

# Research on the Influencing Factors of Customers' Intention to Use Ebanking in Vietnamese Commercial Banks

Nguyen Thi Kim Quy

School of Economics and Management, Chongqing University of Posts and Telecommunications, China

## Abstract

Along with the trend of globalization, Vietnam has gradually entered the world economic integration, the issue of competition is very important in almost all fields. The emergence of the penetration of technology and information electronics into the finance and budget industry has created many new services with high capacity, including Ebanking services. Determining the role and importance of customers in Ebanking service development, many research on factors affecting customers' intention to use Ebanking services have been and are being important to many domestic and foreign researchers, research center and research theory development. This article is researched on the basis of the user behavior theory to help the bank investors have a more correct orientation in Ebanking development services.

## Keywords

Vietnam Commerical Banks; Ebanking; Intention to Use.

## 1. Introduction

The introduction of Ebanking service completely changed the relationship between customers and banks. Developed together with traditional distribution channels, banks and customers met face to face to make transactions, now thanks to modern distribution channels, through automatic transaction machines (ATMs), the Internet, Intranet, phone... banking with customers do not need to meet each other directly but still perform the necessary transactions. Ebanking service on that basis is increasingly developed. Recognizing the importance of Ebanking services, banks are constantly diversifying Ebanking services, increasing convenience for customers, reducing transaction times, improving labor productivity, reducing transaction costs, service, improve service quality to best satisfy the increasingly diverse needs of customers.

Ebanking service has been formed and developed in a number of countries around the world, while in Vietnam this service has only appeared in some commercial banks in recent years. Currently, most Vietnamese banks are in the early stages of providing online banking services (Ebanking). In fact, many people using banking services in Vietnam have not yet fully exploited the benefits of each tool and service. In Vietnam, people also tend to use online services, accounting for 50% of customers; 54% of customers use ATMs; 36% of customers use mobile banking, only 22% of customers use the services directly at branches and transaction offices. According to the 2015 KPMG Mobile Banking report, Mobile saves up to 43 times compared to a branch, 13 times the call center, 13 times the ATM and 2 times the online transaction channel. Moreover, these mobile devices are also personal property. Therefore, it is not surprising that Mobile Banking has grown rapidly around the world, despite being born after Internet Banking and being the strongest growth channel among popular transaction channels of Bank. In Vietnam, technology and mobile devices are constantly being updated and used, so it is forecasted that a new development direction in the future will focus on Mobile banking

products. Born around 2010, up to now, most banks have deployed Ebanking services (of which 74% of commercial banks develop Internet Banking services, 38% of commercial banks have developed Mobile banking services). However, the number of customers using the service is small compared to its potential for development, the frequency of use is still limited. The total number of customer accounts as of December 31, 2017 reached 69,188 million accounts / 90 million people, the total number of commercial bank cards issued reached 132 million cards. Of all online shopping transactions, the traditional methods of payment by cash or delivery to receive money and transfer still prevail at the rates of 72% and 13%, respectively. Electronic payment methods (e-wallet, payment card, Internet banking) account for 11%.

This article based on the research results on the effects of a number of factors on customers' intention to use Ebanking services at Vietnamese commercial banks, there are some suggestions to help commercial banks realize their real needs for services. Ebanking service, thereby helping to increase the number of customers, increase revenue from the development of Ebanking services, contribute to improving competitiveness for banks.

## **2. Theory Related to Ebanking Service in Commercial Banks**

### **2.1. Connotation of Ebanking Service**

Currently, there are many different definitions of Ebanking service. In English, Ebanking is Electronic Banking, abbreviated as Ebanking. There are many different expressions of Ebanking. Ebanking can be understood as banking services provided through electronic means and telecommunications networks.

Banks provide customers with Ebanking products and services such as: Electronic cards (Cards) and automatic teller machines (ATMs); Electronic payment system at points of sale (POS), including payment for other services; Telephone banking services; Customer service center (Call Contact or Call Center); Internet banking services (Internet Banking or Online Banking); Home banking services; Banking services through wireless telecommunication networks (Mobile Banking-Wireless Banking); Electronic wallet (eWallet), Electronic money (Digital Cash).

The rapid development of information technology in recent years has clearly affected the technology used in banks. Currently, in countries around the world developing diverse Ebanking services.

### **2.2. The Current Situation of Using Ebanking Services at Vietnamese Commercial Banks**

In the past 10 years or so, the emergence of smart phones has changed the way people communicate and interact, leading to changes in distribution channels, sales networks and design. products and services of banks. Banking services via Internet, Mobile, social networks, development of digital banking and paperless transactions will be a strong development trend. Thanks to the digital transformation application, the bank's products can be integrated with many ancillary products and services to satisfy customers. Industrial Revolution 4.0 is a unique revolution due to its breakthrough speed, wide range and great impacts on society. Especially, the banking industry has many new changes such as changing the methods of banking operations such as Internet Banking, Mobile Banking. Technological advances in technology are changing the structure, operating methods and providing many modern services of the banking system, forming new financial service products such as M-POS, Internet banking. , Mobile Banking, chip card technology, e-wallet...; create favorable conditions for people to use modern banking services and save transaction costs.

