Research proposal

"The Effects of Personal Characteristics on the Use of Online Banking in New Zealand"

Introduction

This research will explore the effects of personal characteristics on the use of online banking in New Zealand. The research revolves around two important parties: online bank customers and online banking institutions. Resembling a structure of two-sided market competition (Armstrong & Wright, 2006; Rochet & Tirole, 2002), there is a great deal of importance in learning how each side influences the other one. The primary aspect of investigation is to find out about online bank customer behaviours that are influenced by personal demographic factors such as age and life-stages, income, education, gender, occupation etc. Learning about the psychology of bank customers is essential to ascertain the influence of social environment (i.e. household) on their banking decisions. This will help banks devise customer-centric policies for better retention. Different insights are intended to develop around household-online bank relationship, and how banks can improve this relationship through direct and tangible outcomes of this study.

Problem Statement

Without adequate knowledge about consumer households' perceptions about the performance of online banking, and how a change in their personal characteristics can be an important criterion for banking practices, institutions cannot successfully avail themselves of the opportunities of Internet-enabled service delivery channels.

Research Objectives and Questions

i. In what ways have traditional banking customers' behaviours changed in the online banking environment?
ii. How do different personal characteristics (i.e. age, gender, life-stages, education, income and occupation) shape customer behavioural indicators in an online banking environment?
iii. How do these characteristics interact or combine with each other in affecting customer behaviour?
iv. How does the customer-online bank relationship impact on switching[1] behaviours?

Overview of Prior Studies

Online banking customers at present, are using different mobile communication devices and software applications (apps) on their smartphones and other mobile devices to access banking services anywhere, anytime (Matthews & Ralston, 2011; Mohammad, Tran, & Corner, 2016). The

[1] Throughout the proposal, switching refers to moving between banks and not between banking channels.

new apps introduced across New Zealand banks are designed for both Apple and Android users with minimal technical requirements to provide superior customer experience. New Zealand banks offering innovative apps include all the main banks operating in the retail banking sector. With such innovative banking solutions in place, there is a need to see how different consumer households differ in their use of online banking channels as compared to traditional banking services. Household dynamics on consumption patterns is an important field in marketing literature because it helps identify different needs of individuals living as a family and how changes in the family composition leads to more (or less) consumption for meeting those needs (Ngcongo & Mnisi, 2014).

A review of prior research encouraged the idea that when banks begin to understand their customers' financial needs over different life-cycle transitions, they not only customize their banking solutions around those needs but also seek to innovate their products and services to better serve customers at each life-cycle stage. Knowledge of the increasing variability of family life cycle equips banks with substantial knowledge about those they serve; placing them in a safer and better position of gaining customer loyalty through life-cycle based financial solutions for their banking needs.

Research Methodology

This research will be based on a mixed-method approach combining quantitative and qualitative methods to collect and analyse data. Starting with a focus group discussion to gain preliminary ideas about questionnaire development, the actual data collection will comprise an online survey and subsequent qualitative interviews. Changes to the proposed methodology can take place according to the outcomes of the focus group discussion. Online surveying tools will be used for a survey questionnaire for New Zealand banking customers. Subsequent to this, a detailed interview will be conducted with a subset of the survey participants to obtain deeper insights into their experiences.

Itemized Budget

Budget Item	**Total Cash Cost (estimates)** (NZD)	**Notes/Justification**
Research execution		
Travel within New Zealand for fieldwork for interviews and focus groups	$1000	Return trips- 5 visits * $200 nzd per visit
Researcher accommodation and subsistence	3000	15 days travel * $200 per day
Other Research Costs		
Respondent refreshments	500	Respondents will be provided some refreshments as a token of appreciation for their time & participation (4 focus groups * $125 per session)
Transcription Services for Interviews	1000	Service is required to transcribe audio recording for focus groups and interviews
Venue hire	1000	Locations need to set-up for focus groups and post-survey interviews
Research Marketing & Advertising		
Market Research Company to undertake survey	20000	Market research companies such as Roy Morgan Research etc. to be consulted for undertaking the survey
Total Costs (NZD)	= $26,500	
Total Cost (USD)	= **18,579**	

Following websites were consulted for making this budget:

http://www.booking.com
https://booking.jetstar.com
http://www.audiotranscriptionservices.co.nz
https://wpcurve.com/consumer-research-data/
https://adwords.google.com/home/pricing/

References

Armstrong, M., & Wright, J. (2006). Two-sided Markets, Competitive Bottlenecks and Exclusive Contracts. *Economic Theory, 32*(2), 353-380. doi:10.1007/s00199-006-0114-6

Matthews, C., & Ralston, W. (2011). *Mobile Banking in New Zealand.* Paper presented at the 24th Australasian Finance and Banking Conference.

