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ATTITUDES OF SENIORS' USING CASH SERVICES TOWARDS ONLINE BANKING



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The current trend in the banking industry is that services are offered online more than physically in the bank branches. Opportunities for face-to-face service are decreasing as the banks are closing their branches and restricting cash services. Seniors are also actively using online services and the online bank's position as the main way to run bank errands is strengthening. There are still customers who would rather use the banks physical services, because of their habits or other reasons, such as inability to use the equipment required for online services.

The aim of this study is to investigate the current state of the senior customers who are using the cash services. The research focuses on identifying the reasons why cash service customers are not using online bank, and the future prospects in their use of online bank.

A short, structured interview revealed that 70% of the senior customers using the bank's cash services are not using online bank and only 12% of them were interested in starting to use. The findings of the interview showed that senior customers are not willing to use online bank, because they do not have access or knowledge to use the equipment, their physical condition restricts them, or they do not have the motivation for it because of their beliefs and attitudes.

Seniors in the future will be more familiar with technology than the seniors of today. This results in decreased need for bank's cash services and increases in the use of online bank. Some seniors will still rely on the face-to-face service of banks, and support from relatives and authorities is needed when the demand for cash services is too low for banks to keep them open.

KEYWORDS:

Seniors, online bank, banking industry, change resistance, digital divide.

Mona Piiparinen

KASSAPALVELUJA KÄYTTÄVIEN SENIOREIDEN ASENTEET VERKKOPANKKIA KOHTAAN

Pankkialan nykyinen trendi on, että palvelut tarjotaan yhä enemmän verkossa kuin fyysisesti pankin konttoreissa. Mahdollisuudet kasvotusten palveluun vähenevät kun pankit sulkevat konttoreitaan ja rajoittavat kassapalveluiden aukioloaikoja. Myös seniorit käyttävät aktiivisesti sähköisiä palveluja, ja verkkopankin asema pääkeinona hoitaa pankkiasioita voimistuu. On silti asiakkaita, jotka mieluummin asioivat fyysisesti pankissa, heidän tapojensa tai muiden syiden takia, kuten kykenemättömyys käyttää välineitä, joita tarvitaan sähköisten palvelujen käyttöön.

Tämän tutkimuksen tavoitteena on tutkia niiden senioreiden nykytilaa, jotka käyttävät kassapalveluita. Tutkimus keskittyy löytämään syyt, miksi senioreilla on huono asenne verkkopankkia kohtaan ja tulevaisuuden näkymät heidän verkkopankin käytölleen.

Lyhyt, strukturoitu, haastattelu, paljasti, että 70% niistä seniori asiakkaista, jotka käyttävät pankin kassapalveluja, eivät käytä verkkopankkia ja heistä vain 12% oli kiinnostunut aloittamaan. Haastattelun havainnoista käy ilmi, että seniori asiakkaat eivät halua käyttää verkkopankkia, koska heillä ei ole tarvittavia laitteita tai osaamista käyttää niitä, heidän fyysinen kuntonsa rajoittaa niiden käyttöä, tai heillä ei ole motivaatiota käyttää niitä, uskomuksiansa ja asenteidensa takia.

Tulevaisuudessa seniorit tuntevat teknologian paremmin kuin nykypäivän seniorit. Tämä näkyy kassapalvelujen vähentyneenä tarpeena ja sähköisten palvelujen käytön lisääntymisenä. Jotkut seniorit luottavat edelleen pankkien fyysisiin palveluihin, ja sukulaisten ja viranomaisten tukea tarvitaan, kun kassapalvelujen kysyntä on liian alhaista, jotta niitä voitaisiin pitää auki.

ASIASANAT:

Seniorit, verkkopankki, pankkiala, muutosvastarinta, digitaalinen kahtiajako.

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1 INTRODUCTION

This thesis examines senior customers' attitudes about online bank. The current trend in all service industries is to move services online. The banking industry is also following the trend, while possibility for personal services decreases. A study made in the beginning of the year 2014 by Federation of Finnish Financial Services shows that also seniors are starting to use online bank, but there are still customers who rely on the banks' physical services (FFI, 2014).

Online bank benefits banks and customers in many ways. Banks benefit from online banking because it saves costs since they do not require offices or employees (Bankbazaar.com, 2013). Online banks are available to customers regardless of time or place (Karjaluoto, 2002, p.32), which benefits the senior customers in poor condition since they do not have to leave home to manage their banking affairs (Linnossuo et al., 2002, p.96). Self-service that online banks offers gives the customer more freedom when decisions are not tied to certain place or time (Ylikoski et al., 2006, p.134).

Because of the benefits of online services, banks have recently invested more on online services and decreased bank branches where customers can physically manage their banking affairs (Kuisma et al., 2007). This means that customers cannot withdraw or deposit cash, or pay bills in the bank.

The senior customers, who do not have bankcards or online banks, are the ones who suffer most for restricting cash services (YLE Uutiset, 2011). This generates unwanted rush hours to the banks where cash services are offered and arouses discontent among customers using these services. The situation creates a problem where seniors who do not have access to online services can get socially excluded from an information society.

The research for this thesis was made to discover if the senior customers, who are now using the bank's cash services, would start using online bank. An important perspective of the research was to identify the reasons why cash

service customers are not using online bank. A part of the research examined the areas that senior customers experience challenging in online banking to provide accurate support. Also the negative aspects of seniors using online services were taken into consideration. The target group of the research was senior customers using the bank's cash services. Senior refers to a person above the age 65.

Online bank is an electronic payment system. According to Karjaluoto (2002, p.31) Burr (1996) defines online bank as an electronic connection between the bank and the customer, which enables to prepare, manage and control bank transactions.

By cash services are meant the services the bank offers to withdraw and deposit cash, to pay bills and handle payment services (Osuupankki, 2011).

According to the IBM Community Development Foundation (1997) report, information society is "characterized by a high level of information intensity in the everyday life of most citizens, in most organizations and workplaces; by the use of common or compatible technology for a wide range of personal, social, educational and business activities, and by the ability to transmit, receive and exchange digital data rapidly between places irrespective of distance".

Digital divide is economic and social inequality between those who have the equipment and knowledge to use technology and those who do not. It is seen as a threat to equality between citizens, because the service culture is constantly digitalized. (Mäensivu, 2003, pp.27-28.)

2 SENIORS IN INFORMATION SOCIETY

Population aging is phenomenon, which means the rise of the median age of a country. In this phenomenon the retired population is compared to the rest of the population. Just in few years more people than before are retiring and in 2030 every fourth person in Finland would be older than 65 years. (Statistics Finland, 2003.)

The knowledge gap between the current younger and older population will become smaller, because the Internet user rate of seniors is growing (Paul & Stegbauer, 2005).

Seniors are in particular risk to of being cheated in the consumer market because many of the cheaters are especially focusing on senior citizens. Typical scams focused on seniors are lottery frauds as well as fundraising. (Kilpailu- ja kuluttajavirasto, 2011.)

In addition to faceless cheaters operating online, senior's representatives can be seen as a risk factor. Representatives can be senior's relatives or caregivers who handle the senior's finances and well-being. The security of online bank weakens if senior has to give information about his online bank account to another person (Kilpailu- ja kuluttajavirasto, 2011).

There is a threat that the senior's representative can misuse the senior's online services. The representative can inappropriately use the senior's assets or view confidential information. (Mäensivu, 2003, p.141.)

Paper bill is essential for many seniors, who do not have online bank or who cannot use them safely. Senior can give the paper bill to someone else for him to pay it, without the senior has to give his online bank information and passwords to other people. (Kilpailu- ja kuluttajavirasto, 2011.)

