SERIE RESEARCHMEMORANDA

THE IMAGE OF DUTCH BANKS
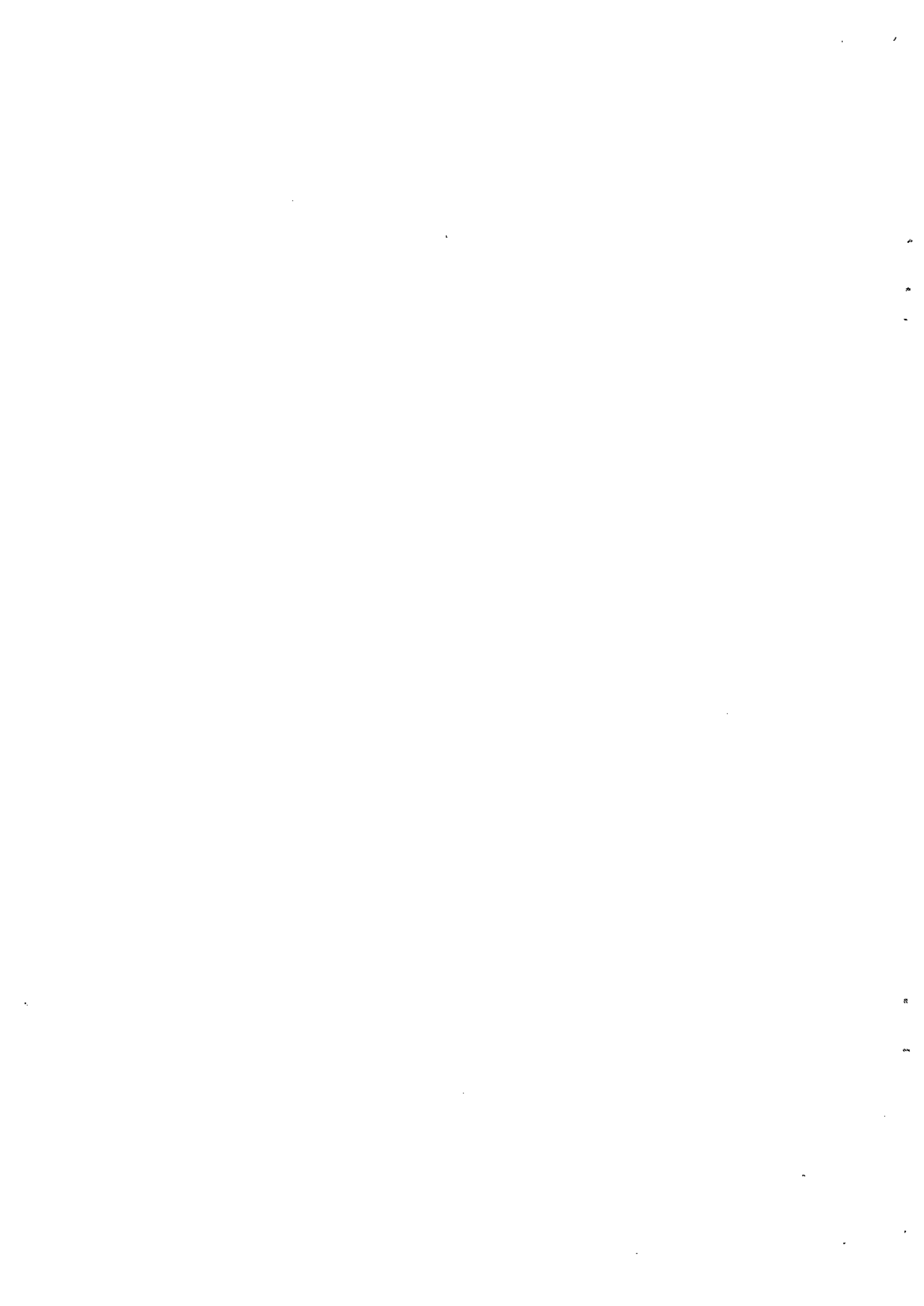
a pilot study

G. Morello
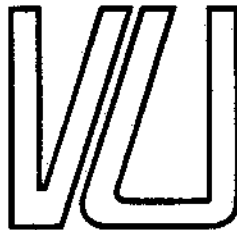
**VRIJE UNIVERSITEIT
EKONOMISCHE FAKULTEIT
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THE IMAGE OF DUTCH BANKS
a pilot study

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INDEX

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<u>THE IMAGE OF DUTCH BANKS</u>
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I.   IMAGE STUDIES AND BANKS

Image studies have had a fortunate development and will be even more popular in the future because:

a) the growing complexity of technologies does not allow consumers to judge products from the standpoint of their physical attributes. Even experts have difficulties in recognizing the actual composition of the sophisticated goods offered on the market. The set of beliefs, ideas and impressions that a person holds on a given object – that is, images – are therefore of great importance in buying decisions;

b) products tend to be more similar to each other and non-product differentiation is a pressing area of competition. Brand names, packaging, styling, services and non-tangible features are salient components of what the consumer sees as the personality or character of products, on which he builds his preferences;

c) the participation of business to matters of societal and cultural concern is likely to increase. Companies' visibility and conduct are relevant in matters of public opinion and attitudes. People are inclined to express judgements for what companies <u>are</u> rather than only for what they <u>produce</u>. This is another argument which explains why companies spend an increasing part of their resources in global communication campaigns.

At a more theoretical level, a fourth reason can be added. Communication models such as AIDA (Attention-Interest-Desire-Action) or Hierarchy of Effects (Awareness-Knowledge-Liking-Preference-Conviction-Purchase) have been criticized on the ground that behavioural responses to stimuli just do not work along sequencial processes. Recent psychological theories tend to give credit to the fact that emotional feelings preceed, rather than follow, perception and rational thinking (Van Raaij 1983). Even from this viewpoint, the role of images should gain a more relevant place in the study of the interaction of cognitive and emotional mechanisms.

It therefore becomes increasingly important to understand the nature of images. If this is so for tangible products, the same is true for services in general and for financial services in particular.

