Customer-Seller Relationships in Consumer Financial Markets*

By

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Abstract

The financial crisis has pointed to the need for an improved understanding of consumer financial markets. The present study represents the first attempt to develop a taxonomy of ongoing customer-seller financial services relationships while considering the full-range of financial subsectors. A total of 3,638 consumers with representativeness of the studied country population participated in the survey. Based on their current status as active financial customers they were grouped as bank customers (n=1155), mortgage customers (n=802), pension customers (n=770) and insurance customers (n=817), respectively. Our results reveal several new insights, including (a) identifying six unique types of financial customer-seller relations enabling financial services managers to efficiently identify and target customers; (b) mapping the role of financial services relationship type for customer satisfaction, loyalty and commitment; (c) identifying associations between relationship type and several customer constructs ultimately related to society welfare and (d) revealing how financial sub-sector types are related to relationship types and outcomes.

Key words: Customer-seller relationships, financial services, consumer financial behaviour, financial sub-sectors

Introduction and Objectives

As one of its many serious outcomes, the global financial crisis has elevated the need for an improved understanding of customer-seller relationships in consumer financial services markets. Only a minority of US and European consumers are currently confident in financial companies and 'financial stability' and 'trust' are now among the top reasons for choosing a bank (Krohn 2009) suggesting that individual financial customer-seller relationships are vulnerable to outside factors since trust is believed to be among the most critical variables for developing and maintaining well-functioning relationships (Morgan and Hunt 1994; Sharma and Patterson 2000; Johnson and Selnes 2004). Moreover, an understanding of various types of relationships is important because these are building blocks for understanding the value created across an entire portfolio of relationships and for developing beneficial engagements with different customers (Johnson and Selnes 2004). Apart from a number of studies (e.g. Howcroft Hewer and Durkin, 2003; O'Loughlin Szmigin and Turnbull, 2004; Gabriano and Johnson 1999; Kandampully and Duddy 1999) much relationship marketing research has focused on business markets and thus the theoretical and practical implications of relationship marketing in consumer markets are less prevalent in the literature. However, we suggest that the relationship marketing approach is a useful theoretical basis for gaining insights into the nature of customer-seller relationships in the consumer financial marketplace.

The purpose of this study is to evaluate the content of customer-seller relationships in the consumer financial marketplace, as seen from the customers' perspective, in order to develop an empirical grounded taxonomy of these and to explore how these relations are related to customer relationship response (i.e., satisfaction, loyalty, and commitment). Towards this aim, this study considers the full-range of financial subsectors (banks, mortgage companies, pension companies, and insurance companies), which interact with customers in the consumer financial marketplace and evaluates the content of 3,638 financial services customer-seller relationships distributed across financial subsectors. Our study contributes to existing literature and managerial insights in several ways.

First, this study represents the first attempt to develop a taxonomy of financial customer-seller relationships across all main financial subsectors with representativeness of the studied consumer population within each subsector. Second, we do not limit our analyses to relationship outcome variables that ultimately are believed to be associated with seller performance (i.e., consumer satisfaction, commitment and loyalty) but also consider variables that are related to the financial well-being of the customer and, ultimately, the financial well-being of the society. Such variables, which in the study are treated as taxonomy descriptor variables, include customers' financial behaviour, expectations to future financial situation, and general financial trust. The obtained results reveal several new insights, including (a) identifying six unique types of financial customer-seller relations enabling financial managers to more efficiently identify and target customers; (b) mapping the role of financial relationship type for customer satisfaction, loyalty and commitment; (c) identifying associations between relationship type and customer constructs ultimately related to the welfare of a society and (d) revealing how financial sub-sector types are related to relative shares of relationship types and to relationship outcomes.

Theoretical and Conceptual Background

Most basically, the customer-seller relationship can be viewed as a discrete interaction between two or more parties in which products or services are given in return for money or other products and services and where the motivation behind the exchange is based on the anticipated use or tangible characteristics commonly associated with the objects in the exchange (Bagozzi 1975; Johnson and Selnes 2004). However, customer-seller financial relations cannot be explained solely through the concept of discrete exchange since such a view is too narrow to take into account that sellers and customers not just exchange services and money but also often create ongoing, and even trusting, relationships of mutual benefit as suggested in the marketing relationship approach. Like Selnes (1998), among others, we believe that relationship marketing is a generic concept, which includes both the consumer and the business markets. Especially social exchange theory (Thibault and Kelley 1959) and relational contracting (Macneil 1974, 1980) has been employed to model and understand customer-seller relationships. Social exchange theory holds that interactions between people often are of mutual interest to both parties and that they are likely to continue interacting as long as they both believe that it's beneficial (Thibault and Kelley 1959). Relationships are assumed to grow, deteriorate and dissolve as a consequence of such interactions (Venkatesan, Kumar and Ravishanker 2007). In a similar vein, relational contracting holds that exchange behaviour is often characterized by whole person relations, extensive communications and significant elements of noneconomic personal satisfaction (Macneil 1974, p. 723). The application of these theories has resulted in a strong focus on variables such as trust, commitment, cooperation, understanding, communication and fulfilment of promises within the relationship marketing approach (Palmatier 2008; Hunt, Arnett and Madhavaram 2006; Morgan and Hunt 1994; Mohr and Nevin 1990; Mohr, Fisher and Nevin 1996; Ward and Dagger 2007; Johnson and Selnes 2004; Sheth and Parvatiyar 1995; Vargo and Lusch 2004).

Although a large number of conceptualizations of ‘relationship marketing’ have been proposed, marketing researchers seem to agree that (a) relationship marketing focuses on the individual customer-seller relationship; (b) both parties in a relationship must benefit for the relation to continue; (c) the relationship is often longitudinal in nature; (d) the focus of relationship marketing is to retain customers (Peterson 1995; Grönroos 1994; Hunt, Arnett and Madhavaram 2006). Even though there is broadly consensus in prior research regarding the content of relationship marketing, the full range of potential important variables for developing and maintaining well-functioning relationships is not yet fully understood (Palmatier 2008; Palmatier and Evans 2006). Particular lacking are studies that seek to understand relationships in consumer markets, especially studies focusing on developing empirically based taxonomies aiming at classifying customer-seller relations.

By maintaining that “consumers enter into relational exchanges with firms when they believe that the benefits derived from such relational exchanges exceed the costs” (Hunt, Arnett and Madhavaram 2006, p. 76), marketing relationship theory basically takes a value-approach to marketing. Gaining value will improve customer satisfaction and stimulate repurchasing (or loyalty). Since the value is more connected with ongoing exchanges than with a specific transaction, relationship marketing is most reasonable applied when there is an ongoing desire for the product or service in question. Thus, although relationship marketing is not appropriate for all consumer markets, the relationship marketing approach is suitable for financial services because of the lifetime financial requirements of customers and the continuous nature of transactions (O’Loughlin Szmigin and Turnbull, 2004; Colgate and Stewart 1998). It has even been proposed that the relationship marketing approach is particularly applicable to the financial services sector, as financial services can be characterised as highly intangible, complex, high-risk and often long-term service-based offerings, wherein relationship participation is central to service delivery (e.g., O’Loughlin, Szmigin and Turnbull 2004; Devlin 1998). Moreover, consistent with the relationship marketing approach, recent empirical results suggest that consumers are often loyal to their financial service provider (Krohn 2009); confirming the presence of ongoing relations.

While factors such as trust and communication may be important for developing and maintaining well-functioning financial customer-seller relationships, the financial customer-seller relation may, however, also include more specific service-factors such as service customization, waiting time and the like, which customers may perceive, evaluate and value. Such factors are included in the market offering factors concept proposed by Hunt Arnett and Madhavaram (2006) and Hunt (2000) in addition to the relational factors mentioned above. A market offering is “a distinct entity that (1) is composed of a bundle of attributes, which (2) may be tangible or intangible, objective or subjective, and which (3) may be viewed by some potential buyer(s) as a want satisfier” (Hunt 2000, p. 43). The more valuable the seller’s market offerings are, the more desirable the ongoing relationship becomes to the customer. Synthesizing the relational marketing approach with the market offering concept provides a useful theoretical and conceptual background for identifying factors suitable for characterizing financial customer-seller relationships as discussed in the next section.

