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Determinants of Bank Selection Preference among Customers in Gondar Town

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Abstract
Bank sectors are the largest and the most important group of financial institutions in Ethiopia. They are responsible for the smooth functioning of payment mechanisms in the country. As economic environment is rapidly changing and customers are becoming more demanding and sophisticated, it has become important for financial institutions to determine the factors, which are pertinent to the customers' selection process of a particular bank. The objective of this study is determinants of Bank selection preference among customers in Gondar City. Using a sampling determination formula 399 customers taken and probability stratified sampling design techniques to select customers from each bank. Primary data and secondary information are used. The study use explanatory research type. Questionnaires have been developed using a 5-point Likert scale. Mean, standard deviation, Pearson correlation, and multiple regressions tests are used to test the hypotheses. Financial factor, technology factor, service quality factor, and promotional factor are the independent variables and customer bank preference is dependent variable. Further reliability and validity tests are performed before conducting multiple regression and independent coefficient analyses for testing the hypotheses. The study finding shows that independent variables all namely customer bank preference had positive and significant effect on customer bank preference. The effect of promotional related factor on customer bank preference is strongest and paramount followed by technology factor, service quality factor and financial factor correspondingly. Finally the researcher recommended that banks should hold well-integrated application of technology, and current ways of delivering banking services to their customers, and it is advisable to make easy of obtaining loan, making foreign exchange resources easy to get in the bank, increasing number of branches, and paying higher rates on saving. Banks should devote in marketing research to discover the needs and wants of their customers and be able to provide them with the service that will gratify the identified needs in a more efficient and profitable way to both the customers and the bank.

Key words: Determinant, Customer Bank Preference, Financial Factor, Technology Factor, Service Quality Factor, Promotional Factor
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1. INTRODUCTION

The trend towards globalization has introduced many changes in the economic and business environment all over the world (Rehman & Ahmed, 2008). The world economy faces an increase in the importance of service industry. The value added of services industry as percent of world gross domestic product was about 70% (World Bank, 2011). On the other hand, the importance of banking and financial services in the world services industry cannot be understated (Mishkin, 2001). New technologies and information systems forced these institutions to offer more sophisticated and technological services in the banking and finance industry. Today`s competitive financial atmosphere also led banks and financial institutions to improve their service quality and follow new technologies. Internalization trends in the banking industry as a result of higher competition between banking sectors enforces these industries to increase the level of customer satisfaction (Salih, et al, 2011).The importance of banking and financial services in the world services industry cannot be understated. Today, new technologies and information systems are forcing these institutions to offer more sophisticated and innovative services in the banking and finance industry. The competitive financial atmosphere also led banks and financial institutions to improve their service quality and follow new technologies (Tehulu and Wondmagegn, 2014). The increase in competition naturally benefits banking customers.

The banking industry has been characterized by increasing competition since the early 1980s. This has been the result of a number of interrelated factors such as competition and deregulation that have revolutionized the distribution of many financial services. In other words, an increased competition resulting from a decade of deregulation of the financial services industry has meant that banks find themselves faced with the task of differentiating their organizations and their offerings as a means of attracting customers (Blankson et al., 2007).

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).

For achieving customers' needs, there is need to understand what is valuable to them and how they make decision. Understanding the financial needs of customers from the bank's perspective is cornerstone in conceptualizing their selection criteria which is largely reflected from the products and services offered by a bank(Maiyaki, 2011).

In Ethiopia as well the banking sector has been flourishing with the sector entertaining more participants from both private and public sector (NBE, 2012). The increase in the number of banks in the industry to some extent has increased the sense of competition among banks (Lelissa, 2014).To plan an appropriate marketing strategy for attracting new customers, commercial banks need to identify the criteria on which potential customers determine their bank selection decision (Almossawi, 2001).Currently in Ethiopia, banks are engaged in providing numerous financial products and services to their consumers e.g., deposits, loans, foreign currency transaction, mobile banking, internet banking etc. Presently, there are many private banks operating in Ethiopia. The increase in number of banks has increased the competition in the banking industry that has led the use of latest technology to provide speedy services and other facilities to their customer (NBE, 2012).

As economic environment is rapidly changing and customers are becoming more demanding and sophisticated, it has become important for financial institutions, to determine the factors, which are pertinent to the customer's selection. Therefore, for this sector, the quest lies in determining the basis on which customers, make their selection for a banking service (Aregbeyen, 2011). The banking industry appears as one of the most rapidly emerging sector. So it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services. A set of determinant factors that have significant role in bank selection in one nation may prove to be insignificant in another. Currently, there are 18 banks in Ethiopia, of which 16 are private banks and the rest are government owned banks. Even though sharing strong expansion, there are of course prominent variations along with banks in terms of their aggregate size, revenue sources, customer focus, loan concentration, and operational efficiency (Tesfaye et al., 2019).

Usually, the marketing plans of organizations do fail at implementation due to improper identification of the factors or determinants that consumers consider in selecting who to deal with (Devilin and Gerrard, 2005). Hence, there is need for banks, like other service organizations, to effectively identify the important parameters that attract customer's attention and help in their choice of banks to do business with. In addition, there is a need for banks to know how customers choose their banks and take measures to attract them before others do. And the growing competitiveness in the banking industry and similarity of services offered by banks has made it progressively more significant that banks identify the issues that determine the basis upon which customers choose between providers of financial services. Therefore, the researcher motivated to assess the determinants of bank selection preference among customers in Gondar town.

Statement of the Problem

In this substantial competitive business atmosphere, for firms to survive they should be able to attract and retain customers. Service organizations might be able to effectively attract and retain customers without satisfying their needs and/or wants. And to meet customers' needs, there is need to understand what is valuable to them and how they make decisions (Maiyaki, 2011).To be profitable in a competitive industry, companies need to offer customers more value or be able to produce products and/or services more cheaply. Sometimes marketing planning of organizations do fail due to improperly identifying the factors or determinants that consumer consider in bank selection. Bank management must identify and improve upon factors that can increase customer retention (Leibert, 2004). Hence, there is need for service organization to effectively differentiate their offerings from those of competitors in order to attract customers' attention and choice.

Nowadays in Ethiopia the banking sector has been flourishing with the sector entertaining more participants from both private and public sector (NBE, 2012). Banking sector is the most prominent and competitive sector in Ethiopia. Various banks are working to stay ahead of their competitors by providing efficient services to customers (Agazu & Shewmolo, 2020).The growing competitiveness in the banking industry and similarity of services offered by banks necessitates a detailed understanding of the influential factors behind the bank selection decision. That is, banks should identify the factors that determine the basis upon which customers choose between providers of financial services (Agazu & Shewmolo, 2020; Lake, 2022). Commercial banks need to identify the criteria on which potential customers determine their bank selection decision in order to plan

an appropriate marketing strategy for keeping present customers and attracting new ones. Customers are exposed to diversified choices and they are much concerned about the value for money. This means that there are unlimited switching choices (Hussein, 2021; Helen, 2018).

Recently there are significant variations in customer bank selection, with a difference in provision customer characteristics-based service. Different banks now offer different services to customers based on religious affiliation, age, gender, number of transactions with banks, and salary paid through the bank with the agreement of different companies (Lake, 2022).In addition, to design a suitable marketing strategy, banks need to identify the difference between frequent and infrequent bank users in their choice of banks. However, the previous studies in Ethiopia have not given enough attention to measure the differences in bank preference criteria (Alemayehu, 2019).Again, Kifle (2016) suggested that commercial Banks in Ethiopia are feeling the competitive pressure which led to huge investment in their branch network expansion, adopting new technology and rolling out new products. However, one can notice that introduction of new product offerings as well as technology by banks seems to be very similar across the board limiting differentiation. But still there is unbalance customer share between the different public and private banks as well as there are also different demand level in those banks,

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

A review of literature indicates that; the issue of bank preference process attracted considerable attention in the bank marketing literature, but as per the knowledge of the researcher there were some researches done regarding to customer's bank preference decision in Ethiopia; specifically in Gondar city. The study (Mengesha, 2021)consumers' bank selection decision in selected cities in Ethiopia specifically on two cities of Addis Ababa and Adama;for method of data analysis descriptive statistics and correlation were used but multiple linear regression was missed. The study that have been conducted in Worabe, Ethiopia by (Agazu & Shewmolo, 2020) on title of "analysis of factors affecting customer's selection of bank services" used only of service quality factors but it ignored other variables.

