

# CULTURAL DIMENSIONS REFLECTION IN THE BANKS' WEBSITES- AN EMPIRICAL STUDY

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## **Rezumat**

*The purpose of this paper is to examine how website design and content reflect the cultural dimensions. The authors performed an empirical research aiming at identifying the main cultural dimensions patterns in the banks' website design, analyzing the information and messages provided and assessing the quality of the communication with the websites' visitors based on the information provided by the website. The originality of the research consists in the investigation area and research conclusions. The paper provides valuable insights for the bank management, marketing and PR specialists and practitioners in web design on the websites' information and communication and the bank image reflection in the website.*

**Key words:** *Website, bank, communication, cultural dimensions*

**Jel classification:** M15, M14, G3

## **INTRODUCTION**

Facing a very dynamic and competitive economic and financial environment and a more and more computerized business approach, the companies found new ways to present themselves, to promote their products and services and their potential for business. In this respect the web sites represent a modern and effective way to enter in the cyber world and promote the companies' interests, businesses and facilitate the dialogue with the potential clients and business partners. The trust and empathy come from a good communication that implies the content of the message and how the content of the message is delivered, meaning that the message's delivery style matches the cognitive style of the website visitor (Urban, 2009, p2).

The website quality is highly related to the company's culture, being a reflection of the company's scope, values and principles. The analysis of the companies' websites offer important information regarding the corporate governance issues, economic and financial potential and reflects the pattern of the cultural dimensions specific for each nation. The literature review emphasizes numerous researches focusing on the websites' quality, design and the website design in relation with the cultural dimensions. The researches focused on universities' websites or large companies' websites but not on financial institutions. Being close to the banking industry, the authors conduct their research trying to assess in what extent the cultural dimensions are reflected in the banks websites and how this approach has to be understood and promoted by the bank management, marketing people and the websites designers.

The authors' research aimed at understanding how communication styles, important component of a culture, may be reflected on web-sites design. In order to carry out the study, the authors selected a website sample including most recognized banks all over the world in order to find out if the Hofstede theory is applicable on banks' website design. Our

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research investigates the impact of the cultural dimensions on websites' design and communication in banking industry, characterized as a highly professional and rigorous regulated domain.

## **METHODOLOGY**

The authors have undertaken a large-scale systematic review of both academic and practitioner sources related to websites' design, information systems quality assessment, users' satisfaction, communication policies, and organizational culture. The screening of the professional literature emphasized the most important research areas in the field some of them being followed by the authors in their research. Representative literature titles were reviewed aiming at identifying the most relevant opinions, theories regarding the cultural characteristics of the different people and how they are reflected in the cultural dimensions.

Our research emphasized the relation between website design and cultural dimensions stated by two famous anthropologists Hall and Hofstede. Aiming at obtaining more recent assessment related to the Romanian values and behavior and other European countries, the authors used Interact study (conducted in 2005). The Interact study confirmed Hofstede's evaluations regarding the Romanian culture based on the five dimensions: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long vs. short term orientation (Luca, 2005). Our research aimed at identify in what extent the five cultural dimensions are reflected by the banks' websites. In this respect the research implied an empirical study that included a large set of banks with subsidiaries in different geographical areas. The authors stated the criteria needed for the website content analysis based on the cultural dimension retained by Hofstede. The information obtained was synthesized and structured in the conclusions presented in the following sections.

## **CULTURAL DIMENSIONS' IMPACT ON WEBSITE DESIGN**

The national culture influences the organizational culture, groups and individuals behavior. Hofstede defined the culture as "the collective programming of the mind distinguishing the members of one group or category of people from another" (Hofstede site).

Edward Hall's research and works are known in the scientific community; they opened new areas of research and offered theoretic foundations for many researches focused on cultural frameworks. Hall stated that all cultures can be put in relation to one another based on the styles in which they communicate.

In this respect, it is extremely challenging to study how these differences in communication styles across cultures are expected to be reflected in the ways websites communicate their messages/information. The website quality and the user satisfaction impose that website's communication strategy should be stated and aligned to the targeted audience, meaning to be aligned to the cultural specificity of the targeted audience.

