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**VALUE FOR CUSTOMERS ON
FINANCIAL SERVICES MARKET
– EUROPEAN PERSPECTIVES**

Introduction

Changes in the European economic system, related to the process of integration and, particularly, the inclusion of new states into the European Union structures, are closely connected with intensive transformations in the financial services sector. This sector represents one of the key elements of the socio-economic system of each country. Its significance as well as complexity are revealed in the fact that it constitutes a mechanism of service provision which guarantees money circulation (purchasing power) in economy. These processes take place not only due to activities of financial institutions, but are also the result of decisions made by companies and individual consumers. The functioning of the financial services market enables non-financial entities to be involved in the creation of money and allows the flow of money between them.

System changes on the European financial services give rise not only to infrastructural transformations, but also strongly affect consumer market behaviors. Consumers become more independent players on the Europeans financial services market, and the only limitations to their market choices are their financial resources and individual skills. Consumers themselves decide about choice of a financial service. Once the decision is made, they have to select the institution, the country, and time of a service purchase, etc. Hence, the question arises about rationality of consumer market decisions. Do they analyze and compare costs of service purchase with effects it brings during its use? Do they always choose the same institution and service, which in economic terms guarantees maximum utility (and simultaneously provide them with the best value)? In other words, how do they perceive values which are offered to them by a financial institution and how do they evaluate the latter? It is noteworthy that in economics the problem of customer value is currently one of the most interesting and important issues, both in theoretical and practical terms. Despite great scientific achievements in research into consumer behaviors (both in theoretical, methodological, and empirical terms), it can be observed that so far no complex approach has been developed with respect to the research into consumer behaviors on the financial services market. Such an approach should take into consideration both the specificity of consumer financial needs: a distinct (compared to other consumption means) character of financial services, as well as the exceptional status of financial institutions which are considered organizations of public confidence.

1. Customer value – conceptual background

The category of value is frequently used in social science, including economics. Yet, it is not an easily definable concept and researchers often avoid precise definition thereof. This leads to ambiguity which hinders the research into the subject of customer value.

1.1. The nature of customer value

The concept of customer value was introduced into the marketing theory by P. Drucker in 1954 during his presentation of the concept of marketing corporate management¹. In the late 60s, the category of customer value appeared in the theory of consumer behavior, relating to concepts of utility (benefits) and satisfaction present in the theory of consumer choice². Later, such understanding of the term was rejected, and “value” was used only in studies of consumer behaviors, being associated mainly with values which are cherished, declared, or else preferred by buyers (customer values). The concept of “customer value” reappeared in economics in a broader use at the end of 1980s, as a result of M. Porter’s research into creation of corporate competitive advantage and his added-value chain model³. M. Porter’s views on the subject of customer value (which he called value for buyer) were based on great scientific achievements in the subject of consumer satisfaction conducted in the late 80s⁴.

The analysis of the concept was resumed in the marketing theory of 90s by referring to contemporary achievements in the theory of consumer choice, consumer behaviors, and consumer psychology. The concept of customer value was used alongside such terms as: utility, benefits, needs, and satisfaction.

There were many reasons for developing research into customer value. Firstly, the problem of costs borne by the customer and related to a product purchase and product life cycle, was not given proper attention in the concept of utility, being the basic category of the theory of consumer choice, and consequently, of neoclassical microeconomics. According to the theory of consumer choice, utility can be equated with consumer satisfaction with benefits gained

¹ More in: P. Drucker: *The Practice of Management*. Harper, New York 1954.

² J. Howard, N. Sheth: *The Theory of Buyer Behaviour*. John Wiley and Sons, New York 1969; Ph. Kotler, P. Levy: *Broadening the Concept of Marketing*. “Journal of Marketing” 1969, Vol. 33, No. 1.

³ M. Porter: *Competitive Advantage. Creating and Sustaining Superior Performance*. Free Press, New York 1985.

⁴ More in: M. Szymura-Tyc: *Budowa przewagi konkurencyjnej przedsiębiorstw*. “Ekonomika i Organizacja Przedsiębiorstw” 2003, No. 1.

through consumption of some goods. The studies of consumer satisfaction have proved that satisfaction is dependent both on consumer benefits from purchase and consumption of a product (utility) and on relevant costs (Equity Theory)⁵. Hence, it was necessary to find a category which would take into consideration both consumer benefits and consumer costs. Secondly, the research into consumer satisfaction has shown that consumers experience the feeling of satisfaction only if results of a product purchase and consumption exceed consumer expectations connected with a certain product at the very moment of its selection (The Expectations Disconfirmation Model)⁶. Such a relation, however, was difficult to distinguish due to the fact that product utility was identified with satisfaction. This created a need for developing a category which could allow examination of relations existing between consumer satisfaction as well as consumer expectations of the offered products and the effects of a product purchase and product consumption, including both benefits and costs covered by the buyer.

The research based upon consumer and marketing studies resulted in development of the concept of customer value. This category was defined not only by reference to “classical” marketing, but also by broad application of contemporary theories of consumer behaviors and consumer psychology. Additionally, while defining the category, researchers took into consideration achievements of service marketing and the modern concept of relationship marketing. They also referred to M. Porter’s model of added value by combining customer value with added value for the buyer and the company⁷.