Obviously, nobody chooses to become a customer of a given bank or to subscribe to an insurance plan only for preconceived ideas. As all high-involvement behaviour requires, the buying process goes through factual evaluations resting on individual needs and requirements. Yet it would be difficult to deny that consumer decisions are also based upon the personalized views that make up the construction, maintenance, and change of their mental images.

In the area of banking the problem poses itself not only for individual companies but, even more fundamentally, for the very idea of banks.
In the past, financial institutions where undisputedly regarded as the legimate depositories of status and respect. In the sixties and in the seventies, doubts were expressed and criticism arose on these matters. In present days, the return to efficiency and the general claim for austerity seem to have re-established the previous attitudes, but in a new light and under other conditions. Different socio-cultural groups seem to have different feelings and views about the nature and values of such matters.

An insight into these issues is currently provided by various research approaches, including scenario studies and relative positionings of the financial institutions (see Paitra 1982, Quatresooz 1985).

II. PURPOSE AND CONTENT OF THIS STUDY

Some questions are pertinent in this connection, and will be examined in this paper: what do people think about the overall role of financial institutions? What are their opinions about individual financial companies? What are the logics of people's attitudes toward financial institutions in general, and toward individual companies in particular?

The paper does not involve the whole spectrum of psycho-sociological issues related to bank images. It is based on research conducted on a limited scale, and its scope is also limited. The research explores the attitudes of a group of Dutch university students towards the main banks operating in the Netherlands, from the standpoint of the affective meaning of such banks.

Affective meaning is different to demonstrative meaning. The latter tells what a certain concept means in terms of its dictionary-type explanation. The former unravels if people have a positive or a negative attitude towards that concept, that is whether they like it or not, and possibly why.
The research was carried out in 1984 as part of the Marketing Research Course held by the author at the Free University (VU), Amsterdam.

In addition to the already mentioned reasons which account for the widespread interest in images, three inducements for this specific study should be mentioned. The first is the commitment of the Financial Institutions and Market (FIM) group, established by the Department of Economics of the VU, to undertake a comprehensive study of financial organizations. Since consumer behaviour has a specific place in the FIM project, the issue of images seemed worth an exploratory investigation.

The second inducement is methodological. As we shall see in more detail, the technique we use to identify and measure the affective meaning of Dutch banks is the Semantic Differential (SD). The intention was not only to apply this well-known technique through the scales developed by Osgood et al. (1957, 1975), but also to test some new scales, presumably revealing other dimensions, appropriate in the area of banks.

The third reason to conduct this study has to do with our teaching objectives. Since one of our aims is to bridge the gap between theory and practice, we find it useful to apply a market research technique to real cases, in which all students participate both as subjects and as objects of the research. This was the way in which the research was conducted, with class discussions also on its validity, reliability and accuracy.

It is obvious that a group of students is not representative of the Dutch population as a whole. This is certainly a limitation on the present study.
One should keep in mind, however, that students of Economics are potential businessmen and professionals who will deal a lot with, and possibly live close to, the activities of banks. They form a segment of special interest for financial institutions.

III. RESEARCH DESIGN AND METHOD

The SD is an indirect attitude measurement method, originally developed for language studies, which is essentially a combination of controlled associations and scaling procedures.

In our case, the subjects - 48 doctoral students between 21 and 26 years of age, coming from different geographical areas of the Netherlands - were provided with the following list of concepts:

TABLE I

Concepts

1. Banks in General	7. Pierson, Heldring & Pierson
2. AMRO	8. Van Lanschot Bankiers
3. ABN	9. Bank Mees & Hope
4. RABO	10. Banque Paribas NL
5. NMB	11. Credit Lyonnais NL
6. NCB	12. Postgiro

The table contains:

a) the item 'Banks in General' (in Dutch: 'Banken in het algemeen'), introduced both to check the attitude towards all banks, and to have a parameter against which to compare the attitudes toward the individual institutions

b) the main ten general banks operating in the Netherlands as well as Postgiro, which is also active, with different role and tasks, on the Dutch financial market.

For each of the above mentioned concepts, the students were asked to indicate their feelings on a set of seven-point bipolar scales, made up by the adjectives listed in Table II.

TABLE II

Scales

	Dutch version		English version
○	*duur — goedkoop*		
1.	prettig - naar	1.	beautiful - ugly
2.	klein - groot	2.	small - big
3.	aktief - passief	3.	active - passive
4.	aangenaam - onaangenaam	4.	pleasant - unpleasant
5.	sterk - zwak	5.	strong - weak
6.	langzaam - vlug	6.	slow - fast
7.	goed - slecht	7.	good - bad
8.	licht - zwaar	8.	light - heavy
9.	boeiend - saai	9.	interesting - dull
10.	aardig - onaardig	10.	kind - unkind
11.	zacht - hard	11.	soft - hard
12.	snel opgewonden - kalm	12.	lively - quiet
13.	vriendelijk - hooghartig	13.	friendly - unfriendly
14.	behoudend - vooruitstrevend	14.	conservative - progressive
15.	mededenkend - onverschillig	15.	thoughtful - thoughtless
16.	efficiënt - inefficiënt	16.	efficient - inefficient
17.	behulpzaam - onbehulpzaam	17.	helpful - unhelpful
18.	klantgericht - niet klantgericht	18.	client-oriented - not-client-oriented
19.	betrouwbaar - onbetrouwbaar	19.	reliable - unreliable
20.	ontoegankelijk ('gesloten') - toegankelijk ('open')	20.	"closed" - "open"

(handwritten margin notes: innovatief vs. traditioneel, with an arrow pointing to item 14)

Out of these 20 pairs of ordinal scales: a) the first 12 are "pan-cultural", that is scales which have been repeatedly tested in a variety of different cultures, b) the other 8 pairs are "new", in the sense that they originate from a fresh, ad-hoc elicitation procedure.

The Dutch version was used in the research, with the adjectives properly rotated in their positive and negative meanings. The Dutch version of the pan-cultural scales had already been elaborated and tested in previous research (Jansen and Smollenaar 1976).

