Guest Editorial

Advertising financial services: Introduction to the special issue

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New PhD students and new marketing scholars will often justify a piece of work by saying that it closes a ‘gap in the literature’ on a particular topic. No one has written on the particular issue before. Of course, there may be a reason for this: While there may be a gap in the literature, there may be no literature in the gap. The topic might not have received scholarly attention simply because it is unimportant, uninteresting or trivial.

Financial services firms – banks, insurance companies, credit card service providers, credit unions and investment firms account for more than 10 per cent of all advertising expenditures, not only in the developed world, but in emerging markets as well. Because financial service offerings are largely intangible, financial services marketers look for ways to make them more real to a vast array of customers. To do this, they utilize a wide spectrum of media, ranging from print, radio and television, to online, mobile commerce and social media. They struggle to differentiate what are essentially commodity offerings from those of their competitors by designing appealing messages, and finding ways of targeting their messages at unique market segments untapped by others. This happens in a business environment characterized by economic turmoil in recent years, by radical shifts in society and cultures, by changes in legislation, and by a bewildering array of new technologies. These are certainly not trivial issues. Yet, there is still a dearth of literature on the advertising

of financial services. In simple terms, when it comes to the advertising of financial services, there really is a ‘gap in the literature’. It therefore seems fit that the *Journal of Financial Services Marketing*, the premier journal in this specialist field, devotes a special issue to the advertising of financial services.

I like to think that the articles in this special edition do close the ‘gap in the literature’, that the gap is indeed a gap, and that the articles fill this gap from a number of different perspectives. The first three articles address issues of market segmentation in financial services advertising. Piercy, Campbell and Heinrich analyse the customers of an online financial services company, and by determining their core service demands, evaluate whether these demands vary by demographics. They find little support for the role of demographic analysis in the advertising of financial services, and suggest ways in which advertisers of these offerings can overcome this problem. In the second article, Sunikka and her colleagues look at segmentation from a micro perspective, and compared the effectiveness of personalized banners with default banners, and online- to direct-mail promotions in the advertising of banking services, and find in favour of personalized banners. Next, Thomas, Fowler and Kolbe focus on the adolescent demographic, and consider the implications of legislation on the communication of credit card information to college students.

The final five articles in the special issue address a wide range of issues with regard to

the advertising of financial services. Steyn and his colleagues test a short form version of the widely used Schlinger VRP (a test of advertising effectiveness) in the financial services advertising environment. Their findings suggest that the scale is a useful tool for testing financial services advertising, as its psychometric properties indicate that it can be used with confidence. Next, Farshid, Plangger and Nel enter the realm of social media. Using data on major banks gleaned from a widely available data source, Social Mention, they show how complex multivariate data can be succinctly and attractively portrayed using the graphic technique, Chernoff Faces. Then, Ahn, Song and Sung examine how financial services advertisers adapt their appeals in harsh economic times. One of the few benefits of the recent economic recession has been that it provided researchers with the opportunity to study marketing decision-making in tough times! In a similar vein, Lee and his colleagues show how the recent financial turmoil has changed the way in which the advertising of financial services, in this case, retirement products, is executed. Finally, DesAutels, Berthon and Salehi-Sangari provide a model to test contest performance in financial services advertising. Given the widespread use of competitions as marketing tools by financial services firms, this is especially useful.

The conceptualization and research undertaken and developed in this special issue

of the *Journal of Financial Services* gives practitioners and academics much to consider as managers and researchers as they try to understand the past and build on a future in a rapidly changing marketing communication environment. I trust that the articles in this special edition will provide the impetus for further research on the advertising of financial services by raising new questions and highlighting new conceptual issues to explore.

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