Consumer Attitudes Toward Globalization in the Banking Industry: A Qualitative Study of the U.S. and Germany

Laura Moss

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Consumer Attitudes toward Globalization in the Banking Industry:
A Qualitative Study of the U.S. and Germany

Laura Moss

Undergraduate Honors Thesis
Dr. Yeqing Bao
April 30, 2007
## Honors Research Project Approval

Form 3 – Submit with completed thesis. All signatures must be obtained.

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Abstract

2007 saw significant activity in the realm of international banking. In North America, the United States' Compass Bankshares, Inc. agreed to sell its shares to Spain's Banco Bilbao Vizcaya, while in Europe the auction of Germany's Landesbank Berlin opened the door for a possible foreign presence in their public banking sector. A vital question for the industry emerged: "How will consumers feel about foreign-owned banks?" In the summer of 2007 I conducted live interviews in both the U.S. & Germany to probe for underlying factors that might influence consumer decisions about banking with a foreign entity. I observed that respondents discussed the subject in either general terms of global trade or general terms of banking services. I then created a schema based on these two categories of "cultural discourse" (Fischer 426). My findings suggest that we can expect individuals to choose their bank based on where their feelings reside in this matrix.
“Here is an enormous, an incalculable force...let loose suddenly upon mankind; exercising all sorts of influences, social, moral, and political; precipitating upon us novel problems which demand immediate solutions; banishing the old, before the new is half matured to replace it; bringing the nations into close contact before yet the antipathies of race have begun to be eradicated; giving us a history full of changing fortunes and rich in dramatic period.” — Charles Francis Adam (1868) as the first transcontinental railroad was nearing completion (Boorstin, 1973)

More than a century has passed since Charles Francis Adam predicted the impact of railroads on society. His “incalculable force” has since earned its own name, “globalization,” and its characteristics have not changed much. The “social, moral, and political influence” it exercises continues to occupy a central place in debates which “demand immediate solutions.” “Banishing the old before the new is half matured to replace it” has become an assumed way of life. Through the partnership of business and consumers we apply the full force of our creative genius to innovations that satisfy our needs and desires more quickly, cheaply, and comprehensively than at any point in our history.

But is all this innovation necessarily better? Does mankind benefit uniformly from the chaos and fury of Schumpeter’s so-called creative destruction? If the answer is yes, then why do we show the same discomfort as Adam with the economic implications that our bigger and better ways of doing things have on human life? “A new refrain is emerging in Davos this year: Globalization isn’t working for everyone” wrote Marcus Walker (2007) of The Wall Street Journal about the atmosphere of the 2007 World Economic Forum in Davos, Switzerland. According to a Wall Street Journal/NBC
News poll conducted the same year, only 35% of respondents with a four-year college degree believe “that the U.S. is benefiting from the global economy”—a statistic made startling by the fact that, as will be discussed later, some economists argue it’s the college-educated who are on the winning side of the globalization struggle (Wessel, 2007).

Among developed nations, global integration of the banking sector remains low. In 2007, however, the scene of international banking witnessed two significant events. In North America, the United States’ Compass Bankshares, Inc. agreed to sell its shares to Spain’s Banco Bilbao Vizcaya, while in Europe the auction of Germany’s Landesbank Berlin opened the door for a possible foreign presence in their public banking sector. A vital question for the industry emerged: “How will consumers feel about foreign-owned banks?”

Building upon the context of the banking industry, the qualitative research behind this thesis seeks to take a first-hand look at how people feel and what they think about globalization. In this paper I will 1) give an overview of the controversies surrounding globalization, 2) provide background specifics as they pertain to the banking industry, 3) explain the methodology used for this study, and 4) discuss the findings that emerge with suggestions for further inquiry.
Background

Globalization: Macroeconomics

Foreign trade has existed for centuries; what do we mean when we say, "globalization" instead of "foreign trade" or "international trade?" Mark Weisbrot (1999) of the Center for Economic Policy and Research believes that "the dominant view among people who write and speak about the issues is that globalization is an inevitable, technologically driven process that is increasing commercial and political relations between people of different countries. For them, it is not only a natural phenomenon, but primarily good for the world, although it is recognized that the process produces both 'winners and losers' "(1999). He then goes on to offer a "relatively value neutral" definition: "an increase in trade and capital flows across national boundaries" (1999).

The only concession Weisbrot (1999) makes to what he believes is the popular definition of globalization is to agree that international trade is increasing. All other questions he leaves open to debate, the key ones being:

1) Is globalization good for the world?

2) Is it natural?

3) Is it inevitable?

4) What drives it?

5) Who wins and who loses?
The first question probably occupies the greatest part of debate. Supporters of globalization argue that it elevates millions out of poverty by giving jobs to unskilled workers in developing countries and this in turn means consumer goods are more affordable to citizens of industrialized countries. This is supposedly the counter-argument to the complaint that American workers lose out when their jobs are moved overseas, that the reduction in price of goods that comes from cheaper labor off-sets the loss of jobs (Baker Weisbrot 1). In essence, it is a “globalization makes the world richer” argument.

As one critic argues, however, “the issue...isn’t whether trade makes the world as a whole richer. It does. The issue is the distribution of those gains” (Wessel, 2007). In a talk entitled, “Globalization: It Doesn’t Just Happen,” Dean Baker (2007) attacked proponents of globalization along similar lines in a conference presentation. Baker, the Co-Director of the Center for Economic and Policy Research in Washington, D.C., tackles all 5 of the key issues listed above in a way that shows them interrelated. Globalization, he says, is neither natural nor inevitable and it is driven by an elite class for the benefit of a few rather than the majority:

Globalization is not just something that happens like the changing of the seasons, it is a process that is consciously directed to advance certain ends. Thus far it has been a process that has been consciously directed by business and
highly educated professionals in order to benefit themselves at the expense of other groups within society (1).

Baker argues that the free trade policies which have worked to decrease wages of non-college educated workers have not been applied equally to upper-income professions. He points out that it is possible to find cheap doctors, lawyers, accountants, and economists in the developing world the same as it is possible to find cheap textile workers or farm labor; the difference is that barriers to employ the latter have been reduced but barriers to employ the former remain.

