FACTORS INFLUENCING OWNERSHIP OF A BANK ACCOUNT AMONG UNIVERSITY STUDENTS: A CASE STUDY OF UGANDA MARTYRS UNIVERSITY, NKOZI

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2011-B021-10211

A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDA MARTYRS UNIVERSITY

MAY 2014

DEDICATION

I dedicate this research, first of all to my loving, caring and strengthening God, without Him I would not have managed to do anything.

I also dedicate this study to my beloved family, my mother Nshekanabo Mary, my brothers David, Tarcis, and Ambrose and my loving sisters Angela, Cecilia, Lucy and Elizabeth who have helped me morally and financially throughout my education career and have been the major source of love. May God reward them with blessing forever.

Lastly I dedicate this research to my beloved friends Tusiime Patience, Nyamata Linda, Busingye Moreen, Nyesiga Joan, Twinomujuni Rhoda, Kihirwa Blaise and many others, whose love and words of comfort contributed much to the completion of this book.

ACKNOWLEDGEMENT

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ABSTRACT

This research examined the factors that influence ownership of bank accounts among university students. The researcher focused on finding out the factors that influence ownership of bank accounts in undergraduate students of Uganda Martyrs University to get a wider picture of the overall factors that influence ownership of bank accounts among all university students.

This study was inspired by the fact that the researcher wanted to find out the factors that influences ownership of bank accounts among university students, the proportion of university students who own bank accounts, the challenges faced by the university students due to the ownership of bank accounts and how banks can improve on their services to encourage students to own bank accounts.

The study was carried out on a sample of ninety eight undergraduate students at Uganda Martyrs University, Nkozi to assess whether there are factors that influence ownership of bank accounts among university students. Using an analytical design, information was got from a sample of ninety eight undergraduate students at Uganda Martyrs University; Nkozi through questionnaires, focused group discussions, interviews, observation and data was analyzed. Tables and figures were used to analyze the data collected, conclusions, recommendations and implications were made and provided for university students.

Results from the research indicated that indeed there are factors that influence the ownership of bank accounts among university students. Convenient location and friendliness of bank personnel are the major factors as stated by different scholars in chapter two that influence ownership of bank accounts among university students.

The main challenges faced by university students due to ownership of bank accounts are inadequate accessibility of banks and high interest rates which does not favor their financial status. Banks should therefore endeavor to make their banks accessible by opening up different branches and increasing on the number of ATMs. Banks should also put students into consideration when setting interest rates as this is further discussed in chapters four and five.

DEFINITION OF TERMS

Bank:

A bank is a financial intermediary that accepts deposits and channels those deposits into activities, either directly or through capital markets.

Bank account:

A bank account is a financial account between a bank customer and a financial institution.

Ownership:

Ownership is described as commonly agreed that to own something is to have certain rights and duties vis-à-vis other people or juridical persons with respect to the item. In short, ownership is a bundle of rights and duties.

CHAPTER ONE

GENERAL INTRODUCTION

1.0   Introduction

Uganda has increasingly developed financially since its independence that took place in 1962 and therefore because of this, the need to manage personal finances has become increasingly important among university students. The purpose of this current study was mainly to provide evidence of personal finance literacy among university students and to examine how student's knowledge influences their opinions and decisions on personal finances. Therefore chapter one mainly introduces the factors influencing the ownership of bank accounts among university students through elaborating the background of the study, problem statement, the research objectives, research questions, the assumptions to the general objectives, the conceptual framework of the independent, dependent and intervening variables, the scope of the study as well as the justification of the study.

1.1   Background of the study

Sullivan (1991) defined a bank account as a financial account between a bank customer and a financial institution. A bank account can be a deposit account, a credit card, or any other type of account offered by a financial institution. The financial transactions which have occurred within a given period of time on a bank account are reported to the customer on a bank statement and the balance of the account at any point in time is the financial position of the customer with the institution, a fund that a customer has entrusted to a bank and from which the customer can make withdrawals.

According to Treas (1993), Bank accounts may have a positive, or credit balance, where the bank owes money to the customer; or a negative, or debit balance, where the customer owes the bank money. Broadly, accounts opened with the purpose of holding credit balances are referred to as deposit accounts; whilst accounts opened with the purpose of holding debit balances are referred to as loan accounts. Some accounts can switch between credit and debit balances. Some accounts are categorized by the function rather than nature of the balance they hold, such as savings account. All banks have their own names for the various accounts which they open for customers.

Treas (1993), also stated that there are different types of bank accounts and these include, deposit account, checking account, current account, personal account, transaction deposit account, savings account, time deposit/ certificate of deposit account, tax exempt special savings account, tax free savings account, loan account, joint account, low cost account, numbered bank account, money market account, negotiable order of withdrawal account.

Bategeka and Jovita (2010) stated that Uganda's banking sector has evolved from the first commercial bank established in 1906 that is the National Bank of India which later became the Grindlays Bank and is now the Stanbic Bank to the current 22 commercial banks, six credit institutions and three Microfinance Deposit-taking Institutions(MDIs). These are in addition to the rapidly growing semi-formal and informal financial sector in the country.

In addition Bategeka and Jovita (2010) stated that the sector has also undergone several policies, legal and regulatory reforms with various degrees of results. This has led to the client's effective use of up-to-date banking system. Technology has also advanced in Uganda with the evolution of the banking sector in Uganda; hence services provided to clients are of quality. This has also encouraged the clients to involve themselves with the banking services for example by opening

up accounts in order to manage their finances appropriately as stated by Bategeka and Jovita (2010). This helped the researcher find out more about the factors that influence university students to use the services of a particular bank; that is, why the university students choose to open up accounts any bank. However the study specifically included undergraduate students of Uganda Martyrs University.

According to Beck and Hesse (2006), the evolution of the banking sector has been characterized by bank closures, mergers and acquisitions. Before the country's independence in 1962, the banking sector was dominated mainly by foreign owned commercial banks.

Bategeka and Jovita (2010) elaborated that in addition to the National Bank of India, other banks were opened up for example, Standard Bank was opened in 1912, Bank of the Netherlands was opened in 1954, and Grindlays Bank emerged later. Uganda Credit and Savings Bank which became Uganda Commercial Bank (UCB) in 1969 was established in 1965 by an Act of Parliament. This was the first local commercial bank established in the country. Bank of Baroda was established, first in 1953, but regularized as a commercial bank in 1969 with the enactment of the Banking Act of 1969. This was the first legal framework for regulation of the banking sector following the country's independence of 1962. The Bank of Uganda, the country's central bank which was established in 1966 under the Bank of Uganda Act (1966), was followed by the establishment of the Uganda Development Bank under the Uganda Development Bank (UDB) Decree (1972). With the establishment of UCB and UDB, the government-owned banks dominated the banking industry. UDB received all foreign loans and channeled them to the local companies for development; UCB, with the biggest number of branches (about 67 in number), handled the majority of the customers while the East African Development Bank (established in 1967) handled the East African Community (EAC) business.

In addition Bategeka and Jovita (2010) also stated that; by 1970, Uganda had more than 290 commercial bank branches but this number reduced to 84 in the period between 1970 and 1980's following political instability and economic decline during the same period. Of the 84 commercial bank branches in the country, the UCB owned a total of 50 according to the Uganda bureau of statistics (2012). Therefore university students have enough options to choose what bank is appropriate for the different services they want to utilize since there are quite a number of banks in Uganda now. There are various types of banks in Uganda now and university students from all over the country can select the bank of the choice because of different reasons. Therefore this helped the researcher find out the factors that influence university students to choose the type of bank where to open their accounts as this may be one of the factors that influence the ownership of bank accounts. The study was conducted specifically with undergraduate students of Uganda Martyrs University, Nkozi.

1.1.1   Background to the Case Study

According to the information found on Uganda Martyrs University Website, the university is Catholic founded, faith-based, not-for-profit private university established in 1993, and owned by the Uganda Episcopal Conference (UEC). UMU received a Civil Charter on 2nd April 2005 from the government of Uganda to legitimize its existence and recognize the fact that it had attained the required university standards. On 18th October 1994, the University was officially opened in the presence of His Excellency President Yoweri K. Museveni, the Uganda Catholic Bishops, the Minister of Education, and a host of friends and well-wishers. Uganda Martyrs University is fully recognized by the Ministry of Education in Uganda and its degrees are conferred autonomously. The University opened with 84 students (28 female and 56 male) from

all parts of Uganda and 7 staff members. In the recent years we have enrolled more female than male students. Our present student population is 2,026. Of these 459 are resident on campus. The other 1,567 are on distance learning programs and part-time postgraduate courses in Kampala and various other parts of Uganda.

1.2   Problem Statement

According to the information found on the Uganda Martyrs University website, Uganda Martyrs University has over 2000 students including both nationals and non- nationals who are knowledgeable about the existence of banks, their purposes, advantages and their disadvantage, however according to the information obtained from manager of Global Trust Bank Nkozi branch and the manager of Centenary Bank Kayabwe branch, the largest number of these students do not own bank accounts.

This study aims at finding out the factors that influence the ownership of a bank account among university students of Uganda Martyrs University, Nkozi.

1.3   Objectives of the study

1.3.1   General Objective

To identify the factors influencing ownership of a bank account among university students

1.3.2   Specific Objectives

i.   To determine the proportion of university students who own a Bank Account

ii.   To explore the challenges faced by undergraduate students holding Bank Accounts

iii.   To establish what helped the undergraduate students owning bank accounts overcome the different challenges they faced?

1.4   Research questions

i.   What is the proportion of undergraduate students holding a Bank Account?

ii.   What are the challenges faced by undergraduate students holding a Bank Account?

iii.   What helped the undergraduate students in holding bank accounts overcome the different challenges faced?

1.5   Scope of the study

1.5.1   Content scope

There are several factors that influence the ownership of a bank account in Uganda such as affordability, accessibility, type of bank, peer influence, significant others, preferences (on type of bank and where to keep money), access to information, security, family financial status, age, gender, course, tribe, religion, year of study, residential status, marital status, employment status, financial status, nationality. However, this research only focused on finding out the factors influencing ownership of a bank account among university students.

1.5.2   Time Scope

The study was confined to the period between the years 2010 -2014 considering the much rapid advancement in the industry that could have effected much change in the service industry. This time scope was selected because it was long enough for the researcher to establish the factors affecting ownership of bank accounts among university students' specifically undergraduate students of Uganda martyrs university, Nkozi.

1.5.3 Geographical Scope

The research was carried out at Uganda Martyrs University Nkozi located in Mpigi District, three kilometres from Kayabwe Trading Centre in Mawokota Sub County. The researcher chose this place because it was more convenient for her; it being near her and therefore was less time consuming since the researcher was also an undergraduate student of Uganda Martyrs University, Nkozi and thus it would be easy for her to interact with the students in order to obtain the necessary information needed to complete this research.

1.6 Justification of the study

Through the evolution of the banking sector in Uganda people's lifestyles are changing and they are increasingly learning how to save through the use of accounts like saving accounts. People especially university students have developed a culture of budgeting for their spending and this is because they keep their money in banks and not in their bags or pockets. This study therefore further sought to determine the magnitude of importance of this effect. It thus sought to establish the factors that determine ownership of bank accounts among university students.

