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MICHAL BUSZKO

Nicolaus Copernicus University in Torun, Poland

DOROTA KRUPA

Nicolaus Copernicus University in Torun, Poland

MALWINA CHOJNACKA

Nicolaus Copernicus University in Torun, Poland

BANK PRODUCTS AND SERVICES FOR CHILDREN, YOUTHS AND YOUNG ADULTS: FEATURES, MODELS, CUSTOMIZATION

Abstract:

Banks often offer their products and services to young people, i.e. children, youths and young adults. Such products and services are characterised by special features and functions as they are offered to clients with low financial competences, low economic knowledge as well as a lack of regular income. In effect they do not bring current profits to banks and the process of servicing of young people is treated rather as a long-term investment project. The purpose of this paper is to characterise and evaluate bank products and services offered to young customers, including their features, functions and legal terms of using as well as to identify ways of their offering in the Polish banking sector. To achieve the research goal, the authors studied literature, analysed offers of banks in Poland, and conducted a survey using CAWI technique on a group of 209 young respondents. Based on the research, the authors identified optimal features of products and services for young customers as well as their customisation. The authors also identified several models of offering products to children, youths and young adults. The research indicated that young people use bank products and services commonly and they are satisfied with banking offers. They find safety of money as the most important feature of products and services.

Keywords:

bank products and services, children, youths, young adults, models of offering

JEL Classification: D83, G21, M31

1 Introduction

In the era of very fast civilizational, IT, technological or information changes, the conditions of functioning of financial institutions, including banks, have been changing. Such entities as banks more and more often decide to support children, youths and young adults. These types of clients are not the main area of interest for banking but one can observe increasing their significance and role. The servicing of customers, which are strongly diversified according to the age, as well as in principle having limited economic knowledge and low financial competences is undoubtedly a challenge. The specificity of young people as bank customers is highlighted by their current non-profit nature. As a result, the return on children, youths and young adults is expected rather in the further future. That is also why the servicing of children, youths and young adults is treated as a kind of investment project, which should create a long-term bilateral relationship between the bank and the young client expressed in loyalty and value creation in both parties. Young people are treated as prospective clients, which will not only bring economic benefits, but also change the bank itself, adapting it to the needs of the changing environment.

Support for children, youths and young adults forces banks to offer them specific products and services that on one hand will be tailored to their changing needs and expectations, on the other hand will be consistent with children's rights and create added value in the form of increasing financial knowledge and competences of young people. Banks offering of these products have to take into account intergenerational differences. Adaptation of the products and services features to given age level and type of generation of the young people is a base for the effective and at the same time safe inclusion of young people into the world of finance and way to get return on servicing of young customers in the future.

The purpose of this paper is to characterize children, youths and young adults as customers of banks, to discuss their role and specificity of their servicing from various perspectives as well as to define main characteristics of products and services offered to children, youths and young adults in scope of their features, safety, availability and terms of using. In the paper the authors identify also the models of offering bank products and services to young people in Polish banking sector. The paper will also contain a bank perspective of offering products and services to young customers including positive and negative aspects of this process.

The main contribution of the paper is identification of the features of bank products and services as well as models of their offering which are crucial to safe, effective and satisfying servicing of young people. The paper also indicates the evaluation of features of bank products and services from the perspective of young customers.

2 Methodology and data

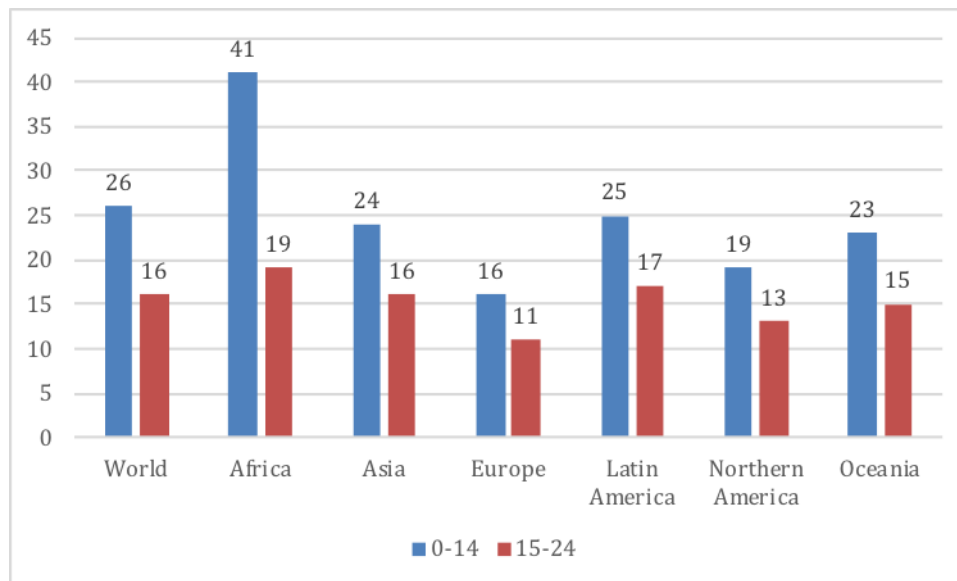
For the purposes of the work, the authors used study of literature and analysis of the offers of bank products and services designated for young customers, i.e. children, youths and young adults. Based on study of banking practice the authors identified also

the models of offering of bank products to young people. There were also identified positive and negative aspects of offering products and services from the perspective of banks. To discuss the aspects of offering banking products and services to young people, the authors also included selected results of a survey conducted by the CAWI technique in period January-February 2017. The survey consisted of a questionnaire filled online, and the classified respondents were young people under 26 years of age independently on their education level, gender or place of living. The invitation to the study was sent through social media portals and through the internet blog. Participants of the survey were additionally asked to invite their relatives and friends under the condition of being under 26 years. The questionnaire contained 25 questions split into 3 parts: 1) dedicated to all respondents about general attitude to bank products and services, 2) dedicated to respondents using bank products and services, 3) dedicated to respondents not using bank offers. Totally 224 filled questionnaires were collected during three weeks of study, however 15 were rejected due to missing data. After the rejection, there were totally 209 respondents analysed in the research sample. Within its structure there were 3 children under 13 years, 42 youths between 13 and 17 years, and 164 young adults divided into two sub groups (18-21) containing 60 people and (22-25) containing 104 people. Among children and youths there were just 14 people (31.1%), which have been users of bank products and services. Among young adults there were 140 persons (85.4%) experienced in banking. This article present the part of the survey related to the assessment of bank products and services features by young people.

