Abstract

Purpose – This research explores value formation in the customer-bank relationship outside the line of visibility of service encounters. The customer’s own context has been overlooked by the bank marketing literature as it is traditionally focused on value created by the service process and outcome.

Design/methodology/approach – Positioned within the customer dominant logic, a netnography was conducted to explore how bank relationships are realised in customers’ own contexts and experiences. A total of 579 postings from discussions of retail banking in 18 online communities were collected and analysed.

Findings – The study uncovered four factors of invisible bank service value experienced by customers: shared moral value, responsibility value, relationship value, and heritage value.

Research limitations/implications – The study conceptualises bank service value as realised in the customers’ own domain and thus highlights previously hidden sources of value in banking. The findings can be used for further conceptualisations of the customer dominant value formation of bank services.

Practical implications – The netnographic method illustrates how naturalistic data about customers’ retail bank experiences can be retrieved unobtrusively. The findings help bank management to understand what comprises customer value beyond the service encounter.

Originality/value – The paper contributes to the research in service marketing and bank marketing in three ways: First, a methodological contribution is the introduction of a netnographic approach to bank service value research. Second, a theoretical contribution is the uncovering of invisible value formation in the customer-bank relationship. Third, the paper uses the customer dominant logic in a banking context, thus providing insights into how banks are involved in the customer’s own life.

Keywords: Retail banking, Customer value, Netnography, Customer dominant logic, Invisible value formation, Customer context, Online communities

Article type: Research paper
Introduction

The value that customers experience from relationships with companies has been emphasized as a main source of competitive advantage (Woodruff, 1997; Huber et al., 2001; Steenkamp and Geyskens, 2006) and organisational success (Slater, 1997; Wang et al., 2004). Customer value is recognized as a foundation of all effective marketing activity (Holbrook, 2006; Grönroos and Voima, 2013) and a primary goal of marketing itself (AMA, 2007; Khalifa, 2004; Babin and James, 2010). As competition in the retail banking industry grows continuously and customers become more empowered and demanding (Arasli et al., 2005; Gan et al., 2006; Headley et al., 2006), an understanding of how customers experience value from their bank relationships has become increasingly important (Lähteenmäki and Nätti, 2013).

We argue that existing research on value has overlooked important sources of value in the customer-bank relationship. Customer value has typically been seen as a multidimensional construct (Brady and Cronin, 2001), with a strong emphasis on service interaction and the co-creation of value. Previous value research has explored customers’ experiences and activities related to the core service (Grönroos, 1982, 1984), as well as, more recently, the co-creation activities of the service providers’ activities in the service process (Vargo and Lusch 2004; Grönroos, 2006, 2008; Babin and James, 2010). Recently, it was argued that in addition to value formed in the service provider’s domain or in the customer and company interaction, the customer domain is an important context for value creation (Heinonen et al., 2013). Therefore, to understand truly how service value is formed for customers, it is necessary to understand how the service is “embedded in the customer’s context, activities, practices, and experiences” (Heinonen et al., 2010:533). This customer dominant logic perspective extends beyond the visible service interaction to a focus on the customer’s own life context (Heinonen et al., 2013). The customer dominant logic approach emphasizes the history and future of a particular service, as well as all customer activities and experiences beyond the specific service.

However, sources of value emerging in the context of customers’ lives outside the realm of service encounters have not been fully acknowledged in the bank marketing literature. Studies of value in the retail banking context have primarily focused on the process and outcome aspects of the service as sources of experienced value (Bick et al., 2004; Angelis et al., 2005; Chen et al., 2005; Heinonen, 2007; Laukkanen, 2007; Roig et al., 2006, 2009; Maas and Graaf, 2008). Some authors have presented different emotional and altruistic types of value (Sheth et al., 1991; Sweeney and Soutar, 2001; Laukkanen and Lauronen 2005; Holbrook, 2006; Sánchez- Fernández et al., 2009) that might be relevant for retail bank customers. Yet, the focus is limited to customers’ experiences of the core service and the service process, including the value co-creation research. Consequently, we argue that factors of value in the banking relationship, within the customer’s own context of life outside the line of visibility of the service provider, are worthy of further exploration.

