



DETERMINANTS OF CUSTOMERS' CHOICE OF DEPOSIT MONEY BANKS (DMBs) IN LAPAI, NIGER STATE, NIGERIA

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ABSTRACT

Customers have different perception in selecting a bank for service delivery. This study investigated the determinants of customers' choice of Deposit Money Bank in Lapai, Niger State, focusing on factors such as reputation, service quality, and technology. The research adopts a quantitative research design through a survey research method. The study utilized a purposive sampling technique to sample 80 small business owners that operates with UBA and First bank Lapai branches. Structural questionnaire was used to collect a primary data and analysed with the aid of SPSS version 26.0. The findings show that reputation, service quality, and technology have significant effect on customers' choice of DMBs in Lapai Niger State. The study recommends that the banks in Lapai should maintain their reputation, improve service quality and invest in advanced technological for better service delivery to the customers.

Keywords: *Customer choice, deposit money banks, service quality, reputation, technological innovation.*

1. INTRODUCTION

Deposit Money Banks (DMBs) play a critical role in Nigeria's financial system by mobilizing savings, granting credit, and driving economic growth through financial intermediation (Agbana, Ibrahim, & Maitala, 2024). Despite several regulatory reforms and technological advancements, the Nigerian banking sector continues to face persistent challenges such as macroeconomic volatility, reputational risks, and declining service quality (Sanusi, 2010; KPMG, 2023). According to Narteh (2022), issues such as poor responsiveness, inefficiency in customer handling, and inconsistent service delivery have reduced customer satisfaction and loyalty. Similarly, Adeyemi and Olalekan (2021) highlighted that cases of unethical practices, fraud, and weak



corporate governance have damaged public confidence in banks. Olatunji and Musa (2022) also noted that although digital banking has improved access, it remains undermined by unstable networks, cyber threats, and limited user education, especially in semi-urban areas.

Across Nigeria, the problem of customers' choice of DMBs has become increasingly complex, as clients are now more discerning and influenced by factors such as reputation, service quality, and technological innovation. However, most studies examining customer choice have concentrated on large metropolitan centres, ignoring the contextual realities of smaller towns where banking penetration, infrastructure, and digital literacy are considerably lower. In semi-urban regions like Lapai in Niger State, only a few DMB branches mainly First Bank and UBA serve the population of over 110,000 people (National Bureau of Statistics-NBS, 2024). Yet, customer complaints about poor service response, long queues, and unstable e-banking systems remain recurrent (Central Bank of Nigeria [CBN] Consumer Report, 2023). These issues suggest that customers' decisions in Lapai may not be guided by satisfaction or loyalty but rather by necessity and limited alternatives.

Despite a growing body of literature on customer choice and loyalty in banking, a clear understanding of what determines customers' selection of DMBs in rural and semi-urban Nigerian settings remains elusive. Practically, evidence from the CBN 2023 Consumer Protection Report shows that customer complaints relating to poor service quality, transaction delays, and digital access issues increased by over 27% between 2020 and 2023, with the majority originating from semi-urban and rural branches. In Lapai specifically, informal surveys by local business associations indicate that customers frequently experience network interruptions, delayed reversals, and limited ATM functionality, which weaken confidence in banking services. The limited presence of DMBs has also led to customer concentration in a few banks, heightening service pressure and lowering overall satisfaction.

Theoretically, past studies have significant limitations. For example, Omodero and Eriable (2021) examined determinants of customers' preference for Nigerian commercial banks using a national survey, but their study focused on urban contexts and did not disaggregate results by region or customer type. Similarly, Zariyawati, Reyad, and Fatini (2023) investigated bank choice in Malaysia using the Theory of Planned Behaviour but overlooked the operational and infrastructural realities of developing economies like Nigeria. Lelissa and Lelissa (2021), in Ethiopia, focused on branch network and forex accessibility factors less relevant to regions like Lapai, where digital transformation and trust deficits are more pressing. These methodological and contextual limitations show that reputation and technology have rarely been jointly examined within semi-urban Nigerian environments where customers' exposure and access to alternatives are limited.

Consequently, there exists a clear research gap concerning how reputation, service quality, and technology interact to influence customers' choice of Deposit Money Banks in smaller towns like Lapai, Niger State. This study therefore seeks to bridge that gap by generating empirical evidence on customer decision-making within a localized Nigerian context.



From the above, the following research questions were set to guide the study:

- i. To what extent does Reputation affect customers' choice of DMBs in Lapai, Niger State?
- ii. To what extent does Technology influence customers' choice of DMBs in Lapai, Niger State?

The main objective of this study is to identify the factors influencing customers' choice of DMBs in Lapai, Niger State, Nigeria. The specific objectives include the following.

- i. To assess the effect of reputation on the customers' choice of DMBs in Lapai, Niger State.
- ii. To examine the influence of technology on the customers' choice of DMBs in Lapai, Niger State.

The following hypotheses are formulated to guide the specific objectives of this study:

H₀₁: Reputation does not have a significant effect on customers' choice of DMBs in Lapai, Niger State.

H₀₂: Technology does not have significant effect on customers' choice of DMBs in Lapai, Niger State.

