



Does satisfaction matter more if a multichannel customer is also a multicompany customer?

Does satisfaction matter more?

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Received 23 September 2009
Revised 28 January 2010,
29 March 2010
Accepted 2 April 2010

Abstract

Purpose – This research aims to investigate the moderating influence of both multichannel and multicompany usage on the impact that customer satisfaction has on share of wallet (SOW).

Design/methodology/approach – The data used in the analyses were collected as part of both survey and transactional data of 802 households of a large financial services provider. Within class regression models were employed to test the moderating effects of different segments that were identified based on multichannel-multicompany customer differences.

Findings – The findings confirm that using multiple channels has an overall positive moderating impact on the satisfaction-SOW link and that customer satisfaction matters more when the customer adopts multiple channels; online channel usage in addition to offline usage. Furthermore, this effect is even more pronounced for customers that transact with multiple providers. That is, the group of customers that use both the company's and competitors' offline and online channels reveal a higher satisfaction-SOW association than the group of customers that only adopted the offline channel with the company and competitor.

Originality/value – This study broadens the understanding of multichannel behavior by comparing single (offline) and multiple channels (offline and online) for customers of multiple companies (two competitors).

Keywords Customer satisfaction, Financial services, Consumer behaviour

Paper type Research paper



Bart Larivière would like to thank the anonymous company which financed the research questionnaire and acknowledges support from the Research Foundation – Flanders (FWO). Bruce Cooil acknowledges support from the Dean's Fund for Faculty Research, Owen Graduate School of Management, Vanderbilt University.

Journal of Service Management
Vol. 22 No. 1, 2011
pp. 39-66
© Emerald Group Publishing Limited
1757-5818
DOI 10.1108/09564231111106910

1. Introduction

The recent proliferation of channels that customers can use to search and purchase products and interact with companies creates important challenges as well as opportunities for both researchers and practitioners. As a result, there has been growing interest in exploring issues related to multichannel customer management including design, deployment, coordination and evaluation of channels through which firms and customers interact. The ultimate goal is enhanced customer value through effective customer acquisition, retention and development (Neslin *et al.*, 2006). Measuring and optimizing customer satisfaction is clearly very important in building and maintaining long-term relationships with customers. Despite its importance, research on multichannel servicing has seldom addressed the relationship between satisfaction with multichannel performance and behavioral consequences (van Birgelen *et al.*, 2006). Indeed, Reinartz and Kumar (2000) argue that the commonly observed satisfaction-behavior sequence simplifies reality. As such, it is not surprise that examining the link between (channel and overall) satisfaction and loyalty determines one of the key challenges in multichannel management and behavior research (Neslin and Shankar, 2009).

The vast majority of prior research finds positive outcomes associated with multichannel usage compared to single channel usage (Ansari *et al.*, 2008; Hitt and Frei, 2002; Kumar and Venkatesan, 2005; Mols, 1998; Thomas and Sullivan, 2005; Shankar *et al.*, 2003). Most of the studies, however, focus on the impact of multichannel usage with a single provider. Customers today, however, increasingly have access to multiple providers they can choose from and frequently allocate their spending among different businesses. As argued by Neslin and Shankar (2009, p. 73): "In finalizing the firm's multichannel strategy, a crucial task is to consider the competition." Customers have the option of reviewing large amounts of information before making decisions; have easier access to competing offers and retain the option of switching to alternative providers or even utilizing multiple providers at the same time allocating their share of wallet (SOW) among competitors. Customers frequently maintain a portfolio of products, services and providers as opposed to being exclusively loyal to one particular company. Therefore, choice in channels is only one part of the predicament. As a result, understanding the role of both the multichannel and multicompany environment on customer management becomes crucial. What happens to the investigated relationships when a multichannel customer also chooses to conduct business with multiple providers? Do the relationships remain the same, become stronger or weaker? If they do change, then this has implications for how future multichannel research is conducted.

Furthermore, most of these studies explore the direct impact of multichannel preferences on distinct and separate outcomes like retention, word of mouth (WOM), cross-selling, sales volume, etc. rather than examine the moderating impact of multichannel usage on the relationship between customer satisfaction and SOW. Although prior research has explored the relationship between customer satisfaction and loyalty in a variety of contexts and domains and customer satisfaction traditionally been tied positively to a number of outcome variables in a variety of industries and contexts (Larivière (2008) for a concise overview) such as the fleet trucking (Perkins-Munn *et al.*, 2005), pharmaceutical (Perkins-Munn *et al.*, 2005), institutional securities (Keiningham *et al.*, 2005a), financial services (Coil *et al.*, 2007; Keiningham *et al.*, 2003; Loveman, 1998) metal business (Bowman and Narayandas, 2004) and grocery retailing (Mägi, 2003; Silvestro and Cross, 2000) industries, the nature of these relationships in a multichannel

context remain unexplored. Does satisfaction exert a stronger or weaker influence on SOW when a customer is a single channel customer vs multichannel customer? Do the findings change if the customer also chooses to conduct business with multiple providers? The findings of this research study will be important in shaping future research in multichannel customer management and satisfaction-loyalty studies.

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We build on previous research, add new knowledge to the literature and fill an important research gap in multichannel customer management by investigating two issues that have not been explored to date:

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- (1) We examine the impact of both multichannel and multicompany usage on the customer satisfaction-SOW link; more precisely, we extend multichannel behavior by also considering competitors' online and offline channels and finally, examine six different combinations of customer segments:
 - *Group 1.* Single company and single channel customers (offline only).
 - *Group 2.* Single company and multichannel customers (both online and offline).
 - *Group 3.* Multicompany and single channel customers (offline only).
 - *Group 4.* Multicompany and multichannel customers (offline with both focal company and competitor, but online with focal company only).
 - *Group 5.* Multicompany and multichannel customers (offline with both focal company and competitor, but online with competitor only).
 - *Group 6.* Multicompany and multichannel customers (offline and online with both focal company and competitor).
- (2) We examine the impact of these variables on the satisfaction-behavior link/relationship as opposed to satisfaction or behavior separately or in isolation (moderating effect as opposed to direct/main effects).

The primary motivation and rationale for considering these variables is that the variables identified have the potential to exert a moderating effect on the satisfaction-loyalty link. If this is indeed the case, then this points to the underestimation of effects of prior studies that exclude these variables from models, points to the need to include them in future research and provides guidance to managers on which segment to focus their efforts on when attempting to achieve increased satisfaction and loyalty among their customer base.

The paper is organized in the following way.

First, we present our conceptual model with our rationales based on why and how we expect multichannel and multicompany differences to moderate the satisfaction-SOW link and formulate formal hypotheses. Second, we discuss covariates as relevant to our conceptual framework including some covariates that have been proposed to be important but their effect never investigated (Ramaswami *et al.*, 2000; Verhoef *et al.*, 2007; Vroomen *et al.*, 2005; Waite, 2006). Third, we detail our sampling of 802 households of a large financial services provider and elaborate on the methodological approach we use to test our theoretical framework. Fourth, after we present and discuss our empirical results, we end with conclusions, managerial implications, limitations and issues for further research.

