

CITY UNIVERSITY OF HONG KONG

香港城市大學

The Delivery of Financial Consultation Services to
Premier Customers - An Empirical Study on Interactive
e-Channel

卓越理財客戶的金融諮詢服務-互動e-道的實證研究

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by

CHAN Chun Kwong
陳俊光

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Abstract

The fast growing trends in the use of channels to service customers continue to remain high on the priority list of banks in this increasingly digitally-enabled industry. This is particularly evident for global banks whose customers are highly mobile. In 2011, a service branded as *LIVEConnect*, an interactive video e-Channel over secure internet banking, was introduced to the market by HSBC in Hong Kong to offer convenient and secure, online, face-to-face access to banking professionals, wherever in the world the customer may be. *LIVEConnect* is available to Premier Customers, an affluent segment of customers, who have been assigned dedicated Relationship Managers, whose financial needs are believed to be ill-served through the traditional branch network, nor through the more established direct channels such as phone banking, internet banking and mobile banking, due to their more sophisticated financial needs. Since the launch of *LIVEConnect*, the adoption rate has not been high, and hence more extensive rollout of the service was suspended.

This research aims to understand the factors influencing the adoption of channels by customers through the review of literature on channel choices, primarily the dimensions of convenience, trust and efficacy of information acquisition pertaining to a channel. Through *LIVEConnect*, the premier customer interacts with the relationship manager face-to-face, hence this research attempts to incorporate the influence of this social relationship, in the form of social capital, and its direct and moderating effects on channel adoption.

The research is undertaken using a mixed method. Firstly, a series of interviews with relationship managers were conducted as part of the qualitative investigation fieldwork. The qualitative analysis is intended to validate the conceptual framework, which is grounded from the literature research and the research gap identified therefrom, and to further confirm the relevance of the context of the research.

Secondly, the quantitative part of the research is developed based on survey

instrument proven in prior research, with refinement of the instrument through a pre-test, a pilot test and a card sorting exercise. The survey questionnaires were then validated by selected relationship managers, and by bank executives who have responsibility for marketing and compliance.

Thirdly, the research model is tested through a web survey, using the refined instrument, of customers consisting of 153 requests, of which 109 valid responses were collected.

Finally, the six hypotheses were tested, concluding with four hypotheses being supported, one marginally supported, and one hypothesis not supported by the empirical data. In summary, cognitive capital between the customer and the relationship manager significantly weakens the relationship between perceived *efficacy of information acquisition and the customer's adoption* of interactive e-channel, while the results do not support relational capital as a significant moderating factor over *convenience on adoption*, but support a somewhat significant moderating effect, albeit positively, over *trust on adoption* at the post-purchase stage.

In addition to the findings related to relational capital and cognitive capital, this research lays the groundwork for further study in the significance of structural capital in channel adoption, and the influence of peer group as evidenced by the significant influence of normative belief on adoption, particularly at the purchase and post-purchase stages.

Keywords: Channel Choices, Social Capital, Cognitive Capital, Relational Capital, Structural Capital, Interactive e-Channel, Normative Belief, Convenience, Trust, Efficacy of Information Acquisition.