4 Data and Methodology

The purpose of this section is to link the explanations about the Principality of Liechtenstein, its financial sector and the Liechtensteinische Landesbank AG to the dataset, which is the foundation of this master's thesis. Therefore, we will give some information about the data collection process and describe, in a next step, the dataset we obtained. The section concludes with a brief description of the research methodology, before we will move on to the presentation of the results.

4.1 The Dataset from LLB

As we have seen before in section two, the dataset, which is at the core of this research, was obtained from the Liechtensteinische Landesbank AG. We will now turn our discussion to the collection process.

4.1.1 Data Collection

In order to obtain the dataset at hand, a cooperation with a major player in the banking sector was inevitable. Fortunately, such a practice partner could be found with the LLB. However, the data collection was not that straightforward. Many privacy and legal issues regarding the client data had to be considered before the dataset could be finalised. Of course, the request for data from the research perspective included many more variables than what was actually feasible for the bank to provide. Yet, under the close collaboration with the bank it has been possible to agree on a dataset containing four variables, namely the sex of the client, the ZIP code of her postal address, her year of birth and whether she has an e-banking agreement or not. These variables were retrieved from the bank's databases and provided in an excel sheet. To illustrate the layout of the dataset, its first 10 observations are shown in appendix B. For the sake of privacy and anonymity of the clients, the year of birth was obliterated for observations with less than six individuals. The following subsection briefly describes the aforementioned variables in general. It further presents descriptive statistics with regard to our outcome variable - electronic banking adoption.

4.1.2 Data Description

The original cross-sectional dataset contained 33'928 individual client observations. According to the information provided in table A1 the population of the whole country is 37'000 people. This suggests, that 91.70% of all citizens living in the principality have, in fact, a bank account at LLB. This figure becomes even more impressive, if we take into account that not even every citizen has a bank account at all. Although no data for Liechtenstein is available, data from the Global Findex database suggests that in the neighbour country Switzerland 98% of the population has at least one bank account.[11] Arguably, this value will be close to the one in Liechtenstein. After cleaning the dataset of observations with a missing value for the year of birth variable we are left with 31'511 observations - or 85.17% of the whole population. The following explanations will focus on each variable in turn to give a brief overview of the sample and present descriptive statistics with regard to our outcome variable - electronic banking adoption. This part focuses on absolute and percentage differences within each independent variable, with regard to the outcome variable. At this point, no statistical inference is made.

Electronic Banking Users The main variable of interest in the following deliberations is the dummy variable, which indicates whether a LLB client has an electronic banking agreement with

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[11]For further information see http://datatopics.worldbank.org/financialinclusion/country/switzerland