2. Theoretical background and research hypotheses

2.1 The customer satisfaction-SOW relationship

The satisfaction-SOW link, in particular, has received much research attention, especially during the last decade (Baumann *et al.*, 2005; Bowman and Narayandas, 2004; Cooil *et al.*, 2007; Garland, 2002; Keiningham *et al.*, 2003, 2005a; Loveman, 1998; Mägi, 2003; Perkins-Munn *et al.*, 2005; Silvestro and Cross, 2000; Verhoef, 2003). SOW is an important behavioral loyalty metric, basically benchmarking a company’s performance relative to its competitors. More precisely, SOW is the percentage of money a customer allocates in a category that is assigned to a specific firm (Cooil *et al.*, 2007). Jones and Sasser (1995, p. 94) assert that “the ultimate measure of loyalty [...] is share of purchases in the category” (i.e. SOW). This research uses SOW measure as a metric of behavioral loyalty.

As discussed in the introduction, empirical research appears to confirm the positive link between satisfaction and SOW across various industries. Clearly, there is a great deal of evidence that demonstrates a strong, positive relationship between satisfaction and SOW. Despite the solid foundation, however, that these studies provide for the satisfaction-loyalty link, they have vastly disregarded the impact of multichannel usage preferences of customers who conduct business with alternate providers/competitors and moderating effects of multichannel usage on the satisfaction-SOW link (as opposed to the direct/main effects of multichannel usage on separate outcomes Figure 1).

As a result, there is really no knowledge about whether and how this relationship would differ if multichannel-multicompany customer differences are indeed accounted for. This is the first study to examine these issues. We will refer to the financial services firm that provided the data for this research as the “company” or “focal company” and other providers with which the customer transacts with will be referred to as the “competitor.” Multichannel behavior has been described in the prior literature as

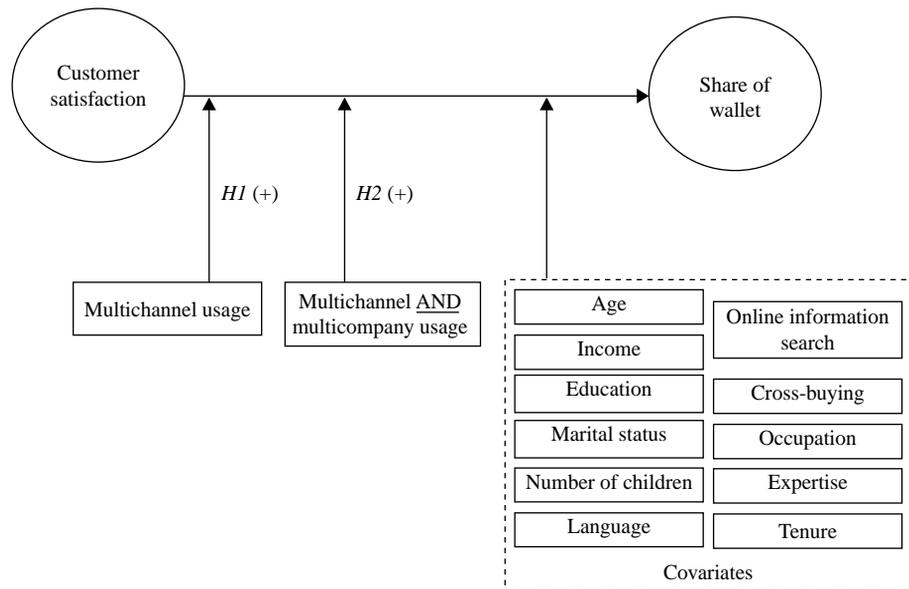


Figure 1.
Moderating effects of
multichannel and
multicompany usage on
the satisfaction-SOW link

the number of channels customers use (Kumar and Venkatesan, 2005; Sousa and Voss, 2006). For financial services, the majority of prior studies have centered on the adoption of internet banking; while for other contexts, customers who make a purchase in more than one channel has been used (Cortiñas *et al.*, 2010). For instance, in a wholesaler context, Wallace *et al.* (2004) consider the store, catalog and web site as the three channels under investigation. In their analysis of Spanish bank customers, Cortiñas *et al.* (2010) observe that the most frequently used combination of channels is a combination of physical branch-automated teller machine (ATM) (51.87 per cent), followed by physical branch-ATM-internet (30.77 per cent) and to a lesser extent physical branch-ATM-internet-telephone banking (9.89 per cent). They also observed that only 2.86 per cent of customers had used one channel only, i.e. either physical branch or ATM. In the context of this study, single channel usage occurs if the customer uses only offline (ATMs or counters at the branch) and multiple channel occurs when a customer uses offline and online (internet banking). As such, even though this study does not include the telephone channel, according to Cortiñas *et al.* (2010), findings our study covers over 80 per cent of channel usage in the financial services context. The data and focus of this paper are, therefore, on customers' online vs offline channel preferences including the competitors' online and/or offline channels. As such, this study proposes that a customer is a multichannel customer only when they choose to adopt the online channel in addition to the offline channel (ATM or branch counter). Hence, a customer can become a multichannel customer if they choose to adopt the online channel in addition to offline which can happen in the following three ways: online channel adoption with the focal company only, with competitors only and with both the company and its competitors.

In the following sections, we present theoretical rationale for why these differences are likely to exist.

2.2 Multichannel-multicompany customer differences

One of the most dramatic trends in recent years is the increase in the number of channels that customers have the option to choose from when interacting with companies they do business with (Cassab and MacLachlan, 2009; Shankar *et al.*, 2003). Brick and mortar locations, kiosks, call centers, catalogs and internet to name just a few. Choice of channel depends on several factors including personal preference, customer needs, stage in the decision-making process and technology adeptness and access among others.

One of the channels most widely used and especially relevant to the context being explored (i.e. financial services) is the online channel. Recently, many more customers choose to use online banking as their secondary and even primary means of completing transactions. It has changed the way in which customers interact with companies. As such, it has made a profound impact on customers' behaviors and subsequent perceptions. As computer literacy and the availability and affordability of computers increase, the number of consumers using online channels continues to grow rapidly (Mäenpää, 2006; Mols, 2000) and the number of online transactions especially in the service industries continues to increase (Cassab and MacLachlan, 2009; Shankar *et al.*, 2003). Furthermore, the extent and purpose for which the online environment is used can vary from person to person. It is the emergence of the internet that has enabled consumers to have one more channel to use for search, purchase and after-sales service (Kumar *et al.*, 2006).

Moreover, customers use channels for various phases of their decision process, such as information search and product purchase (Balasubramanian *et al.*, 2005;

Neslin *et al.*, 2006), and this complicates the study of the multichannel management process even further. Verhoef *et al.* (2007) also agree that consumers' channel choice for search need not be the same as when they are purchasing. Naturally not everyone uses multiple channels, despite the fact that they may have access to it. For instance, some individuals may find it impersonal and largely a hassle to buy over the internet, whereas others may find it quick and convenient (Keeney, 1999).

Furthermore, there is evidence that consumers utilize the online channel for different purposes (Peterson and Merino, 2003) in the decision-making process. While some will prefer this channel for information search purposes only (Myers *et al.*, 2004) others may opt to search offline and use the online channel to purchase products or services (Frambach *et al.*, 2007; Kumar and Venkatesan, 2005). For instance, some individuals exclusively use the online channel for gathering information, whereas others both search and purchase online (Mahmood *et al.*, 2004; Waite, 2006). In summary, all these research studies point to differences that exist in consumer preference, motivation, frequency and sequence of multichannel usage.