The Conceptual Framework

While the focus on intangible factors makes relationship marketing a suitable guiding theoretical approach for this study, all financial customer-seller relationships are obviously not of a long-term relationship type (Jones 1999) highlighting the need for a segmented approach to financial customer-seller relationships. Relations can vary from completing a single transaction to a long-term relationship. As suggested by Gummesson (1995) transactions may in this respect be seen as specific sub-cases of exchange relationships. However, this paper focuses on exchange relationships, and not on exchange transactions. This being said, we do not preselect certain types of relationships besides from assuring that the relationships studied are recent and ongoing (see Methodology section). Our aim is to develop an empirically based taxonomy of existing and ongoing financial customer-seller relationships and to explore how these relations are related to customer relationship response (i.e., satisfaction, commitment and loyalty) and to type of financial sub-sector. Toward this purpose, and similar to previous developments of taxonomies (e.g., Cannon and Perreault 1999), we apply the theoretical and conceptual background developed above to identify key characteristics of financial customer-seller relationships. We also draw on previous theoretical and empirical work on financial customer-seller relationships to identify important relationship characteristics. In the study, we operationalize these from the customers’ point of view. This is consistent with past research stating that a financial relationship is as strong as perceived by the customer (Strandvik and Liljander 1994) and with the proposal that “if the supplier and customer have different views regarding relationships, it is the customer’s view that is likely to be determinant” (Cannon and Perreault 1999, p. 445). A schematic overview of the identified characteristics and outcomes are shown in Figure 1 and discussed in the following.

Insert Figure 1 about here

Relationship characteristics

Trust. Trust is being regarded as one of the most critical variables for developing and maintaining well-functioning relationships (Morgan and Hunt 1994; Moorman, Deshpande, and Zaltman 1993; Sharma and Patterson 2000) and is likely to be especially important in financial customer-seller relationships because financial companies have an implicit responsibility for the management of their customers' funds and the nature of financial advice supplied (Harrison 2003). Moreover, financial services are high in credence properties since even in the usage situation they can often not be evaluated by the customer because of their long-term nature (Darby and Karni 1973) and because customers' may lack the competencies to confidently evaluate the financial consequences of the services; thus elevating the potential importance of trust in financial customer-seller relations. While a large body of research exists within the concept of trust, with different points of view being advocated, we adapt the often-cited definition proposed by Sirdeshmukh, Singh and Sabol (2002) and conceptualize trust as ‘‘the expectation held by the consumer that the service provider is dependable and can be relied on to deliver on its promises’’ (p. 17). Past research has recognised trust as an important determinant of relationship commitment (Johnson and Selnes 2004; Sharma and Patterson 2000; Morgan and Hunt 1994) and loyalty (Eisingerich and Bell 2007). In fact, it has been proposed that "relationships characterized by trust are so highly valued that parties will respond with a high degree of commitment to the exchange" (Eisingerich and Bell 2007, p. 255).

Information. Information is a focal characteristic in customer-seller communication, where communication can be defined as "the formal as well as informal sharing of meaningful and timely information between [parties]" (Andersen and Narus 1990, p. 44). From a relationship marketing perspective, a high degree of interpersonal information-sharing between customer and financial service professional is considered essential for a successful service delivery and has been found to positively affect financial customer relationship commitment (Sharma and Patterson 1999). In this study we focus on the customer's perceived quality of the information that is being provided by the financial company. While information quality is a multidimensional construct (Lee, Strong, Kahn and Wang 2002) we specifically concentrate on information relevancy and information understandability. Designing and delivering relevant and understandable information to financial customers is regarded as one of the greatest challenges confronting financial service providers and is essential to prevent customers from allocating their cognitive capacity to process irrelevant, unclear and inaccurate information (Lee and Cho 2005).

Information involvement. A person's feeling of personal relevance is the motivation to search for, acquire and process stimulus-relevant information (Beatty and Kahle 1988). Celsi and Olson (1988) refer to this motivational state as felt involvement. In general, most consumer researchers view perceived personal importance and relevance as the essential characteristics of involvement (e.g., Beatty and Kahle 1988; Celsi and Olson 1988). While customers may be involved in the purchase decision, the service category, the service brand, and/or the information (Gordon, McKeage and Fox 1998), this study focuses on customer information involvement. Information involvement we conceptualize as the degree of personal importance and relevance a customer attach to the financial services information perceived in the particular relationship. In a situation of high perceived involvement the customer is likely to expend a high degree of cognitive effort in message comprehension, elaboration and evaluation (Moorman and Matulich 1993) and thus is more likely to develop relevant financial knowledge, which ultimately may affect customer satisfaction (Joo and Grable 2005) and loyalty. Also, involved customers are likely to express greater interest in engaging in customer-seller relationships and more likely to derive value from the relationships (Gordon, McKeage and Fox 1998).

Switching costs. Switching costs can be financial or psychological in nature (Bell, Auh and Smalley, 2005) and are the "one time costs facing the buyer of switching from one supplier's product to another" (Porter 1980 p. 10). Switching costs may include time, monetary and psychological costs (Gwinner, Gremler and Bitner 1998, Dick and Basu 1994). Moreover, since many financial services are experiental in nature, and since they may even contain credence properties, a customer may perceive considerable risk in switching to an alternate service provider because the customer can often not evaluate the service before actually purchasing it (Sharma and Patterson 2000). The relationship marketing approach suggests that switching costs is a useful tool to assure that customers would be less inclined to switch service provider as a consequence of e.g., competitive offers, service failures, and the like (Dwyer, Schurr, and Oh 1987; Morgan and Hunt 1994). However, while high switching costs may constraint customers to repeat purchasing, they may also lead companies to falsely assume that all repeat purchase customers are loyal (Bell, Auh and Smalley 2005; Dick and Basu 1994). Moreover, switching costs may in particular act as an exit barrier in less well-functioning relationships (Gronhaug and Gilly 1991). Thus, estimations of customers' perceptions of switching costs must be complemented with evaluations of customers' perceptions of the quality of the service, information, and the like, that take place in customer-seller relationships (Gwinner, Gremler and Bitner 1998).

Service quality. Service quality can be divided into functional and technical service quality, respectively. Functional service quality relates to the nature of the interaction between the service provider and customer and the process by which the core service is delivered. Technical service quality relates to the quality of the service output (Bell, Auh and Smalley 2005; Grönroos 1983) such as the recommendation of 'best investment options' and the achievement of 'financial goals'. In the present context, we focus on functional service quality since this form relates more directly to the customer-seller relationship approach, which emphasises the caring and individualized attention a firm provides its customers. Moreover, when customers' lack the know-how to confidently assess technical outcomes, which is often the case for financial services (Towers Perrin 2008), the functional service quality becomes particular important in forming commitment to the relationship (Eisingerich and Bell 2007). Functional financial service-quality has been shown to affect customer relationship satisfaction (Wong and Zhou 2006), loyalty (Eisingerich and Bell 2007) and trust (Sharma and Patterson 1999).

Waiting time. Consumer services have been categorized as pleasant, neutral or stressful events with dining being an example of a pleasant event, financial services an example of a neutral event, and a visit to a dental clinic constituting an example of a (for many people) stressful event (Miller, Kahn and Luce 2008). While waiting time may actually be beneficial in relation to anticipated stressful events since customers could use waiting time to help them cope with the impending event, past research has shown that in neutral or pleasant events waiting time may induce unpleasant responses such as boredom, irritation and helplessness (Miller, Kahn and Luce 2008; Carmon, Shanthikumar, and Carmon 1995). Thus, waiting time may be harmful to the financial customer-seller relationship.

Relationship antecedents

Financial customer-seller relationships may evolve in all the financial sub-sectors that are present in the consumer marketplace, including banks, mortgage companies, pension companies and insurance companies. Therefore, in the interest of the generalizability of the results, we decided not to constrain our sample to specific sub-sectors. Moreover, financial sub-sectors differ according to type and perceived complexity of services (Towers Perrin

2008), among other factors, emphasizing the need for investigating the extension of relationship types across sub-sectors.

