

Factors Influencing the Choice of Commercial Banks by University Students in South Africa

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Abstract

University students represent an attractive segment of customers for retail banks in many countries including South Africa. The objective of this study was to investigate the determinants of the choice of commercial banks by university students. University of Fort Hare (Alice campus) was the study area. Data was collected through self-administered questionnaire. Convenience sampling method was used. For data collection, forty questions were identified through a review of the literature. Principal component analysis reduced the forty questions to six factors namely, service, proximity, attractiveness, recommendations, marketing and price. Data was analysed using descriptive statistics, T-test and ANOVA. The Cronbach's alpha was used to test the reliability of the scales. The results showed that the six factors are important factors are important determinants of the choice of commercial banks. Recommendations included marketing strategies by commercial bank management focused on different market segments including university students.

Keywords: Commercial banks, Determinants, University students

1. Introduction

According to Mokhlis (2009) the intense competition that exists in the market for financial services presents a big challenge to the profitability of retail banking institutions of all sizes. The competition and saturation in the banking industry requires banks to be more customer focused. Customers are exposed to diversified choices and they are much concerned about the value for money. This means that there are unlimited switching choices. Banks need to identify factors that influence the choice of commercial bank selection and work on improving them. Okeahalam (2001) points out that there are thirty five banks in the country made up of twenty local banks and fifteen foreign banks. However, the banking sector in South Africa is highly concentrated and it has reached its saturation stage with four large banks dominating the retail-banking sector. The banks are ABSA, Standard Bank, First National Bank and NEDCOR. Despite of the concentration, the banking sector remains highly competitive. To win the markets, banks should focus more on customer expectations.

The issue of how customers select their banks has been given considerable attention by researchers (Sharma and Rao 2010). Exploring such information will help banks to identify the appropriate marketing strategies that are needed to attract new customers and retain existing ones. Sharma and Rao (2010) point out that one promising segment, which has not been given enough attention, is the younger age group especially university students. University students are usually first time account holders and if nurtured properly, could evolve into profitable retail clients to banks in the future (Hinson, Dasah and Owusu-Frimpong, 2009). The younger age group, especially university students mark the test of future lucrative market for banks and financial institutions. It is of extreme importance for banks to cultivate this vibrant market segment in order to understand how individuals in

this segment select their banks. Moreover their loyalty to banks needs to be developed before they become earners or employees.

Financial institutions which need to create a lucrative customer base need to start by establishing and developing long term trust and relationship with the customers. Mokhlis, Mat and Salleh (2008) argue that despite the fact that the majority of undergraduate students are unemployed and their earnings come mainly from educational loans, they provides an excellent business opportunity for commercial banks. Moreover students are likely to need a bank account to negotiate their educational loans or parental contribution and may be obliged to administer their own personal financial affairs. In addition most university students will be employed after their graduation and may continue with the bank. According to Kaynak and Harcar (2005), the traditional belief that only businesses and wage earning customers will bring income to the bank is now becoming irrelevant. Students need banks to handle their transactions. University students, not surprisingly, represent a critically important target market for banking services. The ability to value, understand and address the specific needs of this segment is now a critical market reality. Existed literature shows that the student market is expanding (Mokhlis *et al.*, 2008).

There are 23 public universities in South Africa. As of January 2010, there were also 78 registered and 22 provisionally registered private higher education institutions. In 2008, the higher education budget was R18.5 billion. Some R15.1 billion of the budget was transferred to higher education institutions as block grants or earmarked funds. In 2007 and 2008 a total of 761,090 and 783,900 students were enrolled in the public higher education institutions respectively. The figure is expected to grow to 836,800 by 2011. South African National Plan for higher education seeks to expand enrolment by setting a target of a 20 percent participation rate by 2015 (South Africa web, 2009). Therefore, students are important in the long term viability and survival of commercial banks in South Africa.

Hinson *et al.* (2009) suggest that in a global climate characterized by financial apprehension after the shock of the global financial melt-down, banks would have to pay the most critical attention to their varied customer audiences in order to rebuild trust and foster new customer loyalty bonds. With growing competitiveness in the banking industry and similarity of services offered by banks it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services.