Besides, there were the inconsistencies of the findings between the previous studies. Such as according to Tesfaye et al. (2019),financial factor has insignificant relation with bank preference decision while technology factors, service quality factors, bank image and reputation factors, and convenience factors have significant and positive relation with bank selection decision; whereas Mengesha (2021) found that financial factor, service provision, branch location and secure feeling are the top four important bank selection criteria to consumers' bank selection decision; Agazu and Shewmolo (2020) argued that financial factors(low service charge, and low interest rate on loan) and parking service are least important factors of bank selection for customers while good customer service, security arrangement of the bank, ATM facility, offered variety service and internet banking have significant effect on customer bank selection; Teymur Akhundov (2021) innovativeness and variety of services (credit cards), ATM network and accessibility, respect and friendliness staff, brand name at the market, and low interest rate on loans are the most important influencing factors for customers during the bank selection decision,

Moreover, includes the study of Addisu (2018)there is no existing literature in the case of Gondar City that focuses on the following determinant factors of customer bank preference decisions: financial factors, technology factors, promotional factors, personal factors and service quality factor and even the study of Addisu used small sample (150 only) from five banks and multiple linear regression was missed. So, what makes the current study unique is that it will use multiple linear regressions models and enough sample from different banks in Gondar city.

For that reason, this study was particularly focused on analyzing the determinants factors that affect customers' bank preference in Gondar City. Such a study would be likely to identify the reason for the unbalance share of

customer among banks, as much as possible try to improve the inconsistence of the previous findings and support one of them and as much as possible try to provide reliable literature for the reasons of customers' bank selection among various alternatives in Gondar City. Therefore, the aim of this study was to examine determinants that affect customers' bank selection preference in banking service industry in Gondar city.

1.3. Objectives of the Study

The main objective of this study is to investigate the determinants of Bank selection Preference among customers in Gondar town.

1.3.2 Specific Objectives

The following are the specific objectives of this study:

1. To identify the effect of financial factors on customers bank preference in Gondar city.
2. To examine the effect of technology factors on customers bank preference in Gondar city.
3. To determine the effect of service quality factor on customers bank preference in Gondar city.
4. To determine the effect of promotion on customers bank preference in Gondar city

1.1 Hypothesis of the Study

Ho: Financial factors have no significant effect on customers' bank preference in Bank service industry in Gondar city.
Ho: Technology factors have no significant effect on customers' bank preference in Bank service industry in Gondar city.
Ho: Service quality factors have no significant effect on customers' bank preference in Bank service industry in Gondar city.
Ho: Promotional factors have no significant effect on customers' bank preference in Bank service industry in Gondar city.

3. RESEARCH METHODOLOGY

3.1 Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2017). For this study, the researcher used explanatory research design. The reason the researcher was used explanatory research is to investigate the cause-and-effect relationships, in order to determine causality; to observe variation in the variable that is assumed to cause the change in the other variable and then measured the changes in the other variable using statistical methods, and to understand the very nature of what are actually looking at it.

Explanatory research is a research method that explores why something occurs when limited information is available. It can help you increase your understanding of a given topic, ascertain how or why a particular phenomenon is occurring, and predict future occurrences. Explanatory research can also be explained as a "cause and effect" model, investigating patterns and trends in existing data that haven't been previously investigated. For this reason, it is often considered a type of causal research. Therefore, researcher has been used explanatory research design that can be used to investigate the cause-and-effect relationships between determinants of customer bank selection elements and customer bank preference.

3.2 Target Population

Researchers defined the research population that researcher needs to examine the whole group ofpeople, events or things. The target population is the entire population, or group, that a researcher is interested in researching and analysing. The target population is the total group of individuals from which the sample might be drawn. A sampling frame is then drawn from this target population. The target population is the group of individuals that the intervention intends to conduct research in and draw conclusions from. In cost-effectiveness analysis, characteristics of the target population and any subgroups should be described clearly (Peck et al., 2015).The target population of this study is customer of six commercial banks namely Abay bank, Awash Bank, Dashen bank, Hibret bank, Abyssinia bank and Wegagen Bank, those operating in Gondar city administration and

selected six banks with 149,637 customers (Customer Base Report, 2022, obtained from Gondar town each bank district resource mobilization department).

3.3 Sampling Method and Technique

There are two types of sampling methods: Probability sampling involves random selection, allowing you to make strong statistical inferences about the whole group. Non-probability sampling involves non-random selection based on convenience or other criteria, allowing you to easily collect data. Sampling method refers to the rules and procedures by which some elements of the population are included in the sample. Some common sampling methods are simple random sampling, stratified sampling, and cluster sampling.

The researcher has been use probability stratified sampling design techniques. The strata are six selected bank branches in Gondar town. Kothari (2017) the main purpose of stratification is to reduce sampling error, in order to increase efficiency. It involves the division or stratification of a population by partitioning the sampling frame in to non-overlapping and relatively homogeneous groups. The different populations of customers are stratified into different types of banks in Gondar city independently and the required sample size for the study is determined for each stratum separately. The base of researcher's strata was six selected banks (their main branches in Gondar town).

According to Dawson (2009) the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Then, Yamane (1967) provides simplified formula to calculate sample sizes and at 95%confidence level and P =0.5 are assumed.

.$n = \frac{N}{1+N(e)^2}$ Where n is the sample size is the population size, and e is the level of precision. When this formula is applied to the above sample, we get

$$n = \frac{N}{1+N(e)^2} = \frac{148{,}000}{1+148{,}000(0.05)^2}$$

Where, N = total population 148,000 (Customer Base Report, 2022, obtained from Gondar city each bank district resource mobilization department).

3.4 Sample Selection Techniques

Proportional allocation sets the sample size in each stratum equal to be proportional to the number of sampling units in that stratum. Proportional allocation yields a self-weighted sample (no additional weighting is required to estimate unbiased population parameters).

The total sample taken from six bank branches therefore, the researcher used sample size allocation formula to know the size of the sample in each branch, after that there searcher has been selected respondents with convenience methods from each selected bank branches since they are different.
Sample proportional allocation formula;

$$\boldsymbol{n_i = N_i * (n/N)}$$

Where i=1, 2, 3…. k
$\boldsymbol{n}$ =Total sample $\boldsymbol{N}$ = total population in all branches (selected banks)
$\boldsymbol{N_i}$ =total population of a single selected branch
$\boldsymbol{n_i}$=single sample from the strata (kothari, 2004).

The sample of respondents was taken from each selected bank as shown in the table below.

Table 3.1. Sample Size Allocation

No	Branches (Banks)	Number of customers in each Bank branches	Sample size for each Bank branches
1	Abyssinia Bank (Main Branch))	30000	30000*399/148000=81
2	Hibret bank (Main Branch)	28000	28000*399/148000=75
3	Abay Bank (Main Branch)	27000	27000*399/148000=73
4	Dashen Bank(Main Branch)	24000	24000*399/148000=65
5	Wogagen Bank (Main Branch)	23000	23000*399/148000=62
6	Awash Bank(Main Branch	16000	16000*399/148000=43
	Total	148,000	**399**
Source: Customer Base Report, 2022, obtained from Gondar city each bank district resource mobilization department.			

