Dimensions of a successful internet banking service

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Abstract

Purpose- The purpose of this paper is to explore what users think if the most important dimensions of a successful internet banking service. The paper will give answers to what users think of the internet banking services today and what dimensions is the most important.

Methodology- The data collected for this study was collected through online surveys. A total of 235 respondents were obtained. The method will consists of primary data collected of the survey. There will be secondary data in the empire which will be retrieved from databases such as DiVa, google scholar and emerald.

Implications/findings- Customer’s value trust and credibility as the major important dimensions in a internet banking service. Access, ease of use and speed plays a major role first when the bank has achieved trust and credibility.

Paper type- Research paper.

Introduction
Today nearly everyone use internet banking services. Internet banking services can be used for example as paying bills or check your balances and transactions. It has emerged in the recent years and today almost every bank has it and make it possible to replace the traditional deposit service functions of bank
employees. Internet services provide customers with timely, speedy, accurate and convenient banking opportunities. But what do actually people think of the speed of the internet banking services and would they like it to go even faster?

There have been numerous studies identifying the key service quality in the traditional banking environment, however there has been very little literature regarding the service quality in internet banking services. This study aims to study if users are ok with the time it takes to make a payment through internet banking.

RQ: What dimensions do users think is most important in the internet banking service?

This research will focus on people above 18 years who uses internet banking services to answer the research question “What dimensions do users think is most important in the internet banking service?” The result can be used in further research and used in the further development of internet banking services.

The first part in this paper will be the method, why it has been chosen and how it will be used. The method will be followed by empire which will consist of primary and secondary data. After the empire the end of the research paper will consist of analysis, conclusions, implications and suggestions of further studies.

Method

The research will focus on what people think of the speed of internet banking services. The answers are gathered through a survey which will be the primary data. The primary data is collected from a survey under control and supervision to answer the question for the research. (Jacobsen, 2002) Secondary data is data already gathered and will be in the empire part of the research.
As mentioned above i used a quantitative method in forms of a survey. To reach out to the most interesting users i chose to only include people above 18 years since most internet banking services are available after you turn 18. I also limited the survey to Swedish people which will create some bias because of only Swedish persons answering my survey but the questions was translated to Swedish to avoid translation bias.

The survey consists of 5 questions where the first question is to sort out people under the age of 18. The third question is simply to see if you can draw any conclusions between time of internet banking services and how customers perceive the internet banking services.

1. Are you 18 years of age?
2. Do you use internet banking services?
3. What is your overall feeling about internet banking services?
4. What do you think of the time it takes to make a service/payment through internet banking service?
5. Would you like the service/payment with the internet banking service to go faster?

The survey were posted online on different sites and also e-mailed to people. It was also printed out on paper and handed out to decrease bias from only computer users. As the survey was made so you could do it anonymous respondents can answer the questions with less interference. This is positive for the research and makes it more reliable. Answers made anonymous are usually closer to what the respondent actually think.

Since the sample size only consists of 235 respondents, the answers should not be generalized as for the whole population of Sweden. Therefore it’s important to not draw conclusions that the research does not show. According to (Beuckelaer & Wagner, 2012) the analysis can’t be done on missing data, only on available observations.

**Literature review**
Back in the early 1980s, Internet banking services was first provided by Nottingham building society and the bank of Scotland (Tait and Davis, 1989). But these services was not widely accepted by the banks customers and was soon discontinued. Banks began to launch internet banking again in the early 1990s with the rapid growth of information technology and electronic services (Daniel, 1998).

The unique characteristics of internet banking services can be described as to carry out a range of banking activities electronically at any time and place with low handling cost, this is something that the traditional banking do not possess. This leads to reduced operating and fixed costs and also helps the banks in building a better relationship with their customers. (Amin, 2016).

(Mefford, 1993) points out that to survive in the highly competitive internet banking industry, the banks have to provide customers with high quality service. He goes on by saying that bankers needs to understand the attribute customers use to judge service quality. When they do that they can take steps to improve and enhance the service performance. According to (Jun & Cai, 2001) speed is one of the six dimensions of online systems quality, They say that the speed of payments and fast navigation on the banks website are critical to the success of the internet banks or it will affect the bank’s customer service quality. They go on by saying that a banking transaction online needs to be smooth and flawless. In the case of internet banking, the time risk may be related to the time involved in dealing with erroneous transactions and downloading information. (Jayawardhena and Foley, 2000).

