Bachelor thesis in Business Administration
Factors influencing the choice of a bank
An international student perspective

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Summary of the Thesis

Title: Factors influencing the choice of bank – An international student perspective

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Key words: International students, bank choice, factor analysis

Purpose: The purpose of this thesis is to identify what factors influence international students in their choice of a bank.

Literature review: A review of previous research about bank selection criteria related to students as well as a few examples of bank choice studies in the general population is presented. The review consists of studies from different years to illustrate criteria that reoccur in order to decrease the chances of overlooking important criteria that may be of importance for today’s customers.

Method: The thesis is based upon empirical data gathering through a non-probability sampling technique by distributing questionnaires through the Internet and in person. The data was analyzed with the help of exploratory factor analysis (EFA).

Conclusion: We found that five factors influence the choice of bank for international students. These factors are: cost of the bank services, use of technology, convenience, banks’ reputation and marketing communication effectiveness. These factors could be helpful for banks who want to gain customers from international students, which are a relatively unexploited customer segment.
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DEFINITION OF TERMS

**Bank account** refers to an arrangement with a bank that allows a person to keep money, to pay in and take money out. The common type of an account for international students is checking account. This type of an account offers convenience but it generates no interest. (Macmillan dictionary, 2013)

**DU** is the abbreviation of the name Dalarna University

**Erasmus student** refers to an international student who is studying in a Swedish university for maximum one year. These students usually do not have a Swedish identity number.

**Factor** is a term used in factor analysis referring to a set of variables that influences a certain type of event such as choice of a bank, or the way this choice might happen

**International student** refers to individuals coming from the EU and non-EU countries who have moved to Sweden to pursue university studies

**Program student** refers to an international student who is studying for in a Swedish university for a university educational program which lasting 1-3 years. These students are given a Swedish identity number.

**Variable** is a term used in factor analysis referring to something which has influence on the choice of bank

**Virtual access** refers to all access to the bank that is not face-to-face. Examples of virtual access includes: phone, email, internet banking and mobile banking

**Word of mouth (WOM)** refers to “Oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, concerning a brand, product, or a service.” (Kirby and Marsden, 2006 p.164)
CHAPTER ONE

INTRODUCTION

1.1 Background

Universities in different countries around the world provide educational courses and programs intended to attract not only domestic students but also international students. Reports show that the number of international students has increased in a global perspective in the past decade (OECD 2011, p.320; UNESCO 2006, p.34) According to Wit et al. (2013) the circulation of international students has in large part been due to the international competition for skilled manpower.

When coming to a new country such as Sweden, one of the decisions customers need to make is how to manage their financial private affairs such as which bank to select. Zelizer (1994) states that people “deal with money and economy in their private affairs the way they have learned to handle these matters in their family or group”. The decision of which bank to select may be difficult for an international student since the banking system that exists in the new country may be different from what one is familiar with (Mokhlis et al., 2008; Mokhlis, 2009). Furthermore, Johnson and Sheehy (1996) state that a bank is a compound and high involvement service that requires customers to gather and process information before making their decision to choose a bank. This nature of the bank can make the choice of a bank more difficult for an international student. Dolan et al. (2012) say that the opportunity cost of not making a good financial decision can notably distress individuals.

To the best of our knowledge, the vast majority of studies dedicated to studying bank choice about students, cover the student population from different countries such as UK (Tank and Tyler, 2005) Ghana, (Hinson et al, 2009), and India (Sharma and Rao, 2010), but it does not appear to be the same for research about international students.
1.2 Problem statement

We believe that research about international students can be beneficial for not only international students (since more attention to them is given), but that it can also provide benefits for banks. The main benefit for banks would be the increased competition for customers in the Swedish banking market. The explanation to the increase in competition lies in the increase of banks in Sweden. The number of banks has increased from 42 in 2000 to 66 in 2012. Reasons for this includes the establishment of more foreign banks, Swedish banks extending their business to operations which are usually handled by insurance companies and vice versa and the number of Swedish banks increasing through for instance the establishment of non-physical banks which operate through telephone and internet. All these changes have led to an increase in competition in the Swedish banking market. (Swedish Bankers’ Association, February 2013, p.4) Swedish banks have also increased their operations outside of the country and have managed to be competitive while doing so (Swedish Bankers’ Association, 2013).

At times of increased competition a bank can both focus on increasing their competitiveness in their current customer segments and/or look for new potential customer segments to penetrate. Our research indicates that the international student population is a relatively unexploited customer segment by banks, for instance since the banks have not made any effort to provide any information about the current bank offers available for customers in languages other than Swedish on their websites, and it is also not specified which bank offers are available to international students. Since Swedish banks have focused on increasing their operations internationally, trying to understand the needs of international students can increase their competitiveness even further in the global market.

Our study contributes to showing banks ways to attract this customer segment through identifying the factors which influence international students in their choice of bank. By focusing on these factors and allocating resources to attract international student customers, the banks can gain more customers from the international student customer segment.
1.3 Purpose and research question

The present research has the purpose to identify factors that influence international students in their choice of a bank. As a means to achieve this purpose, the following research question was formulated:

What factors influence international students at Dalarna University in their choice of a bank?

In order to answer the research question and achieve the purpose, the present research required a reviewing of the findings of previous studies about bank choice as well as information about the international student population and the bank offers available for international students. Since previous research does not appear to exist about international students, pilot testing was considered necessary to gain assurance that what is considered important in bank choice according to previous research is accurate for the international student population. Finally a method to gather and analyse the data was established.

1.4 Scope of the study

Since this thesis is based upon the population of one university, this research is limited to a specific geographical location regarding empirical data gathering. The geographical location consists of the cities of Borlänge and Falun which is where Dalarna University's campuses are located.

This thesis is a quantitative study and it is not focused on a deep investigation of the bank selection criteria, which would be achieved through for instance, a qualitative study.

1.5 Outline of the thesis

The thesis is structured into five chapters.

Chapter 1 of the thesis has presented a brief introduction to the emergence of a market segment targeted by financial service providers that is represented by international students. The importance of research was emphasised in the context of raised students mobility. It has also discussed the interest that a financial institution might tend to have towards an emerging market segment, and the associated limitations of the research. Additionally, Chapter 1 introduces the purpose and presents a brief overview of this thesis.
Chapter 2 presents literature review in the studied subject area consisting of bank selection criteria, convenience and technology, cost, financial benefits and security, reputation, marketing and image, banking staff and word of mouth (WOM), services offered by banks, differences between international students and domestic students consisting of past experience. The merits and limitations of the researchers in the same subject area are discussed that is used in order to build a basis for methodological part of the research. At the end of the Chapter 2 we present a summary of the major findings in order to focus on the major interesting aspects of the previous research.

Chapter 3 presents methodology and research design adopted in the thesis. It consists of introduction of the studied population. Followed by the background research in order to collect the information about international students in particular. Consequently, Chapter 3 presents design of a questionnaire and the basis upon the questionnaire was built. The data collection process and limitations are presented. Statistical technique is explained in relation to its theoretical perspective.

Chapter 4 constitutes of an empirical analysis and results of the study. The results are tabulated with the help of statistical software. Steps in the practical application of statistical technique are followed as it was introduced in the theoretical perspective in relation to the adopted technique. A brief explanation of the results is given.

Chapter 5 concludes our paper through beginning with naming of the statistical output obtained from the adopted statistical technique. It is followed by comparing the results of the study to the previous research mentioned in the literature review. Sections as limitations, implications and recommendations are presented followed by the final conclusion of the thesis.
CHAPTER TWO

LITERATURE REVIEW

This literature review will begin by presenting some previous research related to bank selection criteria about the general customer population (i.e. different customer segments) and then focus on previous research about bank selection criteria related to students in particular. Studies from different years will be presented to illustrate criteria that reoccur in order to decrease the chances of overlooking important criteria that may be of importance for today’s customers.

2.1 Bank selection criteria

Several researchers such as, Tank and Tyler (2005), Hinson et al (2009) and Sharma and Rao, (2010) have studied what influences customers in their selection of a bank. Many times, as it will be seen in the review of previous research below, the findings between several researchers are the same or very similar. The findings are important to mention even if they are similar, since this indicates that these criteria are important in several population samples. Furthermore, dissimilarities in findings have also appeared due to aspects such as differences in the studied populations, disparities between the different countries regarding for instance their financial systems, and also differences due to the time at which the research was conducted.

When it comes to research about the general population, there are several studies about customer bank choice; we have found studies from as far back as 1976 by Anderson et al (1976) who conducted a study to find important criteria in bank choice. However, since the study by Anderson et al (1976) and other researchers did not focus on students’ bank choice specifically, we are only going to present some examples of how customer choice in the general population has been studied. The examples show that customer choice in the general population has been studied using different perspectives, methods and several goals.

For instance, Kaynak and Yavas (1985) intended to not only find which criteria were important in bank selection, but also to see if it could be perceived as useful to offer several services to the same group of customers. Another study conducted by Khazeh and Decker (1992), intended to, find out to what degree the customer perceived they could distinguish
between banks based on criteria they valued in addition to identifying criteria that are important for selection. Finally, Laroche et al (1986) other than aiming to find the important criteria in bank selection also aimed to find out which services the customer used. Furthermore, other than having several goals, there are also researchers who have studied bank selection criteria from different perspectives such as Zineldin (2005) who studied bank selection through studying different quality and relationship criteria. Finally, Hinson et al (2009) focused on the perspective of how to maintain customers at a bank (i.e. customer retention).

According to our review of studies about student bank selection criteria which is presented in the following paragraphs, students in different countries usually have either one or two types of bank accounts. These two types are a checking account and a savings account. A checking account usually includes a transactional deposit account, an automatic teller machine (ATM) card, and online banking. This account is most commonly used for regular money transactions (e.g., withdrawals, deposits of money through ATM machine), shopping, and other everyday business. A savings account on the other hand is an account which provides interest. Students use savings accounts to maintain regular savings for an extended period of time. The findings of the researchers presented in the table are found below, organized into suitable categories.

2.1.1 Convenience and technology

Several researchers’ studies indicate that students perceive convenience to be of importance in bank choice, US researcher Schram (1991) even claimed that convenience would be significantly important in bank choice for a long time to come.

Convenience is defined differently according to different studies, but it commonly refers to the location of the bank. For instance, Lewis (1982) who conducted a study in the UK found that the location of the bank in terms of the distance from the university to the bank and the distance from home to the bank was of importance. Out of the two, Lewis (1982) found that the distance between the bank and the college was the most important in bank choice. Gerrard and Cunningham (2001) who conducted a study among students in Singapore, defined the term in the same way as Lewis (1982), and also accentuated that convenience could be of importance. More recent research done on students in South Africa by Chigamba and Fatoki (2011) came up with the same result. Blankson et al (2009) on the other hand, did a comparative study between three American universities and two Ghanaian universities and defined convenience differently.
from Lewis, 1982. They found that the findings from both the Ghanaian and American students seemed to imply that aside from the location of the bank; also the number of locations where a bank has facilities is important. The number of bank locations being important is also supported by Almossawi (2001) who studied students in Bahrain. Almossawi adds that a parking space nearby is important as well. Finally, Cicic et al (2004) which studied students in Bosnia-Herzegovina found that the number of bank counters could also be important in bank choice.

Other than aspects related to a bank’s location, convenience can also be perceived as the possibilities to access a banks services according to the findings of several of the researchers mentioned and also some additional researchers, as presented below. Indian researchers Sharma and Rao (2010) who studied students in India found convenience to be defined by a number of aspects, such as the availability of parking facilities and the availability of technology-based services such as phone banking. They also accentuated that accessibility in terms of ATM, debit card and internet banking can affect bank choice. Technology-based services are also emphasized by Cicic et al (2004) who studied students in Bosnia-Herzegovina. They state that convenience can be linked to the technology-based services available to a customer, such as ATMs, card banking, internet, electronic and SMS banking. Cicic et al (2004) further indicate that ATM service being available at any hour of the day may be of extra importance. Almossawi (2001) also links technology with convenience since he mentions that ATM availability in several locations and that ATMs and homebanking should be available at any time of the day. The same can be seen in the study by Chigamba and Fatoki (2011), since they state that ATMs in several locations and ATM availability at any hour of the day is important. Gerrard and Cunningham (2001) also state that electronic services such as ATM should be available. Finally, in Sweden, there are several banks that operate without a physical office according to Swedish Bankers’ Association (February, 2013, p.4). Swedish studies conducted by Eriksson and Lundin (2005) as well as Byström and Roth (2008) in Södertörns University as well as Umeå University in Sweden, focus not on the availability, but rather on that the technology-based service internet bank should be user-friendly and well-functioning. However, Byström and Roth (2008) specified that even though internet banking was what they found the most influential in their bank choice, a physical bank office was important to students as well, since they prefer to manage what they perceived to be difficult bank related tasks at the bank rather than online.
2.1.2 Cost, financial benefits and security

Financial benefits in terms of interest rates on loans, interest rate generated from savings accounts or interest rates in general, as well as cost-related aspects such as low charges or no charges from bank services have also been emphasized by several researchers. The finding that interest rate in general may be of importance in bank choice is supported by a study of students at Umeå university in Sweden (Byström and Roth, 2008). Cicic et al (2004) who conducted a study focused on students in Bosnia-Herzegovina and Almossawi (2001) who studied students in Bahrain both found financial benefits such as low interest rates on loans and quick loan approvals and also service charges to be important in bank choice. Sharma and Rao (2010) who studied Indian students came to similar conclusions, stating that interest rates and loans could play a role in bank choice. Furthermore, Tank and Tyler (2005) who studied students in the UK found that the interest rate received from their savings accounts may be of importance, which is supported by Gerrard and Cunningham (2001), Almossawi (2001) and Cicic et al (2004). On the other hand, researchers Chigamba and Fatoki (2011) and Blankson et al (2009) did not find interest rates to be of importance but rather made indications that having low services charges or no charges could influence bank choice. Byström and Roth (2008) who studied students from Umeå University in Sweden were more specific in their findings and stated that having free withdrawals of cash abroad was of importance in bank choice.

