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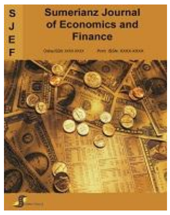

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Choice of Types of Saving Institutions in Bamenda Municipality

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Abstract

The growth in types and number of financial institutions in Bamenda and beyond has posed serious challenges on financial institutions as they strive to gain and maintain greater market shares. Based on the above premise, this paper sets out to investigate the drivers of customers’ choice of saving institutions in Bamenda Municipality; which can be grouped into four (Njangi houses, Microfinance, Commercial Banks, Mobile Money Services). Data were primary in nature, purposively collected through self-administered questionnaire to 600 respondents. This paper used multinomial logit model to analyse the data with the help of STATA 14. The paper found out that the sociocultural factors affecting customers’ choice are age, age squared, gender, educational level, advanced services, security and waiting time while the economic determinants are income, interest rate, bank charges, distance and loan services. The socio-cultural factors have a stronger magnitude as compared to the economic factors. Based on the above findings, the paper recommends that each saving institution that really wants to be attractive to customers should improve on their service quality package. This should include the offering of improved and advanced services to customers like ATM service, improving on staff friendliness and courtesy, ensuring the cleanliness and tidiness of the service points, providing prompt services and ensuring accuracy in operations at cheaper rate.

Keywords: Customer choice; Saving institutions; Microfinance; Multinomial logit; Commercial banks; Mobile money services.

1. Introduction

The banking industry has been characterized by increasing internal and external competitions since the early 1980s (Blankson *et al.*, 2007). This has been the result of a number of interrelated factors such as competition and deregulation that have revolutionised the distribution of many financial services. In other words, an increased competition resulting from a decade of deregulation of the financial service industries has meant that banks find themselves faced with the task of differentiating their organizations and their offerings as a means of attracting customers (Blankson *et al.*, 2007). The concern of how customers choose banks has been given considerable attention by researchers (for example: Blankson *et al.* (2007); Mokhlis (2009); Mylonakis (2007); Boyd (1994) and Almossawi (2001). Exploring such information will assist banks to recognize the appropriate marketing strategies needed to attract new customers and retain existing ones (Kaynak and Kucukemiroglu, 1992). With growing competitiveness in the banking industry (Grady and Spencer, 1990) and similarity of services offered by banks (Holstius and Kaynak, 1995), it has become increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services. The relevant literature indicates that a great deal of research efforts have been expended to investigate bank selection criteria for broad categories of customers (Yue and Tom, 1995).

For firms to survive in the current contemporary highly competitive business environment, they should be able to attract and retain customers. Service organisations might be able to effectively attract and retain customers without satisfying their needs and/or wants, and to meet their customers’ needs, there is need to understand what is valuable to them and how they make decisions. To be profitable in a competitive industry, companies need to offer customers more value or be able to produce products and/or services more cheaply (Leibert, 2004). Sometimes marketing planning of organisations do fail due to improperly identifying the factors or determinants that consumer consider in bank selection (Kazeh and Decker, 1993). Hence, there is need for service organisation to effectively differentiate their offerings from those of competitors in order to attract customer’s attention and choice

The business environment in contemporary times is practically undergoing a major revolution in the way customers buy, shop, and eventually decide to either come back or take their business elsewhere. Thus, companies have increasingly realized that the balance of power is shifting from sellers to buyers. For example, customers need exactly what they want, in the right quantity, at the right time and place that they want, with a high specification and at the lowest possible price. In addition, businesses must make customers feel special or else they will take their money to another business that can provide all what they want (LeBoeuf, 1987). In this same direction, many decision makers in financial institutions find it essential to obtain information from customers in order to identify the degree to which various product/service characteristics are important and how they influence customer’s choice of

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saving institutions. The key aspect of success in financial services marketing is the ability to develop and implement customer-oriented marketing strategies based on customer preference.

However, customers are very inconsistent in their mode of savings which has attracted considerable attention in the bank marketing literature by researchers such as Anderson et al. (1976); Evans (1979); Kaynak and Yavas (1985); Kazeh and Decker (1993); Denton and Chan (1991); Hegazi (1995); Metawa and Almossawi (1998); Kamakodi and Khan (2008); Rao (2010) as cited in Aregbeyen (2011). Understanding the dimensions that influence customers choices of saving in one form of financial institution over the other has been argued to be helpful to banks in recognizing the appropriate marketing strategies needed to attract new customers and retaining existing ones (Kaynak and Kucukemiroglu, 1992). Undeniably, the emerging competitiveness in the banking industry (Grady and Spencer, 1990), and similarity of services offered by banks (Holstius and Kaynak, 1995), has made it increasingly important that banks identify the dimensions that are attractive to customers. “Due to the rapidly changing economic environment, customers are becoming more demanding and sophisticated, it is therefore important for financial institutions to determine the dimensions that attract customers and may cause customers to engage in any switching behaviour from one saving institution to another. Consequently, the quest lies in determining the basis on which depositors engage in switching behaviour between saving institutions and what even attract new customers.

