Challenges with Internet banking

What do users have most to complain about with internet banking?

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The Internet’s rapid growth has had an extensive affect on today’s industries, not least the banking industry. Many has changed strategies, but to which cost? The question is not whether the consumers have been affected or not, rather to which extent. This research study shows the challenges the internet banking industry is facing and what the customers complain most about.

Introduction
The usage of internet banking has grown rapidly in the last decade, alongside the Internet. The IIS’s (Internetstiftelsen i Sverige) report shows that 94% of Swedish citizens use internet banking services. A third of the users visit through a mobile phone which is twice as many as in 2013 (IIS, 2016). This has resulted in major changes as to how the banks operate, i.e. when the Internet grew - so did the bank’s number of services (Chechen, Yi-Jen, & Tung-Heng 2016). The challenges the industry is facing today are developing newer and faster software whilst struggling with keeping the security (Jarrett, 2015). The success of these new services is not only determined by the bank, but more or less by the acceptance from the users (Ege Oruç & Tatar, 2017).

Privacy concerns
One amongst consumers experienced problem with Internet and internet banking is privacy. This makes the security in transactions essential (Chechen et al., 2016). Since the definitions of terms may vary, Dinev and Hart (2005) chose to define privacy concerns as a fear of losing privacy due to a disclosure of information, voluntarily or not. Many researchers has tried to explain the correlations between
privacy concerns and many different variables. Bergström’s (2015) research showed that the single most important variable to high privacy concerns was the overall trust in other people. If the respondents had high trust in others, they were less worried about misuse of personal information (Bergström, 2015). A study by Boateng, Adam, Okoe and Anning-Dorson (2016) showed that trust was directly linked to the adoption of Internet banking amongst customers, and therefore plays a big role in the adoption process.

Age differences
Studies has shown that younger segments are more willing to take risks than the older segments. Regarding internet banking, the older segments are even more careful than usual, which according to Søilen, Nerme, Stenström and Darefelt (2013) is due to how new and unfamiliar the service is. This makes it important for the banks to study how fast the different segments adopt new technology and innovations. These findings indicates that different segments need different kinds of information, i.e. the targeting needs to be customized for each segment to ensure efficiency (Søilen et al., 2013).

Porter and Donthu’s (2006) research implicates that a company is only wasting time if trying to educate the older segment, since they already understand the importance of the Internet, but simply find it costly and hard to use. Instead, they suggest that marketers focus on e.g. creating training programs that allow them to learn at their own pace and/or lowering the cost of Internet access (Porter & Donthu, 2006).

User acceptance
How accepting and open a customer is depends on the perceived usefulness of the service. Liao and Cheung (2002) studied the consumer attitudes toward internet banking and created a number of propositions to help them study and analyse the different attitudes. One interesting proposition is the following (Liao & Cheung, 2002, p. 285);

\[ \text{Expected transactions speed is a significant quality attribute in the perceived usefulness of Internet-based e-retail banking.} \]

This proposition indicates that customers find it important that the service is fast and easy, and that if slow, the perceived usefulness of the service would be much lower (Liao & Cheung, 2002).

Technology acceptance model (TAM)
Davis’ (1989) explains how previous research shows that there are two determinants for how well a user accepts information technology; perceived usefulness (PU) and perceived ease of use (PEOU). He defines perceived usefulness as "the degree to which a person believes that using a particular system would
enhance his or her job performance” (Davis, 1989, p. 320). This determinant shows how people use or not use an application due to to which extent they find it helpful for a better performance. This, however is not enough to determine whether or not a user will accept the technology. Even if it helps the user perform better, it does not ensure an easy user experience, which is why perceived ease of use is important. This is defines as "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989, p. 320). It is important to find a balance between the two determinants to avoid the possibility that the difficulty of usage outweighs the benefits of usage. This indicates that the usefulness is influenced by the ease of use. These findings and explanations resulted in a very famous theory, namely the Technology acceptance model (TAM) (see Figure 1). The theory illustrates how PU and PEOU affect people’s computer acceptance behaviours, i.e. their attitudes to using (A). Computer usage is determined by behavioral intentions, which is jointly determined by the attitudes toward using (A) and perceived usefulness (PU) (Davis, Bagozzi & Warshaw, 1989). Lee, Tsai and Lanting (2011) made a comparison of the TAM and consumers adoption of online banking, and found a correlation. Their study confirmed that if the users perceive the internet banking services as useful and ease to use (i.e. PU and PEOU) they are more likely to use the service.

![Figure 1. Technology Acceptance Model (TAM). Davis, Bagozzi & Warshaw, 1989.](image-url)
Methodology
To be able to get a broad spectrum of answers to what users complains most about with Internet banking, a survey was done. The theoretical population consisted of everyone who at some point have used an Internet banking service. Considering the limited amount of time and resources, limitations had to be done. The survey was only shared in Sweden, and made public through Facebook. It was made public to increase the response rate and different ages of the respondents. The sample size was set at minimum 200, and when the survey was closed two days later, 241 answers were registered. The publication makes it impossible to calculate a correct response rate, but at least 650 persons saw the survey which resulted in a minimum response rate of 37%.

The survey consisted of 9 questions in Swedish, to minimize translation errors for the respondents, with 7 mandatory and 2 of them were gender and age. This results in 5 directly related questions. The first question was gender, and the second was age. Gender had four possible answers, to avoid a bias of the answers not being emptying; man, woman, other/undefined and do not know/no not want to answer. Age was divided in groups of 10 years, i.e. 16-25, 26-35 and so on, to make sure that the answers were mutually exclusive and emptying (see figure 2).

