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DEVELOPING AND MARKETING A PERSONAL  
BANK MEETING

- *Case study: Online meetings in Bank X*

Master's Thesis in International Marketing  
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Abstract for Master's thesis

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Title: Developing and marketing a personal bank meeting – Case study: Online meetings in Bank X	
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<p>Abstract:</p> <p>The banking industry is going through significant changes. An industry that has cherished very personal and discrete customer relationships is now influenced by the technological development. Technology has made banking faster, easier and safer while consumer habits, behaviour and demand have changed. However, regulation and requirements set by authorities have made operating very controlled and strict.</p> <p>This research aims to answer five research questions: How is customer relationship management (CRM) used, and what are personal relationships like between banks and customers in the banking sector? What are online bank meetings and what are their benefits and weaknesses in connection to deepening the customer relationships? How are online meetings used and marketed in banking in Finland? What is the effect of digital bank services on personal customer relationships in Finland? How can banks increase the use of online meetings for interacting with their customers? The literature review will first introduce retail banking; a brief history, what the market looks like in Finland and what trends and changes can be expected. Then it will look into how digital services are marketed, what services there are and focus on a relatively new concept, online bank meetings. Finally, the theory section will present earlier research on what customer relationship management means, what affects customer behaviour and how banks actually manage customer relationships and why it is so important.</p> <p>In Finland, the market is dominated by three major banks: OP Financial Group, Nordea Bank and Danske Bank which offer very similar services and products. Marketing digital services in retail banking is very focused on the customer experience itself, while banks become multi-channel service providers and customer touch points take place in several places or platforms. As the demand for easier and more digital services increases, banks still have struggled to reach all their customers for two main reasons: some do not wish to transfer to digital services, others do not see the value these services include. Still, banking is very digital today and the next step is to provide expert advice remotely in addition to already existing self-service channels. Finnish banks have lately introduced online bank meetings where customers can discuss with a bank's adviser and receive advice on different banking subjects. The concept is simple, but yet little studied and used.</p> <p>The thesis includes an empirical research where experts from the selected case bank took part in a qualitative research in the form of semi-structured interviews. The questions were about the case bank's customer relationship management, online meetings and the informants' personal input on the local retail bank market. The research shows that all informants understand the significance of technological development in banking and how the relationship between banks and customers changes, but all banks should put more effort into this before it can be considered to be too late. New competition is arriving and attractive solutions are appearing. Therefore, the great amount of customer data should be put to use to provide more personated services that have real time functionalities. Online meetings, too, require more attention and could be developed further, but also other alternatives for providing service can be considered.</p>	
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# 1 INTRODUCTION

The digital evolution has changed our everyday lives. Consumer behaviour changes and demand for quick, easy and reliable services is growing in the digital field. Digitalization and online channels also offer several opportunities for the financial sector. Traditional service areas such as retail banking now face the changing world as an interesting challenge. Banks have branded themselves in the past as services that can be handled only by meeting physically and personally. This, of course, is not only a result of branding but safety and technology has forced banking to be made in person. Now, with the help of technology, digital banking and its services have started to take a visible role. An interesting prediction in a study was already in 1996 stated that “banking is essential to a modern economy, banks are not” (*The Financial Times*, 1996). The ongoing change still takes time. According to consumers worldwide, financial institutions fall short in becoming trusted advisors and moving beyond transactional convenience to a more contextual engagement, although they excel at leveraging digital technology to meet convenience and access needs of customers (Marous, 2015). Still, this is not the first time that the bank industry, among others, is introducing new innovations. The introduction of credit cards, ATMs, online and mobile banking and others in the past has changed banking and given us new and easier ways to transact with our financial institutions daily. Step by step, consumers have now adapted to them and the demand for more is growing. One of the latest innovations are online bank meetings that this research focuses on. Consumers’ time is now more and more valuable and limited, and they appreciate doing business “on the go”. Consumers may also often feel that banks force customers to choose from certain channels and commit to use them and banks then shut down traditional ones, such as branches.

## 1.1 Problem area

This problem area scratches the surface of a bigger phenomenon: how the customer relationships are changing in banking and in what ways consumers feel that they need banks in the future. Banks now want to find ways to be available no matter where their customers are or when they need service. Banks already provide good self-service channels which provide the customers with easy access to banking, but how does this affect the customers who require personal expert advice on more complicated or

unfamiliar subjects? If useful digital service channels are available, will it only decrease the need of actual banks? Will technology provide credible options that maintain loyal customer relationships without face-to-face interaction? I find these questions relevant for finding out what banking will look like in the future and what it actually means in practice in everyday life.

Online meetings are a relatively new feature in banking and are yet to be studied thoroughly and introduced from a practical point of view. This research aims to fill that gap by adding online meetings to the studied digital services of the financial sector. Earlier studies have focused on other earlier digital bank services and products, which could be useful. I am interested in learning how earlier literature and research on other digital bank product and service marketing can support banks in increasing online meeting usage. The challenges lie not necessarily only in creating the most suitable applications and choosing between them, but also in putting effort into persuading the customers to use and trust these new products and service channels, e.g. online meetings. Banks have increasingly developed more personated and personalized services, which match individual preferences more accurately, but does this affect the personality of banking as an everyday element? Defining the personality of banking is very difficult and finding the right term is challenging. Personating and personalizing services aim to match personal preferences, but I see that banking as an element or a character will change too, just like it did with mobile phones and the internet. Although we were all very doubtful towards these new phenomena, we largely rely on them today. We do the same with banking, do we not? Thus, if banks are moving their services and meetings online, how do customers follow the banks? This strategy's goal is to provide more useful and reliable ways for doing banking, is it not? Still, demand and supply do not seem to reach each other? How will this transformation possibly affect customer relationships and loyalty? I therefore want to understand how banks can encourage customers to use online meetings and showcase their usefulness and, as a result, provide good customer experiences, even if interacting is becoming digital. This requires researching retail bank traditions, bank marketing, product development and customer involvement, and finally interviewing how the chosen case study bank manages these factors in practice.

## 1.2 Objective and research questions

The objective of this research is to explore how Finnish banks develop and market their online and digital services, especially online meetings. Additionally, customer relationship management in retail banking will be studied to understand its benefits. Marketing in practice is often about understanding customer behaviour and customer relationship management and, therefore, analyzing one's target groups is key in successful product and service implementation. In the literature review, earlier material and studies will be presented on these subjects, focusing on the procedures in the financial sector.

### Research questions

1. How is customer relationship management (CRM) used, and what are personal relationships like between banks and customers in the banking sector?
2. What are online bank meetings and what are their advantages and disadvantages in connection to deepening the customer relationships?
3. How are online bank meetings used and marketed in banking in Finland?
4. What is the effect of digital bank services on personal customer relationships in Finland?
5. How can banks increase the use of online meetings for interacting with their customers?

## 1.3 Delimitations

This research focuses geographically on the Finnish market and technologically especially on online bank meetings. Additionally, the study will only look into personal and retail banking, not commercial and business banking. The retail banking market can be considered as a visual and traditional area where banks compete, but the area is still significantly affected by the ongoing changes. As the material and theory are gathered, some influence and information is used from international markets and other digital bank services. Still, it should be noted that cultural, political and economic differences between the studied market areas may affect their comparability to the Finnish market, although only main features will be used in this research. The past research on bank online meetings is still very limited, as the industry is now introducing digital meetings on a



larger scale. This, in some cases, limits the available data which affects analyzing the subject's literature. In implementing new banking products and services, in other words new phenomena, many studies refer to marketing and customer behaviour and, are therefore also useful for this subject. I want to focus on customer behaviour in the marketing section, because there seems to be a significant link between them.

## **1.4 Methods**

After the concepts have been introduced in the literature review, the main data regarding online meetings will be gathered in a qualitative research. A group of experts in the chosen case study bank will take part in semi-structured interviews. The data will present the main features of the used online bank meetings and how this bank markets and develops them. I am personally questioning traditional marketing and advertising in the financial sector and want to see how the bank and its experts see the opportunities to market these new digital innovations and, as a result, increase their use among consumers. In addition, general discussions on Finnish retail banking will include insights on modern customer relationship management and opinions on the changes and future of the area. In these discussions, I aim to also hear thoughts on how the personality of banking changes, as I personally see that digitalisation has an effect on it while interaction with banks happens remotely in an increasing pace.

The bank I am co-operating with will be introduced as "Bank X". Bank X has gained a good reputation for its digital services but also suffers from different customer satisfactory issues. The struggle focuses on the changing customer behaviour and adapting the customers to the bank's changing strategy. I focus on the Finnish retail bank market and Bank X's strategy with online meetings. My primary data will focus on the case study's Bank X's perspective, which consists of specialist interviews and my own experiences. Informants who are specialists in digital bank services and customer service, will provide good information about the area. As the earlier studies on online bank meeting is still very limited, the significance of the interviews is high. The qualitative research and the motives for choosing it are explained in chapter 4. Personally, I work in the banking sector and I have been involved in several projects regarding this issue which provides me with good resources and experiential data in addition to the literature and

other theories. Although I will narrow down and focus into the local Finnish market, in some cases, I refer to business models and services globally for comparison.

As secondary data, I will investigate the customer perspective by analyzing already existing studies and research on consumer adaption and experience about digital bank services. This will provide evidence on what customers think about these services and how banks can answer their demand more accurately and increase their usage. Naturally, a wide and recent selection of literature is available, which will provide support and other perspectives. The literature review consists of two main chapters: 1) Retail banking, with a short introduction to the industry, how the industry changes and what it will look like in the future, 2) Marketing digital services, where we look into service channel and new service marketing. Online meetings will be presented as an example of service channels: what they are, what opportunities and challenges they include and how banks can e.g. market them to increase their usage. To conclude customer relationships and services will be studied along with customer behaviour and different concepts on relationship and service management in the banking sector and how digitalisation changes them will be presented. The theoretical framework will present the connection between earlier literature and research, which then provides motives for the empirical research.

## **1.5 Research outline**

In this research, I will briefly introduce the retail banking area in Finland and its situation today and later analyze its structure in the future. The main focus is on marketing digital banking services, especially online bank meetings and banks' customer relationships. I also want to present the possibilities and opportunities of these online meetings by introducing them briefly and give the reader a better picture of this phenomenon. In retail banking as a business area, I will refer to the competed mortgage loan market, which is often the most visual one to the consumer's eye. As earlier studies on online bank meetings are narrow, the qualitative research will be a key resource in their introduction. The bank used in this case study will provide expert views on how they use online meetings, and how they market and develop them. The informants will also give their personal opinions on where they see banking in the future and which way personal banking should be developed. The fifth chapter presents the results of the interviews and the sixth chapter analyses the results with earlier theories. In the seventh and final chapter

of the thesis, discussions and conclusions are presented and explained. To conclude, based on the results and analysis, this thesis will provide guidelines on how banks can gain a competitive edge by providing unique digital services and in what areas they should focus on and how.

## 1.6 Definitions

*Customer behaviour*: the decisions that people make to buy or not to buy a product, and the things that influence their decisions (Cambridge Dictionary, 2019)

*Customer relationship management*: Customer relationship management (CRM) helps in profiling prospects, understanding their needs, and in building relationships with them by providing the most suitable products and enhanced customer service. It integrates back and front office systems to create a database of customer contacts, purchases, and technical support, among other things. This database helps the company to present a unified face to its customers, and improve the quality of the relationship, while enabling customers to manage some information on their own (Business Dictionary, 2019).

*Digital services*: Anything that can be delivered through an information infrastructure such as the internet (Business Dictionary, 2019)

*Multi- and omni-channel service*: Many corporations and retailers already use multiple service channels such as stores and websites, which means that they are multi-channel. The key difference between multi-channel and omni-channel is that omni-channel joins these touchpoints together so that, whatever journey the customer chooses to make, the experience is consistent and unified (Moffat, 2017)

*Online bank meeting*: Online bank meetings are a concept where the service provider and the customer can have conversations remotely and online, without meeting physically in the same place. Online meetings could be considered as a modern way of meeting face-to-face remotely with the help of video, audio and other technical features.

*Personalize (to)*: to design or tailor to meet an individual's specifications, needs, or preferences (Dictionary, 2019)

*Personation*: imitating the mannerisms of another person (Definitions, 2019). To represent in terms of personal properties or characteristics; personify (Dictionary, 2019).

*Retail banking*: Retail banking, also known as consumer banking, is the typical mass-market banking in which individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit/credit cards and certificates of deposit.

*Social marketing*: Social marketing is an approach used to develop activities aimed at changing or maintaining people's behaviour for the benefit of individuals and society as a whole. Combining ideas from commercial marketing and the social sciences, social marketing is a proven tool for influencing behaviour in a sustainable and cost-effective way (NSMC, 2019). Compare to commercial marketing (Schneider, 2017).

## 1.7 Chapter summary

The objective of this research is to explore how Finnish banks develop and market their online and digital services, especially online meetings. Additionally, customer relationship management in retail banking will be studied to understand its benefits. Consumers expect quick and easy access to banks from where and whenever they want to. While banks urge to provide consumers personalized and mobile solutions, many consumers still demand personal expert advice. This forms an unstudied gap. *What is the effect of digital banks services on personal customer relationships in Finland?* What happens when the customer requires personal expert advice but there is no local branch office to attend to? Can banks provide expert advice remotely? This research then aims to study a relatively new concept which is being introduced in the market, online bank meetings. *What are online bank meetings, what are their advantages and disadvantages in connection to deepening customer relationships?* Online bank meetings have not yet been thoroughly studied and I am curious to know how banks develop and market them, as they also want to provide personal expert advice remotely in addition to the already implemented self-service channels and products such as online and mobile banking. Some key terms appear and they are presented in the definition section. The literature review introduces marketing strategies that banks globally apply to implement and increase usage of their digital services and products. Earlier studies prove that marketing strategies of new digital services are strongly influenced by analyzing consumer behaviour, motives

and habits. It is also important to understand how banks manage their customer relationships and what customer and bank relations actually are. The study is limited geographically to the Finnish retail bank market and technologically to the used online meetings for communicating with customers. The concept of online meetings is briefly presented but the main data on them, the used development and marketing strategies, are gathered from experts in a selected Finnish case study bank, which uses them for remote customer meetings. *How are online meetings used and marketed in banking in Finland?* The qualitative research consists of interviews with three main themes: customer relationship management, online meetings in Bank “X” and a general view on Finnish retail banking. *How can banks increase the use of online meetings for interacting with their customers?* The results show how Bank X tries to increase their use and why they see them as an important feature today and in the future.

Based on the literature review and the empirical research results, this thesis provides further data on what banks should take into consideration in their customer relationship management, what current online meetings are and how they work. Additionally, it provides managerial implications to increase digital bank service usage, such as online bank meeting and then presents insights on where personal banking is going based on personal and the case study bank’s perspective.

## 2 RETAIL BANKING

In the following chapter, I briefly introduce retail banking and its evolution through the years, how digitalization changes it and how consumers play a big part in the development. Retail banking has gone through significant changes since the 19th century. Currency, cash, credit cards and technology have transformed retail banking to its character today. The presence and need for physical banks in the past was related to the fact that consumers needed cash and preserved their funds and valuables in banks. In the 1950s, the introduction of credit cards changed the industry as consumers received an alternative form of payment, although check books already existed. The need to attend bank branches only diminished in the late 1960s, when ATMs arrived into the urban scene (Judd, 2017). This also transformed the role of retail banking. As the need to provide cash to consumers decreased, retail banks were able to focus in providing advice related to e.g. loans and savings.

In the 21st century, banks have gradually cut down their local branch offices from the urban street scene. Banks have systematically invested into moving their resources to e-services and online banking. Doing business has traditionally meant that the customer attends the local branch office but the modern customer has found it challenging to match its busy schedule with the bank's opening hours. Customers would need to arrange time for attending the bank and once they arrive to the bank, they probably will not be the only customer in the bank at e.g. lunchtime. Still, many customers do so because they have the habit of doing business in person, face-to-face. This guides us to the more traditional way of doing business. Customers want to be able to receive professional advice and they feel that doing business face-to-face is the best way to answer their demand. There is not much to blame in the customers. For some, it has always been the one and only way. There are similarities between three different meetings where the face-to-face confidentiality is very high and important for the customer: a doctor's appointment, a confession with a priest and a bank meeting. All three are very personal face-to-face experiences. The consumer demands help in a personal matter in a professional area where they rely on the other's knowledge and trust to provide the service.

Today, it is more about being or getting to where the customer is. Consumers run errands digitally and now this trend also concerns retail banking. Retail banks have started to put

more and more effort into providing digital services for their customers and reaching them in new ways. Mobile banking, remote payments, e –invoices etc. are services that we are already familiar with and internet banking has already been here since the late 1980s. The competition in the area has also changed. Companies such as Amazon, Google and Apple provide their own payment methods and bank-related services (Mattila et al., 2018). Gradually, the demand for practical and quick bank services has grown as customers have developed habits in doing business online. Expectations put pressure on banks and force them to change their strategy and approach.

## 2.1 The digital transformation of the financial industry

Bank services are available through numerous channels: local branch offices, ATMs, telephone, chat, internet banks, mobile banks, online meetings etc. HDFC Bank (Adhikari, 2015) monitored their customers' movement to digital banking transaction. Since 2004, in only ten years (2014), already more than half of the transactions took place through internet and mobile banking (figure 2.1.). The number of online meetings has not still reached the same volumes in bank meetings. The vision still seems to be clear among several experts; the number of branch offices will diminish in the near future and personal banking will move, for the most part, online and into digital platforms (Grym et al., 2018). In 2018, there were little more than 850 branches in Finland. That number has come down from over 1200 since 2014. Almost half of them provide only limited cash services and 20% do not provide cash services at all (Finance Finland, 2018).

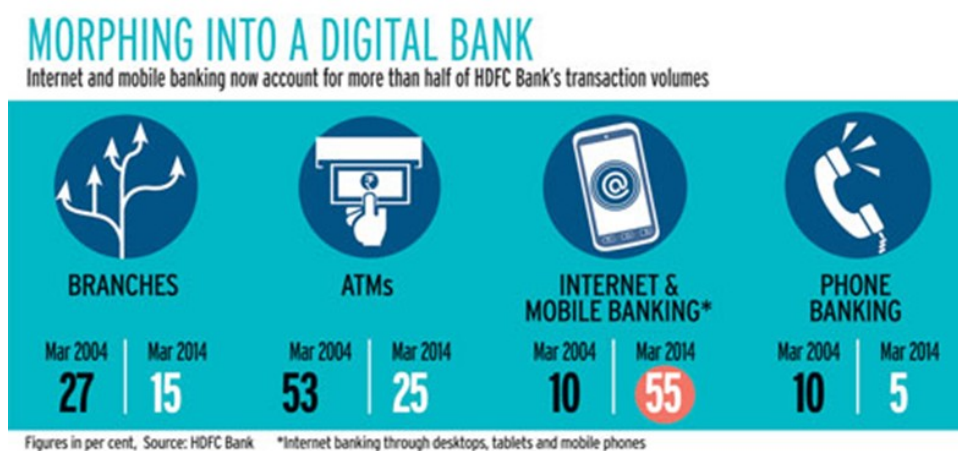


Figure 2.1. Changes of service channels in HDFC Bank 2004-2014 (Adhikari, 2015)

Nordic banks are forerunners in digitalization and Finland is among the top European countries in online banking penetration (usage) (Grym et al., 2018; Eurostat, 2018). In a study by Eurostat (2018), Norway is ahead with 92% of whose population has access to online banking sites, followed by Denmark (90%), Netherlands (89%) and Finland (87%). The difference between European countries in online banking penetration is surprisingly large, as in the bottom three countries, no more than 8% use online banking (see appendix 1). This witnesses the diverse customer habits and technological readiness in a relatively small region such as Europe.

The ongoing technological transformation has kept the banking industry on the move. According to Mitek (2016), little competition, a relative position of power and the lack of alternatives to most financial services created a gap of communication between the consumer and traditional banking. Now, personal banking has become more personalized and individual. The customer has quicker access to his/her bank through e.g. smart devices, and services are customized, based on the individual's needs. The customer will also be more responsible for being more active in easily finding the services it is seeking. In the background, robotics will be in charge of analyzing the customer's input and keeping the customer up to date of the ongoing process. Already today, customers are able to apply mortgage loans without setting foot in a bank before actually purchasing an apartment or house. Recently in Finland, purchasing has also become a digital process (Helsingin Sanomat, 2018). Soon, your personal bank will be your closest smart device, and banks will be considered more as a personalized application, instead of a building on a street corner. As online banking penetration is so high in the Nordic countries, we can predict signs of consumers expecting and adapting to even more practical ways of banking than just online and mobile banks, or at least, demand for even more versatile options in them. Banks have then globally followed the global trend of investing in Fintech and new technologies. A survey by Eurostat (2015) shows that banks were spending tens of billions (and are forecasted to use even more) in new technologies to develop current systems and work on technological solutions (Figure 2.2). The goal is to increase their competitiveness on the global market and to attract customers interested in new online and mobile services. This again, opens opportunities for global Fintech companies to provide new ideas and software solutions for the banking industry.



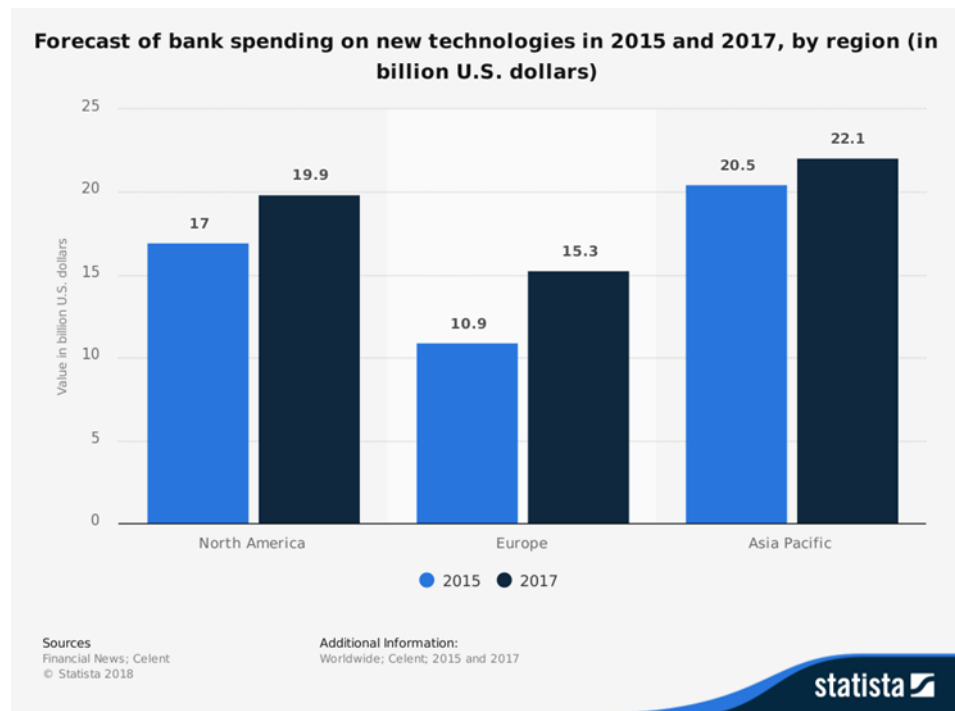


Figure 2.2. Forecast of spending on new technologies in 2015 and 2017, by region (Statista, 2018)

In many measures, Nordic countries are ahead of the rest of Europe in digitalization: broadband and mobile connection use is common, many affairs, such as tax returns are managed digitally and soon no one will recognize paper share certificates. In several other European countries, digital services are not considered self-evident, affairs are managed face-to-face and forms are filled in on paper. Integrating digital financial services as a part of other services is significantly easier the more digitalized the countries are (Grym, 2018). It was also already seen in 2013 (see appendix 2) that online wallets have the most potential to become the most convenient payment solutions in e-commerce in Europe (Statista, 2018 and Kearney, 2013). Glaumann (2017) displays how the expectations towards business and service will change with the digital transformation. The role of customers and the significance of being available everywhere is only increasing. This has also changed the way authors think about business logic (Figure 2.3).

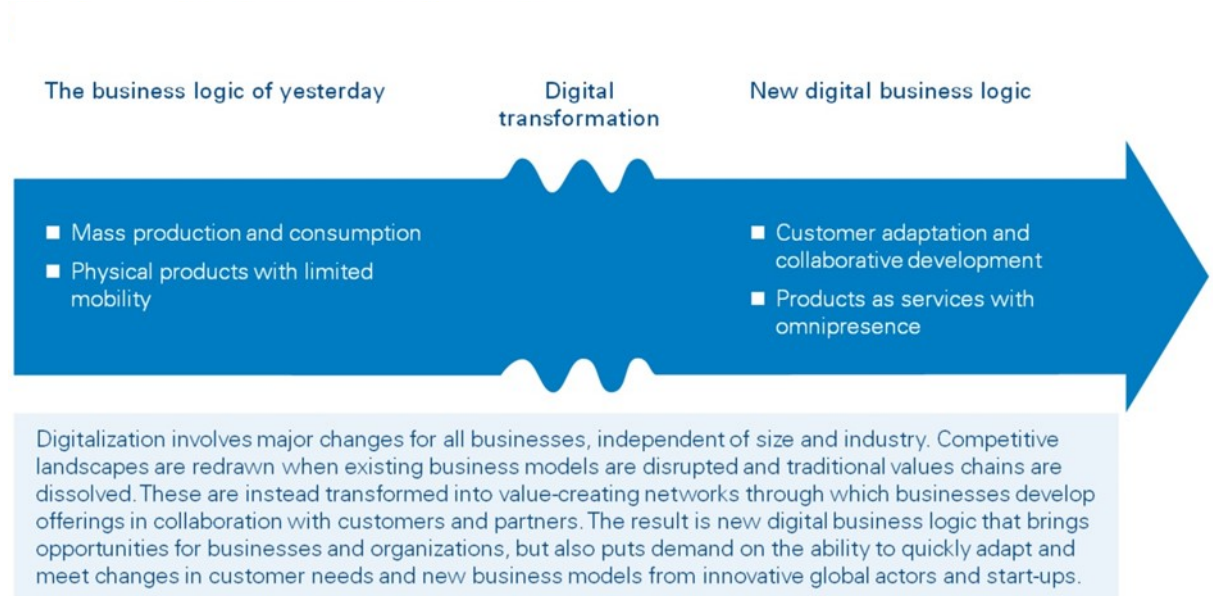


Figure 2.3. New business logic for companies and organisations (Glaumann, 2017)

According to Grym et al. (2018), the more people use digital services, the more it will guide their expectations towards other services. In the financial industry, access of third parties to customer accounts, data and funds, even on customers' permission, has been controlled by banks. Customers have not been able to choose payment methods freely, only from the options the banks provides. At the latest, when the new payment method directive is introduced, this position will break down. Soon, banks will no longer be able to decide which operator (approved by authorities) the customer chooses to handle its transactions from the banks' accounts.

Thus, digital services are here to stay and they offer new opportunities. The next challenge is to make them feel as personal as in doing business with an expert in person face-to-face. Technology offers the opportunity to personalize and tailor services and applications to suit different users' requests, but providing a credible atmosphere for online meetings and automated advice is different and more difficult. Different services have moved the majority of their so-called availability online and now focus on providing more fluent customer experiences in that environment. So what is the benefit for banks in moving online? First, of course, is cost efficiency. Automated systems are expensive to produce, but due to their efficiency and maintenance, they are cheaper on a longer basis. Secondly, being more efficient means that banks can simultaneously reach more customers as automation directs customers to the most optimal and available service channel. Third,

come responsibilities and will towards developing the society and the environment (Kauppi, 2019).

Although digitalization has been around already for quite a while now, some sectors are still only now implementing the benefits it offers (Kuusela, 2019). More traditional business sectors, like banking, have had challenges in building a reliable impression to their customers on digital services. No one judges the opportunities digitalization offers, but security and trust might often be the issues when it comes to customers' personal data and affairs. Retail banking is one of the last dinosaurs that still relies in personal physical meetings, or in a sense, it might have to. Other examples are the tax system, governmental services or the social insurance institution. Customers are used to run errands personally in these sectors but these traditional areas are also known for their paper work; constant and never-ending piles of applications and printed contracts.

In banking, security and compliance are crucial factors. Data leaks, misuse and other cybercrime are growing threats and it is understandable that banks have been cautious with stepping into online services. Customers have often certain doubts towards e-services, but now as e-commerce has become more popular and consumers often do purchases through the internet, also a demand for e-banking has grown. Unfortunately, we still see data breaches and authorities have set strict regulations, such as the General Data Protection Regulation (GDPR), so that banks, among other operators, would prevent them more efficiently (Bank of Finland, 2019; Office of the Data Protection Ombudsman, 2019). All services are expected to be reliable, but especially banking has to meet both customer expectations and authority regulations. An unreliable bank cannot function. Why is then managing personal bank services online so doubtful? Are not quickness and easiness the decisive factors when choosing banking channels?

