

FACTORS INFLUENCING THE CHOICE OF COMMERCIAL BANKS AMONG  
UNIVERSITY STUDENTS IN ZAMBIA: THE CASE OF UNIVERSITY OF ZAMBIA  
(UNZA) FIRST YEAR STUDENTS.

By

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A Dissertation Submitted to the University of Zambia in Partial Fulfillment of the  
Requirements of the Degree of Master of Business Administration

THE UNIVERSITY OF ZAMBIA

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## DECLARATION

I, **BENJAMIN MUSUMALI**, do hereby declare that the work contained in this dissertation is my own and it has never been presented before at this University or anywhere else for any similar academic purposes. The work which is not my own have been duly acknowledged. I therefore take full responsibility for the error, contents, omission and defects that may appear herein.

Signed.....

Date.....

## APPROVAL

This dissertation of **BENJAMIN MUSUMALI** has been approved as fulfilling the requirements or partial fulfillment of the requirements for the award of Master of Business Administration General.

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## ABSTRACT

The Purpose of this study was to investigate the determinants of choice of the commercial banks among first year students at the University of Zambia. The Objectives of this study were to establish the criteria students use in selecting a commercial bank; to determine the rank of significance of choice of the determinants criteria and their influence on bank selection by university students; and to develop a marketing model and provide recommendations that commercial banks can use to attract the patronage of first year students. The Methodology used for this study was convenience sampling and data was collected through a self-administered questionnaire. A sample of 150 respondents was selected and 128 questionnaires were received back, but only 120 were suitable for analysis. The sample area was University of Zambia. Descriptive and inferential data analysis was conducted. The Findings, out of thirty determinants of bank selection criteria, the top five bank selection criteria in ascending order included the following: Bank status in industry; Reputation of the bank; Convenience of Location; Family member opinions or Friend recommendations; and Ease of obtaining borrowed funds. Additionally, the study findings pointed out that automated teller machine, branch internet banking, debit or credit cards, mobile banking, personal loan, agency banking (banking agents) as the major influence in bank selection in exception of investment products and e-cheque which are considered to be of least important in bank selection by students. The finding of the first and second hypothesis have indicated that the variances of financial benefits and industry status and size was equal and the variances of treatment of customers and bank product and services was also equal with type II error being committed in both hypotheses. Furthermore, the finding of the third hypothesis reviewed that mean treatment of customers and bank Product and Services were significantly the same resulting into type II error being committed. The Practical Implications of this study provides insight on the determinants criteria that influence the selection of a bank by first year students at the University of Zambia (UNZA), which has obvious management and theory implications. The report brings value and originality on bank selection determinants criteria from apparently under-researched and under-reported undergrad segment in Zambia and a typical Central-Southern African context.

**Key Words: University Student, Determinants, Commercial Bank, Selection Criteria, University of Zambia**

## **DEDICATION**

To my late father, Mr. Charles Musumali.

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## TABLE OF CONTENTS

<b>COPYRIGHT .....</b>	<b>ii</b>
<b>DECLARATION.....</b>	<b>iii</b>
<b>APPROVAL.....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>DEDICATION.....</b>	<b>vi</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vii</b>
<b>LIST OF TABLES .....</b>	<b>xiv</b>
<b>LIST OF FIGURES .....</b>	<b>xv</b>
<b>LIST OF ACRONYMS.....</b>	<b>xvi</b>
<b>OPERATIONAL DEFINITIONS OF KEY TERMS .....</b>	<b>xvii</b>
<b>CHAPTER 1 .....</b>	<b>1</b>
<b>BACKGROUND OF THE STUDY .....</b>	<b>1</b>
1.1 Background to the Research.....	1
1.2 The Research Problem .....	2
1.3 Significance for the Study .....	3
1.4 Aim of the Study .....	6
1.5 Specific Objectives of the research .....	6
1.6 Research Questions .....	6
1.7 Scope and Location of Research .....	6
1.8 Research Contributions .....	7
1.9 Limitation of the Research .....	7
1.10 Ethical Considerations before Approval .....	8
1.11 Dissertation Layout and Organization.....	8
1.12 Chapter Summary.....	9
<b>CHAPTER 2 .....</b>	<b>10</b>
<b>LITERATURE REVIEW.....</b>	<b>10</b>
2.1 Introduction .....	10
2.2 Definition of Terms .....	10
2.2.1 Commercial Bank.....	10
2.2.2 Banking .....	10
2.2.3 Banker .....	11

2.2.4 Banker’s Customer.....	11
2.3 Role of Commercial Banks in A Modern Economy .....	11
2.4 Theoretical Literature Review.....	12
2.4.1 The Theory of Constraints (TOC).....	13
2.4.2 Rational Choice Theory .....	13
2.4.3 Bank Legitimacy Theory/ Stakeholders Interest Theory .....	15
2.4.4 The Expectancy Disconfirmation Paradigm Theory.....	16
2.4.5 The Consumer Behavior.....	17
2.4.6 The Comparison Level Theory .....	18
2.4.7 Customer Loyalty.....	19
2.5 Empirical Literature Review .....	19
2.5.1 Determinants of Bank Services Selection Not Listed in Order of Priority .....	19
2.5.2 Bank Services Selection Criteria by students.....	20
2.5.3 Secure Feeling and Customers’ Bank Selection Decision .....	20
2.5.4 Convenience of Location and Customers’ Bank Selection Decision.....	21
2.5.5 Electronic Services and Customers’ Bank Selection Decision .....	22
2.5.6 Bank Services and Customers’ Bank Selection Decision .....	23
2.5.7 Financial Benefits and Customers’ Bank Selection Decision.....	24
2.5.8 Reputation of the Bank and Customers’ Bank Selection Decision.....	25
2.5.9 Customer Perceptions and Customers’ Bank Selection Decision.....	25
2.6 How Customers Go About In Selecting A Bank Service Provider Of There Choice And The Decision Making Process.....	26
2.7 Customers Satisfaction.....	28
2.8 Factors Affecting Customer Satisfaction In Banks Selections.....	29
2.9 External Factors that Contributes to Bank Selection among Customers in Zambia .....	31
2.9.1 Economic prosperity and Innovation .....	32
2.9.2 Changing Consumer Demographics and Distribution Strategy .....	32
2.7.3 Technological Factors .....	33
2.8 Factors Affecting Consumers’ Adoption towards Bank Services in Zambia .....	33
2.8.1 Performance Expectancy.....	34
2.8.2 Effort Expectancy.....	34
2.8.3 Social Influence.....	34
2.8.4 Perceived Credibility.....	34
2.8.5 Perceived Financial Cost.....	34

2.8.6 Facilitating Conditions .....	35
2.9 Gender-Based Difference in Bank Choice Among Students .....	35
2.10 Conceptual Framework .....	37
2.12 Operational Definitions of Key Terms .....	38
2.13 Knowledge Gaps .....	39
2.14 Chapter Summary .....	40
<b>CHAPTER 3 .....</b>	<b>41</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>41</b>
3.1 Introduction .....	41
3.2 Research Design and Procedure .....	41
3.2.1 Research Design .....	41
3.2.3 Research Design Procedure .....	42
3.3 Study Area .....	42
3.3.1 Reasons for choosing the University of Zambia as a research study area .....	43
3.4 Research Target population .....	44
3.5 Research Methods .....	44
3.5.1 Quantitative Methods .....	45
3.5.2 Qualitative Methods .....	45
3.6 Methods OF Data Collection .....	45
3.6.1 Primary Data .....	45
3.6.2 Questionnaire Design .....	46
3.6.3 Components of the Questionnaire .....	46
3.7 Data validity and reliability Test .....	46
3.7.1 Pilot Testing .....	47
3.7.2 Comments and Observations .....	47
3.8 Secondary Data .....	48
3.9 Sampling Methodology .....	48
3.9.1 Non-Probability and Probability Sampling .....	48
3.10 Sampling Design for the Study .....	49
3.11 Sample Size .....	51
3.15 Sampling Response .....	52
3.16 Data Analysis Methodology .....	53
3.17 Research Hypothesis .....	53

3.17.1 Hypothesis 1 .....	53
3.17.2 Hypothesis 2 .....	54
3.17.3 Hypothesis 3 .....	54
3.18 Validity and Reliability .....	54
3.19 Ethical Approval and Consideration .....	54
3.20 Chapter Summary .....	55
<b>CHAPTER 4 .....</b>	<b>56</b>
<b>DATA PRESENTATION AND ANALYSIS .....</b>	<b>56</b>
4.1 Descriptive Analysis .....	56
4.2 Response from Questionnaires of the Respondents Results .....	56
4.3 Population of the Respondents .....	57
4.4 Demographics of the Respondents .....	57
4.4.1 Sex and Age of the Respondents Results .....	57
4.4.2 Level of Education of the Respondents Results .....	58
4.4.3 School Enrolled in of the Respondents Results .....	59
4.4.4 The distribution of student’s school enrolled is shown in figure 4.1 below: .....	60
4.4.5 Employment status and Monthly Income of the Respondents Results .....	60
4.4.6 Respondents Bank Account Affiliation Results .....	61
4.4.7 Respondents with No Bank Account Considering or Could Like to Open an Account with Any Bank Choice. ....	62
4.5 Rank of Banks Based On Respondents Opinion .....	63
4.6 Influencer on Bank Selection .....	65
4.6.1 Automated Teller Machine as an influence in bank Selection .....	65
4.6.2 Branch Internet Banking as an influence in bank Selection .....	66
4.6.3 Debit Cards/Credit Cards as an influence in bank Selection .....	68
4.6.4 Mobile Banking as an Influence in Bank Selection .....	69
4.6.5 Investment Products and Services as an influence in bank Selection .....	70
4.6.6 E-Cheque as an Influence in Bank Selection .....	71
4.6.7 Personal Loan as an Influence in Bank Selection .....	72
4.6.8 Agency Banking (Banking Agents) As an Influence in Bank Selection .....	73
4.7 Determinants of Bank Selection Criteria Factors Results .....	74
4.7.1 Rotated Factor Matrix .....	74
4.7.2 Explanation of Ranked Determinants of Bank Selection Criteria Factors .....	77

4.7.3 Testing Research Hypothesis .....	78
4.7.4 Singling Determinant Factor Matrix (Identifiers and Related Factors) .....	79
4.7.5 Explanation of Bank Selection Factors .....	81
4.8 Testing Research Hypothesis .....	83
4.8.1 Hypothesis 1 .....	83
4.8.2 Decision Rule and Statistical Interpretation.....	84
4.8.3 Hypothesis 2.....	85
4.8.4 Decision Rule and Statistical Interpretation.....	86
4.8.5 Hypothesis 3.....	86
4.8.6 Decision Rule and Statistical Interpretation.....	87
4.8.7 Independent T-test.....	88
4.8.8 Stage 1: Hypothesis.....	89
4.8.9 Stage 2: Test Statistic .....	89
4.8.10 Stage 3: Decision Rule and Statistical Interpretation.....	89
4.9 Bank Selection Marketing Model .....	90
4.9.1 Marketing Proposed Model Development .....	90
4.9.2 Linking The Proposed Model to The Marketing Mix .....	91
4.9.3 Interpretation of the Model and Its Usefulness .....	93
4.10 Chapter Summary.....	93
<b>CHAPTER 5 .....</b>	<b>94</b>
<b>DATA DISCUSSION .....</b>	<b>94</b>
5.1 Discussion of Study Findings.....	94
5.2.1 Sex and Age of the Respondents.....	94
5.2.2 Level of Education of the Respondents.....	95
5.2.3 School Enrolled in of the Respondents .....	95
5.2.4 Employment status and Monthly Income of the Respondents .....	96
5.2.5 Respondents Bank Account Affiliation.....	97
5.2.6 Respondents with No Bank Account Considering or Could Like to Open an Account with Any Bank Choice. ....	98
5.3 The Discussion on Influencer on Bank Selection .....	101
5.3.1 Automated Teller Machine as an influence in bank Selection.....	102
5.3.3 Debit Cards/Credit Cards as an influence in bank Selection .....	104
5.3.4 Mobile Banking as an Influence in Bank Selection .....	105

5.3.5 Investment Products and Services as an influence in bank Selection .....	106
5.3.6 E-Cheque as an Influence in Bank Selection .....	107
5.3.7 Personal Loan as an Influence In Bank Selection .....	108
5.3.8 Agency Banking (Banking Agents) As an Influence in Bank Selection.....	109
5.4 Summary of The Findings.....	109
<b>CHAPTER 6 .....</b>	<b>111</b>
<b>CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>111</b>
6.1 Introduction .....	111
6.2 Research Problem and Questions .....	111
6.3 Evaluation of Research Objectives and Hypothesis.....	112
6.3.1 Research Objectives: .....	112
6.3.2 Research Hypothesis .....	112
6.3.2.1 Hypothesis 1 .....	112
6.3.2.2 Hypothesis 2 .....	112
6.3.2.3 Hypothesis 3.....	112
6.4 Achievement of Research Objectives, Hypothesis and Literature Review.....	112
6.5 Conclusion.....	114
6.6 Recommendations .....	115
6.7 Limitations of This Study and Direction for Future Research .....	116
6.7.1 Limitations of This Study.....	116
6.7.2 Area for Further Study .....	117
<b>BIBLIOGRAPHY .....</b>	<b>118</b>
Appendix 1: Survey Questionnaire .....	126
Appendix 2: Registered Commercial Banks Operating In Zambia as At 2021 .....	133
Appendix 3: General Importance of Bank Selection in Zambia .....	134

## LIST OF TABLES

Table 1.1: Public and Private Universities Enrolment by Gender.....	4
Table 2.1: Examples of Some of the Different Bank Services.....	21
Table 2.2: Review of previous studies.....	23
Table 2.3: Summarizes the determinants that create satisfaction in banks .....	28
Table 3.1: Sample size of the Surveyed businesses.....	47
Table 4.1: Results of Response from Questionnaire Data of the Respondents.....	50
Table 4.2: Total Student Population by Gender University of Zambia Academic Affair.....	51
Table 4.3: Results of sex and age from profile data of the respondents.....	52
Table 4.4: Results of level of education from profile data of the respondents .....	52
Table 4.5: Results of School Enrolled In From Profile Data of the Respondents.....	53
Table 4.6: Results of Employment status and Monthly Income.....	55
Table 4.7: Results of Bank Affiliation Period from Profile Data of the Respondents.....	55
Table 4.8: Results of Bank Choice from Profile Data of the Respondents.....	56
Table 4.9: Results of Ranking of Banks from Profile Data of the Respondents .....	57
Table 4.10: Automated Teller Machine (ATM).....	59
Table 4.11: Branch Internet Banking.....	61
Table 4.12: Debit Cards/Credit Cards as an influence in bank Selection.....	62
Table 4.13: Mobile Banking as an Influence in Bank Selection.....	63
Table 4.14: Investment Products and Services as an Influence in Bank Selection.....	64
Table 4.15: E-Cheque as an Influence in Bank Selection.....	65
Table 4.16: Personal Loan (Credit)-Students Loan as an influence in bank Selection.....	66
Table 4.17: Agency Banking (Banking Agents) As an Influence in Bank Selection.....	67
Table 4.18: Ranked Determinants of Bank Selection Criteria Factors.....	69
Table 4.19: Singling Determinant Factor Matrix (Identifiers and Related Factors).....	73
Table 4.20: Summary of Singled Factors Matrix.....	74
Table 4.21: Statistical test of significance.....	78
Table 4.22: Statistical test of significance.....	78
Table 4.23: Statistical test of significance.....	79
Table 4.24: Statistical test of significance.....	80
Table 4.25: ANOVA: Single Factor Test Results.....	80
Table 4.26: Linking the Model to the Marketing Mix.....	85

## LIST OF FIGURES

Figure 2.1: Rational Choice Theory Model.....	11
Figure 2.2: Bank Legitimacy Theory/ Stakeholders Interest Theory Model.....	12
Figure 2.3: Expectancy Disconfirmation Paradigm Model.....	13
Figure 2.4: Consumer Behavior Model.....	15
Figure 2.5: Comparison Level Theory Model.....	16
Figure 2.6: Examples of Secure Feeling by Customers.....	18
Figure 2.7: Examples of Convenience of Location.....	19
Figure 2.8: Examples of Electronic Services Used By Customers.....	20
Figure 2.9: The Customer Decision-Making Process.....	24
Figure 2.10: A conceptual framework .....	33
Figure 4.4: Summary of Singled Factors Matrix.....	38
Figure 3.2: Study Sample Design.....	45
Figure 4.1: Student's School Enrolled.....	54
Figure 4.2: Results of Ranking of Banks from Profile Data of the Respondents .....	71
Figure 4.3: Determinants of Bank Selection Criteria Factors.....	75
Figure 3.1: Below the Map of University of Zambia Great East Road Campus.....	82
Figure 4.5: Independent T-test Calculations.....	82
Figure 4.6: Marketing Model for Bank Selection by Students.....	84

## LIST OF ACRONYMS

ATM .....	Automated Teller Machine
BOZ.....	Bank of Zambia
CPC.....	Consumer protection commission
E.....	Electronic
FSDP.....	Financial Sector development Program
FNB.....	First National Bank
GSB.....	Graduate School of Business
IMF.....	International monetary fund
MOHE.....	Ministry of higher education
MOCD.....	Ministry of Commerce and development
SMEs.....	Small medium enterprises
UNZA.....	University Of Zambia
UBA.....	United Bank Africa
ZANACO.....	Zambia National Commercial Bank

## OPERATIONAL DEFINITIONS OF KEY TERMS

**Commercial Bank:** In this study, A Commercial bank is an institution that deals in money and its substitutes and provides other financial services (Bank of Zambia, 2020). Banks are the major type of deposit taking institution and they make their profit by taking deposits which represent their liabilities and loaning these funds to borrowers which represent their assets (World Bank, 2020).

**Determinants:** In this study, refers to, a standard or principle, by which something may be decided, judged and assessed (Mokhlis and Salleh, 2008). Also refers to, a factor that is used to determine or decide something (Arebgeyen, 2011).

**Bank Selection:** In this study, refers to, a fact or action of cautiously choosing a commercial bank or a financial service provider as being the most or the best suitable (Mokhlis and Salleh, 2008).

**University Students:** In this study, according to Denton and Chan (1991) defined term students as any person who is studying or pursuing academic studies at a university or other place of higher education.

## **Chapter 1**

### **Background of the Study**

#### **1.1 Background to the Research**

There is a rich of literature on how people particularly the customers select their preferred commercial banks. However, this research study focused on university student's bank selection criteria and their insight and knowledge of different financial services. According to Almassawi (2001), It is believed that, investigating such information will help banks to critically identify the suitable marketing strategies that are needed and can be used to attract new customers and at the sometime retaining the existing ones.

In Zambia, one promising section of the population which has not been given enough attention is the youth age group, particularly the first year university students. Most University students, especially undergraduates' students, are usually first time bank account holders and if it is look upon properly, this could evolve into profitable retail and corporate clients to do banking with in the future.

It has, however, been observed by Abraham and Iran (2015) that, the youth age group, especially undergraduate university students draft the test of future profitable and cost effective market for financial institutions and commercial banks. It is very cardinal for commercial banks in Zambia to develop and grow this effervescent market segment in order to understand how individuals particularly the students in this segment choose and prefer their banks.

Furthermore, Kaynak and Harcar (2005) Suggested that, these strategies must be consistent and reliable to commercial banks and needs to be developed targeting first year undergrads before they become employees or earners. The customary principle that only wage earning customers and businesses will bring income to the bank is now becoming immaterial. Most Students nowadays, need banks to handle their financial transactions and most of the students at any University, in whatever geographical dispersion, not surprisingly correspond to a critically important target market for banking services.

The ability to address, understand and know the specific needs of this segment is now an important market reality. One significant characteristic of the student market is the promise of incurring high profits in the future. Most commercial banks in Zambia have now stated to

believed that it might well be in their advantage to attract these young first year students to open bank accounts as they are enrolling in universities or colleges in the belief that they would remain after graduation with the bank and been able to make abnormal profits in the future to that particular bank. The fundamental principle of this statement is that, university students are a section of the population that has the possible of earning a higher income than any other section of the population.

Currently in Zambia, only university educated individuals have a chance of earning a higher salaries or wages and been able to move from been a low earner to a medium earner compared to an average individual with no educational background chance of rising from the low income group into the middle class is very low.

The ability to develop a presence in the student market through appropriate acquisition and retention strategies is therefore, likely to have an influence on banks' future market share and profitability (Filip and Constantinescu, 2007). Even though the greater part of the undergraduate student population in Zambia is unemployed and their earning comes mostly from educational loans or academic scholarships, they usually provide a tremendous and magnificent business opportunity for commercial banks and primarily, in terms of the student market and its purchasing power, it is still growing and it has become more profitable.

## **1.2 The Research Problem**

There has being a rise in the levels of student's population at the university of Zambia from 24,676 in 2012 to over 30,000 students as in 2021 and 40 percent of this population is mostly unbanked (Ministry of Education,2021). This unbanked student population has been in existence as a result of lack of financial inclusion by banks specifically targeting university students from first year to final year students which has negatively affected bank selection decisions among these students and in turn contributed to lower banking products and services uptake by this lucrative market segment. Most students at the University of Zambia are usually first time bankers and most of these students in most instances; they lack basic financial education especially on banking products and services which are currently in used by the banking services sector. This problem has brought about both negative and bad perceptions on banking decisions making process among university students as on which bank to patronage with. We have also witness a rapid growth of banking networks from 200 to 408 between 2011 and 2020 with a corresponding increase in the use of bank technology (Fintech) and the emergency existence of innovative banking product such as ATMs, Internet

Banking, mobile money, agency banking, debit or credit cards and e-cheques in the Zambian banking and educational sector. Despite the increase in bank networks and bank services in Zambian universities, very few students understand the benefits of these bank services or their perceived benefits that comes from having or holding a bank account or being affiliated to a bank. This problem has been in existence for a longtime, mostly due to lack of solid foundation on the banking industry side to fully incorporate aggressive relationship banking to educational marketing strategies and business models that they can use to their advantage to navigate and understand how students select banks, the criteria they use in making such decision as to which bank to patronage with as a first-time banker. Failure by the banking industry to understand students' needs and their decision making processes on different banking products and services that the banking sector is offering and be able to find ways on how to attract them through customer value journey as there are a potential profitable market to exploit. Banks have also failed in the recent years to recognize critical changes in student's patterns of decision making, lifestyle and spending levels especially in urban universities compared to rural universities. Spending levels among first year university students in these urban universities has doubled in the last decade from 30 per cent to now 56 per cent (Bank of Zambia, 2020). Lastly, Banks have continued to increase their services and product prices which has proven to be costly for most of the first year students. Increase in account opening, high services charges, high transaction fees, high interest rates, and high monthly chargers which overall have a negatively effect on bank selection and behavioral intention in choosing a bank to patronage with for very first time among.

### **1.3 Significance for the Study**

The Financial sector particularly, the banking sector in general, has been growing and expanding promptly and competition has become stiff especially that most Zambians, culturally and as a result of the decline in the access to formal jobs, which are part of a huge unbanked population. The Zambian population which currently stands at 18,383,955 people and consisting of 65 per cent of the young group (Central Statistics Office, 2020). Therefore, this young population group is entering the tertiary learning education are expected to be in formal employment or in meaningful and viable business ventures, so commercial banks and other non-banking institutions are now tailoring products that would capture their future savers.

Furthermore, in the last ten years, most colleges and universities have witnessed commercial banks opening branches in different universities (Bank of Zambia, 2019). For example, Zambia's six leading commercial banks that is; Barclays Bank (ABAS), Atlas Mara formerly Finance Bank, Zambia National Commercial Bank (ZANACO) and Standard Chartered Bank, First Alliance Bank, Stanbic Bank Zambia have branches at the University of Zambia, Great East Road Campus, East Park Mail and those Commercial banks without branches at the campus have at least made their presence known by placing ATM machines and bank agents on campus and in other universities across the country.

This study will be useful and important to be conducted because they has been an increase tertiary learning institutions particularly universities and this has been due to government aggressive educational policy on inclusive and free education with the aim on making tertiary education to be free education to all citizens by 2060 (ministry of Higher Education, 2018) and this has been done through giving out of student loans which has led to public universities to partnered with commercial banks in the reimbursement of these student loan and scholarships. These partnerships between public universities and commercial bank and in this case study, the University of Zambia and the commercial banks particularly, have highly contributed to the increase in usage of financial services such as online payment of school fees, payment of refunds to students, disbursement of student's loan and grants just to mention a few.

The student population has been increasing in the recent past. The number of first year student's enrolment at the University of Zambia and other universities has doubled in the recent years as shown in Table 1 Musamba (2019, p. 23) and Mkandawire (2019) and this has created a scramble for commercial banks in trying to capture this segment of students.

Therefore, it is against this justification that this young age population at Zambia's oldest, largest, and highly ranked university will be the focus of the research study. Therefore, with this in view, the study will help commercial banks as to put up competitive strategies and strategic marketing plan as a first measures in realizing the bank growth and financial inclusion among university students.

The study will contribute to the body of knowledge on student's decision making process, regarding the choice of bank to patronize, and equally on consumer decision behavior. The Study will help commercial banks also to understand consumer needs generally, through the

demand projection of certain bank products and services as this will help them to project sales and been able to manage their expenditure and income flow, hence, expanding their market share in the banking sector. Lastly, the study will establish the comparative similarity of student banking selection decisions and students banking selection behavior.

**Table 1.1: Public and Private Universities Enrolment by Gender**

<b>Description</b>	<b>Type of inst.</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>University of Zambia</b>	Public	13,406	11,270	24,676
<b>Copper belt University</b>	Public	8,010	3,650	11,660
<b>Kwame Nkrumah</b>	Public	4,710	4,173	8,883
<b>Mulungushi University</b>	Public	2,644	2,107	4,751
<b>Chalimbana University</b>	Public	1,442	3,279	4,721
<b>Mukuba University</b>	Public	1,023	1,320	2,343
<b>Total</b>	<b>Public</b>	<b>31,235</b>	<b>25,799</b>	<b>57,034</b>
<b>Average</b>	<b>Public</b>	<b>5206</b>	<b>4300</b>	<b>9506</b>
<b>Lusaka Apex University</b>	Private	2,834	4299	7,133
<b>University of Lusaka</b>	Private	3,454	3,295	6,749
<b>Zcas University</b>	Private	3,055	3,184	6,239
<b>DMI St. Eugene University – Chibombo</b>	Private	2,402	1,955	4,357
<b>Rusangu University</b>	Private	2,052	2,027	4,079
<b>Zambian Open University</b>	Private	1,595	1,925	3,520
<b>Cavendish University Zambia</b>	Private	1,579	1,270	2,849
<b>Chreso University</b>	Private	636	970	1,606
<b>LIUTEB</b>	Private	766	707	1,473
<b>Northrise University</b>	Private	434	291	725
<b>Zambia Catholic University</b>	Private	288	419	707
<b>City University of S&amp;T</b>	Private	371	159	530
<b>DMI St. Eugene University – Chipata</b>	Private	250	180	430
<b>Africa Research University</b>	Private	183	98	281
<b>DMI St. Eugene University – Woodlands</b>	Private	102	109	211
<b>Trans-Africa University</b>	Private	132	60	192
<b>Evangelical University</b>	Private	28	28	56
<b>Southern Valley University</b>	Private	17	9	26

<b>African Christian University</b>	Private	7	4	11
<b>Average</b>		<b>1,009</b>	<b>1,049</b>	<b>2,058</b>

Source: Musamba (2019, p. 23) cited from Mkandawire (2019) HOHE Annual Higher Education Census

#### **1.4 Aim of the Study**

The main aim of the study is to assess the Determinants Criteria Students used to select Commercial Bank of their choice.

#### **1.5 Specific Objectives of the research**

The following are the Specific objectives of the research as follows:

1. To establish the criteria students, use in selecting a commercial bank.
2. To determine the rank of significance of choice of the determinants criteria and their influence on bank selection by university students.
3. To develop a marketing model and provide recommendations that commercial banks can use to attract the patronage of first year students.

#### **1.6 Research Questions**

The research study was primarily focused to answer the following three research questions:

- i. What are some of the criteria students' uses in selecting a commercial bank?
- ii. What is the rank of significance of choice of the determinants criteria and their influence on bank selection by university students?
- iii. What kind of a marketing model and recommendations should commercial bank implement to attract the patronage of first year students?

#### **1.7 Scope and Location of Research**

As the title of this research report suggests, the scope of research consisted only undergraduate in their first year of their studies.

The location of research is the University of Zambia great east road main campus with a total estimated student population of over 30,000 undergraduates according to The University of Zambia (2020) and Ministry of Higher Education (2020).

## **1.8 Research Contributions**

This research study will add value to the theory by forming and structuring the foundation upon which further research on study of determinants of bank selection criteria by university students would be undertaken by academicians.

This research study will further motivate and encourage other researchers to realize the area which require more serious research attention and further expand and contribute. Additionally, it would be of use to the commercial banks, Supervisory bodies, Businesses, Government, University lecturers and business students as a point of reference.

## **1.9 Limitation of the Research**

Due to the nature and complex of the study, the research was constrained by many factors and some of these factors encountered were as follows:

### **i. Difficulties in accessing the respondents**

Difficulties in accessing the respondents, the target group for the research were undergraduate students and most of them are not employed and some of them are in part-time jobs. This usually made it complex and thorny for the researcher to have one to one connection with the respondents. Some Students are not based on the main campus and some of them their contacts were unreachable. Those who are part-time students kept on telling the researcher to come another time due to busy schedules of their studies.

### **ii. Unwillingness to share information**

Respondents were unwilling to have their individuality to be exposed and therefore, there was no name of the respondents in this case the student name or student identification number in the questionnaire. Merely, the position of the respondents was incorporated in the final report of the questionnaire.

### **iii. Limitation of past data**

Due to the very little and insufficient relevant nature of literature on the bank selection criteria among students in Zambia, partial foreign research documents and citations was also relied on as part of information the study needed to use. Nonetheless, this limitation in their

total did not manipulated or reduces the accuracy of the findings as many measures were put in place so as to ensure that only relevant facts were reached.

### **1.10 Ethical Considerations before Approval**

The research objectives will be uttered both in verbally and writing as to provide clarity and to be appreciated by the informant. The informant rights, interest such as wishes will be highly considered first when choices will be formulated in respect in reporting the data and the final decision concerning the informant anonymity will rest with the informant.

### **1.11 Dissertation Layout and Organization**

The research study is will be layout and organized in five chapters which are as follows;

- a) **Chapter One:** Background of the study
- b) **Chapter Two:** Literature Review
- c) **Chapter Three:** Methodology
- d) **Chapter Four:** Data analysis of Research findings
- e) **Chapter Five:** Data Discussion
- f) **Chapter Six:** Summary and Recommendations

**First Chapter - Introductory Chapter:** Contains the introduction and shows the background of the problem, research objectives, research questions, and significance of the study, scope of the study and limitations thereof.

**Second Chapter- Literature Review:** Explains both theoretical and empirical evidence of the study. It gives different opinions from different authors pertaining to the subject in the question. The chapter gives an in depth analysis of the benefits and drawbacks associated with bank selection as well as the socio-demographic and social-economic factors affecting bank selection and bank services uptake. Empirical evidence relating to the study is also given.

**Third Chapter- Research Methodology:** Give details of the research design that was used in the study to obtain all the results from the study. This chapter shows in detail the tools that were used for gathering all the necessary data for the research, how it was conducted and how the gathered data would be presented for analysis.