There are several bases on which consumer markets can be segmented. This include (but not limited to) geographic; demographic, psychographic include lifestyles, personality and social class; and behavioural - benefits sought, and usage patterns (Mokhlis, 2009). Segmentation of customer markets offers commercial banks an influential discriminating method of grouping commercial bank customers in desired and profitable categories, so that their needs and wants may be effectively addressed for the purpose of preparing sound and effective marketing strategies. Previous studies such as Ta and Har (2000), Lee and Marlowe (2003), Arasli, Katircioglu and Smadi (2005) and Senyuçel (2008) on the criteria which young customers use to select commercial bank have focused on developed countries such as Poland, Singapore, United States and Cyprus. Almossawi (2001) points out that although studies done in developed countries have contributed substantially to the literature on bank selection, their findings may not be applicable to other countries, due to differences in cultural, economic and legal environments. A set of determinant factors that have a significant role in bank selection in one nation may prove to be insignificant in another. A few studies such as Almossawi (2001) and Mokhlis *et al.* (2008) have focused on commercial bank selection in developing countries. No known study has investigated the determinants of commercial banks by university students in South Africa. This study seeks to fill the gap. The variations on the perception of choices with regard to determinants will provide a useful insight to banks when selecting their marketing strategies.

2. Objective of the study

According to Sharma and Rao (2010) one promising segment, which has not been given enough attention by previous studies on the determinants of commercial bank selection by customers is the younger age group especially university students. The main objective of the study is to investigate empirically the determinants of the choice of commercial banks by university students in South Africa.

3. Literature review

3.1 Theoretical construct

The theory of constraints (TOC) is a versatile systems methodology that has been developed to assist people and firms to think about their problems, develop breakthrough solutions and implement those solutions successfully.

The theory was developed by Eliyahu Goldratt in 1990 (Mabin and Balderstone, 2003). The constraints begin when the firm loses its customers to its competitors or needs to attract more customers to sustain profitability. Firms use the TOC to assess the causes of customer loss or factors that cause customer gain and loyalty (attraction and retention of customers). Customers choose alternative financial service providers because of quality constraints, speed of service, and staff courtesy among others. Customers expect higher product and service quality than the price they are willing to pay to acquire those products and services (Mabin and Balderstone, 2003). The theory of constraints is highly applicable to commercial banks. Banks are constrained by competitive pressures and a rapidly changing environment and need to attract and retain 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 maximisation objective (Bramorski, Madan and Motwan, 2002).

3.2 Empirical review

According to Almosawi (2001) there are many factors that can influence the choice of commercial banks by customers. One of the factors is secure feeling. Mokhlis (2009) points out that secure feeling reflects the desire of banking with a stable bank and assurance of confidentiality when making a financial transaction. This implies that secure feeling includes both the security at the bank and the security of the bank. Gerrard and Cunningham (2001) conducted a study in Singapore that addresses the issue of how undergraduate students choose the bank to patronise. The survey concludes that for customers to become loyal, banks should emphasise that they can make the undergraduate students feel secure. The key focus of any marketing campaign should be on making customers feel secure more particularly emphasising the bank's stability. Banks should also try to build good brand image, as many of customers prefer to have accounts in prominent banks where security arrangements are good so they can be assured of the safety of their money (Sharma & Rao, 2010).

Renman and Ahmed (2008) reveal that convenience is one of the most important variables influencing customer choices among other factors namely customer services, online banking facilities and overall bank environment. Customers devote much emphasis on electronic services (ATM) which gives them quick and convenient access to the bank service (Mokhlis, 2009). The study conducted by Sharma & Rao (2010) on bank selection criteria employed by MBA students in India concludes that convenience is an important determinant. Factors such as parking facility, free delivery of demand, phone banking, and free home cash delivery suggest that consumers want convenience in banking and they want to save time. Almosawi (2001) points out that proximity and service quality are important factors in commercial bank selection by customers. This suggests that university students will prefer to bank with commercial banks with offices or ATM facilities that are close to their campuses. Almosawi (2001) adds that even though there are schemes which enable ATM card-holders to use ATMs of any bank, they still need to visit the bank when necessary to perform some services which cannot be done through ATMs. According to Mokhlis (2009) service provision came second in terms of relative importance considered by female customers when selecting their banks. The importance of service provision is further evidenced by the study conducted by Gerrard and Cunningham (2001) on how undergraduate students choose the bank to patronise in Singapore.