2. CONCEPTUAL REVIEW AND THEORETICAL FRAMEWORK

This section presents comprehensive review of existing literatures relevant to the study, focusing on the determinants of customers' choice of deposit money bank (DMBs). It aims to establish a theoretical and empirical foundation accessing key concepts such as Service quality, Reputation and Technological innovation. The chapter also examines previous scholarly works, theories and models that explain customers' behaviors in Bank selection.

2.1 Concept of Customers' Choice

Customer choice is a multidimensional concept that explains how individuals identify, evaluate, and select products or services based on perceived satisfaction, value, and utility. Kotler, Keller, and Armstrong (2023) view customer choice as a rational and emotional process that integrates customers' needs, expectations, and perceptions of product or service attributes. They emphasize that in competitive markets, customer decisions are primarily guided by perceived value, which reflects the balance between the benefits received and the sacrifices made, such as price, time, or effort. However, their definition has been criticized for underestimating the influence of external factors such as social trends and technological innovation that shape modern consumer behaviour, especially in service industries.

Ahmed and Bello (2023) expand this understanding by including affective and psychological dimensions, arguing that customer choice is not purely rational but also shaped by trust, satisfaction, and personal experience with a service provider. They stress that affordability, accessibility, and perceived reliability form the foundation of customers' decision-making, particularly in the banking sector where service encounters determine long-term relationships. This position, while comprehensive, assumes a relatively stable service environment, which may not fully capture the dynamic technological disruptions currently transforming banking services.

In the context of Deposit Money Banks (DMBs), Ogbechi, Okafor, and Orukotan (2022) identify location and proximity as crucial determinants of customer choice, positing that customers are more likely to select banks that are physically accessible and visible within their community. Although valid in traditional banking settings, this view has been increasingly challenged by the rise of digital banking platforms that render physical proximity less relevant. Olokoyo, Isibor,



Adegboye, Adesina, Osuma, and Adebayo (2020) offer a more contemporary perspective, emphasizing that a bank's reputation and perceived service quality now play a more decisive role than physical location. They argue that in a saturated financial market, reputation built through consistent ethical practices, transparency, and responsiveness serves as a differentiator that enhances customers' trust and loyalty.

Ombati, Magutu, Nyamwange, and Nyaoga (2024) further highlight the growing role of technological factors in customer decision-making. Their study shows that speed, efficiency, and digital convenience are now critical benchmarks of service quality, especially in e-banking environments. This aligns with Fatoki (2021), who asserts that customers increasingly base their choices on a bank's ability to deliver technology-driven solutions that ensure transaction security and convenience. Nonetheless, while technology improves accessibility and responsiveness, it also introduces risks such as system failures and cyber threats, which may negatively affect customer trust and overall satisfaction.

It becomes evident that customer choice in the banking industry is shaped by both traditional factors (such as reputation, trust, and service quality) and emerging factors (such as digital efficiency and technological convenience). Although earlier studies tended to focus on structural and economic determinants, contemporary research underscores the importance of intangible attributes particularly reputation and technology as primary influences on customer selection and loyalty.

Therefore, this study adapts definitions of Kotler, Keller, & Armstrong, 2023; Zeithaml, Bitner, & Gremler, 2023) and defines customers' choice as the process by which customers in Lapai, Niger State evaluate and select a Deposit Money Bank (DMB) based on their perceptions of the bank's reputation and technological convenience. This definition integrates conventional determinants of trust and service quality with current technological dimensions, thereby capturing both the social credibility and digital capability that define customer decision-making in today's Nigerian banking landscape.

2.2.1 Determinants of Customers' Choice

The determinants of customers' choice in the banking sector represent the various factors influencing how individuals evaluate and select financial institutions. Studies such as Zeithaml, Bitner, and Gremler (2023), Fatoki (2021), and Ogbechi, Okafor and Orukotan (2022) agree that customer choice is shaped by a combination of functional, emotional, and contextual factors that define perceived value. Among these, reputation and technology have become particularly prominent in explaining customers' selection behaviour in Deposit Money Banks (DMBs), especially in a competitive and technology-driven financial environment.

Reputation: Reputation represents the collective perception of a bank's credibility, reliability, and ethical conduct as held by its customers and the general public. Adeyemi and Olalekan (2021) assert that in Nigeria's banking environment where historical issues such as governance failures, unethical practices, and trust deficits persist reputation serves as a key determinant of customer choice. They argue that a positive reputation enhances customers' confidence in the safety of deposits and the integrity of financial dealings. However, this view assumes uniform perception



among customers, which may not always hold true, as individual experiences and regional contexts can alter reputational interpretations.

Adebayo and Adeola (2023) further strengthen the argument by contending that trust-based reputation is a major predictor of loyalty and continued patronage. Their findings show that transparent operations and consistent ethical practices foster both satisfaction and repeat business. Yet, some scholars caution that overreliance on reputation without parallel improvements in service quality may lead to complacency, where banks rely on brand legacy rather than innovation to sustain customer trust.

