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Determinants of bank selection by university undergrads in south east Nigeria: empirical evidence

Anayo D. Nkamnebe

Department of Marketing, Nnamdi Azikiwe University, Anambra State, Nigeria

Steve Ukenna

Department of Business Management, Godfrey Okoye University, Enugu, Nigeria

Carol Anionwu

Department of Business Administration, Cross River State University, Calabar, Nigeria, and

Victoria Chibuike

Department of Business Management, Godfrey Okoye University, Enugu, Nigeria

Abstract

Purpose – The purpose of this paper is to identify and ranks factors that influence bank selection by undergrads in South East Nigeria.

Design/methodology/approach – Totally, 300 undergrads were sampled from two universities. Five-point Likert-type question containing 49 bank selection items was designed to collect primary data. Cronbach's α was used to test the reliability of the instrument while factor analysis with principal component extraction was used to identify the underlying factors.

Findings – Six principal factors were identified and ranked in order of importance. These factors are: bank's financial stability, available and functional ATMs, professional bank staff, family and friends influence, proximity of bank branch to university campus, and internal and external aesthetics of bank.

Practical implications – This study provides insight on the factors that influence the selection of a bank in the emerging and growing undergrads segment of bank market in Nigeria, which has obvious management and theory implications.

Originality/value – Reports bank selection criteria from apparently under-researched and under-reported undergrad segment in a typical sub-Saharan African context.

Keywords Consumer behaviour, Bank selection, Nigeria, Bank marketing

Paper type Research paper

Introduction

Extant literature is replete with studies on bank selection criteria employed by bank customers including the undergrads (see, e.g. Anderson *et al.*, 1976; Edris and Almahmeed, 1997; Hinson *et al.*, 2009; Mokhlis, 2009; Thwaites *et al.*, 1997; Thwaites and Vere, 1995; Gerrard and Cunningham, 2001). Arguably, these studies have provided penetrating insights on the initial factors that attract customers to banks, thereby providing bank management with invaluable information for optimising marketing efficiencies in terms of customer attraction and retention (Kaynak and Kucukemiroglu, 1992; Hinson *et al.*, 2009; Narteh and Owusu-Frimpong, 2011); and to understand the increasing dynamic of retail bank market. However, despite the obvious rich literature in this area, theory construction has been hampered due

largely to the country-specific nature of the studies, which makes generalisation difficult. Equally, it is observed that the fluidity of bank customer behaviour and the rapid emergence of hitherto underdeveloped undergrad bank customers segment in Nigeria make existing customers' bank selection criteria transient and inapplicable in all contexts including Nigeria.

Arguably, these factors necessitate context-specific studies to understand current factors that determine undergrads' bank selection criteria. Accordingly, the present study seeks to identify factors that determine bank selection by the fast emerging undergrad bank customers in Nigeria. The justification for the present study is grounded on the following arguments: first, the growth in the Nigerian university students and by extension, the undergrad banking market is phenomenal, doubling every four or five years and probably faster than anywhere else in the world. Second, unlike before, virtually all the financial relations between universities and students are now conducted through the banking system, which necessitates deeper insight into the nature of this bank customer segment. Third, with the widespread of ATM and the requirement that small withdrawals from the bank must be done through the ATM, students have no option that to become bank customers.

Evidently, these unfolding scenarios require appropriate strategic response by the Nigerian banks to understand key factors undergrads consider in selecting a bank. After the foregoing introduction, the rest of the paper is divided into the following major headings: literature review, method, analysis, discussion, implications, and conclusions and suggestion for further research.

The Nigerian banking system in context

Nigeria's first bank, the African Banking Corporation, was established in 1892, older than the central bank that was licensed in 1958. Since then, the system has witnessed undulated trajectory arising from lack of regulation to weak corporate governance that resulted to bank failures, loss of deposits and erosion of customers' confidence in the banking system. In 1988, the Nigeria Deposit Insurance Corporation was established with the principal objective of providing security in the banking system in Nigeria. As at 31 December 2010, the corporation had paid a total of N7.597 billion insured deposits to insured depositors of the bank-in-liquidation. In addition, series of reforms were made as intervention to sustain the system. Alagba and Ogbor and Osemeke (2011) classified the reforms into six: free banking era (1892-1951); Emergence of Banking Regulation (1952-1958); Era of Consolidated Growth/Establishment of Central Bank of Nigeria (CBN) (1959-1985); Era of Financial System Deregulation (1986-1993); Soludo Era (2004-2009); and Sanusi Lamido Sanusi era (2009 till date).