**Fourth Chapter- Data Presentation and Analysis:** Presents all the data that was gathered in the third chapter in form of tables, charts and graphs for analysis purposes.

**Fifth Chapter-Data Discussion:** Give an in-depth discussion of the results from chapter four.

**Sixth Chapter-Conclusions and Recommendations:** Gives a summary of the research findings and conclusions for the data that was collected and analyzed. Recommendations to the banks and policy makers are given. Suggestions for future study are also made explicit.

### **1.12 Chapter Summary**

This chapter provided an introduction to the research background study and that was done with the view to the Introduction, Background, Problem of the statement, Objective of the study, Research questions, Significance of the study, Scope of the research, Research Contributions, limitation of the study, Ethical Considerations and the dissertation layout and organization.

## **Chapter 2**

### **Literature Review**

#### **2.1 Introduction**

Therefore, this chapter will present a theoretical and conceptual framework on student's bank selection criteria. The Chapter will assess a full research work carried out by different scholars through the literature review. The research will try to link the research carried out by the author and the literature review that has been reviewed. The theoretical framework will examine the procedure of adopting and exploiting the tested hypothesis that are suitable to this research.

#### **2.2 Definition of Terms**

##### **2.2.1 Commercial Bank**

According to Britannica, a commercial bank is an institution that deals in money and its substitutes and provides other financial services. Commercial Banks are the major type 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. They loan out funds at a higher interest rate than the funds, and the difference represents their gross profit margin before expenses and tax. In addition, Commercial banks can earn commissions and fees by selling various products such as foreign exchange services, safe custody services, advice, account management charges, credit card facilities, insurance and so forth (Pilbeam, 1998). A commercial bank is an institution which deals in money and credit. It accepts deposits from the public and grants loans and advances to those who are in need of funds for various purposes.

##### **2.2.2 Banking**

Banking is an activity which involves acceptance of deposits for the purpose of lending or investing. In addition to accepting deposits and lending funds, banking also involves providing various other services along with its main banking activity. These are mainly agency services, but include several general services as well. Banking is a company which carries one as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order (Ceylon 1938, p. 10). Customers

feel the effect first after that they did not care about the internal problems of banks, and they most certainly aren't going to pay the bank owners to fix them (Dmann and Spartt 1999).

### **2.2.3 Banker**

A banker is one who undertakes banking activities, accepting deposits and lending money for different purposes. Hart (1931, p.11) defined a banker or bank as a person or a company carrying on the business of receiving money, collecting drafts, for customer's subject to the obligation of honoring cheques drawn upon them from time to time by the customers to the extent of the amounts available on their current accounts. Likewise, Halsbury's Law of England, defines a banker as an individual, partnership or corporation, whose sole or predominating business is banking, that is the receipt of money on current or deposit account and the payment of cheques drawn by and the collection of cheques paid in by a customer.

### **2.2.4 Banker's Customer**

There is no statutory definition of a banker's customer, and so one has to refer to the decisions of the courts in order to discover the principles which determine whether or not a person is a customer. In the Zambia, the bank of Zambia (2018) defined a customer as "any person having an account with a bank or for whom a bank has agreed to collect items and includes a bank carrying an account with another bank". As stated by Lord Davey in *Great Western Railway Co. V. London and County Banking Co. Ltd.*, in 1901, "there must be some sort of account, either a deposit or current account or some similar relation, to make a man a customer of a banker".

## **2.3 Role of Commercial Banks in A Modern Economy**

The functions of Commercial banks are divided into two categories: as primary functions and secondary functions including agency services. The primary functions of Commercial banks include: accepting deposits and lending money. The most important activity of banks is to activate deposits from the public. People who have surplus income and savings find it convenient to deposit the amounts with banks. The second important function of Commercial banks is to grant loans and advances. Such loans and advances are given to members of the public and to the business community at a higher rate of interest than allowed by banks on various deposit accounts.

Commercial Banks accepts deposits from the public and their customers in the form of current deposit, saving, deposit, fixed deposit, and under other deposit schemes. Commercial Banks grant loans to customers as demand loan and term loan. The ancillary services of banks are agency services and general utility services. Agency services are rendered as agent of customers, whereas general utility services are rendered to the general public.

## **2.4 Theoretical Literature Review**

The Zambian Banking sector is highly competitive, with commercial banks not only competing among each other, but also with non-banking financial institution (PWC Zambia, 2019). The justification may be that most commercial banks product development is easy to duplicate and when these commercial bank provide the same services, they can only differentiate themselves on the bases of quality and price.

Therefore, customers' retention according to Almosawi (2001) observation is potentially an effective instrument that banks can use to gain a strategic advantage and survive in today's rising banking competitive environment. Based on this observation, commercial banks especially in Zambia should target their marketing strategies in a particular segment in order to compete effectively and in this case, university students seem to be a lucrative and beneficial segment.

According to Driscoll (1999) Studies show that commercial banks can be successful by becoming customer oriented and customer focused. He further observed that, this is because the customer, which is the supplier of the surplus fund and the one borrowing from them, remains their lifeblood. That as it may be, As Leibert (2004) noted, that meeting the needs of the different customers in respect of banking financial service provision has emerged as an important element of bank reputation and image that persuades customers to select a bank.

It is believed by Bravo and Pina (2010) that middle age youth student group, especially the undergraduate university student's mark the test of future lucrative market for commercial banks and other financial institutions. It is of extreme importance for commercial banks to start cultivating this vibrant market segment in order to understand how individuals in this segment select their commercial banks.

Furthermore, it was Jansson-Boyd (2010) recommendation that, student's loyalty to commercial banks needs to be developed before they become high earners or employees.

Several theories are offered in this respect. These models are discussed to assess the determinants criteria students used to select banks of their choices.

#### **2.4.1 The Theory of Constraints (TOC)**

The theory of constraints (TOC) is an adaptable procedure methodology that has been developed to help institutions and people to think about their problems through critical analysis, develop and formulate breakthrough solutions and implement those solutions successfully. According to Blankson et al (2009), the theory was developed by Eliyahu Goldratt in 1990. The constraints usually start when the institution loses its customers to its competitors or needs to attract more customers to maintain its profitability.

Institutions use the TOC to critically assess the causes of customer loss or factors that causes customer gain and loyalty such as attraction and retention of customers. According to Cleopas and Olawale (2011), Customers may choose different financial service providers because of quality speed of service, staff courtesy and constraints among others. Most of the Customers usually expect higher service quality and product than the price they are willing to pay to acquire those services and products (Bramorski et al 2002).

The theory of constraints is highly applicable to commercial banks. Banks nowadays, are constrained by a rapidly changing environment, competitive pressures and need to retain old customers and attract new customers if they want to survive and prosper. Therefore, understanding the determinants of commercial bank selection by customers is one of the ways to reduce or eliminate the constraints commercial banks face in achieving their wealth maximization objective (Graves, 2010).

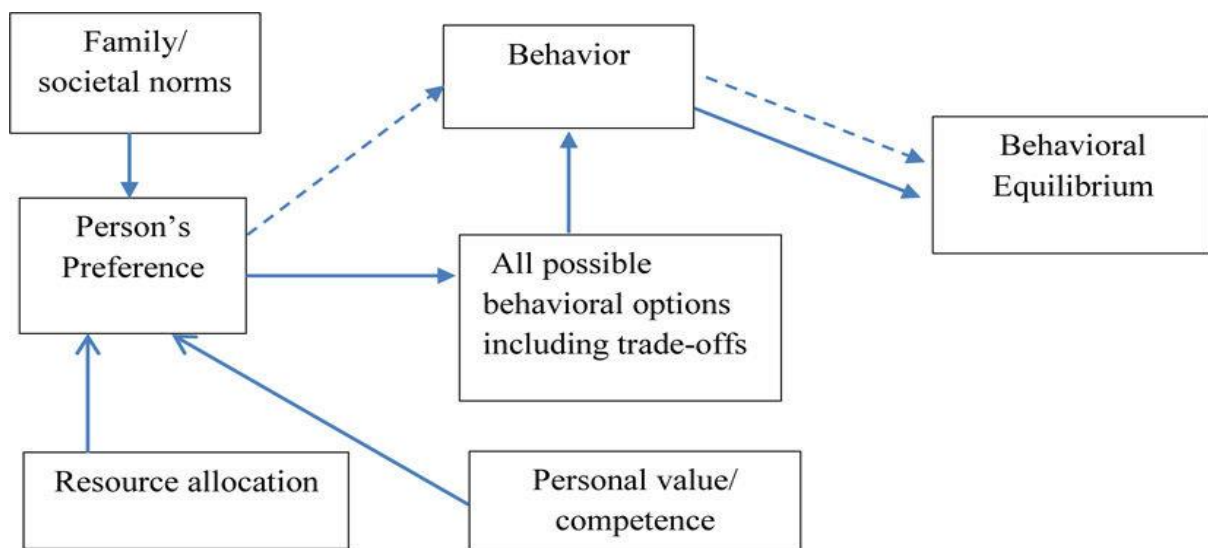
#### **2.4.2 Rational Choice Theory**

According to Cleopas and Olawale (2011), The Rational choice theory refers to the process of determining what alternative options are available and subsequently choosing the most preferred one based on some consistent criterion. The theory of rationale choice it based on what motivates customers based on the wants or goals that express their preferences and tastes. Based on the study by Colgate (2007) and Atta-Junior (2013) it is noted that customers were acting within particular given constraints based on the information that they situation under which they were acting. At its core, the relationship between constraints and preference can be observed in its simplest, the relationship between preferences and constraints can be seen in the purely technical terms of the relationship of a means to an end. As it is not

possible for individuals to achieve all of the various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals (Scott, 2000).

As Ganesh (2000) noted that rational choice theory hold that people must look forward to the outcomes of alternative courses of action and calculate that which will be best for them. It's a way known fact that rational individuals will substitute bad choice with the alternative that is likely to give them the greatest satisfaction (Blankson et al (2009).

**Figure 2.1: Rational Choice Theory Model**



Source: Adapted from (Anderson and Fulcher, 1976).

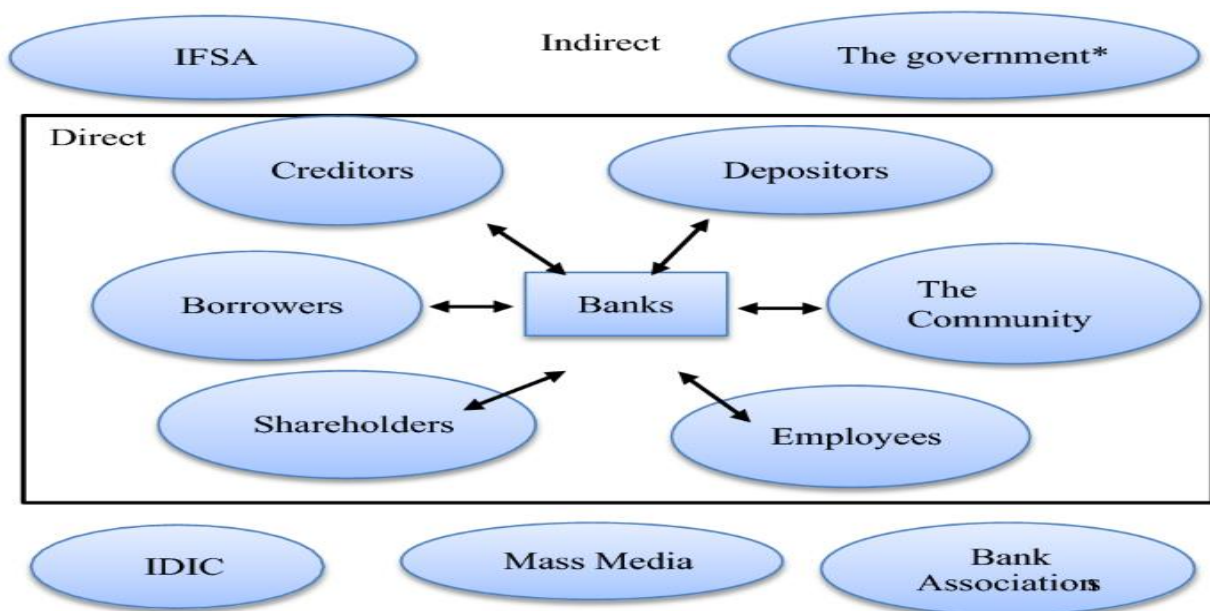
The relevance of rational choice, in this study will help to understand how people compare the benefits and costs of certain actions and it's easy to see in respect of bank selection behavior of customers. And this is because, a lot of people want to get the most useful financial products and services at the lowest convenience and price, they will judge the significance and the benefits of a certain banks services for instance, on how useful is it or on how attractive is it and compared it to other similar ones from others commercial banks. Then they will compare price, benefits and cost. In most cases, people will choose the commercial bank that they perceive provides the greatest benefits or reward at the lowest cost, given their tastes and preferences.

### 2.4.3 Bank Legitimacy Theory/ Stakeholders Interest Theory

The legitimacy theory states that a firm has no right to exist unless its values are being perceived as matching with that of the customers and society at large where it operates (Delvin and McKechnie (2008). As Abraham and Iran (2015) noted, the ideology of the legitimacy theory resembles a bank contract between the bank and the customer. Since the objective of banking is to provide customers with financial services and products, therefore, this theory acts as determinants information that help customers in decision-making and that is its self-satisfying both the bank and the customers' interests (Cicic, 2004).

The bank legitimacy theory has become one of the most important theory in the banking and social literature and it has been fully integrated in banking industry as a way of providing solution as to what, why, when and how certain items are addressed by customers in the determinants of commercial bank of their choice with both the outsiders and inside audiences (Charles and Freddie, 2011).

**Figure 2.2: Bank Legitimacy Theory/ Stakeholders Interest Theory Model**



Source: Adapted from (Gerrard and Cunningham, 1997).

Since the bank legitimacy theory is based on the customer's and society perception at large, bank management are usually forced to disclose information that would change the external users (customers) perception about their institution (Filip and Constantinescu, 2007). According to Holstius and Kaynak (1995), the bank annual report and other legislatives have

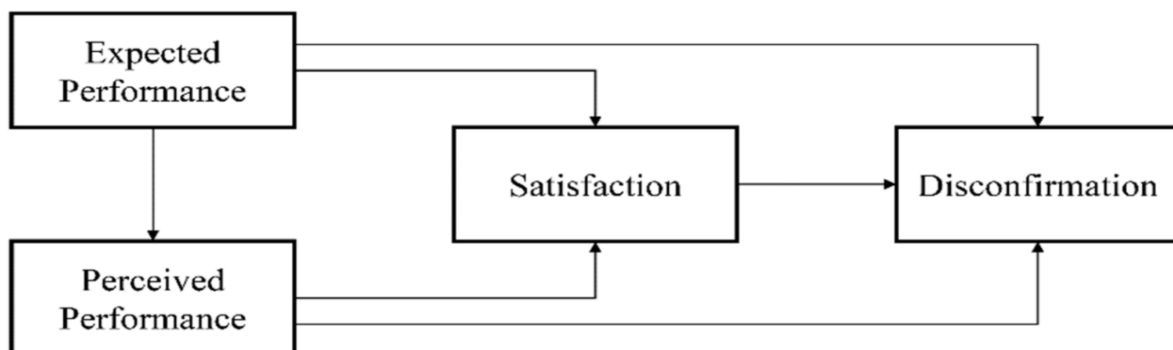
been considered as an important source of legitimization. Legitimization usually occurs both through mandatory disclosures that is, disclosures that provided in annual financial statements because of regulations and voluntary disclosures provided in other sections of the annual report (Nkamnebe and Ukenna, 2010).

Therefore, understanding the determinants of bank selection by students who are particularly customers of the bank, is one of the ways to reduce or eliminate the legitimacy problems commercial banks face in today's modern era where banks thrives to achieve wealth maximizations.

#### 2.4.4 The Expectancy Disconfirmation Paradigm Theory

Drawing on the weakness of the early theories of consumer satisfaction Oliver (1977, 1980) projected the Expectancy Disconfirmation Paradigm (EDP) theory as one of the most capable theoretical framework for the assessment of customer satisfaction. According to Owusu-Frimpong (1999) this model entail that consumers will purchase goods and services with pre-purchase anticipation about the performance expectations of a good and service.

**Figure 2.3: Expectancy Disconfirmation Paradigm Model**



Source: Adapted from (Denton and Chan, 1991).

The expectation level then becomes a criterion against which the product is determined. That is, once the product or service has been used, the outcomes results are weighed against the expectations. If the result matches the expectation, then confirmation occurs. As Winston (1999a) also noted that the disconfirmation usually occurs where there is a difference between expectations and the actual outcomes and he further observed in his second research Winston (1999b) that a customer is either dissatisfied or satisfied as a result of negative or positive difference between expectations and perceptions.

Therefore, this theory of expectancy disconfirmation paradigm is of importance to this research study, as it relates to the expectations and outcomes from consuming or using a good or services based on the services performance received and this acts as a major determinant criterion in bank selection by the students. According to Kiser (2002) asserted that, when bank service performance is better than what the customer had initially expected, there is a positive disconfirmation between expectations and performance which results in satisfaction. On the other hand, as Rehman and Ahmed (2008) agreed and added that, in the case, when bank service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction only in itself.

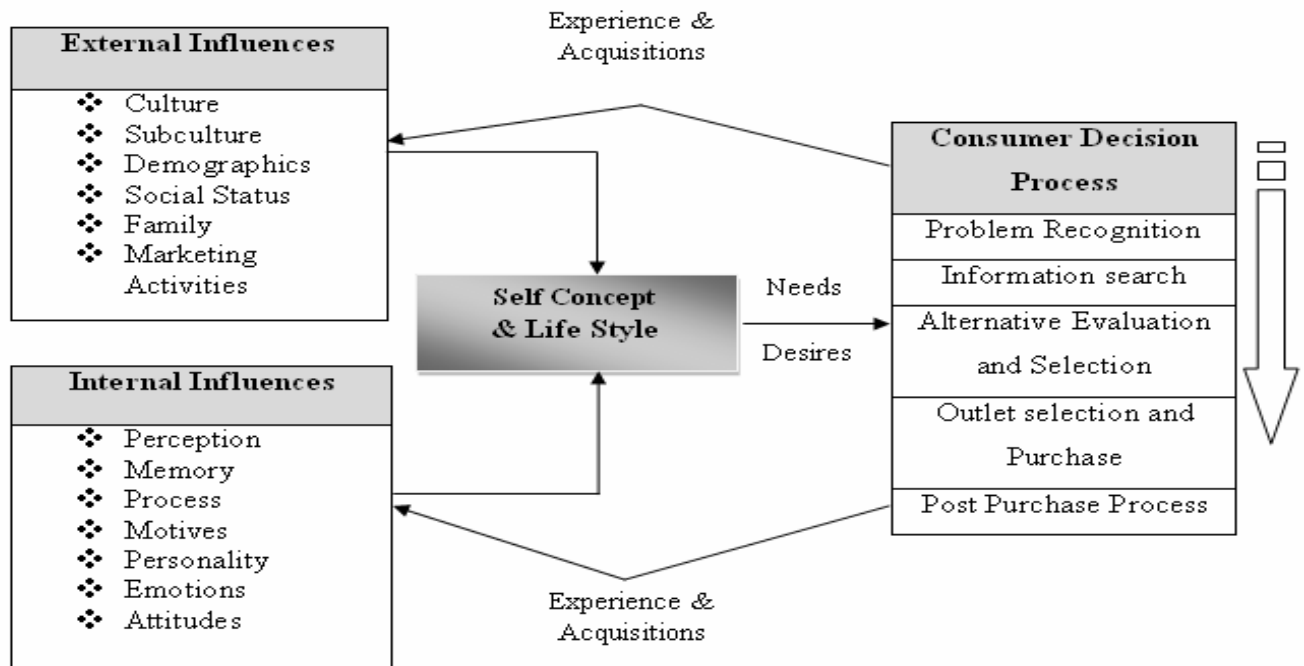
As Lead (2005) further added and expanded in his research that, when bank service performance is not as good as what the customer expected, there is a negative disconfirmation between expectations and perceptions which causes dissatisfaction. This model has been of useful in today's research and literature and it has found great degree of support from researchers in other disciplines, and has been widely used to evaluate satisfaction and criteria's and decisions with different products and services, for example with restaurant services (Taylor et al 2009), with automobiles (Aaron and Martha, 2016), with hotel and holiday destination services (Oluwaseyitan et al 2018).

#### **2.4.5 The Consumer Behavior**

According to Lee and Marlowe (2003) Consumer behavior has been defined as an act or science of understanding the perception and buying behavior of final consumers. As Kotler and Keller (2009) put it, it is the behavior that consumers display when purchasing for, searching for, evaluating, using and disposing the product or the idea that they have for the commodity and if it will satisfy their need.

This theory of consumer behavior in this study will seek to understand how the consumers make decisions on how to spend their available resources in regard to purchase and determining bank of their preferred choice. Consumer behavior in bank selection according to Maiyaki (2011) is not only influenced by external factors but also by their expectation and attitudes. These expectation and attitudes are constantly changing in response to a continuous flow of events, personal experience and information.

**Figure 2.4: Consumer Behavior Model**



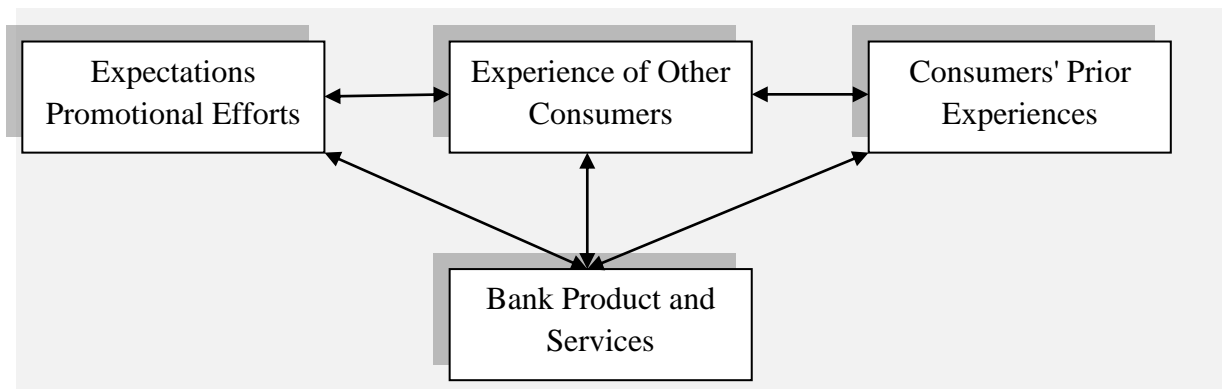
Source: Adapted from (Hawkins et al 1998).

#### 2.4.6 The Comparison Level Theory

A number of researchers have criticized and disapproved of the Expectancy Disconfirmation paradigm theory on the basis that this approach posits that the primary determinant of customer satisfaction is the predictive expectations created by company reports, manufacturers or unspecified sources (Nkamnebe and Ukenna, 2010). For example, Karjaluoto et al (2002) argued that the Expectancy Disconfirmation paradigm theory is biased and it ignores other sources information of expectations, such as the consumer's past experience and other consumer's experience with similar constructs. Due to this argument, they proposed a modification of the Comparison Level Theory.

Different from the Expectancy Disconfirmation paradigm which uses situational and predictive produced expectations as the comparison standard, the Comparison Level Theory brought about a lot of compelling argument and it argued that, there are more than one basic determinants of comparison level for a product: (i) Situational produced expectations those created through promotional efforts and advertising (ii) the experience of other consumers who serve as referent persons and (iii) consumers' prior experiences with similar products (goods and services).

**Figure 2.5: Comparison Level Theory Model**



Source: Adapted from (Jayawarhena and Foley, 2000).

The theory of Comparison Level is highly applicable currently in determinant of bank selection criteria. Applying the Comparison Level Theory to the bank selection process, as Mwangi (2017) research found out that experience based standards or norms play a role as a baseline for comparisons in consumer's bank selection determinants. It was also founded by Mabin and Balderstone (2003) that situational induced expectations had little effect on the customer satisfaction, while expectations based on prior experiences were the major determinant of customer satisfaction.

#### **2.4.7 Customer Loyalty**

According to Kotler and Keller (2006) Customer loyalty is one of the most significant indicators used to evaluate the quality of services offered by a commercial bank. The vital issue for the continued success of most commercial banks is its potential to retain its current customers and make them loyal to its brands. As this will help them in gaining customer loyalty which has become a key objective for most banking institution when deciding to adopt a relationship marketing perspective (Cicic, 2004).

### **2.5 Empirical Literature Review**

#### **2.5.1 Determinants of Bank Services Selection Not Listed in Order of Priority**

The first determinant of bank services selection listed not in order of priority or order is prices, according to (Nkamnebe and Ukenna, 2010). Prices consists of higher prices, price increase, unfair pricing deceptive pricing (Kaynak and Harcar, 2005). Secondly, is inconvenience according to (Kumar et al, 2010). Inconvenience consists of location, hours, wait for appointment, and wait for service (Hinson, 2013). Thirdly, is bank service and

products as Lee and Marlowe (2003) research indicated that bank service and products is one of the determinants. Bank services and products consist of customer's services, bank accounts and loans (Ishemoui, 2007). As Taylor et al (2009) observed in his research findings, that secure feeling is the fourth determinants of bank selection. First is financial benefits and returns. According to Dusuki and Abdullah (2007) financial benefits and returns includes returns on savings, interests and bonuses and lastly, are electronic services as listed by (Gerrard and Cunningham, 2001). Electronic services include e-services such as ATM, online banking and Mobil (Cicic, 2004). Reputation of the Bank (Aaron and Martha, 2016), Perceived Ethics of Bank (Farooq et al, 2010), Anderson et al (1976) Ease of obtaining borrowed funds (credit) and Customer Services (Graves, 2010).

### **2.5.2 Bank Services Selection Criteria by students**

Large volume of research work has been carry out on university students on banking selection criteria, with helpful results and profitable insight into the university students banking selection behavior (Gerrard and Cunningham, 2009).

The outcomes from some of these research, have discovered some of the key determinants influencing factors impacting on the university students banking selection decision among several include the following though not listed in order of priority or any order are as follows:

### **2.5.3 Secure Feeling and Customers' Bank Selection Decision**

According to Dusuki and Abdullah (2007) asserted out that secure feeling imitates the desire of banking with a stable bank and assurance of confidentiality when making a financial decisions and transactions. This entail that secure feeling includes both the security of the bank and the security at the bank. Based on Ishemoui (2007) conducted a study in South Africa that tackled the issue of how university students choose the commercial bank to patronize. The research concludes that for university students to become loyal, commercial banks should emphasize that they can make the students feel secure. The area of interest in any marketing campaign should be on making customers feel secure more particularly emphasizing the commercial bank's stability (Cicic, 2004).

Commercial Banks should also try by means to cultivate a good brand image, as many of its customers either active or passive usually prefer to have bank accounts in well-known commercial banks where security arrangement are good so they can be assured of the safety of their money in the accounts (Almossawi, M (2001).

#### **2.5.4 Convenience of Location and Customers' Bank Selection Decision**

According to Bandura (1997) professional bankers and researchers have categorized convenience of location as one of the major determinants of bank selection among university student consumers. Customers have the tendency of switching to a new provider if the new provider is closer to their workplace or home, because it directly determines whether the customer can access their banks on a regular basis (Gnash, Arnold & Reynolds, 2000). For instance, Arebgey (2011) study of university undergraduate students, discovered convenience of location, as one of the two major determinants that influences undergraduate students' in banking selection.

Equally, the finding in the research journal titled how students' selects commercial banks among the university students in America by Iran and Joe (1991) concluded that convenience of location is one of the key determinant criteria for banking selection among university students. As Abor (2004) also agreed, that convenience of location, as one of the principle factors impacting on student banking selection. On the other hand, the research conducted by Ishemolai (2007) among the Nigerian students in their findings showed convenience of location as one of the key determining factors of banking selection among students.

It is commonly known that the closeness of the commercial bank to the university or school is one of the most cardinal criteria in selection decision among students. As Bravo et al (2010) supported and argued that closeness is very important but it can also disadvantage the bank if it lacks nearness of the parking space and this may distort the whole purpose of convenience of location.

#### **Figure 2.7: Examples of Convenience of Location**



Source: (Captured in Lusaka and Prepared by the Author, 2021.)

### 2.5.5 Electronic Services and Customers' Bank Selection Decision

According to Nkamnebe and Ukenna (2010) Electronic services, these are bank electronic financial services which includes mobile banking, ATM, internet banking and these services have been recognized in literature, as a principle factor in student bank selection.

**Figure 2.8: Examples of Electronic Services Used By Customers**



Source: (Adapted from Cleopas et al, 2018 - Mobile Banking, ATM, and E-Checks)

Most Commercial Bank in Zambia have introduced ATMs as a strategic marketing move in attracting customers to bank with them due to high presence of ATMs satellite link network in the city and the country at large. According to Karjaluo et al (2002) ATM, mobile banking and internet banking these are innovative financial products that allows customers to

withdrawal and deposit cash through the use of debit/credit cards or a special PIN code. Both ATMs, mobile and internet banking enable customers to gain access to some of the bank services at any time that suits them. Customers usually are required to insert their cards into the machine or key in their own Personal Identification Number (PIN) and customers have access to his money 24 hours a day, 7 days a week, 365 days a year.

In a research conducted in china, by Dusuki and Abdullah (2007) the outcomes of the research revealed that china students considered Internet banking, technology based financial services and availability of ATM as a basis for selecting a bank. Equally, in a research study of student banking selection by Hinson and Hammond (2006) their finding showed a general increase in ATM network, as the major determinant of banking selection among local students.

On the other hand, the study of Joseph and Stone (2003) finding reported that a widespread availability of ATM was established among banks networks and businesses. These research findings have confirmed the outcomes from previous study in the United Kingdom, by Lee and Marlowe (2003) and Delvin and McKechnie (2008), that ATM nearness to school, influences the student banking decision.

#### **2.5.6 Bank Services and Customers' Bank Selection Decision**

Banking services are considered to be one of the major significant in influencing student on bank selection decision in literature. Banks provide different types of services and products to satisfy their customers' wants and needs. Most banks provide similar products and services but call them different names as table 2.1 Below shows. Good customer service is what differentiates one bank from the other and this as also act as influence to students to select a bank.

For example, the research study by Lymperopoulos et al (2006) among the American's University and business students clearly indicated that, speed of service, as one of the two most important determining factors affecting student bank selection. Banks have also realized that finding a new customer is much more expensive than satisfying an already existing one. For this reason, more and more banks are innovating new products and services to try and keep already existing customers, and preventing these customers switching their bank accounts to other banks.

In another research study carried out by Taylor et al (2009) Most commercial banks have opted to introduced university and college student accounts as a marketing strategy in the hope that the same university and college students in the near future would become their corporate customers and use more bank products and services they would pay for and this has led to commercial banks to start Offering student accounts free of charge as loss leaders will in future see these banks retaining these customers. According to Katircioglu (2011) also noted that customer in developed countries are more interested in the quality functional of financial services and not in the technical quality dimension.