Extending the perspective on bank service value to the customer’s domain is essential. Insight into customers’ own life contexts is possible through traditional qualitative methods, such as interviews, but the online service environment has further improved the opportunities for data collection. The collective discussion of retail bank experiences has intensified as more customers discuss their bank experiences in online communities, often organised around shared interests. Retail bank discussions can be found in most large online communities because everybody needs bank services. Today, the
internet offers major possibilities for researchers to gain insights into customers’ lives and experiences (Kozinets, 1998; Puri, 2007; Helkkula and Kelleher, 2010). Therefore, netnography is recognised within marketing research as an important source of consumer information (Kozinets, 1999; Bickart and Schindler, 2001; Catterall and Maclaran, 2002). By observing bank customers’ online discussions, marketing researchers can explore customers within their own contexts and thereby gain a deeper understanding of customers’ views of their bank relationships. Such a methodological approach is a way to understand the role of bank relationships in the lived realities of customers (cf. Kozinets, 2006). However, the research in bank marketing is strongly based on traditional direct customer inquiries, such as customer surveys (Jamal and Naser, 2002; Yavas et al., 2004) or interviews (Stewart, 1998; Lewis and Spyrakopoulos, 2001; Lewis and Soureli, 2006), not netnographic studies. Moreover, most previous research through online communities, using netnography, explores customer experiences of brands (Kozinets, 1997; Schau et al., 2009), tourism experiences (Woodside et al., 2007; Björk and Kauppinen-Räisänen, 2012), or consumer durables (Quinto and Harridge-March, 2010; Gruner et al., 2014), not bank services.

This study, therefore, employs netnographic methodology in a study of 18 online communities to describe value formation in customer-bank relationships outside the line of visibility of service encounters. The purpose is to characterise such invisible value formation by identifying the factors of bank service value within the customers’ own context. The term ‘invisible value’ thus denotes the value emerging from the customer’s life world outside the customer-provider interaction which is invisible to the service provider. This value is therefore not directly linked to the bank service or the service process. Value is defined in this paper as the outcome of a trade-off between the benefits and sacrifices related to customers’ activities and experiences with the bank relationship. This study contributes to the service marketing and bank marketing literature by illustrating that the value emerging from the customer-bank relationship are more multifaceted than previously documented. More specifically, factors within the customers’ context and outside the control of the service provider constitute important aspects of bank service value.

The paper is structured as follows: First, previous value literature is discussed from the perspective of service management and retail banking. The subsequent empirical section presents the netnographic examination of customers’ online discussions of bank relationships. The next section describes the results derived from the analysis of the collected data, and lastly, the discussion section presents the conclusions, limitations of the study, directions for future research, and managerial implications.

