Research Paper 5

Bank Choice Criteria of Exporting SMEs

Dr. Fulbag Singh
Professor, Dept. of Commerce and Business Management,
Guru Nanak Dev University, Amritsar, Punjab.
Email ID:fulbag_singh@yahoo.com

Prof. Manpreet Kaur
Asst Prof., GTB National College
Ludhiana, Punjab
Email ID: man_preet198585@yahoo.com

Introduction

Small and medium enterprises (SMEs) have strategic importance in all the developing economies and India is certainly not an exception. These have emerged as a dynamic and vibrant sector in the Indian economy. Though individually small, collectively they have emerged as a dominant player in the Indian economy. They contribute around 8% to the country's GDP, 45% to the total industrial production and 40% to the exports of the country. This coupled with high labour to capital ratio, high growth and high dispersion makes them crucial for achieving the objective of inclusive growth. They are estimated to employ about 59.7 million persons in over 26.1 million units throughout the country (Annual report 2012-13, Ministry of MSME).In the recent years, the MSME sector hasconsistently registered higher growth ratecompared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession(Annual report 2012-13, Ministry of MSME). Hence, the growth and performance of the small scale sector has a direct impact on the overall growth of the economy. Table 1gives a brief description of investment limits for micro, small and medium enterprises as per MSME Development Act, 2006.

See Table 1

In the commercial banking industry, there is a growing recognition that SMEs not only represent a viable market segment but that their financial needs are also different (Lam and Burton, 2006). For Small and medium enterprises, banks are important and almost indispensible business partners as SMEs look forward to banks first for their financial needs (Binks and Ennew, 1996; Petersen and Rajan, 1994; Cole et al., 1996; Berger and Udell, 2002; Carey and Flynn, 2005; Ghosh, 2007; Ruis et al, 2009). Banks perform several functions necessary for SMEs' survival like providing cash management services, arranging letters of credit to assist in obtaining trade credit, facilitating domestic and foreign exchange transactions and financing through loans where financing by banks is indispensable for SMEs. When we consider exporting SMEs, these financial needs further increase as availability of sufficient finance has been found as a critical success factor for exporting firms (Tannous and Sarkar, 1993; Bell, 1997; Buatsi, 2002; Nwachukwu et al., 2007).

Given the importance of exporting SMEs, commercial banks need to understand what is valuable to them and how they make decisions. The ability of commercial banks to understand the critical attributes of bank choice criteria of exporting SMEs will direct them to focus resources on those issues which are most influential in exporting SMEs' choice of a bank. Hence an effort has been made to examine the bank choice criteria of exporting SMEs.

Literature Review

A cursory review of literature of bank selection criteria of SMEs has revealed a list of variables that small and medium enterprises consider while selecting a bank. 'Accommodation of credit needs' or 'Responsiveness to credit needs' has been found as most important consideration viewed by SMEs while selecting a banking partner (Buerger and Ulrich, 1986; Nielsen et al., 1994; Nielsen et al., 1998; Trayler et al., 2000; Lam and Burton, 2005; Jobling et al., 2009). Haines et al. (1991) has found that non accommodation of credit needs is themain reason of switching by SMEs. He dictates, "If a bank wants to induce a customer to look elsewhere for a new banking relationship, all the bank needs to do is to reject the loan application in whole or in part". As earlier research has shown that small enterprises are more constrained than large firms (Riding et al., 2010; Saeed, 2011), so they are more dependent on banks. Hence, they expect banks to accommodate their credit needs and therefore this factor has been attached the greatest importance in bank selection by SMEs. Further 'Wide Variety of Products and Services' also named as 'Availability of Full Services' has also been found as important factor considered by SMEs while selecting a bank (Schlesinger, 1987; Trayler et al., 1997; Trayler et al., 2000).

As SMEs are already credit constrained (Sharkey et al, 1989; Bell, 1997; Tannous, 1997; Cooper and Nyborg, 1998; Riding et al., 2010; Saeed, 2011), cost of finance has an ultimate impact on the profitability of SMEs. Hence cost of finance has been evidenced as an important factor viewed by SMEs in bank selection by earlier research (Schlesinger, 1987; Turnbull and Gibbs, 1989; File and Prince, 1991; Nielsen et al., 1994; Mols et al., 1997; Nielsen et al., 1998; Trayler et al., 2000; Maenpaa 2012). But in spite of its recognised importance in bank selection, it has not been found as leading factor in bank selection (Athanassopoulos and Labroukos, 1999; and Locke and Drever, 2008). Further due to credit constraints, SMEs have to focus upon the collateral demanded by banks. Therefore, earlier research has found collateral as an important issue focused upon by SMEs while bank selection (Buatsi, 2002). Many loan applications of SMEs are rejected on the basis of non-availability of collateral (Fielden et al., 2000; Singh, 2008; Yesseleva, 2010).

