



Customer perceived value in banking services

Juan Carlos Fandos Roig, Javier Sanchez Garcia,
Miguel Angel Moliner Tena and Jaume Llorens Monzonis
Jaume I University of Castellon, Castello de la Plana, Spain

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Abstract

Purpose – The purpose of this research is to analyse the dimensionality of the concept of perceived value in the banking sector, adapting the GLOVAL scale of measurement of perceived value to the banking services sector.

Design/methodology/approach – A total of 200 customers of financial entities were surveyed, and structural equations models were used to verify the reliability and validity of the scale of perceived value.

Findings – Perceived value is found to be a multidimensional construct composed of six dimensions: functional value of the establishment, functional value of the personnel; functional value of the service; functional value price; emotional value; and social value. A scale of overall perceived value in financial services was obtained, composed of six dimensions and represented by 22 items that are significant for their measurement.

Research limitations/implications – In future studies it would be interesting to include items to measure non-monetary sacrifices, such as waiting times, queues, etc.

Practical implications – A tool for measuring the value of financial entities as perceived by the customer is presented; with it the value perceived by customers can be quantified, evaluated and monitored.

Originality/value – This study proposes a scale of measurement of the value perceived by consumers in the banking sector which incorporates valuations of functional aspects and of affective aspects, thus obtaining an overall quantification of the value perceived by the customer of the purchase made.

Keywords Customers, Banking, Relationship marketing

Paper type Research paper

Introduction

In the last ten years there have been important changes in the business of consumer financial services. The main characteristic that has marked the evolution of the financial system has been increased competition in the sector. The banking business has undergone changes in the regulation of the sector, changes in consumers' demand for services, technological changes, and the entry of new competitors from businesses outside banking (Gardener *et al.*, 1999). Due to this, an increasingly open and competitive framework has been formed, in which many financial entities are beginning to be concerned to develop defensive strategies in order to avoid indiscriminate loss of customers. According to Jacoby and Chestnut (1978), firms should strive to maintain long term relationships with their customers in order to obtain the advantages of a clientele loyal to the firm.

However it is necessary to work with perceived value when putting into practice a relationship marketing approach, which consists of creating, maintaining and growing long term relationships in order to benefit from customers' loyalty and participation



(Berry, 1983). The literature on financial services indicates that banks should focus their efforts on three fundamental points: shareholder value (Ingo, 1997), employee value (Payne *et al.*, 1999) and consumer perceived value (Reidenbach, 1996; Kelly, 1998; Marple and Zimmerman, 1999). In this study we will concentrate on the field of consumer perceived value.

Although the banks have recently taken much interest in generating perceived value for the customer, they have experienced high levels of dissatisfaction on the part of users (Johnston, 1997). This is because it is not yet fully understood exactly what consumers want. While it seems to be clear to everybody how important it is for the firm to compose an offer of value to the customer, it does not seem to be clear what the value perceived by the customer is. Many banks have invested heavily in CRM and Data Warehousing tools, but most financial entities still have a lot of work ahead of them to identify the information that is really is relevant and to use it effectively in the creation of value for their customers (Loveman, 1998).

It is important to highlight that for many banks the term “customer value” is used solely to refer to the value that the customer generates for them, rather than the value that they can offer their users (Payne *et al.*, 1999).

Woodruff (1997) affirms that the generation of higher value for the customer is the source of competitive advantage of the 21st century, and also highlights organisations’ current lack of operational tools of value management. Firms have become aware of the importance of coordinating their internal activities in order to create the synergies necessary for the continued creation and distribution of value to customers. Perceived value, the essential result of marketing activities, is therefore seen to be an element of the first order within relationship marketing (Peterson, 1995; Huber *et al.*, 2001; Callarisa *et al.*, 2002).

Business organisations must become providers of value, and must do it differently from each other, as this skill will permit them to differentiate themselves, improve their results and increase their future possibilities of survival (Christopher *et al.*, 1994; Peterson, 1995; Butz and Goodstein, 1996; Hunt, 1997; Lapierre, 2000; Callarisa *et al.*, 2002).

