Editorial: Money, banking, and stakeholder value in emerging markets

Rajagopal

EGADE Business School,
Tecnologico de Monterrey,
222, Calle del Puente, Col. Ejidos de Huipulco,
Tlalpan, Mexico City Campus, Mexico
Email: rajagopal@itesm.mx

Biographical notes: Rajagopal is a Professor of Marketing at the Graduate Business School (EGADE) of Monterrey Institute of Technology and Higher Education (ITESM) in Mexico City Campus and Fellow of the Royal Society for Encouragement of Arts, Manufacture and Commerce, London. His biography is listed in various international directories including *Who's Who in the World* and International Biographic Center, Cambridge, UK, since 2008. He holds doctoral degree from Ravishankar University, India, and has been conferred the highest recognition of National Researcher Level-III of Mexican National System of Researchers by the National Council of Science and Technology, Government of Mexico. He has several scholarly books and research papers on marketing to his credit.

The evolution of money markets over the centuries has been a perennial phenomenon congruent with the shifts in social, economic, and technological knowledge in the society. The evolution of banking and growth with the adaptation to the customer-centric technology has driven the economic behaviour of the markets. Sociologically, the evolution of money and banking markets has been based on the understanding that stakeholders are embedded in various entrepreneurial and cognitive structures in the competitive marketplace. Shifts in the stakeholder expectations, technology, and banking processes in the market are induced by fundamental business objectives of achieving market leadership, enhancing customer value, and delivering competitive. Such business growth models are resistant to minor discrepancies and stay sustainable in the market with the support of stakeholders (Rajagopal, 2012). The 21st century money and banking trends have grown over the conventional delivery systems over the past and exhibit new challenges on liberal credit policies, seed financing, and floating venture capitals based on mutual risk management structures co-created with the stakeholders. The public equity markets support such co-created financing policies and able to channel the money to innovative ideas that have transformed industries and catalysed the money market for the emerging companies including small and medium enterprises. On one hand, shift from deposit-based banking to a market-based financing model has become the pivot for the industrial and consumer market sectors without adequate regulatory adjustments. However, such free credit led banking system has left the financial markets vulnerable to crisis, on the other (Greenwood and Scharfstein, 2012).

Despite creeping globalisation effects and growth of the banking and financial markets in most developing countries the access to financial services and money transfer facilities in developing countries are not easy task for small and medium enterprises. Though these markets represent a huge business opportunity, especially the flow of institutional capital through low-risk credit delivery models is still a far cry. In order to flush institutional credit into the social and commercial enterprises at the bottom-of-the-pyramid economy, all requires a willingness to adapt to a perennial growth segments ancillary to the large enterprises and identifying a very different type of customer, as well as taking an innovative, proactive approach to the challenges of risk assessment and efficiency in operationalising credit delivery goals (Prior and Santoma, 2011).

Large financial companies have leaped into the customer-centric market strategies and introduced variety of financial products ranging from investment products to credit cards and involved stakeholders in making them more substitutable in a business co-creation model. Such market development had driven higher competition to modern growth and competitive firms aimed at larger territorial expansion at lower mark-ups and prolonged break evens in the business. Financial firms are growing the larger operations with significant competitive driving force and allowing the market innovations to grow endogenously. In order to grow customer centric and improve the stakeholder value, financial companies have poured enormous amounts of money into customer relationship management, but in many cases the investment has not really paid off because of low customer literacy on the technology use (Gulati and Oldroyd, 2005). For financial and banking companies, it is a learning journey to acquaint with changing consumer preferences and analyse customer interactions to grow sustainable in the global marketplace.

Capitalising on consumers has become a priory for most multinational companies as well has turned as a growing challenge to build brands through dissemination of value driven communication and delivering continuous education to consumers. The brand campaigns by the financial and consumer products companies are designed to develop strategic value to generate positive consumer perceptions. The social media also plays a significant role in upholding the stakeholder values. The brand communication strategies that generate long-run effects among the consumers develop the brand literacy over the period and protect the brands against substitution with unfamiliar and new brands emerging in the market. Banking and financial companies should build their business growth around stakeholders.

In this issue of the journal, there are six papers that address the issues of stakeholder value, financial and banking services, profit persistence in emerging markets, and convergence of theory and practice in managing accountancy services. All papers discuss corporate and stakeholder value propositions and attempt to establish the role of customer-centric business decisions in a competitive marketplace. I hope the anthology of research papers in this issue will enrich the existing literature on the topic and stimulate future research.

References

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