Cicic, Brkic and Agic (2004) point out cost is another important determinant of commercial bank selection especially for university students. University students are non-income earners, their primary objective is to minimise costs that are associated with financial transactions. This means that student-customers will prefer service charges as the most driving factor. According to Cicic *et al.* (2004) the most important bank selection determinant for the Bosnia and Herzegovina students falls within financial benefits including, first of all, service charges taking into account the low level of living standard and low average income in Bosnia and Herzegovina. On the contrary Cicic *et al.* (2004) point out that factors like close proximity to home and work, and price of the product are perceived to be the least important criteria on the choice of banks.

According to Almosawi (2001) and Lenka, Suar and Mohopatra (2009) another important determinant of commercial bank selection is technology. Managers should realise that young people enjoy dealing with advanced technical devices such as ATMs. This indicates that, in their bank selection, the new generation of customers tend to put more emphasis on the factors which give them quick and convenient access to the bank services, rather than factors related to the hospitality, condition of the bank premises, and location of the bank. Almosawi (2001) notes that the vast majority of young people prefer to use ATMs, not only for their speed and convenience, but also for the mental structure of today's young people who have been very much involved with computer-based activities. According to Karatepea, Yavas and Babakus (2005) and Rao and Sharma (2010), total customer satisfaction is accurately achieved when the management search and identify exactly what customers want. To attract the students who are the future customers of banks, banks had to set up some kind of

hi-tech-services such as ATM, Phone banking, Internet banking, and computerisation. In turn, banks have to understand the customer needs so as to take care of its customer's satisfaction. Gerrard and Cunningham (2001) and Kaynak and Harcas (2005) contend that electronic services are of relative importance. Even though they were not available for that long, the current well-educated generation has been exposed to modern technology in their higher education which will increase their drive to patronise banks that are regarded as technology leaders.

Cicic *et al.* (2004) and Maddern, Maull and Smart (2007) point out that incompetence and lack of courtesy of banks' personnel are major reasons customers exit their banks. The study reveals that customers highly regard knowledgeable and competent personnel coupled with friendly and courteous values to be the most important criteria in patronising banks. Cicic *et al.* (2004) argue that contrary to the studies conducted in developed countries which found that the most important bank selection determinants are related to technology and automated teller machines, friendliness of staff plays a major role in the bank selection process in Bosnia Herzegovina. A study conducted by Almassawi (2001) in Bahrain to examine the bank selection criteria employed by college students in Bahrain, reveal that bank's reputation is one of the key factors. This means that confidence in the bank management leads to the conclusion that the customers consider management to be most responsible for both success and failure of the banks. Creating a positive image in the minds of young people bring them to the understanding that the firm is customer conscious. For today's young people, brand name is one of the major factors that determine their decisions for goods and services. Almassawi (2001) and Haque, Osman and Ismail (2009) add that young people prefer to deal with popular and reputable banks. This implies that banks can attract young people by engaging in various public relations and marketing activities that would give total recognition by the young customers. According to Mokhlis (2009), people influences and recommendations is also among the important factors in selecting a bank for both male and female customers. Almassawi (2001) finds that recommendations of friends and recommendations of relatives are of relevance despite the fact that young people prefer to act independently. In contrast, Gerrard and Cunningham (2001) find that third party influences are of little importance in commercial bank selection by customers.

