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Money as a symbol in the relationship between financial advisors and their clients: a dyadic study

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Abstract

Purpose – The paper aims to examine whether financial advisors can understand the symbols and meaning that investors associate with money and whether such ability plays any role in enhancing the advisor-investor relationship in terms of satisfaction, level of trust, referral propensity and loyalty.
Design/methodology/approach – The authors used a dyadic research design. A total of 186 dyads of financial advisors and their clients took part in the study and completed two parallel self-administered questionnaires.
Findings – The authors found that financial advisors often can detect the emotional associations that their clients attribute to money. Such ability can enhance their relationship with investors.
Research limitations/implications – The main limitation of this study is its exploratory nature and the convenience sampling technique that was adopted. Therefore, researchers are encouraged to test the main findings further.
Practical implications – The results have implications for the development of ad-hoc psychological training to enhance the relationship between financial advisors and investors. Understanding the symbolic meanings and the emotions that clients associate with money may be a prerequisite for a financial services company to succeed and be competitive in the sector.
Originality/value – Despite acknowledging that money is not a neutral object but is layered with symbolic meanings and emotional associations, the behavioral finance literature has so far neglected to study these implications from either a theoretical or a practical point of view. This paper aims to fill this gap by investigating the symbolic value of money in the financial services industry.

Keywords Behavioral finance, Financial advisors, Money, Customer satisfaction, Symbolic meaning
Paper type Research paper

1. Introduction

The symbolic nature of money has been discussed extensively by non-economists for decades (e.g. Belk and Wallendorf, 1990; Zelizer, 1994). Both anthropological (Crump, 1992), sociological (Baker and Jimerson, 1992) and psychological literatures (Goldberg and Lewis, 1978;

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Lindgren, 1980) converge in suggesting that the function of money is complex and multi-dimensional, and that its meaning goes beyond its tangible and instrumental characteristics. Despite such evidence, the behavioral finance literature has so far failed to study the theoretical and practical implications of such symbolic meanings of money. Given this gap in the literature, the purpose of this study is to investigate the symbolic value of money in a specific industry—the financial services industry–in order to both increase the theoretical knowledge on this topic and find new pragmatic applications.

In the financial services industry, being able to understand the symbolic meaning that investors associate with money might be an important skill to develop, allowing the financial advisors to customize their approach and enhance the clients' overall experience. Indeed, being able to understand clients' emotional association with money can be a valuable intangible asset for companies to stand out from the competition in the market. Nonetheless, this ability and its effect on client-advisor relationships have not yet been investigated. Despite the existence of scientific literature on both the symbolic meaning of money and the client-advisor relationship, to the best of our knowledge, these two topics have never been investigated jointly in a comprehensive framework. Previous research in economic psychology on financial advisors and their relationships with investors has focused mainly on two interrelated factors (Kicia and Muda, 2018). First, aspects of advisors' credibility such as their epistemic authority in each domain (Kruglanski *et al.*, 2005; Zaleskiewicz and Gasiorowska, 2021) have been investigated. A second topic that has been examined is the congruency between advisors' recommendations and their clients' preferences (Zaleskiewicz and Gasiorowska, 2018), with particular attention to the client's risk tolerance (Danieluk *et al.*, 2020). As far as we can determine, our study is one of the few attempts to investigate the ability of financial advisors to interpret the symbolic meanings associated with money and their effect on the quality of the client-advisor relationship. In addition, by using a paired sample of advisors and their clients, we deliver a novel exploration of this research topic, which considers both advisors' and clients' perspectives. Thus, the key goal of the study is twofold: 1) to investigate whether financial advisors working in financial services institutions can actually understand the symbolic meanings and emotional associations of their clients (i.e. investors) with regard to money, and, if so, 2) to examine the extent to which this ability can enhance some key performance indicators of the client-advisor relationship in terms of increased satisfaction, higher level of trust, increased referral propensity and intention to remain a client in the future (i.e. loyalty).

This study has both theoretical and managerial implications. From a theoretical point of view, it stresses the importance of adopting an emotional finance approach (Taffler, 2018) and avoiding a mere cognitive/behavioral perspective when investigating people's relationship with money. The study provides further evidence that money is a complex and multi-dimensional phenomenon, and its meaning goes beyond its tangible and instrumental characteristics. From a managerial point of view, it has relevant implications for all financial intermediaries who provide financial advice to investors. In terms of marketing-related activities, our results may support the development of ad-hoc psychological training to enhance the relationship between financial advisors and investors, which is requisite for a financial services company to succeed and be competitive in the sector. Understanding the symbolic meaning and clients' emotional associations with money may also have policy implications; it may help to complement the mandatory know-your-client rules (e.g. the European Markets in Financial Instruments Directive – MiFID regulation), typically based only on the identification of customers' cognitive dimensions. On the one side, such additional understanding may benefit investors, who should experience higher levels of customer care and be more highly satisfied in relation to their money investments. On the other side, it can be a valuable asset for financial services companies to succeed and be competitive in the financial advisory sector, by providing alternative ways of segmenting the customers served, fine tuning their offers and developing a better use of marketing levers (for example, communication and pricing).

