

JULY 2012

Research Note 11

Bank Strategy

Internet Banking

13 pages

Deutsche National Bibliothek

Internet ISSN 2190-8451

Author

Sabine Schmidt

Matthias Fischer

Contact

mlfischer.com Center for Financial Research

Georg-Simon-Ohm Hochschule Nürnberg

Internet: www.mlfischer.com

Email: info@mlfischer.com

The benchmarking was carried out for ten French and German banks respectively.

Intercultural Differences in Internet Banking – An Empirical Study for France and Germany

The paper at hand observes the topic of intercultural differences between France and Germany in the context of internet banking. It aims at finding out whether German banks need to culturally customize their websites for the French market and vice versa and, if this is the case, which internet banking features need to be customized.

An empirical study about the use of the internet and the perception of web design by online bankers was carried out for ten French and ten German banks, half of which are multichannel banks and half of which are direct banks respectively.

Figure 1 Overview of Banks Analyzed

Country	Bank	Type
France	BNP Paribas	Multichannel
	Crédit Agricole	Multichannel
	Société Générale	Multichannel
	Caisse d'Épargne	Multichannel
	Crédit Mutuel	Multichannel
	Cortal Consors France	Direct
	ING Direct	Direct
	Boursorama	Direct
	Fortuneo	Direct
	Monabanq	Direct
Germany	Deutsche Bank	Multichannel
	Commerzbank	Multichannel
	HypoVereinsbank	Multichannel
	Sparkassen	Multichannel
	Targobank	Multichannel
	Cortal Consors Germany	Direct
	ING DiBa	Direct
	OnVista	Direct
	Comdirect	Direct
	DKB	Direct

An analysis of intercultural differences identified potentially culture-bound website features

The assumptions for each of the questions are derived from a general analysis of intercultural differences between France and Germany as well as existing research about web design¹. The study was carried out in May and June 2011.

Figure 2 Categorization of Questions

Online Offering	Types of Services and Marketing
Web Design	Graphic Design
	Information
	Navigation and Interaction

The results show that there is a need for cultural customization in online banking between France and Germany. The benchmarking identifies the single culture-bound features that banks need to customize in order to be successful in their respective target market.

Types of Services and Marketing

The first part of the analysis focuses on the use of the sales and marketing channel internet in a banking context.

French banks offered a wider range of mobile banking features than German banks.

When it comes to the mobile internet offer of the analyzed banks, illustrated in figure 3, it is remarkable that all French banks offered their customers to check their account balance and carry out transactions on their smartphones while only seven out of ten German banks offered these services respectively.

The mobile banking services analyzed can be classified in two clusters. The first cluster embracing answer options (b) to (g) consists of time-critical services which are often part of the users' daily routine and thus show a great fit for mobile banking. This is reflected in the fact that all French and German bank websites, providing personalized mobile banking services, offered *account balance* and *transactions*. All banks offering *branch finders* and nearly all banks offering *ATM finders* on their stationary internet presence did so as well on their mobile internet presence. Tracking *security prices* and the own *balance of deposits* are not offered as naturally via mobile internet as they are via stationary internet but still, a majority of mobile banking websites or apps provides them in both countries.

The second cluster covering answer options (a), (h) and (i), stands for less time-critical activities which tend to be non-recurring. Unlike for the first cluster, the user has no pragmatic need to do these activities via mobile internet and it

¹ Core resources on intercultural differences Hofstede (2005), Hall (1990) and Fischer (1996), core resources on intercultural web design: Singh and Pereira (2005) and Noack (2007).

depends on his or her taste whether to use stationary or mobile internet. *General product information* e. g. about insurances or credit cards is provided by six out of ten French bank websites and three out of eight German bank websites with mobile banking services. While none of the German mobile banking offerings has frequently asked questions (FAQ), they are offered by two of ten French mobile internet presences. Only *calculators and simulators* are offered by the same number of banks in each country.

Related to the slightly higher number of French bank websites offering mobile internet, these differences in the offer of mobile banking are small. Yet, together with precisely this broader offer, the differences suggest a slightly higher affinity towards mobile banking in France as assumed above. Yet, since the demand for mobile banking in Germany is higher than the offer and 42 % of German banks plan to invest in mobile banking,² this difference may shrink in the years to come.

The majority of mobile websites in France as well as in Germany offer a *demonstration of the mobile website or app* in order to confront the high uncertainty avoidance in each of the two cultures.