Many attempts were made to define the concept of customer value, as well as to determine attributes of the category and ways of measuring thereof. V. Zeithaml defines customer value by employing the concept of product utility. Here, the value is an aggregate consumer evaluation of product utility based upon consumer ways of perception of what is received against what is given⁸. V. Zeithaml emphasizes that customer value is a subjective and differently perceived category, whereas price constitutes a significant criterion, but its influence on consumers may vary. The author also notices that a clear and legible use of instruction manual or an assembly manual may be an important factor in consumer perception of a product value. Moreover, this value may be looked upon differently, depending on circumstances in which it is consumed.

⁵ A. Jachnis, J. Terelak: *Psychologia konsumenta i reklamy*. Branta, Bydgoszcz 1998, p. 172.

⁶ R. Furtak: *Marketing partnerski na rynku usług*. PWE, Warszawa 2003, p. 146.

⁷ M. Szymura-Tyc: *Marketing we współczesnych procesach tworzenia wartości dla klienta i przedsiębiorstwa*. AE, Katowice 2005, p. 68.

⁸ V. Zeithaml: *Consumer Perception of Price, Quality and Value: A Means-End Model and Synthesis of Evidence*. “Journal of Marketing” 1988, Vol. 52, No. 3, p. 14.

A more precise definition of customer value can be found in publications about corporate pricing. According to K. Monroe, the value perceived by buyers comes from the relation between quality or benefits that the buyer recognizes in a product and perceived sacrifices (loss) he/she makes by paying a given price⁹. K. Monroe claims that perceived benefits are composed of physical attributes of a product, attributes connected with accompanying services and technical support during a product utility period, as well as of price and other quality indices. The perceived costs, in turn, comprise costs borne by the buyer during a purchase, such as: product price, costs of purchase related to e.g. transfer of title deeds, costs of assembly, costs of exploitation, maintenance (repairs) costs, failure risk or product malfunction risk costs. By assuming that most buyers operate within financial constraints (in the theory of consumer choice – financial constraints, K. Monroe maintained that buyers are more susceptible to borne costs, sacrifices, losses, than to potential benefits), he proposed customer value to be measured by the ratio of benefits to costs, not by the difference between them. It is valuable in adding that the proposed concept did not elicit a big response in the marketing literature. However, majority of the authors are inclined to define the value as a difference (excess) between the perceived benefits and costs. This seems justified in as much as the concept of the perceived costs signifies the cost which is subjectively perceived by the customer. Nonetheless, it should be borne in mind that different customers have diverse reactions to particular cost components (price, effort, time, etc.). With certain financial constraints related to their income, buyers may be more or less susceptible to price and other components of the perceived costs¹⁰.

Much contribution to the definition of customer value was made by A. Ravald and Ch. Gronroos, researchers connected with the concept of relationship marketing. They extended the definition of the value proposed by K. Monroe by pointing out to the fact that, apart from the value of a product itself (company's offer), there exists a distinct value as a result of the relation between parties participating in a transaction. In their opinion, there are many situations where, despite consumer dissatisfaction with one of the transactions, some prior positive experience which contributed to development of the relation between the customer and the company encourages him/her to look for a compromise. With regard to this, A. Ravald and Ch. Gronroos proposed to take into account costs and benefits ensuing from the relationship between the buyer and the seller, alongside unpredicted "accidental" costs and benefits connected with a given transac-

⁹ K. Monroe: *Pricing: Making Profitable Decisions*. McGraw-Hill, New York 1990, p. 46.

¹⁰ M. Szymura-Tyc: *Op. cit.*, p. 69.

tion, as they jointly influence the value perceived by the customer. Thus, they referred to concepts elaborated by consumer psychology, known as transaction and accumulated satisfaction, and to the Affective Model of consumer satisfaction. According to the authors, the so-called aggregate unpredicted accidental value is represented by the ratio of accidental benefits and benefits resulting from the relationship to accidental costs and costs resulting from the relationship¹¹.

The concepts of transaction satisfaction, accumulated satisfaction and the so-called attributive satisfaction, being notions of the consumer psychology, were most broadly used by R. Woodruff in his approach to customer value, which he defined as a composition of preferences experienced and evaluated by the customer. These preferences refer to attributes of a product itself, of its functioning, and finally of product consumption effects, thanks to which the customer can (cannot) achieve his/her goals and intentions in the process of product consumption¹². This definition represents a hierarchical system of customer value, which implies a need for its assessment at the level of attributes of a product and product consumption as well as customer goals and intentions. Moreover, this system reveals not only the process of value development, but also best represents the relation between the customer value and satisfaction. Thus, it can be treated as a basis for measuring satisfaction by means of assessment of the value delivered to the customer¹³.

In his approach to the value definition, R. Woodruff demonstrates a dynamic character of customer value, which means that it may change with time. The need for a dynamic approach to customer value is also emphasized by A. Parasuraman, who points out to the fact that customers who make a purchase for the first time, tend to concentrate on product attributes, whereas those who do it repeatedly pay more attention to effects of product consumption and possibilities of achieving certain goals relating to definite goods (one product) or a service¹⁴.

Customer value has been also a subject of Ph. Kotler's analyses who defined it as a difference between the total customer value and the total customer costs. The total value is composed of a bundle of benefits anticipated by the customer, whereas the total cost is made up of a bundle of costs expected by the customer in connection with the evaluation, purchase, and consumption of a prod-

¹¹ A. Ravald, Ch. Gronroos: *The Value Concept and Relationship Marketing*. "European Journal of Marketing" 1996, Vol. 30, No. 2.

¹² R. Woodruff: *Customer Value: The Next Source for Competitive Advantage*. "Journal of the Academy of Marketing Science" 1997, Vol. 25, No. 2, p. 142.