Furthermore, a dimension related to the banks financial status has also been emphasized. Gerrard and Cunningham (2001) found in their study that feeling secure is the most important dimension which affect students in their choice of bank and that this dimension consists of the financial stability of the bank as well as the interest rates offered. They also mentioned that a bank should provide regular bank statements. Chigamba and Fatoki (2011) also found that the financial stability could be important for bank choice. Other aspects which may influence feeling secure is the security arrangement of the bank according to Sharma and Rao (2010). Cicic et al (2004) also found that having confidence in bank management was important when choosing a bank.
2.1.3 Reputation, marketing and image

The findings of Cicic et al (2004), Chigamba and Fatoki (2011) and Tank and Tyler (2005) indicate that the reputation of the bank may affect students’ bank selection. Almossawi (2001) adds that popular and reputable banks may appeal to customers and Sharma and Rao (2010) found that a good brand name may influence the idea of how reliable a bank is perceived to be. Gerrard and Cunning (2001) did however not find that bank reputation was of importance for students’ bank choice, they did however find that appearance-related aspects such as the interior and exterior of the bank building is may be of importance. This is also supported by Chigamba and Fatoki (2011). Gerrard and Cunningham (2001) and Chigamba and Fatoki (2011) furthermore emphasize that a marketing campaign could have an impact on a student’s bank selection decision. Gerrard and Cunningham (2001) suggest that a marketing campaign designed to target all students can be created if all the students’ generally have the same bank selection criteria. They also state that giving gifts to customers may be an effective means of marketing. Chigamba and Fatoki (2011) say that making a customer feel secure that the particular bank is stable should be the focus of a marketing campaign.

2.1.4 Banking staff and Word of mouth (WOM)

More information about a bank offer or the bank as an organization can involve interaction with a bank’s staff, and this interaction may be of importance (Cicic et al, 2004). Several researchers have found that the staff’s competence such as offering good and quick customer service (Blankson et al, 2009), appearance (Chigamba and Fatoki, 2011) as well as their friendliness (Almossawi, 2001; Cicic et al, 2004; Blankson et al, 2009; Sharma and Rao, 2010) to be important in bank choice.

People influences can be what parents, friends, teachers or the school tells the students. Some researchers suggest that people influences could have an influence in students’ choice of a bank. For instance, the influence of parents is emphasized by both Lewis (1982) and Blankson et al (2009) who say that the advice of parents and if the parents use a particular bank can influence a student’s bank choice. Blankson et al (2009) adds that if customers do not have so much past experience and have low financial knowledge, they may rely more on friends in their decisions. Eriksson and Lundin (2005) found that, other than parents, also a student’s partner can influence the choice of bank, which is supported by Chigamba and Fatoki (2011).
The influence of the partner is explained by one of the students from the sample that Eriksson and Lundin (2005, p. 37) studied which stated that when he/she managed both his/her financial affairs as well as his/her partner's it was easier to have the same bank as the partner to make transactions between accounts etc. Tank and Tyler (2005) on the other hand found that other than the student’s parents, the student listened to what his/her friends said. Finally Gerrard and Cunningham (2001) and Chigamba and Fatoki (2011) found that students’ may listen to more people than just students and parents. They emphasized that the words of family and people from school such as teachers or if the school itself uses a certain bank could influence students’ bank choice.

2.1.5 Services offered by banks
Gerrard and Cunningham (2001) mentioned that the range of services offered, and whether bank provides regular bank statements or not, may influence a student in his/her bank choice. Cicic et al (2004) also mentioned that the simplicity of opening a bank account could affect a student’s choice.

2.2 Differences between international students and domestic students

Below we present some theory that we found relevant to our study, due to our study differing from the previous research above in that it focuses on international students whose situation may differ in some ways compared to those who have spent a longer time in a country, such as domestic students.

2.2.1 Past experience

International students may differ from domestic students, because their past experience related to banks might not be of help when choosing a bank in Sweden. This could be the result of several issues. One example is that Sweden may have a banking system which they are unfamiliar with.

Past experience is defined as a combination of prior choices based on either success or failure in converting need states into a satisfying outcome. Past experience or behaviour may become a good indicator of future behaviour and choice. (Schneider and Shiffrin, 1977; Shiffrin and Schneider, 1977). Lovelock and Wirtz (2004) state that the past experience of a person has a
significant impact on his/her expectations and interpretations of a service provider and the competition of services within the same industry.

A lack of past experience or having insufficient experience can lead to a purchase decision being perceived as more risky (Wilson et al, 2008). Bansal and Voyer (2000) state that the search for WOM increases incrementally in relation to both when there is a high perceived risk of a service purchase and when there is a low level of knowledge of the service. Several other researchers also state that when there is a high perceived risk of a purchase a person is driven to seek WOM (Kirby and Marsden, 2005). Silverman (2011, p.58) states that “customers are thousands of times more likely to act on a recommendation of a friend, colleague, or trusted adviser than they are to a commercial communication”, clarifying that customers not only use WOM as a way to gather information about a service, but that they also make purchase decisions based on WOM. The reason for trusting friends, colleagues or a trusted advisor is not just the association of trust and credibility to such a person but also that these people tell the customer about their experience that is specifically related to the current purchase situation (Silverman, 2011). Similarly, Bansal and Voyer (2000) states that if the word of mouth receiver knows the word of mouth sender very well, this will have a positive effect on the word of mouth receiver’s purchase decision, i.e. the better he knows him the more positive the effect. Furthermore, recommendations may come from various places. For instance, the recommendations of bloggers are increasing in importance because of their number of followers reading what they write about products or services (Kotler and Keller, 2011 p. 138-139).

2.3. Summary of literature review

The present literature review provided some insights into what students in different countries based their bank selection decision upon. Bank selection seems to evolve around convenience, technology, cost, financial benefits, security, reputation, marketing, image, aspects related to the staff of the bank and word of mouth. Some theory was also presented about past experience and how a lack of past experience can influence customer behaviour. In general it be concluded that there are gaps in the existing body of literature according to our knowledge concerning what international students perceive as important bank selection criteria. Our
research intends to fill this gap through finding out what international students perceive as important in their choice of bank. The present literature review will provide guidelines for what international students may perceive as important in their choice of bank. The next chapter will provide a description of the methodology employed to answer our research question.
CHAPTER THREE
RESEARCH METHODOLOGY AND DESIGN

This chapter begins with describing the research approach followed by a description of the procedure to gather information about the target population. Consequently, the sampling technique is presented and finally sections such as a description of the procedure to gather empirical data from international students and data analysis are introduced.

3.1 Research Approach

In order to explore factors influencing international students’ decision in choosing their bank, we decided to adopt a quantitative approach. A quantitative method means that there is a focus on the relationships between theories and gathering of data in the form of numbers (Bryman and Bell, 2011). The reason for the choice of a quantitative approach is to reach a larger number of people than is possible through a qualitative approach (Bryman and Bell, 2011) and because it has been employed in several studies mentioned in the literature review that were conducted in a similar field. Some of these studies are Chigamba and Fatoki (2011), Sharma and Rao (2010), and Blankson et al (2009). Our research was conducted in two parts. The first part consists of background research, which includes finding information about the target population, followed by the second part, which focuses on gathering information to use as a basis for gathering data from the international students through a questionnaire. These parts are described in the following sections.

3.2 Target population and the sampling technique

The chosen population to gather empirical data about international students in Sweden for our study is international students at Dalarna University. Dalarna University was chosen due to an ease in gathering data as we ourselves are students at the university and live near to it. To get information for the purpose of determining an appropriate target population sample size as well as the characteristics of the target population we contacted the university’s administrative staff who dealt specifically with the international students.
First, we conducted a face-to-face semi-structured interview with Berstiene, who was an administrator at the international office (Berstiene, interview, 2013). A semi-structured interview was chosen since several of its characteristics described by Bryman and Bell (2011) and Denscombe (2009) were fulfilled in terms of the goals of the interview such as achieving flexibility in the interview process. In addition an interview guide was prepared as it is not possible to predetermine all potential questions and since the nature of some of the questions could potentially result in complex answers. This was in accordance with what Bryman and Bell (2011) define as characteristics of a semi-structured interview.

Also an email correspondence was initiated with Corrigox, who worked at Dalarna University as an internationalization co-ordinator (Corrigox, email, 2013). The email correspondence was a result of a mass email that was sent out to different personnel at Dalarna University working with affairs related to international students. The questions asked were of a semi-structured nature. Corrigox’s answers correspond to the answers given in the semi-structured interview with Berstiene (2013).

There was an approximation that in 2012 the number of international students was 1056 (Dalarna University website, 2013). Out of these, 575 were women and 481 were men according to Corrigox (email, 2013). Corrigox gave us the approximations that the university receives around 400 exchange students every year. In addition to these students, around 200 international degree-students were registered (Corrigox, email, 2013). Corrigox (email, 2013) however clarified that to know who was an international student and who was not an international student was very difficult. This was something, which was concerted and elaborated by her colleague Berstiene (interview, 2013) as depending on several reasons explained in the following paragraph.

Access to information such as the countries the international students originated from was not possible. The reason for this is that when international students were admitted to Dalarna University, the information about which country they were from was not saved. This makes information about their age and the location they live in impossible to know about those international students who have been assigned a Swedish identity number (these are usually program students). Only those students who do not have a Swedish personal identity number can be assumed to be international students (these are usually Erasmus students). (Berstiene, interview 2013) Furthermore it was not possible to reach all international students according
to Berstiene (interview, 2013). She explained that this was due to several reasons. First, because of the absence of a general email address for students (i.e. an email address where the sent email goes to all program students at once, instead of typing each email address separately) for all programs. Secondly, because some programs did not allow us as students to send out questionnaires to the existing general email addresses since the students did not appreciate receiving these kinds of emails. And finally, because the existing general email addresses were not being updated, the questionnaire might be forwarded to people who no longer were students at the university or who had finished the program or neglected the program. (Berstiene, interview, 2013) Furthermore, we did not choose to focus our study on only Erasmus students since we learned from Berstiene (interview, 2013) that they stayed in the country between 0.5-1 academic year and might for this reason not necessarily obtain a bank account. This was something which was also mentioned by Bersteine (interview, 2013). We experience what Denscombe (2009) mentioned, that access to all information can be a long process and sometimes not possible.

The chosen sampling technique was a non-probability sampling technique called convenience sampling instead of a probability sampling technique. The reasons for choosing the non-probability sampling technique include the difficulties in reaching the entire population and the lack of information of the population. These reasons are mentioned by Denscombe (2009, p.37) as valid reasons for choosing a non-probability sampling technique. Bryman and Bell (2011, p. 190) also note that convenience sampling is a suitable approach as it is “available to the researcher by virtue of its accessibility”. Furthermore, several of the previous studies about student bank choice mentioned in the literature review such as Blankson et al (2009), Sharma and Rao (2010) and Blankson et al (2009) also used convenience, which further motivated us that this sampling technique was justifiable and could produce reliable results.

3.3 Data Collection

In order to gather empirical data from international students, we decided to distribute questionnaires. Advantages of using this data-gathering tool imply that we can collect large amounts of information from a large number of respondents in a short period of time in an economically efficient way and it is considered ideal to gather standardized data (Denscombe, 2009; Bryman and Bell, 2011). Furthermore, we decided to have closed-ended questions. These reasons include that it is fast and easy to complete, it facilitates statistical analysis and
summary of data and the process of replication is easier (Denscombe, 2009; Bryman and Bell, 2011).