Figure 3 Which services are offered on the mobile website/app of the bank? (1 = true, 0 = false)



² Reuter and Schilling (2010)

***The emphasis on web 2.0
was slightly higher on
French bank websites.***

Although web 2.0 (see figure 4) proves to be important in both countries, it was more present on French than on German bank websites. Altogether the average number of web 2.0 elements offered by French websites (2.8) was higher than the number offered by German websites (2.2).

The analyzed web 2.0 elements can be clustered according to the degree of participation they offer. The first three elements offer a high degree of participation. By means of chats, for example, customers can ask questions to an expert or a support employee of the bank. While three French bank websites offered such chats, only one German bank website, the one of Cortal Consors, did so. The offer of forums for the exchange of experiences and opinions of online banking customers was low in general with Comdirect (D) being the only bank offering an own forum. Social networks, which allow far-reaching networking of users and content, however, often offer forums as part of their functionalities, next to e. g. contact networks and member groups. Eight French and six German bank websites promoted social network offerings on their websites. Most of them simply did so by linking their accounts with social networks such as Facebook or LinkedIn. Cortal Consors Germany and France even cooperate with the community Sharewise which offers its members to exchange of stock market information and recommendations.

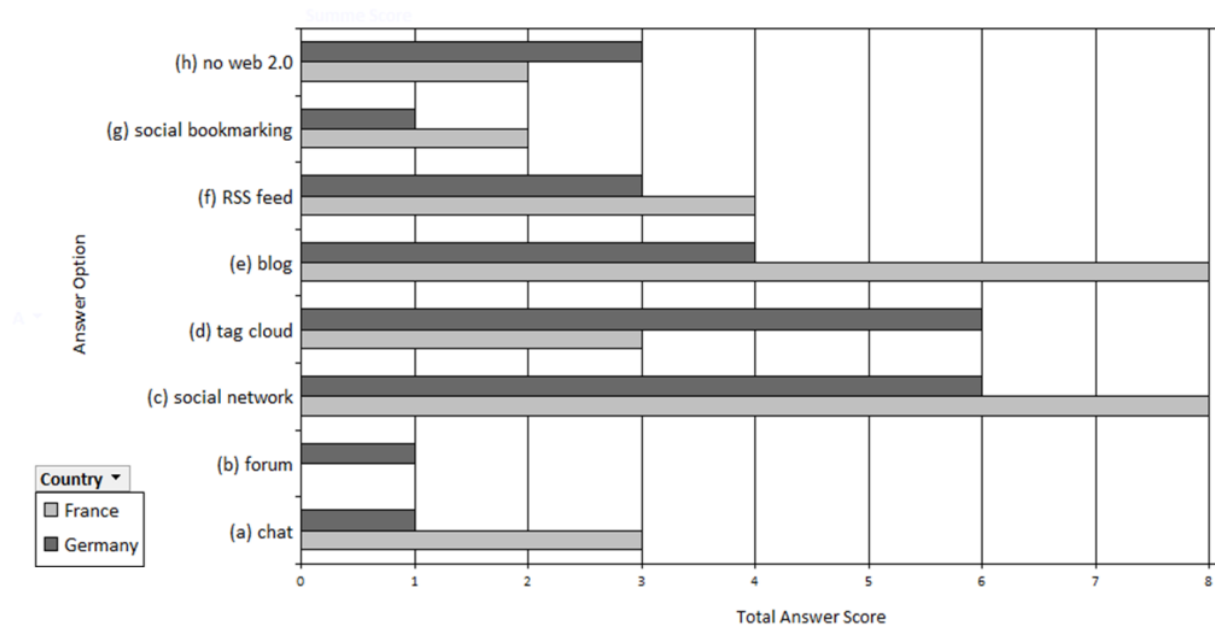
The web 2.0 elements represented by answer options (d) to (g) offer a lower degree of participation than those in the first cluster above. Tag clouds are collections of links identified by keywords, so-called tags. The higher the frequency by which a tag is used, the bigger its fontsize gets³. Unlike all other web 2.0 elements, tag clouds were offered by significantly more German bank than French bank websites. Blogs or weblogs, i. e. means of dynamic publication and circulation of any web content which can be discussed with readers by way of comments, were offered by eight French bank websites and only four German bank websites. Many banks simply linked their account with micro blogging service Twitter, some of them offered their own blogs, e. g. BNP Paribas or certain regional branches of Crédit Agricole. RSS, short for really simple syndication, allows users to subscribe offers, so-called feeds, of their choice via an RSS-reader. In this way information from different sources is regularly checked for updates, bundled into a stream of information and presented in a compact overview.⁴ RSS-feeds were offered by four French and three German bank websites. Social bookmarking communities like Delicious or StumbleUpon, allow their users to share bookmarks with each other and to form networks or groups within the respective platform.⁵ Despite potential better search results of a socially bookmarked website merely two French and one German bank websites linked social bookmarking communities on their internet presence.