Relationship outcomes

Satisfaction, loyalty and commitment. Satisfaction, loyalty and commitment constitute the three outcome variables included in our conceptual framework. This is consistent with prior research (Johnson and Selnes 2004) suggesting that these variables constitute the main competitive advantages that may be gained from developing relationships with customers. On a similar note, satisfaction, loyalty and commitment can be seen as dimensions indicating ‘relationship quality’, i.e., the strength of the relationship between customer and seller (Huang 2008). Satisfaction has attracted attention for many years (e.g., Homburg, Koschate and Hoyer 2006; Fornell et al. 1996). Research suggests that satisfaction has impact on ROI (Anderson, Fornell and Lehmann 1994), shareholder value (Ittner and Larcker 1996), higher marketshare and profit (Homburg and Rudolph 2001), customer loyalty (Bearden and Teal 1983), and overall firm performance (Anderson and Sullivan 1993). Satisfaction may be conceptualized as a facet (attribute-specific) or as an overall (aggregate) characteristic. Also, the characteristic can be viewed as transaction-specific (encounter satisfaction) or as cumulative (satisfaction over time). Similar to past relationship and service-related research (Dimitriades 2006; Levesque and McDougall 1996), satisfaction is in the present study conceptualized as an overall, customer attitude towards a financial service provider.

Customer loyalty has been identified as a strong determinant of profitability (Verhoef 2003) and competitiveness (Kotler and Singh 1981) and has become a top priority in service industries (N’Goala 2007). Two main approaches to loyalty have evolved in the literature: behavioural and attitudinal approaches. While the behavioural approach defines loyal customers as their intent to stay with an organization, or whether they have repurchased its offerings, the attitudinal approach recognizes not only the behavioural dimension, but also the attitudinal dimension of loyalty (Brunner, Stöcklin and Opwis 2006). Similar to recent research on customer-seller relationships (Bell, Auh and Smalley 2005) we take a behavioral intentions perspective of loyalty rather than a repeat purchase perspective to avoid confusing spurious loyals - those who have a low relative attitude toward the relation but are constrained to repeat purchase (Dick and Basu 1994) - with genuinely loyal customers.

Relationship commitment is a key variable in past relationship research and is one of the most common outcome variables used in relationship studies (e.g., Morgan and Hunt 1994). Commitment is conceptualized as a desire to maintain a valued relationship (Palmatier

2008; Sharma and Patterson 2000; Moorman, Zaltman and Deshpande 1992), that is, the customer believes the relationship is worth working on to ensure that it endures (Morgan and Hunt 1994). Although various forms of commitment have been proposed (e.g., calculative commitment and normative commitment), affective commitment is most often considered in relationship research and is also considered in the present study. Affective commitment concerns the relative intensity of identification and affiliation with the service provider and the involvement in the service relationship (N'Goala 2007). In the case of high affective commitment the customer is likely to be less tempted to seek alternative service providers and to be loyal to the relationship.

Relationship descriptor variables

As well as several demographics and socioeconomics (i.e., age, gender, educational level, personal income, and household size), the descriptors included in this study also comprise three financial customer constructs: current financial behaviour, financial expectations and general financial trust.

Current financial behaviour and financial expectations. Obviously, customers may vary according to the healthiness of their personal financial behaviour and according to their future financial expectations. Since financial companies are dependent on customers to pay their loans and bills they have a greater interest in developing close relations with consumers with a healthy financial behaviour and with positive financial expectations than with the opposite. Thus, customers involved in close customer-seller relationships may have a healthier financial behavior and more positive financial expectations than customers involved in less close relationships. On the other way around, close and well-functioning customer-seller relationships may support and thus positively affect customers' financial behaviour and financial expectations. Current financial behaviour we conceptualize as the extent to which the customer exhibits positive financial behaviors, such as paying credit card bills in full each month and avoiding financial troubles caused by not having enough money (Joo and Grable 2004), whereas financial expectations we conceptualize as a person's subjective perception of her/his future financial situation.

General trust. Customer general trust in financial companies is at an all time low (Krohn, 2009). Consistent with the marketing relationship approach, a low level of global financial confidence will probably make it difficult for individual financial companies to develop closer relationships with their customers. Thus, from a customer portfolio management point of view (Johnson and Selnes 2004) it is of interest to financial managers to gain insight into how general financial trust may vary across relationship types. In line with the definition of relationship trust stated above, we conceptualize general trust as the expectation held by the customer that financial companies are generally dependable and can be relied on to deliver on their promises.

Methodology

Data collection

We used a two-step procedure to sample respondents from Capacent Epinion's online panel of approximately 30,000 Danish consumers. In the first step, we drew a stratified random sample of 11,682 respondents aged 18+ from the online panel, reflecting the distribution of gender, age, and educational level in the population (aged 18+) as a whole. In the second step, these 11,682 respondents were contacted by email, and asked to respond to the screening question: "Have you recently been in contact with your current [type of financial company]?" (Yes/No/Not engaged with this type of company) to ensure that only ongoing relationships were included in the sample.

The data collection procedure was designed with the goal of obtaining a minimum of 750 valid respondents within each of the financial sub-sectors (banks, mortgage companies, pension companies and insurance companies). Since relatively more consumers are involved with e.g., banks (nearly all consumers) than with e.g., mortgage companies (almost limited to consumers owing real estate) the order in which respondents were exposed to the various company types was prioritized so that each respondent was first asked the screening question in relation to mortgage companies. If answering 'no or not engaged with…' the respondent proceeded to the screening question related to pension companies. If answering 'no or not engaged with…' the respondent proceeded to the screening question related to insurance companies, and if answering 'no or not engaged with…' the respondent finally proceeded to the screening question related to banks. When the number of cases collected reached 750 for a given sub-sector, this sub-sector was moved to the bottom of the prioritizing list. 3,638 respondents who answered yes to one of the screening questions constituted our final sample of respondents, distributed in the following way across financial sub-sectors: banks (*n*=1155; 31.7%), mortgage companies (*n*=896; 24.6%), pension companies (*n*=770; 21.2%) and insurance companies (*n*=817; 22.5%).

In the final pooled sample, 55.6% were women and average age was 47.0 years with a range between 18-86 years. We investigated whether the profile of our pooled sample deviated from the Danish population aged 18-86 on gender and educational level. χ^2-tests of difference between sample and population frequencies on each of these criteria produced p-values >.07, indicating that the pooled sample reflected the demographic profile of the Danish population. Distributed across financial sub-sectors, the average age ranged from 45.1 (insurance) to 48.0 (mortgage) and the proportion of women ranged from 52.5 (mortgage) to 58.4 (insurance). When compared to the total population aged 18-86, χ^2-tests suggest that women are overrepresented in the insurance-sample (p<.01). No other significant χ^2-values were detected suggesting a fairly degree of representativeness of the studied population within each sub-sector.

Measurements

Our measurement items were based on prior research, modified to fit the financial service context of our study where relevant. The final items for each construct are summarized in the appendix.

Relationship characteristics measures. Switching costs was measured using the three-item switching costs scale provided by Ping (1993). Waiting time was measured by the three-item scale proposed by Brady and Cronin (2001) along with one additional item. Four items adapted from Cho, Lee and Tharp (2001) and modified to fit the present context measured information involvement. Trust was measured by the four-item trust in the organization scale developed by Tax, Brown and Chandrashekaran (1998). The four-item service quality (empathy) scale developed by Parasuraman, Zeithaml and Berry (1994) measured customers' evaluations of service in the relationship. The service quality empathy scale was chosen because, consistent with the relationship theory approach, this scale is specifically directed at measuring the caring and individualized attention a firm provides its customers (Parasuraman, Zeithaml and Berry 1988). Information understandability and relevance, respectively, were measured using the two four-item scales developed by Lee, Strong, Kahn and Wang (2002).