Most commercial banks often complain of inconsistent flow of their income especially on the style of customer’s savings due to competition in the banking industry resulting from trade liberalization, globalization and financial innovation (Katircioglu *et al.*, 2011). The banking industry in the Bamenda municipality is not exempted especially with the proliferation of banking and financial institutions in Cameroon with their branches and the number of local tontines increasing every day and mobile money which is the order of the day now in Cameroon at large and the Bamenda Municipality in particular. Customers’ choice of a bank over another is based on several factors such as the location, interest rates, quality of service delivery and the reputation of the bank. However, service quality is seen as one of the key factors and thus has received considerable attention by organisations. Stafford (1996) opines that the financial services, particularly banks, compete in the marketplace with generally undifferentiated products, therefore service competitive; banks do not only compete among each other; but also with non-banks and other financial institutions both local and foreign (Hull, 2002; Kaynak and Kucukemiroglu, 1992).

The banking industry has grown over the past years in Bamenda municipality and Cameroon at large. Recently in the Bamenda municipality the banking sector is growing and increasing at an increasing rate. Evidence are banks like National Financial Credit (NFC), Afriland First Bank (AFRILAND), Banque Internationale du Cameroun pour L’epargne et le Credit (BICEC), ECOBANK, Credit Communuataire D’Afrique (CCA), Societe Commerciale de Banque (SCB), Community Credit Company (CCC), United Bank for Africa (UBA), Societe Generale de Banques au Cameroun (SGBC), Union Bank of Cameroon (UBC); just to name a few with their numerous branches. Majority of these banks are trying to be customer oriented by improving their processes, employees’ skills and competences, products and memorable services rendered so as to attract new customers as well as retaining old ones. Even with the large number of commercial banks, the Microfinance Institutions (MFIs), most especially Credit Unions are fast increasing in number and size and offering most of the services offered by the commercial banks. Evidence is the fact that there are about 45 credit unions found in the Bamenda chapter of credit unions (CamCCUL, 2016) with some such as Azire Cooperative Credit Union Limited (AziCCUL) having up to 5 branches within the Bamenda municipality.

Away from the above, the introduction of the MTN Mobile Money and Orange Money has also taking a good share of the customers of the regular banks talk less of the local tontines (“Njangis”) that are found around the nooks and cones of the municipality.

The problem identified is that despite the growth in the number of banks and bank branches and also credit unions, local tontines still remain a popular alternative and to some the newly introduced mobile money services by MTN Cameroon and Orange Cameroon are speedily taking over the place of regular banks.

As a result, there is stiff competition in the supply of improved and efficient financial services causing banks to device strategies to acquire customers and then understand their needs and behaviours so as to retain them. Customer acquisitions and customer retention are noted to be the main issues facing the banking industry and the quest to improve its services, retain and attract customers, Merchant bank has introduced innovative measures like extended business hours, ATM network, internet banking, improved banking hall facilities among others, all in the interest of enhancing customers comfort. These efforts which aim at bringing satisfaction to the customers seem to be futile since tontines are still very popular and mobile money is even gaining more popularity

Many banks have failed to retain the existing customers and also careless about the potential customers like university students who in a few years to come will be among their regular and loyal customers. Many studies which have contributed substantially to the literature on bank selection, some of their findings may not be very applicable to other countries such as Cameroon, due to differences in cultural, economic situation, customer perceptions, geographical location, rules and laws of the country, and the business environments. Existing literature indicates that, there exists very little previous documented research work in Bamenda municipality concerning the banking selection which poses a serious research gap that the current paper seeks to fill. On the basis of the above the current paper seeks to examine the socio-economic drivers of customers’ choices of type of saving institutions in the Bamenda municipality.

The remainder of this paper is organised as follows: section II reviews literature, section III presents the methods and procedures, the findings are reported in section IV while conclusion and policy recommendations towards improving banking services to attract customers’ attention are presented in section V.

2. Literature Review

Financial institutions are organizations that deal with transaction of financial claims and financial assets. Financial institution is also an intermediary between consumers and the capital or the debt markets providing banking and investment services (Siklos, 2001). They issue financial claims against themselves for cash and use the proceeds from this issuance to purchase primarily the financial assets of others. Financial institutions primarily collect savings from people, businesses and governments by offering accounts and by issuing securities. The savings are lent to the users of the funds. They also work as the intermediaries between issuer of securities and the investing public. Thus, financial institutions are the specialized firms that facilitate the transfer of funds from savers to borrowers. They offer accounts to the savers and in turn the money deposited are used to buy the financial assets issued by other forms. Similarly, they also issue the financial claims against themselves and the proceeds are used to buy the securities of other firms. Since financial claims simply represent the liability side of balance sheet for an organization, the key distinction between financial institution and other types of organizations involves what is on the assets side of the balance sheet (Siklos, 2001).

However, for the purpose of this study and based on what obtains in Cameroon in general and Bamenda Municipality in particular, financial institutions are categorised into four types starting from the more conventional commercial banks, we also have microfinance institutions aimed at providing financial services to the poor and the less privileged, there are also the Local tontines that usually emanate from social groups which are mostly informal in nature and mobile money saving services is mobile banking offered by two communication companies in Cameroon (MTN Cameroon and Orange Cameroon). All these are at the disposal of customers for selection as saving alternatives.

2.1. Theories of Customers' Choice

Many theories have been designed to explain customers' decision making in different fields of life. Among such theories are Customers' Behaviour Theory.