According to (Aldás, Navarré & Blaz, 2009) time is not the major factor in terms of internet banking services, they say trust plays a more significant role in the customer’s minds. Of course time is important but what the customer wants is the trust and to feel safe with their transactions. (Tinnilä, 2013) argues that speed of internet banking services increases the output or customers/day. Today most professional transactions or process times which are individual are very short because of the automated and self-service based. It’s dependent on the consumer but generally is very fast. Even though the internet banking services tend to be fast consumers usually when asked speaks about speed as a major
factor in the bank’s customer service quality. (Poon, 2008) Identified ten factors that are significant with users adopting to internet banking services where speed is one of them. (Jayawardhena, 2004) proposed four dimensions to measure internet banking service quality: access, ease of use, trust, and credibility. Especially trust is a very important dimension. There’s many variables to influence trust. (Mcknight and Chervany, 2002) talks about Ability, benevolence and integrity. While (Caldwell & Clapham, 2003) speaks about six different dimension: Honest communication, financial balance, interactional courtesy, legal compliance, task competence and quality assurance. (Roy & Shekar, 2010) identified three dimensions: Competence, benevolence and openness.

Access encompasses multiple dimensions. According to (Rice & Shook, 1988) accessibility consists of four dimensions. Accessibility of computer equipment, access to information, system reliability and ease in learning the language of use.

2.1 Collection of Primary data.

The first question was to sort out people not 18 yet. After that 235 respondents 18 year or higher continued with the survey.
The second question is simply asking how many of the respondents who use internet banking services. Out of 235 respondents 96% or 225 respondents used internet banking services whilst 4% or 10 respondents did not.
The third question shows the respondents overall feeling about internet banking services. This question was made to see if the speed of the internet banking services agrees or play a major role with the rest of the dimensions giving the bank a better customer loyalty. Most of the people had a good overall feeling of the internet banking services.
The fourth question shows what the respondents thought of the time it takes to make a payment through the internet banking services. 161 respondents were satisfied, 43 thought it was ok, 21 were not satisfied.

The fifth question shows if the respondents wanted the service/payment to go faster through internet banking services. 115 respondents wanted the service to go faster, 61 respondents said “doesn’t matter” and 49 did not want it to go faster.

**Analysis**

The research survey resulted in 235 answers, 225 of them were useful for the research since 10 of the respondents did not use internet banking service. The sample size is therefore 225. 25 more than the original sample size. Most of the respondents answered through internet which can be a bias. (Evans & Mathur, 2005) suggests that online surveys has significant advantages over other formats, as also everyone has access to a computer and internet nowadays.
The primary data showed that 96% of the respondents used internet banking services. This was expected since today most people are using internet banking services. 51% of the respondents was overall satisfied with the internet banking services, 161 or almost 69% thought the speed of internet banking services was good. This can be connected to (Jun & Cai, 2001) who said that speed is one of the six dimensions of an online system quality and is critical to the success of internet banks.

When asked if they wanted the service or payment to go faster most of the people said yes. Even though most of them were satisfied with the current speed of internet banking services. This can be connected to (Tinnilä, 2013) who mentioned that today’s current speed of service/payments of the internet banking services is rather fast but people tend to want it to go even faster.

There are other major important dimensions which is important in the internet banking service, one of them is trust. (Alsajjan and Dennis, 2010) argues that trust is the most important factor when it comes to internet banking. The customer’s needs to trust the internet banking system before they continue to use it. It decreases the customer’s risk and uncertainty and thus it’s very important for the banks to have trustworthiness. In a research made by (Ling, Balaji & Kong, 2015) the result of trustworthiness showed that it’s a mediator between trust and internet banking continuance. It’s therefore extremely important for the bank’s reputation or they will lose customers. Literature shows that there’s various variables of a service provider to influence trustworthiness and trust perception. (Mcknight and Chervany, 2002) says trust consists of three dimensions: Ability, benevolence and integrity. (Caldwell and Clapham, 2003) Identified six determinants which were: Honest communication, financial balance, interactional courtesy, legal compliance, task competence and quality assurance. (Roy and Shekar, 2010) searched for the underlying dimensions of trustworthiness in the financial services and came to a conclusion that trustworthiness consists of three dimensions: Competence, benevolence, openness.
The different literature shows that there’s no exact measure of the different determinants but what seems to be very important is the benevolence, competence, integrity and shared value as determinants of trust in internet banking.

