Title: CSR from a strategic perspective

- How Swedbank can develop stakeholder confidence and value

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Abstract

Title: CSR from a strategic perspective – How Swedbank can develop stakeholder confidence and value

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Aim: Problem background - CSR has today increased its strategic status and consumer demand of sustainable development has also increased lately. However, there are still companies that have not adjusted their strategies to fit this swift in demand. This study offers a strategic tool, based on sustainable core competencies, for companies to implement in order to use CSR to boost their business.

Research issue - How can Swedbank increase stakeholder confidence and value?

Delimitations - This study focuses on the concept of integrating CSR work into the strategy and how this could result in added value for the B2B customer of Swedbank Corporate Market.

Method: This study has an abductive approach and the author has collected qualitative primary data in the form of interviews with employees at Swedbank, Sparbanken Nord and with five of Swedbank’s customers from the public sector.

Result & Conclusion: Swedbank needs to re-position their brand with a differentiated strategy, including a supportive vision and Market Communication, in order to gain a competitive advantage, strengthen their image, stakeholder confidence and financial performance. The author recommends the sustainable core competence, “Sparbankssjälen”, in order to deploy an ethical, economical and environmental responsible strategy to implement into all their activities.

Key Words: Sustainable Core Competence, Position, Image, Integrated Market Communication, Corporate Social Responsibility, Swedbank.
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Maria Roeck Hansen
University of Gävle, April 2009
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1. Introduction

This chapter gives the reader a general overview of the topic, starting with the problem background which is followed by a narrowed of problem discussion and it ends up in a research issue. The purpose of the study and delimitations end this chapter together with a model over the outline of this work.

1.1 Problem Background

In the beginning of the financial crisis the British Financial Times, wrote that at least investors agree upon one issue: “If there is any suspicion of a financial institution, shoot first and question afterwards” (cited in Mauritzon, 2008). Today we know how the story ended. Several investment banks on Wall Street have gone bankrupt and in Europe banks have received help from their governments in order to assure liquidity. “Swedbank’s problem can be summarized with one word: Confidence. The suspicion against the bank sector in general, in combination with the fact that Swedbank has miss-managed their communication during the credit crisis, has led to a devastating hesitation to what the bank says” (Mauritzon, 2008). Swedbank also had an aggressive vision that may have led them into taking greater financial risks, which also can result in considerable credit losses.

Swedbank are not alone, there are several players on the financial market that suffer from a crisis in confidence. E.g. the disclosure of excessive director’s bonuses in Scandinaviska Enskilda Banken (SEB) and Arbetsmarknadsförsäkrings pensionsförsäkringsaktiebolag (AMF Pension) has led to that a huge amount of investments in market communication is now erased. According to Svenska Institutet för Opinionsundersökningar (SIFO Research International), AMF Pension has invested about half a billion SEK in advertising and media purchases since 2005. SEB has invested around 275 million SEK.

Management and the organization as a whole must act, live and breathe according to the brand identity; otherwise there is no idea to make big investments in market communication. (Hedelin, 2009)
Researchers have found that if consumer’s ethical expectations of companies in general are high, they both punish and reward producers for their behavior more than low-expectation consumers do (Trudel & Cotte, 2009). The ethical expectations of AMF Pension are higher than SEB and therefore they are punished more than SEB and AMF Pension’s brand is also damaged more as a consequence. “AMF has a socially responsible position on the market and a higher ambition in ethics and then the brand is damaged more of the disclosure of management greed”, says Thomas Sjöberg, Brand Strategist (Hedelin, 2009, p. 6). According to Thomas Gad, SEB has a less distinct position and their image is more of a plain commercial bank. “Since generations, there exists some sort of arrogance in the bank community. It has improved a bit lately, but to a great extent there still exists a lack of empathy towards the customers”, says Thomas Gad (Hedelin, 2009, p. 6).

According to a Demoskop survey, four out of ten large companies answered that their negative influence on the environment had increased over the last five years. Seven out of ten corporations believe that sustainable development is valuable for their brand and almost all agree upon that sustainable work influence profitability positively. Despite this, only four out of ten large companies has implemented a sustainable development program (Lundberg, 2008).

John Ashton, the British Foreign Minister’s Environmental Ambassador, sees a connection between the economical crisis and the climate: “The world has undergone a period of credit restraints and we have also witnessed a restraint in raw materials, with strongly increased prices in groceries and raw materials as a consequence” (Schück, 2008, p. 6).

Corporate Social Responsibility (CSR) has as a consequence become vital to the world economy. However, “it’s important to change attitude, but you also must follow it up with changing behavior” (Goddall, 2008). Companies are now struggling with changing attitude, but the problem is that a lot of customers have reached the point of demanding change of behavior.

In a recent study, made by Naturvårdsverket, 80 percent of the Swedish population answered they believe that they could have an impact on saving the climate and 71
percent believed that Sweden must take swift measures in order to prevent global heating (Cederberg-Wodmar, 2008).

If companies fail to meet the stakeholder demands, that could decrease their reputation and value. Research shows that firms with higher social responsibility will outperform their competitors with less responsibility (Silberhorn & Warren, 2007).

Swedbank has implemented a sustainable development program and is still the first stock exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. They believe that Swedbank should be a positive force in the society both from an economical, ethical and environmental point of view. This study investigates how Swedbank can take their CSR program one step further, in order to implement it into their strategies and activities. By launching it externally, Swedbank will be able to increase stakeholder confidence and value.

1.2 Problem Discussion
Research is required on how to meet the new requirements for companies to become a positive force in society. A recent study showed that 41 percent of electricity customers are willing to change supplier for one with lower carbon dioxide emissions. However, only 9 percent of the suppliers thought that it was an important purchase criterion. Companies are waiting for the politicians to come up with policies and directions on CO₂ emissions (Axelsson, 2008). On the other hand, Göran Hägglund (Minister for Health and Social Affairs) and Mats Odell (Minister for Local Government and Financial Markets) write that “harsh capitalism is threatening the welfare” and want all parts in the society to cooperate and to act now, so that there will be no ethical crisis on top of everything (Hägglund & Odell, 2008, p. 5).

In order to accomplish that business and society need to integrate, since successful companies need a healthy society. Harvard Professor Michael Porter writes: “To advance CSR, we must root it in a broad understanding of the interrelationship between a cooperation and society while at the same time anchoring it in the strategies and activities of specific companies. Strategic CSR is about choosing a unique position and to go beyond best practice – doing things different from
competitors in a way that lowers costs or better serves a particular set of customer needs” (Porter & Kramer, 2006, p. 13).

“Companies maximize the benefits of their corporate contributions when they leverage core capabilities and contribute with products and services that are based on expertise used in, or generated by, their normal operations. Such contributions create a mutually beneficial relationship between the partners. It is not essential for these services to be synonymous with those of the company’s business, but they should build upon some aspect of its strategic competencies” (Pearce & Doh, 2005, p. 34).

According to a survey, made by Näringslivets Miljöchefer (NMC), a majority of the 276 Environmental Affairs Managers reported that ethical and environmental issues always or often influence the business strategy. However, this development has not resulted in greater influence or impact on their employer’s strategy work, for their account (Ottoson, 2008).

Swedbank work both with private and corporate customers. The business to business (B2B) segment has been chosen for this report.

1.3 Research Issue
The research issue is stated in one main question and two sub questions:

- How can Swedbank develop stakeholder confidence and value?
  - What added value does the B2B customer receive today from Swedbank’s CSR work?
  - How can this added value further increase, from Swedbank’s CSR work, from a B2B customer’s point of view?

1.4 Aim and Limitation
The aim of this study is to investigate how strategic CSR, in Swedbank, can contribute to stakeholder confidence and value.
This study focuses on the concept of a differentiated strategy based on Sustainable Core Competencies and how this could result in added value for the B2B customer of Swedbank Corporate Market in the public sector. This study is limited to the Stockholm region in Sweden. Behind this choice lies a great interest of CSR work and how both society and Swedbank could benefit from it.
1.5 Disposition

1. **Introduction** - In the initial chapter, the reader is introduced to the subject of this study in the form of a general background description, which is followed by a problem discussion that fall into the purpose of this study and ends with a problem definition.

2. **Theory** - This chapter treats theories, which are relevant to answer the purpose and research questions of this study. The theoretical framework helps to explain and to understand the reality, since this work is based on empirical data.

3. **Method** - This chapter explains and justifies how the research has been conducted. Further the research design, strategy and methods are being discussed. The data collection analyzing proceeds and this chapter ends with a discussion of quality and trustworthiness in order to gain the highest level of internal, external validity and reliability of this study.

4. **Empirical data** - The research data from the in-depth interview are placed in this chapter. Together with the theory, this data constitutes the foundation of the analysis in chapter 5.

5. **Analysis** - Here the empirical findings are analyzed through the thesis' theoretical frame. In the following chapter, “Conclusions”, the research questions are being answered and the purpose of this study is fulfilled.

6. **Conclusion** - Finally the conclusions of this study are compiled and are connected to the research questions and purpose of this study. The conclusions are being discussed and suggestions for further research are proposed.

**Figure 1.** Disposition of the Study, (Roeck Hansen, 2008)
2. Theory

This chapter discusses theories and concepts that the author finds relevant in order to answer the purpose and research questions. The author has developed a model combining the central theories for this study, which is presented in the end of this chapter.

2.1 Introduction

The author has scanned the international research in this field and has reached the conclusion that there is a need for a strategic tool, for companies to implement, in order to use CSR to boost their business, based on Sustainable Core Competencies. The author introduces the concept Sustainable Core Competencies, which are internal capabilities that derive from the company’s history of CSR activities, culture and/or intercultural competence.

2.2 Core Competencies

Core competencies are the fundamentals that are critical to a business achieving competitive advantage, the glue of the business, which keeps it together. Competition between businesses is as much a race for competence mastery as it is for market position and market power (Prahalad & Hamel, 1994).