Furthermore seniors are in danger to get socially excluded from the constantly digitalizing service culture. Digitalizing means that running errands requires technological skills that everyone does not have. (Mäensivu, 2002, pp.25-26.)

Change in service culture generates resistance, because seniors would prefer to hold on to their old habits and ways of doing things (Murthy, 2007, p.96).

2.1 Social exclusion from information society and digital divide

It is commonly believed that Internet would make a great help for seniors in poor condition so they do not have to leave home to run errands or socialize. According to Juhani Pehkonen and a TNS Gallup (2011) there are less Internet users among those seniors who only have few close relationships or who go out seldom. This can lead to isolation of those seniors who replace the rare social contacts in bank branches to a computer.

One of the beneficial features of online services is that it saves time. But saving time will not necessary benefit a person who has a lot of free time (Mäensivu, 2003). Seniors who appreciate the social contact in bank branches might value it more than the time consumed in it, especially if it is the easiest way to run errands in their opinion.

Seniors are not in the same position with younger people when it comes to using technology. This might lead to their exclusion from digital service culture. In the most unequal position are those seniors who have not received capacity to use digital technology from school or work life. This social inequality is called digital divide, which means the gap between those who have access to technology and those who do not (Mäensivu, 2003, pp.13, 27).

To prevent digital divide Vesa Mäensivu (2003) suggests opportunities for training and education, even though the threshold to apply for a course can be high. It is often hard for the seniors to admit they need help. If seniors would participate courses and receive guidance they need, their attitudes might change to more positive because they feel more confident and secure to use such technology.

Especially seniors, who do not have relatives to help them with technology, need support and guidance. Technology and its affordances should be familiarized to seniors. But it is also as important to offer alternative services for

those who do not have the possibility or do not want to use technological services. (Ikäteknologia, 2013.)

Changes, which happen in the information society, cannot be managed with old skills. Therefore learning new skills is important. New communication equipment requires initiative and networking skills from the citizens. (Viherä, 1999, p.44.)

The study of Marja-Liisa Viherä (1999) analyses the citizens' communication skills in information society. According to Viherä a person requires three components to succeed in digital communication. Those components are "connection or access to networks, the skill and competence to use the means of communication, and the motive or need to communicate".

All the components are important and in connection to one another. Motivation is the hardest to achieve and lack of access to networks is the easiest to fill in. Skills to communicate are possible to learn if a person has motivation for it. (Mäensivu, 2003, p.45.)

To have skills for digital communication a person needs to have at least one of these components. Mäensivu (2003, p.46) presents eight different possible variations for communication skills depending on what components the person possess. There are two variations where the person's success is uncertain. A person who does not have any of these components will not succeed in digital communication and is at risk for exclusion from information society. Also a person who has the equipment, but no competent or motivation to use it is not likely to succeed in digital communication.

To have access to networks, the customer can choose whether to buy a computer or use it for free for example in libraries. To gain skills to use the equipment, the customer can ask guidance from relatives or external sources. For example the congregation of Raisio runs an Internet café in Tasalan Kamari, where anyone can come to receive guidance in the use of a computer and Internet (Raision Seurakunta, 2014). Customer also needs motivation to use the equipment and to gain knowledge. Customer has to feel he needs to communicate and communication brings him value.

Stephen P. Robbins (Appannaiah et al., 2010, p.73) describes that "motivation represents an unsatisfied need, which creates a state of tension, or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium by satisfying the need." Seniors do not feel the absence of online bank as a need that has to be satisfied.

Fear of losing personal contact might increase the want to hold on to personal services. Seniors believe personal service is trust worthier than computers. Personal service can be socially important element for seniors, of which they do not want to give up. (Ylikoski et al., 2006, pp.127-128.)

2.2 Managing resistance for change

Customers' resistance for change can be seen as a challenge in online banking. Organizational theories about change management and resistance for change can be reflected to customers' behaviour as well. People resist change because of three reasons: uncertainty, concern over personal loss and because of belief that the change is not in their best interest (Murthy, 2007).

According to Association for Consumer Research, if the consumer perceives a high degree of change, he resists it. The product should be modified to meet the consumer's needs to reduce resistance. (Wallendorf & Anderson, 1987.) This would mean customized online services for senior customers.

Murthy (2007, p.68) presents five different ways to manage resistance to change: education and communication, participation, facilitation and support, negotiation, manipulation and cooptation.

The customer might not understand the logic behind the change and the banks should help them to see the logic. Providing the customers more information about the online bank might help them to see its usefulness. At the moment, many of the customers using cash services are unaware of the details of online bank and they are uncertain to try something new to them.

It can be difficult to participate the customers in planning of the online bank or to the changes concerning it. But seniors can participate events where they can have more information before taking an action. Many banks organize events where online services are brought familiar to customers.

The Central Union for the Welfare of the Aged promotes an annual event called SeniorSurf. During the day companies can offer their help to seniors for example in libraries and guide them in the use of computers, internet and online services and much more. (Vanhustyön keskusliitto, 2014.)

Resistance can be reduced with supportive efforts like counselling and training. Banks are currently offering personal online bank guidance, where the customer can ask about troubling matters and receive online bank training.

As a quite extreme method, if the banks are desperate to have their customers using online services, the banks can try negotiation. To reduce resistance, banks can offer something of value to the customer. In practice this could mean negotiating the fees of online bank if that is the concern of a particular customer and brings value.

Manipulation and cooptation were also mentioned in the ways to manage resistance, but they are hardly recommendable. Cooptation seeks to “buy off” the resisters by giving them a key role in the change decision (Murthy, 2007). Using this method the banks could distort the facts about online services to make it appear more attractive.

Changes are inevitable and new things will cause some resistance. Unwillingness to depart from habitual behaviour generates resistance to change. Resisters should be motivated to accept the change by demonstrating the benefits of the change and educating the resisters. (Murthy, 2007, pp.95-96.)

2.3 Seniors' use of online services during latest years

Using banks online services requires an agreement made with the bank. The customer receives online service identifiers, such as user ID, password and variable key code, when signing an online service agreement. These identifiers can be used to verify the customer identity in other online services too. (Osuuspankki.)

Using online services is becoming more common every year. In 2013 79% of the whole population had used online bank during the last three months. The figure among population under 65 years old is even higher. The becoming more common continues mainly in the older age groups, since nearly everyone under the age 55 already uses Internet. (Statistics Finland, 2013.)

Federation of Finnish Financial Services made a research about seniors' savings habits and paying behaviour, which was released in May 2014. The target group of the research was 65-85 year old Finnish people. The research results were compared to similar researches made during years 2006-2013 to examine the changes happened during this time.

The results show that seniors' use of Internet has increased a little every year. As seen in figure 1, in 2014 58% of all seniors are using Internet. In 2013 57% of all seniors were using Internet, but in 2012 the same figure was only 45%. Gender distribution reveals that men are more active in the use of Internet than women. (FFI, 2014, p.22.)