3.3.1 Questionnaire Design

Questionnaire design was of key importance in our research given that we would only have one opportunity to get the questionnaire answered by each respondent. We needed to avoid instances where the respondents might misunderstand a question as asking follow up questions was not an option (Denscombe, 2009). The design process required a thorough investigation about what could be a relevant question to include and what not to include. To create our questionnaire we adopted different approaches including an examination of available secondary data on similar subject topics in social research. We followed the instructions of Denscombe (2009) of ensuring that our questionnaire started with the necessary instructions and definitions relevant to our questions throughout the questionnaire. Where it was applicable, we placed the instructions for answering at the start of the question, to ensure that our respondents read and absorbed the information correctly. Our instructions followed the same principles as question writing, and they were specific, short, consistent, and written in a simple language. (Denscombe, 2009)

Our questionnaire contained of three parts:

The first part consisted of questions 1-5, which are considered as background questions (descriptive questions). These questions requested information about the respondents including the age, gender, origin and location where the international student resides in Sweden. Though demographic questions are not a part of our theoretical framework they were included in the survey since age, gender and location are commonly used variables in statistical investigations such as factor analysis that can provide interesting analysing options. For instance, by comparing these variables to other variables in the analysis we might uncover some interesting correlations.

These questions also serve as a check to observe if there is any bias in our sample. It means they help to see how closely the sample replicates the chosen population. The more closely the demographic distribution of survey respondents reflects the population, the more confidence we gain in the dataset.
Questions 6-8 emphasize the students’ bank history. Answers to these questions may give a possible reason why international students have chosen a specific bank and whether they have any experience with a certain bank in Sweden. (Appendix D)

Questions 9-26 concern variables, which refer to a certain condition that has influence on an international student's choice of bank. We presented 18 selected variables, which our investigation indicated could influence international students’ choice of a bank in Sweden. These variables are: past experience, general image, staff friendliness, recommendations of friends and relatives, social networks and/or blogs, anonymous recommendations (i.e. recommendations from a source with an unknown authorship), ease of use of Internet banking, ease of use of mobile banking, ease of use of a debit card, direct approach from a bank (i.e. a bank employee spoke to you personally), advertisement, student union assistance (help from the student union), physical location, opening hours, virtual access (i.e. all access to the bank which is not face to face. example: phone, email internet and mobile banking), low service charges, low transaction charges (i.e. charges to transfer money and from your home country to a Swedish bank) and availability of a student package. These variables were measured on a 5 point Likert-type scale of importance ranging from 1= Not important at all and 5=Most important. The respondent ticks the box that fits their opinion in terms of how much each variable influences their choice of bank. This sort of scale is called Likert scale, which uses a “numerical response format” (Bryman and Bell, 2011, p.254). The final questionnaire is included in Appendix D.

The decision of which variables to include in the questionnaire required careful consideration to avoid biases such as only basing the questionnaire on the literature review since the information provided there may not be applicable to Swedish banks or the geographical area in this study. Therefore, the choice of variables was based on:

- The literature review
- A research about what different bank offers are provided by the banks through interviews with the banks and researching the bank websites in the geographical area closest to Dalarna University
- Piloting and pre-testing a questionnaire based on the literature review and the bank interviews.
The research about the banks and the pilot and pre-testing is described in the following paragraphs.

3.3.1.1 Research about banks

It was important to thoroughly know the offers and facilities provided by the banks to international students. In order to get this information, a thorough search was performed. Borlänge and Falun were chosen a basis to gather information about the banks on site because these cities are where Dalarna University has its campus and because these cities provide student accommodations for international students. We used the website www.eniro.se (which is a website used to find companies, people and places in Sweden) to find some information about which banks are located in Borlänge and Falun by typing in the names of the cities (Falun, Borlänge) and the search word “bank”. The banks that appeared there were then studied in terms of their offers for international students and the variables which had been deemed influential in a person’s bank choice according to the literature review. Since the information on the website was not enough to determine what was available for an international student semi structured interviews were conducted with customer services personnel. A questionnaire was then created based on the literature review and the research about the banks. (the findings of the research about banks are presented in Appendix C)

3.3.1.2 Pilot and Pre-test

Denscombe (2009, p. 229) mentions that when creating a questionnaire it can be appropriate to test the questionnaire before distributing it to the final sample. Bryman and Bell (2011, p.262) emphasize piloting and pre-testing to be desirable when it comes to questionnaires. The piloting and pre-testing can serve as an aid in several ways: to check that instructions given in a questionnaire are comprehensible, check the wording of a questionnaire, check if the results are valid and reliable and check the statistical processes in order to determine if they are efficacious (Bryman and Bell, 2011, p.262-263).

For this research it was used in order to validate that the questionnaire content was clear and understandable (Bryman and Bell, 2011, p.262-263) and to see if the chosen variables were appropriate or if any variable should be removed, added or adjusted.

Ten respondents were chosen for the pilot study. The respondents were chosen according to their country of origin (EU and non-EU) and the type of student they were (exchange or
program students). Importance was given to the fact that they were supposed to be of varying backgrounds and student “types” as this was thought to affect their way of speaking, reading and understanding the questionnaire content. After the respondent selection, they were asked to fill in the questionnaire and afterwards give their comments to us regarding the questionnaire content and structure. Following this a discussion of the questionnaire and the bank selection criteria of the literature review was discussed to see if any important variables were excluded or if any other variables should be included.

The pilot study strengthened our idea of the choice of variables and overall comprehension of a questionnaire. The participants’ acceptance was very high and the choice of 18 variables also produced valid results. We made adjustments according to feedback given by participants and considered to develop our questionnaire further to apply to our chosen sample of students.

- Based on discussions and reasoning, some of the bank selection criteria from the literature review were not included in our questionnaire. Below are some examples of the criteria and reasons: “Parking space nearby” was not included because all banks are located at a very short walking distance (in the town centrum). So, any parking space can be equally used for every bank.

- “The ease of opening bank account” was not taken into account as the requirements for international students to open a bank account seemed to be the same in each bank (Appendix C).

- ATMs or their location was not included since Swedish currency can be withdrawn from the ATM of any bank without payment of extra charges as well as ATMs being located close to the university in both campuses of Dalarna University.

- “Interest rate” was not included based on the fact that international students do not have larger savings.

- “Confidence in bank management” was not taken into account since international students might not have an established relationship with a particular bank for an extended period of time and they tend to open an account for basic needs that doesn’t imply close connection with a bank.
• “Convenient display of counters” was not included since we considered this to be a part of the image the bank projects.

• Loan was not considered important since student loans are usually granted from the Swedish government agency called “Centrala Studiestödsnämnden” (shortened “CSN”) (CSN, 2013; Interviews with banks, 2013). The requirements to receive financial aid in terms of both grants and loans are very strict, since financial aid solely for the reason of studying in Sweden are rare (CSN, 2013). Also, as international students stay in Sweden for relatively short period of time and are not expected to take loans.

3.3.2 Questionnaire Distribution

The questionnaire is distributed using two methods. One method was through distributing them through the Internet and the other one was through distributing it in person. The Internet resources included a social network (Facebook), sending emails to the collective email addresses of students of programs and posting information and a link to an online version of the questionnaire in the course rooms and program rooms in Dalarna University's student portal “The Fronter”. The online version of the questionnaire was designed using Google documents facility, at doc.google.com. It is cost free and is convenient to create the questionnaire since it has the facility to automatically code the responses in an excel spreadsheet. Moreover, it is fully facilitated to keep the anonymity of respondents.

The distribution of questionnaires in person was achieved through visits to lecture rooms and different common room areas in both campuses. The use of several convenient distribution methods was employed mainly for the purpose to reach as many international students as possible. We did not use a postal method to distribute the questionnaire since it has several disadvantages. The disadvantages include that the postal method can have low response rates, it takes time to receive responses from the respondents and that it can be expensive as compared to other methods (Denscombe, 2009; Bryman and Bell, 2011). Furthermore, we considered that several distribution methods were necessary due to the lack of information about the international student population (as mentioned earlier) to increase the chance to reach the students, which fits the sample criteria and provides better representativeness of students’ population at Dalarna University.
The questionnaire was distributed in both Borlänge and Falun campuses during breaks between classes. The timings of the breaks were checked through the time schedule on the website of the university. The same approach was adopted to acquire access to email questionnaires to students as well as possibilities to hand out the questionnaire at the end of lectures. Formal permission to distribute the questionnaire is advocated by Dencombe (2009) which we did by getting permission in advance to distribute questionnaires during lectures.

Using several distribution methods can create the risk of the questionnaire being filled in twice by the same person. In order to avoid this risk we told the students that if they had already answered our questionnaire online they should not complete the questionnaire we handed out. Also a brief introduction of the research as well as an introduction of ourselves was given before handing out the questionnaire to serve as a reminder of what the purpose of our research is to trigger their memory if they had completed the questionnaire earlier and also give the students some background information about our research.

The information we provided to the potential respondents in both the online and the printed questionnaire regarding the background of the questionnaire was in accordance with the following recommendations of Denscombe (2009):

- Clearly state the purpose of the questionnaire
- Ensure anonymity of the respondent’s identity
- The questionnaire was voluntary
- Information on how to complete the questionnaire through clear instructions

If the four points stated above are done well they are also likely to increase the response rate of the questionnaire according to Bryman and Bell (2011).

3.4 Evaluation of the chosen approach and methods according to validity and reliability

Bryman and Bell (2011) argues that when conducting business research it is important to consider the research from the criteria of reliability and validity.

3.4.1 Validity
Denscombe (2009) defines the term validity as being about the level of preciseness in the data and if the data is considered accurate in relation to the research question. “To which degree is
the research data and the methods to gather data considered exact, true and precise” (Denscombe, 2009, p.425).

- The choice of semi-structured interviews can be considered relevant since it allowed us flexibility in the interview process because of the nature of the questions which could give complex answers that entailed further questions that could not be predetermined

- Preparation through reading about the banks on their websites before conducting the interviews with the banks lead to a discussion being able to take place during the interview giving a more comprehensive picture of the bank offers which would not be possible through a structured interview.

- When creating and distributing the questionnaire, the guidance of two research books was taken into consideration. The books were considered appropriate since the book by Denscombe (2009) was used in our thesis methodology preparation course while the other book was recommended by the teacher of the methodology course.

3.4.2 Reliability

Denscombe (2009) defines the term reliability as being about how neutral the method and approach are and also if the “Research instrument would produce the same results on other occasions?” (Denscombe, 2009 p.378). Bryman and Bell (2011, p.158) explains that reliability is about the “consistency of a measure of a concept”, where the concept measured in this research is the choice of a bank.

- Talking to two people working with international students rather than just one
- Extensive preparation for the interviews with the banks based on their websites were used as a means to contrast what the customer services personnel said with what was written in the website (this increases the reliability that the answers of the personnel is true)
- Methods were taken to decreasing variability of answers through closed ended questions
- Definitions of the terms in the questionnaire were provided
- The creation and distribution of the questionnaire was done according to two valid research books
3.5 Data Compilation

The responses from the online questionnaire were automatically coded by Google in an excel spread sheet. The same sheet was used to code the hand-filled questionnaire.

3.6 Data Analysis

The compilation and coding of questionnaire in an excel spread sheet format completed our task of the data collection. The next step was to choose and apply proper statistical tools to analyze the collected data. We adopted different statistical methods to obtain the results. The analysis was carried out in statistical software Stata 12.0 which was available in Dalarna University’s computer laboratories for students. The chosen data analysis method is factor analysis. Factor analysis was chosen to be able to reduce and summarize the set of variables in an objective way into factors according to how the variables’ correlate to each other.

3.7 Descriptive analysis

A descriptive analysis was carried out to explore and generalize the information about the data. Using frequency tables and arithmetic mean we then analyzed the demographic information and banking history of the respondents. The influential variables indecision-making were then ranked based on their mean values.

3.8 Factor analysis – Theoretical perspective

A theoretical perspective on factor analysis provides some insights into the technical wording and applicability of factor analysis.

In the beginning one can find a factor to be a confusing term because it has different meanings in different contexts. Factor is a variable itself though it has a completely different meaning and implications for use. For a statistical procedure as factor analysis, a factor is a latent (not easily observable and detected) variable that appears to express itself through its relationship with other observed and measurable variables. (Gerrard and Cunningham, 2001, p.104)

For instance, we can take a variable as “group performance of students”. We would like to measure group performance, but this type of a construct tends to be difficult to measure by the means of a single variable. It is very multifaceted, although it does represent a single concept.
To make it easier we may need to develop a scale incorporating many items, each of which measures a part of the group performance.

Factor analysis begins with a large number of variables and then tries to reduce the interrelationships amongst the variables to a few numbers of factors. Factor analysis is used to “reduce a large number of variables to some smaller number by telling us which belong together and which seem to say the same thing” (Gerrard and Cunningham, 2001, p.104).