Outcome construct measures. Satisfaction was measured with a three-item scale adapted from De Wulf, Odekerken-Schröder and Iacobucci (2001). The two loyalty intentions items developed by Sirohi, McLaughlin and Wittink (1998) along with one additional item measured loyalty, whereas commitment was measured by the Ganesh, Arnold and Reynolds (2000) three-item commitment to service provider scale.

Decriptor variable measures. Current financial behaviour was measured using six items adapted from the financial behaviour scale provided by Joo and Grable (2004). Two items derived from the SD Consumer Confidence Indicator (2008) measured financial expectations. Four items based on Tax, Brown and Chandrashekaran (1998) measured general financial trust.

Results

Validation of measurements

We began with exploratory factor analysis on each of the individual relationship and outcome constructs and on each of the three latent descriptors included in our study – items with loadings less than .50 and/or cross-loadings greater than .30 were removed (Brockman and Morgan 2006). This resulted in deletion of one item related to satisfaction and commitment, respectively. The deleted items are marked in the appendix. We then conducted confirmatory factor analysis (CFA) on the thirteen latent factors, with each indicator specified to load on its hypothesized latent factor. Raw data was used as input for the maximum likelihood estimation procedure (Gerbing and Anderson 1988). Tables 1 and 2 summarize the construct inter-correlations and CFA results. The constructs correlate in expected directions indicating their content validity (Fornell and Larcker 1981).

Insert Table 1 about here

The measurement model yields a chi-square of 7040.59 (d.f.=911, p<.01). However, since the chi-square test is highly sensitive to sample size (MacCallum and Austin 2000) other fit measures are given greater prominence in evaluating model fit (e.g., Ye et al. 2007). The root mean square error of approximation (RMSEA=.043), the comparative fit index (CFI=.91) and the normed fit index (NFI=.90) show an acceptable degree of fit of the measurement model (Bagozzi and Yi 1988). Composite reliability, which represents the shared variance among observed items measuring an underlying construct (Workman, Homburg, and Jensen 2003) was examined; composite reliability of .60 or more is desirable (Bagozzi and Yi 1988). All reliabilities exceeded, or were nearly equal to, .70 in our data, indicating acceptable reliability of measured constructs. Finally, extracted variance was equal to or greater than .5 for all latent constructs, which satisfies the threshold value recommended by Fornell and Larcker (1981).

Insert Table 2 about here

To test discriminant validity, the procedure proposed by Fornell and Larcker (1981) was applied. Fornell and Larcker's procedure is considered a demanding test for discriminant validity (e.g., Grewal, Cote, and Baumgartner 2004). Although, several substantial correlations could be detected among constructs (Table 1), the extracted variance for each of the individual constructs (Table 2) exceeds the squared correlation between constructs indicating that sufficient discriminant validity is obtained.

Taxonomic development procedure

Similar to other recent taxonomy developments (e.g., Howcroft, Hamilton and Hewer 2007; Cannon and Perrault 1999), cluster analysis was employed for the purpose of exploring whether a viable taxonomy of financial customer-seller relationships could be detected. An index was formed for each of the relationship constructs by adding and averaging the items for each construct. A two-step process was then utilized to take advantage of both hierarchical and non-hierarchical clustering procedures. First, hierarchical clustering was used to identify the numbers of clusters implied by the data. Then, k-means clustering was used to fine-tune and to further validate the results from the hierarchical procedure. The Ward method of clustering using the squared Euclidean distance measure was applied in the initial hierarchical approach to develop the potential number of clusters. We randomly split the sample into four distinct sub-samples (Punj and Steward 1983), each containing twenty five percent of the data. Splitting the sample also allows us to take advantage of the hierarchical approach even with a very large dataset. Reviews of the percentage change on the agglomeration coefficient as well as the dendogram suggested a six-cluster solution (in three subsamples) with an eight-cluster solution as a rivaling candidate (in one subsample). As an additional investigation, we repeated the investigation for twelve additional subsamples, each randomly containing twenty five percent of the data. Confirming the initial analyses, these analyses indicated a six-cluster solution as the most reasonable option. For each of the four initial subsamples six and eight clusters, respectively, were derived and ANOVAs were conducted on the clustering variables. An inspection of the F values, along with the results of the post hoc tests, suggested that the six-cluster solution provided relatively more variables/pair wise comparisons that were significantly different (at the .05 level); thus supporting the appropriateness of the six-cluster solution (Howcroft, Hamilton and Hewer 2007).

The cluster centroids resulting from each of the four six cluster solutions were used as seed points for four separate K-means analyses. To test for an 'acceptable level of agreement' between the two clustering methods (hierarchical and nonhierarchical), the Kappa chance corrected coefficient of agreement (Singh 1990) was carried out for each of the pair wise comparisons. The Kappa coefficient, which has been described as an 'objective' measure of stability (Howcroft, Hamilton and Hewer 2007; Punj and Stewart 1983), showed values ranging from .73 to .82 indicating a sufficient level of agreement across pair wise method comparisons. As an additional control, a K-means clustering using random seeds was carried out for each of the four subsamples and the Kappa coefficient was used to compare the two K-means (i.e., K-means using seed points vs. K-means using random seeds) six cluster solutions. The values of the Kappa coefficient ranged from .76 to .83 indicating acceptable robustness of the six cluster solution and giving support to the notion of a normal market structure among observations (Hair et al. 2006).

The cluster centroids resulting from the four initial subsamples were then averaged and used as seed points for a subsequent K-mean analysis using the entire dataset. As a control, a K-means clustering using random seeds was also carried out with the Kappa coefficient (=.77) confirming sufficient robustness of the six cluster solution.

Taxonomic results

The means and standard deviations of relationship-characteristics by type of relationship (cluster) are shown in Table 3.

Insert Table 3 about here

Since the clusters have been created to maximize differences among cases in different clusters, the F-test results displayed in Table 3 do not represent formal statistical tests for differences among characteristic means. However, the F-test results are useful heuristics for obtaining an impression of the most influential variables in discriminating among clusters. Based on this notion, the results suggest that the two most influential variables are low switching costs (F=1121.00) and service (F=1014.66), whereas the two least influential variables are low waiting time (F=609.89) and involvement (F=620.96). Medium influential variables in discriminating among clusters are trust (F=829.93), information relevancy (F=802.07) and information understandability (F=701.48). In addition to the F-test results, and similar to Cannon and Perreault (1999), we used the probabilities associated with Duncan’s multiple-range test to obtain useful heuristics for detecting similarities and differences among relationship types. In Table 2, solid-lined boxes emphasize the relationship-types with a mean in the highest range for a relationship-characteristic, dashed boxes represent the next highest level, whereas circles emphasize the lowest range. Although the clusters are arranged such that relationships closer to the bottom represent closer relationships, this information is useful since levels of relationship characteristics vary in different ways among clusters. For example, the cluster named ‘emerging semi-close relationship’ contains the highest mean for low switching costs, but not for other relationship-characteristics. Additional insights into the nature of each cluster is provided in Table 4, which uses a range of variables (descriptors), including mean income (year), educational level, age, gender, household size, current financial behaviour, financial expectations and general financial trust, to display descriptive information about each relationship type. The combination of Tables 3 and 4 provides information about the relationship types.

Insert Table 4 about here

Interestingly, while the results suggest that only modest differences in income, educational level, age and household size are found across relationship types, more substantial differences are found when regarding customers’ current financial behaviour, financial expectations, and general financial trust. Because of the relatively larger variation of these last mentioned variables across relationship clusters we will concentrate on these as the main descriptor variables in the following review of the results.

Poor relationship. Poor relationship comprised 13.1 percent of the sample population. These customers had the lowest level of information involvement across relationship types. Moreover, they exhibited the lowest level of trust and also perceived the lowest levels of information relevancy, information understandability, service, and low waiting time. However, they moderately agreed that the relationship is associated with low switching costs. Notably, in addition to assigning poor evaluations to most of the relationship characteristics these customers reported the lowest level of general financial trust and low levels of current financial behaviour and financial expectations.

