Lived Experiences of Multi-Banked Bank Account Holders with a focus on Banks at Manda Hill Mall Lusaka, Zambia

By

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Declaration

I Honest Habanyati declare that this dissertation is my own work, and that it has not been previously submitted for a diploma, advanced diploma, degree or master's degree to the University of Zambia (UNZA) or any other university in the world. All the sources of previously published work referred to have been acknowledged.

Signature: ……………………… Date: ………………………………

Certificate of Approval

This dissertation by Honest Habanyati is approved as a partial fulfillment of the requirement of the award of the degree of Master of Business Administration of the University of Zambia and the Zimbabwe Open University (UNZA/ZOU).

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Dedication

To my family and associates for their patience and sacrifice during my period of study.

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I would like to thank the Almighty God through Jesus Christ's name for all the rich blessings received during my academic career. I would also like to thank my family and all my close associates for their support, love and care.

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Abstract

Multi-banking among bank account holders is a trend that has been on the rise in the recent past. Even though most banks provide similar services, like money transfer, deposits, loans, safety vault keeping, insurance and other services, it is seen that consumers have preference to certain specific banks. Banks still face issues with customers switching from one bank to another in search of either better service, low cost, convenience of access, international transaction services and many other unexplored factors. This study assesses the lived experiences of multi-banked bank account holders at Manda Hill Mall Lusaka, Zambia.

Data was generated from seven purposively sampled multi-banked account holders using; in-depth interviews, focus group discussions, informal discussions and observations. Findings were analyzed using thematic analysis. Factors that emerged contributing to multi-banking among account holders were fraternity, proximity, customer service, security and brand loyalty. The study through interviews revealed that proximity to banks caused the customers to be multi-banked. The study further showed that some banks have poor services which do not even motivate the customers to continue serving with them hence multi-banking. It was found that online banking reduces the queues being experienced in some banks for the customers' problems are solved through the click of a button. The study also found that when customers trust a bank brand, it makes them loyal to the bank and when they are loyal they also encourage their colleagues to join the banks to which they belong to. From the participants' perceptions, options for reducing multi-banking were enhanced customer services, improved bank security, reduced fraternity behaviour and enhanced proximity. Research findings showed that banks should ensure that there is no unnecessary sudden closures of branches across their network as this builds the confidence levels in clients so much that customers feel their money is secure unlike when there are continuous changes and short notice closures of bank branches and ATMs services.

Thus this study concludes that most of the factors that influence multi-banking involve the attitude of the account holders, dependency on fraternity, security constraints and poor customer services. This study recommends that banks need to improve their service provision and strengthen relationships with their customers, and enhancement of security to the satisfaction of customers. On the other hand account holders should be accorded chance to be well informed and independent in making decisions based on scientific evidence as to which bank to bank with.

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CHAPTER ONE: INTRODUCTION

1.1 Overview

This chapter discusses the background to the study aimed at exploring the Lived Experiences of Multi-Banked Bank Account Holders at Manda Hill Mall Lusaka. The chapter explains the statement of the problem, purpose of the study, objectives, research questions, significance of the study, delimitation of the study, limitations of the study, theoretical framework and summary of the chapter.

1.2 Background

Banking in general terms, is the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit (Clemes *et al*., 2010). On the other hand a bank account is a financial account maintained by a financial institution for a customer. A bank account can be a deposit account, a credit card account, a current account, or any other type of account offered by a financial institution, and represents the funds that a customer has entrusted to the financial institution and from which the customer can make withdrawals (Subramaniam and Ramachandran, 2012). Alternatively, accounts may be loan accounts in which case the customer owes money to the financial institution. In the past researchers have emphasised on the importance of banks in the financial economy. Even though most banks provide similar services, like money transfer, deposits, loans, safety vault keeping and insurance, it is seen that that consumers have preference to certain specific banks (Mokhlis *et al*., 2009). Subramaniam and Ramachandran (2012:156) say that "due to tough competition in this industry, banks are under pressure to retain customers through differential services so that customer switching is not perceived as a threat to the sustainability of the banks." It is, therefore, crucial for banks to understand the criteria placed by customers in selecting banks.

The number of banks and the varied services provided by these banks prompt customers to have accounts with more than one bank, eventually leading to comparison of services and prices. It is purported that most youngsters in Malaysia for example opt to have savings accounts and the past studies instil that the option of having savings accounts motivates young adults to have accounts in multiple banks leading to multi-banking (Mokhlis *et al*., 2009). Subramaniam and Ramachandran (2012:156) add that "it is expected that the financial sector in the coming years would witness increased competitiveness, dynamism, diversification, integration as well as the ability to provide world class services."

The Zambian financial market has a total of 19 commercial banks comprised of both local and International banks, each of them offering competent services with customer satisfaction as the principal motive. However, banks still face issues with customers switching from one bank to another in search of either better service, low cost, convenience of access, international transaction services and many other unexplored factors (Subramaniam and Ramachandran, 2012). According to Mokhlis *et al*., (2009:23) "multi-banking is becoming a common trend as various businesses, public sector institutions as well as individuals prefer to bank with more than one banking partner." Most bank account holders in Lusaka are multi banked, a trend that is worrying for banks. Banks compete for the same customers. Most banks offer the same or similar products that end up being exaggerated. In this trend customers risk spending much more than expected on bank charges and both parties are bound to lose. It is therefore in the interest of the researcher to assess the lived experiences of multi-banked bank account holders.

1.3 Statement of the Problem

Multi-banking among bank account holders is a trend that has been on the rise in the recent past. The number of banks and the varied services provided by these banks prompt customers to have accounts with more than one bank, eventually leading to comparison of services and prices (Mokhlis *et al*., 2009; Subramaniam & Ramachandran, 2012). Even though most banks provide similar services, like money transfer, deposits, loans, safety vault keeping, insurance and other services, it is seen that consumers have preference to certain specific banks. Banks still face issues with customers switching from one bank to another in search of either better service, low cost, convenience of access, international transaction services and many other unexplored factors (Barros, 1999; Dick, 2007; Beck *et al.,* 2011). Due to tough competition in this industry, banks are under pressure to retain customers through differential services so that customer switching is not perceived as a threat to the sustainability of the banks. In this vein, multi-banking need to be reduced or avoided, if left unchecked it poses a risk to both the banks and their customers.

1.4 Purpose of the Study

To explore the lived experiences of multi-banked bank account holders at Manda Hill Mall in Lusaka

1.5 Research Objectives

The study was guided by the following objectives:

i). Identify factors that contribute to multi-banking among account holders at Manda Hill Mall in Lusaka.

ii). Recommend measures that could be taken to mitigate the risks of multi-banking among account holders at Manda Hill Mall in Lusaka

1.6 Research Questions

The study was driven by the following research questions:

i). What lived experiences exist among multi-banked account holders at Manda Hill Mall in Lusaka?

ii). What opportunities exist for addressing challenges faced by banks that lead account holders to have other bank accounts with competitor banks at Manda Hill Mall in Lusaka?

1.7 Significance of the Study

In order to have a more effective impact on promoting wide spread single bank account holding, concentrating on reasons that lead to multi-banking can be fruitful and potentially lead to reduced risks faced by both account holders and the banks. The information obtained from this research could be of help to bank policy makers, bank decision makers and the customers on how multi-banking levels can be reduced and simultaneously increase single banking rates. The outcome of this research is likely to also help banks with their strategic decisions, exploring their competitive advantage by attracting new clients, strengthening customer data-base and retaining customer confidence. The findings from this research could also be an addition to the body of knowledge on the reasons that lead to multi-banking.

1.8 Scope of the study

This study was restricted to the lived experiences of multi-banked bank account holders at Manda Hill Mall in Lusaka. Respondents included bank account holders at Manda Hill Mall in Lusaka.