The set of pan-cultural scales comprises:

- Adjectives 1, 4, 7 and 10, which stand for the dimension <u>Evalua-</u><u>tion</u> (E). This is the most important dimension in Osgood's struc-ture, indicating the likes and dislikes that people normally express towards a given concept;

- Adjectives 2, 5, 8 and 11, which stand for the dimension <u>Potency</u> (P). This dimension shows the strong/weak properties of the concept, as perceived by the respondents;

- Adjectives 3, 6, 9 and 12, which stand for the dimension <u>Activity</u> (A). This dimension shows how the respondents perceive each concept in terms of its static vs its dynamic properties (active/passive, slow/fast, etc.).

In using the pan-cultural scales we already expected that their under-lying semantic structure (i.e. the E, P, A dimensions) would be found in the concepts of financial institutions chosen for our study. We did not know the direction and the intensity of each dimension, but the existence of the dimensions themselves could be expected on the basis of previous studies, conducted on different concepts, using the same scales. Indeed, factor analysis applied to the dimensions of affective meaning of a great number of companies, products and brands in diffe-rent cultural environments had been repeatedly tested on reliability, validity, sensitivity and comparability. In other words, ample eviden-ce from objectively valid research supported the hypothesis that even when judging a bank, people had such questions and anwers in mind: is this bank good or bad (E)? Is it weak or strong (P)? Is it active or passive (A)? These three fundamental dimensions (factors) are usually accepted as components of the universal structure of meaning[1].

Our choice of the new scales requires a short explanation. We thought that, in addition to E, P and A, other dimensions may also be relevant to shape the profile of a modern bank. McCann Erikson had just come up with the finding that in a list of 53 items presented to 762 Dutch top managers, the main determinants of a company's image were: quality of

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1) Not only has the SD been used in a great number of market resear-ches, but numerous essays have also been written on the technique itself. A recent article on it (Pinson 1983) contains 149 entries. In spite of the criticism that can be made about the method (mainly concept scale interaction, and influence of the number of concepts used on the semantic space structure), in our experience the SD still remains one of the most versatile techniques for image re-search, if properly implemented and interpreted.

management, economic and financial results, reputation as employers, innovation, and quality of products and services (FEM 1984). On the basis of this information, as well as of group discussions on the subject, the pairs of adjectives from 13 to 20 were added to the list.

The new dimensions we wanted to explore were:

a) consumer orientation vs product orientation

b) social progressiveness vs a more conservative view of business.

Our interest in a) rested upon the importance that the consumer orientation (i.e. the orientation that sees the consumer, rather than the product, as the central element of the exchange process) holds in the marketing concept. We were curious to know where the students would position the Dutch banks from the standpoint of this basic aspect. "Vriendelijk", "mededenkend", "behulpzaam", "klantgericht" and their polar opposites were considered as appropriate adjectives to catch this dimension, that we call Consumer Orientation (CO).

The other dimension we wanted to test was the bank reputation of progressiveness and public care. The scales "behoudend-vooruitstrevend" and "toegankelijk ('open')-ontoegankelijk ('gesloten')" were chosen to catch this dimension, that we label Social Orientation (SO). And since progressiveness needs to be backed by "efficiency" and "reliability", these two terms (and their opposites) were added to the list[2].

Factor analysis was performed on 20 scales x 12 concepts x 48 subjects, 12 of which pan-cultural and 8 bank-specific.

In addition to the testing of the already mentioned E, P, A structure our hypothesis was that scales 13, 15, 17 and 18 might have saturated the CO dimension, while scales 14, 16, 19 and 20 might have saturated the SO dimension.

2) The combination of pan-cultural and species-specific scales is an acceptable mixture in the SD methodology, if these species-specific scales are found to be part of species-specific dimensions. (Hogenraad, Mertens, Goddin 1973). The rationale for this is that while the E, P, A structure is normally found in the application of the SD to heterogenous classes of concepts, specific factors are likely to appear when the scales are applied to an homogenous class of concepts (Tanaka, Oyama, Osgood 1963).

IV. MEASUREMENTS AND RESULTS

The results of the SD measurements will now be presented numerically
and graphically with a short explanation of their meanings and methods
of computation. Within each set of measurements, the data of the pan-
cultural scales are shown separately from those of the bank-specific
scales.
The analytical measurements applied to the collected data were: Compo-
site Factor Scores, Distance from the Origin, Interconcept Distances,
Cultural Intensity and Frequency. This fairly wide spectrum of proce-
dures, typical of the SD method, permits to avoid the vagueness of
purely descriptive results which, as noticed by some authors (Hirsch-
man 1981), often undermines the research stream on symbolic consump-
tion. Finally, a correlation analysis was performed in order to check
the degree of concordance of the E, P, A results with some facts and
figures that might be assumed as objective indicators of such dimen-
sions. The results of the correlation exercise are also shown in this
section.

IV.1. Composite Factor Scores (CFS)

We have already said that one of the essential features of the SD
technique is that by using factor analysis normally three major dimen-
sions (factors) of affective meaning are detected, which have been
interpreted as Evaluation (E), Potency (P) and Activity (A), which are
usually accepted as components of an universal structure of meaning.

CFS is the basic measure which gives the mean score - comprised be-
tween -3 and +3 - for three dimensions. In our case, it tells us the
direction and the intensity of the feelings expressed by the total
group of students towards each of the 12 concepts, on each dimension.

The raw CFS obtained from our research data are presented in Table
III. In Fig. 1A and Fig. 1B the same data are positioned for all
dimensions in relation to E.

TABLE III: CFS

Concepts*)	E	P	A	CO	SO
1.	0.764	1.319	0.313	0.458	1.229
2.	0.750	1.222	0.243	0.396	0.948
3.	0.576	1.500	0.313	0.406	1.063
4.	0.910	0.868	0.243	0.750	0.979
5.	0.764	0.368	0.715	1.313	0.875
6.	0.083	-0.194	-0.313	0.073	0.656
7.	0.375	-0.458	-0.167	0.438	0.792
8.	0.313	-0.611	-0.139	0.354	0.729
9.	0.521	-0.201	-0.042	0.448	0.792
10.	0.146	-0.229	-0.042	0.198	0.292
11.	0.632	0.097	0.104	0.094	-0.365
12.	0.729	1.090	0.646	-0.031	0.771
Sum	5.299	4.771	1.975	4.896	8.760
Average	0.442	0.398	0.156	0.408	0.730
St. Dev.	0.410	0.730	0.340	0.340	0.397

In looking at these results, it should be noticed that, according to Osgood's findings, E is the most important factor, adding up to about twice as much as each of the other two factors of the pan-cultural structure.