This theory emphasized that Consumer behaviour is that which consumers display when searching for, when purchasing, using, evaluating, disposing the product or the idea that they have for the commodity and if it will satisfy their need. This theory as originally formulated is based on the following assumptions that; consumers are rational, the price of good and services are stable, there is minimal fluctuation of economic variables, the attitude and expectations of customers are constantly changing in response to the continuous flow of the veins, information and personal characteristics. External factors also influence the consumers' behaviour. Also, the Rational Choice Theory by Levin and Migrom (2004) explains the process of determining what options are available and then choosing the preferred one according to some consistent criterion. In rational choice theory, individuals are seen as motivated by the wants or goals that express their 'preferences'. They act within specific, given constraints and on the basis of the information that they have about the conditions under which they are acting. At its simplest, the relationship between preferences and constraints can be seen in the purely technical terms of the relationship of a means to an end. As it is not possible for individuals to achieve all of the various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals (Scott, 2000).

Competition Theory by Aregbeyen (2011) explains how firms try to win customers patronage and loyalty through service excellence, meeting customers' needs and providing innovative products. Competition occurs when two or more organizations act independently to supply their products to the same group of consumers. Direct competition exists where organizations produce similar products that appeal to the same group of consumers. Indirect competition exists when different firms make or sell items which although not in head to head competition still compete for the same money in the customers pocket. Both direct and indirect competition causes commercial firms to develop new products, services and technologies, which would give consumers greater selection and better products. Thus, the competitive strategy of firms dependent upon consumers' choice characteristics which tend to influence firms' productive decision towards the satisfaction of consumers preferences.

As a result of market competition, there would be winners and losers because of the ability to respond to changing market and economic conditions quickly and effectively (Hitt *et al.*, 2000)

Several studies have been conducted across the globe pertaining to customer's choice of savings/customer's switching behaviours using different methodologies among such studies are Laroche *et al.* (1986) in Canada; Zineldin (1996) in Sweden; Yue and Tom (1995) on Chinese-Americans residing in Sacramento, California; Rao (2010) in India; Jamal and Naser (2003) in Pakistan; Maiyaki (2011) in Nigeria; Narteh and Owuau-Frimpong (2011) in Ghana; just to list a few.

From the findings, factors that are identified as key drivers of customers' choices are staff conduct, credibility, communication (like serving timely notices) and access to teller services, (Avkiran, 1999). Also, banks reputation, interest on savings accounts, interest charged on loans, quick service and location in the city as identified by Boyd (1994) and according to Holstius and Kaynak (1995) efficiency and courtesy are the most important attributes in determining overall customer satisfaction, while other important attributes were convenience of location, range of services, reputation and availability of innovations. Similarly, the importance of location decisions in satisfying customers is also emphasized in the previous studies (Kaynak and Kucukemiroglu, 1992; McCullough *et al.*, 1986). Also, Laroche *et al.* (1986) conducted a survey in Canada and found that speed of services, and factors relating to the competence and friendliness of bank personnel and convenience of location were the major factors which consumers perceived as important in their selection of a bank. According to Zineldin (1996) who conducted a survey of 19 potential factors which customers consider as important in the selection of a bank in Sweden. Friendliness and helpfulness of personnel, accuracy in account/transaction management, and availability of loans and provision of services were the most important factors. From the work of Yue and Tom (1995) based on Chinese-Americans residing in Sacramento, California the important factors of bank selection by the customers were found to be efficiency of services offered, bank's reputation, bank fees, location, and interest rates on saving accounts.

In India, Rao (2010) conducted research in the area of student banking focusing on factors that influence their selection of banks. A sample of 312 respondents took part in this study. The responses reliability was significant, which includes employee's courtesy, parking facility, loyalty programs, brand name, security system and low charges with the bank. Other factors which have increased in importance were the responsiveness, value added services and convenience. Assurance factors, such as speedy services, good rate of interest and zero balance account facility are also significant in importance in motivating choice of a bank.

Jamal and Naser (2003), took a survey of 300 customers of a specific bank and studied the determinants of customer satisfaction in the retail banking in Pakistan. Their results indicate a strong relationship between service quality and customer satisfaction.

Katircioglu *et al.* (2011), investigates the bank selection criteria of undergraduate students who are future potential customers of banks from different regions of the world in a small island economy. They found that availability and convenient location of ATM services and speed and quality of services are the most important factors for considering banks and their services for both Turkish and non- Turkish undergraduate students. Afterward, they conclude that there are not massive differences in the bank selection factors between Turkish and non-Turkish international students in the case of a state University in North Cyprus.

Dominic (2008), conducted a survey and results indicated no attribute obtained was an outright determinant of bank selection choices. This was attributed to the diverse needs of respondents as revealed by this survey.

Studies in Africa such as Maiyaki (2011) in his survey in Nigeria obtained information about the factors determining the selection and preference of banks by retail customers. He used 417 sample bank customers using multi-stage sampling procedure and found that size of bank total asset, has the greatest influence on customer choice of banks, followed by availability of large branch network across the country, then reputation of the bank, personal security of customer, and then convenient access to bank location. Also, Narteh and Owuau-Frimpong (2011) carried out a study on bank selection criteria among students in Ghana and to investigate whether there exist a significant difference between females and males students. The findings revealed that undergraduates place much premium on the minimum bank deposit required by the banks and the graduates considered fast service delivery. Also, good branch network and fast service delivery were considered important factors by both graduates and undergraduates. On gender, females considered minimum deposits and fast service delivery as the most important while delivery of efficient service and extensive bank branches were considered by males. Female respondents were also identified with two major factors of safety in bank transaction as well as prestigious image.