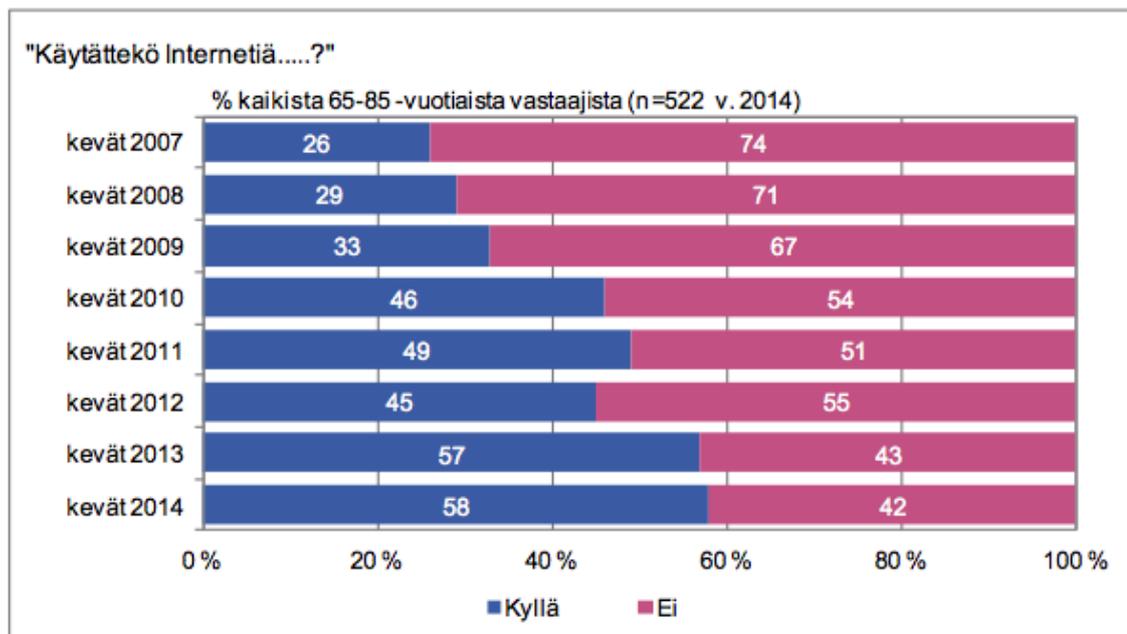


Figure 1. Seniors' use of Internet during years 2007-2014 (FFI, 2014).

Seniors have increasingly started using electronic bills, possibly due to the end of national direct debiting in January 2014. Figure 2 shows that from the seniors who pay their bills online, 64% are using electronic bills. At the same time, the use of payment service envelopes has increased among seniors above 80 years old. Among seniors it is rarer to use online bank and electronic bills as the main paying method than when compared to the whole population. Online bank and electronic bills are the main paying method of 87% of the population, but the same figure among seniors is only 52% (FFI, 2014, pp.24-28.)

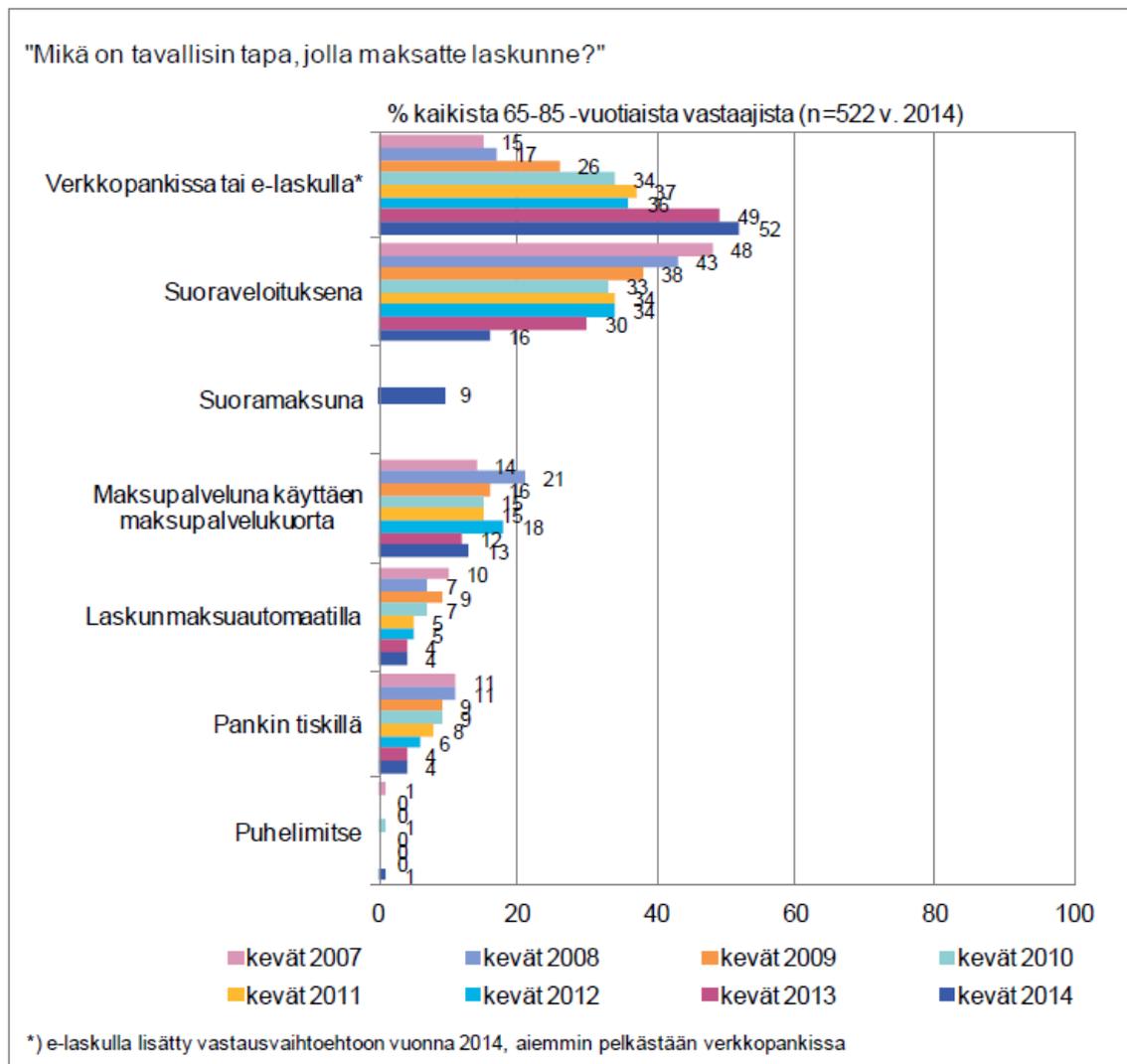


Figure 2. Most common payment methods among persons between the ages of 65-85 during years 2007-2014 (FFI, 2014).

Even though using online services with cell phone or tablet computer has increased during the last years, the majority of seniors use online bank with a desktop or laptop computer (FFI, 2014, p.26). Tablet computer does not suite for everyone because the touch screen can be difficult to use with shaky hands or stiff fingers (Salminen, 2013). Only 6% of the seniors use cell phone or tablet computer to access online bank (FFI, 2014, p.26).

At the end of the year 2013 almost 20% of Finnish citizens were older than 65 years (Statistic Finland, 2014). Seniors' proportion of the population is thus considerable and among them are many who do not use online bank.

3 RESEARCH METHODOLOGY

The research was made to get an overall picture of the current situation of bank's senior customers who are using the cash services. The main objective of this research was to examine senior customers' attitudes towards online bank. Based on this research a conclusion is made whether the senior customers are likely to start using online bank.

This research consists of two interviews: interview of a bank's employee is examined in chapter 4 and the findings of the interview of senior customers are presented in chapter 5.

Interview of a bank's employee, Tuula Randell, was made to gain valuable knowledge that is not written in the books but comes from experience. The interview was unstructured with few questions guiding the discussion so that the interviewee could widely describe her opinion and insights within the topic. The interview offers a bank's insight of the seniors and online bank.

Data collection of the senior customers' research was done by using short, structured and in-depth interviews. This type of an interview was chosen because of the restrictions of the target group. The target group was the customers using cash services, who are unlikely to use Internet. Therefore an online questionnaire was not an option.

On the first day of data collection I realized that senior customers are not willing to fill in paper questionnaires either because of poor motor skills and impaired vision. Most of them wanted face-to-face service and social interaction, so I decided to interview the customer using the questionnaire as a structure. This implementation method suited for my research, because it was the best way to reach the target group.