The free banking era, which spanned from 1892 to 1951, was mainly characterised by free entry and exit in the banking industry as the few early commercial banks in Nigeria are of foreign origin (mainly the Bank of British West Africa and the Barclays Bank) designed to facilitate colonial business interest as there was absence of any indigenous law governing the establishment and running of the banks during this period. Most banks at this era were established hurriedly and also went into liquidation hurriedly due to high fraudulent activities resulting in declining public confidence. The Emergence of Banking Regulation era (1952-1958) witnessed the enactment of the Nigerian Banking Ordinance in 1952 to quickly arrest the fraudulent activities that characterised the free banking era, which was the first attempt to regulate banking business in Nigeria with indigenous law. Alagba and Ogbor noted that the Ordinance prevented the "establishment of unviable commercial banks; provided orderly manner

for the conduct of banking business; and reduced the incidence of banking failure" (p5). The Era of Consolidated Growth spanned from 1959 to 1985 mainly witnessed the establishment of the CBN via the CBN Act of in 1958 and by July 1959 the bank commenced work as apex regulatory body in the financial system. In addition, this period witnessed the establishment of the capital market known as the Nigerian Stock Market which was a metamorphosis of the Lagos Stock Exchange market. When taken together, the key feature of the above three eras is the high bank regulation with its concomitant few banks from which arguably resulted to low banking behaviour among Nigerians.

The Era of Financial System Deregulation spanned 1986 all through 1993. It is an era that witnessed sweeping changes in the Nigerian banking sector mainly because it coincided with the adoption of Structural Adjustment Programme. Among several changes in this era, two notable changes are: the phenomenal growth in banks from 41 in 1986 to 119 in 1991 following the reduction in the conditions for licensing new banks; and the introduction of the inter-bank Foreign Exchange Market and the foreign currency Domiciliary Accounts. Before the Soludo Era (2004-2009), Balogun (2007) noted two in-between eras, namely: Era of Reintroduction of Deregulation (1993-1998) and Era of Advent of Democracy (1999-2004). While the Era of Reintroduction of Deregulation witnesses the re-introduction of regulation, the Era of Advent of Democracy features include return to deregulation and the universal banking system was introduced. The Soludo Era, which was christened after Professor Charles Soludo the CBN Governor, spanned from 2004 to 2009. Following the Soludo's argument that the Nigerian financial system could not deliver on its defined roles, the CBN made some key reforms among of which include the recapitalisation of banks capital base from N2 billion to N25 billion leading to the reduction of commercial banks from 89 to 25 bank and the concept of Micro finance bank was introduced. The Sanusi Lamido Sanusi era (2009 till date) is also christened after the current CBN Governor, Alhaji Sanusi Lamido Sanusi. Key reforms by Sanusi include the establishment of Asset Management Company to stimulate the growth of the capital market; the reduction of number of banks from 25 to 24; banks CEOs to spend a maximum of ten years in office; abolition of universal banking; and introduction of categorisation of commercial banks into three – regional banks, national banks, and international/ global banks.

Osemeke (2011) noted that no single bank has collapsed since year 2005 and no depositor has lost his/her money as a result of the banking sector crisis. He further informed that the 24 banks have improved significantly compared to the crisis period and the financial system has been stabilised. Even though cumulative effect of these reforms has led to increasing confidence in the system, yet, some level of apprehensions still exist among the banking public.

Literature review
This review briefly examines general factors that determine bank selection and specifically considers factors that attract undergrads to a bank.