The distribution of wealth is not the only economic issue associated with globalization. The importance of national economic sovereignty in the process of economic development also stands out as a result of the role of the International Monetary Fund (IMF) in recent years. The IMF was created in 1945 with the stated goal of overseeing the international monetary system and encouraging member countries to eliminate “exchange restrictions that hinder trade” (“What is the IMF?”). Today their website offers the following mission statement:

“The IMF’s primary purpose is to ensure the stability of the international monetary system...This is essential for sustainable economic growth and rising living standards. To maintain stability and prevent crises in the international monetary system, the IMF reviews national, regional, and global economic and financial developments. It provides advice to its 184 member countries,
encouraging them to adopt policies that foster economic stability, reduce their vulnerability to economic and financial crises, and raise living standards” (What is the IMF?).

The IMF is governed by an executive board with only 24 members, meaning that in essence, 13% of the Fund’s nation members tell the other 87% what to do. If that alone is not skewed enough, consider that collectively the United States, Japan, Germany, France, and the United Kingdom control 38% of voting power, with the U.S. holding the single greatest percentage of votes at 16.79%, almost three times the votes of the second-place Japan.

In his “Globalization Primer” Weisbrot summarizes the financial crises of Asia, Brazil, and Russia and asserts that the IMF not only failed to prevent these disasters, but that its tardy intervention actually made things worse. He also brings our attention to the human cost of this global mismanagement by outsiders:

Tens of millions of people have been thrown into poverty, with many millions of Indonesians now earning less than the amount necessary to purchase a subsistence quantity of rice. In the countryside, millions are eating leaves and grass, tree bark, and insects in order to survive. Decades of social progress have been undermined or reversed, as girls are pulled out of school to help their families survive, with a rising number being sold to brothels... In spite of all this, the IMF’s managing director Michel Camdessus has called the Asian economic
crisis a ‘blessing in disguise,’ even repeating and defending this statement after it drew criticism.

Globalization: Microeconomics

The Alden/Steenkamp/Batra Study. In the International Journal of Research in Marketing, Alden, Steenkamp, and Batra (2006) published a study analyzing consumer preferences for global brands and various causal factors using a new scale called “global consumption orientation (GCO).”

Global consumption orientation represents a set of three existing theories about consumer responses to market globalization plus a new alternative proposed by Alden et al. The first response is a “homogenization/convergence” theory that suggests people around the world are substituting standardized “consumer images, symbols and preferences that flow primarily from the West for those from their traditional, local culture.” The second is a “separation/polarization” theory which describes consumers who “prefer local consumption imagery because they more easily identify with local lifestyles, values, attitudes and behaviors” and “reject influences perceived as global.” A third response is a “hybridization/glocalization” theory that argues some consumers “embrace elements of local culture and integrate them to a greater or lesser degree into local culture.” The fourth response, a “lack of interest/marginalization” theory, claims
some individuals are ambivalent toward globalization and "care primarily about product functionality rather than cultural themes."

What factors shape a person's attitudes toward global brands? Alden et al discuss several: exposure to global cultural flows (e.g. mass media foreign travel), materialism, susceptibility to normative influence (SNI) (the degree to which a person is influenced by others) and ethnocentrism (beliefs about the moral rightness or wrongness of buying imported goods). Factors correlated with more positive GCO include greater exposure to global culture flows, greater degrees of materialism, lesser degrees of SNI and lesser degrees of consumer ethnocentrism. Conversely, little exposure to global culture flows, low degrees of materialism, high degrees of SNI and high degrees of consumer ethnocentrism all correlate to negative GCO.

Threat to cultural diversity is one of the controversies surrounding globalization. "Is globalization making the world more homogenous?" asks Wall Street Journal contributor Michael Lyton (2007). The Alden et al study finds that globalization does not equal cultural homogenization and challenges the assumption that the growth of the global marketplace will eradicate local brands. They insist that "such homogenization is not inevitable" and, furthermore, argue that consumers will continue to display differing attitudes toward GCO in the future. Indeed, they argue that what happens more often is that consumers integrate global brand images into local culture, a finding that concurs with the hypothesis of anthropologies maintaining cultures do not import
changes wholesale but rather, redefine and adjust for a harmonious blend (Ferraro, 2006).

The Banking Industry: Low global integration

The U.S. and Germany. As mentioned previously, global integration in the banking industry remains low. Currently in the United States, 12% of bank assets are foreign-owned, with British, German, French, Dutch, and Canadian companies being the leading holders of assets (First Research, Inc., 2007). In Germany, data from 2005 shows the foreign share of bank assets to be a mere 6%, with 5% being from Europe and 1% elsewhere. Appendix C lists the top ten foreign banks ranked by deposits in the U.S.

In the case of Germany this points to a curious dichotomy. In the European Economic Community, where a common currency and close geographic proximity reduce the costs of consolidating across borders, foreign bank ownership by other European banks remains below 10%. In contrast, the foreign bank penetration in developing nations is typically very high. In countries of Eastern Europe such as Poland and Hungary more than 50% of assets are owned by foreign banks. The average foreign bank share in the developing nations of Latin America is over 40%, in Asia and Africa over 50%, and in some extreme cases such as Estonia, Czech Republic and Croatia, foreign bank shares are 90% or more (Berger, 2007).
**Causes.** Why the apparent lack of integration? Research suggests two reasons, the first being comparative economic disadvantage. A foreign bank in a developed nation has to compete with domestic banks that have comparable management, capital, ability to use hard information, diversification and already have established ties with non-financial firms. The result is relative inefficiency to the competition (Berger, 2007). The second reason is high implicit government entry barriers. These may result from (1) legal regulations, etc.; (2) actions of government officials to delay/deny foreign entry and encourage private, domestic institutions to combine into "national" or "international champions;" and (3) subsidized state bank ownership that "crowds out" competition from both domestic and foreign private-sector institutions (Berger, 2007). Germany in particular is one of the few developed nations in which state-own banks are an issue (Berger). Their nationwide *Landesbanken* system competes with private commercial banks for both deposits and small business loans (Berger, 2007).

**Case Studies**

Given my interest in consumers' attitudes towards the presence of FDI in banking, using case studies of foreign bank takeovers to explore the impact this takeover has upon consumer choices of banking services is an appropriate context for the study. In Germany, the sale of shares in Landesbank Berlin created for the first time the possibility of foreign investment in the public pillar of their unique banking system. In the U.S., Compass Bancshares, Inc. entered negotiations for sale of its shares to
Spain’s Banco Bilbao Argentinaria (BBVA). Together these case studies allow a comparative analysis of attitudes from population samples of two different industrialized nations.