Factor analysis discovers relationships where variables are utmost correlated with one another and least correlated with other variables and then in the next step groups the variables accordingly. (Royce, 1980) According to Pedhazur and Schmelkin (1991, p.66), “of the various approaches to studying the internal structure of a set of variables or indicators, probably the most useful is some variant of factor analysis”.

In this research we use exploratory factor analysis (exploratory procedure). It can be motivated by our collected data. It means that we did not restrict the number of factors extracted to a particular number and specify particular patterns of relationship between measured variables and common factors (Bandalos, 1993, p. 389).

3.8.1 Correlation matrix and factor loadings

The initial point valid for all factor analysis techniques is the factor loading matrix. It means that all factor analysis techniques try to bundle subgroups of variables together according to their correlations and frequently one can have an impression for what the factors might be just by scrutinizing the factor loading matrix and observing high correlations between groups of variables. The factor loading matrix in our case is a table that contains correlation coefficients between the variables and the factors. The variables with the highest correlations provide the most meaning to the factor explanation. The sum of the squared loadings for a given factor sum to the eigenvalue for that factor. (Royce, 1980)

3.8.2 Tests for Factorability

Before we continue with factor analysis, we would like to ensure that our data set is suitable of being factored or in other words we will perform some tests for factorability. For instance, several researchers Dziuban and Shirkey (1974) and Fouladi and Steiger (1993) in their
studies conducted similar tests: the Bartlett sphericity test and the Kaiser- Meyer-Olkin measure of sampling adequacy (KMO).

The Bartlett sphericity test and the Kaiser- Meyer-Olkin measure of sampling adequacy (KMO) are two measures in order to examine the applicability of factor analysis for a chosen dataset. The first test examines that all correlations are zero, while the second test relates the observed correlations and partial correlations among the original variables. Stata 12.0 has the capability to allow computation of the Bartlett's test and KMO.

3.8.3 Factor Retaining Criteria

After tests for factorability one should extract factors from the chosen set of variables. In order to do so, one should remember basics of statistical measures such as variance as well as basic knowledge of linear algebra: matrices, eigen vectors and eigen values. One important definition to remember is the meaning of variance as it is the measure of spread of the data. Though a software makes a procedure for researchers easier and it extracts factors via principal components analysis. It is a factor extraction method used to form uncorrelated linear combinations of the observed variables.

Next step is the decision about how many factors to retain. Two decision criteria commonly used in research are scree-plot and eigen values. The most useful approach for the purpose is to make a scree plot. The scree plot represents a two dimensional graph. It has factors on the x-axis and eigenvalues on the y-axis. The scores represent a total number of items. (Cattell, 1966)

The scree plot can show that the first couple of extracted factors are a reason for most of the variance, subsequently the remaining factors with small values can be perceived as insignificant (Gorsuch, 1983). This method of selecting the number of factors encompasses a definite amount of subjective reasoning. The other method is known as Kaiser-Guttman rule, which recommends retaining the factors eigenvalues more than 1.0 (Hayton et al, 2004).

3.8.4 Factor Loadings

After retaining a certain meaningful number of factors one should take a look at factor loadings or in other words pattern coefficients (they are the weights that relate a given factor to the variables) that constitute a factor (Tabachnick and Fiddel 1996). There is no general
understanding for smallest numerical value of factor loadings when interpreting factors (Tabachnick and Fidell 1996). A research should take into account a sample size. When it is big (>100) it is likely to obey the traditional scheme (loadings > 0.4), on the other hand, when it is minor, least interpretable loadings ought to be higher than >0.5. (Cudeck and O'Dell 1994). Tabachnick and Fidell (2000) suggest that >0.32 as a good rule of thumb for the minimum loadings of a variable on a factor.

After following one of the rules a researcher should hide all the loadings that are lower than a certain limit to make it easier to see a pattern.

3.8.5 Factor Rotation

The next step is to simplify the procedure even more in order to see the pattern. This simplification is called rotation. The process of rotating the set of retained factors can increase their usefulness and interpretability. It reduces the number of fields with high loadings on each factor. Factor rotation is mostly used to determine for which situation each variable has only a small number of large loadings. It means that the variable is affected by a lesser number of factors. Bryant and Yarnold (1995, p. 132-133)

3.8.6 Factor labeling
One should look at the results generated after factor rotation and report the variables that load high on each factor. Once the patterns are determined, one will analyze them and ascribe an appropriate label to the factors. These labels enable the discussion of the results and serve as instrumental tags for further research. This study concerns patterns of similarities. Descriptive labels are clues to factor content. A descriptive interpretation of a pattern comprises choosing a concept that will reflect the nature of the phenomena involved. The descriptive label is meant to categorize the findings. (Tabachnick and Fidell, 1996)
CHAPTER FOUR

EMPIRICAL ANALYSIS

This chapter starts with a brief introduction of the data collected during the survey followed by a descriptive analysis and a comparison of mean values. After this individual tests will be presented. After testing for the suitability of the dataset for factor analysis, factor analysis will be performed. Ultimately, interesting connections and observations between the average mean scores of variables and factors will follow.

We received 124 valid responses in weeks’ data collection efforts. Some surveys were incomplete as the respondent avoided answering some questions. For the incomplete surveys the respondents either provided a written reason for the non-response or in other cases just left some questions blank. Even though some of the questionnaires were not fully completed, we analyzed all the available information.

The received numbers of responses were considered sufficient to analyze and draw conclusions. This sample size is consistent with the guidelines provided by Ghauri and Grønhaug (2005) where they consider the sample size of 100-200 to be sufficient for a population segment in an educational institution. The choice of sample size was also supported by Almossawi (2001, p.117), since his sample consisted of 1000 students from the total population of 10,000 students, i.e 10%.

4.1 Descriptive Analysis

The results from the demographic part of our research were tabulated by Stata 12.0 software. Table 1 gives the complete description of respondents according to age groups. From the age point of view, approximately 50% of the respondents fall between age groups of 20-24. For the lowest age group respondents, those under the age of 19 years, were approximately 4%.
Table 1: Respondents’ according to age groups

<table>
<thead>
<tr>
<th>Age group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 or under</td>
<td>5</td>
<td>4.03</td>
</tr>
<tr>
<td>20-22</td>
<td>32</td>
<td>25.81</td>
</tr>
<tr>
<td>23-24</td>
<td>32</td>
<td>25.81</td>
</tr>
<tr>
<td>25-26</td>
<td>19</td>
<td>15.32</td>
</tr>
<tr>
<td>27-28</td>
<td>16</td>
<td>12.90</td>
</tr>
<tr>
<td>29 and over</td>
<td>20</td>
<td>16.13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>124</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

In Table 2 we see the gender breakdown, with 58 males (or 46.7 %) and 66 females (or 53.2 %) responding. The results show that there is no statistically significant difference between the underlying frequency of the male and female responses in our sample. By frequency we mean the indication of the amount of respondents, which falls into each of the available categories. The percentage of males and females are also representative of the international student population of Dalarna University in 2012, since according to Corrigox (email, 2013), there were 575 women and 481 men i.e. 54 % females and 46 % males.

Table 2: International students’ gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>58</td>
<td>46.77</td>
</tr>
<tr>
<td>Male</td>
<td>66</td>
<td>53.23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>124</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 3 represents the country of origin of the respondents. Most of the respondents were
international students, who came from outside the European Union (62.90%).

Table 3: Country of origin

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside the EU</td>
<td>78</td>
<td>62.90</td>
</tr>
<tr>
<td>The EU</td>
<td>46</td>
<td>37.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>124</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 4 shows that the students who responded to the questionnaire were mostly program students at Dalarna University. Program students consisted of 75% of the total respondents. Program students stay for longer period in Dalarna University (minimum 1 year) and usually receive a Swedish identity number (Berstiene, interview, 2013), which gives them more options when it comes to choosing between bank offers (Appendix C).

Table 4: Students’ status at the university

<table>
<thead>
<tr>
<th>Students’ status at the university</th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange student</td>
<td>25</td>
<td>20.16</td>
</tr>
<tr>
<td>Program student</td>
<td>93</td>
<td>75.00</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>4.84</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>124</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 5 shows that out of the 123 respondents who answered the particular questions related to their place of residence in Sweden more than 62.6% were living in Borlänge, 14.63% were living in Falun and 22.76% of the respondents were living in other cities.
Table 5: International students residence in Sweden

<table>
<thead>
<tr>
<th></th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borlänge</td>
<td>77</td>
<td>62.60</td>
</tr>
<tr>
<td>Falun</td>
<td>18</td>
<td>14.63</td>
</tr>
<tr>
<td>Other</td>
<td>28</td>
<td>22.76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 6 shows that the most common bank that is used is Nordea. Out of the 123 respondents who answered that particular question 52 (42.28%) were customers of Nordea Bank. Swedbank and SEB are the second and third most popular banks respectively among international students in Dalarna University. Only one respondent was a customer with Dalarnas Bank (Dalarnas bank och försäkringsbolag).

Table 6: Banks chosen by the Respondents

<table>
<thead>
<tr>
<th></th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dalarnas Bank</td>
<td>1</td>
<td>00.81</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>11</td>
<td>08.94</td>
</tr>
<tr>
<td>Ica-banken</td>
<td>2</td>
<td>01.63</td>
</tr>
<tr>
<td>Nordea</td>
<td>52</td>
<td>42.28</td>
</tr>
<tr>
<td>SEB</td>
<td>18</td>
<td>14.63</td>
</tr>
<tr>
<td>Swedbank</td>
<td>30</td>
<td>24.39</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>07.32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 7 shows that 80.83% of the respondents were not using the same bank in their home
country. This implies that the banks in Borlänge and Falun are not represented extensively in their home countries or that they are represented but the international student does not use it.

Table 7: Presence of the same bank in a home country of a student

<table>
<thead>
<tr>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>97</td>
</tr>
<tr>
<td>Yes</td>
<td>19</td>
</tr>
<tr>
<td>Don't know</td>
<td>4</td>
</tr>
</tbody>
</table>

Total 120 100.00

Most of the students responded that they have not changed their bank while in Sweden (Table 8). Out of the 122 respondents of this particular question, 84.43% answered ‘No’, which indicates that generally students are either satisfied with the banking services they have received or for some other reason see no reason to or that there was not incentive enough to switch banks.

Table 8: Change of a bank in Sweden

<table>
<thead>
<tr>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>103</td>
</tr>
<tr>
<td>Yes</td>
<td>19</td>
</tr>
</tbody>
</table>

Total 122 100.00

The next step in our empirical analysis was to organize the collected raw data of the presented variables into summaries. The essential parameter that we would like to know is the average mean score of our variables. This is calculated by adding up all of the measurements and then dividing by the number of measurements. This is a sensitive measurement since its value always reflects the contributions of each of the variable values.
Table 9 presents the mean ranks given to each variable that the international students considered influential in their choice of a bank. The most important variable chosen by international students was “Recommendations of friends/relatives”. It ranked in the top position for both the mean ranking and the percentage of respondents. “The ease of use of the Internet bank” was the second most important according to the mean ranking. The third most important variable according to the mean ranking was “Low service charges”. The three most important variables were followed by other variables in Table 9. One can see from the table that the two least important variables were “Anonymous recommendations” and “Student union assistance”.

Table 9: Ranking of the Variables according to their mean values

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observations</th>
<th>Mean</th>
<th>Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendations of friends/relatives</td>
<td>124</td>
<td>3.806</td>
<td>1</td>
</tr>
<tr>
<td>The ease of use of the Internet bank</td>
<td>123</td>
<td>3.764</td>
<td>2</td>
</tr>
<tr>
<td>Low service charges</td>
<td>124</td>
<td>3.524</td>
<td>3</td>
</tr>
<tr>
<td>The ease of use of the Debit card</td>
<td>122</td>
<td>3.410</td>
<td>4</td>
</tr>
<tr>
<td>Transaction charges</td>
<td>123</td>
<td>3.317</td>
<td>5</td>
</tr>
<tr>
<td>Physical location of the bank</td>
<td>121</td>
<td>3.281</td>
<td>6</td>
</tr>
<tr>
<td>Virtual access</td>
<td>122</td>
<td>3.156</td>
<td>7</td>
</tr>
<tr>
<td>Staff friendliness</td>
<td>124</td>
<td>2.984</td>
<td>8</td>
</tr>
<tr>
<td>Student package</td>
<td>124</td>
<td>2.952</td>
<td>9</td>
</tr>
<tr>
<td>General image of the bank</td>
<td>124</td>
<td>2.919</td>
<td>10</td>
</tr>
<tr>
<td>Opening hours</td>
<td>124</td>
<td>2.694</td>
<td>11</td>
</tr>
<tr>
<td>The ease of use of the Mobile bank</td>
<td>122</td>
<td>2.582</td>
<td>12</td>
</tr>
<tr>
<td>Past experience related to banks</td>
<td>124</td>
<td>2.581</td>
<td>13</td>
</tr>
<tr>
<td>Direct approach from the bank</td>
<td>122</td>
<td>2.303</td>
<td>14</td>
</tr>
<tr>
<td>Advertisement</td>
<td>120</td>
<td>2.133</td>
<td>15</td>
</tr>
<tr>
<td>Social networks</td>
<td>123</td>
<td>1.951</td>
<td>16</td>
</tr>
<tr>
<td>Anonymous recommendations</td>
<td>120</td>
<td>1.892</td>
<td>17</td>
</tr>
<tr>
<td>Student union assistance</td>
<td>123</td>
<td>1.870</td>
<td>18</td>
</tr>
</tbody>
</table>
Average mean scores were developed for each of the chosen variables. Each variable is assessed with its own average value and ranked accordingly. In contrast, following factor analysis procedure, one groups variables into sets based on their matching similarities in order to see latent constructs. It has its implications for the conclusion. It means that a variable in particular based on its average mean score might be ranked high though based on the group score it can be less valuable though still applying a certain amount of value to the observed latent construct.