Bank selection criteria employed by the general public
Mainstream studies in bank selection are replete with studies on bank selection criteria employed by the general public. Early studies were mainly executed in the USA and Canada. For instance, as early as late 1960s researchers documented a number of factors that influence bank selection, including convenient location to home or

place of business; length of bank-customers relationships; and quality of services (Kaufman, 1967). By the early 1970s, Reed (1972) reported "locational convenience" as key bank selection criterion. This was followed by a study of Mason and Mayer (1974), documented friendly personnel; favourable loan experience; advice of friends; and influence of relatives as prevailing factors that determine customers selection of banks. An interesting finding in the study of Mason and Mayer is the influence of friends and relatives in bank selection. Fitts (1975) equally conducted a study and reported that the key bank selection criteria are full bank service; customer orientation; pleasant banking experience; convenience of time; shopping accessibility; and personal influence. Fitts study corroborates Mason and Mayer's study to the extent that both study agree that "personal influence" or "friends and relatives influence" are crucial in potential customer's bank selection decision.

Another study in the USA by Riggall (1980) identified convenience of location to home or work, influence of friends, low service charges, availability of ATM, and employer's bank as importance factors in bank selection. In the Riggall's study some factors are in agreement with earlier studies in the USA. For instance Riggall reported convenience of location, which were earlier reported by Kaufman (1967) and Reed (1972); influence of friends, which was earlier reported by Mason and Mayer (1974) and Fitts (1975). Key finding of Riggall's study that is striking and different from studies before 1980 is the addition of "availability of ATM" as key factor influencing bank selection, which suggest that technological factor began to be a criteria in bank selection in the 1980s in the USA. Another study in the mid 1980s by Laroche *et al.* (1986) that was executed in Canada reported friendliness of bank staff, hours of operations, size of waiting lines, convenience of location, and efficiency of personnel as key drivers of bank selection. The Canadian study by Laroche *et al.* agrees with the findings of other USA studies wherein convenient location (e.g. Kaufman, 1967; Reed, 1972; Fitts, 1975), friendly and efficient bank staff (e.g. Mason and Mayer, 1974). The missing factors in the Laroche *et al.* study which are also likely to be vital in modern day bank selection behaviour as reported in earlier studies are "friends and relatives influence" (Mason and Mayer, 1974; Fitts, 1975) and the "availability of ATMs". Other later studies in the US confirm some factors previously reported in the literature, these include convenient location, availability of ATM and friends and relatives influence (Javalgi *et al.*, 1989; Boyd *et al.*, 1994; Yue and Tom, 1995; Coyle, 1999). Two major selection factors that are common in recent studies but not reported in previous studies in America are bank reputation and speedy/efficient services (Javalgi *et al.*, 1989; Boyd *et al.*, 1994; Yue and Tom, 1995; Coyle, 1999).

Scholars in Europe have also reported bank selection criteria. For instance, studies have been executed in Finland (e.g. Holstius and Kaynak, 1995), UK (e.g. Lewis, 1982), Turkey (e.g. Kaynak *et al.*, 1991), Greece (e.g. Mylonakis *et al.*, 1998), and Sweden (e.g. Martenson, 2007). These and other more recent studies in Europe (see, e.g. Martenson, 2007; Mylonakis *et al.*, 1998) corroborate bank selection factors reported in most US studies. Among the factors reported are: fast and efficient service (Holstius and Kaynak, 1995; Kaynak *et al.*, 1991), convenient location (Holstius and Kaynak, 1995; Kaynak *et al.*, 1991; Mylonakis *et al.*, 1998; Martenson, 2007; Lewis, 1982), availability of ATM (Martenson, 2007; Mylonakis *et al.*, 1998), friends/family/relatives or personal influence (Martenson, 2007; Mylonakis *et al.*, 1998), bank reputation (Lewis, 1982). Additionally, Asian studies have reported factors that influence bank selection. These studies cover Jordan (e.g. Erol *et al.*, 1990); Hong Kong (e.g. Kaynak and Kucukemiroglu, 1992); Malaysia (e.g. Haron *et al.*, 1994); and Singapore (e.g. Gerrard

and Cunningham, 1997) among others. These studies collaborate most of the findings reported in the USA and Europe. For instance, a summary of the key bank selection criteria in most Asian studies that agree with key factors reported in both American and European include convenient location, bank reputation, confidentiality of bank, friends and relatives influence, fast and efficient service, and availability of ATM. Bank financial stability is a factors reported by most of the Asian studies, which were not mentioned by majority of American and European studies. The reason for this may be unconnected with the level of sophistication in the industry; everything being equal, the more sophisticated the financial system the less customers may not worry with stability. However, the event in the recent time where strong banks in the USA disappeared due to corruption and economic meltdown requires would necessitate further study.