*) The numbers 1...12 in this column, and in the similar columns that will appear in the forthcoming Tables and Figures, correspond to the concepts listed in Table I.

IV.2 Distance from the Origin (DO)

By using the E, P, A dimensions, a semantic space can be constructed in which the origin is positioned in the middle of the three-dimensional structure.

Coordinates of the concepts are the CFS. The distance is computed as follows:

$$DO = \sqrt{E^2 + P^2 + A^2}$$

The distance of a concept from the origin is an index of meaningfulness of the very concept, that is of richness of feelings and of intensity of affect.

The greater the distance from the origin, the greater is the intensity of affect. Keeping in mind that $0 \leq DO \leq \sqrt{27}$ (which means that the numerical values will be between 0 and 5,196), in Table IV we can see the results of this measurement

TABLE IV: DO

Concepts	Pan-Cultural Scales	Bank-Specific Scales
1	1.556	2.203
2	1.454	1.887
3	1.637	2.151
4	1.281	1.889
5	1.109	1.990
6	0.377	0.886
7	0.615	1.203
8	0.700	1.223
9	0.560	1.099
10	0.275	0.501
11	0.648	0.661
12	1.462	2.003
Sum	11.675	17.695
Average	0.973	1.475
St. Dev.	0.473	0.585

Even the above data can be observed in Fig. 1A and Fig. 1B keeping in mind that the intercept of the axes is the 0 value.

IV.3. Interconcept Distances (ICD)

In the semantic space, the distance between one concept and another concept (ICD) can be used as an index of similarity of affect. Thus, if the distance between one concept and another is great, the affective feeling between such concepts is small and viceversa, if the distance is small, the concepts are affectively similar. The computation is made on the basis of each E, P, A dimension as follows:

$$(E_i - E_j)^2 + (P_i - P_j)^2 + 1(A_i - A_j)^2$$

in which i, j = 1, ..., 12

The theoretical maximum ICD is $6^2 + 6^2 + 6^2 = 10,392$
The results of the computation are shown in Table V, where the numbers indicate the distances for the pan-cultural scales, and in Table VI, which contains the distances for the bank specific scales.
A visual picture of the distances can be obtained looking again at Fig. 1A and Fig 1B.

TABLE Va: ICD for PAN-CULTURAL SCALES

	1	2	3	4	5	6	7	8	9	10	11	12
1		0.574	0.660	0.983	1.992	3.511	3.658	3.993	3.177	3.152	3.417	1.350
2			0.629	0.785	1.838	3.262	3.434	3.774	2.960	2.902	3.221	1.142
3				1.279	2.257	3.580	3.842	4.140	3.368	3.279	3.354	1.352
4					1.386	2.886	2.937	3.266	2.433	2.499	3.110	1.195
5						2.688	2.478	2.881	2.043	2.035	2.736	1.529
6							0.854	0.961	0.984	1.079	1.961	3.516
7								0.786	0.588	1.065	2.365	3.557
8									1.040	1.500	2.604	3.937
9										1.110	2.403	3.075
10											1.525	2.995
11												3.285
12												

SUM   = 177.455
AVERAGE = 2.275
St. Dev. = 1.030

TABLE Vb: ICD for BANK-SPECIFIC SCALES

	1	2	3	4	5	6	7	8	9	10	11	12
1		0.697	0.634	1.060	1.819	1.836	1.745	1.774	1.605	1.764	2.753	1.932
2			0.561	0.844	1.696	1.731	1.838	1.827	1.638	1.639	2.403	1.421
3				1.157	1.768	1.365	1.482	1.489	1.250	1.433	2.302	1.724
4					1.167	2.326	2.382	2.410	2.163	2.122	2.897	1.553
5						2.747	2.669	2.626	2.401	2.533	3.053	2.322
6							0.990	1.097	0.835	0.816	1.761	2.443
7								0.465	0.385	1.099	2.199	2.951
8									0.468	1.154	2.024	2.899
9										0.999	2.043	2.684
10											1.512	2.429
11												2.732
12												