For instance, one particular student from a group among other students might score in studies high though when we estimate the student together with students similar to him/her in the same class we might derive completely different average results. As this group might score differently and the average results of one student might not be the same as the ones derived from the matching group of similar students.

4.2 Factor Analysis

Prior to starting the factor analysis we tested our dataset for its suitability to do the factor analysis.

4.2.1 Test of Internal Consistency

We conducted a test of consistency in order to determine if our sample meets the consistency requirements. The value of Cronbach's alpha coefficient calculated from Stata was 0.86. A high value for Cronbach’s alpha indicates a good internal consistency of the items in the scale. George and Mallery (2003, p. 231) provide the following rules of thumb for Cronbach’s alpha coefficient in the Table 10.
Table 10: Rules of thumb for Cronbach’s alpha coefficient

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; .9</td>
<td>Excellent</td>
</tr>
<tr>
<td>&gt; .8</td>
<td>Good</td>
</tr>
<tr>
<td>&gt; .7</td>
<td>Acceptable</td>
</tr>
<tr>
<td>&gt; .6</td>
<td>Questionable</td>
</tr>
<tr>
<td>&gt; .5</td>
<td>Poor</td>
</tr>
<tr>
<td>&lt; .5</td>
<td>Unacceptable</td>
</tr>
</tbody>
</table>

The Cronbach’s alpha coefficient from our sample provides good evidence of internal consistency. Table 11 represents the actual output from Stata.

Table 11: Cronbach’s Alpha Coefficient

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average interitem covariance</td>
<td>0.5361177</td>
</tr>
<tr>
<td>Number of items in the scale</td>
<td>18</td>
</tr>
<tr>
<td>Scale reliability coefficient</td>
<td>0.8678</td>
</tr>
</tbody>
</table>

4.2.2 Sample size

Researchers have differing opinions about the minimum sample size required for the factor analysis. We considered two metrics to determine if we have a sufficient sample size. (1) Hatcher (1994) recommended that the number of subjects should be five times larger than the number of variables, or 100. (2) Gorsuch (1983) and Kline (1979) recommended that there should be at least 100 observations for a factor analysis. Given that we received 124 responses, much > 100, we meet the minimum sample size requirements. Out of 124 total responses we found 111 respondents, which completely answered our Likert scale questions. Therefore we could only use 111 respondents for factor analysis, since factor analysis requires all the likert scale questions to be answered.
4.2.3 Test of Sphericity and Measure of Sampling Adequacy

As mentioned in chapter three we performed a Bartlett's test of sphericity and the KMO measure of Sampling Adequacy. According to StataCorp (2011) KMO takes values between 0 and 1, with small values meaning that the variables overall have too little in common to warrant a factor analysis. They suggest the recommendation for factor analysis according to Table 12.

Table 12: KMO ranges and recommendations

<table>
<thead>
<tr>
<th>KMO Range</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.90 to 1.00</td>
<td>Marvellous</td>
</tr>
<tr>
<td>0.80 to 0.89</td>
<td>Meritorious</td>
</tr>
<tr>
<td>0.70 to 0.79</td>
<td>Middling</td>
</tr>
<tr>
<td>0.60 to 0.69</td>
<td>Mediocre</td>
</tr>
<tr>
<td>0.50 to 0.59</td>
<td>Miserable</td>
</tr>
<tr>
<td>0.00 to 0.49</td>
<td>Unacceptable</td>
</tr>
</tbody>
</table>

StataCorp (2011) explains that a Bartlett test of sphericity execute if all the variables are perfectly correlated with themselves, and have some level of correlation with the other variables.

Table 13: Results for Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)</th>
<th>0.801</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett test of Sphericity:</td>
<td></td>
</tr>
<tr>
<td>Chi-square</td>
<td>785.128</td>
</tr>
<tr>
<td>Degrees of freedom</td>
<td>153</td>
</tr>
<tr>
<td>p-value</td>
<td>0.000</td>
</tr>
</tbody>
</table>
From table 13 we can see that the value of KMO is 0.801 and p-value of Bartlett test of sphericity is 0 meaning that we can confidently reject the null hypothesis of un-correlated variables. Hence, both tests fulfill the criteria for the suitability of factor analysis for our dataset.

4.2.4 Number of factors Retained

The results of the Test of Internal Consistency, the sample size, the Test of Sphericity and the Measure of Sampling Adequacy helped us determine that factor analysis was appropriate for our dataset. The next step was to determine how many factors should be retained in our factor analysis. We conducted the factor analysis without limiting the number of factors in order to obtain the eigen values and make a scree plot. This would then allow us to decide how many factors to retain. The results showed that there were only five factors with eigen values greater than 1.0 and the scree plot also showed its consistency with the retaining of these five factors. These five factors contribute to approximately 64% of the variance in the eigen values. The complete output from Stata 12.0 is given in Appendix E.

Figure 1: Scree plot of eigen values
4.2.5 Rotation and Factor Loadings

Once the decision about the number of retainable factors was taken, the next step was to report the factor loadings for these retained factors. The higher the loadings, the more important is the variable in the factor. The loading on factors can be positive or negative, with negative loadings indicating that the variable has an inverse relationship with other factors. However, there is no particular consensus among researchers about the minimum value of loading to include for a particular variable in the factor. Hair et al. (2005) suggests that any variable with an absolute factor loading of 0.4 or greater is appropriate with the factor. Tabachnick and Fidell (2000) suggest that 0.32 is a good rule of thumb for the minimum loadings of a variable on a factor. While accounting for loadings it is possible that a variable could have a loading of specified magnitude or higher on more than one factor, which is called a situation of cross loading. In the case of cross loading, as a rule of thumb, a variable should be indicated in the factor with its own highest cross-loading in the factor (Costello and Osborne, 2005). We stayed consistent with recommendations by Costello and Osborne (2005) and used the criteria of loadings > .32 to report our factor loadings. We also kept only the highest positive loading for the variables with cross-loadings, which is suggested by researchers (Matsunaga, 2010; Costello and Osborne, 2005). Table 14 comprises the final retained factors according to their rotated factor loadings. The actual output obtained from Stata is presented in Appendix F.

One can observe one negative value loaded on Factor 4 with value -0.5043. Negative factor loadings are also important in much the same way as positive factor loadings. When one looks at a factor loading, it is the absolute value that one needs to be attentive to when deciding to eliminate some of the factor loadings that are not significant for drawing a conclusion. The positive or negative sign on the loading refers to the way the variable relates to the factor. Though Factor 4 (-0.5043) has one negative value, the same variable also loads positively on the Factor 2 (0.3847). It means that with factor four it has a very strong relation though with Factor 2 it has a completely opposite relation.
Table 14: Rotated factor loadings > (.32)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past experience related to banks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.8751</td>
</tr>
<tr>
<td>General image of the bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.7232</td>
</tr>
<tr>
<td>Staff friendliness</td>
<td>0.6005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendations of friends/relatives</td>
<td>0.3847</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social networks</td>
<td>0.7034</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anonymous recommendations</td>
<td>0.6928</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ease of use of the Internet bank</td>
<td></td>
<td>0.5475</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ease of use of the Mobile bank</td>
<td></td>
<td>0.6613</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ease of use of the Debit card</td>
<td></td>
<td>0.4517</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct approach from the bank</td>
<td>0.6523</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>0.5517</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student union assistance</td>
<td>0.5869</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical location of the bank</td>
<td></td>
<td>0.8172</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening hours</td>
<td></td>
<td>0.7673</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual access</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.7289</td>
</tr>
<tr>
<td>Low service charges</td>
<td>0.8592</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction charges</td>
<td>0.7478</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student package</td>
<td>0.8213</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 14 shows us the values of the retained factors and the associated variables. Variables in factor one deal with the costs associated with the maintaining of a bank account for students. This factor contributes to an approximate variance of 32% in our overall factor variance and the eigen value of 5.79.

Factor two includes six variables, with five out of the six variable having loadings of > 0.5. Variables associated to this factor are associated with different marketing approaches adopted.
to attract or inform the customers. Factor two constitutes to an approximate variance of 11% and has the eigen value of 1.94.

Factor three takes on the loadings from the variables of: Staff friendliness, The ease of use of the debit card, Physical location of the bank and Opening hours.

The fourth factor takes on the loadings of three variables. This factor can be responsible for technology with the loadings from the variables: The ease of use of the Internet bank, The ease of use of the Mobile bank and Virtual access.

Lastly the fifth factor takes the loadings from two variables namely Past experience related to banks and General image of the bank. The last factor can be considered as a weak factor. Costello and Osborne (2005) mentioned that factors with fewer than three variables are considered a weak factor or an unstable factor. However, due to the high loadings (0.8751 and 0.7232) we consider them important in this research.

Table 15 gives an overview of factors according their loadings, the eigen values and the portion of the variance associated with each factor.
### Table 15: Results about the factors and the variables

<table>
<thead>
<tr>
<th>Factors and Variables</th>
<th>Loadings</th>
<th>Eigen values</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 1</strong></td>
<td></td>
<td>5.79033</td>
<td>32.17%</td>
</tr>
<tr>
<td>Low service charges</td>
<td>0.8592</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction charges</td>
<td>0.7478</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student package</td>
<td>0.8213</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 2</strong></td>
<td></td>
<td>1.93800</td>
<td>10.77%</td>
</tr>
<tr>
<td>Recommendations of friends/relatives</td>
<td>0.3847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social networks</td>
<td>0.7034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anonymous recommendations</td>
<td>0.6928</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct approach from the bank</td>
<td>0.6523</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>0.5517</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student union assistance</td>
<td>0.5869</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 3</strong></td>
<td></td>
<td>1.49565</td>
<td>08.31%</td>
</tr>
<tr>
<td>Staff friendliness</td>
<td>0.6005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ease of use of the Debit card</td>
<td>0.4517</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical location of the bank</td>
<td>0.8172</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening hours</td>
<td>0.7673</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 4</strong></td>
<td></td>
<td>1.18892</td>
<td>06.61%</td>
</tr>
<tr>
<td>The ease of use of the Internet bank</td>
<td>0.5475</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ease of use of the Mobile bank</td>
<td>0.6613</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual access</td>
<td>0.7289</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 5</strong></td>
<td></td>
<td>1.08464</td>
<td>06.03%</td>
</tr>
<tr>
<td>Past experience related to banks</td>
<td>0.8751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General image of the bank</td>
<td>0.7232</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER FIVE

DISCUSSION, LIMITATIONS AND CONCLUSION

In this chapter we will name the factors and interpret the results presented in the previous chapter. Followed by discussion of results in relation to the previous research in the field. Later we will examine how our research fits into the broader scientific and practical picture and assess the implications for the future in the light of recent bank developments. Finally, limitations and conclusion will be presented.

5.1 Labeling of the factors

Our results suggest that there are five factors that are related to international students’ choice of a bank. These factors were derived from the statistical technique like factor analysis. It has practical implications and helps researchers and marketers to make better decisions upon the outcome of the analysis that is the key to success.

The outcome of the analysis is represented by factor loadings. A visual illustration output of this statistical analysis is given by “high loadings” that one can observe in the previous chapter. The important step in the research is actually to interpret and name the resulting factors. The names of the factors are developed as a way to best describe the pattern of factor loadings and the names are of a descriptive nature. Descriptive nature means that our factors are based in matters of observation of the correlated items, thus we can develop a name for each underlying factor. The factor for the research then builds a theoretical framework for an explanation of a given subject's preconception.

Factor 1 seems to identify with low service charges, low transaction charges and a good student package offer. We can see that factor 1 shows a tendency to reflect upon the financial cost aspect of the banking. Whereas many international students as customers are choosing to stay with their banks based on the bank’s financial role as a service provider (Zineldin, 2005), after all, charges and rates can still be difficult to accept if they are perceived as uncompetitive.