Semi-poor relationship. Semi-poor relationship comprised 14.2 percent of the sample population and was the third largest cluster. Customers assigned to this relationship type have the lowest mean score on low switching costs and information relevancy is in the lowest mean range. Especially these two characteristics are the distinguishing features of this relationship type. Customers in the semi-poor relationship cluster also rate relatively low on information involvement, trust, service, and information understandability, whereas the mean score on waiting time is in the midrange. Their mean scores on current financial behavior and general financial trust are relatively low, whereas the mean score on financial expectations is in the midrange.

Average relationship. Comprising 33.2 percent of the sample population, average relationship was the largest cluster. For all relationship characteristics, customers in the average relationship cluster show mean scores near the sample mean and can thus be thought of as a 'baseline' cluster. Also, customers in this relationship type exhibit midrange levels of current financial behaviour, financial expectations and general financial trust.

Emerging semi-close relationship. Emerging semi-close relationship comprised 12.6 percent of the sample population and was the second smallest cluster. Customers in this cluster agree that the relationship is characterized by low switching costs, as suggested by the highest mean score of any of the relationship types on low switching costs. Also, the mean score on low waiting time is relatively high, whereas mean scores on all remaining relation characteristics are in the midrange. The relatively high mean score on low switching costs suggest that these customers are 'voluntarily' tied to their financial supplier. Thus, their actual presence in the relationship suggests that it may be beneficially for companies to invest additional amounts of resources in order to improve customers' evaluations of relationship characteristics. While financial expectations is in the high mean range, current financial behaviour and general financial trust are in the midrange.

Semi-close relationship. Comprising 16.7 percent of the sample population, semi-close relationship was the second largest cluster. Semi-close relationship customers exhibit the second largest levels of information involvement, trust, service, information understandability, and information relevancy. They are not likely to agree that low switching costs are present in the relationship, as indicated by the relatively low mean score on this characteristic. Financial expectations, current financial behaviour and general financial trust are all in the high mean range.

Close relationship. Close relationship comprised 10.2 percent of the sample population and was the smallest cluster. With the highest mean scores on any relationship characteristics, except for low switching costs (assigned with the second largest mean score), customers in this cluster are likely to being close to their financial services provider. The high mean values indicate that sellers meet customers' needs and it is therefore unlikely that customers should terminate the relationship for the benefit of a competing provider, even though switching costs are deemed relatively low. A relationship portfolio with high shares of close relationships is therefore a goal that any financial service provider might wish to pursue. Financial expectations, current financial behaviour and general financial trust are all in the highest mean range.

Relationship antecedents and outcomes

Table 5 displays means and standard deviations of financial sub-sector (relation antecedents) and customer evaluations (relationship outcomes) by type of relationship.

Insert Table 5 about here

A chi-square test (237.55, d.f.=15, $p<.01$) indicates that relationship type is related to type of financial sub-sector. While the results suggest that the four financial sub-sectors have nearly equal shares of poor relationships, pension companies are overrepresented with semi-poor and average relationships, having larger shares of both these relationship types than any of the other three sub-sectors. Consistent with these results, pension companies also comprise the lowest share of emerging semi-close, semi-close and close relationships, respectively. Relatively more close relationships, and fewer average relationships, are found within the bank sub-sector than within the three other sub-sectors. No substantial differences in shares of relationship-types appear between mortgage and insurance companies.

A multivariate analysis of variance (MANOVA) indicated that customer outcome evaluations are dependent upon the type of financial relationship (Wilks' lambda=0.49; F=200.08 (15, 10021.23), $p<.01$). Therefore, to determine which customer outcome evaluations are different across relationship type, separate univariate ANOVAs were performed for each of the individual dependent variables: satisfaction, loyalty, and commitment (Table 6).

Insert Table 6 about here

Relationship type had significant effects on both satisfaction (F=522.08, p<.01), loyalty (F=218.05; p<.01), and commitment (F=139.91, p<.01). An examination of the cell means provided in Table 5 suggest that the levels of relationship commitment, satisfaction and loyalty were higher the closer the relationship. An examination of the partial eta squared values indicates that noticeable proportions of variance in each of the three outcome evaluations (commitment: 16.1%; satisfaction: 41.8%; loyalty: 23.1%, respectively) can be attributed to relationship type.

Relationship outcomes by financial sub-sector

Table 7 provides means and standard deviations of customer outcome evaluations by type of financial sub-sector.

Insert Table 7 about here

To investigate whether type of financial sub-sector would influence customer outcome evaluations a MANOVA, along with subsequent ANOVAs, was carried out. The MANOVA results suggest that customer outcome evaluations are significantly influenced by type of financial sub-sector (Wilks' lambda=0.92; F=32.84 (9, 8839.48), p<.01). ANOVAs were performed for each of the individual dependent variables: satisfaction, loyalty, and commitment (Table 8).

Insert Table 8 about here

Type of financial sub-sector significantly affected both satisfaction (F=38.32, p<.01), loyalty (F=4.89; p<.01), and commitment (F=36.25, p<.01). An inspection of the cell means displayed in Table 7 suggest that banks are associated with the highest level of relationship commitment and pension companies with the lowest level. Pension companies are also associated with the lowest satisfaction level. In contrast, pension companies belong to the highest mean range with respect to customers' loyalty toward the relationship. This result suggests that we should not automatically assume that relatively high levels of customer satisfaction and commitment necessarily are associated with relatively high levels of customer loyalty towards the relationship. In the specific case, the fact that pension services for many customers are acquired on a long-term basis probably make them less inclined to switch to another pension company on a short-term basis.

An examination of the partial eta squared values indicate that only limited proportions of variance in each of the three outcome evaluations (satisfaction: 3.1%; loyalty: .04%; and commitment: 2.9%, respectively) are attributed to type of financial sub-sector. These results are especially interesting when compared to the results concerning the influence of relationship type on customer outcome evaluations (see Table 6). The comparison of these two groups of results suggest that it may be almost equally beneficial for financial companies to seek to improve customer relations no matter which specific type of sub-sector they belong to. Thus, even though pension companies are assigned with relatively large shares of semi-poor and average relationships these companies should not hesitate in trying to improve customer relationships for the purpose of elevating customer satisfaction, loyalty and commitment.

Discussion

In the present research we developed a taxonomy of financial customer-seller relations and investigated the implications of different relationship types for customer satisfaction, loyalty and commitment. Additionally, we included as relationship descriptors three constructs, i.e., customers' current financial behaviour, financial expectations and general financial trust, which are related to the financial well-being of the customer and, ultimately, the financial well-being of the society. Notably, this study considered the full-range of financial sub-sectors and the results were based on representative samples of Danish consumers within each sub-sector. Our results make several theoretical contributions to the literature on relationship marketing and provide a number of managerial implications.

Six types of financial customer-seller relations were identified in this study. Similar to prior relationship taxonomic research (e.g., Cannon and Perrault 1999), the general picture was that relationship characteristic levels vary collectively such that, for example, a relatively low level of one characteristic in a relationship type most likely was accompanied by relatively low levels of other relationship characteristics within that relationship type. However, an examination of the specific levels of relationship characteristics provides additional insights since characteristic levels, in particular switching costs levels, and to a lesser degree waiting time levels, vary in different ways across relationship types. Recognizing that even highly satisfied and loyal customers might still switch to another company it is essential that financial managers gain knowledge of customers' perceived switching costs. Customers who perceive relatively high switching costs are more likely to remain loyal to a service provider, even under conditions of dissatisfaction with the relationship (Garnesh, Arnould and Reynolds 2000). With average perceived switching costs close to the total sample mean, this may be an important reason behind the existence of the poor relationship type. For this relationship type competitors may, however, see an interest in trying to reduce the perceived costs of switching to another financial company for the purpose of taking advantage of customers' perceived poorness of their current relationship. In order to prevent this, financial managers should seek to improve customers' perception of relationship characteristics to levels corresponding to the levels of the semi-poor relationship cluster. This latter relationship type is characterized by customers who on average highly disagree that switching costs are low.

