Editorial

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In today's global economy, the increasing significance of innovation to the competitive positioning of firms, institutions and countries has been evident. In the business world, the importance of innovation is reflected in the approach of firms that have gained competitive advantage in the global market (Carlsson, 2006). Firms have embraced innovative marketing and financial approaches as instruments for gaining competitiveness (Lewin et al., 2009). This special issue of the *Global Business and Economic Review* (*GBER*) is devoted to innovative approach of firms and institutions; in particular focusing on marketing and financial strategies taken place in the era of globalisation. The special issue consists in a selection of 11 papers from authors that presented their research at the 4th Annual EuroMed Conference 'Business research challenges in a turbulent era', Elounda, Crete, Greece, 19–22 October 2011. An additional paper was developed in line with the special issue topic.

The paper entitled 'The influence of demographic variables on relationship banking: an international study' developed by Chantal Rootman, Madele Tait and Gary Sharp provides an insight into the marketing relationship of banks in South Africa, Canada and the UK. The empirical findings of this study have established that the personalisation of banking products and/or services and the fair structuring of fees are focus areas for banks aiming to improve their client relationships. Empirical findings also demonstrated that demographic variables, such as clients' country of residence, population group and level of education, influence the perceptions of clients regarding relationship marketing efforts of banks. A number of recommendations which can be provided to banks in respect of their relationship marketing and the variables influencing their efforts to improve relationships with banking clients have been also proposed in this paper.

Konstantinos Terzidis, Eva Papadopoulou and Kosmas Kosmidis are the authors of the next paper entitled 'Customer e-loyalty to internet banking: an empirical analysis'. This study examines the efficiency of alternative electronic communication channels to attract new customers and to satisfy the existing ones and to investigate the impact on quality of online banking services on customer's trust, overall satisfaction and finally e-loyalty. The results of this investigation indicate that the independent variables of trust, quality of alternative e-banking channels and gender are statistically significant for the prediction of customer e-loyalty. This study also highlights that this investigation provides insufficient evidence about the relationship among the quality of service, the overall satisfaction and the adoption of internet banking.

The following paper is entitled 'Trade credits: the case of small-medium sized enterprises' developed by Khaled Soufani, Panikkos Poutziouris and Nicos Michaelas. This study evaluates whether the extension of trade credit is made possible because of access to both external and internal financing, whether those firms experiencing growth in profits and sales offer trade credit, and that price discrimination can possibly motivate the extension of trade credit. The results of this study indicate that profitable firms that generate internal funds tend to extend trade credits. There is also evidence that increased sales and trade credits are correlated and that the presence of price discrimination might be a factor in supplying trade credit.

The paper entitled 'Public-private partnerships in welfare system' is developed by Fabio Michele Amatucci and Paolo Esposito. This study examines the existing literature of one of the most topical issues in the world of business and finance. The study is based on the relevant literature concerning the application of different models of corporate social responsibility to *public and private partnership* (*PPP*), leaving room for an empirical analysis regarding planning implementation and *welfare systems* in the social *policies* adopted by the public administration in order to improve efficiency measures, social accountability, transparency and ethic culture. This study aims at highlighting some critical areas of the current government system and proposes a fair way to implement a *participative corporate social responsibility model*.

The next paper is entitled 'Institutional environment features and Swiss foreign direct investment'. This study developed by Ruth Rios-Morales, Dragan Gamberger, Max Schweizer and Louis Brennan. The importance of innovation is reflected in the policy strategies of the Switzerland, a county that has gained competitive advantage through innovation in the era of globalisation. This paper evaluate Swiss foreign direct investment located in 56 countries over the period 2005–2009 using statistical and machine learning techniques. This study assesses the significance of institutional environment features on Swiss foreign direct investment. Despite the data limitations, the study has detected two relevant models. This paper also contributes towards the still embryonic interdisciplinary literature addressing this topic in providing insights around the relationship between institutional environment features and foreign direct investment flows.