The main ideas about Core Competencies were developed by C K Prahalad and G Hamel (1994) through a series of articles in the Harvard Business Review followed by a best-selling book, Competing for the Future. Their central idea is that over time companies may develop key areas of expertise which are distinctive to that company and critical to the company's long term growth.

"A company must be capable of enlarging its opportunity horizon. This requires top management to conceive of the company as a portfolio of core competencies rather than a portfolio of individual business units. Business units are typically defined in terms of a specific product-market focus, whereas core competencies connote a broad class of customer benefits" (Hamel & Prahalad, 1994 p. 83).
These areas of expertise may be in any area but are most likely to develop in the critical, central areas of the company where the most value is added to its products or services (Hamel & Prahalad, 1994).

Prahalad and Hamel suggest three factors to help identify Core Competencies in any business:

- What does the Core Competence Achieve?
- Makes a significant contribution to the perceived customer benefits: What is it that causes customers to choose one product over another?
- Difficult for competitors to imitate: To qualify as “core”, a competence should be something that other competitors wish they had within their own business.

A competence which is central to the business’s operations but which is not exceptional in any way should not be considered as a core competence, as it will not differentiate the business from competitors. E.g. a process which uses computer components and is staffed by people with only basic training cannot be regarded as a Core Competence. Such a process is highly unlikely to generate a differentiated advantage over rival businesses. However, it is possible to develop such a process into a core competence with suitable investment in equipment and training (Saloner et al. 2001). Intercultural competence, which Stier (2004) describes as knowledge and abilities to handle social expectations within a certain culture could be developed as competencies to enable a business to achieve a competitive advantage over rivals. Stier divides intercultural competence into three competencies;

- Contents Competencies; e.g. language, history and conduct
- Process Competencies, which is divided into analyzing and emotional competencies; e.g. to understand actions, from people from a different culture, by analyzing the situation more objectively from different perspectives and the ability to handle emotions such as fear, anger, frustration, disgust, anxiety when meeting people from other cultures.
- Discursive Competencies; e.g. to be aware of the societal discourse and to be able to reflect over it.
2.3 Competitive Advantage and Core Competencies

A competitive advantage is based on the organization’s internal and external environment, e.g. both the organization itself and its relationship to its environment (Saloner et al., 2001). Looking from the outside-in, a competitive advantage can be based on the organization’s position such as its network of relationship, geographic location or if it is a first-mover. When looking from the inside-out, a competitive advantage can also be based on the organization’s competencies, or capabilities as Saloner et al. refer to it. A company is then viewed as a collection of capabilities.

The internal resource-based perspective emphasizes the need for a fit between the external market context in which a company operates and its internal capabilities. Traditional strategy models such as Michael Porter's five forces model focus on the company's external competitive environment, usually do not attempt to look inside the company. In contrast, the internal resource-based perspective emphasizes the need for a fit between the external market context in which a company operates and its internal capabilities.

A competitive advantage that is based on competencies is not as easy to imitate, compared to those based on only position. Therefore it can be an effective starting point to define the organizational and human competencies within a company (Saloner et al., 2001), including intercultural competence (Stier, 2004). The resource-based view suggests that a firm's unique resources and capabilities provide the basis for a strategy. The business strategy chosen should allow the firm to best benefit from its core competencies relative to opportunities in the external environment. A competitive advantage is always measured against its actual and potential competitors. Therefore, it will only be advantageous if it is superior relative to competitors and if customers value it. The internal capabilities must also be used to defend the organization's position (Saloner et al., 2001).

It is a challenge for companies to stay competitive and to identify the organization’s key sources of competitive advantage. Companies need to have an understanding of whether their competitive advantage is based primarily on position or on
competencies, as well as the interaction between them. This understanding is crucial, in order to identify the capacity to create value in the long-term (Saloner et al., 2001).

A sustainable competitive advantage is complex to imitate, due to that it may originate from the company’s history of social responsibility, culture and/or intercultural competence. Even if current and potential competitors know that the organization possesses these capabilities, it is almost impossible for them to imitate (Saloner et al., 2001).

2.3.1 External Perspective
You can have an external or internal perspective when analyzing the competitive environment of a company. One of the most famous strategists, Michael Porter, argues that strategy should be based on the market structure in which the organization operates. Thus, the market structure determines the organization’s strategic position which in turn influences and drives the organization’s structure (Porter, 1979).

Porter’s model of competitive analysis identifies five forces in an organization’s environment that influence competition. These five forces are; threat of new entrants, bargaining power of firm’s suppliers, bargaining power of firm’s customers, threat of substitute products and intensity of rivalry among competing firms. An organization’s choice of a particular strategy is usually influenced by these forces, in order to create a competitive advantage, and Porter has identified three generic strategies (cost leadership, differentiation, and focus), with the aim to counter the five forces. Porter believes that a differentiated strategy is the most efficient to generate a competitive advantage and then developed from an internal perspective (Handy, 2009).

2.3.2 Internal Perspective
The resource-based view (RBV) is an economic tool to analyze what strategic resources firms possess and had its breakthrough in the 1990s, when realizing the importance of the internal environment. Hence, that an organization’s success is to a great extent determined by characteristics inside the organization (Leibold et al., 2002). The resource-based view emphasizes that the competitive advantage derives
from the resources available in the organization. E.g. capabilities, organizational processes, attributes, information and knowledge. To develop a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature, compared with competitors, and not easily imitated (Barney, 1991). The resource-based view is focused on identifying the organization’s potential key resources, in order to create a competitive advantage for the market positioning. Barney (1991) has in his (VRIN-model) gathered the essential resources, which are essential for an organization to gain a competitive advantage.

- Valuable – Resources should enable a firm to deploy a value creating strategy that improves the organization’s efficiency and effectiveness, either by outperforming competitors or improving its own weaknesses (Barney, 1991).
- Rare – Valuable resources need to be rare by nature and not possessed by a large number of current or potential competitors (Barney, 1991).
- In-imitable – Valuable resources can only be sources of sustained competitive advantage if the organization’s competitors cannot imitate them perfectly e.g. knowledge-based. (Barney, 1991).
- Non-substitutable – Competitors should not be able to come up with a substitute to counter a value-added strategy, which in that case would drive prices down as well as profits. So substitutability is an important aspect in order to gain a sustainable competitive advantage (Barney, 1991).

Teece et al. (1997) added the concept dynamic resources to the VRIN-model and argued the importance of how an organization uses its resources. In their belief, it is not enough only having resources available that fulfill Barney’s VRIN-model, e.g. you also need a strong team and a broad customer base.

2.4 Image
Kapferer (1997) has defined the relationship between Brand Identity and Brand Image (figure number 2). Brand Identity is on the sender's side, with the aim to specify the brand's meaning to the receiver and to establish a relationship (Aaker,
Brand Image is the picture in the customer’s/receiver’s head. The way certain groups perceive a product, a brand, a politician, a company or a country and through market communication, the sender is able to transmit signals to the receiver (Kapferer, 1997).

Often consumers expect banks to provide expertise and attention, availability and competence, proximity and know-how. In pursuing them, there is a risk for such brands to lose their identity, which differentiates them from the competitors. In order to measure up to the ideal brand described by the consumers (or industrial buyers), brands thus often begin to downplay their differences and become plain. It is up to each brand to pursue and ideal of its own and not to make the mistake to pursue a market ideal (Kapferer, 1997). Firms should therefore take charge of brand identity and strategy and focus more on the sending side and less on the receiving side, says Kapferer. However, you need to walk your talk. In a study carried out by branding agency Rewir on how well companies have managed their brand during the crisis; Volvo was admired but Saab has lost its star qualities through bad crisis management. Handelsbanken are highly rated in confidence and SEB was the big clash in this study: 157 out of 1000 consumers answered spontaneously that SEB have handled this crisis the worst. “Banks in general” were answered by 38 persons, but SEB stand out as the worst candidate. “SEB’s big mistake is that they say that they want to take care of their customers and shareholders and then they don’t”, says Bernhard Lüthi at Rewir (Hedelin, 2009, p. 6).

**Figure 2.** Identity and Image (Kapferer, 1997, p. 95)
A survey carried out by the advertising agency Doyle, Dane and Bernbach (DDB), where marketing directors were asked what they considered to be the characteristics of a strong brand and the following were the answers in order of importance (Kapferer, 1997):

- Brand awareness (65%)
- The strength of brand positioning, concept, personality, a precise and distinct image (39%)
- The strength of signs of recognition by the consumer (logo, codes, packaging) (36%)
- Brand authority with consumers, brand esteem, perceived status of the brand and consumer loyalty (24%)

A strong image results in increased customer loyalty, which in turn results in increased profitability. The number of Ambassadors, loyal customers, that spread positive word-of-mouth are also increased, which is vital for a company’s well-being (Grönroos, 2002).

2.5 Integrated Market Communication
The model below presents how Market Communication is linked together into Integrated Market Communication and HOW they deliver service is very important in relation to WHAT they deliver. WHAT and HOW are the two service quality dimensions and when filtered through the company’s image, it will lead to the total perceived quality (Grönroos, 2002). Unplanned messages, in figure 3, are the most trustworthy from a customer perspective and a strategic tool for companies to achieve superior financial performance from CSR-activities, through reputation effects:
2.5.1 Public Relations

Trying to build a company’s brand through advertising is expensive and instead the first step should be to build a reputation through Public Relations to raise the company’s profile – as an industry pioneer, as an employer of choice and as a source of sound business intelligence and expert advice. Once you have built a reputation, then you can enhance it with advertising. Public Relations, when applied creatively and strategically, can be a highly effective and cost efficient aspect of a successful marketing program (Sullivan, 2007).