The rest of the paper will be organized as follows. First, a theoretical framework will be offered for both the symbolic meaning of money and the importance of studying the advisor-investor relationship. Second, methodological details in terms of adopted measures and instruments will be presented. This will be followed by statistical analysis and results. Financial advisors' ability to read clients' symbolic representations will be initially assessed, followed by a model testing the impact of such ability on some key performance indicators. Finally, strengths and limitations, together with some practical implications, will be presented in the discussion section.

1.1 The symbolic meaning of money

The symbolic meaning of money has been widely addressed by psychoanalysts (e.g. Freud, 1908), clinical psychologists (Goldberg and Lewis, 1978) and, more recently, social and economic psychologists (e.g. Furnham, 2014; Gasiorowska, 2019; Zaleskiewicz *et al.*, 2013). Money is not a neutral object that serves as a mere means to an end; rather, its attainment, preservation and use can be a goal in and of itself (Rose and Orr, 2007). Thus, money can be regarded as a psychological object layered with symbolic meanings and emotional associations at both a conscious and an unconscious level. These meanings and emotional associations are personal, subjective and linked to notions of the self in a modern consumer society (i.e. as a source of source of prestige, longing or anxiety; Rose and Orr, 2007). As Krueger (1986, p. 3) stated, "Money is probably the most emotionally meaningful object in contemporary life; only food and sex are its close competitors as common carriers of such strong and diverse feelings, significances, and strivings." That means that money is rarely if ever a value-free entity and people are hardly ever dispassionate, rational users of money (Furnham and Argyle, 1998).

The four most common unique money-associated emotions are *security*, *power*, *love* and *freedom* (Golberg and Lewis, 1978). Money, for many, can stand for *security*; it is an emotional life jacket, security blanket and method to stave off anxiety. Having money reduces dependence on others, thus reducing anxiety. Money also represents *power*. Since money can buy goods and services, it can also be used to acquire importance, domination and control. For some others, money is *love*; that is, it serves as a substitute for emotion and affection. Finally, for many others, it represents *freedom*, a way to pursue one's whims and interests and to be free from the daily routine and restrictions of a paid job. The latter is the most acceptable and more frequently admitted attribute attached to money.

Both primary (i.e. parental factors) and secondary (i.e. political affiliation) socialization processes have important influences on people's affective reactions towards money and on saving/spending practices (Furnham and Bland, 1983). Thus, it is plausible to believe that such attached meanings also play an important role when people decide to invest their money by following professional advice.

1.2 The relationship between advisors and investors

The financial services industry can serve as an interesting research context in which to investigate the psychological value of money and its emotional associations. Although the behavioral finance literature has acknowledged that money is not a neutral object and that its emotional associations have intrinsic relevance within the financial services industry, to the best of our knowledge, studying the implications from both a theoretical and a practical point of view has been neglected. Table 1 summarizes the main research topics covered by scientific literature in two different areas, namely the symbolic meaning of money and the client-advisor relationship in the financial services industry. As it turns out, we were unable to find any study investigating both domains simultaneously.

Table 1.
Summary of the main topics covered by scientific literature on the symbolic meaning of money and the client-advisor relationship in the financial services industry