Within this relational framework, the aim of this study is to analyse the value perceived by the consumer in the banking sector. In this sense we will try to replicate in the banking services sector the GLOVAL scale of measurement of perceived value, developed by Sánchez *et al.* (2006) in the tourism sector. Although post-purchase perceived value has been studied, the advantage of the GLOVAL scale is to measure the overall perceived value of a purchase, where the consumer evaluates not only the consumption experience but also the purchase experience. This scale considers the perceived value of the product or service acquired, together with the perceived value of the establishment where purchased and of the customer service personnel. The GLOVAL scale considers functional and affective aspects to measure the overall perceived value. The functional aspects include valuations of the establishment, the contact personnel, the quality of the service and the price. The affective dimension is divided into an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase made) The concept of perceived value is closely linked to other themes such as the attraction of customers, and their satisfaction, loyalty, retention and profitability. Only if we understand in depth what perceived value is will we be able to relate it to other important variables in the management of customer relations.

The paper is fundamentally structured in four parts. The first explains the concept of perceived value and its importance in relationship marketing. In the second part the empirical investigation is presented. The next section explains the data analysis carried out, and the final section sets out the discussion, the limitations of the study and the implications for management.

The importance of value in relationships

The relational perspective proposes integrating the customer in the process of management. This approach has its beginnings in the literature on industrial and services marketing. Although it could be thought that making efforts to keep a clientele loyal to the firm would be much more costly for the firm, in fact relational practices improve the productivity of marketing (Sheth and Parvatiyar, 1995). Thus some studies have shown that this perspective is not only profitable but also a source of a possible competitive advantage (Reichheld and Sasser, 1990; Weinstein and Johnson, 1999). Empirical studies have shown that keeping a customer -and therefore starting a continued relationship - can be up to ten times cheaper than attracting a new one (Heskett *et al.*, 1990), so efforts and resources should be aimed at the retention of customers, attempting to minimise their migration.

For a relationship to begin, there have to be at least two interested parties who hope to obtain certain advantages and benefits (value) through the working and development of the relationship (Gwinner *et al.*, 1998). The advantages that the provider obtains from the relationship are linked to the loyalty of the customer. A faithful customer will generate more income than a customer who abandons the relationship. This loyalty also leads the customer to increase his/her volume of business with the organisation. The latter becomes more closely acquainted with the evolution of the customer's needs and expectations, so that it will be in an advantageous position to adapt to them. Various costs can also be reduced. On the one hand, better knowledge of the customer will facilitate the work of employees, who will be more productive, as they carry out their work with greater knowledge of what the customer wants and values. On the other hand, the firm's communication expenditure is used more effectively, as it is aimed at known individuals and not at an anonymous mass. At the same time, the customers who are satisfied with the relationship become the firm's best sales force, thanks to their referrals. Not only are they cheaper, but they generate a trust that means customers who come to the firm through referral are usually more loyal than those who come for other reasons (Goodwin and Gremler, 1996). However, it must be borne in mind that not all customers are the same. It is therefore fundamental to focus on the generation of value for the right customers (Jones and Sasser, 1995; Reichheld, 1996).

From the customer's point of view, they can appreciate achieving economic benefits (Peterson, 1995), obtaining a service better adapted to their needs, preferential treatment, or additional services (Gwinner *et al.*, 1998; Rust *et al.*, 2000). Another type of benefits of great importance to the customer are the social benefits derived from establishing a relationship. In sum, customers initiate and maintain a market relationship because they expect to receive a positive value as a consequence of their participation (Peterson, 1995).

In this sense, a strategic change is necessary within organizations, orienting management around the value perceived by the customer, in order to carry out

successfully a relationship strategy (Ravald and Grönroos, 1996; Reichheld, 1996; Weistein and Jonson, 1999; Rust *et al.*, 2000). The first step for this consists of knowing what perceived value really is, how customers form their valuations, and how it can be measured in order to use it as an instrument of management. In this sense, Woodruff (1997) highlights the lack of operational tools of value management currently available to organisations.

Conceptual framework of perceived value

With the intention of clarifying the different points of view relating to the value perceived by the customer, and analysing the common points of the definitions given in the literature, we observe two important characteristics in customer value. First, it is inherent to the use of the product, which differentiates it from personal or organisational values. Second, it is perceived by customers, and cannot be determined objectively by the seller. Only the customer is able to perceive whether or not a product or service offers value. At a general level, perceived value is defined as a judgement or a valuation by the customer of the comparison between the benefits or utility obtained from a product, service or relationship, and the perceived sacrifices or costs (Zeithaml, 1988; Monroe, 1990; Lovelock, 1991; Gale, 1994; Bigné *et al.*, 2000; Teas and Agarwal, 2000).