Here are three ways that public Relations can be used to create value for an organization:

- Considerable payoffs can be generated by positioning a company leader in media as an industry expert. The journalists should not be asked to write about the company, instead the President of the company should be offered as a resource. Then your company offer to help the publications and not for them to help you. Soon the editors and reporters will be in contact for asking to interview the President about developments in the industry.
Public Relations can enhance your company’s employer brand, which will help you to recruit better-qualified employees and improving the engagement of the current staff. One tactic that can further those goals is making use of an outside awards program” e.g. Nominate the President for Veckans Affärer’s “Green Capitalist of the year”.

In order to use PR as a resource to journalists, you should pitch issues of concern for the public, and not about your company, e.g. sustainable growth where the employees can be offered as sources for interviews or as authors for articles (Sullivan, 2007).

In figure 4, where sources of communication are presented, PR is listed as most trustworthy in Market Communications and HOW they deliver, the service messages, are also important from a customer’s perspective. This is of course relevant to keep in mind when planning the communication strategy, in order to become as successful as possible in communicating a certain message on the market.

<table>
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<tr>
<th>Least trustworthy</th>
<th>Most trustworthy</th>
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<tr>
<td>Planned Messages:</td>
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<tr>
<td>Mass communication (e.g. advertising)</td>
<td>Appearance</td>
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<tr>
<td>Brochures</td>
<td>Design</td>
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<tr>
<td>Direct advertising</td>
<td>Usability</td>
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<td>Sales</td>
<td>Raw materials</td>
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<td>Websites</td>
<td>Production-processes</td>
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<td>Etc.</td>
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<tr>
<th>Unplanned Messages:</th>
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<tr>
<td>PR</td>
<td>Articles</td>
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<td>References</td>
<td>Gossip</td>
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<td>Etc.</td>
<td>Etc.</td>
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**Figure 4. Sources of Communication.** (Duncan & Moriarty, 1997 cited in Grönroos, 2002, p.294)
2.6 Enhanced Stakeholder Confidence and Financial Performance

“A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place” (Bill Ford; Pearce II & Doh, 2005, p. 30)

Corporate Social Responsibility is high on the agenda at major executive gatherings such as the World Economic Forum and still there are executives that are facing conflicting pressures to contribute to social responsibility, while honoring their duties to maximize shareholder value. It is time to take this discussion a step further and state that CSR contributes positively to shareholder value:

“In the past, research on the financial impact of CSR produced inconsistent findings, with some studies reporting a positive relationship, others a negative one, and others no relationship at all. Since the mid-1990s, improvements in theory, research design, data and analysis have produced empirical research with more consistent results. Importantly, a recent meta-analysis (a methodological technique that aggregates findings of multiple studies) of more than 10 studies found that on balance, positive relationships can be expected from CSR initiatives, but that the primary vehicle for achieving superior financial performance from social responsibility is through reputation effects” (Pearce II & Doh, 2005, p. 32).

Boston Consulting Group reached the conclusion in a study that people are willing to pay a price premium for green products. However, the percentage depends on how well the green options are marketed and financial services were a category where there was a lack of product awareness, which may result in losses in sales up to 20 percent (Manget et al, 2008).

A yearly study made by the Swedish Environmental Protection agency, where 1000 telephone interviews were made of Swedes in the age group of 15-75 years, gave the results that Swedes believe that companies are not promoting their CSR work enough. 91 percent of the respondents wanted that companies should use a sustainable labeling, which would make it easier for customers to make environmental friendly choices. This study also showed, in accordance with other years, that women are more positive towards ecological products as well as sympathizers of the left wing (Hellblom, 2008).
There is also an increasing demand for sustainable labeling in banking. Annika Laurén, CEO of Ekobanken, was nominated as “Green Capitalist of the year” by Veckans Affärer. Ekobanken is an ethical bank, where the customers are aware of and can actively choose that their savings are being used to create a sustainable society, ecologically, socially, culturally and economically. At least once every year Ekobanken, situated in Järna, publishes updated descriptions of projects that are being financed. Through this publication, Ekobanken is able to illustrate to their customers what their savings have accomplished in order to create a sustainable future. Ekobanken grants loans to initiatives that have social, environmental and cultural value. The projects that they finance are practical and well grounded and are beneficial for society, respect nature, and help develop individual talents and possibilities (www.ekobanken.se).

2.7 Summary

The literature study shows that a competitive advantage based on the organization’s capabilities is not as easy to imitate and therefore it is more efficient to try to develop core competencies from an internal perspective. Brand Identity (Kapferer, 1997) has the aim to explain the brand’s meaning to the receiver and the Brand Image (Kapferer, 1997) is the picture in the customer’s/receiver’s head. A brand identity based on Sustainable Core Competencies is difficult to imitate, since it usually has its origin in the company’s history or soul. This identity is transmitted through Integrated Market Communication (Grönroos, 2002) to the receiver’s side. Unplanned messages are the most trustworthy and therefore PR is an effective tool to build Brand Identity and Image. A sustainable brand image will enhance stakeholder value and is therefore a vehicle for achieving superior Financial Performance, originated in a differentiation strategy (Porter, 1998).

The model below, figure 5, is the theoretical framework of this study and can be used when analyzing the empirical data. The author has principally been inspired by researchers as Michael Porter, Christian Grönroos and Jean-Noël Kapferer, when developing this model. The model is based on Sustainable Core Competencies (Roeck Hansen, 2009 developed from Prahalad & Hamel, 1994), from an internal
perspective (Barney, 1991), which is the fundament in order to gain a Competitive Advantage (Saloner et al., 2001) over competitors.

**Figure 5.** Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance (Roeck Hansen, 2008)
3. Research Method

This chapter presents choices that have been made and the motivation behind these. Explanations are also made of the data collection method. Further, the most important criteria for the quality of the study have been declared, namely validity, reliability and objectivity. These criteria are being treated in connection with the choice of approach. Through the method, the reader gets a chance to bone up on the study and get an understanding for the work process and the choices that have been made during the work process.

3.1 Introduction

Malhotra and Birks model for "The marketing research process", is the base of some of the research design, where they recommend to start with collecting and analyzing primary data and then continue with qualitative and/or quantitative investigations.

This study has a qualitative approach and interviews have been conducted with employees from different departments of interest within Swedbank, who were able to share valuable knowledge on the subject of this investigation. To get the view from the customers, the head of the public sector within Swedbank made a selection of important customers with different prerequisites. Kvales (1997) seven steps in interview inquiries were followed for the collection of qualitative data: Discussing the theme; Plan; Interview; Transcription; Analysis; Verification and Report.

3.2 Research Approach

There are mainly three methods to derive conclusions and these are abduction, deduction and induction. The author has chosen an abductive research approach for this work, which is a combination of a deductive and inductive approach. In the deductive approach you test theories and develop hypothesis as well as designing a research strategy to test the hypothesis. If you instead decide to choose an inductive approach you collect data and develop theory as a consequence of your data analysis (Saunders, Lewis & Thornhill, 2003).
The abductive method has the empirical data as its starting point but uses existing theory to analyze and identify patterns (Alvesson & Sköldberg, 1994). This made the abductive method suitable for this work, since the researcher, of this study, does not believe that there has been conducted enough research around strategic CSR. However, the author means that there exist several usable theories for the theoretical framework of this study, which have been linked together in a model. This structure is also used in analyzing the empirical findings.

3.3 Research Strategy

Research can be separated into two sections; qualitative and quantitative research. Qualitative research can be defined as where the researcher develops concepts, insights, and understanding from patterns in the data. In qualitative studies researchers follow a flexible research design, e.g. with vague formulated research questions (Taylor & Bogdan, 1984). Rist (1977) clarifies the concept by stating that the qualitative methodology is more than a set of data gathering techniques; it is a way of approaching the empirical world (cited in Taylor & Bogdan, 1984). One of the major reasons for conducting qualitative research is to become experienced with the phenomenon you are interested in. Qualitative researchers believe that the best way to understand a phenomenon is to view it in its context (Trochim, 2006).

In order to fulfill the purpose of this study a situation analysis was made through external and internal in-depth interviews. Hence, external interviews have been conducted with customers from the public sector SLL, Skatteverket and municipalities of Eskilstuna, Nykvarn and Botkyrka. This data cannot be gathered through a quantitative strategy since it is hard to gain deep understanding through numerical and statistical measurements (Saunders et al. 2003). The goal is to analyze the company’s internal and external environment through different analytical tools in order to draw conclusions of the interaction between the two perspectives. The researcher must ask himself/herself what time horizon he or she plans for the research. A longitudinal approach stretches over a long period of time usually with the aim to study change and development. On the opposite the cross sectional approach is the study of a particular phenomenon at a particular time (Saunders et al. 2003).
The author has conducted a cross-sectional study when planning the time horizon of this work. This qualitative study is based upon interviews conducted in November (2008) – January (2009).

3.4 Primary and Secondary Data Collection

There is no single way to conduct a case study and a combination of methods (e.g., unstructured interviewing, direct observation) can be used (Trochim, 2006). The author has chosen to conduct semi-structured in-depth interviews in order to collect primary data i.e. data collected for the first time, specifically for that purpose (Saunders et al. 2003). In-depth interviews include both individual interviews (e.g., one-on-one) as well as group interviews. The author has mainly focused on one-on-one face-to-face interviews. The purpose of the interview is to explore the ideas of the interviewees about the phenomenon of interest (Trochim, 2006). The major advantages of face-to-face interviews allow the researcher to adapt questions, make clarifications and repeat or rephrasing questions if necessary. However, there might be geographical limitations, nationally or internationally, and a large amount of resources needed to perform face-to-face interviews. Examples of resource demanding activities could be travel costs and training of the researcher to minimize biases (Sekaran, 2003). The author kept travel costs down by limiting the geographical area, where the interviews were conducted. The researcher/author has also been trained through courses and literature studies in order to minimize biases.

Supporting interview methods can also be used in the data collection phase and in this study one interview, with Christina Sandsten at Sparbanken Nord in Piteå, was conducted over the phone, due to the distance. The quality of data obtained by telephone can be comparable to data collected through personal interviews. Zikmund (2000) even argues that respondents may also be more willing to provide detailed and reliable information on personal topics over the telephone than in personal interviews. Another advantage of the telephone interview method technique is that a large number of different people can be reached in a relatively short period of time. On the other hand, the respondent could without warning or explanations hang up
the phone and terminate the interview. There is also a risk of non-response problems with telephone interviews (Sekaran, 2003).