Irrespective of the general differences in multichannel usage preference, do single channel users behave markedly different than multichannel users? The multichannel environment has indeed made a profound impact on customers' behavior and subsequent perceptions. There is general consensus that online users are in fact different from non-users (Mahmood *et al.*, 2004; Swinyard and Smith, 2003). A number of studies have focused on the behavioral consequences of adopting the online channel, or using only one vs multiple channels of the same provider. The vast majority of prior research finds positive business outcomes associated with multichannel usage *vis-à-vis* single channel usage; i.e. customers who are multichannel users tend to exhibit higher repurchase intentions (Mols, 1998), increased WOM (Mols, 1998), success with cross-sales of products (Hitt and Frei, 2002; Thomas and Sullivan, 2005), improved sales volumes (Ansari *et al.*, 2008), increased attitudinal customer loyalty (Shankar *et al.*, 2003), higher customer revenue (Kumar and Venkatesan, 2005; Myers *et al.*, 2004; Thomas and Sullivan, 2005), higher customer profitability (Hitt and Frei, 2002; Kumar and Venkatesan, 2005; Venkatesan *et al.*, 2007), etc. All these studies examine the direct effects of multichannels on outcomes. Nevertheless, there also exist some notable exceptions that report negative outcomes. For instance, Konaş *et al.* (2008) find that group of store-focused consumers generally are more loyal than the group of multichannel enthusiasts.

Most of the research on the multichannel environment focuses solely on customers' use of single and/or multiple channels of the same services provider. As a result, they do not explicitly factor in the possibility of a customer employing online and offline services of another company, i.e. the competitor. It is possible, however, to point to a variety of industries where multichannels from competing providers are evident (such as the financial services industry) and consumers not only have the option of choosing from online vs offline channels but also between different providers to complete their transactions and satisfy their needs. The increase in competition has made this a certainty. Recently, many more companies define their customers as polygamously loyal compared to two to three decades ago. This is clearly a result of both economic development and increased competition from both national brands and private labels (Keiningham *et al.*, 2005b). Whatever the reason though, we are bearing witness to the systematic increase in consumer choices.

Previous research primarily focusing on the offline environment has investigated and demonstrated the impact of competitors on customer behavior. For instance, Ongena and Smith (2001) found that business-to-business customers with multiple bank relationships maintain shorter bank relationships. Verhoef *et al.* (2001) observed higher customer profitability and cross-buying behavior when the customers perceived the prices of the supplier as fairer than the prices of the competitor. Jones *et al.* (2000) found that the relationship between customer satisfaction and repurchase intentions depends on the attractiveness of competing alternatives. Larivière and van den Poel (2007) found that young adults who banked at multiple institutions were less likely to be retained after marrying or moving in together. All these studies highlight the importance of accounting for competition in the offline context, and invite us to consider its impact in a multichannel environment as well. As noted by Neslin *et al.* (2006, p. 97): “The ideal database would depict which channel(s) each customer accessed [...] including competitors’ channels”. One of the reasons why the issue of competitor channels has not been explored to date is due to the difficulty of gathering such data. While a company frequently has information about customer preference and behavior patterns as they relate to their own company, frequently it is more difficult to garner information about customers’ behavior patterns with competitors. This insight can be gathered, however, via a third-party survey that directly asks customers not only their transactions with the focal company but other competitors in that category as well. This, however, requires additional effort and budget on behalf of the company. The data used in our research is a result of a third-party data gathering effort tracking the focal company customers’ behavior patterns in addition to their customers’ competitor-related behavioral patterns.

In sum, the combination of the literature on multichannel usage and the literature on multicompany behavior suggests that these two variables have the potential to moderate the relationship between satisfaction and loyalty. This is an issue that has not been investigated before in the literature.

2.3 Direct (main) vs moderating effects of multichannel usage

All the aforementioned studies have one thing in common. They investigate the direct (main effects) impact of multichannel usage on the listed outcomes separately and distinctly. It is undoubtedly important to understand whether multichannel customers are on an average more satisfied or more loyal compared to single channel users. In terms of managerial guidance it means that companies should attempt to get their customers to adopt more channels when interacting with the company. This is, however, a very different type of conclusion than providing guidance as to how much to invest in satisfaction to create loyalty under different customer channel preferences (moderating effect). Does satisfaction have a more profound impact on loyalty when a customer is a single channel user or a multichannel user? Depending upon the findings, managers can make more informed decisions about how to allocate their budgets to create customer satisfaction. Furthermore, they can be more targeted in their efforts by focusing on consumers only when marketing dollars are more likely to make the customer loyal. Therefore, our research builds on the prior findings by being the first study that examines the moderating effect that multichannel usage has on the satisfaction-loyalty relationship as opposed to the impact that multiple channels has on satisfaction or loyalty separately. This is one of two unique contributions of this research.

2.4 Putting it all together

2.4.1 The moderating effect of multichannel usage on the customer satisfaction-SOW relationship. Customers who shop across multiple transaction channels have been found to report higher satisfaction levels (Mols, 1998; Wallace *et al.*, 2004) and to provide higher SOW (Kumar and Venkatesan, 2005). This happens for a variety of reasons. The use of self-service channels, such as online banking, allows customers to control service delivery in a manner that more closely meets their needs (Dabholkar, 1991). In a multichannel setting, increased customer control may allow the customers to customize their portfolio of interactions with the service firm across channels (Bitner *et al.*, 2000). A greater ability for customers to control and customize the service experience may lead to higher customer satisfaction (Meuter *et al.*, 2000) and hence, higher rates of repurchases and revenues for the firm. The added convenience of the online channel will encourage customers to consolidate more of their activity through increasing both the number of products held and the average balance held per product (Hitt *et al.*, 1999; Hitt and Frei, 2002; Hoffman, 2002; Shevlin *et al.*, 2002). Customer adoption of online banking may lead to these benefits to the extent that greater control over the service experience from multiple points of access to the same services leads to an increase in perceived service quality (Campbell and Frei, 2010). It is evident that overall customer satisfaction is influenced by the quality of both the online service and the service provided through alternative channels (Montoya-Weiss *et al.*, 2003). Unfortunately, though, only a few studies have investigated the relationship between satisfaction and customer behavior in a multichannel environment and no research has yet focused on the satisfaction-SOW relationship nor has it accounted for the role of adopting competitors' online channels.

In the most relevant study, Shankar *et al.* (2003) investigated the relationship between customer satisfaction and attitudinal loyalty in the travel services industry. Their findings revealed that the positive relationship between overall satisfaction and attitudinal loyalty was stronger online than offline. The question of what happens if you used multiple channels (offline and online, in the context of this study), however, remains unanswered. In a related study, Wallace *et al.* (2004) found evidence that customer satisfaction was a better predictor of loyalty for multiple-channel customers than for single-channel customers in a retailing setting (merchants). Research reported by Ahluwalia *et al.* (1999) recognizes that customers who adopt the online channel have chosen their favored service provider and hence, may feel partly responsible if the chosen service does not fully live up to their expectations, thereby mitigating the impact of dissatisfying experiences. Moreover, the choice of the preferred supplier will lower the attractiveness of competitive alternatives and represents a specific switching-barrier dimension (Jones *et al.*, 2000). Hence, multichannel (online and offline usage, in the context of this study) customers' satisfaction levels is expected to have a greater impact on behavioral outcomes compared to the single channel (offline only, in the context of this study) users.