SUM   = 139.554
AVERAGE = 1.789
St. Dev. = 0.676

FIG.1: CFS, DO, ICD

FIG. 1A: CFS for E, P, A

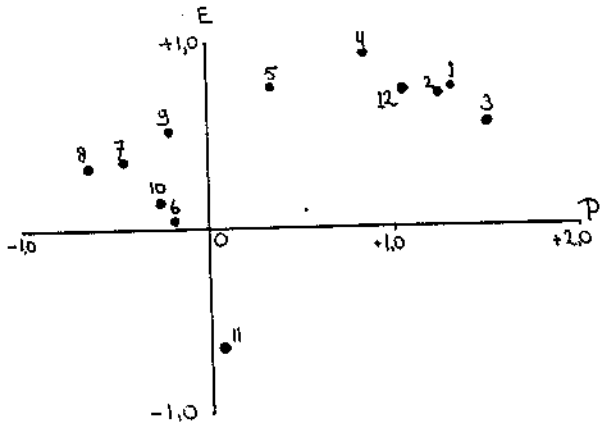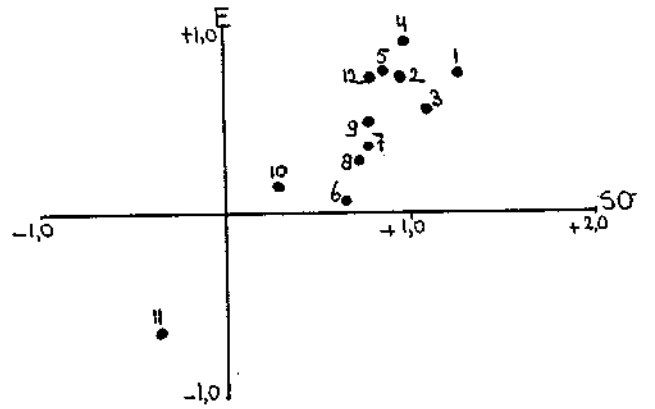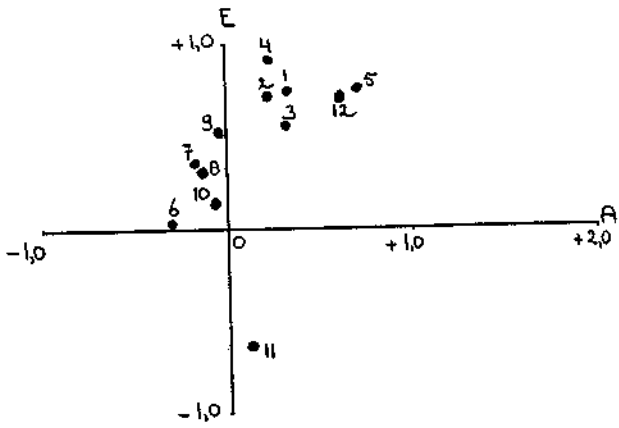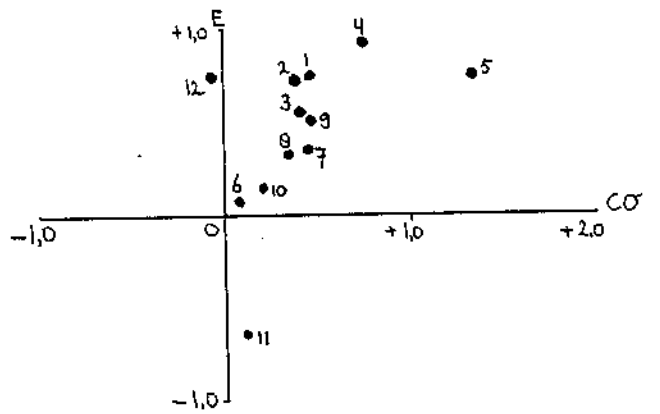FIG. 1B: CFS for E, CO, SO

IV.4. Cultural Intensity (CI)

This index, also called Cultural Instability, measures the intra-group disagreements on the affective meaning of the concepts. It is constructed by subtracting the Group Polarity (PG, which is based on the absolute deviations of the group mean from the mid-point of the scales) from the Individual Polarity (PI, which is based on the absolute deviations of each individual subject from the mid-point of the scales), that is

$$CI = PI - PG.$$

A high CI stands for great variablity of affective meanings, i.e. for a high (max. = +3) infra-cultural conflict. On the contrary, a low CI (min. = -3) reveals a low degree disagreement, that is a high level of stereotipity.

From this standpoint, the group's behaviour can be observed from the data of Table VI and from Fig. 2.

TABLE VI: CI

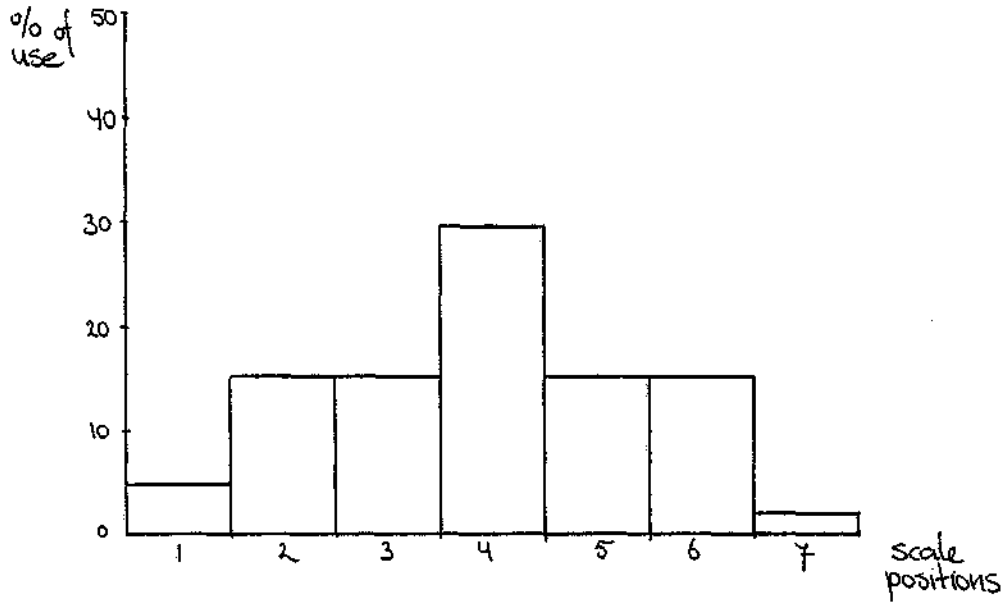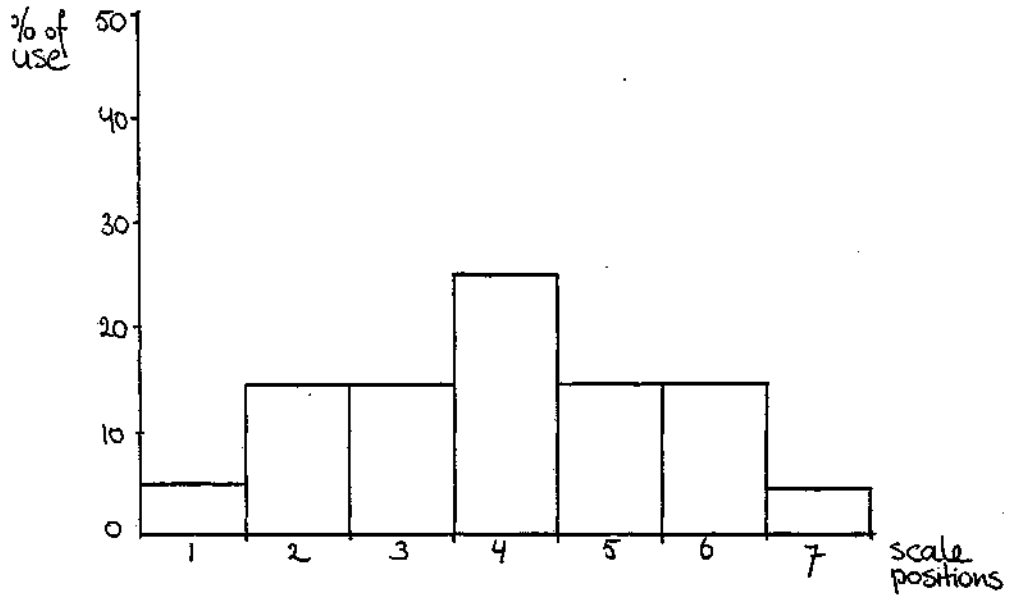| Concepts	Pan-Cultural Scales	Bank-Specific Scales
1.	0.449	0.483
2.	0.472	0.479
3.	0.509	0.533
4.	0.602	0.542
5.	0.403	0.337
6.	0.579	0.538
7.	0.566	0.463
8.	0.537	0.454
9.	0.556	0.675
10.	0.708	0.796
11.	0.755	0.821
12.	0.704	0.821
Sum	6.829	6.583
Average	0.569	0.549
St. Dev.	0.104	0.138