To support security and compliance, legislation and regulation policies have also taken big steps in the 2010s. The European Union and other authorities have set stricter rules and laws (Finance Finland, 2017) to first protect the customers' privacy and second, to achieve zero tolerance in criminal financial activity. The new rules require banks to strengthen their data security and, at the same, requires them to understand and know their customers' financial state and backgrounds more thoroughly. Authorities, legislators and financial institutes have to constantly balance between differing interests in development. Competition, innovativeness and better customer experience are good causes, but they

cannot occur on the expense of financial stability and consumer protection. In case, that digitalization leads to the point where providing financial services moves to less regulated and monitored operators, risks can be generated. However, as banks' business models are increasingly based on algorithms and data analysis, new kind of expertise is required from bank regulators. Someone should also be able to tell if encoding in millions of systems is sufficiently safe from cyber threats (Grym et al., 2018; Laine, 2018).

## **2.2 Product and service development**

We saw in the previous section that the financial sector faces maybe its biggest changes to date, so product and service development is very important too. Not only does modern banking have to be user friendly and efficient, it has to follow strict security policies and legislation. Banks have profited from a very useful resource in product and service development, their customers. Some consumers have even been ahead of banks in service development before banks have introduced such services. Oliveira and von Hippel (2011) found in their research that 44% of retail banking services in their sample, were developed and self-provided into computerized versions by individual users of retail banks services before banks, or other types of service producers, offered them. Their findings prove that users are actively involved in product development and product modifications in many fields.

Not all users are developers. Research show that user innovation tends to concentrate among "lead users". They can be described with two attributes: They are (1) ahead of the bulk of the market with respect to an important trend and (2) expect to gain major benefits from solutions to needs they encounter in that leading edge. They are motivated to innovate because they expect major benefits from a solution. Therefore, products that are developed by this "leading edge" for their own use, offer producers opportunities to commercialize them (von Hippel, 1986; Urban and von Hippel, 1988; Herstatt and von Hippel, 1992; Olson and Bakke, 2001).

Service types	% User	% Producer	% Joint
Information services and planning solutions	75%	25%	0%
Products, transaction services and security	38%	62%	0%
Channels to access banking services	25%	75%	0%
Corporate services total	44% (7)	56% (9)	0% (0)

Table 2.1 Sources of computerized versions of retail banking services (Oliveira and von Hippel, 2011)

Retail banking Services in sample (n = 16)	Date of commercialization of computerized version of service	Date of introduction of computerized version by user as a self-service	Innovator of computerized version U = user, P = producer, J = joint
<b>Information services and planning solutions</b>			
Multiple institutions information aggregation	1999 <sup>a</sup>	Early 1980 <sup>b,c</sup>	U
Relationship statements	Early 1990s <sup>d,e</sup>	Early 1980 <sup>f</sup>	U
Online consumer forums and communities	After 1995 <sup>g</sup>	1985 <sup>h</sup>	U
Alerts, notifications and reminders (tel./email)	Early 2000s	None	P
<b>Products, transaction services and security</b>			
Electronic person-to-person (P2P) funds transfer	January 2010	1990s <sup>i</sup>	U
Personal budget planner	1986 <sup>j</sup>	1980 <sup>k,l</sup>	U
Manual/automatic bill paying	Shortly after 1975	None	P
Sweep service between accounts in the same bank	1994 <sup>m</sup>	None	P
Sweep services across different institutions	2010	1997	U
"Keep the change" program	October 2005 <sup>n</sup>	Early 2000s <sup>o</sup>	P
Overdraft protection	Late 1990s <sup>p</sup>	None	P
Frequent password updating	2007	None	P
<b>Channels to access banking services</b>			
Telephone banking	Early 1980s <sup>q,r</sup>	None	P
Text messaging services	2009 <sup>s</sup>	None	P
Online banking	1995 <sup>t</sup>	None	P
Mobile banking	Mid-2000s	October 1999 <sup>u</sup>	U

Table 2.2 Sources of innovation and dates of introduction of computerized retail banking services (Oliveira and von Hippel, 2011)

It is useful for organisations to recognise that service and product innovations are often first developed by lead users. Therefore, it is advised for producers to search actual service innovations by lead users. This can be applied as a supplement or substitute for "co-development" of innovations with users (Pralhad and Ramaswamy, 2002). Using lead user innovations over producer self-development has several benefits. It e.g. provides information on leading edge user needs, helps evaluate prototype designs with those needs and the gained value in use of user-developed prototypes under real-world conditions. In retail banking we see development and implementation of numerous new products and services. For service producers, it is valuable to seek out the self-service innovations of lead users when innovations contain functional novelty. Users have the advantage in accessing and generating "sticky need information". However, when service improvements involve less functional novelty, inputs from lead users are likely to be essential (Ogawa, 1998; Riggs and von Hippel, 1994; Roy, 2009).

Product and service innovations are nowadays trending towards connectivity, which consists of modules that are part of larger user systems of interlinked products and

services. This means that, consumers can use services simultaneously inside a larger system, across different organisations and service providers. Oliveira and von Hippel (2011) suggest that particular producers should look for additional commercial service opportunities by exploring these user systems to identify modules that precede and follow those that the organisation already provides. In other words, organisations should be curious about the ways consumers apply the data provided by their services for other purposes or services, such as budgeting and tax preparation. Identification services, provided by financial institutions, can be considered as a revolutionary step, which gives consumers the opportunity to identify themselves, log into and use different services securely, regardless of the service provider (Finance Finland, 2018).

Companies that supply service functions, which can be integrated with service opportunities currently provided by users for themselves, have a competitive advantage over other potential producers. *“They have resources to already have some or much of the information needed to provide the adjacent service in hand and therefore also already have the customer relationship in hand as a result of their current provision of the adjacent service”* (Oliveira and von Hippel, 2011). Although, customer involvement and using leading users in product and service development is widely recommended in the literature, Oliveira and von Hippel (2011) remind of a hidden downside in this routine in an example from the financial sector. A commercially provided service often takes away users’ freedom to make modifications and adjustments on their own, because the organisations now make the programming choices and customers do not anymore have the tools to adapt them. Producers should be motivated in offering commercial versions of user-developed services that can be modified and updated by users to suit their own preferences. The producers can then study these user-developed improvements and receive valuable feedstock of potential improvements to their commercially-offered service (Franke and von Hippel, 2003). Additionally, these “toolkits” can be cost free.

Retail banks in Finland have also given consumers the opportunity to influence bank operations. Proper complaint processing in banks is also required by authorities (Fin-FSA, 2018; EBA, 2019). All three major retail banks in Finland, OP, Nordea and Danske Bank naturally offer the possibility to give feedback and send complaints through different channels (OP Financial Group, 2019; Nordea, 2019; Danske Bank, 2019). After a brief browse on their webpages, Nordea seems to be the only bank from the three, which

publicly provides consumers an additional platform for operation and product development. Consumers can sign up into a service called Nordea Panel and then take part in occasional surveys or group conversations regarding current or developed concepts. Participants can be current customers or costumers of other financial institutes (Nordea, 2019). It can still be assumed, that Finnish retail banks may provide optional possibilities for current customers to be involved in concept development internally, such as testing demo and beta versions of incoming services, before the final version is published.

## **2.3 Competition**

Competition is changing along with the financial industry, which is affected by different actors. Legislation and regulation have stricken as authorities require better security and trust from financial operators. Historically, to avoid risks of potential instability, the banking industry has been heavily regulated. Vives (2001) also mentions that frictions in banking markets, such as entry barriers and asymmetric information, cause the welfare theorems associated with perfect competition not to be directly applicable and allow room for the exercise of market power. In the last few decades, formation of unions (European Union, Economic and Monetary Union and euro currency) have still substantially deregulated financial services and aimed to foster integration, remove entry barriers and promote both competition and efficiency in the EU banking industry (Casu and Girardone, 2009). Still, several studies (European Central Bank – ECB, 2008) display that the progress of the single market in financial services has been slower than expected, especially in the retail sector, which calls into question the competitive conditions of EU banking markets. Casu and Girardone (2009) also show, in their study, that there are significant differences between countries. Despite the sustained regulatory intervention, substantial barriers to the integration of retail banking markets still exist. Results also show that while main EU banking markets are becoming progressively more concentrated, there is no evidence of increasing competitive pressure over the period (Casu and Girardone, 2009).

Legislation and regulations are still not the only actors that affect banks' image and reputation in the competitive market. In Finland, consumers trust banks and therefore should benefit from this as the industry globalizes and new EU directives come into effect

(Koret, 2017). Koret underlines the significance of trust as a significant competitive advantage in the data society. Organisations do no longer live in a world where they believe in what people tell them. “Nowadays, we know how people act and behave.” (Koret, 2017). Banks need to understand what data should be used and combine different data resources to understand people’s motivation. Koret (2017) also argues that banks’ goal is not to provide experiences in the future, but instead, to streamline people’s everyday life, make consumer’s life easier. Simultaneously, people need to feel that banks care about them. Enhancing trust is still not the only way for banks to compete in the future. Data has to be put into more effective use and provide surprising services to consumers. The data-age also drives banks into new kinds of co-operation with other banks and actors from other industries. As organisations network, new kinds of ecosystems are born, whose purpose is to serve people better (Koret, 2017). Fungáčová et al. (2015) add several more actors and summarize the affecters in the competitive market:

#### 1. Changes from several directions

- In addition to the prevalent economic environment, banks also need to adapt to megatrends, such as population’s demographic changes, technological and infrastructural development and urbanization.
- The slow economic growth and low interest rate level challenge banks’ profitability.
- The aging population in Europe and growing urbanization affect customers’ demand for services.
- Use of new technology and digitalization spreads. They open new opportunities, but also add new challenges.
- Technological development, changes in the market and digitalization have created stepping ground for new actors. In the competed industry banks have faced further competition from outside the banking sector

#### 2. Regulation affects business models

After the financial crisis, banks’ regulation was reformed, The European Bank Authority (EBA, 2014) has evaluated the new capital and liquidity regulations’ (Basel III), banks’ structure reforms’, crisis resolution framework’s and derivative market’s new regulations’ affect into banks business activity. According to EBA’s estimate, the probable effects in the European banks sector are the following:

- Banks are better capitalized and less risky, but operation costs increase and return of equity decreases.



- Banks' balance sheets diminish, but their leverage ratio weakens and asset encumbrance increases.
- Capital structure transforms so, that deposit's share grows and wholesale funding's share grows smaller. At the same time loan/deposit statistics decreases and banks' wholesale funding becomes more expensive and maturity lengthens.
- The pressure to simplify structures increases e.g. by cutting down the branch network and internal operations. Banks will concentrate to home markets and in addition investment banking and extra-balance sheet tranches diminish. Retail customer and SME lending reduces.
- Big banks can profit from the prevalent differences in regulation between large economic regions. Bank regulation increases shadow banking.
- The significance of internal governance increases.

### 3. Trends of concentration and outsourcing

Specialization is seen as one developing trend. Banks that operate with a narrow customer base, can reach them efficiently. Banks have indeed cut down balance sheet expenses outside of their main business operations. In some cases, also some return to basic operations can be noticed, where traditional lending and deposit products are provided in a certain area. However, some banks can still compete in universal banking. Cost-efficiency will become more significant in the future. It is probable, that some banks outsource some of their operations, such as back- and middle office operations. Simultaneously, opportunities to gain incentive revenue may open to some banks by providing services to other financial institutes. Also co-operation between new competitors and shadow banking systems is likely to happen. A good example of this is the automation of apartment dealing where several operators, authorities and institutes joined forces to speed up and digitalize the apartment dealing process, which traditionally required attendance of all parties and usage of physical documents (Lehto, 2018).

### 4. Does change show in the European bank sector?

- According to the European Central Bank's statistics, banks' balance sheets have diminished significantly between 2011 and 2014.
- European banks' risk stressed receivables have also decreased significantly.
- European banks' common equity tier 1 figure (CET1) has grown from 2011 to 12,1%.
- The revenue of operations has been modest. Despite the elevation of loan margins, interest revenues have decreased significantly. Profitability has been maintained by asset acquisition and the decrease of interest costs. As the share

of net interest income has decreased, the significance of fee and commission income has increased.

- Impairment losses and loan loss allowances have weakened profitability. Because of the financial situation, the importance of unmanaged loans and cutting costs are priorities in the future.

## 5. Big banks still dominate

The changes of regulation and operational environment are not yet visible in the banks relative position in the Euro(€) areas market. Although big banks have adapted their balance and operations more in comparison to smaller banks, big banks still dominate the market. Additionally, the concentration of bank markets has increased as a result of consolidation and the shares of the biggest five banks have grown in the banks' sector of individual countries (ECB, 2014). Therefore, the significance of big banks in individual markets has not decreased lately. Even though the trend of changes in the operational environment are visible in the whole banking sector, it is still hard to make gaps between operators.

### 2.3.1 What are the competitors in Finland?

At the end of 2017, there were 267 credit institutions operating in Finland. Credit institutions include deposit banks and other credit institutions that do not take deposits, such as finance houses, credit card companies, mortgage credit banks and Municipality Finance Plc. Most Finnish credit institutions are part of a banking group or amalgamation. Calculated by group, there were 12 Finnish banking groups amalgamations (excluding foreign branches) at the end of 2017 (Finance Finland 2017). According to the Bank of Finland (2018), three of them, OP Financial Group (~40%), Nordea (~30%) and Danske Bank (~11%) have a total housing loan market share of over 80% (Figure 2.6.). By the end of December 2017, credit institutions operating in Finland had given out Finnish households a total EUR 96,1bn worth of housing loans (Bank of Finland, 2018). OP Financial Group operates entirely in Finland as Nordea and Danske Bank operate in Scandinavia and Baltic countries, and have small operations globally. Most of the retail banks in the figure offer daily banking and savings services and their fundamental operations are relatively similar. Strategically we could find some differences in customer segmentation, market focus areas and product and service variety.

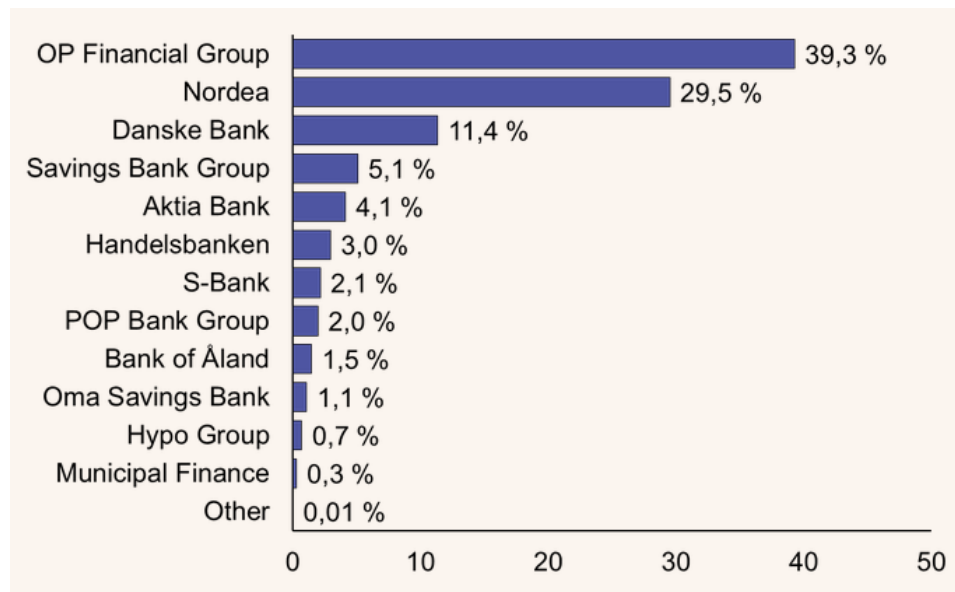


Figure 2.4. Stock of housing loans to Finnish households, market shares at December 2017 (Banks of Finland, 2018)

### 2.3.2 How do banks compete?

The competition on market shares in Finland has been pretty stable for the past decades. In Finnish retail banking all three leading banks (OP, Nordea and Danske Bank) have a pretty similar product and service offering, although some strategical differences may appear. These three banks provide both personal and business banking services. In the mortgage market (housing loans) the same trio holds the largest market share and compete to attract new customers and keep current ones. As a market, mortgages are usually compared by customers in pricing, terms and conditions and detached product offering. In other words, consumers mainly look for the cheapest mortgage with favourable terms and useful additional products. Generally, banks with the biggest resources, have the best capabilities to compete with pricing, as they have the opportunity to gather assets with the lowest margins. This basically describes the competitive factors in mortgages, but consumers and banks also take other aspects into consideration because customers appreciate service experiences and reliability, and banks want to expand customer relationships by providing complete bank entireties. Bank customers are traditionally considered to be long lasting and concentrated, where customers rarely, if never, change banks and all their banking “needs” are centralized into one financial institute. For many, this concept seems be logical and simple to manage, but new demands also change competition. The biggest competition area is services; what services are provided and

where, how usable and reliable are they and what requirements there are to use and access them. This can be concretized in banks' physical and digital availabilities. Today, changing from a bank to another is easy and fast, and many consumers seek the bank which provides the best products and services in each individual area (loans, investments and daily banking). This again, increases consumers' opportunities to use several financial institutions for different purposes, which again complicates competition.

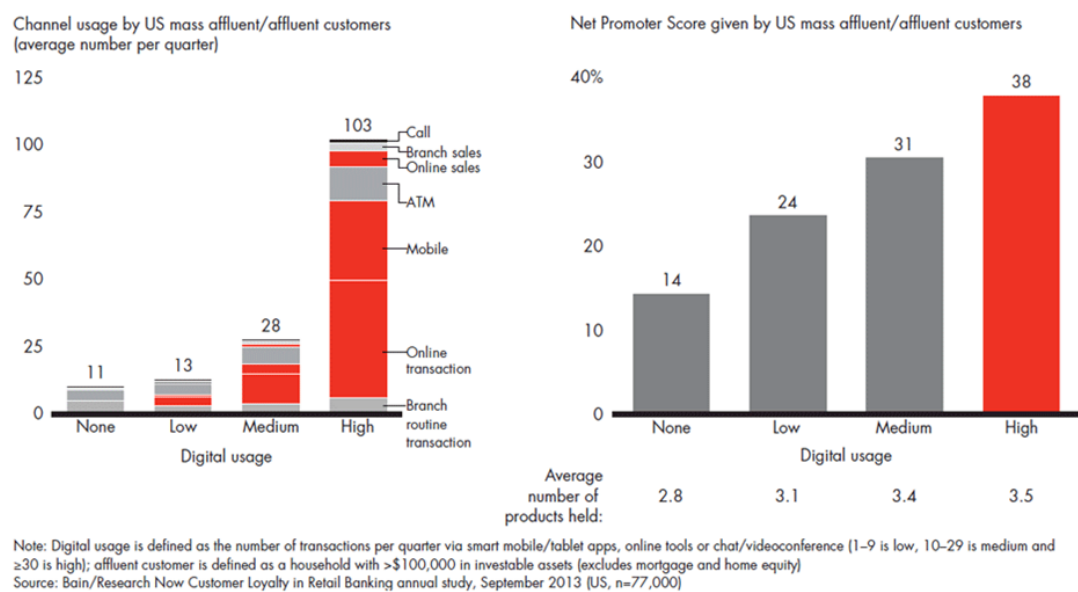


Figure 2.5. High digital usage correlates closely with customer's loyalty, US example (Baxter and Rigby, 2014)

The industry can be seen moving towards digitalization, but the pace between banks differs and some banks have even surprising strategies. According to Baxter and Rigby (2014) leading banks are now working on balancing mixtures of digital and physical facilities. After analyzing US markets, they admit that banks are closing more and more branches, but also see completely digital banks opening physical branches. In Finland, the move has almost completely focused on closing or at least reformatting branches, apart from some banks that arrive to new regional markets and open a local branch. It should also be noted, that US and Finnish markets are very different. However, Baxter and Rigby find routes for banks to follow that can be applied globally outside the US market. Customers demand for digital services and expect seamless integration of digital and physical capabilities, so that e.g. transactions show up instantly in the

channel they choose to use, regardless of where they are (figure 2.5.). This is what the most innovative banks have learned to provide and usually their transformation often starts with moving current capabilities online to make banking more convenient for customers. Baxter and Rigby (2014) suggest banks to proceed along two complementary paths:

1. Creating “signature” experiences and new sources of value where banks decide to focus on one or two key omni-channel experiences, such as buying a car or a home, as a way of engaging customers and stand out from their competitors. This concept is very common already in Finland, as house and car listing web pages have advertisements and direct links to different banks’ and financial institutes’ online loan applications. In Baxter and Rigby’s example, mortgage advisors of Commonwealth Bank of Australia book required in-person appointments that they claim to be preferred to by people to take place in branches. In Finland banks offer the same services but also suggest the possibility to do the meeting online without needing to attend a branch.

2. Reconfiguring the branch network as many banks are reformatting branches rather than closing them outright. A study by Bain & Company (2014) shows that a number of leading banks are creating “hub” flagship branches as showrooms, where banks provide expert advice for complex product sales and venues. Basic services and sales capabilities are then provided in “spoke” branches, where product specialists located in central offices can be reached by video links. This phenomenon is present in Finland too. As the amount of smaller local branches decreases and operations are moved to bigger central offices in bigger cities, some local branches can keep providing basic services and introduce easy connections to customer service contact centers and online services. Some banks help their customers to adapt and get familiar with new service channels by introducing them in “pop up” branches that concentrate only in guiding customers in using remote service channels. Online banking booths and mobile bank guides can be seen in Finnish bank branches to showcase their convenience in comparison to repeatedly attending

branches. This whole concept is a concrete example of how banks help their customers throughout their transformation.

Baxter and Rigby conclude that, although branches may be fewer in the future, physical banking is not disappearing, it is evolving rapidly. Branches will be more useful and efficient, and they see that banks without branches are likely to find themselves at a competitive disadvantage. In the same research by Bain & Company in 2013 that is referred to by Baxter and Vater (2014), the authors suggest five specific essential imperatives (including the two mentioned above) for building a strong bank of the future. They refer to a hybrid combination of digital and physical assets as Digical:

1. *Create a differentiated Digical customer experience where you can win. Banks have long deployed technology to support and automate internal processes and to replicate functionalities online, mostly in the service of reducing costs. But now, truly customer-centred banks have also fused digital and physical assets to make customers' banking lives easier, more convenient and more engaging.*
2. *Build out omni-channel distribution, one market at a time. Achieving the goal of "anything, anytime, anywhere" banking has major implications for the role of the branch. With teller-assisted transactions declining at an annual rate of 10% to 15% for many banks, migrating to lower-cost, automated formats is essential. Moreover, innovations in smart ATMs and video teller machines have made self-service easier and more engaging.*
3. *Overhaul the technology platform to simplify customers' lives. To deliver a differentiated, seamless experience to customers, most banks will need to make substantial improvements to their IT infrastructure. CBA's effort to build digital innovations around home buying and other experiences, for instance, was premised on its long-term commitment to investing in customer record migration and integration—infrastructure that allows a single view of the customer from any channel—and the reconstruction of its core IT platform for one-and-done processing.*
4. *Fund the transformation by leaning out the legacy. Funding the investment for this massive change poses a major challenge to management. Banks on our benchmarking panel are freeing up funds by simplifying their products, processes and organisations. They're also planning to reduce costs by migrating basic transactions online. Other levers to reduce cost include process automation; branch format redesign to reduce staff, as well as bad and avoidable volumes; and streamlined sales processes. The most commonly applied method uses lean techniques.*
5. *Organize to speed up innovation and change. The broad-scale change implied by the Digical transformation raises major challenges for banking organisations as well. The behaviour endemic at many traditional banks—strong departments that narrowly focus on improvements within their domain—works at cross purposes with an omni-channel approach. Walls between departments and functions will have to come down. Technology investments will deliver just a fraction of the potential benefits unless banks understand and act on the implications for staff capabilities and behaviour" (figure 2.6.).*

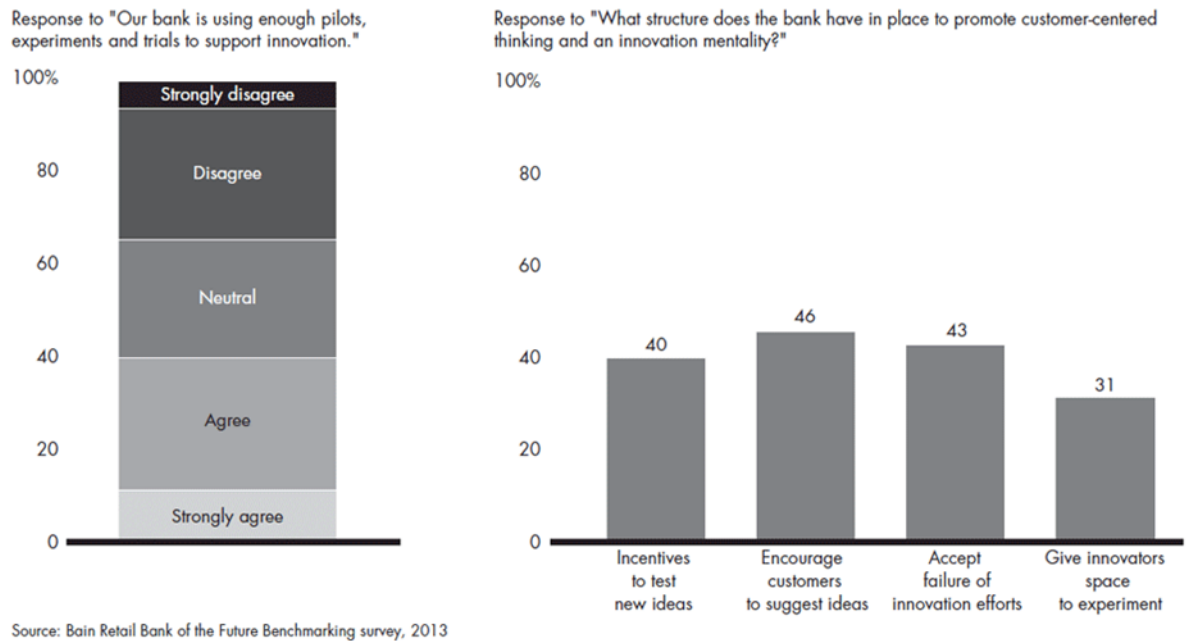


Figure 2.6. Many banks lack behaviors and organisational support that are required to innovate (Bain & Company, 2013)

### 2.3.3 Future competitors

As competition in retail banking intensifies among traditional banks, technology enterprises and Fintech (financial technology) companies are expected to be the competitors of the future. The legislation and rules have begun to deregulate the industry and these possible future competitors have shown interest towards financial services, especially online lending. Tech enterprises such as Google, Amazon and Facebook have gained access to financial markets after the European Union's Payment Services Directive (PSD2) came into effect (Financial Supervisory Authority, 2018). Big banks may have the opportunity to defend themselves by buying the most potential Fintech companies, but synchronising new and existing systems is difficult and expensive (Blomster, 2017). Finland, among other Nordic countries, are forerunners as origin countries of many Fintech companies. Understanding what trends and types of companies could be considered as future competitors, would require a more thorough analysis on this area. Studying the ongoing trends and marketing strategies in the financial industry still gives good guidelines on what can be expected, or at least, introduces what banks themselves are relying on.

## 2.4 Retail banking in the future

Many authors and researchers have discussed the future of retail banking. In a general view, many are understandably forecasts, but seek answers from today's customer behaviour. At the moment, customers still appreciate personal advice in form of meetings, but automation might rule out their need. There already are good examples on sectors that have changed against many expectations. The travel and leisure sector has traditionally been a business where customers attend or call travel agencies, but today, customers plan and purchase journeys online independently. I personally believe that the need and demand for personal advice and communication will decrease. The term "personal banking" will change its description and meaning, as technology's role increases substantially. This means that personal service will still exist, but in other forms. We have to also consider the option that meetings are no longer necessary in the future of banking.

According to Skrabski (2017), the use of virtual branches allows implementation of processes, such as online legitimation, and, as a result, simplifies and further accelerates client acquisition, without the customer needing to visit a branch. I believe, that automation does not limit personalization and technology can even exceed the personal experience provided by an adviser or expert. Customers require the introduction of more useful and modern forms of communication and service, and expect fewer visits to physical banks (Skrabski, 2017). In the travel and leisure sector, travel agencies did not only close branch offices by moving customer services online, but they also received new competitors. Travel search engine websites search the cheapest bookings from all available alternatives and the customer can make the purchases and bookings directly. This trend is influencing other sectors too. Advice and information are no longer limited or restricted because consumers can seek and share advice and tips online. Consumers are able to compare prices and other factors, and online service makes customers more independent. It is very probable that the financial sector will follow the trend later on. Mitek (2016) suggests four ways in which banking can work in the near future: changing the user experience in the branch office, proactive financial advice and personation, exploiting available consumer data, and attracting new target consumer generations. As it did in the travelling sector, this sort of changes still require time for customers to adapt to available modern service channels and concepts. Only after that, large target groups



are able to find the most efficient and comfortable bank service channel and then require even more improved ones. If customer service automatizes completely through changing customer generations, the job descriptions in the financial sector and banks as employers will also change. Automation is considered as a threat for human resources, but optimists see this as an opportunity where job descriptions change, not meaning that unemployment would grow.