³ Friedman (2009), p. 55

⁴ Friedman (2009), p. 49-50

⁵ Friedman (2009), p. 54-55

**Figure 4 Which web 2.0 elements are offered?
(1 = true, 0 = false)**



In terms of customers' options on how to contact their bank, personal contact, especially by telephone, is very important in both countries. However, German online bankers attach more importance to "around-the-clock" service whereas French online bankers prefer "free-of-charge" service. In addition to telephone contact, e-mail and telefax are more widely offered as means of contact on German websites whereas video conferencing is more important on French websites.

The fact that significantly more stationary websites in Germany offered ATM finders than in France, may partly be influenced by the fact that the volume and value cash transactions in Germany has been higher than in France.⁶ Banks should account for this by offering ATM finders on their German websites.

**Online marketing features
were used very differently by
French and German banks.**

Another significant set of differences was found in the use of marketing elements (see figure 5). The first three features analyzed serve to increase customer trust in the respective bank. This is important insofar as both, France and German culture, show a high degree of uncertainty avoidance. However, those features were used quite differently in both countries. Testimonials, e. g. photographs with statements of satisfied customers, were applied by five French and merely two German bank websites. References to awards and good test ratings on bank websites were generally widely used, however even more so on more German websites than French websites. The differences were even clearer for friendship referral. Nine German bank websites and only four French bank websites offered premiums to those cus-

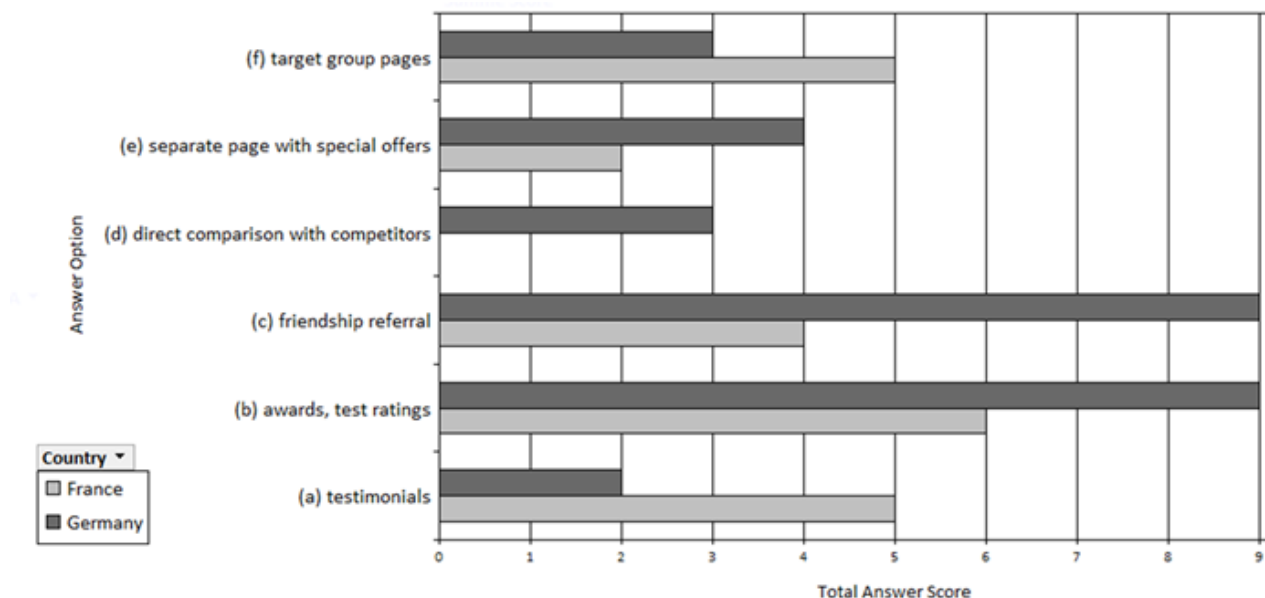
⁶ Deungoue (2008), p. 51-52

tomers who successfully recommended the bank to someone they knew.

