Editorial

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In this first issue of Volume 14, I am pleased to introduce seven papers. The first three papers all address the role of the salesperson in financial services.

The first of these, *The Effects of Perceived Salesperson Listening Effectiveness in the Financial Industry* by Bergeron and Laroche, focuses on salesperson listening skills. One might expect listening skills to be a key requirement for salesperson effectiveness. However, the authors note that a consensus seems to exist in the literature that the average salesperson exhibits, at best, poor listening skills. Moreover, there has been little conceptual (and even less empirical) research addressing listening in the selling environment. Hence, the authors aim to address this gap by first, defining what it means to ‘listen’ in the selling context; second, to test the multidimensional structure of the listening construct; and, finally, to investigate the major consequences of perceived salesperson listening effectiveness. Over 400 buyer–seller dyads took part in the study; both salespeople and clients completed surveys from their own perspective. Structural equation modelling was used to analyse the data and assess the relationships between the construct dimensions and consequences. The findings reveal that listening is a higher-order construct containing three dimensions: physical sensing, mental processing and responding. For example, it seems that an effective listener has to fully sense the message (verbal and nonverbal), mentally process it accurately and respond to it in a way that encourages proficient communication to continue. The authors suggest that a salesperson must engage in all three kinds of behaviours to be

perceived as an effective listener. Although each dimension was found to be strongly linked to the overall listening construct in both salespeople and clients, the responding dimension of listening generated the highest path coefficient. Moreover, in terms of the consequences of listening, customers’ perceptions of salesperson listening effectiveness are positively (and strongly) associated with service quality, trust, satisfaction, word-of-mouth propensity, purchase intentions and sales performance. The authors present a number of managerial implications to emphasise salespeople listening skills as a competitive advantage. Further avenues for research are also presented to assist in understanding the rich role of listening.

The second paper, *Personal Acquaintances and Salespeople in Financial Services: Differences Between Customers and Friends* by Bäckström, Pitt, Campbell and Nel, explores the salesperson–client relationship and the role of friendship. The authors note that much of the sales and marketing literature implies that, because of time spent together, salespeople and some of their customers develop close relationships that are akin to friendships. Indeed, such relationships are argued to be beneficial to business. The paper reports on the results of a study of salespeople’s assessments of their personal acquaintance with customers and friends in a financial services setting. The Personal Acquaintance Measure was used to measure the construct of acquaintance. Two versions of a survey were created: once focusing on ‘bad customers’ and one on ‘good customers’. The survey was undertaken among the sales force of a large Swedish financial services

company. All 198 salespeople employed by the firm were sent the survey; 119 usable responses were received, yielding a response rate of 60.1 per cent. Approximately half the salespeople had completed the questionnaire for 'good' customers, and half for 'bad' customers. The results indicate that salespeople do not classify customers as friends on all the dimensions of the personal acquaintance construct. However, the nature of personal acquaintance was found to differ between 'good' customers (those salespeople enjoy serving), and 'bad' customers (those they do not) on a number of dimensions. It appears that salespeople in financial services have a significantly higher knowledge of the goals of their good customers than bad ones. They are also more informed as to the social networks of good customers than bad, and will be more physically intimate with good customers than bad. The duration of the relationship with good customers is significantly longer than with bad customers. Hence, salespeople tend to know their good customers for longer than they have known their bad. However, no significant differences were found to exist with regard to the frequency of interaction between salespeople and good versus bad customers (salespeople interact with bad customers as frequently as they do with the good). The authors outline a number of implications for practice and make recommendations for future research.

The final paper looking at the role of salespeople, *Salesperson Empowerment in Spanish Banks: A Performance-Driven View* by Barrutia, Charterina and Gilsanz, focuses on salesperson empowerment. The purpose of the paper was to analyse the divergence between rhetoric and reality regarding salesperson empowerment, to understand the drivers of empowerment and how they relate to performance. The authors identify two different drivers of empowerment: process-driven empowerment (PDE) and decision-making driven empowerment (DDE). PDE relates to salespeople being

free to plan their commercial approach and decide how to distribute their time in order to achieve defined commercial targets. The term 'process-driven' empowerment stresses that process autonomy is one of the elements that drives salespeople to have a sense of empowerment. By contrast DDE relates to the power to take key decisions when negotiating with a customer, such as whether or not to accept risk, the price to apply to an operation or the cross-buying needed to offer an exceptionally low price. Within DDE, a distinction is made between risk decisions and price decisions. Based on *ad hoc* qualitative research using in-depth interviews with four Spanish banks' CEOs, eight top managers and 16 salespeople, and quantitative research based on 301 closed personal interviews with sellers, the authors reveal that empowerment has its limits. Top management decisions regarding the transference of power to salespeople was found to be performance driven. A positive relationship between PDE and performance was confirmed. However, the authors suggest that the existence of a positive relationship between DDE and performance might be questioned. The authors suggest that the reason may be explained by the presence of a third party, a price specialist, that brings a complementary perspective to the negotiation, favouring optimisation of the negotiation between seller and customer. Hence, the results suggest that different empowerment drivers might have different impacts on performance and that, consequently, it might make more sense to analyse the various dimensions that make up empowerment separately, rather than the overall impact, which is what previous literature has concentrated on.