1.7 Significance of the study

Conducting this study would; Increase the researcher's knowledge on the factors that influence the ownership of a bank account among university students;

Banks in Uganda would use results from this research as a basis for improving the services the banks provide to people in order to encourage more people to open up accounts in their banks without retarding their performance and thus their market base;

The study would also contribute to the already existing literature and knowledge about factors influencing ownership of a bank account among university student and will also help other

researchers who may want to carry out more research on bank account ownership among university students.

1.8 Conceptual Framework

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┌─────────────────────────────┐          ┌─────────────────────────────┐
│   Independent variables     │          │    Dependent variable       │
│ Location of home or business,│  ─────►  │                             │
│ personal loan experience, Age,│         │ Ownership of a bank account │
│ gender, Course, tribe, religion,│       │                             │
│ Year of study, Residential  │          │                             │
│ status, marital status,     │          │                             │
│ Employment status, financial │         │                             │
│ status, nationality         │          │                             │
└─────────────────────────────┘          └─────────────────────────────┘


┌─────────────────────────────┐          ┌─────────────────────────────┐
│   Intervening variables     │          │   Intervening variables     │
│                             │          │                             │
│   i.    Affordability       │          │ Peer influence, interest rates│
│   ii.   Accessibility       │          │ preferences (on type of bank │
│   iii.  Type of bank        │          │ and where to keep money,    │
│   iv.   Banks reputation    │          │ access to information,      │
│                             │          │ security, family financial  │
│                             │          │ status, customer orientation,│
│                             │          │ availability of automated   │
│                             │          │ machines, withdrawing and   │
│                             │          │ depositing charges          │
└─────────────────────────────┘          └─────────────────────────────┘
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Source: Researcher

According to the researcher there are different factors that influence the ownership of a bank account among university students. The conceptual frame work above describes the relationship between the variables of the study. The variables of the study are; dependent, independent and intervening variables. Accordingly, ownership of a bank account is the dependent variable while factors that influence the ownership of a bank account fall under both the independent and intervening variables.

For purposes of this study, independent variables include location of home or business, personal loan experience, age, gender, course, tribe, religion, year of study, residential status, marital status, employment status and the financial status

The other variables that is the intervening variables include; affordability, accessibility, type of bank, banks reputation, peer influence, significant others, preferences (on type of bank and where to keep money), access to information, security, family financial status, customer orientation, availability of automated machines, withdrawing and depositing charges.

1.9   Limitations

The process of conducting the research needed several travels to the area of study which were infringing to the pockets of the researcher and as well as other costs that were met in the data collection process. Regular adjustments and printings before approval of the final draft was also a challenge on the side of the researcher. On the other hand, many a respondent were uncooperative and once in a while turned rude and unfriendly. This was attributed to the fact that it being a university, a student community, matters like research was of low interest to them and thus could not quite comprehend the purpose of the study as being of any benefit to them in any way and hence turned out to be a bother.

1.10   Conclusion

In conclusion chapter one elaborates the background of the study, the overview of Uganda Martyrs University that is the background of the university as it is the researchers case study. Chapter one also describes ownership of a bank account for the purpose of the understanding of future researcher, the problem statement objectives of the study, research questions, purpose of the study and the scope of the study.   Chapter one also shows that there are different factors that influence the ownership of a bank account among university students as elaborated in the conceptual frame work. This study therefore focuses on examining these factors that make one have the urge to own a bank account in any bank.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Chapter two portrays a critical review of the many aspects that have been analyzed and studied theoretically and empirically by numerous scholars on the existing literature on factors influencing ownership of bank accounts among university students. The chapter also entails data both from surveys already conducted in the field of banking notwithstanding the factors influencing the ownership of bank accounts among university students.

2.1 An over view

2.1.1 Overview of Ownership

According to Bergström (2000), ownership is described as commonly agreed that to own something is to have certain rights and duties vis-à-vis other people or juridical persons with respect to the item. In short, ownership is a bundle of rights and duties. For example, if an individual owns a car, he or she has the right to drive it (provided they have a driver's license), the right to prevent others from using it, the right to sell it or to give it away, the duty to pay an owner's tax, and the duty to see to it that it satisfies certain safety regulations; moreover, the car is liable to execution for any debt or insolvency that you might have, and so on.

In addition Bergström (2000) stated that for one thing, most people have no clear conception of exactly what rights and duties are involved in the ownership of a car. Secondly, other instances of ownership may involve different rights and duties for example if an individual owns a piece of land, he or she may not have the right to prevent others from using it (in certain ways), but it seems odd to say that the very meaning of terms such as "own", "ownership", and "property"

varies from one instance to another. If this were the case, it would be hard to see how one could ever learn the meaning of these terms.

The information about ownership as stated by Bergström (2000) helped the researcher to describe what ownership of a bank account means or entails. In regard to the information about ownership, the researcher simplified ownership of a bank account as; to first of all have an account in the bank, all individuals have the rights toward that account and duties to fulfill for example by maintaining the account or keeping the account running. Any person has the right to stop others from accessing his or her account and has the duty to respect the banks rules and regulations in order to maintain the account. This information however helped the future researchers also understand what ownership generally means in order to also understand what ownership of a bank account means.

Bergström (2000) added that a person might try to make a distinction between those rights and duties which are essentially involved in ownership and those which are only accidentally or contingently involved. For example, any person's ownership of the car involves the duty to pay a tax, but other people can easily imagine a change in the law to the effect that car owners are no longer required to pay any tax just for owning a car. This suggests that this particular duty is only contingently involved in ownership. By contrast, one might try finding some rights and duties which are necessarily involved in all cases of ownership; these could then be taken to define ownership.

Bergström (2000) gave an example that a person may own a car even though they lack the rights to use it and to sell it, for it may be taken to execution for some debt they owe. In short, there are probably no rights or duties which are essentially involved in all cases of ownership. Rights and

duties can hardly be defined by conditions which are both necessary and sufficient for ownership.

I agreed with Bergström (2000) because any person has the right ownership of a bank account when he or she has the rights and duties toward that account. Therefore according to the information obtained from Bergström (2000) about ownership, every person has to first understand their rights and duties to the bank account before they own it. In this case the bank manager has the responsibility of elaborating to university students their rights and duties towards bank account before they open them and own them. The manager also endeavors and makes sure that the university students understand these rights and duties. After understanding what ownership is; the researcher had to find out if university students have attitudes university students towards the rights and duties of ownership of a bank account and if it is a factor that influences them to own a bank account. This study will specifically be done with the undergraduate students of Uganda Martyrs University.

2.1.2   Banking in Uganda overview

Prior to Uganda's independence in 1962, Government-owned institutions dominated most banking in Uganda. In 1966 the Bank of Uganda, which controlled the issue of currency and managed foreign exchange reserves, became the Central Bank. Uganda Commercial Bank, which had fifty branches throughout the country, dominated commercial banking and was wholly owned by the government. The Uganda Development Bank was a state-owned development finance institution, which channeled loans from international sources into Ugandan enterprises and administered most of the development loans made to Uganda. (Bategeka and Jovita 2010)

Bategeka and Jovita (2010) also mentioned that in the 1960's different banks evolved that is; the East African Development Bank owned by Uganda, Kenya, and Tanzania. The other commercial banks included local operations of Bank of Baroda, Barclays Bank, Bank of India, Grindlays Bank, Standard Chartered Bank and Uganda Cooperative Bank. During the 1970s and early 1980s, the number of commercial bank branches and services contracted significantly. Whereas Uganda had 290 commercial bank branches in 1970, by 1987 there were only 84, of which 58 branches were operated by government-owned banks. Hence based on the information stated by Bategeka and Jovita (2010), it is necessary to discover the factors influencing university students to own bank accounts.

Bategeka and Jovita (2010) stated that in the late 1990s and early 2000s, the Ugandan banking industry underwent significant restructuring. Several indigenous commercial banks were declared insolvent, taken over by the central bank and eventually sold or liquidated. These included Cooperative Bank, Greenland Bank, International Credit Bank, Teefe Bank and Gold Trust Bank which were closed or sold. Uganda Commercial Bank was initially privatized through a sale of its majority shares to a purported company from Malaysia. However it later came to light that the actual buyer was a partnership between Greenland Bank (which itself was insolvent) and some politically connected individuals. A second privatization sale was conducted, with the Standard Bank emerging as the winner.

Bategeka and Jovita (2010) added that the privatized Uganda Commercial Bank was merged with the former Grindlays Bank which Standard Bank already owned and had renamed Stanbic Bank. The combined new bank is now known as Stanbic Bank (Uganda) Limited. As of 2008, Stanbic Bank (Uganda) Limited was the dominant commercial bank in Uganda, with about 27% of all bank assets and about 20% of all bank branches. Nile Bank Limited, an indigenous

institution, was acquired by the British conglomerate, Barclays Bank in January 2007 and merged with its existing Ugandan operations to form the current Barclays Bank (Uganda).

During 2008 and 2009, several of the existing banks went on an accelerated branch expansion either through mergers and acquisitions or through Denovo branch openings. As of October 2010, there are twenty-two (22) licensed commercial banks in Uganda, with nearly four hundred (400) bank branches and a total of almost six hundred (600) ATMs. Under statutory instruments 2010 No.43, the minimum capital funds unimpaired by losses of a bank shall at any time not be less than one million, two hundred and fifty thousand currency points. Transitional provisions for existing banks were made to build the minimum paid-up capital unimpaired by losses to five hundred thousand currency points by 1st march 2011, and to one million, two hundred and fifty thousand currency points by 1st march 2013. This is a significant move from the old capital requirement of two hundred thousand currency points. (Statutory instruments act 2010)

2.2 Actual Review

2.2.1 Banking

According to Huck (1988), a bank is a financial intermediary that accepts deposits and channels those deposits into activities, either directly or through capital markets. A bank connects customers with capital deficits to customers with capital surpluses.

Therefore banks can be traced back to ancient times even before money when temples were used to store commodities. During the 3rd century AD, banks in Persia and other territories in the Persian Sassanid Empire issued letters of credit known as ıakks. Muslim traders are known to have used the cheque or ıakk system since the time of Harun al-Rashid (9th century) of the Abbasid Caliphate. (Rothbard 2002)

In addition Bloemier (1988) stated that banking is generally a highly regulated industry, and government restrictions on financial activities by banks have varied over time and location. In some countries such as Germany, banks have historically owned major stakes in industrial corporations while in other countries such as the United States banks are prohibited from owning non-financial companies. In Japan, banks are usually the nexus of a cross shareholding entity known as the keiretsu. In Iceland banks had very light regulation prior to the 2008 collapse. The oldest bank still in existence is Monte dei Paschi di Siena, headquartered in Siena, Italy, and has been operating continuously since 1472.

Bloemier (1988) added that banking in the modern sense of the word can be traced to medieval and early Renaissance Italy, to the rich cities in the north like Florence, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th century, Florence, establishing branches in many other parts of Europe. Perhaps the most famous Italian bank was the Medici bank, set up by Giovanni Medici in 1397. The earliest known state deposit bank, Banco di San Giorgio (Bank of St. George), was founded in 1407 at Genova, Italy.