A review of literature indicates that studies related to bank selection criteria have been mainly conducted in case of more developed countries Denton and Chan (1991) and even though a little has been conducted in other African countries recently which have contributed substantially to the literature on bank selection but their findings may not be applicable to other developing countries like Cameroon and Bamenda municipality in particular due to different cultural, political and economic setup. As a set of drivers that have a significant role in bank selection in one region may prove to be insignificant in another (Almossawi, 2001).

In general, it can be concluded that even though there have been studies on bank selection criteria in some developed and developing nations, as per the knowledge of the researchers, there appear to be little studies that examine the factors affecting customer preferences in banking services in Bamenda municipality in particular and Cameroon in general. It is, therefore, not known whether the customers of the Bamenda municipality choose a bank based on proximity, efficient and effective service, bank's reputation, friendliness of bank personnel, or any other criteria. In this context, the purpose of this paper is to investigate the factors affecting customers' selection of saving institution types in Bamenda municipality with focus on its peculiarities.

3. Analytical Methodology

This paper uses survey research design and primary data purposively collected from a sample of 600 respondents drawn from an eligible population of about 12,000 persons with the use of questionnaire. Bamenda Municipality was stratified according to the local council units on the bases of which 5% of the target population was selected.

To carry out the analysis of the data, the Multinomial Logistic Regression Model (MLM) was employed. Multinomial Logistic regression extends the technique of multiple regression analysis to research situations where the dependent variable (Customer's Choice) is a polytomous or categorical variable with more than two outcomes. Multinomial Logit Model (MNLM) was preferred over other estimation techniques especially Ordinary Least Square (OLS) in this study because the dependent variable is categorical with more than two categories and the categories of the dependent variable are truly discrete, nominal and unordered since one cannot clearly say that one category of saving options (say MFIs) is of higher order than the other (say Commercial banks). The choice is discrete and there is no higher or lower choice. Thus it is a polytomous-response model since the data are believed to be of this type, a multinomial logit model is most appropriate (Amemiya, 1981; Dominic, 2008; Maddala, 1983). The probit counterpart of a multinomial logit model involves solving multiple integrations related to the multivariate normal distribution, and thus it is computationally difficult in estimation and rarely used.

The Multinomial logistic regression analysis (MLM) assumes that the dependent variable is polytomous and models the probabilities associated with customer's choice (CC) where customer choice of type of saving institution takes the values (1=Commercial Bank, 2=MFIs, 3=Mobile Money, 4=Njangi Houses). The relation between dependent and independent variables is specified using a discrete model of probability which it generally looked at the natural way to quantify the chances that an event occurs.

To explain the logit model, it is helpful to know the "log odds" and the "odds ratio". But there are other ways of representing the chances of an event, one which the odds have a nearly equal claim to being "natural". The logistic regression model used in this study is specified as follows.

The equation $prob(CC = j) = \dfrac{e^{\sum_{k=1}^{k} \beta_{jk} x_k}}{1 + \sum_{j=1}^{j-1} e^{\sum_{k=1}^{k} \beta_{jk} x_k}}$,

gives the prob(CC = j)

CHOICEj = β_0+ β_1AGE + β_2AGESQUARE + β_3GENDER + β_4EDU + β_5ADVS + β_6INC + β_7INT + β_8CHARGE + β_9LOAN+ β_{10}SEC + β_{11} SN + β_{12}WAIT + μ_i

Where

P(CCj)=probability of the customer choosing a particular type of saving institution (i) over the others

β_0=the constant term

$\beta_{1,2,3,\ldots,12}$ are coefficients of the variables to be estimated

μ_i= Is the error term

The description and indicators of the various variables in the model are indicated on the table below

Table-3.1. Description of Variables in the Model

Variable	Level of variable	Variable code
Dependent Variables		
Customer's Choice of Saving Institution	1= Njangi houses, 2=MFIs, 3=commercial bank, 4= Mobile Money	CHOICE
Independent Variables		
Age	Numerical (Years)	AGE
Age Squared	Numerical (Years) Squared	AGESQUARE
Sex	1=Male, 0=Females	GENDER
Education	1=No Education, 2=Primary, 3=Secondary , 4=High school, 5=Undergraduate, 6=Post graduate	EDU
Advanced Services	0=No, 1=Yes	ADVS
Income	Numerical (FCFA)	INC
Reputation	1=Very high, 2=High, 3=Moderate, 4=Low, 5=Very low	REP
Staff Friendliness	1=Very Friendly, 2=Moderately friendly, 3=Not friendly	SF
Interest	1=High, 2=Moderate, 3=Low	INT
Charges	1=High, 2=Moderate, 3=Low	CHARGE
Loan Services	0=No, 1=Yes	LOAN
Security	1=High, 2=Moderate, 3=Low	SEC
Social Network	0=No, 1=Yes	SN
Wait Time	Numerical (in Minutes)	WAIT

Source: Generated by Researchers

Since the dependent variable (Customer's Choice of Savings) is categorical, an OLS regression is not appropriate because it could yield inappropriate predictions. Also, Linear Probability Models (LPM), used to investigate relationships between these factors and Customer's Choice of Savings yield biased estimates due to the presence of heteroscedasticity and the fact that the probability values may not lie between zero and one, violating the properties of probability and it is used only in cases of binary choice dependent variables. Therefore the logit model is conceptually more appropriate for analysing Customer's Choice of Savings since it addresses the problems associated with the Linear Probability Model. This study employs a logit model as an appropriate statistical technique because it provides marginal effects of the independent variables (Dominic, 2008). The specification of this model assumes the error term to be normally distributed.