Narteh (2022) provides a contextual insight into developing economies, emphasizing that customers often rely heavily on brand reputation as a heuristic for reliability due to limited access to performance-related information. This observation is particularly relevant in Nigeria, where established banks like First Bank and UBA enjoy longstanding credibility advantages. Nonetheless, Sanusi (2010) earlier noted that reputational capital can quickly deteriorate in the face of regulatory lapses or financial misconduct, highlighting the fragility of trust in the sector. Empirical findings further confirm that reputation has a measurable impact on customer choice and retention. Omodero and Eriable (2021) found that banks perceived as trustworthy and transparent tend to attract higher patronage, while poor reputation discourages engagement. Similarly, Ogbechi, Okafor, and Orukotan (2022) demonstrated that relationship marketing and reputation management collectively drive long-term customer retention. Despite this consensus, some critics argue that in the digital age, reputation alone may no longer suffice; instead, customers now expect an integrated experience combining credibility with technological convenience.

Synthesizing these perspectives, it is evident that reputation functions both as a symbolic and strategic asset, shaping how customers perceive trustworthiness and ethical strength. For this study, and drawing from Adeyemi and Olalekan (2021) and Narteh (2022), bank reputation is defined as the extent to which customers in Lapai perceive a Deposit Money Bank as trustworthy, reliable, and ethically sound in its operations and customer dealings.

Technological: Technological advancement has become a transformative force in the banking industry, redefining how customers interact with financial institutions and make decisions about where to deposit their funds. Olatunji and Musa (2022) found that digital platforms such as mobile applications, internet banking, and ATMs significantly influence customer choice by enhancing convenience, accessibility, and security. They further observed that customers who find digital services reliable and user-friendly are more likely to remain loyal to their banks. Nevertheless, their study assumes consistent technological infrastructure, overlooking contextual challenges such as erratic network service or digital literacy gaps in semi-urban areas like Lapai.

Ibrahim and Musa (2023) expand on this by arguing that technology not only increases operational efficiency but also strengthens perceptions of modernity and innovation. They contend that banks that invest in responsive digital systems and cybersecurity frameworks gain a competitive edge, particularly among younger and tech-oriented customers. Yet, overdependence on digital systems without adequate human support may alienate less technologically inclined customers, suggesting that a balance between automation and personal interaction remains vital.



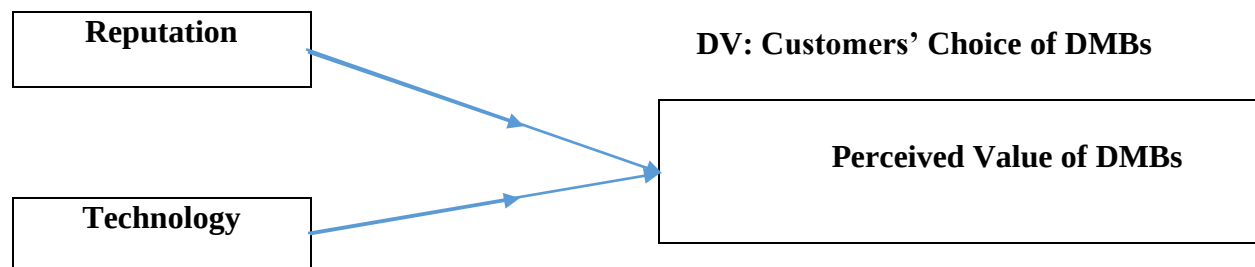
Empirical evidence underscores technology's pivotal role in shaping customer preferences. Ombati, Magutu, Nyamwange, and Nyaoga (2024) observed that the integration of advanced technology positively affects satisfaction and loyalty, positioning technological efficiency as a modern proxy for service quality. Likewise, Fatoki (2021) established that the speed and convenience afforded by technological tools directly influence customers' decisions on where to bank. KPMG (2023) further reported that Nigerian customers now evaluate banks based largely on the strength and reliability of their digital platforms, indicating that digital capability has become a determinant of competitiveness.

However, as Eze and Nwankwo (2022) caution, the benefits of technological advancement may be undermined by infrastructural limitations such as unstable internet connectivity, low digital literacy, and inconsistent service reliability challenges that are particularly relevant in semi-urban areas. Thus, while technology enhances convenience and access, its effectiveness in influencing customer choice depends on the bank's capacity to provide seamless, secure, and user-friendly services.

Synthesizing these studies, it is evident that technology acts both as an enabler and a differentiator of customer choice. It not only facilitates service delivery but also shapes customers' perceptions of innovation, trust, and convenience. Consequently, this study adopts the definitions of Olatunji and Musa (2022) and Ibrahim and Musa (2023); defining technology as the degree to which Deposit Money Banks in Lapai adopt and apply digital innovations that provide customers with convenient, secure, and efficient banking services.

Figure 1: Research Model

IV: Determinant Factors



Source: Researchers' Conceptualization (2024)

2.3 Review of Empirical Literature

Omodero and Eriabie (2018) examined the determinants of customers' choice and continuing patronage of commercial banks in Nigeria. The research employed quantitative research design through a survey research method. A total of 405 copies of questionnaire were collected from the bank customers. The results indicate that bank reputation and image over years, simplicity of account opening, reduced bank charges, variety of products/services and ease of obtaining loan facilities were the primary determinants of customers' choice and continued patronage, whereas attractive bank buildings were least influential. The study recommended that banks enhance service efficiency, financial stability and security as key ways to build customer loyalty. While the study identifies useful determinants, the cross-sectional design limits causality inference, and the



finding that “attractive buildings” are least influential may not generalise across other regions or segments of customers.