Few African studies have also been reported, which corroborate most of the mainstream findings. For instance, in a Nigerian study, safety of funds, efficient service, speed of transaction, and recommendation by relatives/friends were reported as factors that influence customers' selection of banks in Nigeria (Omar, 2008). Ghanaian studies report proximity and accessibility (Hinson *et al.*, 2009) and technological factors, services factors, and bank image factors (Narteh and Owusu-Frimpong, 2011) as bank selection factors.

Bank selection criteria employed by the undergraduate segment

Comparatively, very few studies have been reported on the factors that underpin the selection of banks by the undergrads. Most American studies in the segment of undergrads bank selection criteria report such common findings as convenience of location, availability of ATM, low interest charges on loan, and family/relatives influence. For instance, the study of Schram (1991) reports convenience of location; family tradition; and widespread ATM network. In another study which examined 209 undergrads Kazeh and Decker (1993) document service charges; reputation; interest charged on loans; quick loan approval; and friendly tellers as factors that influence bank selection by the undergrads. In another study Pass (2006) reports pricing (or interest rate on loan) and convenience of location as the key factors influencing undergrads bank selection.

European studies show that the earliest study was conducted in 1977 in the UK. In the study, Gray (1977) reported that convenience of location is the key factor influencing undergrads bank selection. In another UK study by Lewis (1982) the key bank selection factors of undergrads are convenience of location and same bank with parents. In the study by Thwaites and Vere (1995), two factors were identified, namely, proximity of ATM to college and free banking as the key factors influencing bank selection. In another study that sampled 300 undergrads in Bosnia, Cicic *et al.* (2004) reported five key factors that influence undergrads' bank selection, which include reception at the bank, friendliness of bank personnel, low service charges, ease of opening a current account, and confidence in bank management.

A number of Asian studies report some factors that influence bank selection by undergrads in Asia. For instance a study conducted in Singapore by Poh (1996) showed that widespread ATM and speed of service are the core drivers of undergraduate bank selection. Although the Poh's study did not indicate convenience of location as a key influencing factors, but a study by Huu and Kar (2000) in Singapore pointed out locational convenience as the key factor influencing undergrads' bank selection. In another study in Singapore, Gerrard and Cunningham (2001) reported that key bank

selection factors of undergrads are feeling of security, electronic banking services, provision of quality services, and convenience of location. A study by Almossawi (2001) which examined 1,000 undergrads in Bahrain reported that bank's reputation, availability of parking space near the bank, friendliness of bank personnel, and availability and location of ATMs are the key factors that drive undergrads in bank selection in Bahrain. In study in Malaysia by Mokhlis (2009), secure feeling, ATM services, financial services provision, branch location proximity, marketing promotion, and family and relatives' influence. Thwaites *et al.* (1997) corroborated the findings of some previous studies in their New Zealand study whereby they reported that fast and efficient service, friendly, and helpful staff, and reputation of the bank are the key factors influencing bank selection among undergrads.

The review of available literature shows that studies relating to the bank selection criteria employed by undergrads are largely dominated by European and Asian studies. Granted that these studies have contributed significantly to the literature of bank marketing, arguably, their findings may not be applicable to other countries due to differences in cultural, economic, and legal environment (Cicic *et al.,* 2004). Apparently, African studies are scanty both for the general public and the undergrads, which underscores the need for the present study.