### **2.4.1 Applying mortgage loans digitally**

To conclude this chapter, I want to present a concrete example on how banking changes with digitalization. The mortgage market and its products are very visible for consumers. The media and consumers are interested in them and many can relate to this area through personal experiences. The mortgage business has long roots and although details might be complicated, the concept is pretty simple. Because banks provide online meetings as a new way to have mortgage negotiations, the application of mortgage loans is also changing as a process. In the past, applying a mortgage required time, negotiations face-to-face and filling forms. In an interview, Ellie Mae executive vice president of corporate strategy, Joe Tyrell (ZDNet, 2018) underlines the significance of machine learning and artificial intelligence. According to Tyrell (ZDNet, 2018) banks can gain even better customer experiences by providing partially prepared solutions with the help customer data and the customer has more time to evaluate and test personal preferences. In other words, customers do not have to spend their time with the application process but can focus in modifying and tailoring the actual applied loan solution independently, or with the help of an expert. Tyrell's comments are easy to relate to. Many customers can easily feel that the process itself is too slow or complicated, and valuable energy and resources are wasted in acquiring a loan offer or decision from a bank. Tyrell sees that the possibility to communicate and interact in real-time is key. Today, customers (and banks) have to wait for answers because the information etc. moves back and forth between the two parties. Changing this to an ongoing real time interaction, which includes the application, conversations with additional information, questions and required changes is recommended.

## **2.5 Chapter summary**

For a relatively traditional industry such as retail banking, the ongoing changes are significant. The ways of doing banking are now different compared to past ones. Technology has helped customers in doing banking more independently and the need to attend banks has decreased. There are still different banking habits among customers and banks have tried their best to adapt, and still maintain good service availability. Banks have invested large amounts into new operations and technologies. In Finland, the decreasing amount of bank branch offices indicates the trend and their service offering is changing. The Nordic countries have comparably good readiness for digital bank services, both technological and cultural. Being forerunners, the banks operating in these countries have become visible actors in transforming the industry into the digital era. Implementing new services is not only affected by resources and demand, because legislation and authorities play a big part too. Strict regulations have already challenged banks to provide more secure operation and data maintaining. The aim of these regulations is to first protect the customer's privacy and second to cut down criminal financial activity.

Having acknowledged this variety of factors, banks have turned to a useful resource in development, the consumer. Consumers have played a big role in providing banks new innovations, as many of the concepts implemented by banks have already been developed by experts in the community earlier. This encourages banks to develop these services and products because they see the existing demand for them.

Three major banks dominate the retail and mortgage markets in Finland; OP Financial Group, Nordea and Danske Bank. Their service and product offering is very similar to each other. They also offer a wide selection of online and mobile solutions, and, in the past years, have also introduced a channel for personal expert advice, online bank meetings. As the market is very price oriented, banks have now turned into developing better service models and products. Consumers demand speed and simplicity. This area is also where possible market newcomers could be seen in the future, such as Google, Amazon and Facebook that already have good service platforms and large resources. Technology is a key factor in the financial industries' change and these big operators can have a crucial head start if it comes to personalizing digital services based on consumer habits and preferences.

### 3 MARKETING DIGITAL SERVICES

This chapter focuses into presenting how digital services and channels are marketed. We approach the subject from current marketing trends' perspective, then introduce the online bank meeting as a channel and finally investigate today's customer behaviour and relationship management in banking.

Digital services often are considered as new services, even though, they have already existed for at least a few decades. Of course, digital services have been available for the large public for a shorter time than the creation of the needed technology, but probably we still cannot be talking about a new area or form of services and products. We understand the growing demand and capabilities of digital services, but corporations and service providers still find it sometimes challenging to reach potential customers, especially the ones that are not familiar with the new alternatives.

To understand digital services, it is important to know what are described as digital services. During the past decades, the technological evolution has formed a completely new economy, the digital economy. It has provided us with new unseen access to information, ways to communicate and do business. Digital services have made the world smaller, but in a sense faster. As we are now more reliant of digital devices, they also make us more independent from other service channels. Physical presence to do business, communicate and seek information is no longer necessary. The media is now accessible on one common device. It is available when, and where ever the user wants. In its simplicity, digital services are whatever services, which can be ordered, produced or provided digitally. It can be information, products and services or even communication. Today, thousands of sectors and companies operate and provide digital services, many of whom operate completely digitally. In this section, I present different factors when marketing digital services and channels, concluding with the retail banking area.

Banks today, may be considered as service providers that are moving into a different operation environment. This means that they have to help their customers adapt to new features and ways of banking. Some might still appreciate traditional service in person, and others expect more and more online services. As the ways to provide service increase, organisations have the opportunity to approach consumers digitally. That being said, Brun et al. (2014) study how e-relationship marketing works in the banking sector and why

satisfaction rises as a central concept. In their research, they compare what affects and creates satisfaction in two types of service environments, a traditional one and a web-based one. Three respondents' answers (a banking expert, an online banking customer and an academic expert) were analysed, based on a cognitive mapping technique (Brun et al., 2014):

1. In a traditional environment:
  - impression of receiving better service (banking expert);
  - quality of exchange (banking expert);
  - ease of exchange or conducting business (banking and academic experts);
  - added value (banking expert);
  - accessibility (banking expert);
  - rapidity of service (banking expert);
  - communication with customers (academic expert);
  - quality of feedback (academic expert);
  - costs and rates (academic expert);
  - efficiency for customers (customer); and
  - avoidance of frustration (customer).
2. In a web-based environment:
  - site simplicity (banking expert and customer);
  - site personalization (academic expert);
  - site speed (customer);
  - site structure and organisation (customer);
  - site's appealing visual design (customer);
  - efficient search engine (academic expert);
  - conduction business w/o changing location (banking expert and customer);
  - conducting business at time best suited to customer (banking expert);
  - conducting business devoid of sales pressures (banking expert); and
  - time saved by customers (banking expert).

Several mutual values and characters of service can be seen in the analysis. If we point out the customer's answers, we can see what customers feel confident about getting and therefore, expect in these two environments. Maybe, this also displays attitudes towards them. Reliability and trust in the process are very present in the traditional environment and if the customer decides to use the (newer) web-based environment, its benefits and user-friendliness should be apparent. Expectations can similarly be built on service quality. Customers subjectively determine the quality of a service while they interact with an organisation (Grönroos, 2000). Parasuraman et al. (1998) describe service quality as "the consumers' judgement about a firm's overall excellence or superiority". Customers evaluate service quality on what happens during the interaction process (Parasuraman et

al., 1988). According to Valmohammadi (2011), the quality of service is an efficient meaning, like the secure services, which protect the information of customers' transactions by using the latest technology. Service quality itself has five major dimensions: reliability, responsiveness, quality, empathy and assurance. Providing all these dimensions in a digital environment is not easy. Consumers have more and more service providers to choose from and the bond between companies and their customers can quickly be disrupted by bad experiences and competitors. People are not that patient anymore, so interaction has to be fluent.

### **3.1 Marketing digital service channels**

As digital services keep on conquering markets from traditional service providers, the competition is in choosing between the different service channels. Just like in banks, customers can often choose how and where from they will ask for service and advice. Traditionally this meant face-to-face meetings, but nowadays, we have other service channels to use. There are several motives for corporations and customers to use multiple service channels. Corporations want to profit from the technology by cutting down costs and being easier to reach, which means that they can provide services to more customers than before. Additionally, automation also cuts costs and employee resources operate more efficiently. Customers, in contrast, gain faster and easier access to services, which saves time and effort.

The goal in developing these channels is to create and design the best suitable channels for the available services, and as a result, launch new services, thanks to technology. The other goal is to make the service channels user-friendly and make customers familiar with them. Expanding to new additional service channels means that banks are becoming multi-channel operators and then need to influence and transact with customers in several channels. Bank customers still make purchase decisions while choosing between available products and services, but putting new service channels into use can be considered as a purchase decision too. A multi-channel marketer, such as a bank, faces unique challenges and opportunities. As the marketer takes a more customer-centric approach and focuses on the consumer, rather than the channel, many of the multi-channel challenges fade away.

The figure (3.1) below outlines a proposed model of multi-channel buying behaviour (Schoenbachler and Gordon, 2002). The model proposes that five key factors influence the likelihood for a customer to purchase from a particular channel (online, retail, catalogue), or from multiple channels. Schoenbachler and Gordon (2002) investigate multi-channel shopping and channel choice while online presence changes the market. As many marketers are turning into multi-channel strategies by linking their store operations with e-commerce, catalogues and call centres, they have decided to put down single channel strategies (Haydock, 2000). The challenge is to know where to focus into, the customer or the channel, and many authors argue about the subject. The key is to better understand the multi-channel customer and what drives him or her to buy from a single channel, from multiple channels and which ones.

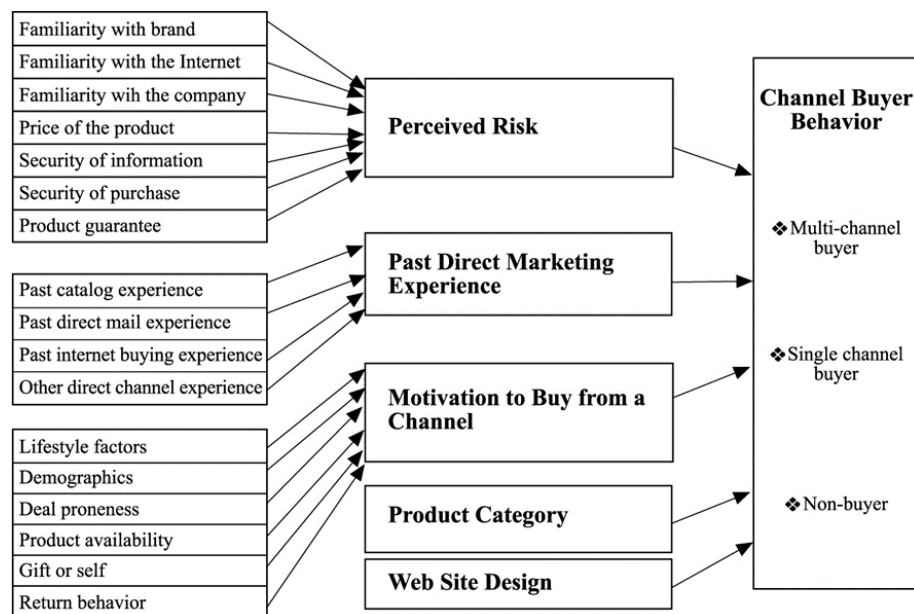


Figure 3.1. Multi-channel shopping behaviour (Denise D. Schoenbachler, Geoffrey L. Gordon, 2002)

Businesses moving into multi-channel marketing tend to face channel-focused issues (Schoenbachler and Gordon, 2002). As a result, marketers have addressed multi-channel marketing issues by focusing on the channel. However, Langford and Cosenza (2000) argue to manage the customer contact points instead of the channel. They add, that “*channel focus assumes that the company owns the customer experience; when in a multi-channel environment, the customer owns the experience*” (Langford and Cosenza 2002). Halpin (2002) accordingly suggests marketers to concentrate on the activity and the

customer. New consumers want anything, anytime and anywhere, on their own terms (Loewe and Bonchek, 1999). They have unprecedented power, armed with their own databases and tracking technology. Using old business models and treating customers in old ways will likely result as failure. Loewe and Bonchek (1999) turn the focus in the new business model into understanding the informed and empowered consumer, not the old retail channel model. Abandoning the single retail model in favour of the multi-channel channel approach offers a customer-centric approach that allows companies to monitor how each consumer interacts with the business across its selection of product or service line and across channels. Baiden (2000) lists five keys to success in a multi-channel environment:

1. Promote the brand
2. Know the customer
3. Target advertising
4. Integrate fulfillment; and
5. Watch costs

By integrating channels and focusing on the customer, multi-channel advantage or synergy can be achieved (Schoenbachler and Gordon, 2002). The marketer who uses all channels to the best advantage will be the most successful one and therefore developing an organisational structure that minimizes channel conflict is key (Baiden, 2000; Halpin, 2000). Successful brand promotion in the multi-channel environment involves keeping the brand image consistent across the channels. Otherwise, the brand identity can become fragmented and confusing to customers. Ideally, the multi-channel marketer's creative and communication efforts are managed as one, rather than as separate divisions by channel (Shoenbachler and Gordon 2002).

According to Moffat (2017), many corporations and retailers already use multiple service channels such as stores and websites, which means that they are *multi-channel*. In retail, this still often means, that e.g. stores and websites have both their own stocks. Customers may not be able to make returns in-store for products purchased via the website and vice versa. Interaction with customers throughout the organisation is completely separated between online and offline businesses. Moffat (2017) reminds that today's consumers do not tend to see a brand in silos; "*They are likely to have multiple touchpoints with a retailer and expect their customer journey between each touchpoint or channel should be seamless*". Companies' goal is to transform from multi-channel to *omni-channel*. The key difference between multi-channel and omni-channel is that omni-channel joins these

touchpoints together so that, whatever journey the customer chooses to take, the experience is consistent and unified (Moffat, 2017). Just as in retail and other industries, banks need to ensure seamless connectivity between databases and communication channels. Although multi- and omni-channel strategies are often linked to retail and shopping businesses, modern banking is being influenced by them as interaction between banks and customers takes place in similar digital platforms. Customers see the bank as a unit and may want to resume an assignment or require information and advice in a different channel than the one it was initiated in, regardless of where they are and when. Often the success of service channels is based on user experiences, so marketing aims to encourage customers to test and try these new alternatives. Only providing new channels and products is still not enough. To reach successful marketing, corporations have to understand their customers' behaviour so that they can change and adapt their habits. Customers may produce large amounts of data for service providers which can help in reaching this goal.

### **3.2 Marketing digital services in retail banking**

This section introduces ongoing digital marketing trends in retail banking, management of several service channels and insights on applicable marketing strategies. Researchers have noticed how the industry is changing and technological resources play a part in today's marketing. Although banks can now cluster their advertising to several channels pretty efficiently, influencing the customer and respecting the service experience are key. Pilcher (2017) lists 12 major marketing trends for financial institutions in 2018. 1) Financial organisations have traditionally been planted into departmental silos and the lines between them should be blurred. This requires managerial ownership to build bridges across multiple departments, so that the customer experience would become seamless. 2) Monitoring marketing is now easier. If marketing budget could get wasted into different campaigns in the past, consumer behaviour can be now measured and every action can be quantified. This gives the opportunity to accurately join the consumer's everyday life. 3) The change requires new skillsets. To understand customers and the data they provide, banks need specialists to process the data for optimal use. 4) Banks need to display themselves in a human context and create content. Top marketers impact consumers in different channels with blogs, guides, posts, etc. 5) Banks must benefit from the large amounts of data they possess and use big actors, like Google as an example,



which can provide e.g. recommendations based on customer data. The marketers that have the best data sets and best algorithms will win. 6) Predicting potential sales and customer relationships. With predictive machine learning, marketers can identify those prospects that are most likely to convert to customers or respond to a specific offer. 7) Personalising services. Banks and credit unions can unfortunately only deliver “*inferior experiences at the moment and need to provide more personalized online services.*” Customers expect to receive individualized solutions and might even switch brands if they are treated like numbers. 8) New ways to communicate via chatbots. This relatively new feature is already used by many service providers and new consumer generations appreciate and demand this technology. Chatbots’ availability and other features are easy to increase and some consumers may not even care who provides the service, chatbot or human, as long as it is excellent. However, substance and proper interaction may be difficult to obtain. 9) Optimising customer support with voice and digitalization. Voice commands and speech recognition can soon handle bank transactions and Pilcher predicts that half of all banking interactions could be voice driven in the next 10 years. 10) Micro-moments as a possibility to be first in hand. Consumers check their phone on an average of 100+ times a day and turn to their devices to act on an immediate need – to learn something, do something, buy something etc. Mobile-first websites that are user friendly will be pivotal in offering consumers instant information. 11) Video advertisements are more interesting. 90% of all content shared by users on social media is video. Younger consumers view more videos on a wider range of devices and banks need to understand this in their marketing strategies. The challenge is to capture someone’s attention in three second. 12) The rise of generation Z. The incoming generation is now graduating from universities and colleges, and enter the workforce. Will banks be able to attract them?

Banks often still use traditional advertising and marketing to introduce their new digital services. Advertisement campaigns can be seen in different medias, especially when new features are brought to the market. I am personally interested in questioning the effectiveness of traditional marketing in the financial industry, especially now that services and products are making banking digital. At least one specialist in the field challenges banks’ traditional marketing of digital services. Manzo-Ritchie (2014) questions the necessity of marketing in online banking and brings out the need to focus on online customer experiences. From my personal point of view, this argument is something that I have been searching for and it feels very decisive. According to Manzo-

Ritchie (2014), bank marketers should focus on the customer touchpoint, the sign-up process. She backs her theory with two examples. First, the bank's website's landing page should support closing the deal. Understanding the path the consumer has taken before getting to your website is key, because knowing more about your brand and product's capabilities is no longer necessary at that point. They already receive that information during the journey to the landing page. With this, Manzo-Ritchie means that, the earlier the bank provides possibilities to close deals, the better opportunities it has to succeed. A concrete example is advertisement in e-mails. If clicking the ad does not take you directly to the marketed service's or product's purchase possibility, but takes you to the bank's general website instead, the possibility for a successful purchase decreases. Also all pre-filled information is advantage, to save time and repeated information collection. Second, comes simplicity. Manzo-Ritchie underlines the significance of requiring only necessary information, because everything else is a waste of time. The bank may feel that knowing where the customer heard about a service or product is important, but for the customer it is not. This means that, especially with current customers, the bank should already know information such as income etc. Each field that you add to the application reduces your chance to close the deal. Manzo-Ritchie concludes (2014), "*resources shouldn't go to flashy campaigns—instead, they should go to helping offer prospects and customers the optimal online experience*". This reminds us of a very crucial fact: Banking should only be an easy tool for making e.g. purchases, not a process that wastes valuable time or complicates things.

### **3.2.1 Commercial marketing vs social marketing**

Manzo-Ritchie (2014) displays an unstudied gap in digital bank service and product marketing. Although, marketing and showcasing new innovations is critical in the public eye, services that are implemented for user experiences rely on the actual consumer experiences and opinions they finally provide. This forms an interesting connection between traditional (commercial) and social marketing, and questions what banks should focus their marketing on. While commercial marketing focuses on physical products and services to satisfy individual needs, social marketing aims to reach the target audience and change its behaviour to satisfy society's needs (Schneider, 2017). Looking into these two types of marketing, banks are trying to do both. Commercial and social marketing have many similarities but are usually referred to separately. They want to sell a new kind

of “banking behaviour” through their service and product experiences. You could say that, banks wish to change a societal way of doing banking. There may not be a critical and immediate need to change banking right now, but, at the same time, banks aim to close the gap to other industries that already are very digital. The latest banking innovations have provided customers independent self-service channels, for instance online and mobile banking, to e.g. fill the gap left by shut down branch offices. Comparably, online meetings are now aiming to provide personal advice for those needing them earlier in branch offices in more complex matters. This means that marketing online meetings also requires some adapting in the marketing strategies applied for already existing digital bank services, because online meetings now aim at answering the consumers’ demand for personal advice, instead of making them fully independent. Additionally, banks need to find ways to influence consumers and the society and, as a result, increase or change digital service and product usage. Public conversations and sharing experiences on their new digital services might feel threatening or exposing for banks, but today’s fast ways to communicate may be the only way to receive credible samples of consumer trends and feedback. As a conclusion, banks need both commercial and social marketing. They need to remind consumers about existing and incoming features and, at the same time, appeal to their behavioural preferences with banking.

### **3.2.2 Word of mouth marketing**

Nowadays, consumers can effectively communicate and share experiences on different platforms. People receive information from their physical surroundings, from the mass media and through their dealings with other persons. Information from other persons about goods and services may come from sales personnel or from other consumers (East et al., 2007). Knowledge and experiences are shared, in addition to offline, also online and this way of acting can be described as word-of-mouth. An I-scoop (2019) article states that people seek for assurance and convincement from close and unknown people to make e.g. purchase decisions and receive brand information. In consumer choice, word-of-mouth (WOM) is often the dominant factor; positive word of mouth (PWOM) is the main source of information when people found a new service supplier (Keaveney, 1995). Customers talk across all possible channels and are increasingly becoming channel-agnostic. In social media, word-of mouth (WOM) can travel fast, very fast. Therefore, businesses must be active in social media marketing and social content marketing.

Businesses need to “join the conversation” and be curious about what is being said about them, their market and their competitors. Trying to monitor and affect WOM in a profitable way is WOM marketing and value, relevance, excellent customer service, content and stories are its key elements for being successful (I-scoop, 2019). To put WOM marketing into perspective, you can see numerous environments where businesses take part in conversations, comment and answer public feedback and share information. Sometimes businesses are also put into test by the public, when topics can put the business in a negative light.

WOM marketing does not only involve products, brands and companies. First, it involves interactions with companies and the experiences with businesses and the products that are talked about. Second, whether they are justified or not: the company cannot get around it. All individual contacts with a company, and therefore with every employee of the company, have an influence on brand experience and customer experience perception, which play an important role in WOM marketing. The importance of valuable contacts and touchpoint interactions, customer service excellence and offering a customer-centric experience is higher than ever. Word-of-mouth provides new customers, shorter sales cycles, improved branding etc. Client-oriented business philosophy implementation across all divisions is key. The significance and popularity of social media has made WOM more complex for marketers also, as communication is more fragmented and appears to be more challenging to control. Still, the revolution of communication between people and businesses has opened new opportunities for marketers to use WOM (I-scoop, 2019).

Banks among other organisations are widely affected by WOM, because all consumers and parties can get involved, regardless of how familiar they are with the e.g. discussed areas. Banks in Finland have gradually become active in taking part in conversations in social media, among other platforms. It seems that banks have understood that taking part is more productive, rather than not, even if the atmosphere around the conversation might be negative or untruthful. Although controlling WOM may be difficult, if not impossible, banks should focus on homogenous communication and values throughout the organisation when interacting with consumers under the public eye. Nevertheless, showcasing commitment and reaction towards negative experiences and made mistakes gives an opportunity to highlight customer-centric values and operating value.

### 3.3 Online bank meetings

In this section, we focus on the main example of digital banking service chosen for this research, online bank meetings. Online bank meetings are a concept where the service provider and the customer can have conversations remotely and online, without meeting physically in the same place. Online meetings could be considered as a modern way of meeting face-to-face. Some business areas and sectors are already using online meetings frequently and retail banking is now introducing them. Meeting online enables customers and banks to spare time because meetings do not depend on meeting physically. Technology also allows the meeting to be more compact as many preparing and finishing processes are automated. The concept is then quite simple. Both parties log into a mutual platform where audio and video are used. The platform can allow sharing documents and information through a secure system. Some banks have offered online meetings in recent years and customer feedback has been encouraging. Still, banks have had challenges in attracting customers' interest.

How do online bank meetings then work? OP, as an example, provides online meetings to receive personal banking and insurance related services. Loans and saving plans can be negotiated and discussed with a specialist using a computer via OP's internet bank or via a downloaded application on a mobile device. Customers login with their credentials, book and then attend the meeting. Those, who are not yet OP customers, can attend branch offices or discuss through telephone (OP Financial Group, 2019). The concepts have some technical differences between banks, e.g. downloading a meeting programme or application might be required, but the idea of the concept is the same. Using credentials (usually online bank IDs,) then secures the connection and confirms the identity of the parties involved. The meetings also offer the possibility to share material and display them to the customer.

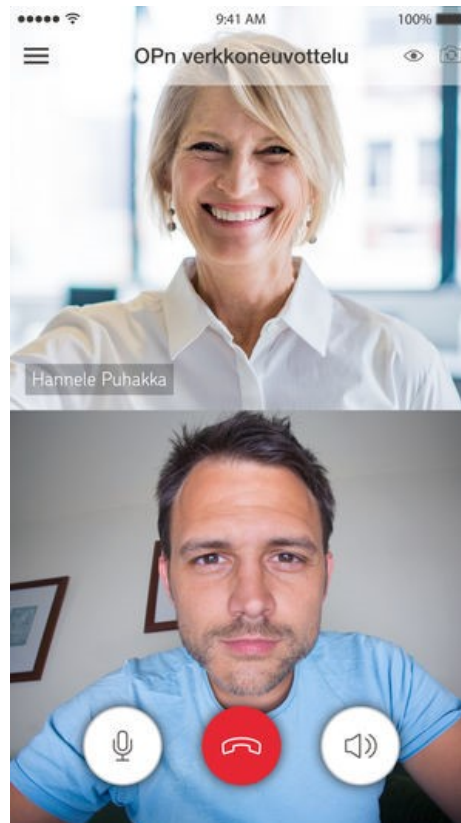


Figure 3.2. OP online meeting through iPhone, screenshot (AppStore, 2019)

Online meetings and digital services are very common in many customers' working environment and everyday life. Many of us already have daily meetings via e.g. Skype. The dilemma now is that how to activate customers to adapt and use these familiar technical opportunities in banking. Although, customers seem to slowly adapt to banking through telephone and internet, the questions come to added value and interactivity. What differences can banks provide in doing business online in ways that are not available or accessible in face-to-face meetings? Longer opening hours are a concrete example, but how can banks motivate customers to step away from routines that banking seems to so firmly attach itself to? Glaumann (2017) displays the relationship between the degree of maturity and increased customer experience to showcase the importance of channel integration and data use during these ongoing transformations (figure 3.3). Customers may understand the banks' will to become more useful and digital, but will not follow them if they do not see significant and concrete reasons to change the way they do banking today.

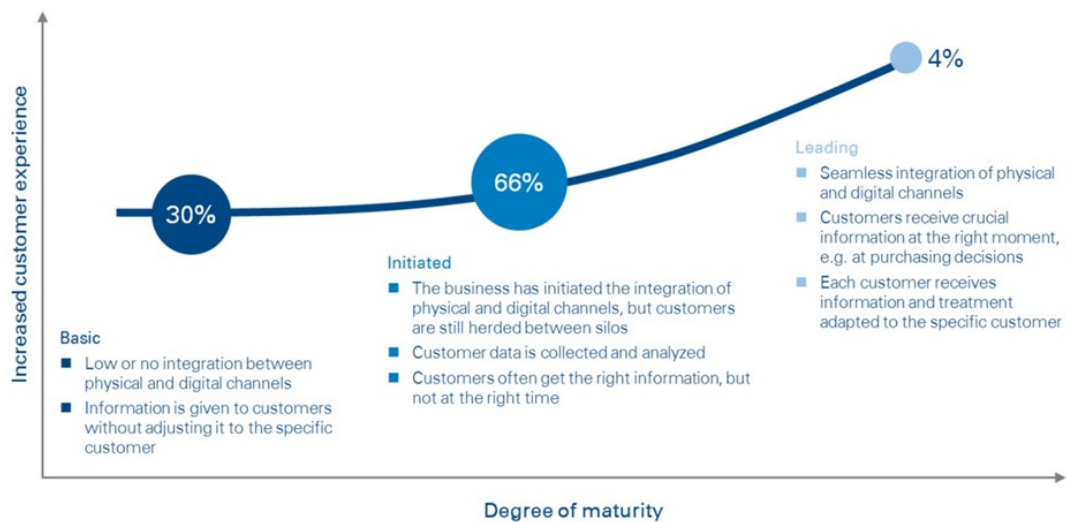


Figure 3.3. Maturity of companies for the customer meeting of the future (Glaumann, 2017)

### 3.3.1 Marketing online meetings

Online meetings are still not very common as a feature and this concerns their marketing too. The marketing of online meetings is basically based on user experiences, customer encouragement and active communication. Banks offer online meetings as an option to traditional face-to-face meetings. This separates online meetings from other digital bank services, because these meetings are personal between two parties. Other digital bank services and innovations have answered the demand for self-service channels, which give the consumer the opportunity to do banking more independently. That means that marketers can apply most of the marketing strategies used in other digital banks services, but have to remind themselves, and customers, of the personal character of the service. As a phenomenon, this showcases the ongoing change in personal banking. Consumers demand for quick and independent access to banking, but in some cases they require personal advice from experts.