Previous research is evident of many other variables which seek SMEs' attention when they are in the process of bank selection. Service speed has been found as an important criterion for many SMEs' selection of a new bank (Schlesinger, 1987; Turnbull and Gibbs, 1989; Nielsen et al., 1994; Mols et al., 1997). Bank staff is a representative of a bank, hence their knowledge, efficiency and relationship management has been reported by many studies as important considerations viewed by SMEs while bank selection (Schlesinger, 1987; Turnbull and Gibbs, 1989; Zineldin, 1996;Mols et al., 1997, Jobling et al., 2009; Maenpaa, 2012). Here bank staff's ability to provide a long term relationship has been found as critical factor while bank selection (Neilsen et al., 1998; Jones et al., 2002 and Mitter, 2012). There exist another group of studies which have reported other variables critically considered by SMEs while finding a new banking relationship. Hemmasi et al. (1996) and File and Prince (1991) reported confidentiality of client's information as critical factor viewed at the time of bank selection by SMEs where as Edris (1997) reported

size of bank assets as important consideration viewed by SMEs while finding a new banking relationship. Hence, a thorough review of literature has indicated a list of variables which are considered by SMEs while selecting a new banking relationship. But earlier literature has focused upon SMEs' bank choice criteria which may be different from that of exporting SMEs because of their exporting business. Therefore, in the present study, an effort has been made to analyse the bank choice criteria of exporting SMEs.

Research Methodology

The present study is based upon primary data which were collected in Punjabthrough self-structured questionnaires during October, 2012-April, 2013.Research methodology adopted for development of scale to measure bank choice criteria of exporting SMEs is in line with Seth et al. (2008).

Data Collection Instrument: For identifying the key dimensions of bank choice criteria of exporting SMEs, twenty in-depth interviews were conducted from owners or managers of exporting SMEs. In-depth interviews and anexamination of past studies on bank choice criteria of SMEs provided insights about the critical attributes considered by exporting SMEs while bank selection. The questionnaire was developed from the inferences obtainedthrough the review of the subject and from exploratoryinterviews. It contained twenty five statements measuring bank choice criteria of exporting SMEs. The owners or managers of exporting SMEs were asked to rate their opinions about these statements on a five-point Likert scale,ranging from 1 to 5 where 1 stands for 'Least Important' and 5 stands for 'Very Important'.

Pre-testing: A pilot study was conducted with a small sample sizeof 30 to clarify the overall structure of questionnaire. Therespondents provided comments on clarity of someitems and confirmed face validity of items in the questionnaire.In conjunction with this qualitative assessment,quantitative assessment was also done for furtherpurification of scale items at this stage. For this, the correcteditem-to-total correlation was computed. Item-tototalcorrelation equal to or greater than 0.4 is consideredacceptable (Nunnally, 1978). Out of twenty five items, twenty three were chosen for the scale.

See Table 2

Sample Design: Multi stage sampling was used to select a sample of 300 exporting SMEs from Punjab. In the first stage, three districts i.e. Amritsar, Jalandhar and Ludhiana of Punjab are selected because of their major contribution in export turnover of Punjab. These districts altogether contribute 92.5 percent in total export turnover of Punjab which is 15972.48 crore during the year 2009-2010[3].Further, quotas of SMEs from these three districts are decided on the basis of their contribution in export turnover of Punjab. Finally sample has been selected from these districts on the basis of quota sampling.Quota sampling ensures that the composition of the sample is same as that of the population with respect to the characteristics of interest. Hence, this sampling technique attempts to obtain representative samples at a relatively lower cost (Malhotra and Dash, 2011). Table 2 displays the constitution of sample from these three districts.

In the second stage, main exporting industries of Punjab are analyzed on the basis of their export turnover. Four industries are found contributing 71 percent to the total export turnover of Punjab in the

year 2009-10 namely, Engineering, Yarn & Textile, Hosiery & Apparel and Sports industry. List of exporting SMEs of these industries is taken from respectiveExport Promotion Councils (EPCs) for the year 2011-12 and sample has been selected from these lists on the basis of convenience sampling.