FIG.2: CI
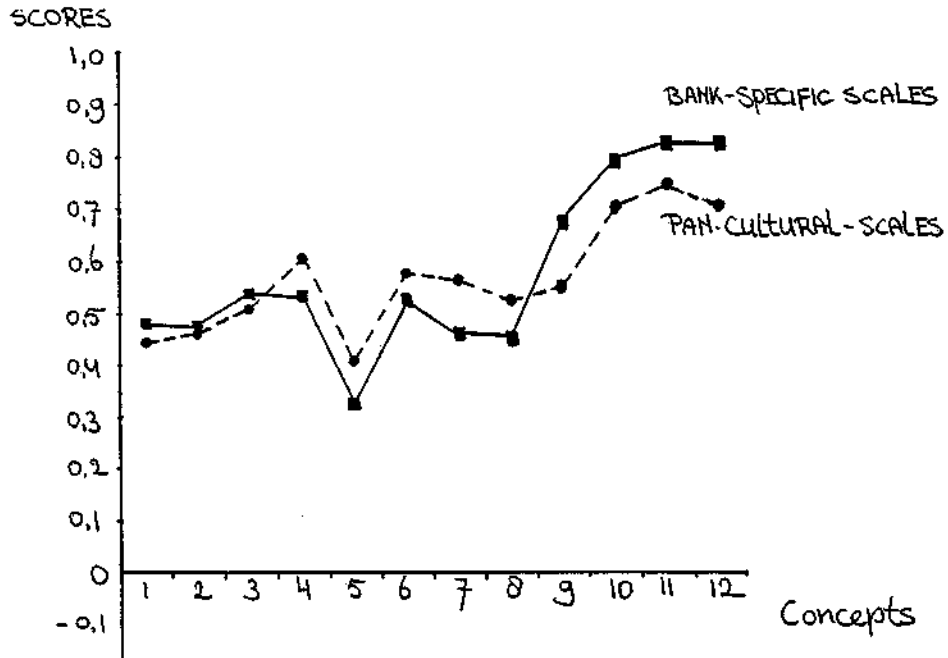
IV.5. Frequency (F)

To complete the series of measurements, the Frequency Index (F) shows how many times a certain score is given to a scale, thus permitting to evaluate the relative score positioning of the various concepts. Considering the number of concepts, of scales and of respondents, the total number of scales positions is (12x12x48) = 6.912 for the pan-cultural scales, and (12x8x48) = 4.608 for the bank-specific scales.

Pancultural scales

BANK-SPECIFIC SCALES

The data collected are shown in Table VII and in Fig. 3.

TABLE VII: F

Positions	Pan-Cultural Scales		Bank-Specific Scales	
	a	b	a	b
4	2.056	0.465	1.141	0.372
1	296	0.067	224	0.073
7	136	0.031	178	0.058
1,7	432	0.098	402	0.131
2,3,5,6	4.424		3.065	
	6.912		4.608	

a = Use
b = Frequency of use in relation to extreme positions

IV.6. Correlations

The idea behind this piece of analysis is to see to what extent the image of banks, as expressed by the students' scores on the E, P, A dimensions, is related to objective facts concerning the actual structure and activities of the financial institutions.

In order to achieve this objective, we use the data shown in Table IX, which contains:

   a) the balance sheet totals of the various banks

   b) the size of their personnel

   c) the recall percentages of their advertising campaigns, measured through a national sample survey carried out in May '84 on 500 Dutch subjects. Not all the companies included in our study are considered in this analysis. Those which scored too low were assigned 0 scores.

It is important to notice that the above information had not been given to the students when the research was conducted. Indeed the essence of the present exercise is to measure the concordance, if any, between some "objective" facts and the respondents' "subjective" beliefs, without providing any precise and specific information on the concepts tested.

TABLE VIII

	Balance Totals* (in mln Dfl)	Personnel* (n of employees)	Advertising Recall ** (in %)
AMRO	112.566	23.498	
ABN	132.597	28.407	
RABO	118.286	28.536	
NMB	63.323	11.359	
NCB	15.152	2.883	
Pierson, H. & P.	6.381	1.233	
Van Lanschot	4.962	708	
Mees & Hope	14.604	2.095	
Banque paribas NL	5.076	666	
CLN	11.036	2.616	
Postgiro	18.592	10.452***	

* Source: NIBE, 1983
** Source: Adformatie, 17 June 1985

*** Excl. Bankgiro centrale (739)

A simple linear correlation analysis between the data contained in Table VIII and the E, P, A data in Table III, produces the following results:

Balance Sheet Totals and Potency	0,582
Personnel and Potency	0,615
Advertising Recall and Activity	0,835

With reference to the Evaluation factor, the correlation coefficients are 0,621 and 0,605.