From a functional point of view, as customers book meetings, the customer service agent has to be active in introducing online meetings as an option. This option has to be easy to access and find when customers book a meeting in other channels. Nevertheless, online meetings still suffer from credibility issues among customers and technological issues are common. The credibility issues are related to the fact that customers have difficulties to

understand and get familiar with the relatively new service channel. From my point of view, customers related to online bank meetings can be divided into three groups:

1. Passive and denying customers, who are not interested in exploring online meetings (or other new services) and demand for traditional meetings and services.
2. The largest customer group, which might try online meetings but do not experience any urgent need to transact solely in online meetings. This group also includes the widest differences in banking experience.
3. Active customers who are interested in new features, are familiar with modern technological services from other environments and demand for solely remote transaction and banking. They keep on using online meetings and services but look forward to receive more extra value in the chosen channels.

The groups might be easily divided, based on the customer's age and technological abilities, but to the contrary, in many cases, it is the opposite and have nothing to do with these two factors. Customer readiness for new services has often nothing to do with age or technology. The main reasons are experience and feelings, as in trust and safety. I have personal experience on cases where customers are in their early 20s or early 90s and have different reasons for avoiding or being shy of online meetings. Yes, for some, technology is an issue, but the challenges are usually related to the subject or matter the online meeting concerns. Many customers still feel that they understand the process best when meeting face-to-face, which for many, provides privacy, safety and better interaction. Online meetings are usually used in longer meetings that require conversations, expert advice and time to think, such as mortgage and savings advice. To caricaturize, there are customers who are not familiar with these subjects or practice them rarely and then, customers who are very familiar with them, but are very specific on how they wish to transact. Nevertheless, all customers still share a common interest. They wish to do banking as quickly and as easily as possible, but have individual habits and demands which might separate them from each other.

This section introduces how Finnish retail banks market and showcase their online meetings. Online meetings are slowly being provided by several banks in Finland, but I focus into the three banks that dominate the market OP Financial Group, Nordea and Danske Bank. All three banks' online meetings appear when seeking online meetings in Finnish from Google. Some advertisement can be seen in other media, but it seems that webpage marketing is the focus area. The reasons for this could be that customers are



already in the web environment where they look for information and online meetings take place. All three banks have introduced online meetings as a practical and quick option for traditional meetings and provide guide steps on how their meetings work. Meetings can be held through computers or mobile devices, such as tablets. In general, the webpages displaying online meetings are quite similar and simple, but effective. Some differences appear in the operation hours when online meetings are available, but other differences can surely be notified in the actual meetings if they would be tested. Testing would require logging in and booking a meeting, which is not relevant at this point. OP and Nordea provide English online meeting webpages, but Danske Bank does not, or it was too difficult to access (see appendix, 4).

### **3.3.2 Challenges and opportunities**

One of the challenges is to please all customers. Some require simplicity and others are looking for new added value. From a technological perspective online meetings then need an adaptable platform. According to Glaumann (2017), three factors form customer meetings in the future (figure 3.4). First, a meeting is personal regardless if it is a physical or digital meeting, giving an individual experience concerning each customers' unique needs and situation that is provided by content and design. Second, timing is crucial. The meeting needs to be available at any time and place, and information is supplied to the customer at the decisive time, when making purchase decisions. Third, the same service quality is provided seamlessly throughout all channels. Technologically, this means that ICT solutions support the digital meeting and transaction between the bank and the customer. Not only has the meeting need to be reliable, it needs to be entertaining, which increases the added value for using digital and online meetings. The factors are illustrated more thoroughly in the figure below.

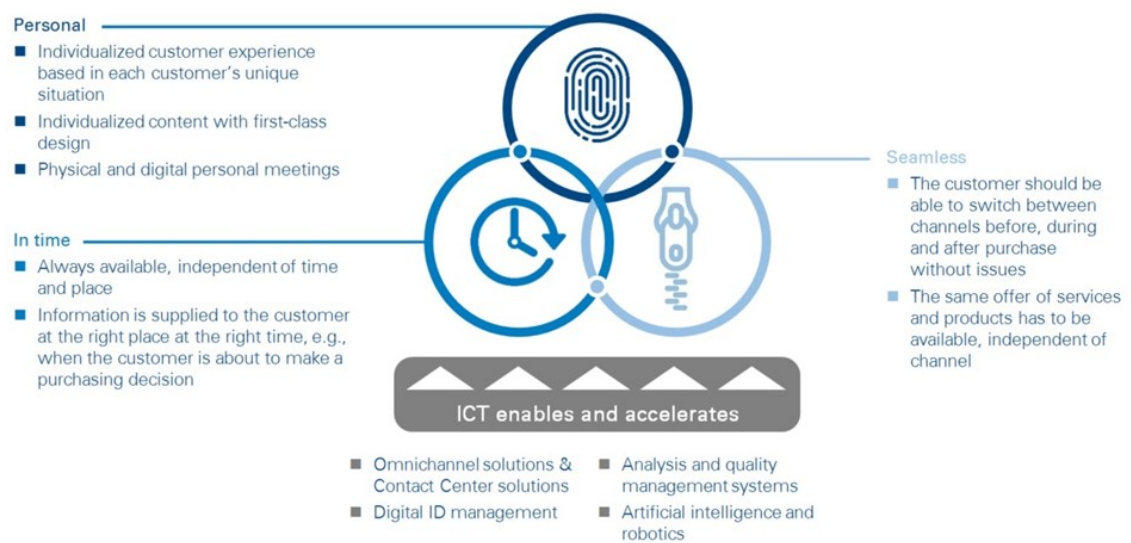


Figure 3.4. The customer meeting of the future (Glaumann, 2017)

As we can see, technology is the main building ground for a successful online meeting. While the amount of technological features keeps growing, the risk for poor reliability grows if too many functions are being tried to put into meeting platforms. Therefore, banks need to balance accurately between providing new interesting and interactive functions, and still assure functionality and reliability. As research results show, consumers' main concern in using digital services is reliability. In this case, reliability has several meanings: functionality, security and operational reliability. Glaumann (2017) introduces five steps to an improved customer meeting (Figure 3.5.).



Figure 3.5. Five steps to an improved customer meeting (Glaumann, 2017)

Steps 1 and 2 represent the phases where the organisation understands the need and ways to develop modern online meetings. In step 3, the organisation assimilates and creates an organisational culture where parties involved commit and take responsibility in creating modern meeting experiences. Steps 4 and 5 follow trends and customer behaviour, and develop the required ICT environment to reach the pursued vision.

### **3.4 Customer behaviour**

This section introduces factors that affect customer behaviour, such as marketing, communication, different personalities and interacting in several channels. A corporation's goal is to provide services and products, and this way make profit. In other words, businesses want to answer consumer demands. In a simple market, customer needs are easy to predict with basic products and services, but the evolution of societies have opened new markets with larger ranges of products and services, not to mention, what the technological development has brought to markets. As a result, consumers' preferences, needs and habits have grown to a larger scale and competition intensifies. Customer behaviour and motives are being analysed with market research and corporations gather customer feedback to have a better understand on the market's demand. When customers are moving online, monitoring ongoing trends and customer behaviour is more difficult. At the same time, the demand for digital services keeps on growing and this changes the market. But how do these changes affect the customer? How do customers behave? What affects customers the most?

Through changes, organisations have now taken advantage of their most beneficial resource, their customers. Listening to the customer feedback and ideas is crucial, but companies can create a fruitful relationship by involving customers to e.g. service development. If the organisation's goal is attract customers and answer their demands, the best source to understand them are the customers themselves. Many organisations have already taken strategic steps towards transparent service and product development. Likewise, a good marketing relationship is based on good communication, co-operation or values. According to Rowley (2004), marketing communications is concerned with creating presence, relationships and mutual value:

- Organisations create presence with the awareness-building phase, which goal is to ensure its product offering's visibility. Organisations introduce themselves

- and their wares to the audience aiming to create an identity and personality that encourages customers to get acquainted.
- When customers and organisations work together, this creates relationships and interactions increase. The success of the relationship is based on the balance of positive and negative mutual perceptions. Too many negative perceptions on the part of the customer probably leads to disengagement with the relationship, and the relationship will not advance further. However, as organisations become acquainted with customers, they can choose to differ in the quality and extent of their offering and services in favour of customers who are profitable. To make these judgements based on collected information through transactions, customer service dialog, customer feedback questionnaire, user registration, cookie data collection, and user visit to the Web site, businesses may use customer information to customize or personalize marketing communications, so that, based on past purchases, they might draw customers' attention to new items.
  - Mutual value forms when customers and organisations work together to create values in ways that are beneficial to both parties. Normally, this is achieved in the context of online communities. Value creation is crucial for the existence of such communities. As member- and organizer-supported content is valued among community members, they have an opportunity to share and from opinions and expertise. Community hosts, and their partners, such as advertisers, may benefit and gain value from business transaction and communication messages about products and services that interests consumers. Business alliances are the basis for business communities and virtual organisations and support the creation of value through the value chain.

Customers interact in different channels by looking for information and then make purchases. Banks and other organisations have then already put effort into mastering multi-channel marketing and interaction. This gives opportunities to gain a better understanding on the customer's choices. Furthermore, being available for customers in several channels and therefore, enrich customer relationships, organisations still need to increase activity in motivating customers to use new available features. In finding ways to do so, understanding and monitoring different types of personalities among target groups and consumers can be helpful.

Al-hawari (2015) studies earlier research on how customers and their behaviour can be categorized based on their personalities. After all, personality makes us unique in comparison to each other and guides us to make decisions, react, feel etc. This is why personality also affects our interests and purchase decisions. Personalities are still not immune to influences. On a daily basis, we are influenced by opinions and remarks, and on a bigger scale, by trends and culture. Lin (2010) refers to five personality traits that

are usually named as the Big Five model. The Big Five model is based on the Big Five taxonomy that represents the minimum number of traits necessary to define personality and is not affected by different cultures (Mooradian and Swan, 2006). It is more popular among personality researchers than other models. It is compact, comprehensive and indicative, while other models are considered to narrow or too wide. Migliore (2001) has indicated that the model is broadly valid and has been proven by independent research teams to have validity at a broad level. The five personalities traits vary in degree, from low to high, among different individuals. The Big Five model (figure 3.6) includes five different human personality traits: conscientiousness, agreeableness, emotional stability, openness to experience, and extraversion (Bove and Mitzifiris, 2007; Migliore, 2011):

- Conscientiousness: the way that individuals control, regulate, and direct their actions. It reflects the degree of orderliness, organisation, and precision.
- Agreeableness: the degree to which an individual is concerned about cooperation, social harmony, and general warm feeling toward others.
- The absence of anxiety, depression, anger, worry, and insecurity are reflected by “emotional stability” or in some cases “neuroticism”.
- Openness to experience: the degree to which an individual enjoys intellectual stimulation, creativity, and broad-mindedness. It describes individuals who are open to new ideas, imaginative, and have creative cognitive styles.
- Extraversion: signifies sociability, cheerfulness, and talkativeness. It typifies individuals who enjoy drawing attention to themselves and conversation.

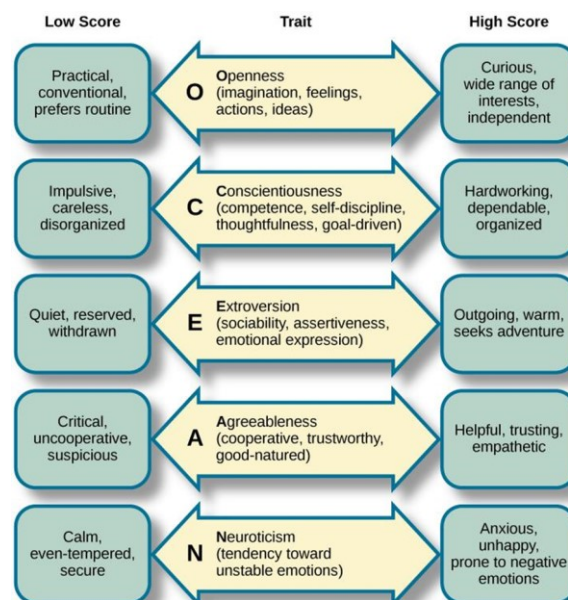


Figure 3.6. Five Factor Model, each person has five traits, each scored on a continuum from high to low. In the centre column, notice that the first letter of each trait spells the mnemonic OCEAN (CNX Psychology, 2014).

## 3.5 Customer motivation

Customers, in the financial industry, are slowly adapting to the new service models that banks are providing. In this section, we will look into the motives of customers and what affects their will to use online services in general and online banking particularly.

Bank customers' habits and behaviour have long roots in the traditional financial sector. Customers have certain expectations on how banks act. Banks need to be reliable, trustworthy and customer oriented. Customers are used to visit physical banks, but in the recent years, the circumstances are changing. The technological development has put the financial sector through significant changes, which also means adaption for customers. As a service channel, banks are willing to benefit from digitalization and automation, which offers more profitable and cost efficient concepts. Development takes place within back office operations, which occurs to customers as a positive process, but the changes in the customer surface feel confusing. The confusion arise from the remarkable strategical decisions that retail banks are implementing. The traditional retail banking, where banks offer their services mainly in physical branches, is no longer cost-efficient and banks are willing to move services online. The reasons seem to be the following:

1. Customers are easier to reach through digital channels
2. Banks are more available and can serve more customers simultaneously
3. Many current tasks do not require face-to-face meetings
4. Technology grants security and speed
5. Trough automation, tasks can be processed without human resources independently

Still, banks have faced challenges in making online banking a routine for customers. Brun et al. (2014) focus on the financial industry and study e-relationship marketing and want to identify elements that are predominant to ensure success via the internet. Customers may be familiar with web-based services, but are still not used to banks' e-services. Mainly, the reasons are emotional and three elements are pointed out from their data analysis based on answers from a banking expert, an online customer and an academic expert; trust, satisfaction and commitment (Palmatier et al., 2006).

### 3.5.1 Customer involvement

For customers, banking is a very personal experience and many processes may involve life-changing events. Customers want reliability, and now that services are moving

online, a new factor, involvement is something that banks cannot forget. If online banking and meetings are supposed to be a faster and easier way to do banking, the service must offer a more involving experience for the customer to feel that he/her has a possibility to affect the process, and therefore, understand how things evolve. It is also very rare that the once preliminary plans will stay unchanged, so quick changes are expected. So many changes can occur, most often in housing loans. The house or sight itself, the loan amount and other details change. To have the customer involved in real time, fast and easy communication is key, as mentioned above. However, instead of trusting in traditional communication through telephone and e-mail, new personal and quick channels may be introduced. Traditional channels are reliable and we are used to them but from my experience, their availability has downsides:

1. The telephone, as a channel, is very popular, and therefore, overloads the customer service, whose main task is to provide service and advice to more acute and quicker cases. Although, the service provider may have customer data, the length of the discussions can be too long and the expertise may not be at the required level.
2. Customers want a personal experience, which does not involve explaining the case from the beginning. Customers (and banks) want to go on with the process as quickly as possible, so reaching the right person with the required know how and time is necessary.
3. Using e-mails is very common, and usually guarantees personal reachability of a certain person. This helps, when the goal is to reach a person that is aware and involved with the case or process, but at the same time, providing a sufficient response time may be challenging, as advisers' main focus is in meeting incoming customers, not to mention the data security risks e-mails include.

As the section regarding customer relationship management (3.6.3) later shows, the bank's customer oriented strategies also increase customer involvement. Wisskirchen et al. (2006) support this theory in their study. They study how customer centricity affects retail-customer growth and customer defection rates. They showcase three customer elements that elite customer centric banks do compared to the ones that do not:

1. They design the right propositions for the right customers, a task that involves identifying target segments of the market and crafting propositions and experiences to delight them.
2. They deliver these propositions by focusing the entire company on them, from boardroom to front line, with an early and continuing emphasis on cross-functional collaboration.

3. They continually develop their capabilities to delight customers again and again. That ability can entail measures such as giving the planning process a new focus, training people in how to create new customer propositions and products, and creating closed feedback loops that establish direct accountability for the ongoing improvement of the customer experience.

### **3.5.2 Customer demand and motivation**

The nature of customer relations could be summarised as follows: An interested customer has motives to use services and products. A satisfied customer stays loyal to the organisation. A customer who gives feedback and feels appreciated is beneficial. A customer who is not satisfied with the purchase or feels taken for granted is attracted by other organisations. The experience builds the brand's identity in the customers' eyes.

Khan et al., (2016) study on how customer-brand engagement influences the brand satisfaction and brand loyalty in an online banking context. They review earlier literature and ran a research of their own. Their research shows that customer-brand engagement influences online brand loyalty. They also found that online brand experiences partially mediate the relationship between customer-brand engagement with brand satisfaction and loyalty. Many studies have showcased that engaging customers with a brand is a vital tool for building stronger consumer-brand relationships (Hollebeek, 2011; Van Doorn et al., 2010; Verhoef et al., 2010). According to Brakus et al. (2009) and O'Loughlin and Szmigin (2005), consumer/brand interactions evoke sensations, feelings, cognitions and behavioural responses. Increasing the level of consumer-brand engagement results in unique and memorable brand experiences.

In an online environment, information flow is rich and dynamic, so providing a unique brand experience in an online setting is vital (Lee and Jeong, 2014; Morgan-Thomas and Veloutsou, 2013). As there are no physical clues in an online setting, this increases the challenges of uncertainty and intangibility (Foo et al., 2008; Kollman and Suckow, 2008). At the same time, an online environment, where customers are typically allowed to engage with the respective brand, opens up the opportunities for the functions of inter-activities and a real-time brand experience. Nysveen and Pedersen (2014) underline that it is critical to investigate how an online environment would engage with a brand which, in turn, could provide unique and memorable experiences.



Brand experience does not only concern current customers, as it is realised as a broad experiential construct, which includes both customer and non-customer experiences (Nysveen et al., 2013). Alloza (2008) explains brand experience in a way that is also very relatable in banking customer experiences: “*the perception of the consumers, at every moment of contact they have with the brand, whether it is in the brand images projected in advertising, during the first personal contact, or the level of quality concerning the personal treatment they receive*” (p.373). The impression of the brand experiences is long-lasting in consumers’ memories in comparison to product features or benefits. This phenomenon is reminiscent of customer relations and brand recognition in banking. Although, feedback may concern a certain service or product, customers value the way they are treated. In contrast, continuing challenges with service, product reliability and functionality can affect a broader brand image or experience negatively.

As mentioned earlier, an online environment offers new ways to interact between the consumer and the company. Banks are now not only increasing their presence in the online environment, by providing more independent ways for the customer to seek information, but have taken significant steps in opening channels to interact with their customers. Online banking can be considered as a self-service, whereas online meetings are a two-way platform where both parties interact in real time. Authors discuss online brand experiences in a website environment but leave a gap for the present study regarding online meetings and their effect on customer experiences in the banking sector. They still prove the potential of online presence. According to Helm (2007), online brand experiences are a more immediate way to improve the quality of experience and build a relationship with the brand users. Ha and Perks (2005) also argue, that consumers will generally prefer using websites that eventually deliver a positive experience rather than solely informational messages. Morgan-Thomas and Veloutsou (2013) defined online brand experience as “an individual’s internal subjective response to the contact with the online brand” (p. 22). Thus, customers appreciate to operate individually and organisations are therefore, increasing online operations, but how do consumers adapt to using them? In the next section, I review literature and studies on customer readiness regarding digital and online services.

### 3.5.3 Customer readiness

Although, customers might be interested in using digital or online services, organisations need to evaluate their customers' readiness to use them. Customer readiness refers to customers' willingness to use online service (Barua et al., 2001; Frolich, 2002). As organisations try to increase their e-service flexibility, they must consider its customer's readiness. Are customers comfortable about security and privacy issues online, confident about the technology cost/benefits demonstrated by e-services, and whether they have sufficient technical/e-business skills to use e-service (Bonera 2011, Brengman and Karimov, 2012)

Jin and Oriaku (2013) summarize in their literature review three issues that organisations should take into consideration while planning to adapt their customers to digital services. This witnesses that depending on what kind of services and features organisations provide, they can influence customer demand and behaviour:

1. Security is demanded when providing confidential information online, such as credit card numbers. E-service providers must ensure the comfort of customers regarding privacy protection, the reliability of the e-service (e.g. customers can use e-service all the time), and the consistency of the service (e.g. the representation of the situation is accurate and complete) (Gefen et al., 2003).
2. The customer's perceived benefits of using online services. By e.g. providing access to real time portfolios (banks and brokers) and enabling making adjustments anytime and anywhere, you can make customers believe that using online accounts improve the effectiveness of managing their investment. The perceived benefits of online trading accounts encourages customers to use them more frequently (Davis, 1989; Morgan-Thomas and Veloutsou, 2013).
3. Customers' computer and internet literacy influences their satisfaction (Liu et al., 2012 ; Marcolin et al.,2000 ). Customers need to be familiar with those technologies. Otherwise they may not want to go through a complex purchase process. In some regions limited access to required technology or internet affects customer orientation to online services.

These issues showcase that providing online services is not the only decisive factor in making them popular. The success of e-services does not only depend on the company's effort but also on the customers' willingness to use online transaction (customer readiness) (Barua et al., 2001). Jin ad Oriaku (2013) clarify, that customers will most likely use traditional services, if they are not confident about the benefits of using internet services, if they do not have enough skill in internet use, or if they are worried about

privacy disclosure. As a result, the number of online services, the number of customers served and acquired online, and annual online sales will not be high. This means that the e-business and operational performance may suffer, although, customers who are excited about internet services will help the company increase them.

Customers need to understand the benefits of using new services. The comparison with old and new might not be clear for a customer who is satisfied with the current services. In addition, the customer is confused if the current services are cut down. Customer satisfaction is based on user experiences, so marketing services and products that customers do not feel necessary to try or use is very challenging. Cutting down existing services and products is forcing customers to use new ones and has a significant risk of losing customers. Customers then might dislike online services as they feel forced to change their routines and look into suitable competitors. Maditinos, Chatzoudes and Sarigiannidis (2013) analyse different authors' perspectives in their article on internet technology and online banking. The design and delivery of financial services have rapidly changed with internet technology. With the help of online services, consumers have access to information-related benefits that favour adoption. According to Howcroft et al. (2002), these include the opportunity to control bank accounts at any time and place, the access to personalized information for taking investment decisions and the comparison between alternate services. Internet banking is defined as the delivery of banking services through internet, offers numerous potential benefits to implementing financial organisations (Howcroft and Durkin, 2000; O'Reilly and Finnegan, 2003), especially through the utilization of user friendly technologies, and the lack of restriction to physical locations or geographical areas. Online banking is considered to enhance customer satisfaction by providing faster, easier and more reliable services through an online platform (Al-Somali et al., 2009; Pikkarainen et al., 2004). These descriptions summarize the goal of today's bank industry, but as other authors mention; despite the advantages of online banking, there is still a large customer group refusing to adopt such services, mainly, due to security reasons (Kuisma et al., 2007 ; Littler and Melanthiou, 2006). Therefore, bank managers are expected to understand these reasons when formulating strategies that aim to increase online banking usage (Järvenpää et al., 1999; Lee, 2009; Yiu et al., 2007).

### **3.5.4 Customer adaption to digital bank services and products**

Organisations that are introducing new products and service concepts may have difficulties in committing their customers to shift to using them, even though the customers might be very loyal to the organisations. Banks are now also on the move in introducing new products and services and therefore, challenge current customer habits. This requires active motivation and communication to attract and encourage customers in becoming familiar with the introduced features. As a result, this also means that banks' customer relationships are increasingly becoming e-relationships, where interaction takes place in an online or web environment. Customer relationship management will be introduced later in this thesis, but some customers might still have lower motivation in adapting to these changes.

Tran and Cooper (2016) study the impact of communication channels on mobile banking adaption in New Zealand. Mobile banking (MB) adaption and marketing can be related to online meetings as mobile banking has been introduced as a new service channel in the past, just as online meetings later. According to Tran and Cooper (2016), the most significant influential factor of usage intention was perceived usefulness, followed by perceived credibility and perceived costs. Customers experienced that face-to-face communication with the bank's staff and close acquaintances was the most reliable and persuasive sources of banking-related information. As implementations, the authors suggest bank marketers to make the right decisions on marketing actions to promote MB effectively and develop appropriate communication policies to speed up the consumer decision process and, as a result, increase the adoption rate on MB in the future. First, banks can attract with cost-effectiveness by keeping MB usage costs low (or free) and offer promotions and incentives for MB users to encourage customers to shift from current banking options to MB (and online) services. Second, to eliminate concerns about security and privacy issues, experiential marketing and trial versions with user-friendly interfaces should be provided to reduce innovation resistance and build initial trust (Laukkanen and Kiviniemi. 2010; Thakur, 2014). The relevance of personnel and staff is also showcased. As customers still value traditional service channels, bank staff with direct interaction with customers and close people have the strongest influence on customer decisions. This underlines the need to train and encourage personnel to provide relevant information, advice and demonstration of MB usage to potential customers to increase the interest of people in using new banking products and services. Mobile

banking, and, in the case of this research online meetings, are mainly based on user experiences after marketing or suggestions from close people have encouraged to try them. Banks then need to put effort into social influence from close people (family members, peers, colleagues) by leveraging both offline and online word-of-mouth effects.

## **3.6 Bank and customer relations**

Apparently, the challenge today for banks is to understand the evolving customer demand for modern services. Customers need to be familiar with new applications and service channels. Product and service implementation will not start by itself. At the same time, while banks need to provide more familiar and traditional services, banks put effort in marketing new services through customer experiences. Companies often find themselves introducing new service models without reaching the potential and their demanding users, the customers. This section analyses how banks can utilize customer relationship management (CRM) to increase their customer orientation and reach their customers more efficiently. As a result, customer satisfaction may improve and customer activity and service usage will increase.

### **3.6.1 Customer relationship management**

To maintain a profitable and sustainable customer relationship, organisations find different ways to enrich them. Customer relationships in banking can easily be considered as long-term, which they often are, but such relationships require several pivotal factors, e.g. service quality (Venetis and Ghauri, 2004). Today, organisations utilize technology and admin different customer relationship management systems and databases. Depending on the business's nature, different types and amounts of data are available to be collected. Banks traditionally possess an exceptional amount of customer data. A certain amount of data is mandatory to collect when opening new customer relations, and stricter legislation require banks to gather even more information about their customers. The amount of data differs from other business areas and contains great potential for a cutting edge market position. As customer behaviour and demand diversify, organisations need to transform themselves to provide more tailored and individual products and services to each customer. This is where customer relationship management (CRM) is a useful data resource.

Valmohammadi and Beladpas (2014) study the relationship between customer relationship management and the service quality of banks. In their study they focus on the Iranian bank Sepah of Maku, but analyse literature and studies on the subject internationally. According to them, it is important to understand that CMR is more than just a set of technologies: it is a process. Flanagan and Sadie (1998) describe that CRM consists the acquisition and deployment of knowledge about customers to enable a company to sell more of their product and service more efficiently. Good customer experiences still have to be provided regardless of how and when customers decide to contact you, which is a key part of managing relationships with them (Valmohammadi and Beladpas, 2014). The capability to use CRM data efficiently is also key and management has an important role in emphasizing the pretension. CRM is also defined as *“a management approach that enables organisations to identify, attract and increase retention of profitable customers, by managing relationships with them”* (Bradshaw and Brash, 2000).

### **3.6.2 CRM benefits**

The opportunities to use CRM vary in different businesses, and so do their benefits. Kumar and Reinartz (2006) suggest, that CRM benefits are likely to be more substantial in the case of any organisation that has some or all the following characteristics: frequent customer interactions and purchases, high cross-selling potential, perceived risks and involvement, and profitability. CRM benefits are also grouped under two paradigms: operational and strategic benefits (Arnett and Badrinarayanan, 2005). Operational benefits are operational savings that an organisation gains from its improved internal efficiency (Iacovou et al., 1995). With the help of CRM, a company can redesign its processes and improve its operational efficiency, such as marketing and customer support, front-office efficiency, and productivity in sales, which then decreases customer-related costs (Reichheld, 1996). CRM also enables an organisation to gain better information on customers' values, behaviours, needs and preferences and helps it achieve a competitive edge over its competitors (strategic benefit). CRM makes it possible to identify customer's potentials, uncover the profiles of key customers, anticipate their needs, predict their behaviour, win back lost customers, create personalized marketing plans for each segment, develop new products and services, design communication tools and distribution channels or identify new market opportunities based on customer's

preferences and history (Homburg et al., 2007). In the next section I investigate the usage and routines of CRM in banking.

### **3.6.3 CRM in banking**

Banks, in comparison to other businesses, have relatively good CRM resources. Lately, they have been highly focusing on CRM and that is expected to continue (Foss, 2002). According to Foss (2002), the intention of financial services is to use CRM techniques to achieve varieties of outcomes. Five aspects are being listed to implement strategies:

- communications and supplier – customer interactions through channels;
- identifying sales prospects and opportunities;
- supporting cross- and up-selling initiatives;
- managing customer value by developing propositions aimed at different customer segments;
- supporting channel management, pricing and migration.