1.9 Delimitations of the study

The study was conducted in Lusaka District in Lusaka Province of Zambia and it dwelt on exploring the lived experiences of multi-banked bank account holders at Manda Hill Mall in Lusaka.

1.10 Limitations of the study

The findings of this study cannot be generalised beyond the study area. Apart from that, the accuracy of the data depended on the willingness of the respondent to provide accurate information during the field work. The other limitation was that the study relied on the participants' lived experiences with their banks which is a qualitative aspect and varies from one person to the other. The researcher only probed to the extent that the participants allowed.

1.11 Theoretical framework

There are several theoretical perspectives that inform studies on adoption of innovations. Here, the classic and most influential one, the diffusion of innovations theory by Rogers is reviewed. Rogers' innovation-diffusion theoretical perspective identifies information dissemination as a key factor in influencing adoption decision (Rogers, 1962). Rogers' theory on Diffusion of Innovations guided this study and how it applies to the multi-banking phenomenon.

1.11.1 Rogers' theory on Diffusion of Innovations

Rogers' theory or model of diffusion assumes adoption of an innovation is usually received by some people (adopters) that have a higher standing in society. According to Rogers (2003) there are many qualities in different people that cause them to accept or not to accept an innovation. T here are also many qualities of innovations that can cause people to readily accept them or to resist them (Rogers, 1962). If an innovation is better than its predecessor, it will eventually be adopted. However, if the innovation goes against the norms and values of the people, they will be less likely to adopt it. Simplicity of use is also a major factor in enhancing the adoption of innovations. No matter how good an innovation can prove to be, people will be hesitant to adopt it if it is difficult to learn and to use. Most important, when people begin to see the good that the innovation is doing for them and for their neighbours, they will find it difficult to resist its adoption.

According to Rogers (1962), information dissemination is a key factor in influencing adoption decision. Other factors that have been identified to influence diffusion rates of innovations include: adopter characteristics, the social network they belong to, the communication process, the characteristics of the promoters, and the innovation attributes including triability, relative advantage, compatibility, observability, and complexity. Information has to be disseminated from one account holder to another on multibanking only that it might not be publicized on media like radio and television.

1.11.2 Adoption and Diffusion of Innovations

Adoption and diffusion are the processes governing the utilization of innovations such as bank account holding. Studies of adoption behaviour emphasize factors that affect if and when a particular individual will begin using an innovation (Sunding and Zilberman, 1999). Measures of adoption may indicate both the timing and extent of new technology utilization by individuals. Adoption behaviour may be depicted by more than one variable. It may be depicted by a discrete choice, whether or not to utilize an innovation, or by a continuous variable that indicates to what extent a divisible innovation is used (Rogers, 2003).

1.11 Critique of Rodgers

Rogers' analyses miss some important facets in the diffusion of complex technologies. Though his theory is applicable to the study of diffusion of innovations, his model of diffusion only assumes adoption of an innovation which is usually received by some people (adopters) that have a higher standing in society. It does not consider that some people would easily lose interest in an innovation, or on the other hand that an innovation would first be received by the people that are not influential because the assumption is that innovations only breakthrough in a society by way of meeting key informants first.

Rogers' theory considers innovations or technologies as static. Technologies are not static for there is continual innovation in order to attract new adopters, (Lyytinen and Damsgaard, 2000). In the same vein the communication process involved in the diffusion of innovation approach is a one-way flow of information. In complex environments where the adopter is receiving information from many sources and is returning feedback to the sender, a one-way model is insufficient and multiple communication flows need to be examined (Robertson *et al.,* 1996). The sender of the message has a goal to persuade the receiver, and there is little to no dialogue. The person implementing the change controls the direction and outcome of the campaign. In some cases, this is the best approach, but other cases require a more participatory approach.

1.12 Conclusion

This chapter provided the introduction of this study on multi-banking phenomenon among account holders of the study area. It provides the background to the study and articulates the statement of the problem of this study. Further, the introduction has stated the purpose of the study, specific objectives, research questions and the significance of the study. The chapter has also highlighted the scope of the study, limitations of the study, the delimitation, and ended up with the theoretical framework of the study.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter reviews related literature by different authors on different perspectives about the multi-banking phenomenon.

2.2 Multi-banking Global Perspectives

Banks must work hard to meet the challenges of retaining customers, restoring public confidence and providing the services and products that customers really want. There is a new era of risk and opportunity, with customers increasingly mobile and ever-more demanding. Consumer perceptions are changing at a rapid rate, and banks face both a threat of customers accessing some, if not all, of their services from other providers, while similarly an opportunity to gain market share (Gerrard and Cunningham, 2004). A lack of confidence in the system has further pushed customers to consider spreading their allegiances across a number of providers. For example Birkin and Gittleson (2010:3) found that “almost a quarter of the European customers now hold more than two accounts with a second bank, and one in ten source more than two services from a third provider.” However, the fact that three quarters of customers who use more than one bank have only one product with each of their other banks, suggests that customers are more likely to select a specific bank for a particular product. Customers are requesting specialized products and high service quality, and these requirements need to be met to help reinforce trust and confidence in the industry.

Banks must now take a good look at their customer base, examine what customers want, which customers they would like to retain and sell-off non-profitable parts of the business (Birkin and Gittleson, 2010). In this new retail banking world, focusing on the profitable both in terms of customers and products could gain a competitive advantage. Clemes *et al*., (2010), it costs retail banks as much as six times more to attract a new customer as it does to retain an existing one, and yet for many years the industry has not always focused on customer loyalty and the opportunities among its existing client base. In an economic climate as difficult as this one, fostering loyal customers is important to achieve growth. Birkin and Gittleson, (2010:2) say that “without doubt, the credit crisis has had a profound and lasting effect on the way in which customers interact with the banks that they serve.” Gone are the days when financial institutions were among the respected and trusted organizations on the high street; today, customer trust in banks has fallen dramatically.

In case of other financial service providers, customers are known to switch institutions after they face multiple problems. Moreover in banks unlike other financial institutions, customers are not bonded to any contractual relationship biding the customers to stay in the same bank (Subramaniam and Ramachandran, 2012). Other preferences documented included obligation to open accounts with banks where the employer would want an employee to open in order to be able to transfer salaries. Other factors that may make it obligatory for the customers to have bank accounts with specified banks include usage of safe deposit vaults, credit card facilities or even nearness of the banks’ vicinity.

Clemes *et al*., (2010) established that price, reputation, service quality, effective advertising, involuntary switching, distance, and switching costs impact customers' bank switching behaviour. The findings also reveal that the young and high-income groups are more likely to switch banks. When a consumer changes from one bank to another bank, it can be caused by single or multiple events. Six events which were considerably important in order to understand the factors of bank switching were labelled as inconvenience, services failures, pricing, unacceptable behaviour, attitude or knowledge of staff, involuntary mentioned incidents and attraction by competitors (Gerrard and Cunningham, 2004).

Earlier studies by (Almossawi 2001; Kiser, 2002; Clemes, *et al*., 2007; Salleh and NihHazimah, 2009; Gerrard and Cunningham, 2004) found that price, reputation, service quality, advertising, involuntary action, distance, cost, and other characteristics influences the customer switching behaviour. On the contrary a study by Subramaniam and Ramachandran, (2012) found that only price and reputation were seen as significant in predicting the customers' bank switching behaviour with *p values* less than 0.01.

Over the past several decades, substantial changes have occurred in the technologies employed by banks in providing financial services and in the regulatory environment in which banks operate. According to Davis (2000) the technological changes have allowed banks to interact with customers or prospective customers more efficiently (such as automated teller machines (ATMs) and online banking) and to more accurately measure and manage risk (for example, credit scoring and loan securitization). At the same time, Taylor *et al*., (2004) argue that banking deregulation removed many of the regulatory barriers that limited the geographic areas in which banks operate. Deregulation resulted in fewer restrictions on branching activity (both intrastate and interstate) and a greater ability for banks in one state to offer financial services in another state free from additional regulatory burden (e.g., preemption) (Holverson & Revaz, 2006).