Analysis and Results

Data collected was analysed through a series of validated tools and procedures. The critical step involved in the development of a measurement scale is the assessment of the reliability of constructs. Reliability and Validity analysis was done to confirm validity of the scale. Factor Analysis of the collected data was conducted next. Further, Confirmatory Factor Analysis was performed in order to confirm the findings. The analysis has been done with the help of SPSS (version 18) and AMOS (version 18). The results of the analysis are described in the following sub-sections.

Reliability Analysis: Reliability means the extent to which a scale produces consistent results if repeated measurements are made on the characteristic (Malhotra and Dash, 2011). The idea behind reliability is that any significant result must be more than one of the findings and be inherently repeatable. In the research study, the internal reliability is measured with the help of Cronbach alpha statistic as well as composite reliability (CR). Cronbach alpha is a measure of internal consistency reliability that is the average of all possible split half coefficients resulting from different splitting of the scale items. Conversely, composite reliability is defined as the total amount of true score variance in relation to the total score variance (Malhotra and Dash, 2011). For a measure to be acceptable, Cronbach alpha and Composite reliability should be above 0.7 (Malhotra and Dash, 2011). Cronbach alpha and composite reliability was computed separately for all the dimensions identified. In the present study, all alpha coefficients are above 0.80, indicating good consistency among the items within each dimension. The results are shown in Table 5.

Exploratory Factor Analysis

The questionnaire used in the research study has twenty three statements relating to attributes that are considered by exporting SMEs while selecting a bank. With relatively larger sample size and large number of variables in the questionnaire, there may be possibility that some of the statements are correlated to each other and can be clubbed to identify the latent variables representing these variables. In order to identify and recognize these latent variables, Exploratory Factor Analysis (EFA) is applied on the statements with varimax orthogonal rotation.

Application of Exploratory Factor Analysis requires some pre- requisites (KMO and Bartlett test) to be followed which justify the usage of EFA. Table 3 reports the results of KMO and Bartlett test. The KMO statistics of 0.838 indicates that the sample size is adequate enough to apply Exploratory Factor Analysis. The p value of Bartlett's Test of Sphericity is less than 5 percent level of significance. Hence with 95 percent confidence level the null hypothesis that "Correlation matrix is an identity matrix" cannot be accepted. This indicates the presence of significant correlations between the pair of statements. Hence EFA is a suitable method to combine these significantly correlated variables in order to identify the latent variables or factors.

See Table 3

In Exploratory Factor Analysis, the principal component analysis with varimax orthogonal rotation on

twenty three statements has been applied. The factors are extracted on the basis of Eigen value greater than one. Five factors are extracted by principal component analysis having Eigen value greater than one. The results as shown in Table 4 indicate that the first factor explains 20.916 percent of total variance. Similarly, Factor II, Factor III, Factor IV and Factor V explain 18.067 percent, 17.210 percent, 11.173 percent and 8.811 percent of the variance respectively. In total, all these factors explain 76 percent (approx.) variance in the data.

After extracting five factors, effort has been made to identify the structure of factor loadings of significant variables in the factors. Table 4 represents the possible explanation of factors along with their significant variables. The results also report the factor loadings of all the variables in their respective factors. Following is the brief explanation of the factors extracted:

- **Financial Issues:** Factor I indicatesthe greatest variability in SMEs' response on bank selection criteria and is labeled as Financial Issues. The variables which loaded onto this factor are Collateral requirements, Margin requirements, Absence of hidden Charges, Requirement regarding guarantees, Competitive interest rates and Fee structure.
- **Personnel Attributes:** Factor IIconsidersPersonnel Attributes in bank selection criteria of exporting SMEs. The variables with greatest loading on this factor are Employees having up to date knowledge,Confidentiality of client's information, Helpful and courteous employees, Easy access to loan officer, Transparency in operations and fair dealings and Knowledge of customer's business.
- **Bank Features:** Factor IIIis interpreted asBank features. Six variables have loaded onto this factor and highest loading is for the variable Size of bank assets (.852) followed by Bank ownership (.823), Reputation and credibility of bank (.811), Bank's ability to provide a long term relationship (.788), Global branch network (.735) and Inter branch facilities (.732).
- **Timeliness in Services:** Factor IV is labelled asTimeliness in Services covering three variables i.e. Procedural formalities, Prompt provision of services and Time taken for sanctioning loan.
- **Accommodation of Credit Needs:** Factor V is labelled asAccommodation of Credit Needs covering two variables i.e. Wide range of products and services and Willingness to accommodate credit needs.