The fourth paper, *Rethinking Models of Technology Adoption for Internet Banking: the Role of Website Features* by Alhudaithy and Kitchen, considers a new dimension to the study of technology adoption. The authors note that research on the adoption of information technology typically

views adoption as a function of individual attitudes, the influence of others, perception of ability to perform a particular behaviour and facilitating factors. They argue that a significant limitation of these models, in technology-adoption situations, is a failure to consider the features of the technology itself. The authors propose to fill this gap by proposing the construct 'website features' as potentially influential in technology adoption, and specifically Internet banking. The paper reviews research evidence on the salience of such features and suggests that the effective features and their impacts differ along the stages of the customer purchase process. The paper presents a theoretical framework for evaluating website design in relation to these stages. The authors argue that incorporating the construct of 'website features' into existing models will advance marketing theory in an online environment and assist website designers in enhancing website effectiveness to the benefit of the business–customer relationship.

In his paper, *Assessment of the Psychometric Properties of SERVQUAL in the Canadian Banking Industry*, Ladhari notes that despite the widespread use of SERVQUAL in the evaluation of service quality in a variety of industries, relatively limited attention has been given to financial services. The paper purports to be the first study to evaluate the SERVQUAL scale in the Canadian banking industry. Using survey data gathered from 193 Canadian bank customers, the paper investigates the psychometric properties of the SERVQUAL model in the Canadian banking industry, addressing three interrelated issues: reliability, dimensionality and validity of SERVQUAL. The results support the dimensionality, reliability, convergent reliability, discriminant validity, and predictive validity of the scale in this service setting. The author argues that SERVQUAL is a suitable instrument for assessing bank service in the Canadian context and bank managers can use this

instrument with confidence to undertake continuous evaluation of their service quality. The results also show that responsiveness and empathy are the most important of the five dimensions in determining service quality in the Canadian banking context. Because these two dimensions principally reflect employee–customer interactions, it is apparent that consumers' perceptions of employees are especially important in their evaluations of bank service. Hence, service provided by employees makes the largest contribution to bank customer satisfaction. In view of this, the author suggests that Canadian bank managers must recognise that frontline employees are crucially important in establishing and maintaining a competitive position for their institution. A number of other managerial implications and suggestions are offered in the paper.

The penultimate paper, *The Seven Myths of Financial Planning and Baby Boomer Retirement* by Coughlin and D'Ambrosio, attempts to dispel a number of myths associated with financial planning that may not hold true for the new generation of retirees. Much is being said and written about how different the baby boomers are from their parents and the challenges posed for financial planning. The authors note that pension reform, changes in Social Security, work after 'retirement' and the evolution of consumer-directed retirement and health are only a few of the contextual changes to boomer financial planning. The authors also note that boomers are more educated than their parents, represent a record setting number of working independent women, find themselves sandwiched between childcare and eldercare and enjoy ready access to information. Hence, the next generation of retirees are a new disruptive demographic in the financial services marketplace. The authors suggest that the seismic demographic change is an opportunity for the financial planning profession to revisit some of the myths

developed over the past few decades that continue to provide the unstated assumptions of product development, consumer engagement, service delivery and planning advice. Their paper identifies and questions seven myths underlying financial planning: (1) the predominance of men as the primary client; (2) the power of facts to motivate client action; (3) planning is rational and people want to plan; (4) boomers will turn to trusted brands when it comes to money and finance, just as their parents did; (5) boomers are looking for more retirement information to become better planners; (6) 'the' customer is the focus; and (7) the retirement planning client is only interested in 'the number'. The authors present each myth, related research, and the possible actions planners may take to develop new strategies for the next generation of retirees.

The final paper, *Speaking My Language?* by Wood, explores the extent to which financial organisations are making effective use of their communication with customers. The author argues that the competitive nature of the financial services sector means that financial organisations have to work harder than those in many other sectors to communicate with customers, to retain their business and to cross-sell additional products or services. The paper addresses the current state of CRM in the sector and the public perception of how well it targets its customer communications. Based on a web-survey of over 1000 UK consumers, the study explores the extent to which information held on the consumer is being used intelligently. Consumers were asked to rate their satisfaction of suppliers in 10 industry categories, enabling financial services to be compared with other sectors. Satisfaction levels were then compared to the relevance with which the same respondents felt each supplier used their personal data to address marketing and communications to them. Relevance and customer satisfaction were indexed for each

of the 10 industries and their relative relationship compared. Two key conclusions are made from the findings. First, the financial services sector has much work to do in order to get targeting right. The sector's average is being dragged down by the poor performance of credit card issuers. Although banks and building societies showed positive results, they still have some way to go. The author notes that the mature techniques of British supermarkets show what can be achieved and, as an aggregated set of sectors, retailers in general appear to be getting targeting right. Second, the study reveals the prejudice of marketers across all sectors in overconcentrating on the younger consumer to the neglect of high-potential, wealthier and possibly more appreciative older customers. In short, an improvement in targeted marketing standards, along with a more objective and evidence-based approach to different age groups, might help the financial services sector lift itself out of its worsening record on customer retention and the disappointing products-per-customer statistics that it still experiences, despite heavy investment in CRM initiatives since the beginning of the century.

Finally, I would like to draw your attention to two forthcoming special issues of the *Journal of Financial Services Marketing*. The first, *In the Grip of the Credit Crunch: Challenges of Confronting a Changing Environment*, invites potential contributors to consider, among other things, analyses of the processes and factors leading to the current situation, lessons that can be learnt from the past, or investigation of the implications for marketing strategies and approaches and how these should be adapted in order to respond to the changing economic climate. The Guest Editor for the special issue will be Dr Galina Andreeva from University of Edinburgh Business School. The deadline for submissions is 10 July 2009.

The second special issue, 'Islamic Finance: Challenges and Opportunities',

invites potential contributors to examine some of the challenges and opportunities associated with Islamic financing. These could draw on practices within or across different country contexts and focus on particular products or segments of consumers. The Guest Editor for this

special issue will be Hussein Rammal from The University of Adelaide Business School. The deadline for submissions is 31 March 2010.

Tina Harrison
Editor