Customer value of bank relationships

Much research has been done on customer value within the domain of marketing since the 1990s, and various definitions have been suggested. Customer value is often defined as the customer’s evaluation of the perceived benefits or utility obtained from a product in comparison to the perceived sacrifices or costs (Dodds and Monroe, 1985; Zeithaml, 1988; Monroe, 1990; Teas and Agarwal, 2000). This approach conceives of customer value as the trade-off between benefits received and sacrifices made by the customer. Perceived benefits can be economic, social, or relational, while perceived sacrifices include price, time, effort, risk, and convenience (Grewald et al., 1998; Cronin et al., 2000). Monroe (1990) draws from early studies on the price-quality relationship (Dodds and Monroe, 1985) when he defines customer value as the ratio between perceived benefits and perceived sacrifice. In a similar way, Zeithaml (1988:14) defines customer value as “…the consumer’s overall assessment of the utility of a product based on a perception of what is received and what is given”. While Monroe (1990) takes a rather objective view on the ways in which consumers evaluate value from products, Zeithaml (1988) regards value as a subjective and personal
Customer value has also been conceptualised as a multidimensional construct. In addition to the utilitarian aspects of value, the multidimensional approach also recognises hedonic value, such as emotional, affective, and entertaining aspects of consumption activities (Babin et al., 1994; Sánchez-Fernández and Iniesta-Bonillo, 2007; Gummerus, 2013). While utilitarian value results from achieved end results, hedonic value arises from the consumption activity in and of itself (Holbrook and Hirschman, 1982; Babin and James, 2010). Several such different dimensions of value have been identified. For example, Sheth et al. (1991) identified functional, social, emotional, epistemic, and conditional value dimensions. Functional value refers to utility. Social value relates to the congruence with the norms of the consumer and his social environment. Emotional value refers to the consumer’s feelings in relation to consumption. Epistemic value refers to the consumer’s desire for knowledge. Lastly, conditional value reflects the idea that consumers’ needs and wants vary with different situational factors or circumstances. Sweeney et al. (1996) and Sweeney and Soutar (2001) do not consider the epistemic and conditional value dimensions relevant, but agree that functional, social, and emotional value should be factored into marketing. Similarly, Mattson (1991) and de Ruyter et al. (1997) propose three value dimensions: practical/functional, emotional, and logical. This last value dimension, logical, refers to rationality and is the main difference between these writers and the above suggestions.

Holbrook’s (1994, 1996, 1999, 2006) multidimensional value typology is frequently used in service research and is based on three key distinctions: a) extrinsic versus intrinsic value (a product serves as a means to some further end rather than being appreciated for its own sake), b) self-oriented versus other-oriented value (appreciating a product for my own sake as opposed to appreciating a product for the sake of others), and c) active versus reactive value (the acts of the user upon the product versus the effect of the product upon the passive user). This typology includes eight value dimensions: efficiency (benefits/sacrifices), excellence (quality), status (success, impression), esteem (reputation, possessions), play (fun), aesthetics (beauty), ethics (justice, morality), and finally spirituality (faith, sacredness, magic). All eight value dimensions may occur in the same consumption activity, to varying degrees, and form an “interactive relativistic preference experience” (Holbrook, 1994: 27). Similarly, Sánchez-Fernández et al. (2009) propose the following six dimensions for service industries: efficiency, play, aesthetics, quality, social value (status and esteem), and altruistic value (ethics and spirituality).

Studies of customer value in retail banking have primarily taken the multidimensional approach. For example, Heinonen (2004, 2006, 2007) developed a conceptual framework for customer value in the context of online banking and explored the nature of four value dimensions: technical value (what), functional value (how), temporal value (when), and spatial value (where). Also, Laukkanen (2006, 2007) investigated online banking and found efficiency, convenience, and safety to be important sources of customer value in internet and mobile banking. Other important aspects of customer value in retail banking are problem-free, convenient, and efficient banking services, competitive interest rates, and caring and professional personnel (Bick et al., 2004; Nguyen and LeBlanc, 1998). Similarly, Angelis et al. (2005) found the degree of customer orientation among contact personnel to be an important factor of value in retail banking. In addition to service quality, Chen et al. (2005) found a low perceived risk to banks’ services to be a driver of customer value.

Generally, many value models in the banking industry emphasise customers’ perceptions of the service process and content, i.e. the output of the service providers’ activities and the interaction with the service provider. For example, customer value from the financial service sector may involve dimensions of company value (brand, image, and reputation), service/employee value (competence
and quality in the service delivery process), social value (social similarities between customer and advisor, status), product value (quality, performance, price, and convenience), and relationship value (trust and confidence) (Maas and Graaf, 2008). Also, Roig et al. (2006, 2009, 2013) emphasise the functional and emotional elements of bank services and proposed six dimensions of customer value: functional value of the establishment (installations), functional value of the contact personnel (professionalism), functional value of the service purchased (quality), functional value of price, emotional value (feelings of the customer), and social value (social benefits). Customers’ feelings were shown to be an important factor of customer value (Roig et al., 2006, 2013).