The role of geographic proximity in the provision of financial services is most often attributed to its effect on the transaction costs incurred by banks or their customers. Elliehausen and Wolken (1990) delineate two components of transaction costs that are affected by geographic proximity: transportation and information costs. According to Park and Pennacchi (2003), transportation costs include the dollar and time costs incurred by banks or their customers in conducting business in person. For consumers of financial services, transportation costs vary directly with the number of transactions the consumer has with a financial service provider, the distance between the consumer and the institution, and the extent to which the consumer has to conduct transactions with their financial institution in person, rather than by other means (e.g., telephone, mail or online) (Dell'Ariccia, 2001). If these costs are non-negligible, then they will tend to serve as a source of competitive advantage for nearby banks. For example the studies done by Chiappori *et al.*, (1995), Dell'Ariccia (2001), Park and Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the geographic transportation costs incurred by consumers as an important component of bank competition. Additionally, Degryse and Ongena (2005) and Degryse, *et al.*, (2006) point to both the transportation costs between a borrower and a lender and between the borrower and an alternative lender as factors that affect loan pricing. In Degryse and Ongena (2005) and Degryse, *et al.,* (2006)'s publications, the transportation costs incurred by bank customers affect their choice of banking institution.

The provision of information to prospective customers can also impose costs on financial institutions in the form of advertising or the costs associated with maintaining relationships with brokers or other agents that interact with potential customers. Taylor *et al*., (2004) say that financial institutions may also face other information costs that vary with distance and that are specifically related to the provision of credit. Unlike deposit markets, which generally do not involve any adverse selection of depositors, the provision of credit involves risk (Dell'Ariccia, 2001). Therefore the costs of supplying funds will depend upon the credit quality of the borrowers. Additionally Degryse, *et al.*, (2006) say that particularly when evaluating credit applications from small businesses, lenders may lack the "hard" information provided by audited financial statements or the publicly priced debt or equity available for larger firms. In this case, the lenders will have to rely more heavily on "soft" information collected through previous dealings or through knowledge of the local community and economic conditions (Degryse, *et al.*, 2006). Thus, lenders that are more proximate to prospective borrowers may possess superior information about those borrowers and be able to monitor the loan performance of the borrowers more easily than more distant lenders.

The discussion above suggests that the importance of geographic proximity in banking markets can be primarily attributed to the transactions costs incurred in the provision of financial services. In their study Degryse and Ongena (2005) argue that technological changes have occurred in the past few decades that may have reduced, or even eliminated, some transactions costs which have reduced the costs incurred by the customers. If so, then one would expect the role of geographic proximity to have diminished in banking. According to Amel and Brevoort (2005) two technological changes stand out as potentially having reduced the transactions costs associated with distance between financial service companies and their customers: alternative service delivery mechanisms and automated credit scoring systems. The first major technological advance has been the development of alternative service delivery mechanisms, such as online banking and Automated Teller Machines (ATMs) (Amel and Brevoort, 2005). These new technologies have the potential to reduce the transportation costs incurred by consumers in interacting with their financial institution. This would have the effect of lowering the transactions costs of distant institutions dealing with local customers by reducing the frequency with which a customer needs to interact in person with her financial institution.

Regarding online banking, Khan (2004) found that a household's use of online banking services is not affected by the distance to the closest bank branch and suggests that online banking services may be a supplement to, rather than a substitute for, personal interaction with banks. Amel and Brevoort (2005) reach a similar conclusion for small businesses based on an analysis of survey data in which firms that used the Internet for banking reported fewer alternative services available than other small businesses not using the Internet. These studies suggest that while the development of online banking has the potential to reduce the transportation costs incurred by consumers in obtaining financial services, at present it is operating as a service enhancement, rather than a substitute for in person interaction. In their study Park and Pennacchi (2003) found that if the customers of a bank view ATM networks as substitutes for bank branches, then it is possible that banks can compete for customers in areas in which they have few or no branches, provided that their customers can access their services through an ATM. While this is unlikely to play any role in lending, ATMs may provide an alternative to brick-and-mortar branches that can allow banks to expand their geographic reach at much lower cost.

From the perspective of the trade, brand loyalty on the other hand contributes to the overall image of the bank. It builds store traffic, ensures consistent volume, and reduces risk in allocating shelf space (Cobb-Walgren *et al*., 1995). However, if the brand has no meaning to the consumer, automatically there wouldn't be of any value to the investors, the manufacturer, and the retailer unless there is value to consumer (Farquhar, 1989; Crimmins, 1992). Brand management is an area of increasing importance to marketers today, particularly as organizations attempts to communicate the ever complex and intangible messages as part of brand management strategies (Davis, 2000; Goodchild & Callow, 2001). One of the many interesting questions facing today's brand managers concerns how to develop a better understanding of the appropriate relationship between constructs such as relationship marketing and brand loyalty, particularly in relation to the myriad of known antecedents to brand loyalty in the marketing literature (Taylor *et al*., 2004). By having a strong brand, banks not only could facilitate the differentiation of their offer from the competitors. With branding, financial companies are able to create customer confidence and loyalty in their performance, exert greater control over promotion and distribution of the brand, as well as commanding a premium price over the competitors; all while impacting the valuation of the business (Holverson & Revaz, 2006; Pass *et al*., 1995).

2.3 Multi-banking African Perspectives

The banking environment in Africa is predominately a multi-banking one, and so banks continue to face the challenges of keeping the customer close to them (McDonald & Schumacher, 2007). The study by Chen (2009) found that Africa will have to deal with the challenges of putting in place efficient operating models, centralized operations and multichannel and multiproduct capabilities with lighter and lean operating models; standardized, automated, digitized, paperless and online. This implies that gaining the loyalty of customers is therefore crucial in maintaining and increasing market share. According to Dick (2007) choosing and deploying the right technology at the right time is a significant challenge; the majority of banks in Africa have a reputation for buying technology, but not deploying it or exploiting it to its full potential. Risk management is an issue. African banks lag behind their peers in other countries in this regard and therefore need to work harder to attain the global standard (Nyantakyi & Mouhamadou, 2015). Chen (2009) says that African banks face tough challenges from non-traditional players, such as those offered and run by telecom operators. In the coming years customer centricity will continue to be the top agenda for banks in Africa.

Since the banking sector in Africa is mostly multi-banked, banks in the region will continue to strive for the breakfast, lunch or dinner of each other and hence more and more banks will continue to adopt multi-country strategies (Beck *et al.,* 2011). There is clearly a trend indicating a race for size and regional coverage. In their study Beck *et al.,* (2011) found that banks Africa will continue to explore and arrive at the right mix of physical and digital channels. High cost branches cannot survive in their traditional form. Banks need to arrive at the right mix of various branch sizes based on location and customer requirements (Barros, 1999; Dick, 2007). Branch design will play a key role in driving the right customer behaviour as well as business growth through new as well as cross sell. According to Nyantakyi and Mouhamadou (2015) banks in the region will have to continue to develop strategies to achieve sustainable growth by focusing on some key areas to hold a better ground. Nyantakyi and Mouhamadou (2015) suggested the following strategies; exploiting digital and social media, increasing customer loyalty and trust, creating a cost-effective and efficient operating model, carefully thought through branch expansion, managing risk and bringing it up to global standard, leveraging mobile and online banking, technology enabled customer engagement and continuous innovation.

On the other hand McDonald and Schumacher (2007) in their study revealed that mobile will continue to be one of the most sought after channels in Africa and banks will continue to exploit this channel for customer engagement, delivery and distribution. Telco's according to Chen (2009) have already taken the lead in delivery through mobile channels and this will encourage more and more banks to partner with these organizations. It is worth noting that there are more mobile subscribers than bank accounts in Africa, so the opportunity is clear (Degryse & Steven, 2004). In their study McDonald and Schumacher (2007) conclude that, in the coming years only those who dare to become more and more innovative will succeed in Africa. Banks in the continent need to establish a direct relationship between banking and innovation (both technical and non-technical) to continue to grow and remain meaningful in the heart and mind of customers (Chen, 2009). The time is ripe to give banking in the region an overhaul and to offer something new and different that will change the lives of citizens.