When investigating the concept of perceived value, two major approaches to the conceptualisation and dimensionality of perceived value can be identified. The first approach defines perceived value as a construct configured by two parts, one of benefits received (economic, social and relational) and another of sacrifices made (price, time, effort, risk and convenience) by the customer (Dodds *et al.*, 1991; Rapp and Collins, 1991, 1996; Grewal *et al.*, 1998; Cronin *et al.*, 2000; Bigné *et al.*, 2000).

According to the definition by Zeithaml (1988), value for the consumer results from the personal comparison of the benefits obtained and the sacrifices made. It is therefore conceived as a highly subjective and personal concept (Parasuraman *et al.*, 1985). Also it contains a component of benefits and another of sacrifices, being an essentially utilitarian perception of the result. It is thus a general view applicable in the field of products, services and relationships. The benefits component, or what a consumer receives from the purchase, would include the perceived quality of the service and a series of psychological benefits (Zeithaml, 1988). The quality of service is a fundamental element in the perception of perceived value, as it is the most difficult thing for competitors to imitate (Parasuraman and Grewal, 2000) and the base on which differentiation (Berry, 1995) and competitive advantage (Reichheld and Sasser, 1990) are sustained. The sacrifices component, what the consumer must contribute, would be formed by the monetary and non-monetary prices, i.e. money and other resources such as time, energy, effort, etc. Thus for the customer to buy the product, or to buy it again, it has to be endowed with value, either by incorporating benefits or by reducing the sacrifices to the customer, setting a price that the latter can afford (Dodds *et al.*, 1991).

The second approach is based on the conception of perceived value as a multidimensional construct (Woodruff, 1997; De Ruyter *et al.*, 1997 and 1998; Sweeney and Soutar, 2001; Sánchez *et al.*, 2006). This view of value incorporates, as well as the functional dimension, an affective dimension that captures emotional and social aspects of the individual, examining more closely subjects relating to the consumer's

purchasing behaviour. The functional value is defined by the rational and economic valuations of individuals. The quality of the product and the quality of service form part of this dimension. The affective dimension is divided into an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase).

In this sense authors such as Mattson (1991) deal with the multidimensionality of perceived value and capture the cognitive and affective aspects of perceived value (Table I). Sheth *et al.* (1991a, 1991b) go in the same direction, identifying up to five dimensions of the concept of value (social, emotional, functional, conditional and epistemic). They define functional value as a perceived utility of the attributes of the products and services. Emotional value consists of the feelings or the affective states generated by the experience of consumption. Social value is the acceptability or utility at the level of the individual's relationships with his social environment. Epistemic value for its part is the capacity of the product or service to surprise, arouse curiosity or satisfy the desire for knowledge. Finally, conditional value refers to the conjunctural or situational factors such as illness or specific social situations (Sheth *et al.*, 1991a).

In the same line, De Ruyter *et al.* (1997) propose a comprehensive approach to value, which incorporates a cognitive response (value for money) and affective components. According to these authors, perceived value is made up of three dimensions: one emotional, one functional and one logical. The emotional dimension shows the customer's affective evaluation of the service encounter, the functional dimension reflects practical aspects of the service episode, and finally the logical dimension is made up of the quality of service and the price, the aforementioned value for money. Each phase of the process of performance of the service can be evaluated in terms of these dimensions.

In a later study, Sweeney and Soutar (2001) did not consider the epistemic and conditional dimensions proposed by Sheth *et al.* (1991a, 1991b) to be important. The five initial dimensions were therefore reduced to three: functional value, social value and emotional value. These authors designed a scale of measurement of value known as PERVAL. Within the functional dimension of value they include factors like price (value-for-money), quality (perceived quality and expected yield of the product or service), and versatility (adaptability and practicality of the product). The social and emotional dimensions are represented by the set of intangibles that affect the relationship.

Sánchez *et al.* (2006) developed a scale of measurement of post-purchase perceived value of 24 items, called GLOVAL. In this paper six dimensions of perceived value are identified. Four of them correspond to dimensions of functional value: functional value of the establishment (installations), functional value of the contact personnel (professionalism), functional value of the service purchased (quality) and functional value price. The two remaining dimensions refer to the affective dimension of perceived value, made up of emotional value and social value.