According to the "Report on banking services: User behavior and Trends in Vietnam" in 2017 of International Data Group (IDG Vietnam), solutions for Ebanking (e-banking) are increasingly

It is more popular and appreciated for convenience and time saving, with 81% of users using e-banking solutions compared to 21% according to the 2015 survey. In terms of customers' increasingly diversified needs, Vietnamese banks have further strengthened their investment in the application and development of high technology in their business activities. In fact, the progress from the digital revolution and the subsequent Industry 4.0 will create favorable conditions for Vietnamese banks, thereby giving banks the opportunity to attract investment capital and access. international market, learn advanced governance and business qualifications. At the same time, banks will have the opportunity to increase profits through cutting management costs and effectively operating systems, quickly and flexibly deploying new products and services, ensuring availability. High screening of the system in meeting customers' demand for Ebanking services ... Not only for traditional banking, the Fintech sector with the strength of technology is increasing development speed, attracting a large amount of Large customers are the objects that banks, traditional financial institutions have not yet targeted.

The number of individual payment accounts has increased dramatically in recent years. As of December 31, 2017, the total number of customer accounts reached 69,188 million, an increase of 0.71% compared to 2016 and an increase of 64% compared to 2012. This result shows that this is a good sign, exceeding the level of The target set out in the Scheme to promote non-cash payments and is an opportunity to develop Ebanking services based on the customer's existing deposit account.

### 3. Model Building Idea

(1) The overall framework of the model. Determining the role and importance of customers in Ebanking service development, many researches on factors affecting customers' intention to use Ebanking services have been and are being important to many domestic and foreign researchers. research center and research theory development. Some researchers using the fundamental theories such as: TRA, TPB, TPR, TAM, IDT give many factors that affect the intention to use Ebanking services such as: perceived ease of use, perceived usefulness, perceptions of risk, technological innovation, ... Venkatesh's UTAUT model (2003) develops additional influencing factors such as social influencing factors, regulatory variables (gender, experience, age, ...) affect the intention to use the service and add the influence of the moderator variables on the influence of factors on the intention to use Ebanking service.

(2) Research on consumer behavior based on research on consumer behavior theory helps investors who are commercial banks to have a more correct orientation in Ebanking service development. Recognizing that urgency, many Vietnamese researchers (Le Thi Kim Tuyet (2008), Le To Minh Tan (2013) ...) give some research results on articles and journals. Master thesis research, dissertation ... which focuses on researching a number of single services in a number of different single territories such as Hue, Da Nang, Ho Chi Minh City ... Most have not mentioned the effects of regulatory variables on factors affecting customers' intention to use Ebanking services, have not studied the differences in service use in different regions. The cost perceptions factor is less interested in studies in which the cost factor is one of the important factors affecting the development of services.

(3) After studying the influencing factors in foreign research papers, combined with the reality of Ebanking services at Vietnamese commercial banks (especially Ebanking service has only developed in recent years, translation Ebanking still has many potential opportunities to develop markets, customers, features of Mobile Banking and Internet banking applications developed by the bank based on the needs of Vietnamese people will be increasingly developed in the coming time), Research focuses on research to find out the factors affecting Ebanking services in general in the context of Vietnam overcoming some previous studies already in

Vietnam and giving a few variables that are rarely mentioned: Price Perception / cost factors and the impact of demographic variables (moderator variables) affect the influence of factors on the intention to use Ebanking services of the customer, specifically: Theories related to behavior and results from previous studies from the above review, the proposed research Some independent variables (the factors affecting the intention to use Ebanking services in the context of Vietnamese commercial banks) are the following factors: (1) Feeling easy to use, (2) Feeling useful, (3) Risk assessment, (4) Social impact, (5) Innovation, (6) Price / cost perception (low price), (7) Bank image. The dependent variable is the intention to use the Ebanking service. Regulatory variables: Gender, age, education, income, region.

## 4. Research Conclusions and Development Recommendations

### 4.1. Research Conclusions

Developing banking services based on technology, Ebanking- is an inevitable and objective trend in the era of international economic integration. Ebanking benefits not only to customers, banks but also to the economy, thanks to the convenience, speed and accuracy of transactions. Therefore, in order to survive and develop, commercial banks are striving, making their best efforts to catch up with the modernization of the bank, not only completing traditional operations, but also focusing on development. Modern banking applications. In addition to traditional SPDVs, modern banking services with diverse and easy-to-access utility services have been and are a necessary condition for banks to improve their competitiveness. Ebanking service is one of the modern banking services that commercial banks have top development strategies on. Ebanking services applying modern technology bring many convenience to users, helping customers save time with simple transactions. Up to now, most commercial banks in Vietnam have deployed, developed and expanded Ebanking services to meet the increasing payment needs of society and adapt to the international integration process from there. gradually reducing the total means of cash payment. However, the Vietnamese market still has many shortcomings, limitations, and gaps compared to other countries in the region and the world, and the ratio of cash payments / total payment means is still high compared to other water in the region.