Gorton and Pennacchi (1995) argued that originating banks that retain a portion of the loan on the balance sheet, or offer an implicit guarantee on the value of the loan to reduce moral hazard problems, have incentives to efficiently evaluate and monitor the borrower (implying that those banks that do not offer such 'guarantees' have no incentive to monitor credit quality).

Cebenoyan and Strahan (2004) found evidence suggesting that banks use risk-reducing benefits of securitization via loan sales market to engage in more profitable, but higher risk activities and to operate with greater financial leverage.

However Riggall (1980) confirmed that the convenience factor is the most important for bank customers, followed by friend's suggestions and low service charges. Lewis (1991) indicated that

convenience and recommendation by friends and family were the most decisive bank selection criteria. In the face of high levels of competition among the various banks necessitate adoption of different customer service techniques to satisfy and retain the customer (Oyeniyi & Abiodun 2008). Clearly, the effectiveness of the level of customer service will enhance customer retention; reduce switching between and among service providers and serve as the edge over other competitors. In the past customer retention strategy was just one weapon to use against competitors and was downplayed because marketing professionals focused primarily on attracting new customers.

Nevertheless, firms that continue to acquire new customers but are unable to retain them are unlikely to see positive results and customer retention has become essential to survival. (Riggall 1980)Indeed, the relationship between the customers and the banks seems to be built around two different types of factors: social bonds, namely relational components that result in direct relationships, and structural bonds, namely structural components which provide knowledge about the parties involved. Therefore according to the information obtained from Rigagall (1980), there was need for the researcher to find out if university students who are also consumers of banks have a relationship with banks where they own accounts for example social bonds and structural bonds.

Furthermore (Diamond and Dybvig 1983) showed that banks' provision of liquidity services leaves them subject to runs. The reason is that the liquidation value of a bank's portfolio of assets is less than the value of liquid deposits, a necessary condition for the bank to provide liquidity. Under these circumstances, a run can occur even without the release of adverse information about the bank's assets. If depositors panic, they may try to withdraw their funds out of fear that other depositors will do so first, thus forcing an otherwise sound bank into bankruptcy.

In addition Banks may also fail for other reasons. They may not be able to completely diversify the risk associated with their assets because markets are incomplete or because their monitoring technologies are not perfect. As a result, a run may occur if depositors realize that the value of a bank's assets is low, thus making withdrawing a dominant strategy. In this case, a run may be triggered, for example, by the release of information on the quality of the bank's assets (Jacklin and Bhattacharya (1988).

2.2.2   Ownership of a Bank Account

Kaufman (1967) investigated the determinant factors used in bank account selection decisions by students, consumers and business firms in the USA. He found that the most influential factors reported by households were convenient location to home or place of business, length of bank-customers relationships and quality of services offered by the bank. Therefore this study is necessary to discover and understand the factors that influence ownership of bank accounts by university students in Uganda.

Mason and Mayer (1974) assessed the factors used by two groups of account customers who use cheques in USA, high income and low income, in deciding to maintain their accounts at a particular branch. Agreeing with the results of Kaufman (1967), convenient location came on the top of the list. Other factors with high rankings were: friendly personnel, favorable loan experience; advice of friends and influence of relatives. Since Mason and Mayer (1974) agree with Kaufman (1967), it was therefore necessary for the researcher to discover and understand the factors that influence ownership of bank accounts among university students in Uganda.

In a study conducted in USA, Fitts (1975) factor-analyzed the data and found that six factors influence students to open accounts in a certain bank; full service bank, customer orientation, a pleasant banking experience, convenience of time, shopping accessibility, and personal influence. There is therefore need for the researcher to find out if the factors stated by Fitts (1975) also influence ownership of bank accounts among university students in Uganda.

Furthermore, Riggall (1980) surveyed a sample of 250 `` student newcomers" to a community in the USA to find out when and why they chose to open up a bank account in a particular bank. Like many previous studies, convenience of location (to home or work, and the place of study) appears to be the most influential factor for bank selection by student newcomers. Other determinant factors were reported to be influence of friends (also found by Mason and Mayer (1974) and Fitts (1975)), low service charges, availability of automated teller machines (ATM), and employer uses the same bank. According to the Website of Uganda Martyrs University which is the researcher's case study, students travel from all over the country to come study from this university which is located in Mpigi District, others travel from other countries. Therefore this research was necessary to discover if students own bank accounts around this area because they are new comers and it is a convenient location for them.

For example Laroche et al. (1986) investigated 140 households in Montreal, Canada, to find out how students select their banks where to open bank accounts in such a competitive banking environment. In ranking the selection factors, results show that friendliness of staff plays the major role in the bank decision process, followed by hours of operations, size of waiting lines, convenience of location, and efficiency of personnel. Based on the this information the researcher would conduct a study among university students, specifically those at Uganda Martyrs University, Nkozi to examine if the factors investigated by Laroche et al. (1986) among

140 households in Montreal, Canada also affect university students in Uganda towards the ownership of bank accounts.

A study by Javalgi et al. (1989) in the USA using ``analytic hierarchy process'' found that financial factors are the chief criteria in customers' bank selection decisions. Findings of this study show that financial factors such as safety of fund, interest on savings accounts, and availability of loans scored high. Other determinant factors were found to be convenient location and bank's reputation.

Among other purposes, Erol et al.'s (1990) study was designed to determine the bank selection criteria used by customers of Conventional and Islamic banks in Jordan. Generally, factors which scored highly were: fast and efficient services, bank's reputation and image, friendliness of bank personnel, and confidentiality of bank.

Yue and Tom (1995) studied the bank selection criteria used by Chinese-American residing in Sacramento, California. The major determinant factors were reported to be efficiency of services offered, bank's reputation, bank fees, convenient location, and interest rates on saving accounts and loans.

According to the information obtained from Javalgi et al. (1989) ; Erol et al.'s (1990) ; Yue and Tom (1995) conducting this current study among university students, specifically those of Uganda Martyrs University, Nkozi helped the researcher determine the criteria used by university students in bank selection decisions specifically ownership of a bank account.

Furthermore Kaynak and Kucukemiroglu (1992) conducted a study in Hong Kong to determine the importance of selection factors used by Hong Kong consumers in choosing domestic and foreign banks. The major factors were reported to be convenient location, available parking space nearby, financial counseling, vault location, and loans and mortgages. Uganda martyrs

university has students who are both national's and non- nationals. Therefore according to this information; the study helped the researcher to determine the factors that influence non-national students in the selection of banks and ownership of bank accounts in Uganda and in countries where they are nationals.

Kazeh and Decker (1993) studied the opinions of 209 university students in Maryland, USA to obtain information about the determinants of consumers' bank selection decisions. Overall, the highest ranking determinant attributes were: service charges, reputation, interest charged on loans, quick loan approval, and friendly tellers.

Holstius and Kaynak (1995) surveyed 258 bank customers in Finland in order to determine the importance of selected patronage factors used by Finnish customers in choosing their banks. Results indicated that the chief determinant factors for Finnish customers appeared to be: reception at the bank, fast and efficient services, lower service charges, friendliness of personnel, and perceived confidentiality.

Therefore according to Kazeh and Decker (1993); Holstius and Kaynak (1995); and Haron et al. (1994); there are similar factors that influence ownership of a bank account that is; friendliness to personnel, confidentiality and low interest charged on loans, therefore this will help the researcher determine if the factors also influence university students in Uganda to own bank accounts.

Mylonakis et al. (1998) studied 811 bank customers in the greater Athens area in Greece to identify the important bank selection criteria that urban consumers of saving accounts use in the Hellenic bank market. The results indicated that Greek bank customers behave in a similar way to bank customers in advanced bank markets, who are seeking good service in a safe, fast, and technologically modern environment. Selection factors scoring high were location convenience

and quality of service (attention to customers, personalized service, no queues). This study is therefore necessary to discover and understand if the factors that influence ownership of bank accounts among university students in Uganda are the same as the factors that influence consumers worldwide since university students in Uganda are also service consumers of banks. DeYoung et al. (2007) assessed the impact of ownership of bank accounts on US bank performance. DeYoung et al. (2007) found out that ownership of bank accounts allows banks to increase market share by attracting new customers, and also reduce production costs, thus enhancing profitability. The researcher will use both quantitative and qualitative methods in conducting this research about ownership of a bank account. However this will help the researcher in determining the impact that university students in Uganda have on the performance of banks in Uganda. The study will only involve Global Trust Bank in Nkozi, and Centenary Bank in Kayabwe as they are the only banks around Uganda Martyrs University students community since it is my case study.

2.3   Conclusion

In conclusion chapter two reviewed the literature observed by different authors elaborating more about the factors that influence university students towards the ownership of bank accounts. It also involves the overview of the banking sector in Uganda that is how banks evolved in Uganda. Chapter two also described the overview of banking worldwide that is how banks evolved worldwide. This information guided the researcher discover more about the factors that influence ownership of bank accounts among university students in Uganda.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0   Introduction

Chapter three discusses the methodology that was used to study the factors that influence the ownership of bank accounts among university students with a case study of Uganda Martyrs University, Nkozi. It highlights how data will be collected and analyzed. This chapter also describes in detail the overall research design adopted by the study, population of the study, sample size and sample selection strategy, data collection methods, and data collection instruments.

3.1   Research design

Research design helps in holding the research project together. A design is used to structure the research, to show how all of the major parts of the research project - the samples or groups, measures, treatments or programs, and methods of assignment - work together to try to address the central research questions Trochim (2006).

According to Sarantakos (1993), this is the most significant element of the research process where the whole research is designed, options considered, decisions made and details of the research laid down for execution.

The researcher used both quantitative and qualitative data collection methods. Quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques while qualitative research is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences but also in the market research and further contexts.

Therefore the researcher used the quantitative design to interpret the codes that will be attached the questionnaires so as to bring out the degree of relationship between the variables while the qualitative will be used to enable data collection from interviews and literature from secondary sources. These methods also helped the researcher to attain a higher degree of validity by bringing out both the theoretical and numerical issues in the research findings. The researcher used case study research with particular interest on Uganda Martyrs University, Nkozi.

3.2   Population of the study

Population refers to the complete collection of all elements that are if interest in a particular investigation. The population of the study comprised of undergraduate students of Uganda Martyrs University, Nkozi.

3.3   Area of Study

The study was carried out at Uganda Martyrs University, Nkozi. This area was purposely chosen because it is inhabited by a vast student population that formed the population that uses the services of the banks that were of interest to the researcher. This was helpful for it gave the researcher a wide scope of opinion about the subject.

3.4   Sample Size and Selection

According to Sekaran (2003), sampling is the process of choosing the research units of the target population, which are to be included in the study. The samples used in the study were selected using random sampling. The sample size will be selected from all the undergraduate academic faculties of Uganda Martyrs University, Nkozi. The study included 98 students from all the university faculties and the Institute of Ethics in Development Studies.

3.5   Sampling Techniques

Purposive sampling technique was used to create different strata in the study population, Purposive sampling is where the researcher consciously decides who to include in the sample. It was used simply because the study was targeting majorly the students of Uganda Martyrs University. It also ensured that only people with relevant information were sampled.

