Marketing and Commercial Activities Offered on Websites of European Union Banks

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Abstract—This paper deals with various questions related to functionality and providing banking services in the European Union on the Internet. Due to the fact that we live in the information technologies era, the Internet become a new space for doing economic and business activities in all areas, and especially important in banking. Accepting the busy tempo of life, in the past several years electronic banking has become necessity and a must for most users of banking services. On a sample of 300 web sites of the banks operating in European Union (EU) we conduct the research on the functionality of e-banking services offered through banks web sites with the key objective to reveal to what extent the information technologies are used in their business operations. Characteristics of EU banks websites will be examined and compared to the basic groups of business activities on the web. Also some recommendations for the successful bank web sites will be provided.

Keywords—Electronic banking, electronic business, European Union banks, internet.

I. INTRODUCTION

Information technology and its pervasive use nowadays is one of the most frequently mentioned issue in the business world. Internet, major worldwide communication network, affirms the electronic market and the appearance of many new services which have an impact on business and society. The development of Internet technology, which is present everywhere in the world, has led to the possibility that the business is done electronically. We can conclude that we live in the era of “Electronic Business” or “eBusiness”.

Electronic business is a modern form of business organization which involves intensive application of information and, particularly, Internet technology in all core business functions and processes. Today represents the most advanced form of business organization which tends to all companies targeted on better market positions and intensive development of business activities.

Internet, as one of the most important tools of promotion, and especially a website should be a ‘mirror’ of the company, mainly because it indicates how much effort has been done in promoting its own brand and how to evaluate Internet as a media.

Due to the successful realization of the idea of creating a virtual bank, electronic banking is the fastest, most economical and most efficient way of doing banking business. Times change and today’s digital world has strong impacts on a range of consumer behavior, including the way they deal with their own finances. Electronics and mobility are key factor for financial institutions to be in progress. There have been a lot of research about the influence of e-business and related technologies on banking services. In a literature review we will analyze the evolution of the research in e-banking area and stress key conclusions. After that we will construct our own research methodology on a sample of 300 websites of the banks operating in EU around the functionality of e-banking services offered via web sites and revealed the its major functionalities and features.

II. LITERATURE OVERVIEW

Intensive use of modern information technology in the banking industry can be analyzed from a various perspectives, namely, business efficiency, technology adoption, user acceptance, security issues, etc. Bose and Leung [1] investigated anti-phishing preparedness of banks in Hong Kong. Their paper aims to report how their framework could be used for assessment of preparedness of 30 banks in Hong Kong. Phishing has enormous impacts on the financial industry and it is becoming more and more relevant, especially in the headquarters of various financial institutions like in Hong Kong. It is known that online security, privacy and confidentiality are often listed as key concerns of customers. Also, it is believed that service providers who failed to address the security concerns might shatter the trust of their customers. According to these statements, objective of the model measuring accessibility, usability and information content, was to determine how well individual bank’s website presented materials related to security information in the context of anti-phishing. Findings and results indicate that phishing information was better in terms of accessibility and information content and anti-phishing measures information was better in terms of usability. Phishing e-mail was the easiest to access while malware was the most difficult. On the whole, Hong Kong banks attached more importance to anti-phishing measures information.

Kapusta, Munk, Svec and Pilkova [2] have made a study where they conducted several experiments in which they evaluated the relevance of the various data preparation steps of web server log file for sequence analysis. Authors compared two values of time threshold with experimental methods of user session identification based on the Reference Length and
III. RESEARCH METHODOLOGY

As the basic for conducting this research, we use a sample of 300 banks operating in EU (in fact, their web sites) from the list of banks in the EU published by Banks around the world, 2014. We also include all 30 banks operating in the Republic of Croatia, as a newcomer to EU, from the list of banks in the Republic of Croatia, published on the Website of the Croatian banking association, 2014. We collected data in the period from 01 August (the beginning of the research) to 01 September 2014 and used descriptive statistics methods with inductive conclusions.