The interviews were done in five different bank branches in Turku region (Turku, Kaarina, Lieto, Raisio and Naantali) during five days in August and in September 2014. The used sampling method was non-probability sampling (Kothari, 2011, p.59), which in practise means that I went to the bank branches

and asked customers if they wanted to be interviewed. I spent from 2 minutes to 15 minutes with each interview, in total of 25 hours. I wrote down the answers during the interview, which was possible due to the shortness of the interview. 250 customers were asked to be interviewed, 53 of them declined and 14 answers were discarded because of not filling the limits of the target group. The response rate for this interview was good, 78.8%. The sample used for this research was 183 senior customers who used the bank's cash services.

The interview included open questions and yes and no –questions. The age was an important factor to limit the interviewees to senior customers. The open questions clarified the yes and no –questions which allowed variable in-depth answers.

3.1 Research questions

1. Why the cash service customers are not using online bank?
2. What areas in online banking are the senior customers experiencing difficult?
3. How to motivate the senior customers to use online bank?
4. What are the future prospects of cash service customers?

3.2 Target group

Target group of this research was the senior customers using the bank's cash services. At the moment 65 is a common age to retire in Finland; therefore the age of a senior was limited to be over 65 years old. The customers who use the bank's cash services are usually the ones who do not have online bank. This is why the target group did not cover all the bank's senior customers but only those who were using the cash services.

4 BANK'S INSIGHT

The interview is based on the interviewee's own opinions and are not the bank's official statement. For the structure of the interview see Appendix 1. It is considerable that interviewee has worked for a bank for over 30 years and therefore can offer a specialist viewpoint.

4.1 The current state and the future prospects of the cash service customers

According to Randell, a trend has been seen for tens of years that the banks are trying to get their customers to manage their financial issues their selves. Randell believes that this development will go even further, also with those customers who nowadays are using the bank's cash services. These customers do not necessary have a computer, and first of all, they do not have motivation to start using one. They have an established custom to run their errands in traditional way. They do not feel it is difficult or too expensive. This system is suitable for them, and they do not see a reason to change their customs.

4.2 Risks involved

Randell points out some risks that are involved when seniors with no earlier experience with computer or Internet are forced to use online bank. One of the major risks is that someone else is using the senior's online bank. Many of the seniors might not know how to use online bank or understand its meaning. It is quite common that a senior has an online bank but in reality children or grandchildren use it, which is a huge risk. Then it is not known who has actually used the bank account. Online service identifiers are used as identification for the bank and authorities and therefore it is crucial that they are absolutely personal.

When surfing online does not come naturally to the customer, it can create a security risk. Randell stresses that seniors might not realize when they have entered a fake website, because they do not necessary have the experience or knowledge. Seniors might inadvertently give information about their online

service identifiers or bankcards to other people; even though it would be self-evident to others that this kind of information cannot be given. Randell considers that the youth is more cautious because they are naturally interested in the field and therefore have the knowledge.

In addition Randell discusses a situation where a senior is no longer able to use the service. She wonders whether seniors will realize their inability to handle their finances and who will react when assistance is needed. If the senior deals with an employee at the bank, the employee can react if the senior does not understand what he is doing or if there are questionable persons in company. It can be seen as a bank's moral responsibility to react. Randell adds that sometimes online bank is not the right service for the customer, but it is better to face a real person.

4.3 Consequences to the bank

Randell explains that it creates additional work to the bank, if the customer has problems in using the service. Using the online bank requires basic computer skills and it would be good if the customer knows how to empty browsing history for security reasons. Telephone consulting is often laborious and time consuming, it can also be difficult if the customer does not know the basics of computer, and for example what is a web browser or an address bar.

4.4 How to motivate the senior customers to use online bank

Randell argues that at one point the seniors are forced to start using the online bank. There have been discussions that for example some services of Kela require online service identifiers. Reserving doctor's appointment often happens online and requires email address and online service identifiers. Also other identification services have increased. Service providers control the behaviour of customers. It can be seen as forcing if only one option is offered.

Randell describes that own will and want play the key role, when it comes to success in digital communication. If the customers are forced, they will probably lack motivation to do it. Lack of motivation can lead to poor learning or use of

alternative methods, for example letting someone else use the online service identifiers.

Randell suggests education to motivate the customers. Time to time bank arranges educational events, and banks also offer personal consulting to their customers. Randell knows that libraries, congregations, elderly care facilities, and other organizations offer a wide range of training sessions especially for seniors.

As another method to motivate the senior customers, Randell suggests personal invitations to discuss and learn about online bank. In a small bank, where the customers are well known, the customers can be selected in the cash services. Randell believes the seniors appreciate personal invitation that will make them feel special and a better customer.

4.5 Future of cash services

Randell presumes that the next generation of seniors are doing better with online bank. Most of them already have computers and they have the knowledge to use them. In the near future the cash services are decreasing even more, because of decrease in demand. The new generation of seniors does not regularly use cash services, because they handle increasingly their finances online. Decrease in cash service can already be seen, but Randell does not believe that they would disappear completely.

Randell points out that potential seniors would be good to get excited about online bank. Specifically those who are able to use computer, but just are not motivated. Invoice service fees do not cover the labour costs and other expenses. Automation is cheaper and more efficient, and when it comes to bigger volumes it is even more effective.

Randell would leave those senior customers alone, who at the moment are not interested in using online bank. She does not believe that forcing the customers is the right way to motivate.

Randell compares forcing to online bank to learning a new language you do not need. She asks me if I would like to learn Esperanto, an artificial language that is only spoken by few thousands of people, maybe two in Finland. I do not think I would need the language anywhere, especially because there are so many other more useful languages such as English or Spanish.

Randell gives another example of a boy who lives in eastern Finland, right at the border of Russia. He is forced to study Swedish, even though he knows that learning Russian would be more useful for him. He is not motivated to study Swedish, so he does not learn.

5 FINDINGS

Findings of the research are presented according to the questions in the order of their appearance in the interview (see Appendix 2).

5.1 Gender

Figure 3 demonstrates the gender distribution of the sample: 46% of the interviewees were men and 54% were women.

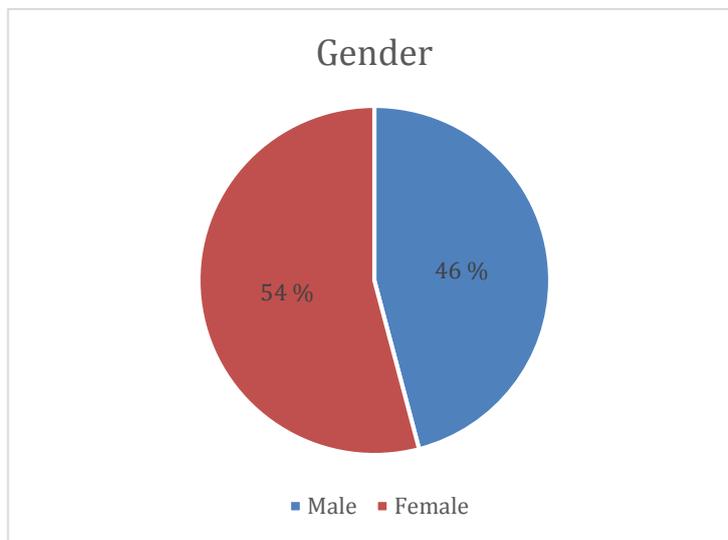


Figure 3. Gender distribution of the sample.

Gender did not show any significant correlation in the use of an online bank or in its attractiveness. Figure 4 shows the gender distribution in the use of an online bank. As seen in the figure 4, 17% of males used online bank where the same figure among females was 13%. The same amount of males and females were interested in using an online bank.