4. Research methodology

4.1 Population and sample

The study used the quantitative research methodology approach. Quantitative research involves obtaining data from a large group of respondents and is used in descriptive studies to quantify data and generalise the results from the sample to the target population (Hollensen, 2003). The study unit for the research focused on the students at the University of Fort Hare (Alice campus). University of Fort Hare students are faced with a diverse choice of commercial banks situated in Alice town and nearby King Williams Town. These banks are Standard Bank, ABSA Bank, First National Bank, CAPITEC Bank, and NEDCOR. The population of 6257 students was obtained from the Registrations Department of the University. The study used the non-probability (convenience) sampling method. According to Roberts-Lombard (2002:109) convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and accessibility to the researcher. The selection of the sample under convenience sampling depends on the researcher's personal judgement. The use of a convenience sampling method is consistent with the sampling methods used in previous similar empirical studies such as Mokhlis *et al.* (2008). The size of the sample should depend on the size of the target population and the significance of the study. Although there are general rules, thirty cases are sufficient for studies in which statistical analysis is to be done (Cooper and Schindler, 2006). However the researcher distributed two hundred and fifty questionnaires.

Cooper and Schindler (2006) identify three primary data collection methods as observation, experiment and survey. This research used the survey method. Cooper and Schindler (2006) note that the broad area of survey research encompasses any measurement procedures that involve asking questions from respondents. A survey will ask a series of questions that require answers from respondents which are then analyzed at the end of the survey when the participant level has been reached. In survey research, the researcher selects a sample of respondents from a population and administers a standardized questionnaire to them. Gerber-Nel, Nel and Kotze (2005) point out that surveys can be divided into four major types: personal interviews, telephone surveys, mail surveys and self-administered surveys. Data for the research study was gathered through self-administered questionnaires. Self-administered questionnaires are research questionnaires personally delivered to the respondent by the interviewer but completed by a respondent with no interviewer involvement

4.2 Measurement

The research instrument used by the researcher was the questionnaire. The questionnaire consisted of three sections. The first part elicited demographic information from the respondents that was deemed necessary to

achieve the objective of the study. The second part of the questionnaire asked respondents about their banking history. The third part asked the respondents to agree or disagree with certain questions related to the determinants of choice of commercial banks using a five-point Likert scale ranging from “strongly disagree” to “strongly agree”. The questions were adapted from previous studies such as Almosawi (2001) and Mokhlis (2009). This resulted in the development of a forty item questionnaire crucial to bank selection. Close ended questions were limited to demographic information. The questionnaire was pre-tested on 30 university students. The process of pre-testing helped the researcher to identify areas where the questionnaire needed corrections. The Cronbach’s alpha was used as the measure of reliability. The normality of the data was determined by using the Kolmogorov-Smirnov test. The significance of the Kolmogorov-Smirnov test was greater than 0.05 in all the tests. This implies that the normality of the data can be assumed. The pairwise deletion method was used to treat missing values.

Data analysis was done using descriptive statistics, principal component analysis, T-test and ANOVA. This research study uses varimax orthogonal rotation method developed by Kaiser (1958). Principal components with Eigenvalues greater than one are usually retained. Items with factor loading lower than 0.300 were removed as suggested by Leech, Barrett and Morgan (2005). Babbie and Monton, (2002) point out that validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. Validity refers to whether an instrument actually measures what it is supposed to measure given the context in which it is applied. Babbie and Monton, (2002) identify four major types of validity. These are face (content) validity, criterion related validity, content validity and construct validity. The researcher used the following steps to ensure the validity of the study as pointed out by Cooper and Schindler (2003). Using a statistician and a panel of experts to evaluate the research instrument for conceptual clarity; pre-testing the research instrument in a pilot study; using self-administered questionnaires, which generally have a high response rate; comprehensively reviewing the literature for theoretical constructs and empirical conclusions. Babbie and Monton (2002) point out that reliability is concerned with consistency of measures. The Cronbach’s alpha was used as the measure of reliability. The alpha coefficient ranges in value from 0 to 1. The higher the score, the more reliable the generated scale is. Cooper and Schindler (2003) note that a score of 0.7 is the acceptable reliability coefficient.