3 Analysis and discussion

3.1. Children, youths and young adults as a group of bank customers

Children, youths and young adults are the key socio-economic groups of every society. They concentrate substantial number of people. Globally, the number of children in the age 0-14 reached approx. 2 billion and in the age 15-24 1,2 billion. Both groups are more numerous than the group of older people of age +60 (UN 2017). In many regions young people are substantial parts of the populations, especially in Asia, Latin America and Africa. In the last case, children and youths are dominant in the total population. The lowest share of young people in the society is noted in Europe (Figure 1). The given data may indicate that children, youths and young adults are important group, which can be considered as subjects to banking.

Figure 1: Share of children, youths and young adults in total population (in %)

Source: *World Population Prospects. The 2017 Revision. Key Findings and Advance Tables. UN, New York, 2017.*

When one takes into account Poland, among total number of approx. 38 million people about 10,7 million are those under 25. If one subtract babies and small children in the age 0-4 the potential number of young people that could be banked in the age from 5 to 24 reaches level of 8,2 million. It is slightly lower result than population of age 60+ (8,8 million). The number presented above gives a substantial potential for banks to attract new customers. Due to lack of credit products offered to young customers it is not necessary to subtract from the number mentioned above the people not having credit ability.

Young people in the economy are both the beneficiaries of various types of cash payments, e.g. received from parents or public institutions, as well as buyers of many products and services. Children, youths and young adults are future employees, managers, entrepreneurs, investors, or political decision-makers. They can be linked in multiple ways with business as stakeholders of family members of employees. Young people are also members of the communities and local societies in which business operates. Depending on their age, they are characterized by a relatively high psychological and cognitive differentiation as well as different ability to understand the content of contracts, as well as the ability to use different communication and sales channels. As a rule, young people are perceived as individuals with relatively low or no income, limited level of economic knowledge and financial experience, and in many countries as people living in poverty. Despite above features, young people are increasingly becoming a group that banks are interested as customers.

Bank products and services designated to young people as well as ways of offering them, way of communication and creating relationships are undoubtedly a challenge from a legal, ethical, social and informational and technical point of view. The special feature of servicing is that as a rule it does not generate immediate current benefits. In fact, most of

the basic products offered to children, youth and young adults, such as: current accounts, savings accounts, debit card, prepaid cards, NFC gadgets, the internet or mobile applications are complimentary. In such case, one should rather indicate a creation of bank's potential to sell the products in the future than getting profits directly from young customers. Supporting of children, young people and young adults indirectly bring benefits to banks and at the same time exposes them to the risk of not achieving the assumed rate of return because of long payback period (from several to several years).

Due to the lack of banks' current profitability for servicing young people, offering products and services to children, young people and young adults is treated as a kind of ethical aspect of banking activity and implementation of the concept of corporate social responsibility (CSR). It is thus a manifestation of the bank's servile role towards society in addition to the commercial role that creates value for the owners (Korenik 2009). Social responsibility of financial institutions is one of the most important issues in the modern global economy. As money is a common good, its turnover should be characterized by safety and mutual trust of financial market participants (Solarz 2010). Customer service with particular emphasis on the implementation of the CSR concept is nowadays becoming a new approach in banking. Such approach results from civilizational, economic, social and environmental changes. It is also a response on increase of demand for financial products and services observed practically among all social groups. CSR joins different needs, preferences and expectations in banking operations as well as is a result of competition between the banks themselves, as well as non-bank institutions, including fintechs (Szpringer 2009). The emergence of new needs and expectations in relation to banks is often reflected in bank adjustment activities undertaken both from the product side, as well as sales channels and forms of communication with clients. These activities are forced by the increasing importance of the business activities of stakeholders other than the owners. Nowadays, the ability of the organizations to establish relationships with selected partners (stakeholders) from the environment becomes a source of strategic market successes and a source of competitive advantages, by obtaining value through creation, merging and exchange of resources (Lechner, Dowling, Welpé 2006; Skalik 2006). The relations created by the enterprise with various interest groups should therefore be treated as a kind of capital, called relationship or intellectual capital.

Banking products and services for young people can be considered as a kind of implementation of new approach to relations with stakeholders, which should be multilevel and based on interactivity (Andriof, Waddock 2002). A real increase in the level of stakeholders' involvement in long-term value creation of banks should be based not just on the stakeholder management but rather on the quality and dynamics of mutual relations (Morsing 2006; Freeman, Harisson, Wics 2007). The relations with stakeholders should evolve from the contractual to the sphere of trust, cooperation interaction and

customization. Young people are stakeholders, which are influencing bank today, in the near and further future as they are growing up and change their needs and expectations towards bank. The fundamental aspect of finding the children, youths and young adults as vital stakeholders of banks is to determine their role in bank's value creation. Today's satisfaction on basic and complimentary products will be influencing the use of other paid products and creation of long-term relations. The loyalty of the customer will contribute ultimately in the value creation of the bank. The role of management of long-term relationships with client in financial institution was emphasizing by Domazet et al. (Domazet, Zubović, Jeločnik, 2010). In their opinion relationship marketing represents the concept, which gives long term dimension to consumer's role and importance, because it has in its focus loyalty development and long term cooperation.

