Editorial

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In this second issue of Volume 13, I am pleased to introduce eight papers covering a wide range of topics and drawing on empirical evidence from the UK, US, Australia, Kuwait, Malaysia, Ireland and Finland. A common theme among the papers is the need for financial institutions to be customer oriented, to gain a better understanding of the customer in terms of their needs and preferences, how they relate to financial services and financial services providers and how financial services providers and advisers can use this knowledge to better serve the customer and build a longer-lasting and more satisfying relationship with them.

The first paper in this issue, by Laukkanen and Pasanen, looks at mobile banking users and how they differ from other online users. The rapid pace of technological development has created opportunities for financial service providers to offer their services via multiple electronic channels. The mobile phone is one of the most promising but so far marginally adopted channels for using financial services by consumers. Earlier literature on innovation adoption argued that those among the first to adopt new innovations possess unique characteristics compared to the majority of consumers. In their paper, 'Mobile banking innovators and early adopters: How they differ from online users', the authors investigate whether innovators and early adopters of mobile banking differ significantly from online users in general. Based on an internet survey of customers of a large bank in Finland yielding 2,675 responses, the study investigated a number of demographic and socio-economic variables. It was found that only age and gender differentiate these two groups of customers, while education, income, occupation and size of the household

were found to be insignificant. Contrary to general assumptions however, it seems that mobile services are not the exclusive domain of the younger age groups. The results of this study show that the mobile banking users in the sample are dominated by the 30–49-year-old age group. The results offer service providers better knowledge of the typical mobile banking user, thus adding value to their marketing actions in the field of electronic banking.

The second paper, 'An investigation of the relationships among consumer satisfaction, loyalty and market share in Kuwaiti loan services', by Al-Wugayan, Pleshko and Baqer examines the interrelationships among customer satisfaction, loyalty and market share. The focus of the study is loan services offered by Kuwaiti banks. Bank loans were chosen because they are a unique service type; loans are normally quite durable (lengthy) and, once the bank is selected, other providers tend to be excluded from the market until another loan is required, possibly years later. Based on a survey of nearly 700 users of Kuwaiti bank loans, the research finds that the expected positive relationships between customer satisfaction and market share and customer satisfaction and loyalty are not supported in the credit market in Kuwait. Only a relationship between loyalty and market share is supported. Regarding the lack of relationship between satisfaction and loyalty, the authors note that satisfaction (or attitude) is only one factor contributing to the ultimate loyalty of buyers. Situational, psychological or even socio-cultural influences might lead a satisfied buyer to purchase other brands on a regular basis. These forces may act in a manner to dilute the satisfaction–loyalty relationship. The

authors contend that the absence of a satisfaction–loyalty link may also be explained by cognitive dissonance, which typically occurs late during the term of the loan. More specifically, it represents a diminishing level of excitement over the life of the loan, where customers tend to be more pleased with benefits of the loans shortly after receiving the money, yet such elation diminishes as installments are paid and the perceived value of the financed asset decreases with time. The paper concludes that market share, in Kuwaiti loan services, is dependent on banks creating and maintaining a large and loyal customer base and offers recommendations on how to achieve this.

The third paper, ‘Customer value analysis’, by Maas and Graf investigates what creates value for customers and how providers can improve value for their customers. The delivery of customer value is considered to be a fundamental basis of marketing activities. While there is a growing body of literature devoted to studying customer value, the authors note that a wide variety of different and partially competing customer value models and approaches exist. For example, most approaches consider customer value analysis to be a research method or pricing tool. The authors argue that it is much wider reaching than this. Based on qualitative research among customers and customer–contact employees, the authors propose and test a conceptual model of customer value, taking account of the drivers and dimensions of customer value and gaps between customer and company perceptions of value. The study shows that comparing the difference between customer and customer–contact employee perspectives can result in valuable information for a company’s customer value management. Moreover, the empirical results indicate that taking into account industry-specific characteristics influences the components that comprise the bundle of value dimensions. It was found that the unique characteristics of financial services influence the importance of single value

dimensions or drivers, for example, the personal characteristics of honesty and openness, which also affects the interdependencies between the single value dimensions. The authors note that it would be interesting to extend the current approach by including an analysis of how the customer value construct is related to other marketing constructs, such as customer satisfaction, loyalty and commitment. Such a study would allow researchers to understand how customer value affects customer behaviour in the services sector, especially in financial services. The paper outlines a number of implications for managing customer value at the normative, strategic and operational level.