The technique of data analysis used in this study is the Multinomial Logit regression analysis. Multinomial logit is preferred over other estimation techniques in this study because of the reasons already advanced above.

4. Findings and Interpretation of Findings

Interpreting the estimated coefficient in the flexible MNLM is complicated by the fact that the model in non-linear in explanatory variables. As such, the results are best interpreted through the analysis of marginal effects and the predicted probabilities. The marginal effect on the odds for the multinomial logit model refers to the partial effect on the odds of falling into a category as opposed to a user-chosen reference category. Thus the marginal effect of variable x on alternative k refers to a change in the probability of individual i choosing alternative k in response to a change in x.

Table-4.1. Descriptive Statistics Test

Variable	Obs	Mean	Std. Dev.	Min	Max
Choice	573	3.591623	1.196808	1	4
Age	564	33.45032	5.662109	18	62
Agesquared	564	1118.903	26.35426	324	256
Gender_male	579	.6010363	.4909588	0	1
Education	558	4.231183	.6859956	2	5
Advanced services	573	.6125655	.4884446	0	1
Income	522	2.557471	1.585566	1	6
Perceived interest	483	2.155284	.6851916	1	3
Charges	576	2.005208	.5742958	1	3
Loan	570	.3368423	.1738791	0	1
Security	576	2.677083	.5787655	1	3
Social network	567	.4338622	.1969229	0	1

Source: Generated by Researchers using STATA 14 Software

From observation it is seen that all variables have an observation of between 483 to 579 responses out of the 600 respondents which is statistically a valid number. Choice has a mean value of 3.591623 with a standard deviation 1.196808 meanwhile its minimum and maximum values are 1 and 4 respectively. This indicates how choices have varied over the years and the mean reflect that majority of the respondents choose between the third category (Commercial Banks) and the fourth Category (Mobile money Services).

The average age of respondents selected for the study is calculated at 33.45032 with a standard deviation of 5.662109 with ages ranging from a minimum of 18years to a maximum of 62 years. Those below 18years were not included in the study since they were still minors and can have only minor saving accounts monitored by a major.

In relation to age squared, the mean is 1118.903years with a standard deviation of 26.35426years, a minimum and maximum of 324years and 256years respectively.

Furthermore, we observe from the table that the mean of Gender (male dummy) is 0.6010363 with its minimum being 0 (if female) and maximum being 1 (if male). The mean of 0.6010363 which is greater than the midpoint between 0 and 1 shows that majority of the respondents were males; the reason the mean is close to 1 than 0.

The mean of educational attainment is 4.231183 showing that the mean falls around the 4^{th} category (High School). Meaning on average each respondent had attained the high school level of educational attainment with a standard deviation of 0.6859956. The minimum educational attainment was category 2 (Primary education) and the maximum was category 6 (Post graduate)

Also, from table 4.1 we observe that the mean value for improves services dummy is 0.612565 showing that the mean is closer to 1(improved services) than 0 (unimproved services) meaning majority of the respondents perceived the service quality offered by their financial institutions to be improved with a standard deviation of .4884446.

More so, in relation to income brackets the mean is 2.557471 showing that the mean income earned by the respondents fall between the second income bracket (that is between 31,000FCFA to 50,000FCFA) and the third income bracket (that is between 51,000FCFA to 100,000FCFA) this the mean income falls in between 30,000FCFA and 100,000FCFA with a standard deviation of 1.585566. The lowest income bracket was 1(less than 30,000FCFA) and the maximum income bracket was 6 (above 500,000FCFA).

In line with the perceived interest on savings, the result reveals that on average the perceived interest was moderate given that the mean is 2.15528 which is very closed to 2 which is the second response option representing moderate. However, the mean slightly greater than 2 shows that more respondents took option 3 (high) than 1 (low) meaning that a slight majority if the respondents perceived the interest in their savings to be high.

Also, with respect to bank charges, the mean is 2.005208 showing that the mean falls around the second response option denoting, moderate. This means that on average, the respondents perceived the bank charges they pay to be moderate with a standard deviation of 0.5742958.

With loan services treated as a dummy whereby loan services offered is denoted 1 and 0 otherwise, the mean of loan services is 0.336842 and the mean being less than 0.5 shows that majority of the respondents on average are not offered loan services in their financial institutions with a standard deviation of .1738791.

In terms of the level of security of their services with the financial institutions, it observed from the perception of the respondents that the mean level is security is 2.677083 with level of security grouped into low (1), Moderate (2) and high (3), the mean reveals that on average, the perceived level of security if the respondents services with the financial institutions is higher since the mean is closer to 3 than any other category with a standard deviation of .5787655.

Finally, in relation to social networks dummy where help of social network is 1 and 0 otherwise, it is observed that the mean is 0.4338622 meaning that close to half of the respondents choose their saving institutions based on social networks.