As secondary data sources, data that already have been collected for another purpose (Saunders et al. 2003), the author has used written documents from the company, such as annual reports, articles, presentations and leaflets. This was effective in order to get a basic understanding of the company itself, as well as for the particular line of business. Additional external information was collected from digital sources, listed under “Referencies”. In the theoretical framework, background section and in the problem discussion the author has used documentary secondary data, which can include written documents such as books, journal and magazines articles and newspapers (Saunders et al. 2003). The author collected this data mainly from books and articles related to search terms including core competencies, competitive advantage, strategy, image and integrated market communication.

3.5 The Interviews

Kvales (1997) seven steps were followed during the interview process: Discussing the theme; Plan; Interview; Transcription; Analysis; Verification and Report.

The process started with discussing the theme with P-O Rådberg from Swedbank, in order to find out what information that was needed and who the respondents should be. Then we planned the timing for the interviews and P-O Rådberg contacted the respondents, from Swedbank, to inform them about this study. Then they were contacted by the author to set dates for the interviews. Contact persons for the external interviews were given by Tommy Lundgren, who is responsible for the public segment within Swedbank.

From Swedbank, the author has interviewed employees and managers on different levels within the organization and from different departments; Staffan Dahlbeck, Katarina Heissenberger, Tommy Lundgren, Anna Lundström. They have all taken the form of face-to-face interviews, with the purpose of gaining an in-depth understanding about the company’s organization, operations, goals, vision and mission. The author
also made a telephone interview with Christina Sandsten at Sparbanken Nord, since Sparbanken co-operate closely with Swedbank and has worked a lot with different CSR activities.

The interview guide was sent to the respondents by e-mail, so that they could prepare themselves for the interview. The respondents could also add valuable information and the author was able to ask follow-up questions. The same method was used when conducting interviews with Swedbank’s selected customers from the public sector; Axel Bernhult (Stockholms Läns Landsting), Hans Ekström (Eskilstuna’s municipality), Per Karlsson (Skatteverket), Ann Johansson (Nykvarn’s municipality) and Palle Lundberg (Botkyrka’s municipality).

In order to get the best perspective of reality and the most justified answers the author has selected a semi-structured interview approach. A semi-structured interview thus means that you have prepared areas to cover during the interview and a list of open-ended questions which allow for the interviewees to answer without being influenced by the interviewers. These areas and open-ended questions may also vary from interview to interview. (Saunders et al. 2003). The external interviews also were complemented with survey questions, to be able to compare answers more effectively. The interview questions were based on the situation analysis and purpose of this study, following the model Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance (Roeck Hansen, 2008). These interview guides, from the internal and external interviews, are attached in the Appendices. Internal interview questions in appendix 1, external interview questions in appendix 2 and external survey questions in appendix 3.

The translation from oral conversations to written text is a complex task that has received little attention in the literature concerning methods. Translating an interview from speech to text can be difficult and there are several factors that need to be taken into consideration; usually the oral and written language can differ a lot. Methods of recording interviews for documentation and analysis include audiotape recording, videotape recording, note taking and remembering. The most common way of recording interviews today is with a tape recorder (Kvale, 1996).
When transcribing the interviews it can be seen as a beginning of the analysis i.e. you structure the collected material in order to enable closer analysis of the data. It is important to decide how the transcription process is going to look like and who is going to transcribe the gathered information; this is done to prevent biases (Kvale, 1996).

In this work the transcription process was planned as follows; during the interviews the author took notes, as detailed as possible. This was followed by transcribing the gathered material into a written document. For the internal interviews, the document then was read through by the interviewed person and any possible changes were discussed.

Important to add to this section is that all the interviews were conducted in Swedish, which means that one part of the transcription process was to translate the collected data into English. In addition to this many of the secondary data sources have also been in Swedish and translated into English. This could be a critical process since some expressions, terminology etc. can be tricky to translate and synonyms or rephrased sentences had to be used in some cases.

3.6 Data Analysis
The last three steps of Kvale's seven step model are now being described, thus Analysis, Verification and Report,

In most qualitative research the data is raw and seldom pre-categorized in comparison to quantitative data and there is a greater need to be prepared to organize all of those details. There are almost an infinite number of ways in which this could be accomplished (Trochim, 2006). This argument underlines the importance of the data analysis section.

Saunders et al. (2003) states that there is no standardized approach when analyzing qualitative data, this due to the diverse nature of qualitative analysis. The qualitative analysis depends on whether the researcher has chosen a deductive or inductive
approach or if the collected data has a high or low structure etc. (Saunders et al. 2003). Kvale (1996) adds to the discussion that analyzing techniques are useful for some purposes, relevant for some types of interviews and suited for some researchers. Among all these methods and techniques the author has chosen to start the analysis process with compressing longer statements into shorter sentences containing the main sense of the statement. This process is according to Kvale (1996) called Meaning Condensation and involves a reduction of large interview texts into briefer formulations. The method of Meaning Condensation was chosen in order to make the collected data accessible and easier to work with and to be able to find similarities or differences in the qualitative data material.

The next step of the data analysis process is to make use of the theoretical framework. Yin (1994) suggests that you use the theoretical framework as a mean to organize and direct your data analysis (cited in Saunders et al. 2003). The author has structured the analysis after the model Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance (Roeck Hansen, 2008), which serve as structure both for the Theory and Analysis chapters. The empirical data have then been verified, processed and analyzed through the models, presented in the theoretical chapter, including analyzing similarities and differences of the interview material, and it is reported in the conclusions chapter.

3.7 Reliability and Validity

Reliability defines the authenticity in the measurements and the result of the study shall be the same at sequenced measurements (Merriam, 1994). The reliability of a measure indicates the extent to which it is without biases such as interviewer or interviewee biases. The stability and consistency of the work is also measured in level of reliability (Sekaran, 2003). There is a risk with a qualitative approach, since the possibility to generalize may be undermined. This is because the interviewees are able to answer differently if they would be interviewed by other researchers. Therefore it is important to bare this in mind and in order to preserve high reliability leading questions have been avoided.
Validity is defined how accurate you measure what you intend to measure (Malhotra & Birks, 2003). The author has therefore strived for posing as relevant questions as possible. In order to simplifying this work, validity is divided into external and internal validity. It is a question of eliminating external factors which disturb the validity and to concentrating on internal validity. Merriam (1994) means that Guba and Lincon argue the importance of dealing more with the internal validity than the reliability, since it is impossible to have a high reliability without a high internal validity. The external validity is a question about generalization, which can be disturbed by that a limited number of people that have been interviewed (Saunders et al. 2003).

The assurance of a high level of validity lies within the transcription process, explained earlier in the method section. The author collected the data in an effective manner and transcribed the collected data as soon as possible after the interview took place. More effective could have been to use a tape recorder, but in order to avoid technical issues and that the interviewee focuses more on the recording equipment than on the discussion, the author decided not to use this method.

Interviewer biases were reduced by letting the respondents speak freely and not being led in any directions by the interviewer. Questions were posed, which initiated discussion without a certain tone or making any influential comments.
4. Empirical data
In this chapter the empirical data is presented. It starts with an introduction about the respondents. Thereafter, the data is structured according to the model presented as the theoretical framework of this study; *Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance* (Roeck Hansen, 2008).

4.1 Interviews; Swedbank and Sparbanken Nord

4.1.1 Staffan Dahlbeck, Swedbank
Staffan Dahlbeck is CSR Coordinator at the Public Affairs department in Swedbank. His job is to coordinate the CSR work through the different functions showed in the model below:

![CSR at Swedbank](www.swedbank.com, 2008)
Staffan explains that Swedbank defines CSR as a multi-faceted concept with the overall ambition of being a positive force in society. This is achieved through the day-to-day actions of all employees in accordance with the core values of the Swedbank group. CSR issues shall be integrated into the ongoing operations of the Swedbank group and Swedbank should be a positive force in the society both from an economical, ethical and environmental point of view. The Board of Directors determines the overall principles of corporate governance within Swedbank on an annual basis.

Swedbank is still the first stock exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001 and a member of the European Savings Banks Group (ESBG), which is an international banking association. ESBG member banks have a long history of socially responsible banking and they share important values in their business policy, which are embedded in three “R”s that Staffan Dahlbeck presents (ESBG, 2008):

- “Retail: Active in providing retail financial forces for individual consumers, households, small and medium-sized enterprises (SMEs), local authorities”
- “Regional: Broad decentralized distribution network, providing local and regional outreach”
- “Responsible: Socially responsible approach to business and bringing a return to society”

Staffan continues that the ESBG members work towards a greener savings and retail banking sector (ESBG, 2008):

- “Supporting members in building significant capacity within their organizations to evaluate fully the exposure to environmental issues and to develop suitable business responses”
- “Evaluating how to best integrate in companies’ general policies also environmental aspects, including energy efficiency, recycling, waste reduction, transport/travel and building arrangements”
- “Developing and exchanging best practices in how to incorporate the environmental dimensions in retail banking offers, operations and processes and promote environmental-friendly products and services with clients”
• Exploring solutions on how to raise awareness on environmental concerns with clients, employees, suppliers, investors and other stakeholders and especially for those operating at local level and in smaller organizations, accompany them in strengthening their “green” capacity
• “Exchange experiences and knowledge with peers in order to extend best practices”

Sustainable core competencies
Staffan Dahlbeck believes that their CSR-work is only combined with Swedbank’s strategic competencies up to 5 percent today. However, there is an ambition to raise awareness on environmental issues, on a broader perspective, with clients and other stakeholders, in order to strengthening their “green” knowledge. There is also an ambition to further implement the environmental dimensions into Swedbank’s operations, processes and integrated marketing communication to promote environmental-friendly products and services. Today, Staffan only believes that their CSR-work is integrated into Swedbank’s market communication to a 5 percent level. Staffan Dahlbeck is aware of that a further implementation and integration would give the bank a unique and competitive position in the market.