3.6   Methods of Data collection

3.6.1   Data collection methods;

The researcher used the following methods from the primary and secondary sources to collect data during research;

   i.   **Primary Sources;**

The researcher contacted the respondents to the field to get fresh and unique information by using the following ways or methods; Interviewing, where the researcher interacted with the respondents by asking them questions regarding the study and use of written questionnaires that are self-administered to collect data from the respondents as they are cheap to administer and quick in collecting information. This enabled the researcher obtain answers to sensitive questions that respondents may not be ready or may not easily answer during interviews.

   ii.   **Secondary   Sources**
       or Desk Research

The researcher related and integrated the information gained from the literature reviewed and other secondary sources including text books, journals, reports, magazines, newspapers, dissertations to organize the information necessary for the completion of this study.

3.6.2 Data collection tools and instruments

These are the items or tools that the researcher used during the research process, these tools included things such as; pens, papers, markers, and books. These instruments enabled the researcher during interviewing process and collecting data in organizing and analyzing the data collected. In order to effectively complete the data collection process, the researcher developed that will be used during interviews, summarizing notes from secondary sources and will also be used in developing questionnaires while senses like hearing, seeing, among others were also used during observation, a well written questionnaire with the questionnaire method and a checklist or interview guide as well as a recorder that were used in the interviewing process.

3.7 Data Management and Analysis

According to Sekaran (2003), during data analysis, the researcher mainly tests the goodness of the data developed for the research and gets a feel of the data. The data collected was analyzed both quantitatively and qualitatively with the help of a research assistant. As part of analysis, the researcher first organized data collected, edited coded and categorized according to ideas. The researcher then recorded or entered the data collected from questionnaires and interviews for analysis. The quantitative data was collected from participant through questionnaires and the qualitative data was gained through interviewing and observations. The data analysis process involved deleting errors, correcting omissions and through coding which is assigning numerals or symbols to answer from respondents. Basically, the data was analyzed in a way that reduced codes to themes. Tables, charts and graphs will be used to show this information later.

**3.8	Reliability and Validity**

The validity and reliability of the instruments were tested using pre-tests, for example, the questionnaire was administered to a group similar to the one the researcher used to conduct this study. This process enabled the researcher to measure the accuracy and the consistency in relation the current researched topic.

**3.9	Limitations of the study**

Some of the most needed and important information may not be got as some of the students prefer to keep such information confidential and secret from the general public.

The time allocated for the due research was Limited or not enough to study certain issues that need to be studied over a certain time

This research was costly in terms of money and manpower as it required the researcher to move up and down looking and collecting data.

The findings may not be generalized given that the people studied represented a small sample of the population.

**3.10	Ethical Considerations**

The identity of individuals from whom information is obtained in the course of the research would be strictly kept confidential. This means that no information revealing the identity of any individual would be included in the final dissertation or in any other communication prepared in the course of the research without the concerned individual's consent.

Also, no individual will become a subject of the research without his/her freely given consent that he/she agrees to participate. There was no pressure or inducement of any kind applied to

encourage an individual to become a subject of research. Finally, the researcher will not profit or act in such a way as to facilitate profit by third parties through the commercialization or dissemination of such knowledge without the concurrence of the respondents.

3.11   Conclusions

This chapter provided information about research methodology. I.e. research design, area of study, population of the study, sampling technique, sample size, data collection methods and the limitations to the study. The following chapter therefore presents the findings from the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

Chapter four presents and discusses the findings on topic, factors influencing the ownership of bank accounts among university students, Uganda Martyrs University as the case study. The researcher used both qualitative and quantitative methods of data collection from the field. All the answers given by respondents have been analyzed, interpreted, discussed and presented according to the objectives. The respondents were 98 in number including 78 students from six faculties of Uganda Martyrs University that is Business administration and management, agriculture, general science, education, the built environment, humanities and social sciences plus 20 students from the institute of ethics and development studies.

4.1 Back Ground Information of the Respondents

During the study, the researcher gathered data that constituted the demographic characteristics of respondents on gender, level of education, age bracket and number of faculties.
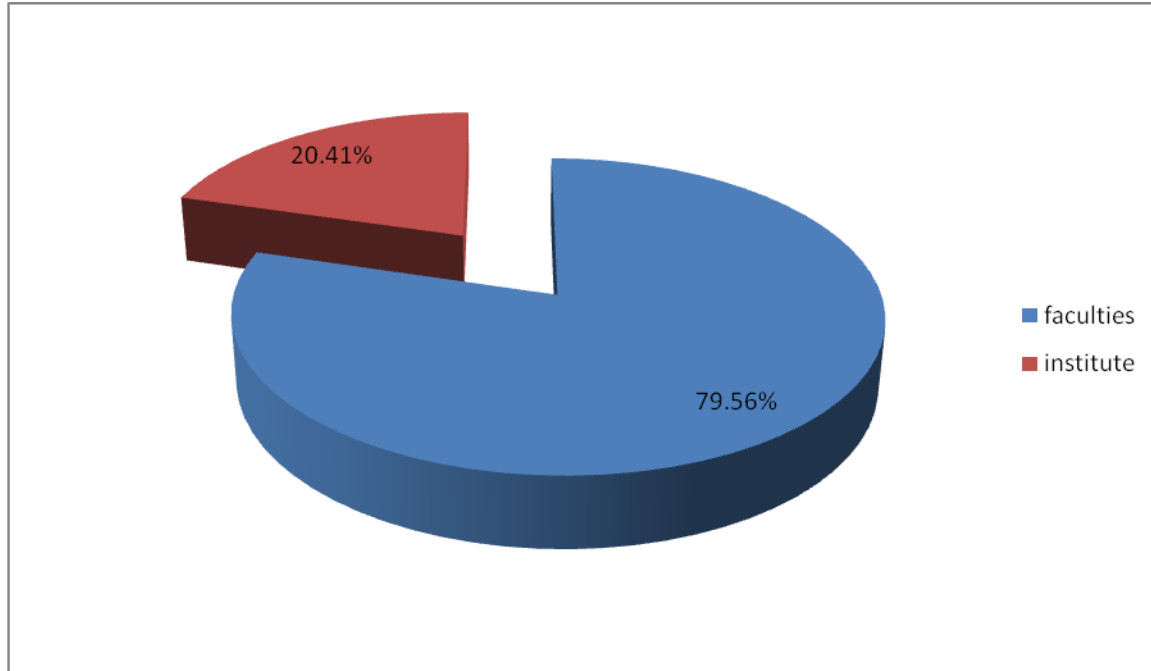
4.1.1 Category of respondents

Concerning the category of respondents, a summary of findings is indicated in the table and figure below.

Table 4.1: Showing the category of respondents

Respondents	Frequency	Percentage
Faculties	78	79.561%
Institute	20	20.408%
Total	98	100%

Source: Primary data 2014

Figure 2:   Pie chart showing the category of respondents

Source: Primary Data 2014

The table and pie chart above represent the number of respondents who participated in the research. The total number of respondents was 98 where 78 respondents, comprising a percentage of 79.6% were students from the faculties; Business Administration and Management, Agriculture, Science, Education, the Built Environment, Humanities and Social Sciences while 20 student respondents, comprising a percentage of 20.4% were from the Institute of Ethics and Development Studies all at Uganda Martyrs University. This therefore shows that most of the information obtained was from the faculties of Uganda Martyrs University and hence elaborating well the factors influencing the ownership of bank accounts. Some information was also obtained from the only institute of Uganda martyrs university that is the institute of ethics and development studies; however this also formed part of the information about the factors influencing the ownership of bank accounts among university students.

4.1.2 Gender of respondents

According to the questionnaires administered to the respondents on the gender of respondents,

the findings are as shown on the table below:

Table 4.2   Gender of respondents

Sex	Frequency	Percentage
Female	69	70.408%
Male	29	29.591%
Total	98	100%

Source: Primary Data 2014

Figure 3:   Showing percentage of the respondents according to Gender
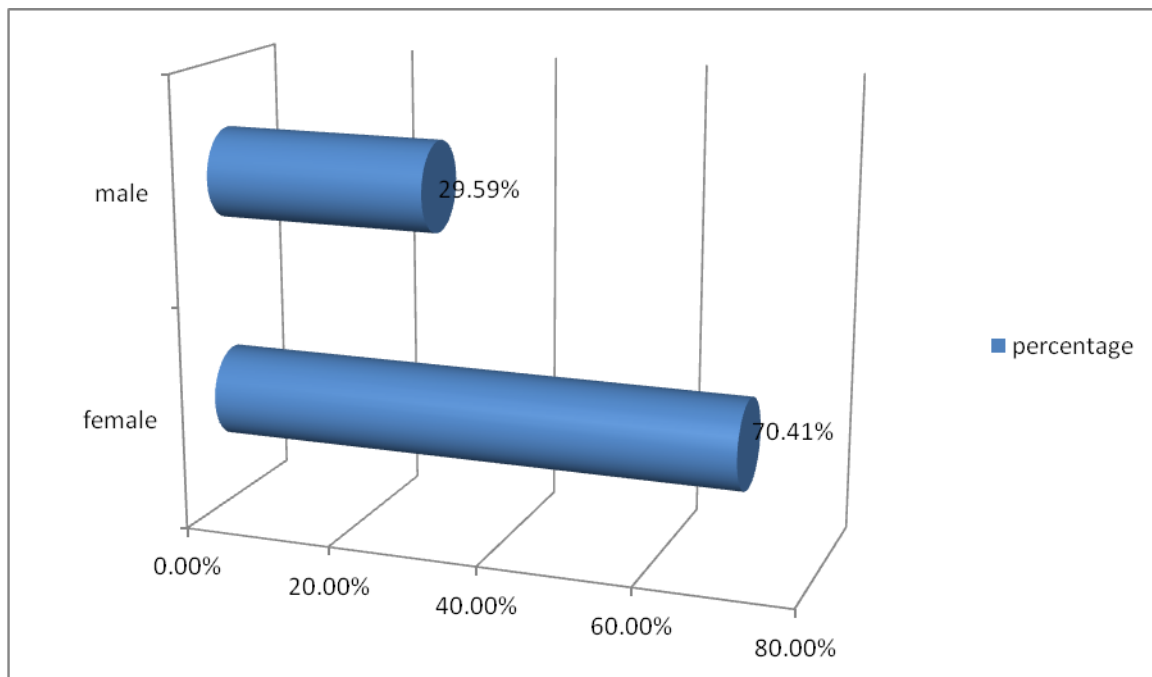
Source: Primary data 2014

From the above figures both men and women are involved in the research carried out thus

implying that the researcher had no bias basing on gender. The total respondents were 98

including 69 females presented by 70.408% and men were 29 presented by a total 29.591%

4.1.3 The Age bracket of respondents

According to the interviews conducted with 98 respondents, it was found out that the age brackets of the respondents of Uganda Martyrs University are between 18 and 40 years as indicated in the table and graph below:

Table 4.3: Showing the respondents age brackets

Years	Frequency	Percentage
18-20 years	33	33.673
21-30 years	60	61.224
30-40 years	5	5.102
Total	98	100