Omodero and Eriable (2021) investigated factors influencing customers' preference and continued use of Nigerian commercial banks: data from Nigeria, this study set out to determine the primary causes of bank switching. Information was gathered using the survey research method, and the findings indicated that easy opening of an account, reduced fees, variety of products and services, easy access to loan facilities, and attractive bank buildings are the least significant factors influencing customers' choice of commercial banks in Nigeria. These elements are the primary determinants of the bank that clients choose and stick with. To enhance research output, the report suggests that banks develop a template that statistically documents customer contentment and discontent. This study offers a broad analysis of customer switching behavior and bank patronage across Nigeria. However, it lacks geographical specificity and does not address rural contexts like where banking infrastructure, customer exposure, and expectations differ significantly from urban areas. Additionally, it treats customer choice as a general construct without exploring how individual determinants such as technology uniquely influence bank selection in underserved regions

Lelissa and Lelissa (2021) conducted a research on the elements affecting bank selection choices and client loyalty within the framework of the Ethiopian banking sector. The 38 elements of the 101 questionnaire were subjected to an exploratory factor analysis in this investigation. A large component is thus created by condensing and summarizing the questionnaire's broad individual components. Components are also performed using a regression model that links the independent variables that define bank selection determinants with customer loyalty. Four key elements were identified by the individual factor research as influencing the choice of commercial banks in Ethiopia: the size of the branch network, the strategic locations of the branches, the industry-leading service speed, and the convenience of accessing forex resources within the bank. The poll indicates that the quality and accessibility of people and physical resources, as well as the availability and caliber of services, seem to be the main factors influencing bank preference. The aforementioned factors influence consumers' loyalty levels in addition to their bank selection, according to the regression research. This Ethiopian-based study identifies factors such as branch network and forex services as critical to bank selection, which, while relevant in their setting, may not reflect the realities of Nigerian micro-business owners. The emphasis on forex availability and branch location fails to capture the growing role of digital technology in shaping customer behavior in Nigeria. Also, the regression result used does not adequately account for local trust and cultural perceptions of banking institutions.

Fatoki (2021) assessed the impact of banking services on customer satisfaction in Nigeria banking sector. The methodology involved a questionnaire administered to bank customers using regression to analyse the collected data. The study found that speed, convenience and perceived service quality significantly influence customer satisfaction in the Nigerian banking sector. It recommended that banks invest in reliable and user-friendly service channels, enhance service delivery and monitor customer satisfaction regularly. Although the study captured important service factors, it may overlook moderating variables (e.g., customer demographics, digital literacy) and the cross-sectional nature means it cannot track change over time.



Yusuf and Bala (2021) analysed service quality, reliability and end-user satisfaction on electronic banking in Nigeria” investigates factors influencing users’ satisfaction with electronic banking in Nigeria. The study used a qualitative research design through survey research design method and applied regression statistical tool to test relationships. The study found that service quality and system reliability are significant determinants of users’ satisfaction with electronic banking; improvements in infrastructure and platform reliability enhance customer satisfaction. They recommended banks invest in reliable e-banking platforms, minimise system downtime, enhance system quality, and maintain high service standards to boost satisfaction and loyalty. While this is a pertinent study for the e-banking context, (which banks, user segments) are insufficiently detailed, and the cross-sectional snapshot means long-term dynamics (e.g., technological change) are not captured.

Reyad Zariyawati and Fatini (2023) examined factors that influence depositors' choice of bank. This study examined the particular elements that Malaysian depositors take into account when selecting a bank for their banking activities, based on consumer behavioral characteristics. To ascertain the relationships between customer behavioral characteristics, including attitude, subjective norms, perceived behavioral control, and bank selection intention among Malaysian depositors, this study uses the theory of planned behavior. To gather information on depositors' intentions to choose a bank, the researchers distributed 384 questionnaires to Malaysian bank clients. The results of structural equation modeling for Malaysian depositors show a substantial relationship between their intents to choose a bank and attitudes, subjective norms, and perceived behavioral control. According to the study, depositors will get insight into which factors should be given priority when choosing a financial institution, and banks will utilize the data to better design their business plans and draw in consumers. Policymakers, on the other hand, were encouraged to emphasize rules for financial institutions that place greater focus on consumer preferences for banking goods and services. While this research applies the Theory of Planned Behaviour to study Malaysian depositors, its findings are rooted in a socio-economic and cultural context vastly different from that of rural Nigeria. The applicability of the results to rural areas is therefore limited. Moreover, it emphasizes psychological constructs (e.g., attitudes and norms) but provides little practical insight into operational factors such as service quality or local banking reputation, which are critical in the Nigerian banking environment.