Effective cost management in financial services towards international students can be difficult to achieve. With pressure to deliver high value within a constricted regulatory environment, banks as organizations often have few options for international students with respect to fees.
and charges. Though many international students prefer to see lower rates and charges from banks. Factor 1 which includes transaction rates, charges and student packages offer was named “costs of the bank services”. Perhaps banks due to an indicator of costs might be aware of the arising problem of pricing and cost differentiation that can help them in the future to achieve a significant advantage in attracting international students.

Factor 2 is identified with recommendations of friends and relatives, social networks, anonymous recommendations, direct approach from the bank, advertisement towards students and student union assistance. These are the variables showing how international students as customers collect relevant information about a financial service provider. All of the variables are associated with marketing communication effectiveness. We can see that friends and relatives, social networks and anonymous recommendations belong to the general or independent information source. On the other hand, direct approach from the bank and advertisement towards students are related to marketer-controlled information sources. Both of the information sources are equally important and help to anticipate international students’ choice better. We organized the information sources represented factor 2 into one group and named “marketing communication effectiveness”.

Factor 3 is identified with staff friendliness, the ease of use of the debit card, physical location of the bank and opening hours of the bank’s physical office. These variables are associated with customer needs for convenience and the anticipation of care about a customer. Beyond having pleasant experience via technological channels, international students desire to have experience while interacting directly with bank staff and while using their products such as debit cards. Variables such as physical location and opening hours of the bank’s physical office are means of connecting with customers in a consistent and convenient way. Awareness of the connection with customers anytime and anywhere can lead to the idea of finding an innovative solution for the international students. Factor 3 is named “convenience”.

Factor 4 is identified with the ease of use of the Internet bank, the ease of use of the Mobile bank and the virtual access related to other means of connection with a financial provider beyond the face to face approach. These variables are associated with technology. Based on the variables drawn from factor 4, one can see the relevance of active management of digital points of interaction with customers by financial service providers as a seamless part of the international students’ customer experience. Factor 4 shows the expectations of international
students to be able to interact with banks and to manage their financial affairs. The spread of technology opens up new opportunities for bank management to communicate with their customers such as international students. Factor 4 was named “use of technology”.

Factor 5 is identified with past experience related to banks and the general image of the bank. International students’ bank experience encompasses different aspects such as the quality of customer care, product and service features, ease of use, and the reliability of provided services. Though one should be aware that international students experience can be low and that it might be a sign for the bank management to foster better marketing communications towards this segment of the market. Attention to image and to customer experience requires a system with an active feedback from customers in which every function is focused on delivering efficient services and achieving superior bank reputation. Factor 5 was named “bank’s reputation”.

Hence, we have developed a five-factor solution that shows logic in the combinations of the 18 primary variables. With this five-factor solution, instead of having to think about 18 separate variables, the bank management can consider only five variables—cost of the bank services, marketing communication effectiveness, convenience, use of technology, bank’s reputation—when they are introducing new marketing strategies.

5.2 Results in relation to previous research

A cautious following step is to take a look at the relevance of these factors to the prediction of bank choice by international students in the light of the previous research. For instance, what is the relative importance of each factor in choosing a bank, or the occurrence of future choices of banks by international students.

“Costs of the bank services”: Cost is indicated to have an impact on a students’ choice of bank according to previous research about students such as Almossawi (2001), Cicic et al (2004), Blankson et al (2009) and Chigamba and Fatoki (2011). According to our research, fixed bank offers exist, where some of them are special offers designed particularly for students called “student packages” (Appendix C) which are more beneficial in terms of service charges. Although the mentioned previous research did not use the term student package for their bank offers, they do highlight the importance of cost. Banks designing student packages particularly for students indicates that costs are something that they have understood is
important for students. Furthermore, in our study, the opportunities to choose between different bank offers seemed to be limited if a student does not have a Swedish identity number in contrast to those who do. Previous research did not emphasize the requirements to pursue a particular bank offer, an explanation for this can be found from those studies being mainly being based on domestic students. Also, transaction charges were not emphasized as much in previous research as in ours with the exception of Byström and Roth (2008). This can also be explained by our focus on international students who have their principal residence in a different country and may receive financial aid from there.

The factor named “Use of technology” consisted of the variables: the ease of use of the internet bank, the ease of use of the mobile bank and virtual access. All banks in Borlänge and Falun provide opportunities for using different technology-based services to perform financial tasks for all international students, although SEB only provide this opportunity to international students who have a Swedish identity number (Appendix C). Moreover, in our study, the majority of the students choosing banks with a physical office could indicate that the technology the bank offers is very important even if the bank has a physical office. When it comes to previous research about students, technology based services such as the Internet and Mobile banks can be seen to be reoccurring bank selection criteria in a student’s choice of bank. Previous research about students by Eriksson and Lundin (2005) and Byström and Roth (2008) came to the conclusion that the ease of use of the Internet bank was of importance in bank choice. The Internet bank and other technology based services as services in general have also been highlighted by previous research, although not in the sense that they should be easy to use. A reason for this could be that the students in their research knew the native language in which the technology based service was operated. Furthermore, technology related services were not considered important in bank choice according to all previous research. This could have been a result of modern technology such as mobile banking and internet banking not existing in all countries due to their level of development. Other possible explanations could be that such services were not being commonly used by consumers or that such services lead to extra charges which the consumer were not willing to or could afford to pay. Furthermore, the technology-based service highlighted by most student researchers is ATMs, this was not a part of our research since ATMs are located very close to the university.

The factor named “Convenience” includes the variables: Physical location of the bank, Opening hours, Staff friendliness and the ease of use of the debit card, where the first three of
these were the most influential. It could be a very conventional indicator for a bank to be more or less appealing to its customers, especially for those banks which do not offer international students as many forms of virtual access and which do not have a physical location. Physical location of the bank is emphasized by Almossawi, (2001), Byström and Roth, (2008) and Blankson et al (2009). The staff friendliness was emphasized by several student researchers to be of importance in bank choice (Almossawi, 2001; Cicic et al, 2004; Blankson et al, 2009; Sharma and Rao, 2010). Previous research did give indications that technology and convenience were linked since they provided accessibility to the bank services and the staff. Our study did not end up with these results other than the debit card suggesting some influence of technology in the factor. Perhaps this could be explained by convenience being associated with seeing and talking to the staff of the bank.

The factor labelled “Banks’ reputation” consists of the variables past experience related to banks and General image of the bank. According to theory presented in previous chapters, consumers’ past experience or behaviour may become a good indicator of future behaviour and choice (Schneider and Shiffrin, 1977; Shiffrin and Schneider, 1977). Lovelock and Wirtz (2004) also stated that a consumer’s expectations and interpretations of a service provider or competition of services within the same industry are heavily influenced by past experience. When it came to studies about students’ bank choice several studies concluded the importance of both reputation and image (Almossawi, 2001; Tank and Tyler, 2005). Almossawi (2001) adds that popular and reputable banks may appeal to customers and Sharma and Rao (2010) found that a good brand name may influence the idea of how reliable a bank is perceived to be. Most of the students chose the Nordea bank in our research, even though most of the students were program students indicating that they had Swedish identity numbers and therefore could choose amongst other bank offers as well, such as ICA bank which offered price advantages. They ended up however choosing Nordea, perhaps a reason to this could be the fact that Nordea is one of the largest banks in Sweden (Swedish Bankers’ Association, February 2013) and therefore is more popular.

The last factor was named “Marketing communication effectiveness” due to its included variables: Direct approach from bank, Student union assistance, Advertisement, Recommendations from friends/relatives, Social networks and Anonymous recommendations. Recommendations from friends/relatives most important variable in bank choice according to mean-ranking. Theory suggests that a lack of past experience leads to reliance and search for
word of mouth (WOM) (Bansal and Voyer, 2000). Since the banks do not market themselves towards international students and neither specify or provide information about their offers in other languages than Swedish on their websites a search for WOM could be seen as the only option to find out more about the banks. There are several means of spreading WOM in an inexpensive way, examples include social networks, blogs, chatrooms etc, making communication between people from far distances easy.

5.3 Practical implications and future research

This study has successfully examined the major factors responsible for the choice of bank by international students based on participants’ perception of various important variables.

Some of the results obtained in the research might be applied to a general population of international students studying in Sweden. For example, cost of services or use of technology might be applied to the whole population. Though in order to avoid any sort of biases this research tends to be focused on a particular geographical location that makes it to meet all the criteria in order to be valid and replicable.

Implications for the practical use by the executives concern many different aspects. One of the aspects is to provide an idea for bank management to be aware of the price-sensitivity of the international students to the bank offers or student packages. It concerns highlighting benefits that a customer can possess or pricing components (transactional rates and financial charges) according to what international students value. Also the obtained results shows that it might be relevant for a bank management to revise the way the offers for the international students are bundled and as an implication it might lead to a consideration of bundling low- and high-benefit components of the offer together in order to be more appealing to international students and still have an efficient business practise.

Another aspect is the awareness of the bank management of the efficient communication channels to international students. It means that both the financial provider and a customer represented by international students might benefit from improvements of the marketing communication effectiveness. One of the marketing communication techniques is related to social media that is accelerating a trend in which customers might increasingly approximate the experience. Social media also plays its role in marketing towards international students.
Based on the results of the study, financial service executives should be aware of the customers’ primary role in obtaining a service. International students might complete a service purchase even before having a direct contact with the financial institution staff and by the point of obtaining a service customers tend to be more informed and aware of the financial institutions regulations and polices. It is all due to the independent marketing communication channel as word of mouth (WOM). A financial organizations that accurately focus on its customers who are likely to make good referrals tend to earn a better return and improve their marketing practices.

One of the powerful implications for the management is technology. Use of technology leads to another implication for the financial service providers. Technological advancements are transforming choices of customers, and choices are changing the marketplace. It means in order to be appealing to different market segments, for example international students, marketers and managers might need to be more reliable on knowledge-based or experience-based marketing.

Next implication for the executives is while targeting a new segment of the market they might need to obtain a feedback from their customers such as international student. Feedback might help to obtain more information about customers and the ways to better communicate and deliver value to them. Feedback collected from international students tends to be of a high quality when it is provided as close to the moment of performance as it is possible.

5.4 Limitations

Although the research achieved its purpose there were some unavoidable limitations. While this study is predominantly based on the primary data from the international students, the results cannot be generalized, since the research is based on a non-probability sampling technique. The geographical location studied and the students studied are limited. This research did not provide the information whether an international student as a customer provided an opinion related to one particular bank, since it is unknown if the customer has accounts with two banks.

Interpretation of the meaning of the factors and their naming are of a subjective nature. The study has a longitudinal effect and it was limited in time available to investigate change or stability within a sample. Cultural aspects were also not taken into account during the
examination of factors in relation to the choice of a bank by international students. The questionnaire designed to investigate the international students’ opinion to variables that are important in their choice of a bank and it might give useful information about the underlying certain common features among variables; though it seems not to provide enough evidence about actual influencers on the international students’ choice of a bank.

5.5 Recommendations

Future research may include investigating the factors importance and may also consider the impact of other demographic variables such as location, age and the degree acquired from the university.

Banks seem to have a limited focus on international students in terms of marketing towards them (Appendix C) as well as offers available to them. Banks should view their growth in acquiring necessary information and skills for provision of services to different groups, especially regarding the largest banks in Sweden as these are international banks which may exist in many of the international students’ home countries. Being an international bank puts more pressure on upholding a good reputation in several countries.

Furthermore, the technological services provided by most of the banks are not well fitted to the international customers in terms of almost everything being in Swedish (internet banking, mobile banking). Even though some of the banks have an English instruction manual, difficulties might arise due to the language. Also, not all banks provide international students with the same services as other customers, such as some banks not offering internet banking and mobile banking. Since technology has a great influence on bank choice according to our research, banks should consider adapting their service offers more to international students.

5.6 Conclusion

The results of our study contribute to the current body of research due to the chosen population represented by international students whereas previous research according to our investigation has been focused on the domestic population.

This research identifies five factors in relation to the choice of a bank when it comes to international students. Concluding that these factors are cost of the bank services, marketing communication effectiveness, convenience, use of technology and the bank’s reputation.
However, we see this research as a contribution to many organizations that aim to become more familiar with what influences international students’ in their choice of financial institutions which is especially interesting in terms of their experience and knowledge which guides them in their bank choice.
REFERENCES


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• Fouladi, R.T., Steiger, J.H., 1993. Tests of multivariate independence: A critical analysis of “A Monte Carlo study of testing the significance of correlation matrices by Silver and


390-392.