Also the relationship marketing research emphasises value from service encounters or accumulated service encounters (Berry, 1995). For example, Ravald and Grönroos (1996) explored value of relationships, but through a focus on the interaction and the offering. The authors explain that “In a customer-supplier relationship we would like to use the term “total episode value”, which then could be described as a function of both episode value and relationship value” (Ravald and Grönroos 1996:23). In other words, the prevailing focus of relationship marketing is on how value from the service provider’s activities and offering is perceived by the customer over time, not on what customers outside the realm of the service encounter are doing and how different service providers may fit in.

As service marketing research has transitioned from services to an overall “service perspective” on marketing theory (Vargo and Lusch, 2004, 2008; Gummesson et al., 2010), the focus of value research has largely shifted from value exchanged between the firm and the customer to value (co-)creation (Grönroos, 2008, 2011). This shift represents a step away from the relationship marketing perspective on customers as perceivers of value from service providers’ offerings. The service logic emphasizes that value for customers is (co-)created during the usage of offerings (Vargo and Lusch, 2004, 2008). However, none of the established value perspectives, including the notion of value (co-)creation, add further insights related to whether value is formed within the service or in the customer domain or what happens outside the realms of the service interaction. With the exception of some researchers that acknowledge the customers’ perspective of value co-creation (e.g. Grönroos and Voima, 2013; Arantola-Hattab 2013), the main emphasis of current research is still on value creation through interactions (cf. Grönroos, 2011).

Recently, therefore, the focus has shifted from value (co-)creation to value formation (Korkman, 2006; Echeverri and Skålén, 2011; Schlager and Maas, 2012; Heinonen et al., 2013). Value has been seen as emerging in three domains: “Value created by either the company, by the customer and company together, or by the customer alone” (Heinonen et al., 2013:108). By shifting the focus more radically to the customer domain, the nature of value also changes. For example, the customer dominant logic of service contends that “the centers of interest are not exchange and service as such, but how a company’s service is and becomes embedded in the customer’s contexts, activities, practices, and experiences” (Heinonen et al., 2010:533). Where value (co-)creation assumes explicit resource integration between the actors (Vargo and Lusch, 2008) and formed within the service in visible interactions (Grönroos, 2011), value formation denotes that value is formed for customers in their own context through invisible and mental actions (Heinonen et al., 2013). By building on this characterisation of value, we introduce a conceptual framework to summarise previous research on customer value (Figure 1). The scope of value is either within the service or in customers’ lives, and value can be formed in either visible interactions or mental and invisible interactions.
As can be seen in Figure 1, previous research has revealed several dimensions of customer value, emphasising the visible interactions formed within the service. The approach of many existing value models resides within the customer-provider service interaction (seen in the lower left-hand corner of Figure 1). These studies mainly depict value as created by the service provider within the service interaction (e.g. Zeithaml, 1988; Woodruff, 1997) or as co-created by the customer and the provider (Vargo et al., 2008). In essence, the bulk of previous research on value can be placed in this corner of Figure 1.

However, some elements also touch upon factors outside the line of visibility of the core service. Altruistic value refers to aspects of bank services that lie outside the ordinary domain of marketplace exchanges or interactions (seen in the lower right-hand corner of Figure 1). It has mainly been approached through an exploration of customers’ consumption experiences. For example, Roig et al. (2006) found emotions and feelings to be a main element of customer value in retail banking. Holbrook (2006) describes the two main factors of altruistic value as ethical concerns regarding consumption practices and feelings of some sort of spirituality. Value experiences may also be imaginary speculation about service interactions (Helkkula et al., 2012).

The studies in an e-service context have also touched upon how value emerges in the visible interaction within the customer context (seen in the upper left-hand corner of Figure 1). The electronic setting makes it possible to explore visible interactions, although they occur in the customers’ domain, as mobile and internet applications leave electronic traces that can be tracked. For example, the temporal and spatial dimensions of online banking value illustrate how value is influenced by the customers’ lives (Heinonen 2004, 2006). Gummerus and Phlström (2011) have further shown that the ‘use’ context of mobile services influences the value generated for customers.