Then, the researcher through convenience technique selected 81 from Abyssinia Bank (main branch) out of 30000, 75 from Hibret bank (Main Branch) out of 28000, from Abay Bank (Main Branch) 73 from out of 27000, 65 from Dashen bank (Main Branch) out of 24000, 62 from from Wogagen Bank (Main Branch), out of 23000 out and 43 from Awash Bank (Main Branch) out of 16000 ,with the total respondents of 399.

3.5 Data Type and Sources

The sources of data can be different depending on the need for the data for the research work.
The type of data also impacts the collection of data. All data is categorized into forms: primary and secondary data. Both types of data are gathered from different sources of data. The sources are reliable and are widely used for gathering specific information about the research work.

3.6 Methods of Data Collection

To grasp data for the study, hard copies of the questionnaire will be distributed to all my target audiences especially customers of selected six commercial banks in Gondar city. A five Likert scale questionnaire was prepared and distribute to the strata selected. Those respondents (participants) who need further explanation on the questionnaire and any other related item are communicated face to face so as to minimize the risk of misinterpretation and misconceptions. Responses were collected personally by the researcher

3.8 Model Specification

A researcher used a model multiple regression analysis; to analysis determinants of bank selection preference among customers, in multiple linear regression study, there is one dependent variable and at least two independent variables. The analysis enables to found out some judgment about the fact and also relative strength of independent variables. Hair (2005) argued that for analyzing the relationship between one independent variable and several independent variables multiple regressions analysis can be applied. Hence multiple regression analysis is an appropriate way to cheek the relationship between independent variables and dependent variable in this study.
The independent variables are bank selection determinants (financial factors, technology factors, service quality factor, promotional factor) where as adependent variable is customers' bank preference, in this **equation of multiple regression models** is shown as below.

Where, Y= dependent variable = Customer Bank Preference

β_0= y-intercept /the regression coefficient/constant

X_1 = Financial Factors, X_2 = Promotional Factor, X_3= Technology Factors, X_4 = Service Quality Factor

£ =error term at 95% confidence level
For accurately determine the effect of independent variables on dependenet variable by using the above multiple regressions formula the folowing asumptions was considered.

Assumptions

The MLR model is based on several assumptions. Provided the assumptions are satisfied, the regression estimators are optimal in the sense that they are unbiased, efficient, and consistent.

Ostrom (1990, p. 14) lists six basic assumptions for the regression model:
1. Linearity: the relationship between the predict and the predictors is linear. The MLR model applies to linear relationships.

2. No stochastic X: $E(e_i X_{i,k}) = 0$ The errors are uncorrelated with the individual predictors.
3. Zero mean: $E[e_i] = 0$ The expected value of the residuals is zero. This is not a problem because the least squares method of estimating regression equations guarantees that the mean is zero.

4. Constant variance: $E\lceil e_i^2 \rceil$ =The variance of the residuals is constant.
5. Nonauto regression: The residuals are random, or uncorrelated in time.
6. Normality: the error term is normally distributed. This assumption must be satisfied for conventional tests of significance of coefficients and other statistics of the regression equation to be valid. It is also possible to make no explicit assumption about the form of the distribution and to appeal instead to the Central Limit Theorem to justify the use of such tests.

3.9 Methods of Data Analysis

To analysis and test the given questionnaire the researcher has been used Statistical Package for Social Science (SPSS) 23versions. For the purpose of data analysis both descriptive and inferential statistics was applied. Descriptive statistical measures were used to describe the study sample characteristics. Quantitative data analyzed using both descriptive statistics and inferential statistics in the analysis. The descriptive statistics included means and standard deviations. On the other hand, inferential statistics included Analysis of Variance (ANOVA), multiple regression analysis (MLR) and Pearson correlation analysis (PCA).

Cranach's alpha tests (α) apply to test the reliability of the scale. The general purpose of multiple linear regressions (the term was first used by Pearson, 1908) is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable (Multiple Regression, 2012). MLR is based on least squares; the model is fit such that the sum of squares of differences of observed and predicted values is minimized. Furthermore, a multiple linear regression analysis is carried out to predict the values of a dependent variable, Y, given a set of p explanatory variables (X_1 , X_2 , X_p)'' (Elliot & Mark Tranmer,2010).

4. DATA ANALYSIS AND DISCUSSION OF RESULT

4.1 Introduction

This chapter is all about the results of the study. The results of the study are presented and discussed in detail. The first part of the chapter discuss about the distributed and returned questionnaires. The second part is about the responses received and the analysis made along with the interpretations of the results.

4.2 Response Rate

Even though the sample size of the study is 399 questionnaires were distributed but only 350 questionnaires were returned. Out of 350 questionnaires 8 questionnaires were rejected. 5 out of the 8 questionnaires were rejected due to missing data and the rest3 questionnaire was returned unfilled. Therefore, 342questionnaires served as data for analysis to present the findings and draw a conclusion.

Table 4.1: Mean Value Interpretation Criterion

No	Mean Score	Interpretation
1	1.00-1.80	Strongly disagree
2	1.81-2.60	disagree
3	2.61-3.20	Neutral
4	3.21- 4.20	High / agree
5	4.21-5.00	Very/ strongly agree

Source: Moidunny (2025)

Based on this the mean scores have been computed for all components of the independent variables and the dependent variable as follows.

4.3 Descriptive Statistics

4.3.1 Frequency Analysis of the Respondents' Profile

The demographic profile of the sample respondents is presented and analyzed below. The purpose of assessing respondents' age, sex, is that, to determine whether the researcher considered heterogeneity of sample units. On the other hand, assessing the education level of the respondents' is that, when the respondents are more experienced and educated, they have better opportunity to understand the case and give better response than else.

Table 4.2: **Demographic Profile of Respondents**

Variable	Response	Frequency	Percentage
Sex	Male	190	55.6
	Female	152	44.4
	Total	342	100.0
Marital status	Single	126	36.8
	Married	216	63.2
	Total	342	100.0
Age of respondents	<20 years	40	11.7
	21-30 years	117	34.2
	31-40 years	130	38.0
	above 40 years	55	16.1
	Total	342	100.0
Education Status	Elementary and Secondary Level	30	8.8
	Certificate	64	18.7
	Diploma	121	35.4
	Degree And Above	127	37.1
	Total	342	100.0

Source: own survey (2025)

Sex frequency of the respondents shows that the numbers of male respondents were greater than female respondents. This is 55.6% of the respondents were male, while 44.4 % were female respondents, this implies that most of the respondents are male. The frequency distribution of respondents' marital status, the largest of the respondents 63.2% are married followed by 36.8% single. Respondents' age between 31 to 40 years formed the largest age group and represented 38.0% of the sample followed by 21 to 30 years with 34.2%. Concerning to education status, the highest education level attained by most of the respondents was degree and above a holders which represents with 37.1% followed by bachelor diploma (35.4%) and certificate holder 18.7%.

Table 4.3: Types of Business Engaged and Income Level

	Alternatives	Frequency	Percentage (%)
Type of business engaged in	Not working	73	21.3
	Salaried employed (public)	111	32.5
	Salaried employed(private)	70	20.5
	Self employed (own business < 500,000 capital)	49	14.3
	Self employed (own business > 500,000 capital)	39	11.4
	Total	342	100.0
Income level	Below 2000 birr	56	16.4
	2000-4000 birr	58	17.0
	4000-5000 birr	126	36.8
	Above 5000 birr	102	29.8
	Total	342	100.0

Source: own survey (2023)

Table 4.3 shows that 32.5% of the respondents are salaried employed (public),21.3% of respondents do not have work, 20.5% of respondents are salaried employed (private), 14.3% of respondents are self employed (own business<500,000 capital) followed by self-employed (own business>500,000 capital). This indicates that most customers are salaried based employees in public sectors followed by not working customers. Majority (36.8%) of customers' income level exist 4000-5000 birr. 29.8 % of customers income level is above 5000 birr followed by 17.0% of respondents birr 2000-4000, 16.4% of respondents below 2000 Birr.