**INTERVIEWS AND EMAIL CORRESPONDENCE:**


Corrigox, S., sco@Högskolan Dalarna.se International students in Högskolan Dalarna. [email] P. Parekh (h07poopa@Högskolan Dalarna.se) Sent on 19th March 2013 at 20:30

**INTERVIEWS WITH BANKS:**

**Handelsbanken interview:**


**ICA bank interview:**


**Nordea interview:**

- **SEB interview:**


- **Skandia interview:**


- **Swedbank interview:**


**BANK WEBSITES:**

- www.dalarnas.se
- www.handelsbanken.se
- www.icabanken.se
- www.nordea.se
- www.seb.se
- www.skandiabanken.se
- www.swedbank.se
Correspondence between Susanne Corrigox (sco@Dalarna University.se), an employee at the International office in Dalarna University, and Pooja Parekh (h07poopa@Dalarna University.se) Sent on 19th March 2013

Dear Pooja,

It is not so easy to answer your questions. We do not register citizenships, many students are of non-Swedish origin, but live and study in Sweden, and 60% of our students are not on campus, they study in distance  
1) How many international students studying at university level are there in Dalarna University?  
We receive around 400 exchange students every year that is for sure. In addition we register maybe 200 international degree-students (estimation!), 30 of them tuition fee paying ones. We also have a lot of international students who are still in the system (they started some years ago on degree programs)  
2) Which programs are there which international students can participate in? (including International business marketing program, which will not run next year)?  
You find the programs at www.Dalarna University.se/en. Anyone eligible can apply for the courses  
- How many of these are girls and how many are boys?  
Dalarna University in 2011-12 the official numbers were in total: 1 056 students- 575 women, 481 men.  
- What age range are they? Are there more of certain age groups then others?  
Students on bachelor's programs are generally in their twenties, students at master's a little older. International students are younger than the Swedish ones, since many Swedish students start their studies after a few years of work, travelling etc.  
Best regards, Susanne
Appendix B – Interview guides

A) Interview guide for the interviews with the Swedish banks

Briefing: Introduce myself (Pooja Parekh, student at Dalarna University), describe the situation for the interviewee (confidentiality, record, plus a short discussion afterwards), succinctly explain the purpose of the interview, and get specific information if the interviewee has any questions before the interview. Conclusively, acknowledge interviewee for participation.

Questions:

What are the requirements for an international student to become a customer at your bank?

What bank offer do you have for international students?

Can international students pursue the same bank offers as Swedish students or is there a customized bank offer for international students? Example: Is there a difference in your bank offer for students who do not have a Swedish identity number such as exchange students who have a coordination number instead and those who have a Swedish identity number such as program students? If yes, what is the difference?

What is the cheapest bank offer that an international student can pursue?

What is included in the bank offer(s) to international students? (Bank card(s), internet bank, mobile bank)

Are the services included in the bank offer(s) in English or Swedish? If they are in English is there an English instruction manual on how to use the service?

If the international student may find difficulties in making payments through the self service technologies (internet bank, mobile bank or telephone bank) can they receive help about how to make a payment? If yes, what does this cost?

Can an international customer hand in the bill to you and have you as a bank register the transaction (make the payment)? If yes, what does this cost?
Do you have any charges for autogiro?

What is the cost of each service and/or what is the cost of the bank offer?

Are there any other bank cards available to choose between for international students?

Does an international student receive any discounts on anything? Such as home insurances, travelling discounts etc.

Is it possible to exchange money at the bank? If yes are many currencies available? If no, do you have any cooperation with exchange centers and/or any discounts available for money exchange at exchange centers?

Where are the ATMs located from which cash can be withdrawn?

Is it possible to withdraw money and see the balance, which one has in their bank account from all ATMs (even those which do not specifically belong to the bank i.e. those that belong to other banks)?

Is it possible to read about the bank offer(s) for international students at the banks website?

Is it possible to read about the bank offers on your website in any other language than Swedish?

Do you have any marketing directed towards international students?

Is the information about charges of money transfer to and from foreign countries to your bank as well as charges for withdrawal of money abroad given on the bank’s website accurate? (If the interviewee answers yes to this question, we resorted to use the bank’s website as a source of reference instead of asking the personnel)

May I use you as a reference for this information you have given to me?

B)Interview guide for interview with Egle Berstiene

Egle Berstiene is an administrator at the international office at Dalarna University. The
The interview was held by Pooja Parekh [in person] at Dalarna University, Borlänge. Interview conducted on 18th of March 2013.

**Briefing:** Introduce myself (Pooja Parekh, student at Dalarna University), describe the situation for the interviewee (confidentiality, record, plus a short discussion afterwards), succinctly explain the purpose of the interview, and get specific information if the interviewee has any questions before the interview. Conclusively, acknowledge interviewee for participation.

**Questions:**

How many international students are studying at university level are there in DU?

Which programs are there in which international students can participate?

How many of the programs are bachelor level and how many of them are master level?

Regarding the international students:

How many are program students and how many are exchange students?

How many of these are males and how many are females?

What age range are they? Are there more of certain age groups than others?

From which countries are the international students?

For approximately how long time do exchange students usually study at Dalarna University?

Is there a general email address of the programs and/or courses through which we can email the students our questionnaire?

What information is provided to the international students regarding the banks in Sweden?
## Appendix C – Banks in Borlänge and Falun

<table>
<thead>
<tr>
<th>DESCRIPTION OF THE FOUR LARGEST BANKS IN SWEDEN IN BORLÄNGE AND FALUN</th>
<th>Swedbank</th>
<th>SEB</th>
<th>Nordea</th>
<th>Handelsbanken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requirements and restrictions</strong></td>
<td>Requirements: Being registered by the authorities as living in Sweden. Also, the letter of acceptance to the Swedish university needs to be shown to the bank. There are different bank offers depending on if you have a Swedish identity number and Swedish identity card or not.</td>
<td>Requirements: Being registered by the authorities as living in Sweden. Also, the letter of acceptance to the Swedish university needs to be shown to the bank. There are different bank offers depending on if you having a Swedish identity number or not.</td>
<td>Requirements: Being registered by the authorities as living in Sweden. Also, the letter of acceptance to the Swedish university needs to be shown to the bank. There are different bank offers depending on if you having a Swedish identity number or not.</td>
<td>Requirements: Being registered by the authorities as living in Sweden. Also, the letter of acceptance to the Swedish university needs to be shown to the bank. There are different bank offers depending on if you having a Swedish identity number or not.</td>
</tr>
<tr>
<td><strong>Location Borlänge and Falun</strong></td>
<td>Centrum</td>
<td>Centrum</td>
<td>Centrum</td>
<td>Borlänge Centrum as well as a second office which is 12min by car from DU. Falun Centrum</td>
</tr>
<tr>
<td><strong>Opening hours Falun</strong></td>
<td>Mon-Fri: 10-18</td>
<td>Mon-Fri: 10-15</td>
<td>Mon,Tue,Wed, Fri: 10-15 Thu: 10-17</td>
<td>Mon-Wed 10-16, Thu 10-18, Fri 10-15</td>
</tr>
<tr>
<td><strong>ATM locations</strong></td>
<td>Money can be withdrawn from all ATM. However, the balance of the account can only be seen in Swedbank’s ATMs at the moment (this is however in the process of being changed).</td>
<td>Money can be withdrawn from all ATM. However the balance of the account can only be seen in those ATMs called “bankomat”. Swedbank’s</td>
<td>Money can be withdrawn from all ATM and the balance of the account can be seen in all ATM.</td>
<td>Money can be withdrawn from all ATM. However the balance of the account can only be seen in those ATMs called “bankomat”.</td>
</tr>
<tr>
<td>Mission statement</td>
<td>“Promote a sound and sustainable financial situation for the many households and enterprises”. “The many” = being a bank for all people rather than exclusively for certain people, which is what they mean by the expression “the many”.</td>
<td>“To help people and businesses thrive by providing quality advice and financial resources.”</td>
<td>“A Great European bank acknowledged for its people, creating superior value for customers and shareholders”</td>
<td>“Handelsbanken's goal is to have a higher return on equity than the average for comparable banks in the Nordic region and the UK. The goal will be achieved by offering customers better service while the cost is lower than other banks. Profitability is always more important than volume.”</td>
</tr>
<tr>
<td>Cheapest bank offer cost per year which can be pursued by Swedish and international students</td>
<td>Scenario 1: If you have a Swedish identity number and a Swedish identity card you can become a “Nyckelkund” for 468kr or 0 kr if you are upto 21 years old. Scenario 2: Restricted bank offer.</td>
<td>Scenario 1: There is a customized bank offer of their regular bank offer “Enkla vardagen” for international students who have a Swedish identity number. Scenario 2: There is a customized bank offer for international students who do not have a Swedish identity number</td>
<td>Scenario 1: Bank offer for 18-28 years old, 144kr Scenario 2: If you are older than 28, you can become “baskund” which costs 432kr</td>
<td>No</td>
</tr>
<tr>
<td>Special discounts</td>
<td>Scenario 1: counseling about your financial situation, free estimation of your homes worth, newsletter about your private economy, different options for buying security papers</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Restricted bank offer for international students</td>
<td>Yes (if no Swedish identity number and Swedish identity card)</td>
<td>Scenario 1: 300kr if you have a Swedish identity number, however if you also receive CSN then it costs 0kr instead. Scenario 2: If you do not have Swedish identity number SEB has a customized offer.</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Bankcard (cost per year)</td>
<td>Scenario 1: Included, can apply for different bank and credit cards Scenario 2: Visacard</td>
<td>Scenario 1: Visacard Scenario 1 and 2: Visacard</td>
<td>Maestro card, 195kr</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>Scenario 1</td>
<td>Scenario 2</td>
<td>Other bank card (cost per year)</td>
<td>Internet bank (IB) and the availability of English translation of it</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------</td>
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<td>---------------------------------</td>
<td>--------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Optional: apply for the creditcard called Mastercard. The card costs 300kr</td>
<td>Scenario 2: Maestro, 180kr</td>
<td>No</td>
<td>Scenario 1 and 2: Is included and is in Swedish, however, an english instruction manual exists</td>
</tr>
<tr>
<td></td>
<td>Optional: apply for creditcard called Mastercard Silver. The card costs 160kr</td>
<td>No</td>
<td>No</td>
<td>Included and an english edition for IB is available</td>
</tr>
<tr>
<td><strong>Transfer from foreign country</strong>*</td>
<td>0-40kr</td>
<td>0-50kr</td>
<td>0-60kr</td>
<td>60 kr</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td><strong>Other card discount</strong></td>
<td>If the cost of a trip is paid through bank card then cancellation insurance is received</td>
<td>If 75% of the cost of a trip is paid through bankcard then travel insurance is received</td>
<td>If the cost of a trip is paid through bank card visa then a travel insurance is received</td>
<td>No</td>
</tr>
<tr>
<td><strong>Withdrawal of money abroad</strong></td>
<td>0-35kr</td>
<td>0-35kr</td>
<td>0-40kr</td>
<td>35kr</td>
</tr>
<tr>
<td><strong>Money exchange at bank</strong></td>
<td>No, however ATM for exchanging SEK to euro exists</td>
<td>Yes it costs 40kr and an ATM exists for exchanging SEK to euro</td>
<td>Borlänge: No Falun: Free, however not all currencies are available</td>
<td>Yes it costs 50kr and an ATM exists for exchanging SEK to euro</td>
</tr>
<tr>
<td><strong>Money exchange discount</strong></td>
<td>No</td>
<td>No</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td><strong>Website language to read about offer</strong></td>
<td>Swedish</td>
<td>Swedish</td>
<td>Swedish</td>
<td>Swedish</td>
</tr>
<tr>
<td><strong>Marketing towards international students</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

### Other available banks in Sweden

<table>
<thead>
<tr>
<th>DESCRIPTION OF THE OTHER BANKS IN BORLÄNGE AND FALUN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Skandia banken</strong></td>
</tr>
<tr>
<td>Requirements and restrictions: Swedish identity number or coordination number is required as well as being registered by authorities as living in Sweden. In addition to this there is a requirement to have either Swedish ID card from the Swedish tax agency, Swedish passport, Swedish SIS stamped ID card, EU</td>
</tr>
<tr>
<td><strong>ICA banken</strong></td>
</tr>
<tr>
<td>Requirements: Swedish identity number is required otherwise it is not possible to become a customer. Also, the letter of acceptance to the Swedish university needs to be shown.</td>
</tr>
<tr>
<td><strong>Dalarnas bank och försäkringar</strong></td>
</tr>
<tr>
<td>Requirements: the letter of acceptance to the Swedish university needs to be shown. There are different bank offers depending on if you having a Swedish identity number or not.</td>
</tr>
</tbody>
</table>
passport, Swedish ID card or Swedish drivers license. Also, the letter of acceptance to the Swedish university needs to be shown.