According to Dyche (2001), the bank needs a complete view of its customers across the various systems that contain their data. Dyche encourages banks to track customer behaviours which gives executives a better understanding in predicting future behaviours and customer preferences. This way, banks can manage its relationships to grow and evolve. Bhat and Darzi (2016) have analysed literature and in-depth interviews with relationship managers of an Indian bank to learn how bank management can get better use of CRM in their strategy. Although, the study concerns especially an Indian bank, results and further actions can be implemented in variable international bank strategies. Results show, that CRM has not been implemented properly. As mentioned before, relationship managers have mistakenly oversimplified CRM as a mere technological solution without properly reviewing what it actually is and how CRM can be implemented into overall corporate strategy. In their study, Bhat and Darzi found components/concepts for banks and managers to apply for more effective CRM utilization that increases customer loyalty. The overview shows that managers agree that customers should be the main focus while formulating CRM strategy. CRM is seen as a multi-dimensional construct consisting of four broad components: complaint resolution, customer knowledge, customer empowerment and customer orientation (Figure 3.7).

## 1. Complaint resolution

A crucial dimension in customer relationships is handling customer feedback properly and therefore seems to also be the most crucial component. Customer feedback and complaints are a key field in communication between the organisation and its customers. *“A typical complaint is a report of failure of a product or service, followed by a narrative on the customer’s attempts to resolve the issue”* (Galitsky and Rosa, 2011, p. 2019). *Redressal of complaints enhances customer loyalty and retention, which in turn develops belongingness among customers toward the company.* Customers who feel heard and significant are more loyal and are more sympathetic. In addition, customer complaints can help companies learn from their mistakes and inefficiencies. According to Zablah et al. (2004) empirical evidences further suggest that complaint resolution mechanism provides additional chances to identify internal deficiencies and help them in developing appropriate recovery strategies (Filip, 2013). Consumer complaining behaviour has become more popular as it can potentially impact customer loyalty and repurchases intentions (Day, 1984). This proves that there is a positive relationship between complaint resolution and customer loyalty.

## 2. Customer knowledge

As banks offer expertise to their customers, both parties have useful knowledge for each other. In other words, customers demand information from banks and banks demand information from customers to better suit their needs. As Murillo and Annabi (2002) describe that, customer knowledge management is fundamental to organisations involved in gathering, managing and sharing customer knowledge. Khodakarami and Chan (2014) broadly categorize customer knowledge into: knowledge for customers (i.e. knowledge provided to customers to satisfy their needs); knowledge about customers; and knowledge from customers (obtained preferably through customer interactions). As companies build effective marketing strategies, companies apply data warehousing and data mining to knowledge databases which gives a better understanding of customer needs and preferences (Cheng et al., 2013). The large amount of data has great potential. Banks’ CRM systems have used customer data for communication, providing additional customer service, creating loyalty, cultivating trust and maintaining relationships (Järvinen, 2014). The technological development has reached a point where customers have become more independent and therefore, are, in a sense, harder to reach by service providers, so all customer data is useful in gaining and maintaining customer interest. Growing independency still offers potential routines to understand differing customer behaviour and habits and Xu and Walton (2005) see that customer knowledge management provides customer insights, profiles, habits, contact preferences and understanding to improve contacts with customers leading to improving satisfaction and loyalty. Still, to create and maintain a full profile of customers, information regarding customers should be gathered through various customer contacts (interaction/touch points) across all functional areas (=omni-channel) (Fox and Stead, 2001). The results show that customer knowledge has a considerably positive impact on customer loyalty. Banks have put resources in developing functional two way communication



between employees and customers, which fosters long-term relationships and thereby, loyalty (Chonko et al. 2003). Bhat and Darzi (2016) do suggest, that usage of customer information for the purpose of improving the value of customer relationships should be researched further and some insight will be studied here later.

### 3. Customer empowerment

Another significant factor for managing relationships with customers is customer empowerment. Bhat's and Darzi's (2016) study has been examined from the process perspective which requires giving customer power/authority to make decisions. Just as in customer knowledge, customer empowerment is key, as technology allows customers to be more "distant" and independent, but at the same time new channels offer new ways for companies to reach their customers. Customer empowerment exist for both internal and external customers. According to Kilton (2003), customer empowerment for internal customers means controlled delegation, involving clarification of mandate, expected performance and enablement. This is important when organisations go through big changes or develop new processes, products and services. For external customers, the goal is to increase customer value by providing additional access, content, education and commerce to wherever the customer is located (Pires et al., 2006). Organisations help customers choose what they want, when they want it, on their own terms. In the financial sector this can be seen as online and mobile banking keep on taking more and more significant roles in the industry. As the need and will for using local bank branches decreases, banks have to provide bank services wherever and whenever customers wish to use them. Being in a situation where banks need to choose to which channels and resources to invest in, customer loyalty may suffer among certain customer groups, but offering modern and easier banking solutions, banks still please the most profitable and pivotal customers. Just as in complaint resolution, customers are a fruitful resource in service and product development. The users are the best feedback source that can i.e. provide suggestions regarding service failures. As a customer participates in the decision making process of the company, it develops belongingness among them (Wright, 2006). Finnish banks, such as Nordea (Nordea, 2018), often arrange campaigns, both internally and externally, for employees and customers to give suggestions and feedback on already existing or up and coming services and products. Customers are easy to interact with through applications and social media and inquiries can be effectively attached.

### 4. Customer orientation

Deshpande et al. (1993, p.27) refer to customer orientation as "the set of beliefs that puts the customer interests first, in order to develop a long term profitable organisation". Customer orientation is part of organisational culture that provides implicit values and beliefs on which norms of accepted behaviour are based (Bentum and Stone, 2005). Customer orientation underlines the role employees that transact with customers. They are the first-hand communicators and influencers to customers, as organisations, such as banks, strive for

customer oriented values, which again improves customer loyalty. Studies show that customer-oriented behaviour (customer orientation) enhances customer loyalty and performance of a firm (Sirdeshmuk et al. 2002; Pousa and Mathieu, 2014). Essawi and Aziz (2012) suggest that customer centricity should be made a pre-requisite for developing a strong CRM system in the bank and managers should make customers focal point while strategizing. This is a current dilemma in the financial industry. Customer relationships are very preserved, but at the same time, banks are changing their strategies. This again, emphasizes how managers have to interact in their communication with employees. As employees identify the pursued vision and strategy, customers understand better the reasons behind changes and are more receptive. Outside of the customer-employee touch points, self-service channels and marketing have to support the same influence.

#### 5. Customer loyalty

All four components above have a positive relationship and effect on customer loyalty. One of CRM's primary goals is customer loyalty or customer retention (Anderson and Srinivasan, 2003; Verhoef, 2003). Gaining customer loyalty has been a challenge for organisations in competitive markets as getting a new customer costs much higher than retaining as an existing customer. Based on Siddiqi's (2011) findings the interrelationship between service quality, customer satisfaction and customer loyalty provide creative ideas for improving services in order to gain a competitive advantage in the retail banking sector. In addition to that CRM not only ensures better customer relations it ensures loyalty among them which is very critical and important for competitive advantage (Narang et al., 2011). In other words, customer loyalty is an important outcome of successful CRM, which results long-term competitive advantage over competitors. The companies that are most successful at delivering what each customer wants are most likely to be the leaders of the future (Bose, 2002). Bhat's and Darzi's (2016) study points that customer loyalty acts as a partial mediator between CRM and competitive advantage (Figure 3.7.). All four CRM dimensions have a combined impact on both loyalty and competitive advantage.

#### 6. Competitive advantage

Competitive advantage is defined by Hofer and Shendel (1978, p. 25) as "the unique position an organisation develops vis-a-vis its competitors". The firm's resources and capabilities mainly determine its competitive advantage. Lin et al., (2010) and Chahal and Bakshi (2015) add that relationship management also affects the firms competitiveness. Organisations have focused lately on CRM and CMR tools to develop customer bonds (Hussain et al. 2009) and to understand customers and the factors effecting customer satisfaction and loyalty. Loyal customers are considered for any firm as an asset that give a competitive edge over others (Chang et al., 2002).

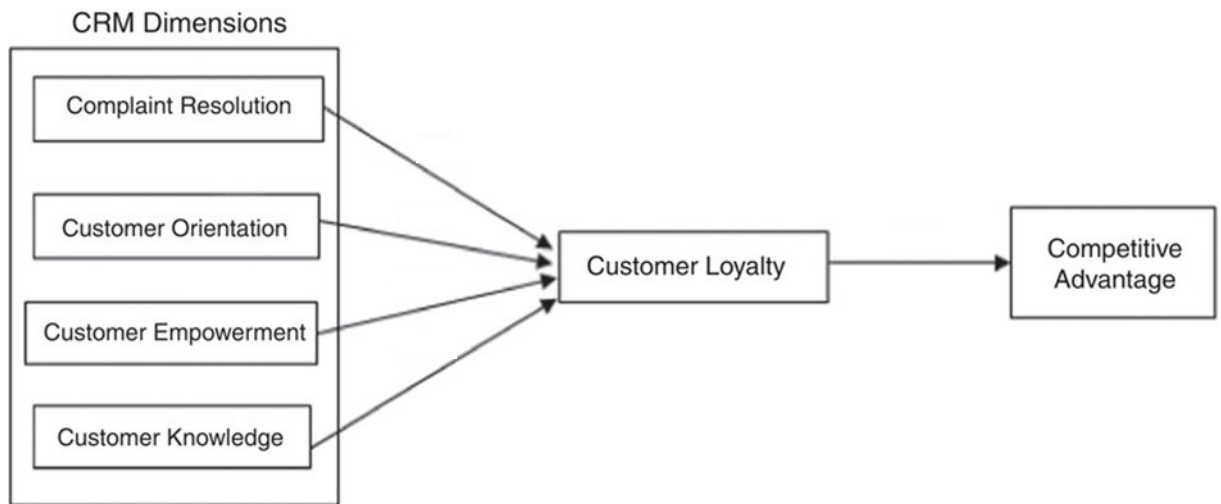


Figure 3.7. Conceptual model of CRM dimensions (Bhat and Darzi, 2016)

Based on the study results of Bhat and Darzi (2016), customer knowledge has the strongest impact on customer loyalty. Their mediation analysis underlines that customer loyalty mediates the relationship path between CRM and competitive advantage. Bhat and Darzi suggest that banks can enhance customer loyalty by understanding customer dynamic behaviour and maintaining timely information about customers. They emphasize the importance of addressing customer complaints and providing a proper resolution to them, as it can turn a prospective client into a loyal customer. This shows the significance of delving into occurred poor customer experience promptly. Banks can gain a unique competitive advantage as managerial competence, knowledge management, customer orientation and customer empowerment can add value to CRM and enrich the cultural integrity of customer loyalty management. Empirical studies prove that customer relationships are mediated by customer loyalty and, therefore, banks need to constantly evaluate customer and internal capability. If banks fail to maintain customer relationship capability with their customers, the effect may be negative, as valuable customers turn into hostile ones (Bhat and Darzi, 2016).

CRM is an effective and valuable database for organisations, which offers better connections with customers and, therefore, attracts and maintains their interest, but can be ineffectual if not managed and used efficiently. After all, and still, everything is based on the customer experience and service quality. Banks have started to understand the value of their comprehensive CRM databases and put it to a more business sensed use. In the modern financial industry customer and bank dependency is different. Customers still need products like cards and accounts, and services like expert advice, but mobile banking

and online banking have grown distance between banks and their customers. As banking changes, banks have to maintain an interactive connections with their customers and CRM works as a good resource. CRM data offers better understanding on customer behaviour and organisations can provide more individual and targeted solutions based on customer data. Through product and service development, organisations can enhance customer loyalty by involving customers into the developing process. Customers cherish the opportunity to have a say on the products and services they use. With the help of technological resources, customers can be also easily informed about strategical changes and introduced to new products and services.

When customer interaction increases, organisations then need to show awareness and care towards customer complaints and feedback. Prospective customers may be turned into loyal customers and referees, if the organisations respects the received feedback and handles complaints promptly. Customers today require banks to be available wherever and whenever they wish to, so mobile and online banking will play a big role in making banking an agile asset for customers. Customer oriented values must reflect through the whole organisation's structure, from management to employees that meet customers and from back office tasks to public coverage such as marketing.

The use of CRM in the future is an interesting subject. As banks have traditionally possessed a large amount of customer data, other businesses have utilized new technological assets to access customer information. In social media and internet browsers, customer behaviour and trends are being analysed as service providers are being granted to use cookies and other resources to follow up with potential customers. This trend is still relatively new, but lately, many investigations on data and user privacy have raised conversations. Still, even though technology and CRM help organisations to understand customers, customer behaviour is mainly based on emotional factors.

### **3.7 Theoretical framework**

This section aims to create a theoretical framework from the literature review and earlier research, summarizes them and indicates how they are connected. This theoretical framework showcases how the subjects should be studied further in the empirical research and why. The financial industry has long roots and retail banking has quickly transformed

itself in a much competed market. Banks have now reacted to this and see how expectations towards them as service providers are changing along the way.

The theory framework shows that four main factors influence consumers' digital banking usage; readiness, customer relationship management (CRM), customer habits and marketing (Figure 3.8). To increase the use of online meetings, digital banking services and products should be customer-oriented. In other words, the more familiar and preferred the digital banking services and products are for the consumer, the more probable it is that online meetings will be used. They become a natural next step in personal banking.

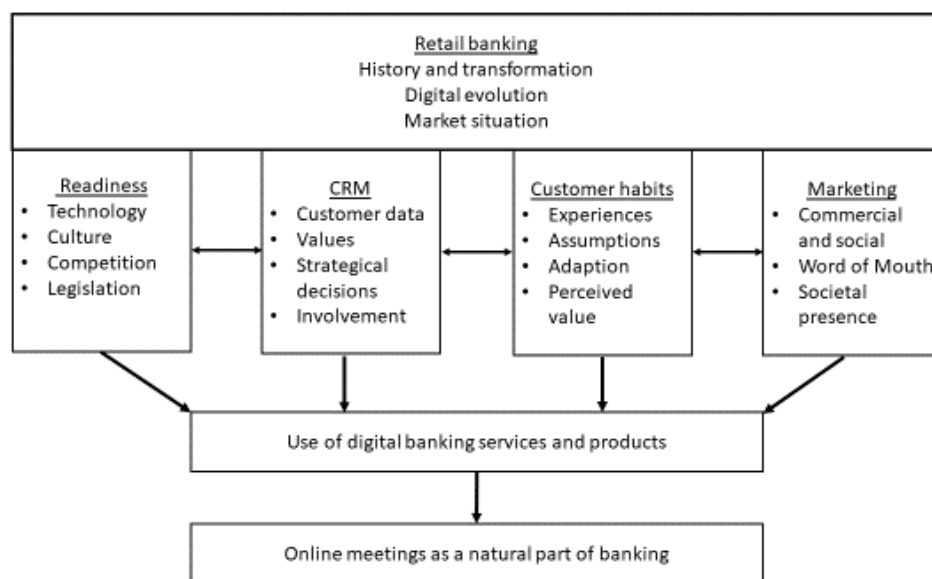


Figure 3.8. Theoretical framework model on what affects digital banking service and product usage.

Retail banking can be considered as very traditional industry, where doing affairs has followed certain routines for quite a long time. During the last decades, technology has made banking easier for both banks and their customers. Digital services and products are being introduced at an increasing pace and customers can now do banking more independently and remotely without attending banks in person. Financial crisis and economic changes have affected banks in the past and more than likely they will do so in the future too. As a result, stricter legislation and regulation have committed banks to become more reliable and safer.

Banks operate around the world and different strategies and market approaches have to be implemented to ensure the best possible results on variable and individual markets. This means that banks need to monitor their target market and pursued customer groups to understand what kind of readiness the market possesses. Readiness means, that banks should be aware of e.g. what kind of technological possibilities, cultural aspects (e.g. trends), local competitors and legislation there are. The same concerns financial institutes that already operate in that market. Local markets may have individual characteristics, but trends reflect globally in business. You could call this market awareness and its significance increases as the financial market attracts newcomers and competition is becoming harder every day.

Banks have always possessed and have access to great amounts of customer data. Banks know how their customers spend their money, what kind of possessions and funds they have etc. Authorities already require banks to “know their customers” and these requirements provide much of valuable data. This data helps banks in providing suitable solutions for their customers and maintains customer relationships. Banks have now understood that they can exploit all this data more efficiently and have started to focus into service and customer relationship development. The need for banks could be fading away but banking is still needed. Customers themselves, can also provide very useful data and ideas for innovations, which again ensures better reception of new implementations. Customers appreciate being heard and respect service providers that can even predict their needs.

To maintain their customers’ need, banks are willing to make banking as easy and fast as possible but at the same time, they want to ensure that customers still rely on them. This means that the need for banks is changing. Therefore, new digital services are provided and creating the best possible customer experiences has become key. All customers are different, so creating and maintaining “fit for all” solutions is very difficult and requires much resources. Demand and trends push banks towards becoming digital, but still many customers require more traditional service and solutions. Banks then need to understand individual needs that could be influenced by false assumptions and earlier misleading experiences. If customers do not understand the usefulness or value of new services, concepts and products, these innovations become unprofitable and customer may switch

their affairs to competitors. Big transformations like these require adaption, time and clear communication.

If banks want to increase and diversify their customer relationships and service usage, they need to showcase their advantages. Banks are perhaps still not known for their active marketing campaigns. Although they still trust traditional commercial marketing, they are interested in showcasing the customer relationship and service experience themselves. Banks have become active in different social environments, such as social media, and they want to influence their public image that consumers build of them. As banks' presence is transforming from physical offices into digital devices, banks now try remind of themselves in our everyday life. This requires new attracting approaches and presence.

By valuing the factors above, banks can make this transition easier for customers and potentially attract new ones. If one or several factors are ignored, being successful in this ongoing change can become very difficult. Customer centricity, showcasing reliability and creating new approaches increase customer's loyalty and engagement. This can then encourage customers into trying new banking concepts because they trust their service provider.

But how do banks then manage this and are these factors present in their operations? We now understand what banks need to consider to gain market shares based on earlier literature and research, but what possible challenges they face or do they even agree with what is presented above? How do they see these ongoing changes and what is the situation in Finland? The empirical research and its process is presented below to find out what actions are taken in a local case study bank.

## 4 METHODOLOGY

The goal of this research is to get a better understanding of banking today and in the future, by using a qualitative research method. The main research area is online bank meetings and how they are developed and marketed. I interviewed different retail banking experts who work in a bank that operates in Finland. These experts take part in developing the bank's products and services and, therefore, are involved in enhancing customer relationships too. The informants had the opportunity to give their own insights on the area and on what is required to have a successful online bank meeting. The interviews consisted of questions, that were made open as possible, to give informants the opportunity to explain their thoughts. The reason why I chose open questions is to have productive conversations in an area that potentially interests both parties, me and the informants.

### 4.1 Qualitative research method

According to Polgar and Thomas (2000), qualitative research is an interpretative approach, which attempts to gain insight into the specific meanings and behaviours experienced in a certain social phenomenon through the subjective experiences of the participants. By asking such questions as “*why*”, “*how*” and “*in what way*”, the researcher can build abstracts, concepts, hypotheses, or theories (Cresswell, 1998; Mertens, 2005). This means that developing valid research questions is crucial. Quantitative methods tend to use a highly objective and systematic approach based on numerical data, so qualitative methods use descriptions and categories to study human experiences and realities from the subject's perspective. In qualitative research, the researcher plays a key role in data collection and analysis because the process is often repetitive whereby the theory or hypotheses emerge from the data as it is collected. This also makes the study design emergent and flexible, even responsive if the conditions change during the process (Palmer & Bolderston, 2006). Cohen et al. (2001) describe that the goal of research is “*to understand the phenomenon from the viewpoint of the participants; with its particular institutional and social context intact; this data is lost if attempts to quantify the data are made*” (pp. 99).



*“The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes humans from the natural world, it is our ability to talk! Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live.” (Myers, 1997)*

## 4.2 Qualitative research design and methodologies

Qualitative research gives the opportunity for design and outcomes to form during the research process. However, Lincoln and Guba (1985) list general steps to consider in research design:

1. Decide on an initial focus and inclusion/exclusion criteria for new information (bearing in mind these may change with time).
2. Determine whether qualitative research is an appropriate paradigm for your focus.
3. Decide where and from whom data will be gathered.
4. Plan the methods for each stage of the research and whether any additional instruments will need to be designed.
5. Plan how data will be collected/recorded (including scheduling and budgeting).
6. Decide how the data will be analyzed.
7. Plan the techniques that will be used to determine trustworthiness.

Four data collection methodologies are commonly used in qualitative research. Interviews offer the possibility to gain insight into the interviewee’s world and a deeper understanding of the nature or meaning of the interviewee’s everyday experiences (Cohen et al., 2001). Interviews can be structured, semi-structured or unstructured. This research consists of semi-structured interviews and the methodology is introduced later in this chapter. The second data collection methodology is focus groups. A focus group resembles interviews but targets a larger group at the same time (5-10 participants). Interviewing a larger group can bring up forgotten or repressed information and group dynamics can make the discussion richer (Polgar & Thomas, 2000; Palmer & Bloderston, 2006). The third method is chart or document reviews, which involve reviewing documents and charts. This method still faces criticism due to data reliability,

accessibility and authenticity. The fourth method is observation study, which consists of participation observation and non-participant observation. In participant observation, the researcher enters the situation without any clear intentions or objectives. The observations are recorded while the events are taking place. This is a useful method for researchers who are already insiders in the targeted community and investigate areas of their own practice (Cohen et al, 2001; Bell, 1999). Non-participant observation is completely detached and relies on charts or checklists to catalogue events as they occur (Cohen, 2001). In other words, e.g. possible incidents are categorized in advance and then monitored and counted. This thesis benefits from my personal experiences in the financial sector and researched subject, so essentially, I could be considered as a participant observation researcher too. However, the main data was gathered through semi-structured interviews of experts in Bank X.

### **4.3 Semi-structured interviews**

In semi-structured interviews, the researcher already has some knowledge of the studied subject's key issues and some expectations on what results might emerge. The interviewer might also lead the interview to some extent. To guide the discussion into a particular direction, a broad opening question or request can be presented (Cropley, 2015). According to Knapper and Cropley (1980), a small number of general questions, direction-giving cues or "prompts" can be used to ensure that respondents/informants stick to the issues that interest the researcher. However, concrete questions are not listed or presented to the respondent in a set order. Semi-structured interviews can therefore be described to be rather conversational, which enables delving deeply into a topic and understanding the provided answers more thoroughly (Harrel & Bradley, 2009). Acknowledging that, Cropley (2015) does recommend using electronic recording to preserve the spontaneity and richness of the respondents' answers.

### **4.4 Research method selection and motives**

The motives for the choice of research method should be showcased also. In a research that is related to customer behaviour, a customer research could be considered relevant. In this case, the qualitative research that consists of only expert interviews is more applicable. There are three main reasons for this decision: 1) the bank in this case study

will remain anonymous and, therefore, their customer reports are not available to ensure anonymity. 2) Reaching a reliable consumer target group would be challenging for an external actor. The target group would need to be big enough and cover a diverse variety of consumers who have different habits with online bank meetings, and in contrast, they would need to be customers of banks that provide online meetings, because only some banks on the market provide them. 3) Considering the above reasons, this also limits the available time resources to conclude a relevant consumer research. As online meetings are a relatively new concept in banking and yet little studied, studies on earlier phenomena such as increasing online and mobile banking usage are discussed in the literature review. Earlier consumer researches that are related to studies on bank consumer opinions and behaviour with digital banking product and services are referred to. From a general perspective, the case study's bank's ("Bank X") informants were also given an opportunity to give their own insight on the customer opinions regarding online meetings, and how the bank benefits from them.

## 4.5 Interviews and discussions

During a period of two weeks (18.2.-1.3.2019), 5 informants took part in the interviews. They represent different Bank X's units that are involved with the themes of the interview. In advance, a one hour meeting was booked for each interview. To save time and focus, the interviews were held remotely through Skype and they were recorded. The informants and their area of expertise are introduced briefly below. Further job descriptions will not be published to respect anonymity:

- Person A, Mortgage process and products
- Person B, Household customers and mortgages
- Person C, Digital banking
- Person D, Mortgage products
- Person E, Mortgage unit

The discussions and interviews gave a broader picture about customer relationships, service marketing and online meeting in the case study's bank. It was also important to reflect on where banking and digital services stand at the moment and what challenges the bank and its customers face with this respectively new service channel. I was also interested in hearing how banks develop and market online meetings and in what areas they see the biggest need to develop in and provide new features. The questions (see

appendix) worked as guidelines in the discussions. The selected informants received a brief introduction to the research and the questions in advance to provide fair time to prepare.

One challenge was to find suitable informants for all the questions. The large scale of subjects, that the questions concerned, could have been hard for the informants to answer on a concrete and specific level. The informants are all familiar with the subjects but are not necessarily involved daily with all the areas included in the interview. As a precaution, the goal was to focus the insights into the areas they are the most familiar with. Therefore, dividing the questionnaire into three sections was helpful. This gave the opportunity to focus the interview into a certain section and then discuss the two other sectors on a general basis, if necessary.

The interviews were held in Finnish and the main findings were then translated and are presented in chapter five. The goal was to find and point out mutual and differing aspects from the comments. Then in chapter six, the answers and arguments are analysed. I also investigate the answers to which I and the reviewed literature can relate to and respectively argue with.

## **4.6 Research analysis**

Every research should be evaluated and some aspects must test their credibility. According to Guba and Lincoln (1981), all research must have “truth value”, “applicability”, “consistency”, and “neutrality” in order to be considered worthwhile, although the nature of knowledge within rationalistic (or quantitative) paradigm is different from the knowledge in naturalistic (qualitative) paradigm. At the end, each paradigm need paradigm-specific criteria for addressing “rigor” or “trustworthiness”. They noted that, within the rationalistic paradigm, the criteria to reach the goal of “rigor” are internal validity, external validity, reliability, and objectivity. In contrast, they proposed that the criteria in the qualitative paradigm to ensure "trustworthiness" are credibility, fittingness, auditability, and confirmability (Guba & Lincoln, 1981). Soon, these criteria were quickly refined to credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). The authors recommend specific strategies to be used to attain trustworthiness such as negative cases, peer debriefing, prolonged engagement and persistent observation, audit trails and member checks. Additionally,

characteristics of the investigator, who must be responsive and adaptable to changing circumstances, holistic, having professional immediacy, sensitivity, and ability for clarification and summarization were important (Guba & Lincoln, 1981).

To ensure valuable and logical results, the research process must be verified. Verification as a process is checking, confirming, making sure, and being certain. *“In qualitative research, verification refers to the mechanisms used during the process of research to incrementally contribute to ensuring reliability and validity and, thus, the rigor of a study”* (Morse et al., 2002). These mechanisms are woven into every step of the inquiry to construct a solid product (Creswell, 1997; Kvale, 1989) by identifying and correcting errors before they are built in to the developing model and before they subvert the analysis. By following these principles of qualitative inquiry, the analysis is self-correcting. *“Data are systematically checked, focus is maintained, and the fit of data and the conceptual work of analysis and interpretation are monitored and confirmed constantly. Verification strategies help the researcher identify when to continue, stop or modify the research process in order to achieve reliability and validity and ensure rigor”* (Morse et al. 2002).

To ensure both reliability and validity of data, there are several verification strategies, such as ensuring methodological coherence, sampling sufficiency, developing a dynamic relationship between sampling, data collection and analysis, thinking theoretically, and theory development. Morse et al. (2002) discuss these five aspects that should be taken into consideration:

1. *The aim of methodological coherence is to ensure congruence between the research question and the components of the method. The interdependence of qualitative research demands that the question match the method, which matches the data and the analytic procedures. As the research unfolds, the process may not be linear. Data may demand to be treated differently so that the question may have to be changed or methods modified. Sampling plans may be expanded or change course altogether. The fit of these components with data to meet the analytic goals must be coherent, with each verifying the previous component and the methodological assumptions as a whole.*
2. *The sample must be appropriate, consisting of participants who best represent or have knowledge of the research topic. This ensures efficient and effective saturation of categories, with optimal quality data and minimum dross. Sampling adequacy, evidenced by saturation and replication (Morse, 1991), means that sufficient data to account for all aspects of the phenomenon have been obtained. Seeking negative cases is essential, ensuring validity by indicating aspects of the developing analysis that are initially less than obvious.*

- By definition, saturating data ensures replication in categories; replication verifies, and ensures comprehension and completeness.*
3. *Collecting and analyzing data concurrently forms a mutual interaction between what is known and what one needs to know. This pacing and the iterative interaction between data and analysis (as discussed earlier) is the essence of attaining reliability and validity.*
  4. *Thinking theoretically. Ideas emerging from data are reconfirmed in new data; this gives rise to new ideas that, in turn, must be verified in data already collected. Thinking theoretically requires macro-micro perspectives, inching forward without making cognitive leaps, constantly checking and rechecking, and building a solid foundation.*
  5. *The aspect of theory development is to move with deliberation between a micro perspective of the data and a macro conceptual/theoretical understanding. In this way, theory is developed through two mechanisms: (1) as an outcome of the research process, rather than being adopted as a framework to move the analysis along; and (2) as a template for comparison and further development of the theory. Valid theories are well developed and informed, they are comprehensive, logical, parsimonious, and consistent (Glaser 1978; Morse 1997).*

As the subject of this research is relatively unstudied but still very topical, you have to be critical towards earlier studies. Although, some theories endure time and development, an unstudied subject might require completely new theories and research to refer to. As an example, earlier theories on customer behaviour might not be topical anymore because customer behaviour changes constantly. We are increasingly affected by new factors that might influence our decisions and preference. I personally also see that technology plays a big role in our decision making and behaviour, and there are significant differences between generations when you evaluate “influence sources”. You might even need to consider new “banking consumers’ behavioural models”.