4.2.2 Descriptive Analysis of Financial Related Factors

The mean score of the respondents' answers to the item interest rate of interest paid on saving deposits is equivalent of all banks is 3.57 on a 5point scale, while the standard deviation is 1.156.This means that, the respondents agreed on 'rate of interest paid on saving deposits is equivalent of all banks', and respondents are agreed on the question items of 'safety of funds and confidence' with mean value of 3.48 and 1.136 of std. deviation.

Table 4.4: Descriptive Analysis of Financial Related Factors

No	**Items**	**N**	**Mean**	**Stand. deviation**
1	Rate of interest paid on saving deposits is equivalent of all banks	342	3.57	1.156
2	Safety of funds and confidence	342	3.48	1.136
3	Implicit/explicit guarantees to the depositors such as deposit Insurance.	342	3.62	1.093
4	Rate of interest charged for loans is small as compared to others.	342	3.58	1.130
5	Profitability of the bank is on the highest.	342	3.66	1.184
6	Risk exposure of the bank is not significant.	342	3.99	1.112

Source: own survey (2025)

The mean score of the respondent's answers to 'implicit/explicit guarantees to the depositors such as deposit insurance' is 3.62 on a 5-point scale, and the standard deviation is 1.093. This implies that customers are agreed on there are implicit/explicit guarantees to the depositors such as deposit insurance.
In the question item of 'rate of interest charged for loans is small as compared to others', respondents are agreed with mean value and std. deviation value of 3.58 and 1.130 respectively. Similarly respondents are agreed on question of 'profitability of the bank is on the highest' with mean value and Std. Deviation value of 3.66 and 1.184 respectively. This indicates that most of banks profitability is on the highest. The mean score (3.99) and

standard deviation value (1.112) indicates that customers are agreed on item of 'risk exposure of the customers bank is not significant'. This indicated that most banks are not exposed to risk.

Concerning to financial related factor, for open-**ended question** customers mentioned some additional determinants of their bank preference such as; *bank's financial stability which assist to customer much-needed assurance that is required to assuage bank customers' fear about bank failure. Security of deposits and security of customer information is a key reason for choosing a particular retail bank. Most customers prefer banks based on announcements on interest rates is their first consideration in patronizing a particular bank and puts reason of safety of fund during the financial crisis, has greater possibility to patronize. Service charge policy is the important influencing factor in choosing banks by customers, and interest rates on deposits and loans are more significant determinant factors for customers' bank preference.*

4.2.3 Descriptive Analysis of Technology Related Factors

Table 4.5 below shows that, the mean score of the respondents' answers to the item 'the bank provides mobile banking services' is 3.97 on a 5 point scale, and the standard deviation is 1.093.This means that, the respondents agreed on the bank provides mobile banking services, and respondents are agreed on the question items of 'internet banking services are available' with mean value of 3.85 and std. deviation of 1.041.

Table 4.5: Descriptive Analysis of Technology Related Factors

No	Items	N	Mean	Stand. deviation
1	The bank provides mobile banking services.	342	3.97	1.093
2	Internet banking services are available.	342	3.85	1.041
3	Points of sale terminals are available.	342	3.75	0.938
4	The bank has implemented a better market segmentation (strategy influencing my choice).	342	3.60	1.058
5	The number of ATMs is adequate and accessible.	342	3.83	1.041

Source: own survey (2025)

The mean score of the respondent's answers to 'points of sale terminals are available' is 3.75 on a 5-point scale, and the standard deviation is 0.938. This implies that customers are agreed on points of sale terminals are available.

In the question item of 'the bank has implemented a better market segmentation (strategy influencing my choice)', respondents are agreed with mean value and std. deviation value of 3.60 and 1.058 respectively. Similarly respondents are agreed on question of 'the number of ATMs is adequate and accessible' with mean value and Std. Deviation value of 3.83 and 1.041 respectively. This indicates that the number of ATMs is adequate and accessible.

Regarding to technology related factor, for **open-ended question** customers mentioned some additional determinants of their bank preference such as; *respondents replied that electronic banking services and the banks' efficiency are important influencing criteria in choosing their banks; including online banking and 24-hour ATMs' availability. Convenient location and accessibility of ATM service, POS machine, speed, and quality of service, customized and fast services, and priority to the customers are a paramount factor for customers' bank preference.*

4.2.4 Descriptive Analysis of Service Quality Factors

Table 4.6 below shows that in the question item 'loans are easily available or accessible; respondents are disagreed with mean value and std. deviation value of 2.36 and 0.838 correspondingly. This indicated that loans are easily available or accessible for customers. Similarly respondents prefer neutral on question of 'Forex resources are easy to get in the bank.' with mean value and Std. Deviation value of 3.20 and 0.976 respectively. For question item 'the range of services offered is among the best in the industry' customers agreed with mean and standard deviation value of 3.82 and 1.213 respectively. And, the data shows that customers were agreed on item 'The speed of services is among the best in the industry' with 3.80 and 1.034 mean and standard deviation value correspondingly.

Table 4.6: Descriptive Analysis of Service Quality Factors

No	Items	N	Mean	Stand. deviation
1	Loans are easily available or accessible.	342	2.36	0.838
2	Forex resources are easy to get in the bank.	342	3.20	0.976
3	The range of services offered is among the best in the industry.	342	3.82	1.213
4	The speed of services is among the best in the industry.	342	3.80	1.034
5	Branch opening and closing hours are convenient.	342	3.67	0.949
6	Service through online banking is available 24/7.	341	3.92	0.869

Source: own survey (2025)
For item 'branch opening and closing hours are convenient' respondents were agreed with respective mean and standard deviation value of 3.67 and 0.949. This implies that bank Branch's' opening and closing hours are convenient to customers. Similarly customers' agreed on 'service through online banking is available 24/7' with mean and standard deviation value of 3.92 and 8.69 respective. This indicates that there online banking service twenty four hours.

Regarding to service quality factor, for **open-ended question** customers mentioned some additional determinants of their bank preference such as; *respondents argued that efficient service quality and speed of transactions have significant positive influence on their bank selection decision. Customers claim that appearance from the bank premise, reliability of service, integrity of a bank, and easy accessibility are the reasons contribute to overall satisfaction pointer to choice banks.*

4.2.5 Descriptive Analysis of Promotional Factors

Table 4.7 below shows that on item 'the bank is advertising itself appropriately' customers agreed with respective mean and standard deviation value of 3.88 and 1.121. This implies that banks are advertising themselves appropriately.

Table 4.7: Descriptive Analysis of Promotional Factors

No	Items	N	Mean	Stand. deviation
1	The bank is advertising itself appropriately.	342	3.88	1.121
2	TV/radio presence has made me to choose the bank.	342	3.73	1.039
3	Presence in newspaper and print media has made me to choose the bank.	342	3.20	1.020
4	Personal contact from bank marketing staff has influence my choice.	342	3.59	0.980
5	Referral from other customers has influenced my bank decision.	342	3.18	1.054

Source: own survey (2025)
The mean score of the respondent's answers to 'TV/radio presence has made me to choose the bank' is 3.73 on a 5-point scale, and the standard deviation is 1.039. This implies that customers TV/radio presence has made me to choose the bank. On question item of 'presence in newspaper and print media has made me to choose the bank ', respondents are neutral with mean value and standard deviation value of 3.20 and 1.020 respectively. For item 'personal contact from bank marketing staff has influence my choice' respondents were agreed with mean and standard deviation value of 3.59 and 0.980 correspondingly. This indicates that personal contact from bank marketing staff has influence customers bank choice. Moreover, respondents were neutral on 'referral from other customers has influenced my bank decision' with mean value of 3.18 and standard deviation value of 1.054.