The next two features deal with the explicitness of advertising which tends to be higher in low-context cultures like Germany than in high-context cultures like France. The results for these features are consistent with this theory. Although direct comparisons with competitors, like own rankings of trading fees or interest rates are generally allowed in both countries under similar conditions, none of the analyzed French bank websites applied such comparisons while three German bank websites did so. Also separate pages with special offers, e. g. free trades or bonus programs, were offered by a higher number of German bank websites than French bank websites.

The last feature measures the number of target group pages offered in each country. Examples for target group pages are pages directly addressed at teenagers, students or pensioners. Pages addressing a special target group only indirectly, e. g. description of an account for pupils directed at parents, were not considered. The assumption behind this question was that unlike the universalistic culture in Germany which supports adherence to universal rules, the particularistic culture in France, which supports adaptation to the respective circumstances, would foster adaptation of bank websites to different target groups. The results for answer option *target group pages* agree with this assumption. There were more French bank websites than German bank websites offering target group pages.

Figure 5 Which elements are used to market the bank and its products (1 = true, 0 = false)

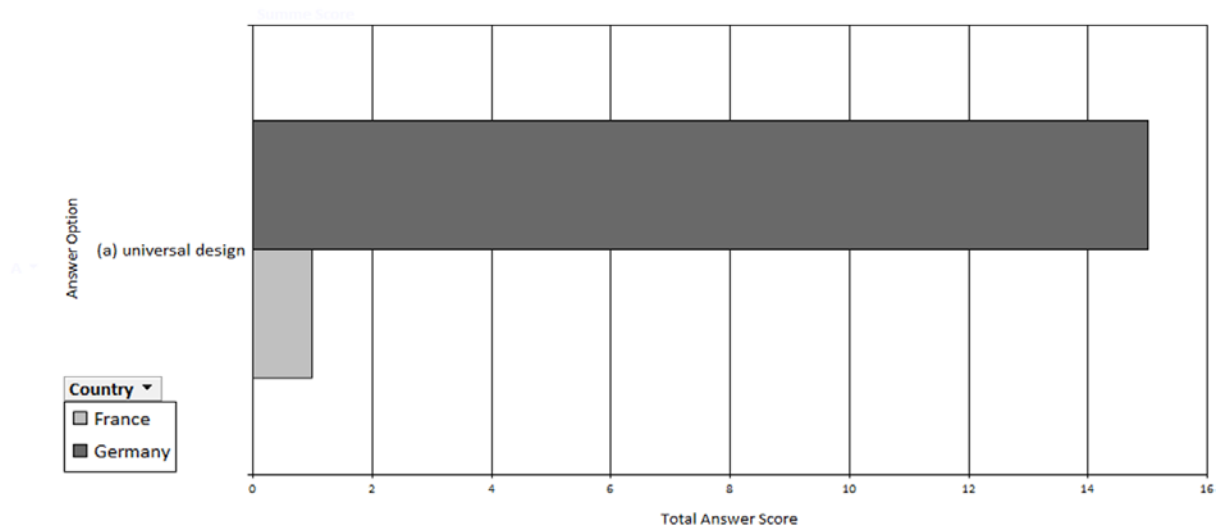


Graphic Design

There was a higher emphasis on design flexibility and the use of icons on French bank websites.

The visual first impression of a website considerably influences the further decision process of its users and is thus essential for providing confidence in a website⁷. The most distinct difference in graphic design between French and German bank websites is the higher universality of design on German than on French bank websites (See figure 6). Banks should consider this fact by emphasizing uniform design rules to their German websites while taking advantage of higher design flexibility on their French websites.

**Figure 6 Is the design of the website universal?
(2 = agree, 1 = partly agree, -1 = partly disagree, -2 = disagree)**



Moreover, banks can be slightly more generous with saturated colors, on their French websites. In terms of variety of colors e. g. how many different types of colors are used as well as in terms of color contrast no significant difference between French and German bank websites could be determined. While photos were the preferred means of illustrating the product offering in both countries, drawings such as comics were used by many French banks in addition to photos, while German banks rarely used them. In contrast with the assumption derived from intercultural research, people and things were used equally often as motives on these pictures in both countries. The assumption was confirmed that the French culture, which interprets information by the context of a situation⁸ favors the use of icons e. g. the home symbol in the shape of a house on French bank websites.

Information

Information was more detailed and slightly more structured on German than on French bank websites.