The emerging semi-close relationship type comprises customers with the highest mean score on low switching costs, which makes them vulnerable to competitors' actions. Thus, consistent with relationship portfolio theory and management (Johnson and Selnes 2004) it is essential that these customers are tied even closer to the company by transferring them into semi-close or even close relationship types.

Our research results suggest that relationship characteristics are major factors in influencing financial customers' satisfaction, loyalty, and commitment responses. Consistent with the marketing relationship approach this heightens the importance of long-term and well-functioning customer-seller interactions in the financial marketplace. As such, the understanding of customers' perception of their interaction with financial companies is vital in order to tie customers closer to their company. We identified several differences among customer clusters, enabling financial companies to more efficiently identify and target customers as part of a broader value assessment and retention strategy (Johnson and Selnes 2004; Garnesh, Arnould and Reynolds 2000). This presupposes, however, that financial managers urge employees to realize that financial customers should be regarded as an asset to the company and also that financial employees must learn, among other aspects, how to communicate with individual customers in a relevant and understandable manner and how to build customer trust. The results suggest that demographic information is less useful for determining customer-seller relationship type since only modest differences in income, educational level, age, and household size, and no gender-differences, were detected across relationship types. Thus, we also point to the critical role of continuously monitoring financial customer relationship perceptions and outcome evaluations. Dependent upon their perceived attractiveness, each relationship type requires a different approach and degree of investment according to whether the intent is to maintain or improve the relationship (Johnson and Selnes 2004).

To our knowledge, this study is the first to investigate possible associations between customer-seller relationship types and constructs associated with the financial welfare of the customer and, ultimately, of the society. For example, consumers' average financial expectations is a common used indicator for prognosticating economic growth in a society and is thus an important expected welfare measure. Notably, the clearest association was found between relationship type and general financial trust with mean scores on general financial trust systematically increasing with closeness of relationship. Close to this picture, but in a little less systematic manner, customers' mean scores on current financial behaviour and financial expectations both tend to increase with closeness of relationship type. These results provide important input to the debate currently taking place in many societies concerning the implications for society and welfare of consumers' decreased confidence in financial companies and whether special governmental initiatives should be carried out to deal with these developments. It should be noted, however, that while our results suggest the existence of an associative tendency between these relationship descriptors and relationship type, they do not take into account the possible causality of these associations. Future research may wish to investigate to what degree part of the associative tendency may be attributed to financial companies' interest in attracting and developing close relationships with customers with already established positive financial behaviours and expectations and/or to the possible reason that close and well-functioning customer-seller relationships might positively affect customers' financial behaviour, expectations and general financial trust.

Our results suggest that only limited, however significant, proportions of variance in the three relationship outcome constructs, i.e., satisfaction, loyalty and commitment, are attributed to type of financial sub-sector. These results fit well into the findings that, when disregarding pension companies, only modest differences in shares of relationship types were found across financial sub-sectors, suggesting the generalizability of the relative sizes of relationship types. Moreover, our results are consistent with recent research suggesting that it is often difficult to engage consumers in pension-related topics because of their long-term nature and perceived complexity (Towers Perrin 2008).

There are several limitations of this study that should be acknowledged. We approached consumers via online surveys. Consumers may behave differently when engaging in specific relationship settings. Thus, although a survey is generally accepted as a means of data collection there is little control over the contextual setting and over the response behaviour of consumers (Kozup, Creyer, and Burton 2003). We developed six ‘pure’ customer-seller relationship types. However, these can not account for all possible customer-seller financial relationships, especially not for relationships that are infrequent in occurrence. In such incidents, combinations or ‘hybrids’ of the types presented in this research may have more applicability.

While the taxonomy developed in this paper comprises characteristics that are widely accepted as significant relationship characteristics, we concentrated on analyzing the consumer population of one society. Although the investigated financial company types are present in most developed societies and even though their service offerings are most likely guided by similar financial and economic principles, this could mean that the results may suffer from a lack of generalizability when other countries are considered. We call upon future research to take into account cultural characteristics such as e.g., the degree of customer uncertainty avoidance, among others. According to Hofstede (2001), uncertainty avoidance reflects a society’s tolerance for uncertainty and ambiguity. Since trust may decrease uncertainty, financial customers within uncertainty avoiding societies may put higher emphasis on relationship trust when compared to less uncertainty avoiding societies.

Many potential relationship characteristics could affect customer satisfaction, loyalty and commitment but this study investigates only a subset of them. Therefore, further research should explore a wider range of characteristics, such as e.g., shared values and service flexibility. Also, the study of possible relationship influencers, such as how customers’ perceptions of relationship characteristics are affected by reference groups and word-of-mouth communication, represents an interesting avenue for future research.

Table 1
CONSTRUCT CORRELATIONS

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Trust	1.00												
2. Information relevancy	.44	1.00											
3. Information understandability	.55	.58	1.00										
4. Information involvement	.41	.59	.41	1.00									
5. Switching costs	.19	.23	.24	.14	1.00								
6. Service quality	.63	.49	.59	.47	.15	1.00							
7. Waiting time	.55	.42	.52	.32	.15	.59	1.00						
8. Satisfaction	.65	.46	.55	.44	.19	.63	.49	1.00					
9. Loyalty	.51	.34	.36	.31	.15	.44	.34	.50	1.00				
10. Commitment	.20	.31	.23	.41	.09	.23	.21	.25	.13	1.00			
11. Current financial behaviour	.14	.10	.09	.13	.09	.11	.08	.12	.11	.09	1.00		
12. Financial expectations	.08	.06	.09	.11	.08	.09	.07	.08	.05	.09	.25	1.00	
13. General financial trust	.47	.31	.35	.30	.16	.41	.29	.38	.30	.13	.16	.12	1.00

All correlation coefficients were significant at the .01 level.

Constructs 1-7 are included in the study as relationship constructs; constructs 8-10 are outcome constructs; constructs 11-13 are relationship descriptors.

Table 2
CONFIRMATORY FACTOR ANALYSES RESULTS

Construct/indicator	Standardized factor loading[a]	Critical ratio	Composite reliability	Extracted variance
Trust			.80	.50
X1	.57	-		
X2	.65	27.72		
X3	.81	32.18		
X4	.76	31.00		
Information relevancy			.80	.50
X5	.70	-		
X6	.76	39.10		
X7	.67	32.55		
X8	.70	33.47		
Information understandability			.80	.51
X9	.75	-		
X10	.70	37.01		
X11	.66	33.71		
X12	.73	38.46		
Information involvement			.81	.53
X13	.79	-		
X14	.79	44.87		
X15	.53	29.10		
X16	.76	43.21		
Low switching costs			.78	.54
X17	.84	-		
X18	.67	30.16		
X19	.69	30.76		
Service			.85	.59
X20	.80	-		
X21	.70	41.16		
X22	.77	45.82		
X23	.79	46.47		
Low waiting time			.81	.51
X24	.76	-		
X25	.67	32.93		
X26	.78	33.71		
X27	.64	29.59		
Satisfaction			.80	.66
X28	.84	-		
X29	.79	52.15		
Loyalty			.84	.64
X30	.85	-		
X31	.61	38.29		
X32	.91	59.28		
Commitment			.69	.53
X33	.69	-		
X34	.76	26.16		
Current financial behaviour			.86	.51
X35	.63	-		
X36	.72	31.99		
X37	.77	33.36		
X38	.74	32.88		
X39	.71	31.18		
X40	.69	29.69		
Financial expectations			.68	.51
X41	.76	-		
X42	.67	28.23		
General financial trust			.84	.57
X43	.63	-		
X44	.75	32.74		
X45	.74	32.55		
X46	.87	35.54		

[a] One item for each construct was set to 1. * Item inverted.