Case Study #1: Purchase of Compass Bancshares, Inc. by Banco Bilbao Vizcaya. On February 16, 2007 Compass Bancshares, Inc. announced the signing of an agreement that would make it a wholly-owned foreign subsidiary of Spain’s Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The $9.6 billion deal comprised of both cash and stock closed in the second half of 2007 (News Release).

BBVA operates in 35 countries and the purchase of Compass is only the latest in a series. Their professed business strategy is “to create a global bank with presence in high growth markets.” BBVA USA currently boasts a total of $25 Billion in deposits and jump in rank from number 12 to the 9th largest foreign holding company (First Research, Inc., 2007).

The acquisition consists of 417 branches in 6 states (close to 50% in Texas) and through it BBVA doubles its presence in states with significant Spanish-speaking populations. Chairman and Chief Executive Francisco Gonzalez is reportedly tapping into the worker remittances market with Mexico as well as cross-border trade and corporate financing business in the region (Mulligan).
When the proposed acquisition was first announced Compass posted a list of Frequently-Asked Questions for Customers on their website that reveal some of their anticipated issues of concern:

I've heard that you'll be focusing on the Hispanic market in the Southwest. How will that affect me?

Our franchise has and continues to be focused on serving the needs of all our clients across our footprint, regardless of the background. That commitment will continue.

Will my deposits still be FDIC insured?

Your deposits will continue to be insured under the guidelines set by the Federal Deposit Insurance Corporation.

Should I be concerned about banking with a foreign entity?

No. Going forward, Compass will simply operate as a wholly-owned U.S. subsidiary of BBVA, and will continue to be governed by U.S. banking regulations as well as U.S. laws regarding the privacy and protection of your information. In terms of daily operations, decisions will continue to be made locally and you will continue to be served by the same people you know and trust today.
The implied fears of customers expected by Compass were, then, 1) discrimination upon the basis of race, ethnic group, or nationality, 2) security of deposits, 3) loss of local decision-making control, and 4) a change in local personnel.

Case Study#2: Landesbank Berlin Goes Up for Auction. In February 2007, the city of Berlin announced the official kick-off of the auction of its 81% stake in Landesbank Berlin (LBB). The sale came as an act of compliance with conditions set by the European Commission for the bailout of LBB in 2001. The initial bidders included foreign private equity firms Lone Star and JC Flowers. Domestic bidders included Commerzbank (Germany’s second-biggest private bank), Landesbank Baden-Würtemberg (LBBW) and Bayern Landesbank (Bayern LB), (both public banks), and Deutscher Sparkassen-und Gioverband (DSGV), (the German savings bank association) (Simensen, 2007). DSGV eventually won the bid.

While this transaction held many of the same issues as the BBVA-Compass acquisition, the relationship of Landesbank Berlin to the public savings bank network in Germany generated unique controversy. The savings banks are owned by the communities where they do business and are protected from bankruptcy (Kuhnert, 2007). They represent equal opportunity to every citizen for financial services regardless of risk. “Our preference is not to make a profit,” explained one savings bank employee during his interview (German respondent no. 12, 2007). “Our profession is to help the community, the village...to help small football clubs....If a private bank came into our
system, they would only look for profit...the other things would not have priority.” A foreign owner of Berlin’s savings bank would have meant, in essence, the power to influence an entire community (Kuhnert, 2007).

In the debate over the auction, free market advocates called the traditional structure of German banking “fragmented, inefficient, [and] cosseted from competition,” arguing that ending the “hidebound status quo” would increase the market value for German taxpayers by 17 percent of GDP, roughly a quarter of the national debt (Theil, 2007). In contrast, the governor of Germany’s North Rhine-Westphalia region allegedly told the audience at the German Council of Foreign Affairs that selling the savings banks would be a sellout of the “European model” and “lead the country down the slippery slope of ‘Anglo-Saxon’ capitalism” (Theil, 2007). The chief of Berlin’s finance ministry Thilo Sarrazin showed a more pragmatic attitude reflective of the city’s enormous debt. “I took on a budget that had to be cleaned up,” he is quoted as saying in the Financial Times. “My job is to do the best for Berlin, not to philosophize about the role of public sector banking in Germany” (Jenkins, 2007).

Methodology

From June 2007 to August 2007 I conducted one-on-one semi-structured interviews with a total of 38 men and women, ranging in age from the 18-35 years-old category to the 65+ category, in the Alabama cities of Huntsville and Birmingham in the
United States, and in Düsseldorf, Germany (19 in each country). I used a purposive sample with participants that represented two definitive sectors of society relative to the research problem: 3 from the banking industry (either business executives or employees), and 16 from the standard consumer base of diverse occupational background and mixed gender. In the United States I contacted university, personal, and family acquaintances then expanded my sample through snowballing. In Germany, interviews were arranged with the assistance of Dr. Matthias Jung on behalf of the International Institute for Communication. Given I was staying with a family, I also made use of snowball sampling via my hostess. Respondents were not paid for participating. I chose the interview locations based on convenience to respondents. Interviews typically lasted from 5 to 20 minutes, depending on the respondent’s interest in the subject. I used primarily open-ended questions designed to stimulate reflection and contemplation by the respondents, with only limited interjections on my part to seek clarity and deepen understanding of their thoughts.

A privacy statement assuring confidentiality to the participant was read aloud, followed by a request to record the conversation using a digital device. Individual names were not recorded, but each interview was tracked with a unique identifying number. Interviewees in Germany were given a bilingual English/German printed copy of the questions for reference. Questions were asked in English. Preference was shown for responses in English but participants were encouraged to respond using German if
that was more comfortable. Interviews with portions in German were both transcribed and translated by Christina Wegman, a referral from the Foreign Languages Department at UAH. Appendix A: Germany and Appendix B: United States list the questions used for each sample.

I used the following process outlined by Strauss and Corbin for qualitative analysis:

1. **Open coding** Identification of themes emerging from raw data and naming conceptual categories in which the observations will be grouped

2. **Axial coding** Re-examination of the categories identified to determine how they are linked

3. **Documentation** Translation of the conceptual model into a story line that will be read by others

**Findings**

Within the context of consumer decisions about banking services I identify two types of "cultural discourse" (Fischer 426): the discourse of banking services and the discourse of globalization.