Competitive advantage
Swedbank offers added value mostly through green products e.g. digital invoicing and specifications of salary, which also help the customer to save money through lower labor costs, postage and paper. This in turn helps decrease CO₂ emissions.

Image
Swedbank does not measure their CSR-work, on a central level, and they do not know what financial impact derives from this work. However, Staffan Dahlbeck believes that CSR-work has a great impact on Swedbank’s image and a strong image helps create customer loyalty and profitability.

Integrated market communication
Staffan Dahlbeck thinks that CSR will definitely have a bigger role in Swedbank in the future and it will be more integrated into the brand. A distinct “green” profile would
give the bank an opportunity to better serve their customers in making better choices for the environment and for the world economy.

Swedbank has initiated to identify their stakeholders and today they do not have an impact over the bank’s CSR investments. Swedbank does not have a systematic dialogue with their known stakeholders on the issue.

4.1.2 Katarina Heissenberger, Swedbank
Katarina Heissenberger works with business related environmental issues at Swedbank, shown in figure 7, reporting to Jenny Johansson (Head of Environmental Affairs). Her function at the Department of Environmental Affairs includes two roles; the first where she supervises the environmental management system and the second which comprises a support function for the environmental coordinators at Swedbank units, subsidiaries and offices in Sweden. The environmental management system is a digital document which helps everyone working in the bank to implement routines for environmental aspects into their particular organization and daily work. This management system is certified according to the international standard ISO14001 and has to be audited, revised and improved on a continuous basis. There are close to 70 environmental coordinators in Swedbank’s Swedish operations and they spend 5 percent of their time ensuring that environmental considerations are incorporated in all parts of business. One example is to control that purchase of waste disposal, electricity and cleaning services are done in accordance with routines in the environmental management system.
The environmental coordinators also collect information from the environmental management system. This information is reported to central administration and to local and to local and regional management to ensure compliance and to improve the system.

**Sustainable core competencies**

All employees at Swedbank participate in an e-learning program to increase their knowledge on the environment, on how the bank effects the environment and on how they can do in their everyday work to reduce the negative effects from the banks operations. Swedbank’s environmental policy applies to the entire Swedbank Group. However, the environmental work in the Baltic operations has not yet developed the same structure as in Sweden, but a dialogue has started.

The goal, for the environmental work, is to reduce the negative effect the bank have on the environment. In order to address this challenge, the environmental management system was developed and a set of aspects were identified as having a significant impact on the environment. These aspects are now targeted with goals and action plans in order to ensure that they are addressed appropriately. Significant aspects are impacts from own operations, e.g. job traveling, resource management, products and services. In order to reduce negative effects a set of indicators are
continuously mapped and measured. As a way to reduce the group's impact from the own operations, such as CO\textsubscript{2} emissions and waste, a number of measures have been taken. A bus has been hired to traffic the route between the two headquarters in Stockholm. In Riga, a hired bus takes employees from the city centre to the headquarters on the other side of the river every day and a bicycle garage and dressing rooms have been installed to encourage employees to take the bike instead of driving to work. In Swedish operations guidelines for travelling say that train should be used (100\%) on the most frequently used routes; Stockholm-Gothenburg and Stockholm-Växjö. These measures save millions of SEK every year and reduce the emissions of CO\textsubscript{2} by several thousand tons/year. This also illustrates that environmental benefits often correspond with economic benefits and benefits on health. Other measures to reduce the impact from the own operations are for example the use of electricity labeled “Good environmental choice” in Swedish operations and electricity from renewable resources in Estonian operations, environmentally labeled paper and printings and recycling and waste management.

Impacts from the bank’s customers and suppliers are also targeted with specific measures. Products and services with environmental and ethical focus have been developed for private and corporate customers e.g. in the segments for money lending, savings, asset management and funds, payments, electronic invoicing and telephone and internet services. A risk analysis, including environmental risks, is done before granting credit to corporate customers.

**Competitive advantage**

For the B2B customer Swedbank offers added value mostly through telephone and internet services, asset management and electronic services for invoicing, bookkeeping and specifications of salary. The environmental risk analysis is also an important tool and service for corporate customers, since it adds important risk considerations which can be used to foresee and avoid costly and damaging events.
Image
Katarina refers to goals for 2009 for Swedish operations that the customer should consider Swedbank as to be the number one bank at social responsibility and at taking responsibility for the environment. Employees at Swedbank should consider that the bank incorporates environmental aspects when conducting business with customers and suppliers. The operations shall also work actively to reduce paper consumption and CO\textsubscript{2} emissions.

Integrated market communication
However, the added value from the products and services with ethical and environmental focus are dependent on market communication for maximum effect. The Department of Environmental Affairs and the CSR administration have no marketing budget of their own for external campaigns. Katarina Heissenberger believes that sales support for private and corporate customer advisors targeting green products and services should be increased. Knowledge about environmental aspects also needs to be increased for all the employees and advisors in particular, in order for them to feel confident in guiding customers to make environmentally friendly choices.

4.1.3 Anna Lindström, Swedbank
Anna Lindström, Compliance officer for Swedish banking, is a lawyer and works with compliance and operative risks at Swedbank AB. Anna is specialized in CSR and ethical issues and she is an environmental coordinator for the department Customer Offerings and Products. She has also been involved in the process of getting Swedbank environmentally certified in accordance with ISO 14001 and the international project of ISO 26000 Guidance on Social Responsibility.

Sustainable core competencies
Swedbank puts pressure on B2B customers to make ethical and sustainable choices for their business. There is always made an environmental analysis when issuing corporate credit grants above one million SEK. E.g. make a taxi company buy a flexi
fuel car, instead of gasoline driven, when asking for loans to finance an expansion of their fleet. There is also an ethical and sustainable perspective on Swedbank’s B2B products and services.

All B2B customers are also possible B2C customers and Swedbank offers added value for this segment e.g. within mass-education through The Institute for Private Economy and Swedbank’s Economic Secretary.

**Competitive advantage**

Anna Lindström believes that they need to elucidate sustainability in their business idea, within Swedbank, in order to create confidence.

Swedbank received a total company score of 69 out of 100 in the Dow Jones Sustainability Indexes in 2008, which follow a best-in-class approach and include sustainability leaders from each industry on a global and regional level. The DJSI family is based on a thorough analysis of corporate economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labor practices (Dow Jones Sustainability Indexes, 2008).

**Image**

The Institute for Private Economy covers areas with importance for citizens’ economy, with the aim to facilitate for people to see their possibilities and through that get a better economy and a safer subsistence. They also publish reports, publications and analysis, as well as participate in the public debate and participate in interviews.

Swedbank’s Economic Secretary makes regular analysis of Swedish and international economy, which influence the economy of Swedish households, companies and counties.
**Integrated market communication**

There is also need for a strategic decision to increase market communication around sustainability questions.

“Swedbank is a positive force in society, but we are not god enough in communicating it to the market” (Anna Lindström, 2008).

**4.1.4 Tommy Lundgren, Swedbank**

Tommy Lundgren is responsible for the public segment, within Swedbank, in the Swedish market. There are 290 municipalities and 21 county councils in Sweden and Swedbank has 65 percent of this market, measured as a share of county groups’ and county councils’ bank contracts of cash flow. Nordea is the largest competitor with a 20 percent market share.

**Sustainable core competencies**

The public segment is an important platform for Swedbank to enhance Social Responsibility. By implementing CSR into their sales strategy and core competencies, Swedbank becomes a positive force in the society. Tommy Lundgren describes, in figure 8, how strategic CSR serves as a platform in creating added value for the stakeholders; ethically, environmentally and economically.

The main tools are payments, credits and placements, which have an ethical, environmental and commercial focus. Swedbank has good knowledge of the commercial and industrial life, which they can use to inform and educate municipalities and lead them into the right direction; in an ethical, environmental and commercial sense. E.g. Swedbank participates in a project called “Arena for growth” since February 2004, together with Swedish Association of Local Authorities and Regions and the retail company ICA, with the aim is to foster local and regional growth mainly through knowledge and process support.
**Competitive advantage**

Swedbank has developed several electronic payment products, such as e-invoicing, e-salary specification and e-ID. These products contribute positively both economically and environmentally. Labor costs can be reduced, since less people are needed to handle invoices both in the supplier’s and the customer’s organization. CO$_2$ emissions will also be reduced due to that less transportation of paper is needed, as one main factor.

In the yellow ring, in the model below, we find all Swedbank's CSR projects within community involvement and environment E.g. “Arena for growth”, mass-education and the environmental management system.

![Figure 8. Strategic CSR in the Public Sector at Swedbank (Lundgren, 2008)](image)

This figure shows that the tools in the middle serve as a foundation to develop environmental, ethical and commercial friendly solutions. E.g. Payments have generated electronic products; Credits are used to guide customers in an
environmentally and ethically friendly direction; Swedbank’s fund managers have an ethical and environmental focus in their investments, as well as economical. These different rings interlock and the model serve as a strategic platform for Swedbank to be a positive force in the society and to generate added value for their stakeholders.

**Image**

Swedbank offers added value through a strong commitment to the society and as a substantial actor, Swedbank is able to drive important issues that generate growth and quality. E.g. Swedbank participated in a fair with quality as the main theme. Quality is something that citizens, companies and organizations both experience and supply. No matter what position in the society that we have, we make decisions every day based on quality perception, which also define the level of customer satisfaction.

It is a win-win situation for everyone, when Swedbank is able to contribute to enhanced quality of product and service supply in the society. Swedbank has also set rigorous quality goals, which are included in the organization’s vision and values, both for environmental, ethical and commercial areas.