5. Results and discussions

5.1 Demographics

Two hundred and fifty questionnaires were distributed and one hundred and eighty six questionnaires returned. The response rate was 74%. Gender was almost evenly split in the proportions of 53 percent males and 47 percent females. 22% of the respondents were below 21 years. 50% 21-25 years, 14% 26-30 years, 10% 31-35 years and 4% above 35 years. 68% were undergraduate students and 32% post graduate students. 37% of the respondents were in the Faculty of Management and Commerce, 21% in Sciences, 21% in Social Sciences, 13% in Education and 8% in Law. Out of the 186 respondents that returned the questionnaires, 97% have bank accounts and 3% do not have bank accounts indicating that most university students have bank accounts. 91 percent of them opened their bank accounts when they enrolled as students of the University of Fort Hare. The remaining 9 percent already held bank accounts before they become students at the University. Standard Bank dominates the respondent profile with the proportion of 50 percent, followed by FNB and ABSA with the share of 18 percent and 14 percent respectively. Ned bank and Post bank lie at the bottom with 8 percent and 7 percent share of the sample respondents.

5.2 Determinants of choice of commercial banks

The descriptive statistics of the determinants of the choice of commercial banks are presented in Table 1.

Insert Table 1

The most important factors university students consider when choosing commercial banks have highest mean values. The items with the highest mean values are; ease of opening a bank account (4.29), financial stability of the bank (4.26), and ATM location (4.23), are the most important factors with regard to their mean values. The factors with the lowest means are; parking space (2.67), Influence of lecturers (2.51), and Free gifts for customers (2.47). This means that they are less likely to be considered in choosing commercial banks to patronise. In order to reduce the choice criteria into a manageable number of components, the principal component analysis was used.

Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of sphericity

Insert Table 2

The results ($BTS = 478.064$; $sig. = 0.01$) indicated that the data were appropriate for the purpose of principal component analysis. Statistically, this means that there exist relationships between the variables and that they can be appropriately included in the principal component analysis. The result of the KMO measure of sampling adequacy was 0.721. The results indicate that there are sufficient items for each factor. The two tests support the appropriateness of the factor analysis technique.

Rotated factor Matrix

The rotated factor matrix for motivation is presented in Table 3

Insert Table 3

Six factors with Eigenvalues greater than one account for 78.32% of the total variance. The six factors are further confirmed by the rotation sums of squared loading after Varimax rotation. According to the rules of factor analysis only factors that have Eigenvalues greater than one should be retained. The six factors for choice of commercial banks are presented below in the order of importance as indicated by their contribution to the percentage of total variance. Factor one was labelled as *service*. The Eigenvalue for the factor is 13.684. The factor includes fourteen items. Cronbach's alpha for the factor yielded a value of 0.762 indicating the reliability of the factor. Factor two was labelled *proximity*. The Eigenvalue for the factor is 25.210. The factor includes two items. Cronbach's alpha for the factor yielded a value of 0.821 indicating the reliability of the factor. Factor three was labelled *attractiveness*. The Eigenvalue for the factor is 8.764. The factor consists of five items. Cronbach's alpha for the factor yielded a value of 0.795 indicating the reliability of the factor. Factor four was labelled as *recommendations*. The Eigenvalue for the factor is 3.648. The factor consists of six items. Cronbach's alpha for the factor yielded a value of 0.844 indicating the reliability of the factor. Factor five was labelled as *marketing*. The Eigenvalue for the factor is 2.532. The factor consists of six items. Cronbach's alpha for the factor yielded a value of 0.798 indicating the reliability of the factor. Factor 6 was labelled *price*. The Eigenvalue for the factor is 2.711. The factor consists of four items. Cronbach's alpha for the factor yielded a value of 0.751 indicating the reliability of the factor. Forty questions (items) were rotated to find their factor loading. From the total of forty items, thirty seven items had factor loading above 0.3 and were retained. Three items which are free gifts to students, financial counselling and availability of public transport had factor loadings lower than 0.3 and were removed as suggested by Leech, Barrett and Morgan (2005).

Mean Factor scores

Insert Table 4

Table 4 shows that the most important determinant of the choice of commercial banks by university student is services with a mean score of 4.53 on a five point Likert scale. This is followed by attractiveness with a mean score of 4.11. Price though significant has the lowest mean score of 3.52.

The T-test was used to determine if there are significant differences in the mean scores for gender (male and female) and academic level (undergraduate and post graduates).