¹³ Ibid.

¹⁴ A. Parasuraman: *Reflections on Gaining Competitive Advantage through Customer Value*. "Journal of the Academy of Marketing Science" 1997, Vol. 25, No. 2.

uct or service¹⁵. According to Ph. Kotler, the total customer value comprises an anticipated value of a product, a service, personnel, and a corporate image. The total cost, on the other hand, is composed of such costs as money, time, energy, and psychical cost expected by the customer¹⁶. In his definition, Ph. Kotler underlines the fact that customer value is not delivered to the customer (as Kotler initially declared), but is expected by him/her¹⁷.

Alongside the above-mentioned definitions of customer value, marketing literature presents several others which, in great detail, refer to some selected issues connected with the concept of customer value. All the definitions reflect the multifaceted character of studies conducted by scientists and marketing theorists occupied with research into the category. Although not all of them are considered successful, the overview of the definitions helps in understanding problems encountered by researchers. To provide some examples, B. Gale defines customer value as quality perceived on the market in relation to price of a given product¹⁸. The value on industrial markets is, in turn, a perceived equivalent, expressed in monetary units, of a bundle of economic, technical, social, or service benefits gained by the customer's company for a price paid for a product with respect to offers and prices of other deliverers¹⁹. According to S. Slater and J. Narver, customer value appears when product-related benefits outweigh costs of the life cycle of a product being consumed by the customer. For the institutional customer, the benefits materialize along with the growth of a unit profit or with an increase in the number of sold product units. The costs of life cycle of a product being consumed by the customer comprise costs related to product finding, to product operational costs, product disposal costs, and to its price²⁰. Customer value is perceived as an emotional relation between the customer and the producer as a result of consumer consumption of a product or a service which, in his/her opinion, provided him/her with added value²¹.

Bearing in mind the above-presented definitions and contemporary achievements in the theory of consumer behaviors, consumer psychology, and marketing theory, it can be concluded that customer value appears in the process of

¹⁵ Ph. Kotler: *Marketing Management. Analysis, Planning, Implementation and Control*. Prentice-Hall International, Inc., New Jersey 1997, p. 38.

¹⁶ Ibid.

¹⁷ M. Szymura-Tyc: Op. cit., p. 72.

¹⁸ B. Gale: *Managing Customer Value*. Free Press, New York 1994, p. XIV.

¹⁹ J. Anderson, D. Jain, P. Chintagunta: *Customer Value Assessment in Business Markets: A State-of-Practice Study*. "Journal of Business Marketing" 1993, Vol. 1, No. 1, p. 5.

²⁰ S. Slater, J. Narver: *Intelligence Generation and Superior Customer Value*. "Journal of the Academy of Marketing Science" 2000, Vol. 28, No. 1, p. 120.

²¹ H. Butz, L. Goodstein: *Measuring Customer Value: Gaining the Strategic Advantage*. "Organizational Dynamics" 1996, Vol. 24, No. 3, p. 63.

consumption of a purchased product. This value is developed through consumer's subjective evaluation of costs and benefits after a product purchase and consumption. These costs and benefits are the only significant element in the assessment of the value obtained by the customer, and customer value itself represent a predominance of benefits over costs perceived by the customer. Based on this, one can venture the statement that customer value constitutes an excess of subjectively perceived benefits over subjectively perceived costs related to a purchase and consumption of a given product by the customer.

1.2. Attributes of customer value

Benefits gained by customers are connected with needs they want to satisfy through a purchase and consumption of a given product. Individual customers seek benefits which can meet their consumption needs, whereas costs are mainly of a financial character and pertain to the exchange of goods and money between the company (seller) and its customer (buyer). Beside the financial costs, there are costs which refer to consumer time loss, inconvenience, customer extra efforts, negative emotions, etc.

In the discussion of customer value, a distinction should be made between the value which is expected and the value which is obtained by the customer. The value expected by the customer can be referred to as an excess of subjectively perceived and expected benefits and costs relating to a product purchase and consumption. In light of this definition, such a value constitutes a basis for customer market choices, and is tightly related to the concept of utility in the theory of consumer choice. As for the value gained by the customer, i.e. customer value, it can be defined as an excess of subjectively perceived customer benefits over subjectively perceived customer costs, being the result of a product purchase and consumption. Such a definition of customer value corresponds with the notion of customer advantage in the theory of consumer choice and with M. Porter's added value concept.

With respect to the above-discussed issues, the following attributes of customer value can be distinguished:

- subjectivity – customer value is not dependent solely on a product itself, but on customer individual needs to be satisfied by a product purchase, and on customer individual capability of covering costs related to product purchase and consumption,
- situational character, as benefits and costs related to a purchase and consumption of a product are always conditional on a situation in which the product is bought and consumed; depending on a situation the same cus-

- tomer may have different perceptions of benefits to be won as well as costs to be borne,
- perceived value; this means that the assessment of customer value comprises only those benefits and costs which are perceived (recognized) by the customer, and not benefits which were really gained or costs which were borne by him/her; the very process of benefit and cost perception is connected not only with cognitive processes, but also with the emotional ones²².

All the attributes of customer value make it a directly immeasurable category. Although consumer satisfaction can be used as a basic benchmark for measuring customer value, yet, it should be remembered that satisfaction itself is not exclusively dependent on the value gained, but also the value expected by the customer. Even more so, satisfaction appears only when effects of product purchase and product consumption go beyond consumer expectations of these results.