The young people considered as a group of stakeholders are treated as perspective customers that will bring financial as well as non-financial benefits in the future. Financial benefits are identified as getting in the future given rate of return on selling paid products. Non-financial benefits can be identified as influencing bank operations and development. They can be expressed in transferring bank into innovative, ergonomic, interactive and ethical institution, which is open for new solutions and trends. Active acquisition of young customers may be also a strategy to create bank's positive image stressing its role as a modern and technically advanced business leader, better, safer and more competent comparing to non-banking institutions. The major issue related to offering the products and services for young customers is the fact that they do not have stable income, their level of financial knowledge and competences are low, their life situation is not determined and they do not have credit score. Banks may consider those customers as "difficult" and requiring keeping long- term relations and loyalty to get profits.

The important aspect of servicing of young people by banks is certainly the low financial knowledge and competences in finance. According to National Bank of Poland the subjective as well as objective evaluation of the economic and financial knowledge of young people (aged 15-24) in Poland is the worst among all the age groups. Such people were also characterized by the lowest number of financial products but at the same time they were a group the most often experiencing economic and financial subjects presented during lessons at schools (NBP 2015).

3.2. Diversity of the group of young people

When talking about banking products and services for young people, one should take into account their wide variation in terms of psychophysical and cognitive characteristics, the ability to understand contract content, the ability to assess the rationality of decisions made and, finally, legal capacity. Taking into account the legal criterion in Poland, three groups of young people can be distinguished, i.e. children up to the age of 13, aged from 13 to 17 years and from 18 years to about 25 years. In this work, it is assumed that the

upper age level accepted by banks is about 24-25 years, which essentially limits the possibility of receiving products and services on preferential terms. This age is usually equivalent to starting professional activity after graduation. In the field of offering banking products and services, banks in Poland do not distinguish the minimal age threshold. Service begins with the ability to understand the essence of money, the sense of saving and the use of a computer or smartphone.

The division of young people into three basic age groups results from having legal capacity in Poland, and thus to conclude legal agreements. Children under 13 years of age do not have legal capacity, i.e. they cannot enter into contracts themselves including investments, insurance and bank operations, except for those related to small purchases operations. Collecting savings or making payments is acceptable under special terms and full approval of parents. Young people aged 13-17 have limited legal capacity. This means they have access to basic banking products without the possibility of borrowing. In their case, parental control is limited. They can use bank products designated to young people, but without credit cards, overdrafts, loans and other debt instruments. People aged 18 and more have full legal capacity, and so they can carry out most of the banking operations provided for adults. The exceptions are loans and other debt products, which require having credit ability.

The division used in law, which determines the type and range of banking products offered to young people, is reflected in the characteristics of young people belonging to different generations, i.e. Y, Z and Alpha. Generation Y (millennials) are people born in the years from about 1980 to around 1995, known as Digital Nation or Net Generation (Jones 2010). Currently, they can be treated as young adults. Generation Z are people born after about 1995 and called the generation of Digital Natives or Generation C (Connected). Generation Alpha (iGeneration) are people who were born around 2010 and they are descendants of the early generation Y and late X (Gruchola 2016). It is the most technologically advanced generation that do not know reality without the internet, mobile technologies. They are most able to adopt virtual reality and artificial intelligence.

All of the generations presented above can be characterized by several differences. Social interactions of Generation Y take place in the real and the digital world at the same time, they are performance-oriented, confident, they mostly identify with the value system of their parents, and they are highly educated (Nagy, Kölcsey, 2017). They easily accept changes, they live for today, they do not like to plan for long periods (Bencsik, Horváth-Csikós, Juhász, 2016). In the case of Generation Z, their social environment is radically different from previous generations. According to Nagy and Kölcsey (2017) this difference can be seen in methods of information gathering and communication strategy, when Generation Z consumes content on several different channels at once (multitasking) and this combined consumption exceeds the "physical" limits of a single person. According to Nagy and Kölcsey (2017) Generation Alpha is not that different from its predecessors and

it is basically just generation Z 2.0, which, only carries forward their “legacy”. Nellis (2017) indicates that Alphas will be the wealthiest, the most intensely educated and most dynamic generation that human society has yet seen. Gruchola (2016) emphasize that communication and information technologies will be an inseparable element of the identity of the Alpha Generation.

The common feature of Y, Z and Alpha generations is a high level of digitalization and everyday use of online, mobile and intelligent technologies. This fact influences banks and forces them to offer bank products and services to all three groups through electronic channels. Nonetheless, due to legal conditions banks distinguish offers to all three groups.

3.3. The expected features of bank products and services for children, youths and young adults

The offering of bank products and services especially for children and youths, due to their capabilities, should be based on the guidelines contained in the Children's Rights and Business Principles (CRBP), which was chaired by UNICEF. This document indicates guidelines for respect the children's rights while running a business and establishing relationships with young people. The document distinguishes two key areas of business in relation to children and youths, i.e. responsibility to respect and responsibility to support. In scope of banking two out of ten principles recommended by UNICEF could be used, i.e. 1) ensuring that the products and services are safe and seeking to support children's rights through them and 2) using marketing and advertising that respect and support children's rights (Children... 2013). Practical implementation of the first principle in banking should be based on ensuring that products and services for children or to which children may be exposed are safe and do not cause mental, moral or physical harm, restricting access to products and services that are not suitable for children or that may cause them harm and taking all reasonable steps to eliminate discrimination against any child or group of children in the provision of products and services. Practical implementation of the second principle in banking should be based on ensuring that communication and marketing do not abuse children's rights (Children's Rights... 2013).

Taking into account the above mentioned conceptual framework one can identify several expected features of products and services for children, youths and young adults. The products and services should:

- keep financial, social and cyber security of young people,
- be adjusted to the level of knowledge and the ability of young people to understand the principles of their functioning,
- be free of charge or generate low costs not affecting the safety of young people,
- be adjusted to the age of young people, meaning they "grow" together with them,
- be available independently on the economic situation of young person,
- bring value added (increase knowledge, financial, internet and life skills)
- not require to bind the client with the bank to use in the future other and more advanced products and services,
- give a sense of stability and security to young people,
- provide constant access to savings anytime and anywhere,
- are offered through communication channels preferred by young people,
- allow to use helpdesk or helpline in a form suitable for young people (chat, video call).