Regarding to promotional factor, for **open-ended question** customers mentioned some additional determinants of their bank preference such as; *promotion provides the greatest opportunity inform people about their existence and to their service, uniqueness, etc. Awareness of banks' service, performance, and activities through person-to person advertisement, and television advertisement influences respondents in their bank selection*

decision. Television adverts usually tend to have more of consumers' attention, since not only do they hear what the advertisers have to say, they also see what they can get. But some of the respondents aware that there is an impact in the communication of a bank presented, but this will not influence them. This is because they understand and can differentiate the perceived quality and actual quality of the service delivered by bank. Moreover, customers are preferred banks based on announcements of the bank on interest rate and safety of funds, and types of services provided.

4.2.6 Descriptive Analysis of Customer Bank Preference

Table 4.8: Descriptive Analysis of Customer Bank Preference

No	Items	N	Mean	Stand. deviation
1	I am highly confidential in my bank selection.	342	3.80	1.069
2	I believe that determinants of bank selection influence me to my bank preference.	342	3.75	0.957
3	I understand that bank selection determinants help to influence customer by making the customers want to use.	342	3.61	0.974
4	I am deciding my Bank to use its bank service independently.	342	3.53	1.039

Source: own survey (2025)

In table 4.8 above, the mean score of the respondents' answers to the item 'I am highly confidential in my bank selection' is 3.80 on a 5 point scale, and the standard deviation value is 1.069. This means that, the respondents agreed on 'I am highly confidential in my bank selection', and respondents are agreed on the question items of 'I believe that determinants of bank selection influence me to my bank preference' with mean value of 3.75 and std. deviation of 0.957. So this indicates that customers believe that determinants of bank selection influence their bank preference. The mean score of the respondent's answers to 'I understand that bank selection determinants help to influence customer by making the customers want to use' is 3.61 on a 5-point scale, and the standard deviation is 0.974. This implies that customers agreed on I understand that bank selection determinants help to influence customer by making the customers want to use. Moreover, on question item of 'I am deciding my Bank to use its bank service independently', respondents are agreed with mean value and std. deviation value of 3.53 and 1.039 respectively.

For **open-ended** questions customers mentioned the following factors those determine their bank preference;

- *Convenience location of the bank and accessibility are some of the important factors in a bank selection by the customers. Friendly / pleasing manners of staff as the major factors in a bank selection by the sampled customers of the bank. Security and assurance of confidentiality encourage customers to open their bank accounts and makes financial transactions.*

- *Reputation is the most influencing factor for customers in selecting a bank. Some respondents focus on bank reputation and brand image. Reputation depends on three elements, namely the reliability of the bank, trust worthiness and financial stability of the bank. Some respondents said, "Through the bank reputations then customers know which bank can be trusted and they personally would not go out for just any bank but has proved overtime". Some of the respondents explained that the prestigious bank is trustable, and conducts any transactions with the reputable bank make them feel safe while compare to the others bank.*

- *Quality of services and innovative banking schemes, advanced and quick response of the banks, the sociability of the staff and confidence in manager, price and cost, staff approaches, and ease of bank location and services are the most influential determinants for choosing banks by the customers. Speed of transactions, fast and efficient services, bank personnel friendliness, and bank confidentiality was the most important selection criteria in choosing their banks.*

- *Customers reason to switch service providers are high loan interest rate, difficult to get loan ,inconvenience (location/hours, wait for services), core service failure, service encounter failure (uncaring,*

impolite, unresponsive and unknowledgeable personnel), response to service failure (negative response, no response or reluctant response), competition (found better service), ethical problems, and involuntary switching (customer moved or provider closed). Customers tend to switch to a new provider if the new provider is closer to their home or workplace, because it directly determines whether the customer can access their banks on a regular basis, and if customers get loan easily as compare to the earlier banks.

4.3 Correlation Analysis

According to MacEachron (1982), a correlation coefficient expresses quantitatively the magnitude and direction of the relationship between two variables. Correlation coefficients vary from +1.0 to -1.0. The sign of the coefficient tells us whether the relationship is positive or negative. The numerical portion of the coefficient describes the magnitude of the relationship. The larger the number, the stronger the correlation is. A coefficient of +/- 1.0 indicates that a perfect relationship exists b/n the two variables. Coefficient of 0.0 means no relationship exists between the variables. A positive correlation result means that both variables increase in relation to each other, while a negative correlation means that as one variable decreases, the other increases. In order to determine if there were any significant relationships between the variables, the main focus of this section being on the overall relationship between the dependent and independent variables in table 4.8, Correlation coefficient of Pearson was applied to study the relation between constructs variables. According to MacEachron (1982, correlation Values between 0 and 0.3 (0 and -0.3) indicate a weak positive (negative) linear relationship, Values between 0.3 and 0.7 (0.3 and -0.7) indicate a moderate positive (negative) linear relationship and values between 0.7 and 1.0 (-0.7 and -1.0) indicate a strong positive (negative) linear relationship. Hence, in this study Bivariate Pearson Coefficient (r) was used to examine the relationship between the variables by using a two-tailed test of statistical significance at the level of 95% significance, P< 0.05.Therefore, in this study all correlation results are interpreted in light of this rule.

Table 4.9: **Correlation Matrix of Variables**

Correlations						
		Financial Related Factors	Technology Related Factors	Service Quality Factor	Promotional Factors	Customer Bank Preference
Financial Related Factors	Pearson Correlation	1	.431**	.240**	.361**	.433**
	Sig. (2-tailed)		.000	.000	.000	.000
Technology Related Factors	Pearson Correlation	.431**	1	.297**	.371**	.508**
	Sig. (2-tailed)	.000		.000	.000	.000
Service Quality Factor	Pearson Correlation	.240**	.297**	1	.275**	.404**
	Sig. (2-tailed)	.000	.000		.000	.000
Promotional Factors	Pearson Correlation	.361**	.371**	.275**	1	.503**
	Sig. (2-tailed)	.000	.000	.000		.000
Customer Bank Preference	Pearson Correlation	.433**	.508**	.404**	.503**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Own Survey (2025)

The above table4.9, the correlation value between financial related factors and customer bank preference is r = 0.4338& p<0.05, these indicates moderate positive relationship between variables. And the value of correlation between technology related factors and customer bank preference is 0.508& p<0.05, the relationship between service quality factor and customer bank preference is r=0.404& p<0.05, the relationship between promotional factors and customer bank preference is r=0.503& p<0.05. This indicates a moderate positive relationship between the two variables. Again the relationship between the financial related factors and technology related factors, the value of correlation is r = 0.431 & p<0.05. This shows that there is a moderate positive relationship between the financial related factors and technology related factors, and the value of correlation between service quality factor and technology related factors is r = 0.297& p<0.05. This indicates that these two

variables have a weak positive relationship. The value of correlation between promotional factors and service quality factor is r = 0.275 &p<0.05. This indicates a weak positive relationship between the two variables.

4.4 Regression Analysis Assumption Testing

In this study a standard multiple regressions was performed between customer bank preferenceas the dependent variable and determinants of bank preference (financial related factors, technology related factors, service quality factors, and promotional factors) as independent variable. According to graham (2002), that r-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains the variability of the response data around its mean. Before undertaking regression analysis the following assumptions were tested.

4.4.1 Scale Reliability (Cronbach's Alpha) Analysis

Cronbach's alpha coefficient measures the internal consistency, or reliability, of a set of survey items. Use this statistic to help determine whether a collection of items consistently measures the same characteristic. Cronbach's alpha quantifies the level of agreement on a standardized 0 to 1 scale.