Another important attribute of customer value concerns its dynamic character, which means that the value changes over time, embracing the whole process of a product purchase, product consumption, and its disposal. Wanting to provide the customer with a value, a company ought to focus on the whole life cycle of a product being consumed by the customer, including all costs and benefits which accompany the process.

It is noteworthy that customer value is a universal category. It comprises all types of buyers who choose and buy products on the market (i.e. individual consumers, households, companies, non-profit organizations, etc.), as the concept itself, understood as an excess of benefits over costs, does not change in each case.

Thus, customer value represents a complex bundle of benefits and costs perceived by the customer in the process of a product purchase and product consumption. It is impossible to exactly enumerate all benefits and costs, being components of customer value because their number and variety corresponds to the number of customer needs, expectations, and constraints. These needs, expectations, and constraints are not steady since satisfaction of some needs opens the door to others, more superior ones. The needs change or diversify, and new ones arise, thus necessitating development of new products as a response to changing consumer needs and expectations, and as a way of adapting to varying customer constraints. Being aware of the fact that benefits and costs are the only determinants of a product value perceived by the customer, companies are inclined to take up miscellaneous activities to teach consumers how to appreciate their product attributes. In practical terms, this implies that consumer needs and expectations of the offered products can be created and shaped by a company, thus affecting the assessment of the final value gained by the customer.

²² M. Szymura-Tyc: *Op. cit.*, p. 76.

2. Description of research method

The determination of customer value on the European financial services market is an extremely complex process, which, on the one hand, results from a specific character of the category, and, on the other hand, from complexity of the financial services market itself and prospects of research conducted on an international scale.

The organization of direct research into the customer value on the financial services market has been concerned mainly with precise definition of research goals and scopes (especially the subject and place of the research). The research process has been divided into two basic stages:

Stage 1 – recognition of customer value on the financial services market – diagnosis.

Stage 2 – development of a customer value model – modeling.

In the first stage, the research aimed at identifying the value expected and gained by customers on the financial services market. It comprised financially independent (i.e. minimum one income source) individual consumers over the age of 18 (in other words, individual consumption subjects). It is worth mentioning the fact that full legal capacity (reaching majority) and regular source of income (e.g. credit collateral) are often prerequisites for having access to financial services. The direct research was carried out on test groups of consumers from Poland and some other European countries. The study of customer value on the Polish financial services market was conducted by means of a survey questionnaire on a group of 600 consumers within the project of individual research in the Department of Consumption Research, Karol Adamiecki University of Economics, Katowice in 2006²³. In 2007 the same study was organized in Spain and Norway on test groups of 600 people each²⁴. In course of the study it was decided to standardize the research and to use the research experience gathered in Poland, as well as to ensure equivalence of data collection procedure (survey questionnaire) and that of the test group (based on a quota selection method according to age and education).

²³ Characteristics of the test group and the conduct of direct research have been presented in the report by S. Smyczek: *Wartość dla klientów a ich zachowania nabywcze na rynku usług finansowych (Customer Value and Customer Buying Behaviours on the Financial Services Market)*. Akademia Ekonomiczna, Katowice 2006 (manuscript).

²⁴ The research was conducted within Erasmus programme under agreements signed by Karol Adamiecki University of Economics in Katowice and Universidad de Granada, and Harstad University College.

The second stage of the research was an attempt at developing a model of customer value on the financial services market, which required employment of values indicated by Sheth-Newman-Gross in the model of consumption value, i.e. functional, social, affective, cognitive, and conditional values. The explanatory factor analysis was used in the process of identifying factors which define customer values on the financial services market, and which constitute a basis for the model development. First, an attempt was made to identify a set of variables which define customer value on this market. By reference to previous research, 15 variables were isolated, both of endogenic and exogenic character²⁵, which were subsequently presented on the Likert's scale in order to determine the degree to which financial institutions can provide them to consumers.

Table 1

Scale of customer value identification on the European financial services market

1. Consumers expect security of financial operations performed by financial institutions
2. Attractive prices (% , fees, commissions, etc.) encourage consumers to use financial services
3. Consumers expect professionalism of the financial personnel
4. Using financial services is trendy
5. Consumers use certain financial services to follow their friends' suit
6. Consumers expect politeness of the financial personnel
7. A wide offer of financial institutions is a contributory factor in using financial services
8. Consumers often use financial services under influence of promotional activities of financial institutions
9. Consumers expect comprehensive and factual information of financial institutions
10. Consumers expect modernity of financial institutions
11. Using financial services is a necessity at the current stage of socioeconomic development
12. Using financial services calls for acceptance of great risk
13. Consumers use financial services on account of their financial situation
14. Consumers use financial services being encouraged by a wide offer of goods and services available on the market
15. The access to financial services is dependent on an appropriate (high) income level

After elaboration of questionnaires, the measurements were subject to evaluation in terms of their wording and consistency by three experts, including marketing specialists and professors of statistics.

²⁵ S. Smyczek: *Typologia konsumentów na rynku usług finansowych*. Akademia Ekonomiczna, Katowice 2004 (manuscript).