Taken together, these arguments and previous research findings lead to the following hypothesis:

- H1.* Overall, customer satisfaction has a greater association with SOW among multichannel customers (that is, using both online and offline channels) than for those segments that prefer the single, conventional offline channel.

2.4.2 *The moderating effect of multichannel-multicompany usage on the customer satisfaction-SOW relationship.* The second issue is what happens when to the effect that multichannel behavior has on the satisfaction-SOW relationship when a customer conducts business with more than one company (multicompany effect). As mentioned earlier, today the competitive landscape for customers' share of business is fierce. Customers have many more choices, and the marketplace facilitates the competition for customers. In fact, the idea of SOW (the dependent variable metric in this study) emerged because customers were found to maintain "polygamous" loyalties in many industries. SOW by its very nature is a function of multi-firm relationships.

In cases of polygamous loyalty, customers divide their business among companies, and the allocation of their business among companies is in part driven by their levels of satisfaction (Keiningham *et al.*, 2003). With regard to the industry under investigation, Cooil *et al.* (2007) find that satisfaction has a measureable impact on customers' SOW.

Building on *H1*, the question thus being explored is whether multichannel users, compared to single channel users, are more likely to be influenced by efforts to improve satisfaction by giving more of their business if they are also customers of a competing bank. With regard to the impact of multichannel-multicompany usage on the relationship between satisfaction and SOW, research suggests that this would be positive.

It is important to recognize that multichannel customers in our study by definition use both the offline and online channel. This means that not only can online customers more easily compare alternatives than offline-only customers (Fayawardhena and Foley, 2000; Mols, 2000; Shankar *et al.*, 2003), the online channel adoption also impacts switching behavior. On the one hand, in the context of this study, adopting the internet banking channel implies investment (e.g. computer + adequate internet access) and learning costs (e.g. learn how to use the internet banking system of the provider), requires a logins, a contract between the customer and the provider, and sometimes customers need to pay a fee for the necessary software (Mols, 1998). As such, it takes some time and energy (increased switching costs) to get accustomed to the online channel and it becomes more troublesome to fully switch to another provider (Polatoglu and Ekin, 2001). On the other hand, prior research has confirmed that once the initial investment of set-up costs has been made, access to online banking makes it easier for the consumer to shift funds among institutions (Melewar and Bains, 2002). As a result, if the customer is a multicompany customer, the costs (difficulty, time, etc.) associated with moving money among accounts for these multichannel customers who have accounts at different banks is greatly reduced (although it is plausible that there are daily restrictive limits on transferring funds). In other words, once online accounts have been set up, greater access to online banking for those who bank with multiple institutions increases the ease with which money can be transferred among competing banks (i.e. lowers the switching costs) (Klemperer, 1995). As such, in the context under study, online channel adoption is associated with increased ease in which money transfers can be made among different financial service providers.

The effect of the ease with which transfers can be made is expected to increase the strength of the relationship between satisfaction and SOW. Switching costs by their very nature lock customers into business relationships despite their level of satisfaction. As Lam *et al.* (2004, p. 297) observe, "Compared with dissatisfied consumers who could switch in a situation of low switching costs, dissatisfied consumers in a situation of high switching costs would unwillingly stick with the service provider." Therefore, as switching costs are lowered and the online channel adoption allows for ease

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of funds transfer, satisfaction would be expected to play a greater role in customers' purchase behaviors.

Furthermore, multicompany customers by their very nature have tangible experience with competing institutions. As a result, they know first hand which institution is best at satisfying their needs. This thereby reduces the perceived risk associated with shifting funds. Single bank customers, on the other hand, are more likely to lack similar experience, which increases their perceived risks associated with moving accounts. As Rust *et al.* (1995, pp. 48-9) observe:

Another aspect that becomes important in determining choice is uncertainty [...]. One thing that tends to reduce uncertainty, and thus worry about downside risk, is experience. As experience increases, knowledge about the product or service increases [...]. Downside risk is reduced, and probability of repurchase therefore increases.

Therefore, we would expect satisfaction to be more strongly associated with customers' attraction to and business with a particular institution if the customers have tangible experience with the firm. As a result, we would expect satisfaction to have a greater impact on SOW allocation for customers of multiple institutions.

Hence, building on *H1* and the multichannel effect, we postulate the following hypothesis:

H2. The positive effect of adopting multichannels on the customer satisfaction-SOW link is greater for customers who are multicompany customers.

2.5 Covariates: customer and online usage characteristics

There is clear evidence from the literature that customer characteristics (demographic and situational) have an impact on the relationship between customer satisfaction and SOW (Homburg and Giering, 2001; Mittal and Kamakura, 2001). Therefore, it is essential to account for customer characteristics in a multichannel context in order to determine the extent to which the observed differences between online vs traditional channel users are attributable to these customer characteristics vs the online channel usage itself (Danaher *et al.*, 2003; Hitt and Frei, 2002; Shankar *et al.*, 2003). As a result of the demonstrated significance of these variables, we include a rich set of demographic (age, marital status, number of children, language, education level, occupation and income) and situational (expertise, time with company, cross-buying, money-in balance, money-out balance, the percentage money-in of the total balance, cards (debit/credit) and safe deposit) customer characteristics in our investigation. In this study, money-in products represent the savings and investment products, including the current accounts, whereas money-out products represent the credit products (e.g. a mortgage or loan on installment).

By the same token, Ansari *et al.* (2008) find that web purchasing is associated with lower subsequent purchase volumes than when buying from other outlets. Their conjecture is that migration to the internet makes it easier to compare products across firms. In this study, we explicitly test for the influence of online search frequency and the number of financial web sites a customer browses on an average when new financial products or services are needed.

3. Methodology

3.1 Data collection and measurement

We used data from a financial services provider, a key player in its market serving more than 3.1 million customers and having about 6,000 branch offices across the country.

Customers were surveyed regarding their satisfaction level, SOW, Does satisfaction
multichannel-multicompany behavior and demographic and situational information. matter more?

A research company was in charge of the data collection. Two teams of interviewers based upon language conducted the interviews. Customers were sampled at the household level (i.e. only one individual per household was allowed to participate; interviewers always ensured that individuals who were most knowledgeable on the subject of the study were interviewed) using a stratified approach. As is typical for the industry, the company under investigation is not characterized by equal-sized groups in terms of customers' product portfolio combinations. As such, a purely random approach in selecting households for the questionnaire would have resulted in a final response sample characterized by relatively little variation in the focal variable (SOW-behavioral loyalty metrics) and channel segments (which are formed in this study on the basis of both multichannel and multicompany usage). More precisely, the main objective of this study is to examine the importance and the extent to which differences in reported satisfaction levels are associated with differences in reported SOW levels within various multichannel-multicompany segments, rather than capturing one group of customers that represents the company's customer base. In this study, SOW is measured with respect to money-in products because most online and offline transactions (such as paying bills, checking the balance statements, etc.) are related to money-in products. We do account, however, for money-out characteristics in our analyses.