V. DISCUSSION

The universal E, P, A structure, or parts of it, is found unchanged in the affective meaning of Banks in General as well as of the individual companies. This means that the pan-cultural adjectives make acceptable scales even in the homogeneous class of financial institutions.

Factor analysis applied to the bank-specific adjectives indicates that scales 13, 15, 17, 18 also make up a meaningful dimension. Their factor loadings, obtained through the Varimax method of rotation, are quite high. Although some of such scales are interrelated, and in spite of the fact that the total explained variance is not higher than 50% of the total variance, a dimension can well be established.

This cannot be said with the same degree of acceptability for the SO dimension. In fact only scales "inefficient-efficient" and "betrouw-baar-onbetrouwbaar", clustering with the pan-cultural scale "goed-slecht", show values as strong as P and A. Rather than "Social orientation", a better expression for this factor might be "Dependability" (or "Trustfulness").

It should also be noticed that in several results of the DO, ICD and CI measurements confidence intervals of scales show no significant values at 95% levels.

The results presented in the previous paragraphs will now be analyzed and commented.

V.1. CFS

Banks in General are seen as a positive institution by the group of respondents. No dimension falls on the negative side of the ratings.

The category is perceived as very powerful (P=1.319), quite social oriented (SO=1.229), rather good (E=0.764), but not really consumer-oriented (CO=0.458) and even less dynamic (A=0.313).

The strongest dimension is P, certainly related to stability, solidity and endurance.

SO ranks second in the order. We have to keep in mind, however the already mentioned limits of this dimension, and its meaning of "dependability" (or trustfulness) rather than of social orientation in the full sense of the expression.

Banks in General are evaluated positively also on E, the strongest dimension. We shall come back to this point later on.

CO is not indicated as a strong dimension, probably the respondents recognize that the financial institutions have never been pioneers in advocating and implementing the marketing philosophy.

The weakest dimension is A. Indeed, since the image of banks seldom is spontaneously associated with movement and dynamism, many banks are currently working on communication campaigns, to remove and change the bank image of conservatism and burocracy.

With reference to individual institutions, the data show that RABO is the only one which stands above Banks in General on E. The same applies to ABN on P and to NMB and Postgiro on a.

The following comments are pertinent:

- RABO's top score on E is unexpected, especially when we consider that RABO is not such a big business bank and is better known as a bank historically linked to the agricultural sector.

- A possible explanation for the position of ABN on P is its size. This company is by far the largest Dutch bank. In spite of its high score on P, however, ABN is the only one among the big institutions (ABN, AMRO, RABO, NMB) that scores considerably below Banks in General on E.

- The highest score of NMB and Postgiro on A might well have been influenced by their advertising campaigns. It should also be mentioned that Postgiro — the only State owned company of the whole group — directs much of its advertising to young people, and the respondents to this survey are young people.

- AMRO, ABN, and to some extent also RABO, are on all dimensions of the pan-cultural scales very near to the concept of Banks in General. These institutions form a compact unity, scoring highest on P, about average on the positive scales of E and less than average on the positive scales of A. Also postgiro is considered a strong and good institution — notwithstanding the fact that it has no retail outlets — with scores similar to the big retail banks on E and P, and even higher scores on A.

- As far as the bank specific scales are concerned, NMB and RABO which follows at a distance, are far above Banks in General on CO. All institutions are below them on SO.

- The only negative E value is found with Credit Lyonnais NL, most probably as a consequence of the bad publicity received by the former Slavenburg Bank on matters of black money.

On P and A negative values are scored by five banks: NCB, Pierson,
Heldring & Pierson, van Lanschot Bankiers, Bank Mees & Hope, Banque
Paribas NL.
On factors CO and SO negative values were found, respectively, for
Postgiro and Credit Lyonnais NL.

Large banks are evaluated more highly than small banks.
The smaller banks form a cluster which is consistently below the
average and below Banks in General.
On might have expected that the E, P, A scores on Banks in General
would have been similar to the average of the 11 institutions. This is
not the case:

	E	P	A	CO	SO
Banks in General	0.764	1.319	0.313	0.458	1.229
11 Institutions	0.41	0.31	0.14	0.403	0.685

On the basis of the following analysis of the results, our interpreta-
tion is that when the respondents speak of Banks in General, they
actually think of the large banks.

Concepts	E	P	A	CO	SO
from 2 to 5	0.750	0.990	0.378	0.716	0.966
from 2 to 5 + 12	0.746	1.001	0.432	0.567	0.927
from 2 to 6	0.617	0.627	0.240	0.588	0.904
from 2 to 7	decreasing	decr.	decr.	decr.	decr.

Another way of reaching the same conclusion, as well as of getting new
insights, is by ranking and grouping the CFS results presented in
Table III. Considering the weight of E, the values of this dimension
have been doubled in this computation. The scores are presented in
Table IX. The lower numbers indicate the more positive values.

TABLE IX

CFS Ranking

a		b		a+b	
B. in G.	9	B. in G.	4	B. in G.	13
NMB	11	RABO	5	NMB	17
RABO	12	NMB	6	RABO	17
ABN	16	ABN	8	ABN	24
AMRO	16	Mees/Hope	10	AMRO	27
Postgiro	16	Pierson H.P.	11	Postgiro	36
Mees/Hope	31	AMRO	11	Mees/Hope	41
Bank Paribas	38	V. Lanschot B.	17	Pierson H.P.	49
Cred. Lyonn.	38	Postgiro	20	V. Lanschot B.	57
Pierson H.P.	38	Bank Paribas	20	Bank Paribas	58
V. Lanschot B.	40	Ned. Cred. B.	21	Cred. Lyonn.	60
Ned. Cred. B.	42	Cred. Lyonn.	22	Ned. Cred. B.	63

a = pan-cultural, i.e. $[(E \times 2) + P + A)]$
b = bank-specific, i.e. $(CO + SO)$

Since the data of the bank-specific scales are not heavy enough to influence the overall scores, the first 5 positions in a+b are held by "the big 4" and by Postgiro, in the same order found in the pan-cultural construct.