The features mentioned above are development of that proposed by Child and Youth Friendly Banking Product Principles and CYFI Regional Meeting for Europe and Central Asia co-organized with, and at the premises of the European Central Bank (ECB) (Child... 2013). One has to take into account that the implementation of the features mentioned above must keep the sense of freedom and independence of young people and cannot reduce speed, ease, availability and reliability. Otherwise the bank products will not be compatible with needs and expectations of given generations (Y, Z, Alpha) and hence not adopted.

3.4. Products and services for children, youths and young adults

Taking into consideration the three above mentioned groups of young people one may characterize the products and services as well as their features and customization to each age group (Table 1.)

Table 1: Features and customization of bank products for young people

Age group	Needs	Available products	Main features	Security and risk
<13	<ul style="list-style-type: none"> • Keeping savings • Making payments in the internet • Payment for simple shopping 	<ul style="list-style-type: none"> • Internet and mobile applications serving as savings accounts linked with the parents' bank accounts • Prepaid or debit cards or other NFC gadgets • Fun applications available through bank website or mobile access 	<ul style="list-style-type: none"> • Using of bank products is free of charge. Interest on savings is preferential and higher comparing to adults' accounts. The compounding is more frequent than in standard offers. 	<ul style="list-style-type: none"> • Full parental control and the highest degree of legal protection • Lowest risk of using bank products and services
13-17	<ul style="list-style-type: none"> • Keeping savings • Making payments in the internet 	<ul style="list-style-type: none"> • Internet and mobile applications, Current accounts, savings 	<ul style="list-style-type: none"> • Most of the products are free of charge. Interest on savings is 	<ul style="list-style-type: none"> • Partial parental control and high degree of legal

	<ul style="list-style-type: none"> • Payment for school and other services (e.g. public transport, parking, pools etc.) • Payment for shopping 	<ul style="list-style-type: none"> accounts, debit cards, mobile payments, savings plans • Broad access through bank applications to other services such as mobile parking payments, exchange of currencies, purchase of tickets. 	<ul style="list-style-type: none"> higher comparing to adults' accounts but lower comparing to <13 years children. The products are usually linked with promotional programs of partner companies (free cinema tickets, discounts in shops. 	<ul style="list-style-type: none"> protection. • Low risk of using bank products and services (possibility of cyber-attacks and card frauds).
18-25	<ul style="list-style-type: none"> • Keeping savings • Making payments in the internet • Payment for college and other services (public transport) • Payment for shopping • Payment for accommodation • Buying a car • Buying a flat • Supporting financially a family (children) 	<ul style="list-style-type: none"> • Broad range of products available to all adult customers including current accounts, savings accounts, internet and mobile applications, credit cards, multicurrency debit cards, currency accounts, overdrafts, loans, investment products, brokerage accounts, insurance. 	<ul style="list-style-type: none"> • Most products and services are paid from the age of 24-25. • Some banks offer complimentary products if adult customer meet given conditions, such us the number of card transactions per month or the given value of transactions paid by card per month. 	<ul style="list-style-type: none"> • Lack of parental control and low degree of legal protection. • Variable risk of using bank products and services (possibility of cyber-attacks, possibility of card fraud, possibility of excessive debt and insolvency

Source: own work based on analysis of bank offers in Poland and National Agency for Financial Research and Child and Youth Finance International, *Children and finance. Consumer protection and security of savings and payments*, Moscow 2017.

The data presented in the Table 1 confirm that products, which are offered to children and youths, consist mostly of simple and safe instruments. They usually include: current accounts, savings accounts, debit cards, prepaid cards, mobile payments, online bank transfers, internet and mobile applications. Such core products are used primarily for keeping savings and making payments. As the products are adjusted to needs and financial conditions of young people as well as must keep safety and be adjusted to legal regulations they do not include the credit instruments unless the customer is adult (over 18 years old). Thanks to use the online and mobile access the core products get additional functionalities i.e. they may be used 24/7. Products designated to young people often carries additional features such as digital payments for parking, tickets that are available through internet or mobile applications. Such are additional features of core bank products and services. Products offered to children, young people and young adults are often linked with premium or loyalty programs of selected companies and institutions, where young people may get discounts or premiums. They are finally bringing social and financial inclusion as well as increase of the financial knowledge, what can be also considered as their fundamental feature.

3.5. Models of offering products and services for young people

The product characteristics presented above and the evaluation of offers of 16 banks in Poland allowed the authors to distinguish 5 models of offering banking products and services to young people under 26 years of age¹. They are as follows:

1. **Children's model** consisting of additional functionality of parents' account available through a mobile and web application. The model includes prepaid or debit cards or gadgets with the NFC function. Under the model, products and services are offered free of charge. The children sign no contract.
2. **Youth model** containing current account, savings account and prepaid or debit cards. The model assumes delivering services via the internet and smartphones and is linked to promotional and loyalty programs. Under the model, most basic products and services are offered free of charge, however fees and charges may be applied.
3. **Young adults model** containing broad access to products with the option of taking overdraft loans and obtaining credit cards. The basic products are offered free of charge, e.g. opening and maintaining an account, issuing a debit card and its use, and a few withdrawals from ATMs. The charges are more common comparing to other models
4. **Student model** assuming preferential terms for offering banking products or services to people having the status of a student. The basic products and services are free, but there may be fees for selected transactions.
5. **Zero-cost model** assuming no designation for any specific group of young people. The model is available to all customers, but since it involves offering free or low-cost products, it is attractive from the point of view of young people who do not receive regular income.