2.4 Conclusion

The related reviewed literature showed that there are many factors that influence customers to be multi-banked. The literature was reviewed at global and African perspective. The reviewed literature provided the basis and focus for this research by examining the reasons influencing multi-banking amongst account holders. However, there are few or no studies done in Zambia especially in the study area on account holders' switching behaviour or multi-banking. This research is therefore an attempt to identify the reasons that influence bank account holders to be multi-banked in Zambia.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter describes the methodology applied and physical and socio-economic characteristics of the study area. It describes the location of Manda Hill Mall, a popular and most frequented shopping mall, about 3.5 kilometers east of the Lusaka central business district along the great east road, in Lusaka. This Mall was selected for there is evidence that most people that frequent banks at this shopping complex are multi-banked.

3.2 Research Design

This is a qualitative research which is conducted in a natural setting and involves a process of building a complex and holistic picture of the phenomenon of interest (Mason, 1996). Qualitative methods are useful for describing complex phenomena. They provide understanding and description of people's personal experiences of phenomena. With the use of qualitative methods, the researcher can describe in rich detail phenomena as they are situated and embedded in local contexts. The researcher almost always identifies contextual and setting factors as they relate to the phenomenon of interest.

This study adopted a descriptive design. According to Creswell (1994) descriptive survey research method is used to investigate, determine and report the way the situation is or was at a given time. According to Kerlinger (1973), descriptive survey research design is used to obtain pertinent and precise information concerning the current status of a problem/issue and where possible draw valid general conclusion from the facts available. In view of the above mentioned characteristics of a descriptive design, it was deemed best to apply in this study because it helped the researcher to explore and gather information on multi-banking among bank account holders.

3.3 Target Population

According to Orodho (1996) target population comprises of the items or individuals under consideration in a given study. The target population for this study included multi-banked account holders.

3.4 Sample Size

According to Orodho (1996) a sample is a subset of the population that is selected and representative of the target population for a particular study. In this study the sample involved seven purposively selected multi-banked account holders at Majiji Bank at Manda Hill shopping mall in Lusaka district.

3.4.1 Sample Description

In view of ethical considerations, pseudonyms were used to represent each participant for confidentiality and anonymity purposes. To understand the life world we need to explore the stories people tell of their experiences, often with the help of some specific hermeneutic (interpretation). The *pseudonyms* given were as follows: *Client A, Client B, Client C, Client D, Client E, Client F and Client G.* In addition, the name of the bank where the participants were drawn from, a pseudonym 'Majiji Bank' was assigned, to hide their identities.

3.5 Sampling Techniques

According to Ogula (2005), sampling procedure is a process or technique of choosing sub-group from a population to participate in the study. It is a process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected. The participants were purposively selected on the basis of their intimate knowledge, opinions and experiences on the topics for discussion on multi-banking. According to Ogula (2005) purposive sampling is a non-random technique where the researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of their knowledge endowment or experience. Further the researcher purposively sampled Manda Hill because it houses many banks in Lusaka.

3.6 Research Instruments

Data in this study was collected using focus group discussions, interview guide, informal discussions and observations.

3.7. Data collection procedure

According to Kombo and Tromp (2006) in carrying out a research, the researcher requires methods that provide high accuracy, generalizability and explanatory power; with low cost, rapid and minimum management demands and with administrative convenience. Use of multiple tools strengthened the validity and reliability of the study findings as evidence was collaborated and triangulated from different viewpoints.

3.7.1 Focus Group Discussions (FGD)

Data was collected through focus group discussions (FGD) using the interview guide (Appendix II). As the discussions were in progress the relevant information was recorded on paper by the researcher. The focus group discussions were vital in that they gave the discussants a platform to express their views.

3.7.2. Interview Guide

An interview guide was also used to collect data. An interview is an interaction between two or more people for purposes of exchanging information through a series of questions and answers, (Johnson and Onwuegbuzie, 2004). In this study a one to one interview was done with the respondents. "Interviews can be structured, semi-structured or unstructured," (Dawson, 2002:26). An interview guide is essentially a questionnaire which is mediated or administered by the researcher. In this type of interview the researcher prepares questions beforehand, and they are arranged and asked in a particular order, (Dawson, 2002). Semi-structured interviews allowed for probing the respondents to express themselves on the topic under study freely and noted down important information. This method enabled the interviewer to retain control throughout the whole process.

3.7.3 Informal Discussions and Observations

Information was also collected through informal discussions with the participants and other account holders, and through personal observation at their respective banks.

3.8 Data Analysis and interpretation

Data analysis was a continuous process and started during the data collection phase on identified major themes and ended with an in-depth description of the results, (Johnson and Onwuegbuzie, 2004). Exploratory thematic and content analysis (Johnson and Onwuegbuzie, 2004) were used for this study. The data were coded accordingly from the sources reviewed and across each site case. The data was analyzed thematically and the identified themes were cross-checked by the participants for validation purposes in line with Clarke and Braun (2013).

3.9 Ethical Considerations

The researcher had to seek consent from all prospective respondents by explaining to them that the information collected would be used for academic purposes. In addition, the respondents were assured of confidentiality for any information that would be given.

3.10 Conclusion

This chapter has essentially spelt out the research methodology which was used in this study on multi-banking among bank account holders. The research used a qualitative approach involving the use of focus group discussions, interview guide, informal discussions and observations as research tools. The next chapter presents the findings and discussions of the study.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction

The section below presents the sample profile, the status of multi-banking and the multi-banking rates. It further, explains the reasons given by the account holders for multi-banking.

4.2 Emerged Factors leading to Multi-banking

This section explains the factors or reasons that lead to multi-banking among the account holders. After a four month period of interacting with multi-banked account holders, the major factors that emerged contributing to multi-banking were: (i) fraternity; (ii) proximity; (iii) customer service; (iv) security; (v) brand loyalty. What follows below is a detailed presentation of findings based on the five factors as guided by the research objectives.

Results for this research showed that the most common factors or reasons cited for multi-banking are fraternity, proximity, customer service and security. The least identified reason for multi-banking was brand loyalty as shown in Figure 5.3.