The upper right-hand corner has been emphasised in some previous research on a more general level (e.g. Heinonen et al., 2010; Rihova et al., 2013). However, few, if any, factors of value invisible to the service provider have been identified. Examples of such value factors that could be placed in the upper right-hand corner include compatibility issues (Aldlaigan and Buttle, 2005) or image heritage.
In order to analyse invisible bank service value beyond the already well-explored dimensions, we have chosen an unobtrusive netnography approach, presented in the next section. Specifically from the customer perspective, we address the following research questions:

1. What value factors emerging outside the realm of service encounters are present in bank relationships?
2. What value factors emerging in invisible and mental actions are present in bank relationships?

Method

This study employs the qualitative research methodology called netnography to explore invisible value formation in retail bank relationships. The netnography approach utilises an ethnographic research method to study online consumer discussions (Kozinets, 2002). It allows researchers to unobtrusively collect data from publicly available online communities and “to identify and understand the needs and decision influences of relevant online consumer groups” (Kozinets, 2002:62). The methodology has been found to be especially suitable for sensitive research topics (Langer and Beckman, 2005). As netnography is “based primarily on the observation of textual discourse”, qualitative content analysis is used to code and analyse data (Kozinets, 2002:64). This research approach differs from many existing bank studies that typically, either through qualitative or quantitative means, ask direct questions to customers.

A two-step procedure was employed during two consecutive days to find qualified online discussions of retail banking. First, we searched for appropriate online communities. To start with, the 20 largest online communities in Sweden were reviewed (www.big-boards.com). Only online communities with an internal search engine were considered, since a search engine was necessary to find threads discussing retail banking. The denominator “BANK” was used to search within the communities. By also searching Google and AltaVista with the denominators “which bank” and “best bank”, additional Swedish online communities with one or several retail banking threads were found. Second, for an online community to be relevant for data collection, a selection criterion was established: there had to be a minimum of 10 useful postings in one or several threads discussing retail banking. As a result, a total of 18 Swedish online communities were selected for later data collection. The topics of the selected communities covered everything from family life, parenthood, and weddings to computers, cars, and exercise. Young adult men and women were the most active contributors to the online discussions. Only one community was dominated by middle-aged and elderly men and women.

To collect a sufficient volume of postings, all of the 18 selected online communities were accessed during four consecutive days. A total of 83 threads of retail bank discussions were carefully read. Each thread consisted of between three and 46 postings. Every effort was made to sort out disqualified postings, e.g., insufficient postings, duplications, or similar postings written by the same person, and promotional messages from bank employees. As a result, a total of 579 archived postings, written from 27th February 1998 to 25th November 2010, were identified and collected for further analysis. The average length of a collected posting was 73 words.

All the collected postings were numbered (from 001 to 579), coded and categorised following the constant comparative method of grounded theory (Glaser and Strauss, 1967). More specifically, we read through all the postings several times, searched for factors of value outside the realm of service
encounters, and developed categories based on central keywords (Miles and Huberman, 1994). To ensure the validity of the categories, we continuously clarified them by frequently revisiting the data. Our analysis and interpretation of the data were similar to the procedure of netnography (Kozinets 2002).

Findings

The analysis of the 579 online postings revealed four factors of invisible bank service value: shared moral value, responsibility value, relationship value, and heritage value.

Shared moral value refers to the compatibility between a customer’s own moral standards and the perceived moral standards of the bank. To meet customers’ moral standards, banks increasingly offer ethical ways to save and invest money. Ethical products and services are appreciated by customers, but the moral concerns of bank customers go beyond ethical alternatives in the assortment of investment products. Many customers see greed as a major problem in the banking industry and prefer banks with restricted management bonuses and restrained salary development. Being a customer of a bank with “high” moral standards is a way for customers to support and encourage principles they think are morally right.