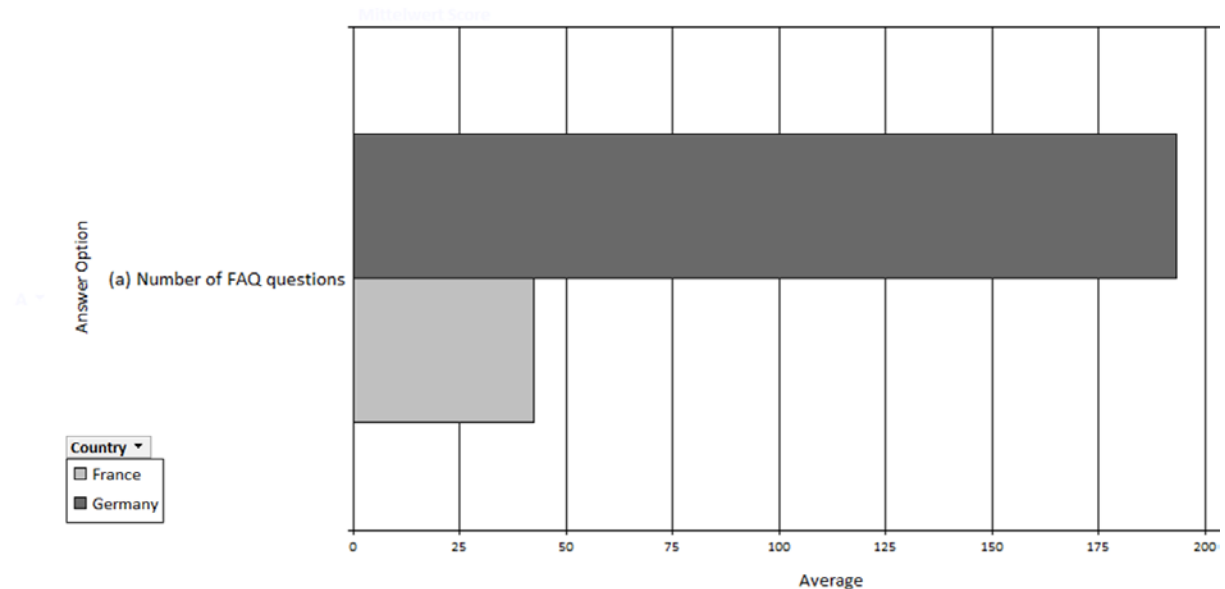
Internet users are not only sensitive to which information is given but also to how it is conveyed. In this respect, the most significant difference between bank websites can be seen in the FAQ whose number is much higher in Germany than in France (see Figure 7). Banks should take account of

⁷ Lindgaard et. al. (2006), p. 115

⁸ Hall (1990), p. 22-24

this by offering a comprehensive FAQ section on their German websites while limiting themselves to the most important FAQs on their French websites.

Figure 7 How many questions does the FAQ section comprise approximately?



Regarding textual information in general, although the use of short sentences and bullet points or lists is a key feature of web usability in general,⁹ the results of the study show that banks should be slightly more aware of these features when writing texts for their German websites.

In contrast, French banks should pay more attention to providing other forms of information beyond text, particularly videos which were offered almost twice as frequently on French websites than on German websites. Tables and graphs were used with the same frequency in both countries, though, to support textual information. There was also no significant difference in the use of overview pages at the beginning of a product page or section offered by 6 French and 8 German banks.

Navigation and Interaction

The clearest result for navigation and interaction was a wider use of animation in French bank websites.

In online banking, the absence of human support makes it a major challenge for web design to deliver forms of interaction that meet the usability requirements of customers accustomed to personal service¹⁰. The intercultural comparison between French and German bank websites shows a couple of differences in navigation and interaction.