**Table 2.1: Examples of Some of the Different Bank Services**

<b>Bank Services</b>	
Advancing Of Loans	Overdraft
Discounting of Bills of Exchange	Check/Cheque Payment
Foreign Currency Exchange	Consultancy
Remittance of Funds	Private Banking
Priority Banking	Accepting Deposits

Source: Source: (Prepared by the Author, 2021.)

### **2.5.7 Financial Benefits and Customers' Bank Selection Decision**

According to Mokhlis (2009) financial benefits have been defined as the benefit that is derived from using a bank service or a bank product. For example, personal loans, these are loans that the bank lends out privately to individuals and these loans are used to purchase car, furniture purchase and home. These loans come with different benefits to customers such as customers are not subject to rising interest rates and a monthly repayment are usually fixed and allow customers to plan monthly outgoings. Financial benefits have been recognized, as an important factor in bank selection literature. As Shaher et al., (2011) asserted, financial benefits such as interest charged on loans, quick loan approval and document service charges as the major determinant of student bank selection.

As Maiyaki (2011) agreed and argued that, that interest rate on loan and pricing of bank services and products as the key factor influencer on student bank selection, but, also argued, pricing on loans but be done prudently to avoid the bank from banking illiquid which can have posed a risk on the bank. According to Rao, (2010) research that was conducted on 600 student's financial benefits was ranked high among other factors that influences student

banking selection. His research further concluded that all the 600 students ranked financial benefits as the most cardinal factor in banking selection among students.

### **2.5.8 Reputation of the Bank and Customers' Bank Selection Decision**

As Cicic et al. (2004) research shows that there are many factors that influence a student in choosing a particular bank in Herzegovina and Bosnia. A total of 300 students aged 19-24 years of the University of Sarajevo were served as a sample for the study and research discovered that reputation of the bank plays an important role in determining bank selection. Furthermore, according to Mwangi (2017) confidence in bank management, low services charges and friendliness of bank personnel are also crucial bank selection criteria for the student of university of Zambia.

### **2.5.9 Customer Perceptions and Customers' Bank Selection Decision**

According to Aaron and Martha (2016) Perception is an opinion about something assessed, viewed and it varies from people to people, as every customer has different approach towards certain products and services that plays a significant role in determining customer satisfaction.

On the other hand, as Oluwaseyitan et al (2018) noted that Customer satisfaction is usually determined by the customers' expectations and perceptions of the quality of the services and products. Oftentimes, customer perception is usually subjective because it provides some helpful advantageous benefits for companies to develop their marketing strategies.

Nowadays, it's a common business plan to Provide high level of quality service as selling point to attract student's attention and this has become most important factor that leads to satisfaction. For that reason, customer perception and satisfaction are very closely related together reason being that, the perceived service are close to customers' expectations which leads to customer satisfaction (Scott and Walt, 1995).

**The following Table 2.2: is a review of the previous studied used in this study, and summarizing the finding determinant of each study:**

**Table 2.2: Review of previous studies**

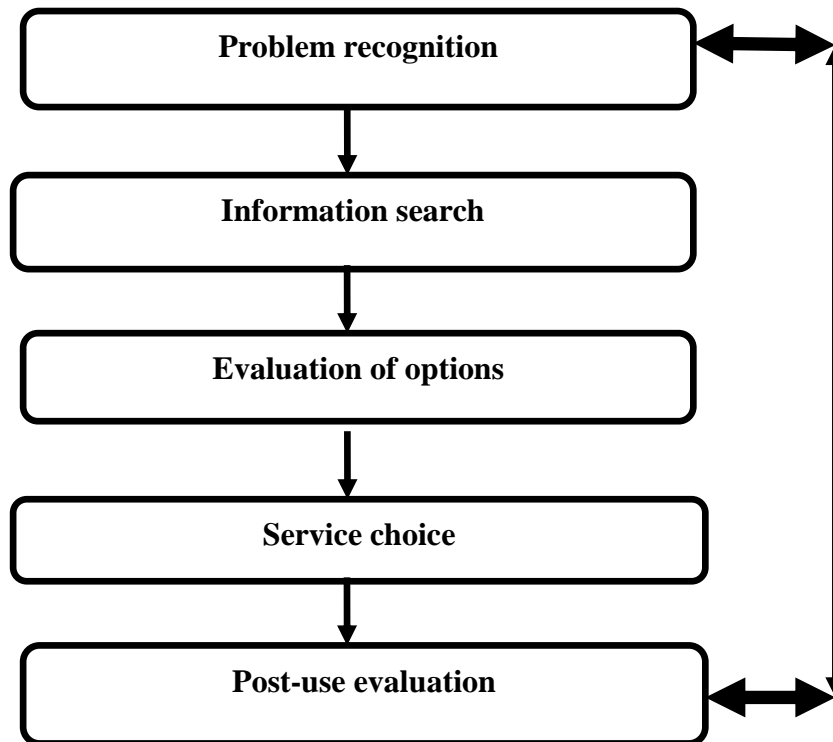
<b>Researcher</b>	<b>Selection Criterion</b>	<b>Study</b>
Abraham and Iran (2015)	Reputation , Image and Social Responsibility	Consumer Behavior and Banking Services
Aaron and Martha (2016)	Fast and Efficient Service	Determinants of banks selection; the case of India
Anderson and Fox, and Fulcher (1976)	Quality and range of service	Bank selection decision and market segmentation
Cicic and Brkic and Agic (2004)	Pricing	Bank selection criteria employed by students in a southeastern European country: An empirical analysis of potential market segments' preferences
Holstius and Kaynak (1995)	Security of funds	Retail banking in Nordic countries: the case of Finland
Ishemoi (2007)	Friendliness	Bank selection criteria among undergraduate students in Tanzania
Oluwaseyitan and Hashim and Yusof (2018)	Convenience	Determinants of Bank Selection: An International Student Perspective
Omar (2007)	Technology related factors	Gender-based retail bank choice decisions in Nigeria

Source: (Prepared by the Author 2020.)

## **2.6 HOW CUSTOMERS GO ABOUT IN SELECTING A BANK SERVICE PROVIDER OF THERE CHOICE AND THE DECISION MAKING PROCESS**

Many Academic authors have come too realised that decision makers actually have a set of methods ranging from meticulous analysis to pure whim and depending on the importance of what they are utilizing and how much effort the person is willing to put into the decision (Geremeskel, 2016).

**Figure 2.9: The Customer Decision-Making Process**



Source: Adopted from (Sells (n.d.), Consumers behavior, Chief Innovation Officer, Electrolux, Sweden, pp. 157).

Selection of a service provider in some services sectors is analyzed in length and this has been the case in financial services. According to Leach et al (2001) when it comes to selecting a bank services provider by customers, two main stages will occur and these are the first-cut and final selection process.” post-purchase evaluation also consists of two stages and these are evaluation of service delivery and of final outcome. There are four stages in the decision process for selecting a service provider and these are as follows:

Recognition of the problem, As Mabin and Balderstone (2003) noted, recognition of the problem is the center point for the service purchase process, and then, after purchase objectives are set, customers will identify the initial consideration set for criteria and these criteria will depend and vary for different services and other different stages selection decision process of service providers. After the recognition process, next is the initial consideration, according to Kumar et al (2010) research the initial consideration set usually include pre-qualification of potential suppliers and refinement stage of the consideration set and that brings about developing a short-list of the finalists and this is usually from 3 up to 11 and depending on the service or number of potential suppliers.

In general, and in principle, evaluation of a consideration is usually set based on how much of a particular attribute a service provider has and this usually requires very personal assessments like subjective chemistry. As Day and Barksdale (1994) asserted Selection of a service provider usually results from careful assessment of how well each candidate rates on each of the determinant attributes.

Therefore, after the service provider is selected and the service is provided, a double analysis and evaluation of service delivery is carried out. This double analysis and evaluation is based on two aspects of service quality such as functional quality and technical quality on how it is delivered and the final results of this evaluation conducted will leads to either customer satisfaction or dissatisfaction, unfortunately to service provider and switching (Scott and Walt, 1995).

## **2.7 Customers Satisfaction**

Attempting to offer all things to all people is difficult and if not impracticable in a competitive marketplace. Many commercial banks are selecting a few key target markets and concentrating on trying to serve them better than their competitors.

Generally speaking, as Zineldin (1996) noted that business banks and customers have three main targeting choices. They can attempt to become market niches, low cost producers or Commercial banks supermarket:

- i. **Commercial banks supermarket strategy** is only appropriate for a very large, few and diversified commercial banks and financial institutions such as Zambia national commercial bank, Atlas Mara Zambia and Standard Chartered Bank Zambia.
- ii. **Low cost** producers offer limited services at discount prices and compete on price (Bandural, 1997). The most noted examples are money market funds and discount brokerage firms that offer limited services efficiently.
- iii. **Niche banks or Specialty** primarily focus on the needs and desires of a particular market segment with a particular product mix such as industry sectors, mortgage loans, special trade markets and venture financing (Kaynak and Harcar, 2005). Many national banks and regional have adopted niche strategies mostly targeting market segments where they have key experience and strengths. As Driscoll (1999) Studies show that many small and medium sized institutions are targeting both retail and

commercial customers and at the same avoiding intense competition for consumer businesses who are also targeting the same customers.

According to Zineldin (1999) came to understand that customers' needs approach requires that commercial banks target their banking business towards one or all customers and towards satisfying some or all of their needs and wants. A bank has to analyze and consider its strengths and weaknesses, its market opportunity, and its competitors.

Customer satisfaction is a strategic support to obtain a long term profitable growth. This may have its own advantages and main results. For instance, more loyalty of customer can create a cross selling & up selling of services/ products of one organization, great customer retention can result a long customer lifetime value for the institution, better short and long term business performances may also consequences a higher stock returns, stock value and cash flow less volatile and long period strong competitive positioning can consequence a market leadership in one institution (Unicredit Group, 2008). Unicredit group has a strong commitment to be the customer satisfaction leader in Italy.

## **2.8 FACTORS AFFECTING CUSTOMER SATISFACTION IN BANKS SELECTIONS**

One of the questions concerning determining bank criteria of choice from the other banks has to do much with customer's satisfaction. Customer satisfaction deals much with the Based absence of consensus of what create satisfaction. Based on the previous research conducted by Jansson-Boyd (2010) concluded that there are many factors that come to play in understanding the effect of customer satisfaction on decision making and Such factors mainly includes service quality, friendly employees, quick service knowledgeable employees, image, competitive pricing and good value.

In Rehman and Ahmed (2008) it was further observed by their research that customers who are more satisfied form a kind of establishment of any successful business as customer satisfaction leads to continuous repeat purchase, positive word of the mouth and brand loyalty. Research by Denton and Chan (1991) also emphasized that customer satisfaction usually results ultimately in dependence, customer loyalty, expectation and price tolerance.

On the other hand, Kasawneh and Salem (2011) conducted a research study about the relationship between profitability and customer satisfaction and the outcome was that customer satisfaction is correlated to customer loyalty which is usually related to

profitability. Also Ladhari et al (2010) asserted that as long as banks provides a superior banking services of quality, will help to enhance the customer satisfaction and contributes to profitability. Since the objective and aim of any profitable financial institution particularly banks is profitability and it's very important to come up with strategic plans that will ensure that fulfillment of these objectives and aims through creating customer satisfaction.

According to Winstonet al (1999a) research, it was discovered that to measure customer satisfaction in the private sector, banks usually likes to employ a research survey consisting of customer's satisfaction scope that is indicates and presents the collection of criteria and sub criteria used in the research survey and some of these major satisfaction criteria comprises of the following according to Winstonet al (1999b):

- i. **Service:** This criterion includes all the services offered to the customers and it consists of the waiting time such as the telephone and queues, the appearance of the stores, the information provided to customers in a more understandable way, the complexity of service processes and the explanation of the service and other important factors including notification of new innovative products.
- ii. **Personnel of The Bank:** This criterion comprises of all the individuality characteristics concerning personnel such as collaboration with customers, responsiveness, skills and knowledge, responsiveness, friendliness and communication.
- iii. **Access:** This Criterion included all the bank branches location, all the network expansion of the bank, as well as observation of operations problems in the service system such as damaged, ATMs and strikes are all included in this criterion.
- iv. **Image of The Bank:** This criterion consists of the trustworthiness and dependability of the bank such as the reputation, technology excellence, and ability to satisfy both potential and future customer's needs and also the banks name are included in this criterion.
- v. **Products:** This criterion comprises mostly to the offered services and products such as special services, cost, variety and refund.

**The following Table 2.3: Summarizes the determinants that create satisfaction in banks and if managed bad can cause dissatisfaction among customers; based on previous research studies;**

<b>Authors</b>	<b>Year</b>	<b>Determinant</b>
Mwange	2017	<ol style="list-style-type: none"> <li>1. E-Fulfillment</li> <li>2. Availability</li> <li>3. Customer Services</li> <li>4. Personal Assistance</li> </ol>
Rehman and Ahmed	2008	<ol style="list-style-type: none"> <li>1. Access</li> <li>2. Price Fairness</li> <li>3. Conditions of contract</li> <li>4. Reputation</li> </ol>
Owusu-Frimpong	1999	<ol style="list-style-type: none"> <li>1. Convenience of location</li> <li>2. Financial Benefits</li> <li>3. Service interaction</li> </ol>
Patrick	2006	<ol style="list-style-type: none"> <li>1. Image of the bank</li> <li>2. Customer Services</li> <li>3. Recommendation from Friends</li> <li>4. Convenience of location</li> </ol>

Source: (Prepared by the Author 2020.)

Therefore, as Lymperopoulos (2006) further observed that, it will be important for commercial banks to explore how customers make a choice among commercial banks to conduct their day to day financial transactions. On the other side, Katircioglu et al (2011) supported and agreed that, such appraisal will be helpful to commercial banks to identify the suitable marketing strategies needed to attract new and potential customers and at the sometime retain existing ones.

Research by Charles and Freddie (2011) as indicated that, they has been increase in bank satisfaction in Ethiopia purely due to increase in marketing efforts by commercial banks and this has contributed to an overall bank satisfaction as this has led to the banking sector to start flourishing with more participants from both private and public sector entering the market.

## **2.9 External Factors that Contributes to Bank Selection among Customers in Zambia**

As Sutherland (2008) noted that there are external drivers of bank selection among customers in the banking sector and some of these external factors contributing to the growing of bank selection and the need of banking services and products among customers in Zambia are as follows:

### **2.9.1 Economic prosperity and Innovation**

According to World Bank (2012) report, indicated that economic prosperity is now considered to be one of the mechanism of the growth of innovation in the banking as the resulting increase in purchasing power have given a boost to a consumer boom which has given birth for demand for financial services. According to Demirguc-Kunt and Klapper (2012) Asserted that economic prosperity and innovation are the major external driver in bank selection decisions among customers as economic prosperity signifies value in the banking industry which is the major key to economic prosperity which is necessary for national development and to be competitive in the global financial economy were consumers a looking for better financial services providers to meet their own needs and wants.

For instance, it is noteworthy that, during the 10 years after 1996, Zambia's economy grew at an average rate of 6.8 percent not many countries in the Africa world match this performance at the time but the growth has sharply declined due to changes in the global economic financial environment, but still more foreign and local banks have express an interest to continue expanding, investing and innovating banking products as a way to match the ever growing demand of financial services (Bank Of Zambia, 2013) appendix 3.

Most commercial banks in Zambia specifically, have start stepping up research efforts to prepare customers for a changing economy where product innovation is the new normal as effort in making bank selection decision much easier to both urban and rural customers (Securities and Exchange Commission Zambia, 2016).

### **2.9.2 Changing Consumer Demographics and Distribution Strategy**

Changing consumer demographics is one of the major drivers of bank selection in the banking sector. When consumers change their locations by moving from high populated area to a low populated area, different factors will affect the channel mix and the distribution strategy of the bank and this will bring attention to the bank to innovate and market their products as a way of attracting and keeping the new and old consumer satisfied even when they change demography by continuing supplying them with latest banking products just like in the highly populated area where demand is high.

According to research by Byers and Lederer (2001) Using a competitive market model for retail banking services, have concluded that it was changing consumer behavior and attitudes

rather than banks' cost structure that determined the selection of commercial banks and these brought about changes in product structures and the distribution strategy of a commercial bank.

It was further predicted by Graves (2010) in his book that bank selection has been attributed to certain demography and that the use of electronic distribution services such as ATMs and other electronic services of importance to customers have become cardinal to reach both the un-banked and banked customers who are allocated far.

On the other hand, Thornton and White (2013) added that consumer bank selection decisions would be the key factor in the development of distribution of financial services channel structure in the future. Consumption of financial services especially in low density areas according to Ministry of Finance-GRZ (2015) indicated a vast potential for growth in consumption both quantitatively and qualitatively. Zambia is one of the countries which have highest youth population and its 70% population is below 40 years of age (young population). Other research study by Colgate (2007) indicated that countries like China, Russia, Brazil and India have demographic advantage as an important positive factor for bank selection decision by customers.

### **2.7.3 Technological Factors**

As Jobber and Fahy (2009) research study shows that Technological factors usually plays an important role in spearheading bank selection among customers and contribution to the development in the banking sector. Technological factors has been able to drive bank selection among customers through the critical determinants criteria such as the role in promoting convenience banking or retail banking in the form of innovative banking products such as debit/credit cards, Internet and home-banking, anywhere and Anytime Banking.

These technological factors have attracted many new customers into the banking sector. Technological innovations relating to increasing use of credit/ debit cards, ATMs, direct debit and phone banking has thus contributed to the growth of retail banking in Zambia which has been the major influence on customer's decisions.

## **2.8 Factors Affecting Consumers' Adoption towards Bank Services in Zambia**

There are some factors influencing consumers' adoption towards bank services in the banking sector and these factors are as follows:

### **2.8.1 Performance Expectancy**

In Research studies conducted by Joseph and Stone (2003) indicated that performance expectancy which are usually made in banking field reveal that the more consumer knows the actual advantage derived from the product is great, the more probable banking products will be accepted and approved. In this regards, perceived importance is observed and identified as a cardinal factor. Additionally, perceived advantages considerably affect customers' intention to adopt and embrace banking products and services.

### **2.8.2 Effort Expectancy**

According to Lee and Marlowe (2003) studies defined effort expectancy as the degree level of effortlessness in relation to the decision selection and use of financial services. Researchers such as Bravo et al (2010); Hinson and Hammond (2006); Lee and Marlowe (2003) state that perceived effortlessness of use of banking products and services is a major determinant influencing factor on customers for using banking services and products.

### **2.8.3 Social Influence**

Rahman and Ahmed (2008) Studies explained social influence as the degree level to which a consumer regards that important others believe the consumer should use the banking services. Earlier research indicates that consumers' willingness to use banking services and products banking has significantly impacted by people surrounding them.

### **2.8.4 Perceived Credibility**

They are some research studies that where conducted by Abduh and Omar (2010) and Shaher et al (2011) respectively that shows the outcome of Some of the banking services adoption in banking sector supports that people reject or are reluctant for choosing smaller banks to larger banks due to perceived risk or perceived credibility in handling complex banking matters. It can be said that perceived risk is the most important element affecting banking services selection and adoption in the determinants of banking of choice.

### **2.8.5 Perceived Financial Cost**

Consumers' adoption towards banking services is promoted by economic factors such as transaction fees or discouraged by economic considerations such as concerns on basic fees

for banking services (Mwange, 2017). It can be said that perceived financial cost has negative effects on behavioral intention to use banking services (Dusuki and Abdullah, 2007).

### **2.8.6 Facilitating Conditions**

Facilitating condition according to Abor (2004) can be defined as the degree to which a person believes that commercial bank and technical structure comes into existence to support the use of financial services and thus selection of bank should be based on these two.

On the other hand, Studies by Delvin and McKechnie (2008) reveal that the more suitable the reach of customers to affordable services and facilities is the more satisfied their use of the bank services and products will be and this which leads to high adoption ratio of using banking services.

### **2.9 Gender-Based Difference in Bank Choice Among Students**

Previous research listed gender differences as one of few demographic characteristics that determine the bank choice employed by customers when selecting a commercial bank. On the other side, Abduh and Omar (2010) noted, found that there 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.

A research study by Shaher et al (2011) 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. In Bahrain, Almosawi (2001) 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. In the study of Gerrard and Cunningham (2001) using a sample of Singapore's undergraduates, it was found that males placed greater importance on 'appearances' than their female counterparts.

According to Cicic et al (2004) study under the title of bank selection criteria employed by students in a southeastern European country specifically in Bosnia and Herzegovina and they found that 52% of the respondents already have 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 recent 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. To sum up, the results generate an interesting point in the researchers that gender differences do not discriminate the attitudes toward banking services and selection of bank.

Review of literatures also indicates that studies related to determinants affecting bank selection have been mainly conducted in the USA (Boyd et al, 1994), Malaysia (Mokhlis, 2009) and other European and African countries (Cicic, 2003; Omar et al, 2006). Although such studies have contributed substantially to the literature on bank selection criteria's, their findings may not be applicable to other countries, due to differences in cultural, economic and legal environments. A set of determinants that have a significant role in bank selection in one country may prove to be insignificant in another. One of the countries which lack such studies is Ethiopia, one of the most developing countries in the world. Thus, the study provides an original insight for peoples of the city and the country as a whole.

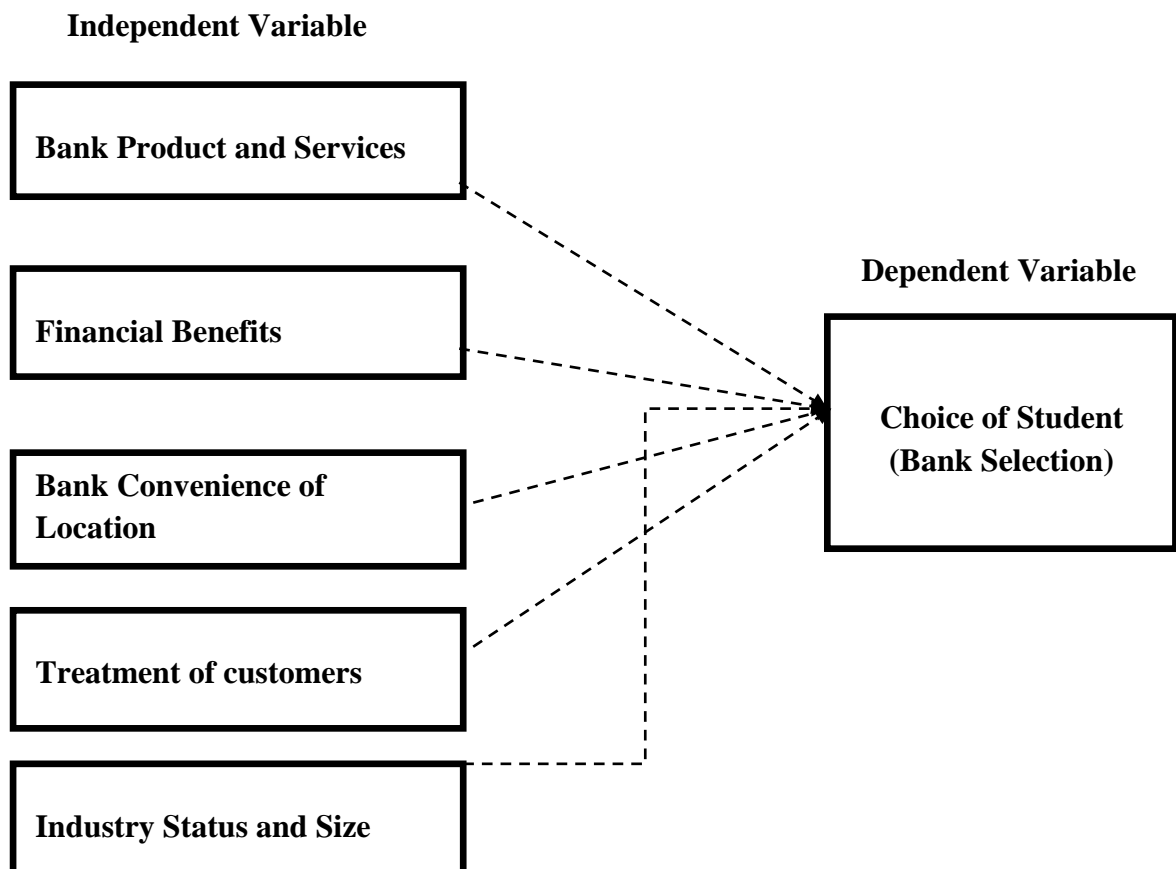
In general, it can be concluded that even though there have been studies on bank selection criteria's in some developed and developing nations, as per the knowledge of the researcher, there appear to be little studies that examine the factors affecting customer preferences in banking services in Zambia. It is, therefore, not known whether the students who are also the customers of the Zambian commercial 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 students section in banking services in Zambia.

## 2.10 Conceptual Framework

The conceptual framework, as shown by Figure, demonstrates the influence that the explanatory variables of this study have on the dependent variable. Studies have proven that these explanatory variables (Convenience of location, cost of services, service quality, reputation, bank size) influence the decision of customers (students) to choose a commercial bank for financial transactions. Some of those empirical studies that have also highlighted these variables are Katircioglu (2011); Maiyaki (2011); Shaher et al (2011); Shama (2010); Rao (2010); Mokhlis (2009).

It was, therefore, deemed prudent for these explanatory variables to be chosen as the variables of interest for this study under consideration. The figure illustrates the relationship between bank selection decision and the variables of interest for the study.

**Figure 2.10: A conceptual framework illustrating the relationship between students' bank determinants selection criteria and other factors**



*(Source: Adopted from Sells Mokhlis and Salleh (2008), Consumers behavior, Bank Selection, pp. 157).*

## 2.11 Variables of the study:

### 1. **Dependent variable:**

The following are the dependent variables of the conceptual framework as follows:

- i. Choice of Student (Bank Selection)

### 2. **Independent Variable:**

The following are the independent variables used in this study are adopted from sample of previous studies such as Katircioglu (2011); Maiyaki (2011); Shaher et al (2011); Shama (2010); Rao (2010); Mokhlis (2009) including the following:

- i. Bank Product and Services
- ii. Financial Benefits
- iii. Bank Convenience of Location
- iv. Treatment of customers
- v. Industry Status and Size

The justification on the use of this adapted model from Mokhlis and Salleh (2008) is that it provides clarity on the relationship between dependent and independent variables on study of factors influencing the choice of commercial banks through the establishment of a relationship-based conceptual framework that brings cohesive understanding of both the factors and the decision upon which judgement is made by customers and in this case students.

## 2.12 Operational Definitions of Key Terms

This section explains the meanings of the main concepts and terms used in this research and these are as follows;

**Commercial Bank:** A Commercial bank is an institution that deals in money and its substitutes and provides other financial services (Bank of Zambia, 2020). Banks are the major type of deposit taking institution and they make their profit by taking deposits which represent their liabilities and loaning these funds to borrowers which represent their assets (World Bank, 2020).

**Criteria:** Refers to, “a standard or principle by which something may be decided, judged and assessed (Mokhlis and Salleh, 2008).”

**Determinant:** Refers to, “a factor that is used to determine or decide something (Arebgeyen, 2011).”

**Bank Selection:** Refers to, “a fact or action of cautiously choosing a commercial bank or a financial service provider as being the most or the best suitable (Mokhlis and Salleh, 2008).”

**Students:** According to Denton and Chan (1991) defined term students as any person who is studying or pursuing academic studies at a university or other place of higher education.

**Financial Innovations:** According to Mokhlis and Salleh (2008), these are innovations which can affect the financial industry as a whole, they also relate to structures of business, to changes in the legal and supervisory framework and to the establishment of new types of financial intermediaries.

**Bank Product and Services.** According to Evans (1979) Defined Bank product and services as any product or services that include the introduction of new credit deposit, fixed term deposit, leasing, derivatives, Banc-assurance, hire purchase, savings accounts, mortgage loans, corporate Advisory, project financing and other investment financial products.

### **2.13 Knowledge Gaps**

Most Commercial Banks have to realize the power of their branch networks to better improve their marketing strategy and customer experience (Oluwaseyitan et al, 2018). Nowadays, customers are more perceptive about their expectations when providing their commitment and trustworthiness to a financial services provider. Therefore, most global leading commercial banks have stated to focus on finding innovative and new technique to change the experience and increase their interaction and communication with customers when they call or visit into their local branch.

As Katircioglu (2011); Maiyaki (2011); Shaher et al (2011); Shama (2010); Rao (2010); Mokhlis (2009) all argued that it does not matter nowadays whether a commercial bank is a regional or a global brand, what is the most challenging is finding the right market segment, technology and a mix of strategy to help deepen the relationship with the customer. Some of these determinants of bank selection criteria, most of them do not provide better customer services and customer experience has been very bad due to lack of value addition for every type of customer whether it's for occasional or deposit taking. Innovation and its contribution on services delivery has been ignored by many authors and researcher on bank selection.

Innovation has been described as modern way of improving customer experience in the banking sector (Kasawneh and Salem, 2011; Ladhari et al, 2010; Rehman and Ahmed, 2008). For instance, most Zambian banks usually compete for customers on several boundaries.

The main mechanism nowadays has been on the frequent introduction of new innovative products since the other strong factors such as the price is not usually easy to manage because it demands a lot of independency and flexibility. Due to the banks' inability to attract enough customers with a corresponding reduction in price and even in situation of rising price, most commercial banks are forced to use other means to gain and retain customers. Innovative banking products are the most successful tool, along with the good and qualitative service when it comes to bank selection than the old traditional way of bank selection.

## **2.14 Chapter Summary**

Chapter two of the literature review basically presented a theoretical literature review and empirical literature review that provided an insight on the subject of determinants of bank selection criteria done in line with the research objective in chapter one.

## **Chapter 3**

### **Research Methodology**

#### **3.1 Introduction**

This chapter presents a research methodology in line with chapter one and then it will go on to discuss about Methods of data collection by introducing two types of data that was Primary data and the Secondary data, it will further go on to discuss Sampling methodology such as Non-probability sampling, Purposive sampling, Sampling response and the Data analysis methodology and ending with a summary.

#### **3.2 Research Design and Procedure**

##### **3.2.1 Research Design**

The research design is the preparation of situations for collection and analysis of data in a way that is to combine relevance to the research purpose with frugality in procedure (Kothari, 2004). Therefore, Research Design as according to Arber (2001) is the conceptual structure within which actual research is carried out. The designing of a research topic usually explains the research types such as survey, experimental, correlation, review and semi-experimental and also its sub types such as descriptive case study experimental design and the research problem.

There are two aims of a research design and these are for data collection measurement and data analysis. The research study used a case study that employed both quantitative and qualitative method, this was all done so that the researcher is able to get full details and gain in-depth understanding on the determinants criteria students used when selecting commercial banks of their choice. According to Bryan (1988) supported the notion that, a case study aim is to have a holistic inquiry and the major goal is to gain an overall insight; explore the in-depth complexity inherent in a contemporary phenomenon.

Additionally, Study employed the use of exploratory research design. As De Marchi and Gilbert (1989) Asserted, Exploratory research design is conducted for a research problem when the researcher has no past data, or, only a few studies for reference. Exploratory research requires the researcher to investigate different sources such as secondary data, data from other surveys, observation of research items, and opinions about a company, product or

service. Because of this a descriptive research approach was deemed appropriate to analyzed the primary data and attend to the research questions and research hypotheses.