A total of 18 interviewers were involved in this survey, and the telephone interviews took four weeks. Within this period, 1,214 effective responses were generated. The response rate was 22 per cent.

Customer transaction data were appended to the survey data[1]. As a control measure, respondents' answers were checked with the company's internal records for accuracy. Specifically, we checked whether the stated product possession with the company was in correspondence with the actual ownership as determined from the data warehouse. As such, 412 households were removed since (part of) their answers did not reflect actual ownership; resulting in an effective analysis sample of 802 households[2]. Table I summarizes the conceptual variables, operationalization and data sources for the data set assembled in this study, while the first panel in Table IV details on the sample characteristics.

3.2 Multichannel-multicompany segmentation scheme

Table II provides further details on the segmentation scheme employed in this study that is based on both multichannel and multicompany customer differences. As aforementioned, this study extends multichannel behavior by also considering the competitors' online and offline channels. We conceptualize six different multichannel-multicompany customer groups, whereby:

- multichannel is conceptualized as the adoption of the online channel in addition to the offline channel; and
- multicompany behavior is defined as being a customer of multiple (two) suppliers in contrast to a single provider[3].

Table II reveals that the majority of our analysis sample is customers with different providers (that is, Groups 3-6, representing 79 per cent of the sample)[4]. In the context of this study and the proposed segmentation scheme, single channel usage refers to the case

Table I.
Variables of the study

Variables	Overall satisfaction (0-10 scale)	✓	Data source Company's internal records	Operationalization and description
1. Focal variables	Overall satisfaction (0-10 scale)	✓	Company's internal records	<p>A construct composed of four overall satisfaction items determined by an 11-point scale, anchored at 0 (= fully dissatisfied) and 10 (= fully satisfied). An 11-point scale was chosen since (1) a 0-10 scale provided a larger range of variance and (2) was used across the focal company. More specifically:</p> <p>overall satisfaction about the company; overall satisfaction about the banking personnel; overall satisfaction about the company's return on financial products; and overall satisfaction about the received information on the company's financial products and services. According to the literature, overall customer satisfaction is influenced by the quality of both the online service and the service provided through alternative channels (Montoya-Weiss <i>et al.</i>, 2003). In the context of this study, single channel usage occurs if the customer uses only offline and multiple channel occurs when a customer uses offline and online (internet banking). As such, in this study, overall satisfaction for the single channel users is influenced by the quality of the offline channel only, whereas for the multichannel users it is influenced by both the online and offline service. Note that the online channel also supplies information on the company's products and services, and that customers can interact with the banking personnel through their internet banking webpage by clicking on the "click here to send an e-mail for any inquiry to your banking agent". Hence, all four items can refer to online and/of offline experiences. Furthermore, all four items were factor analyzed by using a principal components analysis with varimax rotation. All items loaded high on one and the same factor. The composite measure for the overall customer satisfaction construct is conceptualized by averaging the responses to these four items (Cronbach's $\alpha = 0.80$)</p>

(continued)

Variables	Data source		Operationalization and description
	Survey	Company's internal records	
2. Multichannel information	✓		SOW (%) The percentage reflects the company's share in the total money-in balance amount (money-in products represent the savings and investment products, including the current accounts) SOW is the answer to the following question: "Which percentage of all savings and investment products in terms of balance amount is attributed to the company?"
	✓		Online search frequency To which extent do you make use of the internet to search for information in case you need financial products or services? This single item was measured on a five-point scale (1 = always, or almost every time; 2 = often, but not necessarily all times; 3 = sometimes; 4 = mostly not; 5 = never)
	✓		Number of financial web sites How many financial web sites do you browse on an average, when you need new financial products or services. Customers were requested to provide a number to this question
	✓	✓	Having an internet banking contract with the company A dummy variable measuring: do you have an internet banking contract with the company (yes/no)? An internet banking contract is an agreement between the customer and the banking company and allows the customer to conduct online transactions through the company's web site (the customer receives a login and password, and a digipass if applicable)
	✓	✓	Having an internet banking contract with a competitor A dummy variable representing whether the household has an internet banking contract with other financial services providers than company X (yes/no)?
3. Customer characteristics	✓		Online transaction percentage A measure representing the household's online preference for conducting transactions (that is, paying bills, transferring funds, printing statements, displaying balances, [...]) and which even includes the possibility of purchasing financial products online, with the exception of money withdrawals). The measure is conceptualized as a percentage and reflects the extent to which households make use of the online channel for conducting their banking transactions
	✓	✓	Age (years) The age of the respondent
	✓	✓	Marital status The marital situation of the family: married, living together, everything else (e.g. divorced, widow(er), single)

(continued)

Does satisfaction matter more?

Table I.

Table I.

Variables	Data source		Operationalization and description
	Survey	Company's internal records	
Number of children	✓		The number of children still living at home: no children, one child, two children, three or more children
Language	✓	✓	The language(s) the customer speaks
Education level	✓		The education level of the respondents: high school low level, high school high level and university
Occupation	✓		The occupation of the respondent: blue-collar, white-collar, pensioner, housewife/husband, self-employed and everyone else (unemployed, functionary, etc.)
Income Expertise (0-10 scale)	✓	✓	The monthly family income represented by three-ordered categories A measure representing the respondent and his/her family's knowledge about financial products and services, determined by a 11-point scale, anchored by 0 (= nothing) and ten (= very good)
Time with company (years)		✓	The household's relationship duration with the company (expressed in years)
Cross-buying (number of product categories)	✓	✓	The cross-buying level with the company. This measure summates the number of product categories that are possessed with the company. For this measure, we consider three broad product categories (money-in, money-out and insurance products). As such, this metric takes on the values of 1-3
Money-in balance		✓	Total balance amount of money-in products possessed with the company
Money-out balance		✓	Total balance amount of money-out products possessed with the company
Money-in/(total balance) (%)		✓	The percentage money-in of the total balance amount (total = money-in + money-out)
Cards (debit/credit)		✓	Whether the household has credit and/or payment cards with the company
Safe		✓	Whether the household uses a bank safe of the company

Investigating multicompany differences	Group	Investigating multichannel differences				Summary		Size (% of sample)
		Focal company		Competitor		Multichannel behavior	Multicompany behavior	
		Offline channel	Online channel	Offline channel	Online channel			
Single provider	1	✓					14	
Multiple providers	2	✓	✓			✓	7	
	3	✓		✓			38	
	4	✓	✓	✓		✓	6	
	5	✓		✓	✓	✓	24	
	6	✓	✓	✓	✓	✓	11	

Table II.
Multichannel-multicompany segmentation scheme

where the customer does not have an internet banking contract, whereas multichannel behavior refers to the adoption of such an online contract in addition to offline service. Table II denotes that almost half our sample (that is, Groups 2-6) uses online channels for conducting several transactions online such as paying bills, transferring funds, printing statements, displaying balances, etc. Note that besides conducting transactions online or offline, customers may also use the online channel to search for information when new financial products or services are needed. In this study, we additionally test for this particular online channel usage by controlling for online search frequency and the number of financial web sites a customer browses on an average.