*The Discourse of Banking Services*

The discourse of banking services describes the set of perceptions and attitudes of the consumer toward their transactions with their bank. This discourse breaks down into two dimensions, one relating to the consumer's view of his/her relationship with
the bank and the other relating to the consumer's perceived level of risk associated with financial services.

**Personal vs. Commodity.** This dimension has two extremes which deal with how the consumer perceives his/her relationship with his/her bank: 1) the personal view, and 2) the commodity view. It represents the intangible human element which is a distinguishing factor of goods from services.

If service is “work done by somebody for somebody else” (Encarta), the personal view of banking services represents consumers who want personal interaction with people at the branch where they do business. They want to see familiar faces behind the teller window and engage conversationally while they make a deposit or withdrawal. Pseudo-friendships with bank employees are an aspect of the services along with any financial consequences of transactions made. One German respondent even went so far as to compare this relationship to the one with her physician:

“A bank is like a doctor...You know the people, [you] see people and say, ‘Hey, how are you?’” –German respondent no. 4, language teacher

Interestingly, this respondent acknowledges a certain shallowness in this relationship, yet stresses its value all the same:

“It’s only psychological, because these women and I, we are not friends. But you can see the same person and you know she knows your problems...and like with a doctor, you talk about your life.” –German respondent no. 4, language teacher
In the context of foreign takeovers, with this personal view comes a reluctance to change banks because of the desire to maintain these friendships:

"[If] you change you have to talk again, you have to work from the beginning and maybe you don’t like this [new] person, so then it’s not so nice. *Ich bin kein freunde wechsel, I’m not a friend of change.*" – German respondent no. 4, language teacher

“I think this would be difficult for customers because they have another face that stands in front of them. I think it would be...especially for the older customers, a difficult thing.” – German respondent no. 12, Stadtsparkasse Düsseldorf employee

Conversely, the commodity view of services does not include any personal interaction with the individuals performing them. At one level, this shows up as ambivalence on the part of the consumer:

“It’s just a service.” – US respondent no. 5, motorcycle service department manager

“My money goes in the bank and I use it, and that’s that.” – US respondent no. 13, nurse:

In addition, consumers influenced by the commodity view focus on the value added to certain commercial transactions, such as providing a safe storage place for money (checking account) and providing investment opportunities (savings account).

In their opinion, there is no personal component to this value chain; price and convenience are the dominating considerations:

“What would influence your decision to try the services of a foreign-acquired bank?"

“How much they pay for a savings account.” – U.S. respondent no. 12, retail store manager
“I generally tend to use the services that best meet my needs...regardless of whether it’s foreign-owned or foreign-acquired...I would just shop around to see what organization has the services I need at the lowest cost.” —US respondent no. 16, foreign language professor

In Germany, one respondent who is a customer of the public Landesbanken system spoke directly to the issue of convenience when he was asked about his overall opinion of their services:

“It’s quite good, but there is one thing that is really bad I think...I can only make deposits in Düsseldorf but not in Acrat [that] is only 1 mile away.” —German respondent no. 2, student

This same convenience was alluded to by another German respondent who, when asked what positive things she might imagine about a foreign takeover of a German bank, replied:

“They could offer services in other countries, say in England or America.” —German respondent no. 1, foreign language student

Implications. I examine two issues of relevance that are equally important to the banking community when a foreign competitor enters their market. The first issue is the retention of existing customers by the new owner in a takeover situation. The second is the attraction of new customers by the foreign owner.

The personal view of the banking services discourse encourages the consumer to maintain valued personal ties. In the event of a foreign takeover, if there are no immediate personnel changes and barring a strong aversion to the nationality of the
new owner, a customer may be encouraged to wait and give the foreign owner a chance to prove themselves. At the same time, this consumer is less likely to respond favorably to marketing campaigns by any competitors (whether domestic or foreign) because it would result in the loss of those relationships.

In contract, consumers influenced by the commodity view are likely to remain with the new owner as long as there is no loss of convenience (say, in lobby or drive-through hours) and no perceived decline in the monetary value of the services a bank provides (such as an increase in checking account fees or a decrease in the interest rate on savings). They are potential targets for marketing campaigns by competitors since the things they value are things in which virtually any bank can compete.

*The Discourse of Trust & Risk.* The trust & risk discourse describes the perception that depositing one's money with a bank carries risk. With this perceived risk comes the fear of losing one's deposits and the belief that the choice of a bank is dependent upon trust.

"The relationship to a bank is also to a large extent a trust relationship. And if the built-up trust with my present bank is to be carried over to the new ownership, then the new ownership must prove its trustworthiness." –German respondent no. 13, retired judge

A consumer may be reluctant to bank with a foreign entity, even at economic expense, when the nationality of that bank arouses suspicions or distrust. In the case of the following German respondent, who is notably an employee of the Stadtsparkasse Düsseldorf, this fear is not limited to any specific national group. Furthermore, his
distrust and calculation of risk is such that he is willing to earn a lower return on his investments.

"Do I have trust in the bank? Or is it better to get less money for my money as a citizen? It's better to get less, but I get it...If all banks are in the hands of other countries... I think security will become worse." –German respondent no. 12, Stadtsparkasse Düsseldorf employee

Are consumer deposits at risk with a foreign owner? In the United States, there are three ways a foreign bank can engage in banking activity: 1) by operating an agency office, 2) a subsidiary, or 3) a branch office. An agency office can lend and transfer funds, but it cannot accept deposits. Subsidiaries and branch offices are full-service banks which means they are subject to the same regulations as U.S. banks (such as requirements for FDIC insurance) (Mishkin 256). Nevertheless, some U.S. respondents showed misunderstanding of the facts. For example, while discussing the Compass Bank case study in response to the question of what positive things might result from the takeover by Spain’s BBV, one U.S. respondent remarked that she thought as a result of the buyout, Compass would “be regulated by the banking system in Spain” (U.S. no. 18). Other respondents show the same confusion, albeit in a less direct fashion:

“It bothers me that now we’re going to have foreign countries owning the money that Americans have in their bank accounts, and that dependency on foreign countries concerns me...Now foreign countries own our money, control our banking—doesn’t seem like a good idea.” –U.S. respondent no. 4, accounting manager
“[My concern would be] the unknown factor—what’s going to happen to my money...that the assets are not collected here, they’re overseas. I guess there’s just less control.” —U.S. respondent no. 9, bank executive

Others, based on their understanding of regulations, show no anxiety at all.