### **3.2.3 Research Design Procedure**

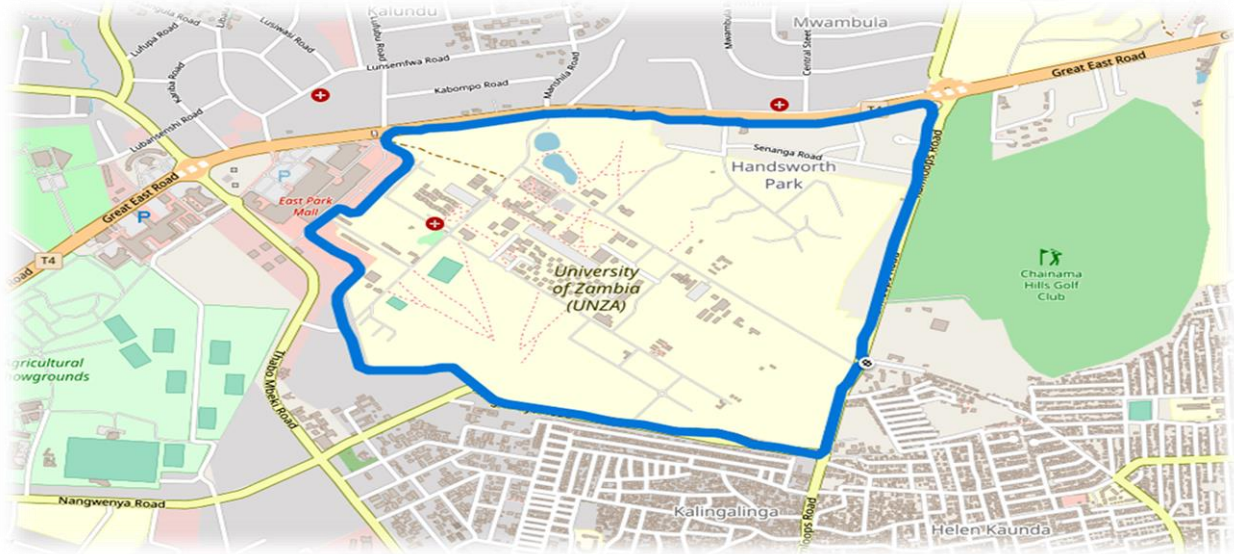
The following are the procedures the researcher followed in the research design and implementation:

- i. This research study started by coming up with the research proposal that included defining and identifying the research problem and establishing the research objectives and subsequently, developing the research plan.
- ii. The second step of the research study incorporated a summary of the complete literature review.
- iii. The third step of the research study included a research survey which was conducted with a sample of university students and bank employees. The research survey was reviewed and evaluated respectively.
- iv. The fourth step of the research study primarily focused on the adjustment and improvement of the research study questionnaire design and this was done through distributing the questionnaire to the pilot study and the major purpose of the pilot study was basically to test, upgrading and proving that the questionnaire questions was clear to be answered by respondents in the manner that help to achieve the target of the research study.
- v. The fifth step of the research study purely focused and centered on distributing the questionnaire. This research study questionnaire was used to collect the required data in order to achieve the research study objective.
- vi. The sixth step of the research study was data analysis and discussion. Statistical Package for the social science (SPSS) and Microsoft Excel was used to perform the needed analysis and Finally, the last step in this research study included the conclusions and recommendations that are based on the data analysis.

### **3.3 Study Area**

The research study area was the university of Zambian, great east road main campus, a predominantly surrounded area by townships such as Munali, Kalingalinga, Arcades, Kaunda Square stage one, Jasmodine, Kalundu and Mass Media township areas.

**Figure 3.1: Below the Map of University of Zambia Great East Road Campus.**



Source: (Mypacer.com, 2021). East Park mall is part of UNZA

The university of Zambia area is characterized as a low to high income residential areas both high cost and low cost housing. Its main campus which is the great east road campus is along the great east road about 7 km from the convention on biological diversity (CBD) and 18.3 km distance from Kenneth Kaunda international airport.

### **3.3.1 Reasons for choosing the University of Zambia as a research study area**

The following reasons were reasons advanced for choosing the University of Zambia as a research case study:

- i. **To explain behavioral patterns in decision making by university of Zambia students;** Since the case study is focused on students, explanation of the pattern in the way they choose commercial banks from the other banks, it's one of the ways in trying to understand behavioral patterns in customers in general.
- ii. **To show how students select commercial banks at east park mail and other surrounding areas in Lusaka;** One of the major reasons of selecting university of Zambia as a research study area was to show how university students in Zambia particularly the university of Zambia, the biggest university in Zambia with large student estimated population of over 30,000 select commercial banks of their choice

among eighteen (18) registered, active commercial banks in Zambia. The list of active registered commercial banks is shown in **appendix 2**.

- iii. **To highlight the determinants criteria that most students uses in selecting a commercial bank of their preferred choice;** The university of Zambia as a research study area will help the researcher to understand and to be able to highlight the determinants criteria that most students uses in selecting a commercial of their preferred choice in Zambia. In highlighting these determinants criteria's, it will give a general picture of the most critical criteria that are important to students which will help commercial banks to pay active attention to, if they want to patronage this profitable market segment of students.
- iv. **To show how commercial banks can take advantage of this student segment and come up with marketing plans on how to attract the students;** In current years, past research have focused much on the identification, creation and delivery of services based on the taste and preference of their customers. This research chooses the university of Zambia because students-banking significance concept has become one of the most popular approaches among commercial banks in Zambia and globally and this has also raises interest among marketing researchers to explore this area due to availability of the market for financial services.

### **3.4 Research Target population**

The target population of this research was 30,000 students currently enrolled at the University of Zambia (The University of Zambia-Academic Affairs Office, 2020). Theses targeted students are most of them are based in Zambia and the population research was restricted to follow a population normal distribution with a numerical number of dissimilar dispositions. These students group are expected to have all population categories types in the university at the time when conducting investigation on the determinants of bank criteria research.

### **3.5 Research Methods**

The study employed both qualitative and quantitative research methods. The Qualitative methods were used for in-depth understanding as indicated also in Burns (1990) and the Quantitative methods, Schindler and Cooper (2010) were used to establish trends and patterns

in the data that was gathered. It's therefore, important to know the difference between quantitative and qualitative methods approaches as follows;

### **3.5.1 Quantitative Methods**

Gleeson and Harvey (2017), Quantitative method is one in which the investigatory primarily uses postpositive claims for developing knowledge that is the effect and cause of thinking, reduction to specific variables and questions and hypotheses, the use of observation and measurement, the test of different theories, employment of different strategies of inquiry such as survey and experiments and the collect of data on a predetermined instrument that yield statistics data.

### **3.5.2 Qualitative Methods**

On the Other hand, according to Saunders et al (2008), A Qualitative method is one in which the researcher often makes knowledge claims based primarily on constructivist perspectives that is the multiple meanings of individual experiences meanings socially and historically constructed, with an intent of developing a theory or pattern or advocacy perspectives such as change oriented, political, collaborative or issue-oriented. A qualitative method also uses strategies of inquiry such as ethnographies, narratives, case studies, phenomenology or grounded theory studies. The researcher in this case aims to collect open-ended and emerging data with the primary intent of developing themes from the data (Yin, 2013).

## **3.6 Methods OF Data Collection**

### **3.6.1 Primary Data**

Primary data was obtained through the administered questionnaires of the selected and preferred students at the University of Zambia. The administered questionnaires were only targeted to the selected first year students for example, most students were selected from the three biggest schools at the university and these were School of Education, School of Natural Science and the School of Humanities and Social Sciences respectively. The first year distance or part-time students were parcel and part of the respondents by the virtual of belonging to schools and the university.

### **3.6.2 Questionnaire Design**

According to Stacey and Williams (2011), the research survey questionnaire is a set of questions used to gather data from respondents and it's one of the major tools used in research data gathering process. As Bell (1987) stated that, questionnaire consists of a set of research questions prepared and distributed by the researcher to help in obtaining more information from relevant respondents. In this research study particularly, research questions were basically designed easily and simply to help the respondents to choose the best answer fit their practices and situation.

### **3.6.3 Components of the Questionnaire**

The first section one (A) of the questionnaire, asked questions on the profile of the respondents as to obtain their personal background information. The questionnaire asked questions regarding their age, gender, level of income, occupation, level of education, name of the bank at which they could like to open a bank accounts with and so forth. The second section two (B) of the questionnaire aimed to obtain information on the banking behavior and decision of the respondents. The respondents were asked to rank the relative of importance of 30 determinants of the choice of commercial banks criteria.

A Likert scale was employed on a number of questionnaires administered that consisted of normal requirement determinants of bank selection criteria and they were measured on a five point Likert scale of agreement ranging from (5=Strongly Agree) to (1=Strongly Disagree). Lastly, Section (C) attempted to get the feelings on the importance and influence of banking products such as Internet banking, ATM, Mobile Banking, Agency Banking and Credit Cards. The Likert scale of five point of very important to very least important scale was employed. The list of criteria was based on previous similar studies by Omar et al (2006), Mokhlis et al (2008), Rehman and Ahmed (2008), Nkamnebe and Ukenna (2010), Maiyaki, 2011), Mwangi (2017) and personal experience of the researcher.

### **3.7 Data validity and reliability Test**

The research questionnaire validity has been examined and measured through the following:

### **3.7.1 Pilot Testing**

The use of different questions for each limit was highly considered and contemplated and it was designed to advance the consistency and dependability of the outcome and this assist in helping and providing the smooth of the assessment results (Adams et al, 2007). Further, to assess the potential usefulness effectiveness and value of the questionnaire and whether they were a need for a further revision prior to conducting the survey, the questionnaire was subjected for pilot testing through the use of expert panel testing methodology. The researcher distributed the questionnaire to only thirty students from three local private universities in Lusaka and that was ZCAS-University, University of Lusaka (UNILUS) and Cavendish University Zambia (CUZ) and eight employees of Standard Chartered Bank Zambia as a sample group.

Those subjected to a pilot testing questionnaire were asked if they had any problems regarding the understanding of the questionnaire or if they had problems with the actual questions that were asked or have specific comments regarding the questionnaire design or the questions. The format for responding was through both close-ended and open-ended questions. The respondents in this case were encouraged to be very free regarding their responses and being able to make suggestions and recommendations for improvement and free to with their responses, make suggestions for improvement and highlight any problems they may found and after each questionnaire was achieved, every question was asked what she or he meant in checking different answers.

### **3.7.2 Comments and Observations**

Comments and observations were asked for on the transparency and simplicity of the questions and what the changes should be done in order to make the questions much simple. These respondents also gave their ideas on understanding the instructions about the scaling and the time taken to answer the questions. The pilot tests found no serious problems and less significant modifications were made to the survey questions based on the oral and written opinion received from the pilot testing interview group. Besides, the pilot testing study was conducted to make sure that relevance validity and sequence of the questionnaire to this research study (Creswell, 2009). It should be noted that the pilot test was not used for any statistical purposes and that the responses from the pilot test were not included in the research findings.

The adoption of the survey design, especially in this study, is to gather critical information that will not be available from document records and make critical conclusions about the determinants of bank selection criteria and their significance to students and commercial banks based on answers and reactions of a sample of respondents. In this case, as Fowler (1984, p. 12) observed that, the strong point of survey methods that result in their wider use included the value of consistent measurement, statistical sampling and the ability to acquire information that is not systematically available somewhere else or in the form needed for such analysis.

### **3.8 Secondary Data**

Secondary data was obtained through the assessment of commercial bank annually reports, marketing strategies, students budget plans, commercial banks number of account holders especially students accounts, financial services most currently in use, the university of Zambia educational policy on student loans and bursaries and any other memorandum of agreements that were initiated by student's association and management with commercial banks current and past were all considered.

Furthermore, secondary data was acquired through already published information from the bank of Zambia, the Securities and Exchange Commission, pension and insurance agency and the ministry of higher education regarding students' financial inclusion and financial literacy programs. Furthermore, additional data was obtained through the private sector development agency, the ministry of general education annual reports, the World Bank, web current information of bank selection and other agencies and institutions publications on the subject of bank selection were all considered.

### **3.9 Sampling Methodology**

#### **3.9.1 Non-Probability and Probability Sampling**

According to Yin (2008) Non-Probability sampling is considered to be different from probability sampling in such a way that the other one doesn't employ the use of random selection as with the latter. Therefore, the question is, does non-probability sampling not a representative of the research population? . The answer to this is "Not really", but it doesn't indicate that non-probability sampling technique will not mend upon the fundamental principle of assumption probability. Generally, as Creswell (2009) observed that, by

employing a probabilistic sampling, it has been established that probability will be to represent the population remarkably well. He further observed that, because the author is more willing of approximating the interval and the gap of the figures therefore, will it give confidence to the estimated statistics.

As Saunders et al (2008) argued on the other hand, that through the employment of non-probability sampling, the author may possibly not be able to present the entire population properly and it will therefore, challenged the author to be able to access on his performance. Ordinarily as Yin (1994) noted that, most researchers usually have a preference of random sampling or probabilistic methods than non-probabilistic methods and usually regard them to be more correct and accurate.

On the other hand, as Adams et al (2007) argued in favor of non-probabilistic methods, that in practical social research, situations exist where it is not theoretically practical or feasible to carry out a random sampling technique. Because at this time, one has to mull over a wider range of alternative of non-probabilistic. Therefore, the researcher can split non probability sampling into two types or methods such as convenience or purposive sampling and three quarters of the sampling techniques are convenience in quality and the reason being that most researcher usually employ the sampling problem together with a definite strategy and approach in mind.

### **3.10 Sampling Design for the Study**

White (1975) Sampling this is the technique or process of choosing a suitable sample for the aim of determining characteristics or parameters of the whole population. On the other side, according to Checkland and Sholes (1990) defined a sampling frame as a list of elements or research variables from which the sample may be drawn. A good example of a sampling frame is basically a simple list of all members of an organization or workers in an institution or a company.

The sampling unit according to Bryan (1988) is a single group element or variables of subject to selection in the sample. For instance, if an airline wishes to sample passengers from a defined population, every 30th name on a compiled complete list of passengers may be taken into consideration. On the other hand, flights can be selected as sampling units. The name primary sampling units (PSUs) is usually assigned units selected in the first stage of sampling. If consecutive stages of sampling are accomplished, then sampling units will be

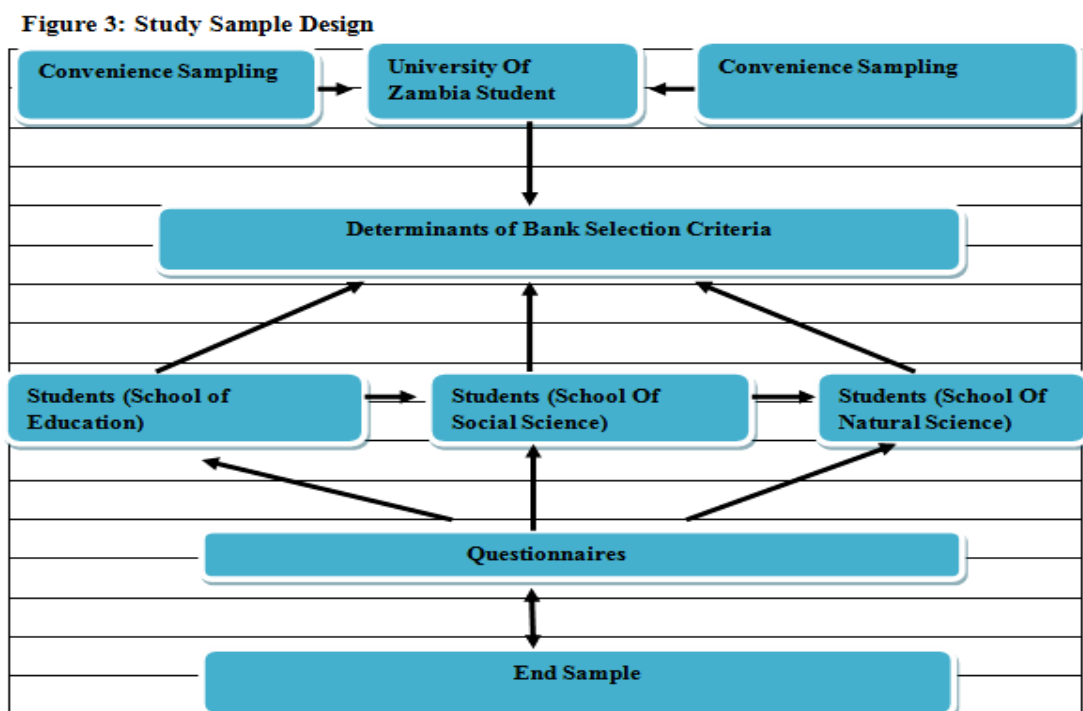
called tertiary sampling units or a secondary sampling unit that is if only three stages are necessary.

As Adam (2007) stated that to carry out a research study, it's well known that one might bear in mind as to what size and kind of the sample should be statistically justified and acceptable. Lastly, the researcher should determine as to what method of sampling is to be used. As Easton (1992) suggested that for all sampling, the researcher needs to think about the time and cost for the survey, whether it is large-scale or small-scale.

Due to the nature of the study, a non-probability sampling technique that was convenience sampling was employed in this research when questionnaires were been administered. The author decided to employ this method of convenience sampling as to administer the questionnaires and the reason according to Burns (1990) was that, it gives author the sole freedom to choose whomever they find and that is why it called convenience and allow a mind free of judgment and selection of respondents.

Examples include the opinion of people about public accounting systems and customer satisfaction and experience regarding goods and services. For the sample design to be employed on students, see figure below:

**Figure 3.2: Study Sample Design**



Source: Compiled By The Author (2020).

### 3.11 Sample Size

In this study there was one sample for this research and the Samples were accessed within the University of Zambia great east road main campus and only first year students that were fully registered with the university were sampled.

### 3.12 Sample Size

Simple random sampling was used to sample the 150 sample of students from the defined targeted estimated population of 30,000 students currently enrolled at the University of Zambia.

### 3.13 Checking The Normality of the Sampling Distribution of the Sample Size

Using a simple random sample of size of  $n=150$  which is obtained from a student population of  $N=30,000$ .

The mean of all possible sample proportions is equal to population proportion:  $\mu_p=P=0.6$

The following are the standard deviation, the standard error of mean, the sampling distribution of the P-hat guideline as follows was computed as:

**Table 3.1: Checking The Normality of the Sampling Distribution of the Sample Size**

The Standard Deviation	The Standard Error Of Mean	The Sampling Distribution Of The P-Hat Guideline	Checking If The Conditions Are Satisfied
$\sigma_p = \sqrt{\frac{P(1-P)}{n}}$ $\sigma_p = \sqrt{\frac{0.6(1-0.6)}{150}}$ $\sigma_p = 0.04$	$SE = \frac{\sqrt{0.04}}{150}$ $SE = 0.001$	$N \leq 0.05n$ and $Np(1-P) \geq 10$ Given That; $N = 150$ $P = 0.6$ $N = 30,000$	$0.05n: 150 < 0.05 \times 30,000$ $Np(1-P): 150 \times 0.6(1-0.6) > 10$ Since The Conditions Are Satisfied, The Sampling Distribution of the P-Hat Is Approximately Normal.

Source: Compiled by the Author (2022).

According to Stacey and Williams (2011), the population normal distribution dispositions is basically a bell shaped and its mean is proportioned and its axis is asymptotic and it has a continuous distribution and the curve usually adds to 1 below the sum area and it is sought to be un-modal signifies that figures can only stack up only in the center point and basically that will indicate a random variable probability of at least in between two random points which are similar to the curve below the center of those points. Also Easton (1992) noted that the population is usually assumed to be normally distributed in most cases and if the sample is bigger enough the sapling distribution will also be normal.

### 3.14 Distributions of Questionnaires to Respondents

The on the distribution of questionnaires, a non-probability sampling method was used which was Convenience sampling. Convenience sampling selection of the respondents was accomplished by distributing the questionnaires to the available students on the campus of the sampled first year students. The researcher made sure that distribution of questionnaires to the available students achieves gender balance with respect in the choosing of the respondents.

**Table 3.2: Sample size of the Surveyed businesses**

S/NO	BUSINESSES NAMES	SURVEYED/SAMPLED
1	School Of Education (SOM)	√
2	School of Humanities and Social Science (SHSS)	√
3	School of Natural Sciences (SNS)	√

Source: Compiled by the Author (2020).

When the researcher was deciding on the students to sample, a sensible self-assurance of gaining admission into the school areas and consequently, a resourcefully and efficiently researching on the principle of determinants of bank selection criteria by university students was highly taken into consideration.

### 3.15 Sampling Response

As stated out above only 150 students were surveyed and questionnaires were administered to the sample. Through overcoming different obstacles pointed out, 80 per cent of the surveyed

students acted in a positive response to the administered questionnaires which were issued out and subsequently results were obtained through from the questionnaires.

Therefore, it can be fulfilled that a positive outcome of 80 per cent presenting only 120 response rate was obtained and achieved out of 150 surveyed questionnaires. As Mokhlis (2009) asserted that the response rate of over 70 per cent is considered sufficient for statistically reliability and generalization. The high response rate was mainly credited to the self-administered approach undertaken in distributing the questionnaires.

### **3.16 Data Analysis Methodology**

Descriptive statistic was employed and utilized to analyze the data in this research. Descriptive statistics usually depicts trends and general patterns in the sets of data (Yin, 2014). The primary data that was collected through questionnaire are sorted and screened for any errors and then processed using Statistical Package for the Social Sciences (SPSS) and Microsoft excel respectively.

The Data analysis was carried out in line with the research objectives and the research questions as indicated in chapter one. The responses were rated and ranked for their significance of impact. Factor analysis as was used as part of the data analysis. This was basically achieved with the help of analytical tools like the data analysis tool system in Microsoft excel. The analysis was further, presented by the use of figures, tables, percentages and trends chat. Finally, the interpretation of data and discussions of the findings was followed. As Rea and Parker (2005) noted that, both qualitative and quantitative method of analysis is used to show the logical relationships and arguments.

### **3.17 Research Hypothesis**

The null hypotheses are the one that are always tested by statisticians and market researchers Cohen et al (2011). Therefore, following are the hypotheses that were tested:

#### **3.17.1 Hypothesis 1**

- i. **H<sub>0</sub>**: The Variances of financial benefits and industry status and size are equal.
- ii. **H<sub>1</sub>**: The Variances of financial benefits and industry status and size are not equal.

### **3.17.2 Hypothesis 2**

- i. **H<sub>0</sub>**: The variances of treatment of customers and bank product and services are equal.
- ii. **H<sub>1</sub>**: The variances of treatment of customers and bank product and services are not equal.

### **3.17.3 Hypothesis 3**

- i. **H<sub>0</sub>**: The mean of treatment of customers and bank product and services are significantly the same.
- ii. **H<sub>1</sub>**: The mean of treatment of customers and bank product and services are not significantly the same.

### **3.18 Validity and Reliability**

According to Peters (2016) research indicated that validity as a research element put forward whether the author can depict significant and important outcome from the research used questionnaires with scores on key critical areas of the research. On the other hand, Kevin (2011) define reliability as scores or data acquired from certain variable on research instruments based on the both external and internal information which is of consistent and all variables based on the responses are consistence in all areas of constructs and should be constant over a given space of time in view to retest, test and error correction.

In order to ensure validity and reliability in the research, the study by Lee and Marlowe (2003) and Delvin and McKechnie (2008) indicated the researcher should use a pilot test, test score sheet, interest test fill up, knowledge test and aptitude test as this will assist in the selection process of both the respondents. On the other side, the researcher employed a pilot test reliability selection device which was being employed as a risk mitigation factor in case, the data obtained is not that reliable or effective.

### **3.19 Ethical Approval and Consideration**

The research objectives were uttered both in verbally and writing as to provide clarity and to be appreciated by the informant. The researcher obtained an ethical clearance from the university of Zambia (Directorate of research and graduate studies-DRGS) on 13<sup>th</sup> April 2021 which is valid up to 13<sup>th</sup> April 2022, before subjecting respondents to the questionnaires and in the process, the informant rights, interest such as wishes were highly considered first when

choices were been formulated in respect in reporting the data and the final decision concerning the informant anonymity will rest with the informant.

### **3.20 Chapter Summary**

This chapter three brought to light a research methodology in view on the introduction, research design, target population of the study, the methods of data collection, sampling methodology, non-probability sampling, purposive sampling, sampling response, the data analysis, validity and reliability and the summary.

## Chapter 4

### Data Presentation And Analysis

This Chapter basically provides a presentation, analysis and discussion of study findings. The analysis of data was done using mainly descriptive statistics. In most cases, inferential statistics were also used in the subsequent sections.

#### 4.1 Descriptive Analysis

This section of the chapter presents the descriptive analysis of students' responses to each item in section one (A), that is the general profile information of respondents, section two (B), their banking selection decisions behavior, and section three (C), the influence of banking Products on bank selection on the study survey questionnaire.

#### 4.2 Response from Questionnaires of the Respondents Results

As stated out above only 150 students were surveyed and questionnaires were administered to the sample. Through overcoming different obstacles pointed out in chapter one, 80 per cent of the surveyed students acted in a positive response to the administered questionnaires which were issued out and subsequently, results were obtained from the questionnaires.

Therefore, it can be fulfilled that a positive outcome of 80 per cent presenting only 120 response rate was obtained and achieved out of 150 surveyed questionnaires issued out. The returned questionnaires were carefully checked and those with excessive missing data were discarded resulting in 120 usable responded questionnaires as most items were sufficiently responded.

**Table 4.1: Results of Response from Questionnaire Data of the Respondents**

Response Rate				
Total Students Surveyed (#)	Returned Questionnaires (#)	Discarded Questionnaires (#)	% of Outcome	Comment
150	120	30	80	Positive

(Source: *Field survey data, 2021.*)

As Mokhlis (2009) asserted that, the response rate of over 70 per cent is considered sufficient for statistically reliability and generalization. The high response rate was mainly credited to the self-administered approach undertaken in distributing the questionnaires.

### 4.3 Population of the Respondents

Based on the survey information gathered at the university of Zambia academic affairs, it can be observed that public universities population by gender (University of Zambia) in 2015 for male was 10,092 registered students compared to 2020 which was 18,708 registered male students compared to female students which had a total population of 9,779 registered female students in 2015 compared to 2020 which had a total population of 18,237 registered female students respectively. This gathered data was deemed to be important as the focus of the research is fully centered on students at the University of Zambia who are also the respondents in this study hence knowing the overall total population along genders was important.

**Table 4.2: Total Student Population by Gender University of Zambia Academic Affairs**

<b>Description</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Total*</b>	<b>19871</b>	<b>21704</b>	<b>22812</b>	<b>29952</b>	<b>32368</b>	<b>36945</b>
Female	9779	9618	9940	14280	16100	18237
Male	10092	12086	12872	15672	16268	18708

(Source: *Field survey data, 2021.*)

According to the University of Zambia, the total population is inclusive of undergraduates and postgraduate students but exclusive of students from graduate school of business.

### 4.4 Demographics of the Respondents

#### 4.4.1 Sex and Age of the Respondents Results

A summary of results on students' demography profile along three variables that is sex and age and levels of education of the respondent has been presented in table 4.3. The results show that out of 120 respondents, N=76 (63.3 per cent) were males and the remaining N=44 (36.7 per cent) were female. Results on respondents' age shows that N=111(92.5) were

between the age of 18 and 25 years of age and N=9 (7.5) were between the age of 26 and 35 years of age. The researcher didn't record any respondents of 36 and more from the overall received questionnaires as shown in table 4.3 below:

**Table 4.3: Results of sex and age from profile data of the respondents**

Variable	Categories	Frequency	Percent	Valid %	Cumulative %
Sex	Male	76	63.3	63.3	63.3
	Female	44	36.7	36.7	100
Age	18-25 years	111	92.5	92.5	92.5
	26-35 years	9	7.5	7.5	100
	36 and more	-	-	-	-

(Source: Field survey data, 2021.)

#### 4.4.2 Level of Education of the Respondents Results

A summary of results on student's levels of education presented in table 4.4, shows that out of 120 respondents, N= 117 (97.5 per cent) had only a grade 12 certificate and N=3 (2.5 per cent) had a diploma respectively. No student was recorded to have a bachelor's degree, Master degree or even a PhD and N=0 (0 per cent) was recorded to these groups respectively.

The main reason why 97.5 per cent respondents had only a grade 12 certificate at first year is because, they has been an increase in the number of pupils leaving secondary education and subsequently going into tertiary education. The other reasons was because of the nature of the survey, as this research study only targeted first year students, whom in this case are students coming out of secondary school and whom were selected into university and in this case the university of Zambia.

**Table 4.4: Results of level of education from profile data of the respondents**

Variable	Categories	Frequency	Percent	Valid %	Cumulative %
Level of education*	Grade 12 Certificate	117	97.5	97.5	97.5
	Diploma	3	2.5	2.5	100

	Bachelor degree	-	-	-	-
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(Source: *Field survey data, 2021.*)

Note: \* In Zambia, a grade 12 certificates is usually considered to be a first qualification for one to be accepted/admitted in the first year of academic studies at the university of Zambia then followed by other qualification prescribed by the university and that was the major reason the survey recorded a high frequency number of 117 presenting 97.5 percent of respondents with grade 12 certificates.

#### 4.4.3 School Enrolled in of the Respondents Results

The following are the summary of results obtained on student’s school enrolled as indicated in Table 4.5 below. The author asks the respondents to choose the schools in which there are enrolled in and out of 120 respondents, N= 51 (42 per cent) respondents choose the school of education as students enrolled in that school, followed by N=44 (37 per cent) respondents, choose the School of Humanities and Social Sciences as students enrolled in that school and lastly, N=25 (21 per cent) respondents choose the School of Natural Science as students enrolled in that school respectively.

**Table 4.5: Results of School Enrolled in from Profile Data of the Respondents**

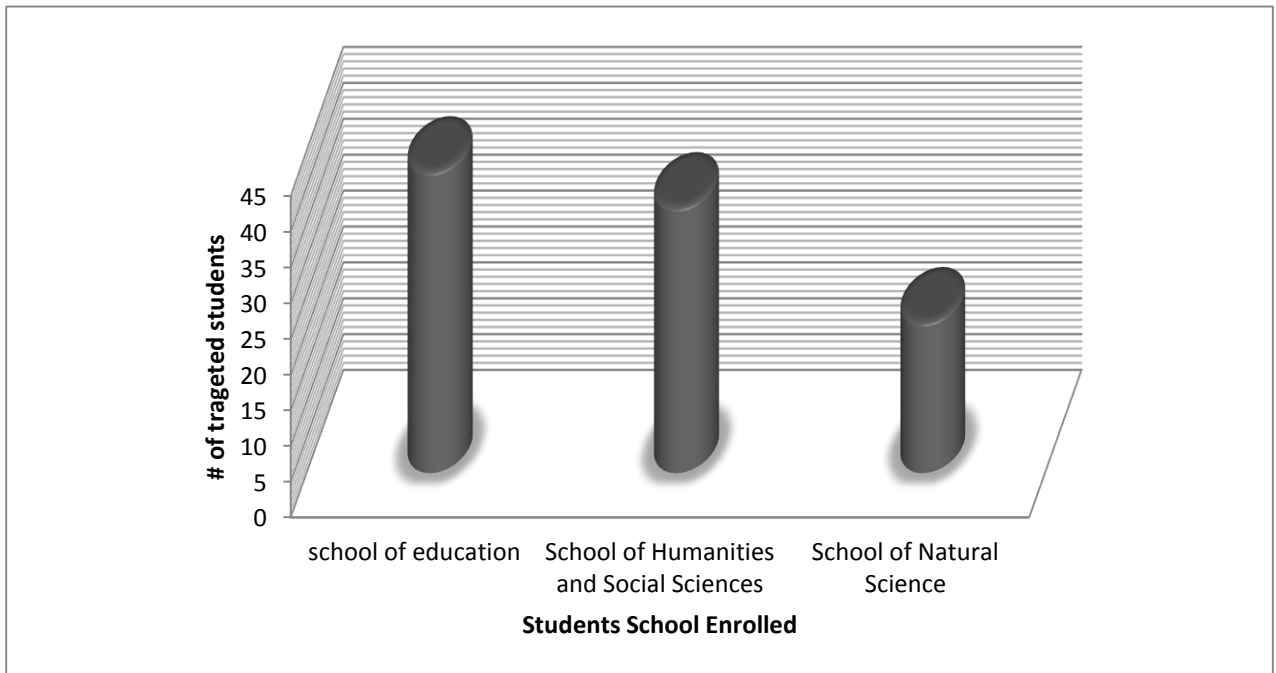
Question	Response	Frequency (N=120)	Percent (%)
<b>School Enrolled In:</b>	School of education	51	42
	School of Humanities and Social Sciences	44	37
	School of Natural Science	25	21
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

(Source: *Field survey data, 2021.*)

Before questions were being designed, the researchers investigated the four big schools of the university that is; School of education, School of Humanities and Social Sciences, School of Natural Science and School of engineering, so that he can get a clear view and the total number of first year enrolled students in these respective schools of the university.