Table 3
MEANS AND STANDARD DEVIATIONS OF RELATIONSHIP-CHARACTERISTICS BY TYPE OF RELATIONSHIP (CLUSTER)

		Relationship-characteristic						
Type of relationship (Cluster)	*N*	Trust	Information relevancy	Information understandability	Information involvement	Low switching costs	Service	Low waiting time
Poor relationship	476 (13.1%)	3.97^{f} 1.04	3.25^{e} .95	3.92^{f} 1.07	3.73^{f} 1.02	3.65^{d} 1.25	3.05^{f} .96	3.67^{e} 1.15
Semi-poor relationship	517 (14.2%)	5.34^{e} .73	3.26^{e} 1.07	4.90^{e} .84	3.87^{e} 1.07	2.22^{f} .93	4.51^{e} .76	5.02^{d} .67
Average relationship	1206 (33.2%)	5.55^{d} .57	4.20^{d} .65	5.21^{d} .60	4.36^{d} .78	3.94^{c} .44	4.69^{d} .58	5.09^{d} .54
Emerging semi-close relationship	459 (12.6%)	5.83^{c} .67	4.57^{c} .89	5.54^{c} .64	4.72^{c} .97	6.04^{a} .65	4.91^{c} .77	5.60^{b} .78
Semi-close relationship	609 (16.7%)	6.21^{b} .63	5.22^{b} .84	5.82^{b} .69	5.70^{b} .78	3.25^{e} 1.00	5.47^{b} .82	5.40^{c} .76
Close relationship	371 (10.2%)	6.67^{a} .51	6.06^{a} .77	6.61^{a} .48	6.24^{a} .74	5.00^{b} 1.23	6.40^{a} .64	6.38^{a} .70
Total sample	3638	5.57 1.01	4.34 1.21	5.28 1.02	4.67 1.20	3.92 1.39	4.78 1.14	5.12 1.01
F-value		829.93**	802.07**	701.48**	620.96**	1121,00**	1014.66**	609.89**

For a given relationship-characteristic (column), means for different relationship-types with the same superscript letter are not significantly different (p<.05) based on Duncan's multiple-range test. The means in the highest range are designated with a superscript a, the next highest with b, and so on. Solid-lined boxes emphasize the relationship-types with a mean in the highest range for a relationship-characteristic, dashed boxes represent the next highest level, whereas circles emphasize the lowest range. Cluster means were developed using seed points taken from the hierarchical cluster analysis.
All scales range from 1 (=customers' highly disagree that the characteristic is present in relationship) to 7 (=customers' highly agree that the characteristic is present in relationship).
**: F-value significant at the .01 level.

Table 4
DESCRIPTOR VARIABLES BY TYPE OF RELATIONSHIP (CLUSTER)

Type of Relationship (Cluster)	*N*	*Descriptor variables* Mean income (year)	Educational level (mean)	Age (years)	Household size (number of persons)	Gender (% females)^	Current financial behaviour	Financial expectation	General financial trust
Poor relationship	476 (13.1%)	3.99[a]	4.99[a,b]	47.3[b,c]	2.68[a]	51.5	5.26[d,e]	4.42[d]	4.01[f]
Semi-poor relationship	517 (14.2%)	4.06[a]	5.20[a]	46.0[c]	2.63[a]	54.9	5.16[e]	4.45[c,d]	4.73[e]
Average relationship	1206 (33.2%)	3.85[a]	5.07[a,b]	46.1[c]	2.65[a]	56.9	5.39[c,d]	4.49[c,d]	5.00[d]
Emerging semi-close relationship	459 (12.6%)	4.08[a]	5.19[a]	46.4[b,c]	2.70[a]	51.9	5.52[b,c]	4.63[a,b]	5.25[c]
Semi-close relationship	609 (16.7%)	4.02[a]	4.96[a,b]	49.1[a]	2.46[b]	55.1	5.57[b]	4.56[b,c]	5.42[b]
Close relationship	371 (10.2%)	3.90[a]	4.85[b]	48.1[a,b]	2.42[b]	56.2	5.82[a]	4.72[a]	5.90[a]
Total sample	3638	3.96	5.05	47.0	2.60	55.6	5.43	4.53	5.03

For a given relationship-characteristic (column), means for different relationship-types with the same superscript letter are not significantly different (p<.05) based on Duncan's multiple-range test. The means in the highest range are designated with a superscript a, the next highest with b, and so on.
^Chi-square test not significant (p=.305).

Table 5

MEANS AND STANDARD DEVIATIONS OF FINANCIAL SUB-SECTOR AND CUSTOMER OUTCOME EVALUATIONS BY TYPE OF RELATIONSHIP (CLUSTER)

			Financial subsector			*Customer outcome evaluations*		
Type of Relationship (Cluster)	*N*	Banks	Mortgage companies	Pension companies	Insurance companies	Satisfaction with rel.ship	Loyalty toward rel.ship	Relationship commitment
Poor relationship	476 (13.1%)	152 (13.2%)	102 (11.4%)	96 (12.5%)	102 (11.4%)	3.66^{f}	4.33^{e}	2.49^{d}
Semi-poor relationship	517 (14.2%)	129 (11.2%)	133 (14.8%)	170 (22.1%)	85 (10.4%)	4.95^{e}	5.36^{d}	2.20^{e}
Average relationship	1206 (33.2%)	295 (25.5%)	322 (35.9%)	331 (43.0%)	258 (31.6%)	5.31^{d}	5.93^{c}	2.47^{d}
Emerging semi-close relationship	459 (12.6%)	167 (14.5%)	120 (13.4%)	34 (4.4%)	136 (16.9%)	5.82^{c}	6.04^{c}	2.77^{c}
Semi-close relationship	609 (16.7%)	229 (19.8%)	140 (15.6%)	111 (14.4%)	129 (15.8%)	6.29^{b}	6.51^{b}	3.54^{b}
Close relationship	371 (10.2%)	183 (15.8%)	79 (8.8%)	28 (3.6%)	81 (9.9%)	6.75^{a}	6.71^{a}	4.40^{a}
Total sample	3638	1155	896	770	827	5.42	5.83	2.85

For a given relationship outcome evaluation (column), means for different relationship-types with the same superscript letter are not significantly different ($p<.05$) based on Duncan's multiple-range test. The means in the highest range are designated with a superscript a, the next highest with b, and so on.
Customer outcome evaluation scales range from 1(=low commitment, satisfaction, and loyalty) to 7(=high commitment, satisfaction, and loyalty).

Table 6
CUSTOMER OUTCOME EVALUATIONS ACROSS TYPE OF RELATIONSHIP

Customer Outcome Evaluations; Dependent Variable(s)	Source of Variance	Wilks' Lambda	Sums of Squares	Degrees of Freedom	F-ratio	P-value	Partial eta squared
Multivariate (satisfaction, loyalty and commitment)	Relationship type	.49		15;10021.23	200.08	<.01	
Univariate							
Satisfaction	Relationship type		2798.15	5	522.08	<.01	.418
	Error		3893.21	3632			
	Total		6691.37	3637			
Loyalty	Relationship type		1785.28	5	218.05	<.01	.231
	Error		5947.52	3632			
	Total		7732.81	3637			
Commitment	Relationship type		1641.29	5	139.91	<.01	.161
	Error		8521.65	3632			
	Total		10162.94	3037			