Another paper 'To hedge or not to hedge during the financial crisis: a case study' is authored by Simona Mihai-Yiannaki, who analyses during the financial crisis period 2007–2010 a two-fold currency hedging strategy (fully hedge and non-hedge) on three hard currencies against the euro, based on secondary data and observations form a Cypriot bank data. The study provides substantial background data and information, using Sharpe ratio as a proxy, towards the backup of the 'unbiased predictor' concept and then validates it against the weak and semi-strong efficient market hypothesis theory based on short and medium timeframe.

Following another emerging issue, the Greek public sector, the paper entitled 'Analysing the relationship between intellectual capital and performance in local governments' authored by Sandra Cohen and Orestes Vlismas examine this relationship in the light of both directions of the IC research stream recognised by Mouritsen (2006) as the IC1-ostensive view and the IC2-performative view. The study shows that components of IC are related to improved performance measured through both financial ratios and perceptions of performance. Thus, the empirical findings hold regardless of the IC view and offer corroborating evidence that LGs with higher IC perform better than LGs with lower IC. The study contributes to the analysis of the organisational mechanisms that enable LGs to realise economic benefits from IC and proposes a methodology for (inferred) IC measurement through the analysis of accrual accounting financial statements.

Then, Steven K. Paulson and Peter Stokes authored the paper 'The globalisation of business activity: structures, processes and prospects for the demise of postmodernism' with implications for business management in NAFTA, The European Union and MERCOSUR. One of the principle mechanisms for globalisation (recognising the amalgam of forces and effects that produce globalisation phenomena) is the development of international economic consortia or trading blocs. Set in this context, the theses of pre-modernism, modernism and postmodernism are shown to be dialectical antecedents of globalisation. Postmodernism, specifically, is a transitional phase connecting modernism with globalism much like, one might argue, the medieval era served to connect antiquity with the enlightenment.

In the next paper, Hela Chebbi, Dorra Yahiaoui, Alkis Thrassou and Demetris Vrontis perform 'The exploration activity's added value into the innovation process', into a market-accepted new product. Through non-participant observation and multiple interviews, an empirical investigation within a large French telecommunications operator (OPERACOM), shows that companies should integrate an exploration activity into the innovation process. The authors provide a pool of key ingredients and their features in order to facilitate its implementation as well as add value to the activity. The paper further combines theoretical findings with empirical data to identify the managerial implications of the findings.

Bernard Paranque and Bernard Cova on 'How to enhance value? A comparative approach between marketing and finance' provides some bridging links from papers in the finance area and the papers on postmodernism and value added by the rising power of consumer communities, supported by the growth of the internet and social media in brand valuation. They show how the success of a brand today increasingly depends on the existence of a community of captive and loyal fans who co-create the value of that brand through their various practices. This co-created value is evaluated as an intangible asset by financiers and consultants. This paper therefore seeks to deepen the knowledge of brand value by outlining the relationships between three worlds still unknown to each other: those of brand communities, brand management and brand valuation.

Exploring another stream of the above idea over the Atlantic Ocean, Kip Becker, Helena Nobre and Vijay Kanabar performed the 'Monitoring and protecting company and brand reputation on social networks: when sites are not enough'. bringing additional insights on brand issues from these overtaking areas, recognising that social networks are a force to contend with in reputation management. Managing social networks is, however, not without cost and thus one could reasonably assume that larger companies would have better defined strategies for social network reputation management than smaller ones. The paper explores this assumption and offers a integrity management model. The social network activities of 99 different size companies (33 small, 33 medium and 33 large) were examined and results supported that larger companies are slightly more responsive but smaller firms seem to respond more quickly. Of interest was the number of firms (of all sizes) without social media sites.

Last, but not least, from finance to marketing skills and emerging brand building techniques, Nina Gorovaia and Stavros A. Zenios, questioned: 'Does freedom lead to happiness? Economic growth and quality of life'. The preoccupation with economic growth has not led to increase in happiness in the developed world. More than that, the world experienced the worst financial crisis of 2008 since the Great Depression. The authors draw on Sen's work *Development as Freedom* and research on economics of happiness to explore the situations when increasing instrumental freedoms have not resulted in overall increase in happiness. The prescriptive part of the paper offers some interesting solutions to the problem.

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