Based on a detailed research Geert Hofstede stated that the dimensions of national culture are (Hofstede, 1996; The Hofstede Center website):

- Power Distance (PDI)
- Individualism versus Collectivism (IDV)
- Masculinity versus Femininity (MAS)
- Uncertainty Avoidance (UAI)
- Long term orientation

Hofstede stated two types of cultures: HC cultures defined by a collectivistic behavior and LC cultures presenting as a dominant feature the individualistic behavior. Collectivistic cultures prioritize group welfare over the goals of the individual. In opposite, in LC cultures, the focus is put on the goals and accomplishments of the individual rather than the group.

The cultures defined by high masculinity score are focusing on competition, achievements and success. In opposite, the feminine cultures are concerned in the quality of life, concern for the others, good work relations etc. "The characteristics of cultures with high power distance include many hierarchical levels, autocratic leadership, and the expectation of inequality and power differences, and are affiliated with HC cultures, such as Japan. In contrast, low power distance cultures are characterized by flat organization structures, consultative or participative management style, and the expectation of egalitarianism, especially evident in LC cultures such as the Scandinavian countries" (Würtz, 2006). The uncertainty avoidance expresses the extent in which the members of a national culture are feeling the threat in case of ambiguous situations. Marcus considers that in cultures with high uncertainty avoidance businesses may have more formal rules, require longer career commitments, and focus on tactical operations rather than strategy. In low UA business may be more informal and focus more on long-range strategic matters than day-to-day operations. (Marcus, 2001)

LC cultures consider time as very important; in this respect they are generally oriented towards planning and scheduling. "Long-term oriented societies foster pragmatic virtues oriented towards future rewards (as for example saving and adapting to changing circumstances). In opposite, short-term oriented societies foster virtues related both to the past and present such as national pride, respect for tradition and fulfilling social obligations" (Hofstede).

Aiming at understanding the Romanian cultural characteristics based on Hofstede's theory your research has included the Interact study performed on this topic in 2005. The Interact study confirmed Hofstede's evaluation and emphasizes that Romanian culture preserved in time its cultural dimensions (Luca, 2005):

- Romanian national culture is characterized by: collectivism, high power distance, femininity, high index of avoiding uncertainty, short time orientation.

- Latin countries (as for example France, Spain, Italy) are characterized by: individualism, high power distance, femininity, high index of avoiding uncertainty, short time orientation.

- German countries are characterized by: individualism, low power distance, masculinity, low index of avoiding uncertainty, short time orientation.

- Scandinavian countries (as for example Denmark, Sweden) are characterized by: individualism, low power distance, femininity, low index of avoiding uncertainty, short time orientation.

- Anglo-Saxon countries (as for example Great Britain, Canada, Australia) are characterized by: individualism, low power distance, masculinity, low index of avoiding uncertainty, short time orientation.

The empirical study performed over the banks' websites has analyzed in what extent these cultural characteristics are reflected by the websites. The conclusions are presented in the following section.

## **ARE THE BANKS' WEBSITES REFLECTING THE CULTURAL CHARACTERISTICS?**

In the empirical study the authors focused on the cultural dimensions and the website design, with a special attention for the chromatic used in the web design. The authors considered that the colors used in the banks' logos and websites emphasize a specific significance. Colors evoke specific emotions and induce specific meanings in different cultures. Even so, some colors induce same meaning for most people. For example blue underlines the idea of universality, green suggests nature, equilibrium, safety, yellow significance is distinction and trust, red expresses power and volition, black expresses credibility, loyalty and authority. In this respect, the authors underline color options of the

financial groups present in the Romania: yellow and black (Transylvania Bank, Raiffeisen Bank, Romanian Bank – Banca Romanesca), blue (BCR Erste, Credit Europe Bank, Bankpost, Pireus Bank, RBS etc), red and black (BRD, UniCredit Tiriac Bank, Libra Bank), green is present in OTP's logo.

In case of Erste Group in the present paper the authors retained from the in empirical study the findings related to Austrian website of the group and BCR Erste Bank website.

### *Erste Group*

According with Hofstede assessment, the Austrian cultural dimensions are: PDI 11 (low power distance), IDV 55 (individualistic society: people are concerned for themselves and the family members; the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only), MAS – 79 (masculine culture evoking progress, earnings, competition), UAI -70 (preference for avoiding uncertainty by maintain rigid codes of belief and behavior). These characteristic are reflected by the bank site (figure no. 1).