#### 4.4.4 The distribution of student's school enrolled is shown in figure 4.1 below:

**Figure 4.1: Student's School Enrolled**



(Source: *Field survey data, 2021.*)

#### 4.4.5 Employment status and Monthly Income of the Respondents Results

The reason for using monthly income on students is that some students are entrepreneurs' who are self-employed; some students have part-time jobs and to some extents even fulltime jobs. Therefore, most students who are entrepreneurs' or self-employed employed have a propensity to memorize their salary or wages on a monthly basis that's why they so it convenient to respond on the surveys question on monthly income and employment status question. The summary of results as indicated in table 4.6 below shows that, out of 120 respondents, N= 114 (95 per cent) of the respondents are unemployed, followed by N= 4 (3.3 per cent) of the respondents are Self-employed (work on my own business) and followed by N=2 (1.7 per cent) of the respondents are on part-time job and lastly, N=0 (0 per cent) of the respondents are Permanent full-time job.

The main reason why most of the first year students are unemployed based survey and responses from the students themselves is because most of them are still young and still dependents on their parents and guardians. They also cited difficulties in accessing finances and difficulties in finding jobs due to limited or no skills. On monthly income, the results

obtained showed that most respondents had monthly earnings of K2000 or less N=116 (90 per cent) and between K3,000 and K8,000 was N= 3 (2.5 per cent) and lastly followed by more than K9,000 at N=1 (0.8 per cent).

**Table 4.6: Results of Employment status and Monthly Income from Profile Data of the Respondents**

Question	Response	Frequency=(120)	Percent (%)
Employment status:	Unemployed	114	95
	Self employed	4	3.3
	Part-time job	2	1.7
	Permanent full-time job	-	-
	<b>Grand Total</b>	<b>120</b>	<b>100</b>
Income per month (K):	K 2,000 or less	116	96.7
	Between K3,000 to K8,000	3	2.5
	More Than K9,000	1	0.8
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

(Source: *Field survey data, 2021.*)

#### 4.4.6 Respondents Bank Account Affiliation Results

The following are the results obtained from the survey on the profile data of the respondents on the bank account affiliation as shown in table 4.7 as follows: From the survey, the respondents were asked if they had a bank account with any bank before entering university. Out of the total respondents of 120, N=120 (100 per cent) which represent the entire sample population did not have a bank account with any bank before entering university.

**Table 4.7: Results of Bank Affiliation Period from Profile Data of the Respondents**

Question	Response	Frequency (N=120)	Percent (%)
Did You Had A Bank Account With Any Bank Before Entering University?	Yes	0	0
	No	120	100
	Not Sure	0	0
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

(Source: *Field survey data, 2021.*)

#### 4.4.7 Respondents with No Bank Account Considering or Could Like to Open an Account with Any Bank Choice.

The following are the results obtained from the survey on the profile data of the respondents on the bank choice as follows:

**Table 4.8: Results of Bank Choice from Profile Data of the Respondents**

Question	Response	Frequency (N=120)	Percent (%)
Bank Choice: (Which Bank Are You Considering or Could Like to Open an Account with?)	Zambia National Commercial Bank	27	22.5
	Atlas Mara (Formally Finance Bank)	21	17.5
	ABSA (Formally Barclays Bank)	18	15
	Standard Chartered Bank Zambia	14	11.7
	First National Bank Zambia	11	9.2
	Stanbic Bank Zambia	9	7.5
	Indo-Zambia Bank	9	7.5
	Ecobank Zambia	4	3.3
	United Bank For Africa	4	3.3
	Investrust Bank	3	2.5
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

(Source: *Field survey data, 2021.*)

Note: \* Zambia has 17 registered commercial bank according to the Bank of Zambia (2021). The researcher did not include all the commercial bank on the questionnaire but made a careful consideration to include only top 10 commercial bank based on their market size, customer base and presence in universities see appendix 2.

All of the respondents were not users of banking services. The truth is that some students, as represented by the survey sample, rely on a mix of banking and financial services provided by non-banking institutions such as Airtel money, MTN money and Zamtel money. As Revealed by the results obtained from the survey that, N=27 (22.5 per cent) of the respondents named Zambia national commercial bank as their preferred bank choice in which they could like to open an account with, Followed by N=21 (17.5 per cent) of the respondents named Atlas Mara (Formally Finance Bank Zambia) as their preferred bank choice in which they could open an account with and N=18 (15 per cent) of the respondents

named ABSA as their preferred bank choice followed by N=14 (11.7 per cent) of the respondents named Standard Chartered Bank Zambia as their preferred bank choice and N=11 (9.2 per cent) of the respondents named First National Bank Zambia as their preferred bank choice. The researcher considered these banks as the top preferred bank choice among the students. According to respondents their bank choice was based on what they have heard about the bank through the word of the mouth, friends and family recommendations.

#### 4.5 Rank of Banks Based On Respondents Opinion

The following are the results obtained from the survey on the profile data of the respondents on the Rank of Banks as follows:

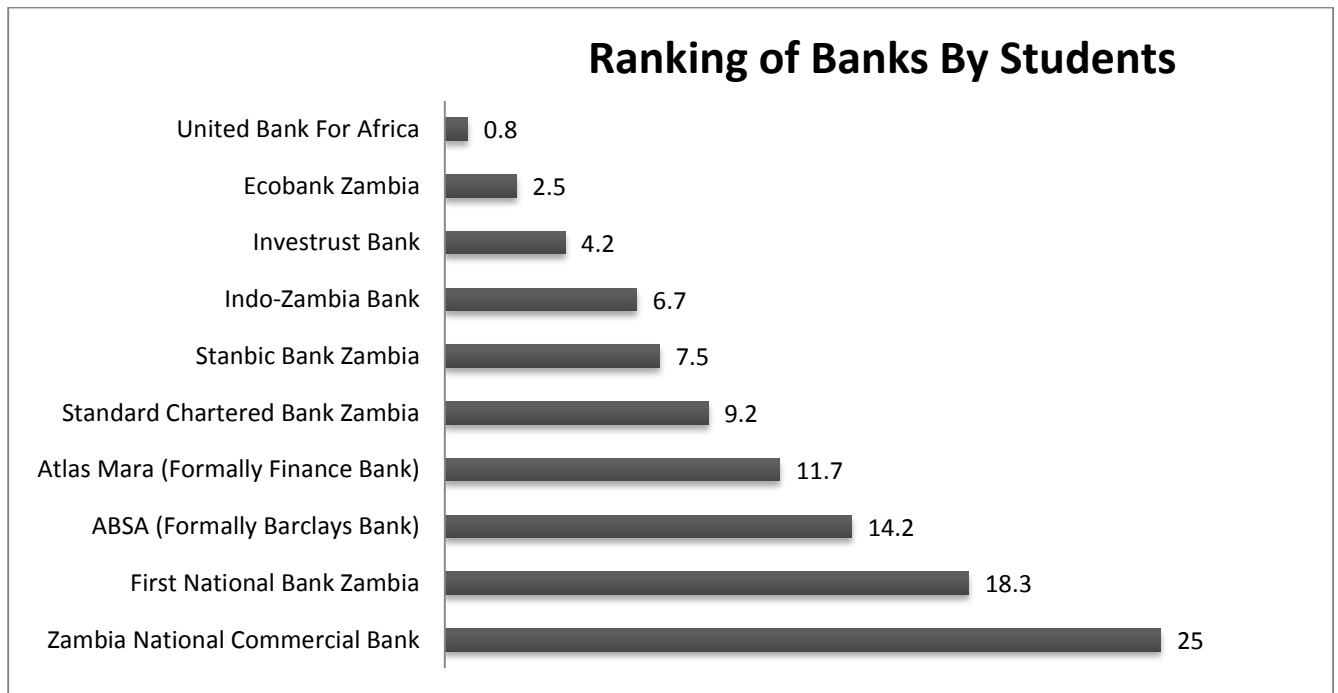
**Table 4.9: Results of Ranking of Banks from Profile Data of the Respondents**

List of Banks	F*	(%)*	$\bar{x}$ *	S*	S <sup>2</sup> *	SD Err*	Rank
Zambia National Commercial Bank	30	25	15.5	8.803	77.5	1.607	1 <sup>st</sup>
First National Bank Zambia	22	18.3	11.5	6.494	42.2	1.384	2 <sup>nd</sup>
ABSA (Formally Barclays Bank)	17	14.2	9	5.049	25.5	1.225	3 <sup>rd</sup>
Atlas Mara (Formally Finance Bank)	14	11.7	7.5	4.183	17.5	1.118	4 <sup>th</sup>
Standard Chartered Bank Zambia	11	9.2	6	3.317	11	1	5 <sup>th</sup>
Stanbic Bank Zambia	9	7.5	5	2.739	7.5	0.913	6 <sup>th</sup>
Indo-Zambia Bank	8	6.7	4.5	2.449	6	0.866	7 <sup>th</sup>
Investrust Bank	5	4.2	3	1.581	2.5	0.707	8 <sup>th</sup>
Ecobank Zambia	3	2.5	2	1	1	0.577	9 <sup>th</sup>
United Bank For Africa	1	0.8	1	-	-	0	10 <sup>th</sup>
<b>Grand Total</b>	<b>120</b>	<b>100</b>					

(Source: *Field survey data, 2021.*)

Note: \*  $\bar{X}$  =the Mean Average of the Sample of Data, F= Frequency, S= the Standard Deviation of Sample Data, S<sup>2</sup>=the Variance of Sample Data, **STD ERR**= Standard Error. A confidence interval level for mean used was 95%.

**Figure 4.2: Results of Ranking of Banks from Profile Data of the Respondents**



(Source: *Field survey data, 2021.*)

Results are approximated to the nearest decimal number.

The students' practice of banking relationship can be reasonably interpreted in the following ways. For instance, banks have shown good progress in grabbing customers especially students from all cross of universities and colleges as recent research by Mwangi (2017) shows that, the majority of the students have started to bank with other banks. As demonstrated in the results in table 4.9 and figure 4.2 above, at about N=30 (25 per cent) of the respondents have ranked Zambia National Commercial Bank as number one (1<sup>st</sup>) followed by First National Bank with N=22 (18.3 per cent) ranked as number two (2<sup>nd</sup>) and ABSA (Formally Barclays Bank) as number three with N=17 (14.2 per cent).

To the researcher these three banks presented the highest number of the respondents in reference to their percentage weighting and in this case the researcher considered them to be the big three favorite students' banks. Furthermore, it can also be seen from the results in the table 4.9 and figure 4.2 that investrust bank Zambia with N=5 (4.2 per cent) was ranked 8<sup>th</sup> followed by Ecobank Zambia with N=3 (2.5 per cent) was ranked 9<sup>th</sup> and United Bank for Africa with N=1 (0.8 per cent) was ranked the 10<sup>th</sup> by the respondents respectively. To the researcher these three banks presented the lowest number of the respondents in reference to their percentage weighting and in this case the researcher considered them to be the small three least-favorite students' banks.

## 4.6 Influencer on Bank Selection

Influencer of bank selection is anything that may cause or influence people to select a bank from a group of other banks as their preferred choice. According to Leach et al (2001) influencer of bank selection is a form of knowledge, endorsement and product placement from influencer, organization and people who have a purported level of knowledge on the product. The following are the results obtained from the section three (C) of the questionnaire as follows;

### 4.6.1 Automated Teller Machine as an influence in bank Selection

Most Commercial Bank in Zambia have introduced ATMs as a strategic marketing move in attracting customers to bank with them due to high presence of ATMs satellite link network in the city and the country at large. ATMs enable customers to gain access to some of the bank services at any time that suits them. Customers usually are required to insert their cards into the machine and key in their own Personal Identification Number (PIN) and customers have access to his money 24 hours a day, 7 days a week, 365 days a year. The following are the results obtained from the survey.

The following are the results obtained from the survey as follows:

**Table 4.10: Automated Teller Machine (ATM)** (Source: *Field survey data, 2021.*)

Question	Response	Frequency=(120)	Percent (%)
Is ATM important or least important in choosing a commercial bank?	Very Important	35	29.2
	Important	25	20.8
	Neutral	21	17.5
	Not-Important	20	16.7
	Very Least Important	19	15.8
	<b>Grand Total</b>	<b>120</b>	<b>100</b>
Do You Consider ATM Cash Deposit Machine important or least important in choosing a commercial bank?	Very Important	103	85.8
	Important	14	11.7
	Neutral	2	1.7
	Not-Important	1	0.8
	Very Least Important	0	0
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

From the survey, the respondents asked if they consider ATM to be important or least important in choosing a commercial bank. The outcomes of the results were as follows; Out of the 120 respondents, N=35 (29.2 per cent of them) have described ATMs to be very important, followed by N= 25 (24 per cent) have described ATMs to be important and N=21 (17.5 per cent) where neutral and N=20 (16.7 per cent) have described ATMs to be not-important and lastly, N=19 (15.8 per cent) have described ATMs to be very least important in choosing a commercial bank.

On the follow up question, the respondents were asked if they consider ATM Cash deposit Machine important or least important in choosing a commercial bank and the response from the survey obtained show that; Out of the 120 respondents, N=103 (85.8.2 per cent of them) have described ATMs cash deposit machine to be very important, Followed by N= 14 (11.7 per cent) have described ATMs cash deposit machine to be important and N=2 (1.7 per cent) where neutral and N=1 (0.8 per cent) have described ATMs cash deposit machine to be not-important. Therefore, it can be observed from the survey responses that ATM and ATMs that accept cash deposit are considered to be both very important and important to most students as it plays an important role in choosing a commercial bank of their preferred choice.

Most students highlighted the importance of ATM in the payment of tuition fees and also withdrawing of cash without going inside the bank as it convenient. It was for this reason of importance why banks introduced ATMs in universities as a response to student's and the society complaints about long queues in the banking hall, and restricted banking hours.

#### **4.6.2 Branch Internet Banking as an influence in bank Selection**

The evolution of the internet and its popularity has led banks to be more innovative and introduce internet banking (Kumar et al, 2010). Branch internet Banking is the type of online banking were customers go straight to a bank branch and used the bank installed customaries computers within the branch to transfer or withdraw money from their account.

Most banks in Zambia offer internet banking as part of their savings and current accounts. Some of the banks offering internet banking in Zambia include, Stanbic Bank, Barclays Bank, Standard Chartered Bank, Zanaco, FNB, Eco Bank and many more.

The following are the results obtained from the survey as follows:

**Table 4.11: Branch Internet Banking**

Question	Response	Frequency=(120)	Percent (%)
Can You Consider Branch Internet Banking Important Or Very Least Important In Choosing A Commercial Bank?	Very Important	49	40.8
	Important	51	42.5
	Neutral	10	8.3
	Not-Important	8	6.7
	Very Least Important	2	1.7
	<b>Grand Total</b>	<b>120</b>	<b>100</b>
Do You Consider Personal Data information capture and Security Feathers Important Or Least Important influence in choosing a commercial bank selection?	Very Important	68	56.7
	Important	45	37.5
	Neutral	3	2.5
	Not-Important	4	3.3
	Very Least Important	0	0
	<b>Grand Total</b>	<b>120</b>	<b>100</b>

(Source: *Field Survey Data, 2021.*)

From the survey results as revealed in Table 4.11, the respondents were asked if branch internet banking is important or very least important in choosing a commercial bank. The outcomes of the survey obtained were as follows; Out of the total 120 respondents, N=49 (40.8 per cent of them) have described branch internet banking to be very important, followed by N= 51 (42.5 per cent) have described branch internet banking to be important and N=10 (8.3 per cent) where neutral and N=8 (6.7 per cent) have described branch internet banking to be not-important.

On the next question, the respondents were asked if they consider personal data information capture and security feathers using branch internet banking important or least important and response from the survey as revealed in Table 4.11 obtained was that; Out of the total 120 respondents, N=68 (56.7 per cent of them) consider personal data information capture and security feathers very important, Followed by N= 45 (37.5 per cent) considered it important and N= 45 (37.5 per cent) where neutral to the question and N=4 (3.3 per cent) have described personal data information capture and security feathers not-important.

Therefore, it can be observed from the survey responses that Branch Internet Banking and Personal Data information capture and Security Feathers are both considered to be both very

important and important to most students as it plays an important role in choosing a commercial bank of their preferred choice.

#### 4.6.3 Debit Cards/Credit Cards as an influence in bank Selection

In Zambia a debit card or a credit card is a convenient way to purchase or pay for goods and services without having to write a cheque and funds are immediately debited from the cardholder’s account and the debit card is handed to the sales assistant, then the customer is asked to sign a sales voucher for goods sold and the sales assistant then runs the debit card through a computer networked to the customer’s bank/bank account. The transaction will appear on the customer’s next bank statement (Bank of Zambia, 2013).

Therefore, it was deemed important for the author to find out if debits or credit cards can influence first year students in selecting a commercial bank of their choice due to over dependence and usage in the banking sector. The following are the results obtained from the survey as follows:

**Table 4.12: Debit Cards/Credit Cards as an influence in bank Selection**

Question	Response	Frequency=(120)	Percent (%)
Are Debit/Credit cards very important or very least important in choosing a commercial bank selection?	Very Important	41	34.2
	Important	38	31.7
	Neutral	30	25
	Not-Important	8	6.7
	Very Least Important	3	2.5
	<b>Grand Total</b>		<b>120</b>

(Source: *Field survey data, 2021.*)

From the survey results, the respondents were asked if debit or credit cards are very important or very least important in choosing a commercial bank of their choice. Out of the total 120 respondents, N=41 (34.2 per cent of them) have cited debit or credit cards to be very important, followed by N= 38 (31.7 per cent) have described it to be important and N=30 (25 per cent) were neutral to the question and lastly, N=8 (6.7 per cent) indicated not important followed by N=3 (2.5 per cent) indicated very least important. The most notable issue that was raised among respondents on this question was the advantage they have seen and witness in the use of debit and credit cards from their follow senior students, parent and guardians

and they all pointed out the benefits they could also want to enjoy with a bank which have such facilities such as cashless, easy to use, 24hours operation, weekly or monthly and convenient.

#### 4.6.4 Mobile Banking as an Influence in Bank Selection

Mobile banking is a financial service that is usually offered by financial institution that allows its customers to access financial services such as free and paid-out financial transactions remotely using mobile or phone devices (Abraham and Iran, 2015). Most commercial banks especially in Zambia have introduced mobile banking services with features specifically designed for students at named universities and colleges and they have also partnered with same universities and colleges for students and staff members to access banking services at no cost in most instances.

The following are the results obtained from the survey as follows:

**Table 4.13: Mobile Banking as an Influence in Bank Selection**

Question	Response	Frequency=(120)	Percent (%)
Do You Consider Mobile Banking Services (Phone Banking) to be important or very least important in choosing a commercial bank?	Very Important	98	81.7
	Important	14	11.7
	Neutral	7	5.8
	Not-Important	1	0.8
	Very Least Important	0	0
	<b>Grand Total</b>		<b>120</b>

(Source: *Field survey data, 2021.*)

From the survey results, the respondents were asked if they Consider Mobile Banking Services (Phone Banking) to be important or very least important in choosing a commercial bank. Out of the total 120 respondents, N=98 (81.7 per cent of them) consider mobile banking services to be very important, followed by N= 14 (11.7 per cent) considered it to be important and N=7 (5.8 per cent) of the respondents were neutral and lastly, N=1 (0.8 per cent) considered it not important as shown in table 4.13. Therefore, it can be observed and concluded that commercial banks in Zambia who have managed to build and partner with universities and college on a long permanent status of relationship will boost the capability of student retention by the commercial banks in future.

#### 4.6.5 Investment Products and Services as an influence in bank Selection

According Bandural (1997) Investment is the use of capital to create an income or more capital. Customers usually invest money for different reasons, depending on their needs. Most Commercial Banks in Zambia do offer various investment services to customers such as educational trust fund, fixed deposit accounts, and unit trusts (Securities and Exchange Commission, 2016).

Hence it was very important on the researcher side to include this question as some students are entrepreneurs' and other have been benefiting from educational trust funds invested by their parents or guardians and some in future after graduating and upon getting a job may want to access some of these investment products. Therefore, it was cardinal to know if investment products and services can influence student's bank selection choice.

The following are the results obtained from the survey as follows:

**Table 4.14: Investment Products and Services as an Influence in Bank Selection**

<b>Question</b>	<b>Response</b>	<b>Frequency=(120)</b>	<b>Percent (%)</b>
Do You Consider Educational funds, Unit Funds, insurance Products, Stocks or Bonds Very Important or very Least Important in choosing a commercial bank?	Very Important	0	0
	Important	0	0
	Neutral	120	100
	Not-Important	0	0
	Very Least Important	0	0
	<b>Grand Total</b>		<b>120</b>

(Source: *Field survey data, 2021.*)

From the survey results, the respondents were asked if they consider Educational funds, investment loans, unit funds, insurance products, stocks, bond very important or very least important in choosing a commercial bank. Out of the total respondents N=120 (100 per cent of them) respondent to be neutral as shown in table 4.14. The main reason contributed to getting a 100 per cent neutral outcome as the researcher observed and concluded was mainly due to lack of financial literacy on these investment products. The researcher had to explain what these investment products are and their perceived benefits to almost all the respondents answering the question. The researcher also putted into consideration that these students are first year and probably most of them do not have a bank account or affiliated with any bank

hence explaining to them what these products were handed more clarity to the students on the question.

#### 4.6.6 E-Cheque as an Influence in Bank Selection

As Lee and Marlowe (2003) and Delvin and McKechnie (2008) stated that we are now living in a digital world where innovation in digital financial services have been given a high priority in making transactions because of its security features and effectiveness. Most university has discarded the old paper cheque in reference to tuition fees settlement and this has shifted their attention to electronic cheque because it's considered to be easy and fast and this has prompted students to start using this facility in settling their tuition fees through the use of a computer and transmits the e-cheque to the payee electronically.

Therefore, it was deemed important for the researcher to ask this question if e-cheque can be considered to be one of the factors that can influence a first time banker to select a preferred commercial bank. The following are the results obtained from the survey as follows:

**Table 4.15: E-Cheque as an Influence in Bank Selection**

Question	Response	Frequency=(120)	Percent (%)
Do You consider e-cheque services Very Important or very Least Important in choosing a commercial bank?	Very Important	0	0
	Important	0	0
	Neutral	74	61.7
	Not-Important	40	33.3
	Very Least Important	6	5
	<b>Grand Total</b>		<b>120</b>

(Source: Field survey data, 2021.)

From the survey results, the respondents were asked if they consider e-cheque services Very Important or very Least Important in choosing a commercial bank. Out of the total respondents of N=74 (61.7 per cent of them) were neutral to the question, followed by N= 40 (33.3 per cent) who considered e-cheque not important and lastly, N=6 (5 per cent) considered e-cheque as very least important as indicated in the table 4.15. Based on the outcome from the survey results, the researcher observed that three-quarters of the respondents knew what an e-cheque was, but unsure of how it works hence most of the respondents settle for neutral and not important. Therefore, it can be indicated that e-cheques

will not influence students in bank selection mainly due to most students limited information on how e-cheques operates and its perceived benefits to them even though some private and public universities have start adopting it as means of payment platform for its academic services such as tuition fees, library fees, internet fees, student accommodation and medical care services.

#### 4.6.7 Personal Loan as an Influence in Bank Selection

Person loans (Students Loan) are type of lending for private individuals or in these case students. Personal Loans especially to students can be used for a wide range of personal lending purposes such a for books purchase, Accommodation, Tuition Fees, Research Purposes just to mention a few. Therefore, it was deemed important for the researcher to ask this question if Person loans (Students Loan) can be considered to be one of the factors that can influence a first time banker to select a preferred commercial bank.

The following are the results obtained from the survey as follows:

**Table 4.16: Personal Loan (Credit)-Students Loan as an influence in bank Selection**

Question	Response	Frequency=(120)	Percent (%)
Do You consider Personal Loans (Credit) Very Important or very Least Important in choosing a commercial bank?	Very Important	98	81.7
	Important	16	13.3
	Neutral	6	5
	Not-Important	0	0
	Very Least Important	0	0
	<b>Grand Total</b>		<b>120</b>

(Source: *Field survey data, 2021.*)

From the survey results, the respondents were asked if they consider personal loans (credit) very important or very least important in choosing a commercial bank. Out of the 120 respondents, N=98 (81.7 per cent of them) consider Personal Loans (Credit)-Student Loans Very Important, followed by N= 16 (13.3 per cent) consider Personal Loans (Credit)-Student Loans Important and N=6 (5 per cent) were neutral to the question as indicated in table 4.16. Personal loans especially students' loans are now becoming very popular in Zambia with the introduction of student loan replacing the old bursaries scheme with the higher education loans and scholarships board which operates under the ministry of higher education. Some

banks have also follow suit in offering student loan, for instance Banks such as Zanaco, Indo-Zambia Bank, Stanbic Bank and many more are now offering student loans or education loans to students provided they are able to meet certain conditions to be eligible for the service.

#### 4.6.8 Agency Banking (Banking Agents) As an Influence in Bank Selection

There has been a growth of agency banking in Zambia in the last seven years. According to Joseph and Stone (2003) Agency Banking is the offering of banking services through an authorized agent on behalf of the bank. The Bank of Zambia have encouraged agency banking in recent years as a way of banks in reducing cost of setting up satellite ATM. The Bank of Zambia supported agency banking in order to promote financial inclusion through banking agents.

Therefore, it was deemed important for the researcher to try and if out if agency banking as an innovative product can influence student bank selection. The following are the results obtained from the survey as follows:

**Table 4.17: Agency Banking (Banking Agents) As an Influence in Bank Selection**

<b>Question</b>	<b>Response</b>	<b>Frequency=(120)</b>	<b>Percent (%)</b>
Do You Consider agency banking services very important or very least important in commercial bank selection?	Very Important	65	54.2
	Important	43	36.7
	Neutral	6	5
	Not-Important	6	5
	Very Least Important	0	0
	<b>Grand Total</b>		<b>120</b>

(Source: *Field survey data, 2021.*)

From the survey results, the respondents were asked if they consider agency banking services very important or very least important in commercial bank selection. Out of the total respondents of 120, N=65 (54.2 per cent of them) consider agency banking services very important, followed by N= 43 (36.7 per cent) consider it to be important and N=6 (5 per cent) were neutral and lastly, N=6 (5 per cent) consider it to be of very least important as indicated in table 4.17. Therefore, it can be concluded from the results that most students consider agency banking to be very important as survey results indicated. it was reviewed from most

of the respondents that agency banking is considered to be one of the influencer that respondents can or will consider in choosing a bank of their preferred choice due to the benefits that comes with it such as; reduce cost of banking such as travelling to the bank branch, ATM and lower service chargers. Most respondents were drawing their attention to ZANACO agency banking and mobile banking agencies by the telecoms industry companies such as Airtel money, Zamtel money and MTN money.

#### **4.7 Determinants of Bank Selection Criteria Factors Results**

##### **4.7.1 Rotated Factor Matrix**

In order to analyze differences in the importance of bank selection criteria employed, a ranking table called the rotated factor matrix was produced showing the mean score of each determinant criterion. Therefore, the table 4.18 below present's findings with respect to relative importance of bank selection criteria factors and a much broader analysis basing on the mean scores and standard errors for each multi-item scale was able to identify four critical factors that determine choice of commercial banks.