Table 4.10. Scale Reliability Analysis of Each Variable

No	Variable Name	Cronbach's Alpha	N of Items
1	Financial Related Factors	0.724	6
2	Technology Related Factors	0.767	5
3	Service Quality Factors	0.672	6
4	Promotional Factors	0.812	5
5	Customer Bank Preference	0.842	4

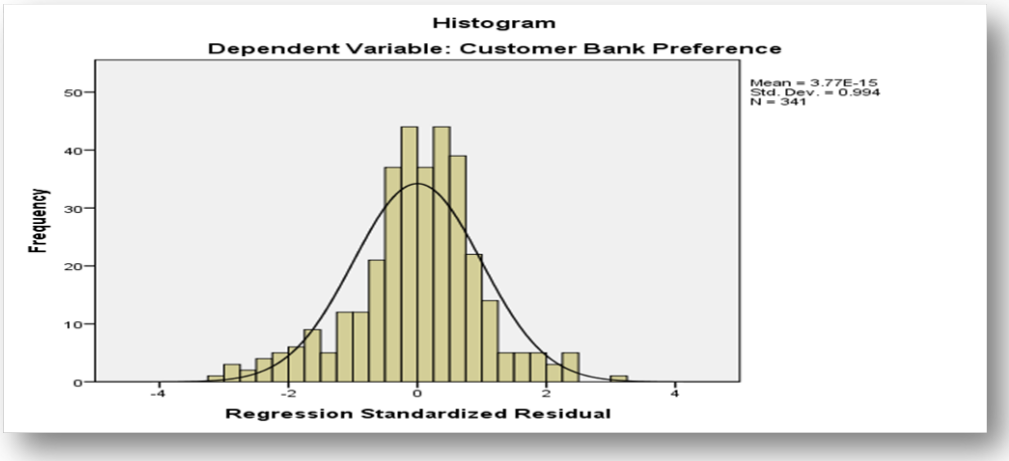
Source: Survey Data 2025

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is one-dimensional. If, in addition to measuring internal consistency, you wish to provide evidence that the scale in question is one-dimensional, additional analyses can be performed. Cronbach's alpha coefficient analysis methods and the Cronbach's alpha coefficient for all variables were ranged from 0.672 to 0.842 as shown in table 4.10, which is reliable since typically an alpha value of 0.60 or higher is taken as a good indication of reliability (Burns, 2008). Therefore, all variables are reliable since they are above 0.60.

4.4.2 Normality Test

Brooks (2008) noted that in order to conduct hypothesis test about the model parameter, the normality assumption must be fulfilled. Therefore, the researcher evaluated outliers, normality and linearity using graphical methods. Thus, normality can be tested through histogram.

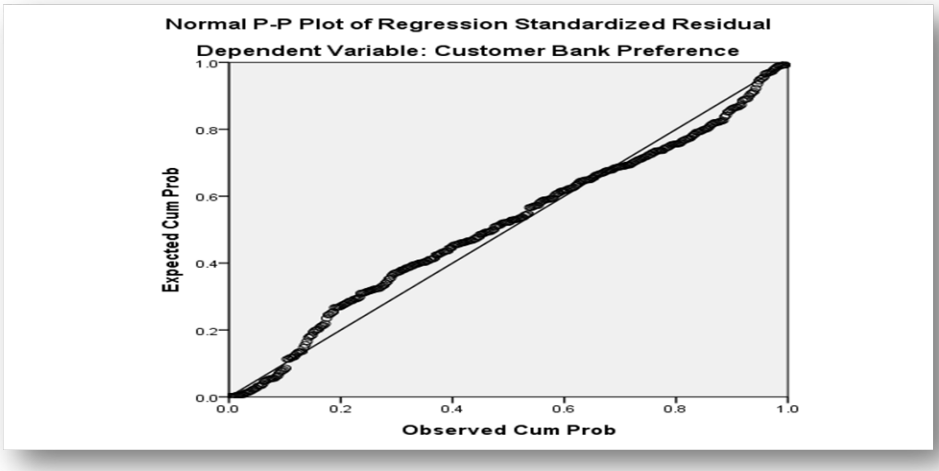
The standardized residual histogram is based on the idea that the z-scores of individual studies, also known as standardized residuals, are expected to follow a normal distribution around the combined effect size (Sutton et al., 2000, p. 41). The Histogram of the residual can be used to check whether the variance is normally distributed. A symmetric bell-shaped histogram which is evenly distributed around zero indicates that the normality assumption is likely to be true. If the histogram indicates that random error is not normally distributed, it suggests that the model's underlying assumptions may have been violated. It can be shown in the figure 2 below the histogram indicating that the data confirms that there was no serious violation of the normality assumption. Because residuals followed a straight line provides evidence of no gross violation of the assumption of normality and the histogram is almost bell-shaped. Therefore, as figure below revealed that there is no a have a problem of linearity, because the histogram is bell-shaped and there is no outlier in the data.



Source: own survey (2025)
Figure 2: Normality of Histogram
A normal probability plot is also commonly known as a P-P plot. A normal probability plot is a plot of the cumulative frequency of the distribution of standardized residuals yielded from the model against the residuals associated with a normal probability graph scale. And the normal probability plot of the residuals is approximately linear supporting the condition that the error terms are normally distributed. So the above figure 2 shows that there not a problem of normality.

4.4.3 Linearity Test

The relationship between the variables should be linear and it is a problem if the dispersion of points indicates otherwise (Burns & Burns 2008). The study checks for patterns in scatter plots of independent variables against customer bank preference weather they have linear relation. As indicated in the Figure 3 below, the scatter plot takes an approximate shape of a rectangular pattern, and no clustering or systematic, and As a result the graph above shows that customer buying behavior and the underlying variables have linear relation. This discloses the assumption of linearity is met.



Source: own survey (2025)

Figure 3: Linearity Test

4.4.4 Multi-Co linearity Test

Multi co-linearity is a statistical phenomenon in which two or more independent variables in a multiple regression model are highly correlated. There are basically two ways to detect multi co-linearity. One way is by computing tolerance values and Variance Inflation Factor (VIF) for each independent variable. Multi co-linearity exists when Tolerance is below 0.10; and the average variance inflation factor (VIF) is greater than 2.5. The other method is to assess multi co-linearity by examining correlations among the independent variables. If a correlation matrix demonstrates correlations of 0.90 or higher among the independent variables, there may be a problem with multi co-linearity.

Table 4.11 Co- linearity Statistics

Coefficients[a]			
Model		Co-linearity Statistics	
		Tolerance	VIF
1	Financial Related Factors	0.761	1.314
	Technology Related Factors	0.734	1.362
	Service Quality Factor	0.873	1.145
	Promotional Factors	0.790	1.265

a. Dependent Variable: Customer Bank Preference

Source: own survey (2025)

Table 4.11 displays the multi-co linearity test by computing tolerance values and Variance Inflation Factor (VIF) for each independent variable. In this case all the tolerance values are greater than0.10 and VIF is less than 2.5. Hence, the researcher assumed multicollinearity was not a problem.

4.5 Regression Analysis of Study Variables

A standard multiple regression was performed between customer bank preference as the dependent variable and promotional factors, service quality factor, financial related factors, Technology Related Factors as independent variable. According to Graham (2002) that R-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains the variability of the response data around its mean.

Table 4.12: Result of Multiple Regressions (Model Summary)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.662[a]	0.439	0.432	0.4167

a. Predictors: (Constant), Promotional Factors, Service Quality Factor, Financial Related Factors, Technology Related Factors

b. Dependent Variable: Customer Bank Preference

Source: own survey (2025)

Table 4.12 indicates R, R square, Adjusted R square and Standard error of the estimate. Further, it lists the independent variables that are entered into the regression model. R (0.662) is the correlation of the independent variables with the dependent variable after all the inter correlations are taken into account. The model summary, above shows the Adjusted R Square is 0.432 which means about 43.2% of the variance in the dependent variable i.e. customer bank preference was explained by the independent variables i.e. promotional factors, service quality factor, financial related factors, technology related factors.

Table 4.13: Result of ANOVA Statistics

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.605	4	11.401	65.666	0.000[b]
	Residual	58.338	336	0.174		
	Total	103.944	340			
a. Dependent Variable: Customer Bank Preference						
b. Predictors: (Constant), Promotional Factors, Service Quality Factor, Financial Related Factors, Technology Related Factors						

Source: own survey (2025)

Analysis of variance (ANOVA) is a statistical formula used to compare variances across the means (or average) of different groups. A range of scenarios use it to determine if there is any difference between the means of different groups.