Ojiaku, Chidirim, Abude and Aghara (2023) studied mobile banking service quality and customer retention among commercial banks’ customers evidence from Southeast Nigeria. The study used quantitative research design and a total of 395 respondents were selected from commercial bank customers in Southeast Nigeria. Correlation and regression are the statistical tools used for the analysis. The research found responsiveness, system quality and information quality had significant positive effects on customer retention, whereas privacy and reliability of mobile banking service did not significantly affect retention. They recommend banks implement awareness programmes, enhance brand image and reputation, continuously assess mobile banking service quality and strengthen security components. The finding that reliability and privacy are not significant is surprising (contrary to much literature) and may indicate measurement issues or contextual specificity; also, the study focuses on a single region and customer segment, limiting generalisability; as always, cross-sectional data limits inference of causal direction.



Adewole, Akpamida and Adeoye (2024) assessed digital banking and customer satisfaction in the Nigeria financial system. A survey of 326 respondents was done using descriptive and correlation analysis. They found strong positive correlations between speed of transactions, accessibility of digital banking and customer satisfaction and negative significant effect between affordability/transaction cost and satisfaction. The study recommended that banks should invest more in robust reliable systems, reduce failed transactions, improve user-interfaces, provide digital literacy training, and conduct customer satisfaction surveys. While this study offers valuable quantitative correlations, it uses self-reported measures and correlation methods (limiting causal inference) and the context (digital banking in Nigeria) may be rapidly changing, so findings may age quickly.

2.6 Summary of Literature Gap

The reviewed empirical studies show that reputation, service quality, and technology significantly influence customers' choice and retention in the banking sector, but they also reveal critical limitations that justify this study. For instance, Omodero and Eriabie (2018) and Fatoki (2021) identified service quality and reputation as key determinants of customer satisfaction and loyalty but failed to account for regional differences and infrastructural realities in semi-urban settings. Similarly, Yusuf and Bala (2021) and Ojiaku, Chidirim, Abude, and Aghara (2023) established that technological convenience and mobile service quality drive customer satisfaction and retention, yet their findings were based on urban populations with better access to digital infrastructure, overlooking the challenges of network instability and low literacy in rural Nigeria. The work of Adewole, Akpamida, and Adeoye (2024) reinforced the importance of speed and accessibility in digital banking but did not examine how these factors interact with trust or reputation in influencing customers' bank choices. Furthermore, international studies such as those by Zariyawati, Reyad, and Fatini (2023) and Lelissa and Lelissa (2021) provided useful theoretical insights into customer behaviour but were conducted in socio-economic and cultural contexts quite different from Nigeria's semi-urban environment, thus limiting their applicability. Overall, most prior studies were cross-sectional, concentrated on metropolitan or foreign contexts, and failed to integrate reputation and technology within the same analytical framework. Consequently, a clear empirical gap remains regarding how these factors jointly shape customers' choice of Deposit Money Banks in smaller Nigerian towns. This gap aligns with the problem identified in Lapai, Niger State, where customers face persistent issues of poor service quality, unstable digital platforms, and low trust in banking operations despite the presence of major banks. Therefore, this study addresses the gap by investigating how reputation and technology influence customers' choice of DMBs within a localized semi-urban context, providing practical evidence that reflects the lived realities of customers in Lapai.

2.4 Theoretical Framework

A theoretical framework provides the foundation upon which a study is built, guiding the understanding of relationships among variables. It offers a lens through which the research problem is examined and helps explain the rationale behind observed behaviors or phenomena. By anchoring the study on an appropriate theory, the researcher ensures conceptual clarity, logical coherence, and alignment between objectives, variables, and analysis.



2.4.1 Theory of Reasoned Action (TRA)

The Theory of Reasoned Action (TRA) was developed to explain how individuals' attitudes and social influences shape their intentions and subsequent behaviors. The theory posits that a person's behavior is primarily determined by their behavioral intention, which is influenced by two key factors: attitude toward the behavior and subjective norms. Attitude refers to an individual's positive or negative evaluation of performing a behavior, while subjective norms represent the perceived social pressure from others to perform or not perform that behavior. TRA assumes that individuals are rational decision-makers who systematically use available information to make choices that reflect their beliefs and values (Fishbein & Ajzen, 1975).

The major contributors to this theory are Martin Fishbein and Icek Ajzen, who first introduced TRA in 1975 to predict deliberate, reasoned actions rather than impulsive or habitual ones. They argued that behavior can be accurately predicted when both attitude and subjective norms are known, emphasizing that intention serves as the immediate antecedent of behavior. Their work has significantly influenced research in psychology, marketing, and consumer behavior, providing a foundation for later models such as the Theory of Planned Behavior (TPB), which extended TRA by including perceived behavioral control as an additional determinant of intention (Ajzen, 1991). Despite its wide acceptance, TRA has been criticized for assuming that all behaviors are under volitional control and that individuals always act rationally. Critics argue that the model overlooks unconscious, emotional, and situational influences that may alter behavior (Sheppard, Hartwick, & Warshaw, 1988). Additionally, it has been noted that TRA may not adequately explain behaviors influenced by external constraints such as limited access to information, institutional barriers, or technological deficiencies, which are common in developing economies.

In relation to this study, TRA is appropriate because customers' choice of Deposit Money Banks is a rational and intentional behavior influenced by their attitudes toward bank attributes such as reputation, service quality, and technological convenience and the subjective norms arising from family, peers, and community expectations. The theory helps explain how these internal and external influences shape customers' intentions to select or remain with a particular bank, making it a suitable framework for understanding the behavioral dynamics underlying bank choice decisions in Lapai, Niger State.