4. Analysis and findings

4.1 Description of the multichannel-multicompany segments

Table III presents descriptives for the variables investigated in this study. The table is partitioned in three panels. Panel I represents the entire analysis sample and as such provides insight into the sample characteristics. It combines all customers into a single group regardless of differences (Groups 1-6 combined). Panel III reports the descriptives for the multichannel-multicompany segmentation scheme that is outlined in Table III (Groups 1-6 are studied separately). Finally, Panel II (Groups 1 and 3 combined vs Groups 2-6 combined) contrasts single (offline) channel users to multichannel users by taking into account the online channel adoption of all service providers including the focal company and competitors as well.

Table III indicates some clear differences in terms of characteristics of the different groups. On an average, customers have larger balances in money-in products relative to money-out products (an average of 74 per cent of a customer's total business is in money-in products). If we examine the differences in terms of profile of single channel vs multichannel users, it is clear that multichannel users are younger, more likely to be more educated, higher income earners, more likely to cross-buy additional products and a smaller proportion of their total business is in money-in products. As shown in Table III, each of these differences are highly significant ($p < 0.001$). When we compare the single vs multichannel columns of Panel II, single channel customers are on an average of 54 years old, 21 per cent have a university degree, only 14 per cent are in the highest income group, they cross-buy an average of 1.8 product categories and 79 per cent of their balances are money-in, on the other hand multichannel customers are younger on an average at 48 years old, 41 per cent have a university degree,

Table III.
Description of sample and comparison of segments

	Panel I		Panel II: contrasting		Panel III: contrasting					
	Entire sample Groups 1-6 combined	Single vs (offline) channel users Groups 1 and 3 combined	Multichannel (offline + online) users Groups 2, 4, 5 and 6 combined		The multichannel-multicompany segments					
			Group 1	Group 2	Group 3	Group 4	Group 5	Group 6		
Segment size (% of sample)	100	53	47	14	7	38	5	24	11	
Average SOW (%)	60	64	56**	100 ^b	100 ^b	46 ^c	61	40 ^c	53	
SOW range (min-max)	(1-100)	(1-100)	(1-100)	(100-100)	(100-100)	(1-99)	(1-95)	(1-98)	(1-99)	
Average overall satisfaction (0-10 scale)	8.0	8.2	7.8***	8.5 ^b	8.0 ^{b,c}	8.0 ^c	7.8 ^c	7.7 ^c	7.8 ^c	
<i>Online search</i>										
Never search online (%)	61	82	38***	91	40	78	31	44	25	
Average number of web sites searched	1.3	0.6	2.1***	0.3	1.8	0.7	2.1	1.9	2.7	
<i>Demographic covariates (in %, except age)</i>										
Age	51	54	48***	58	43	53	48	49	47	
Married	77	74	80*	71	72	75	79	80	86	
Living together	7	7	8	4	19	8	12	5	7	
Not married or living together	16	20	12**	25	9	18	10	15	7	
No children	48	60	34***	73	33	55	29	36	35	
One child	18	16	20	14	31	17	29	16	16	
Two children	25	18	33***	11	26	20	33	37	26	
Three or more children	9	6	13***	2	10	8	10	11	22	
Language	63	62	65	59	66	63	71	61	68	
Low-level high school education	31	41	20***	59	26	34	14	17	26	
High-level high school education	38	38	39	32	40	40	38	40	36	
University education	31	21	41***	9	34	26	48	43	38	
Self-employed	10	7	14**	3	3	9	12	15	18	
White-collar	32	25	40***	19	48	27	31	37	46	
Blue-collar	15	16	14	13	19	17	12	13	14	

(continued)

Groups ^a	Panel I		Panel II: contrasting		Panel III: contrasting					
	Entire sample Groups 1-6 combined	Single vs (offline) channel users Groups 1 and 3 combined	Multichannel (offline + online) users Groups 2, 4, 5 and 6 combined		Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
			Groups 2, 4, 5 and 6 combined	Groups 2, 4, 5 and 6 combined						
Pensioner	22	30	13***	34	10	28	14	15	8	
Housewife/husband	10	12	8*	19	5	10	12	8	7	
Everyone else occupation	11	10	11	12	14	10	19	11	7	
Lowest income group	21	30	11***	46	17	24	6	14	3	
Medium income group	55	56	54	47	53	60	47	54	60	
Highest income group	23	14	34***	7	30	16	47	32	37	
<i>Situational covariates</i>										
Expertise (0-10 scale)	6.0	6.0	6.1	6.0	5.8	6.0	6.1	6.0	6.2	
Time with company (years)	14	15	13*	15	11	15	12	14	13	
Cross-buying (number of product categories)	1.9	1.8	2.0***	1.8	2.2	1.8	1.9	2.0	2.0	
Money-in (thousands)	58	61	54	69	49	59	62	53	55	
Money-out (thousands)	19	12	26***	9	48	13	19	19	29	
Money-in/(total balance) (%)	74	79	68***	79	51	79	75	73	62	
Cards (debit/credit) (%)	47	40	55***	70	100	29	98	13	98	
Safe (%)	8	8	8	9	14	7	17	2	12	

Notes: Significance at: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (all tests are two sided) for tests of Panel II averages; one-way ANOVA shows Panel III averages are significantly different for SOW and overall satisfaction ($p < 0.001$); based on all pairwise comparisons (at a family error rate of 5 per cent): ^amultichannel-multicompany customer groups: Group 1, single company and single channel customer (offline only); Group 2, single company and multichannel customer (both online and offline); Group 3, multicompany and single channel customer (offline only); Group 4, multicompany and multichannel customer (offline with both focal company and competitors, but online with focal company only); Group 5, multicompany and multichannel customer (offline with both focal company and competitors, but online with competitors only); Group 6, multicompany and multichannel customer (offline and online with both focal company and competitors); ^bthese means are the highest or not significantly different from the highest across the six groups; ^cthese means are the lowest or not significantly different from the lowest across the six groups

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Table III.

34 per cent are in the highest income group, they cross-buy an average of two product categories and 68 per cent of their balances are money-in. The findings also provide validity to our single vs multichannel classification scheme as we observe that single channel customers are less savvy in terms of internet searches. The percentage of customers who have never used the internet for searches in the single channel column is 82 per cent (Panel II) whereas those who have never conducted a search online drops dramatically to 38 per cent for multichannel users. Finally, with respect to the observed customer satisfaction levels, Panel II reveals a higher satisfaction for single, offline channel users compared to multichannel users (8.2 vs 7.8, $p < 0.001$). Also, Panel III reveals that single company customers who use the offline channel (Group 1) are on an average more satisfied than the multicompany customers (Groups 3-6).

4.2 Within class regression models and tests of hypotheses

We conduct regression models to test our postulated hypotheses, since such models provide an overall assessment of how satisfaction is related to SOW while adjusting for other relevant demographic and situational variables. The series of within-class regression models presented in Table IV, represent the panels and groups outlined in Table III. Each individual regression model is selecting the most relevant variables by minimizing the Bayesian information criterion (BIC) (Schwarz, 1978) Table IV presents the best regression models for SOW in terms of overall satisfaction and other customer characteristics.. These results indicate that satisfaction has an important influence on SOW, and each model provides a way of studying the direct association between SOW and overall satisfaction, after adjusting for other differences in customer characteristics. Across all the panels (I-III), the coefficient of satisfaction (Table IV) is significantly positive in each model ($p < 0.001$; β ranges from 5.0 to 13.5). Hence, we are able to replicate the findings in prior literature about the positive main effect of satisfaction on behavioral loyalty as measured by SOW regardless of classification.