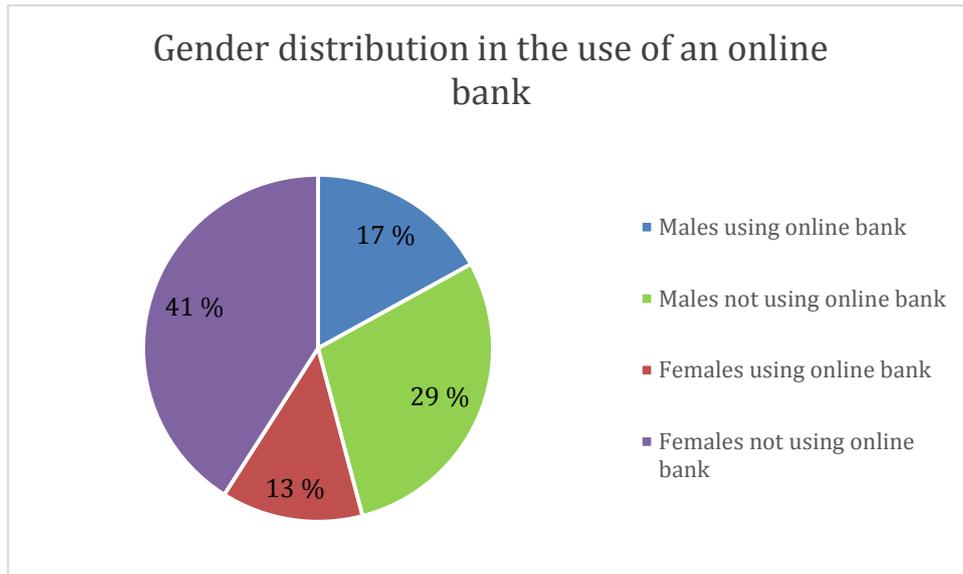


Figure 4. Gender distribution in the use of an online bank.

5.2 Age

The oldest interviewee was 94 years old. Interviewee's age range is seen in figure 5. Most of the interviewees, 37%, were between 65-69 years old. From the interviewees 28% were between 70-74 years old, 18% were between 75-79 years old and 13% were between 80-84 years old. Only 2% were between 85-89 years old and 90 years old or above.

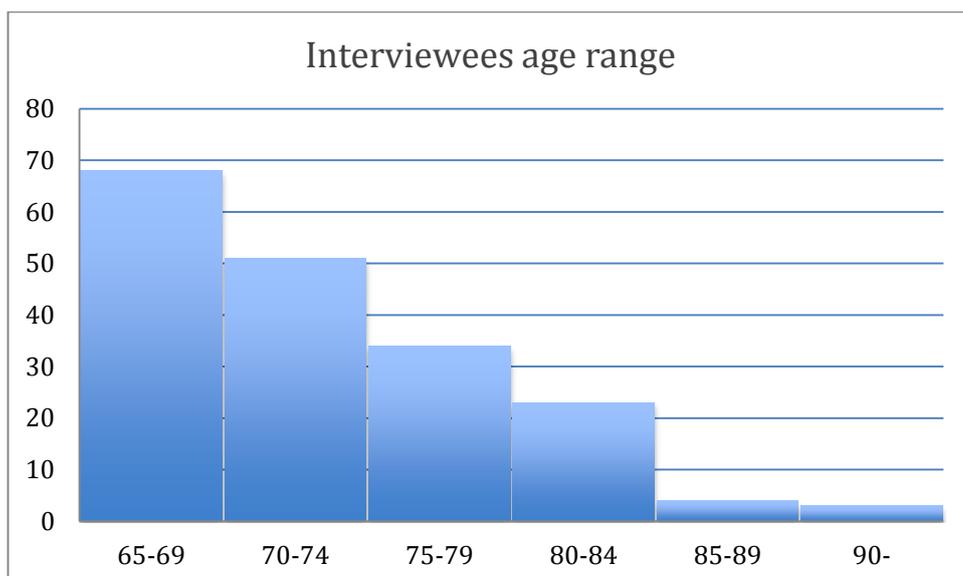


Figure 5. Interviewees' age range.

5.3 Senior customers' use of online bank

As seen in figure 6, 55 interviewees answered they are using online bank, which is only 30% from the sample. 112 interviewees were not using online, which is 70% from the sample.

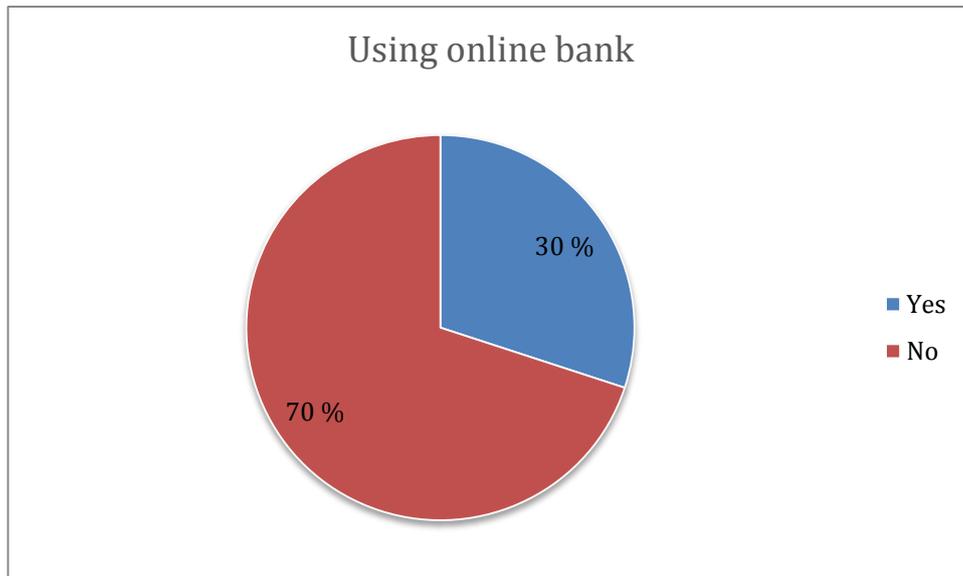


Figure 6. Senior customers' use of online bank.

5.4 Online bank experienced as challenging

All the interviewees were asked whether they experienced online bank as challenging. Figure 7 shows that 13% of the online bank users answered yes, while the same figure among non-users was 60%. Therefore 17% of the online bank users and 10% of non-users did not experience online bank challenging.

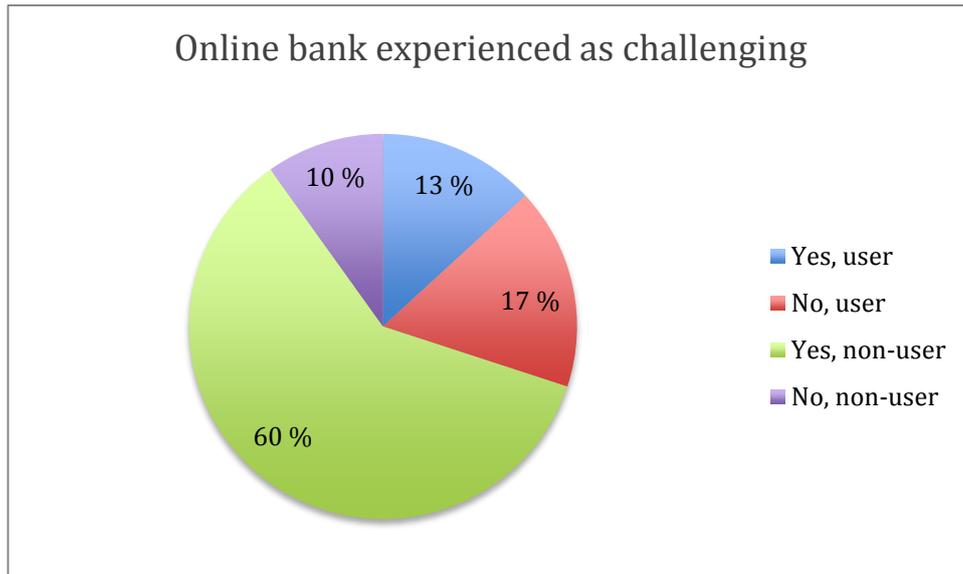


Figure 7. Online bank experienced as challenging.