Source: Primary data 2014

Figure 4: Showing the percentage of the age brackets of respondents
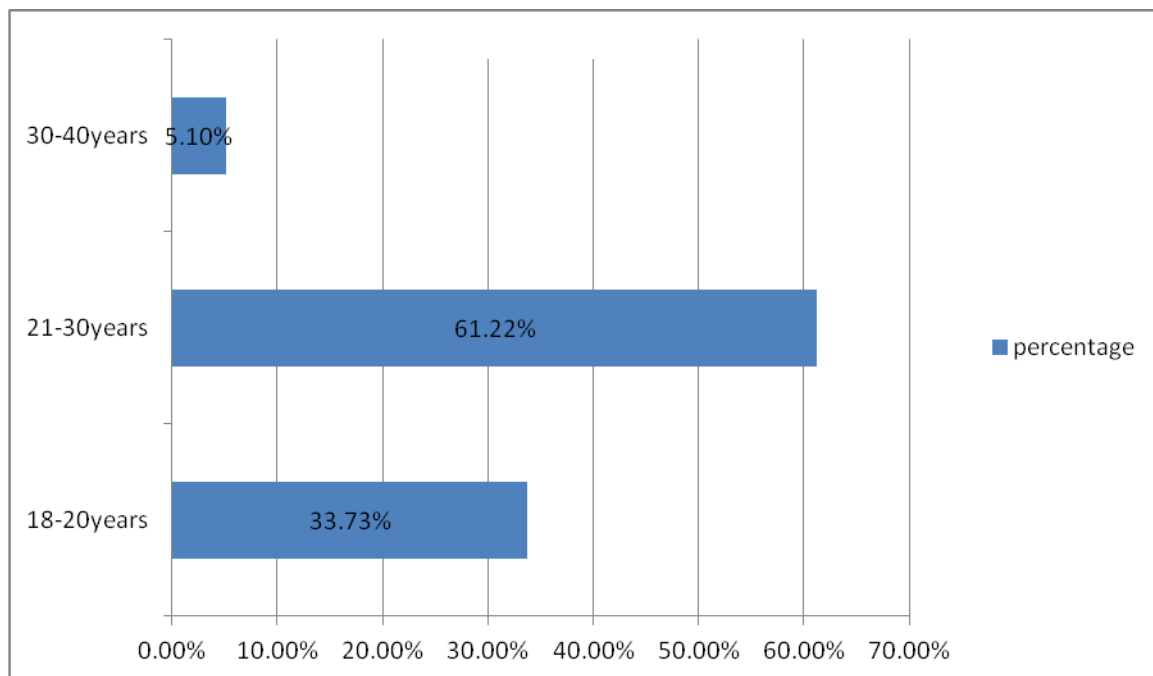
Sourc

e: Primary Data may 2014

From the table and graph above, 33.673% of the 98 respondents were between 18 to 20years of age, 61.224% were between 21 to 30years and 5.102% were between 30 to 40years. This implies that most of the students of Uganda Martyrs University lie between the age bracket of 21 to 30 year and from which most of the information about the factors that influence the ownership of a bank account was obtained.

4.1.4 Level of Education of the respondents

The research findings from the questionnaires administered to the 98 sampled numbers of the respondents showed clearly the responses on the level of education of respondents as indicated from the table below:

Table 4.4: Level of Education of the respondents

Years	Frequency	Percentage
Year1	24	24.489%
Year2	24	24.489%
Year3	40	40.816%
Year4	10	10.204%
Total	98	100

Source: Primary Data 2014

Figure 5 Showing the Level of Education of Respondents
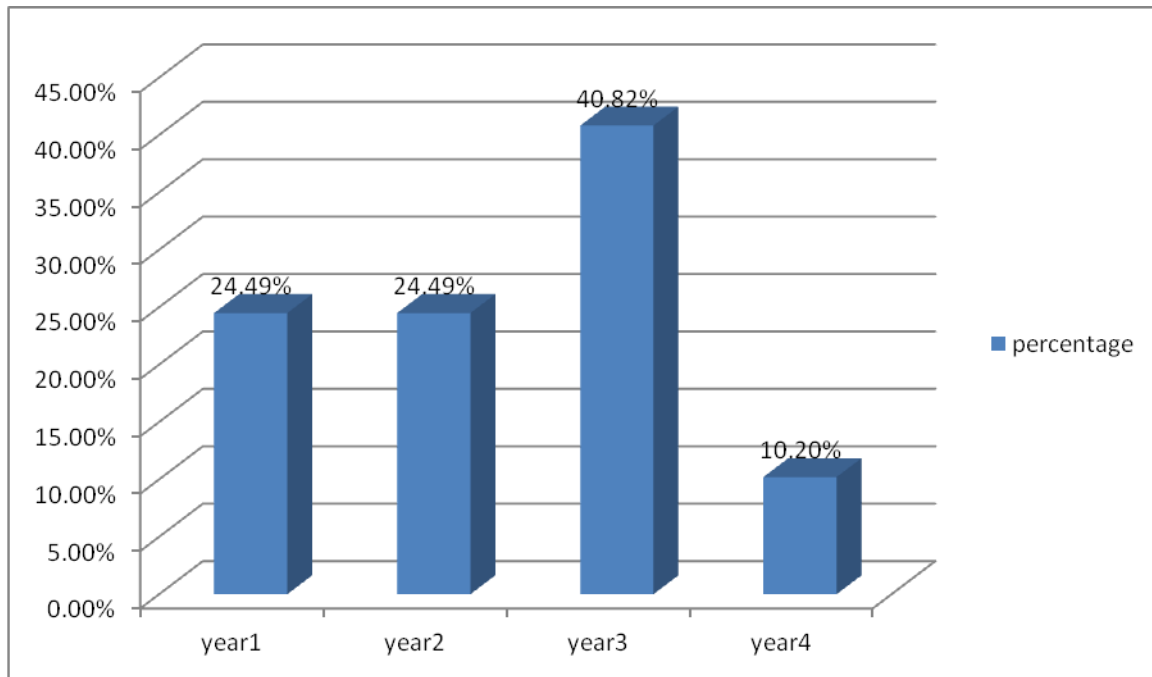
Source: Primary Data 2014

From the table and figure above, 24.489% of the 98 respondents were both in year 1 and year 2, 40.816% of the respondents were in year 3 level, and 10.204% were in year 4; there were no post graduate levels. This implies that respondents had the capacity to answer questions in the questionnaire. The study findings on Uganda Martyrs University show that most of the information obtained about the factors influencing the ownership of a bank account was from students of year 3. Therefore this shows that students of year three have knowledge about banks and ownership of bank accounts hence can identify the factors influencing the ownership of bank accounts among university students, the challenges faced and how to overcome those challenges.

4.1.5 Showing the status of the respondents

Table 4.5:   Showing the status of the respondents

Respondents	Frequency	Percentage
Single	93	94.897%
Married	5	5.102%
Total	98	100%

Source: Primary Data 2014

Figure 6: Marital Status of the respondents
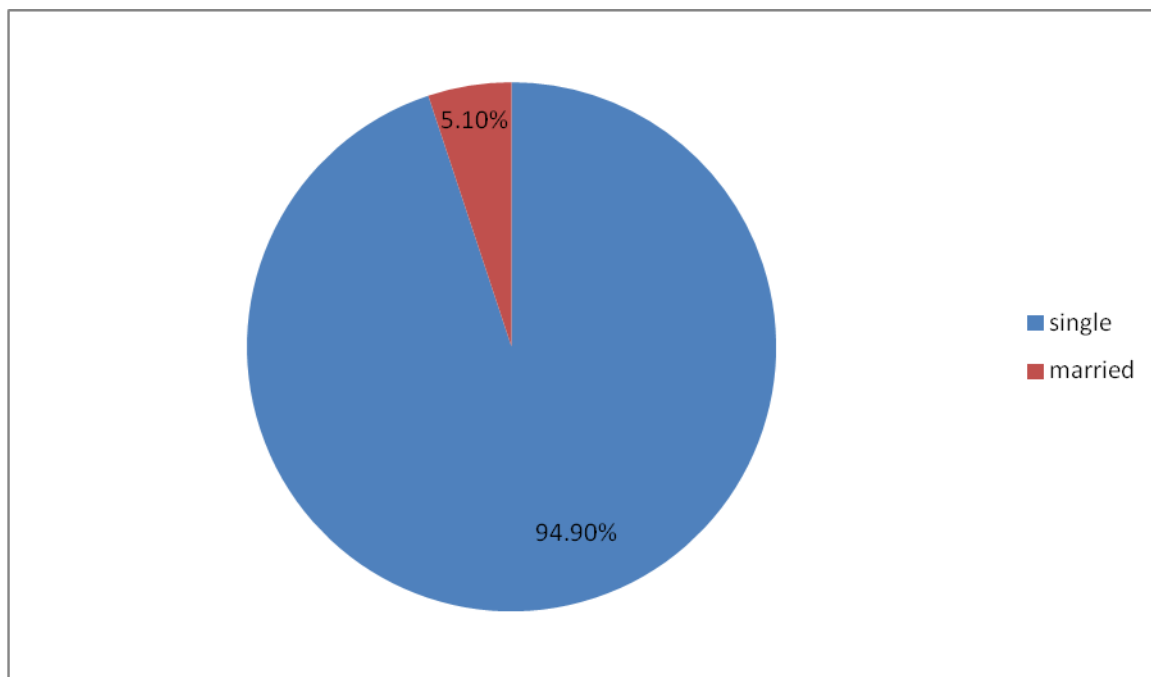
Source: Primary data 2014

From the table above, only five people were married who were represented by 5.102% and the singles were 93 who were represented by 94.897%. This shows that the biggest number in Uganda Martyrs University are single therefore most of the information about factors influencing the ownership of bank accounts among university students was from the singles.

4.2   Ownership of Bank Account

4.2.1   Ownership of a Bank Account among undergraduate students of Uganda Martyrs University, Nkozi

From the questionnaires administered to the undergraduate students of Uganda Martyrs University, out of 98 respondents 75students own bank accounts.