Area	Topic	Studies	Sample	Context	Main findings
Symbolic meaning of money	Meanings of money	Belk and Wallendorf (1990)	Literature review	–	To better understand people's use of money, it is necessary to consider the non-economic sacred functions that money may well have originally served and often continues to serve in modern economies
		Zaleskiewicz *et al.* (2013)	123 (study 1); 123 (study 2) 85 (study 3); 120 (study 4)	Poland	Money possesses a strong psychological meaning that helps to buffer existential anxiety
	Measuring symbolic money meanings	Rose and Orr (2007)	223 (study 1); 220 (study 2) 233 (study 3); 256 (study 4); 76 couples (study 5); 65 (study 6); 66 (study 7)	The United States	A scale was developed to explore the symbolic meanings of money
		Furnham *et al.* (2012)	409	The United Kingdom	A short questionnaire that measured four emotional associations of money (security, freedom, power and love) was validated
		Gasiorowska (2019)	Literature review	–	Review of studies of the symbolic, non-economic functions of money. It provides insight into different methods of research, including non-conscious money priming and psychometric measurement of attitudes towards money
	Individual and group differences	Juneman *et al.* (2012)	161	Indonesia	There were significant differences in the symbolical meaning of money according to the faculty where the students went, the category of residential place where the students lived in, the students' occupation, and their ethnicity
		Wernimont and Fitzpatrick (1972)	533	The United States	The meaning of money may be modified by work experience, sex and socioeconomic level
	Financial satisfaction	Gasiorowska (2015)	488 (study 1); 356 (study 2)	Poland	The symbolic meaning associated with money partially mediated the relationship between income and financial satisfaction
Client-advisor relationship in the financial services industry	Trust	Cruciani *et al.* (2021)	777 (group a); 262 (group b); 145 (group c)	Italy	Professional framing (tied versus bank advisors) and the maturity (new entrants versus incumbents) of financial advisors support different trust-formation processes
		Söderberg *et al.* (2014)	368	Sweden	The role of trust is perceived differently by the advisor and the customer. Advisors see that as their clients learn to trust them, they lose touch with the customer's perceived risk preferences, whereas customers do not perceive that their trust in the advisor has any relationship to their risk preferences
		Eriksson *et al.* (2020)	13,525	Sweden	Trust has a positive direct effect on client-level non-interest revenue. Trust also mediates the entire effect of satisfaction and loyalty on client-level non-interest revenue

(*continued*)

Area	Topic	Studies	Sample	Context	Main findings
	Relationship quality/customer satisfaction	Rajaobelina and Bergeron (2009)	772	Canada	For both financial advisors and clients, customer orientation has an impact on buyer-seller relationship quality, whereas buyer-seller similarity does not. Relationship quality leads to higher purchase intention and word-of-mouth
		Danieluk *et al.* (2020)	149	Poland	When investment recommendations are not adjusted to the clients' levels of risk tolerance, low-risk tolerance clients are less satisfied
		Bergeron and Vachon (2008)	418	Canada	A financial advisor's good sense of humor has a positive impact on the clients' perceptions of service quality, trust, satisfaction, purchase intentions, and word-of-mouth propensity
	Impact of gender	Kaur and Vohra (2017)	200	India	The attributes that women look for in their financial advisor are friendliness and quality of advice
		Klein *et al.* (2021)	1,600 (study 1); 606 (study 2)	Israel	At implicit level, people prefer male advisors over female
	Financial literacy	Migliavacca (2020)	552	Italy	Financial advisors have a significant educational role; in particular, the presence of independent financial advisors tends to increase the "advanced" financial literacy of their clients
		Calcagno *et al.* (2017)	1,116	Italy	Investors with high financial literacy directly monitor the advisors' activity. Investors with low financial literacy are more likely to seek a second professional opinion in support of the recommendations previously received
	Authority	Zaleskiewicz *et al.* (2016)	144 (study 1); 121 (study 2); 112 (study 3)	Poland	Lay people ascribe higher epistemic authority to financial consultants who advise action rather than maintenance of the status quo, but this effect is limited by confirmation bias: when the client's *a priori* opinion is salient, greater authority is ascribed to experts whose advice confirms it
		Zaleskiewicz and Gasiorowska (2021)	300 and 322 (study 1); 494 (study 2) 495 (study 3); 500 (study 4); 1,236 (study 5)	Cross-cultural (the United States, Poland, and the United Kingdom)	Receiving financial advice consistent with one's own beliefs (compared to advice inconsistent with those beliefs) is related to higher evaluations of one's own competence in finances, higher self-esteem and perceiving advisors as less biased and with better processing fluency, which in turn lead to ascribing greater epistemic authority to financial experts
Symbolic meaning of money AND Client-advisor relationship in the financial services industry	N.A.	–	–	–	–

Table 1.

Investigating the relationship between investors and financial advisors is the key, given the significance of the latter to the former. From an economic standpoint, empirical research has found that individuals make extensive use of advisory services, although evidence regarding the economic advantages of doing so is mixed (Bergstresser *et al.*, 2009; Hackethal *et al.*, 2012). Financial advisors play a fundamental role in investors' financial decisions because they minimize information costs, enhance price discrimination (Stoughton *et al.*, 2011) and educate investors about their financial risk and financial possibilities. Lippi *et al.* (2019) demonstrated that the relationship between investor and advisor may be so strong that it allows the rapid transfer of huge amounts of money from one intermediary to another when financial advisors migrate, causing variations (both positive and negative) in their respective market shares. Despite the lack of systematic studies in the field, financial advisors do know that investments provide their clients something that goes beyond the utilitarian benefits of money, by also including expressive and emotional benefits such as protection from poverty, a way to nurture their children, expression of their own values, and the achievement of higher social status (Statman, 2019).