Follow-up question was to find out which areas in online banking were experienced difficult. Only the answers from those who were using an online bank were taken into consideration in this figure. Open answers from 40 online banks users were examined. Respondents could have several answers, where five different answers were discovered. The answers were too long number series, electronic bills, confirming bills, using a computer, and changes and new things.

Areas experienced difficult and the amount of answers among the interviewees is seen in figure 8. The majority, 14 respondents, answered they found too long number series difficult. Number series refers to online bank's variable key code, account numbers and to invoice's reference number.

Electronic bills were the second most difficult area in online banking. Users said it is difficult to create an electronic bill, notice its arrival and make changes to it. All in all, electronic bills were unfamiliar to users and therefore experienced difficult.

Confirming bills was difficult to nine users. This refers to paper bills the users pay themselves in online bank. It was difficult for them to understand how the confirming works.

Using computer was difficult to nine online bank users.

Changes and new things in online bank were experienced difficult among 6 online bank users.

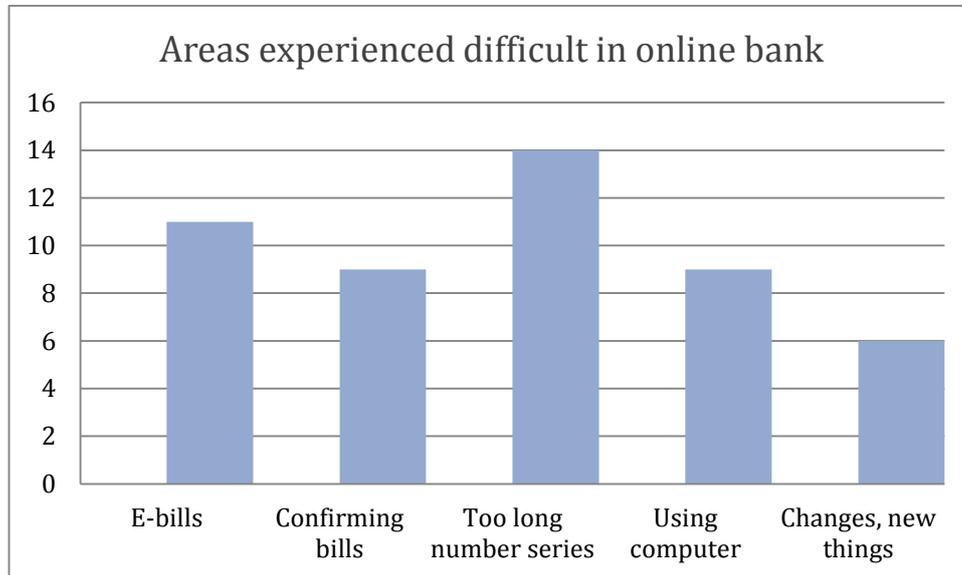


Figure 8. Areas experienced difficult in online bank.

5.5 Interest towards online bank

The most important question of the interview was an open question why the person was not interested in using an online bank. Only the answers from those who were not interested in using an online bank were taken into consideration in this figure. This includes 112 interviewees. Only 12% from those who were not using online bank were interested in starting to use. Reasons why the senior customers are not interested in using an online bank and their response rate are demonstrated in figure 9.

The interviewee could have several answers for this questions, where I distinguished seven different answers. The answers were that they want face-to-face service, they do not have a computer, they are too old, it is unsafe to use online bank, they do not know how to use a computer, they cannot see well and someone else takes care of their bills so they do not have to.

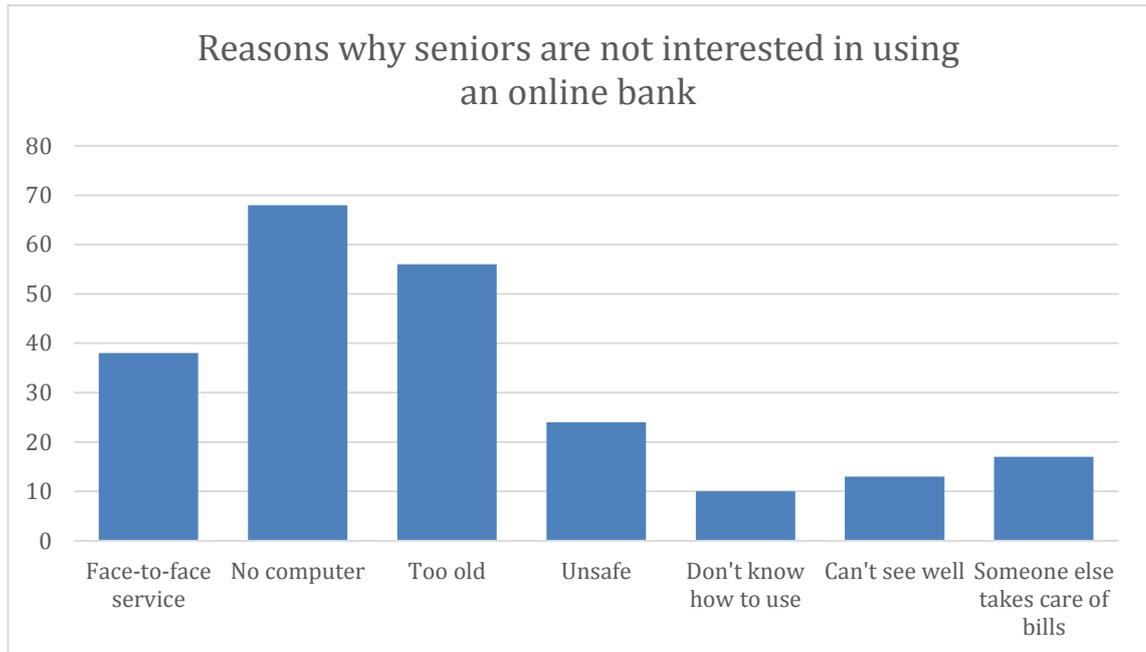


Figure 9. Reasons why seniors are not interested in using an online bank.

The most popular answer was that they did not have a computer, and many of them were unwilling to invest in one. 61% of those who were not interested in using an online bank answered that not having a computer was a reason for that. 8.9% stated that they did not know how to use a computer. Many of them said that it would take them too much time and effort to start learning to use a computer and they did not see the value in it.

Half of the interviewees answered they were too old to use online bank. On its own, this answer is not very informative. Many of the interviewees explained that it means they are old-fashioned and they are more comfortable of using the bank's cash services because that is what they have done their whole lives. They are not familiar with computer or online services, and as long as they can go to bank they will. Some interviewees said that Internet is for young people and they cannot understand the value it is offering because they have survived without it until now.

One reason why interviewees rather use the cash service than online bank was that they want face-to-face service what an online bank cannot offer. 33.9% of the interviewees answered that wanting face-to-face service was a reason they

are not interested in using an online bank. One interviewee said that going to bank is very important part of seniors' life, they do not just go there to get cash and get their bills paid, but they also go there to meet other seniors and the bank's staff. Some seniors feel lonely and socially excluded and the bank offers them a place for social interaction. Some interviewees also mentioned that they do not like to serve themselves, but they are more used to receive service.