Table-4.2. Correlation Analysis

	Age	Gender male	Educ	Advanced services	Income	Perceive d interest	Charges	Loan	Securi ty	Social network	Wait time
Age	1.0000										
Gender_male	0.1967	1.0000									
Educ	-0.1101	-0.2249	1.0000								
Advanced services	-0.0419	0.0480	-0.2187	1.0000							
Income	0.1608	-0.0243	0.4798	-0.4147	1.0000						
Perceived interest	-0.1979	-0.2321	-0.1759	0.5112	-0.5126	1.0000					
Charges	0.1526	0.0119	-0.0946	0.0132	-0.0340	-0.0974	1.0000				
Loan	-0.3264	-0.1281	-0.2663	0.4691	-0.4959	0.4680	0.2095	1.0000			
Security	0.2568	0.0568	-0.1061	-0.1016	0.2198	0.0992	-0.2783	-0.2134	1.0000		
Social network	-0.0840	-0.0652	0.2819	-0.2041	0.2534	0.0071	-0.1388	0.0240	0.0909	1.0000	
Wait time	0.1196	0.0343	-0.2193	-0.2552	0.2163	-0.1177	-0.0282	-0.2691	0.3203	0.1479	1.0000

(**Source:** Generated by Researchers using STATA 14 Software)

The interest from the correlation analysis was to test whether there exist any strong linear relationship between any two pairs of the independent variables to indicate the presence of multicollinearity between the variables. The results reveal that no relationship is very strong and so we proceeded to run the multinomial logit analysis bearing in mind that there is no multicollinearity in the analysis. The multinomial logit result is presented in the table below.

Table-4.3. Marginal Effects after Multinomial Logit Regression

	(1)	(2)	(4)
Variables	**njangi_houses dy/dx**	**Microfinance dy/dx**	**mobile_money dy/dx**
Age	-3.173941** (1.53328)	3.173951** (1.53383)	.0000393 (.05295)
Ages Quare	.4430265* (.26181)	-.4430103* (.26195)	-.0000127 (.01706)
Gender Male*	-.5220084** (.26552)	.5252024** (.25798)	-.00000477 (.0072)
Educ	-.9734803** (.49437)	.9735058** (.49414)	-.00000102 (.00154)
Advanced services	-1.06316** (.50432)	-1.06311** (.50403)	.0000311 (.04363)
Income	-.00948 (.0916)	.0094791 (.0916)	-.0000394 (.00594)
Perceived interest	-.3509016 (.21459)	.3509453 (.21467)	-.0000190 (.00286)
Charges	1.000891* (.53321)	-1.000914* (.5332)	-.0000127 (.00191)
Loan	-.2957086 (.51264)	.295755 (.51261)	.0000366 (.00551)
Security	1.171573** (.5846)	-1.171639** (.58467)	.0000386 (.00583)
Social network	.6276111 (.49809)	-.6277916 (.49816)	.0000678 (.01023)
Wait time	-.0317868** (.01474)	.0317949** (.01474)	.00000295 (.00045)

(**Source:** Generated by Researchers using STATA 14 Software)
i. Robust standard errors in parentheses
ii. ** p<0.05, * p<0.1
Base Category = 3 (Commercial banks)

The results presented in table 4.3 are predicted marginal effects on the odds for the multinomial logit model which shows the partial effect on the odds of falling into a category say njangi houses (column 2 titled (1)), microfinance (column 3 titled (2)) and mobile money (column 4 titled (4)) as opposed to a user-chosen reference category (Commercial Bank). Thus the marginal effect of the variable “AGE” on alternative “Njangi houses” refers to a change in the probability of individuals choosing to save in njangi houses in response to a change in AGE while controlling for other effects.

Precisely, the results contrasting the choices between njangi houses commercial bank as the base reveal that the coefficient of age is -3.173941 meaning that with other variables held constant, if age increases by one unit, on an average, the likelihood of an individual saving in njangi houses reduces by 3.173941units. This suggest a negative relationship between the two. Thus saving in njangi houses reduces with age since as one grows older, the likelihood of gaining a more formal employment increases and also educational level is likely to increase thereby increasing their likelihood of saving in a more formal institution (Commercial bank) at the expense of the njangi houses. This effect is significant at 5% level of significance. The result for age square with coefficient of 0.4430265 however shows that as ageing advances, there comes a point in time that further increases in individuals' age rather increases the individual's likelihood of saving in njangi houses instead of commercial banks. This is especially true when retirement steps in, njangi houses become more of a social need than economic. This factor is also significant at 10% level of significance and thus age and age square significantly affect people's choice of saving institutions between njangi houses and commercial banks

Also, the coefficient of gender (with Gender being a male dummy) is -.5220084. The coefficient shows that controlling for other effects, males are less likely to predominantly save in njangi houses compared to commercial banks than their female counterparts. In simple terms, females are more likely to use njangi houses than commercial banks as their main saving institutions. Thus as the number of men increases by one person compared to their female counterparts, the likelihood of saving in njangi houses reduces by -0.5220084 units compared to the likelihood of saving in commercial banks and this effect is significant at 5% level of significance, hence gender significantly affects people's choices of saving institutions between njangi houses and commercial banks.

Furthermore, the results for educational level reveals a coefficient of -.9734803 suggesting a negative relationship between educational level and the likelihood of saving in njangi houses. The coefficient indicates that as one's educational level increases by one, the likelihood of saving in njangi houses reduces by -.9734803 units compared to saving in commercial banks and this effect is significant at 5% level of significance. Thus many educated people are more likely to save in commercial banks than in njangi houses, therefore educational level significantly affects people's choices of saving institutions between njangi houses and commercial banks

The availability of advanced services compared to its absence gave a coefficient of -1.06316 indicating that availability of advanced services reduces the likelihood of people preferring njangi houses to commercial banks. The results specifically shows that with advanced services compared to its absence, the likelihood of choosing to save in njangi houses reduces by 1.06316 compared to choosing to save in the commercial banks. This effect is significant at 5% level of significance and thus advanced services significantly affect people's choice of saving institutions between njangi houses and commercial banks.