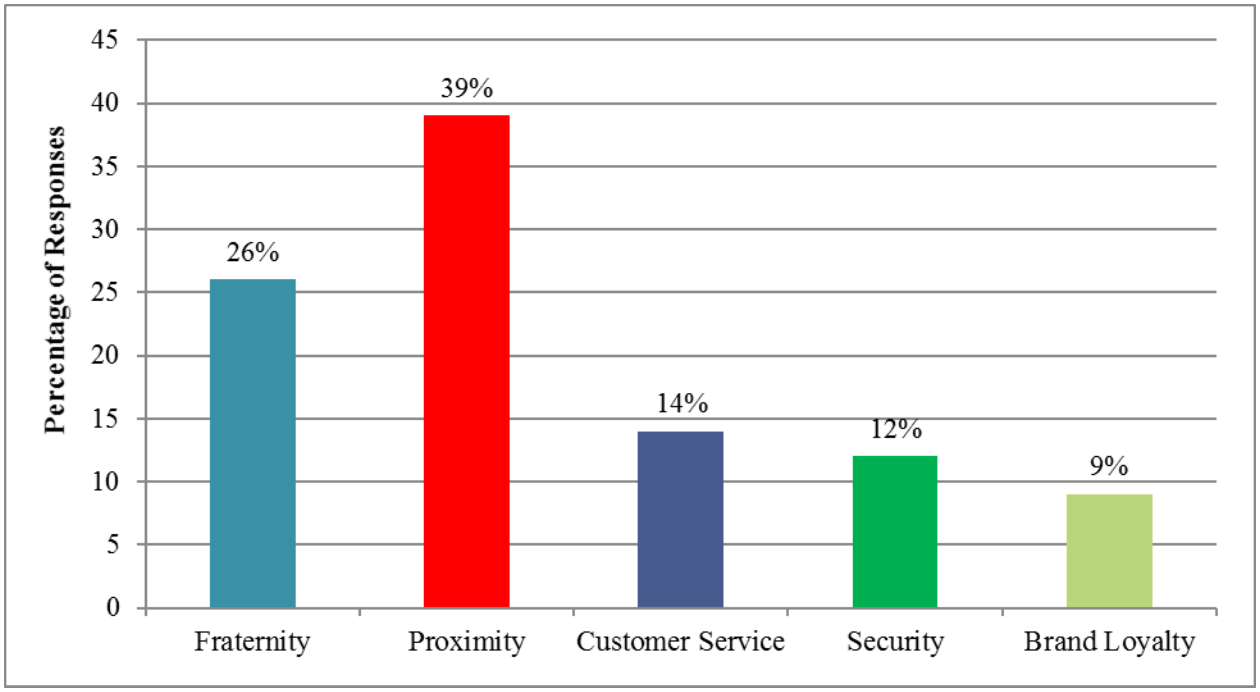

Figure 5.1: Reasons for multi-banking

4.2.1 Multi-banking and Proximity

Proximity to banks played a critical role in making the bank account holders to decide to be multi-banked. Client E for example said that distance to the banks of the customer's choice had an influence to them being multi-banked. Customers end up opening bank accounts from the banks which are easily accessible to them. Client B said that *'proximity to banks cause the customers to be multi-banked.'* This is done for the sake of convenience and to reduce on costs such as travelling expenses and the time taken to reach the bank. Most of the multi-banked customers are in both formal and informal employment and would want to have accounts with banks which are within their convenience so that they do not waste a lot of time moving or commuting to a bank which is very far and not easily accessible. In a FGD, Client D argued that *'multi-banked customers suffer administrative costs and the cost of paying twice for the same products or services in different banks which can be avoided by being single banked.'*

Geographical proximity in the provision of financial services is most often attributed to its effect on the transactions costs incurred by banks or their customers. The results of this research are consistent with the findings of Brevoort and Wolken (2008:6) who found that "transportation costs include the dollar and time costs incurred by banks or their customers in conducting business in person." For consumers of financial services, transportation costs vary directly with the number of transactions the consumer has with a financial service provider, the distance between the consumer and the institution, and the extent to which the consumer has to conduct transactions with their financial institution in person, rather than by other means (e.g., telephone, mail or online). If these costs are non negligible, then they will tend to serve as a source of competitive advantage for nearby banks. Further, Chiappori, Perez-Castrillo and Verdier (1995), Dell'Ariccia (2001), Park and Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the geographic transportation costs incurred by consumers as an important component of bank competition.

The importance of proximity relates to some aspect of transactions costs. Although many of these transactions costs have been reduced by recent technological improvements. The research results agree with Brevoort and Wolken (2008) who found that there was a general trend towards less in person interaction between account holders and their suppliers of financial services due to long distance covered. Despite these changes, however, the data show that distance, while perhaps not as tyrannical as in the past, remains an important factor in banking. The transportation costs incurred by bank customers affect their choice of banking institution. Further the findings of this study agree with the findings by (Kisser, 2002) that people may prefer to select the nearest branch of a bank from their either residential place or work place. Convenient location is one of the important factors that influences the bank selection decision. In this regard convenience of automated teller machines (ATMs) location (Kisser, 2002), and distance (Safakli, 2007; Salleh and Hazimah, 2009), and parking space are some of the associated factors that retained bank customers and attracted more customers from that locality (Almossawi, 2001).

4.2.2 Customer service and multi-banking

Customer service was cited by 14 percent of the respondents as a reason leading to customers being multi-banked as shown in figure 5.2. Customers expect to receive high standard of services from the banks they have accounts with. In most cases customers do not expect to be inconvenienced in the banks especially where they are expected to wait in queues for a long period of time without being attended to. In an interview with Client E, Client E said that *'some banks have poor services which do not even motivate the customers to continue serving with them.'* In another one to one interview with Client A, the client argued that *'some banks do not offer simple additional services like water dispensers in the banking halls so that clients can atleast quench their thirsty as they wait to be served.' 'Customer service although looked at as just a simple by the way service by the banks is the one that attract the most customers to the banks'* noted Client C.

Customer satisfaction is very important for any service offering business firm for it to continue thriving and doing better. I observed that customers are very particular and have high expectations on the type of service they get from banks which calls for good investment in the the customer service department if any financial institution or indeed any service firm were to keep enjoying and attracting a good percentage of the market share. Client F for example, complained that *'there are times when you find long queues such that for you to be attended to or to get a service you have to sometimes wait for about 2 hours when the resolution time only takes about 5 minutes.'* Client F went on to say that *'this kind of poor services by some banks is counter-productive to both the customers and the banks.'* Client G suggested that *'there was need for banks to invest more in customer service so that both queuing and problem resolution can be within 20 minutes or better still open up the digital platforms for self service for those that can afford and manage to decongest the banking halls.'* Client G further said *'online banking reduces the queues being experienced in some banks for the customers' problems are solved through the click of a button.'* Poor customer service by some banks push most customers to look for other banks where the services are better hence being multi-banked.

A study by Abdullah (2007), documented that customer patronization in the Islamic bank in Malaysia depends on customer satisfaction which is highly correlated with the quality of service. Quality of services are denoted by politeness of the teller when dealing with customers, the ability of the teller to convey trust and confidence; efficiency and effectiveness of the service, and the ability of tellers to get the customer's problems solved. Staff factor is one of the most important factors that customers use to select a bank claimed Abbas *et al*., (2003). Courtesy and competence of a staff are the main rudiments that influence the customers' decision in the banking industry. To improve the service quality, it is important that the bank's staffs are well trained with their ethics, professionalism, duties and responsibilities towards customers. It is expected that the staff would be articulate when explaining a product to customers to avoid confusion. A better service quality will undoubtedly attract new customers, avoid multi-banking and retain the existing customers, since businesses in modern times are customer-centric. Earlier studies found that service quality had positive relationship with customer behaviours (Clemes, *et* *al.,* 2007; Safakli 2007). Further, Clemes, *et al.,* (2007) and Safakli (2007)'s research studies established that the factor leading to multi-banking behaviour is service quality and efficiency. Convenience, reliability and staff that deliver services are perceived as part of customer service in this research.

4.2.3 Brand Loyalty

Brand loyalty refers to the favorable attitude towards a brand in addition to purchasing it repeatedly by the customer. The customers tend to be loyal since there is relationship marketing between them and the organization. Brand management is an area of increasing importance to marketers today, particularly as organizations attempts to communicate the ever complex and intangible messages as part of brand management strategies (Davis, 2000; Goodchild and Callow, 2001). By having a strong brand, companies not only could facilitate the differentiation of their offer from the competitors. With branding, financial companies are able to create customer confidence and loyalty in their performance, exert greater control over promotion and distribution of the brand, as well as commanding a premium price over the competitors; all while impacting the valuation of the business (Holverson and Revaz, 2006; Pass *et al*., 1995). Brand loyalty provides a strong platform for introducing new products and insulates the brand against competitive attacks. From the perspective of the trade, brand loyalty contributes to the overall image of the bank. However, if the brand has no meaning to the consumer, automatically there would not be of any value to the investors, the manufacturer, and the retailer unless there is value to consumers (Farquhar, 1989; Crimmins, 1992).