In a qualitative research that consists of semi-structured interviews, you have to consider certain factors. Choosing credible informants that have useful know-how on the subject is key. You have to also understand the interview as a situation and its circumstances, which that the results may be affected by momentary moods or personal opinions. These factors can give very concrete and fruitful data, but evaluating possible actors in the background is important. As the subjects are very close to the informants, personal views will naturally come to question. The research indicates that although informants may acknowledge the state and significance of the subjects, they may not have the capabilities or authority to decide how they should be handled or implemented, which again may occur even in some signs of frustration or differing preferences of priorities. In other words, just as in evaluating earlier research and generations, informants have differences.

## 5 PRESENTATION AND ANALYSIS OF EMPIRICAL DATA

In this chapter, I will present and analyse the main findings from the interviews. Just as the interview, this chapter is divided into three sections. The first section points out customer relationship management features in Bank X; what customers think about them, how customer relationships are managed and how customer data is used. The second section introduces input and thoughts on Bank X's online meetings, how they are marketed and developed and in what state they are at the moment. In the third section, I have gathered insights from the informants on the current retail banking sector, what defines the market and what trends and phenomena they possibly see coming. To support the stated comments, the presentation includes quotes from informants that have been briefly introduced in chapter 4.

### 5.1 Customer relationship management

I was very interested in hearing what employees of a big operator in the market think about their position. Bigger banks may be well recognised by consumers but also attracts observers such as the media, so being visible, is making you very responsible of the image you provide. While customer relationships were the first subject of the interview, discussions took an interesting tone. Based on the informants' comments, Bank X does suffer from bad customer opinions and brand identity. The informants would describe the customer's image and opinions on Bank X as cold, faceless and distant. On the positive side, Bank X is considered as a big, financially sound and professional institution, and is appreciated and respected as an employer too. The big size might still categorise banks as case-centred operators that do not care about individuals. *"We should be focusing on being there for the customer in the future, taking customer needs into account"* (A). The informants still feel that every time their customers face a Bank X employee in person or through a service channel, the experiences are unexceptionally positive. That being said, Bank X seems to be "somewhere in the middle", when it comes to customer and brand perceptions. *"We split opinions: Some consider us as the one and only bank and service provider, others are afraid of our size and seek into smaller banks"* (A). The industry's and Bank X's changes have also taken their toll on the bank's image and brand. *"The*

*building of the brand and the organisation image has not been conscious. Why so? From my point of view, the several changes of operational models have confused customers and internally the technology and operation were not ready. This operation model was supposed to provide better availability, but...*” (B). Listening to the informants, gives a perception that Bank X has had significant internal changes and its strategical implementation has disrupted its operational abilities. All these consequences may not appear to customers or other parties, but employees seem to show concern on the state of the bank. However, it should be advised, that often in an interview, negative factors can easily be pointed out, instead of remembering positive aspects. Generally, the informants still feel proud of being part of the organisation. Sometimes, they might feel a bit frustrated of not being able to affect decisions the way they wish to, but they feel involved on the path they see their bank advancing.

Banks have lately activated themselves publicly in social media and taken part in discussions. This can be considered as a phenomenon that banks did not do only a few years ago. Banks are present on e.g. Facebook, Instagram, Twitter and even Snapchat. Bank X is very visible on social media, but one informant also criticised the nature of the bank’s presence and demanded different approaches: *“Our social media channels are mainly used as a bulletin channel for system or operation malfunctions, or showcasing new features or overhauls”* (B).

Most of the participants claim that Bank X runs customer surveys on a regular basis and monitor the feedback that customers give. Also regulators and authorities expects banks to gather and maintain certain data on their customers. The challenge is in using the provided data properly.

*“We have huge amounts of customer data from e.g. daily payments, assets and even some’s goals. We are not very talented in benefiting from gathered data. The key is to provide added value = Understanding the customer on an individual level, reactively and proactively by providing more relevant solutions/recommendations in e.g. mortgages and savings. Relevant personation = the goal is to be better at this than others”*(C).

Bank X takes customer complaints and failed service experiences seriously and reacts to them rapidly, but in contrast, the process is labelled as fixing current issues or malfunctions, instead of investing in creating something that stands out in the market and



would be beneficial on a long term. *“When we face occasional bumps, we point out individual faults. Business is planned quarterly”* (D). *“But the fact that we would be considered as a true partner, who would look at the customer’s benefit and provide help as a financial partner, is unfortunately not seen among customers”* (C). Bigger banks have also been under thorough inspections by authorities and media, which has affected their image and customer loyalty. *“Big banks have a bad reputation. We do not promote customer benefits or matters. And of course certain scandals took their toll”* (C). This again makes Bank X very cautious in strategical decisions. *“We focus in protecting the brand, but regardless of what kind of new approach or action we would take, at least it could not get any worse”* (B). The lack of customer centricity and consumer oriented ways of thinking rise from the discussions.

*“Maintaining customer relationships is inconsistent or none existent. E.g. after an apartment deal (purchase or sale), we do not necessarily have any further contact with the customer. Now, we have started to recognize trigger points. If others exploit customer data, why don’t we do the same? It was a big surprise to me that customer data is not used. I don’t see that the data has even interested anyone during the past years. How should it be put to use? Getting involved with changes in life and different situations. Triggers, behaviour models, proactive messages that would put us a step ahead. When something becomes topical for the customer, we would get at it”*(D).

Banks X is a big operator in the market and, therefore, has significant amounts of customer data and touchpoints to use. All informants did recognise the significance of efficient customer data use, but the need and ways to use it appears to be a bit disputed. There are processes and routines to maintain it, while a clear control over it seems to be hard to achieve.

*“All these (customer feedback and data) have designated processes, and lately these processes have experienced significant reform, which has also had negative consequences. Control is honestly lost. We have only started to understand the importance of customer data. We increasingly seek into situations where relevant data is gathered to analyse customer demand and behaviour. Understanding customer behaviour is still minimal”* (E).

The strategical choices then appear to be topical again. *“Banks do not want to be everyone’s bank anymore, we choose customer segments to focus on and prioritise. Some segments will no longer be prioritised by some”*(C). The discussions on choosing

customer segments to focus on did not proceed, but considering the visions and wishes the informants had, focusing on certain key customers or dividing operations into smaller ones could make them easier to accomplish. These options did not appear to be considered seriously in Bank X and might have been considered as a threatening alternative for a big operator that trusts in its size. Nevertheless, this seemed like a very interesting point of view. Will bigger operators prioritize their operations to certain segments more visibly or divide their operations to smaller subsidiaries? This would probably support the need to be more agile and customer oriented on specified areas of differing demands, but again, it may disrupt the bank's image and confuse consumers.

## 5.2 Online meetings

Bank X is one of the financial operators that provide online meetings to their customers in the Finnish market and I wanted to hear more about the concept and what happens behind the scenes. We already know, that online bank meetings are a relatively new concept and I personally felt that online meetings are not yet widely known or their features are not fully used. Among the informants, the significance of online meetings as a service channel was widely understood and seen as a remarkable feature in taking Bank X towards the future. They increase the bank's ability to provide advice and reach customers in areas where there are no more local branches or those living abroad. *"The main reason for choosing online meetings is availability. The customer can be reached from anywhere, no face-to-face presence is required and resources are more efficient"* (A). With resources, person A meant that more processes can be directed digitally, such as identification and assignments. Time resources are also saved for both parties. *"I see that this is where the world is going soon. We see that customer behaviour has changed and we want to be ready"* (B). The informants did not see any remarkable differences in meeting in person or online, but this would require functional reliability. *"I do not see too many differences. Maybe in the beginning there were technical issues. I have personal good experiences"* (D). Person D refers to the period a few years ago when Bank X's online meetings were implemented and this required notable resources and technical improvements. Personally today, person D uses only online bank meetings and does not see any reasons to change back to meeting in person. *"If everything works, they are no differences between the two"* (A). In other words, some concerns were indicated. Bank X's online meetings had technical issues when they were introduced and still have some

today. Customers using them are mainly very satisfied and wish to use them in the future. The technical issues have affected online meetings in Bank X. Customers may be a little confused by the concept and its offering, but the main challenges concern internal issues. Employees have lost trust in the meeting's functionality and development has slowed down to a maintaining level. Person B mentions two reasons that can concern both consumers and customers:

*“1) People are used to a certain way of doing things. At some point, they are offered a newer and faster way, but it cannot be expected to work right away: we have underestimated the value and need for training and coaching, for example demonstrating the features.*

*2) Internal technical challenges and credibility. “It probably will not work again”. “Energy and resources are wasted in customer meetings in thinking about the technical issues, instead of customer-centricity” (B).*

I now wanted to discuss the reasons behind these issues more thoroughly because all informants agreed that more effort should be put into development and improvements of not only online meetings, but all processes and digital services. According to them, there were several reasons that complicated or unbaled development:

1) Relevant input and feedback were considered difficult to receive or provide, because people felt that there was no efficient ways to interact between the customer surface and developing units. This seemed to mean that Bank X is focused mainly in fixing system failures instead of developing or improving the service further. A functional, fluent and visible feedback system was mentioned as a good solution, where all parties could see topical issues, what needs to be fixed and how, and the problem status could be monitored and showcased. This would increase the amount of data, improve its relevance and employees that are expected to use them would see that their issues and feedback are taken seriously.

2) The ideology on how services are developed and improved afterwards. When new services are finally introduced, the resources used to keep improving it are significantly smaller than when the service is developed before launch. Also the way that Bank X often starts developing new features sounded interesting: *“We want to be agile and find new ways to commit and please our customers, but we often make the mistake of independently having the initiative to know what customers want. We then “guess or think” what*

*customers need, develop and plan it for 6 months or even 2 years and when we introduce it, nobody wants it*” (B). Employees are also moved into incoming new projects and some comments proved that existing services tend to be forgotten later after their launch. *“Why develop anything if it will not be used? It should be monitored that new creations are taking into use. Online meetings are a good example. It is good for those who use them but there is no finished service model”* (C). In a couple of interviews, I additionally asked that how they felt about my personal feeling, based on the earlier interviews, that online bank meetings seemed to be a little forgotten. Everyone agreed, at least for the most part. The concept has been put into the background and maybe Bank X has settled in focusing on other areas when online meetings now work *sufficiently*.

3) Quarterly managed results push the organisation to fix current issues to improve profits and costs. This means, on short term, that there are not enough motives or resources to improve features or issues that might affect success on a long term. Some comments also questioned the value of online meetings in the future and suggested that digitalization might replace the faced issues in online meetings with alternative automated processes. This might indicate internal visions on future meeting concepts and explain why online meetings are not prioritised. *“We can do something about the reliability and credibility of online meetings, and we are. From a customer’s perspective, in face-to-face meetings, the customer is focused. On the go, customers get distracted. On average, there will never be as good focus and presence in remote concepts than in face-to-face meetings”* (C). Maybe Bank X has received negative feedback and their focus on offering primarily online meetings has affected their image. Customers may still not be ready, so how would the informants increase their use?

To increase online meetings’ usage, informants respected the importance of marketing, but leaned more towards showcasing the customer experience more radically. *“Online meetings are primarily offered in customer service, but often we do not want to bother the customer with the idea. We should showcase the offering and benefits, but also give time for the customer to prepare”* (A). Online meetings as a feature should be marketed and advertised traditionally, but the focus should be in cherishing customer feedback and speed up online meetings reputation in a word of mouth concept. *“Social marketing is key! Traditional marketing is easily wasted. Recommendations are key, we should focus*

on influencing consumers through experiences” (A). Some altering expectations on the strategy were also visible:

*“In the past, we have been successful in relationship banking, but building a meaningful relationship in digital environment is challenging, but holds a big opportunity. If we cannot build a relationship that create happiness, loyalty and preference, we cannot proceed as a bank that we are and this big. The other option is cost efficiency, which is very difficult against neo banks and global operators. We need emotional values into digital propositions and user experiences. The digital vision constructs around this: relevance and personation – we bring the human touch through video” (C).*

The role of the individual, that uses online meetings and other features daily, was put into display. Internally, employees should receive more support in getting more familiar with the concept and online meeting usage should be encouraged and monitored. Some signs of lacking credibility towards the reliability and functionality of online meetings was present in the conversations. Therefore, the significance of the employees using online meetings was mutually understood. They are the best resource for feedback and data, and their effort works as the marketing channel for online meetings and the bank itself. *“The personnel on the field should be a huge resource for development = what should and could be done? We are not very good at this. On a higher level, we understand, but smaller things are left behind. A clear structure in feedback: which five things should be fixed? Who else could know better than the ones using online meetings?”(C).* As next steps, the informants saw the possibilities to interact and involve the customer more concretely in the meeting, enabling end to end remote service, including online meetings, and then increasing personation of the offered products and services, by giving the customer an opportunity to compare, try and edit e.g. mortgage applications during the process independently.

*“The significance of physical presence will diminish significantly. In the future, I see that the customer will manually proceed very far independently and then the bank will only come check that everything is ok and that’s it. Do we force people to buy easy solutions? There will also need to be a path where the customer can be supported in the way he/she wants e.g. bigger things. This takes us to data usage. What kind of meeting suits each one? These triggers and signals should be recognised, and this way the most preferable option should be offered (D).”*

### 5.3 Finnish retail banking

The Finnish market is much competed today and pricing seems to be the decisive factor in purchase decisions. The product and service offering of local banks is very similar which increases the price competition. *“Pricing is the decisive thing now. Customers even tender out 0, 1% margin differences. We (consumers) cut out surprising things, even if it would affect service quality. Some still see service quality as the main factor. Moreover, it is surprising how many still demand traditional banking, even if they would not need anything”* (D). All banks show interest or need to raise their margins, but they are holding back, not willing to be the one doing it first, and give competitors a momentary competitive edge: *“At the moment, price competition is tough. All banks call for higher margins, but who wants to do it first? Personally, I do not see this to be topical, as others might then provide lower prices but after 3-6 months, they will follow”* (E). Informants call again for personation and distinct approach to customer service. Still, the most dominant trends are digitalization and the large changes the industry is experiencing. Digitalization enables customers to do banking more independently but it also opens new opportunities for banks to automate and personate their offering. Being a strictly regulated industry, the informants see challenges in modernizing banking to the same levels than other service providers, but they are also signs that authorities might slowly loosen regulations.

*“The time of long customer relationships is over. Big banks benefit from the strict regulation of mortgage markets, which makes it hard for others to enter. Regulation might give a competitive edge, but now regulators are starting to loosen it. This can be seen in statements from authorities”* (E).

This can also be threatening, because regulations, like PSD2, would open customer interfaces to third parties and attract new competitors to the market, that are able to operate from outside the regulation, and already possess the resources and abilities to purchase Fintech and neo banks, or implement alternative and more efficient business models. These big operators, such as Amazon and Google, are unanimously considered as the determining actors that can or will most likely show the way to others.

The informants were very aware of the local markets' threats and opportunities. Finland is mentioned to be an interesting market, when we look at its geographic location and market size. Two or three banks basically dictate what happens on the market and others

follow. “2-3 big operators can pretty much dictate. I am waiting for the point where small operator start to disrupt the market and when they start to attract the consumers’ attention. I still see that the market is very conservative” (D). Nevertheless, Finnish and Scandinavian banks seem to have the opportunity to operate in the market pretty freely, without any foreign threatening competitors. The market is very small, although the consumer base has much potential, considering the infrastructure’s technical and cultural readiness. This might limit the opportunities to make radical strategical changes independently although, the bigger international operators will definitely have an impact on where the local Finnish market will proceed, especially when it comes to trends and universal product and service offering.

*“I see opportunities in the small operators that require our help and resources and the big ones as a threat. We operate in an interesting market, as we are a big operator in a relatively small area and market. Knowing this, I believe that we will take what the world brings us (trends etc) (E)”.*

What comes to their thoughts on the future, the informants see that focusing on the current ongoing changes and unusual market is key, but they still wish that banks, including Bank X, would focus on the service experience by benefiting from the available technology and boldly test the existing boundaries. The passive approach can feel safe, but the pace of the modern society requires differing approaches and innovative trials. The amount of technology that consumers (and companies) possess today will without question transform the way we interact and do business. Although, automation and technical features were favoured, the informants underlined the importance of the human touch.

*“No matter how automated processes can become, the ability to communicate with a human being when needed is mandatory. Additionally all communication should be humane, clear and easy to understand” (D).*

The human touch was still seen as a necessary feature in customer and bank relations, but the nature and location of customer service is changing. With this, the informants refer to service touchpoints momentarily; even though customers can now be “when and where ever”, the possibility to interact with a human being has to be available, as long as technology cannot provide the same level of understanding and diversity.

## 6 ANALYSIS OF THEORETICAL AND EMPIRICAL FINDINGS

### 6.1 Customer relationship management

Banks possess large amounts of customer data. To follow regulations set up by authorities, banks are obligated to gather and maintain certain customer information. Banks also need to maintain a safe and reliable image by securing the available and used data. Additionally, banks have unique access to different consumer data, such as payments which provides valuable information in monitoring customer behaviour. No other service provider can access such amounts of specific data. Therefore, the relationships between banks and customers have traditionally been very settled and preserved. However, demand more personated and individual services and products is growing. Bank X informants mention this challenge. A lot of data is available, but they wish to be able to use it more efficiently. Digitalization provides new opportunities for service providers to increase customer commitment and creates mutual value for both parties (Rowley, 2004, 3.4). This is also challenging for the financial industry and the three major reasons seem to be regulations and data security (Finance Finland 2017, 2.1), technological readiness (Jin and Oriaku, 2013, 3.5.3) and customer behaviour. Authorities require banks to gather certain information of their customers but there are also strict regulations on how to use and maintain it. Creating and developing new technologies is not cheap either (Eurostat, 2015, 2.1 & figure 2.2). Smaller operators may be more agile in creating new services and choosing their target groups, but have limited resources than bigger banks who again may have difficulties in pleasing large and different customer groups. A further challenge can be the transformation of customer relationships due to technology; customers do no more need banks the way they did in the past as applications and remote services makes customers very independent. Customers might still rely on banks' offering, but banks are becoming more distant which makes maintaining a close and loyal relationship challenging to maintain. Having acknowledged this, banks try to increase customer involvement by notifying them in product and service development, and find new touchpoints which function as certain reminders. This situation is something that Bank X also recognises. Consumers have played a big role in bank service innovations and have solely developed and used primary systems that banks have then



later duplicated (Oliveira and von Hippel, 2011, 2.2, table 2.2). Customers appreciate the opportunity to have an influence in the products they wish or need to use. This seems to form a challenge: Banks need to provide services for all their customers, but general solutions do not expand the customer relationship into next level. Assuring functionality is only default value. Therefore, banks wish to use the available customer data for trigger points or to basically remind about themselves to the customers by offering topical solutions, information or even identify situation in personal lives.

## **6.2 Online meetings**

The concept of online meetings is still relatively new in the financial industry. Banks have started to diversify their service channel offering and personal banking can be very much done remotely, independently by the customers own preferences. Everyday banking has moved into online and mobile banking platforms and personal expert services are following. Earlier research on online meetings seems to be very difficult to find, especially on the ones used in the financial industry. Respectively, the concept is pretty simple, but its use in practice has not really been studied. The reason may be that online meeting forms are still being developed or their need is being questioned in larger markets. Bank X is among those Finnish banks that have implemented online meetings to their service channel offering. The concept was introduced only a few years ago and long development processes were required. Bank X sees that online meetings are a mandatory feature in banking today and in the future (5.2). They can reach customers regardless of where they are and service speeds up. Bank X is a very significant operator in the market and has taken big steps in becoming a digital banking force. The research still shows that the introduction of online meetings has not been successful, or at least its full potential is yet to be implemented. The theory section introduces earlier research on customer behaviour and digital service marketing. Authors indicate how difficult it might be to commit consumers to use digital services and products, and finally change their habits (Tran and Cooper, 2016, 3.5.4). Consumers might not see the benefits in changing. The interesting dilemma still is that consumer expectations have been influenced by other digital services and they now also expect speed and simplicity from banks. Although Bank X understands the ongoing changes, operation that is motivated and managed by quarter based decisions and a certain cautiousness in making radical and even market disruptive moves, seems to hold the bank back. Instead of finding new options to replace

the online meeting concept, banks, at least for the case study's part, fortunately see the that concept has great potential to be developed further. In Bank X, on the basis of the interviews, the concept appeared to be a little forgotten and clearly is not "on the table" of developers. Implementing the concept had been a difficult path and now resources have been focused into other subjects. In a way this is unfortunate, because Bank X has been among the first banks in the market to introduce online meetings and this also frustrated most of the informants. They also recognised the reasons to be managerial and resource motivated.

### **6.3 The retail banking market in the future**

The changes in the industry are significant. Digitalization, regulation, new competitors and changing customer demands have affected banks in the past decades. A very traditional business's presence has transformed. Where interaction took place in person in the past, consumers today do banking on the move where and whenever they feel like. Customer then demand for opportunities to handle matters independently and remotely (Howcroft and Durkin, 2000; O'Reilly and Finnegan, 2003, 3.5.3). Banks have understood this and have invested in different service channels and digital platforms (Mitek, 2016, 2.4). The next step is to find ways to increase their use and to provide more personated and tailored customer experiences.

Marketing digital services and channels can be very difficult. Advertising is important when launching new service or products and reminds consumers of already existing ones. The literature review and interviews show that the customer experience itself is the best marketing tool. Although the importance of advertising and marketing is recognised, researchers and informants advise to focus on providing increasingly better customer touchpoints. I personally respect that authors, such as Manzoe-Ritchie (2014), challenge banks' traditional marketing. By providing credible, functional and user friendly services, banks can transform customer loyalty to the level or meters that the modern society requires. This then makes marketing in its past forms unnecessary and the customer experience speaks for itself. With this I mean, that consumer behaviour is changing, so building customer relationships on past concepts is not enough anymore or is even irrelevant. Word of mouth marketing has become faster and wide spread because of technology, so banks need to preserve their image and boost the positive feedback they

are receiving. Bank X and other banks are now active in public conversations and are visible on social media, but the threat of hurting their image, makes banks very cautious in their communication. This again, is an understandable obstacle that banks need to overcome, which gets us to the dilemma mentioned before. How to answer existing demand of more independent and digital processes, but still provide service models and concepts that at least remind of earlier familiar ones?

The future of retail banking looks to be very interesting and banks seem to have noticed that changes are upon them. Earlier studies and his research indicate that banks have already significantly changed their approach to the market and be strategies have been implemented. Physical presence of branch offices has decreased, or at least their service offering has transformed and resources have been invested in digital services. Digital banks services and products have come a long way, but banks admit that a much is still to be done. Personally, I would approach the phenomenon in three phases. The first one showcases the arrival of independent services such as credit cards and ATMs decades ago (Judd, 2017, 2). In the second, banks provided online bank services, internet banks and mobile banking (Business Today, 2015, figure 2.1. and Grym et al., 2018, 2). The third phase is still in progress. Customers' need for physical banks is becoming minimal and they can do banking "on the go" with the help of digitalized platforms and assignments. What makes this phase still yet incomplete, is the need to increase customer interaction, not only in communication, but also in involving the customer throughout different processes. As customers now become more independent, the banks are more and more distant from their customers. This means that they basically need new ways to make themselves needed for consumers, especially when it comes to still focusing their banking entireties into just one bank.

## **7 CONCLUSIONS**

This chapter concludes the whole thesis. The first section summarises the main points that have been indicated and concludes with key issues and answers to the set research questions. Additionally, the research questions will be reflected on throughout the whole chapter. The sections that follow, reflect on the future of retail banking and how its presence and character might be changing. Based on the results of this and earlier studies, key managerial implications are suggested in the third section and are followed by my personal reflections. To conclude, some subjects that could be researched further and critique of this research are discussed.

The financial sector is going through perhaps its biggest changes since its establishment. The technological development has revolutionised the market and its services, and banks are evolving along with it. For a traditional sector, the ongoing changes offer new opportunities and challenges. Legislation and new rules set by authorities require better data and user security from banks and consumer demands broaden. Banks face a compulsory change to stay competitive and maintain their licences to operate, and brand development needs to cherish customers' trust and loyalty. The revolutionary changes not only require transformation from banks as service providers and businesses, but consumers' habits are facing new adaption as requirements and service channels are developing. The relationship with technological and legislative changes and customer behaviour and adaption is the main research issue of this thesis. More precisely, how banks market modern online bank meetings and how customers adapt to using them and what are their demands for service channels.

Banks and customers have a long tradition of meeting face-to-face in branch offices and banks are still strongly recognised by their physical presence in the urban infrastructure. This way of doing business and providing advice has been a centre feature for the financial sector. Still, as other sectors have taken use of the technological development, customers' habits have changed and their time has become more and more valuable. While customer demands change, banks have found new, more efficient (costs and resources) ways to serve their customers. New service channels offer the opportunity to do business remotely and neither party needs physical presence in the customer surface, in the form of a meeting. The introduction of credit cards and ATMs were the first phases

that gave consumers more independence and reliability from banks. Online services have been available for two or three decades already, but full potential of the concept is still yet to be reached.

Online bank meetings are still very unknown or misunderstood. Their usefulness and benefits are not known among potential customers and users. Banks have put much of effort into their implementations but the focus seems to have been tackling away technical issues and marketing is very minimal or even absent. Banks use their own channels to market them occasionally but e.g. Bank X's informants recognize the fact that online meetings to an extent disappeared from the bank's communication and they settle with knowing that the service channels exist and function relatively well. Banks have to market the service channel as a new experience and attract the interest of customers. Otherwise, banks will only find challenges e.g. in explaining the ongoing changes as customers feel that service availability and quality decreases. Research material and analysis on online bank meetings is very limited as most of the material focuses on online banking. Still, the literature and study review indicates the significance of customer relationship management and data as tools for understanding customer behaviour and motives. The informants seemed to wonder when all this available data will be processed and used properly. Some data is already used in Bank X, but much more could be done. Banks possess large amounts of customer data compared to other industries and putting the data to new kinds of use opens great potential in creating more customer-oriented business plans. It is possible that banks have had to focus in regulation and legislation set by authorities, instead of fully managing customer relationships and data. In contrast, this only highlights the need to start using these resources more efficiently. It might be worrying, and even frustrating, that banks do not commit themselves in benefiting from the available data the same way they gather and maintain it for regulative reasons. Customer relationships clearly seem to be built around customer data today and increasingly in the future. Consumers expect service providers to understand and relate to their needs and preferences in real time, or even ahead of time when the need occurs. This is where banks need to take the next step as services are making customers more and more independent. Customers will rely on banking as a tool, but the significance and need for banks will decrease. Therefore, banks need to find ways to remind themselves of and activate the customer relationship, so that it feels valuable. To conclude this section, answers and key points to the research questions are listed below.