In general the authors who treat the concept of value as a multidimensional construct agree that two dimensions can be differentiated: one of a functional character and another emotional or affective. Factors identified in the functional dimension include value for money (Sweeney *et al.*, 1999), product quality (Sweeney *et al.*, 1999; Sweeney and Soutar, 2001; Petrick, 2002), versatility (Sweeney *et al.*, 1999), quality of service (Sanchez *et al.*, 2006), non-monetary sacrifices (Sweeney *et al.*, 1999; Petrick,

Authors	Functional/practical/ cognitive	Dimensions of perceived value						Kind/sample size
		Emotional	Logical	Conditional	Social	Epistemic	Industry	
Mattson (1991)	• X	• X	•	•	•	•	Theoretical	
Sheth <i>et al.</i> (1991a)	• X	•	• X	• X	• X	• X	Quantitative/200	
Grönroos (1997)	• X	•	•	•	•	•	Theoretical	
De Ruyter <i>et al.</i> (1997)	• X	• X	• X	•	•	•	Quantitative/480	
Sweeney and Soutar (2001)	• X	•	•	•	• X	•	Quantitative/273-Stage 1; 303-Stage 2	
Sánchez <i>et al.</i> (2006)	• X	•	•	•	• X	•	Qualitative/20; Quantitative/402	

Source: Based on Sánchez *et al.*, 2006

Table I.
Most important studies of
the multidimensionality
of perceived value

2002) and price (Sweeney *et al.*, 1999; Sweeney and Soutar, 2001; Petrick, 2002). The affective dimension captures the feelings or emotions generated by the products or services. This affective dimension is formed by an emotional component, relating to internal emotions or feelings, and a social component, relating to the social impact of the purchase (Sánchez *et al.*, 2006).

Recently a debate has been emerging about the character of the constructs when they are being treated with structural equations. More specifically, when a scale of measurement of a construct is proposed it is necessary to study whether, from the conceptual point of view, it is a formative model or a reflective one (Diamantopoulos and Winklhofer, 2001; Jarvis *et al.*, 2003). Jarvis *et al.* (2003) review a large number of papers in the field of marketing and consider that perceived value is a second order formative construct. With respect to the direction of the causality, it seems clear that dimensions like perceived quality or price are not manifestations of perceived value but defining characteristics of it. Furthermore, changes in these indicators cause changes in the construct, and not vice-versa. With respect to the second criterion, interchangeability of the indicators, it also seems clear that perceived quality, price or feelings do not share a common theme. With respect to co-variation among indicators, the variation in indicators like perceived quality is not necessarily linked to variations in indicators like the price. Finally each dimension of perceived value has its own antecedents and consequences. Perceived post-purchase value is therefore a formative construct. But we have to take into account that the dimensions of perceived value are in turn measured by their own scales. That is to say that price, perceived quality and emotions have their own indicators. For this reason Jarvis *et al.* (2003) consider that perceived value is a second order formative scale, but a first order reflective one i.e. the dimensions of perceived value are formative but the indicators of these dimensions are reflective. This aspect is important when proposing and testing the model.

In sum, the cognitive approach assumes that people carry out their actions from a rational perspective, while the affective approach considers that there are a good number of non-reasoned reactions that are formed in the consumer's subconscious (Derbaix and Vanden Abeele, 1985; Derbaix and Pham, 1998; Sánchez *et al.*, 2006). All this, and taking as reference the GLOVAL scale of perceived value, leads us to propose a hypothesis of the dimensionality of perceived value:

- H1.* Perceived value is a multidimensional formative construct made up of six dimensions:
- functional value of the installations of the establishment;
 - functional value of the contact personnel;
 - functional value of the service (Quality);
 - functional value price;
 - social value; and
 - emotional value.

First of all, it is necessary to make clear that we are considering the perceived value of a purchase, or financial service, that has taken place in the installations of the entity and in which there is interaction between the customer and the personnel of the bank. This is post-purchase perceived value, which takes into account aspects not only of the service offered but also of the organisation that sustains it. It therefore excludes

transactions made through electronic or telephone banking, as well as operations in ATMs or similar. To test the hypothesis proposed we carried out a quantitative study which is presented, and its main results set out, in the following sections.

Research methodology

The field work was carried out during February 2005, validly surveying 200 final customers of financial entities. The sampling procedure was random, layered by the age and sex of the respondents, all of whom were over 18 years old. The study took place in the Spanish provinces of Castellón and Valencia because they present a high density of branches per inhabitant. A structured questionnaire was used, with closed questions and 5-point Likert type response scale, assuming a sample error of ± 7.07 per cent for a confidence level of 95.5 per cent.

To measure perceived value we used an adaptation of the GLOVAL scale, validated by Sánchez *et al.* (2006), to the specific characteristics of the banking sector. A pre-test was carried out with 20 users of banking services, and permitted us to consider the questionnaire definitive. To begin with we took all the items proposed by the authors, although as will be seen in the next point, it was necessary to eliminate one item referring to the functional value price and another relating to social value in order to improve the psychometrical properties of the scale in our study.