The understanding of customers' needs and wants has been widely recognized as the key to improving customer satisfaction, which today represents an imperative and a cornerstone of marketing strategy across a multitude of companies operating in diverse industries (Szymanski and Henard, 2001). Even in the financial services sector, the perceived level of customer orientation that a financial advisor demonstrates toward the client (e.g. whether the financial advisor is perceived as responsive, reliable and empathetic) has been theorized (i.e. Parasuraman *et al.*, 1985) and has been found to be of paramount importance in enhancing the relationship between a client and his/her advisor (Sniezek and van Swol, 2001; Rajaobelina and Bergeron, 2009; Lahdari *et al.*, 2011). Showing consideration for the client's needs increase the client's trust and the level of mutual understanding, which translate into higher client satisfaction and consequently, the firm's economic success (Helgesen, 2006; Saxe and Weitz, 1982; Yeung and Ennew, 2000; Hennig-Thurau, 2004). Given the intangibility and complexity of the financial services sector, which greatly differs from other sectors that have standardized products or services, adequately handling relationships with clients can play a more pivotal role than in other industries (Eisingerich and Bell, 2007; O'Loughlin *et al.*, 2004). Developing a good and sustainable relationship can differentiate the company from other financial companies, as a strong client-advisor relationship cannot easily be replicated by competitors (Wong *et al.*, 2007). Indeed, many companies are becoming increasingly interested in the concept of relationship quality, which most recently has been seen as an expression of satisfaction, trust and commitment (Caceres and Paparoidamis, 2007; Ou *et al.*, 2011). Relationship quality also can be seen as an overall assessment of the strength of a relationship (De Wulf *et al.*, 2001; Garbarino and Johnson, 1999); thus, understanding in which ways such quality can be improved is becoming of paramount importance.

2. Design and methodology

2.1 Research design

To investigate the relationship between financial advisors and their clients, a dyadic research design was developed (Malloy and Albright, 2001). The study was performed in collaboration with two different Italian financial institutions active in financial advising. Financial advisors were recruited first, and investors were subsequently recruited from among their pool of clients (each advisor was asked to recruit between three and five clients). All parties agreed to participate in the study on a voluntary basis.

To perform a dyadic analysis (i.e. comparing the answers given by financial advisors with the answers given by their clients), two parallel self-administered questionnaires were developed, one for the financial advisors and the other for the investors, with the aim of analyzing the level of similarity in the responses of the two dyad members (see Appendix). Data from financial advisors and clients were collected separately. Clients completed their questionnaires first, and subsequently, their financial advisors completed another questionnaire without knowing the answers of their clients. Questionnaires were then paired through an identification code. Given the dyadic nature of the study, only questionnaires that were completed by both the financial advisors and his/her clients could be included in the final data set. Data were collected between 2019 and 2020. Paper-based questionnaires were used for respondents from the first financial institution, whereas web-based questionnaires were used for the second financial institution (also due to COVID19 restrictions, as the gathering of data from the second firm overlapped with the first pandemic outbreak in Italy). Despite the different media, it has been shown that Internet-based questionnaires can be a suitable alternative to more traditional paper-based measures and yield comparable responses (Bandilla *et al.*, 2003; Riva *et al.*, 2003).

2.2 Measures

Both financial advisors' and investors' questionnaires included questions related to sociodemographic characteristics of the respondent (i.e. sex, age, education); information about the financial assets of investors; and a brief measure of their emotional associations with money (security, power, love and freedom), using the scale developed by Furnham *et al.* (2012). For this latter measure [1], financial advisors were asked to assess each client's emotional associations with money, whereas investors' answers were based on their personal report of associations.

The investors' questionnaire also included items on a 5-point Likert-type scale (from 1 = not at all to 5 = very) to evaluate the quality of the relationship with their financial advisors, such as their satisfaction ("How satisfied are you with your financial advisor?"), trust ("How much do you trust your financial advisor"?), loyalty ("How likely would you be to continue investing your money with your financial advisor?") and likelihood of recommending the advisor to others ("How likely would you be to recommend your financial advisor to your colleagues or friends?"). Descriptive statistics can be found in Appendix.

2.3 Sample

The final sample of completed questionnaires consisted of 186 dyads (or pairs) consisting of financial advisors and their clients (108 and 78 from the two different financial institutions), for a total of 186 unique clients and 48 financial advisors (29 financial advisors from the first financial institution and 19 from the second) [2]. Financial advisors were recruited on a voluntary basis, and they were subsequently invited to recruit some of their clients. For the sample of financial advisors (33 men and 15 women), the average age was 51.6 (S.D. = 7.1), with 62.2% holding a secondary education degree and 35.6% holding a university degree.