3. METHODOLOGY

This aspect of the study explains the method used in carryout this research.

3.1 Research Design

This study adopts quantitative research design through a survey research design method to explore the determinant factors influencing customer choices of DMBs in Lapai, Niger State. This design is suitable for identifying and analyzing relationships between variables, facilitating an understanding of how factors such as reputation, service quality and technology influence customer behavior.

3.2 Population

The population comprises of micro business owners in Lapai township that are having account with UBA and First Bank of Lapai Branches. Customers who hold accounts with both banks are excluded to ensure clarity in comparison, avoid data overlap and capture bank-specific



experiences. Micro business has fewer than five employees and has limited asset, liabilities, income and expenses. Ramzah (2024). This classification is comprising the majority of businesses in Lapai township. At the time of this research there are two hundred and sixty (260) micro businesses in Lapai town. 107 and 153 clients of UBA and First bank respectively,

3.3 Sampling Techniques and Sample Size

One hundred and sixty-nine (155) respondents were chosen for the study using the Krejcie and Morgan table of sample size determination. To ensure that each responder had an equal and non-zero probability of being chosen, representatives of the sample were chosen using simple random sampling.

3.4 Sources and Instrument of Data Collection

Since primary sources will be used to collect the data, a five-point Likert rating system will be employed. The questionnaire was adopted from Omodero & Eriable, (2021). It was used to collect primary data from 169 micro business owners that have accounts with First Bank and UBA Lapai branches. The questionnaire was divided into two sections, section "A" of the questionnaire asked about demographics including age, marital status, employment, and educational attainment, whereas portion "B" asked closed-ended questions concerning the research variables.

3.5 Validity and Reliability Test of the Instrument

To ensure content and face validity, the questionnaire was reviewed by experts in entrepreneurship, finance, and research methodology. Their feedback was used to refine the clarity, relevance, and coverage of the items in line with the study objectives.

The reliability of the instrument was assessed through a pilot study involving 20 micro and small business owners in Lapai. According to Van Teijlingen and Hundley (2002), a pilot study does not necessarily require a large sample, instead, it should be large enough to reflect the characteristics of the target population and allow the researcher to detect potential issues in the research instrument. a threshold of > 0.70 indicates "good reliability."

Table 3.1 Cronbach's Alpha test result

Items	Cronbach's Alpha values
Customers Choice	.704
Reputation	.721
Technology	.741

Source: Authors' Computation (2024) using SPSS Version 26

Table 3.1 shows that all variable has reliability values above the threshold of 0.7, indicating good reliability.

3.6 Measurement of Variables

Strongly agree (SA) = 5, agree (A) = 4, undecided (U) = 3, disagree (SD) = 2, and strongly disagree (D) = 1 were the five-point Likert type rating scales used to assess each of the study's variables: customers' choice, reputation, service quality, and technology.



3.7 Methods of Data analysis

For analysis and interpretation, the responses to the returned surveys will be recorded on statistical software for social science (SPSS) version 26.0. The quantitative analysis methods will be used to examine the data. Descriptives method will be used to analyse demographic data of the respondents, for the inferential statistics, correlation analysis will be used to establish direction and extent of relationship between the study variables, while regression coefficient will be used to test hypotheses of the study at 5% level of significance.

3.8 Model Specification

The following regression model was developed to test relationship between Reputation, Service Quality, Technology and Bank Choice in Lapai, Niger State.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where:

Y = Dependent Variable (Customers' choice)

β_0 = Constant Term

Independent Variables:

X_1 = Reputation

X_2 = Technology

ϵ = Constant error

4. RESULTS AND DISCUSSIONS

This section presents and analyses the data collected to test hypotheses and draw conclusions for decision making.

4.1 Response Rate

One hundred and fifty-five (155) copies of questionnaire were administered and 149 was valid - filled and returned making a response rate of 96%. According to Mugenda and Mugenda (2008), a response rate of 50% is sufficient for analysis; a rate of 60% is good and a response of 70% and over is excellent.

Table 4.1 Response Rate Analyses

Items	Numbers	Percentage
Valid Returned	149	96%
Unreturned and invalid	6	4%
Total	155	100%

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.1 shows a high response rate with 149 out of 155 distributed questionnaires returned in valid form, representing 96 percent of the total. Only 6 questionnaires, representing 4 percent, were either not returned or found invalid. This high valid response rate exceeds the minimum threshold recommended in survey research and provides a reliable basis for statistical analysis.



Consequently, all analyses and interpretations presented in this section are based solely on the 149 valid and usable questionnaires.

Table 4.2 Test of Outlier

			Extreme Values	
		Case Number	Value	
Reputation	Highest	1	51	21.00
		2	53	21.00
		3	54	21.00
		4	55	21.00
		5	56	21.00 ^a
	Lowest	1	27	7.60
		2	26	7.60
		3	47	10.00
		4	135	11.00
		5	30	11.20
Technology	Highest	1	54	21.00
		2	55	21.00
		3	56	21.00
		4	57	21.00
		5	58	21.00 ^a
	Lowest	1	30	9.20
		2	28	9.20
		3	27	9.20
		4	26	9.20
		5	135	10.20
Choice of DMB	Highest	1	29	21.00
		2	50	21.00
		3	51	21.00
		4	53	21.00
		5	54	21.00 ^a
	Lowest	1	27	12.60
		2	140	13.00
		3	25	13.60
		4	135	13.80
		5	142	14.40

a. Only a partial list of cases with the value 21.00 are shown in the table of upper extremes.

