Consumer decision making in mobile-banking service selection

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Note: References are available in the conference paper
Innovation involves Risk!

Ochs, 1988

Customer decision making

Customers often determine a ‘portion’ of their earnings for each spending area
- £F per month on food; £C per month on Cable TV
Research focus

Aim:
This research will examine the attitudes and concerns of consumers with regard to the use of their mobile phone handset to access their bank account and conduct mobile banking transactions.

LITERATURE BASIS
Will customers use a new item?

Technology Acceptance Model (TAM)
By Davis, 1986

Will a person use a new product?
This depends on their view (their “perception”) of:
- Perceived ‘usefulness’
- Perceived ‘ease of use’

Literature basis

Literature from the areas of:
- Innovation: Technology acceptance
- E-Business & M-Banking
- Value creation and provision

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Value provision

Customer’s assess the monetary amount of the benefit of owning the item against the purchase price (that they pay for the item)

Woodruff’s (1997) customer value hierarchy model

Cited in Azaddin Salem Khalifa’s article on “Customer value: a review of recent literature and an integrative configuration” Management Decision Vol. 42 No. 5, 2004 pp. 645-666
RESEARCH APPROACH

Researching ‘value’

Consumers make decisions concerning their expenditure

Consumers make a comparative assessment based on the Available alternatives; lifestyle and other environmental factors
This study examines the first order selection criteria (four factors)

**Measures: First order selection criteria**

Four Factors:
- **Cost**: cost of accessing my bank account via my mobile phone handset
- **Any place**: no need to leave home or the office to perform the service
- **Control**: mobile banking increases my ability to control my account
- **Time saving**: its faster to use my mobile phone handset to control my account
Survey

- Consumer Survey (n=267)
- Data sample: international (convenience/snowball)
- Questions correlate to the three levels Woodruff’s (1997) customer value hierarchy model
- Possible sample bias (School of Engineering & Design)

Comparative assessment of four factors:

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<tr>
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KEY FINDINGS
Survey Findings: usage

Current mobile phone usage (n=267):

- E-mail access
- Social Networking
- Location Based Services
- News (sports results)
- Mobile Banking
- Wireless trading
- Mobile Shopping
- Price comparison sites

Survey Findings of AHP

Weighting of the four factors (n=267):

- Similar rankings for the different age ranges except the 50+ group ranked ‘Time Saving’ in third place.
Cost conscious consumers

Weighting of the four factors (n=44):

For cost conscious consumers the average weighting was above 0.5 indicating that for this group it is of primary concern.

Key cards

‘Key Cards’:
Nearly half of the respondents (49.4%, n=267), are familiar
Only 30% of the sample are currently using a “Key card”
The majority (85.3%, n=251), view m-banking as a safer service with the use of ‘Key Cards’.

**IMPLICATIONS FOR MANAGERS**
Implications for managers

For product managers and operations managers:

- Features most valuable to customers?
- Identify items to improve these in product portfolio
  - “Time saving” is the most important benefit
    - For example: make use of mobile “location information”
  - “Control” then “any Place” are the next most important items
  - “Cost” appears to have a threshold effect with a low impact on adoption for majority of customers

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