Data analysis

To validate the scale of perceived value we carried out confirmatory factor analyses of the items of each dimension using the Lisrel 8.30 programme. The factor loadings obtained are higher than 0.5 (0.53 the lowest and 0.90 the highest), the probabilities associated with the chi-squared statistic are in all cases higher than 0.05, the statistics GFI and AGFI are close to unity (0.94 the lowest and 1 the highest) and the composite reliabilities of each individual scale of perceived value are close to unity (0.721 the lowest and 0.919 the highest). Subsequently we made a confirmatory factor analysis of all the items used in order to measure the overall value, obtaining six dimensions (Table II).

When the overall scale of value was validated, two items of the original scale were eliminated, one of functional value price and another of social value, but despite this we obtained six dimensions that fit with those posited in the GLOVAL scale of perceived value. Convergent validity exists in that all the factor loadings are greater than 0.5. Furthermore this convergent validity is ratified because each of the items contributes to the formation of only one dimension and to no other. The scale is also reliable, since the values of the statistics that determine composite reliability are over 0.80, and all the other statistics of reference are within the area of acceptance.

Divergent validity is determined through two analyses. In the first, the overall model of perceived value in Table II is contrasted with other alternative models in which the correlations between the latent variables are successively constrained to unity. From this analysis we determine that in all the alternative models, in which the correlations between the latent variables are constrained to unity, the probability associated with chi-squared is below 0.05, and the model therefore does not fit adequately. Furthermore, the chi-squared values of the first model in which the trait correlations are not constrained to unity, are significantly lower than those obtained in the alternative models (Bagozzi and Phillips, 1982). In the second procedure, no confidence interval (\pm two standard errors) of the correlations among the factors

No.	Dimensions	Perceived value of the purchase	Factor loadings
<i>Functional value of the establishment (installations)</i>			
1	The installations favour the confidentiality and the privacy of dealings	0.79	
2	It seems tidy and well organised	0.84	
3	The installations are spacious, modern and clean	0.77	
4	It is easy to find and accessible	0.53	
<i>Functional value contact personnel (professionalism)</i>			
5	The personnel know their job well	0.84	
6	The personnel's knowledge is up to date	0.77	
7	The information provided by the personnel has always been very valuable to me	0.82	
8	The personnel have knowledge of all the services offered by the entity	0.77	
<i>Functional value of the service purchased (quality)</i>			
9	The service as a whole is correct	0.89	
10	The quality has been maintained all of the time	0.84	
11	The level of quality is acceptable in comparison with other entities	0.81	
12	The results of the service received were as expected	0.89	
<i>Functional value price</i>			
13	The payment of interest or commission is fully justified	0.79	
14	The service is good for the expense it causes me	0.85	
15	The total cost that it causes me is reasonable	0.77	
<i>Emotional value</i>			
16	I am happy with the financial services contracted	0.78	
17	I feel relaxed	0.68	
18	The personnel give me positive feelings	0.84	
19	The personnel don't hassle me	0.71	
20	In general I feel at ease	0.84	
<i>Social value</i>			
21	It is very well considered at a social level	0.81	
22	The fact that I come here looks good to the people I know	0.83	

Notes: Fit of the model. Chi-Squared = 223.93; df = 199; P-value = 0.10861; RMSEA = 0.025; GFI = 0.91; AGFI = 0.88; NFI = 0.93; CFI = 0.99. Composite reliability functional value establishment: 0.827; Composite reliability functional value establishment: 0.877; Composite reliability functional value service: 0.918; Composite reliability functional value price: 0.844; Composite reliability emotional value: 0.881; Composite reliability social value: 0.805; Composite reliability perceived value of the purchase: 0.974

Table II.
Confirmatory factor analysis of total perceived value

obtained includes unity. The highest correlation is between the functional value of the service (quality) and the emotional value (0.89); and the lowest correlation is between the functional value of the contact personnel and the functional value price (0.41). The existence of discriminant validity is thus confirmed (Anderson and Gerbing, 1988).

With the results obtained we can ratify the working hypothesis that the perceived value of the purchase has a multidimensional character, formed by the functional value of the establishment, the functional value of the personnel, the functional value of the service, the functional value price, the emotional value and the social value. The hypothesis put forward as to the multidimensionality of perceived value is therefore accepted, differentiating functional and affective dimensions, and a scale of measurement of the perceived value by the customer in the banking sector, which incorporates not only functional or utilitarian characteristics, but also affective aspects represented by the emotional and social dimension, is also validated.