“I see no reason not to [try the services of a foreign-acquired bank]. They’re going to be operating under the U.S. banking system. They have constraints over what they can do, just as U.S.-owned banks do.” —U.S. respondent no. 1, accounting professor

“They have to conform to the same banking laws that everybody else has to, so there’s no competitive advantage there. I don’t have any concerns at all.” —U.S. respondent no. 11, bank president

Trust issues are not limited to the financial. Abuse of personal information is also a concern, as one U.S. respondent highlighted:

“I’m not sure I want them to have my information.” —U.S. respondent no. 6, not-for-profit executive

**Implications.** Nationality is a factor which influences trust; therefore, the decisions of consumers influenced by this discourse dimension may depend on the nationality of the bank. To use the U.S. Case Study as an example, Alabama consumers that are positively disposed toward Spain might find it fairly easy to trust Compass Bank under its new ownership and continue to do business there or be willing to initiate new business. If, however, the consumer base failed to view Spain’s image with trust, and the nationality of the new owner was widely known, then Compass could encounter
difficulty attracting new customers and retaining the old. (This is discussed further in the section on the Globalization discourse.)

"If it were British I would think that was fine. If it were French, maybe I would go with that. But wouldn't want Iraq, Iran, Afghanistan...Russia. I would want it to be our allies. Yes, that would influence my decision." — U.S. respondent no. 7, administrative assistant

"I only trust German banks. The foreign one would be too foreign to me for now. I would first have to know more...before I would have anything to do with it.” — German respondent no. 7, student

Appendix D provides a summarized list of responses relating to the banking services discourse.

Banking & the Discourse of Globalization

The discourse of globalization describes the set of feelings and attitudes consumers have toward international business in the aspects of both foreign trade and foreign direct investment. Two dimensions are apparent.

*Embracement vs. Protectionism.* This dimension has two extremes which frame a consumer’s overall attitude toward foreign trade: 1) the embracement view, and 2) the protectionist view.

Embracement describes that group of consumers which demonstrate a positive outlook toward a foreign presence in their markets. Their motivations vary. Some, who
have a more capitalistic approach, are in favor of open markets because of perceived positive economic benefits:

“I think it would add an additional competitor in the marketplace and an introduction to the way they do business in the marketplace that we don’t already see. We can all learn from that… I’m excited about them coming into the market.” — U.S. respondent no. 10, bank executive

“It would seem to me that foreign banks in the U.S. system would lead to foreign investment in the U.S. economy, which could be helpful in making our economy more prosperous.” — U.S. respondent no. 16, professor

One respondent in Germany equates a business to a society and underscores the value of the learning that takes place as a result of cross-cultural interaction:

“I see an enterprise as a society—those people work together and there’s a certain kind of culture and a culture also needs influences from outside, especially from abroad, with another point of view… Positive influence from outside means that a culture can develop, can create something new.” — German respondent no. 6, senior bank executive

Another German consumer proposes that there is an advantage in doing business with foreign investors because they have something to prove and will therefore try harder than their domestic counterparts:

“I think a foreign owner would do it maybe better because he [would] want to satisfy the customers more, because he has to represent something.” — German respondent no. 2, student
Others reveal a “shrinking globe” worldview, with a down-play of any connection between economics and national identity.

“I don’t think there are any more any real German companies, and a bank is a company. Maybe the company culture is still German, so you could still say it’s a German company. But even this I’m not quite sure.” —German respondent no. 9, film & TV Producer

“It’s a world economy. Borders and continents and countries have no meaning in financial institutions.” —US respondent no. 5, motorcycle service department manager

“It’s all in the process of globalization and we’re all coming together.” —German respondent no. 2, student

Not all individuals, however, share this view of global citizenship. In spite of all the advances in telecommunications, some continue to define themselves within limited parameters such as local civic community, nation-state or race. When such individuals hold the belief that economics is a zero-sum game, the result is the perception of an “us vs. them” scenario in which the consumer shows a desire to protect his/her own group:

“I’m not sure...that I would want to be helping that country make a profit vs. an American company making a profit...I find myself in situations...where I’ll say to myself, ‘I’d really rather keep that money here.’” —US respondent no. 6, not-for-profit executive

“I still am a strong supporter of... businesses...that are owned locally. I would continue to prefer a locally-owned company whether it’s a bank or any other company, over a foreign-owned company.” —US respondent no. 15
"If it’s foreign... it’s good for that country, but not ours... I’m an American. White-blooded. I like my white-blood to be here in America... I don’t want to be banking with no foreign at all. Period." —US respondent no. 3, business student

Some individuals demonstrate a decided bias in favor of their own national group. Notice that in the interviews with the following two respondents, one American and one German, the American expresses this bias in direct connection with doing business but the German expresses it in broader terms of all bank ownership in his native country:

"I would prefer to have an American bank." —U.S. respondent no. 7, administrative assistant

"I think German financial institutions should stay in German hands." —German respondent no. 16, business student

Economic interests are not the only ones that some consumers want to protect; intertwined is the perceived need to safeguard local culture and language against outside invasion.

"I think the United States needs to stay the United States." —U.S. respondent no. 14, accounting clerk

"My concern is that the United States is not the United States anymore, it’s owned by other countries... it seems we’ve lost so much, we’ve sold out so much that we’re losing our country. Instead of people coming here and being like the melting pot and coming together, it seems that other countries are coming here and changing and retaining all of their—we’re not melting, in other words. It seems that we’re becoming more Spanish-speaking, we’re becoming more all those different things..."
which—I think we should be speaking English.” — U.S. respondent no. 7, administrative assistant

There are several assumptions made by the preceding U.S. respondent that are worth noting. The first is that she defines the identity of a nation by the nationality of the entity that claims legal ownership of its assets. The second is the belief that outsiders who come here have the power to enact non-consensual change on local culture (she shows a sense of loss and betrayal associated with both). The third assumption is that members of a nation should all speak a single common language.

Appendix E gives a summarized list of responses relating to the globalization discourse.

National Origin Bias. To encourage respondents to speak openly about any specific prejudices they might have I included one yes/no question in the interview at the very end. After asking respondents, “If a foreign bank purchased your own bank, how would you feel about it?” I then wrapped up the interview with the question, “Would the nationality of the purchasing bank make any difference?”