Insert Table 5

The results of the T-test show that there are no significant differences in the mean scores of males and females (gender) and undergraduates and post graduates (academic level) with respect to the six factors

The Analysis of variance (ANOVA) was used to determine if there are significant differences in the mean scores of the different age groups and faculties.

Insert Table 6

The results of the ANOVA show that there are no significant differences in the mean scores of the age groups and faculty with respect to the six factors.

6. Managerial implications and recommendations

The study makes important contribution to the body of literature on the determinants of the choice of commercial banks by university students from the South African perspective where empirical studies are virtually non-existent. The theoretical foundation of the study is the theory of constraints. South African banks are faced with the constraint of competitive pressure and a rapidly changing business environment. Empirically the study identified the important determinants of commercial bank selection by young customers and therefore can help bank management to determine their strategies to attract and retain university student which is an important market segment for commercial banks. The findings of the study revealed that university students place a huge emphasis on services when selecting their banks. Commercial banks should make it easy for university students

to open accounts by having regular account opening days or by allowing accounts to be opened online. This will reduce or eliminate the need for university students to go to bank branches to open accounts. In addition, ATMs should be located by banks at strategic points within the university campuses to allow for quick transactions. Also, university students want to be able to effect banking transactions at home. A growing number of university students come from previously disadvantaged areas called "locations" in South Africa. Most locations do not have bank branches. This implies that students even if they are able to effect transactions on the campus cannot do so at home. There is the need for South African banks to speed up the process of opening branches in the locations. This will also improve proximity which is another significant determinant of commercial bank selection. Bank management should also strive to reduce transaction times by having more tellers especially for transactions that need to be done inside the bank. Easy access to foreign exchange is also very important especially for international students. South African universities remain the most affordable destination for foreign students from other African countries. Buying and selling of foreign exchange should be decentralised to local branches within university campuses. It is also incumbent on bank management to ensure that their branches are attractive, their workers are friendly and there is adequate parking space for university students with cars.

The study reveals that technology plays an important role in the selection of banks by university students. In today's environment, customers require more and more personalised and value added services like ATM, e-Banking, and Phone banking. All these factors suggest that students do not want to spend their valuable time in a queue. This entails that the customer wants speed in the services. While technology has altered the delivery mechanism of banks products and services, distancing the customer from the bank counter, it has in no way altered the need for friendly service. As a result, should improve on the interpersonal skills of their employees. Banks should regularly conduct marketing research in the related field to monitor the change in customer patterns and needs. The fact that university students represent the future working class means that proper management of their needs will guarantee banks a lucrative long-term market. Commercial banks should also ensure low service charges and high interest on accounts held by university students. The results of the present study provide a basis for banks to create more effective marketing campaigns with the aim of attracting and retaining university students. The South Africa's banking environment is highly competitive despite the high concentration meaning that customers can easily switch. This means that banks should distinguish themselves in terms of the quality and reliable services they give to university students.

7. Limitations of the study

The study was limited to university students. The study concentrated only on one university among 23 public universities in South Africa. Because of the limitations pointed out, care should be exercised in the interpretation and the application of the results of this study and the generalisation of the findings to the whole of South Africa. The study also captures a single segment of the entire customer base (students) it did not focus on other customers who are lucrative in the banking system which include; civil servants, and private sector employees.

8. Areas for further study

The study did not include comparison options. For comparative purposes, the future research could be simulated with a sampling frame composed of customers with a different cultural background such as foreign students or emigrants. In addition, future studies can also examine dimensions that influence customers to engage in switching behaviour from one bank to another.

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Table 1. Descriptive statistics of the determinants of the choice of commercial banks