3.6. Bank perspective of offering products and services to young customers

Banks offering products and services to young people are in principle guided by a long-term perspective and not current benefits. The service of the mentioned group does not generate direct instant benefits because of the complimentary character of major products. Undoubtedly, the greater opening of banks to young people took place along with the popularization of online and mobile service channels, which enabled the

¹ There were analyzed offers of banks: PKO BP SA, Pekao SA, mBank SA, Alior Bank SA, ING Bank Śląski SA, Bank Zachodni WBK SA, Eurobank SA, Credit Agricole Bank Polska SA, Idea Bank SA, Getin Bank SA, Deutsche Bank SA, Bank Millennium SA, Toyota Bank Polska SA, Raiffeisen Bank Polska SA, Bank Ochrony Środowiska SA, Nest Bank SA.

reduction of banks' operating costs and required the achievement of economies of scale. The widespread use of the internet and mobile applications to offer basic banking products, especially accounts and payments, instead of maintaining traditional branches, makes it possible to benefit from less profitable customers, such as young people or clients whose return is achieved over a longer time horizon. Thanks to such development poor people may included in the world of finance (Bill & Melinda Gates Foundation, 2013).

From the point of view of the bank, the service of a young person requires relatively small acquisition expenses, definitely smaller than requires the acquisition of a target, profitable client from another bank. The customer who begins his adventure with banking will only provide the bank with income for a few to a dozen or so years. Its profitability can be assessed by a measure called Customer Lifetime Value ratio (Kotler 1974). Taking into account the time value of money, the profits from servicing young customers over their lifetime are usually lower than middle-aged customers (Haenlein, Kaplan, Beeser 2007) and their present contribution is rather negative (Garland 2002). They are also less profitable than older customers (Campbell, Frei 2004). Nonetheless, due to low costs of acquisition and he scale of acquired young people within the given acquisition expenses, the investments in young people will positively impact bank's future results under the condition of creating long-term relations. As the research shows the young customers are loyal (Newseria, 2016).

The broad perspective of offering products and services by banks to young customers with the identification of positive and negative aspects is presented in the table 2.

Table 2: Positive and negative aspects of products and services offered to young people in bank's perspective

Positive aspects	Negative aspects
<ul style="list-style-type: none"> • Increased number of clients • Low costs of client's acquisition • Renewing of client base of bank • Preventing ageing of clients of bank • Promotion of bank brand among the young people • Possibility of building the customer loyalty from the early age • Creation of potential to sell more complex and profitable products to young people when they become mature • Adjusting banks to the changing environment and needs of customers 	<ul style="list-style-type: none"> • Lack of current incomes from young customers • The necessity of adjusting functionality of standard products and services • Possibility of accusation of taking profits from uneducated children and youths • Possibility of losing young clients due to acting of competitors • Possibility of quick deterioration of reputation due to bad practices

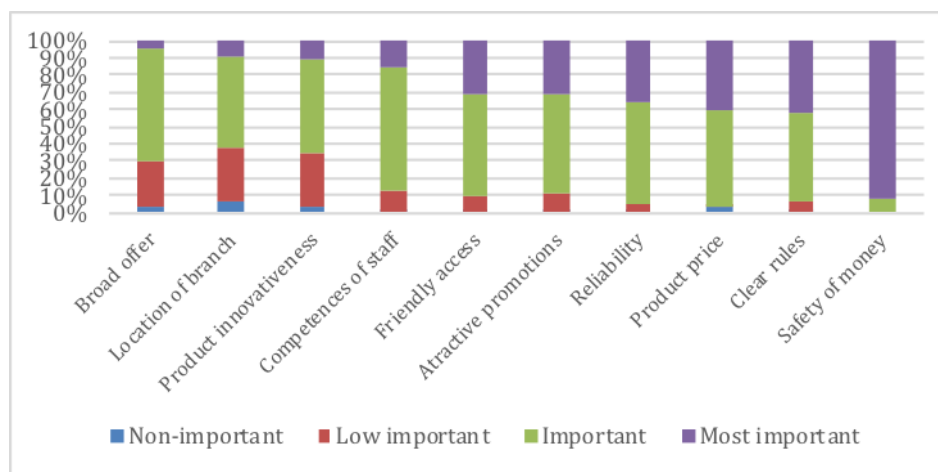
Source: own work

4 Results of empirical research

To investigate the features and customization of bank products and services for young people, the authors used selected data coming from the survey conducted in 2017 to investigate the features, trends and effects of offering bank products and services to children, youths and young adults.

One of the most vital aspects related to banking offers analysed in the research was the importance of particular features of products and services from the perspective of young people. Figure 2 presents the 10 features according to importance indicated by children, youths and young adults.

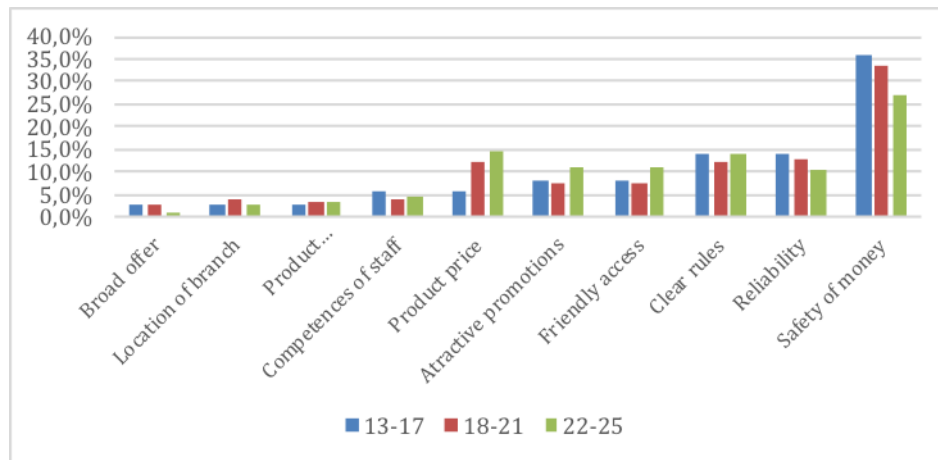
Figure 2: Importance of features of products and services for young people



Source: own work based on survey research, N=154, multiple choice

Among the 10 features proposed by the authors, the safety of money was the most often indicated as most important feature, from the perspective of young people. Two other features, which got relatively high share of indications as “most important” (more than 40%) were clear rules and product price. The lowest numbers of indications of “most important” were noted for innovativeness of products, placing of branch and broad offer. Considering the indications made by young customers, the most important features tend to be those related to ethics and social responsibility of banks. Definitely, young customers prefer safe and fair banking. When one analyses the structure of indications of “most important” features with taking into account the age structure, it is possible to find the trends of decreasing the share of safety and reliability and increasing the share of product price (Figure 3).