The range of answers consisted of three categories: 1) protectionist consumers who said the nationality did not matter because they would not want to do business with a foreign-owned bank under any circumstances, 2) embracement consumers who said it would not matter because they would willing and open to doing business with a foreign-owned bank, and 3) protectionist consumers who said it would depend and
then listed examples of “acceptable” and “unacceptable” nationalities. Table Xx shows categorizes the specific countries named in expressions of bias on the basis of national origin.

One characteristic of an “acceptable” nationality harkens back to the issue of trust as discussed in relation to the trust and risk dimension. Some nations have a perceived ally-status, as exemplified by the following U.S. respondent:

“If it were British, I would think that is fine. If it were French, maybe I would go with that. But I wouldn’t want Iraq, Iran, Afghanistan...Russian. I would want it to be our allies. Yes, that would influence my decision.”—U.S. respondent no. 7, administrative assistant

Listening to the next respondent, however, we hear traces of the personal vs. commodity banking services discourse dimension. When explaining her bias, she cites cultural reasons that sound more like “friend-status” than “ally-status:”

“You know up the street--the Royal Canadian Bank--I would have no problem because I guess they’re our neighbors, we’re a lot alike in many ways...If it was...an Eastern block country or a middle-eastern company, I’d have to say I definitely would not bank there, because I just don’t want to support them. So it’s very subjective.”—U.S. respondent no. 6, not-for-profit executive

Perhaps most interesting is this German respondent, an executive in Germany’s public banking sector, who seemed surprised when asked about nationality:
"When I answered the questions, I always thought about American, English banks, one of the big ones and not the Far East or anything like that."—German respondent no. 10, bank executive

It never even entered his mind, when discussing foreign takeovers in the banking industry, that I was including the possibility of a competitor from any country across the globe. His default assumption ruled out nations he considered "unacceptable."

Equity vs. Disparity. This dimension reflects a consciousness of fairness and a desire for a balanced, two-way flow of international trade. The presence of foreign companies is acceptable so long as a certain measure of reciprocality is perceived. Equity is a halfway point between embracement and protectionism in which a consumer has a conditionally positive disposition toward globalization tempered by an insistence on equity:

"If this is going on everywhere... I have no problem with it.... [There are] many reports in the media about China... they always say that China is coming and (makes throat-cutting gesture and sound)...I can only see it's from China, it's from China, it's from China, what's from us? What's going on there? I learned that life is giving and taking, so if it’s like this, it’s ok. ”—German respondent no. 5, language teacher

"As long as country-wise business is done on an equal basis, I would find [a foreign takeover] completely normal. I know... the United States is in favor of opening markets in Africa... and still keeping its own banking areas shut to foreign investors. That’s something I wouldn’t feel is correct.” –German respondent no. 14, retired English professor
“Trade fair!” –German respondent no. 2, student

Where bank employees are concerned there are equity issues of a slightly different nature. Some respondents showed concern for their job security in the face of a foreign takeover:

“As an employee I would be concerned. How is this going to change my job? Or am I even going to have one?” –U.S. respondent no. 11, bank employee

Others showed concern not so much for their position itself as much as the possibilities for advancement:

“I think it certainly puts a limitation, or at least a perceived limitation, on your ability to climb the corporate ladder, knowing that chances are that the home office—the country that owns the company—that they are going to want their folks on top.”

U.S. respondent no. 9, bank senior vice-president

In no instance in which people discussed this issue did anyone express feelings against hiring new employees from the country of the new owner or promoting co-workers of other nationalities per se. The emphasis by the speakers was always upon the impact of the acquisition to the existing employees and fairness to them.

Implications

The implications of the globalization discourse dimensions are the same for the goal of retaining existing customers as for attracting new ones. Consumers with an attitude of embracement will default to being influenced by the banking services discourse exclusively since the nationality of a bank’s owner holds no importance for
them. For individuals with a protectionist viewpoint, however, the mere fact of foreign ownership may be a determining factor in their choice of bank. Their decision will depend on whether they are at all open to banking with a foreign entity, and if so, whether the owner’s nationality has an ally- or friend-status.

Discussion

Conclusions

The foregoing analysis illustrates the influence that two discourses, each with multiple dimensions, may exert upon consumers when they make decisions about banking services. It is important to acknowledge that, as respondents demonstrate in their own words, more than one discourse may shape a person’s attitudes or behavior. Multiple factors often share leverage, as expressed by the following two respondents from Germany. Respondent no. 4, who is quoted previously as stressing the importance of personal ties with the women at her bank branch, shows that she also values sheer convenience:

“My bank, it’s near my house, and if I have to change, then I have to go a longer way.... The problem is not that it’s a foreign bank, the problem is if I have to open a new account.” –German respondent no. 4, language teacher

Respondent no. 13, who stressed the necessity of a foreign buyer to earn the trust he gives his bank, concedes that trust is not everything:
"The deciding point is that the relationship to a bank is of economic advantages over and above a trust relationship." –German respondent no. 13, retired judge

The U.S. vs. Germany: Comparative Analysis

As a qualitative study, conclusions cannot be drawn based on numerical analysis of these findings. It is, however, worth noting certain patterns where evident, particularly where they suggest cultural differences between the two countries sampled.

Discourse Dimensions. Issues given importance by only U.S. respondents included banking services as a commodity, cultural protectionism, and economic protectionism. Issues given importance by only German respondents included banking services as personal relationships, the importance of the financial security of the purchasing bank, equity, and availability of services across national borders. Issues given importance by both U.S. and German respondents were ethnocentric protectionism, global citizenship/transcendence of borders, and the security of deposits.

One interesting trend is the way in which expression of protectionist feelings breaks down into several sub-types, two of which were clearly shown only by U.S. respondents: a desire to defend or protect language or tradition (cultural protectionism), and an emphasis on the local economic well-being instead of global well-being (economic protectionism).

Appendix F summarizes the comparison of responses from each country.
Specific Nationality Biases. The biases toward specific nationalities shown by respondents were very similar in both the U.S. and Germany; American, English, Canadian, Australian, and French banks were given as examples of "acceptable" bank owners. Countries from the Middle East, along with Russia, were mentioned as being "unacceptable." Two respondents, both women from the U.S., mentioned a country's record on human rights issues as being influential in their openness to banking with a foreign entity.

As for Spain, the nationality of BBVA that recently completed its acquisition of U.S.-located Compass Bancshares, virtually no one made any comment one way or another as to whether Spain was a friend or foe. A single respondent made the comment, "I don't even know what nationality Spain is" (U.S. respondent 13).