In this research brand loyalty was reported by 9 percent of the respondents as another factor that influences customers to be multi-banked. Through informal discussions the customers said that a bank whose brand and reputation is not attractive makes customers to look elsewhere. In most cases customers are attracted by the brand and reputation of the bank for them to continue having their accounts. Client B in an interview said that *'I follow and bank with a bank whose brand is attractive and such a bank motivates me to continue banking with it.' 'I opened another account with Majiji Bank because its brand is attractive compared to my other bank,'* claimed Client C. During the research I observed that bank branding is important because not only is it what makes a memorable impression on customers but it allows customers and clients to know what to expect from a bank. Client G said that *'when* customers *trust a bank brand, it makes them loyal to the bank and when they are loyal they become a marketing tool to their associates for them to join a particular banks which they belong to.'* In another interview Client A argued that *'a strong bank brand often guarantees future business to its customers hence customers' multi-banking to join banks with strong brands.'* Client A further said that *'a strong brand not only differentiates a bank from competitors, but it also helps build trust with its customers and vice versa.'*

On the contrary, Client D noted that currently, the local banking industry is investing a lot of resources to reward customers that are loyal. Therefore, the more products a particular customer may have with one bank, the higher the chances a particular customer may have of maximizing any form of rewards on offer at a given bank. And vice-versa, Client D further said that *"if multi-banked, chances are that you will only receive a fraction of what one could have potentially got if one had all accounts with one bank."*

Therefore, findings of this research are agreeing with the findings of Clemes *et al*., (2007) who found that brand loyalty and reputation depended on three elements, namely the reliability of banks, trust worthiness of the bank, and the financial stability of the bank. In their research, the coefficient value for brand loyalty and reputation revealed that, a bank with bad reputation and brand led to the tendency of bank switching by customers. Further the results are consistent with

Abdullah (2007)'s findings which indicated that brand and reputation was one of the factors that affected customer's switching behaviour in the banking sector. Thus, it is crucial for banks to boost their brand and reputation by enhancing their public relation. Earlier studies (Almossawi 2001; Gerrard and Cunningham, 2004) found that brand and reputation was the important variable in selection of banks by potential customers. Although the contributions to charitable institutions, sponsorships of specific events may also increase the space of a bank in multibanking.

4.2.4 Fraternity

Research findings showed that 26% of the respondents were multi-banked because of fraternity behaviour. The respondents identified different fraternities that affect response behaviour such as workmates, business associations, staying in the same residential area, religious affiliation, alumni associations and family ties as shown in Table 2. Of the 26% of the respondents who said they were multi-banked because of fraternity 39% said they were multi-banked because they were just following what their business associates were doing and the benefits they accrued due to being multi-banked. However, the least reason for multi-banking with regard to fraternity out of the 26% of the respondents was that of religious affiliations they belonged to, as outlined in Table 5.2 below.

Table 5.1: Reasons for fraternity

Reasons for Fraternity	Percentage
Business Associations	39
Workmates	13
Same residential area	9
Religious Affiliations	4
Alumni Associations	22
Family Ties	13
Total	100

In a focus group discussion Client G said that he was multi-banked because his workmates were also multi-banked and felt out of place when his friends talk of the services offered by a particular preferred bank which he does not belong to. In addition Client D confirmed that some customers were multi-banked because of fraternity due to family ties. Imagine coming from a family where your parents' house was acquired through a mortgage from Majiji Bank, the family vehicle was bought through the same bank auto loan and then both your parents talk highly of this bank, definitely you will have a bias towards this bank. Client B on the other hand argued that *'most business people usually feel secure to bank with banks where their colleagues have accounts just to keep up appearance and for ease of transactions with friends.'*

The conclusion from these results is that customers or account holders may group themselves to certain banks because of the social group they belong to. I observed that there are some banks which some customers feel they are for the educated and elite group or alumni associations. An example in the FGD was given by Client C that *'most civil servants are banking with ZANACO and NATSAVE, those in the middle class bank with First National Bank (FNB) and Atlas Mara,* *and upcoming businesses bank with Stanbic, First Capital, Cavmont and Investrust banks while those with well paying jobs were banking with Barclays and Standard Chartered banks.'*

In a one to one interview Client E said that she was multi-banked because she wanted to get a loan from a bank where the lending rates were favourable than what her first bank offered. These tactics and behaviours influenced other customers and made them to also have accounts in other banks. In another interview Client A argued that *"there is a danger in following the influence of others when deciding which bank to bank with, for example if the whole family has accounts in a given bank and that bank closes, then the whole family will be at a loss."*

It has long been accepted that individuals are capable of influencing the behaviour of other individuals. Individuals often attempt to influence the behaviours and actions of others in consumption contexts (Clemes *et al.,* 2010). When exerting influence, individuals rely on specific influence tactics such as bargaining and emotional appeals. The research results agree with the findings by Kipnis, (1984) that intimate couples, parents and children, friends and colleagues, represent a broad array of social relationships where the actions and behaviours of one individual are often influenced by those of another. Consumption decisions, in particular, are often made as the direct or indirect result of some sort of interpersonal influence attempt (Ward and Reingen, 1990). In attempting to affect another individual's behaviour, people rely on a variety of influence tactics. The choice of a specific tactic is, to a large extent, affected by factors that are germane to the relationship and the situation in which the influence attempt is taking place. Individuals often achieve these changes by using tactics that reflect their superior power, for example, assertiveness tactics or tactics that legitimize authority in a relationship.

4.2.5 Security

Research results showed that 12 percent of the respondents were multi-banked in search of security for their savings. Client G in an interview said that he was comfortable to bank his monies with a bank where security was assured. *'Some banking institutions close without giving prior warning to its customers hence posing a risk to single banked customers who ultimately end up having accounts with other banks to reduce the risk of losing their monies,'* argued a FGD discussant. Client E in another interview indicated that *'lack of security in the banking systems makes some of the customers go to extremes of burying their money underground or put it in trunks.'* In an interaction with other customers I observed that they were not happy with the ever increasing interest rates on the loans facilities in some banks. Client F in an interview argued that *'at the start of the loan account the bank would assure that there will be no changes in interest rates but as the loan comes to an end you will be surprised to hear that the interest rate has been increasing over time and the customer is charged more than expected.'* In the same vein 10% of the respondents who cited security as a challenge said that the customers suffer continued deductions even when a loan has been paid back fully, see Figure 5.3.

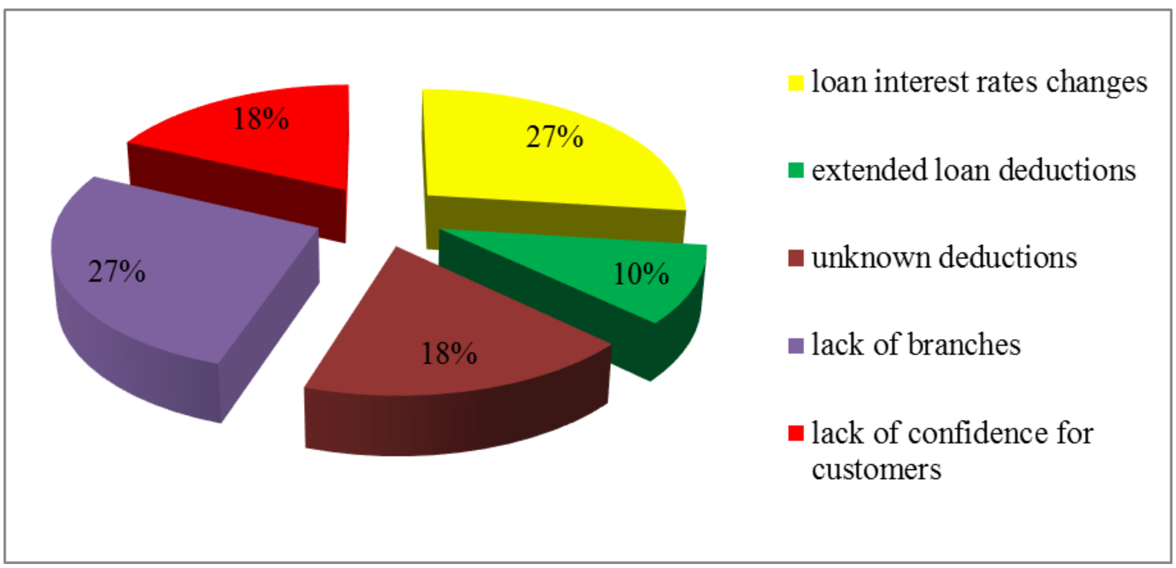

Figure 5. 2: Security challenges faced by bank customers.