Also, both income of individuals and the perceived interest to earn on savings negatively affect the likelihood of saving in njangi houses compared to commercial banks. Specifically, as an individual moves up from an income bracket to the next, the likelihood of saving in njangi houses reduces by 0.00948units compared to commercial banks and as the perceived interest increases from say low to moderate or moderate to high, the likelihood of saving in njangi houses reduces by 0.3509016units compared to commercial banks. However, the effects of income and interest on the choice of type of saving institution are both insignificant, suggesting that income and interest do not significantly affect choices of type of saving institutions.

More so, the coefficient of charges is 1.000891 depicting a positive relationship between the charges and likelihood of saving in njangi houses compared to commercial banks. The result shows that as the charges increase by one unit, the likelihood of saving in njangi houses increases by 1.000891 compared to commercial banks and this effect is significant at 10% level of significance implying that charges significantly determine peoples' choice probability of type of saving institutions.

Other significant determinants of choice of saving institutions between njangi houses and commercial banks are security and also waiting time. The results specifically show that a unit increase in the perception about the level of security of saving will lead to 1.171573units increase in the likelihood of saving in njangi houses as compared to commercial banks while a minute increase in waiting time to be served reduces the likelihood of saving in njangi houses by -.0317868 compared to commercial banks. These affects are significant at 5% level of significance and thus security and waiting time significantly affect the choice of the type of saving institutions in Bamenda municipality.

Also, the results contrasting the choices between microfinance and commercial bank as the base reveal that the coefficient of age is 3.173951 meaning that with other variables held constant, if age increases by one unit, on an average, the likelihood of an individual saving in microfinance increases by 3.173951units as opposed to the commercial banks. This suggest a positive relationship between the two. Thus saving in microfinance increases with age. This effect is significant at 5% level of significance. The result for age square with coefficient of -.4430103 however shows that as individuals grow older, there will come a point in time that further increases in their ages rather reduces the likelihood of saving in microfinance in favour of commercial banks. This factor is also significant at 10% level of significance and thus age and age square significantly affect people's choices of saving institutions between microfinance and commercial banks

Also, the coefficient of gender (with Gender being a male dummy) is .5252024. The coefficient shows that controlling for other effects, males are less likely to predominantly save in microfinance compared to commercial banks than their female counterparts. In simple terms, females are more likely to use microfinance as their main saving institutions than men when compared with commercial banks. Thus as the number of men increases by one person compared to their female counterparts, the likelihood of saving in microfinance reduces by .5252024units compared to the likelihood of saving in commercial banks and this effect is significant at 5% level of significance and thus gender significantly affect people's choices of saving institutions between microfinance and commercial banks.

Furthermore, the results for educational level reveals a coefficient of .9735058 suggesting a positive relationship between educational level and the likelihood of saving in microfinance. The coefficient indicates that as one's educational level increases by one level, the likelihood of saving in microfinance increases by .9735058 units compared to saving in commercial banks and this effect is significant at 5% level of significance. Thus more educated people are less likely to save in commercial banks than in microfinance which therefore means educational level significantly affect people's choices of type of saving institutions between microfinance and commercial banks

The availability of advanced services compared to its unavailability gave a coefficient of -1.06311 indicating that availability of advanced services reduces the likelihood of people preferring microfinance over commercial banks. The results specifically show that with advanced services compared to its absence, the likelihood of choosing to save in microfinance reduces by 1.06311units compared to choosing to save in the commercial banks. This effect is significant at 5% level of significance which proves that advanced services significantly affect people's choice of type of saving institutions between microfinance and commercial banks.

Also, both income of individuals and the perceived interest positively affect the likelihood of saving in microfinance compared to commercial banks. Specifically, as an individual move up from an income bracket to the next, the likelihood of saving in microfinance increases by .0094791units compared to commercial banks and as the perceived interest increases from say low to moderate or moderate to high, the likelihood of saving in microfinance increases by .3509453 units compared to commercial banks. However, the effects of income and interest on the choice of type of saving institution are both insignificant, suggesting that income and interest do not significantly affect choices of type of saving institutions.

More so, the coefficient of charges is -1.000914 depicting a negative relationship between the charges and likelihood of saving in microfinance compared to commercial banks. The result shows that as the charges increase by one unit, the likelihood of saving in microfinance reduces by 1.000914 in favour of commercial banks and this effect is significant at 10% level of significance implying that charges significantly determine peoples' choice probability of type of saving institutions between microfinance and commercial banks.

Other significant determinants of choice of saving institutions between microfinance and commercial banks are security and also waiting time. The results specifically show that a unit increase in the perception about the level of security of saving will lead to 1.171639units decrease in the likelihood of saving in microfinance as compared to commercial banks while a minute increase in waiting time to be served increases the likelihood of saving in microfinance by .0317949units compared to commercial banks. These effects are significant at 5% level of significance and thus security and waiting time significantly affect the choice of type of saving institutions in Bamenda municipality.