A new model for analyzing Websites of European union Banks was presented by authors (Fig. 1). All Websites of European union Banks should be view through five main forms: (1) Communication with customers on Websites of European Union Banks, (2) Marketing elements on Websites, (3) Languages on Websites, (4) Bank services and (5) Usage of Web 2.0 technologies on group-buying portals. The central part of the research analyses the Websites of European Union Banks with particular regard to that model.

Similar model used by [11] but they investigated the Website adoption and performance of Iranian hotels. The population of their study included 75 Iranian hotel Websites which were functional. The results showed the percentage of Websites in terms of their star ratings and the percentage of the hotel Websites that include each of 48 features that were classified under the six dimensions of hotel information,
product information, non-product information, payment, customer relationship management and reservation. The results indicate that the page ranking and the hotel star rating are significantly related to Website performance.

In the planned and conducted research were analyzed the Websites of 30 banks in Croatia and 10 Websites of banks in each country of the 27 other members, or a total of 300 bank Websites of the Member States of the EU. The attributes in this study are: available business information which includes share capital, total assets, number of branches, employees, clients and financial reports, than forms of communication with clients which includes contact data, general bank information, press and other elements on the Website like useful links, news, suggestions, complaints, compliments and sitemap. Also, we depicted the evidences on the forms of Web 2.0 and mobile technologies usage, use of banking services for clients, including personal banking services and small and corporate business services. Due to the set methodology, which consists of attributes and 300 Websites of banks, research will show the availability and functionality of the EU banks on the Internet.

IV. RESEARCH RESULTS

Available and relevant information is important and useful element on the banks Websites. It includes some financial information such as share capital, total assets, and number of branches, employees, clients and available financial reports. Table I represents available financial information found on Websites of EU banks. Share capital and total assets can be find on 99,00% of Websites in European union, and in Croatia all bank Websites have clearly stated this two items. Financial reports are available on 98% of Websites. Due to the success and popularity of banks depends on the number of clients and what is more branches available in the country, the grater probability is that a person will choose that bank, such data are essential. Number of branches can be find on 87,33%, employees on 40,00% and number of clients on 37% of bank Websites. The communication channels with clients includes contact data, general bank information, tools, some other elements like useful links, news, suggestion, sitemap, and finally press.

All Croatian bank Websites have clearly stated their telephone, telefax, address and e-mail which is also clearly stated on all Websites of European union Banks. A total of 99.67% of European Union Banks have stated elements like telephone and telefax, and 99.33% have stated address on their Website.

Websites play an important role in e-business because through them users and clients find basic information about the bank. Table III represents available general bank information on Websites of Croatian banks and all members of EU.
Forms of communication with client types:
- Headquarters
- Branch network locations
- Working hours
- ATM network locations
- ATM availability
- ATM functionalities
- Companies registration code
- Bank account number
- SWIFT
- IBAN
- Banking advertising slogan
- Banking logo

General bank information:
- Share of European union banks which have the stated element on their website
- Share of Croatian banks which have the stated element on their website

Table III: Available General Bank Information on Websites of European Union Banks in 2014

Table IV: Available Tools and Other Useful Elements on Websites of European Union Banks in 2014

Websites have nowadays become an essential media for any company as a form of advertising and also for anyone who knows the basics of working on a computer. To make it easier to find the branch in the city, available branch network locations, headquarters and working hours shown on the Website are very useful. More than 95% of EU banks have these stated elements on their Website. To find out automated teller machine network locations and their availability and functionalities have 83.00% EU banks on their Websites. Results for Croatian banks are similar to other banks in the EU.

In a situation where are so many competitors offering the same or similar services, companies need to define diversity points to the development of recognizable elements of brand identity. One of them is the advertising slogan and the other one is company’s logo. Company’s logo is a graphic sign or unique symbol which clients recognize in most situations. All 300 EU banks have their own logo. The importance of the advertising slogan was noticed by 25.33% of European banks which is a weak result and banks should make an effort in marketing activities. A slightly better result is related to the Croatian banks where 43.33% have used slogans as part of their brand and advertising campaigns.