3. Value for customers of financial institutions – main results and discussion

3.1. Value expected by customers on the European financial market

Results of the research conducted on a group of Polish consumers have shown that the economic values of services are most expected by customers of financial institutions. Consumers' expectations of the financial services refer to: attractive rates of interest and competitive commissions as well as fees related to particular services (52.5%). Such considerable importance of economic values in consumer market choices signifies that the level of Polish consumers' wealth is still low²⁶. Other values expected of financial institutions comprise: high quality consumer service (47.1%), being a result of great competition between the institutions and a rich market offer (35.5%). Consumers also attach much importance to variety of distribution channel, such as branches, ATMs (cash points), the Internet and telephone – 27.9%. Different distribution channels guarantee an easy and common access to financial services, and enhance the comfort of buying and next, using them. As many as 18% respondents expect financial institutions to provide them with comprehensive and accessible information. Thus, it can be concluded that the informational policy of financial institutions in Poland is not satisfying. It is noteworthy that individualization of customer service is a most desired value on the market of financial services for as many as 17.8% of consumers. This value concerns not only customer service in a branch of a financial institution, but also offers prepared for customers and tailored to their needs. Additionally, it can be observed that the surveyed consumers are, to a large extent, traditionalists, and a great variety of specialist financial institutions does not present any significant value for them (it is a value only for 11.2%).

With respect to Spanish consumers, their expectations of financial services mostly concern provision of comprehensive information about the market offer (60.1%) and attractive rates of interest, commissions, and fees (53.2%). They also recognize a significant value in a wide market offer (47.4%) and in quality of provided service (32.2%). Thus, both Spanish and Polish consumers expect

²⁶ In poor or developing societies the economic value play a very important role (dominant) in shaping individual consumer market behaviors. More in J. Sikorska: *Konsumpcja – warunki, zróżnicowania, strategie*. IFiS PAN, Warszawa 1998; R. Milic-Czeraniak: *Sytuacja materialna gospodarstw domowych – elementy, zmiany, spójność*. In: *Banki a gospodarka Polski*, Vol. II, IBRIOP CEM, Kraków 1994; G. Maciejewski: *Poziom zamożności polskich gospodarstw domowych*. WSZiNS, Tychy 2003.

financial institutions to provide them with the economic value, yet, Spaniards are also concerned with values of a marketing character. Unlike Polish customers, the Spanish ones do not place so much weight on values delivered by various distribution channels and different types of financial institutions.

Taking into consideration results of the research conducted in Norway, it can be concluded that Norwegian consumers focus mainly on values related to customer service such as service quality (69.9%) and service individualization (48.9%). Further on the scale of expectations are values of a marketing character – wide information about the market offer (32.4%), and variety of distribution channels (23.7%). Merely 22.1% of Norwegian customers expect to be offered attractive prices of financial services. The fact that only every tenth respondent is interested in values such as a wide market offer or an access to various financial institutions is a proof of a high level of advancement of the Norwegian financial sector.

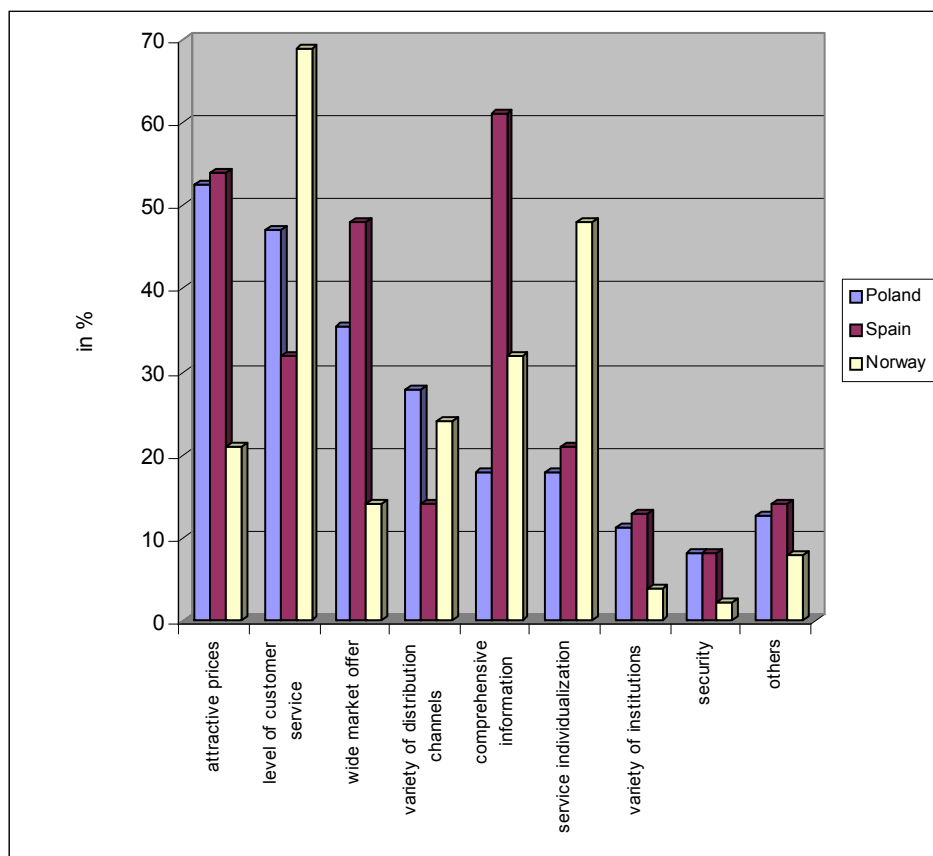


Figure 1. Values expected by consumers of the European financial services market
Source: Author's individual elaboration based on direct research.