Swedbank is the first listed bank in the Nordic region, which has been certified according to ISO14001. There is also a CSR policy that controls Swedbank’s responsibility of the effects on society and the environment, so that decisions and activities, within the Group, are made according to sustainable standards.

Tommy Lundgren also wants to highlight Swedbank’s ethical quality standards, which drive issues of for equality, diversity and discrimination.

“Here Swedbank should be a role model and through the capacity to take charge of differences, experiences and competences from these areas, we are able to influence our quality output as an employer, financial supplier and part of the society” (Tommy Lundgren, 2008).
Integrated market communication
Through forums such as the Quality Fair, Swedbank are able to prepossess and push forward values that are the foundation of a healthy society.

“A well functioned society is more efficient, less vulnerable and better qualified for growth and development” (Tommy Lundgren, 2008).

4.1.5 Christina Sandsten, Sparbanken Nord
Christina is Marketing Manager at Sparbanken Nord and has also been Head of Market Communication at the Sparbankernas Riksförbund (Saving Banks’ Association) in Stockholm. Sparbankerna have a long local tradition and the first bank was founded in Gothenburg in 1820.

Sustainable core competencies
Public education has been central in Sparbankerna’s history, even though customers of today know more of economy and are more demanding. Sparbankerna have also a close cooperation with their customers, as well as in cooperation with local growth and development. Therefore around 10% of their profits are reinvested in local business projects, cultural activities and in coming generations. This part of the bank is called Framtidsbanken (Future’s bank), with a responsible project leader to evaluate and manage the different charity projects they invest in. Through the name “Framtidsbanken”, this department has received a face and it has been easier to integrate in Market Communications.

Competitive advantage
Framtidsbanken has become a true success story. Interviews with Focus groups also gave the result that ethical, environmental and commercial responsibility, at a local level, were important criteria for becoming or being a customer at Sparbankerna.

1 Other names is used at other Sparbanker e.g. “Kunskapsbanken”
Image
Measurements of customer satisfaction, made by Svenskt Kvalitets Index, have put Sparbankerna ahead of the bigger commercial banks and Roslagens bank was awarded “Bank of the year” in 2008 by the business magazine; Privata Affärer. This bank is also the first climate neutral bank in Sweden and they compensate their CO₂ emissions by giving money to a bio fuel based power plant in India, Sri Bajali.

Integrated market communication
Christina Sandsten was project leader of a successful internal and external marketing campaign in 2006, where the aim was to communicate their local commitment through Framtidsbanken. The thought was that these CSR-activities would be able to generate more, both for Sparbankerna and the society, if market communications was increased. Since it will boost profits for the bank and therefore increase funds for Framtidsbanken and they were right. This internal and external campaign was a huge success and attracted a lot of new customers and business to Sparbankerna. “It is very important to start by launching an internal campaign, since our co-workers are efficient marketing ambassadors”, says Christina. They meet a lot of actual and potential customers in their daily lives. The external campaign included whole pages in daily press, commercials and PR-activities.

4.1.6 Summary of internal interviews
The internal interviews indicate that Swedbank is a positive force in the society and are working in favor of a healthy society. The issue that came up was a need for implementation into strategy and market communication, in order to deploy a differentiated strategy based on Swedbank’s sustainable core competence “Sparbankssjälen”. This strategy has proven successful according to Christina Sandsten’s experience from Sparbanken Nord.
4.2 Interviews; Customers from the Public Sector
In this part, the interviews with Swedbank customers from the public sector are reported and the survey answers are being presented and structured, in a table, according to the model *Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance* (Roeck Hansen, 2008). The survey forms have been placed in the appendix 1 and 2.

4.2.1 Hans Ekström, Municipality of Eskilstuna
Hans Ekström is chairman of the board in Municipality of Eskilstuna, which was awarded “growth municipality of the year” in 2007. Sustainable growth implies that economic values are balanced against social and environmental values. A sound economic growth makes it possible to preserve and grow social and economical values. However, it is important to cooperate in order to create a win-win situation for all parts, says Hans Ekström.

Municipality of Eskilstuna has a close cooperation with Eskilstuna Rekarne Sparbank, which is owned at 50 percent by Swedbank. They participate in a network, with monthly meetings, which serve as an antenna towards the local market to keep track of the local business, housing and work market. Eskilstuna Rekarne Sparbank also has a strong local commitment, where 10 percent of the profits are reinvested in the county to contribute to the progress of sustainable growth.

However, there is need for more venture capital and Hans Ekström believes that also citizens would like to contribute to local sustainable growth, which could be made through an Eskilstuna fund at the bank.

“As well as you are able to save money in an Asian or East European fund, Swedbank should set up a local fund to make it possible for citizens to contribute to local sustainable growth” (Hans Ekström, 2009).

There is a shortage of venture capital to develop local commercial and industrial life as well as infrastructure.

Two of the priorities Municipality of Eskilstuna in 2009 are integration of new Swedes into the society and to reduce climatic influence e.g. through renewable energy and
biogas within public transports and through participating in other projects and programs in a short and long term perspective. We are in this together and we need to cooperate preserve our climate and to integrate new Swedes into the society, says Hans Ekström. He also believes that Swedbank has a competitive advantage in their intercultural competence compared with other banks.

“Swedbank has a fine heritage in Sparbanken and they should definitely preserve these values and integrate them into their internal and external communication” (Hans Ekström, 2009).

4.2.2 Axel Bernhult, County Council of Stockholm

Axel Bernhult is Director of the internal bank at the County Council of Stockholm, an authority with in total 45.000 employees. They have an overall vision for their CSR-program; “The County Council provides health- and medical care as well as public transport in a way that benefits health and society. The County Council contributes with an ecologically sustainable development of the Stockholm region, in order to preserve the rich environment” (www.sll.se).

The County Council has also published a CSR-program that is aimed for the authority’s employees and their suppliers of goods and services. Swedbank supplys financial services to the County Council through an procure agreement, the law of public purchasing, that runs for three years and can be extended for two more years. The County Council has a policy that they should purchase and order goods and services that cause least damage on the environment. They also would like to co-operate with suppliers and other organizations that can contribute to sustainable ethical, environmental and economical development in the region and who also strive for continuous improvement in these areas.

4.2.3 Palle Lundberg, Municipality of Botkyrka

Palle Lundberg is Director of the Municipality of Botkyrka with 79031 inhabitants that speak 100 different languages. There are 4800 companies in the county including the public sector. Business enterprise has increased with 6-10 percent in the south part of Stockholm, which no other region has reached so far in Sweden. Palle Lundberg
says that it is important to cooperate in order to reach sustainable growth and development. Swedbank supplies financial services to Municipality of Botkyrka and they have a good cooperation. To further develop this cooperation, Swedbank needs a more distinct image and to be a more involved actor in supporting sustainable growth in the society. Swedbank will also gain from a healthy society and Palle Lundberg sees great possibilities for banks that take the lead in sustainable growth, as well as an active role in the debate. Different municipalities have different issues of concern and 50 percent of Botkyrka’s inhabitants have a foreign background. In order to frame integration and growth, more business support and venture capital is needed as well as intercultural competence.

4.2.4 Ann Johansson, Municipality of Nykvarn
Ann Johansson is chairman of the municipal board in Municipality of Nykvarn, which was founded in 1999 and before they belonged to County of Södertälje. Nykvarn has 9000 inhabitants and participate in cooperation with Södertälje, Nynäshamn, Haninge, Huddinge, Tyresö, Salem and Botkyrka called Södertörn. Together they make procurements in cooperation and have a more powerful position in order to frame sustainable development in the region.

Today Nordea supplies financial services to the Municipality of Nykvarn and this agreement expire in November 2009. There is a possibility for Södertörn to make a joint procurement of financial services and now they want to cooperate with a supplier that can contribute to sustainable ethical, environmental and economic development in the region and who also strives for continuous improvement in these areas.

4.2.5 Per Karlsson, IRS
Per Karlsson is chief financial officer at IRS (Skatteverket). However, Riksgälden is responsible for the procurement of financial services for the IRS and they have selected Swedbank as a shared financial supplier with other banks. The IRS has 11500 employees and offers several e-services to Swedish tax payers.
4.2.6 Summary of external interviews
Swedbank should gain from a more distinct position in favor of sustainable growth in the society. The external interviews also showed that customers from the public sector support a differentiated strategy based on Swedbank’s sustainable core competence “Sparbankssjälen”. In table 1 mean values are presented for the different survey questions and show in a distinct way the level of customer satisfaction and support for a differentiated strategy.
4.3 Survey Answers from the Public Sector
During the interview the respondents were asked to also answer the following survey questions, from their work perspective, and rate them from 1 to 5: 1= very little/weaker, 2=little/weak, 3= I don’t know, 4= a lot/strong/good and 5=a great deal/very strong/very good. The answers are shown in table 1.