The client sample consisted of 186 participants, including 113 men (60.8%) and 73 women (39.2%). Their ages ranged from 19 to 79 years (M = 54.5, S.D. = 12.3), with 48.1% holding a secondary education degree and 43.7% holding a university degree. More than half of the sample (60.2%) had less than 25% of their financial assets allocated to other financial institutions, whereas only 3.2% of the investors had more than 75% of their financial portfolios allocated to other financial institutions. Regarding their financial wealth, 15.6% of respondents had assets below 100,000 Euros, 40.9% between 100,000 and 500,000 Euros, 15.6% between 500,000 and 1 million Euros, and 14% above 1 million Euros. The remaining 14% preferred not to answer. Respondents also differed in the number of years they had done business with their financial advisor, with 11.8% having being clients for less than 1 year, 17.7% between 1 and 3 years, 11.8% between 3 and 5 years, 28.5% between 5 and 10 years, and 30.1% for more than 10 years.

3. Results

3.1 Financial advisors' ability to detect investors' associations with money

First, intraclass correlation coefficients (ICC) (Koo and Li, 2016) were calculated to observe the relatedness between investors' answers to the questions about their emotional associations with money and their financial advisors' predictions regarding their answers (i.e. the correspondence in the responses of the two dyad members). For each item of Furnham *et al.*'s scale (2012), an ICC was calculated based on the answers of investors and their financial advisors. ICC estimates and their 95% confidence intervals were calculated using the SPSS statistical package based on a single-rater/-measurement, absolute-agreement, one-way random model (see Table 2). On average (ICC = 0.33), financial advisors showed a moderate ability to predict their clients' emotional associations with money.

3.2 The effect of financial advisors' ability to detect investors' associations with money on the client-advisor relationship

To test the impact of financial advisors' ability to predict investors' associations with money on the client-advisor relationship, a model was tested using structural equation modeling (SEM). Figure 1 shows the theoretical model aimed at testing whether the ability to predict investors' associations with money and the length of the client-advisor relationship had an impact on the client-advisor relationship in terms of satisfaction, trust, likelihood of recommending the advisor to others and loyalty.

	Item	Investors ($\alpha = 0.73$) Mean (s.d.)	Advisors ($\alpha = 0.72$) Mean (s.d.)	ICC	p (ICC)
Security	Relative to my income, I tend to save quite a lot of money	5.1 (1.8)	5.0 (1.7)	0.45	0.000
	I would rather save money than spend it	3.6 (1.6)	3.7 (1.7)	0.49	0.000
	It is important to have savings, as you never know when you may urgently need the money	6.1 (1.3)	5.9 (1.2)	0.30	0.000
	If I do not save enough money every month, I get very anxious	4.4 (2.0)	4.7 (1.7)	0.41	0.000
Freedom	With enough money, you can do whatever you want	4.4 (1.7)	4.7 (1.6)	0.36	0.000
	There are very few things money can't buy	4.5 (2.2)	4.6 (2.0)	0.50	0.000
	The main point of earning money is to feel free and be free	4.9 (1.7)	4.9 (1.5)	0.30	0.000
	If I had enough money, I would never work again	3.7 (2.1)	4.3 (2.0)	0.28	0.000
Power	Money is important because it shows how successful and powerful you are	2.9 (1.8)	3.5 (1.8)	0.29	0.000
	The best thing about money is that it gives you the power to influence others	3.2 (1.9)	3.6 (1.7)	0.46	0.000
	I have always been inspired by powerful tycoons	1.9 (1.4)	2.5 (1.5)	0.21	0.002
	You can never have enough money	3.8 (1.9)	4.6 (1.7)	0.16	0.012
Love	I often demonstrate my love to people by buying them things	3.5 (1.8)	4.0 (1.8)	0.27	0.000
	The best present you can give to someone is money	2.5 (1.6)	2.8 (1.6)	0.22	0.001
	Money can help you be accepted by others	2.6 (1.8)	3.1 (1.7)	0.27	0.000
	I am very generous with the people I love	5.4 (1.5)	5.4 (1.4)	0.36	0.000

Table 2. Descriptive statistics and intraclass correlations coefficients (ICC) for Furnham *et al.*'s scale (2012)

To obtain a measure of financial advisors' ability to understand their clients' emotional associations with money and perform the subsequent statistical analyses, a new variable—called "Emotional Understanding"—was estimated. The new variable was created by estimating the differences between advisors' and clients' scores for each item of Furnham *et al.*'s (2012) scale. These differences were transformed into absolute values, and then all values were summed to create the emotional understanding variable ($M = 21.5$, S.D. = 10.6). The theoretical range of this new variable was 0–96, where 0 indicated an advisor's perfect ability to guess his/her client's answers. Thus, the lower the value, the better the ability of financial advisors to understand their clients' emotions associated with money. However, to facilitate the understanding of the following analyses, we reverse-coded the new variable so that high scores correspond to high ability of financial advisor to understand their clients. The use of difference scores has many advantages: they are easy to interpret and are considered to be sufficiently reliable when standard deviations differ between measurement occasions; furthermore, standard deviations are likely to differ between measurement occasions due to differences among respondents (Gollwitzer *et al.*, 2014; Lozza *et al.*, 2020), with financial advisors on one side and their clients on the other.