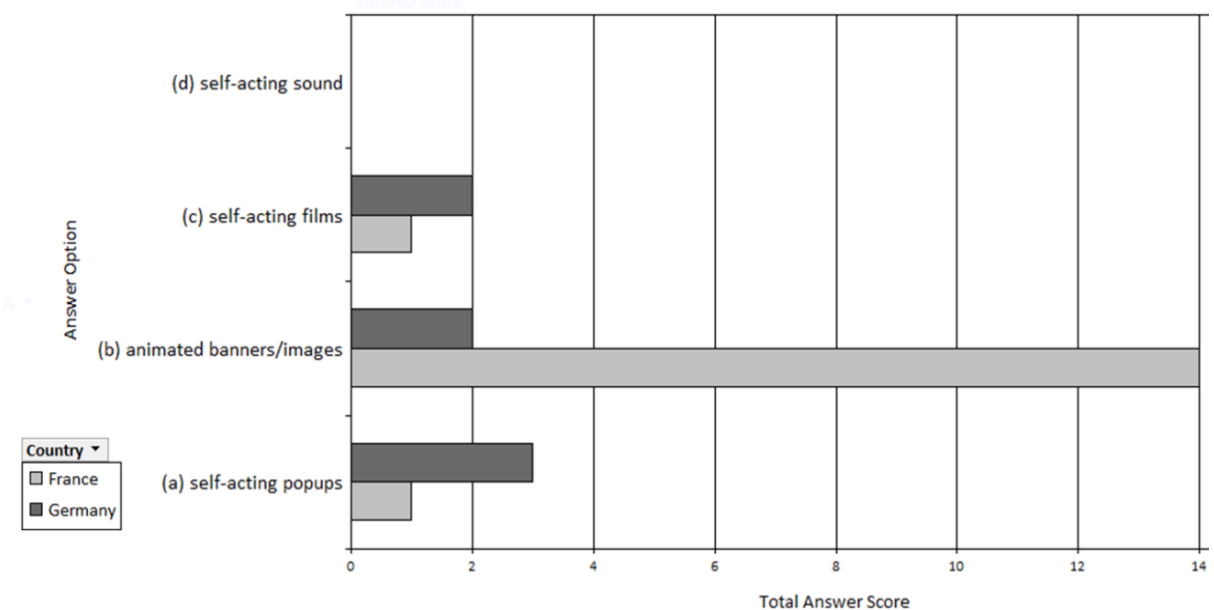
The clearest result is the wider use of animated banners and images on French websites, which was analyzed in the section of self-acting elements (see figure 8).

⁹ Thissen (2000), p. 71

¹⁰ Keck and Hahn (2006), p. 193

This question comprised the following elements. *Popups* are windows that can be opened in addition to the browser window, which is in the background. The user usually opens them actively via hyperlink, but there are also self-acting popups which appear automatically.¹¹ These pop-ups were very scarcely used in both countries and if so, then mainly for preventing the abandonment of a purchasing or application process. *Animations* can convey information or a certain atmosphere. As banners and images, they are often used for advertising purposes.¹² Animated banners and images were much more widely used on French than on German websites, mainly for the advertisement of own products. *Self-acting films* and *self-acting sound* initiate themselves without prior activation by the user. Their purpose is to entertain or convey information.¹³ Like *self-acting popups*, *self-acting films* were very scarcely used. None of the 20 banks analyzed used *self-acting sound*.