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.2 indicates that the extreme values analysis revealed the presence of outliers across the study variables, indicating variations in respondents' perceptions. For the independent variables (Reputation and Technology), a number of respondents recorded the maximum score of 21.00, demonstrating very strong positive perceptions, while a few cases at the lower end with Reputation ranging down to 7.60 and Technology to 9.20, indicate comparatively weaker evaluations. This suggests that although many customers hold favourable views of banks' reputation and technological services, a minority experience lower satisfaction, possibly due to service inconsistencies or differing user expectations. For the dependent variable (Choice of Deposit Money Bank), the lowest values were relatively moderate (12.60 to 14.40), reflecting that even among dissatisfied respondents, perceptions did not fall to extreme lows. Overall, the presence of these extreme values shows a wide spread in customer opinions, highlighting variations in experiences that should be considered when interpreting the strength and significance of relationships in the regression analysis.



4.3 Correlation analysis

This aspect tests correlaton relationships among the study variables.

Table 4.3 Correlation analysis between Reputation, Service Quality, Technology

		Deposit Money Bank (DMB) choice	Reputation	Technology
Deposit Money Bank (DMB) choice	Pearson Correlation	1	.624**	.667**
	Sig. (2-tailed)		.000	.000
	N	149	149	149
Reputation	Pearson Correlation	.624**	1	.613**
	Sig. (2-tailed)	.000		.000
	N	149	149	149
Technology	Pearson Correlation	.667**	.613**	1
	Sig. (2-tailed)	.000	.000	
	N	149	149	149

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.3 shows that the study established the relationship between Deposit Money Bank (DMB) choice, technology, and reputation using the Pearson Moment Correlation. According to the results, which are shown in Table 4.1, there is a strong positive correlation between DMB Choice and Reputation ($r = 0.624$, $p = 0.000$), and Technology and DMB Choice ($r = 0.667$, $p = 0.000$). This suggests a relationship between Deposit Money Bank (DMB) choice, technology and reputation in Lapai, Niger state.

Table 4.4 Multicollinearity Diagnostic

Model	Tolerance	VIF
Reputation	.390	2.563
Technology	.390	2.563

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.4 is the Variance Inflation Factor (VIF) and tolerance values that show both reputation and technology have tolerance values of 0.390 and VIF values of 2.563. These results indicate no multicollinearity problem, since the tolerance values are above 0.10 and the VIF values are well below the commonly accepted threshold of 10, meaning the independent variables do not excessively correlate with each other and are suitable for regression analysis. According to Field (2013), VIF values below 10 indicate acceptable levels of multicollinearity.

Table 4.5 Model summary for Reputation, Technology

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 ^a	.545	.527	1.80120

a. Predictors: (Constant), Reputation, Technology

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.5 indicates reputation, technology, and deposit money bank (DMB) preference are positively correlated, according to the regression result above, which showed a R value of 0.738.



Lapai, Reputation, and technology account for 54.5 percent of the choice of Technology and Deposit Money Bank (DMB) when all other factors are kept constant, according to the R square value of 0.545. Other factors that were not taken into account in this study account for the remaining 45.5%.

Table 4.6 ANOVA Table for Reputation, Technology

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	294.774	3	98.258	30.286	.000 ^b
	Residual	554.724	171	3.244		
	Total	849.498	174			

a. Dependent Variable: Deposit Money Bank (DMB) choice

b. Predictors: (Constant), Reputation, Technology

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.6 shows the significance of the data utilized in the investigation is ascertained or shown using the ANOVA. According to the ANOVA statistics, the processed data had a F ratio of 30.286 and a significance level of 0.000. Given that the significance value is less than 5%, this suggests that the data is perfect for drawing inferences about the population parameter. This demonstrates that the selection of a Deposit Money Bank (DMB) is greatly influenced by reputation, and technology.

Table 4.7 regression Coefficient for Reputation, Technology

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.786	1.306		3.664	.000
	Reputation	.217	.096	.246	2.256	.027
	Technology	.339	.100	.364	3.388	.001

a. Dependent Variable: Deposit Money Bank (DMB) choice

Source: Authors' Computation (2024) using SPSS Version 26

Table 4.6 indicates Beta coefficient of the study variables; the regression equation was: $Y = 4.786 + 0.217 X_1 + 0.339 X_2$. from the equation, holding Reputation and Technology constant, Deposit Money Bank (DMB) choice has a positive value of 4.786. one-unit increase in Reputation and Technology will lead to 0,217 and 0.339 increase in Deposit Money Bank (DMB) choice respectively in Lapai.

4.2 Test of Hypotheses

This part tests the hypotheses results to draw conclusions. The decision rule is that if the significance of P value is less than and equal to 0.05, it indicates that the explanatory variables significantly predicts the response variable.