Credibility was mentioned as an important factor by (Jayawardhena, 2004) which goes abit hand in hand with the trustworthiness. It consists of two different elements which is privacy and security. Security refers to the protection of information or systems from unauthorized intrusions. Especially security has been a large obstacle with the growth and development of internet banking services. Privacy is about the customers confidence in the system to carry out a transaction securely and to maintain the privacy of personal information. Basically the customer’s perception of protection of their transaction details and personal data. This means the banks needs to have the customers confidence in them and that they need to maintain the privacy with secure servers which keeps the transactions secure and the privacy undetected. They can not afford an intrusion or anything similar or the customer’s perception of the bank’s credibility will disappear.

Another key dimension of internet banking service is the access. (Rice & Shook, 1988) talked of four different determinants of gaining accessibility which was: Computer equipment, access to information, system reliability and ease in learning the language of use. It’s therefore important for banks to have upgraded servers which they can rely on and easy for customers to get information.
(Jun & Cai, 2001) suggests the access dimension also includes the communication with the internet banks and that the banks needs to have a quick and responsive e-mail service which is a distinct and important facet of the access dimension. It should be easy for customers to search for help and the response time should be rather fast and easy to understand.

The last dimension (Jayawardhena, 2004) speaks about is the ease of use. It can be explained as the bank’s delivering clear instructions for the use of internet banking services, that the website is available in the right language, they give
clear information about the products and services. It should be easy to maneuver on the website and in the right language. There should be information about the services they offer and how it’s done. Ease of use has a positive impact on satisfaction and is also associated with behavioral intention to accept technology.

Summary of the above given analysis there are four different dimensions apart from speed which is Trust, credibility, access and ease of use. Together they make five dimensions which plays a major role in the internet banking services and that the banks needs to be aware off to be successful in the internet banking services.

Conclusion
As mentioned 225 valid respondents answered a total of five questions. Today almost everyone over the age of 18 uses internet banking services as a service. This was also shown in my second question when 96% of the respondents used it.

The question where most of the respondents seemed to be satisfied was the fourth question about the speed of internet banking services. As many as 161 respondents was pleased with the current speed of internet banking services which shows what’s been said that today’s current speed is rather fast for
individual customers where most of the process is automated and self-service based. The overall feeling about internet banking services gave a rather positive answer as well and speed should therefore be a part of the critical factors to make an internet bank attractive and the bank’s customer service loyalty.

When the respondents were asked if they wanted the payment or service to go faster, the major part of the respondents said yes. Even though most of them were satisfied with the speed of internet banking services today. As mentioned earlier the customers points out speed as a major factor in customer service quality and therefore it’s important for banks to maintain and improve the speed.

In my deeper analysis i found out four other dimensions which is important for the customers when it comes to internet banking services. Trust, credibility, ease of use and access. These four dimensions play a very important role in the customer’s perception of the bank’s internet services where trust and credibility seems to be the most important one. Since the rising of internet banking services the credibility and trust of the bank has played a major role in the customer’s perception of the bank’s services. When the bank accomplished trust and credibility the access, ease of use and speed becomes very important for the customer to be able to do their services simple and without any problems.

**Implications/findings**
According to this study customer’s value trust and credibility as the major important dimensions in a internet banking service. When the bank has achieved that the other dimensions Access, ease of use and speed plays the role where customers are able to do their services without problems and in a simple way.

**Further studies**
Further studies could be done in this area with more questions and more respondents to give a more detailed information and data. A research with how the different ages perceives the dimensions of internet banking services and who values what the most.

For example:
1. Make different studies on different age groups.
2. Make a study based on primary data what customers think is more important of the dimensions

References


