	8. Accuracy and timeliness of statements					
	9. Availability of internet bank services					
	10. Its extended operation hours (i.e. Saturday, evening, etc.)					
	11. Minimum waiting time					

Bank Image	12	Overall image of the bank					
	13	Goodwill of bank among customers					
	14	Past experience of the bank compared to others					
	15	Safety of funds and confidence					
	16	<i>Easiness of opening bank account</i>					
Promotional Factor	17	Being a government owned bank					
	18	The banks' ability to advertise itself appropriately					
	19	Personal contacts from the bank marketing staff					
	20	The bank is heading in growth path					
	21	Presence of the bank in newspaper and print media					
Financial factors	22	Low interest rates on loan					
	23	High interest on saving accounts					
	24	Low service charges					
Technological Factors	25	Availability of mobile banking services					
	26	Availability of internet banking services					
	27	Connectivity with other banks					
	28	The facilities of ATM services					
Social Factors	29	The reception and hospitality the bank					
	30	Recommendation by family and friends					
	31	Being familiar with banks employee					
	32	Working culture of the bank					
Proximity factors	33	The closeness/nearness to my home/work place					
	34	The convenient location of the bank					

20. Comments (if you have any comments regarding this survey, please fill in).-----

THANK YOU....!!

Appendix, C

Interview Guidelines for managers and employee

Wolkite University

College of business and economics

Department of management

Introduction

Good morning/afternoon!

My name is Kibebew Gebre. I am working as an investigator, a post graduate student in Wolkite University, who is conducting a research here in Gurage Zone, Selected banks. The purpose of the study is to assess the *determinants of customer's bank selection decision in Gurage Zone Wolkite town*. For this purpose, I am here to ask you some questions that are important in connection with this particular study. You are selected purposively for this study. Findings of the study will be helpful in identifying *determinants of customer's bank selection decision in Gurage Zone*; and thereby contribute for reduction of unethical leadership practices. The study has no risk to you but it may take a maximum of 30 min for interview. The information you give will be used only for the research purpose. Your name will not be written on the form and will never be used in connection with any of the information you provide and your responses will be kept completely confidential. Therefore, I kindly request your cooperation to respond to the questionnaire. You have full right to refuse to respond at all or to withdraw in the meantime. However, your honest answers to the questions here under will be crucial to the success of the study and will have a great importance to concerned bodies in designing appropriate strategies in the reduction of unethical leadership. I would like to thank you in advance for your help!

Are you willing to participate? No → stop!

Yes → continue

Principal Investigator: Kibebew Gebre Sira

Email: kib.geb21@gmail.com

Name of the bank -----

Part I: Personal Information

1. Gender:

Male

Female

2. **Age of respondent:** Below 27 years 27-35 Years
 36-45Years more than 45 years
3. **Marital Status:** Single Married
 Divorced Widowed
4. **Occupation:** Student Businessman Employee
5. **Level of education:** Primary completed Secondary completed
 Diploma Bachelor Degree Master Degree or above
6. Could you indicate in which category your **monthly income** belongs?
 1. Less than Br. 2, 000 Br. 4, 001- 7, 000
 2. Br. 2, 001-4, 000 greater than Br. 7, 000