Table 7

MEANS AND STANDARD DEVIATIONS OF CUSTOMER OUTCOME EVALUATIONS BY TYPE OF FINANCIAL SUBSECTOR

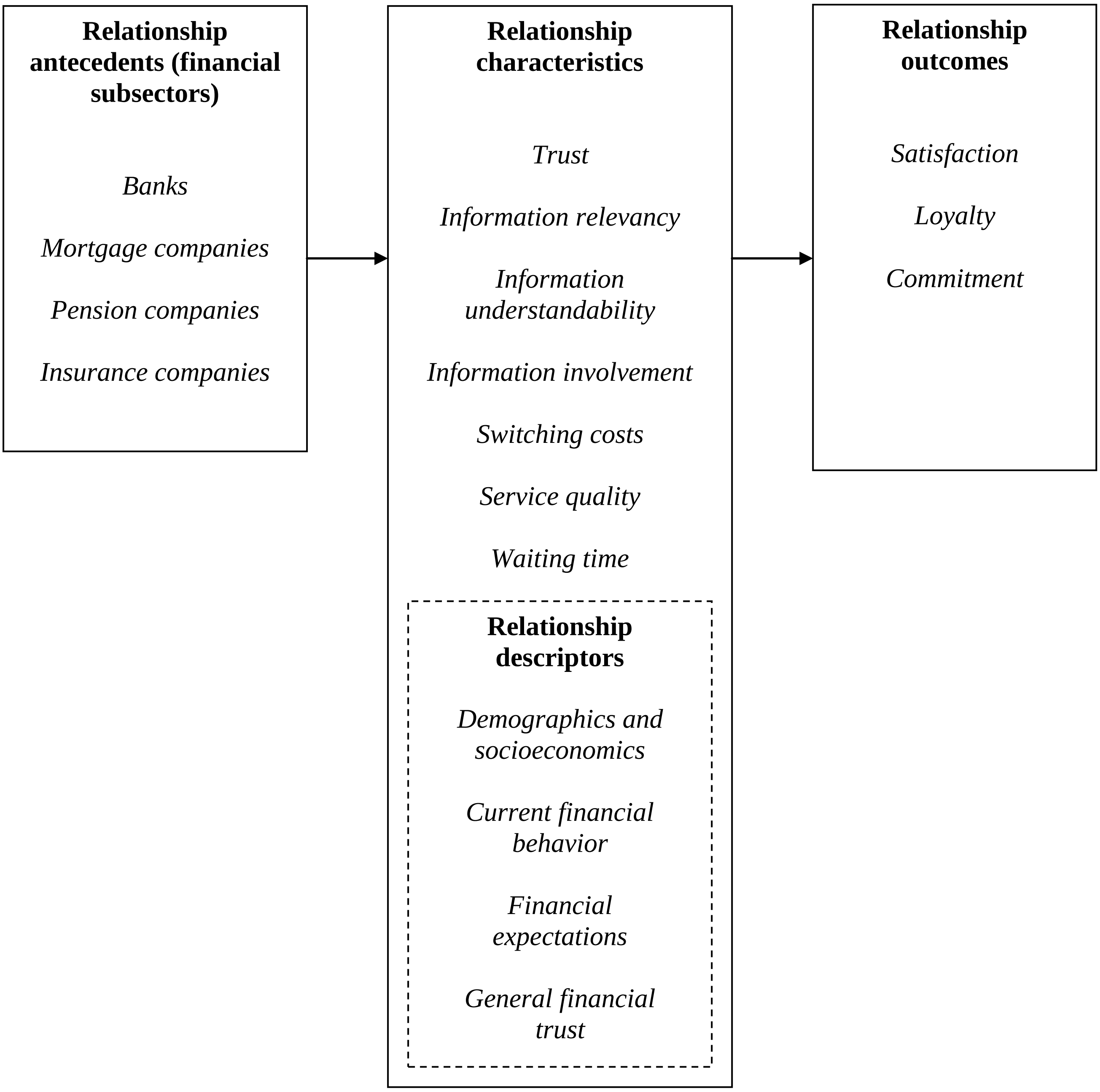
Type of financial subsector	*N*	Satisfaction with rel.ship	Loyalty toward rel.ship	Relationship commitment
Banks	1155	5.59^{a}	5.71^{b}	3.25^{a}
Mortgage companies	896	5.50^{a}	5.92^{a}	2.71^{b}
Pension companies	770	4.96^{b}	5.93^{a}	2.53^{c}
Insurance companies	817	5.50^{a}	$5.82^{a,b}$	2.74^{b}
Total sample	3638	5.42	5.83	2.85

For a given relationship outcome evaluation (column), means for different relationship-types with the same superscript letter are not significantly different (p<.05) based on Duncan's multiple-range test.
The means in the highest range are designated with a superscript a, the next highest with b, and so on.

Table 8
CUSTOMER OUTCOME EVALUATIONS ACROSS TYPE OF FINANCIAL SUB-SECTOR

Customer Outcome Evaluations; Dependent Variable(s)	Source of Variance	Wilks' Lambda	Sums of Squares	Degrees of Freedom	F-ratio	P-value	Partial eta squared
Multivariate (satisfaction, loyalty and commitment)	Financial sub-sector	.92		9;8839.48	32.84	<.01	
Univariate							
Satisfaction	Financial sub-sector		205.20	5	38.32	<.01	.031
	Error		6486.16	3632			
	Total		6691.37	3637			
Loyalty	Financial sub-sector		31.09	5	4.89	<.01	.004
	Error		7701.71	3632			
	Total		7732.81	3637			
Commitment	Financial sub-sector		295.26	5	36.25	<.01	.029
	Error		9867.69	3632			
	Total		10162.94	3037			

Figure 1
CONCEPTUAL FRAMEWORK



APPENDIX

Items used to measure the constructs in the study

A. Relationship characteristics

Trust
X1. I believe that my [financial service provider] cannot be relied upon to keep its promises*
X2. I believe that my [financial service provider] is trustworthy
X3. I find it necessary to be cautious when dealing with this [financial service provider]*
X4. Overall, I believe my [financial service provider] is honest

Information relevancy
X5. It is often unclear whether information received from my [financial service provider] is useful to me.*
X6. The information that I receive from my [financial service provider] is often relevant to me.
X7. Most often the information that I receive from my [financial service provider] is appropriate to me.
X8. The information that is provided to me by my [financial service provider] is applicable to me.

Information understandability
X9. The information that I receive from my [financial service provider] is easy to understand.
X10. The meaning of the information I receive from my [financial service provider] is difficult to understand.*
X11. The information that I receive from my [financial service provider] is easy to comprehend.
X12. It is easy to understand the meaning of the information that I receive from my [financial service provider].

Information involvement
X13. In general, I'm interested in the information that I receive from my [financial service provider]
X14. In general, the information that I receive from my [financial service provider] is important to me
X15. I get involved when I use the information provided to me by my [financial service provider]
X16. The information that I receive from my [financial service provider] is relevant to my life.

(Low) switching costs
X17. In general, it would be a hassle changing [financial service provider]*
X18. It would take a lot of time and effort changing [financial service provider]*
X19. For me, the costs in time, money, and effort to switch [financial service provider] are high*

Service quality
X20. My [financial service provider] gives me individual attention
X21. My [financial service provider] deals with me in a caring fashion
X22. My [financial service provider] has my best interest at heart
X23. My [financial service provider] understands my needs

(Low) waiting time
X24. My [financial service provider] does not try to keep waiting time to a minimum*
X25. Waiting time at my [financial service provider] is predictable
X26. In general, there is a long waiting time when I want to deal with my [financial service provider]*
X27. My [financial service provider] understands that waiting time is important to me

B. Relationship outcomes

Satisfaction

X28. I am satisfied with the relationship I have with my [financial service provider]
X29. As a regular customer, I have a high quality relationship with my [financial service provider]
I am happy with the effort my [financial service provider] is making towards regular customers like me#

Loyalty

X30. I plan to terminate the relationship with my [financial service provider]*
X31. I'm considering changing [financial service provider] within the next twelve months*
X32. I consider myself as a loyal customer to my [financial service provider]

Commitment

X33. The relationship that I share with my [financial service provider] is something that I'm very committed to
X34. The relationship that I share with my [financial service provider] does not deserve to be maintained*
The relationship that I share with my [financial service provider] is very important to me#

C. Relationship descriptors

Current financial behaviour (behaviour over the last year)

X35. I set money aside for savings.
X36. I reached the maximum limit on a credit card.*
X37. I spent more money than I had.*
X38. I had to cut living expenses.*
X39. I had to buy on credit.*
X40. I had financial troubles because I did not have enough money.*

Financial expectations

X41. Compared to your present financial situation, how do you expect your financial situation would be in one year from now?
X42. How do you think your financial situation would be in one year from now compared to the financial situation for the citizens of the society in general?

General financial trust

X43. In general, I believe that financial companies cannot be relied upon to keep their promises*
X44. In general, I believe that financial companies are trustworthy
X45. In general, I find it necessary to be cautious when dealing with financial companies*
X46. Overall, I believe financial companies are honest

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*Item inverted. # Item deleted.

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