1. Customer relationship management (CRM) has long but traditional roots in the banking sector. For decades, customers have handled their bank affairs in person by attending their bank's branch offices. Later, different self-service products and channels have made customers more independent from physical banks, which made banking faster and easier. CRM in banking has mainly focused into creating a fluent and trustworthy relationship for consumers. The technological development has had a significant effect on banks' customer relationships. Mobile devices and user-friendly applications increases and diversifies customers' usage of banking services. However, this extends the distance between banks and their customers, so banks have now put effort into transforming their CRM into digital platforms to enrich customer loyalty and service experiences.
2. Online bank meetings are still a relatively new feature in banking. For the most part, banks use online bank meetings to meet their customers remotely and provide investment and loan advices. The concept is more flexible and efficient, because customer can reach expert advice with a computer or mobile device from anywhere, and usually within longer service hours. At the same time, banks can reach customers abroad or in areas where they do no longer have branch offices. Banks already use online bank meetings globally, but they have not yet gained great popularity among consumers. There may be several reasons for this, but clearly, consumers do not yet either trust them or understand the value they might provide. Customers, that use online bank meetings, are mainly very satisfied, but some still have their doubts and are more comfortable with meeting in person. Because the concept is still very new, banks have also had issues with technical reliability and have focused on minimizing these challenges. Nevertheless, banks seem to see that online bank meetings are here to stay and their usage is slowly increasing.
3. The three main banks in Finland, OP, Nordea and Danske Bank, provide online bank meetings and are mainly used for investment and loan meetings. All three banks introduce online bank meetings on their webpages and some marketing campaigns can be seen in different media. The case study bank used even urban advertisement in addition to digital campaigns e.g. on social media, where the main features of the concept were introduced. Bank X offers online banks meetings actively as an option to meetings in person and have showcased them in their service offering. However, marketing can be tricky and sometimes inefficient. Bank X's informants recognise the fact, that instead of investing large resources into marketing campaigns, they should showcase the online bank meeting's service and customer experience.
4. Digital bank services have basically revolutionised banking in Finland, and globally. Bank affairs are accessible around the world, day and night. Different applications provide fast money transfers, data and other bank services. Technology has certainly increased the use of bank services among consumers, but the demand for even more versatile services and products is growing, because other sectors can already function very digitally, if not completely. Because customers will soon no longer rely on physical bank branches, banks have started to find new ways to maintain their customer relationships. In other words, they want to find ways for customers to still need them. Automation and personation are features that banks are increasingly building their services on because banks possess large amounts of customer data. Finding the most impressive and attractive ways to use this valuable data is key.
5. When online bank meeting were first introduced, banks marketed them with campaigns. It helps in introducing new services, such online bank meetings, and later reminds consumers that these concepts exist. In addition to traditional marketing, banks should create practical social marketing strategies, where the online bank meeting as an experience is highlighted. This also requires seamless functionality and technological reliability, so that the service can recommended. Online bank meetings need to be easy to use and the value of using them has to be very visible for customers.

## 7.1 What will banking look like?

As the need for local branches decreases, demand for online and remote bank services will increase. The development of payment methods will have the first impact on how consumers behave and on what they request. Second, comes the actual location of where financial advice is offered and provided. Technological development will not decrease demand for expert advice, but allows banks to focus financial expert services to branches and also move a significant amount of these meetings and services online. The online movement will not happen overnight, so banks can still provide service and advice in branches, as some customer still prefer, and banks can focus human resources and knowledge to complicated expert tasks. Advice for daily banking, such as accounts, cards and others, is centred to remote customer service centres and later, online self-service channels will take over and handle most, if not all of the tasks. To attract more customers, self-service channels need to be easy to access and use for customers to understand their benefits.

The upcoming changes will happen in financial expert advice, or in which form it is provided. In the near future, customer will still rely in expert advice in form of personal meetings. Despite the fact, that with e.g. Fintech, customers can access very tailored and variable services and go through the process very independently, from a competitive aspect, customers still appreciate conversations and meeting a professional. The concept of online meetings is also still shaping up, so there might be much potential or additional features to unveil. Acknowledging this, banks compete in finding best balance on where the meetings take place and how. A certain key group will always seek for physical traditional meetings, but as other sectors increase their online services, customers demand them from the financial sector too.

Remote meetings in their current shape, that reaches today's security and reliability rules, are still not very popular or widely used in Finland. The reasons why are mainly 1) the fact that both parties feel that meetings through telephone or text based channels, such as e-mail, serve the cause, 2) banks do not have the readiness, either based on strategical choice or technological resources, or 3) online meetings lack credibility among customers, and more conclusively among employees. All reasons are related because of technology. The race for suitable online meeting platforms and concepts is very intense, but the latest versions are still considered to be too slow and unreliable. This decreases

the motives for employees to introduce a new service channel and they settle to telephone meetings, and customers do not get the opportunity to explore online meetings. This, to the same extent, decreases customer's motives to book and try online meetings because those who have tried them, feel they are unreliable or not beneficial, or new potential users have not heard about the concept. Still, for many consumers, online and video as meeting concepts are very familiar. People use them often every day, especially at work. So it seems that the challenge for most, is not making the concept familiar, but highlighting the potential of a new way of doing banking. That being said, banks have to offer more interactive and individual solutions to maintain a solid competitive position, if they do not choose to concentrate on certain services or customers. Banks can also be misunderstood, as customers may feel that they are forced to move online, but it is more about offering alternatives to the used and existing service channels. When new services are introduced, marketing usually focuses in them, and customers, using more traditional channels, may feel left out. This means that banks need to be very precise in their communication. There does not seem to be any fast track to obtain a dominant market position either. Marketing and experience sharing are relevant as the process gains recognition and new users step by step. At the same time, online bank meetings need to be developed significantly. The main focus areas are credibility, functionality, user friendliness, interactivity and reliability.

## **7.2 The changing personality and character of banking as an element**

In this section, I want to further speculate what the personality and character of banking will mean in the future and as what kind of an everyday element consumers might see it. This research has showcased how digitalism has changed the offering and customer approach in the financial industry and, therefore, should naturally have an effect on how we also describe, think and feel about banking as a personal feature. First, already describing the meanings personality and character regarding services and the phenomenon is tricky. The Cambridge Dictionary (2019) describes personality as “the special combination of qualities in a person that makes that person different from others, as shown by the way the person behaves, feels and thinks”. Character is then described, from a quality perspective, as “the particular combination of qualities in a person or place that makes them different from others” and in marketing as the “set of qualities that make



a product interesting, attractive, etc.” (Cambridge Dictionary, 2019). Understanding and defining the terms as a concept is not easy. I personally see that these terms will have additional meanings in banking in the near future. With this, I mean that banking will be different as a concept or an everyday element. Its description, personality, character and format will take new or additional shapes. Just like many other products and services in different industries, banking is coming closer to the customer. Banking has always been very personal, but now, products and services are becoming more and more individual, tailored and personalized, so again, being personal today shows in a different way. With the help of these numerous platforms and applications, consumers can decide how, where and when they wish to do banking. Thus, how can banks make their customers increasingly independent and, as a result, lighten personnel resources with automation, and still provide personal expert advice for those demanding them by maintaining the same user-friendly remote features as self-service products and services? Additionally, how can banks then increase brand recognition of these new channels, such as online meetings and clarify the provided added-value of using them? This, then has an effect on how we now and later describe how *personal* banking actually is and in what way. In other words, we might need to rethink what the term “personal” actually means regarding banking, especially from an individual’s perspective.

### **7.3 Managerial implications**

As we now know, a significant change in banking is inevitable. Based on the already existing research and these conclusions, I would summarize the recommendations and managerial implications as follows:

1. *Banks need to keep on developing their digital services.* Finland is one of the top countries globally in Fintech and retail bank digital services. While the number of users might not increase in the wished pace within some services, banks need to be patient. Banks need to put effort in introducing the service’s benefit and share customer experiences with social and commercial marketing. Distinctive marketing approaches are also welcome.
2. *Banks should find new ways to optimize their reachability.* In other words, they need to enhance their customer service channels and strengthen their functionality as a comprehensive and integrated multi-channel platform. All

service channels have to understand each other and be coincident, meaning that customers can choose whatever channel e.g. while applying for a housing loan, and also proficiently change from one to another during the process. The development of self-service channels makes the relationship between banks and customer more distant, so it is crucial to find triggers and easy touchpoints to maintain customer loyalty and activity.

*3. The terms personality and being personal will have additional meanings in future banking – banking can become an everyday element just like mobile phones and internet.* Banks are traditionally providing very discrete and provide personal service. They will keep on cherishing these values in the future, but the ways and locations where services are taking place will change. Technology has great potential for banks to reach their customer and become more customer related and oriented. Customers already have easy remote access to bank affairs, but more personalized and tailored products and services can be provided. As expert advice will always be appreciated, banks can find new ways to offer them e.g. via online meetings. If banks can develop their online meetings to a point where they are considered useful, easy and interactive, banks can provide a common remote oriented insight throughout their service and product scale. A vision of adding value can be implemented.

*4. Utilizing an already existing resource, the customer.* To reach goals such as the ones mentioned above, banks need to create efficient communication and interaction with their customers. This can be implemented in both product and service development and the customer affairs. Involving customers by listening to their ideas and feedback provides an opportunity to match their demands more precisely. A customer can take part by e.g. testing beta version of incoming services. Customers also appreciate being involved in transactions. A bank stands out from its competitors by interacting with customers more actively during processes, such as the mortgage loan application. Creating more interactive and real time platforms and cooperating channels, the customer and the bank can maintain a fast and reliable connection throughout the process. Changes and

information can be transmitted quickly, or even independently. This also means that customer relationship management will increasingly become a resource for beneficial data.

5. *Online meetings as a natural part of banking.* A goal of doing banking where and whenever is well understood in Finland and the Nordic countries, who are top developers of digital bank services in the world. As the other regional markets do not give the best resources to compare to, Finnish banks should focus on providing more online bank meeting features and take roles of trailblazers. The technology, in most cases, is already available and being a progressive pioneer helps change the whole industry. As banks have now started to involve their customers into service development, banks have to also use resources in introducing the capabilities of online meetings. Many customers are aware of online meetings but rely on banks to show the benefits. To receive developing data, customers need a better understanding on online meetings. Internally, services and products should be easily connectable and usable on a common platform to provide user friendly solutions for both customers and employees.

## 7.4 Personal reflections

This research concludes with a few personal reflections that have come to mind during the whole process. As the studied subjects are very familiar to me, some questions must still be asked, and may also be studied further.

Can banks really afford being dominant and just decide today? They could either prove why customers should respect and follow them with seamless and beneficial service and mind-sets, or settle with the idea that they should follow their customers and just provide whatever is needed. If people were asked to describe their bank in the future, how would they see it? Is it more a service or a product? What differences there are and what makes the other one better? A service might be described as a more person to person felt experience but a sophisticated product might be even more personal and individual. At the same time, providing a perfect service experience might feel too slow to gain, while a product can easily feel cold and distant. Where does the consumer actually feel that the bank is and in what form if we compare a product or service by thinking about the tools

or channels we demand and access them with (smartphone, mobile, personating features)? Is combining a service and a product actually even possible or is it just up to the consumer to decide what it feels more like? It would be interesting to see what the bank's goal actually is and is there a competitive edge to achieve by choosing to brand itself to either one. All these questions put future marketing strategies to the test.

Gathering and using customer data properly seems to be a vital way to operate in the future. Banks need to learn where they can gather relevant customer input from for product and service development. In what measures it is gathered and how much bigger is the customer complaint amount in comparison to the data gathered from customer involvement? How is the complaint data transferred and exploited by development units, not just to fix malfunctions, but to improve and change concepts and how should this be displayed so that it is motivating and credible for everyone? The most relevant data has to be useful, so that it is not buried in the sometimes irrelevant amount of "other" complaints. Banks now understand the extended value of customers and need to find ways on how take advantage of diverse customer touchpoints.

## **7.5 Further research**

This section will suggest areas and subjects that could be studied further and would support this research. Based on the results, good further research on the customers' opinion and behaviour with digital bank services is important. Reviewing the literature and earlier research witnesses that online and mobile banking have been relatively researched, but online bank meetings are yet to be thoroughly studied. One challenge is the quick development pace of digital services, which makes it difficult to create topical research, which can then be seen in the literature that includes many forecasts on the industry. Online bank meetings are still a very new service channel, as only limited regions hold the required readiness to implement them efficiently. The lack of readiness usually refers to customer habits or technological resources. Reasons might also be cultural, political or infrastructural. Nordic countries are ahead in implementing digital services for several business or service areas, and Nordic consumers and organisations seem to have good readiness and demand for even more digital services. In other regions, although the technology is relatively simple, or at least easy to duplicate, societies tend to struggle with generalizing digital services, or they are focused on other service areas.

Other regions are also significantly more populated and use several other digital services, excluding digital banking. In a geographically larger research area, research on other areas' plans to implement digital bank services to reach popularity among consumers is suggestable.

As the industry and business develops and changes rapidly, good routines to monitor customer behaviour and feedback are essential. In the near future, information and data on how customers have adapted to online bank meetings is in demand and further analysis on how the financial industry has changed would be very useful. We now understand that meetings are changing form in many industries, but will online meetings be the “new normal” in the future and what competitive options will they receive? Marketing will most likely change as marketers will gain more accurate information and data on consumers. Marketing can then be targeted and diverse and will be key in reaching new consumer generations.

If the industry is changing, so are the consumers. Banks will put effort in optimizing customer data use and providing more user-friendly and tailored service strategies. While customer demand and behaviour keep on changing, will banks be able to first develop themselves for the current customers' expectations, which is late in the public eye, and moreover transform further to attract future generations? What are those future generations' expectations and what pace of transformation will give a competitive, but still beneficial edge? For example, the incoming and maturing Generation Z is soon graduating with college and university degrees and they will have access to larger resources and assets. Assumably their habits are significantly different and expect fully digital interaction. Or do they?

## **7.6 Research critics**

I could describe this research subject as a mixture of business, IT and social psychology. It was interesting to notice how all three areas became much related and what influence they have to each other. Approaching this research from a very business oriented mind set, increased my interest towards IT and social psychology that I was not that familiar theoretically. Afterwards, some parts of the whole research could have been done differently. Finding credible data on the areas I wanted to focus on was easier than expected, but being personally interested in the subject resulted in gathering even too

much information. A more thorough limitation of related subjects could have made the process easier and the thesis shorter but personally I rather notice significant factors by studying them instead of limiting them apart from the research. However, this requires time. What comes to the found results from the literature review and qualitative research, I had made some assumptions regarding the conclusions beforehand. The reason might be that I am very familiar with the area, but that also motivated me to challenge my personal opinions. Even though I expected to find very little earlier research on online bank meetings, I was still surprised because online meetings are used daily for so many affairs in business and free time. Maybe online meetings are therefore not considered as something to thoroughly study, but I feel that this really indicates the bigger phenomenon on how banking and consumers are changing and evolving. Personally, the studied subjects were very close to me, so studying such an area is sometimes difficult and you often have challenges in making logical limitations.

What I am pretty satisfied with, is that the interviews were successful. Considering the timeframe and large subject area, the informants provided valuable personal input on the operation models and the situation in Bank X, and good insights on where they see the industry moving. The fact, that the interviews were held anonymously, gave the discussions an honest and free feel. Clearly some issues frustrated the informants, while some subjects or questions did not feel personally interesting to them. Acknowledging this during an interview is important, considering the time frame. Some questions may not be answered, or wished answers come up in other subjects. Guiding the informant can also be very difficult in some situations, which again affects the opportunities to challenge the given answers to receive more relevant examples or reasons. I also received constructive feedback from the interviews. The participants were given the opportunity to describe their thoughts on the interview and gave me feedback after the interviews were finished. Generally, the informants were very pleased and two of them even described the interview as a therapeutic experience. The discussions were kept in schedule and proceeded fluently. As experts were in hand, one of them suggested me to ask even more precise questions and really concentrate on the substance they have on the subjects. This could have been a good addition, but probably the time frame could have been risked or exceeded. Personally, I am pleased with the interview experience and the discussions felt natural and productive. I enjoyed hearing expert opinions and the participants were receptive to my personal point of views that supported the discussions.

## **8 ATT UTVECKLA OCH MARKNADSFÖRA ETT PERSONLIGT BANKMÖTE - FALLSTUDIE: ONLINEMÖTEN I BANK X**

### Inledning

Den digitala utvecklingen har förändrat vårt vardagsliv. Konsumentbeteendet förändras och efterfrågan på snabba, enkla och pålitliga tjänster växer. Digitalisering och onlinekanaler erbjuder också flera möjligheter för finanssektorn. Traditionella serviceområden som detaljhandeln möter en intressant utmaning. Banker har tidigare utmärkt sig som tjänster som endast kan hanteras genom att träffas fysiskt och personligen. Nu, med hjälp av teknik, har den digitala bankverksamheten och dess tjänster börjat ta en synlig roll. En intressant förutsägelse i en studie uppgav redan 1996 att "bankverksamheten är avgörande för en modern ekonomi, inte bankerna" (The Financial Times, 1996). Det är dock inte första gången som bankindustrin introducerar nya innovationer. Införandet av t.ex. kreditkort, bankomater, online- och mobilbanker har tidigare förändrat bankerna, och gett nya enklare sätt att handla med våra finansiella institut dagligen. Steg för steg har konsumenterna nu anpassat sig och efterfrågan växer. Konsumenternas tid är mer och mer värdefull och begränsad, och de uppskattar att göra affärer "på språng". Konsumenterna kan också ofta känna att bankerna tvingar kunderna att välja mellan vissa kanaler och använda dem, och bankerna stänger samtidigt traditionella sådana, till exempel filialer. Onlinemöten är en relativt ny funktion i bankverksamheten och har inte ännu studerats grundligt så de borde undersökas noggrannare. Denna studie syftar till att fylla den klyftan genom att lägga till onlinemöten i de studerade digitala tjänsterna inom finanssektorn. Jag är intresserad av hur andra digitala bankprodukter och tjänsters marknadsföring kan stödja banker i en ökad användning av nätmöten enligt tidigare litteratur och forskning. Utmaningarna är inte nödvändigtvis bara att skapa de mest lämpliga applikationerna och välja mellan dem, utan istället handlar det om att satsa på att få kunderna att använda och lita på dessa nya produkter och servicekanaler, t.ex. onlinemöten.

### Avhandlingens syfte och forskningsfrågor

Syftet med denna studie är att undersöka hur finländska banker utvecklar och marknadsför sina onlinetjänster och digitala tjänster, särskilt onlinemöten. Dessutom

kommer kundrelationshantering i detaljhandeln att studeras för att förstå fördelarna. Marknadsföring handlar i praktiken ofta om att förstå kundbeteende och hantering av kundrelationer och därför är det viktigt att analysera bankens målgrupper i framgångsrik produkt- och tjänsteimplementering. I litteraturgranskningen presenteras tidigare material och studier om dessa ämnen, med inriktning på förfarandena inom finanssektorn. Denna studie bygger på fem forskningsfrågor:

1. Hur används kundrelationshantering (CRM), och vad är personliga relationer mellan banker och kunder?
2. Vad är bankmöten på internet och vilka är deras fördelar och nackdelar i fördjupandet av kundrelationerna?
3. Hur används och marknadsförs onlinemöten i bankverksamheten i Finland?
4. Vilken effekt har digitala banktjänster på personliga kundrelationer i Finland?
5. Hur kan bankerna öka användningen av onlinemöten för att interagera med sina kunder?

## Teori

Banktjänster till privatpersoner genomgår stora förändringar som en följd av snabb teknisk utveckling. Som en personlig och traditionell bransch, har banken tidigare krävt att kunderna kommit till bankerna. Men teknik, lagstiftning och nya kundkrav har överfört banktjänster till mobila funktioner och plattformar. Kreditkort, bankomater och senare nätbanker har gjort användningen av banktjänsterna snabbare och enklare, och på 2000-talet har tempot bara ökat. Konsumenterna efterfrågar mobila och oberoende lösningar för bankverksamhet "på språng". Finska detaljhandelsbanker är bland de globala banker som redan har gjort stora framsteg i digitala banktjänster och produkter. Tre stora banker dominerar detaljhandeln och realkreditmarknaden i Finland: OP Financial Group, Nordea och Danske Bank. Onlinemöten är fortfarande en relativt ny funktion och de är huvudämnet i denna avhandling.

Konsumenterna är viktiga för bankerna när de utvecklar sina tjänster, och många av de tidigare implementerade koncepten har utvecklats av konsumenter som är experter på digitala tjänster. Detta uppmuntrar bankerna att utveckla dessa tjänster och produkter eftersom de ser den befintliga efterfrågan på dem. Konkurrensen har också förändrats i branschen. Fintech-företag och stora aktörer som Google, Amazon och Facebook har fått tillgång till marknaden och visar intresse att tillhandahålla alternativa banklösningar.



Bankernas tillgänglighet och nåbarhet har diskuterats eftersom bankerna har minskat antalet filialer och fokuserat på att tillhandahålla alternativa kanaler för bankverksamhet. Finansindustrin är inte den enda där denna förändring redan har skett, och rese- och fritidssektorn fungerar som ett bra exempel. Efter några anpassningar och missnöjda offentliga kommentarer har konsumenterna nästan helt flyttat till inköp och rådgivning online. Bankerna måste nu hitta lösningar att återigen nå sina, i vissa fall otillfredsställda, kunder och visa fördelarna med att använda dessa nya tjänster eller sätt att idka bankverksamhet. Kunderna känner att tillgången till personlig expertrådgivning har minskat, även om de bara har förändrat miljön. Onlinemöten används i många kundfall, t.ex. hypotekslånsförhandlingar kommer att introduceras inom kort. Automatiseringen och kunddataanvändningen kan också erbjuda mer förberedda lösningar som gör att hypotekslån tillämpas snabbare och enklare, men mera individualiserat.

Marknadsföringen av digitala tjänster har utvecklats snabbt. Kundupplevelserna sker i en digital och relativt oberoende miljö. Det finns många möjligheter att påverka, men konceptet gör det svårt att tvinga kunder till ett enda företag. Kunderna har olika förväntningar på tjänsterna, beroende på miljön. Det personliga perspektivet kan också påverka vad varje enskild person anser att vara de viktigaste faktorerna. Oavsett var tjänsten tillhandahålls bedömer kunderna tjänsteupplevelse enligt kvaliteten, som har fem huvuddimensioner: tillförlitlighet, lyhördhet, kvalitet, empati och trygghet. Dessa dimensioner sätter press på tjänsteleverantörerna. Om tekniken har gjort fjärråtkomst möjlig, har den också ökat antalet tjänstkanaler. Digitala tjänstekanaler är lika viktiga som själva tjänsten; de ger tillgång till den efterfrågade tjänsten och länkar företag och potentiella/nuvarande kunder. Företag har satsat mycket på att vara så tillgängliga som möjligt och har blivit multikanalleverantörer. Kunder och företag kan interagera i olika kanaler och konsumenterna kan göra inköp var och när som helst. Marknadsföring och servicekanaler är ofta den första kontaktpunkten som företaget erbjuder. Därför måste företagen optimera sina servicekanaler och samla in data för att stödja kundresan och köpbeslutet. "Multichanneling" har börjat omvandlas till "omni-channeling", där alla kanaler, data och kundpunkter synkroniseras.

Digitala tjänster inom detaljhandeln har introducerats stegvis under de senaste årtiondena. Bankkortet kan betraktas som den första betalningsmetoden som gjorde konsumenterna mer självständiga men den digitala tiden för bankernas tjänster som började med

internetbanken. Kunderna är beroende av medarbetare och åsikter. Utmaningen är att visa bra erfarenheter och rekommendationer i ett fördelaktigt perspektiv. Företagen behöver delta i offentliga samtal och interagera med sina kunder.

Precis som i många andra branscher har kundbeteendet och motiven förändrats avsevärt, och tekniken spelar en stor roll i branschen. Konsumenterna värderar personliga och justerbara tjänster och produkter utifrån av sina egna preferenser. Människor reagerar på olika sätt, så nyckeln är att förstå olika personligheter. Att möta olika sorter av efterfrågan är svårt, men att locka kunder att använda nya tjänster och produkter är ännu svårare. Online bankmöten är tekniskt en mycket enkel funktion, om man jämför deras funktioner med möten som många konsumenter använder på arbete. Utmaningen för banker har varit att locka och anpassa kunderna till att använda dessa möten som ett dagligt sätt att använda bankservice. För att kunna betjäna olika kunder, kan de klassificeras utifrån sina vanor och intressen. Även om onlinetjänster måste vara tillförlitliga genom en ömsesidig plattform, måste de tillgodose individuella behov genom att tillhandahålla användbara funktioner. Onlinebanker och marknadsföring baseras huvudsakligen på kundupplevelser så att bankerna ska uppvisa positiva kundupplevelser och involvera kunderna i serviceutvecklingen.

Det är väldigt viktigt att förstå kundernas beteende och motiv när man utvecklar nya digitala tjänster. Att visa de användbara funktionerna är viktigt, men ännu viktigare är att tillhandahålla tjänster som kunderna uppskattar. Kunderna har anpassat sig till vissa tjänster och vanor och det är inte lätt att ändra dem. Att involvera kunder i tjänsteutvecklingsprocessen garanterar att mottagandet blir bättre jämfört med oberoende utvecklade produkter. Företagen har fortfarande bra verktyg för att förstå kundernas krav. Kundtjänstförvaltningen ger företagen stora möjligheter till att få konkurrensfördelar. CRM-fördelar kan vara antingen operativa eller strategiska. Många organisationer som banker har stora mängder kunddata tillgängliga. Att använda dessa data på rätt sätt kan omvandla banker till mera kundcentrerade organisationer och hjälper till att tillhandahålla kundorienterade och användarvänliga tjänster och produkter. CRM kan också missbrukas om det anses mer som en teknisk funktion istället för en resurs för strategisk utveckling. Kunder är människor, inte siffror.

## Metodval

En grupp experter i den valda fallstudiebanken deltog i halvstrukturerade intervjuer. Intervjuerna presenteras huvuddragen i onlinemötena och hur banken marknadsför och utvecklar dem. Jag ifrågasätter traditionell marknadsföring och reklam i finanssektorn och vill se hur banken och dess experter ser möjligheterna att marknadsföra dessa nya digitala innovationer och därigenom öka användningen bland konsumenterna. Vidare kommer allmänna diskussioner om den finska bankbranschen att innehålla insikter om modern kundrelationshantering och åsikter om förändringar och framtiden. I dessa diskussioner, finns det tankar om hur ”personligheten” inom bankförändringar ändras, eftersom jag personligen ser att digitalisering har effekt på den.

Bank X har gott rykte om sina digitala tjänster men lider också av olika kunders respons. Målet är att förändra kundbeteendet och anpassa kunderna till bankens förändrade strategi. Jag fokuserar på den finska bankmarknaden och Bank X:s strategi med onlinemöten. Mina primärdata fokuserar på fallstudien Bank X, och intervjuer med specialister och mina egna erfarenheter. Kollegor som är specialister på digitala banktjänster och kundservice ger mig bra information om området. Eftersom de tidigare studierna om nätbankmöten fortfarande är mycket begränsade, är intervjuernas betydelse stor. Trots att jag begränsar studien till den lokala finska marknaden, söker jag i vissa fall jämförbara affärsmodeller och tjänster globalt.

Jag undersöker också kundernas perspektiv genom att analysera redan existerande studier och forskning om konsumentanpassning och erfarenhet av digitala banktjänster. Teoridelen består av 1) detaljhandeln, med en kort introduktion till branschen, hur industrin förändras och hur den kommer att se ut i framtiden, 2) marknadsföringen av digitala tjänster där undersöks tjänstekanaler och ny marknadsföring samt studier av tjänster och kundbeteende, 3) en kort introduktion av onlinemöten, hurdana de är, vilka möjligheter och utmaningar de inbegriper och hur banker t.ex. kan marknadsföra dem för att öka användningen och 4) relationer och tjänster där jag presenterar olika begrepp om relationer och servicehantering inom banksektorn och hur digitalisering ändrar dem.

I en studie som är relaterad till kundbeteendet, kunde en kundundersökning betraktas som relevant. I detta fall är den kvalitativa forskningen som består av endast expertintervjuer mer tillämplig. Det finns tre huvudorsaker till detta beslut: 1) Banken i denna fallstudie

kommer att förbli anonym och därför är deras kundrapporter inte tillgängliga för att säkerställa anonymitet. 2) Att nå en pålitlig konsumentmålgrupp skulle vara utmanande för en extern aktör. Målgruppen skulle behöva vara tillräckligt stor och täcka en mångfald olika konsumenter som har olika vanor vid bankmöten online. Och å andra sidan, borde de behöva vara kunder hos banker som tillhandahåller onlinemöten, eftersom bara några banker gör så. 3) Med tanke på ovanstående skäl, begränsar detta också de tillgängliga tidsresurserna för att göra en relevant konsumentforskning. Eftersom onlinemöten är ett relativt nytt begrepp inom banksektorn, och därmed lite studerade, kommer studier om tidigare fenomen att diskuteras i litteraturen.

### Resultatbeskrivning

Konsumenterna känner väl till större banker, men bankerna lockar också observatörer som medier, d.v.s. att vara synlig gör dig mycket ansvarig för den bild du tillhandahåller. Kundrelationer var det första temat i intervjun, och diskussionerna blev intressanta. Baserat på informanternas kommentarer, lider Bank X av varumärkesidentitet och kunders negativa åsikter. Informanterna beskrev kundens bild av och åsikter om Bank X som kall, ansiktslös och avlägsen. Positivt är att, Bank X betraktas som en stor, finansiellt sund och professionell institution och uppskattas och respekteras som arbetsgivare. De flesta har nyligen aktiverat sig offentligt i sociala medier och deltagit i diskussioner. Detta är något som bankerna inte gjorde för några år sedan. Bank X är mycket synlig i sociala medier, men en informant kritiserade också karaktären av bankens närvaro och krävde olika tillvägagångssätt: "*Våra sociala mediekkanaler används huvudsakligen som en infokanal för system eller funktionsfel eller visar nya funktioner eller översyner*" (B).