To finalise the analysis of the dimensionality of post-purchase perceived value, it is necessary to comment that the testing of a formative model has a series of particularities with respect to reflective models. Diamantopoulos and Winklhofer (2001) consider four aspects to be taken into account in the development of formative indicators. First, the validity of content, an aspect that has already been dealt with in the course of this study. Secondly, the specification of the indicators, which has also been considered in the working hypothesis. The third and fourth aspects have to be dealt with by a new analysis. These are that collinearity should not exist between the indicators, and to check the external validity. In a formative model, unlike reflective models, there are no measures of goodness of fit (Chin, 1998). A dependent variable that is related to all the indicators is therefore necessary. For the purpose of analysing collinearity and external validity we chose as the dependent variable the overall perceived value of a purchase, which was included and valued as an item (Overall perceived value) in the questionnaire used for the collection of data.

In respect of the collinearity of the indicators (Table III), Belsley (1991) recommends testing collinearity by means of a linear regression analysis, where all the indicators that compose the construct must appear as independent variables.

In our case the weighted mean values of the dimensions are taken as independent variables and the perceived overall purchase value as the dependent variable. Non-collinearity is reflected in the Variance Inflation Factor (VIF) with values less than 5.

As the final step in confirming the dimensionality of the perceived value of a purchase we carried out a second order confirmatory factor analysis (Figure 1).

The aim of this is to study the external validity of the formative scale, so, following Jarvis *et al.* (2003), we incorporate the overall perceived value of a purchase into the model as the dependent variable. In this way we determine that the perceived value of a

Dimensions	Statistics of collinearity
	Variance Inflation Factor (VIF)
Functional value of the establishment	1.509
Functional value of personnel	2.403
Functional value of product	3.564
Functional value price	1.670
Emotional value	3.600
Social value	1.586

Note: The overall perceived value of a purchase is taken as the dependent variable