Part II: Part- II: Interview questions

1. What are the major determinants factors to select your bank service provision by customers?

2. What is the relative greater importance of each determinant in customers' bank selection?

3. How the customer's socio-demographic variables affect customer's bank selection decision?

4. Can you suggest solutions for the grievances you listed above?

Appendix, D

Table Determinants of customer bank selection decisions

Factors	Items	Mean	SD	Rank
Bank Image	Overall image of the bank	3.74	1.158	4
	Good will of bank among customers	3.7	1.052	1
	Past experience of the bank compared to others	3.64	1.195	5
	Safety of funds and confidence	3.73	1.04	3
	Easiness of opening bank account	3.79	1.063	2
	Grand mean	3.72	1.1	3
Service quality	Friendliness of bank personnel	3.68	1.052	4
	Speed of transaction	3.65	0.988	6
	Fast and efficient service	3.79	1.145	2
	Accuracy and timeliness of statements	3.84	0.989	1
	Availability of internet bank services	3.56	1.123	7
	Its extended operation hours (i.e. Saturday, evening, etc.)	3.78	1.04	3
	Minimum waiting time	3.67	1.116	5
	Grand mean	3.71	1.065	5
Convenience	The ability of the bank to hold customer	3.68	1.09	4
	The ethics of employees of the bank	3.8	1.044	2
	Leadership style of the bank	3.92	.922	1
	The reward system of banks to the customer	3.72	1.044	3
	Grand mean	3.78	1.025	1
Technology	Availability of mobile banking services	3.78	1.148	2
	Availability of internet banking services	3.56	1.123	4
	Connectivity with other banks	3.73	1.15	3
	The facilities of ATM services	3.85	1.108	1
	Grand mean	3.73	1.13	4

Factors	Items	Mean	SD	Rank
Promotional	Being a government owned bank	3.6	1.151	4
	The banks' ability to advertise itself appropriately	3.69	1.135	2
	Personal contacts from the bank marketing staff	3.61	1.092	3
	The bank is heading in growth path	3.75	1.014	1
	Presence of the bank in newspaper and print media	3.4	1.057	5
	Grand mean	3.61	1.09	6
Financial	Low interest rates on loan	3.32	1.182	2
	High interest on saving accounts	3.30	1.189	3
	Low service charges	3.41	1.168	1
	Grand mean	3.34	1.18	8
Social factors	The reception and hospitality the bank	3.59	1.044	2
	Recommendation by family and friends	3.57	1.108	3
	Being familiar with banks employee	3.49	1.05	4
	Working culture of the bank	3.77	.945	1
	Grand mean	3.61	1.04	7
Proximity	The closeness/nearness to my home/work place	3.69	1.16	2
	The convenient location of the bank	3.82	1.05	1
	Grand mean	3.75	1.11	2

Source: Calculated from Survey (2021)

Appendix, E

Total Variance Explained for the whole respondents

Total Variance Explained for the whole respondents									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.367	33.434	33.434	11.36	33.434	33.43	4.037	11.87	11.873
2	2.670	7.853	41.286	2.670	7.853	41.28	3.810	11.20	23.079
3	2.558	7.525	48.811	2.558	7.525	48.81	3.516	10.34	33.422
4	2.027	5.961	54.772	2.027	5.961	54.77	3.096	9.106	42.527
5	1.548	4.554	59.326	1.548	4.554	59.32	2.621	7.710	50.237
6	1.212	3.564	62.890	1.212	3.564	62.89	2.559	7.526	57.764
7	1.162	3.418	66.308	1.162	3.418	66.30	2.030	5.970	63.734
8	1.126	3.311	69.619	1.126	3.311	69.61	2.001	5.885	69.619
9	.847	2.491	72.110						
10	.819	2.408	74.518						
11	.800	2.354	76.872						
12	.736	2.164	79.036						
13	.711	2.091	81.127						
14	.619	1.821	82.947						
15	.590	1.736	84.683						
16	.526	1.547	86.229						
17	.507	1.491	87.720						
18	.462	1.359	89.079						
19	.442	1.300	90.380						
20	.391	1.150	91.530						
21	.360	1.058	92.588						
22	.330	.970	93.559						
23	.295	.869	94.428						
24	.253	.744	95.171						
25	.243	.716	95.887						
26	.217	.638	96.525						
27	.197	.580	97.105						
28	.177	.522	97.627						
29	.168	.495	98.122						
30	.157	.460	98.582						
31	.153	.450	99.032						
32	.127	.373	99.405						
33	.109	.322	99.726						
34	.093	.274	100.00						