3.2. Value gained by customers on the European financial services market

Customer value is not a directly measurable category, although it can be determined through customer satisfaction. It should be remembered, however, that the satisfaction itself is not conditional exclusively on the value gained, but also on the value expected by consumers. Satisfaction appears only when results of a service purchase and service consumption outweigh relevant expectations. Different service components are subject to customer evaluation, including its utility, personnel and customer service during the selling process, technical means used in the process of service provision and service consumption, after-sales service, and the process of service consumption. If a service meets his/her expectations, the consumer is satisfied; yet, if it exceeds them, the consumer is delighted. Consumer satisfaction with a purchase of a given service is a function of convergence of consumer expectations and perceived functioning of a service. Once a service is below consumer expectations, the consumer is disappointed. Such feelings are bound to have an effect on consumer decisions about another, repeated use of a given service in a definite financial institution and on consumer's positive opinion about the service (and the institution itself) on the market.

The research results show that most of Polish and Spanish consumers are not satisfied with prices of financial services (71.9% and 69.3%, respectively). The situation looks different in Norway where only 10.6% of respondents are not satisfied with rates of interest, commissions, and fees, whereas 76.9% of them are very or rather satisfied. As for the quality of customer service in financial institutions, it can be observed that, in this respect, the most dissatisfied are Polish (nearly 60%) and Norwegian (47.3%) consumers. Spaniards, on the other hand, represent a group of consumers who are rather satisfied (31%) or very satisfied (24.5%) with quality of customer service provided by financial institutions. Likewise prices also the offer range for individual customers is negatively assessed by Polish and Spanish customers (49.2% and 53.5%, respectively). Norwegian customers, in turn, express their satisfaction with a great number of financial services accessible on the market (over 62%). According to the research results, Poles are very satisfied with a good access to information about financial institutions and their services (as many as 81.3%). A completely different view is shared by Spanish and Norwegians customers who, in this regard, represent a majority of dissatisfied consumers (50.1% and 53.9%, respectively). The individual approach to customer service is highly evaluated by respondents from Poland (62.3%) and Norway (71.1%), whereas Spanish consumers are gen-

erally not happy with it (47.8%). It is valuable in underlining the fact that consumers from all the countries are satisfied with a large number of different access channels to financial services, with a great variety of financial institutions and, above all, with security they can guarantee.

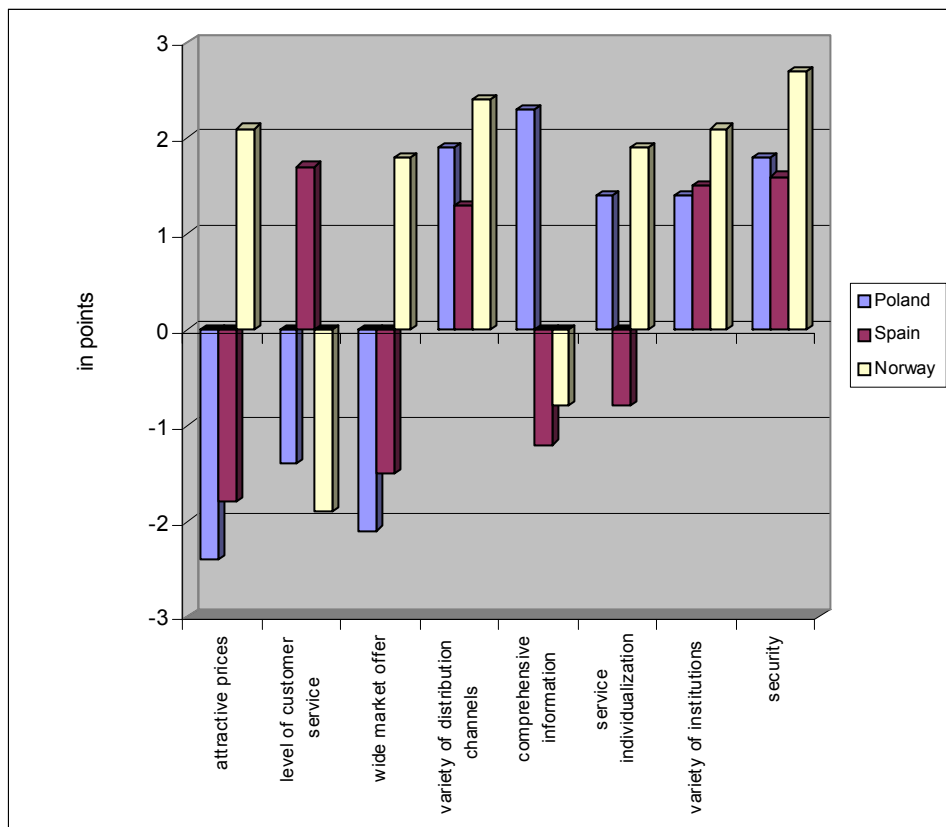


Figure 2. Values gained by consumers on the European financial services market
Source: Author’s individual elaboration based on direct research.

3.3. Model of customer value on the European financial services market

The model of customer value on the European financial services market was formed on the basis of variables indicated by Sheth, Newman, and Gross. It relates to the theory of consumer choice and points at five types of values underlying products offered on the market. The model of consumption value by Sheth-

-Newman-Gross has been developed in order to explain why consumers make choices on the market. It is composed of several components revealing the number of specific measures which introduce factors affecting consumer behaviors. The model is focused on assessment of the consumption value which explains why consumers choose between buying a definite product and abandoning purchase thereof (between consuming or not-consuming certain goods), why consumers prefer one type of product to another, why they choose a certain brand, and not the other one²⁷. Thanks to this, the model can be applied in the selection of a wide variety of products (consumer durables, industrial goods, services)²⁸. The Sheth-Newman-Gross model is derived from three basic principles: (1) consumer choice is a function of a low consumer value, (2) a specific consumption value is responsible for diversification of the effort put into each situation (3) values which are right at the heart of the model include functional, social, affective, cognitive, and conditional values²⁹.