H1 proposed a moderation effect of using multiple channels on the satisfaction-SOW link and expected the association would be stronger for those who were multiple channels users. For this, we need to consider Panel II and compare the β estimates of single (offline users; that is, Groups 1 and 3 combined) with that of multichannel users (offline + online usage, that is Groups 2-6 combined). We, remind the reader that the multichannel group in testing this *H1* (that is Groups 2-6 combined) only considers the multichannel effect across the companies that the customer conducts business with (can be single/one or multiple/two companies in this case). The goal is to identify the main effect of multichannel behavior on the satisfaction-SOW link. Using the best models for SOW based on overall satisfaction and other predictors, the estimate in Panel II for single offline channel usage is 5.0, which is significantly less ($p = 0.013$, two-sided) than the corresponding coefficient of 7.4 for multichannel usage. These results support *H1*. Hence, multichannel usage has a positive moderating effect on the satisfaction-SOW link, i.e. changes in satisfaction are associated with larger corresponding changes in loyalty when the customer is a multichannel user as opposed to a single (offline) channel user.

The data used to test *H1* combines single and multiple channel usage for both single company customers and multicompany customers. In order to test the moderation effect proposed in *H2* over and above the effect we have identified in *H1*, it is necessary to contrast Groups 3 and 6. Group 3 consists of customers who are multicompany

Group ^a	Panel I		Panel II (test of H1)		Panel III (test of H2)					
	Entire sample Groups 1-6 combined	Single (offline) channel users Groups 1 and 3 combined	Multichannel offline + online users Groups 2, 4, 5 and 6 combined	Test of equality for panel II coefficients (<i>p</i> -value)	3	4	5	6	Test of equality for Panel III coefficients (<i>p</i> -value)	
Segment size (% of sample)	100	52	48		38	6	24	11		
Within class regression coefficients for SOW	5.1***	5.0***	7.4***	0.013	6.0***	13.5***	6.9***	10.1***	< 0.001	
Overall satisfaction								-20.2*		
No online search										
Number of financial web sites (online search)	-2.2***									
Low-level high school education	9.7***	13.1***								
Self-employed	-15.5***		-11.8*						-6.8***	
Pensioner										
Lowest income group	10.3**	9.6*			10.6*	26.2*				
Expertise (0-10 scale)									0.004	
Money-in (thousands)	0.047**	0.056**								
Money-out (thousands)	0.110**	0.121*								
Money-in/(total balance)					0.086***					
Cards (debit/credit)	28.3***	25.9***	31.6***	NS	17.5***		28.0***		< 0.001	
R ² -adjusted (%)	34	35	30		27	24	17	34		

Notes: Significance at: * $p < 0.05$, ** $p < 0.01$, and *** $p < 0.001$ (all tests are two sided); only significant covariates are included in the table; ^amultichannel-multicompany customer groups: Group 1, single company and single channel customer (offline only); Group 2, single company and multichannel customer (both online and offline); Group 3, multicompany and single channel customer (offline only); Group 4, multicompany and multichannel customer (offline with both focal company and competitors, but online with focal company only); Group 5, multicompany and multichannel customer (offline with both focal company and competitors, but online with competitors only); Group 6, multicompany and multichannel customer (offline and online with both focal company and competitors)

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Table IV. Best models (minimum BIC) for SOW across all customers and within segment

customers and only transact via the offline channel, whereas Group 6 consists of customer who are multicompany customers but transact using multiple channels (offline + online). A comparison of these groups should single out the effect that being a multicompany customer has on the multichannel usage effect identified in *H2*. The β estimates for the effect of satisfaction on loyalty for Groups 3 and 6 are the lowest (6.0) and the second highest (10.1), respectively, and these coefficients are significantly different ($p < 0.001$). Hence, *H2* is clearly supported.

Examining the results for *H1*, it is clear that multiple channels make a difference in terms of the satisfaction-SOW link regardless of whether the customer is using the multiple channels of the focal company or competitor. More interestingly and consistent with *H2*, we find that multichannel customers who use multiple providers are the ones who are most likely to be affected by satisfaction initiatives. That is, any investment made to improve the satisfaction of this group is likely to yield the greatest returns (at least two times more) when compared to any other group (single channel users and/or single company customers) (Figure 2). This result indicates an important interaction/moderation effect.

5. Conclusions and managerial implications

As the number of channels that customers have at their disposal to interact with companies increases, managers are faced with issues about how to best manage resources to build relationships and maximize the value of their customers. The issue of channel management and customers conducting business with multiple providers is not idiosyncratic only to the financial services industry. In fact, there are a large number of contexts where these findings can be applied. In this study, we extend multichannel

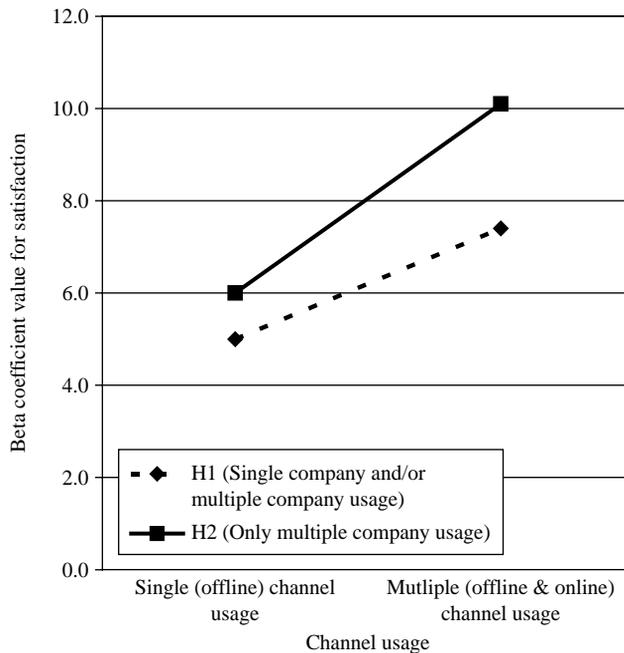


Figure 2.
Multichannel-multicompany interaction effect

behavior by also considering competitors' online and offline channels: that is, multichannel behavior is caused by the adoption of the online channel in addition to offline usage, and can take three different forms: online channel adoption with the focal company only, with competitors only and with both the company and its competitors. Our findings, therefore, provide direction to all managers who deal with customers who have options in terms of channel and company/provider choice. The road to better management lies in understanding the nature of these relationships. The research to date has clearly indicated that customers that use single channels are different in their profiles when compared to those that prefer to use more than one channel. In our research, we also find that most of the single channel users are older, less educated, lower income customers when compared to the comparatively younger, more educated, higher income multichannel customers. Furthermore, single channel users have a higher percentage of money-in products compared to multichannel users. Understanding this difference in profile should help managers better target their customers.