Elements like companies registration code, bank account number, SWIFT and IBAN have more than 98.33% of Websites.

Table IV represents available tools during visits to banks Websites. Tools like calculator and exchange rate list, useful links, news and to write suggestions, complaints and compliments have most of the European Union Banks on their Websites.

A sitemap is a list of pages on a Website, typically organized in hierarchical order. This helps visitors and search engine bots to find pages on the Website. More than half of Croatian banks have the stated element on their Website.

Newsletter are offered by 19.00%, including Croatian 20.00% of banks which is a big minus for the banks because they don’t use effective direct promotion of their own services.

E-banking is today oriented to customers and banks use it as a communication channel with clients and creating added value. Social networks represent a trend in social communication and in a short time have gained huge popularity. Members of social networks are not just students and young people looking for entertainment, but they are also intellectuals and business people all around the world.

Web 2.0 includes new forms of social computing which bridge over cultural differences and have impact at development of the new Internet services. This kind of systems engages a huge number of users and it keeps developing from day to day.

Usage of Web 2.0 and mobile technologies on Websites of European union Banks includes: Facebook, Twitter, Google +, Linkedin profile, RSS, Flickr, Youtube, Chat and Blog. They also contain special mobile applications for usage. Table V shows the data on the share of EU and Croatian banks which have the stated forms of usage of Web 2.0 and mobile technologies on their Website.
Facebook is the most used social network. 44.00% of the European Union Banks use Facebook profile for additional promotion. 33.33% of the banks Websites use Twitter, an online social network service that enables its users to send and read text-based post, known as tweets. Comparing with the Croatian banks, they should be more active on social networking sites, because only 36.67% of banks are active on Facebook and none on Twitter. LinkedIn, the business social network is used by 19.67% in the European Union, while Google + use 14.33% banks. An image and video hosting Website and service, Flickr, use only 3.33%. Contact the bank through live chat offer 5.00% of banks. Instagram is not used by European Union Banks.

Another statistic is the usage of mobile applications. Mobile applications are software applications, usually designed to run on smart phones and tablet computers. They are available through application distribution platforms, which are typically operated by the owner of the mobile operating system, such as the Apple App Store or Google Play. Mobile banking application offers more than 58.33% of banks which will increase in the future due to rapid development of mobile technology.

According to Table VII, all banks in Croatia offer the services on their web sites in the official language and it refers to 97.33% in the European union. 60.33% of Websites are available in English.

Banking business is based on innovation and improving relationships with customers and put a special focus on the youth segment of clients. Table VIII shows the data on share of European Union Banks which have the stated form of personal banking services on their Website.

Table IX shows the services offered by banks to small businesses and corporates. Today many companies seek a consistent approach to optimize the entire financial supply chain – from purchasing and sales to payment and collection. Payment services and savings offer 98.00% of European Union Banks. Financial services, online banking and SmartOffice offers more than 97.33% of banks.

<table>
<thead>
<tr>
<th>Forms provided by the website</th>
<th>Share of European union Banks which have the stated element on their website</th>
<th>Share of Croatian banks which have the stated element on their website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official language</td>
<td>97.33%</td>
<td>100.00%</td>
</tr>
<tr>
<td>English</td>
<td>60.33%</td>
<td>66.67%</td>
</tr>
<tr>
<td>German</td>
<td>4.67%</td>
<td>3.33%</td>
</tr>
<tr>
<td>French</td>
<td>2.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Italian</td>
<td>1.00%</td>
<td>6.67%</td>
</tr>
<tr>
<td>Other</td>
<td>16.00%</td>
<td>6.67%</td>
</tr>
</tbody>
</table>

According to the Table VI it can be seen that 40.33% of surveyed banks provides page content in two languages, while 35% provides an overview of Websites in just their official language which is unsatisfactory information. Page content in five languages provides only one bank, Rietumu Bank from Latvia. The most Website banks in Croatia have been translated in two languages, 60%, which is satisfactory result.