The above table 4.13 presents the results of Analysis of Variance (ANOVA) on promotional factors, service quality factor, financial related factors, and technology related factors versus consumer bank preference. It reveals that the significance of the f statistics is 0.00 which is less than 0.05 and the value of F (65.666=11.401/0.174) being significant at 0.00 confidence level. This notifies us that the four independent variables taken together as a set are significantly related to the dependent variable and at least one of the independent variable has an effect on the dependent variable customer bank preference.

Table 4.14 below shows regression coefficient (β) of Promotional Factors, Service Quality Factor, Financial Related Factors, Technology Related Factors." β" (beta) coefficient help to see the direction and strength of the relationship between independent and dependent variables. Accordingly, since the sign of the "β" coefficient for the independent variables is positive, there is a positive relationship between the independent variables (Promotional Factors, Service Quality Factor, Financial Related Factors, and Technology Related Factors) and dependent variable (customer bank preference).

Table 4.14: Regression Coefficient of Independent Variables

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.027	0.233		0.116	0.908
	Financial Factor	0.155	0.045	0.162	3.469	0.001
	Technology Factor	0.286	0.049	0.280	5.880	0.000
	Service Quality Factor	0.238	0.051	0.205	4.682	0.000
	Promotional Factor	0.293	0.048	0.281	6.106	0.000
a. Dependent Variable: Customer Bank Preference						

Source: own survey (2025)

The significant level for the variable "financial factor" is 0.001, which is less than alpha level of 0.05. So it is significantly related to the dependent variable. Looking at the B coefficient, has positive sign, indicating that as financial factor increases customer bank preference also increase. This shows that financial factor is a significant predictor of customer bank preference.
The significant level for the variable "technology factor" is 0.000, which is less than alpha level of 0.05. So it is significantly related to the dependent variable. Looking at the B Coefficient, has positive sign, indicating that as technology factor increases customer bank preference also increase. This shows that technology factor is a significant predictor of customer bank preference. The significant level for the variable "service quality factor" is 0.000, which is less than alpha level of 0.05. So it is significantly related to

the dependent variable. Looking at the B coefficient, has positive sign, indicating that as Service quality factor increase customer bank preference also increase. This shows that service quality factor is a significant predictor of customer bank preference.

Beta is a standardized indicator of the slope of the regression line. That is, Beta is the slope of the least squares regression line when all the X and Y scores are plotted as z-scores. It can be determine relative strength of each predictor variable in multiple- regression. Since the raw scores are often on different metrics, we cannot directly compare the B coefficient. But since Beta is a standardized coefficient (like a Z-score) it is possible to compare them.

The above regression coefficient table reveals that the independent variables of Financial Factor (t = 3.469, p=0.001) , Technology Factor (t = 5.880, p = 0.000) , Service Quality Factor (t=4.682, p=0.000) ,and Promotional Factor (t=6.106, p = 0.000) with their respective B value of (0.155, 0.286,0.238,and 0.293) are found to uniquely and significantly contribute to the prediction of customer bank preference. These significance levels tell that four (Promotional Factors, Service Quality Factor, Financial Related Factors, and Technology Related Factors) variables uniquely contribute to the regression equation there by making a significant contribution to the prediction, but technology related factors, and promotional related factors have more significant impact for customer bank preference. The constant term is β = 0. 027. The constant term is the value of the dependent variable when all the independent variables are equal to zero.

The purpose of the regression in this study is to find such an equation that could be used to find the impact of predictors (independent variable) on dependent variable. The specified regression equation takes the following form.

$$\mathbf{Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + £}$$

Where, Y= dependent variable = Customer Bank Preference

$\boldsymbol{\beta_0}$= y-intercept /the regression coefficient/constant

X1=Financial Factor, **X2**= Technology Factor, **X3**= Service Quality Factor, X4 =Promotional Factor.

£ =error term at 95% confidence level

Therefore, $\mathbf{Y= 0.027+0.155X1 + 0.286X2 +0.238X3 +0.293X4+0.4167}$

The regression equation above shows that, by taking all factors into account constant at zero, the availability of customer bank preference will have a value of 0.4167. And the findings presented also show that taking all other independent variables at zero, a unit increase in financial factor g lead to a 0.115 increase in the customer bank preference; a unit increase in technology factor lead to a 0.286 increase in the customer bank preference; a unit increase in service quality factor lead to a 0.238 increase in the customer bank preference, a unit increase promotional factor leads to a 0.293 increase in the customer bank preference.

4.6 Hypothesis Testing

Hypothesis testing is based on standardize coefficient of Beta value and P value to test whether the hypothesis are rejected or not. The table below shows the summarized results of the hypothesis tested against the P values. Therefore, the smaller the p-value, the better it will be. The general rule is to reject H0 if calculated $p < 0.05$ and accept H1, and accept H0 if calculated $p \geq 0.05$ and reject H1 (Pallant, 2007). Table 415 below shows the summarized results of the hypothesis tested.

Table 4.15 Summary of Hypotheses Testing

No	Hypothesis	Result/ decision
1	H1: Financial factors have significant effect on customers' bank preference in Bank service industry in Gondar city	B=0.115, p<0.05 H1 accepted
2	H1: Technology factors have significant effect on customers' bank preference in Bank service industry in Gondar city.	B=0.286, P<0.05 H1 accepted
3	H1: Service quality factor has significant effect on customers' bank preference in Bank service industry in Gondar city.	B=0.238, p<0.05 H1 accepted
4	H1: Promotional factor has significant effect on customers' bank preference in Bank service industry in Gondar city.	B=0.293 p<0.05 H1 accepted

Consequently this study displaying that financial factor has significant effect on customers' bank preference in Bank service industry in Gondar town, and this finding is the same with finding of Mengesha (2021) financial factor, service provision, branch location and secure feeling are the top four important bank selection criteria to consumers' bank selection decision not going line with the finding of Tesfaye et al. (2019), financial factor has insignificant relation with bank preference decision. Technology factors have significant effect on customers' bank preference in Bank service industry in Gondar town this result is also the same with finding of Teymur Akhundov (2021) innovativeness and variety of services (credit cards), ATM network and accessibility, respect and friendliness staff, brand name at the market, and low interest rate on loans are the most important influencing factors for customers during the bank selection decision. Tesfaye et al. (2019) Technology factors, service quality factors, bank image and reputation factors, and convenience factors have significant and positive relation with bank selection decision. Again the study found out that Service quality factor has significant effect on customers' bank preference in Bank service industry in Gondar town, and this is going line with the study result of Mengesha (2021) service quality provision, Agazu and Shewmolo (2020) good customer service, security arrangement of the bank, ATM facility, offered variety service and internet banking have significant effect on customer bank selection.

This study find out that promotional factor has significant effect on customers' bank preference in Bank service industry in Gondar town, this result is similar with the previous finding of (Sharma & Rao, 2010), Banks should also try to build good brand image, as many of customers prefer to have accounts in prominent banks where security arrangement are good so they can be assured of the safety of their money, and no going line with the finding of Gerrard and Cunningham (200) 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.

5. SUMMARY OF THE FINDINGS, CONCULTION AND RECOMMENDATIONS

5.1. Summary of the Findings

In order to address the main objective of the study substantially descriptive and inferential statistics were used, and the summaries of the investigation are putted as follow.

Descriptive analysis revealed that the 55.6 % of the respondents are males, and the largest of the respondents 63.2 % are married. Aged between 31 to 40 years formed the largest age group and represented 38.0% of the sample followed by 21 to 30 years with 34.2%. About to education status, the highest education level attained

by most of the respondents was bachelor diploma holders which represents with 31.5 % followed by degree holders (25.2%), and Most of the respondents (60.3%) were single. Concerning to education status, the highest education level attained by most of the respondents was degree and above a holders which represents with 37.1% followed by bachelor diploma (34.4%) and certificate holder 18.7%.