Table 4.6   Ownership of bank Accounts by Respondents

Respondents	Frequency	Percentage
Yes	75	76.530%
No	23	23.469%
Total	98	100

Source: Primary Data 2014

Figure 7: Ownership of a Bank Account by Respondents
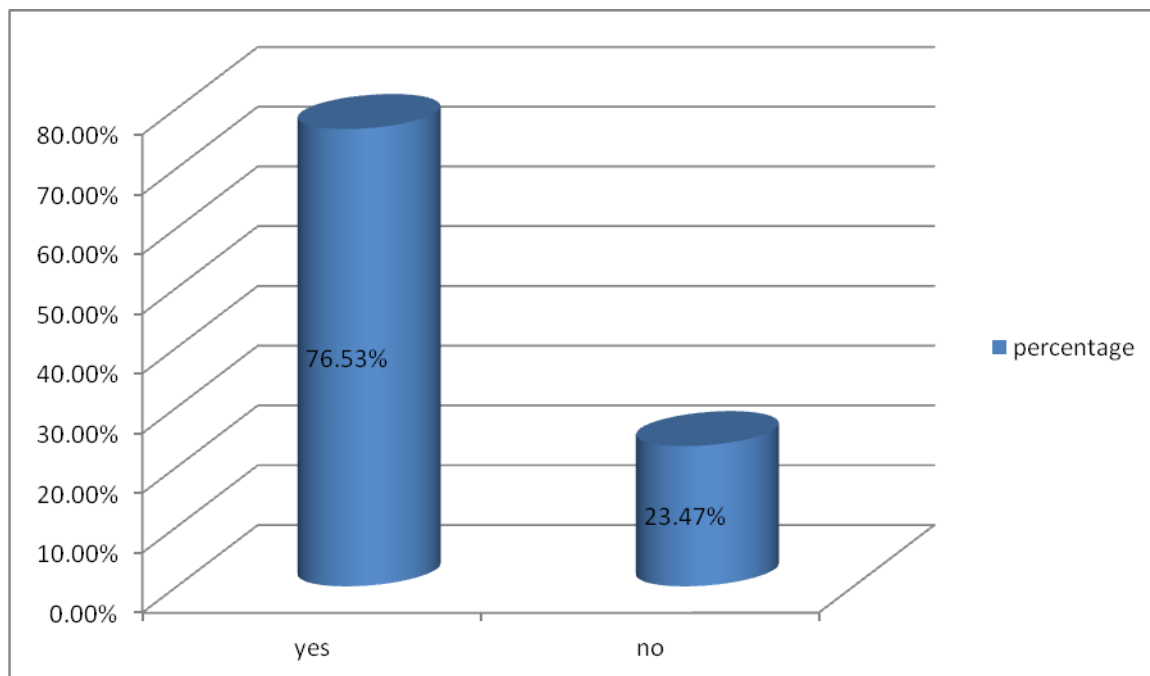
As illustrated above many undergraduate students own bank account that is out of 98 respondents 75 own bank accounts represented by 76.530% and the least of the students do not

own bank accounts that is 23 students represented by 23.469%. Therefore this shows that there are factors that influenced them to open up bank accounts in particular banks.

4.2.2 Types of Bank Accounts owned by undergraduate students

Table 4.7:   Types of Bank Accounts owned by undergraduate students

Respondents	Frequency	Percentage
Savings Account	54	72%
Current Account	6	8%
Fixed Account	10	13.333%
Joint Account	5	6.667%
Total	75	100%

Source: Primary Data 2014

Figure 8 Showing the Types of Bank Accounts owned by undergraduate students
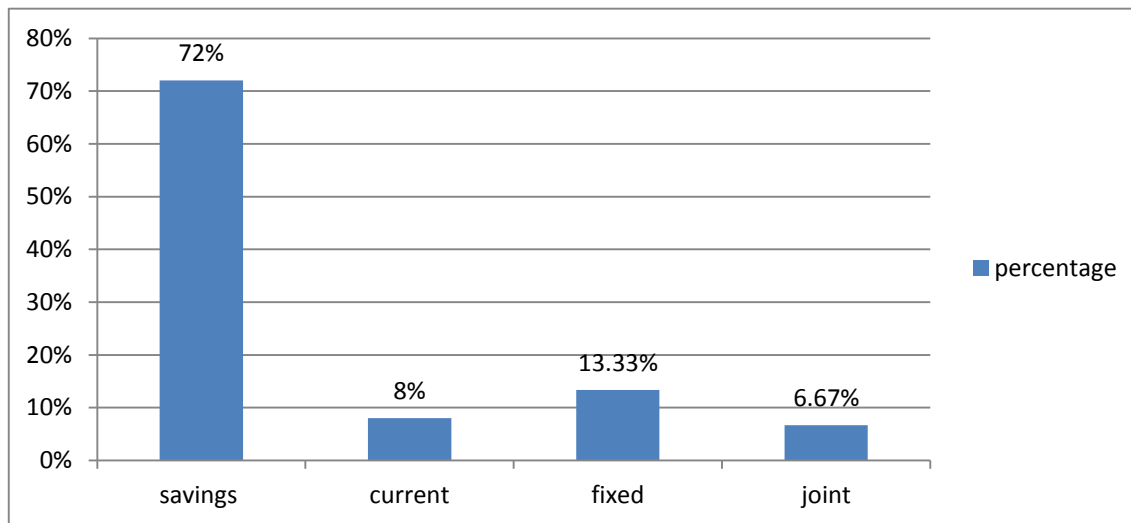
Source: Primary Data 2014

According to the research made, out of 98 respondents 70 students presented by 71.428% own savings accounts, the least students own current and fixed accounts that is 8 students presented by 8.163% and 7 students presented by 7.142% respectively. 13 students own fixed accounts presented by 13.265%. Many students own savings accounts because of the savings incentive emphasized in Uganda today where by people should save as they plan for the future as this will make the future a better life to live. Those who own joint accounts are the ones who have businesses with other partners, which generate income that is used to make the businesses that they own much better or more profitable.

4.2.3   Number of bank accounts held by Undergraduate Students

Table 4.8: Number of bank accounts held by Undergraduate Students

Responses	Frequency	Percentage
One	55	73.333%
Two	20	26.667%
Three	0	0%
Total	75	100%

Source: Primary data 2014

Figure 9: The number of Bank Accounts owned by University

Students
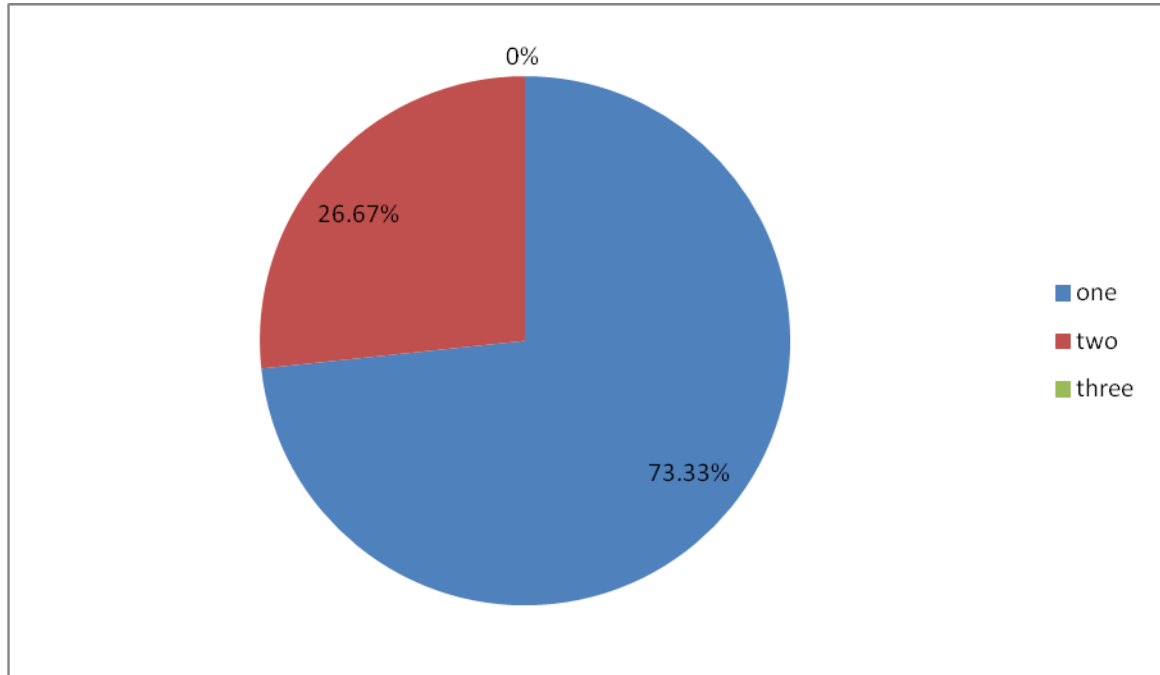
e: Primary data 2014

As shown in the above figures many undergraduate students own bank accounts that is, out of 75

students who own bank accounts 55 students own one bank account, 20 students own two bank

accounts, and none of the students owns more than two accounts. Many of the students who own

one account also own the savings account and a few of them own a fixed account and a current

account. The students who own two accounts have a joint account as their second account. This

implies that the students who own two accounts are in business because of the joint accounts that

they own as their second accounts. The ones who own one bank account want to save money for

future purposes whether savings or fixed as the fixed accounts limit students on when to

withdraw for example they can withdraw once in three months.

4.2.4   The types of banks where undergraduate students own Bank Accounts

Table 4.9   Types of banks where undergraduate students own Bank Accounts

Responses	Frequency	Percentage
Centenary Bank	35	46.667%
Global Trust Bank	20	26.667%
Barclays Bank	6	8%
Stanbic Bank	11	14.667%
Any other bank	3	4%
Total	75	100%

Source: Primary Data 2014

Figure 10: The types of banks where undergraduate students own Bank Accounts
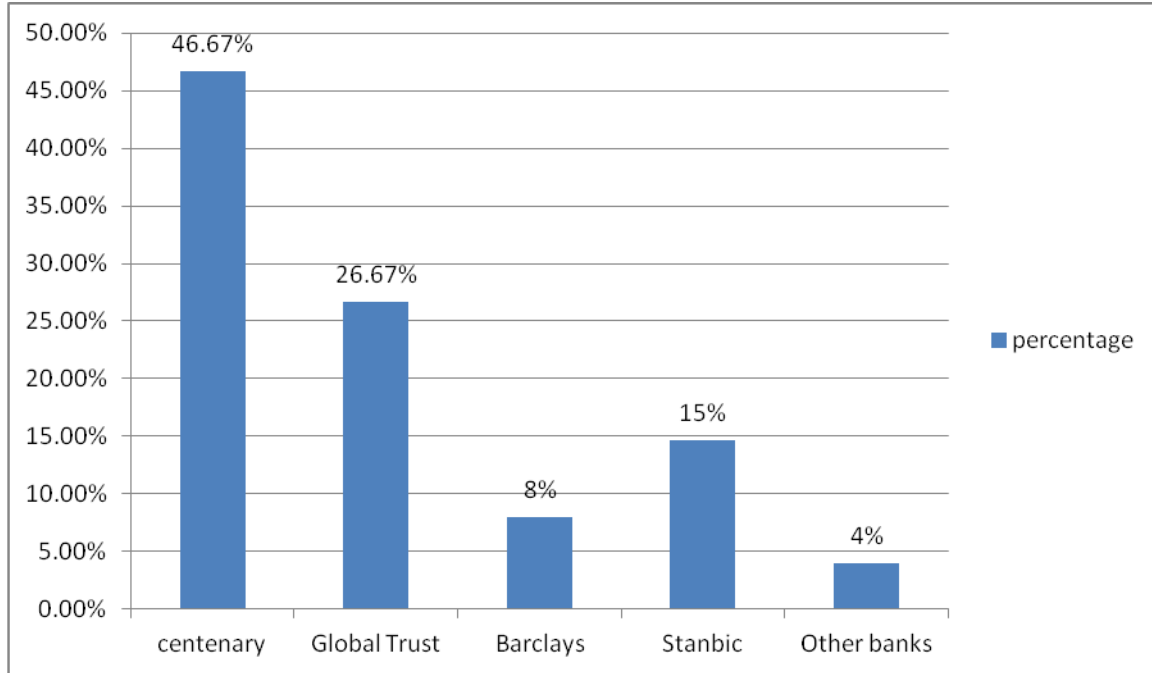
Source: Primary Data 2014

Most of the students at Uganda Martyrs University, Nkozi own bank accounts in centenary bank and Global Trust bank. This is because they are near the university which covers one of the factors that influence ownership of bank accounts among university students that is; convenient location. Few students from Uganda Martyrs University own bank accounts in Barclays bank and Stanbic bank and this is because they are far away from the university and some of them are expensive in terms of high interest rates, unfavorable depositing and withdrawing charges. The most expensive bank mentioned was Barclays bank and that's why it had the least number of students who own bank accounts in it because it does not favor the financial status of the students which is also another factor that influences he ownership of bank accounts among university students, that is to mention, the financial status of the students. 3 students presented by

4% own bank accounts in other banks that is, DFCU Bank, Standard Chartered Bank and Equity bank.