**Factors whose score exceeding 4 out of the five point Likert scale include:**

<ul style="list-style-type: none"> <li>• Bank status in industry</li> </ul>
<ul style="list-style-type: none"> <li>• Reputation of the bank</li> </ul>
<ul style="list-style-type: none"> <li>• Convenience of Location</li> </ul>
<ul style="list-style-type: none"> <li>• Family member opinions or Friend recommendations</li> </ul>

In contrast, several factors remain among the least important items concerning customers' bank selection registering a score 2.5 and below out of the five point Likert Scale. These include:

- Ease of obtaining borrowed funds
- Bank Size
- Customer Services
- Electronic or Online Banking Services
- Pleasing Manners of Staff
- Personal attention
- Ease of obtaining borrowed funds

- Bank Size
- Customer Services
- Electronic or Online Banking Services
- Credit Availability
- Corporate Banking Services Being Offered
- Top Management Performance
- Simplified Application Form
- Coverage in the press
- Mobile bank services
- Security and Risk Management
- Condition of bank financial statements
- Grant to SMEs and Large Businesses
- Government holdings
- Top Management Performance
- Overdraft Privilege
- Mass Media Advertisements
- Perceived ethics of bank
- Reputation of the bank's shareholders

The following are the results obtained from the survey as follows:

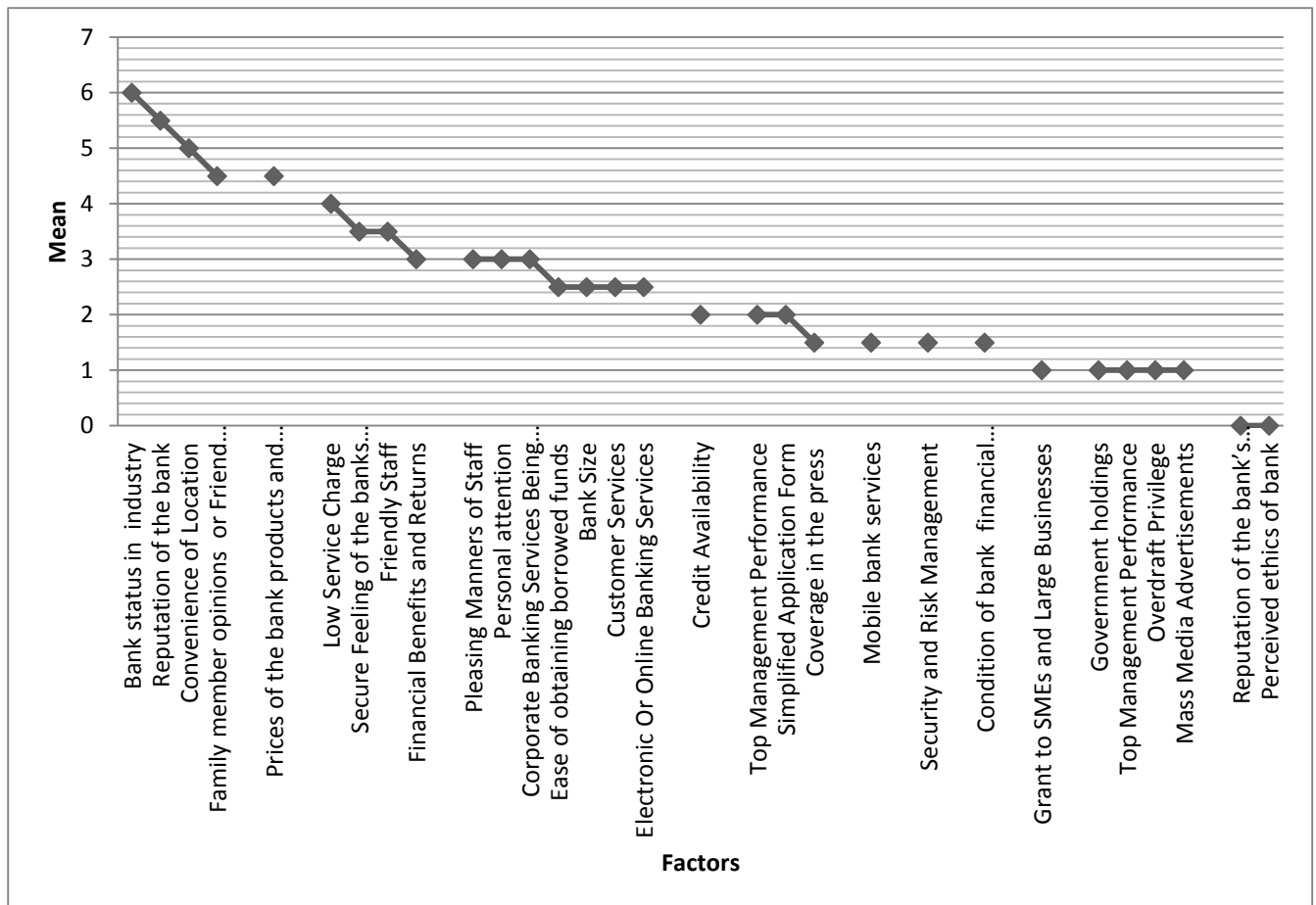
**Table 4.18: Ranked Determinants of Bank Selection Criteria Factors**

<b>No.</b>	<b>Items</b>	<b>Mean</b>	<b>Standard Error</b>	<b>Rank</b>
1	<b>Bank status in industry</b>	6	1	<b>1</b>
2	<b>Reputation of the bank</b>	5.5	0.957	<b>2</b>
3	<b>Convenience of Location</b>	5	0.912	<b>3</b>
4	<b>Family member opinions or Friend recommendations</b>	4.5	0.866	<b>4</b>
5	<b>Prices of the bank products and services</b>	4.5	0.866	<b>5</b>
6	<b>Low Service Charge</b>	4	0.816	<b>6</b>
7	<b>Secure Feeling of the banks products and services</b>	3.5	0.767	<b>7</b>
8	<b>Friendly Staff</b>	3.5	0.767	<b>8</b>

9	<b>Financial Benefits and Returns</b>	3	0.707	<b>9</b>
10	<b>Pleasing Manners of Staff</b>	3	0.707	<b>10</b>
11	<b>Personal attention</b>	3	0.707	<b>11</b>
12	<b>Corporate Banking Services Being Offered</b>	3	0.707	<b>12</b>
13	<b>Ease of obtaining borrowed funds</b>	2.5	0.645	<b>13</b>
14	<b>Bank Size</b>	2.5	0.645	<b>14</b>
15	<b>Customer Services</b>	2.5	0.645	<b>15</b>
16	<b>Electronic Or Online Banking Services</b>	2.5	0.645	<b>16</b>
17	<b>Credit Availability</b>	2	0.577	<b>17</b>
18	<b>Top Management Performance</b>	2.	0.577	<b>18</b>
19	<b>Simplified Application Form</b>	2	0.577	<b>19</b>
20	<b>Coverage in the press</b>	1.5	0.5	<b>20</b>
21	<b>Mobile bank services</b>	1.5	0.5	<b>21</b>
22	<b>Security and Risk Management</b>	1.5	0.5	<b>22</b>
23	<b>Condition of bank financial statements</b>	1.5	0.5	<b>23</b>
24	<b>Grant to SMEs and Large Businesses</b>	1	0	<b>24</b>
25	<b>Government holdings</b>	1	0	<b>25</b>
26	<b>Top Management Performance</b>	1	0	<b>26</b>
27	<b>Overdraft Privilege</b>	1	0	<b>27</b>
28	<b>Mass Media Advertisements</b>	1	0	<b>28</b>
29	<b>Reputation of the bank's shareholders</b>	0	0	<b>29</b>
30	<b>Perceived ethics of bank</b>	0	0	<b>30</b>

*Based on five-point Likert scale 5 = strongly Agree; 1 = strongly Disagree*

**Figure 4.3: Determinants of Bank Selection Criteria Factors**



(Source: Field survey data, 2021.)

#### 4.7.2 Explanation of Ranked Determinants of Bank Selection Criteria Factors

An in-depth explanation based on the observation from the rotated factor matrix as follows: The thirty (30) factors, were ranked according to their respective mean values and standard error, the top fifteen (15) that were considered the most by the respondents were as follows: Bank status in industry, Reputation of the bank, Convenience of Location, Family member opinions or Friend recommendations, Prices of the bank products and services, Low Service Charge, Secure Feeling of the banks products and services, Friendly Staff, Financial Benefits and Returns, Pleasing Manners of Staff, Personal attention, Ease of obtaining borrowed funds, Bank Size and Customer Services.

It is worth to note that, similar studies found that students attached the same importance to the determinants listed above. In the study by Okoro et al (2021); Gerrard and Cunningham (2001); Almosawi, (2001) clearly shows that Bank status in industry was ranked highest

compared to Convenience of Location. This is an indication that most first year university students want to associate themselves with a commercial bank that has a good status in the industry. Bank with good reputation are more likely to be picked or selected by students, because, bank with good reputation standing have cultivated the trust and integrity within the banking industry as shown by the results.

One unique, finding is that first year university students are more likely to choose or select a commercial bank and open an account with based on the recommendation of a friend or family member. Also, the findings by Cicic et al (2004) who investigated the attitude of three hundred (300) university students aged between 19-24 years of the University of Sarajevo in Bosnia and Herzegovina to examine the customers' bank selection criteria disclosed that the main factors determining students' bank selection are: Reputation of the bank, Friend recommendations, Convenience of Location, low services charges, ease of opening a current account and bank status in the industry. But, the study findings are not in agreement with the results of Oluwaseyitan et al (2018); Mwange (2017); Lelissa and Lelissa (2017); Gerrard and Cunningham (2001) and Almossawi (2001) as they all argued that; when it comes to bank selection, undergraduates are more confident to act independently rather than relying on the recommendations of others.

Moreover, on the researcher's side, the result still remains surprising as some major bank selection determinant factors such as customer services, electronic or online banking services and mobile banking services scored low among other determinants of bank selection. Therefore, we cannot assume these results to be the same with bank selection process employed by students in developed countries such as the United States, United Kingdom, German, China or Japan.

#### **4.7.3 Testing Research Hypothesis**

Hypothesis testing is usually used to assess the persuasiveness of a hypothesis by using sample data and such data usually comes from a larger population or from a data generating process (Adam et al, 2007). The aim of the researcher was to test a statistical sample with the objective of providing evidence on the persuasiveness of the null hypothesis.

#### 4.7.4 Singling Determinant Factor Matrix (Identifiers and Related Factors)

The approach of the researcher was to distinguish determinants factors from other factors of different nature and put them in identified groups. A name is perhaps the most common means of identifying determinants factors based on the nature and the context of these factors. Each factor was identified with a mean and standard deviation as shown in the table below.

**Table 4.19: Singling Determinant Factor Matrix (Identifiers and Related Factors)**

<b>Descriptive Factor</b>	<b>Components Factor</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Standard Error</b>
<b>Treatment of customers</b>	Family member opinions or Friend recommend	4.5	2.45	0.866
	Perceived ethics of bank	0	0	0
	Personal attention	3	1.58	0.707
	Pleasing Manners of Staff	3	1.58	0.707
	Friendly Staff	3.5	1.87	0.767
	<b>Total (Σ) Mean &amp; Standard Deviation</b>	<b>14</b>	<b>7.48</b>	<b>3.047</b>
	<b>Grand Mean &amp; Standard Deviation</b>	<b>2.8</b>	<b>1.496</b>	<b>0.6094</b>
<b>Bank Product and Services</b>	Customer Services	2.5	1.29	0.645
	Mobile bank services	1	0	0
	Secure Feeling of the banks products and services	3.5	1.87	0.707
	Corporate Banking Services Being Offered	3	1.58	0.707
	Simplified Application Form	2	1	0.577
	Security and Risk Management	1.5	0.71	0.5
	<b>Total (Σ) Mean &amp; Standard Deviation</b>	<b>13.5</b>	<b>6.45</b>	<b>3.136</b>
	<b>Grand Mean &amp; Standard Deviation</b>	<b>2.25</b>	<b>1.075</b>	<b>0.5227</b>
<b>Financial Benefits</b>	Overdraft Privilege	1	0	0
	Ease of obtaining borrowed funds	2.5	1.29	0.645
	Credit Availability	2	1.29	0.577
	Grant to SMEs and Large Businesses	1	0	0
	Financial Benefits and Returns	3	1.58	0.707
	<b>Total (Σ) Mean &amp; Standard Deviation</b>	<b>9.5</b>	<b>4.16</b>	<b>1.929</b>

	<b>Grand Mean &amp; Standard Deviation</b>	<b>1.9</b>	<b>0.832</b>	<b>0.3858</b>
<b>Bank Price</b>	Prices of the bank products and services (Advisory Chargers, Monthly Accounts Chargers, Insurance Chargers etc.)	4.5	2.45	0.866
	Low Service Charge (interest rates)	4	2.16	0.816
	<b>Total (<math>\Sigma</math>) Mean &amp; Standard Deviation</b>	<b>8.5</b>	<b>4.61</b>	<b>1.682</b>
	<b>Grand Mean &amp; Standard Deviation</b>	<b>4.25</b>	<b>2.305</b>	<b>0.841</b>
<b>Industry Status and Size</b>	Bank Size	2.5	1.29	0.645
	Mass Media Advertisements	1	0	0
	Government holdings	1	0	0
	Coverage in the press	1.5	0.71	0.5
	Condition of bank financial statements	1.5	0.71	0.5
	<b>Total (<math>\Sigma</math>) Mean &amp; Standard Deviation</b>	<b>7.5</b>	<b>1.42</b>	<b>1.645</b>
	<b>Grand Mean &amp; Standard Deviation</b>	<b>1.5</b>	<b>0.284</b>	<b>0.329</b>
<b>Location</b>	Convenience of Location	5	2.74	0.912
	<b>Total (<math>\Sigma</math>) Mean &amp; Standard Deviation</b>	<b>5</b>	<b>2.74</b>	<b>0.912</b>
	<b>Grand Mean &amp; Standard Deviation</b>	<b>5</b>	<b>2.74</b>	<b>0.912</b>

(Source: Field survey data, 2021.)

After singling determinant, the factors into groups, the next approach was to sum-up all the related factors in each group with their respective mean and standard deviation so as to have single group grand mean and grand standard deviations respectively as indicated in table 4.20 below.

**Table 4.20: Summary of Singled Factors Matrix**

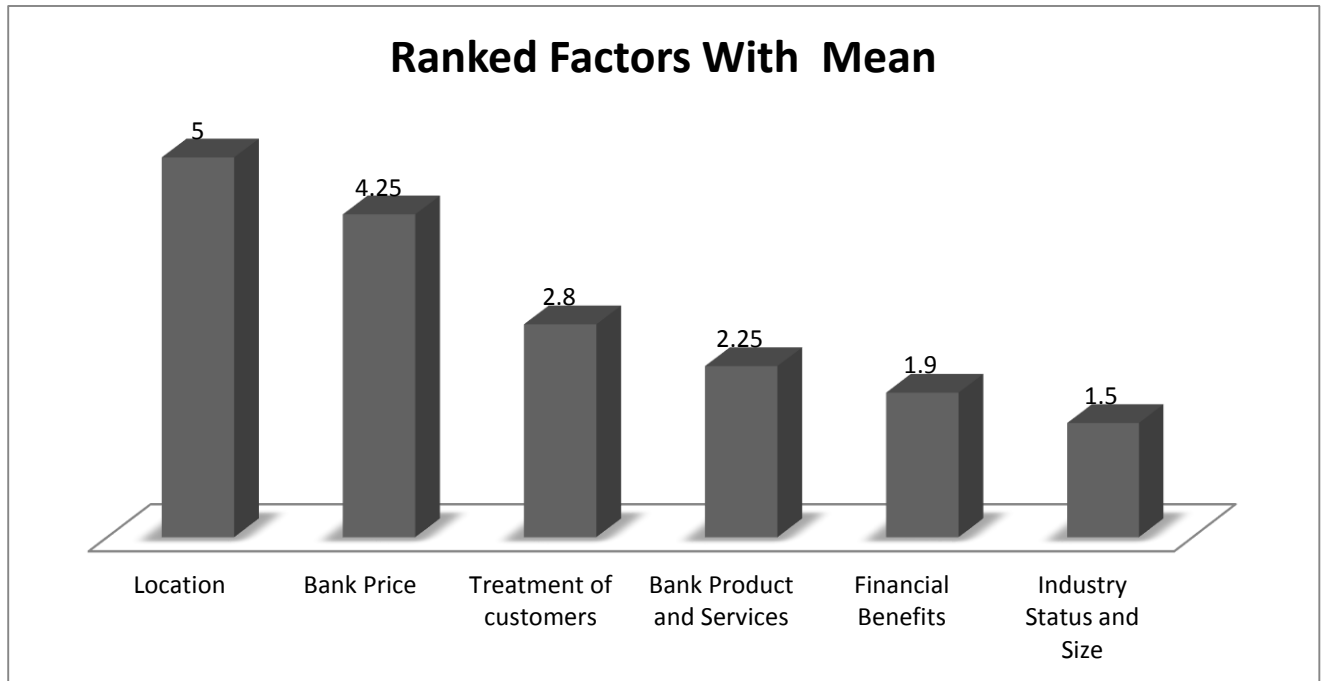
*Descending means order:*

<b>Factor No.</b>	<b>Descriptive</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Rank</b>
1	Location	5	2.74	1
2	Bank Price	4.25	2.305	2
3	Treatment of customers	2.8	1.496	3
4	Bank Product and Services	2.25	1.075	4
5	Financial Benefits	1.9	0.832	5
6	Industry Status and Size	1.5	0.284	6
<b>Total Mean &amp; Standard Deviation</b>		<b>17.7</b>	<b>8.732</b>	

(Source: Field survey data, 2021.)

Results are approximated to the nearest decimal number.

**Figure 4.4: Summary of Singled Factors Matrix**



(Source: Field survey data, 2021.)

Results are approximated to the nearest decimal number.

#### 4.7.5 Explanation of Bank Selection Factors

Six factors were identified. Table 4.20 and figure 4.4 Provides six (6) loading factors from the thirty (30) loading determinants items. In addition, means were calculated for all attributes retained within each factor to identify the relative importance of such attributes to the student in their bank selection process. In terms of overall factor means, the first factor ranked one (1) is the most important in terms of bank selection and the sixth factor ranked six (6) is (slightly) the least important. The mean and standard deviation are shown in table 4.20. The six (6) loading factors together had a percentage of about 80 per cent with a grand mean of 17.7 and a grand standard deviation of 8.732 respectively.

The *first* factor in Table 4.20 Describes a dimension based on convenience of location as it was the only factor. This factor accounts for 5 and 2.74 of the total grand mean and standard deviation respectively. This factor was categorized as location factor. Within this factor, the most important attributes was convenience of location (mean = 5).

The *second* factor describes a selection factor based on prices of the bank products/services and low Service Charge. This factor accounts for 4.25 and 2.305 of the total grand mean and standard deviation respectively. This factor was labeled as bank price factor. At this time, it can be noticed that prices of the bank products and services (mean = 4.5) and Low Service Charge (mean = 4) have the two highest means in this factor, indicating the vast importance of prices of the bank products and services and low service charge in determining bank selection for students.

The *third* factor identifies a dimension based on family member opinions or friend recommendations, perceived ethics of bank, personal attention, pleasing manners of staff and friendly staff. This factor accounts for 2.8 and 1.496 of the total grand mean and standard deviation respectively. This factor was categorized as treatment of customers' factor. Within this factor, the most important attributes are family member opinions or friend recommendations (mean = 4.5) and friendly staff (mean = 3.5), while the least important item is perceived ethics of bank (mean = 0) which was not included due to its lowest score.

The *fourth* factor contains items related to customer services, mobile bank services, secure feeling of the banks products and services, corporate banking services being offered, simplified application form, security and risk management. This factor accounts for 2.25 and 1.075 of the total grand mean and standard deviation respectively. This factor was labeled as bank product and services factor. at this time, it can be noticed that secure feeling of the banks products and services (mean = 3.5) and corporate banking services being offered (mean = 3) have the two highest means in this factor, indicating the vast importance of secure feeling of the banks products and services and corporate banking services being offered in determining bank selection for students.

The *fifth* factor comprises items related to overdraft privilege, ease of obtaining borrowed funds, credit availability, grant to SMES and large businesses, financial benefits and returns. This factor accounts for 1.9 and 0.832 of the total grand mean and standard deviation respectively. This factor was categorized as financial benefits factor. Within this factor, the most important attributes are financial benefits and returns (mean = 3) and ease of obtaining borrowed funds (mean = 2.5), while the least important item were overdraft privilege and grant to SMEs and Large Businesses (mean = 1).

Finally, the *sixth* factor encompasses bank size, mass media advertisements, government holdings, coverage in the press and condition of bank financial statements. This factor accounts for 1.5 and 0.284 of the total grand mean and standard deviation respectively. This factor was named Industry Status and Size. All the factors scored below (mean=2) and this, basically, indicated un-favorably, un-important and un-needed factors in determining bank selection for students. Nevertheless, it is worth pointing out that among the six (6) factors indicated above, the first and the second two factors are typifying by much higher mean importance ratings than the other characteristics, highlighting the importance of bank Price, treatment of customers and location for bank selection decisions by this market segment of students.

Perceived ethics of bank and reputation of the bank's shareholders were both included even though they were the lowest components (factors) due to their lowest mean scores. The researcher thought it was important to include them so that we have a full complete presentation of all the factors and more accurate results. This basically entails that, students did not choose banking services and commercial banks by comparing or looking at the perceived ethics of banks or its shareholder's reputation, but, rather they select based on other criteria. In contrast, these two factors were the second and third most important factor for commercial bank selection as also indicated in the study conducted by Emmanuel et al (1981); Kaynak (1991); Bandura (1997) and Lymeropoulos (2003) for the students in America, China, Germany and Turkey and ranked as fourth and fifth most important factor in the study of Clemes (2010) by Asian students in China. Finally, the criteria's and factors listed in table 4.18, 4.19 and 4.20 included only those with mean scores respectively.

#### **4.8 Testing Research Hypothesis**

The null hypotheses are the one that are always tested by statisticians and market researchers. Therefore, following are the hypotheses that were tested:

##### **4.8.1 Hypothesis 1**

**H<sub>0</sub>:** The variances of financial benefits and industry status and size are equal.

**H<sub>1</sub>:** The variances of financial benefits and industry status and size are not equal.

Therefore, a statistical test was performed to determine whether the variances of financial benefits and industry status and size are equal as indicated in table 4.21.

**Table 4.21: Statistical test of significance of the Variances of Financial Benefits and Industry Status and Size If They Are Equal.**

Hypothesis	Test Statistic	Decision Rule
<p><b>We Test if:</b></p> $H_0 : \sigma^2_1 = \sigma^2_2$ <p>vs.</p> $H_1 : \sigma^2_1 \neq \sigma^2_2$	<p><b>We Test Using:</b></p> <p>The ANOVA: Single Factor</p>	<p><b>We reject Ho if:</b></p> $F > F_{crit}$

(Source: *Field survey data, 2021.*)

**Table 4.22: Statistical test of significance of The Variances of Bank Price and Industry Status and Size Are Equal.**

Hypothesis	Test Statistic	Decision Rule
<p><b>We Test if:</b></p> $H_0 : \sigma^2_1 = \sigma^2_2$ <p>vs.</p> $H_1 : \sigma^2_1 \neq \sigma^2_2$	<p><b>We Test Using:</b></p> $F = \frac{s^2_1}{s^2_2}$ $F = 0.832^2 \div 0.284^2$ $F = 8.58.$	<p><b>We reject Ho if:</b></p> $F > F_{4, 4, 0.025} = 9.60.$

(Source: *Field survey data, 2021.*)

#### 4.8.2 Decision Rule and Statistical Interpretation

The decision rule was to reject  $H_0$  if  $F > F_{4, 4, 0.025} = 9.60$ . Since  $8.58 > 9.60$ , we thus fail to reject  $H_0$  and accept it and concluded that the variances of financial benefits and industry status and size are equal and hence type 2 error was committed in this case. A type II error is used within the context of hypothesis testing that describes the error that occurs when one accepts a null hypothesis that is actually false and the variance in this hypothesis was actually measuring the variability about the sample mean. A small variance indicates that the data points usually tend to be very close to the mean and to each other compared to a high variance which is the opposite. Therefore, the outcome demonstrated that the null hypothesis was true, then it's opposite, the alternative hypothesis, was false.

Based on the answers of the respondents and the factor matrix ranking, it can be stated that the respondents consider that “financial benefits and industry status and size” as a less determinants of their bank selection process due to their low ranking as evident in table 4.20 and figure 4.4. Most students asserted that they prefer banks that operates in every university and city rather than the bank status or the perceived benefits in the use of financial services, students want banks that operates in convenient places that students are easy to reach that is; the bank branches are close to university, boarding houses, or home, banks with many branches satellite and banks that provides 24/7 ATM service in convenient locations.

While the variances of financial benefits and industry status and size are equal but the students consider them to be the least important criteria. This is consistent with many of the previous studies conduct by Mokhlis et al (2009) and Mokhlis (2010) et al in which the students select convenience as the main determinate criteria in their bank selection process mainly ATM services and branch location. Also with Salleh and Hazimah (2009) where bank price was the second most important determinant. Another study by Beckett et al (2003), in which the students select treatment of customers to be the second most important criterion after location whereas the respondent of this study select the same criterion to be the important factor.

### 4.8.3 Hypothesis 2

- i. **H<sub>0</sub>**: The Variances of Treatment of customers and Bank Product and Services are equal.
- ii. **H<sub>1</sub>**: The Variances of Treatment of customers and Bank Product and Services are not equal.

Therefore, statistical test was performed to determine whether the variances of the determinants selection criteria are equal as indicated in table 4.23.

**Table 4.23: Statistical test of significance of Treatment of Customers and Bank Product and Services** (Source: *Field survey data, 2021.*)

Hypothesis	Test Statistic	Decision Rule
<b>We Test if:</b> $H_0 : \sigma^2_1 = \sigma^2_2$ vs. $H_1 : \sigma^2_1 \neq \sigma^2_2$	<b>We Test Using:</b> $F = \frac{s^2_1}{s^2_2}$ $F = 1.496^2 \div 1.075^2$	<b>We reject H<sub>0</sub> if:</b> $F > F_{5, 6, 0.025} = 6.98.$

	F=1.94.	
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#### 4.8.4 Decision Rule and Statistical Interpretation

The decision rule was to reject  $H_0$  if  $F > F_{5, 6, 0.025} = 6.98$ . Since  $1.94 < 6.98$ , we thus fail to reject  $H_0$  and accept it and concluded that the variances of treatment of customers and bank product and services are equal. Hence type 2 error was committed in this case. A type II error is used within the context of hypothesis testing that describes the error that occurs when one accepts a null hypothesis that is actually false and the variance in this hypothesis was actually measuring the variability about the sample mean. Therefore, the outcome demonstrated that the null hypothesis was true, then it's opposite, the alternative hypothesis, was false.

Based on the answers of the respondents and the factor matrix ranking, it can be stated that the respondents consider that treatment of customers and bank product and services as a main determinants of bank selection process but not as important as location and bank price due to their low ranking as evident in table 4.20 and figure 4.4. The results are consistent with Maiyaki et al (2011) in which students selected treatment of customer and financial product and services to be among the influence among their determinants of the bank selection criteria.

#### 4.8.5 Hypothesis 3

The null hypotheses are the one that are always tested by statisticians and market researchers. Therefore, following are the hypotheses that have been tested:

- i. **H<sub>0</sub>**: The Mean of Treatment of customers and Bank Product and Services are significantly the same.
- ii. **H<sub>1</sub>**: The Mean of Treatment of customers and Bank Product and Services are not significantly the same.

Therefore, statistical test was performed to determine the Mean determinants of treatment of customers and Bank Product and Services are the same as indicated in table 4.24.

**Table 4.24: Statistical test of significance of Treatment of Customers and Bank Product and Services**

Hypothesis	Test Statistic	Decision Rule
<p><b>We Test if:</b></p> $H_0 : \mu_1 = \mu_2$ vs. $H_1 : \mu_1 \neq \mu_2$	<p><b>We Test Using:</b></p> The ANOVA: Single Factor	<p><b>We reject Ho if:</b></p> $F > F_{crit}$

(Source: Field survey data, 2021.)

**Table 4.25: ANOVA: Single Factor Test Results**

<b>ANOVA: Single Factor</b>						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Treatment of Customers	4	17	4.25	7	4.91666	
Bank Products and Services	4	17	2.8	4.1		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6	1	6	5	2	8
Within Groups	31.95	7	4.56428	6		
Total	33.5555	6	8			

(Source: Field survey data, 2021.)

#### 4.8.6 Decision Rule and Statistical Interpretation

The decision rule was to reject  $H_0$  if  $F > F_{crit}$ . Now we know that  $F_{crit} = 5.59$ . And in this case,  $F > F_{crit}$  is equal to  $0.35 > 6.98$ , we thus have strong evidence not to reject  $H_0$  and accept it and concluded that the mean treatment of customers and Bank Product and Services are significantly the same and in this case, type II error was committed. The Mean of Treatment of customers and Bank Product and Services are significantly the same because the F test statistic is smaller than the F critical value at a given level of significance.

According to Yin (2013) the ANOVA objectives are; firstly, to estimate treatment and the differences of the mean treatment respectively. Secondly, is to test hypothesis for statistical significance of the comparisons of treatment of means, where on the other hand, the factor or treatment is the characteristics that distinguishes the populations. Looking at the results and conclusion of the test, it is possible to obtain the incorrect results if a 5% level of significance was used and each test would have a probability of type I error of rejecting the null hypothesis when it is true of  $\alpha=0.05$ .

Therefore, it was prudent for the researcher to only consider two population of factors that is treatment of customer and bank products and services reason being that as the number of populations factors increases they is a higher chance of making type I error which could have required the researcher to consider the use of multiple t-test test statistic. If the mean of treatment of customer and bank product and services were different, a multiple t-test comparison should have been used in this case.

Based on the answers of the respondents and the factor matrix ranking and since most students were well informed and educated before answering the questionnaire, it is safe to assume that they understand the important reasons of choosing one bank over the other. Even though we failed to reject  $H_0$  and accept it and concluded that the mean treatment of customers and Bank Product and Services are significantly the same.

Table 4.20 and figure 4.4 shows the opposite, that treatment of customer's category gave the higher ranking mean compared to bank product and services. But still, this result is consistent with Et-Tawil (2015) in which the  $H_0$  was accepted and also concluded the same that the mean treatment of customers and Bank Product and Services are significantly the same. But this result contradicts the reported findings of Denton and Chan (1991) in which  $H_0$  was rejected and it was concluded that the mean treatment of customers and Bank Product and Services are not significantly the same in the selection choice of the factors.

#### **4.8.7 Independent T-test**

A T- test is also known as Students T-test and it's a type of statistical test that is used to compare the means of two groups (Kim, 2015). Because of the weakness that comes with the use of the ANOVA single factor F test to determine the mean difference between two groups, it was of importance to make sure that the results of the test was reliable, consistent and

similar to test outcomes of the t-test and should at least give the same results similar to the ANOVA single factor test. Therefore, the t-test was important to the researcher for benchmarking and reliability in the results.

#### 4.8.8 Stage 1: Hypothesis

Using a T-test to determine whether the mean determinants of treatment of customers and Bank Product and Services are the same. Therefore, we test:  $H_0: \mu_1 = \mu_2$  vs.  $H_1: \mu_1 \neq \mu_2$ .

#### 4.8.9 Stage 2: Test Statistic

**Figure 4.5: Independent T-test Calculations**

**We Test Using:**

$$t = \frac{(x_1 - y_2) - (u_1 - u_2)}{s \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$$

$$t = \frac{(2.8 - 2.25) - (0)}{1.6968205 \sqrt{\frac{1}{5} + \frac{1}{5}}}$$

$$= \mathbf{0.51}$$

(Source: *Field survey data, 2021.*)

#### 4.8.10 Stage 3: Decision Rule and Statistical Interpretation

The computed t value of 0.51 is lesser than 2.306 and falls in the acceptance region. The decision rule is to reject  $H_0$  if  $t > t_{0.025, 8} = 2.306$ . Now we know that,  $t > t$  is equal to  $0.51 > 2.306$ . We thus have strong evidence not to reject  $H_0$  and accept it and concluded that the mean of treatment of customers and Bank Product and Services are significantly the same and in this case, type II error was also committed. With the above statistical outcome, the study was 95 percent sure that the mean of treatment of customers and bank product and services are significantly the same.

However, the only weakness with this method (T-test) is that it is difficult to define the distribution of the difference in the two sample means because the variance of the population is unknown compared to the ANOVA single factor F test which usually indicates the variance of the population between the groups. But regardless of this, the results have proven to be the same/equal indicating the same outcome both under the ANOVA single factor F test and the independent T-test. Therefore, we have strong evidence to believe that the mean of treatment of customers and Bank Product and Services are significantly the same.

