

INDIVIDUAL CHARACTERISTICS OF CUSTOMERS AND THE CHOICE OF FINANCIAL INSTITUTION IN GHANA: A MULTINOMIAL PROBIT REGRESSION APPROACH

Ernest Appiah Darko, Samuel Adarkwa and Francis Donkor
Department of Accountancy and Accounting Information Systems
Kumasi Technical University, Kumasi, **GHANA**

ABSTRACT

In order to enhance financial inclusion, several financial liberalisation drives have been embarked upon in various countries which have led to the emergence of many financial institutions. This has led to several studies on how the features of financial institutions influence their selection. However, very little attention has been given to how individual features of people also influence their choice of financial institution which is equally relevant in churning out effective financial inclusion policies. This study therefore purposively sampled 1000 adults aged 18 years or above having accounts with financial institutions in the Kumasi Metropolis and the Asokore Mampong Municipality of Ghana in order to study how the individual characteristics of respondents influence the choice of financial institution. By employing the multinomial probit regression model, the study found that age, level of education, gender and employment status are the individual characteristics of respondents that influence the choice of financial institution. Thus policies towards enhancing financial inclusion must recognise the fact individual features of people such as the level of education, age, gender and employment status tend to influence the choice of financial institution in order to inform effective policy prescriptions.

Keywords: Financial Inclusion; Personal Characteristics; Choice of Financial Institution; Ghana.