Test of Hypothesis One (H₀₁)

Reputation does not have significant effect on customers' choice of DMBs in Lapai, Niger State. From table 4.4 ($\beta = 0.217$, $P = 0.027$). Reputation and customers' choice are statistically significant; this suggests that there is a positive and substantial correlation between reputation and



Customers choice. Consequently, a higher reputation results in a wider selection of DMBs. Hence, null hypothesis is **rejected** that is Reputation have significant effect on customers' choice of DMBs in Lapai, Niger State.

Test of Hypothesis Two (H₀₂)

Technology does not have significant effect on customers' choice of DMBs in Lapai, Niger State. From table 4.4 ($\beta = 0.339$, $P = 0.001$). Technology and customers' choice are statistically significant; this suggests that there is a positive and substantial correlation between Technology and Customers choice. Consequently, a higher Technology results in a wider selection of DMBs. Hence, null hypothesis is **rejected** that is Technology have significant effect on customers' choice of DMBs in Lapai, Niger State.

4.4. Discussion of Findings

The findings of this study show that both reputation and technology have significant positive effects on customers' choice of Deposit Money Banks in Lapai, Niger State. The significant influence of reputation aligns with the earlier empirical evidence of Omodero and Eriabie (2018), who found that customers in Nigeria are strongly influenced by banks' credibility, brand image, and years of consistent performance, which drive continued patronage. Similarly, the result is consistent with Adeyemi and Olalekan (2021), who emphasized that trust and perceived integrity remain key considerations in bank selection, particularly in environments where past governance failures have shaped customers' risk perceptions. Likewise, the strong effect of technology on customers' choice agrees with the findings of Fatoki (2021), Adewole, Akpamida, and Adeoye (2024), and Yusuf and Bala (2021), who reported that digital convenience, accessibility, transaction speed, and service reliability significantly determine customer satisfaction and banking decisions in Nigeria. These studies collectively confirm that as digital platforms become central to financial service delivery, customers increasingly base their bank choice on the efficiency and reliability of technological systems. Therefore, the results of this study reinforce existing empirical evidence, demonstrating that in semi-urban contexts like Lapai, both trust-based reputational factors and the quality of digital service delivery remain critical determinants of customer decision-making in the banking sector.

4.5 Practical and Theoretical Implications

Practically, the findings of this study provide important guidance for Deposit Money Banks (DMBs) operating in semi-urban areas like Lapai. Since reputation and technology were found to significantly influence customers' choice, banks must prioritize transparent operations, ethical conduct, and consistent communication to strengthen public trust. Similarly, the strong effect of technology highlights the need for reliable digital platforms, stable network connectivity, and user-friendly mobile banking systems. Improving service delivery, training frontline staff to be more responsive, and educating customers on the use of digital banking tools will help banks attract and retain micro-business owners who increasingly depend on convenient and trustworthy banking services.

Theoretically, the study reinforces the relevance of the Theory of Reasoned Action (TRA) in explaining customer decision-making in the Nigerian banking context. TRA posits that individuals make choices based on their attitudes toward a behaviour and the influence of subjective norms. The study's results support TRA by showing that customers in Lapai form behavioural intentions



based on their perceptions of a bank's reputation (attitude) and the perceived usefulness of its technological services (belief structures). This means that when customers view a bank as trustworthy and technologically reliable, their intention to choose that bank strengthens. By applying TRA in a semi-urban environment, this study extends the theory's applicability beyond urban and developed contexts, demonstrating that even in areas with limited banking infrastructure, attitudes toward reputation and technology remain key determinants of customer choice.

5. CONCLUSION AND RECOMMENDATIONS

This study was motivated by the persistent challenges faced by customers in Lapai, Niger State, in selecting Deposit Money Banks (DMBs), particularly due to issues related to trust, inconsistent service quality, and unreliable technological services. The general objective of the research was to examine the determinants of customers' choice of DMBs in Lapai, while the specific objectives focused on assessing the effect of reputation and evaluating the influence of technology on customer bank selection. To achieve these objectives, the study employed a survey research design and collected primary data from micro-business owners who are customers of First Bank and UBA.

The findings revealed that both reputation and technology have significant and positive effects on customers' choice of DMBs in Lapai. Specifically, the results showed that customers' perceptions of a bank's trustworthiness, ethical conduct, and overall public image strongly shape their banking decisions. Additionally, technology emerged as the most influential factor, indicating that reliable digital services, efficient mobile banking platforms, and stable transaction systems play a critical role in customer preference even in semi-urban settings. Based on these findings, the study concludes that reputation and technological efficiency are central determinants of bank choice among micro-business owners in Lapai. Therefore, Deposit Money Banks seeking to attract and retain customers in similar environments must prioritize strengthening their public image and continuously improving the reliability and accessibility of their technological services.

The recommendations for this study include the following.

- i. Since reputation significantly influences customers' choice of DMBs in Lapai, banks should enhance transparency, ethical conduct, and consistent communication to build and sustain customer trust.
- ii. Given that technology showed the strongest effect on customer choice, banks should invest in stable, secure, and efficient digital banking platforms such as reliable mobile banking apps, functional ATMs, and fast transaction systems to meet customer expectations.

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