Many of the interviewees had heard about data breaches and hackers, and they were not convinced about safety of online banks. 21% of the interviewees were concerned about the safety of online banking. They did not want to put their money and personal information under risk. Some were also worried about how their own actions could lead to them losing their money in case did some mistakes.

15% of the interviewees not interested in online bank said that someone else takes care of their bills so they do not have to. Usually this person was a husband or a wife, children or a neighbour. Paying bills in the bank was seemed expensive, so the interviewees trusted someone else's help to lower the costs of paying bills. Because someone already took care of their bills, they did not see it useful for them to start using online bank.

For some of the interviewees it is impossible to use online bank without special tools. 11.6% of those not interested answered that they are unable to use online bank because they cannot see well. Some said they would need a computer and online sites with larger images to be able to see, and still it would not be guaranteed. They were worried they might do mistakes because of poor vision.

Even though most of the interviewees were not interested in using an online bank, few of them considered online bank as a useful tool that would make their lives easier. 29 seniors from all the interviewees told their opinion why the online bank is useful. Many of them said that it is hard for them to move because they are in poor condition and using online bank would help them because they would not have to leave home. At least two interviewees needed assistance to be able to visit the bank.

Many of them felt that using an online bank is easier than going to the actual bank where they needed to reserve time and possibly wait in the queue. One interviewee was using electronic bills, which will get paid automatically on the due date without confirming, so he does not have to use anytime for paying the bills. Electronic bills are also free, so paying bills online is cheaper than in the bank. Even though the online bank itself usually carries a monthly service fee, it is seen cheaper than bank's cash service.

5.6 Support wanted

The interview included a question to find out what kind of support the interviewees think they need or would want. The question was asked from everyone. Figure 10 shows what kind of support the interviewees want and their response rate.

First response alternative was "I want my relative or a friend to help me", second was "I want the bank's staff to advise personally", and third was "I would like to participate in a guidance course". Fourth response alternative was "other, please specify" but since all the answers given to this were "I do not want or need support" it shows as that in the figure.

The vast majority of interviewees did not want any kind of help; 62% answered they did not want or need any support. Some of those already using online bank, did not see the support relevant. Most of who answered they did not want support, did not see it relevant because they were not about to start using online bank.

20% of interviewees wanted someone from bank's staff to advise them personally. Most of them did not know there is a possibility to make an appointment regarding guidance in online banking. The interviewees felt that bank's staff is reliable and competent, and personal guidance would be more useful than attending a course.

13% answered they wanted their relatives or friends to help them. Many of those who chose this response, were already receiving help from their children or neighbours.

Only 6% were willing to participate in a guidance course. Many of the interviewees doubted that a course could not be specific or personal enough.

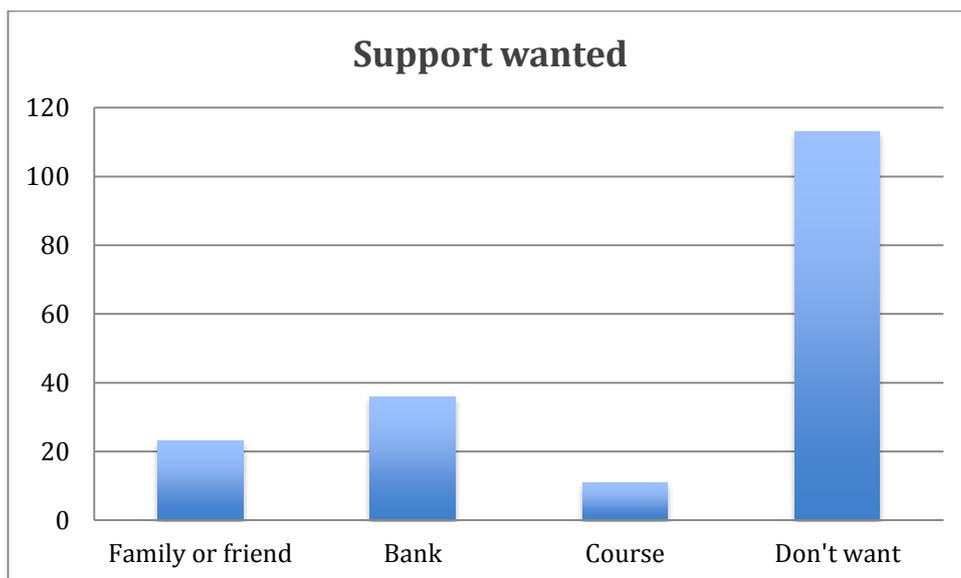


Figure 10. What kind of support the interviewees want.

6 DISCUSSION

Moving towards online services can be slow, because the customers do not know about the services offered, they fear that using the equipment is too difficult or they are concerned about the safety. Many seniors are also accustomed to use bank branches and they want to stay in the safe and known environment. (Ylikoski et al., 2006, p.132.)

6.1 Seniors' attitudes towards online banking

The research of this thesis focused only on the senior customers who use the cash services, which is probably why most of the interviewees were not interested in using online bank. Only 12% from those who were not using online bank were interested in starting to use. Most of the senior customers interviewed were used to having face-to-face service, they did not have knowledge about technology or online services and this is one reason why they have negative attitude towards online bank.

The younger population has grown using technology and it is self-evident for them. Computers only became accessible for citizens when nowadays seniors were already aging. Computers and Internet did not belong to their lives then, because they were accessible for large companies and universities only. Later on they might have experienced computers strange and difficult to use. What has not been cannot be missed. Therefore seniors might lack of skills and motivation to use modern technology.

Many of the seniors, especially those using the cash services, are lacking all of the components that Viherä (1999) pointed out in her study. From the interviewees who were not interested in the use online bank, 61% of them said they did not have a computer. Many of them did not see it relevant to buy one, and the rest thought the equipment and Internet access were too expensive. Seniors could use free alternatives such as computers in libraries, but some of them said they live too far from libraries and they feel that library is not a secure

place to run banking errands. Therefore they do not have access to the networks.

Even if they would have second thoughts, and they would buy a computer, many of them would not know how to use it. The interview of this thesis research revealed that some seniors did not use online bank, because they lack basic computer skills. Senior customers had problems using the computer, with electronic bills and with confirming the bills. Too long number series and changes and new things were also experienced difficult in online banking.

Eleven online bank users mentioned in the interview of this thesis' research that they experienced electronic bills as a difficult thing in online banking. It was the second most common area found challenging in online banking. They had problems in making electronic bills, confirming them and viewing them. This could explain why electronic bills are not as popular among seniors as they are with the rest of the population.

Difficulties in using Internet or computer indicate that all the seniors do not have the skills to use the means of digital communication.

As Tuula Randell mentioned: to use online bank, the customers need to have basic knowledge about computers and Internet. In addition they need to know how the services work, for example how to use electronic bills. This requires education and guidance to avoid uncertainty and risks of using Internet without proper security knowledge. Incompetence can lead to lack of motivation.

Seniors who do not have earlier experience with Internet for example through work life are under many risks when they start using online services for the first time. Seniors might lack knowledge in data security, which is important if using online services. Seniors who have not used Internet regularly might not be aware of its risks; they might visit harmful pages without knowing and make their online bank information vulnerable for hijackers. One worst-case scenario is they might give their banking information to someone asking it via email.

Some of the interviewees were relying on their relatives and neighbours with their money issues. If seniors are forced to use online bank without proper guidance, they might feel insecure about the use and hand out their online bank information to their relatives and neighbours or even for their caregivers to use it for them. Randell pointed out that it is one of the major risks if someone else is using the senior's online bank. Therefore they are vulnerable for exploitation. It is futile to give online bank access to a senior who is not capable of using it because of poor vision or other condition.