Responsibility value is the bank’s practice of responsibility and integrity towards its customers. Retail bank customers appreciate and prefer banks that run their business in a responsible and accountable way, especially concerning money-lending. Besides the moral aspect, customers realise that irresponsible and risky lending inevitably leads to financial problems for the bank. A bank with financial problems increases the risk of higher fees and other measures that will negatively affect customers. Financially stable and safe banks are thus valued by customers. Fees are generally not a problem for bank customers in our study, as long as they seem reasonable. However, it is important for bank customers to not feel cheated by their banks.

Relationship value refers to the existence and continuation of long-term customer-bank relationships. When relationship duration is a source of value for a bank customer, the relationship has most often lasted for a major part of the customer’s life. As a consequence of the long duration, the bank relationship feels very familiar and personal to the customer. A form of emotional attachment towards the bank emerges over time. Thus, customers who feel this way often become hesitant to give up their bank relationships if they do not have very strong reasons for doing so.

Heritage value concerns the history of bank relationships initiated by parents or relatives of the customer. In addition to mere relationship duration, it is clear from the online discussions that value for customers often arises from the history of bank relationships that have lasted from childhood or even birth. For example, staying with the bank their parents chose for them evokes positive sentimental or nostalgic feelings for some. In cases where the history of the bank relationship is very important for the customer, these sentimental feelings can even prevent the customer from switching bank. The bank relationship, in addition to its utilitarian purpose, becomes a valuable remembrance of family and part of the customer’s identity.

A summary of these four factors of invisible bank service value is presented in Table 1, together with illustrative quotes from retail banking discussions in the researched online communities.
<table>
<thead>
<tr>
<th>Source of value</th>
<th>Description</th>
<th>Illustrative quotes</th>
</tr>
</thead>
</table>
| Shared moral value    | The compatibility between customers’ own moral standards and the standards of the bank | Bank E is a good bank; it is owned by its customers and pays no fat bonuses. (021)  
It is important for me that the bank offers ethical ways to save and invest, not leading the bonus league...(234)  
Bank D’s top management seems to be a little bit less greedy than the management of other banks. (378) |
| Responsibility value  | The bank’s practice of responsibility and integrity towards its customers   | A good bank in my eyes is one that takes responsibility and says no when the calculation does not work out. (203)  
If a bank lends out money too easily, and they don’t get their money back, it is the rest of us that will pay through increased fees and interest rates. Therefore, a responsible bank is better. (235)  
We have recently changed everything (bank, insurance, pension plans) to Bank E (...) Bank E feels very stable compared to “the big banks”…nobody knows where they speculate with their (my) money nowadays…(060) |
| Relationship value    | The existence and continuation of long term customer-bank relationships    | I use bank C, mainly because it is difficult to separate from the account I have had since I was a teenager. Know the account number by heart…maybe it is childish to keep bank C for that reason? (203)  
I use Bank A, mainly because I’ve been a savings bank customer for a quarter-century now. (215)  
I use Bank B out of old tradition, and then also Bank F, but I don’t really use their bank services. (486) |
| Heritage value        | The history of bank relationships initiated by parents or relatives         | I’ve had Bank D for 22 years now, and have not even been thinking of switching. I believe that you develop some kind of special liking for the bank your parents choose for you. (358)  
I have been a customer of Bank D since my parents opened up my first bank account approximately 40 years ago (...) it feels wrong to “cheat” after so many years...(206)  
I use Bank E, got an account with some money on it when I was born, and I have used Bank E ever since.(465) |