However, although the extant research indicates similar differences as well, none have tested how channel usage affects the innate nature of the influence that satisfaction has on developing customer loyalty. This is an important difference. It is the difference between looking at mean differences (direct/main effect) between groups vs looking at the power that that variable has on the relationship (moderating effect). Past research has predominantly focused on the former. In fact, when mean levels across groups in Table III are explored, they give little if no indication on what the strength of the relationship is likely to be (Table IV). As a result, solely looking at mean differences provides less insight and at times can be misleading. This research is the first to explore the interaction/moderating effect between satisfaction and channel usage in creating loyalty. Our results reveal that satisfaction tends to have more of an impact on creating loyalty when a customer is a multichannel customer than a single channel (offline) customer. This indicates that any effort to increase satisfaction will have a greater impact on loyalty when targeting multichannel customers. This is likely because typically, online customers can more easily compare alternatives than only offline customers and are hence, more likely to be influenced by efforts to increase satisfaction. This has important implications for banks to increase satisfaction of their multichannel online users. First, the financial services provider should determine the appropriate information needs of its customers. Second, it should design an interface so that the customer can access not only all the relevant information but also access them when desired/needed. Third, the company can invest in technologies that search for the right information and retrieve the information as quickly as possible on behalf of the customer. Fourth, the company may want to focus on creating the right user-interfaces that allow customers to access information in the way that is most convenient for them (on wireless device, etc.). In conclusion, this knowledge should provide managers a more targeted approach to managing satisfaction efforts for these segments.

A second important contribution of this research study is the understanding of how customer usage of competing providers influences the relationship between satisfaction and loyalty. The literature has focused on multichannel management and largely neglected to take into account competitor channel usage. We observe that the positive moderation effect of multichannel usage on customer loyalty is even greater for multicompany customers. Hence, any efforts to create loyalty with the focal company will

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have a greater impact if efforts are honed in on multichannel customer segments who conduct business with multiple providers (including the focal company and competitor).

The issue is that most companies do not have readily available information about whether their customers are transacting with competitors. As a result, there is a more uniform/less-targeted strategy that is being applied and implemented. If managers are aware of these classifications they can:

- maintain satisfaction levels of their customers; and
- focus more on increasing the satisfaction levels of multichannel-multicompany customers.

This will enable optimization in resource allocation, improved return on investment where marketing dollars are spent on efforts likely to yield higher marginal returns and bring biggest bang for the buck.

Furthermore, this research has implications for the way future research is conducted specifically in two domains:

- (1) when examining the satisfaction-loyalty link; and
- (2) when examining multichannel customer effects.

It is clear that it is important that multichannel usage be factored into the examination of satisfaction and loyalty as a moderating effect, because exclusion of this variable can lead to a deflating of the effects of satisfaction on loyalty. The findings also indicate that on top of the positive moderating effect of multichannel usage, multicompany preferences need to be factored into research studies as well. It is clear that the impact of multichannel usage on satisfaction and loyalty metrics such as SOW will be underestimated if multicompany data are excluded.

In conclusion, these results point to the importance of investing in research programs that will assist managers in profiling their customers about their channel usage and competitor transactions. As is frequently the case, albeit at a cost, a third-party research agency can be hired to gather this information.

6. Limitations and further research

Although this research attempts to provide a deeper understanding of the impact of multichannel usage and multicompany preferences on the relationship between customer satisfaction and SOW, a number of limitations remain. This paper primarily emphasizes the identification of a phenomenon and hence, the main focus is not on the reasons driving the behavior. However, we first need to know “what is” before we can ask the second derivative question “why it is”. The important phenomenon we have identified has not been discovered before and has clear implications for the way multichannel research is conducted and multichannel customer management is practiced. And the results point to the need for further examination to uncover underlying reasons for the relationships identified. We have proposed potential reasons for why this maybe the case, but future research needs to pinpoint the drivers in a systematic analysis. Furthermore, there are many examples of influential award-winning papers that have identified a relationship/issue and generated the future research on important topics (few, for example, include Anderson, 1998; Keiningham *et al.*, 2003; Loveman, 1998). Furthermore, this is a growing area in terms of research interest and the number of studies as they

relate to multichannel management is still relatively limited. Hence, there is a need to discover phenomenon that has the potential to have both theoretical and practical significance.

First, our study focuses in a single industry which impacts its generalizability. The fact that our study is solely in the financial services industry, however, should not limit its contribution, as many top journals have a variety of important papers that use single industry data. Furthermore, banking/financial services is an important and one of the largest of the service industries.

Also, our empirical insights are based only on the channels explored (offline and online). This limitation creates an opportunity to test similar applications in other settings and contexts. For instance, in addition to the online and offline channels, it is important to test the generalizability of the moderating influence in other channel contexts such as mail catalogs in a retail setting (Thomas and Sullivan, 2005). In addition, in the context of a financial services provider, one could fine-tune our framework by focusing on different self-service technologies following Meuter *et al.* (2000) and differentiate among the various types of technologies (e.g. using the bank counters, ATMs, phone banking and internet banking) when studying the effects of multichannel-multicompany usage. In sum, there exists a need to better understand consumers' choices and the behavioral consequences of adopting different channels other than offline and online channels. Furthermore, in the context of financial services examined, a customer has to be an offline customer before the additional channel can be considered (online). Future studies can examine contexts where this limitation does not exist and adopting channels is made independently.

Next, this study focuses solely on multichannel and multicompany customer differences in the relationship between customer satisfaction and SOW, whereas other studies in the emerging multichannel literature have also investigated other customer metrics such as purchase frequencies (Thomas and Sullivan, 2005), customer profitability (Venkatesan *et al.*, 2007), attitudinal loyalty (Shankar *et al.*, 2003), etc.

Further, this study investigates contemporaneous relationships by analyzing customer satisfaction, SOW, multichannel and multicompany customer differences and customer characteristics, all measured at the date of the survey. Consequently, an analysis with repeated measures for all these metrics has been left unexplored (e.g. investigating subsequent stages of the purchase process). Such a longitudinal framework would enable researchers to relate changes in multichannel preferences and multicompany preferences to customer retention behavior and satisfaction indices over time and would provide insights into causal relationships.

Finally, some researchers have recently started to examine customers' adoption timing of new channels (Prins and Verhoef, 2007; Venkatesan *et al.*, 2007). Another avenue for further research is to investigate adoption times across competing channels, including competitors' channels, and to further investigate how the pioneer effect, switching behavior or the impact of being the main/preferred company for a particular channel, affect customer metrics such a loyalty, SOW, retention and profitability.

Notes

1. Note that customer anonymity was maintained. The company's internal records were matched to the survey data by numerical identifiers that were created only for this study. The identification of the households was not revealed.

2. We decided to remove these respondents, because if a respondent was unwilling or unable to correctly state the product categories he/she possesses, then his/her corresponding answer to the SOW question was probably very questionable as well.
3. Note that in practice, a single channel customer could be conceptualized as one that uses only the online channel. However, in the context that is being examined (financial services provider), it was impossible for the focal company's customers to adopt the online channel without being an offline customer first.
4. Note that the observed sample sizes per multichannel-multicompany segment are a result of our stratified sampling approach outlined in Section 3.1. As such, they are not necessarily representative for the focal firm's entire customer base. The information about size (percentage of sample) provided in Table II just details on the number of respondents that will be considered per segment in our further analyses. We would like to thank an anonymous reviewer for drawing our attention to clarify this out.

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