The fourth paper by Loke, ‘Merchants and credit cards: Determinants, perceptions and current practices — A case of Malaysia’, investigates the differences between merchants who accept credit cards and those who do not in an attempt to understand the factors determining merchants’ adoption of credit cards. The credit card industry is made up of two business segments, namely the issuance of credit cards to consumers and the acquisition of merchants into the credit card payment scheme. Accepting credit card payments is an important business decision that involves cost, benefits and risk considerations. Despite the importance of merchants in credit card payments, there remains a lack of research on acceptance of credit card payments by merchants. The paper aims to address this gap. Based on a survey of 421 merchants in two major cities in Malaysia, the research finds a significant association between merchants’ personal use of credit cards and adoption, business characteristics and adoption, and business strategy and adoption. The findings may also be useful for countries with a similar penetration of credit cards in the payment system.

Legislation in a number of countries, including Australia, places a duty on investment advisers to understand clients’ needs and provide them with appropriate

advice. In the fifth paper Clark-Murphy and Soutar ask: 'Do retail stockbrokers understand clients' investment preferences?' Despite the importance of understanding clients' needs, the authors note that very little research has been undertaken to see whether financial advisers understand clients' needs and preferences. Based on a survey of 361 investors and 33 advisers in Australia, the research reveals that while stockbrokers advising clients have quite a good understanding of their preferences, there are some important misperceptions. In general, stockbrokers overestimate their clients' willingness to take risks and to invest in more speculative stocks. The research finds that stockbroker responses most closely matched those of more expert investor segments most willing to take risks and most likely to be interested in a more speculative approach to share trading. The study has implications for the relationship between stockbrokers and their clients and for the marketing of stockbroking and advisory services. The study did not investigate why stockbrokers' perceptions were biased; this would be a useful avenue for further research.

The sixth paper, 'Inconsistencies in US consumers' attitudes toward and use of electronic banking: An empirical investigation', by Cai, Yang and Cude explores the factors that influence US consumers' attitudes toward and use of electronic banking and the reasons why a discrepancy exists between the impact of specific factors on consumers' attitudes and the impact on their actual behaviours. Drawing on data from the 2003 Survey of Consumers commissioned by the Survey Research Center at the University of Michigan, the study finds that consumers' perceptions of the characteristics of e-banking, that is, the perceived advantages and problems, had different impacts on consumers' attitudes towards and their use of

such service. While the perceived problems were more important in forming consumers' attitudes toward e-banking, the perceived advantages had the greatest impact on consumers' use of such service. The paper highlights a number of theoretical and practical implications drawn from the results.

The final paper, 'An observation analysis of e-service quality in on-line banking', by Loonam and O'Loughlin observes customer perceptions of internet banking and e-service quality from a user-based perspective within an Irish context. Based on a combination of unstructured and structured observation techniques among a sample of 20 consumers, the paper reveals consumers' perceptions of the Bank of Ireland website. Using the uses and gratifications theory to analyse the data, the study shows that respondents tend to move from basic to higher order gratifications according to IT experience and internet usage. While information and transaction gratifications were deemed key to online banking, enjoyment gratifications were found to hold limited associations, thus emphasising the functional nature of the website. The paper highlights the value of the uses and gratifications categorisations system, which provides a key platform to the study of e-service quality and offers e-banking providers a more effective system of serving individual customer e-service needs. Online banking providers can make the process to using e-banking more enjoyable by enhancing website interactivity and creating unique online experiences. The authors assert that future e-banking penetration and the success of complex financial product adoption will be dependent on proactive online marketing campaigns coupled with increased website responsiveness.

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