Figure 3: Importance of features of products and services according to the age group (in %)

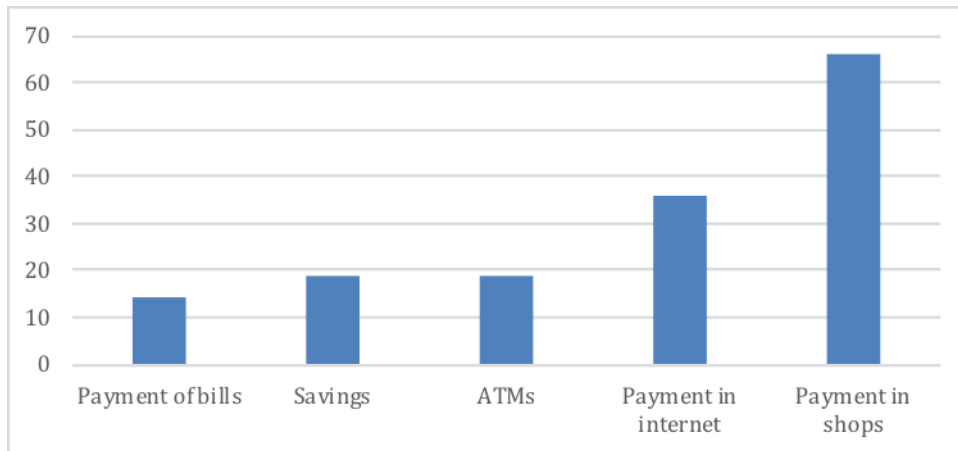


Source: own work based on survey research, N=154, multiple choice

The increasing importance of price can be explained by starting using payable products and services by young adults. Although they may find products free of charge, they may be forced to meet the conditions such as: inflow of given amount of cash per month, making a given number of payments by card, etc. Young adults, especially those of the age 22-25, often become the target group of customers of banks due to their professional involvement and regular incomes. The products offered to them are more expensive comparing to the younger customers.

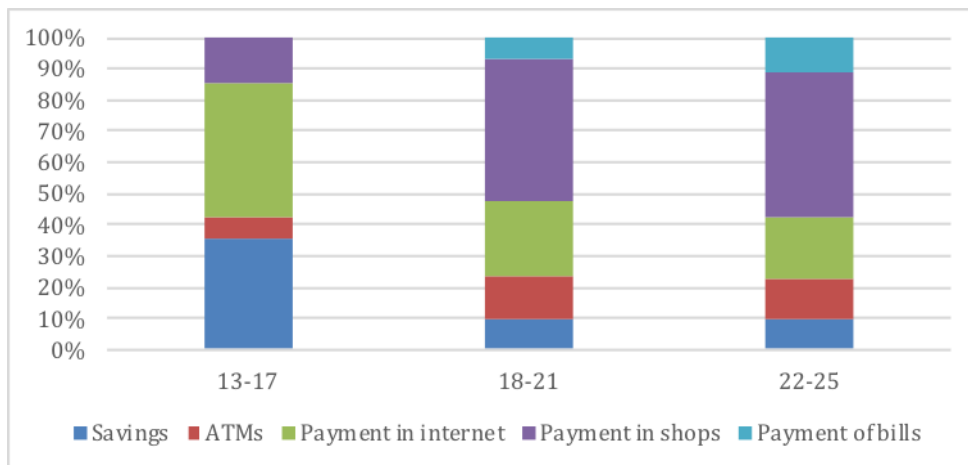
The authors of the survey wanted also to find the purpose of most common using of products and services by children, youths and young adults. The indications of respondents confirm that in general the most common use of bank products and services is payments for shopping in traditional shops and in the internet. Less important are withdrawals from ATM's, keeping of savings and payment of non-shopping bills (Figures 4). When analysing the indications according to the age of the respondents, one can find that the structure of purposes change significantly from the group 13-17 to 18-21 and to the lesser extent between 18-21 and 22-25 (Figure 5). In particular in the group of the youth in the age of 13-17 the major items are savings and payments in the internet in contrary to other groups where payment in shops is dominant. The results can be explained by higher involvement of younger generations in the internet technologies and higher dependence on money received from parents comparing to older groups. Moreover, the group 13-17 does not indicate the using bank products and services for payments other than for shopping. Such indications may confirm their strong financial dependence and life influence of their parents.

Figure 4: The most common use of bank products and services by young people



Source: own work based on survey research, N=154, single choice

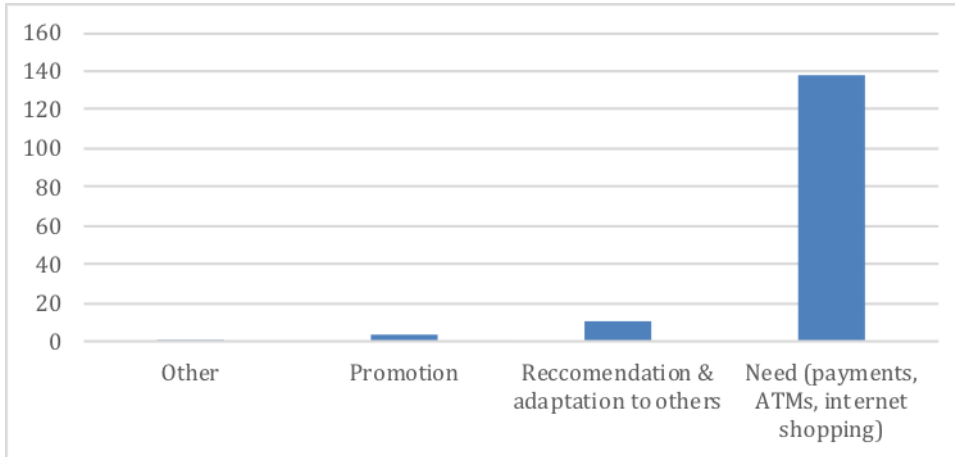
Figure 5: The most common use of bank products and services by young people, according to the age group (in %)



Source: own work based on survey research, N=154, single choice

The next vital issue of the investigation of bank products for children, youths and young adults was finding the motives of starting using them. Looking at the whole group of the respondents one can conclude that the dominant motive was the need (Figure 6).