Preliminary correlation analyses (see Table 3) were performed between emotional understanding and the dependent variables that were used to assess the quality of the relationship between investors and financial advisors (i.e. satisfaction, trust, referral propensity and loyalty). The length of the relationship between the investor and his/her financial advisors was also included. As Table 3 shows, all dependent variables (satisfaction, trust, referral propensity and loyalty) show a significant positive correlation with emotional understanding, ranging from 0.23 to 0.32. This means a high ability of financial advisors to detect their clients' emotional associations with money is associated with high levels of satisfaction, trust, referral propensity and loyalty of the investors. Moreover, a significant positive correlation ($r = 0.19$) was also found between emotional understanding and time (i.e. the length of the relationship between an investor and his/her financial advisor). This correlation can be interpreted in two different ways. On the one hand, the longer the client-advisor relationship lasts, the greater the advisor's ability to understand the client's emotional associations with money becomes, due to greater knowledge of the client. On the other hand, the greater the advisor's ability to understand the client's emotional associations with money is, the greater will be the chance that this relationship will continue over time. In other words, financial advisors' ability to quickly detect new potential clients' emotional associations with money may increase the chance of creating a long-lasting relationship. To test this hypothesis, the variable Time was also included in the structural equation model.

An exploratory factor analysis was performed to examine the factor structure of the dependent variables (satisfaction, trust, referral propensity and loyalty), as Pearson correlations were very strong, ranging from 0.76 to 0.85. The analysis with an unconstrained number of factors yielded an eigenvalue of 3.37, with 84.2% of variance

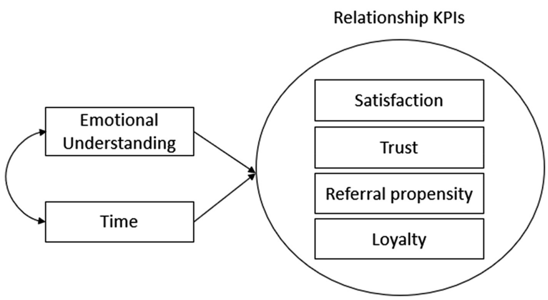


Figure 1.
Explanatory power of emotional understanding and time on relationship KPIs

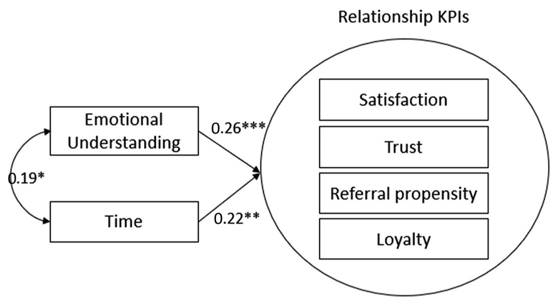
		Emotional understanding	Time	Satisfaction	Trust	Referral propensity	Loyalty
Emotional Understanding	Pearson Correlation	1	0.19*	0.25**	0.32**	0.23**	0.26**
	Sig. (2-tailed)		0.010	0.001	0.000	0.002	0.000
	N	186	186	186	186	186	186
Time	Pearson Correlation		1	0.25**	0.25**	0.23**	0.24**
	Sig. (2-tailed)			0.001	0.000	0.002	0.001
	N		186	186	186	186	186
Satisfaction	Pearson Correlation			1	0.85**	0.77**	0.79**
	Sig. (2-tailed)				0.000	0.000	0.000
	N			186	186	186	186
Trust	Pearson Correlation				1	0.76**	0.77**
	Sig. (2-tailed)					0.000	0.000
	N				186	186	186
Referral propensity	Pearson Correlation					1	0.79**
	Sig. (2-tailed)						0.000
	N					186	186
Loyalty	Pearson Correlation						1
	Sig. (2-tailed)						
	N						186

Note(s): *. Correlation is significant at 0.05 (2-tailed)
**. Correlation is significant at 0.01 (2-tailed)

Table 3.
Correlations among variables included in the model

explained (see also Appendix). Thus, a monofactorial structure was established. As expected, Cronbach's alpha reliability (α = 0.94) also indicated that all items could be considered indicators of the same latent construct, which we called "Relationship KPIs," as they represent the advisors' ability to improve their relationship with investors in terms of satisfaction, increased trust, willingness to remain a client and to recommend the advisor to other friends.