Method
A structured questionnaire, comprising 49 factors was used to evaluate undergrads' selection of banks. These factors were drawn from literature (see, e.g. Mokhlis, 2009; Almossawi, 2001; Gerrard and Cunningham, 2001; Nkamnebe and Ukenna, 2010). Respondents were asked, "to what extent are the following 49 factors important in your choice of a bank?", and the 49 factors were measured on a five-point Likert-type scale from 1 "not important at all" to 5 "very important". The testing of the instrument was done at two levels. First, the instrument was pretested on 55 second-year undergrads. As much as possible, anonymity was ensured by removing statements that could be linked to the researcher, and the questionnaire was made "respondent friendly". This is consistent with the suggestion by Mokhlis (2009) who advocated for instruments to be free from bias and undue interference; "be very free with their responses, make suggestions for improvement for unbiased and delineate any difficulties they found" .The pretest revealed the need to rephrase certain technical and potentially ambiguous words. After the instrument was corrected and simplified based on the pretesting, a revised instrument was developed, which was administered on the same group of 55 undergrads. Using their responses, the instrument was subjected to reliability test using the Cronbach's α. The Cronbach's α reliability statistics is 0.926 or 93 per cent, which is considered sufficiently high for social sciences research (see Hair *et al.*, 2010). The students who were included in the pretest stage were excluded in the completion of the final version of the survey instrument.

The sample comprise of university undergrads drawn from two universities. These universities were purposively selected because of high presence of banks in the campuses that are expected to foster high banking habit among undergrads. Again, sample sizes of 150 undergrads, were purposively drawn from each of the universities. The study did not discriminate on students' course of study and sex. Expectedly, 300 copies of completed questionnaire were returned thereby leading to a 100 per cent return rate. The questionnaires were distributed to willing students during classes with the assistance of course lecturers, which explains the high response rate. After editing, only 274 copies were deemed fit for final analysis, which represents 91.33 per cent.

Analysis

Principal component analysis (PCA), with varimax rotation, was used to analyse the responses. PCA is a multivariate technique that simultaneously analyses more than two (indeed tens and hundreds of) variables in order to identify and describe some underlying dimensions which may not be obvious and indeed, may not be measurable in a set of data, yet could be critical in explaining the behaviour or character of such data (Nkamnebe, 2004). The responses within the various factor groups were tested for internal reliability using Cronbach's α. The PCA with orthogonal (varimax) factor solution rotation was employed in the exploratory factor analysis to extract factors that could be used to describe the original construct for the analysis. Factors were considered significant and retained only if they had an eigenvalue of at least 1, and variable with factor loading of at least 0.50 (Hair *et al.*, 2010). This is consistent with Hair *et al.* (2010, p. 18), who notes that "although factor loadings of 0.30 to 0.40 are minimally acceptable, values greater than 0.50 are generally considered necessary for practical significance".

The most critical factor likely to influence undergraduate bank selection were identified, rank-ordered in order of importance and subjected to PCA. The resulting rankings by students were captured using Spearman to determine if there was overall agreement among students from the two universities.

Out of the 274 copies of the questionnaire used for the final analysis, 61.7 per cent of the respondents are male undergraduate students and 38.3 per cent are female undergraduate students. Various undergraduate academic levels where represented, for example 9.1 per cent were in the first year; 48.2 per cent were in their second year; 19.3 per cent were in their third year; 18.2 per cent were in their fourth year; and 5.1 were in their fifth year. With respect to the respondents' age, 33.2 per cent of the respondents are within 18-20 yrs age bracket; 57.3 per cent are within 21-25 yrs age bracket; 8.4 per cent are within 26-29 yrs age bracket; and 1.1 per cent are either 30 yrs or above. The marital status of the undergraduate respondents indicates that 97.8 per cent of the respondents are single while 2.2 per cent are married. All the respondents (i.e. 100 per cent) have a savings account with a bank with branch within or around the university campus.

Undergraduate bank selection factors

To determine the factors that played prominent role in the undergrads' bank selection, the 49 items were subjected to PCA using SPSS version 16. Prior to performing PCA, the suitability of the data for factor analysis was assessed using Kaiser-Meyer-Oklin measure of sampling adequacy. Inspection of the correlation matrix revealed the presence of many coefficients of 0.3 and above. The KMO value was 0.854, exceeding the recommended value of 0.6 minimum value suggested a good factor analysis (Pallant, 2010) and Barlett's Test of Spericity (Pallant, 2010), which supports the factorability of the correlation matrix.