On the other hand 18% of the respondents complained of lack of confidence for customers or trust of customers. *"Lack of trust by the banks to their customers is worrying, for example if you happen to have more money in your account than your monthly salary, you are questioned by the bank as to where you got the money from,"* complained Client B. Client B added that *'the customers feel insecure when they are requested to provide evidence or source documents for the monies coming in their accounts when it is more than their monthly salary, similarly when taking withdrawing.'* A discussant in FGD further argued that clients feel insecure on being questioned for the monies that come in their accounts which makes them to split the monies that they receive or deposit to multiple banks so that it doesn't reflect one huge lump transaction to attract questioning. On the contrary Client C argued that *'splitting money in different banks makes the customers to lose out on the accrued benefits they would have received if all the money were in the same bank.'* Client C further said that *'some of the benefits that a customer can lose are that of getting a big loan and that of negotiating for better rates.'* It can be observed that due to splitting of funds to different banks customers benefit less than what they would have derived had they channeled all their monies in one bank.

According to Client A customers were multi-banked because they did not want to be stranded due to banking conditions and services such as lack of branches in some towns. I observed that customers feel secure when they multi-bank because if one of their multiple banks has no branch in a given town, they can easily switch to another bank that has a branch and get the services they need. *'Customers multi-bank due to the fact that their former banks might have remained behind in modern technology, and would not want to close the account with that particular bank for fear that when it may decide to invest in modern technology it might be difficult to return'* said Client F in an interview. Whereas Client B affirmed that *"there was just need to multi-bank because my other bank has lacks modernity, I cannot transact on weekends and holidays, the best is to join a bank which has services that can allow me to transact anytime anywhere."* On the contrary Client C argued that *'as much as modern technology is good, there is a high likelihood of customers being defrauded in cases where the phone or laptop goes missing or is tempered with or just unauthorized access by bloggers.'*

The research findings in this study relate with the findings by Gerrard and Cunningham (2004) who suggested that most customers switch banks because of lack of modern security functions that can satisfy the needs of the customers. The future of security in banking lies in the development and adoption of advanced cognitive security functions (Brevoort and Wolken, 2008). According to Subramaniam and Ramachandran (2012) cognitive security systems can harness not just data, but also meaning, knowledge, process flows and progression of activity at a supersonic speed. Cognitive security can put banks ahead of threat actors in terms of speed, collaboration and access to data structures. In their research Gerrard and Cunningham (2004) found that cognitive technology enables security analysts to collect information rapidly and provides the support they need to thwart attacks before the damage is done. But shifting the balance of power requires a shift in the overall approach to security in banking. Banks must ensure their systems are more than compliant, become comfortable with cloud technologies and implement cognitive computing to keep up with the evolving threat landscape. The industry is not entirely there yet, but it's facing the right direction.

4.3 Options for minimizing multi-banking

This section explains the options for minimizing multi-banking among bank account holders. The options were suggested and discussed by the bank account holders sample. Results showed that the most common options cited to minimize multi-banking are enhanced proximity, improved security, enhanced customer service and reduced fraternity banking behaviour. The least suggested option for minimizing multi-banking was brand loyalty enhancement (Figure 5.4).

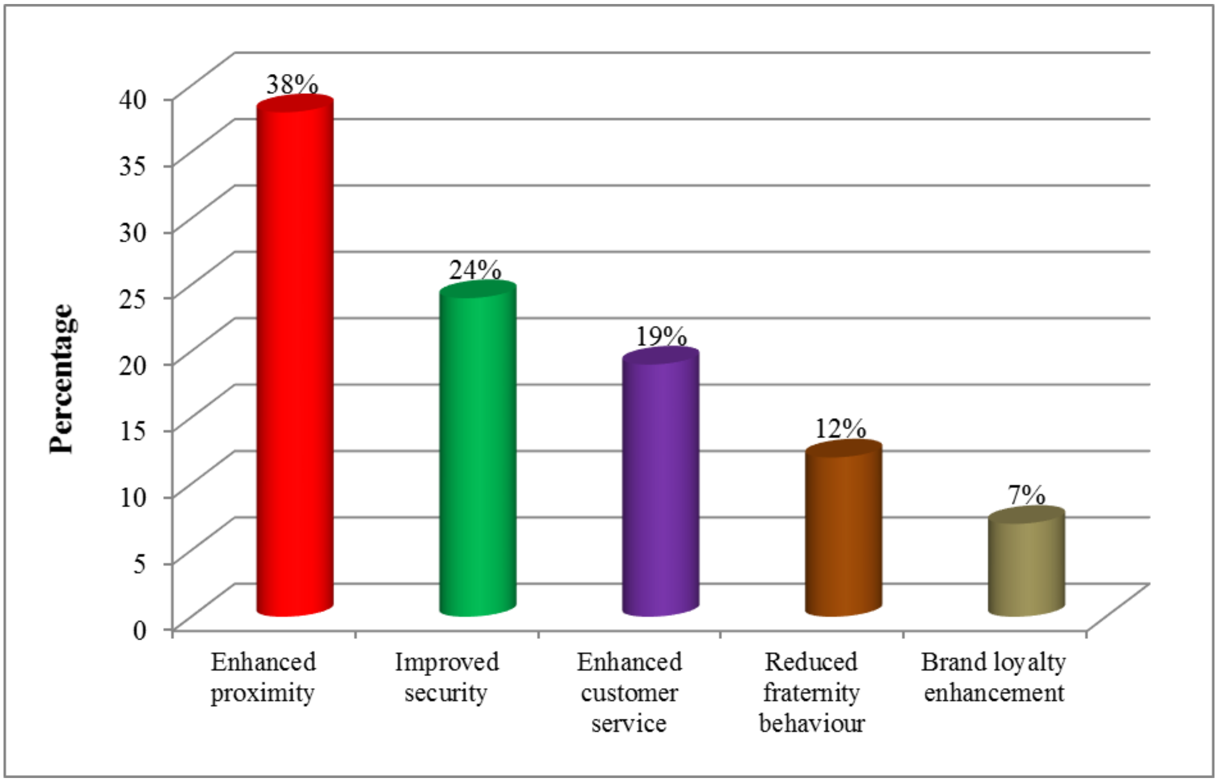

Figure 5.3: Options for minimizing multi-banking among customers

4.3.1 Enhanced Proximity

Enhanced proximity to banks was cited by 38 percent of the respondents as a way to minimize multi-banking. Client D in a FGD suggested that there was need for banks to consider opening up branches or mounting ATMs in the major and popular shopping malls or complexes or in the multi-facility economic zones doted around the country that would help take the banking services closer to the customers. This is to help reduce the distance and costs incurred to access the banks. Client B and Client E were in agreement that there was need for banks to consider having branches in the multi-facility economic zones so as to ease access of the bank services to the customers. This implies that banks have a huge home work to consider spreading their presence around the country so that their customers can have the banking services closer. Apart from opening branches, Client C said that *"there was need for the banks to consider putting automated teller machines (ATMs) in various strategic places where they can be easily accessed by the customers more especially the modern ATMs where customers can also deposit their monies."* Additionally Client F argued that *"there is need for the banks to make their customers to access their services with minimal costs possible."* The importance of proximity relates to some aspect of transactions costs. If the costs for a given bank are non negligible, then they will tend to serve as a source of competitive advantage for competitor banks. Further, Chiappori, Perez-Castrillo and Verdier (1995), Dell'Ariccia (2001), Park and Pennacchi (2003), and Villas-Boas and Schmidt-Mohr (1999) each point to the geographic transportation costs incurred by consumers as an important component of bank competition.