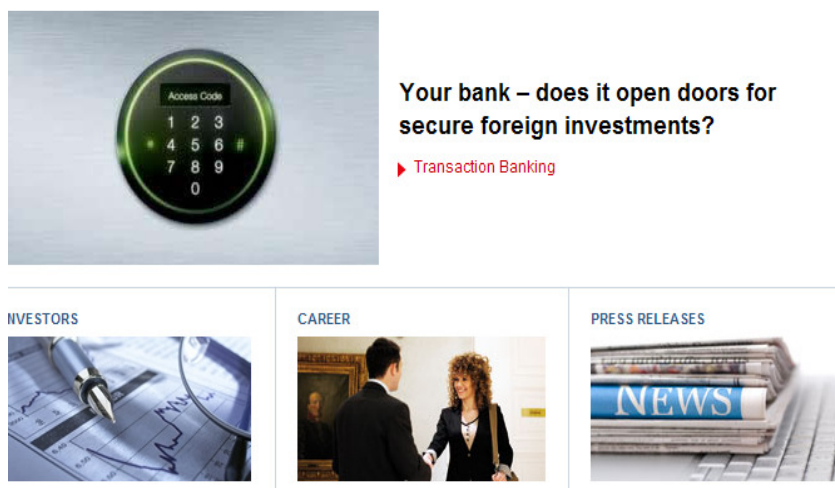


Figure no. 1. The Erste Group main page of the website

The images included on the main page of the site reflect the low power distance (career rubric), MAS and UAI characteristics (all the other images). The bank is offering secure and profitable investments, well controlled by their specialists (the investors' rubric), the bank performance being recognized by the financial world and press (press release image).

### *BCR Erste*

The Romanian cultural dimensions register the following scores: PDI 90 (high power distance: will determine complex hierarchic organizational structures), IDV 30 (collectivistic society: there is a long-term commitment for the family group and extended family), MAS – 42 (femininity: dominant values in society are caring for others and quality of life), UA-90 (high preference for avoiding uncertainty).



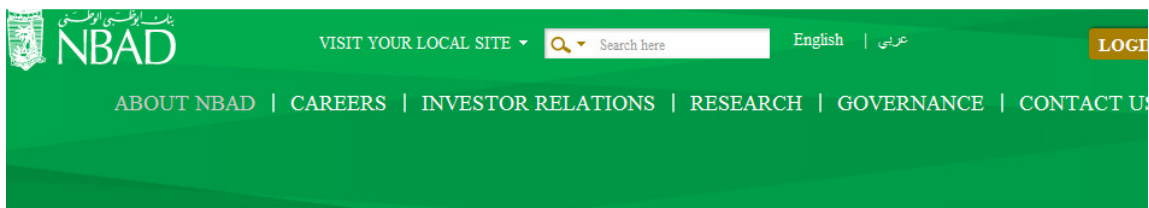
Figure no. 2 Main Page of BCR Erste website

The collectivist and femininity features are emphasized by the images included in the main page of the site (idea of family, friend and their welfare, the concern for the young generation - the grandmother and her nephew). The PDI can be identified investigating the way the Romanian bank management is presented: the vertical presentation of the senior management starting with the CEO. The high UA is reflected by the numerous documents presented on the site stating clear rules for the bank activity (as for example the constitutive act, the signature guide, the ethic code etc).

In the empirical study sample were included banks and subsidiaries registered in the Islamic countries and Asia. Some of the findings are emphasized in the present paper.

#### *National Bank of Abu Dhabi (NBAD)*

In the Islam countries the five cultural dimensions are strongly impacted by the religious percepts and rules. This is impacting the banking rules also: the concept of interest is not accepted and in corporate governance the bank includes specific rules - the Sharia compliance. The dominant color in the site is green, having a special significance for the Islamic people (this color is dominant also in the French, UK and American branches' websites of NBAD).



## About NBAD

The National Bank of Abu Dhabi (NBAD), UAE's premier bank, offers the complete range of banking services with operations in 18 countries and is ranked in the World's 50 Safest Banks and the Safest Bank in the Emerging Markets.