Mohammad, Tran, H. T. T., & Corner, J. (2016). The impact of communication channels on mobile banking adoption. *International Journal of Bank Marketing, 34*(1), 78-109.

Ngcongo, M., & Mnisi, J. (2014). A Gender Gap? Uses and Perceptions of Mobile Phone Banking in South Africa.

Rochet, J.-C., & Tirole, J. (2002). Cooperation among competitors: Some economics of payment card associations. *Rand Journal of economics*, 549-570.

Some other references used in proposal

Mohammad, Tran, H. T. T., & Corner, J. (2016). The impact of communication channels on mobile banking adoption. *International Journal of Bank Marketing*, 34(1), 78-109.

Dillman, D. A. (2000). *Mail and internet surveys: The tailored design method* (Vol. 2): Wiley New York.

Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: the tailored design method*: John Wiley & Sons.

Baranzini, M. (2012). Modigliani's life-cycle theory of savings fifty years later. *PSL Quarterly Review*.

Barroso, C., & Picón, A. (2012). Multi-dimensional analysis of perceived switching costs. *Industrial Marketing Management*, 41(3), 531-543.

Bauer, M., & Auer-Srnka, K. J. (2012). The life cycle concept in marketing research. *Journal of Historical Research in Marketing*, 4(1), 68-96. doi:doi:10.1108/17557501211195073

Becker, G. S., & Murphy, K. M. (2007). Education and consumption: The effects of education in the household compared to the marketplace. Education, 1(1).

Beggs, A., & Klemperer, P. (1992). Multi-period competition with switching costs. *Econometrica: Journal of the Econometric Society*, 651-666.

SABA AZEEM
(Curriculum Vita)

Personal Details

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Personal Statement

I am a confident, articulate and hard-working person who has the right attitude towards professional requirements and who assumes an efficient level of responsibility that each job must entail. Having a focus towards organizational success while seeking avenues for personal and professional development, I am entirely committed towards learning new skills and undertaking challenging jobs in dynamic academic and professional sectors.

Educational Qualifications

December 2015-Present	Ph.D. (Business) from Massey University, Palmerston North, New Zealand
Dec 2008 - Jan 2011	Master of Business Administration from Institute of Business and Technology (BIZTEK); CGPA: 3.67
Jan 2006 – June 2009	Bachelor of Business Administration Honours (BBA HONS.) from Institute of Business and Technology (BIZTEK); CGPA: 3.80

- Dean's Honours List Award in acknowledgement of academic performance in BBA (Hons); awarded with a Silver-Medal for second-highest CGPA at University level.

Other Qualification

International English Language Testing System (IELTS) with an overall band score of 7.5, (Listening: 8.0 bands; Reading: 7.0 bands; Writing: 7.5 bands; Speaking: 7.5).

Work history

March 2016 – Present **General Administrator, MidCentral District Health Board, Palmerston North Hospital, Palmerston North, New Zealand (Casual)**

- Providing administrative services in Outpatients' Referrals Department within Ambulatory Care Unit of the Hospital;
- Booking for clinical appointments and follow-ups with patients through built-in PIMS software systems;
- Working as a medical receptionist to initiate and respond to correspondence relating to the management of patient-practitioner relationship; also, providing informative telephone service and handling critical queries of service users;
- Manually assess applications outside the automated processes of the hospital;
- Working collaboratively across hospital units, participating in team meetings, covering staff absences as required and liaising with staff to ensure all administrative needs are met;
- Identifying and promoting opportunities for service improvement through quality initiatives and / or innovative practice, which will enhance patient outcomes;
- Maintaining own professional standards and development, and integrating with a different working culture
- Attending to all enquiries appropriately, providing information required and /or refers to appropriate department;
- Taking messages (from back and front offices) and disseminating them to clinics promptly for action; and
- Undertaking numerous other duties as requested by the immediate, line managers.