Table 1: Sources of invisible bank service value

Discussion and contribution

The study contributes to the service marketing and bank marketing literature by describing four factors of bank service value within the customers’ domain but outside the line of visibility of service providers: shared moral value, responsibility value, relationship value, and heritage value. These factors reside in the customers’ life worlds outside the visible interaction and emerge through the mental and invisible actions of the customer. Thus, our findings suggest that the value emerging from customer-bank relationships is more multifaceted than previously documented. The characteristics of the two factors shared moral value and responsibility value are indirectly related to how banks operate, whereas relationship value and heritage are based more specifically on customers’ own logic. We argue that the latter two thus refer more to the mental experiences of customers.
The findings have theoretical implications for service management research. A main theoretical contribution is the emphasis of value within the customers’ lived realities. Bank service value does not only arise from dimensions of service processes and outcomes, as suggested in earlier research (Bick et al., 2004; Angelis et al., 2005; Roig et al., 2006, 2009, 2013). Instead, bank service value also emerges in the context of customers’ lives without any direct control by the bank. Our findings underline the relevance of a customer dominant logic perspective for truly understanding how bank service value is formed. The findings from this study support the suggestion that “value emerges through customers’ behavioural and mental processes when customers interpret experiences and reconstruct an accumulated customer reality where value is embedded” (Heinonen et al., 2013:109). Understanding the customers’ logic should therefore be the basis for business activities.

More specifically, our study shows how bank customers’ mental processes regarding the morality and responsibility of banks serve as a source of value in their bank relationships. Ethical questions have been recognised as critical in retail banking (Fassin and Gosselin, 2011; Matute-Vallejo et al., 2011; Sigurthorsson, 2012) but never acknowledged as a factor of bank service value for customers. We find this especially surprising in light of the previous value research. For example, Holbrook (1999, 2006) includes ethics in his well-known value typology, and research about service value has shown that the moral values of firms are important to customers (Sánchez-Fernández et al., 2009). Still, this type of value has, until now, remained underemphasised in bank marketing research.

The emphasis on service encounters by bank marketing research has also kept other factors of value in the customer-bank relationship hidden from bank researchers. In the bank marketing literature, retail bank customer relationships have often been researched from a relationship marketing perspective (Holmlund and Kock, 1996; Dibb and Meadows, 2001; Leverin and Liljander, 2006). Relationship marketing studies, however, focus mainly on interactive aspects of the customer-firm relationship (Grönroos, 1990; Berry, 1995). The customer dominant logic approach, on the contrary, emphasises both the history and the future of a customer relationship and its role in the customer’s life. Our introduction of a customer dominant logic for understanding retail bank customer relationships involves an opportunity to extend the relationship marketing perspective into the customers’ own life contexts. Our study, therefore, also contributes to the bank marketing research in relationship marketing by uncovering value factors beyond the service episode, considering both the history and future of the customer relationship.

This contribution is based on the discovery of relationship value as a source of bank service value. Our discovery of relationship value corresponds to previous findings which have shown that relationship duration increases customer-firm attachment (Albert et al., 2008). Furthermore, emotional attachment is a well-known phenomenon in retail banking (Bloemer et al., 1998; Iniesta and Sanchez, 2003). In our study, value also emerged for customers from the family history of their bank relationships. The sentimental feelings generated by such relationships appear to have the potential to prevent bank customers from switching banks, even in light of rational reasons for switching. Value from the history of bank relationships reminds us of the nostalgia Holbrook (2006) discusses as a form of altruistic value. Nostalgia often results from customers’ relationships with firms that extend far back in time and is connected with beloved people or places (Holbrook and Schindler, 2003). It also confirms that value is always, to some degree, multi-personal, collective, and shared (Heinonen et al., 2013).

Our study has also methodological contributions. The insight into invisible value formation in customer-bank relationships is emphasised through our use of the unobtrusive data collection method of netnography, rather than direct interview questions or surveys. Bank marketing research has a strong tradition of customer surveys or interviews as a means to understand customers’ bank
experiences. Netnography allows for an “intimate understanding of the actual reality of the consumer” (Kozinets, 2006:279). By introducing the netnography approach to bank service value research, we illustrate a way to discover factors of value in the customer-bank relationship. Netnography as a method allows us to emphasise naturalistic data in the customers’ own life contexts instead of asking customers to reflect upon their perceptions and experiences.

Several implications for the banking sector can be drawn from the findings of this study. In order to satisfy customers, it is crucial for management to understand how value emerges for customers (McDougall and Levesque, 2000). The four factors of value identified in this study can help bank managers understand what comprises value in the retail banking context beyond the value created by the service or in the service process. The identified factors of value have roots in customers’ established experiences and practices, based on accumulated interpretations of banks’ and customers’ financial goals. By realising and supporting this potential in existing and potential customer relationships, the bank establishes possibilities for value creation.