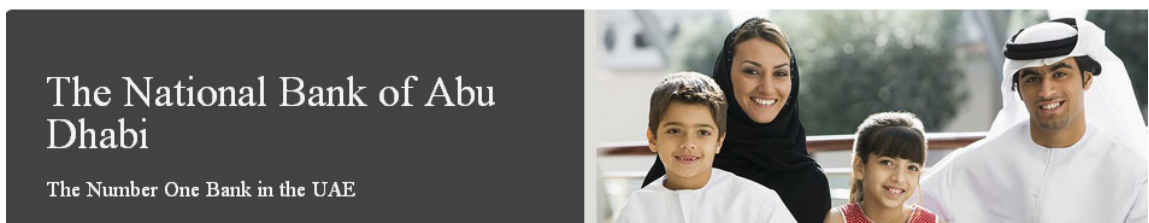


Figure no. 3 The main page of NBAD website

The Islamic society is collectivistic. There is a deep concern for the family welfare and also of the large community, with a special attention accorded to the young generation (figure 3 and 4). This is reflected by the main page of the site where there is the image of the family.

### Islamic Credit

### Islamic Debit



Figure no. 4

The Islamic society is characterized by masculinity. In this respect, the masculine presence is dominant in the site and the characteristics emphasizing the success, competition, accomplishment and earnings are reflected by the website (figure no. 5).

## Experience the freedom of NBAD One

Waived cash withdrawal fees at non-NBAD ATMs in the UAE, Platinum debit card with higher purchase & cash withdrawal limits, free life insurance cover, overdraft, exclusive discounts at premium outlets, NBAD Stars loyalty rewards and more

[▶ Apply Now](#)

Current

Savings

Call Accounts

Term Deposits

Figure no. 5 Images sustaining the masculinity dimension

The Asian cultures, and mostly the Japanese culture are high contextual. The communication is based on symbols, non-verbal communication elements. The respect for the tradition, ancestors and national values is well known. In this respect, the main page of RBS site is suggestive.

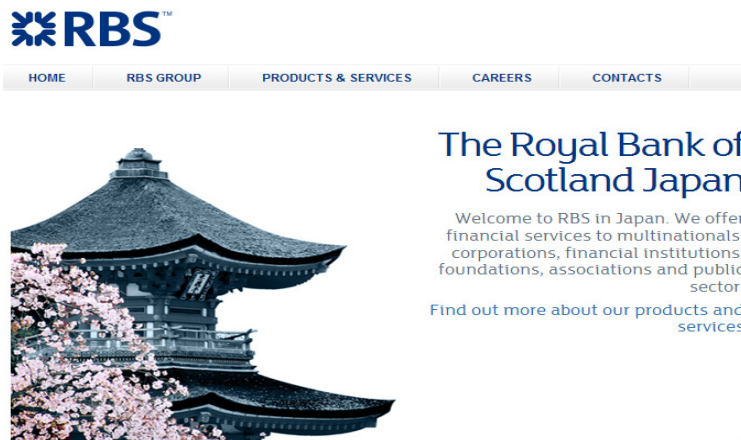


Figure no. 6 Main page of RBS website

In the website the metaphors and symbols are pregnant: the cheery tree flower (national symbol) is present. For the Japanese culture the symbols are very important and also the tradition. This is respect the main page of the site is presenting a traditional construction and the cheery flower.

## CONCLUSIONS

The IT developments and the rapid growth of Internet use have considerably changed the way organizations interact with employees, customers and providers, practitioners in the field and large public (Stanciu & Pana, 2012). The banks were not passive to the opportunities offered by web technology. Following their goal to increase the market share and attract new clients, the banks have used web technology to present their products and services, their financial power, tradition and recognition in the financial world, aiming at offering the perception that they are at the forefront of information technology and financial offer.

The cultural pattern is present in all the websites analyzed in our study, even in the English version build for non-local visitors. Adapting their communication through the website to the subsidiaries national cultural characteristics, the international banks have adjusted their message to the focused target, the potential local clients. Local financial market needs strategies, communication strategy inclusively, adapted to the local needs, values and local business patterns. The banks' websites represent a visit card emphasizing the bank identity, potential, offer, corporate culture, and corporate social responsibility. It reflects the bank's vision, scope, objectives, and relation with the local community and the financial world. The website quality can consolidate the bank's image or put it an undesirable shadow.

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