The exploratory factor analysis was used in order to identify factors which describe consumer values on the European financial services market, and which simultaneously constitute a basis for the model development. The Kaiser-Meyer-Olkin indicator was applied to check if selection of the analysis as a method of data analysis was appropriate³⁰. The KMO indicator for the 15 analyzed variables was relatively high and amounted to 0.732. Nevertheless, the indicator cannot guarantee that definite factors (or one factor) will be isolated. Therefore, it was necessary to calculate adequacy of the selection of each individual variable by means of MSA_h indicator which allows exclusion of single variables from the research before the analysis. Low MSA_h values suggest that h variable correlations cannot be explained through other variables, and that is why it should be eliminated from the research³¹. Adequacy measures of the test selection showed that variables like (4) fashion as a customer social value, (6) politeness as a customer emotional value, and (10) modernity as a customer cognitive value on the financial services market, have the MSA_h indicator below 0.5. Consequently, they should be excluded from the analysis.

²⁷ E. Kieźel (ed.): *Rynkowe zachowania konsumentów*. Akademia Ekonomiczna, Katowice 1999, p. 97.

²⁸ J.N. Sheth, B.I. Newman, B.L. Gross: *Consumption Values and Market Choices: Theory and Applications*. "Journal of Business Research" 1991, No. 60.

²⁹ More in: S. Smyczek: *Modele rynkowych zachowań konsumentów – p. 1*. "Marketing i Rynek" 2003, No. 1.

³⁰ To this end, the correlations between particular variables were calculated by means of SPSS package. The results were subsequently presented in the anti-image covariance matrix.

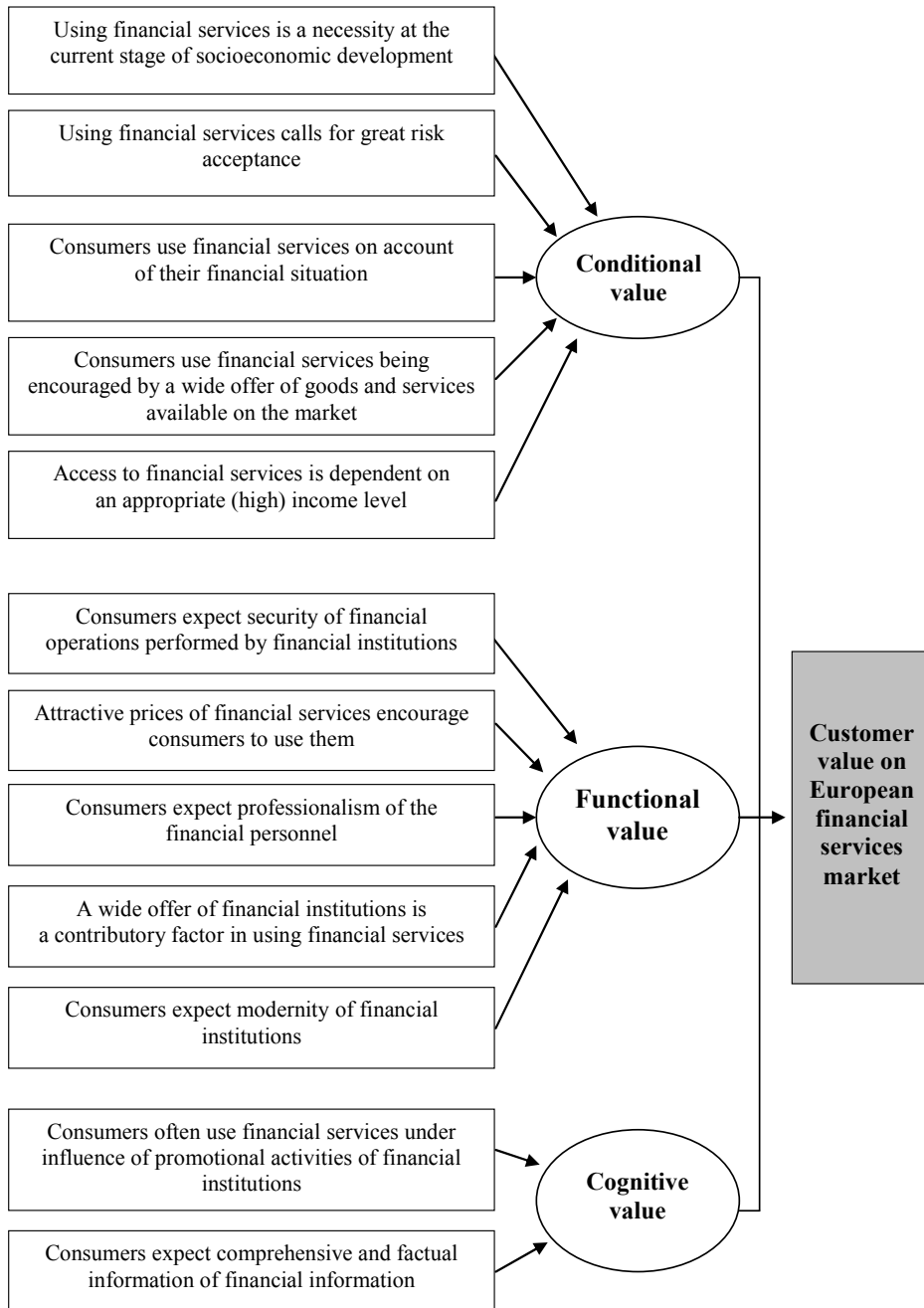
³¹ J. Górniak: *My i nasze pieniądze*. Aureus, Kraków 2000, p. 150.