**Figure 8 How often can the following self-acting elements be found?
(2 = often, 1 = seldom, 0 = never)**



¹¹ Friedman (2009), p. 489

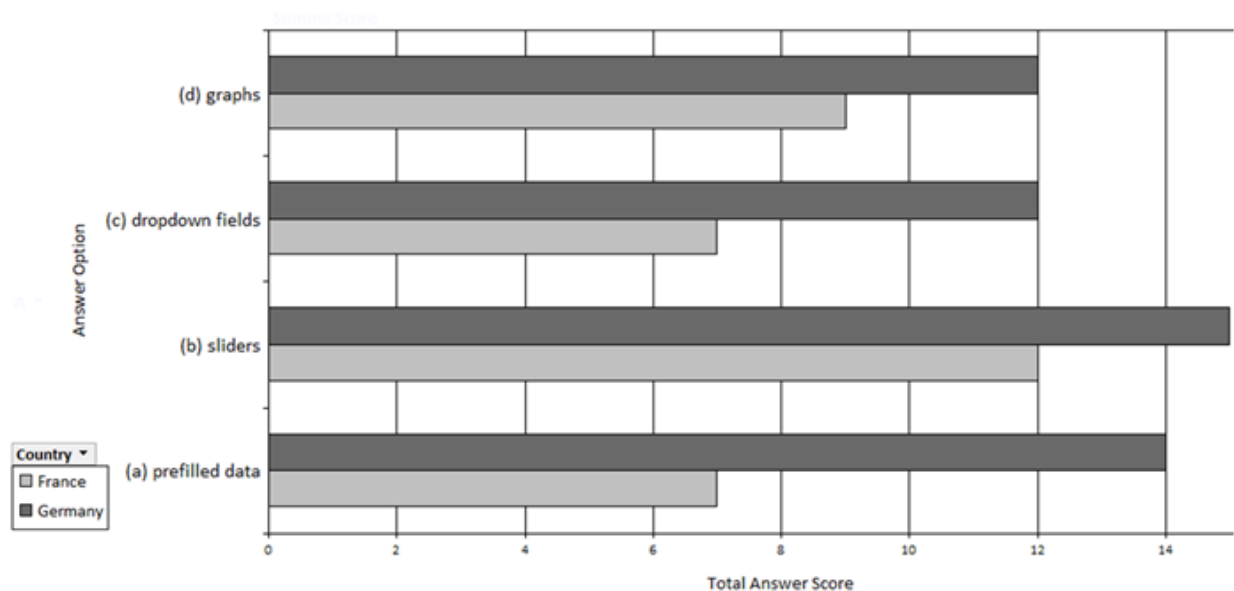
¹² Balzert (2009), p. 281

¹³ Balzert (2009), p. 290, 293

When it comes to navigation support, the use of breadcrumbs enhances orientation and thus usability on websites in both countries.¹⁴ However banks should take even more account of them on their French than on their German websites. Search functions and sitemaps were offered by nearly all banks analyzed. There were also no important differences in the website structure of both countries: most websites fulfilled the usability requirement of enabling users to find information with maximum three clicks.¹⁵

Figure 9 What is true about calculators and simulators on the website of the respective bank?

(2 = often, 1 = seldom, 0 = never)



Calculators and simulators on German bank websites showed a higher degree of interaction support.

The features of calculators and simulators listed in figure 9 enhance the usability of a website irrespective of cultural differences.¹⁶ However, German websites showed a slightly higher emphasis on these features. Differences for the first three answer options are connected with the level of uncertainty avoidance in a country. The higher uncertainty avoidance is in a culture, the fewer users feel comfortable with a high amount of options to choose from.¹⁷ *Prefilled data*, *sliders* and *dropdown fields* reduce the number of options to choose from or, in the case of prefilled data, make a suggestion about which kind of data to enter. This suggests a higher affinity towards these elements in France whose culture is characterized by being-orientation and a high degree of uncertainty avoidance. *Prefilled data*, i. e. data which is pre-filled as an example of which kind of data to enter, as well as *dropdown fields*, i. e. a field which can be dropped down to show a list of alternative entry options among which users

¹⁴ Friedman (2009), p. 302

¹⁵ Balzert (2009), p. 110

¹⁶ Balzert (2009), p. 309

¹⁷ Singh and Pereira (2005), p. 98-100

choose one,¹⁸ were offered more frequently on the tools and simulators of German bank websites than on those of French websites. *Sliders*, i. e. elements which allow changing numeric values via drag and drop instead of or in addition to entering them via keyboard, were also offered more frequently by German than by French bank websites.

In the context of tools and simulators, *graphs* mean graphical representations of the results delivered by these tools and simulators, which change according to the data a user enters. The calculators and simulators on the German bank websites used more graphs than those on the French bank websites.

The assumption that the French polychronic culture, would lead to a higher use of hyperlinks on French bank websites, for being more tolerant to a non-sequential execution of tasks, could not be confirmed. The average number of hyperlinks per page was between 6 and 7 in both countries.

Conclusion

All in all, not only the differences in online banking between France and Germany are interesting but also the similarities. The results of this study are meant to give a general idea of which online banking features are popular in both countries and which not. Banks may not only use the results of this study to identify the online banking features they should adapt to be successful in another market. They can also learn more about user requirements in their domestic market by comparing the results of their own market with those of another market.

¹⁸ Balzert (2009), p. 309

References

- Balzert, Heide. *Webdesign & Web-Usability*. Herdecke, Witten: 2009.
- Deunogue, Sandra. "Will we pay in the same way?" In *European Journal of Finance*. Vol. 14, January 2008, 49-67.
- Fischer, Matthias. *Interkulturelle Herausforderungen im Frankreichgeschäft – Kulturanalyse und interkulturelles Management*. Wiesbaden: 1996.
- Friedman, Vitaly. *Praxisbuch Web 2.0*. Bonn: 2009.
- Hall, Edward Twitchell and Mildred Reed Hall. *Understanding Cultural Differences – Germans, French and Americans*. London: 1990.
- Hofstede, Geert. *Cultures and Organizations: Software of the Mind. Intercultural Cooperation and its Importance for Survival*. New York: 2005.
- Keck, Markus and Marco Hahn. *Integration der Vertriebswege: Herausforderung im dynamischen Retail Banking*. Wiesbaden: 2006
- Lindgaard, G. et. al. "Attention web designers: You have 50 milliseconds to make a good first impression!" in *Behavior and Information Technology*, 2006, Vol. 25, 115-126.
- Noack, Sascha. *Interkulturelles Webdesign*. Norderstedt: 2007.
- Reuter, Christoph and Klaus Schilling. "Mobile Banking kommt in Schwung" in *Die Bank*. 04/ 2010.
<http://www.die-bank.de/banking/mobile-banking-kommt-in-schwung/?searchterm=> (accessed 16 April 2011)
- Singh, Nitish and Arun Pereira. *The Culturally Customized Website: Customizing Websites for the Global Marketplace*. Oxford: 2005.
- Thissen, Frank. *Screen-Design-Handbuch*. Berlin, Heidelberg: 2000.