4.3.2 Improved Security

Results show that 24 percent of the respondents cited the need for improved bank security as a way of encouraging account holders to be single banked. It is always disheartening to hear that the customers' expectedly most trusted financial institution has closed and gone under with customers' lifetime investments and servings. Client A explained that *"there was a serious need for the banks to improve the security services."* Client A further said that *"security is cardinal for the customers to be lured to the bank."* I observed that banks need to do much more so that their customers are sure that their money is in safe hands and customer bank information is treated as highly confidential and is not leaked anyhow or is not shared to third parties. Client B on the other hand said that *'there was need for the banks to trust their customers especially when the account holder has more money in his/her account compared to others.'* In addition Client C in a FGD suggested that *"banks should not be increasing their interest rates on the loans given to the customers unnecessarily or whenever there is movement in central bank policy rate."* This will ultimately make the customers to have trust in their banks when they get loans. According to Client E *'banks should ensure that there is no unnecessary sudden closures of branches across their network as this builds the confidence levels in clients so much that customers feel their money is secure unlike when there are continuous changes and short notice closures of bank branches and ATMs services.'*

4.3.3 Enhanced Customer Services

Banks acknowledge that enhanced customer services attract customers to continue having accounts with them observed Client B and Client A. However, Client B said that *"some banks take their customers for granted that they have not taken keen interest to improve their services."* Client E in a FGD said that *'banks should uphold the expected high international standard of services where services are provided at prompt and without any undue delay if any and with less queueing time to avoid multi-banking.'* Client A said that '*there is need for the banks to invest more money into technological improvements in their service provisions.'* Client C in agreement with Client A said that *"customers prefer banks with latest technology where most transactions can be done anywhere anytime using mobile technology."* Client G and Client D suggested that there is also need for the bank staff to be well trained to uphold professionalism as they serve their customers especially those who seem to be ignorant with some bank services, *'all* *customers are equal and should be treated equally.'* A better service quality will undoubtedly attract new customers, avoid multi-banking and retain the existing customers, just like any other modern customer-centric organisation. In fact this is in line with earlier studies that found that service quality had positive relationship with customer behaviours (Clemes, *et al.*, 2007; Safakli 2007).

4.3.4 Reduced Fraternity Banking Behaviour

As much as the banks needed to change some of the services they offer, Client G said *"there was also need for the customers themselves to be disciplined in their banking behaviors."* Client D in a FGD argued that *'there was no need for a customer to be influenced by his/her peers or association as to which bank was the best. Customers need to make independent decisions which will satisfy their needs.'* Client E and Client A observed that there are times when associations or peers might mislead their members, as a result each customer should decide on his/her own as to which bank to bank with. Client B advised that associations should instead try by all means to avoid influencing their members on which bank they should bank with. Consumption decisions, in particular, are to be made as a direct or indirect result of some sort of personal influence attempt. Client C suggested that *"banks need to work hard in laying open all their services to customers and would be customers so that the customers can make well informed decisions on their bank of choice." "Generally, the trend of being multi-banked is not advisable for small businesses because of the costs involved,"* advised Client F.

4.3.5 Brand loyalty enhancement

Client D and Client A noted that brand loyalty provides a strong platform for introducing new products and insulates the brand against competitive attacks. Client C in a FGD said that *'I like* *quality and the bank I bank with has to maintain the expected high international standard of service provision and brand.'* This entails that a bank with poor branding is likely to lose customers and not likely to attract new customers. *"It is important that the brands of the banks are of good quality,"* argued Client F. From the trade perspective, brand loyalty contributes to the overall image of the bank which would attract new customers and maintain the old ones. Thus, it is crucial for banks to boost their brand and reputation by enhancing their public relation.

4.4 Conclusion

The study has shown that fraternity, proximity challenges, poor customer service, lack of security and unattractive brand loyalty lead customers to be multi-banked. These factors answered the first objective and research question of the study which was seeking to explore lived experiences of multi-banked bank account holders in the study area. The second objective and research question was seeking to identify opportunities and options for addressing the challenges faced by account holders that lead to multi-banking. These were achieved in the findings that the most common options starting with the most cited that are believed to minimize multi-banking are enhanced proximity, security, enhanced customer service, reduced fraternity behaviour and brand loyalty enhancement.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study aimed at assessing multi-banking behaviour amongst account holders at Manda Hill Mall in Lusaka using qualitative research method. The study showed that the factors that influenced multi-banking among the customers are mainly proximity to bank services, customer service, security, fraternity, and brand loyalty. From the account holders' perceptions, options for reducing the multi-banking tendencies among customers are to enhance proximity, improve security, enhanced customer service, reduced fraternity behaviour and improved brand loyalty. Thus this study concludes that most of the factors that influence multi-banking tendencies mostly have more to do with the attitudes of the banks and its staff in service provision than are attitudes of the account holders.

5.2 Recommendations

This study therefore recommends the following:

1. Account holders and would be account holders should be accorded chance to be well informed and independent in making decisions as to which bank to bank with.
2. Banks need to improve their service provision and strengthen relationships with their customers.
3. There is need for the banks to keep improving and maintaining their brand to appealing international standards.
4. Enhancement of security to the satisfaction of customers is very important as it wins the hearts of the clients.

5.3 Future research

This study assessed multi-banking behaviors amongst account holders at Manda Hill Mall along Great East Road in Lusaka, Zambia but did not look at what could be prevailing in other localities on the subject matter. This is an aspect which other researchers may wish and consider exploring to enhance knowledge on this critical and nice topic.

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APPENDICES

APPENDIX I

Questionnaire for survey on Multi-banking 2018

Section A Identification (To be filled in by the enumerator at the start of the interview)

1. Questionnaire code: _____ Location:___________________
2. Township: __________________ Date of Interview __/__/2018
3. Respondent's name (s): ____
4. Type of household head ☐ Male Headed ☐ Female Headed
5. Number of Family Members ☐
6. Age _______________________
7. Level of Education of the Head of Household ____________________________

Section B Banking status

8. How many bank accounts do you have? _________________________________
9. Who are your bankers or which banks are you saving with? ____________________________
10. Have you ever heard of multi-banking among account holders? Yes/No
11. If (Yes) to question 10, what is the source of your information on multi-banking?

    ____

12. Are you a multi-banked account holder? Yes/No
13. If Yes to question 12, how did you start multi-banking?

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    ____

    ____

14. Do your friends multi-bank? Yes/No
15. Explain/list the benefits of multi-banking.

    ____

    ____

    ____

16. Do you share bank information with your friends? Yes/No
17. If Yes to question 16, why do you share bank information to your friends?

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18. What motivates account holders to be multi-banked?

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19. Are there challenges related to multi-banking? Yes/No
20. If (Yes) to question 19, what are the challenges related to multi-banking among account holders.

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21. Suggest solutions to the challenges of multi-banking among account holders.

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22. Why do account holders multi-bank?

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23. Suggest recommendations on how banks should reduce multi-banking among account holders.

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24. Has multi-banking helped you in any way? Yes/No
25. If Yes to question 24, explain how multi-banking has helped you.

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26. What are the effects of multi-banking?

(a) To the account holders

(b) To the banks

(c) To the community

The end, thank you very much and God bless you and family.

APPENDIX II

Interview Guide for the Focus Group Discussion

1. What is multi-banking?
2. What are the benefits of multi-banking to the account holder?
3. What are the challenges faced by multi-banked account holders?
4. Suggest solutions to the challenges of multi-banking among account holders?
5. What are the effects of multi-banking?
6. What motivates account holders to be multi-banked?

The End.

Thank you very much.