With reference to the above-presented conclusions, the further analysis comprised 12 variables, for which the KMO coefficient was very high, 0.871, whereas the adequacy measures of selected variables also reached a high level of the MSA_h indicator (above 0.8). Next, it was necessary to determine the number of factors to be used in the further analysis, which was achieved through calculation of eigenvalue and percentage of variance explaining other components. On that basis, the researchers assumed three factors which accounted for 71.58% of variation for all the variables, whereas the application of the Principal Components Analysis with quartimax rotation helped to determine factor loadings for particular variables.

The analyses resulted in obtaining three factors which define values for customers on the European financial services market:

1. The first factor is described by variables which reveal what helps (or rather conditions) the use of financial services on the market: (11) current socio-economic development of a country, (12) ability to manage risk, (13) the consumer's financial situation, (14) an attractive offer of various goods and services available on the market, as well as (12) a proper level of consumer income; this factor is referred to as a *conditional* value for the consumer.
2. The second factor is characterized by variables which reveal what consumer expect of financial institutions: (1) security, (2) attractive rates of interest, commissions, and fees, (3) professional approach of the financial personnel, (7) a wide and varied market offer, and (10) modernity; this factor is referred to as a *functional* value for the customer.
3. The third factor is described by variables which come from customer curiosity or crave for knowledge such as: (8) using financial services under influence of promotional activities and (9) expectations to obtain reliable and exhaustive information from financial institutions; this factor is referred to as a *cognitive* value for the customer.

Hence, it can be concluded that the value for individual customers on the European financial services market is shaped by three factors such as: a conditional, functional, and cognitive value (Figure 3). Due to a specific character of the financial services market and its main "commodity" in the form of money, being the object of exchange on the market, the affective value does not play a significant role in consumer choices on this market. As research results show, the social value on this market is of lesser importance, too. Consumers seek information from informal sources, but the final decision about using definite financial services is taken individually.



$\chi^2 = 210.203$; $df = 71$; significance level $\alpha = 0.000$; $\chi^2 / df = 2.74$; $GFI = 0.931$; $AGFI = 0.911$; $NFI = 0.842$; $CFI = 0.902$; $RMSEA = 0.012$; $Hoelter 0.05 = 269$.

Figure 3. Model of customer value on the European financial services market

4. Implications and directions for future research

The research reveals great diversification of significance of definite values in consumer choices on the European financial services market. Polish consumers attach special importance to the price level and customer services quality. For Norwegians the most important are values such as customer service quality and an individual approach to every customer. Spaniards, in turn, focus their expectations on a wide market offer and, like Poles, on attractive prices of financial services. Thus, the type of the most desired value greatly depends on social wealth and stage of development of the financial sector in each country. It seems a positive phenomenon that security is no longer a significant value for customers in all countries under the research. This may be a sign of considerable stability of the European financial services market, which results in consumer great confidence in financial institutions.

By purchasing and, consequently, consuming financial services, consumers constantly reassess their choice, whereby customer value is demonstrated. The direct research shows that consumers are very critical about values they expect of financial institutions, particularly about prices, customer service quality, and service availability. With the respect to other values, consumers of all the examined markets express satisfaction with the level of financial service provision.

From the academic point of view, this research analyzes some relevant questions in the field of the considered knowledge. Questions which are worth mentioning refer to definition of the “customer value” category. Although this category frequently appears in social science, it is extremely difficult to define. Different authors use the concept without precise definition thereof, which leads to ambiguity, and consequently difficulties in customer value research. Another problem relates to determination of the manner of the value research, which is connected with the subjective character of customer value and individuality of consumer needs. It has also a situational character (since benefits and costs connected with consumption of a financial service are always dependent on a situation in which a service is purchased) and constitutes a perceived value. All these attributes make customer value a directly immeasurable category. Although it can be determined on the basis of customer satisfaction, it should be remembered that satisfaction itself is contingent on the value which is both gained and expected by the customer. Therefore, while discussing customer value, it is necessary to distinguish between what is gained and what is expected.

From the managerial perspective, the present study makes several contributions, as the obtained knowledge may be used both by central state organizations responsible for development of a financial policy and institutions which regulate and supervise the financial services market. Moreover, this knowledge may come in handy for financial institutions operating on the European market undergoing the process of integration. Thanks to this, they will be able to tailor their own activities and market offer to consumer needs. Even more so, this knowledge may be actively used in development of consumer behaviors through employment of certain marketing tools, being part of a financial institutions' strategy.

Nevertheless, the above-presented research is not free from limitations, which, however, can be turned into opportunities for future research. One of the key limitations includes choice of the financial services market, which is probably one of the most involving for consumers and which enjoys the highest level of customer's retention. The research is also limited by the fact that it was carried out only in three European countries. Nonetheless, one should hope that future scientific focus on different types of products and various markets will help in better understanding of the concept of customer value.

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