Randell mentioned that it can be difficult to determine when online bank is not the right service for the customer. It is problematic to define who should react if the customer is no longer able to use computer, and it is even more difficult if the customer is in no contact with a person who could react. Therefore it would be beneficial for both the bank and the senior, that the senior would visit the bank branch. The bank could keep an eye on the senior and consequently avoid extra work caused by ignorance.

Reasons the interviewees told why they are not interested in using online bank are in line with Viherä's (1999) study. They do not have access to online banking, they do not have the skills to use it and they lack motivation. In addition their principals and attitudes are one reason why they do not want to use modern technology. Seniors preferred face-to-face service and they gave plenty of other reasons that describe their lack of motivation. They want to do what they have always done because it is safe, and resistance for change comes naturally for people. If the banks want the seniors to start using online banks, they should focus on changing their attitudes, and not to force them into an uncomfortable environment.

A research made by Heikki Karjaluoto (2002) shows that by changing attitudes the banks have an opportunity to gain more customers. Bank staff has an important role in guidance and counselling in order to make the seniors confident users of online banks. The ease of use, affordability and safety are important elements to promote in order to change attitudes.

In my opinion, the seniors who are not using online services lack the most important component: motivation. If the seniors have negative attitude towards online bank and they can use cash services, they do not have the motivation to try alternative methods. If all cash services were to be closed, seniors would be forced to use online services. The motivation would be hostile and artificial; the motivation would not come from their selves. Seniors could still turn in to another person's side to take care of their banking affairs.

Resistance to change comes naturally for the people. The same reasons why people resist change that Murthy (2007) presented can be seen in the interviewees' sentiments too. Seniors were uncertain about the use of online bank, because they have not used it before and it is unknown to them. They were concerned over personal loss, because of lack of trust to the service. They feared that the fees of online bank are greater compared to what they are paying now. Some of the seniors were also worried that they might make mistakes that would make them lose their money, or their money and personal information could be in jeopardy because of the risks of Internet. Seniors did not believe that online bank would be in their best interest, because they were happy with the current services.

To reduce resistance the product should be modified to meet the customer's needs. This might motivate seniors to use online bank. Many of the interviewees mentioned that they would not want to use online bank because of their poor vision. In practice senior customers could use a different platform of online bank with larger images and texts.

Some seniors complained that the number series used in online bank are too long so their eyes cannot follow them. Online bank's variable key code could be shorter. Teaching the seniors how to use electronic bills can solve problem of too long number series with bills. With electronic bills the customer does not have to write down the numbers.

Randell stressed that seniors should want to use online bank in order to succeed in it. Education was mentioned as the main motivator in Viherä's and in

Murthy's theories, as well as in Randell's interview. Although banks and other organizations already offer education, these services are not familiar for everyone and they should be promoted more among senior customers and others who do not feel confident when it comes to using online bank. Seniors could be personally invited to learn more about online bank, as Randell suggested.

6.2 Reliability

Non-probability sampling method used for the research did not affect the representativeness of the sample. The sampling was purposive so it could reach the target group needed for the research. I think the sample represented the target group well because of its size. In addition the sample was collected in five different bank branches, which offers variation among the interviewees since they are not tied to one place only. The bank branches were located both in city and in the countryside.

The response rate of the research was large enough to give validate information about the topic. The research offered wanted information so the validity of the results is good. The results can be generalized to other bank's customers within the target group because of the heterogeneity of the customers.

It is difficult to estimate how many customers use the cash services of a medium sized bank. Based on my own experience and estimations of bank branches, the figure is approximately 600-800 customers every day. The sample of the research was approximately 22,9-30,5% of all the customers using the cash services.

It has to be kept in mind that the figure 600-800 consists of customers of all ages and the number of visits vary every day. The visits depend on the day; there are more customers on the days when pensions and other grants are paid. Therefore the numbers are not specific and the percentage of the sample in reality is higher if everyone under 65 is excluded from the total 600-800.

Consequently the size of the sample is large enough and the sample is representative.

This research offers valuable information for the bank's employees, especially for those who make decisions regarding the services offered. In addition to banking industry, this research is useful for elderly care, since the topic becomes more relevant when cash services are decreased. Even after ten years there are some seniors who need assistance with their everyday life including their finances.

7 CONCLUSION

When examined all the seniors, the overall attitude towards online bank is good and so is the user rate. The attitude towards online bank of the seniors in my research was quite negative. My research differed from the other researches made in this area, because mine focused only on the senior customers using the bank's cash services, where other researches focused on all the seniors. This explains the different results in mine and in other researches. It is important to examine this target group, because closing the cash services affects them most and this problem can be seen at least for ten years.

Seniors of the future will use and manage technology better than the seniors of today (Kaakinen & Törmä, 1999). This change is already seen in the increased user rates of Internet in the study of Federation of Finnish Financial Services (2014). In the future seniors' attitude towards online bank will improve since computers, Internet and online services will be more familiar to the seniors of that time. Need for education will decrease, and online bank's position as the main method of running banking errands will strengthen.

The already seen trend is to use more and more online services with banking affairs. But there will always be some customers who need to use bank's cash services. These customers are in poor condition physically or they have other reasons why they cannot use bank's offered online services. Support from relatives and other persons become more important when the banks follow the trend of closing cash services to the extreme.

The cash services should still be provided for at least few years to offer good and versatile service to fit in each individual's needs. It is a good thing that the change is done slowly and gradually, so that everyone has time to adjust. At the moment there is still demand for cash services, but is only logical to stop non-profitable operation when the demand has decreased to a certain point.

The research of this thesis was successful. The main goal was to identify the reasons why cash service customers are not using online services and consequently offer a solution and a hypothesis of the future. Interviews of the

seniors and the literature review provided several answers to this question. The main problems were lack of motivation and knowledge, and physical problems related to old age.

I had some difficulties in the beginning of the research, because I was planning to make a questionnaire but I ended up interviewing the senior customers. Fortunately I realized the senior customers' unwillingness to fill in paper questionnaires right at the start and I was able to make use of the questionnaire as a base for the interview. But overall the research went well and I think my questions were suitable to answer the research questions.

Future researches could focus on developing an online bank that is more senior-friendly and examine how receivables the seniors would be. In the research of this thesis, the seniors mentioned areas they found difficult in online banking. These areas could be enhanced in the new service offered to seniors.

The research of this thesis could be done again in five or ten years to see the change that has happened. It can be assumed that seniors' attitudes towards online banking will improve after a few years and a new research would reveal the extent of the change. New research could also study all the seniors and not only the cash service customers.

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Appendix 1. Interview A

What is current state of the cash service customers?

What are the future prospects of cash service customers?

What risks are involved when unexperienced seniors use online services?

What does it mean for the bank if unexperienced seniors use online services?

How the bank can motivate senior customer to use online services?

Do you think cash service customers will disappear?

Do you think all seniors should start using online services?

Appendix 2. Interview B

We want to find out how we can best support our customers with online services. *You can contribute to the development of our services by answering this questionnaire. Thank you for your time!*

The survey results are a part of Mona Piiparinen's thesis in Turku University of Applied Sciences. This questionnaire is anonymous and all replies will be held securely and confidentially.

Gender Male Female Year of birth: _____

Are you using an online bank? Yes No

Do you experience the use of an online bank difficult? Yes No

If you answered yes to previous question, what areas in particular are you experiencing difficult?

Are you interested in using an online bank? Yes No

If you answered no to the previous question, could you tell the reasons behind this?

What kind of support would like to have with the use of online bank?

- I want my relative or a friend to help me.
- I want the bank staff to advise me personally.
- I would like to participate in a guidance course.
- Other, please specify...