Editorial

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In this second issue of Volume 17, I am pleased to introduce five articles. The first article in the issue, *Pricing Financial Services Innovations* by Nejad and Estelami, focuses on the pricing of new-to-the-world financial solutions by pioneers. The authors note that the number of innovative financial solutions introduced to the market has grown considerably in the recent past due to enabling digital technologies and a process of deregulation and market fragmentation. A key challenge facing firms is how to price these innovations. The authors argue that the optimal introductory pricing of financial innovations may vary depending on factors such as price sensitivity of the market and competitors' ability to introduce competing financial solutions. Hence, the article examines the role of these factors on the optimal pricing of a financial innovation.

The study uses a simulation-based approach to examine the effects of various introductory pricing strategies on firm profitability under a range of market conditions and identifies the introductory pricing strategies that maximize profitability for every condition studied. The approach taken enables the modeling of the complex social influences that consumers exert on each other during the market adoption process of a financial innovation: a social process which is becoming more significant due to wide public access to social media tools. The study finds that the optimal pricing strategy should be informed by measures of market price sensitivity as well as expectations regarding the timing of competitive entry. In particular the study

indicates that lower levels of market price sensitivity and longer time horizons for competitive entry create pricing opportunities for financial innovators. However, the relationship becomes more complex as market price sensitivity increases or competitive market entry becomes a more immediate prospect. The authors provide detailed recommendations for the optimal pricing of financial innovations under various market conditions, and conclude with strategic recommendations for pricing innovative financial services.

The second article, *How does Customer Motivational Orientation affect Satisfaction*, by Cheung and To examines the theoretical link between customer motivational orientation and customer satisfaction and applies it in the Chinese context. The study classifies consumers according to task motivation orientation or interaction motivation orientation. Specifically, task-oriented individuals emphasize functional aspects of the relationship such as organizing work, giving structure to the work context, defining role responsibilities, setting standards and scheduling work activities whereas interaction-oriented individuals focus on the relational aspects such as building camaraderie, respect, trust, fairness and liking between people. The key research question explored is whether task motivational orientation and interaction motivational orientation customers are equally responsive to the financial services provided by financial institutions in the Chinese context and to what extent the central premise of the study is to examine the mediating role of customer perceived service quality on the link between

customer motivational orientation and customer satisfaction.

The authors develop a conceptual model of customer motivational orientation-satisfaction that was tested on 349 Chinese bank customers in Macao, China. Using structural equation modeling, the analysis indicates that task-oriented and interaction-oriented customers are not equally responsive to the financial services provided. Specifically, task motivational orientation is directly and indirectly related to customer satisfaction through customer perceived service quality while interaction motivational orientation links to customer satisfaction through customer perceived service quality as a mediator. The theoretical and practical implications of the findings are discussed.

The third article, *Are College Students at Greater Risk of Credit Card Abuse? Age, Gender, Materialism, and Parental Influence on Consumer Response to Credit Cards*, by Limbu, Huhmann and Xu considers the extent to which young adults are vulnerable to credit card abuse and the factors that influence this. The authors note that concern has been expressed about college students being the frequent recipients of credit card solicitations using persuasive marketing tactics, such as free gifts, interest rate promotions, and incentives on the one hand and about young consumers' ability to use credit cards appropriately and manage credit card debt on the other hand. Set against this context the research asks: Do young adults differ from older consumers with regard to credit card practice?; Are college students more vulnerable credit card consumers than older consumers?; to what extent does gender and age exert an influence?; What is the role of parental influence? To answer these questions the article reports the findings of two studies. Study 1 consisted of a sample of 161 college students and 195 older adults. Study 2 consisted of a sample of 208 young adult graduates. The studies find that credit card commitment and use are greater among older adults than college students. Females

outperform men in managing balances. Materialism heightens commitment, trust and use, but interferes with outstanding balance management. Parental influence can improve students' commitment, trust, use and balance management while discouraging overuse; it also mediates materialism's effect on trust and balance management. Overall, the findings show that college students generally are not more vulnerable to credit card abuse than older adults. However, female students, materialistic individuals, and those less influenced by their parents are at more risk.

A related article, *Socialization and Processing Effects on Comprehension of Credit Card Advertisement Disclosures*, by Wang examines how college students comprehend the disclosures in a credit card advertisement. The author argues that disclosures in credit card advertisements have become a serious concern for consumers and that if consumers do not understand the disclosures in credit card advertisements fully it can lead to misuse of the credit card. The study examines disclosures through two main perspectives: socialization and processing. The socialization perspective is conceptualized by college students' experiences in using a credit card and the factors influencing the experiences. The processing perspective is conceptualized by message involvement and the motivation to process credit card advertisement disclosures.

The study uses a pre-experimental design to test college students' comprehension of a credit card advertisement's disclosures. A total of 122 college students completed the study. The results reveal that socialization and processing influence college students' comprehension of the disclosures differently. To a general level message involvement with the disclosures may enhance comprehension of the disclosures positively. However, college students' experiences in using a credit card may have an inverse and negative effect on comprehension of the disclosures. While female students tend to exhibit more

experiences in using a credit card, male and female students comprehend the disclosures to the same degree. The findings suggest that female students may be more susceptible to ignore the disclosures, while an informed card user provides the best defense against costly mistakes in neglecting important disclosures in credit card solicitations.

The final article, *A Model of Green Bank Marketing*, by Lymperopoulos, Chaniotakis and Soureli develops and tests a conceptual model of green bank marketing. The authors note that corporate social responsibility, green marketing and a green brand image have attracted considerable interest recently in the banking sector, although no framework has yet been established relating these constructs to one another. Addressing this gap, the authors develop and test a model of green bank

marketing that explores the various dimensions of green marketing and their effect on green brand image.

The conceptual model was developed on the basis of qualitative interviews. Development of the measurement scales was tested quantitatively. The survey was conducted in Athens and administered by personal interview to 600 participants. The quantitative data verified the conceptual model and confirmed that green bank marketing is a complex, multidimensional, latent construct comprising mainly three variables: green corporate social responsibility, green internal processing and green product development. The survey results also provide evidence of a positive effect of green marketing on green image.

Tina Harrison
Editor-in-Chief
E-mail: Tina.Harrison@ed.ac.uk