Contact

M.L. FISCHER RESEARCH

Professor Dr. Matthias Fischer
Georg-Simon-Ohm-Hochschule Nürnberg
Fakultät Betriebswirtschaft
Bahnhofstr. 87
90402 Nürnberg
Tel. +49 911 5880-2710
Fax. + 49 911 5880-6720
info@mlfischer.com
www.mlfischer.com

Important Disclosures

© mlfischer.com All rights reserved.

MLFISCHER.COM RESEARCH NOTES

© Copyright 2012 mlfischer.com, Matthias Fischer, Nürnberg. Alle Rechte vorbehalten. Bei Zitaten wird um Quellenangabe „mlfischer.com“ gebeten.

Die vorstehenden Ausführungen stellen weder eine Anlage-, Rechts- noch Steuerberatung dar. Sämtliche Meinungsäußerungen geben die aktuelle Einschätzung des Verfassers wieder, die nicht zwingend der Meinung von mlfischer.com entspricht. Alle Meinungen können ohne vorherige Ankündigung geändert werden. Die Aussagen können von Einschätzungen abweichen, die in anderen von mlfischer.com veröffentlichten Dokumenten, einschließlich Research-Publikationen, vertreten werden. Die vorstehenden Angaben werden nur zum Zwecke der Information und ohne vertragliche oder sonstige Verpflichtung zur Verfügung gestellt. Für die Richtigkeit, Vollständigkeit oder Angemessenheit der Informationen & Meinungen in dieser Studie wird keine Gewähr übernommen. Soweit wir in den Meinungsäußerungen dieser Studie Prognosen oder Erwartungen äußern oder unsere Aussagen die Zukunft betreffen, können diese Aussagen mit bekannten und unbekannten Risiken und Ungewissheiten verbunden sein. Die tatsächlichen Ergebnisse und Entwicklungen können sich daher deutlich von den geäußerten Erwartungen und Annahmen differenzieren. Neben weiteren, hier nicht erwähnten Gründen, können sich eventuelle Abweichungen aus Veränderungen der allgemeinen wirtschaftlichen Lage, der Wettbewerbssituation und der Rechtslage, vor allem in Kerngeschäftsfeldern und -märkten der Unternehmen, ergeben. Auch die Entwicklung der Finanzmärkte und Wechselkurse sowie nationale und internationale Normen- und Gesetzesänderungen können einen Einfluss haben. MLFischer.com, Matthias Fischer übernehmen keine Gewähr für Fehler und Aktualität in der Studie. Die Meinungen dieser Studie sind keine Investitionsberatung und ersetzen keine persönliche und individuelle Finanzanalyse und Beratung.

The opinions expressed in this material do not constitute investment advice or individual financial analysis and you should consult your investment or corporate finance advisor before you make any financing or investment decision. The value and income of any of the securities or investments and the price of shares and the income derived from them, which are mentioned in this material, may fall as well as rise. Investors may not receive the original amount invested in return. Statements concerning taxation are based on our understanding of the taxation law in force at the time of publication. The levels and bases of taxation may change. You should obtain professional advice on taxation where appropriate before proceeding with any investment. Investors should also be aware that past performance is not necessarily a guide to future performance. No liability is accepted for the information in this material. This material does not constitute a solicitation in any jurisdiction in which such a solicitation is unlawful or to any person to whom it is unlawful. Moreover, this information neither constitutes an offer to enter into an investment agreement with the recipient of this document nor an invitation to respond to the document by making an offer to enter into an investment agreement. This material has been communicated in Germany. Opinions expressed in this material are current opinions as of the date appearing in this material only. MLFischer.com, Matthias Fischer do not guarantee that the information in this material is correct and up to date. The information in this material can be changed anytime. No part of this material may, without prior written consent of mlfischer.com, Matthias Fischer, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an authorised person of the recipient. In case of citation please use "mlfischer.com" as the source.

Internet: ISSN 2190-8451