It should be noted that no factor significantly accounted for the choice preferences between mobile money and commercial banks; the reason why the results in column four was not discussed.

The Pseudo R^2 revealed a value of 0.7236 indicating that up to 72% of choice disparity in types of saving institutions is accounted for by the exogenous variables specified in this model. This implies that less than 28% of the choice disparity is accounted for by unexplained variations. Also, the analysis were done using robust standard error ensure homoscedasticity of the results.

To sum up, Age, Age square, Gender, Educational level, Advanced Services, Charges, Security and Waiting Time are factors that significantly determined the choices of type of saving institution in Bamenda municipality; all being social factors except for charges and waiting time which are more of economic factors in nature.

The findings of this study reveal that more social factors do affect consumers' choice preferences of saving institutions than economic factors. This is particularly true of Bamenda municipality and Cameroon in general since people mostly save money only for safety reasons as well as for the rainy days and to take care of some particular projects in the future rather than saving to gain some economic advantages such as interest on savings and cheaper loan services, just to cite a few. The findings of this study corroborate with earlier findings such as Avkiran (1999), Holstius and Kaynak (1995), Laroche *et al.* (1986) who all found more of social factors to be significant determinants of bank choices.

Also, Katircioglu *et al.* (2011) found that availability and convenient location of ATM services and speed and quality of services are the most important factors for considering banks and their services for both Turkish and non-Turkish undergraduate students which is in line with our findings with respect to advanced services, waiting time.

Maiyaki (2011) in his survey in Nigeria found that size of bank total asset, has the greatest influence on customer choice of banks, followed by availability of large branch network across the country, then reputation of the bank, personal security of customer, and then convenient access to bank location. This stresses the importance of security as indicated by our findings too.

Also, our findings on the relevant importance of gender in selecting the type of saving institutions is in line with the findings of Srivastav (2008) who found out that men and women customers exhibit different behaviours in their banking preferences, banking channels and product usage and this was also supported by Mokhlis (2009) who researched on the relative importance of choice criteria in respect of selecting retail banks by male and female customers for patronage in Malaysia and showed that there are some differences in choice factors employed by male and female customers in selecting a bank for patronage. Factors of which both male and female had variations are attractiveness, marketing promotion, ATM service, proximity, people influences and financial benefits. It also reveals that both male and female college students place more emphasis on "secure feeling" and "ATM service" suggesting those factors need serious consideration when designing commercial banking decisions and strategies. Also, Narteh and Owuau-Frimpong (2011) carried out a study on bank selection criteria among students in Ghana and to investigate whether there exist a significant difference between females and males students. The findings revealed that undergraduates place much premium on the minimum bank deposit required by the banks and the graduates considered fast service delivery; also, good branch networks and fast service delivery were considered important factors by both graduates and undergraduates. On gender, females considered minimum deposits and fast service delivery as most important while delivery of efficient service and extensive bank branches were considered by males. Female respondents were also identified with two major factors of bank transaction safety as well as prestigious image.

However, our findings are in sharp contrast with the findings of Zineldin (1996) conducted a survey of 19 potential factors which customers consider as important in the selection of a bank in Sweden and found out that availability of loans was one of the most important factors which is contrary to our study. However, it should be noted that as earlier indicated review of literature indicates that studies related to bank selection criteria have been mainly conducted in case of more developed countries (Denton and Chan, 1991).

5. Conclusion and Policy Recommendations

The findings of this study provide enough evidence for us to conclude that Age, Age square, Gender, Educational level, Advanced Services, Charges, Security and Waiting Time are factors that significantly determine the choices of type of saving institution in Bamenda municipality. While a unit increase in Age Square, Charges and Security, significantly increase the likelihood of saving in njangi houses instead of commercial banks, a unit increase in Age, Gender (Males over females), Educational level, Advanced Services and Wait Time, reduce the likelihood of saving in njangi houses in favour of commercial banks. Also, for the choices between microfinance and commercial banks, a unit increase in Age, Gender, Educational Level, Wait Time increased the likelihood of choosing microfinance over commercial banks while a unit increase in Age Square, Advanced Services, Charges, Security, Social Network reduce the likelihood of choosing microfinance in favour of commercial banks, with no factor significantly determining the choice probability between mobile money and commercial bank.

From the above findings, analysis and discussion we recommend that each saving institution that aims at attracting new customers while retaining the old ones should look at the particular attributes of individuals such as age groups, gender and educational level and prepare specific advertising packages towards them while searching into their specific needs and providing them in the most convenient way. This can be achieved through intensive market research.

In addition, each saving institution that wants to be more attractive to customers should improve on their service quality package. This may include things like offering improved and advanced services to customers like ATM service, improving on staff friendliness and courtesy, ensuring the cleanliness and tidiness of the service points and ensuring accuracy in operations and transactions. This will elevate its standard far above other institutions.

More so, reducing charges on operations can also make the institution appealing to customers which can lead to increase in customer base and customer retention. Furthermore, improving on the security of customers and their savings can be very attractive to customers since in most cases, they save only for safety and not even for the interest. This can be achieved through providing an accountable auditing team as well as regular audit reports; while providing physical security to prevent robbery such as employ well experienced security guards.

Finally, improving on the speed of services thereby reducing waiting time can very comforting to customers. This can be done by ensuring prompt services through opening of more branches and tellers which will reduce the waiting time for any service even though it has some cost implications.

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