The concept 'Banks in General' still keeps the best place in all ranks. One is inclined to think that the respondent's view of this concept is near to the concept of the 'ideal bank', rather than to the general category of banks. If this is so, the word "bank" might be considered as a positive element in a financial institutions' denomination. The same does not seem to apply to the word "credit", as the low scores obtained by NCB and Credit Lyonnais NL tend to indicate[3].

[3] Obviously these considerations are not enough to state a general hypothesis of this kind, let alone to prove it. It could well be, for instance, that the foreign ownership of Credit Lyonnais NL and NCB, and/or other specific issues, are even more relevant components of people's attitudes toward these banks. The only point we want to make here is that, like with tangible products, names may be a relevant element of branding, also in services.

The ranking shows a cluster of the major banks in the best positions, both in the pan-cultural and in the banks-specific scales. NMB scores best on all facets of the E, P, A structure. RABO is second. other large banks end ex aequo on the third place. This response may be due to a mental link between size and positive features, or to the fact that smaller banks and institutions which are not operating so much for private consumers are simply less known ("onbekend maakt "onbemind").

Whatever the reason and even discounting the dubiousness of the analytical procedure used to produce in Table IX, the clustering of the data according to the size is one of the clearest results of the study, which remains valid even after the consideration of the differences concerning individual institutions.

V.2. DO

As could be expected, the bank-specific scales are more meaningful than the pan-cultural scales.

In the former group, DO is higher in average and the meanings show a greater variability. This is supported by the findings on the Frequency of used scale positions.

The major banks form a more meaningful group. The greater number of outlets, as well as the greater degree of advertising done by this group, is an already sufficient explanation for its greater perceived meaning. The rank order is the same for both the pan-cultural and the Bank-specific groups, except for the first position which in the former is held by ABN and in the latter by Banks in General.

In the pan-cultural group, the highest value is found for ABN, and the lowest value for Bank Paribas NL.

In the bank-specific group, the highest value is Banks in General, closely followed by Postgiro, and the lowest value is Credit Lyonnais NL.

V.3. ICD

The ICD scores confirm again that there is a tendency for the financial institutions to cluster in two major groups, size being the dominating element.

In the pan-cultural scales the minimum distance is between Pierson, Heldring and Pierson and Mees & Hope, while the maximum distance is

between ABN and Van Lanschot Bankiers on the bank-specific scales.
Van Lanschot Bankiers is also seen as very different from Postgiro and
- what is quite remarkable - as quite different from Banks in General.
AMRO comes closest to what is seen as a typical bank in the
respondents' minds.

Bank-specific scales give another picture altogether. The average
distance between the concepts is lower and the opinions are more
unanimous.
The highest distance here is between the NMB and Credit Lyonnais NL.
The lowest distance is between Pierson, Heldring and Pierson and Van
Lanschot Bankiers. On bank-specific scales the ABN comes closest to
what is expected of a bank in general.

The cluster of small vs large banks is less clearcut than in other
measures. Some clustering may be found, however, if some facts-of-life
are taken into account. The first is that Postgiro has a completely
different approach to the customer. It is a home bank, in the sense
that most of their services can be acquired without moving from home.
For special cases one can go to the Post office. No direct outlets
exist, in contrast to the other major banks.

The second fact is that in one of the CO adjective pairs a slogan of
the NMB ("mededenkend") is used. The scores on CO are probably distor-
ted by this fact, and it is not surprising that this bank scores
highest on this facet.

V.4. CI

The differences between pan-cultural and bank-specific scales are
small. The disagreement on individual institutions is also relatively
small.

V.5. F

The Frequency of Used Scale Positions usually follows a normal distri-
bution. Our scales and concepts are no exceptions. The pan-cultural
scales are seen as quite meaningful. The bank-specific scales have a
lower percentage of scale position 4 (midposition of the scale =
meaningless) compared to pan-cultural scales.

V.6. Correlations

In terms of "rational" choice processes, one would have expected a
high correlation between Balance Sheet totals and P, and between
Number of Employees and P. One would have also expected a high corre-
lation coefficient between Advertising Recalls and A.
However, at least for the P factor, this is not the case in our re-
sults.
We have already observed elsewhere that according to the respondents'
perception, bigger banks are "better" than small banks. The correla-
tions we found do not contradict this finding yet, whatever the limits
of the exercise, its results tend to confirm the general principle
that images are not necessarily based upon knowledge and real facts.

VI. CLOSING SUMMARY

The attitude towards Banks in General and towards 11 financial insti-
tutions which operate in the Netherlands has been examined through a
Semantic Differential methodology based on 12 pan-cultural scales and
on 8 bank-specific scales. The instrument was applied to 48 students
of the Marketing Research Course given by the author in 1984 at the
Free University, Amsterdam.

Two bank-specific factors were identified as Cooperation and Social
Orientation. Their influence was measured alongside the universal
Evaluation, Potency and Activity dimensions, which were found unchan-
ged in the meaning structure of the bank concepts.

Banks in General are perceived as quite powerful institutions. They
are also perceived as social oriented and fairly good, but not equally
consumer-oriented and even less active.

Size seems to be a primary element in the judgement. Big banks are
evaluated better and are considered more meaningful than small banks
are.
The measurements applied to the results of the test (Composite Factor
Scores, Distance from the Origin, Interconcept Distances, Cultural
Intensity, Frequency of Scale Positions) permit analytical differen-
tiations among the individual institutions and specific comments on
each of them.

Our own comments are based on a limited and superficial knowledge of the life history and of the particular issues that make up the reality of each institution. Only those who have this knowledge are in a position to place the outcomes of the research in the proper perspective -- let alone to judge its usefulness in relation to the product development and communication programs of the various companies.

We feel that, in spite of its limits, the results of this study (including a correlation analysis between facts and attitudes) tend to confirm the need for image research in the financial area. This both in view of furthering the understanding of customers' behaviour and as an input to management information systems and decision making processes.

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