4.2.4   The factors that influenced undergraduate students to own Bank Accounts

Table 4.10   Factors that influenced undergraduate students to own Bank Accounts

Responses	Frequency	Percentage
Convenient location	all	100%
Type of bank	All	100%
Financial status	all	100%
Availability of ATMs	all	100%
Total	75	100%

Source: Primary Data 2014

From the table above there are uniform factors that influence the ownership of bank accounts among university students, specifically those at Uganda Martyrs University. These include convenient location, type of bank, financial status and availability of ATMs. There are other factors that were mentioned by the students which influence them to own bank accounts and these include; Peer influence, access to information, security, family financial status, customer orientation, personal loan experience, Age, gender, Course, tribe, religion, year of study, residential status, employment status, marital status, affordability, accessibility, type of bank and banks reputation

4.2.5   Are Interest Rates Are Favorable

Table 4.11:   Whether interest rates are favorable

Responses	Frequency	Percentage
Yes	10	13.333%
No	65	86.667%
Total	75	100%

Source: Primary data 2014

Figure 11: Banks Interest Rates are favorable to university students
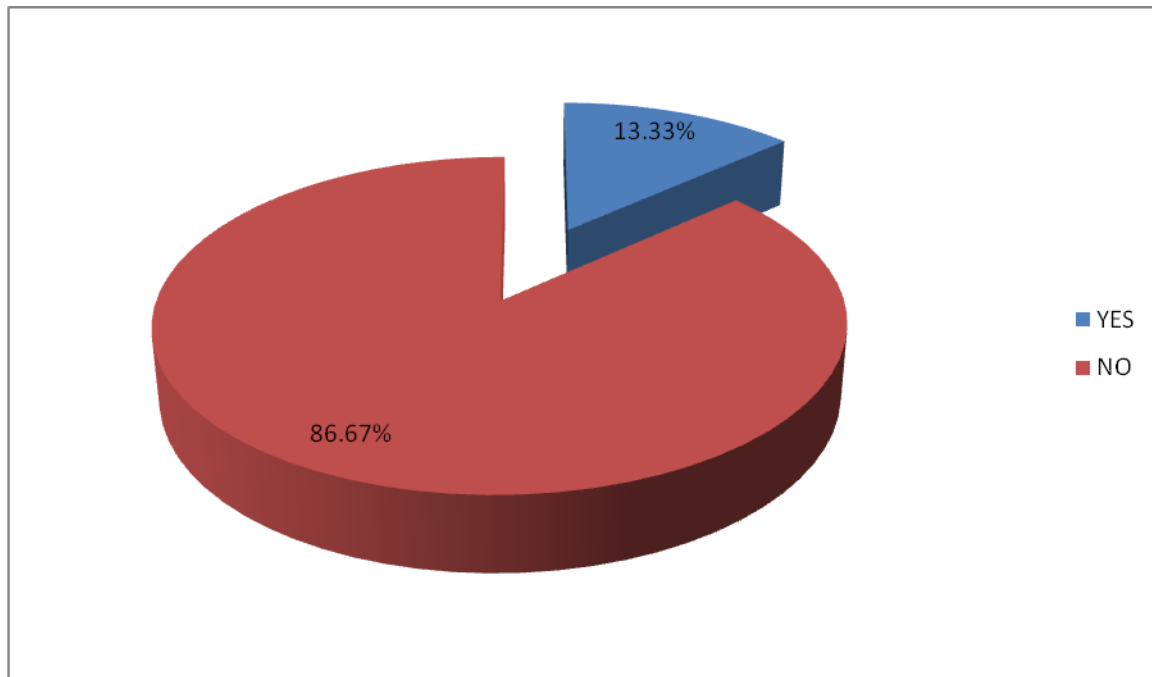
Source: Primary data 2014

86.67% of the 75 students who own bank accounts at Uganda Martyrs University, Nkozi mentioned that the interest rates in banks where they own bank accounts are not favorable for example in Centenary bank and Global Trust bank where most students at Uganda martyrs University, Nkozi, their interest rates re 21% and 23.75% respectively. However these are low interest rates compared to other banks like Barclays bank and Stanbic bank and that is why most of the students at Uganda Martyrs University, Nkozi own bank accounts in Centenary bank and Global Trust bank which is one of the factors that influence the ownership of bank accounts among university students, that is to mention, the level of interest rate in banks.

4.2.5 Banks with University student accounts are accessible

Table 4.12: Banks Where University Students Hold Bank Accounts Are Accessible

Responses	Frequency	Percentage
Yes	55	73.333%
No	20	26.667%
Total	75	100

Source: Primary data 2014

Figure 12: Banks Where University Students Hold Bank Accounts Are Accessible
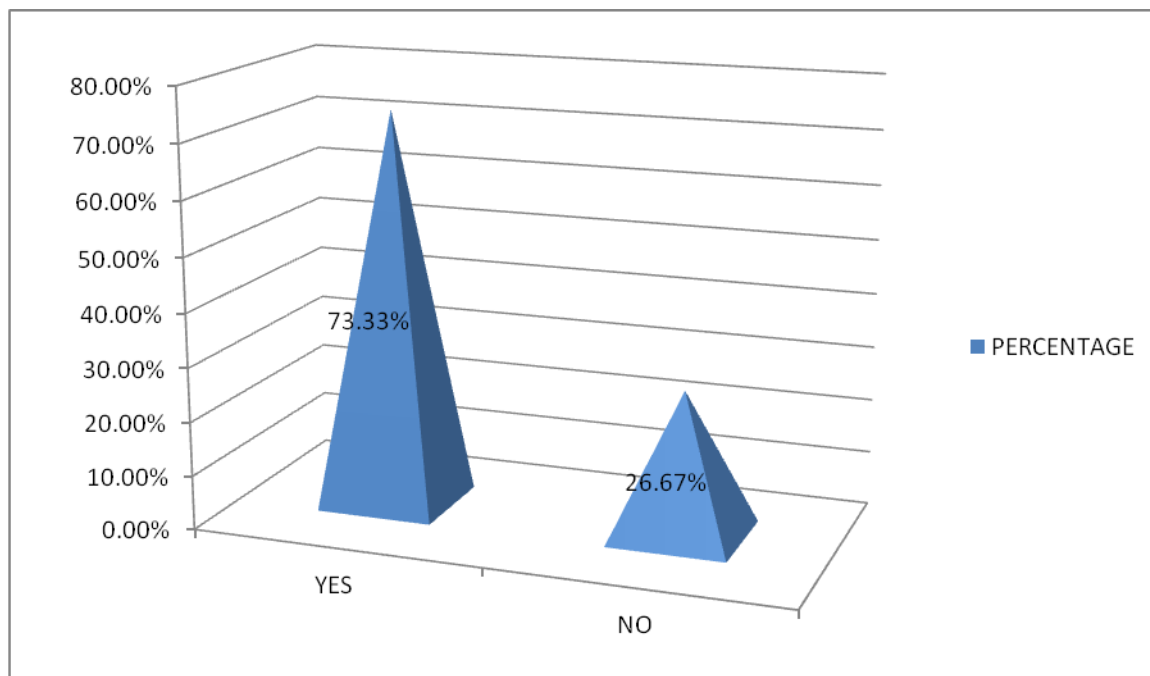
Source: Primary data 2014

4.2.6 Withdrawing charges are favorable to University Students

Table 4.13: Showing whether Withdrawing charges are favorable to university students

Responses	Frequency	Percentage
Agree	23	30.667%
Strongly agree	35	46.667%
Disagree	12	16%
Strongly disagree	5	6.667%
Total	75	100%

Source: Primary Data 2014

Figure 13: Whether Withdrawing Charges Are Favorable To University Students
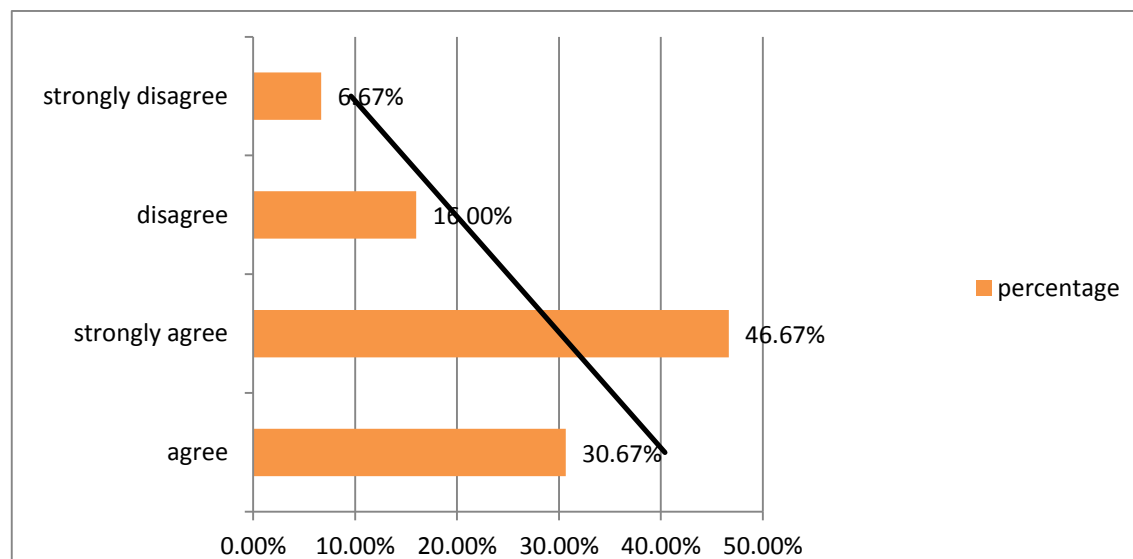
Source: Primary data 2014

According to the questionnaires administered to students of Uganda Martyrs University, Nkozi most students strongly agree that withdrawing charges in banks where they own bank accounts are favorable. That is 46.67% of 75% students who own bank accounts strongly agree that

withdrawing charges are favorable. Since most of the students own bank accounts in Centenary bank and Global Trust bank, this implies that the withdrawing charges in these particular banks are favorable hence elaborating one of the factors that influence the ownership of bank accounts among university students, that is to mention, the level of withdrawing charges in banks.

