

The country places additional emphasis on two other subjects - *innovation* and *sustainability*. The quick decision-making procedures mentioned before as one of Liechtenstein's main advantages is of particular importance when it comes to innovation. The digital revolution is one of many great innovation drivers for the international financial services industry. The Liechtenstein financial center is also trying to position itself at the top of the competition for the best FinTech solutions. With one of the three principal strategic pillars of the Roadmap 2020 of the Liechtenstein Bankers Association being digitisation, it does not come as a surprise that a special focus is put on Blockchain technology and electronic banking services (Liechtenstein Marketing, 2016).

Sustainability is another one of the three principal strategic pillars of the Roadmap 2020 of the Liechtenstein Bankers Association (Liechtenstein Marketing, 2016). In fact, Liechtenstein is one of the most sustainable and innovative countries in the world. In 2017 Liechtenstein was ranked 17th out of 180 countries in the Global Sustainable Competitiveness Index (SolAbility, 2017). Greater cultural emphasis is to be placed on Liechtenstein being a responsible and sustainable financial center. Liechtenstein is to be seen as a respectable and stable financial center that operates in accordance with sustainable principles and is characterised by its high innovative strength and efficiency as well as its proven expertise in the private banking field.<sup>2</sup>

Banks in Liechtenstein have long-standing expertise in the private banking field. Liechtenstein has traditionally specialised in private banking and wealth management. The first bank was founded back in the year 1861. This bank still is amongst the largest in the country and also the one which provided the dataset for this thesis - the Liechtensteinische Landesbank AG. One of the bank's special features is its dominance on the retail banking market. In the subsequent subsection one can find information about this bank in particular, as well as in comparison to the other two large competitors VP Bank and LGT Bank.

### **2.3 Liechtensteinische Landesbank AG**

The evidence on the adoption of electronic banking services presented in this thesis was contributed by one of the major players in the financial center of Liechtenstein, namely the Liechtensteinische Landesbank AG. The prominence of the bank, which is not the national bank of the country, is undeniable. After all, it is the largest retail bank in the country. Therefore, it makes only sense to briefly address the company and discuss it in the context of the financial center. As we have seen before, there are 15 banks in Liechtenstein. The biggest three are the LGT Group, the VP Bank Ltd. and the Liechtensteinische Landesbank AG. A comparison of these three major players in Liechtenstein's financial services industry can be found in table 2.2.

With three branches across the country and 20 ATM's - one in almost every municipality - the LLB is the country's largest retail bank. Moreover, LLB's three bank branches, located in Eschen, Vaduz and Balzers, are well distributed across the country. This is of major interest for the following explanations about the electronic banking adoption, because one of the main hypotheses is concerned with the client's distance to the LLB bank branches. The e-banking adoption variable is in direct relation to the bank's electronic banking agreement. This agreement governs the use of e-banking services that covers both LLB Online Banking and LLB Mobile Banking. In order to have such an agreement with the bank, a client has to sign it and provide indications about the intended use: Asset information, Payment orders, Stock market orders (excluding derivatives), Money market orders, Electronic mail, PhotoTAN reader. Yet, regardless of the intended use, all clients sign the same e-banking agreement. At LLB, the Online Banking services have been

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<sup>2</sup>For further information on the financial center please refer to <https://www.finance.li/en/>