Table III.
Test of collinearity

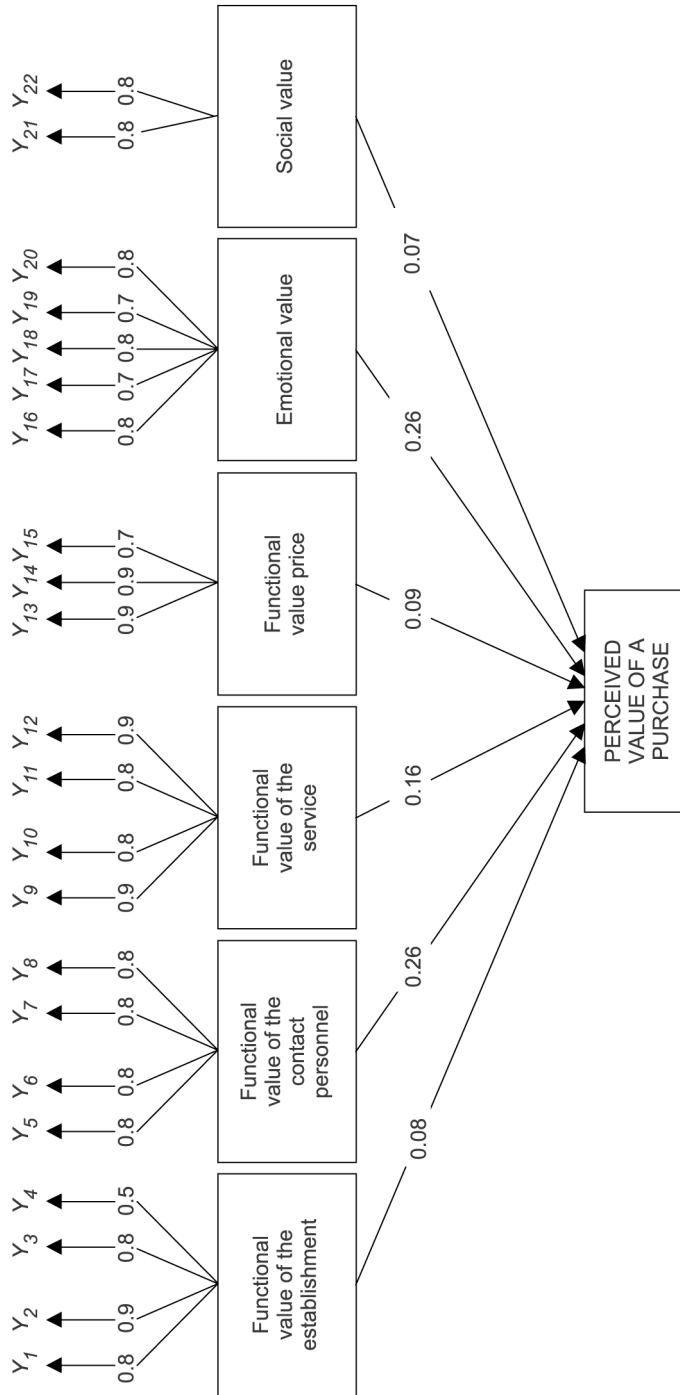


Figure 1.
Second order formative
factor analysis

Notes: Chi-Squared = 249.01, df = 215, P-value = 0.05561, RMSEA = 0.028; AGFI = 0.90; AGFI = 0.87, NFI = 0.92, CFI = 0.98.
Proportion of variance in "perceived value of a purchase" explained by the model (0.63).
a Items Y1 to Y22 are the same, and in the same order, as those appearing in Table II

purchase is determined significantly (t value > 1.96) by the six dimensions obtained in the above analysis. By order of importance of the factor loadings, joint first are the functional value of the contact personnel (0.26) and emotional value (0.26); next is the functional value of the service performed (0.16), fourth the functional value price (0.09), fifth the functional value of the establishment (0.08) and last the social value (0.07) (see Table IV).

No.	Dimensions	Perceived value of the purchase Mean	Standard deviations
<i>Functional value of the establishment (installations)</i>			
1	The installations favour the confidentiality and the privacy of dealings	3.63	1.03
2	It seems tidy and well organised	4.10	0.77
3	The installations are spacious, modern and clean	4.13	0.85
4	It is easy to find and accessible	4.14	0.92
<i>Functional value contact personnel (professionalism)</i>			
5	The personnel know their job well	4.18	0.80
6	The personnel's knowledge is up to date	4.13	0.82
7	The information provided by the personnel has always been very valuable to me	3.84	0.97
8	The personnel has knowledge of all the services offered by the entity	4.04	0.95
<i>Functional value of the service purchased (quality)</i>			
9	The service as a whole is correct	4.23	0.79
10	The quality has been maintained all of the time	4.06	0.80
11	The level of quality is acceptable in comparison with other entities	4.12	0.85
12	The results of the service received were as expected	4.09	0.83
<i>Functional value price</i>			
13	The payment of interest or commission is fully justified	2.96	1.09
14	The service is good for the expense it causes me	3.50	1.02
15	The total cost that it causes me is reasonable	3.04	1.10
16	The waiting time until I am attended to is correct ^a	3.49	0.87
<i>Emotional value</i>			
17	I am happy with the financial services contracted	3.92	0.83
18	I feel relaxed	3.88	0.94
19	The personnel give me positive feelings	3.90	0.95
20	The personnel don't hassle me	4.15	0.79
21	In general I feel at ease	4.16	0.82
<i>Social value</i>			
22	It is very well considered at a social level	4.01	0.79
23	The fact that I come here looks good to the people I know	3.94	0.91
24	Many people I know go there [*]	3.79	1.02
<i>Perceived value of the purchase</i>			
1	Global perceived value	4.06	0.70

Note: ^aWhen the confirmatory factor analysis was performed with all the dimensions of value in the aggregate, items N 16 and N 24 were eliminated because their factor loadings were very low and their presence prejudiced the goodness of the statistics of reference for the validation of the scale

Table IV.
Mean and standard
deviations of the
individual items

Discussion and limitations

We have seen that a series of important changes are taking place in the financial services business and that, in this situation, it is necessary to develop strategies that prevent loss of customers. Financial entities must maintain long term relationships with their customers in order to obtain the advantages of a customer base loyal to the firm (Jacoby and Chestnut, 1978), and for this purpose it is necessary to orientate management around the value perceived by the customer.

Thus the principal source of competitive advantage is to compose an offer that provides the customers with a perceived value higher than that of the competition, thus achieving a competitive advantage in that market. When proposing an offer, it is fundamental to take into account the particular characteristics of financial services, specifically their complexity (Devlin and Ennew, 1997). For more complex services or those more difficult to understand, elements of previous experiences or credibility will be of great importance, aspects such as the image and the reputation of the firm playing a major part in the decision. However, in simpler services or those that are more easily understood by the consumer it is the particular aspects of the services that weigh most heavily in the decision to contract. In this way, elements such as the price, or cost of the service, are more important in simpler services, while in more complex services the image and the reputation of the entity, as well as the support services offered, will be of great interest when providing value to the consumer.