<table>
<thead>
<tr>
<th>Question</th>
<th>Eskilstuna</th>
<th>SLL*</th>
<th>Botkyrka</th>
<th>Nykvarn</th>
<th>IRS</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainable core competencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Do you consider Swedbank to be a positive force in the society?</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4,2</td>
</tr>
<tr>
<td>2. In your opinion, does Swedbank preserve the environment?</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3,4</td>
</tr>
<tr>
<td>3. Would you recommend Swedbank to other municipalities, organizations, companies?</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4,6</td>
</tr>
<tr>
<td><strong>Competitive advantage</strong></td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4. Do you have a close cooperation with Swedbank?</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td></td>
<td>4</td>
<td>4,25</td>
</tr>
<tr>
<td>5. Would you like to improve your cooperation with Swedbank?</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>NA**</td>
<td>4</td>
<td>4,5</td>
</tr>
<tr>
<td>6. Does Swedbank outperform your expectations in terms of WHAT they deliver?</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>NA</td>
<td>3</td>
<td>3,25</td>
</tr>
<tr>
<td>7. Does Swedbank outperform your expectations in terms of HOW they deliver?</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3,75</td>
</tr>
<tr>
<td>8. Is Swedbank perceptive to your thoughts around improvements of your cooperation?</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>NA</td>
<td>4</td>
<td>4,5</td>
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<tr>
<td><strong>Image</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. In your opinion, how strong is Swedbank’s image today?</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>3,2</td>
</tr>
<tr>
<td>10. and before the financial crisis?</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4,2</td>
</tr>
<tr>
<td><strong>Integrated market communication</strong></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>11. In your opinion, is Swedbank good at communicating their environmental work?</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2,2</td>
</tr>
<tr>
<td>12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility?</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2,6</td>
</tr>
<tr>
<td>13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand and communication?</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4,6</td>
</tr>
<tr>
<td>14. Do you prefer suppliers that are environmentally certified?</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4,8</td>
</tr>
<tr>
<td>15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market?</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>4,2</td>
</tr>
<tr>
<td>See question no. 15: Would you recommend Swedbank more often in that case?</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4,4</td>
</tr>
</tbody>
</table>

*County Council of Stockholm, ** No answer

Table 1. Survey answers from the public sector to rate the support of a differentiated strategy

In table 1, the mean shows how well the customers from the public sector support a differentiated strategy based on Swedbank’s sustainable core competence “Sparbankssjälen”.

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5. Analysis

In this chapter the author analyzes the empirical findings through the theoretical frame, in order to answer the research questions and fulfill the purpose of the study. The analysis is made through the model “Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance” (Roeck Hansen, 2008) below, which was presented in chapter 2.

5.1 Core Competencies

This study has identified a need to define Swedbank’s main core competence, which also is critical in achieving a competitive advantage. The Sparbank spirit (Sparbankssjälen) came up through the internal interviews, which derives from Swedbank’s in heritage from Sparbankerna and their work of sustainable development in the society. The interviews gave a similar picture of “Sparbankssjälen” described as: Sustainable development, intercultural competence and a positive force in the society. This potential core competence was then tested in the model below, figure 9, in order to verify its strength as a competitive advantage for Swedbank: Sparbankssjälen generates confidence from the stakeholders and sustainable growth in the society. It is also impossible to copy. The customers from the public sector said in general that they would do more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market.

Figure 9. Core Competence (Roeck Hansen, 2008); developed from How to identify Core Competencies (Hamel & Prahalad, 1994) and VRIN-model (Barney, 1991)
The competitive advantage is based on “Sparbankssjälen”, Swedbank’s main Sustainable Core Competence, can be described as the oil in Swedbank’s machinery, the engine for business development and it is difficult for competitors to imitate. “Sparbankssjälen” is presented in the figure below as a gearwheel, which has generated sustainable development, intercultural competence and has also made Swedbank a positive force in the society.

![Figure 10. “Sparbankssjälen” (Roeck Hansen, 2008)](Image)

This differentiated strategy, based on Sustainable Core Competencies, namely “Sparbankssjälen”, was well supported by Swedbank’s customers from the public sector since it fits their priorities of reducing negative environmental influence and integrating new Swedes into the society. Table 2 shows the level of support to this strategy, where Nykvarn is the most supportive and the IRS the least supportive, with an average of 3,5 out of 5 (Table 2). Botkyrka is the first municipality also to demand social responsibility in an official purchasing of gardeners/tenders for the public parks, where they require the winning company to hire unemployed youth (Tottmar,
The Municipality of Eskilstuna and Botkyrka also stressed their priorities of reducing climatic influences and integrating new Swedes into the society, which they need supportive business partners to accomplish. The external interviews also gave the result that they would do more business with Swedbank if they had a more distinct ethical and environmental friendly position in the market. Questions number 13-15, in table 1, have received the highest score, which indicates that they support this strategy. Table 2 shows the level of customer satisfaction and potential.

Table 2. Survey - Mean value of the total survey, by organization, from the public sector

### 5.2 Competitive Advantage

A competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. Both the internal and external interviews supported a differentiated strategy, based on the sustainable core competence “Sparbankssjälen”, in order to reach a competitive advantage.

Michael Porter argued in an interview with the BBC, that companies are going down the path of mutually destructive competition, because they do not distinguish between operational effectiveness and strategy. According to Porter, the essence of strategy is not doing something better than your competitors but doing something
different. This is achieved by choosing a unique and reliable position that is rooted in systems of activity that are difficult for others to copy. To find this unique position, you need creativity, insight and strong leadership to take stand against the conventional wisdom of the industry (Handy, 2009).

Swedbank does not have a unique position today, but would gain one through choosing differentiation strategy based on “Sparbankssjälen”. Swedbank needs to implement this strategy effectively into their Four P:s, planning, processes, promotion and products.

5.3 Image
As we can see in table 1 (question 10), Swedbank has suffered from the financial crisis and the external interviews gave the result that the Swedbank had a stronger image before the crisis. In a recent study, 1000 Swedes were asked which brand that is most admirable and most inspiring. Which brand will be strengthened the most of the crisis and which one have handled the crisis poorly. The conclusions of this study were that IKEA was the most admirable and inspiring brand. A strong image is of great financial value and the key to success, in recessions, is the feeling of safety. Brands that have been positioned for recession are being rewarded now and will be strengthened by this crisis. In this category IKEA made the top followed by Handelsbanken and Volvo in third place. Brands with great volumes will easily enhance confidence to consumers, when times are uncertain (Aronsson, 2009).

In order for Swedbank to strengthen their image, they need to surpass their customers’ expectations. The customers were asked if Swedbank surpass their expectations in terms of WHAT and HOW they deliver financial services and the answers, presented in table 1 (question 6 and 7) made it clear that this was an area for Swedbank to improve.

According to a recent study of customer satisfaction, presented by Fond&Bank Online, which presents daily news for employees within the bank and insurance sector, financial institutions made a fourth place out of seven different lines of business included in the study. “It’s clear that the big banks did not perform as well as
the smaller niche banks”, says Jonas Norén, CEO at the customer service company, Teleperformance, that conducted the study. The companies in the study were measured on areas such as answering time and warmth in the reception of customers (Fond&Bank Online, 2009).

According to Kapferrer (1997), the image of the larger brands have somewhat become plain and lost their differences. Swedbank needs to take charge of their brand identity and strategy and focus more on what they send out and less of the receiving side.

“When the brand’s sales figures are poor, there only exist two alternatives: Terminate the brand or to re-position it. If people have a negative perception of the brand, re-position it. If the brand’s capacity does not correspond to what people demand, re-position it. If the brand is not a central player on the market, re-position it. The solution to a lot of brand problems usually is equal with re-positioning”, says Micael Dahlén, Professor at School of Economics in Stockholm (Dahlén, 2003, p. 55).

Therefore Swedbank should re-position their brand and the author suggests a differentiated strategy and to implement “Sparbankssjälen” into their four Ps (planning, processes, products, promotion).

To be consequent in their Market Communication, Swedbank also needs to build a new brand prisma to fit their new strategy. It is important to be consistent in order to be credible: “Goals, actions and messages must have a common underlying vision” (Manget et. al. 2008 p. 22) and as a consequence Swedbank also needs to adjust their vision to this differentiated strategy.

5.4 Integrated Market Communication
Both the internal and external interviews identified a need of improved market communication. The new differentiated strategy should serve as base for Swedbank to uniquely position their services, by implementing “Sparbankssjälen” into their four
Ps, and then communicate the benefits to the customers. “Sparbankssjälen” will then serve as the core of all communication, which figure 11 indicates.

“Sparbankssjälen” should be implemented in all Market Communication including the 4 Ps (Planning, Processes, Promotion and Products), as shown in figure 11, what Swedbank SAY and DO. Consequently it will also have a positive influence on what other SAY about Swedbank and DO and generate loyal ambassadors. It is the unplanned messages that are the most efficient to strengthen the Brand Image and the key is to communicate a well defined Brand Identity. The customers from the public sector supported this communication strategy, shown in table 1 (question 13), where they welcomed an ethical and environmentally friendly brand identity communicated through Swedbank’s visual identity, branding and communication.

Figure 11. Sustainable Communication (Roeck Hansen, 2009) developed from The Triangle of Integrated Market Communication, (Grönroos, 2002, p.295)
5.5 Enhanced Stakeholder Confidence and Financial Performance

Swedbanks customers from the public sector preferred suppliers that are environmentally certified and they would also make more business with Swedbank if they had a more distinct ethical and environmentally friendly bank with help of their visual identity, branding and communication. As a result, they would also recommend Swedbank more often.

KPA Pension have for long had an ethical profile in their placements. Despite increased focus in soft values, the company has not become less result oriented. KPA Pension made a total return of 6.3 percent during 2008, 13 percent over the trade average. “That serves as a proof of that it is successful to have an ethical profile, risk minimizing and long term investments”, says Sofia Hagman at KPA (Olofsson, 2009, p. 12)

The market also has started to realize the connection between sustainability and customer demands. “Investors see that companies loose in value in their portfolios, if they do not analyze risks and possibilities with the green technical development. It’s obvious that you should not own shares in companies that have no understanding of the rising demands to transfer towards a sustainable development”, says Lars-Olle Larsson at Öhrlings Pricewaterhouse Coopers (Olofsson, 2009, p.12).

Susanne Arvidsson, who research in how listed companies handle their soft values, see CSR as a way to enhance stakeholder confidence and have in her studies seen that companies also work more intensely with these issues today, since crisis management has been high on the agenda after several scandals e.g. AMF pension. When Susanne wrote her PhD thesis in 2003, CSR was the area that companies focused the least in (Thulin, 2009). Further it is imperative for management team to build a record of consistent openness and truthfulness. Any misrepresentation will not only be readily found out, it will also be spread out quickly in the financial community and decrease stakeholder confidence (Marcus, 1997).