See Table 4

Hence the dominant factors of bank selection criteria of Exporting SMEs have been found as Financial Issues, Personnel Attributes, Bank Features, Timeliness in Services and Accommodation of Credit Needs. These factors are used for further analysis.

Confirmatory Factor Analysis

ConfirmatoryFactor Analysis (CFA) provides enhanced control forassessing uni-dimensionality (i.e., the extent to whichitems on a factor measure one single construct) thanexploratory factor analysis (EFA) and is more in line withthe overall process of construct validation. In this study,confirmatory factor analysis model is run through AMOS 18 and the key model statistics are shown in Table 5. The CFA model has been found fit as CFI value, an incremental model fitness index, has been found as 0.895 (close to the cut-off value of 0.90)(Malhotra and Dash, 2011).

Validity Analysis: Validity is defined as the extent to which the instrument measures what it aims to measure.There are different types of validity including content validity, face validity, construct validity, convergent and discriminant validity etc. These different types of validity are discussed below:

Content Validity: The content validity of a construct canbe defined as the degree to which the measure spans the domain of the construct theoretical definition (Rungtusanatham, 1998).For the present study, the content validity of the instrument was ensured as dimensions of bank choice criteria and items were identified from the literature and were thoroughly reviewed by professionals and academicians.

Construct Validity: It involves the assessment of the degree to which an operationalization correctly measures its targeted variables (O.Leary-Kelly and Vokurka, 1998). Establishing construct validity involves the empirical assessment of uni-dimensionality, reliability and validity (convergent and discriminant validity). In the present study, in order to check for uni-dimensionality, a measurement model was specified for each construct and Confirmatory Factor Analysis (CFA) is run for all the constructs taken together. Individual items in the model are examined to see how closely they represent the same construct. A comparative fit index (CFI) of 0.90 or above for the model implies that there is a strong evidence of uni-dimensionality (Byrne, 2009). The CFI values obtained for all the five dimensions in the scale are above 0.90 as shown in Table 5.This indicates astrong evidence of uni-dimensionality for the scale.

Convergent Validity: Convergent validity is the extent to which different assessment methodsconcur in their measurement of the same trait (Byrne, 2009). Convergent validity can be established through average variance extracted (AVE) which is defined as the variance in the indicators or observed variables that is explained by the latent construct. For convergent validity, composite reliability (CR) should be greater than average variance extracted (AVE) and AVE should be greater than 0.5 (Malhotra and Dash, 2011). The values for AVE are summarized for all the five dimensions in Table 5. AVE of each construct is more than 0.5 as well as CR is greater than AVE, thereby demonstrating strong convergentvalidity.

See Table 5

Discriminant Validity: Discriminant validity is a degree to which measures of different constructs are unique and construct is distinct from other constructs and thus makes a unique contribution (Malhotra and Dash, 2011). Discriminant validity is ensured if a measure does not correlate very highly with other measures from which it is supposed to differ. For discriminant validity, average variance extracted (AVE) of each construct should be greater than MSV (Maximum Shared Squared Variance) and ASV (Average Shared Squared Variance) statistics (Malhotra and Dash, 2011). As shown in Table 5, AVE of each construct is greater than MSVand ASVstatistics thereby demonstrating discriminant validity of the instrument.

Relative Importance of Dimensions of Bank Choice Criteria

Average scores of various factors extracted above are calculated so as to measure the relative importance of different factors in bank choice criteria of exporting SMEs. Average scores have been calculated with the help of following formula:

$$\bar{A} = \frac{\bar{F}_1 + \bar{F}_2 + \bar{F}_3 + \ldots \bar{F}_N}{N}$$

Where A = average scores of various factors,
F= arithmetic average of factors
and N = number of respondents (300)

The arithmetic average of factors (all of five extracted factors) is calculated with the help of following formula: $\bar{F} = \frac{V_1 + V_2 + V_3 + \ldots v_n}{n}$

Where n = number of variables in the factor
And v = variables in the factor
The average scores of various factors are shown in Table 6.

See Table 6

The results indicate that the most important factor considered by small and medium exporting enterprises while selecting a bank is Timeliness in Services (Average Score= 4.68). As in case of export transactions there is always a time restriction to fulfill the export order and if exporting SMEs fail to supply the order in time limit, this may result in loss of order further resulting in financial loss to them. So the very first consideration viewed by exporting SMEs while selecting a bank is 'Timeliness in Services'. Previous research has also evidenced 'Prompt provision of services' as most important bank attribute considered by small and medium enterprises while selecting a bank (Schlesinger, 1987; Turnbull and Gibbs, 1989; Nielsen et al., 1994; Mols et al., 1997). 'Timeliness in services as well as processing loan applications' was also identified as a factor limiting use of primary bank by small and medium enterprises (Lam and Burton, 2006).