PCA revealed the presence of ten components with eigenvalues exceeding 1, explain 12.4 , 3.3, 2.4, 2.1, 2.0, 1.6, 1.5, 1.3, 1.2, and 1.1 per cent, respectively (see Table I), meaning that they are the factors that are likely to influence undergrads' bank selection. These are are labeled: (F1) bank's financial stability and confidentiality, (F2) available and functional ATMs, (F3) professional bank staff, (F4) family and friends influence, (F5) bank branch within and around university campus, and (F6) external and internal aesthetics of bank. Others are: (F7) free gifts and influential promos, (F8) afternoon banking, (F9) low banking charges, and (F10) friendliness of bank staff.

Factor 1 (F1): bank's financial stability – Cronbach α 0.780									
Financial stability of the bank									0.675
Bank has been existing for long									0.620
Factor 2 (F2): available and functional ATM network – Cronbach α 0.860									
Availability of ATM in several locations									0.691
Availability of ATM in the campus									0.775
24 hours availability of ATM services									0.807
Convenient ATM location									0.754
Factor 3 (F3): professional bank staff – Cronbach α 0.735									
Friendliness of bank personnel									0.603
Regular bank statement									0.678
Professionalism of bank staff									0.717
Confidentiality of transaction/customer information									0.520
Factor 4 (F4): family and friends influence – Cronbach α 0.718									
Recommendation of relatives									0.710
Recommendation of friends									0.753
Influence of lecturers									0.688
Influence of parents									0.738
Factor 5 (F5): proximity of bank branch to university campus – Cronbach α 0.612									
Proximity to University									0.707
Branch of is in the university campus									0.675
Factor 6 (F6): external and internal aesthetics of bank – Cronbach α 0.754									
Attractiveness of bank building									0.771
Interior decor of bank building									0.774
Pleasant bank atmosphere									0.615
Factor 7 (F7): free gifts and influential promos – Cronbach α 0.575									
Free gifts for customers									0.531
Influential marketing campaign									0.425
Factor 8 (F8): afternoon banking – Cronbach α 0.529									
Bank opens in the afternoon									0.465
Availability of parking space									0.456
Factor 9 (F9): low bank charges – Cronbach α 0.787									
Low service charges									0.699
Low interest rates on loan									0.648
Factor 10 (F10): friendliness of bank staff – Cronbach α 0.675									
Reception at the bank									0.719

Table I.
Factor analysis results with varimax rotation of undergraduate bank selection criteria

	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10
Eigenvalue	12.431	3.332	2.387	2.148	2.019	1.626	1.526	1.321	1.199	1.152
% Variance	25.369	6.801	4.871	4.384	4.121	3.318	3.114	2.697	2.446	2.351
Cum % variance	25.369	32.170	37.041	41.425	45.546	48.864	51.978	54.675	57.121	61.867

The principal component solution collectively explained more than half of the variance observed in the variable at 61.9 per cent, satisfying the percentage of variance criterion for social sciences research (Hair *et al.*, 2010; Mokhlis, 2009). The Cronbach α was adopted to measure internal reliability by unit weighting items with salient loadings in a factor where Cronbach's α coefficient at 0.5 or higher was considered acceptable (see Mokhlis, 2009). As shown in Table I, the factors of the current study produced α coefficients between 0.529 and 0.860, which indicates high internal consistencies and reliability.

An inspection of the screeplot revealed a clear break after the sixth component for further investigation. This was further supported by the results of Parallel Analysis,

which showed only six components exceeding the corresponding criterion values for randomly generated data matrix of the same size (49 variables × 274 respondents). This is shown in Table II.

