Chapter 39
Self-Service Technology Banking Preferences: Comparing Libyans’ Behaviour in Developing and Developed Countries

Fouad Omran Elgahwash
University of Wollongong, Australia

Mark Bruce Freeman
University of Wollongong, Australia

ABSTRACT
Technology-enabled banking services are currently being implemented in developing countries. This research examines how citizens of developing countries adapt to these changes in their banking services. Technological expansion has been occurring in the Arabic region since the 1980s; however, the focus has been on trade and services offered by industries. The banking sector is an information intensive industry and should be at the forefront of advanced use of Information and Communication Technologies (ICTs). The banking sector has started to utilize technology-enabled services through the Internet and mobile devices, with the goal of improving customer relationships by empowering customers. One common trend is increasing the use of self-service technologies, which are facilitated by ICTs. This study discusses how Libyan banks should focus their technology strategies to relate to customers, reduce costs and improve services, achieved through the use of a survey completed by customers who have become accustomed to technology-enabled banking services in the developed world. The current availability of technology-enabled banking services in Libya is limited. This paper presents a comparative review of the use of technology-enabled banking services by Libyans when they are in Libya and whilst they are in Australia (a foreign developed country where Libyans are furthering their education).

DOI: 10.4018/978-1-4666-6268-1.ch039
1. **INTRODUCTION**

There have been rapid changes in the ways that customers deal with their banking institutions, with technical innovations leading to the adoption of technology-enabled banking (electronic banking (e-banking) and mobile banking (m-banking)). These have become a common channel of choice for interactions between customers and their banking institution, compared with traditional face-to-face interactions. Self-Service Technologies (SSTs) have made it easier for customers to complete banking transactions and other related banking services as they provide increased availability of services, with customers being less dependent upon the opening hours and location of their bank (Storbacka, Strandvik, & Grönlund, 1994). The incentives for customers to use these new banking channels are expectations of increased productivity, decreased costs and increased added value. The ubiquitous nature of e-banking has created a shift in the relationship between customers and their banking institution.

Throughout the developed world, the implementation and usage of Information and Communication Technology (ICT) in the service sector has been dramatic. The banking sectors’ operations have altered as they have adopted ICT applications into the banking process (Cracknell, 2004; Jalal-Karim & Hamdan, 2010). Customers have highlighted the need for services to be provided through the Internet and mobile phones (Akel & Phillips, 2001; Jalal-Karim & Hamdan, 2010). As a result, ICT services have replaced normal straightforward face-to-face interactions with online banking services (Amin, 2007), a SST. As a result, the ICT revolution has set the stage for increases in financial activity across strategies in the banking sector and it is altering a rapidly moving market place (Jalal-Karim & Hamdan, 2010). This technological development has influenced the range of services and led to improved availability for increasingly larger client groups. Self-service has become one of the key concepts of technologies (Banerjee, 2009; Freeman, 2009). Despite these advances in the developed world, the situation has been remarkably different in developing nations, as the core technologies have not previously been available to customers and face-to-face service has been the norm.

This paper presents the recent advancements in the banking sector generally, with the adoption of comprehensive SSTs used to create improved customer relationships (Jalal-Karim & Hamdan, 2010). Initially, an explanation of the case study of Libya is presented. A review of the potential benefits of SSTs to the customer, through m- and e-banking, is then provided. Finally a preliminary investigation of the SSTs that are used by Libyans in Libya compared to Australia is presented, highlighting the differences in use between the two countries. This study provides the starting point for identifying the types of services that future Libyan professionals could use on their return to Libya. To achieve the goal of determining the technologies with potential for improving customer relationships in the Libyan context, the following questions need to be addressed:

1. What types of ICT technologies are used by Libyans:
   a. In Libya (i.e. a developing country) and
   b. In Australia (i.e. a developed country)?
2. Which ICT-enabled banking services (i.e. ATMs, phone banking, Internet banking and mobile banking) are used by Libyans:
   a. In Libya (i.e. a developing country) and
   b. In Australia (i.e. a developed country)?

This study is unique as, rather than focusing on technology adoption within a specific developed or developing country, this study considers the adoption choices of users from a developing country, comparing their usage of banking services in both their home (developing) country and in a developed country. Prior research has identified