<table>
<thead>
<tr>
<th>Location Borlänge and Falun</th>
<th>No physical bank office</th>
<th>No physical bank office</th>
<th>Borlänge: next to the bus and train station (5 min walk from Högskolan Dalarna) Falun Centrum (20 min walk from Högskolan Dalarna)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening hours Borlänge</td>
<td>---</td>
<td>---</td>
<td>Mon-fri: 9-16.30</td>
</tr>
<tr>
<td>Opening hours Falun</td>
<td>---</td>
<td>---</td>
<td>Mon-fri: 8-16.30</td>
</tr>
<tr>
<td>ATM locations</td>
<td>Money can be withdrawn from all ATM, however, the balance of the account cannot be seen in any ATM at the moment</td>
<td>Money can be withdrawn from all ATM, however, the balance of the account cannot be seen in any ATM</td>
<td>Money can be withdrawn from all ATM, however currently the balance can only be seen in Dalarnas bank and försäkringars own ATM (that is however in the process of changed).</td>
</tr>
<tr>
<td>Mission statement</td>
<td>“Skandiabanken will be the leading direct bank by being honest, simple and affordable”</td>
<td>“The business concept is to offer banking services that build loyalty among ICA’s customers, as well as to increase the share of store transactions executed with ICA’s own cards”</td>
<td>“The company’s task is to offer total solutions based on different combinations of non-life insurance, accident and medical insurance, life assurance, pensionsaving plans, fund savings and various banking services.”</td>
</tr>
<tr>
<td>Cheapest bank offer cost per year which can be pursued by Swedish and international students</td>
<td>There is a customized offer for international students</td>
<td>It is called “ICA student”, 0kr</td>
<td>Scenario 1: if you have a Swedish identity number then you can pursue their student offer for 420kr the first year as a customer. From the second year and onwards it costs 840kr Scenario 2: If you do not have a Swedish identity number then there is a customized offer</td>
</tr>
</tbody>
</table>
| **Special discounts** | No | Twice as much discount on ICA groceries as nonbank ICA customers if the customer pays with their ICA bank card, discount is also received from a gym called “Actic” | Scenario 1: Insurances covering home, travel, assault, law, responsibility, allrisk and accidental events. Also, a special discount on Internet bank is received  
Scenario 2: Insurances covering home, travel, assault, law, responsibility, allrisk and accidental events. |
| --- | --- | --- | --- |
| **Restricted bank offer for international students** | Yes | No | Scenario 1: Not if you have a Swedish identity number  
Scenario 2: Yes, if you do not have a Swedish identity number |
| **Bankcard (cost per year)** | Visa Electron, 240kr | Mastercard, free | Visa, 225kr |
| **Other bank card (cost per year)** | No | Yes, but no discount | No |
| **Internet bank (IB) and the availability of English translation of it** | Is included but it is in Swedish, however no English instruction manual exists | Is included and is in Swedish | Scenario 1: Is included but it is in Swedish, however no English instruction manual exists  
Scenario 2: Is not included, payment can be made through privatgiro which costs 225kr per year |
| **Telephone bank and the availability of English translation of it** | Is in Swedish, however, personal service is available between 6-24 in English | Is in Swedish, however personal service is available between 8-20 | Scenario 1: Is included  
Scenario 2: Is not included |
| **Mobilebank and availability of English translation of it** | Included and is in Swedish but swedish identity number is necessary to use it | Included, is in Swedish | Scenario 1: Is included  
Scenario 2: Is not included |
<table>
<thead>
<tr>
<th><strong>Home insurance discount</strong></th>
<th>No</th>
<th>72kr/month for one person</th>
<th>Yes (see above section called “special discounts”)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Help to pay</strong></td>
<td>Help with transaction is free. Help with paying a bill costs 25kr/bill</td>
<td>Help with transaction is free. Help with paying a bill costs 50kr/bill</td>
<td>Help with transaction is free. Help with paying a bill costs 50kr/bill</td>
</tr>
<tr>
<td><strong>Charge for autogiro from bank</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Transfer to foreign country</strong></td>
<td>Is only possible through the internet bank and it is free of charge from Skandia’s part</td>
<td>0-100kr</td>
<td>0-200kr</td>
</tr>
<tr>
<td><strong>Transfer from foreign country</strong></td>
<td>It is only possible to receive SEK or Euro, and it is free.</td>
<td>0-100kr</td>
<td>0-30kr</td>
</tr>
<tr>
<td><strong>Other card discount</strong></td>
<td>No</td>
<td>If 75% av of a trip has been paid with the ICA bank card, the customer receives a travel insurance</td>
<td>No</td>
</tr>
<tr>
<td><strong>Withdrawal of money abroad</strong></td>
<td>No charge from Skandia bank regarding withdrawal from ATM abroad</td>
<td>No charge from ICA bank regarding withdrawal from ATM abroad</td>
<td>Cash withdrawal from an EU country costs 0kr. Cash withdrawal from a Non-EU country costs 35kr/withdrawal. However, in both cases above, a currency exchange fee of 1.5% needs to be paid.</td>
</tr>
<tr>
<td><strong>Money exchange at bank</strong></td>
<td>No</td>
<td>No</td>
<td>No, however in Falun an ATM exists where it is possible to withdraw Euro</td>
</tr>
<tr>
<td><strong>Money exchange discount</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Website language to read about offer</strong></td>
<td>Swedish</td>
<td>Swedish</td>
<td>Swedish</td>
</tr>
<tr>
<td><strong>Marketing towards</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>international students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Regarding transfer between one account to another account if not requested to be done extra fast. Costs from foreign bank not included as they vary.  
**Free from the Swedish bank, charges from the foreign bank’s side are not taken account of in this table*

The content of the table was gathered from the banks websites and interviews with the customer services personnel at each bank located in Börlange and Falun.
Appendix D – Questionnaire

Hello participant,

Our names are Pooja and Vitalina and we are students at Dalarna University. For our final project in business administration, we are studying factors that influence the selection of a Swedish bank among international students at Högskolan Dalarna. Because you are an international student at Högskolan Dalarna, we are inviting you to participate in this research study by completing the attached questionnaire.

In this questionnaire, approximately 200 people will be asked to complete a survey that asks questions about different services provided by banks and the way the services are delivered. It will take approximately 5 minutes to complete the questionnaire.

Your participation is completely voluntary and anonymous which means that we will not know who answered our questionnaire.

Thank you very much for your time and support. Please start with the filling in the questionnaire by choosing the appropriate answer.

1. What best describes you as an International student at Högskolan Dalarna?
   - Exchange student
   - Program student
   - Other

2. What is your country of origin?
   - The EU
   - Outside the EU

3. In which town do you reside?
   - Falun
   - Borlange
   - Other

4. What is your age?
   - 19 or under
   - 20-22
   - 23-24
   - 25-26
   - 27-28
   - 29 and over

5. What is your gender?
   - Male
   - Female
   - Rather not comment

6. What bank do you use in Sweden?
   - SEB
   - Swedbank
   - Nordea
   - Handelsbanken
   - Ica-banken
   - Dalarnas bank and insurance company
   - Scandia bank
   - Other
7. Do you have the same bank in your home country?
   - Yes
   - No
   - Don't know

8. Have you ever changed banks in Sweden?
   - Yes
   - No

Factors influencing your choice of a bank in Sweden

Below we would like you to choose a number which best fits your opinion. Numbers are given in accordance: 1 - Not at all and 5 - Very much. All answers should be given according to your thoughts that guided you to choose a bank in Sweden.

9. Did past experience related to banks affect you in your choice of a bank in Sweden?

   1  2  3  4  5

   Not at all   Very much

10. Did general image of a bank affect you in your choice of a bank in Sweden?

    1  2  3  4  5

    Not at all   Very much

11. Did staff friendliness affect you in your choice of a bank in Sweden?

    1  2  3  4  5

    Not at all   Very much

12. Did recommendations from friends/relatives affect you in your choice of a bank in Sweden?

    1  2  3  4  5

    Not at all   Very much

13. Did social networks and/or blogs affect you in your choice of a bank in Sweden?

    (Social networks=facebook, twitter, linkedin)

    1  2  3  4  5

    Not at all   Very much

14. Did anonymous recommendations affect you in your choice of a bank in Sweden?

    (Anonymous recommendation=having an unknown or withheld authorship or agency)

    1  2  3  4  5

    Not at all   Very much

15. Did the ease of use of the Internet banking affect you in your choice of a bank in Sweden?

    1  2  3  4  5

    Not at all   Very much

16. Did the ease of use of the Mobile banking affect you in your choice of a bank in Sweden?
(Mobile bank = using your mobile phone for tasks such as checking the balance on your account, pay bills, make transactions between bank accounts, etc.)

1  2  3  4  5

Not at all  Very much

17. Did the ease of use of the Debit card affect you in your choice of a bank in Sweden?
(Debit card = bank card used in cash transactions. Money is taken from your bank account if you make a purchase. If you do not have money on your bank account you cannot make any purchase)

1  2  3  4  5

Not at all  Very much

18. Did a direct approach from the bank affect you in your choice of a bank in Sweden?
(Direct approach = a bank employee spoke to you personally)

1  2  3  4  5

Not at all  Very much

19. Did advertisement affect you in your choice of a bank in Sweden?

1  2  3  4  5

Not at all  Very much

20. Did student union assistance affect you in your choice of a bank in Sweden?
(Student union assistance = help from the student union in choosing your bank)

1  2  3  4  5

Not at all  Very much

21. Did the physical location of the bank affect you in your choice of a bank in Sweden?

1  2  3  4  5

Not at all  Very much

22. Did the opening hours affect you in your choice of a bank in Sweden?

1  2  3  4  5

Not at all  Very much

23. Did virtual access affect you in your choice of a bank in Sweden?
(Virtual access = all access to the bank which is not face-to-face. For example: through phone, email, Internet banking, and Mobile banking)

1  2  3  4  5

Not at all  Very much

24. Did low service charges affect you in your choice of a bank in Sweden?

1  2  3  4  5

Not at all  Very much

25. Did transaction charges affect you in your choice of a bank in Sweden?
(Transaction charges = charges to transfer money to and from your home country to a Swedish bank)

1  2  3  4  5

Not at all  Very much

26. Did a student package affect you in your choice of a bank in Sweden?

1  2  3  4  5
<table>
<thead>
<tr>
<th>Not at all</th>
<th>Very much</th>
</tr>
</thead>
</table>

Appendix E–Factor analysis output from Stata

Factor analysis/correlation

Method: principal-component factors
Rotation: (unrotated)
Number of obs = 111
Retained factors = 5
Number of params = 80

<table>
<thead>
<tr>
<th>Factor</th>
<th>Eigenvalue</th>
<th>Difference</th>
<th>Proportion</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor1</td>
<td>5.79033</td>
<td>3.85233</td>
<td>0.3217</td>
<td>0.3217</td>
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<tr>
<td>Factor2</td>
<td>1.93800</td>
<td>0.44235</td>
<td>0.1077</td>
<td>0.4294</td>
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<td>Factor3</td>
<td>1.49565</td>
<td>0.30673</td>
<td>0.0831</td>
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<tr>
<td>Factor4</td>
<td>1.18892</td>
<td>0.10428</td>
<td>0.0661</td>
<td>0.5785</td>
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<tr>
<td>Factor5</td>
<td>1.08464</td>
<td>0.10737</td>
<td>0.0603</td>
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<tr>
<td>Factor6</td>
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<td>0.09845</td>
<td>0.0543</td>
<td>0.6930</td>
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<td>0.0488</td>
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<tr>
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<td>0.05489</td>
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<td>0.07812</td>
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<td>0.04299</td>
<td>0.0210</td>
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<td>0.0166</td>
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<td>0.0144</td>
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<tr>
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<td>.</td>
<td>0.0093</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

LR test: independent vs. saturated: chi2(153) = 792.74 Prob>chi2 = 0.0000
Appendix F – Rotated factor loadings (<= .32)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor3</th>
<th>Factor4</th>
<th>Factor5</th>
<th>Uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td>q1pastexp</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>q3friendli-s</td>
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<tr>
<td>q4knownrec-s</td>
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<td>0.5287</td>
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<tr>
<td>q5networks-s</td>
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<tr>
<td>q6anonymou-s</td>
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<tr>
<td>q7internet-k</td>
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<td></td>
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<td>0.3158</td>
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<td>q8mobilebank</td>
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<td></td>
<td>0.6613</td>
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<td></td>
<td>0.3967</td>
</tr>
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<td>q9debitcard</td>
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<tr>
<td>q10directa-h</td>
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<tr>
<td>q11adverti-t</td>
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<td>q12student-p</td>
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</tr>
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<td>q13location</td>
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</tr>
<tr>
<td>q14opening-s</td>
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</tr>
<tr>
<td>q15virtual-s</td>
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<td>0.3428</td>
</tr>
<tr>
<td>q16lowchar-s</td>
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<td></td>
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</tr>
<tr>
<td>q17transac-e</td>
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</tr>
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<td>q18student-e</td>
<td>0.8213</td>
<td></td>
<td></td>
<td></td>
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<td>0.2227</td>
</tr>
</tbody>
</table>

(Blanks represent abs(loading) < .32)