Figure 2 shows the results of a structural equation model that was run in AMOS standardized parameter estimates are included in the final model. A good fit of the model to the empirical data was observed: CMIN/DF = 2.186, p = 0.25, CFI = 0.99, TLI = 0.97, RMSEA = 0.08 (LO90 = 0.03, HI90 = 0.13). In accordance with the model assumptions,



Note(s): *p < 0.05; **p < 0.01; ***p < 0.001

Figure 2.
Explanatory power of emotional understanding and time on relationship KPIs

relationship KPIs were positively influenced by emotional understanding ($\beta = 0.26, p < 0.001$) and positively influenced by Time ($\beta = 0.22, p < 0.01$). To summarize, it appears that the greater the advisor's ability to detect clients' emotional associations, the better the client-advisor relationship. The length of the client-advisor relationship has a significant positive effect on the relationship KPIs as well, albeit to a lesser degree. Finally, as anticipated (see Table 3), emotional understanding correlated with the length of the client-advisor relationship (i.e. the longer the relationship, the greater the ability to understand emotional associations).

4. Discussion

The aim of the study reported in this article was to examine whether financial advisors are able to understand their clients' emotional associations with money and, if so, whether this ability enhances the client-advisor relationship in terms of increased satisfaction, trust, referral propensity and loyalty (relationship KPIs). Indeed, our results suggest that financial advisors do have such an ability, despite a lack of specific and formal psychological training. Moreover, the greater the ability of financial advisors to understand their clients' implicit emotional associations with money (i.e. money as a symbol of security, freedom, power, or love), the better the quality of the client-advisor relationship. This result goes beyond a mere effect related to the length of the relationship between advisors and their clients, as the inclusion of the variable Time in our model suggests.

This enhanced relationship can lead to several positive outcomes for financial intermediaries providing advice, such as higher satisfaction, a higher level of trust, greater referral propensity and greater loyalty (intention to continue to be a client in the future).

The findings of this study have both theoretical and practical implications. From a theoretical point of view, our study further supports the need to consider the emotional meaning of money in modeling the determinants of the quality of the relationship for utilitarian services, such as financial services (Lahdari *et al.*, 2011). This is in line with Hirschman and Holbrook's intuition (1985) on the importance of integrating emotions when studying consumer attitude and behavior. Our results emphasize that failing to address the symbolic value of money may be a missed opportunity for both behavioral economics and behavioral finance, since viewing money primarily as a means of exchange—as many economists would do (Finn, 1992)—is overly simplistic. Failing to address the symbolic value of money can be a missed opportunity for both behavioral economics and behavioral finance. Using insights from clinical and dynamic psychology can bring many benefits to the study of how the relationship between financial advisors and their clients is developed, in line with an emotional finance approach (Taffler, 2018). Further studies are advised, also aimed at developing ad-hoc metrics and scales to investigate deeper symbolic associations with money (e.g. projective tests and techniques). Further research opens up, for instance, the possibility of understanding which traits and behaviors of consultants explain their ability to grasp the associations attributed to money by clients.

From a practical point of view, it appears that when financial advisors instinctively develop such an ability throughout their professional experience, this ability could be further enhanced by providing ad-hoc psychological training. This can be especially beneficial in the early stages of a new relationship with a client by making it possible to quickly identify the investor's financial desires and help satisfy them. Understanding the symbolic meaning of money and the emotional associations that clients have with it may have policy implications; it may help to complement the mandatory know-your-client rules (e.g. the European Markets in Financial Instruments Directive – MiFID regulation), typically based on the identification of customers' cognitive dimensions. Moreover, it can be a valuable intangible asset for a financial services company to succeed and be competitive in the financial advisory sector. Knowing the impact of emotions on the financial investment activity of savers may give financial service providers tips on alternative ways to segment the customers served, fine tune their offer, and develop a fine use of marketing levers (for example, communication and pricing).