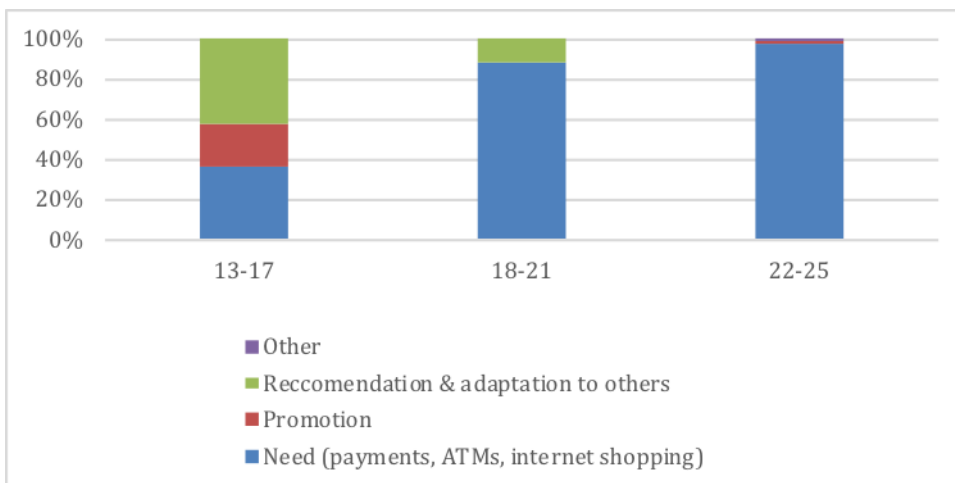
Figure 6: Motives of starting using bank products and services by young people



Source: own work based on survey research, N=154, single choice

Looking at the young people's indications with taking into account their age structure, one can identify a significant difference in the motives between the group aged 13-17 and other groups (18-21 and 22-25). In case of the first of the groups, the most frequently indicated motive was the recommendation and adaptation to others. In the second two groups the dominant motive was a need (Figure 7).

Figure 7: Motives of starting using bank products and services by young people, according to the age group (in %)

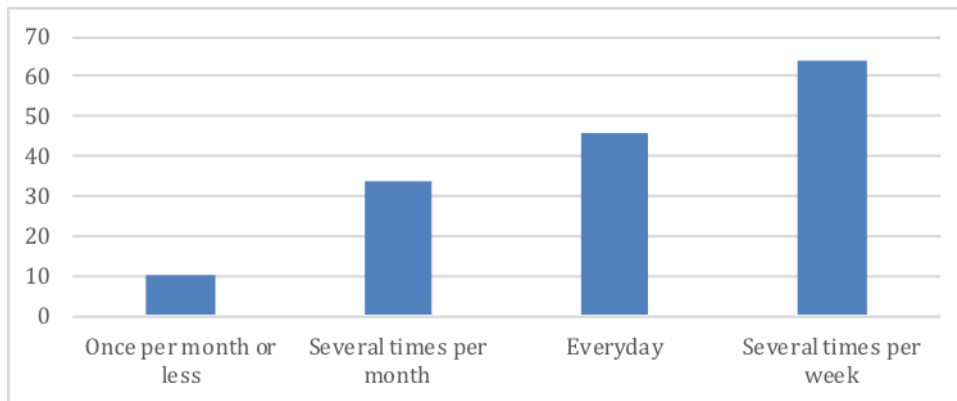


Source: own work based on survey research, N=154, single choice

The investigation was aimed also to find out the frequency of using of bank products and services by young people. The indications of respondents may confirm that the highest share of them uses bank offers regularly several times per week. The everyday use is indicated on the second

position and several times per month on the third. The lowest share was noted for the sporadic use of bank products and services (less than once per month) (Figure 8).

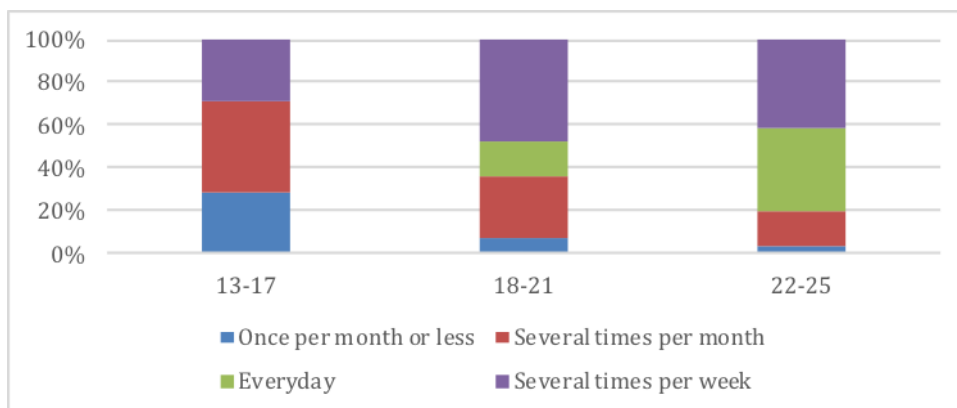
Figure 8: Frequency of use of bank products and services by young people