July 2013 – July 2015 **Customer Service Representative and Store Person, Imtiaz Super Stores, Karachi**

- Provided customer services and handled customer complaints in a prompt and effective manner;
- Undertaken administrative responsibilities and on-floor management including coordination with employees and ensuring excellent working environment;
- Looked after store without supervision in the absence of managers; undertook all daily sales activities in a smooth manner;
- Ensured consumers are looked after while being present for their assistance and consultation/feedback; and
- Dealt with cash and other company-specific information and assets; having developed reliability, trust and understanding with the management authority.

August-October 2015 **Research Analyst, Cloud Innovators Solution, Karachi**

- Worked as a research analyst for financial products and services
- Analysed reports and provided feasibility studies on various topics.

- Engaged in academic writing and blogging on various topics in business and humanities' disciplines.

Volunteer Work

- Fund-Raiser for Red Cross New Zealand – March 2016
- Event Hostess for English Language Partners New Zealand – August 2016

Affiliations

- Current President- International Post Graduate Mature Students' Club (IPGMS)
- Ex-General Secretary- Massey Muslim Society (MMS)

Skills

- **Strong client service focus**

I have provided prompt, efficient and personalised service to customers specifically where the nature of service provision is very critical. I have observed how diverse customers' expectations could be, and how we must go an extra mile to serve them.

- **Communication Precision**

Have been an effective communicator at various levels in various employments; also trained junior employees. With my communication skills, I have been able to reduce organizational conflicts and have maintained positive professional relationships within and outside my immediate working circle.

- **Initiativeness and Judgement**

I have good judgement and have often resolved workplace problems. I have faith in my initiativeness, and ability to look beyond whats lying ahead. I have a futuristic focus when I do things, and often I find myself very well-prepared and proactively fulfilling professional requirements.

- **Independence and Self-Motivation**

I have been working independently for most jobs. I have always been self-motivated in achieving milestones, and have always derived positive energy and commitment from every little that I achieve with the organizations I have worked with.

- **Team-working Spirit**

I have contributed to team targets and gained a competitive position amongst other leaders. I have been a trainer for most of my working tenures both as an administrator and as a research analyst back home. Working as an administrator helped me interact with multiple teams. I have been a quality assurer due to these abilities at my job as a research analyst.

- **IT Skills**

❖ Word Processing (MSWord)

- Spreadsheets (MS Excel)
- Presentation software (MS PowerPoint)

I have worked over different software applications over time (through different wok portals) and found myself capable of learning them quick and effectively.

Referees

1. Prof. David Tripe
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20 March 2017

Dear Sir

Re: Saba Azeem

As primary supervisor for her PhD, I write to support Saba's application for an NBER Household Finance Group small grant. The co-supervisor is Dr Claire Matthews who has done significant work in household finance.

Saba commenced her PhD in December 2015, on the topic "The effects of personal characteristics on the use of online banking in New Zealand". She successfully completed the confirmation process in early 2017, with the scheduled completion date for her thesis being 1 December 2019.

Because this is a household finance related study, data for the research are not available from standard pubic databases, necessitating obtaining and use of survey data. Costs associated with obtaining this can be substantial, and financial assistance towards the process would be much appreciated. We are looking to commence with focus groups shortly, and these will then be followed by a wider survey. If financing allowed us to engage a market research company to undertake the wider survey, we would expect a better sample the quality than otherwise.

Although the New Zealand environment is different from the United States, we believe that his research will be of broader international interest, because of the ways in which banks internationally are moving to promote digital access their products and services. In the particular area of payments, New Zealand experience may be of considerable interest to United States researchers, in that people in New Zealand have long been accustomed to same day payments to bank account holders anywhere in the country.

We have no problem with making the data set that this research would produce publicly available, if we were to receive financial support from the NBER.

I hope that you will consider her application positively.

Yours faithfully

David Tripe
ASSOCIATE PROFESSOR