The main limitation of this study is its exploratory nature. In this study, the focus was on assessing whether the advisors' ability to understand the symbolic associations their clients had with money could enhance the relationship between advisor and investors in terms of satisfaction, trust, willingness to recommend the advisor to others, and loyalty. Since customer satisfaction and relationship quality are complex and multifaceted concepts, we believe that future studies should go in the direction of exploring this ability in more depth, by adopting other validated metrics to assess customer satisfaction and relationship quality and explore all the facets and nuances of such phenomena. Moreover, a convenience sampling technique was adopted, as financial advisors were recruited on a voluntary basis and in turn personally selected a pool of clients to engage in the study. Thus, we cannot exclude the presence of self-selection bias. However, it should be acknowledged that self-selection may be difficult to avoid in a study like the one we carried out. To get direct access to financial advisors and their clients, being authorized by a financial service company is an imperative requirement. Once we had access to the field, both financial advisors and their clients could not be forced to take part in the study but had to agree on a voluntary basis.

Despite such limitations, the study represents a novelty in the field, as it investigates the relationship between financial advisors and their clients from a new perspective and by adopting a dyadic research design. Preliminary results suggest that this stream of research could lead to new and promising insights into the world of the financial services industry.

Notes

1. Note that the measure was the same for the clients and the financial advisors. Only the formulation changed. For example, whereas clients were asked to express their agreement with a list of statements, financial advisors were asked to guess the answers of their clients.
2. On average, each financial advisor recruited 3.9 clients.

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Appendix

Clients' questionnaire (original version in Italian language)

(1) Please indicate your level of agreement with the following statements, from 1 (completely disagree) to 7 (completely agree)

- Relative to my income I tend to save quite a lot of money
- If I do not save enough money every month, I get very anxious
- I rather save money than spend it
- It is important to have savings, you never know when you may urgently need the money
- With enough money, you can do whatever you want
- The main point of earning money is to feel free and be free
- There are very few things money can't buy
- If I had enough money, I would never work again
- The best thing about money is that it gives you the power to influence others.

- Money is important because it shows how successful and powerful you are
- You can never have enough money
- I have always been inspired by powerful tycoons
- I often demonstrate my love to people by buying them things
- I am very generous with the people I love
- The best present you can give to someone is money
- Money can help you be accepted by others

(2) How long has the relationship with your financial advisor lasted?

- Less than 1 year
- 1–3 years
- 3–5 years
- 5–10 years
- More than 10 years

(3) Can you please indicate your level of general wealth, including financial assets, real estate, and liquidity?

- Less than 100,000
- Between 100,000 and 500,000 Euro
- Between 500,000 and 1 million Euro
- Above 1 million Euro
- I prefer not to answer

(4) Which part of your financial assets is allocated to other financial institutions?

- Less than 25%
- Between 25% and 50%
- Between 50% and 75%
- More than 75%
- I prefer not to answer

(5) How satisfied are you with your financial advisor? (Likert-type scale from 1 = not at all to 5 = very)

(6) How much do you trust your financial advisor? (Likert-type scale from 1 = not at all to 5 = very)

(7) How likely would you be to continue investing your money with your financial advisor? (Likert-type scale from 1 = not at all to 5 = very)

(8) How likely would you be to recommend your financial advisor to your colleagues or friends? (Likert-type scale from 1 = not at all to 5 = very)

(9) You are [. . .]

- Male
- Female

(10) What's your age?

(11) What's your highest level of education?

- Primary school
- Secondary school
- University degree

Financial advisors' questionnaire (original version in Italian language)

(1) To answer this question, we ask you to *put yourself into your clients' shoes.* Please indicate the level of agreement you believe your client would answer to the following statements, from 1 (completely disagree) to 7 (completely agree). *For each statement, please ask yourself: "How would my client answer?"*

- Relative to my income I tend to save quite a lot of money
- If I do not save enough money every month I get very anxious
- I rather save money than spend it
- It is important to have savings; you never know when you may urgently need the money
- With enough money, you can do whatever you want
- The main point of earning money is to feel free and be free
- There are very few things money can't buy
- If I had enough money, I would never work again
- The best thing about money is that it gives you the power to influence others.
- Money is important because it shows how successful and powerful you are
- You can never have enough money
- I have always been inspired by powerful tycoons
- I often demonstrate my love to people by buying them things
- I am very generous with the people I love
- The best present you can give to someone is money
- Money can help you be accepted by others

(2) You are [. . .]

- Male
- Female

(3) What's your age?

(4) What's your highest level of education?

- Primary school
- Secondary school,
- University degree

Table A1.
Descriptive statistics

Investors	Mean	SD
Satisfaction	4.2	1.0
Trust	4.3	1.0
Referral propensity	4.4	0.9
Loyalty	4.4	0.9
Time	8.7	7.8
Dyads (investor-advisor)		
Emotional Understanding	21.5	10.6

Table A2.
Exploratory factor analysis

Items	Loadings	α	Eigenvalue	Total % of variance
Satisfaction	0.91	0.94	3.37	84.2
Trust	0.90			
Referral propensity	0.86			
Loyalty	0.88			

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