Source: own work based on survey research, N=154, single choice

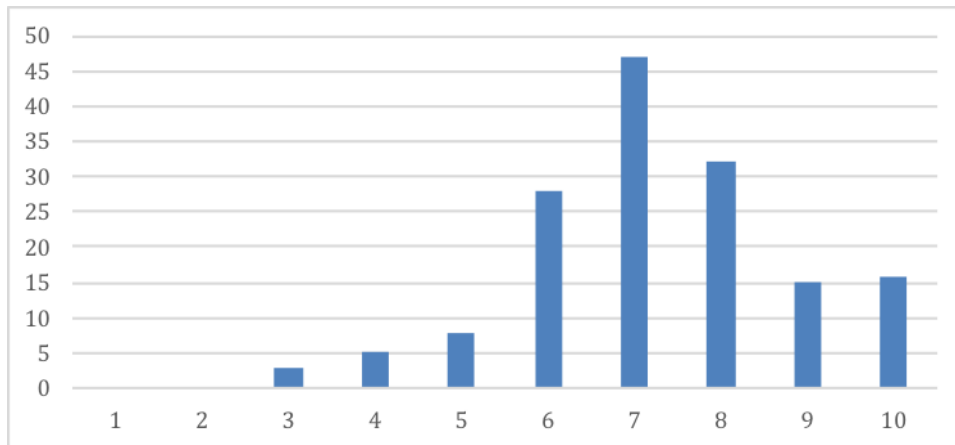
When analysing the frequency of using bank products and services by young people with breaking down the whole sample into three age categories, one can identify the increase of frequency altogether with moving from the younger group to the older. Among the group 22-25 the several times and everyday use concentrate about 81% of indications, what may confirm regular use of bank products and services by young adults. Such phenomenon can be explained by more financially dependent lifestyle of such people, including daily checking cash inflows and outflows, paying the bills, controlling the balance of cash due to safety reasons or making family payments (Figure 9)

Figure 9: Frequency of use of bank products and services by young people, according to the age group (in %)



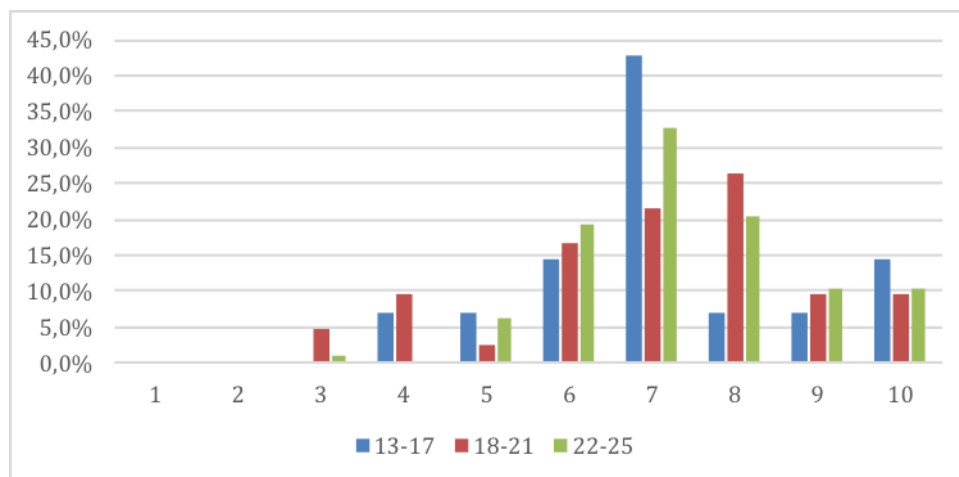
Source: own work based on survey research, N=154, single choice

The young respondents were asked also about indicating the level of satisfaction due to using bank products and services. Their answers confirm rather high level of satisfaction and good assessment of banks. The dominant grade indicated by children, youths and young adults was 7 on the scale 1 to 10 (Figure 10).

Figure 10. The level of satisfaction with respondent's bank products and services

Source: own work based on survey research, N=154

The average grading of the level of satisfaction was 7,25, what may confirm rather high level of satisfaction of young customers due to using bank products and services. Among the youngest users (13-17) the assessment was lower than average and amounted to 7,14. In the middle age group (18-21) the assessment was decreasing to 7,05. In contrary to the mentioned two groups the best score was noted in the group of young adults (22-25), where it reached 7,36¹. Figure 11 presents the dispersion of grades within three mentioned groups.

Figure 11: Dispersion of grades of satisfaction according to the age of the respondents

¹ Taking into account the gender when analyzing satisfaction of young customers, there is visible higher grade given by the males 7,52 comparing to 7,20 given by females.

Source: own work based on survey research, N=154

Data presented in the Figure 10 confirm general good grading of bank products and services at values from 6 to 8. It is worth noting that none of the respondents indicated grading at 1 or 2. There were just few grades of 3 (3), 4 (5) and 5 (8).

5 Conclusions

Young customers are increasingly a group that banks are interested in. These people are usually characterised by a wide variety of psychophysical features and cognitive abilities, have relatively little knowledge and experience in the field of finance, and also do not have the full capability for legal activities. Their service is undoubtedly a challenge, because apart from the presented conditions, young people are not clients who bring current income to banks. In practice, benefits are achieved in the long-term of several or dozen or so years. That requires treating young people rather as a prospective investment project. Banks' activities for young people require taking into account the intergenerational differences in offering them products that are adapted to their specific and simultaneously changing needs. They should give them a sense of freedom and independence, but they should also guarantee financial security, be understandable, easy to use, adapted to the level of knowledge and skills of young people, be widely available and bring added value in the form of, educational benefits. Bank products and services offered by banks usually are available in three categories determined by the age, and thus also by legal regulations. Banks most often offer them under 5 models identified in the work. According to the young people the most important feature of products and services, regardless of their age, is security of the money. Bank products are most often used by the children, youths and young adults to make payments, and to a lesser extent to collect savings. The factors that encourage starting the use of products are primarily the need, not the promotion of banks, product recommendation or willingness to adapt to the others. The frequency of use of banking products and services increases with age. Young people in general perceive banks' offers positively and are satisfied with products and services.

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