However, the findings concerning customers’ mental processes beyond the interaction with banks also pose challenges for value creation. Banks cannot control value formation in the ways existing research suggests. Traditional aspects of value, such as quality, convenience, time, price etc., are factors within the control of the bank. In contrast, the proposed factors of value suggest that other strategies need to be used for the service to be “embedded in the customer’s context, activities, practices, and experiences” (Heinonen et al., 2010:553). This includes taking a long-term approach in creating a positive goodwill towards and image of the bank in the minds of current and potential customers.

The suggested focus on bank service value within the customers’ context underlines several avenues for future research. Further studies are needed to substantiate the four identified factors of value in customer-bank relationships, in relation to each other and particularly in relation to other factors of value. The findings suggested that heritage is an important factor, and it may balance dissatisfaction with price or other experienced sacrifices. Therefore, further studies could investigate the relative importance of our value factors compared to traditional (visible) service encounter value factors, such as quality, efficiency, price, time, and social value. Conjoint analysis as a comparison of different value factors is one alternative that has been done in a banking context (Heinonen, 2007).

In this study, we have focused on retail banking in general. As retail bank services are heterogeneous in nature, a more specific focus on a particular subset of services might reveal further insights into invisible value formation in customer-bank relationships. For example private banking services differ from the retail bank services offered to general customers (Åkerlund, 2005). Consequently, value from frequent and intense private banking customer relationships may emerge differently from that of general customer-bank relationships. An increased complexity in more advanced types of retail bank services may also influence value formation and thus deserves more research attention.

Moreover, this study used messages posted in online communities as the basis for analysis. Using discussions found in the communities maintained by banks would have resulted in a different sample of discussions, with possibly more explicit discussions of bank service. Considering the purpose of this study, the indirect approach is appropriate. However, in future research, observing the discussions of bank customers in communities maintained by banks may provide additional information about the role of banks and bank service in customers’ lives. Conversely, traditional qualitative studies, such as qualitative inquiry would also be useful to explore invisible value formation. This more direct approach would yield different data, such as customers’ reflections upon the reasons and linkages between their perceptions and experiences.
Another area for subsequent research is an exploration of the experiential differences of value in different customer segments (Overby et al., 2004). Online communities often attract members with similar demographic profiles, and this study used a large variety of communities to avoid consumer similarity. However, our four value categories may reflect highly involved bank customers rather than the general apprehensions of retail bank customers. Another reason for potential bias is that customers with extreme opinions tend to post messages online. Both customer complaints and compliments generally reflect acute experiences of dissatisfaction or satisfaction; neutral opinions may not be revealed (Johnston, 1995). Moreover, online communities often exert social influence over its members, and existing cultural norms and discussions may trigger and influence the stories in the messages posted by other members (Dholakia et al., 2004; Algesheimer et al., 2005). Further research thus needs to link the findings to customer characteristics and describe the experiences of different types of bank customers, such as those who are interested in bank services in general, those who have little or no experience of financial institutions, or those who have long relationships with a specific bank. Also, the homogenous nature of online communities could be used to understand invisible value formation for certain customer groups.

Lastly, our findings serve as a basis for further conceptualisation of customer dominant value formation in bank services. The focus in the current study was on customers’ experiences of their bank relationships. However, a shift of focus from bank experiences to customers’ management of personal finances will result in a broader scope of the role of banks, and other institutions, in customers’ lives. This opens the door towards understanding the role of, for example, other customers, online financial tools, non-profit financial institutions, etc., in customers’ financial management. As such, it is possible to truly evaluate how banks are or – in the worst case scenario – are not embedded in customers’ lives.
References


Arantola-Hattab, J. (2013), Family as a customer experiencing co-created service value, Hanken School of Economics, Helsinki, Finland.


Laukkanen, T. (2007), “Internet vs mobile banking: comparing customer value perceptions”, ...