The second important factor considered by exporting SMEs while selecting a bank have been found as Accommodation of Credit Needs (Average Score= 4.55). Export business requires more funds as well as generally don't follow advance payment systems. Moreover there are generally delays in payments by importers. So exporting SMEs expect commercial banks to accommodate their credit needs.This in many ways validate the views of Buerger and Ulrich (1986), Nielsen et al. (1994), Nielsen et al. (1998), Zineldin, (1996), Trayler et al. (2000), lam and Burton (2005) and Jobling et al. (2009).Bank's ability to accommodate credit needs is the first requirement considered by SMEs while selecting a bank and if banks don't accommodate the needs of SMEs, it compels them to find a new banking relationship (Lam and Burton, 2006; Binks and Ennew, 1997).

Personnel Attributes has been found as another important factor considered by exporting SMEs while selecting a bank having a mean score of 3.95. Bank staff is the representative of bank. Any enterprise has to ultimately deal with the staff to get their financing requirements fulfilled. Moreover, it is bank staff only that can accommodate their financing needs. Hence bank can focus on their staff so as to attract new SMEs customers. The results corroborates the findings of Buerger and Ulrich (1986),Schlesinger et al.(1987), Turnbull and Gibbs (1989), Zineldin (1996), Mols et al. (1997), Jones et al. (2002) and Mitter(2012) who concluded that more positive approach by bank staff can attract small and medium enterprises and increase customer base of the banks.

Next important factor considered by exporting SMEs while selecting a bank is Financial Issues. As every organization wants to increase its profitability and cost for banking products and services has direct impact on profitability of exporting SMEs. Hence these issues become basis for bank selection criteria of exporting SMEs. Results are in line with Athanassopoulos and Labroukos (1999)and Locke and Drever(2008) who concluded that in spite of its recognized importance in bank selection, Financial Issues has not been found as leading factor in bank selection.

Bank Features has been found as another important factor considered by exporting SMEs while selecting a bank having a mean score of 3.62. These bank features include size of bank assets, reputation & credibility of bank, Global branch network, inter branch facilities etc. As exporting SMEs need finance in foreign currency they have to check size of bank assets while selecting a bank. Moreover banks providing export finance need to have AD(Authorized Dealer) code as it speed up their services so reputation & credibility of bank is also focused upon. Many a times exporting SMEs are having a restricted letter of credit so banks need to accommodate with their good inter branch facilities. But this factor has been assigned lesser importance by exporting SMEs. This may be due to similarity in branches of various banks.

Discussion and Implications

For the last two decades, banking sector is facing a new era due to increased competition fuelled by liberalisation and deregulation. To survive in this highly competitive environment, banks need to acquire and retain new customers. This can be done only if banks are able to understand how customers select a bank and what are the factors that determine their choice criteria. Small and medium enterprises (SMEs) have been found as very important segment of bank market because of profit and revenue opportunities it presents. Moreover their involvement in export further enhances their importance for banks. If banks can develop a better understanding of the critical attributes which are considered by exporting SMEs while selecting a commercial bank, they may be able to focus resources on those issues which are most influential in exporting SMEs' choice of a bank. Hence efforts have been made in this study to explore the bank selection criteria of exporting SMEs.

Exploratory Factor Analysis extracted five factors of bank choice criteria of exporting SMEs namely, Financial Issues, Personnel Attributes, Bank Features, Timeliness in Services and Accommodation of Credit Needs. Further Confirmatory Factor Analysis was employed to confirm the findings and check reliability as well as validity of the scale measuring bank choice criteria of exporting SMEs. Relative importance of various factors was studied through average scores which concluded Timeliness in Services and Accommodation of Credit Needs as critical factors in bank selection followed by Personnel Attributes, Financial Issues and Bank Features.