#### **4.9 Bank Selection Marketing Model**

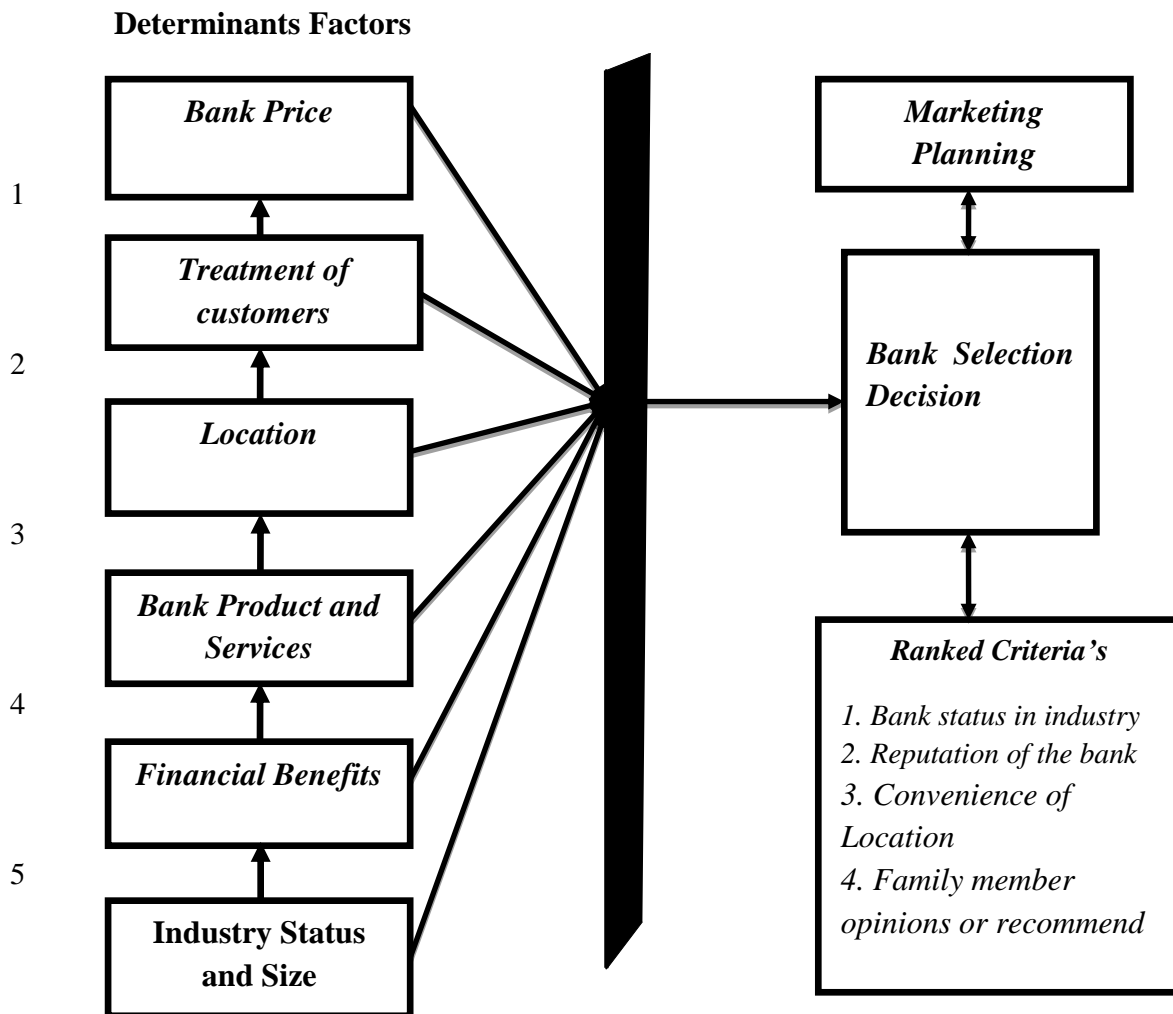
In Banking and financial service, in the presence or absence of reliable data or if market conditions have changed, models usually provide a way of forecasting that relies on typical behavior for a specific product and the target for that product. Most marketing models are especially useful for attracting new customers for new products with little or no sales history. It is believing that most bank product sales rise slowly at first with sales increasing rapidly during a transitional period and then leveling off, based on market infiltration and the type of model employed.

With all the available data and the results obtained on the determinants of commercial bank selection criteria by first year university of Zambia students, it is of importance that the researcher develop a marketing proposed model that commercial banks and other financial services institution can use to attract the patronage of student's customers.

##### **4.9.1 Marketing Proposed Model Development**

The marketing model for bank selection is based on the results and analysis obtained on the ranked determinants criteria and the bank selection factors. The following figure 4.6 is the marketing mode commercial banks can use to attract the patronage of first year students as follows:

**Figure 4.6: Marketing Proposed Model for Bank Selection by Students**



(Source: Field survey data, 2021.) Structured Style based on the model by; Shaher et al (2011); Kamakodi and Khan (2008); Sweeney and Morrison (2004) and White (1975).

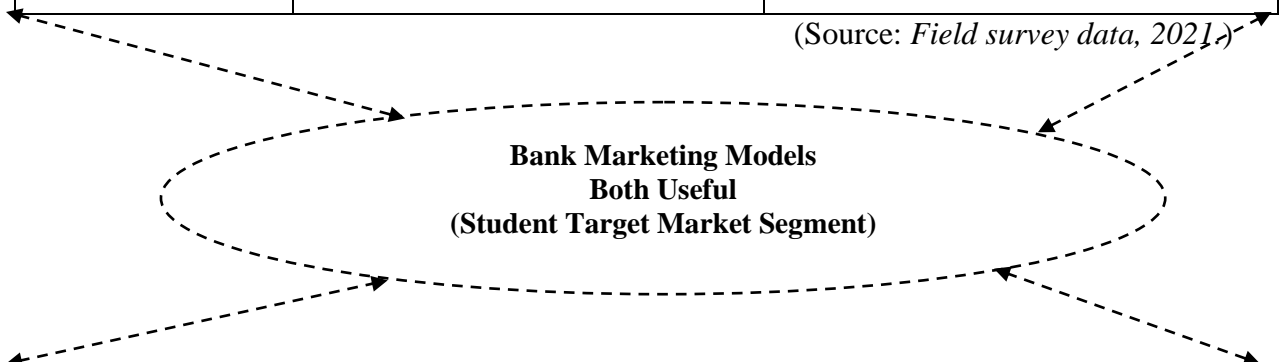
#### **4.9.2 Linking The Proposed Model to The Marketing Mix**

The marketing mix concept refers to the main variables comprising a bank marketing strategy. The six marketing mix elements are properly linked to the marketing model for bank selection in conformance with the concept as follows:

**4.26 Table: Linking the Proposed Model to the Marketing Mix (5Ps and SAVE)**

Marketing Mix (5P)	Determinants Factors	Ranked Determinants Criteria
<b>Product</b> ←	Bank Product and Services ←	Family member opinions or recommendation
<b>Price</b> ←	Bank Price ←	Interest Rates
<b>Promotion</b> ←	Financial Benefits ←	Reputation of the bank
<b>Place</b> ←	Location ←	Convenience of Location
<b>People</b> ←	Treatment of customers ←	Bank status in industry

(Source: Field survey data, 2021.)



Marketing Mix (S.A.V.E)	Determinants Factors	Ranked Determinants Criteria
<b>Solution</b> ←	Bank Price ←	Interest Rates
	Financial Benefits ←	Reputation of the bank
<b>Access</b> ←	Location ←	Convenience of Location
<b>Value</b> ←	Bank Product and Services ←	Family member opinions or recommendation
<b>Education</b> ←	Treatment of customers ←	Bank status in industry

(Source: Field survey data, 2021.)

As the researcher observed, the main weakness with linking marketing mix (5Ps and SAVE) with the marketing model for bank selection choice as a way of marketing planning, is that, both of these mix or steps are highly imitable by competition, especially price reductions of

financial services (price and solution), additional bank services (Product and value) for instance insurance, agency banking and mass promotion campaign penetration. This means that the bank may not gain as much as expected and in fact, all banks may pay a price in the form of profit erosion which as being the case with Zambia banking sector.

#### **4.9.3 Interpretation of the Model and Its Usefulness**

The marketing model for bank selection by students is a simple and straightforward model that can be used by commercial banks to attract university students as customers. The marketing model for bank selection is based on six determinants factors which are bank price, treatment of customer's, location, bank product and services, financial benefits, industry status and size. These determinants factors are then linked and translated into bank selection decision. Each curves (pointed arrow) on the model relate to single determinant factor which in this case it's the same product with subcomponents factors as indicated in table 4.19 on singling determinant factor matrix (identifiers and related factors), but its recommended that commercial banks can adapt the models to repeat purchases by running additional market tests to determine the rate of repeats and the continuing market share in universities and colleges. The risk of forecasting errors is low if the model is accurate.

Commercial banks or forecasters can check the quality of the model by running market tests in universities to verify its relevancy. The marketing model clearly established the relationship between bank selection decision quadrant and the ranked determinants criteria quadrant in consideration of all determinants factors which must be translated to an integrated marketing plan that will help the bank to attain its objective in attracting university students. Therefore, this proposed model will help to characterized bank selection by university students in emerging new universities and increasingly fierce competition among banks. Students demand new experiences and financial services from the banks they patronage with, so its critical for commercial banks to understand students needs and preferences through the integration process of this proposed model in their business development.

#### **4.10 Chapter Summary**

This chapter four of the study offered the research findings in form of data analysis. This chapter provided a critical analysis and findings based on the research objectives research questions, research hypotheses and both descriptive and inferential statistics were used to make an analysis.

## **Chapter 5**

### **Data Discussion**

#### **5.1 Discussion of Study Findings**

This section of chapter five presented an in-depth discussion of the findings and analysis as covered earlier in chapter four of the study. The aim of the study was on assessing the Determinants Criteria Students used to select Commercial Bank of their choice. The discussion was presented according to the research objectives of the study which were:

- i. To establish the criteria students, use in selecting a commercial bank.
- ii. To determine the rank of significance of choice of the determinants criteria and their influence on bank selection by university students.
- iii. To develop a marketing model and provide recommendations that commercial banks can use to attract the patronage of first year students.

#### **5.2 Discussion of Demographics of the Respondents**

##### **5.2.1 Sex and Age of the Respondents**

The results on sex and age shows that out of 120 respondents, 63.3 per cent were males and the remaining 36.7 per cent were female. Results on respondents' age shows that 92.5 per cent were between the age of 18 and 25 years of age and 7.5 per cent were between the age of 26 and 35 years of age as it was indicated in chapter four.

Looking at these statistics as given above, most students were between the age of 18 and 25 years, the increase in representation of male respondents is expected since the population of male students in Zambia's tertiary institutions such as universities and colleges has been increasing than that of female students as the survey results by Musamba (2019, p. 23) cited from Mkandawire (2019) HOHE Annual Higher Education Census depicted from their statistics. The findings of this study were inconsistency with the study findings of Jansson-Boyd (2010) and Shafer et al (2011) but consistency with the study of Abor (2004); Shama (2010); Rao (2010); Mokhlis (2009); Katircioglu (2011); Maiyaki (2011); Shafer et al (2011); whom all conducted their study on the bank selection process among students in public and private universities.

The distribution of age along with the sex of respondents shows some variation across various age groups. In addition, according to the hypotheses tests which were conducted, this study concluded that the sex and age of the students had an impact on their bank selection choice. It was unfortunate however, that no further investigations were done to understand the reasons that caused this variation in behavioral of students in both female and male first year students counterparts.

### **5.2.2 Level of Education of the Respondents**

The results on student's levels of education indicated that out of 120 respondents, 97.5 per cent had only a grade 12 certificate and 2.5 per cent had a diploma respectively. No student was recorded to have a bachelor's degree, Master degree or even a PhD as it was indicated in chapter four.

The main reason why 97.5 per cent respondents had only a grade 12 certificate at first year is because, they has been an increase in the number of pupils leaving secondary education and a growing population of youths in the country and these pupils leaving secondary schools are subsequently going into tertiary universities (Mwange,2016). The other reasons was because of the nature of the survey, as this research study only targeted first year students, whom in this case are students coming out of secondary school and whom were selected into university and in this case the university of Zambia.

The findings of this study, confirmed the work of Kasawneh and Salem (2011) Demirguc-Kunt and Klapper (2012); Thornton and White (2013) who also discovered that, students with no bank accounts were first year students with no academic degree but with a high school certificate or diploma.

### **5.2.3 School Enrolled in of the Respondents**

The School of Education the school of humanities and social sciences and the school of national science are one of the thirteen (13) schools of the University of Zambia. Currently, the School of education is the biggest in the University with nine academic departments and huge enrolled students per academic semester than any other schools of the university.

The following are the summary of results obtained on student's school enrolled. It was clear that the author had convenience sampled a huge number of student respondents from the school of education by a 42 per cent followed by 37 per cent which come from the School of

Humanities and Social Sciences as students enrolled in that school and lastly 21 per cent respondents were from the School of Natural Science as students enrolled in that school as it was indicated chapter in four respectively. Before questions were being designed, the researchers investigated the four big schools of the university that is; School of education, School of Humanities and Social Sciences, School of Natural Science and School of engineering, so that he can get a clear view and the total number of first year enrolled students in these respective schools of the university.

These results were consistent with the results obtained by Filip and Constantinescu (2007) who had a lot of presentation of respondents coming from the school of education and the school of humanities and social science. But these results contradict with the results of Cleopas and Olawale (2011) who had a lot of student's respondents from the school of business due to the nature of the study and according to Atta-Junior (2013) business students had a better understanding of banking and financial services industry or some basic knowledge of bank products and services.

#### **5.2.4 Employment status and Monthly Income of the Respondents**

According to Demirguc-Kunt and Klapper (2012) study on bank selection; one of the reason for using monthly income on students is that some students are entrepreneurs' who are self-employed; some students have part-time jobs and to some extents even fulltime jobs. Therefore, most students who are entrepreneurs' or self-employed employed have a propensity to memorize their salary or wages on a monthly basis that's why they so it convenient to respond on the surveys question on monthly income and employment status question.

The summary of results shows that, out 95 per cent of the respondents are unemployed, followed by 3.3 per cent of the respondents who are Self-employed (work on my own business) and 1.7 per cent of the respondents are on part-time job as it was indicated in chapter four.

The main reason why most of the first year students are unemployed based on the survey and responses from the students themselves is because most of them are still young and still dependents on their parents and guardians. They also cited difficulties in accessing finances from financial institution such as entrepreneurial capital and difficulties in finding jobs due to limited demand for high school graduates due to lack of business skills.

Zambia like many other developing countries in the sub-Saharan region have been experience an increase in youth population which has resulted into increase in unemployment levels among the youths (Nkamnebe and Ukenna, 2010). Employment status of these first year bankers particularly the university students have been one of the major issues that have both negatively and positively influenced students on whether to patronage with a bank or not due to perception that account holders must be employed or doing entrepreneurial business to continue attaining and maintaining that bank account which has being a drawback on most first tie bankers to open a bank account.

Apart from the Employment status, monthly income is one of the most critical components on students when deciding which bank to patronage with and what type of account they should open and at what cost. According to the results obtained showed that most respondents had monthly earnings of K2000 or less presenting a 90 per cent overall outcome compared to 2.5 percent monthly earnings between K3,000 and K8,000 and 0.8 per cent more than K9,000 at 0.8 per cent as it was indicated in chapter four. These results were not inconsistency with the study of Mokhlis (2009); Katircioglu (2011) and Maiyaki (2011) the attributing reason for this inconsistency with these studies is due to the nature of the study itself as these studies primarily focus was on developed countries and not on developing countries like Zambia.

### **5.2.5 Respondents Bank Account Affiliation**

From the results obtained from the survey on the profile data of the respondents on the bank account affiliation indicated a total 100 per cent student's respondents which represent the entire sample population did not have a bank account with any bank before entering university as it was indicated in chapter four.

First year students are usually first time bankers, that's why it was possible for the researcher to obtain a 100 per cent outcome that indicated that none of the respondents were affiliated with any bank or had a bank account with any bank. Generally, level of financial inclusion, age and income among first year University of Zambia students was the major contributing factor for lack of bank account affiliation. There are similar outcomes of this study and notably by Maiyaki et al (2011) and the National Council on Economic Education (NCEE, 2005). The only difference is that these studies did not look for differences bank account affiliation across non-business students. The researcher is arguing that the results provide

important insight into lack of financial inclusion among first year students. There is therefore reason to believe that the majority of students from first year to final year possess inadequate knowledge relating to financial inclusion with respect to bank affiliation. There levels of financial inclusion in for of bank affiliation could be considered to be rather low because there were more students who had less knowledge about the benefits of holding a bank account than those who did not know.

#### **5.2.6 Respondents with No Bank Account Considering or Could Like to Open an Account with Any Bank Choice.**

The youth, especially university students bank choice and loyalty decisions are very crucial in today's competitive banking environment (Rehman and Ahmed, 2008). Due to concepts like customer life time value, customer loyalty and the comparison theory most banks are today searching for young customers. In Zambia, first year students are frequently targeted by banks trying to convince them to open bank accounts with them.

It was for this reason that the researcher had to know students with no bank accounts who are considering to open one with any bank of their choice. Form the result that was obtained, show that, Zambia national commercial bank with 22.5 per cent was considered to be the first choice bank, followed by, Atlas Mara with 15 percent. The bank choice of the respondents was based on what they have heard about the bank through the word of the mouth, friends and family recommendations. Generally, Zambia has 17 registered commercial bank according to the Bank of Zambia (2021) and from the 17 registered commercial banks currently operating in Zambia, Zambia national commercial bank and Atlas Mara have much in common, as they are large, they both have being in existence in the banking sector for a long time with a huge customer base and market share than any other operating commercial banks in Zambia. Based on these facts, it was no doubt that student wants to associate themselves with such banks.

These findings have some similarities with existing bank selection examinations study by Mwange (2017); however, the peculiarity of this study occasioned the variations of the study findings. Mwange's (2017) study was equally on final year students including postgraduate at the University of Zambia. According to Bank of Zambia (2006) there is no difference in the service provisions of banks in Zambia. Thus, banks in Zambia provide equally similar or the same banking services. But Mwanadabi et al (2008) Argued that most banks in Zambia lacks

efficiency and quality in services provision and that has acted a signal warning to first time bankers in bank selection especially among the first year students.

### **5.2.7 Rank of Banks Based On Respondents Opinion**

The students' practice of banking relationship can be reasonably interpreted in the following ways. First and foremost, banks in Zambia have shown good progress in grabbing customers especially students from all cross of universities and colleges in the last eight years, the majority of the students have started to bank with other banks as a multiple bank user.

The results indicated that Zambia National Commercial Bank was ranked as number one (1<sup>st</sup>) followed by First National Bank ranked second (2<sup>sec</sup>) and ABSA (Formally Barclays Bank) as number three (3<sup>rd</sup>) as it was indicated chapter in four. To the researcher these three banks presented the highest number of the respondents in reference to their percentage weighting and in this case the researcher considered them to be the big three favorite students' banks. This research was not in agreement with the finding of Cicic and Brkic and Agic (2004); Abraham and Iran (2015); Oluwaseyitan et al (2018) but in agreement with Lee and Marlowe (2003); Omar (2007); Mokhlis et al (2008); Nkamnebe and Ukenna (2010) and Maiyaki (2011) mainly due to differences in the target audience, as his research was mainly centered on Zambia, University of Zambia first year students and it was not an international perspective study and that's why the difference existed in bank names and ranking by students.

Furthermore, for a university student to select a bank, the bank's services must be student inclusion or considered different from the existing alternatives and offer student tailored services.

### **5.2.8 The Criteria Students Use in Selecting a Commercial Bank**

Furthermore, the research study findings pointed out that bank status in industry, reputation of the bank, convenience of location, family member opinions or friend recommendations and ease of obtaining borrowed funds were identified as main determinants factors that could affect student's decisions in patronizing with a bank of their preferred choice.

As Salleh and Hazimah (2009) agreed that, bank status and convenience of location is the major factor in bank selection as most university students will prefer to bank with a well-known bank with a good reputation and well recommended by people and also a bank that is

near to the campus and these findings have some similarities with existing bank selection examinations by (Ibrahim et al, 2021). In addition, Prices of the bank products and services was also one of the major key factors in this study even though it came out low on the ranking.

As evidence by the research study by Mwange (2018) on financial inclusion among university students in Zambia, his study indicated that, university student, nowadays, feels the pressure to access or obtaining affordable and cheap financial services such as student loan and research loans from banks for their academic purposes. Thus, banks should continue to introduce such affordable and cheap financial services for student as it will help them to be able to capture the market segment of students.

### **5.2.9 The Discussion on the Rank of Significance of Choice of the Determinants Criteria**

Nonetheless, the oddity of this study was to bring about the variations of the study findings. Therefore, a critical discussion on the rank of significance of choice of the determinants criteria we add value to the research study.

The research aim was to bring a new perspective and new methodology in trying to understand and explore the concept of bank selection criteria along students and the use of an independent student factor analysis and hypothesis, as Abdu and Omar (2010) also agreed and also deemed it necessary and important to be used to signal out determinants factors in to signal group factors and rank them according to their respective grand means and determine their group variations in respect to their variances and means.

As the study findings pointed out that, location come in first, bank price come in second, treatment of customers come in third, industry status and size come in fourth, financial benefits come in fifth, bank product and services come in sixth respectively and this was in agreement with the study finding of Holstius and Kaynak (1995); Cacic, Brkic, Agic, (2004); Aaron and Martha (2016). The finding of the first and second hypothesis showed that the variances of financial benefits and industry status and size were equal and the variances of treatment of customers and bank product and services were also equal with type II error being committed in both hypotheses.

Furthermore, the finding of the third hypothesis reviewed that mean treatment of customers and bank Product and Services were significantly the same resulting into type II error also being committed. As Schindler and Cooper (2010) stated that, hypotheses consideration after will

help the researcher to come up with a model that can be used in solving certain problems of complexity.

#### **5.2.10 Proposed Marketing Model**

In the final discussion, the marketing model for bank selection by students was developed based on the overall outcome of the study findings. This Marketing models will be useful especially in Zambia, where three-quarters of commercial banks and other financial services providers have been struggling in attracting new customers due to increase in competition among other financial services players who are also targeting the same customer, but with this model it will play a logic role in customer retention and strategic marketing planning and bank selection improvement that will aim at increasing the aesthetic appeal of bank products and services in contrast to its functional appeal to students and all customers in general.

Filip and Constantinescu (2007) asserted that, nowadays, marketing models are more and more determined to build a unique and competitive identity and image in consumers' minds and this has strong influence on bank decision. Competitive Identity is a new model especially in Zambia for the brand management of banks and financial services companies, demonstrating corporate reputation in both local and global world. In the time of customer retention every commercial bank and every company competes with each other to capture attention and respect of all the consumers including the every growing student customers (Clemes, Gan and Zhang, 2010).

Therefore, this model will help to characterized bank selection by university students in emerging new universities and increasingly fierce competition; students demand new experiences and financial services from the banks they patronage with.

#### **5.3 The Discussion on Influencer on Bank Selection**

Influencer of bank selection is anything that may cause or influence people to select a bank from a group of other banks as their preferred choice. According to Leach et al (2001) influencer of bank selection is a form of knowledge, endorsement and product placement from influencer, organization and people who have a purported level of knowledge on the product.

### **5.3.1 Automated Teller Machine as an influence in bank Selection**

The outcomes of the results were as follows; 29.2 per cent of them have described ATMs to be very important, followed by 24 per cent have described ATMs to be important and 17.5 per cent where neutral and 16.7 per cent have described ATMs to be not-important and lastly, 15.8 per cent described ATMs to be very least important in choosing a commercial bank. The follow-up question on ATM Cash Deposit Machine the resulted showed that 85.8.2 per cent of the student thinks ATM Cash Deposit Machine are very important compared to only 0.8 per cent students who described ATMs cash deposit machine to be not-important in bank selection influence as it was indicated chapter four.

These Results are not surprising, as Mokhlis, Mat, and Salleh (2010) asserted that, physical cash deposit to the bank is now a thing of the past. It was observed from the survey responses that ATM and ATMs that accept cash deposit are considered to be both very important and important to most students as it plays an important role in choosing a commercial bank of their preferred choice. This is evident in the Zambia banking industry as most commercial bank in Zambia have introduced ATMs as a strategic marketing move in attracting customers to bank with them due to high increase in pressure by bank customers who are demanding these services.

According to the Bank of Zambia (2019), The bank of Zambia have taken upon themselves to strategically reduce the cost of banking by consumers by encouraging commercial banks to establish ATMs every corners of the country due to increase in customer demand due to subsequent increase in the presence of ATMs satellite link networks in the country. Increase in satellite link networks in the country has also encouraged other financial institutions such as building societies and microfinance institutions to follow suit. According to Littler and Melanthiou (2006); Dusuki and Abdullah (2007) and Arebgeyen (2011); the advantages of ATMs to students is that, it enables students to gain access to some of the bank services at any time that suits them. Most bank customers are usually required to insert their cards into the machine and key in their own Personal Identification Number (PIN) and customers have access to his money 24 hours a day, 7 days a week, 365 days a year.

Additionally, to the advantage as Littler and Melanthiou (2006); Dusuki and Abdullah (2007) and Arebgeyen (2011) asserted, most students from the survey highlighted the importance of ATM in the payment of tuition fees and also withdrawing of cash without going inside the

bank as it convenient. It was for this reason of importance why banks introduced ATMs in universities as a response to student's and the society complaints about long queues in the banking hall, and restricted banking hours.

### **5.3.2 Branch Internet Banking as an influence in bank Selection**

The outcomes of the results were as follows; 40.8 per cent described branch internet banking to be very important, followed by 42.5 per cent described branch internet banking to be important and 8.3 per cent where neutral and 6.7 per cent described branch internet banking to be not-important as it was indicated chapter four. The outcomes of the results of the next question, on personal data information capture and security feathers using branch internet banking were as follows; 56.7 per cent consider personal data information capture and security feathers very important and 3.3 per cent have described personal data information capture and security feathers not-important as it was indicated chapter four.

The evolution of the internet and its popularity has led banks to be more innovative and introduce internet banking (Kumar et al, 2010). Branch internet Banking is the type of online banking where customers go straight to a bank branch and used the bank installed customaries computers within the branch to transfer or withdraw money from their account (Taylor et al 2009). Most banks in Zambia offer internet banking as part of their savings and current accounts. Some of the banks offering internet banking in Zambia include, Stanbic Bank, Barclays Bank, Standard Chartered Bank, Zanaco, FNB, Eco Bank and many more.

Therefore, it can be observed from the survey results that Branch Internet Banking and Personal Data information capture and Security Feathers are both considered to be both very important to most students as it plays an important role in choosing a commercial bank of their preferred choice. A study by Winston (1999) on student's bank decision on internet banking provides a critical framework of various factors which contribute to students banking decisions such as reliability, convenience, time factor, real time access to information, faster transfer, easy to use, low transaction fee, user friendly, anytime and anywhere banking facility, among several other determinants factors.

In the last ten years Zambia has witness a growing usage of internet among the youths especially those in universities and this which has led to banks to commercially and critically recognizes the importance of internet in banking services provision. The study results were consistent and in agreement with the study of Atta-Junior D et al (2013); their empirical

results showed that out of total student's respondents, 45.3 per cent respondents felt that branch internet banking is very flexible and convenient banking. And the same percentage that is 45.3 per cent from total users and non-users agrees or strongly agrees that branch internet banking is flexible and convenient. There reasons were that it gives benefits like no queuing in bank and promotes banking anytime and anywhere.

On the other hand, the study was not in agreement with the study findings by Abor (2004) that founded that 70.5 per cent and 82 per cent of customers who responded to his survey agreed that internet banking reduced significantly the time involved in transacting business with their banks and also ensures effective service and improved relationship between the two and services delivery respectively.

Branch internet banking especially to university students in Zambia provides customers flexibility and convenience and can be provided at a lower cost than the traditional branch banking.

### **5.3.3 Debit Cards/Credit Cards as an influence in bank Selection**

The outcomes of the results were as follows; 34.2 per cent cited debit or credit cards to be very important, followed by 31.7 per cent have described it to be important and 25 per cent were neutral and 6.7 per cent indicated not important followed by 2.5 per cent indicated very least important as it was indicated in chapter four.

In Zambia, a debit card or a credit card is a convenient way to purchase or pay for goods and services without having to write a cheque and funds are immediately debited from the cardholder's account and the debit card is handed to the sales assistant, then the customer is asked to sign a sales voucher for goods sold and the sales assistant then runs the debit card through a computer networked to the customer's bank/bank account. The transaction will appear on the customer's next bank statement (Bank of Zambia, 2013). These results basically signify debit cards or credit cards are important in influence in bank selection but they do not have much significance to most of the students due to low scores on the questions on the questionnaire by the respondents. As it was observed that, out of 100 per cent only 34.2 per cent and 31.7 per cent and much of the worse of 25 per cent of students were neutral to the question which brings a lot of questions to the researcher to be answered.

The study was not in agreement with the study findings of Cleopas and Olawale (2011); Mwage (2017) and Mwange (2018); but was consistent with the study of Ishemoi (2007) who recorded 33.4 per cent on very important and 38 per cent on important using the same questionnaire and rating scales. Therefore, it was deemed important for the author to find out if debits or credit cards can influence first year students in selecting a commercial bank of their choice due to over dependence and usage in the banking sector and now in universities.

The most notable issue that was raised among respondents on this question was the advantage they have seen and witness in the use of debit and credit cards from their fellow senior students, parent and guardians and they all pointed out the benefits they could also want to enjoy with a bank which have such facilities such as cashless, easy to use, 24hours operation, weekly or monthly and convenient.

#### **5.3.4 Mobile Banking as an Influence in Bank Selection**

The outcomes of the results were as follows; 81.7 per cent of the respondents were reported to consider mobile banking services to be very important, followed 11.7 per cent considered it to be important and 5.8 per cent of the respondents were neutral and lastly, 0.8 per cent considered it not important as it was indicated in chapter four.

There have been a growth of internet banking and mobile banking in Zambia since 2015. Mobile banking is a financial service that is usually offered by financial institution that allows its customers to access financial services such as free and paid-out financial transactions remotely using mobile or phone devices (Abraham and Iran, 2015). Most commercial banks especially in Zambia have introduced mobile banking services with features specifically designed for students at named universities and colleges and they have also partnered with some universities and colleges for students and staff members to access banking services at no cost in most instances.

Since then mobile technology has become a part of everyday life for some in students and customer's all over Zambia. Cell phones, in particular, are almost omnipresent in many provinces in Zambia. People and students across the country and universities are using their cell phones for a variety of purposes, especially for calling, texting and taking pictures, while smaller numbers also use their phones to get political, consumer and health information (Pew Research Center, 2013). Since most students consider mobile banking as very important as an influence in bank selection decisions but this has been recent, as there are no comprehensive

studies on the subject specifically on Zambia apart from for analysis focusing on specific sectors and case studies.

The outcome of the results was in agreeing with the study of (Oluwaseyitan et al 2018). As Maiyaki (2011) asserted that mobile banking is only one type of mobile money service as it allows customers of a financial institution to access their accounts and to perform transfers and payments. This service is therefore only available to people who possess a formal bank account. But Karjaluoto et al (2002) Argued that Mobile money services are highly accessible to all segments of society and they is no need to have a bank account with any bank.

The researcher observed that when conducting this research all the respondents understood what mobile money is and they cited three important reasons, why mobile money can influence the student's choice in patronage with a bank that offers it and these were because it's faster, more convenient and cheaper than formal financial services such as branch banking. Mobile banking is a financial service often available in developed countries, but not in most developing countries due to the low level of financial inclusion through official financial systems. In the case of developing countries, other mobile money services are mostly used by people who do not have personal bank accounts. Indeed, customers often rather use mobile payment and mobile transfer services, which are available from their mobile phones without the need for a bank account.

Therefore, it can be observed and concluded that commercial banks in Zambia who have managed to build and partner with universities and college on a long permanent status of relationship will boost the capability of student retention by the commercial banks in future through the use of mobile bank as a marketing strategy.