Concerning to customers types of business engaged; 32.5% of the respondents are salaried employed (public),21.3% of respondents are not have work, 20.5% of respondents are salaried employed (private), 14.3% of respondents are self employed (own business < 500,000 capital) followed by self-employed (own business > 500,000 capital). Regarding to customers income Level, majority (36.8%) of customers' income level exist 4000-5000 birr, 29.8 % of customers income level is above 5000 birr followed by 17.0% of respondents birr 2000-4000, 16.4% of respondents below 2000.

Descriptive discussion concerning to financial related factors shows that customers agreed on rate of interest paid on saving deposits is equivalent of all banks, safety of funds and confidence, implicit/explicit guarantees to the depositors such as deposit insurance, rate of interest charged for loans is small as compared to others, profitability of the bank is on the highest, and risk exposure of the bank is not significant. On the topic of technology related factors analysis displayed that all bank customers agreed for entire items like the bank provides mobile banking services, internet banking services are available, points of sale terminals are available, the bank has implemented a better market segmentation (strategy influencing my choice), and the number of ATMs is adequate and accessible.

About service quality factors particularly 'loans are easily available or accessible' item majority of bank customers shows disagreement, while on Forex resources are easy to get in the bank they were neutral, but customers shown agreement on items of the range of services offered is among the best in the industry, the speed of services is among the best in the industry, branch opening and closing hours are convenient, and service through online banking is available 24/7.
The analysis of promotional related factors shows that customers shown agreement for factors of the bank is advertising itself appropriately, TV/radio presence has made me to choose the bank, and personal contact from bank marketing staff has influence my choice while they were neutral for factor of referral from other customers has influenced my bank decision, and presence in newspaper and print media has made me to choose the bank. For customer bank preference question items mean value shows that bank customers agreed for entire items of; I am highly confidential in my bank selection, I believe that determinants of bank selection influence me to my bank preference, I understand that bank selection determinants help to influence customer by making the customers want to use, and I am deciding my bank to use its bank service independently.

A correlation analysis indicates that, there is positive and significant relationship between promotional factors and customer bank preference, between service quality factor and customer bank preference, between financial related factor and customer bank preference, between technology related factors and customer bank preference. The regression analysis showed that 66.2% of customer bank preference determined by determinants of bank selection (promotional factors, service quality factor, financial related factors, and technology related factors). Promotional factor plays strongest and a significant effect on customer bank preference followed by technology related factors though the effects of all variables are positive and significant.

5.2. Conclusion
Based on the findings of the study main conclusions were made as follow.

The study found that most customers are salaried based employees in public sectors followed by not working customers, and majority of customers' income level exist 4000 to 5000 birr. Financial aspects such as equivalent rate of interest paid on saving deposits in all banks, safety of funds and confidence, implicit/explicit pledge to the depositors such as deposit insurance, and insignificant risk exposure of the bank are determinant factors to customer's bank preference. And for their bank selection customers also compare small rate of interest charged for loans, and the issues of profitability compared to others.

Bank customers give attention on technology issues like mobile banking services, internet banking services, points of sale terminals, better market segmentation, and the adequate and accessible number of ATMs. The study finding shows that there are problems of getting loans are easily available or accessible to customers, and Forex resources are not easy to get in the bank. While the result demonstrates that the range of services offered is best, the speed of services best, branch opening and closing hours are convenient, and service through online banking is available 24/7. The analysis concerning to promotional issues shows the banks are advertising them appropriately, TV/radio presence has made customers to choose the bank, and personal contact from bank

marketing staff has influence customers choice while banks' are good promotion through referral from other customers to influence bank decision, and through newspaper and print media to influence customers to choose the bank. Most of customers are highly confidential in their bank selection, customers believe that determinants of bank selection influence them to their bank preference, customers understand that bank selection determinants help to influence customer by making the customers want to use, and customers deciding their bank to use its bank service independently.

The level of service quality as well as its availability when need by customers is remains as a significant factor for customer bank preference. The financial status of banks as well as their reputation is found to have a statistically positive and significant relationship with customer bank preference. Most importantly, customers demand for confidence and trust in the bank they are transacting with. The ability of banks to promote themselves to their existing customers also established a positive relationship with customers' bank preference and loyalty. This shows that banks need on continuous basis update their existing clients about their service and product offerings, new systems and improvements in the bank. Convenience and accessibility of the bank are important factors of customers' bank preference determinants, and friendly / pleasing manners of staff as the major factors in a bank selection by the sampled customers of the bank. Security and assurance of confidentiality encourage customers to open their bank accounts and makes financial transactions.

Reason to customers to switch service providers are high loan interest rate, difficult to get loan, inconvenience (location/hours, wait for services), service encounter failure (uncaring, impolite, unresponsive and unknowledgeable personnel), response to service failure (negative response, no response or reluctant response), competition (found better service), ethical problems, and involuntary switching (customer moved or provider closed). Customers tend to switch to a new provider if the new provider is closer to their home or workplace, because it directly determines whether the customer can access their banks on a regular basis, and if customers get loan easily as compare to the earlier banks.

Moreover, there is a positive and significant correlation among independent variables and dependent variable namely promotional factors and customer bank preference, between service quality factor and customer bank preference, between financial related factors and customer bank preference, between technology related factors and customer bank preference. Promotional factor plays strongest and a significant effect on customer bank preference followed by technology related factors though the effects of all variables are positive and significant.

5.3. Recommendation

On the basis of the findings and conclusions of the study the following recommendations are forwarded.

- Considering the competitive nature of Ethiopian banking sector, for banks to survive the aggressive competition, they must know the factor customer consider in bank selection so as to win new customers and retain old ones. The researcher has made some recommendations which should be taken into consideration by the bank managers or stakeholders so as to gain competitive advantage.
- Banks are recommended making ease of obtaining loan, increasing number of branches and paying higher rates on saving. Banks should announce their banking service more through friends/family and radio/TV, and person to person awareness. Banks ought to enhance their level of promotion about the products and services offered so as to attract more customers and maintain the existing customer base.
- Banks should embrace well-integrated application of technology and current ways of delivering banking services to their customers. Electronic banking devices such as Automated teller machines should be installed at marketplaces, shopping malls and other important places across the length and breadth of the country. Mobile banking operating awareness and training should be provided sufficiently to customers by the banks to promote a fast service and to establish a cashless economy. Banks should also adopt innovative products and services, such as means of attracting new and retaining existing customers, so as to improve upon their penetration ratio in the country.
- Banks are supposed to also be given more attention specifically, reception at the bank, friendly/pleasing manner of staffs, ATM service provision, adequate numbers of counter windows, service speed, service quality, external appearance, numbers of branches and bank proximity to home or work place should be given proper consideration by banks to be preferable in the competitive banking industry.
- Better reception at the bank and friendliness of bank personnel would develop good relationship with customers. These factors also have close relationship with customers' perception of the quality of services

offered. The reorientation of their attitude and perception are also important to ensure quality in banks' service delivery. Banks are advisable to make convenient location and accessibility of ATM service, POS machine, speed, and quality of service, customized and fast services because reducing core service failure, and avoiding service encounter failure which are significant to avoiding customers switching and these are a paramount factor for customers' bank preference.

5.4. Limitations and Directions for Future Research

The following are limitations of this study though become an opportunity for future researchers to be filled well. Initially this study was geographically restricted in Gondar town bank customers solely. The investigation was undertaken focused on determinants of bank preference with four variable namely technology related factor, financial related factors, service quality related factor, and promotional related factors only while other factors perhaps influence customers for their bank preference due to this it is difficult to generalize the findings to other city on the subject matter. In addition time and financial resource constraints were also other limitations of the study. Moreover, the study applied cross sectional research, mainly quantitative research approaches while the result perhaps would be vary if longitudinal research will be undertaken. In addition time and financial resource constraints were also other limitations of the study. Due to these limitations upcoming researchers will do their investigation by filling the identified limitations.

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