If banks want new exporting SMEs customers, they need to be quick in their services. Moreover, they will have to be flexible in meeting SMEs' needs as export business requires sizeable funds and generally not made on advance payment basis. Moreover there are generally delays in payments by importers. So exporting SMEs expectcommercial banks to accommodate their credit needs.This will certainly increase their risk but they can follow credit scoring methods as well as credit ratings of SMEs. This will, to certain extent, decrease their risk and ultimately lead to enhanced customer base of banks. Personnel Attributes has been found as third important factor in bank choice criteria of exporting SMEs. As bank is

represented by its staff so they should be given proper training regarding products and services. Moreover, customer relationship management skills should be inculcated among them to acquire more customers. An interesting finding which emerged from the study is that Financial Issues and Bank Features have been found as less important in bank selection by exporting SMEs. SMEs perceive commercial banks as almost similar in their interest rates as well as their features. It means banks should not indulge in price wars rather they should focus on service speed and accommodation of credit needs of SMEs customers.

Avenues for Future Research

The research resulted in the development of a reliableand valid instrument for assessing bank selection criteria of exporting SMEs. The resultinginstrument is devised after a review of the literatureand exploratory investigations followed by a series ofacceptable validation procedures. Relative importance of various dimensions of bank choice criteria of exporting SMEs has also been discovered. While significant findingsare obtained from this study, certain limitations areinherent, which may provide extensions for future exploration.Some of the key areas for future research includethe following:

- The instrument is developed and validated by collecting data from SMEs in India. There may be a possibility of cultural differences playing a role in the outcome of the study.
- The present study has focused on only small and medium exporting enterprises. The future studies may also take into account the bank choice criteria of large exporting enterprises.

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Tables

Table 1: Investment Limits for Micro, Small and Medium Enterprises

Size	Manufacturing enterprises*	Service enterprises**
Micro	Up to Rs. 25 lakh	Up to Rs 10 lakh
Small	25 lakh to 5 crore	10 lakh to 2 crore
Medium	5 crore to 10 crore	2 crore to 5 crore

*investment limit in plant and machinery **investment limit in equipments

Table 2: District-wise Distribution of Respondents

District	Export turnover* (Amt. Cr. Rs.)	Proportion (percentage)	Sample selected
Amritsar	2306.53	16	48
Jalandhar	2729.46	19	57
Ludhiana	9730.73	65	195
Total	14766.72	100	300

*Source: www.pbindustries.gov.in

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.838
Bartlett's Test of Sphericity	Approx. Chi-Square	5727.693
	Degree of freedom	253
	Significance	.000

Table 4: Factor Extraction Results of Parameters Measuring Bank Selection Criteria

Financial Issues		*Personnel Attributes*		*Bank Features*		*Timeliness in Services*		*Accommodation of Credit Needs*	
Variables	**Factor Loadings**	**Variables**	**Factor Loadings**	**Variables**	**Factor Loadings**	**Variables**	**Factor Loadings**	**Variables**	**Factor Loadings**
Collateral requirements	910	Employees having up to date knowledge of bank products	871	Size of bank assets	852	Procedural formalities	923	Wide range of products and services	881
Margin requirements	.887	Confidentiality of client's information	868	Bank ownership	.823	Prompt provision of services	.907	Willingness to accommodate credit needs	.879
Absence of hidden Charges	.841	Helpful and courteous employees	852	Reputation and credibility of bank	.811	Time taken for sanctioning loan	.901		
Requirement regarding guarantees	.837	Easy access to loan officer	845	Bank's ability to provide a long term relationship	.788				
Competitive interest rates	.851	Transparency in operations and fair dealings	694	Global branch network	.735				
Fee structure	792	Knowledge of customer's business	642	Inter branch facilities	732				
Eigen Value	4.811	Eigen Value	4.156	Eigen Value	3.958	Eigen Value	2.570	Eigen Value	2.026
Variance Explained	20.916	Variance Explained	18.067	Variance Explained	17.210	Variance Explained	11.173	Variance Explained	8.811

Table 5: Reliability and Validity Indices for Five Dimensions

Constructs	Cronbach α	CR.	AVE	MSV	ASV	CFI
Financial Issues	.936	0.918	0.653	0.179	0.069	.978
Personnel Attributes	.896	0.901	0.611	0.179	0.045	.981
Bank Features	.881	0.898	0.594	0.085	0.038	.957
Timeliness in Services	.903	0.904	0.757	0.019	0.009	1
Accommodation of Credit Needs	.833	0.852	0.738	0.064	0.021	1

Source: Author's Calculations

Table 6: Mean Scores of Factors Measuring Bank Selection Criteria

S. no.	Factor Names	Average Scores
1	Timeliness in Services	4.68
2	Accommodation of Credit Needs	4.55
4	Personnel Attributes	3.95
5	Financial Issues	3.71
6	Bank Features	3.62