I intervjuerna gick vi inte djupare in på diskussionerna om att välja vilka kundsegment Bank X borde fokusera på. Att fokusera på endast några kundsegment, t.ex. vissa viktiga kunder eller grupper, kunde göra det enklare att uppnå de visioner och önskemål som informanterna hade. Dessa alternativ verkar inte betraktas som allvarliga i Bank X och kan ha betraktats som ett hotande alternativ för en stor aktör som litar på sin storlek. Sammantaget verkade detta som en mycket intressant synvinkel. Kommer större operatörer att prioritera sin verksamhet till vissa segment mer synligt eller dela sin verksamhet till mindre dotterbolag? Detta skulle troligen stödja behovet av att vara mer smidig och kundorienterad på specifika områden med olika krav men det kan störa bankens image och förvirra konsumenterna.

Bank X är en av de finansiella aktörerna som tillhandahåller onlinemöten för sina kunder på den finska marknaden och jag ville höra mer om konceptet och vad som händer bakom kulisserna. Bankmöten på nätet är ett relativt nytt koncept och jag kände personligen att onlinemöten ännu inte är allmänt kända eller att deras funktioner inte används fullt ut. Informanterna förstår betydelsen av onlinemöten som tjänstekanaler och de ses som en anmärkningsvärd funktion för att ta Bank X mot framtiden. De ökar bankens förmåga att ge råd och nå kunder utomlands och i områden där det inte finns filialer. *"Den främsta anledningen till att välja onlinemöten är tillgänglighet. Kunden kan nås var som helst, ingen närvaro ansikte mot ansikte krävs och resurserna är effektivare"* (A). Med resurserna menade person A att fler processer kan styras digitalt, såsom identifiering och uppdrag. Dessutom sparar båda parter tid. *"Vi ser att kundbeteendet har förändrats och vi vill vara redo"* (B). Informanterna såg inte några anmärkningsvärda skillnader i att träffas personligen eller online, men det skulle kräva funktionell tillförlitlighet. *"Jag ser inte för många skillnader. Kanske i början fanns det tekniska problem. Jag har personliga goda erfarenheter"* (D). Personligen använder person D bara onlinebankmöten och ser inga skäl att byta tillbaka till personliga möten. *"Om allt fungerar, finns det inga skillnader mellan de två"* (A). Med andra ord finns det motstridiga tankar om onlinemöten.

Jag ville sedan diskutera orsakerna till dessa frågor grundligare, eftersom alla informanter var överens om att mer tyngd borde läggas på utveckling och förbättringar av inte bara onlinemöten utan alla processer och digitala tjänster. Enligt dem fanns det flera orsaker till den komplicerade eller obalanserade utvecklingen:

1. Relevant input och feedback ansågs vara svåra att ta emot eller tillhandahålla, eftersom folk ansåg att det inte fanns några effektiva sätt att interagera mellan kunden och utvecklingsenheten.
2. Det finns ingen klar ideologi om hur tjänster borde utvecklas och förbättras efter att man har introducerat onlinemöten.
3. Kvartalsstyrda resultat driver organisationen för att lösa aktuella problem för att förbättra vinster och kostnader.

Konkurrensen på den finska bankmarknaden är mycket hård idag och prissättningen verkar vara avgörande för kundens köpbeslut. Alla banker visar intresse för, eller behöver höja marginalerna, men de håller tillbaka, och är inte villiga att vara den som gör det först, och ge konkurrenterna en kort konkurrensfördel. Informanterna kräver som sagt

”personlighet” och ett tydligt tillvägagångssätt för kundservice. Ändå är de mest dominerande trenderna digitalisering och de stora förändringar branschen upplever. Digitalisering gör det möjligt för kunderna att utträta sina bankärenden, men det öppnar också nya möjligheter för bankerna att automatisera och personifiera sitt erbjudande. Eftersom branschen är så strikt reglerad, ser informanterna utmaningar i att modernisera bankerna till samma nivåer som andra tjänsteleverantörer, men det finns också tecken på att myndigheterna långsamt kan lätta på reglering. Angående framtiden ser informanterna att fokus på de pågående förändringarna och osäker marknad är nyckeln, men de önskar fortfarande att bankerna, inklusive Bank X, skulle fokusera på tjänsteerfarandet genom att dra nytta av tillgänglig teknik, och djärvt testa de befintliga gränserna. Det passiva tillvägagångssättet kan kännas tryggt, men det moderna samhällets takt kräver olika tillvägagångssätt och innovativa försök. Den mängd teknik som konsumenter (och företag) har idag kommer utan tvivel att förändra sättet de interagerar och gör affärer. Även om automatiseringen och tekniska funktioner gynnas, understryker informanterna betydelsen av den mänskliga kontakten.

## Analys

Bankerna har stora mängder av kunddata. För att följa myndigheternas föreskrifter är bankerna skyldiga att samla in och behålla viss kundinformation. Bankerna behöver också upprätthålla en säker och pålitlig bild genom att säkra tillgängliga och använda data. Dessutom har bankerna unik tillgång till olika konsumentdata, till exempel betalningar som ger värdefull information om att övervaka kundbeteendet. Ingen annan tjänsteleverantör kan komma åt sådana mängder av specifika uppgifter. Därför har relationerna mellan banker och kunder traditionellt varit mycket privata och skyddade. Men efterfrågan om personliga och individuella tjänster och produkter växer. Digitaliseringen ger nya möjligheter för tjänsteleverantörer att öka kundernas engagemang och skapa gemensamt värde för båda parter. Det här är också utmanande för finansbranschen, och de tre viktigaste skälen verkar vara regler och datasäkerhet, teknisk beredskap och kundbeteende. Konsumenterna har spelat en stor roll i innovationer i bankservicen och har endast utvecklat och använt primära system som bankerna sedan senare kopierade. Kunderna uppskattar möjligheten att få inflytande i de produkter som de önskar eller behöver använda. Detta utgör en utmaning: bankerna behöver tillhandahålla alla sina kunder tjänster, men allmänna lösningar lyfter inte kundrelationen

till nästa nivå. Utgångsläget är att funktionaliteten är säkrad. Därför önskar bankerna att använda tillgängliga kunddata för utlösningpunkter eller att i princip påminna kunderna om sin existens genom att erbjuda aktuella lösningar, information eller till och med identifiera de personliga livssituationerna.

Konceptet för onlinemöten är fortfarande relativt nytt inom finansbranschen. Bankerna har börjat diversifiera utbud och de personliga banktjänsterna kan mycket väl ske på distans, oberoende av kundernas egna preferenser. De dagliga banktjänsterna har flyttat online och till mobila bankplattformar och experttjänsterna följer. Det är svårt att hitta tidigare forskning om onlinemöten, i synnerhet de möten som används inom finansbranschen. Konceptet är ganska enkelt, men användningen har inte riktigt studerats i praktiken. Det är Bank X, bland de finländska bankerna, som har genomfört onlinemöten till sitt tjänsteerbjudande. Bank X anser att onlinemöten är en obligatorisk funktion i bankerna i dag och i framtiden. De kan nå kunder oavsett var de befinner sig och tjänsten blir snabbare. Bank X är en mycket viktig aktör på marknaden och har tagit stora steg för att bli en digital bankaktör. Studien visar dock att införandet av onlinemöten inte har lyckats, eller åtminstone är dess fulla potential inte ännu genomförd. Utifrån intervjuerna i Bank X, verkade konceptet vara lite glömt och helt klart inte "i fokus". Genomförandet av konceptet var en svår väg och nu har Bank X satsat på resurserna på andra områden. På ett sätt är det olyckligt, eftersom Bank X har varit bland de första bankerna på marknaden för att introducera möten på nätet och detta frustrerade också de flesta informanterna.

Digitalisering, regleringar, nya konkurrenter och förändrade kundkrav har påverkat bankerna de senaste årtiondena. En mycket traditionell närvaro har förändrats. När interaktionen gjordes ansikte mot ansikte tidigare, använder konsumenterna idag banker på resande fot när de känner så. Kunden efterfrågar därför möjligheter att hantera frågor oberoende av tid och distans. Bankerna har förstått detta och investerar i olika servicekanaler och digitala plattformar. Nästa steg är att hitta sätt att öka användningen och att ge mer personliga och skräddarsydda kundupplevelser. Marknadsföring av digitala tjänster och kanaler kan vara mycket svårt. Litteraturen och intervjuerna visar att kundupplevelsen är det bästa marknadsföringsverktyget. Även om vikten av reklam och marknadsföring är känd, råder forskarna och informanter banker att fokusera på att tillhandahålla kundernas kontaktpunkter bättre.

Framtiden för detaljhandeln ser ut att vara väldigt intressant och bankerna verkar ha noterat att förändringar sker. Tidigare studier och forskning tyder på att bankerna redan har väsentligt förändrat sitt tillvägagångssätt på marknaden och att strategier har genomförts. Den fysiska närvaron av filialer har minskat, eller åtminstone har deras tjänsteutbud förändrats, och resurser har investerats i digitala tjänster. Digitala banktjänster och produkter har kommit långt, men bankerna erkänner att mycket fortfarande måste göras. Personligen skulle jag närma mig fenomenet från tre faser. Den första visar uppkomsten av oberoende tjänster som kreditkort och bankomater flera år sen. Den andra tillhandahåller banktjänster, internetbanker och mobilbanker. Den tredje är fortfarande på gång: kundernas behov av fysiska banker blir minimalt och kunderna kan uträtta sina ärenden på språng med hjälp av digitaliserade plattformar. Vad som gör att denna fas ännu är ofullständig, är behovet av att öka kundinteraktionen, inte bara kommunikationen, utan även när det gäller att involvera kunden genom olika processer. Eftersom kunderna blir mer självständiga, blir bankerna mer och mer oberoende av sina kunder. Det här betyder att de i grund och botten behöver nya sätt att göra sig nödvändiga för konsumenterna, särskilt i fråga om att koncentrera sina bankaffärer till enbart en bank.

#### Diskussion och slutsats

Finanssektorn går igenom kanske de största förändringarna sedan etableringen. Den tekniska utvecklingen har revolutionerat marknaden och dess tjänster, och bankerna utvecklas tillsammans med den. För en traditionell sektor erbjuder de pågående förändringarna nya möjligheter och utmaningar. Lagar och nya regler som fastställs av myndigheterna, kräver bättre data och användarsäkerhet från bankerna. Bankerna står inför en obligatorisk förändring för att de fortsättningsvis ska kunna vara konkurrenskraftiga och behålla sin licens, och varumärkesutvecklingen måste värna om kundens förtroende och lojalitet. De revolutionära förändringarna kräver inte bara omvandling från banker som tjänsteleverantörer och företag, utan konsumenternas vanor står inför en ny anpassning när krav och servicekanaler utvecklas. Förhållandet mellan tekniska förändringar och lagstiftningsförändringar, kundbeteende och anpassning är huvudproblemet i denna avhandling, mer exakt hur banker marknadsför moderna online bankmöten och hur kunderna anpassar sig till att använda dem och vilka krav kunderna har på servicekanaler.



Relationen mellan bankerna och kunderna går långt tillbaka, och bankerna är fortfarande starkt kända för sin fysiska närvaro i stadsinfrastrukturen. Detta sätt att göra affärer och ge råd har varit ett centralt inslag för finanssektorn. Eftersom andra sektorer har utnyttjat den tekniska utvecklingen, har kundernas vanor förändrats och tiden har blivit allt mer värdefull. Eftersom kundernas krav har förändrats, har bankerna hittat nya effektivare sätt att betjäna sina kunder, både när det gäller kostnader och resurser. Nya tjänstekanaler erbjuder möjlighet att göra affärer på distans och ingen part behöver ett fysiskt möte. Införandet av kreditkort och bankomater var de första faserna som gav konsumenterna mer självständighet. Onlinetjänsterna har varit tillgängliga för två eller tre decennier redan, men konceptets fulla potential är ännu inte uppnådd.

Baserat på den redan befintliga forskningen och studiens slutsatser sammanfattar jag rekommendationerna och ledarskapseffekterna enligt följande:

1. Bankerna behöver fortsätta utveckla sina digitala tjänster.
2. Bankerna bör hitta nya sätt att optimera sin närhet.
3. Villkoren ”personlighet” och ”att vara personligt” kommer att ha ytterligare betydelser i framtida banker. Bankerna kan bli ett vardagligt element, precis som mobiltelefoner och internet.
4. Bankerna måste använda en redan befintlig resurs, kunden.
5. Onlinemöten bör bli en naturlig del av bankverksamheten.

Onlinemöten är fortfarande mycket okända eller missförstådda, och fördelarna och användbarheten är inte kända bland potentiella kunder. Bankerna måste marknadsföra tjänstekanalen som en ny erfarenhet och locka kundernas intresse. Annars kommer bankerna bara att hitta utmaningar, t.ex. att informera om de pågående förändringarna, eftersom kunderna känner att tillgängligheten och kvaliteten minskar. Forskningsmaterial om och analyser av bankmöten på internet är mycket begränsade, eftersom det mesta av materialet fokuserar på nätbanken. Ändå framhävs i teoridelen betydelsen av kundrelationshantering som ett verktyg för att förstå kundbeteende och motiv. Bankerna har stora mängder kunddata jämfört med andra branscher, och användningen av data på nya områden har en stor potential för att skapa mer kundorienterade affärsplaner.

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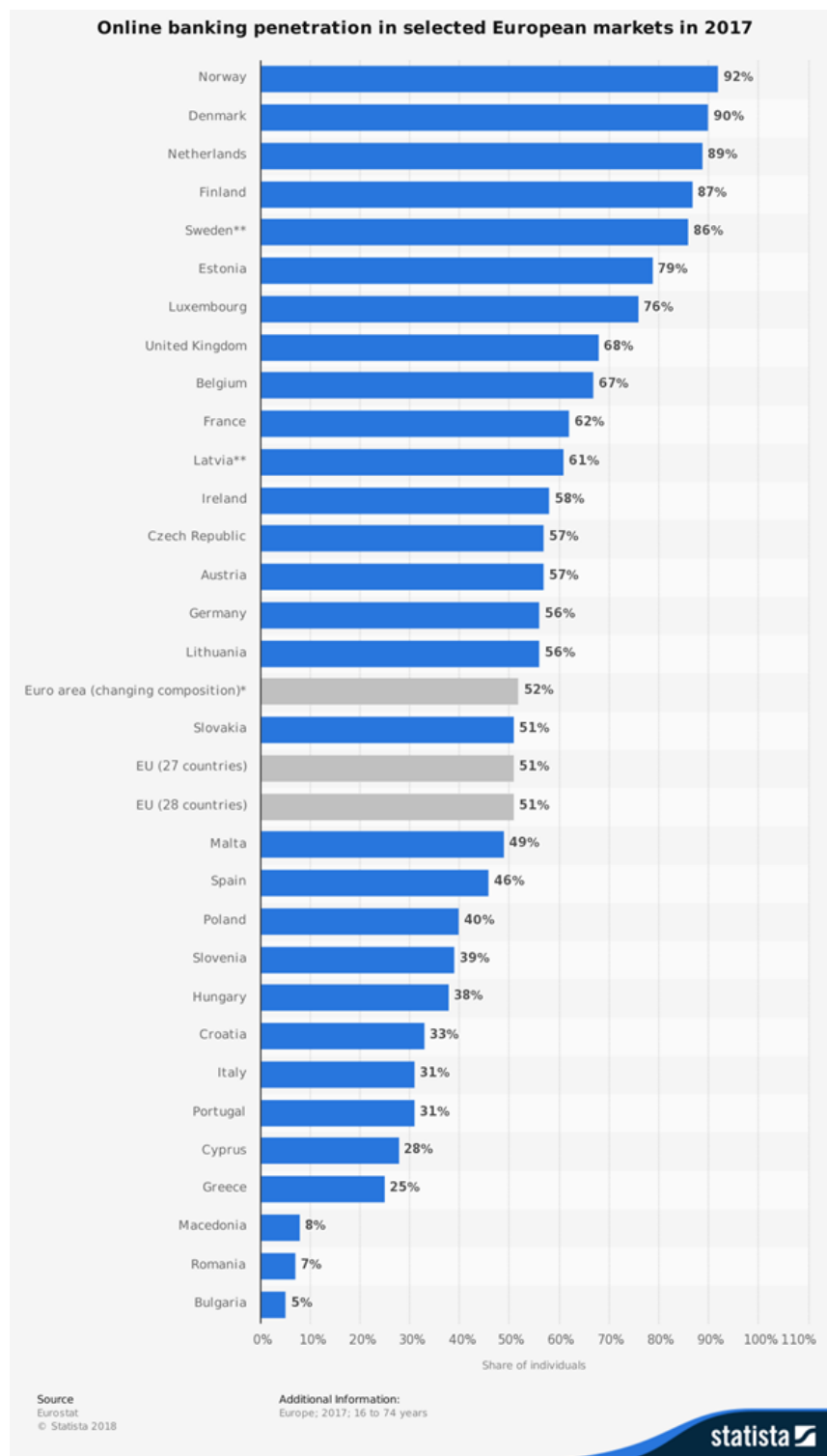
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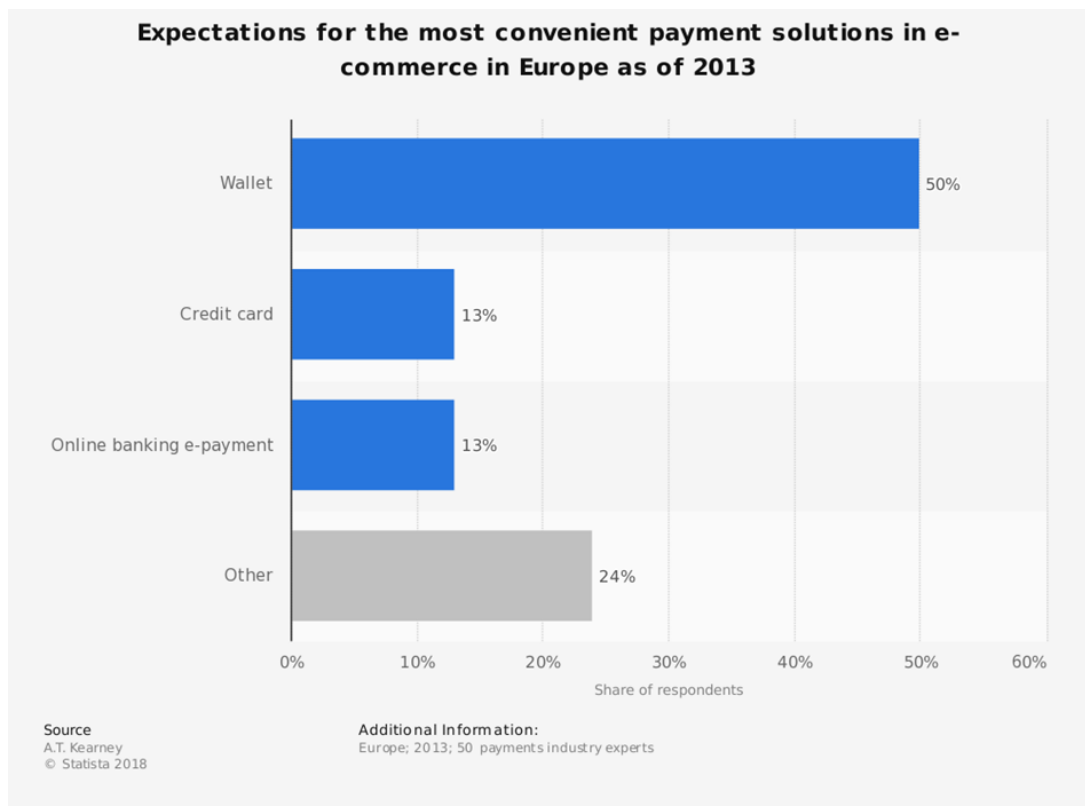
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## APPENDICES

### 1. Online banking penetration in selected European markets in 2017 (Eurostat, 2018)



2. Expectations for the most convenient payment solutions in e-commerce in Europe as of 2013 (Statista, 2018, source: Kearney, 2013)



### 3. The questionnaire for interviews

#### Introduction of the interviewee (published partially)

1. Name, position, and area of responsibility
2. Career and background at “Bank X”

#### Customer relationship management

3. How do you think customers would describe “Bank X”?
4. In what way do they see “Bank X” as a brand?
5. How are customer relationships managed at “Bank X”?
6. In what ways does “Bank X” monitor customer demand and behavior?
7. What customer data does “Bank X” gather and why?
8. How is this data used and for what purpose?
9. Does “Bank X” involve customers in digital service and product development? If yes, how?

#### Introduction of online meetings in “Bank X”

10. What are online meetings, their purpose and what do they include?
11. How would compare physical and online bank meetings?
12. What are the benefits of an online meeting and what are the main reason why “Bank X” has chosen to implement this service channel?
13. What, in your opinion, is most crucial in having a successful online meeting?
14. How online meetings are developed? What possible challenges are there?
15. How online meetings are marketed and how does “Bank X” increase online meeting usage?
16. What are the customers’ opinion on online meetings and how does the bank monitor them and their usage?
17. How gathered feedback is used and how do different units co-operate to solve these issues?
18. In your opinion, what are the main reasons why customers do not move online? What do you think are the best ways to change this?

#### General discussion on Finnish retail banking:

19. How does the retail banking market look like in Finland at the moment?
20. What are main trends and factors/phenomena in the retail banking and housing loan market right now?
21. How does competition look like at the moment and what features does it have?
22. Where do you see banks in the future? How will retail banking look like in the future?
23. This research refers generally to bank’s changing character and personality. How do you see them change and changing?
24. What innovations do you see coming in the future?
25. In your opinion, what are the main changes (strategical, technological etc.) “Bank X” should make moving forward?



### 3. The questionnaire translated in Finnish and used in the interviews

Esittely (yksilöintitiedot julkaistaan vain osittain), lyhyt alustus keskusteluun

1. Nimi ja vastuualue
2. Ura ja tausta pankkialalla (lyhyesti)

Asiakassuhteet ja niiden hallinta X:ssä = Customer relationship management

3. Miten asiakkaat kuvailisivat X:ä?
4. Minkälaisena näet tai kuvailisit X:ä brändinä?
5. Millä keinoin X:ssä hallitaan ja ylläpidetään asiakassuhteita?
6. Millä keinoin X kartoittaa ja seuraa asiakkaiden kysyntää ja käyttäytymistä?
7. Mitä tietoja X kerää asiakkaistaan ja miksi?
8. Miten näitä tietoja kerätään, mihin tarkoituksiin ja miten niitä hyödynnetään?
9. Osallistuttaako X asiakkaitaan digitaalisten palveluidensa ja tuotteidensa kehitykseen? Jos kyllä, miten?

Verkkotapaamiskonseptin esittely

10. Mitä verkkotapaamiset ovat, mihin niitä käytetään ja mitä ne pitävät sisällään?
11. Miten vertailisit fyysisiä ja verkossa tehtäviä tapaamisia?
12. Mitkä ovat verkkotapaamisten hyödyt ja mitkä ovat pääimmäiset syyt siihen, että X on päättänyt ottaa ne käyttöön?
13. Mitkä asiat ovat mielestäsi ratkaisevimmat onnistuneen verkkotapaamisen takaamiseksi?
14. Miten verkkotapaamisia kehitetään? Mitä mahdollisia haasteita siinä on?
15. Miten verkkotapaamisia markkinoidaan ja millä keinoin X kasvattaa verkkotapaamisten käyttöä?
16. Mitä mieltä asiakkaat ovat verkkotapaamisista ja miten X kartoittaa asiakkaiden mielipiteitä niistä ja niiden käyttöä?
17. Miten saatua tietoa hyödynnetään ja miten eri yksiköt tekevät yhteistyötä kehitettävien seikkojen yhteydessä?
18. Mitkä ovat pääimmäiset syyt omasta mielestäsi siihen, että asiakkaat eivät käytä verkkotapaamisia? Mitkä ovat mielestäsi parhaat keinot muuttaa tätä?

Yleistä keskustelua Suomen vähittäispankkialasta:

19. Miltä vähittäispankkimarkkinat näyttävät tällä hetkellä?
20. Mitkä ovat merkittävimmät trendit ja tekijät/ilmiöt vähittäispankki- ja asuntolainamarkkinoilla Suomessa juuri nyt?
21. Miltä kilpailu näyttää ja mitä piirteitä se omaa nykypäivänä?
22. Missä, tai minkälaisina näet pankit tulevaisuudessa? Miltä vähittäispankki näyttää tulevaisuudessa?
23. Tutkimuksessa viitataan yleisesti ottaen pankkien henkilökohtaisuuden muutokseen. Miten näet itse sen muuttuneen, tai muuttuvan?
24. Minkälaisia ilmiöitä tai innovaatiota näet tulevan alalle? Minkälaisia suunnitelmia X:llä on niiden varalle?
25. Mitä erityisiä muutoksia (strategisia, teknologisia tms.) X:n tulisi tehdä matkalla eteenpäin?

## 4. Online meeting introduction webpages of OP, Nordea and Danske Bank (OP Financial Group, 2019; Nordea, 2019; Danske Bank, 2019)

### A specialist in your living room

Instead of visiting an OP branch, you can use our online meeting to get personal banking and insurance-related services wherever you are. You can, for example, negotiate a loan or discuss your savings plans with our specialist using your computer or mobile device in a place that suits you.

You can have an online meeting even outside the branch opening hours. Login to the service with our personal Op credentials, check your local bank's online meeting offering and book a suitable time for yourself.

An online meeting is for the time being available only to OP's customers. If you are not yet an OP customer, you can make an appointment for a meeting by phone or one at a bank branch, instead of an online meeting.


[Online meeting is also available to corporate customers, read more >](#)


### How online meeting works on mobile




[Contact us](#)

**Online meetings work best with mobile devices**

Download the app to your phone or tablet from AppStore or Google Play.

 GET IT ON  
Google Play

 Download on the  
App Store

 <p><b>1. Book an appointment</b></p> <p>You can book an appointment <a href="#">online</a> or by calling <a href="#">0100 0500</a>.</p>	 <p><b>2. Download applications</b></p> <p>Download OP online meeting and OP-mobile.</p>	 <p><b>3. Join the meeting</b></p> <p>Start the meeting in OP-mobile, get comfortable and negotiate.</p>
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Nordea

[Our services](#)

[Get help](#)

[Become a customer](#)



PERSONAL > ONLINE AND MOBILE SERVICES > ONLINE MEETING

## Online meeting

Online meetings are a flexible means to do your banking anywhere – at your home, office or summer cottage. You will need a computer or iPhone, iPad or Android device, an Internet connection, a telephone and Nordea's access codes.

### Are you planning to:

- change homes?
- start saving?
- take the trip of your dreams or buy a new boat?
- update your insurance policies?

We offer you the opportunity to do even your complex banking online. At an online meeting with your banking adviser, you can manage loan negotiations, insurance policies, savings and investments in the comfort of your armchair or wherever else you prefer.

We will serve you online Mon–Fri 8.00–20.00 and Sat 10.00–16.00. All you will need is a telephone, a computer or an iPad and Nordea's access codes.

You will be shown related material and calculations on your computer screen, while you are discussing your banking on the phone.



## Verkkotapaaminen

Varaa tapaaminen

Verkkotapaaminen on helppo ja turvallinen tapa tavata asiantuntijamme.

- ✓ Voit käydä neuvotteluita asiantuntijoidemme kanssa vaikka kotoasi – sinulle sopivana aikana ja sopivassa paikassa.
- ✓ Tarvitset vain tietokoneen ja puhelimen.
- ✓ Voit neuvotella asiantuntijoidemme kanssa henkilökohtaisesti ja käydä läpi elämäntilanteeseesi sopivia laskelmia.

1

### Varaa aika tapaamiseen

Varaa aika verkkotapaamiseen  
Varaa aika -lomakkeella. Saat  
vahvistusviestin ajasta ja  
päivämäärästä sähköpostiisi.

2

### Saat linkin tapaamiseen

Noin 30 minuuttia ennen sovittua  
aikaa saat verkkopankkiisi linkin,  
jonka kautta pääset liittymään  
verkkotapaamiseen. Kun olet  
siirtynyt neuvotteluun,  
asiantuntijamme soittaa sinulle.

3

### Laskelmat ja grafiikat

Asiantuntijan kanssa voit katsella  
koneultasi talouteesi ja  
elämäntilanteeseesi sopivia  
laskelmia, esityksiä tai mitä tahansa  
muuta asiaan kuuluvaa materiaalia.

4

### Allekirjoita sopimuksia

Kun neuvottelu päättyy, lähetämme  
tarvittavat sopimukset ja muut  
asiakirjat sinulle allekirjoitettavaksi  
verkkopankkiisi. Näin saat  
hoidettua neuvottelun päätökseen  
helposti kotonasi.