Table II compares the first eigenvalue obtained in SPSS with the corresponding first value from the random results generated by parallel analysis. If the eigenvalue is larger than the criterion value from parallel analysis, we retain/accept the factor; if it is less, we reject it. The results of parallel analysis support our decision from the screeplot to retain only six factors for further analysis, which also collectively explains almost half of percentage variance at 48.8 per cent. On the strength of this analysis, there are six important bank selection factors for Nigerian university undergrads. These factors are: bank's financial stability, available and functional ATMs, professional bank staff, family and friends influence, proximity of bank branch to university campus, and internal and external aesthetics of bank.

Ranking of undergrads bank selection criteria

We now use the various mean scores to rank the factors according to their degree of importance. This is exhibited in Table III. A mean score above 4.00 is considered high and a mean score below 4.00 is considered low, with standard deviation of > 0.5. Accordingly, factor with the highest rank, which is considered the most important factor in undergraduate bank selection, is bank's financial stability with the highest mean score of 1.9310. The next is available and functional ATM network with the next highest mean score of 1.0725. Third most important factor is family and friends influence. This is then followed by proximity of bank branch to university campus. The fifth most important criterion in undergraduate bank selection is friendliness and professional bank staff. The sixth factor is internal and external aesthetics.

Component/factor	Actual eigenvalue from PCA	Criterion value from parallel analysis	Decision
1	12.431	2.334	Accept
2	3.332	2.102	Accept
3	2.387	1.903	Accept
4	2.148	1.882	Accept
5	2.019	1.728	Accept
6	1.626	1.602	Accept
7	1.526	1.545	Reject
8	1.321	1.494	Reject
9	1.199	1.367	Reject
10	1.152	1.221	Reject

Table II.
Comparison of eigenvalues from PCA and criterion values from parallel analysis

Factors		$n = 274$	
	Mean	SD	Rank
Bank's financial stability	4.51	1.9310	1
Available and functional ATM network	4.33	1.0725	2
Family and friends influence	4.30	1.0965	3
Proximity of bank branch to university campus	4.21	1.1267	4
Professional bank staff	4.04	1.0960	5
Internal and external aesthetics	3.89	0.8320	6

Table III.
Ranking of undergrads bank selection criteria in Nigeria

The resulting rankings by students were captured using Spearman rho to determine if there was overall agreement among students from the two universities. This is shown in Table IV.

Table IV shows those factors that correlate significantly between the two universities. On the whole, all the factors have strong positive correlation between respondents of the two universities, which means that there is agreement among respondents that these factors are core bank selection criteria to undergrads; hence, reinforcing the six undergrad bank selection factors.

Discussion

As shown in Table III, the first most important factor of undergrad bank selection is financial stability of the bank. Arguably, bank failures in the Nigeria's banking system especially before the bank consolidation era may be responsible for the emphasis on the health of a bank by the undergrads. Arguably, the heavy financial losses incurred by bank customers ought to have caused fear and loss of confidence among Nigeria's banking public. This behaviour has been reported in the mainstream research (see, e.g. Gerrard and Cunningham, 1997; Thwaites and Vere, 1995; Almossawi, 2001; Mokhlis, 2009) wherein "secure feeling" was found to be the most important bank selection criteria of undergrads. In a similar study, Mokhlis (2009, p. 25) concludes that "secure feeling reflects students desire of banking with a stable bank and assurance of confidentiality when making a transaction". This has very important implications. Even though it may be argued that some Nigerian undergrads may not be experts in financial analysis, yet, they are most likely to be looking out for information in the media that would give them a glimpse of bank's financial status. This means that marketing managers must keep track of what may come in contact with their customers and manage such information accordingly. Given the increasing popularity of the social media among undergrads, it might make sense for managers of banking institutions to monitor discussions on the medium and possibly expore using it to reinforce their total marketing communications portfolio. Particularly, the statements from such credible sources as the CBN and National Deposit Insurance Scheme (NDIS) must be tracked and managed proactively.