This study has been based on the multidimensional approach to perceived value, which in turn is based on the conception of perceived value as a complex formative construct that includes a functional dimension (rational economic valuations), and also incorporates an affective dimension (feelings). This affective dimension is divided into an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase made). Thus, basing ourselves on the study by Sánchez *et al.* (2006) we have obtained the result that the value perceived by the customer in the banking sector is composed of six dimensions: functional value of the establishment, functional value of the personnel, functional value of the service, functional value price, emotional value and social value. Finally a scale formed by six dimensions and with 22 significant items for their measurement has been validated. Although post-purchase perceived value has been studied, the advantage of the GLOVAL scale is to measure the overall perceived value of a purchase, where the consumer evaluates not only the consumption experience but also the purchase experience. This scale considers the perceived value of the product or service acquired, together with the perceived value of the establishment where purchased and of the customer service personnel. In this sense, and in view of the results obtained, it is important to highlight that the most important elements of the value perceived by the consumer in the banking sector are emotional value (the feelings generated in the consumer) and the personnel that attend the public. We can thus affirm that the scale proposed by Sánchez *et al.* (2006) in the tourism industry is also applicable to the financial services sector, although more studies in other activities would be needed to test the universality of the GLOVAL scale.

The limitations of the study are mainly of two kinds. The first refers to temporality, as we are studying a variable with dynamic features in a transverse study. And the second is location, as we analyse a very particular area and it would be important to carry out research in other places to confirm the results obtained in this study.

Also, with regard to the measurement of the variables, although we have used scales already validated by the literature, we do not use items referring to non-monetary sacrifices in the measurement of perceived value. In this sense it would be interesting to include elements such as waiting times, queues or other non-monetary sacrifices that consumers must make to access the service.

Implications for management

Important conclusions for the banking sector can be drawn from this study. First, it is fundamental for financial entities to compose offers that provide value to their customers in a sustained way, in order to generate a competitive advantage and maintain it over time. There are various fields that can be worked on (establishment, contact personnel, the quality of the service offered, the sacrifices made by the customers, and other emotional and social aspects) so that financial entities can develop marketing strategies based on the value perceived by the customer. In this sense, for the concept of perceived value to be operational in achieving and maintaining a competitive advantage, marketing managers must have a deep understanding of its meaning and of the relative importance of the dimensions studied when the customer comes to make his/her evaluations. Thus the dimensions that refer to the value provided by the contact personnel together with the emotional value (composed of the internal feelings experienced by the customer) are the aspects that most influence the determination of the overall perceived value of a purchase. In this sense the employees of the bank play a very important role (let us not forget that the actions of the contact personnel are also reflected in the emotional dimension). For this reason it will be fundamental to make a great effort when selecting and training the contact personnel in banks, and to monitor over time the appropriateness of their level of knowledge and their attitude towards customers. Furthermore the functional value of the service performed, or service quality, cannot be neglected at any time, as it is also of great importance in determining the overall value perceived by the customer. Finally, though less important than the previous aspects, it will be of interest to control factors relating to the sacrifices made by the customers, whether monetary or non-monetary, attempting to minimise them, and to enhance other aspects such as the installations available and the projected social image of the financial entity.

With the aim of contributing information relevant to the making of marketing decisions in financial entities, we have developed a specific tool for the measurement of value perceived by the consumer of banking services, in which both utilitarian or functional aspects and other affective aspects are taken into account. It shows itself to be an ideal tool when working with indicators of customers' perceptions of value to operationalise strategies focussed on the management of perceived value. In this way the marketing managers of financial entities can monitor the value perceived by their customers as well as its evolution over time. The effects of the actions carried out by the entity on the value perceived by customers can likewise be quantified.

It has been argued that the best proposal for banks' strategies is to focus on those determinants of loyalty that are more intangible and more difficult to imitate, such as the customer's evaluations of the quality of the service received, and satisfaction (Yavas and Shemwell, 1996; Worcester, 1997). Aspects such as image, the quality of service perceived by the customer, and satisfaction, have been related to the loyalty of the consumer in the banking sector (Bloemer *et al.*, 1998). Perceived value is also a

determinant of customer loyalty in the life insurance business (Durvasula *et al.*, 2004). In this sense we propose our future lines of research, with the intention of analysing the effect of variables such as perceived value and satisfaction on the loyalty of the consumer.

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