Banks offer their clients a wide range of savings and investment products. More than 50.33% of banks offer opening account and savings for young people, while 47.33% offer students help in the financing education with a selection of student loans.

Due to the main focus of the users and customers, it is important that services are clearly identified and specified so that users can find all the information they are looking for. Opening the different types of accounts, contracting the savings, offering loans and several cards with deposit accounts, and access to online banking on Websites of European union Banks have clearly stated more than 97.33% of banks. Insurance such as life insurance, accident insurance, housing loan insurance offer 52.00% of banks in the European union.

SMS banking is a type of mobile banking, enabling clients to use banking services over mobile phones using SMS messaging. 76.67% of banks offer these services, while mobile banking is offered by 59.33%. Worth mentioning is Erste Queueing, mobile app which allows you to draw a virtual queuing number at the Erste Bank branch office of choice and informs you how many people are ahead of you in line, thus enabling you to avoid long waiting times at the branch office. Table IX shows the services offered by banks to small businesses and corporates. Today many companies seek a consistent approach to optimize the entire financial supply chain – from purchasing and sales to payment and collection. Payment services and savings offer 98.00% of European Union Banks. Financial services, online banking and SmartOffice offers more than 97.33% of banks.
International Desk provides information and support to all corporate clients about Bank Group, particular banks and their products and services and intermediates contacts to account managers. This service is offered by 86.67% of banks.

After the research and analysis all the attribute, Table X represents 15 most successful banks in the European Union according to the results.

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of European union</th>
<th>Share of Croatian banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>98.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Austria</td>
<td>98.00%</td>
<td>96.67%</td>
</tr>
<tr>
<td>Hungary</td>
<td>99.33%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Belgium</td>
<td>86.67%</td>
<td>43.33%</td>
</tr>
<tr>
<td>Germany</td>
<td>97.33%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Hungary</td>
<td>77.66%</td>
<td>53.33%</td>
</tr>
<tr>
<td>Belgium</td>
<td>97.33%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Italy</td>
<td>1.00%</td>
<td>3.33%</td>
</tr>
</tbody>
</table>

In the first place, with 81.52% efficiency is Erste Bank doing business in Croatia. In the second and third place are also two banks of Erste Bank Group doing business in Austria and Hungary, which confirms that they are the leading financial services providers in Central and Eastern Europe. Another bank group, BNP Paribas Group is also successful in providing banking and financial services in Belgium, Bulgaria and Luxembourg. They are in the 4th, 7th and 9th position. All the banks in the table have 75% efficiency or more.

V. CONCLUSION

This paper presents the results based on the analysis of e-banking services available in the EU member states. The study includes 300 Website banks in the EU, precisely 30 Croatian banks and 270 Website banks of other Member States. Websites have nowadays become an essential medium for any company as a form of advertising. The main reason for such an expansion of banking services on the Internet is the fact that users are more versed in the benefits of its use and the slow disappearance of fear of using new technologies. Taking advantage of the e-banking, it is not surprising that 97.56% of banks in the EU offer the services on the Internet. This result indicates that citizens, entrepreneurs and companies are realizing that online banking achieved significant savings in daily operations. Moreover, 59.34% of surveyed banks offer services through smart phones, so, mobile banking has great potential and prospects for further development, especially since it is known that the number of mobile phone users is constantly growing. Banks in the EU, including Croatia, should contribute to the popularization of the use of Internet services by establishing direct line of communication with their clients, instead of traditional way of support by phone. But, despite the simple introduction of this communication channel, only 14.92% of banks in Croatia used Web 2.0 technology which indicates that they are not ready to exploit the faster communicating possibilities to the full.

According to the results of the research, it can be said that e-banking services in Croatia are of the similar functionality compared to the other banks in the EU. However, it requires a lot of investment and taking the best from technology so the services can be at the top level. Time and technology won’t wait for anyone, so those banks which fail to catch up with the time and new technologies, can be quickly find in a difficult situation.

REFERENCES