The second most important factor is available and functional ATM network. This finding suggests that the undergrads segment seems to put more emphasis on ICT-driven banking services (i.e. functional ATMs). This is due to the fact that most of Nigerian undergrads are ICT compliant as Nigeria is currently experiencing unprecedented growth, the highest in Africa, coupled with the recent cashless economy policy of CBN that compels most small withdrawals to be made through the ATMs. Therefore the emphasis on functional and conveniently located ATMs will be increasing

Item	Correlation coefficient
Bank's financial stability	0.732**
Available and functional ATM network	0.776**
Family and friends influence	0.521*
Proximity of bank branch to university campus	0.531*
Professional bank staff	0.531**
Internal and external aesthetics	0.623*
Notes: *$p < 0.05$; **$p < 0.01$	

Table IV.
Spearman's ρ correlation: factors influencing undergrad bank selection

in importance and will become strategic for bank competitiveness. This second most important factor is also the second most important factor in the Malaysian study of Mokhlis (2009) and Singaporean study of Gerrard and Cunningham (1997).

The third most important criterion, family and friends influence, is not surprising considering family influence is deeply rooted in African culture. The family influence could be as result of the fact that their parents/guardians are using same bank, which makes it convenient for them to transfer funds to their wards. One implication of this would be that undergrads are unlikely to act on their own regarding bank selection in all situations as some factors may intervene and moderate their actions. This finding corroborates the UK study of Lewis (1982) that one of the key factors influencing undergrads bank selection is that their parents use the same bank. Similarly, Schram (1991, p. 76) reported "family tradition" as a key factor influencing undergrads' segment bank selection. Other previous studies wherein family/relatives/friends influences have been reported in undergrads bank selection include Mokhlis (2009) and Thwaites *et al.* (1997).

The fourth most important criterion, proximity of bank branch to university campus, has again reinforced the findings of previous studies that convenience of location (e.g. Huu and Kar, 2000; Gray 1977; Lewis, 1982) and wide branch network (e.g. Mokhlis, 2009) are critical in bank selection of undergrads. This criterion is critical mainly because the students might have other need that an ATM may not be able to provide, which will warrant them to actually visit the bank. In this case, the student will favour the bank with branch around or within the campus. Indeed, in the context of the study, students are more likely to use the same bank that are used by their universities or recommended by their university for reason of convenience and other factors.

The fifth criterion, professional staff, is both employee and service related. The import of this is that students will favour a bank they can adjudge to possess "great staff", which might include courteousness and friendly, and willing to deliver solution efficiently.

Lastly, the sixth criterion, external and internal aesthetics of banks, is key selection factor, but its influence is minimal as shown by the very low mean score. Although no previous study reported this factor, but, based on our finding, this factor influences undergrads' in Nigeria. This may particularly apply where a fresh undergrad would be faced with the choice of a bank and has no immediate objective measure to determine a bank's healthiness.

Implication and conclusion
The results of this study provide significant guidance for bank marketers in terms of crafting evidence-based strategy for attracting the undergrads segment of Nigeria's bank customers. Evidently, emphasis on bank's financial stability of banks would help in attracting the emerging undergrads segment. This will provide the much-needed assurance that is required to assuage bank customers' fear about bank failure that characterised Nigerian banking system in the past. Also, to optimise the returns from the undergrads segment, banks should focus on the potentials of ATM network as this has become a new frontier to compete in this emerging segment in Nigeria. Elsewhere, studies confirm the wisdom in factoring ATM deployment as viable marketing strategy (e.g. Gerrard and Cunningham, 1997).

Earlier we remarked that ATM alone cannot meet the diverse needs of the undergrads, therefore, well thought out branch network should compliment ATMs,

preferably locating bank branches within campuses could be a rewarding strategic choice. Apart from the location convenience to the student, there are a number of reasons why a student would want to open account with a bank that has branch in the campus. First, it saves time as students would rather not waste much of valuable study and lecture time on travelling outside the campus to do a transaction in a bank. Second, moving outside the campus carries some additional risk and expenses that most students would be reluctant to take or incur. This is particularly important for sub Sahara African contexts where some universities are located outside locations with bank branches. The factor, professional bank staff, suggests that bank management should continue to emphasise training of staff with emphasis on customer care.

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Corresponding author

Professor Anayo D. Nkamnebe can be contacted at: nkamnebe@yahoo.com