PhD Dissertation Example – Business & Management (Quantitative)

Title: Digital Banking Adoption and Consumer Trust in the United Kingdom

Field: Business & Management
Level: PhD

Abstract

This doctoral study investigates which factors most strongly influence the long-term adoption of digital banking services in the United Kingdom. The thesis focuses on consumer trust, perceived risk, service quality and demographic moderators such as age and region. Using a quantitative research design and a survey of 742 UK banking customers, the study applies multiple regression and moderation analysis to test a model developed from technology acceptance and trust–risk theories. The findings show that trust is the strongest predictor of adoption intention, followed by perceived ease of use and service reliability, while perceived risk reduces the likelihood of adoption. The study provides evidence-based recommendations for banks that wish to improve adoption among hesitant customer groups.

1. Introduction

Digital banking has moved from a niche service to a central part of everyday financial life in the UK. However, adoption is uneven. Some customers manage all of their finances through apps, while others continue to rely on branch-based services or hybrid arrangements.

This dissertation asks:

To what extent do trust, perceived risk and service quality predict UK consumers' intention to adopt digital banking services?

The chapter explains why adoption matters for banks and regulators, presents recent industry statistics, and sets out the research aim, objectives and questions. It closes with an overview of the theoretical framework (Technology Acceptance Model plus trust–risk perspectives) and a brief outline of the thesis structure.

2. Literature Review

The literature review is organised into four parts:

1. **Technology acceptance and innovation diffusion.**
   This section reviews the Technology Acceptance Model (TAM), Unified Theory of Acceptance and Use of Technology (UTAUT) and key constructs such as perceived usefulness, perceived ease of use and behavioural intention.
2. **Trust and perceived risk in financial services.**
   Here the chapter explores institutional trust, information security, privacy concerns and fraud experiences, drawing on banking and e-commerce research.

3. **Service quality in digital channels.**
   This part discusses responsiveness, reliability and user experience in mobile and online banking platforms.
4. **Digital inclusion and demographic differences.**
   Studies on age, income, digital literacy and regional disparities are reviewed to identify likely moderators.

The review identifies three main gaps:

- limited UK-specific evidence on **combined** effects of trust and risk in digital banking;
- under-representation of older and low-literacy customers;
- a need for **integrated models** that link service quality with trust and adoption.

These gaps lead directly to the hypotheses tested in the study.

3. Methodology

The thesis adopts a **positivist, quantitative design**. Key elements include:

- **Research strategy:** cross-sectional online survey of UK residents who use at least one banking service.
- **Sample:** 742 valid responses after cleaning; stratified quotas were used to ensure variation in age, gender and region.
- **Measures:** constructs such as trust, perceived risk, perceived ease of use, perceived usefulness, service quality and adoption intention were measured using validated Likert-scale items adapted from prior studies.
- **Reliability and validity:** Cronbach's alpha values for all multi-item scales exceeded 0.85. Factor analysis was used to confirm convergent and discriminant validity.
- **Analysis:** data were analysed using descriptive statistics, correlation analysis and hierarchical multiple regression. Interaction terms tested whether age and digital literacy moderate the relationship between trust, risk and adoption.

The chapter also sets out ethical procedures, including informed consent, anonymity and secure data storage.

4. Results

Key findings include:

- **Trust** has a strong, positive effect on adoption intention ($\beta \approx .60$, $p < .001$).
- **Perceived risk** (especially fear of fraud and data misuse) has a significant negative effect ($\beta \approx -.25$, $p < .01$).
- **Service quality** and **perceived ease of use** show moderate positive effects, mainly by reinforcing trust.
- **Age and digital literacy** moderate these relationships: trust matters most for older and low-literacy customers, while ease of use is particularly important for younger users.

Tables and figures present the regression models, interaction plots and robustness checks.

5. Discussion

The discussion links the statistical results back to the theoretical framework:

- It argues that **trust functions as a gateway variable**: even highly usable apps will not be adopted if institutional and data security trust is low.
- It explains how service quality and communication strategies can reduce perceived risk.
- It compares the findings with prior banking and e-commerce studies, highlighting where this UK-based work confirms or challenges existing evidence.

The chapter also reflects on limitations (self-reported data, online sampling, exclusion of customers with no internet access) and outlines implications for practice.

6. Conclusion and Recommendations

The thesis concludes that building and sustaining trust is central to long-term digital banking adoption in the UK. Banks should:

- communicate security and privacy policies more transparently;
- design interfaces that clearly signal reliability and support;
- target digital-literacy support at hesitant customer groups;
- monitor trust and risk perceptions as core performance indicators.

The chapter suggests avenues for future research, including longitudinal designs, experimental studies on interface design, and cross-country comparisons.