Appendix G summarizes bias on the basis of national origin.

Literature Review

On the macroeconomic level what stands out in these findings is the lack of awareness among U.S. respondents. Only two respondents, one a senior bank executive and one an accounting professor, specifically demonstrated knowledge of banking regulations and cited them in relation to their opinions. Furthermore, consumers who on the one hand seemed more disposed to feelings of ethnocentrism, at the same time did not mention any responsibility of their own government and business sector for
changes in economic policy that lead to market globalization as proposed by both Baker (2007) and Weisbrod (1999). The verbal finger was never pointed close to home, but always at the "other" who is somehow to blame for seizing opportunities not within their power to initially create.

Finally, the consumer attitudes categorized in this study closely correspond to the theory of global consumption orientation presented by Alden et al (2006). The embrace and protectionist feelings of the globalization discourse seem to fit the response sets they call "assimilation/homogenization/convergence" and "separation/polarization" (Alden et al, 2006). Also, the perception of banking services as a commodity with an emphasis on price and value that makes ownership nationality irrelevant resonates with the "lack of interest/marginalization" (Alden et al, 2006) response describing consumers who place functionality first and have little interest in "cultural themes" (Alden et al, 2006).

Limitations and Future Research

The limitations of this study offer various possibilities for further research. One would be the inclusion of more than two countries for comparative analysis; particular emphasis on representing diverse areas of the Hofstede dimensions of culture would provide a framework for exploring the causes of differences found (Hofstede, 1980). Another development of these findings could be achieved through a quantitative study...
which would validate the patterns observed as well as estimate the proportion of consumers possessing these attitudes.

Acknowledgements

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References


Preliminary Proration Results of Transaction Consideration to Be Received by Compass Stockholders in BBVA's Acquisition of Compass. (2007, September 6). *Investor Relations*.

Madrid, Spain & Birmingham, AL.


Appendix A

Interview Questions: Germany

1. Are you now, or have you ever been, a customer of one of the Landesbanken? If so, how would you rate your customer satisfaction? What factors attribute to your rating?

*Sind jetzt Kunde / Kundin bei einer Landesbank, oder sind Sie es je gewesen? Wenn ja, wie zufrieden sind Sie damit? Welche konkreten Faktoren bestimmen diese Zufriedenheit / Unzufriedenheit mit Ihrer Landesbank?*

2. What is your overall opinion of the Landesbanken system?

*Was halten Sie im allgemeinen von dem Landesbanksystem?*

3. Are you aware that the city of Berlin is auctioning off its 80% share in Landesbank Berlin? If so, where or how did you get the news?

*Wissen Sie, dass die Stadt Berlin 80% ihres Anteils an der Landesbank Berlin versteigert? Wenn ja, wie haben Sie dies erfahren?*

4. The reports in the media say that foreign banks and financial investors want to enter the German market and that they have shown interest in the bidding for Landesbank Berlin. Let’s assume that a foreign buyer did win the auction—how would you feel?

*In den Medien bekommt man den Eindruck, als interessierten sich ausländische Banken und Individuen dafür, die Landesbank Berlin zu kaufen. Nehmen wir an, ein ausländisches Institut würde die Landesbank Berlin übernehmen – wie würden Sie das finden?*

5. What positive results do you think could there be? (For yourself as a consumer, for Germany’s economy, for the current employees of Landesbank Berlin)

*Was für positive Ergebnisse könnte so eine ausländische Übernahme des Landesbank mit sich bringen? Für Sie als Verbraucher im allgemeinen? Für Deutschlands Wirtschaft, für die Angestellten die Angestellten der Landesbank Berlin?*
6. What concerns might you have about the foreign purchase of a German bank in general? (For yourself as a consumer, for Germany’s economy, for the current employees of this bank)

Welche Bedenken hätten Sie bei der ausländischen Übernahme einer deutschen Bank ganz allgemein? Für Sie als Verbraucher im allgemeinen? Für die Angestellten der betreffenden Bank?

7. Would you be willing to try the services of a foreign-acquired bank after the transition? Why or why not? (To remain a customer if you already are one, or to open a new account with them if not)

Wären Sie gewillt, die Dienstleistungen einer Bank oder Sparkasse nach einer ausländischen Übernahme in Anspruch zu nehmen (das heißt Kundin/Kunde bleiben, wenn Sie es schon sind, oder aber neu dort ein Konto zu eröffnen)? Warum bzw. warum nicht?

8. If a foreign bank purchased your own bank, how would you feel about it?

Wenn eine ausländische Bank Ihre Hausbank / Sparkasse kaufen würde, wie würden Sie das finden?

9. Would the nationality of the purchasing bank make any difference?


Appendix B

Interview Questions: United States

1. Are you now, or have you ever been, a customer of Compass Bank? If so, how would you rate your customer satisfaction? What factors attribute to your rating?

2. What is your overall opinion of our country's banking system?

3. Are you aware that Compass Bank signed an agreement to sell its shares to Banco Bilbao Vizcaya Argentenaria of Spain? If so, where or how did you get the news?

4. If the deal goes through it will give Banco Bilbao Vizcaya 5th place standing in the ranking of foreign banks in the U.S. Any thoughts on that?

5. What positive results do you think could there be? (For yourself as a consumer, for the U.S. economy, for the current employees of Compass Bank)

6. What concerns might you have about the foreign purchase of a U.S. bank in general? (For yourself as a consumer, for the U.S. economy, for the current employees of the bank purchased)

7. Would you be willing to try the services of a foreign-acquired bank after the transition? Why or why not? (To remain a customer if you already are one, or to open a new account with them if not)