### **5.3.5 Investment Products and Services as an influence in bank Selection**

The outcomes of the results were as follows; 100 per cent of respondent were reported to neutral to the question. The main reason contributed to getting a 100 per cent neutral outcome as the researcher observed and concluded was mainly due to lack of financial literacy on these investment products. The researcher had to explain what these investment products are and their perceived benefits to almost all the respondents answering the question. The researcher also putted into consideration that these students are first year and probably most of them do not have a bank account or affiliated with any bank hence explaining to them

what these products were handed more clarity to the students on the question. According Bandural (1997) Investment is the use of capital to create an income or more capital. Customers usually invest money for different reasons, depending on their needs. Most Commercial Banks in Zambia do offer various investment services to customers such as educational trust fund, fixed deposit accounts, and unit trusts (Securities and Exchange Commission, 2016).

Hence it was very important on the researcher side to include this question as some students are entrepreneurs' and other have been benefiting from educational trust funds invested by their parents or guardians and some in future after graduating and upon getting a job may want to access some of these investment products. Therefore, it was cardinal to know if investment products and services can influence student's bank selection choice.

### **5.3.6 E-Cheque as an Influence in Bank Selection**

The outcomes of the results were as follows; 61.7 per cent of the respondents were reported to be neutral to the question, followed by 33.3 per cent who considered e-cheque not important and 5 per cent considered e-cheque as very least important as indicated in the table 4.15 in chapter four.

As Lee and Marlowe (2003) and Delvin and McKechnie (2008) stated that we are now living in a digital world where innovation in digital financial services have been given a high priority in making transactions because of its security features and effectiveness. Most university has discarded the old paper cheque in reference to tuition fees settlement and this has shifted their attention to electronic cheque because it's considered to be easy and fast and this has prompted students to start using this facility in settling their tuition fees through the use of a computer and transmits the e-cheque to the payee electronically.

Therefore, it was deemed important for the researcher to ask this question if e-cheque can be considered to be one of the factors that can influence a first time banker to select a preferred commercial bank. Based on the outcome from the survey results, the researcher observed that three-quarters of the respondents knew what an e-cheque was, but unsure of how it works hence most of the respondents settle for neutral and not important. Therefore, it can be indicated that e-cheques will not influence students in bank selection mainly due to most students limited information on how e-cheques operates and its perceived benefits to them even though some private and public universities have start adopting it as means of payment

platform for its academic services such as tuition fees, library fees, internet fees, student accommodation and medical care services.

As Cicic (2004) argued most students especially in universities have found these e-checks lacking in their usability apart from online payment that require the end user to provide a large amount of information or make payment on online web site interface such as credit cards or visa debit cards through a web site which students have found it difficult to make transactions as they require detail personal information and extensive amount in foreign currency. As Ishemoi (2007) agreed and argued that issues of security to personal information been stolen has lowered trust in these e-checks along consumers but augured that not every potential customer and in this case university students with on bank accounts will see this e-check of any importance due to lack of access to banking facilities.

### **5.3.7 Personal Loan as an Influence In Bank Selection**

The outcomes of the results were as follows; 81.7 per cent of the respondents reported consider Personal Loans (Credit)-Student Loans Very Important, followed by 13.3 per cent consider Personal Loans (Credit)-Student Loans Important and 5 per cent were neutral to the question as indicated in table 4.16 in chapter four. This research outcome was in agreement with Bandural (1997) but not in agreement with Karjaluoto et al (2002) whose study reported 41 per cent of students who considered personal loans to be very important. His reason for obtaining a lower score was attributed to the economic situation and rising interest rates on student's loans which has proven to be costly and burden for most student when repaying back the loan.

Person loans (Students Loan) are type of lending for private individuals or in these case the students (Dusuki and Abdullah, 2007). Personal Loans especially to students can be used for a wide range of personal lending purposes such a for books purchase, Accommodation, Tuition Fees, Research Purposes just to mention a few. Therefore, it was deemed important for the researcher to ask this question if Person loans (Students Loan) can be considered to be one of the factors that can influence a first time banker to select a preferred commercial bank.

Personal loans especially students' loans are now becoming very popular in Zambia with the introduction of student loan replacing the old bursaries scheme with the higher education loans and scholarships board which operates under the ministry of higher education. Some banks have also follow suit in offering student loan, for instance Banks such as Zanaco, Indo-

Zambia Bank, Stanbic Bank and many more are now offering student loans or education loans to students provided they are able to meet certain conditions to be eligible for the service.

### **5.3.8 Agency Banking (Banking Agents) As an Influence in Bank Selection**

The outcomes of the results were as follows; 54.2 per cent of the respondents consider agency banking services very important, 36.7 per cent the respondents consider it to be important and 5 per cent of the respondents were neutral and lastly, 5 per cent consider it to be of very least important as indicated in table 4.17 in chapter four. The outcome of the research was consistent with the research study by (Hinson and Hammond, 2006). As Lymeropoulos et al (2006) noted that agency banking is mostly found in developing countries where the financial system or sector is small or fragmented than in developed countries and a good example is Malawi to United States both with a completely different financial system.

There has been a growth of agency banking in Zambia in the last seven years. According to Joseph and Stone (2003) Agency Banking is the offering of banking services through an authorized agent on behalf of the bank. The Bank of Zambia have encouraged agency banking in recent years as a way of banks in reducing cost of setting up satellite ATM. The Bank of Zambia supported agency banking in order to promote financial inclusion through banking agents. Therefore, it was deemed important for the researcher to try and find out if agency banking as an innovative product can influence student bank selection.

Therefore, it can be concluded from the results that most students consider agency banking to be very important as survey results indicated. It was reviewed from most of the respondents that agency banking is considered to be one of the influencers that respondents can or will consider in choosing a bank of their preferred choice due to the benefits that come with it such as; reduce cost of banking such as travelling to the bank branch, ATM and lower service charges. Most respondents were drawing their attention to ZANACO agency banking and mobile banking agencies by the telecoms industry companies such as Airtel money, Zamtel money and MTN money.

### **5.4 Summary of The Findings**

This chapter five of the study offered a data decision based on the data analysis that was presented in chapter four in form of detailed discussion. This chapter provided a critical

discussion based findings with respect to the overall research objectives, research questions, research hypotheses and both descriptive and inferential statistics outcomes were considered in the discussion.

## **Chapter 6**

### **Conclusions And Recommendations**

#### **6.1 Introduction**

This chapter five of the study will try to give an overall summary of the study findings and it will then go on to discuss overall summary of the study findings in line to the research problem, research objective, research questions and research hypotheses. The chapter will then focused on drawing critical conclusions from the findings by coming up with a marketing model that commercial banks can start using in order to attract the patronage of student's market segments to bank with them and it will finally make important recommendations regarding bank selection and previously, recognizing area for further study.

#### **6.2 Research Problem and Questions**

The main aim of this research study was basically centered on assessing the Determinants Criteria Students used to select Commercial Bank of their choice.

The main problem that were identified in the introduction was the lack of capacity by university students to access good and cheap bank services that are specifically tailored to them and lack of enough presence by some commercial banks in universities which has forced most students in particular the first year students, whom, in this cases, are first time bankers to be careful when choosing and preferring one commercial bank from the others. Most financial services which are currently being offered by the banking sector are mainly tailored to working individuals, businesses (SMEs) and corporate institutions and less to university students which has contributed to an increase in the unbanked population in most of the colleges and universities in Zambia and university of Zambia inclusive. Lack of bank presence in universities has made banking choices and decision hard for students due to financial de-inclusion and limited access to information on banking services and products such as the usage of ATMs, Debit/Credit Cards, E-Cheques, how to obtain personal loan (Educational loans), investment services and agency banking.

This study considered the academic and practical insights of determinants of bank selection criteria. The above provided the research questions to the study and were translated into research objectives and hypothesis considered in section 5.3.

### **6.3 Evaluation of Research Objectives and Hypothesis**

The study set out to achieve the following objectives and hypothesis:

#### **6.3.1 Research Objectives:**

4. To establish the criteria students, use in selecting a commercial bank.
5. To determine the rank of significance of choice of the determinants criteria and their influence on bank selection by university students.
6. To develop a marketing model and provide recommendations that commercial banks can use to attract the patronage of first year students.

#### **6.3.2 Research Hypothesis**

##### **6.3.2.1 Hypothesis 1**

- i. **H<sub>0</sub>**: The variances of financial benefits and industry status and size are equal.
- ii. **H<sub>1</sub>**: The variances of financial benefits and industry status and size are not equal.

##### **6.3.2.2 Hypothesis 2**

- i. **H<sub>0</sub>**: The variances of treatment of customers and bank product and services are equal.
- ii. **H<sub>1</sub>**: The variances of treatment of customers and bank product and services are not equal.

##### **6.3.2.3 Hypothesis 3**

- i. **H<sub>0</sub>**: The mean of treatment of customers and bank product and services are significantly the same.
- ii. **H<sub>1</sub>**: The mean of treatment of customers and bank product and services are not significantly the same.

### **6.4 Achievement of Research Objectives, Hypothesis and Literature Review**

The study met the research objectives. The literature review played an important role in undertaken this study as it brought out a number of issues on bank selection that has enhanced the researchers understanding of the subject in achieving its objectives intended to be achieved.

**Objective 1** was achieved and from the results obtained it is possible to conclude that the criteria were established among determinants. The determinants were established through the computation of mean and standard error results as a way of establishing the criterion. The computation of mean and standard error results were obtained from the survey questionnaire based on the answers given by the respondents.

**Objective 2** was achieved and from the results obtained it is possible to conclude that all determinants criteria plays a role in student's bank selection but the most important and highly ranked determinants criteria were bank status in industry, reputation of the bank, convenience of location and family member opinions or friend recommendations. The influence on bank selection results were also achieved and it was established that the nature of banking services and products have a strong influence and effect on students in their choice of a bank. It was established that ATMs, Debit/Credit Cards, personal loan (Educational loans), agency banking, Branch internet banking and mobile banking. The result also shows that the abovementioned factors not only influence student bank selection choice but has also impact on their loyalty level.

**Objective 3** was anchored on developing a marketing model which was also achieved. The model considered and took into account the practical and academic insight and for this reason, model was linked to the concept of marketing mix and it provided an integrated relationship between the determinants factors, bank selection decision, ranked criteria's and the marketing planning quadrants.

**Hypotheses**, in evaluating hypothesis 1, hypothesis 2 and hypothesis 3, the statistical test at five percent significant level accepted all the hypotheses. In hypothesis 1 we failed to reject  $H_0$  and accepted it and concluded that the variances of financial benefits and industry status and size are equal. In hypothesis 2 we also failed to reject  $H_0$  and accepted it and concluded that the variances of treatment of customers and bank product and services are equal. Lastly, in hypothesis 3 we also failed to reject  $H_0$  and accepted it and concluded that the mean treatment of customers and Bank Product and Services are significantly the same. In all the three hypotheses evaluated type II error was committed.

Lastly, **Literature Review**, the study findings were also inconsistent and in agreement with the literature review and was able to recognize the value of bank selection through earlier reviewed concept of consumer behavior, comparison level theory, customer loyalty and

rational choice theory in chapter two of the study. Therefore, it is believed that the study will handsomely contribute to the universal body of knowledge in the area of bank selection by university students and consumer customers in general.

## **6.5 Conclusion**

In conclusion, the research has clearly confirmed that bank selection especially by university students is the benchmark to the customer growth which in turn will bring about economic growth both to commercial banks and universities through an effective partnership between the two sectors. It is imperative to appreciate the development that has since been initiated by both the ministry of high education and the bank of Zambia through its financial sector development plan (FSDP) and its policy on financial inclusion as to make financial inclusion compulsory for every student in every universities and colleges without exceptions as it is a key in igniting financial education.

With the development in mind, on the basis of the foregoing, not only was the research objectives achieved but the research questions were also answered. In this study the research questions and hypotheses have been used to conclude as follows:

The study managed to establish the most important determinants criteria based on the student's responses.

The study was able to rank and established four important determinants criteria and these where bank status in industry, reputation of the bank, convenience of location and family member opinions or friend recommendations.

The study demonstrated that first year students at the University of Zambia understand the importance of bank selection and its benefits to them.

The study was able to justify that bank services were important and influencer of bank selection among the first year students.

The study able established different determinants factor groups and it was justified along the factors that bank price, treatment of customers, location, bank product and services as the most ranked determinants factor groups.

The study demonstrated that the variances of financial benefits, industry status and size, treatment of customers, bank product and services are equal. Further, the study went on to and justify that the mean treatment of customers and Bank Product and Services were significantly the same.

## **6.6 Recommendations**

Recently, Commercial banks in Zambia have found themselves facing more aggressive competition, unlimited opportunities and increasing uncertainty. From the conclusions of the study, the following recommendations can be reasonably forwarded for commercial banks in Zambia as follows:

*Firstly*, A Commercial bank in Zambia must start looking at their strengths and opportunities and start taking a more strategic competitive approach in a highly competitive marketplace. A well-incorporated application of innovated technology and staff through operations that respond to students needs which will encourage not only students, but university staff members to also start using a whole range of banking and financial services rather than just a few. As this approach helps to build loyalty by creating deeper and fuller customer relationships.

*Secondly*, among the age category of 18 to 25 years deserve particular attention. Since this is the age category which has the most first year students and more representation in the sample, commercial banks should target its marketing mix based on the proposed marketing model that was developed in this study toward this category. Such approach will ensure over increasing attraction of student market entering first year students towards bank products and service and also retention of the ordinary students who are likely to remain long-term loyal customers after leaving university. In addition, commercial banks should try to find out some ways to better familiarize their first tie bankers (first year students) with the student or educational financial services for students and other ordinary bank customers.

*Thirdly*, Zambian commercial banks should concentrate more on increasing their marketing campaigns in attracting this potential market segment of university students and these marketing campaigns should take into account all the important determinants criteria in expression of convenience of location through the use of automatic payment services and automatic teller machines which will automatically leads to another strategy implication.

*Fourth*, Commercial bank in Zambia should start investing in banking technology specifically customized for use by universities for their banking and financial service's needs. This would mean more investment and partnership with universities and colleges on the part of Zambian banks in further and improved bank technology specifically for universities and colleges only use. Furthermore, there are still some Zambian students to be educated about the merits and intrinsic worth of using banks credit/debit cards, internet branch banking and agency banking technology and as littler and melanthiou (2006) put it, as much as mobile banking is taking tall on branch banking, still most commercial bank are still generally and consistently searching for ways to attract customers back into their branches.

*Lastly but not the least*, it's recommended that Commercial bank in Zambia should start taking a keen interest in establishing a professional relationship with university management, university students and student's associations bodies as this will help and give commercial banks the knowledge of what these passive-aggressive customers need. When a commercial bank focuses on delivering what is of value to their customers, this will generate the potential for repeat business as well. Therefore, it cardinal for commercial banks to get to know how students particularly first year students make banking decisions regarding on what bank should they patronage with.

## **6.7 Limitations of This Study and Direction for Future Research**

### **6.7.1 Limitations of This Study**

Like any other studies, this research study has notable limitations. These results are not affirmative and seem to suggest that students could be influenced by determinants criteria such as bank status in industry, reputation of the bank, convenience of location and family member opinions or recommend. These results have also been discovered by many other researchers and authors on bank selection with respect to developed countries. Since Zambia is a developing economy and there are no robust studies, physical and actual tests done by researchers in the banking sector in Zambia to determine whether these determinants criteria may have an influence on the bank selection decision of first year students or is it possible to account for these first year students who have low levels of financial literacy in bank selection.

However, in spite of these limitations, this study is significant for a number of reasons. The study's results could:

- Support the need for bank of Zambia to strengthen strategies in financial inclusion and literacy, which may have been implemented under the Financial Sector Development Strategy for Zambia. This is critical in that understanding financial literacy can help schools, colleges and universities policy makers design effective interventions targeted at the young population, hence the need for this research.
- Help first year academic curriculum review to at least add a financial course that could introduced first year student to banking concepts which will help them make better bank selection decision and remove the risk among students of beginning a sliding financial twist of debt with a wrong commercial bank, that they will not easily repay while in university or after they have gained fulltime entry into the workplace.
- following the ongoing partnerships between commercial banks and universities across the country in an effort to provide cheap student tailor made educational loans and also the recently government's introduction of the loan scheme, for this reason, the need for this research is important to both students and commercial banks.

### **6.7.2 Area for Further Study**

There might be need in future to test marketers on bank selection. Furthermore, these results are not evident beyond the University of Zambia. There may be need to include students from other universities and to consider conducting comparative studies between determinants of bank selection criteria and the level of financial literacy in decision making among students in Zambian universities.

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## Appendix 1: Survey Questionnaire

THE UNIVERSITY OF ZAMBIA (UNZA)

DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

GRADUATE SCHOOL OF BUSINESS

Strictly Private and Confidential

MBA Paper

### Survey Questionnaire

The Survey Questionnaire was approved by the University of Zambia (UNZA) ethical clearance committee body on the 13<sup>th</sup> April 2021 through the directorate of research and graduate studies (DRGS) recommendation.

<b>Dissertation Topic</b>	<b>Determinants of Bank selection criteria by University Students: The case of University of Zambia (UNZA) first year students.</b>	
<b>Study Area</b>	<b>The University Of Zambia (UNZA) Main Campus.</b>	
<b>SECTION A: Personal Information</b>		
<b>❖ Please tick the option that best describes your answer.</b>		
<b>1. Age:</b>	<input type="checkbox"/> 18-25 <input type="checkbox"/> 26- 35	<input type="checkbox"/> 36 and more
<b>2. Gender/Sex:</b>	<input type="checkbox"/> Male	<input type="checkbox"/> Female
<b>3. Employment status:</b>	<input type="checkbox"/> Permanent full-time job <input type="checkbox"/> Self employed	<input type="checkbox"/> part-time job <input type="checkbox"/> Unemployed
<b>4. Highest Levels of</b>	<input type="checkbox"/> Grade 12 Certificate	<input type="checkbox"/> Bachelors degree (BA/Bsc)

<b>Education:</b>	<input type="checkbox"/> Diploma	
<b>5.School Enrolled In:</b>	<input type="checkbox"/> School of Natural Science <input type="checkbox"/> School of Humanities and Social Sciences	<input type="checkbox"/> School of Education
<b>6. Income per month (K):</b>	<input type="checkbox"/> K 2,000 or less <input type="checkbox"/> Between K3,000 to K8,000	<input type="checkbox"/> K9,000 or More
<b>9. Did You Had A Bank Account With Any Bank Before Entering University?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Not Sure
<b>10. Bank Choice: (Which Bank Are You Considering or Could Like to Open An Account with?)</b>	<input type="checkbox"/> ZANACO <input type="checkbox"/> Standard Chartered Bank Zambia <input type="checkbox"/> First National Bank Zambia <input type="checkbox"/> ABSA Zambia <input type="checkbox"/> United Bank For Africa	<input type="checkbox"/> ZANACO <input type="checkbox"/> Standard Chartered Bank Zambia <input type="checkbox"/> First National Bank Zambia <input type="checkbox"/> ABSA Zambia <input type="checkbox"/> United Bank For Africa

<b>10. How Can you rank these banks based on your opinion and current information you may have?</b>	<input type="checkbox"/> ZANACO <input type="checkbox"/> Standard Chartered Bank Zambia <input type="checkbox"/> First National Bank Zambia <input type="checkbox"/> ABSA Zambia <input type="checkbox"/> United Bank For Africa	<input type="checkbox"/> ZANACO <input type="checkbox"/> Standard Chartered Bank Zambia <input type="checkbox"/> First National Bank Zambia <input type="checkbox"/> ABSA Zambia <input type="checkbox"/> United Bank For Africa
---	--	--

**SECTION B: Determinants Criteria**

*Please indicate to what extent the following factors affect your bank of choice or decision to select a bank based on the following scale:*

<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

No.	Determinants Criteria	Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Prices of the bank products and services	1	2	3	4	5
2.	Secure Feeling of the banks products and services	1	2	3	4	5
3.	Reputation of the bank's shareholders	1	2	3	4	5
4.	Convenience of Location	1	2	3	4	5
5.	Bank status in industry	1	2	3	4	5
6.	Perceived ethics of bank	1	2	3	4	5
7.	Friendly Staff	1	2	3	4	5
8.	Reputation of the bank	1	2	3	4	5
9.	Personal attention	1	2	3	4	5
10.	Mobile bank services	1	2	3	4	5
11.	Financial Benefits and Returns	1	2	3	4	5
12.	Overdraft Privilege	1	2	3	4	5
13.	Mass Media Advertisements	1	2	3	4	5

14.	Family member opinions or Friend recommendations	1	2	3	4	5
15.	Customer Services	1	2	3	4	5
16.	Electronic Or Online Banking Services	1	2	3	4	5
17.	Security and Risk Management	1	2	3	4	5
18.	Ease of obtaining borrowed funds	1	2	3	4	5
19.	Condition of bank financial statements	1	2	3	4	5
20.	Low Service Charge	1	2	3	4	5
21.	Pleasing Manners of Staff	1	2	3	4	5
22.	Simplified Application Form	1	2	3	4	5
23.	Government holdings	1	2	3	4	5
24.	Bank Size	1	2	3	4	5
25.	Credit Availability	1	2	3	4	5
26.	Coverage in the press	1	2	3	4	5
27.	Grant to SMEs and Large Businesses	1	2	3	4	5
28.	Current Banking indicators	1	2	3	4	5
29.	Top Management Performance	1	2	3	4	5
30.	Corporate Banking Services Being Offered	1	2	3	4	5

**SECTION C: Influence on Bank Selection**

*For each of the following statements, Tick/circle/Mark the correct answer from the available choices.*

No.	ATM (Please Tick)	Very Important	Important	Neutral	Not-Important	Very Least Important
1.	Is ATM important or least important in choosing a commercial bank?	1	2	3	4	5
2.	Is ATM Cash Deposit Machine important or least important in choosing a commercial bank?	1	2	3	4	5

<b>No.</b>	<b>Branch Internet Banking</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>
1.	Is Online Banking important or very not important in choosing a commercial bank?	1	2	3	4	5
2.	Do You Consider Personal Data information capture and Security Feathers Using Branch Internet Banking Important Or Least Important?	1	2	3	4	5
	<b>Debit Cards/Credit Cards</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>
1.	Are Debit/Credit cards very important or very least important in choosing a commercial bank selection?	1	2	3	4	5
	<b>MOBILE BANKING (PHONE TRANSACTIONS)</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>
1	Do You Consider Mobile Banking Services to be important or very not important in choosing a commercial bank?	1	2	3	4	5
	<b>INVESTMENT</b>	<b>Very</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-</b>	<b>Very Least</b>

	<b>PRODUCTS</b> (Please Tick)	<b>Important</b>			<b>Important</b>	<b>Important</b>
	Do You Consider Educational funds, Investment Loans, Unit Funds, Insurance Products, Stocks, Bond Very Important or very Least Important in choosing a commercial bank?)	1	2	3	4	5
	<b>E-CHEQUE (Digital Cheque)</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>
	Do You consider e-cheque services Very Important or very Least Important in choosing a commercial bank?	1	2	3	4	5
	<b>PERSONAL LOAN (CREDIT)-STUDENTS LOANS</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>
	Do You consider Personal Loans (Credit) Very Important or very Least Important in choosing a commercial bank?	1	2	3	4	5
	<b>AGENCY BANKING (BANKING AGENTS)</b> (Please Tick)	<b>Very Important</b>	<b>Important</b>	<b>Neutral</b>	<b>Not-Important</b>	<b>Very Least Important</b>

Do You Consider agency banking services very important or very least important in commercial bank selection?	1	2	3	4	5
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**END**

**Thank you for your time taken to complete this questionnaire**

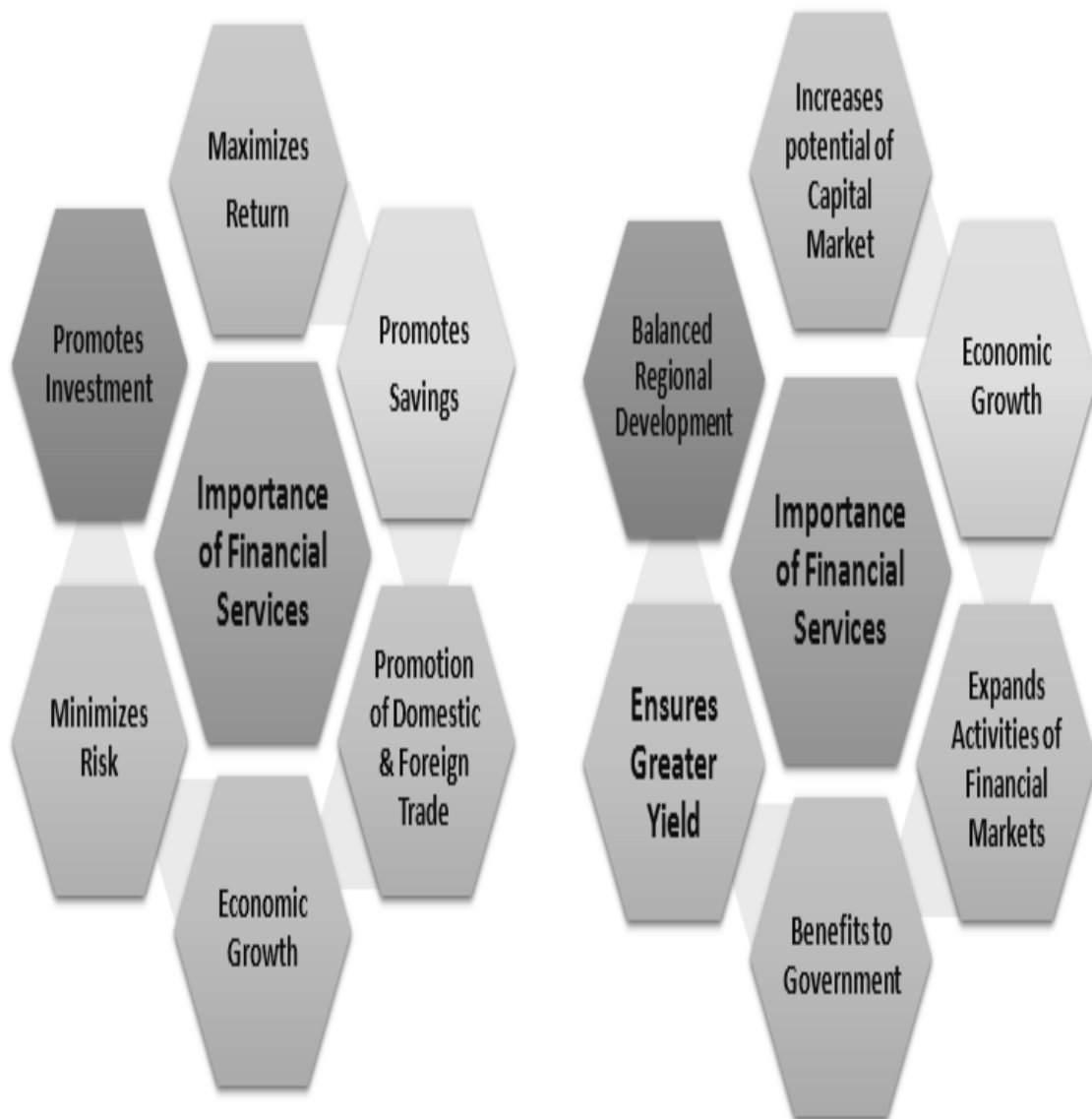
## Appendix 2: Registered Commercial Banks Operating In Zambia as At 2021

<b>Bank Of Zambia</b>	
<b>Registered Commercial Banks Operating In Zambia As At 2021</b>	
<b>Commercial Bank</b>	<b>Status</b>
Bank Of China (Zambia) Limited	Active
Zambia Industrial Commercial Bank Plc	Active
Atlasmara	Active
Investrust Bank Plc	Active
Absa Bank Zambia Plc	Active
First National Bank Zambia Limited	Active
Cavmont Bank Limited	Active
Citibank Zambia Limited	Active
Stanbic Bank Zambia Limited	Active
Access Bank Zambia Limited	Active
Indo-Zambia Bank Limited	Active
Standard Chartered Bank Plc	Active
United Bank For Africa Zambia Limited	Active
Zambia National Commercial Bank Plc	Active
Ecobank Zambia Limited	Active
First Alliance Bank Limited	Active
First Capital Bank Zambia	Active
AB Bank Zambia Limited	Active

(Source: Bank of Zambia, 2021, Available at: [www.boz.zm](http://www.boz.zm).)

### Appendix 3: General Importance of Bank Selection in Zambia

# General Importance of Bank Selection In Zambia



Benjamin Musumali

**Appendix 4: Directorate of Research and Graduate Studies-Ethical Clearance Approval  
for Benjamin Musumali**



**THE UNIVERSITY OF ZAMBIA**

**DIRECTORATE OF RESEARCH AND GRADUATE STUDIES  
HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE**

Telephone: +260-211-290258/298987  
 Fax: +260-211-290258/298987  
 Zambia  
 E-mail: [drgs@unza.zm](mailto:drgs@unza.zm)

P O Box 82879  
 Lusaka,

**REF No. HSSREC: 2021-March-006**

**Approval of Study**

18<sup>th</sup> April, 2021

Mr Benjamin Musumali  
 Principal Investigator  
 C/o GSB

Dear Mr Kangombe

**"DETERMINANTS OF BANK SELECTION CRITERIA-THE CASE OF UNZA FIRST YEAR STUDENTS"**

Reference is made to your submission for ethical approval of the study captioned above.

The University Of Zambia Humanities And Social Sciences Research Ethics Committee IRB resolved to approve this study and your participation as Principal Investigator for a period of one year.

Review Type	Ordinary Review	Approval No. HSSREC: 2020- March-006
Approval and Expiry Date	Approval Date: 18 <sup>th</sup> April, 2021	Expiry Date: 12 <sup>th</sup> April, 2021
Protocol Version and Date	Version-Nil	-
Information Sheet, Consent Forms and Dates	• English.	To be provided
Consent form ID and Date	Version	To be provided
Recruitment Materials	Nil	Nil

There are specific conditions that will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the

study be suspended, study sponsors and other regulatory authorities will be informed.

#### **Conditions of Approval**

- All unanticipated or Serious Adverse Events (SAEs) must be reported to the IRB within 5 days.
- All protocol modifications must be IRB approved by an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review and approval. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by the IRB before they can be implemented.
- All protocol deviations must be reported to the IRB within 5 working days.
- Principal investigators are responsible for initiating Continuing Review proceedings. Documents must be received by the IRB at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Any documents received less than 30 days before expiry will be labelled "late submissions" and will incur a penalty.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities And Social Sciences Research Ethics Committee IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- The University Of Zambia Humanities And Social Sciences Research Ethics Committee IRB does not "stamp" approval letters, consent forms or study documents unless requested for in writing. This is because the approval letter clearly indicates the documents approved by the IRB as well as other elements and conditions of approval.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of The University of Zambia Humanities and Social Sciences Research Ethics Committee IRB, we would like to wish you all the success as you carry out your study.

Yours faithfully,



*Dr. J. L. I. Ziwa*

**VICE CHAIRPERSON  
THE UNIVERSITY OF ZAMBIA HUMANITIES AND SOCIAL SCIENCES  
RESEARCH ETHICS COMMITTEE IRB**

cc: Director, Directorate of Research and Graduate Studies  
Assistant Registrar (Research), Directorate of Research and Graduate Studies  
Acting Senior Administration Officer (R), Directorate of Research and Graduate Studies