Through the use of SPSS analysis software, the author analyzed the study with a sample of 602 research units. The research results of EFA, CFA showed that 9 factors: perceived ease of use, perceived usefulness, perceived risk, influence of social factors, innovation, perceived costs (price low) and supplier image, The scales selected for the variables in the research model are all required and used in the next analysis.

Regarding the impact direction of factors on the intention to use Ebanking service: confirming the Perception of Ease of Use, Perception of Usefulness, Bank Image, Cost Perception Factor (low price), Social factors, Innovation have a positive impact on the intention to use Ebanking services shown when these factors increase, the customer's intention to use Ebanking service will increase; The risk perceptual factor that adversely affects the customer's intention to use Ebanking service is shown that when this factor increases, the customer's intention to use Ebanking service will decrease.

Interaction between factors: asserting perceptions of risk affecting inversely the perception of usefulness; Supplier image adversely affects perceptions of risk; Social influencing factors negatively affect perceptions of risk.

The influence of the demographic variable on the factors affecting the intention to use Ebanking services through the results of multi-group analysis showing that customers with income levels and living in different regions are affected by the The factors (perceived ease of use, perceived usefulness, perceived risks, social influences, perceived low costs) to the intention to use Ebanking services are different. Customers with higher incomes are less affected by the low

cost factor. Customers living in the South are less affected by social influences on their decision to use Ebanking than customers in the North.

Regarding the impact level of each factor on the trend of using Ebanking services of customers: Through SEM analysis, it shows that the Supplier Image Factor has the strongest impact on intention to use, followed by the Compute factor. innovate, Feel useful \_ easy to use, Feel the risk, Socialize and finally Feel the cost low.

Based on the research results on the effects of a number of factors on customers' intention to use Ebanking services at Vietnamese commercial banks, thereby helping some commercial banks to realize the real needs of customers. Ebanking service, thereby helping to increase the number of customers, increase revenue from the development of Ebanking services, contribute to improving the competitiveness of banks.

## **4.2. Development Recommendations**

### **4.2.1. Strengthen Propaganda and Promotion of the Brand Image of the Bank and its Products**

Develop a specific program of activities for each period or each moment, in which market segments, customer subgroups, measures to approach and confirm the bank's image, assess, and estimate cost collection to have an appropriate, economical but effective budget in the implementation process.

Enhance the transmission of brand image information to customers to help customers update new information consistently, gain a basic understanding of banking services and the benefits of using banking services. row. Promoting product marketing by many measures: Designing and regularly updating Website with 2 Vietnamese-English bilingual interfaces providing customer support to easily learn about banking products; organize seminars, customer conferences, organize attractive promotions; Promoting via mobile messages promotions, new utility SPDVs, free of charge service use in the new service phase, encouraging customers to use; Each bank officer needs to actively provide consultancy on e-banking services to customers, increase cross-selling of products.

### **4.2.2. Build Customer Policy**

Building classification criteria, segmentation, customer assessment, thereby identifying the needs, evaluating VIP customers, loyal customers, and regular relationships with the bank.

Having preferential policies for VIP customers, loyal customers; Building points-adding programs, accumulating bonus points, and accumulating points for customers when having transactions with banks in order to encourage customers to maintain the cooperative relationship with the bank. Issuing special treatment and treatment regimes for large customers, regular and loyal transactions, flexible updates, frequent changes according to changes in the competitive environment and socio-economic environment.

For new customers who need to build relationships, offer products and services at the bank in many forms: mail, phone, advertising on the mass media, organizing combined shows. advertise banking products and services in the form of comedy, drama, etc.

For high-income customers, develop customer-based remuneration policies, develop policies to favor customers on service time, offer packages and have long-term remuneration. long. Because this is a group of customers that are less affected by the price factor, mainly the impact of the ease of use and the usefulness that the service brings to their work and life.

Staff members build a close relationship with customers, regularly capture customers' information to have timely care policy. Transaction officers of traditional operations (capital mobilization, lending, ...) combine to introduce and advise customers to use new banking services, Ebanking services to develop customers, and services collect fees for banks, improve the competitiveness of products and services provided.



### 4.3. Limitations and Future Research Directions

The study initially gave a number of factors affecting customers' intention to use Ebanking services at commercial banks, thereby assessing the impact of each factor and the degree of influence of each factor. However, there are some limitations and opens the next research direction in the future:

Firstly, the current sample is only studied in the scope and scale of Hanoi and Ho Chi Minh area. Therefore, in order to be able to more accurately assess the impact of these factors on the intention to use Ebanking service, it is necessary to further expand the sample size and research scope in other areas.

Secondly, the new research object focuses on individual customers who are using Ebanking services, not yet studied with customers who have not used Ebanking services and customers who are businesses.

Thirdly, in addition to the 07 factors mentioned in the research model: perceived ease of use, perceived usefulness, perceived risk, the influence of social factors, innovation, perceived spending fees (low prices) and the image of the provider and other factors affecting the intention to use Ebanking services at banks. The next studies can be edited and supplemented to more comprehensively study the intention of customers to use Ebanking services at commercial banks.

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