Ranking	Variable	Mean	Standard Error
1	Easy of opening an account	4.95	0.11
2	Availability of ATM in several locations	4.93	0.27
3	Availability of ATM 24 hours	4.93	0.19
4	Provision of fast and efficient service	4.91	0.12
5	Convenient Branch location	4.81	0.11
6	Appropriate range of service offered	4.81	0.14
7	Branch opening hours	4.69	0.12
8	Sponsor uses the same bank	4.69	0.11
9	Pleasant bank atmosphere	4.65	0.12
10	Staff courtesy	4.63	0.11
11	Proximity to the university	4.59	0.18
12	Reputation of the bank	4.52	0.11
13	Professionalism of bank staff	4.49	0.27
14	Adequate number of tellers	4.49	0.14
15	Attractiveness of bank building	4.43	0.13
16	Influence of parents	4.43	0.14
17	Cell phone banking facilities	4.27	0.13
18	Regular Bank statement	4.12	0.14
19	Several branches	3.99	0.14
20	Proximity to home	3.98	0.12
21	Appearance and attire of staff	3.93	0.15
22	The school use the same bank	3.89	0.14
23	Interior décor of building	3.81	0.12
24	Low service charges	3.81	0.13
25	Recommendations of friends	3.76	0.12
26	Parking space	3.75	0.10
27	Recommendations of relatives	3.75	0.13
28	Influential marketing campaign	3.74	0.22
29	Internet banking facility	3.69	0.14
30	Foreign exchange	3.69	0.41
31	Financial stability of the bank	3.69	0.14
32	Influence of lecturers	3.53	0.13
33	Bank open day at the university	3.49	0.13
34	Confidentiality	3.43	0.15
35	Grants to students	3.33	0.26
36	Higher returns (interest) on savings	3.15	0.13
37	Career development program	3.01	0.12
38	Financial counselling services	2.95	0.12
39	Available public transport nearby	2.94	0.21
40	Free gifts for customers	2.81	0.10

Table 2. KMO and BTS

Variables	
KMO	0.721
BTS	478.064
Sig.	0.01

Sig. at 0.05 (2-tailed)

Table 3. Rotated factor loading and Cronbach's alpha

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
Easy of opening an account	0.837					
Availability of ATM in several locations	0.783					
Availability of ATM 24 hours	0.759					
Convenient Branch location	0.546					
Appropriate range of service offered	0.534					
Provision of fast and efficient service	0.533					
Branch opening hours	0.533					
Staff courtesy	0.505					
Professionalism of bank staff	0.491					
Adequate number of tellers	0.458					
Cell phone banking facilities	0.447					
Regular Bank statement	0.431					
Internet banking facility	0.421					
Foreign exchange	0.414					
Proximity to the university		0.844				
Proximity to home		0.752				
Pleasant bank atmosphere			0.765			
Attractiveness of bank building			0.687			
Appearance and attire of staff			0.567			
Interior décor of building			0.434			
Parking space			0.301			
Sponsor uses the same bank				0.734		
Influence of parents				0.606		
The school use the same bank				0.594		
Recommendations of friends				0.541		
Recommendations of relatives				0.427		
Influence of lecturers				0.421		
Reputation of the bank					0.897	
Several branches					0.727	
Influential marketing campaign					0.613	
Bank open day at the university					0.563	
Grants to students					0.494	
Career development program					0.444	
Low service charges						0.817
Financial stability of the bank						0.761
Confidentiality						0.538
Higher returns (interest) on savings						0.432
Eigen values	33.68	25.21	8.76	4.32	3.64	2.71
Cronbach's alpha	0.762	0.821	0.795	0.844	0.795	0.751

(Items with factors loading less than 0.300 will be omitted)

Table 4. Mean factor scores

Factor	Mean
Services	4.53
Proximity	4.29
Attractiveness	4.11
Recommendations	4.01
Marketing	3.68
Price	3.52

Table 5. T-test results for gender and academic level

Factor	Gender		Academic Level	
	T	P value	T	P value
Services	2.73	.031	2.97	.021
Proximity	2.21	.011	2.81	.014
Attractiveness	2.14	.040	2.54	.017
Recommendations	2.05	.027	1.91	.035
Marketing	1.39	.023	1.33	.013
Price	1.37	.022	1.31	.031

Significant at $p < 0.05$

Table 6. ANOVA results for age and faculty

Factor	Age		Faculty	
	F	P value	F	P value
Services	0.456	0.31	0.279	0.25
Proximity	0.624	0.39	0.701	0.35
Attractiveness	0.727	0.22	0.432	0.18
Recommendations	0.404	0.27	0.634	0.25
Marketing	0.361	0.41	0.433	0.27
Price	0.508	0.49	0.396	0.41