4.2.7 Satisfaction with services provided by Banks to students holding Bank Accounts

Table 4.14:   Satisfaction with services provided by Banks to students holding Bank Accounts

Responses	Agree		Strongly Agree		Disagree		Strongly Disagree	
Frequency/percentage	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**
The personnel of the bank is friendly	0	0%	0	0%	0	0%	All	100%
High client Confidentiality	75	100%	0	0%	0	0%	0	0%
There is a different section for students services	0	0%	0	0%	0	0%	all	100%
Charges on services are favorable	0	0%	0	0%	0	0%	all	100%
Total	75	100%	0	0	0	0%	75	100%

Source: Primary data 2014

As shown in the table above banks have poor services to their clients specifically university students and this shows that generally university students are not satisfied with the services that

banks provide, that is, the personnel of the banks are not friendly, there is no different section for students services and the charges on services are not favorable. However the banks are known for high confidentiality that is they only disclose the client's information to the clients themselves and not to anyone else. Respondents also mentioned other challenges they face in banks where they own bank accounts and these include; long lines hence wastage of time, in equality where well known people do not actually make lines and some students do not know how to use ATMs.

4.2.8   Ways of How Banks Should Improve Their Services towards Their Clients

Table 4.15:   Ways How Banks Should Improve On Their Services Towards Their Clients

Responses	Frequency	Percentage
Improving their banking technology	All	100%
Increasing the number of tellers	All	100%
Training clients about online banking	All	100%
Total	98	100%

Source: Primary data 2014

All the students who own bank accounts that is 75 out of 98 respondents agree that banks should consider the factors mentioned in the table above to improve on their services towards clients, that is; improving on the banking technology, increasing the number of tellers, and training clients about online banking. The students also mentioned other factors that banks can use to

improve on their services that is; by providing a high level of customer service through having better banking hours, notify present and new clients of the banks continued commitment to helping with any service concerns by posting signs in bank windows, drive-through areas and in on hold phone messages, banks should also make an effort to engage customers in some form of chit-chart at each meeting for example if a client walks up to the teller to make a deposit, thank the clients for choosing the banks and lastly banks should notify their clients immediately any time a serious mishap appears with normal business activities by text message or any other instant tool.

4.2.9 Ways in which banks can improve on their accessibility to their clients

Table 4.16: Showing the ways banks can improve on their accessibility to their clients

Responses	Frequency	Percentage
Open up branches all over the country	All	100%
Increase the number of automated machines	All	100%
Total	98	100%

Source: Primary data 2014.

Research from the questionnaires administered, all the 98 respondents agreed that the factors mentioned in the above table can help banks improve on their accessibility to clients that is; opening up branches all over the country and increasing the number of automated machines. However students also mentioned other factors that can help banks improve on their accessibility toward clients and these include; Promoting entry of and competition between financial firms,

building legal and information institutions and hard infrastructure, ensuring the safety and soundness of financial service providers, protecting low income and small consumers against abuses by financial institutions, ensuring usury laws if used are effective, using subsidies and taxes effectively and efficiently, ensuring data collection, monitoring and evaluation, introducing M-pesa in banks , introducing bank expansion strategies and training people how to use ATMs.

4.3   Conclusion

According to the findings, it has been ascertained that there are factors that influence the ownership of bank accounts among university students. The challenges faced in the banks where university students own bank accounts were stated and ways to improve on the banking services were also suggested by a number of students.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0   Introduction

From the research problem and finding thereof, this chapter presents the conclusions, summary of results from the study and overall recommendations. It provides various suggestions on the factors that influence ownership of bank accounts among university students.

5.1   Summary and Conclusion of the Findings

5.1.1   Factors influencing ownership of a bank account among university students

Findings showed that there are several factors that affect ownership of bank accounts among university students and these include; convenient location, type of bank, financial status and availability of ATMs. The research results also showed that other factors that influence students to own bank accounts included; Peer influence, access to information, security, family financial status, customer orientation, personal loan experience, age, gender, course, tribe, religion, year of study, residential status, employment status, marital status, affordability, accessibility, banks reputation, level of interest rates, withdrawing and deposit charges. Many scholars in charpter two for example Kaufman (1967), Yue and Tom (1995), Mason and Mayer (1967) plus other scholars as seen in chapter two agree that there are factors that influence students to own bank accounts. All most all scholars agree with factors of, convenient location, interest rates in banks, reputation of the bank, and friendliness of bank personnel.

5.1.2   The proportion of university students who own bank

Findings showed that out of 98 respondents, 75 respondents own bank and that is accounts represented by 76.530% and the least of the students do not own bank accounts that is 23students represented by 23.469%. Therefore this shows that there are factors that influenced them to open up bank accounts in particular banks. According to the Website of Uganda Martyrs University, Nkozi, the university has over 2000 students including both undergraduate and post graduate. However the researcher was mostly interested in undergraduate students where she came up with a sample size of 98 respondents out of which 75 respondents owned bank accounts. Therefore this shows that a number of students do not own bank accounts as stated in the problem statement in chapter one.

5.1.3   Challenges faced by the university students due to the ownership of bank accounts

The research findings show that most university students face a challenge of high interest rates in banks where they own bank accounts and this does not favor their financial status. Some students also face the challenges of the banks where they own bank accounts not being accessible. Most students are also not satisfied with the services provided by banks where they own bank accounts.

5.1.4   Conclusions

From the findings it can be deduced that true, students open and hold bank accounts in different banks of their choice. It was however deduced by the researcher that there were several factors that students considered whilst or before opening a bank account in any of the banks. It was established that among the many, students were more inclined to the location of the bank, which

would determine their accessibility; the type of the bank, this was often inclined to the religious or cultural orientation of the bank. It was reported on this particular issue that many students preferred banks to which they were religiously oriented. The other factors considered were; the operational charges of the different banks which were thought of as a hindrance to many since most students hold humble accounts for their survival at school. The interest rates of the different banks were also a point to look at since it was also inclined to being unfriendly to the limited resources of the university students.

5.2   Recommendations

Therefore banks should train their employees on how to deal with clients in order to attract many clients. Banks should endeavor to be accessible by opening up other branches putting into consideration rural areas; they should also increase on the number of ATMs country wide so that clients can easily access them which also reduce on time wastage. Banks should set interest rates putting into consideration the financial status of their clients, that is; banks should consider all categories of people in terms of students, the poor and the rich. Banks should at all times have a good reputation by paying their taxes and following the rules and regulations that govern them. Banks should avoid cases of corruption, bribery and fraud as these can drive away clients. Therefore if banks recognize the points mentioned above the will realize a competitive advantage hence high customer base.

The university should introduce course units that elaborate well the importance of owning bank accounts. The university should also advertise its existence so that different banks gain interest in opening up branches at the university. Banks should get time to visit universities so that they can teach the students about banking and encourage them to save for future purposes. Banks should

also introduce student accounts in order to encourage students to open bank accounts. Therefore university administration and banks play a big role in encouraging university students to open bank accounts.

Banks are urged to; improve on the banking technology, increase the number of tellers, and train clients about online banking. The students also mentioned other factors that banks can use to improve on their services that is; by providing a high level of customer service through having better banking hours, notify present and new clients of the banks continued commitment to helping with any service concerns by posting signs in bank windows, drive-through areas and in on hold phone messages. The banks should also make an effort to engage customers in some form of chit-chart at each meeting for example if a client walks up to the teller to make a deposit, thank the clients for choosing the banks and lastly banks should notify their clients immediately any time a serious mishap appears with normal business activities by text message or any other instant tool.

5.3   Suggestions for further research

The study was limited to the factors that influence ownership of bank accounts among university students; therefore, the researcher recommends the following areas for further research:

1. Factors that influence ownership of bank accounts among youth in Uganda

2. The role of banks in the ownership of bank accounts among citizens of Uganda

3. Factors that influence ownership of bank accounts among youth in urban and rural areas in Uganda

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QUESTIONAIRES FOR UNIVERSITY STUDENTS AT UGANDA MARTYRS UNIVERSITY

My name is Muhairwe Martha a student of Business Administration and Management at Uganda Martyrs University. I am carrying out research on the factors influencing the ownership of a bank account among university students. I request that you help me answer the questions below. Your responses will be treated with confidentiality. Your cooperation is highly appreciated. Be assured that the information provided is for only academic purposes and will be confidentially kept.

Instructions: Please answer the following questions by ticking where appropriate on the provided space.

SECTION A:

1. Name ……………………………………………. (optional)
2. Sex.

   Male ( )   Female ( )
3. Age group

   18-20 ( )   21-30 ( )   30-40 ( ) other ……………
4. Marital status.

   Single ( )   Married ( )
5. Academic year

   Year 1 ( ) year 2( )   year 3 ( )   year 4 ( )
6. Institute

   Ethics and development studies ( )

7. Faculty.

Business administration and management ( )

Agriculture ( )

General science ( )

 Education ( )

The built environment ( )

Humanities and social sciences ( )

SECTION B: OWNERSHIP OF A BANK ACCOUNT

1. Do you have a bank account?

Yes ( )

No ( )

2. If yes how many bank accounts do you have?

One ( ) two ( ) three ( ) specify if any other

…………………………………………………………………………………………

………………………………………………………………………………………….

3. What type of bank account do you own? (free to tick more than one)

Savings account ( )

Current account ( )

Fixed account ( )

Joint account ( )

If any other account specify

……..………….……..………………………………………………………………………

4. In which bank do you own an account? (free to tick more than one)

Centenary bank ( )

Global trust money ( )

Barclays bank ( )

Stanbic bank ( )

If other specify

………………………………………………………………………………………….

………………………………………………………………………………………….

5. What influenced you to open up an account in that bank? (free to tick more than one)

Convenient location ( )

Type of bank ( )

Financial status ( )

Availability of automated machines ( )

If any other factor specify

………………………………………………………………………………………….

………………………………………………………………………………………..

SECTION C: CHALLENGES

1. Are the rates of interest on saving in your favor?

Yes ( )

No ( )

2. Is the bank where you own a bank account accessible?

Yes ( )

No ( )

3. Withdrawing charges are favorable.

Agree ( )

Strongly agree ( )

Disagree ( )

Strongly disagree ( )

4. Are you satisfied with the services provided by your bank?

	Agree	Strongly agree	Disagree	Strongly disagree
The personnel of the bank is friendly				
High client confidentiality				
There is a different section for students services				
Charges on services are favorable				

SECTION D: OVERCOMING CHALLENGES

1. How should banks improve on their services towards their clients? (free to tick more than one)

   Improving their banking technology ( )

   Increasing the number of tellers ( )

   Training clients about online banking ( )

   If any other specify

   …………………………………………………………………………………………

   …………………………………………………………………………………………..

   ....

2. How can banks improve on their accessibility to their clients? (free to tick more than one)

   Open up branches all over the country ( )

   Increase the number of automated machines ( )

   If any other specify

   …………………………………………………………………………………………

   …………………………………………………………………………………………..

   ....