Chapter 3

Customer Shareholding as a Radical Approach to a Sustainable and Profitable Relationship

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ABSTRACT

Customer ownership is a new practice that seeks integration and customer loyalty. In this chapter, the authors try to analyze this hybrid status to deepen ties between the customer and the company. To this end, they developed, initially, a comparative study between the customer and shareholder mutualism to identify the similarities and differences between the two models. Secondly, they tried to analyze the role of the client in creating value by using the stakeholder theory. Finally, they dealt with the possibilities and limitations of the client as shareholder loyalty means.

INTRODUCTION

In France, the banking sector is experiencing strong competition, accentuated by the entry into force since 6 February 2017 of the new Macron law providing for free banking mobility for customers. Indeed, it is now up to the new receiving bank to fulfill all administrative burdens. The client only has to sign a mobility mandate to his new bank and provide him with the bank account details in his origin bank. The new bank then take over all the transactions necessary to inform all its users...
of withdrawals and recurring transfers. A maximum of 12 working days is set to carry out all of these steps.

In addition, the proliferation of online banks does not address the interests of conventional banks. The competition is fierce among the following players: ING Direct is a subsidiary of the Dutch bank ING, and is a leading player with 920,000 customers.

Immediately thereafter, Boursorama, a subsidiary of Société Générale, was ranked second.

Also, we can find other competitors such as the online bank of “Crédit Mutuel Arkéa”, “Fortuneo” and “BforBank” which belongs to “Crédit Agricole”.

In the same race, we also find Hello Bank subsidiary of BNP Paribas, or the Monabanq online bank of the Crédit Mutuel group.

Customers prefer online banks to what they blame traditional banks, such as the low rates charged by online banks and even the free offer of certain services, such as the bank card offered free of charge by 4 banks among those already mentioned.

And because the bank employees are accused of being more of a salesperson than an advisor. Indeed, customers criticize the relationships and exchanges they have with their banks, which are motivated by benefits and lack of transparency.

Moreover, the experience of certain African countries shows that banking is not an imperative for trade and economic operations, indeed, African countries have a real alternative. In fact, the transfer of money between individuals and payments by simple SMS is practically unknown in Europe, but it is very widespread in developing countries and particularly in Africa, shows a map published by the Quartz information site.

According to the GSM Association data, 242 operators, in 89 countries, offer this kind of service. For example, it was used by 44% of Tanzanians in 2013, while only 13% of them have a bank account.

For all the aforementioned reasons, the banking sector suffers from a back of progress and the rise of alternative circuits. This state generates widespread discontent with current practices and raises awareness of the importance of good governance, respecting the human and the environment. Now, inevitably, good governance is the recognition and integration of the client, in order to humanize and moralize the process of creation and sharing of value.

The measure we propose for this purpose is hybridization in order to give the client more power and operationalization of the latter. Indeed, and in accordance with pluralistic partnership governance, the company must integrate all its stakeholders into the value creating process and break with the shareholder dictatorship that attaches importance to the shareholders of the company and financial results.

We therefore believe that a greater involvement of consumers in the company’s system taking the form of equity participation and thus committing them in the
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