The third question was “How often do you use Internet banking services?” to be able to make a deeper analysis and categorize the respondents. The fourth question, “I feel safe when I use my Internet banking services” referred to the level of trust the respondent feel for his/her Internet banking service. The answers were

![Figure 2. The age divisions among the respondents.](image)
presented on a Likert scale and followed by a control question for those who did not agree. This question has a connected question with open answers, to give the respondents space to be creative and express their complaints freely. The purpose of the question “I find using my Internet banking services easy” referred to the perceived ease of use in the TAM (Davis, 1989), and was also followed by an open question to those who did not agree. To gain a broader perspective of which services the users find more comfortable performing over the Internet, the survey purposed six services and one open answer they should reflect on;

- apply for loan
- open new account
- manage bank papers
- manage retirement savings
- pay bills or invoices
- I’m comfortable with all of the above
- Other

This question was asked to see if there was any difference amongst the different age segments and how high of a risk they are willing to take. It also shows to which extent a respondent trust the Internet banking services.

The last question of the survey was an entirely open answer question, were the respondents were asked to present three words that they connect with Internet banking services.

**Results and discussion**

A possible bias is the number of respondents in the different age segments. Since the survey was shared through Facebook, and mainly amongst students, many were in the age group 16-25 (see Figure 2). The gender division was relatively even.

On question three, “how often do you use Internet banking services?”, the answers were as following;

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>105</td>
<td>43.6%</td>
</tr>
<tr>
<td>1-2 times/week</td>
<td>105</td>
<td>43.6%</td>
</tr>
<tr>
<td>1-2 times/month</td>
<td>27</td>
<td>11.7%</td>
</tr>
<tr>
<td>3-4 times/year</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>1-2 times/year</td>
<td>2</td>
<td>0.8%</td>
</tr>
<tr>
<td>More rarely</td>
<td>2</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

*Table 1. How often do you use Internet banking services?*

These findings shows that the most common usage of Internet banking services is daily or 1-2 times/week. The age division amongst these answers was quite even, but those who answered “more
rarely” or “1-2 times a year” were all over the age of 56.

On the fourth question, “I feel safe when I use my Internet banking services”, most respondents answered that they felt safe, i.e. 4 or 5 on the Likert scale (see Figure 3). By those who were not satisfied, i.e. those who answered 1 or 2, only 18% were 25 or under and 45% 35 or under. This question had an open answer where the respondents who were unsatisfied could express why. The answers all pointed to an overall unsafe feeling, e.g. “I feel unsafe, someone can see what I’m doing”, “more of an unsafe feeling over Internet, it is easier to lose my money”, “I’m worried since the Internet went public and it is easier being hacked”, “it is risky when I am on public wifi” etc. Many of the respondents were afraid of being hacked in some way, and felt unsafe. By those who answered the open question, 77% felt unsafe due to the usage of Internet, and 70% of those were afraid of hackers or cyber attacks.

The fifth question, “I find using my Internet banking services easy”, got similar results as the fourth question (see figure 4). Most of the respondents answered 5, i.e. they find the internet banking services very easy to use. Although the answers were rather similar, many respondents found the services easy to use - but still unsafe. By those who answered that they found it difficult, 47% were under the age of 25, and by those who answered the attached open question, only 20% were under 25. Those who answered the open question mostly found the Internet as troubling, and therefore also the Internet banking services. These findings, that some respondents felt it was difficult to use, can not be directly connected to the actual service of Internet banking. In the open question, they specifically answered that the Internet was the problem, even though they might think that it is the service.
Figure 3. “I feel safe when I use my Internet banking services.”

Figure 4. “I find using my Internet banking services easy.”
An interesting approach of the survey was the question about which services felt more safe than others. The results were as following:

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply for loan</td>
<td>50.6%</td>
</tr>
<tr>
<td>Manage bank papers</td>
<td>33.6%</td>
</tr>
<tr>
<td>I’m comfortable with all of the above</td>
<td>30.7%</td>
</tr>
<tr>
<td>Manage retirement savings</td>
<td>23.7%</td>
</tr>
<tr>
<td>Open new account</td>
<td>22.8%</td>
</tr>
<tr>
<td>Pay bills or invoices</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Table 2. What are you NOT comfortable with doing through your Internet banking services?

This can be directly connected to the perceived risk of each action. The results showed no connection between the different services they were/were not comfortable with and age. This could be due to the bias of the uneven sizes of the age segments. However, the results shows clearly which services the respondents felt was more of a risk than others. This could be useful information to those distributing Internet banking services. If they know the degree of perceived risk within the different services, they can use this information when marketing the services.

The last question, which three words they connect with Internet banking services, got very similar answers. The most frequently answers are summarized in table 3. There is always a risk of a bias when translating from one language to another, especially when the words are loaded and need a very precise translation. Therefore, the translated words were asked to a number of people with no connection to the study to make sure that the real meaning of the word was not lost in translation.

<table>
<thead>
<tr>
<th>Word</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient/flexible</td>
<td>46.5%</td>
</tr>
<tr>
<td>Fast</td>
<td>43.2%</td>
</tr>
<tr>
<td>Easy to use</td>
<td>40.2%</td>
</tr>
<tr>
<td>Easy accessible</td>
<td>11.2%</td>
</tr>
<tr>
<td>Comfortable</td>
<td>6.2%</td>
</tr>
<tr>
<td>Cellphone</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Table 3. Respondents words most connected to Internet banking services.

These answers confirm the results from question five, “I find using my Internet banking services easy”, i.e. that the
respondents find it easy and comfortable to use. This confirms the connection between Internet banking and TAM and the connection Lee et al. (2011) made to online banking; if users find it easy to use they are more likely to use the service.

These findings indicate that what the respondents have most to complain about regarding Internet banking is the safety. The service comes across as easy to use, fast, accessible etc., but even though the respondents found the usage positive, many found the safety negative. What this might depend on needs to be researched and discussed further and deeper.
References