8. If a foreign bank purchased your current bank, how would you feel?

9. Would the nationality of the purchasing bank make any difference?
# Appendix C

## Foreign Companies Ranked by U.S. Deposits


Published July 6, 2007

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Name</th>
<th>Deposits June 30 '07</th>
<th>Deposits Year Earlier</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HSBC Holdings London</td>
<td>$148,877,697</td>
<td>$138,037,363</td>
<td>7.9%</td>
</tr>
<tr>
<td>2</td>
<td>Royal Bank of Scotland</td>
<td>100,732,482</td>
<td>105,716,096</td>
<td>-4.7%</td>
</tr>
<tr>
<td>3</td>
<td>ABN AMRO Amsterdam</td>
<td>63,974,455</td>
<td>63,520,410</td>
<td>0.7%</td>
</tr>
<tr>
<td>4</td>
<td>ING Group Amsterdam</td>
<td>54,161,553</td>
<td>46,440,495</td>
<td>16.6%</td>
</tr>
<tr>
<td>5</td>
<td>BNP Paribas Group Paris</td>
<td>44,397,487</td>
<td>43,603,465</td>
<td>2.1%</td>
</tr>
<tr>
<td>6</td>
<td>Mitsubishi UFJ Tokyo</td>
<td>42,090,140</td>
<td>43,074,942</td>
<td>-2.3%</td>
</tr>
<tr>
<td>7</td>
<td>BMO Financial Group Toronto</td>
<td>31,604,064</td>
<td>27,299,015</td>
<td>15.8%</td>
</tr>
<tr>
<td>8</td>
<td>Toronto-Dominion Bank</td>
<td>28,179,247</td>
<td>26,675,979</td>
<td>5.6%</td>
</tr>
<tr>
<td>9</td>
<td>Banco Bilbao Vizcaya</td>
<td>25,112,886</td>
<td>14,583,663</td>
<td>56.7%</td>
</tr>
<tr>
<td>10</td>
<td>UBS AG Zurich</td>
<td>20,222,245</td>
<td>16,029,564</td>
<td>26.2%</td>
</tr>
</tbody>
</table>
### ELEMENTS OF THE BANKING SERVICES DISCOURSE IN THE U.S. & GERMANY

<table>
<thead>
<tr>
<th>Discourse dimension</th>
<th>Definition of dimension</th>
<th>Respondent verbatim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal vs. Commodity</td>
<td>Consumer decision is influenced by his/her view of the natural relationship with a bank</td>
<td>“A bank is like a doctor...You know the people...I love it, I see people and say, ‘Hey, hello, how are you?’” German respondent no. 4, language teacher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“it’s just a service.” U.S. respondent no. 5, motorcycle service department manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“I generally tend to use the services that best meet my needs...regardless of whether it’s foreign-owned or foreign-acquired...I would just shop around to see what organization has the services I need at the lowest cost.” U.S. respondent no. 16, foreign language professor</td>
</tr>
<tr>
<td>Trust &amp; Risk</td>
<td>Perception is that depositing one's money with a bank carries risk. Doing business with a bank involves trust.</td>
<td>“It bothers me that now we’re going to have foreign countries owning the money that Americans have in their bank accounts, and that dependency on foreign countries concerns me...Now foreign countries own our money, control our banking—doesn’t seem like a good idea.” U.S. respondent no. 4, accounting manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“If I have money and I give it [to] the bank, I must be sure that [it] will come back, and they tell me the truth about what they [have done] with [it]. What is the security [of] my money?” German respondent no. 12, Stadtparkasse Düsseldorf employee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“They have to conform to the same banking laws that everybody else has to, so there's no competitive advantage there. I don't have any concerns at all.” U.S. respondent no. 11, bank president</td>
</tr>
</tbody>
</table>
### ELEMENTS OF THE GLOBALIZATION DISCOURSE IN THE U.S. & GERMANY

<table>
<thead>
<tr>
<th>Discourse dimension</th>
<th>Definition of dimension</th>
<th>Respondent verbatim</th>
</tr>
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<tr>
<td>Equity vs. Disparity</td>
<td>Foreign trade should be balanced</td>
<td>&quot;Trade fair!&quot; German respondent no. 2, student</td>
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<tr>
<td></td>
<td></td>
<td>&quot;If this is going on everywhere... I have no problem with it.... [There are] many reports in the media about China... they always say that China is coming and (makes throat-cutting gesture and sound)...I can only see it's from China, it's from China, it's from China, what's from us? What's going on there? I learned that life is giving and taking, so if it's like this, it's ok.&quot; German respondent no. 5, language teacher</td>
</tr>
<tr>
<td>Protectionism</td>
<td>Economic behavior, banking included, should prioritize interests of a social group.</td>
<td>&quot;I like dealing with the businesses that are in my local community...I'd rather do that, than some outside involvement.&quot; US respondent no. 14, accounting clerk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;I think German financial institutions should stay in German hands.&quot; German respondent no. 16, student</td>
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<td></td>
<td>&quot;If it's foreign...it's good for that country, but not ours...I'm an American. White-blooded. I like my white-blood to be here in America...I don't want to be banking with no foreign at all. Period.&quot; U.S. respondent no. 3, business student</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;I think the United States needs to stay the United States.&quot; U.S. respondent no. 14, accounting clerk</td>
</tr>
<tr>
<td>Embracement</td>
<td>Strong positive outlook to foreign trade (reasons vary)</td>
<td>&quot;I don't think there are any more any real German companies, and a bank is a company. Maybe the company culture is still German, so you could still say it's a German company. But even this I'm not quite sure.&quot; German respondent no. 9, film &amp; TV Producer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;It's a world economy. Borders and continents and countries have no meaning in financial institutions.&quot; U.S. respondent no. 5, motorcycle service department manager</td>
</tr>
<tr>
<td>Availability of services across national borders</td>
<td>Security of deposits</td>
<td>Equity</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
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</tr>
<tr>
<td>Global citizenship, transnationalism of borders</td>
<td>Financial security of purchasing bank</td>
<td>Economic protectionism</td>
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<td>Ethnocentric protectionism</td>
<td>Banking services as personal relationships</td>
<td>Cultural protectionism</td>
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<td>Banking services as commodity</td>
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<th>Respondents</th>
<th>Issues Given Importance by Both U.S. &amp; Germany</th>
<th>Respondents</th>
<th>Issues Given Importance by Only German</th>
<th>Respondents</th>
<th>Issues Given Importance by Only U.S.</th>
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</thead>
</table>

U.S. & Germany: Comparative Analysis

Appendix F

Attitudes Toward Globalization in the Banking Industry

47
BIAS ON BASIS OF NATIONAL ORIGIN: A SUMMARY

<table>
<thead>
<tr>
<th>Acceptable/Trusted</th>
<th>Unacceptable/Untrustworthy</th>
<th>Anomalies</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Afghanistan</td>
<td>Poor records on human rights</td>
</tr>
<tr>
<td>Canada</td>
<td>Iran</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>Iraq</td>
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<tr>
<td>U.K.</td>
<td>Russia</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Saudi Arabia</td>
<td>“Eastern Block” Countries</td>
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</table>