Boston Consulting Group’s research proves that green matters to consumers around the world and green strategies offer companies and retailers a competitive advantage in product differentiation and cost savings (Manget et. al., 2008).
Still, both retailers and manufacturers need to improve consumers’ awareness of green products and the choices available, in order to attract more green shoppers. Consumers remain unaware of green options in many categories and believe that the choices are limited when compared with conventional alternatives. Financial services were one category that consumers reported a lack of product awareness and perceived absence of choices. Also Swedbanks customers reported a need of improved market communication around Swedbank’s CSR work and selection of green services. BCG estimates that companies lose, on average, nearly 20 percent of potential purchasers when consumers are not adequately informed about their green-product options (Manget et. al., 2008).
6. Conclusions

This chapter starts with the answers of the research questions, followed by the contributions to research made by this study and the chapter ends with suggestions to further research.

6.1 Answers to Research Questions

How can Swedbank develop stakeholder confidence and value? Swedbank needs to re-position their brand with a differentiated strategy, including a supportive vision and brand identity, in order to gain a competitive advantage, strengthen their image, as well as to strengthen stakeholder confidence and financial performance. The author recommends their Sustainable Core Competence, “Sparbankssjälen”, in order to deploy an ethical, economical and environmental responsible strategy to implement into all their activities (the four Ps).

What added value does the B2B customer receive today from Swedbank’s CSR work? Swedbank’s customers, from the public sector, do not believe that Swedbank preserves the environment to a greater extent. They do not think that they receive added value in terms of WHAT services Swedbank offer and HOW they are delivered. They also say that they would do more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market.

How could this added value further increase, from Swedbank’s CSR work, from a B2B customer’s point of view? Swedbank needs to increase customer awareness around what added value they offer in terms of green options on a product/service level and as a positive force in the society. To improve their integrated market communication, Swedbank needs to communicate a distinct brand identity based on their Sustainable Core Competence “Sparbankssjälen”. This differentiated strategy should be implemented into the four Ps (Planning, Processes, Promotion and Products). As a consequence, this strategic work will increase added value for the customer and create a competitive advantage for Swedbank. A distinct brand identity will strengthen Swedbank’s image and lead to increased customer loyalty, which in turn results in enhanced financial performance. This is due to an
increased number of Ambassadors (loyal stakeholders) that spread out positive word-of-mouth, which is vital for a company’s well-being (Grönroos, 2002).

6.2 Contribution to Research
The author has mainly contributed with the models Sustainable Communication (Roeck Hansen, 2008) and Strategic CSR and its benefits of enhanced stakeholder confidence/value and improved financial performance (Roeck Hansen, 2008), which can serve as method for companies that are looking to re-position themselves on the market to gain a competitive advantage based on sustainable core competencies. Thus, the author has not found a strategic tool, based on Sustainable Core Competencies, for companies to implement in order to use CSR to boost their business. If you search on Google for “Sustainable Core Competencies”, there is no match and the closest is “Sustainable Competitive Advantage”. Therefore the author may also have contributed with this new concept to research.

Further, this study is of immediate interest for Swedbank other companies, since the demand has increased for socially responsible products, services and companies in a short period of time. Companies need help with shifting their strategy and activities.

6.3 Critical Reflection and Further Research
The author has conducted this study with the aim to analyze how companies can develop their strategic thinking and to strengthen their image, in order to reach enhanced stakeholder value and improved financial performance. The author has developed a model based on sustainable core competences and another for sustainable communication. However, there is a need for other researchers to test the models, in order to prove them and to develop them further. Thus, the method of this study can be generalized and applied to other companies/organizations in similar situations.

It would also be interesting to investigate how companies can update their Strategy, Activities and Market Communication in a creative manner, in order to meet the new demand for sustainable development in operations and processes. This could be
done in a business case for one company or in a benchmarking study with companies from different industry sectors.

The external validity may have been disturbed by the limited number of people interviewed in this study. However, the method of this work can still be generalized and applied to other companies in similar situations, both in the private and public sectors.
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Hans Ekström (Eskilstuna’s municipality) - 27/01/09
Ann Johansson (Nykvarn’s municipality) - 30/01/09
Per Karlsson (Skattemyndigheten) – 30/01/09
Palle Lundberg (Botkyrka’s municipality) – 29/01/09
Appendencies

1. Interview Questions – Internal Interviews

General Information:
- Present yourself, your department and your job at Swedbank
- In your words, what does CSR stand for at Swedbank?

CSR as a process:
- Present the different CSR processes at Swedbank – economical, ethical and environmental and how are they followed up?

CSR and added value:
- What added value does the B2B customer receive today from Swedbank’s CSR work?
- How could this added value further increase, from Swedbank’s CSR work, from a B2B customer’s point of view?
- How do you measure your CSR work?
- What impact does your CSR work have on Swedbank’s image? _____% and comments:

CSR and strategy:
- To what extent does your CSR work combine with Swedbank’s strategic competencies today? _____% and comments:
- To what extent is your CSR work integrated in your Market Communication strategy today? _____% and comments:
- “Strategic CSR is about choosing a unique position and to go beyond best practice – doing things different from competitors in a way that lowers costs or better serves a particular set of customer needs” (Porter & Kramer, 2006, p. 13). Do you have a unique position?
**CSR and stakeholders:**
- Do your stakeholders have an influence over Swedbank’s CSR investments?
- Do you have an active dialogue with your stakeholders? If yes, how?
- Do you cooperate with a Non Governmental Organization? If yes, in what way?
- What is Sparbanksstiftelsen’s CSR strategy?

**CSR and the future:**
- What role will CSR have at Swedbank in the future?
- How will CSR influence Swedbank’s mission in the future?

**Your comments to this study:**
- Importance?
- Feasibility?
- Other?

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**2. Interview Questions – External Interviews**

**Diskussionsfrågor:**
- Hur ser ert samarbete, med Swedbank, ut idag kring frågor om hållbar affärsutveckling?
- Hur skulle detta samarbete kunna utvecklas för att skapa ett större värde för er?
- Hur jobbar ni idag med frågor kring Corporate Social Responsibility? År det något ni vill utveckla ytterligare? Minska Koldioxidutsläpp?
- Använder ni er av e-faktura, e-lönespecifikation och/eller e-ID?
3. Surveys – External Interviews

Survey / Hans Ekström:

Write a number between 1 and 5 that describes your answer from your work perspective: 1= little, weak, poor and 5=a lot, strong, very good

1. In your opinion, how strong is Swedbank’s image, today and before the financial crisis? **Today: 2 and before the financial crisis: 4**

2. Would you recommend Swedbank to other counties, organizations, companies? **5**

3. Do you have a close cooperation with Swedbank? **4**

4. How satisfied are you with Swedbank? **5** (Eskilstuna Rekarne Sparbank)

5. Would you like to improve your cooperation with Swedbank? **5**

6. Does Swedbank outperform your expectations in terms of WHAT they deliver? **3**

7. Does Swedbank outperform your expectations in terms of HOW they deliver? **4**

8. Is Swedbank perceptive to your thoughts around improvements of your cooperation? **4**

9. Do you consider Swedbank to be a positive force in the society? **5**

10. In your opinion, does Swedbank preserve the environment? **3**

11. In your opinion, is Swedbank good at communicating their environmental work? **2**

12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility? **4**

13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank
position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand, and market communication? 5

14. Do you prefer suppliers that are environmentally certified? 5

15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market? 4

16. See question no. 15: Would you recommend Swedbank more often in that case? 4

Axel Bernhult/Survey:

Write a number between 1 and 5 that describes your answer from your work perspective: 1= little, weak, poor and 5=a lot, strong, very good

1. In your opinion, how strong is Swedbank’s image, today and before the financial crisis? **Today: 3 and before the financial crisis: 4**

2. Would you recommend Swedbank to other counties, organizations, companies? 5

3. Do you have a close cooperation with Swedbank? 5

4. How satisfied are you with Swedbank? 4

5. Would you like to improve your cooperation with Swedbank? 4

6. Does Swedbank outperform your expectations in terms of WHAT they deliver? 3

7. Does Swedbank outperform your expectations in terms of HOW they deliver? 4

8. Is Swedbank perceptive to your thoughts around improvements of your cooperation? 5

9. Do you consider Swedbank to be a positive force in the society? 3
10. In your opinion, does Swedbank preserve the environment? 4

11. In your opinion, is Swedbank good at communicating their environmental work? 3

12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility? 3

13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand, and market communication? 4

14. Do you prefer suppliers that are environmentally certified? 5

15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market? 5 (Yes, if Swedbank fit better in on our policy for sustainable development compared to their competitors.)

16. See question no. 15: Would you recommend Swedbank more often in that case? 5 (Yes, if they had more environmentally friendly services compared to competitors)

Palle Lundberg/Survey:

Write a number between 1 and 5 that describes your answer from your work perspective: 1= little, weak, poor and 5=a lot, strong, very good

1. In your opinion, how strong is Swedbank’s image, today and before the financial crisis? Today: 3 and before the financial crisis: 4

2. Would you recommend Swedbank to other counties, organizations, companies? 5

3. Do you have a close cooperation with Swedbank? 4

4. How satisfied are you with Swedbank? 5
5. Would you like to improve your cooperation with Swedbank? 4

6. Does Swedbank outperform your expectations in terms of WHAT they deliver? 4

7. Does Swedbank outperform your expectations in terms of HOW they deliver? 4

8. Is Swedbank perceptive to your thoughts around improvements of your cooperation? 5

9. Do you consider Swedbank to be a positive force in the society? 5

10. In your opinion, does Swedbank preserve the environment? 3

11. In your opinion, is Swedbank good at communicating their environmental work? 2

12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility? 2

13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand, and market communication? 5

14. Do you prefer suppliers that are environmentally certified? 5

15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market? 4

16. See question no. 15: Would you recommend Swedbank more often in that case? 4
Ann Johansson/Survey:

Write a number between 1 and 5 that describes your answer from your work perspective: 1= little, weak, poor and 5=a lot, strong, very good

1. In your opinion, how strong is Swedbank’s image, today and before the financial crisis? **Today: 4 and before the financial crisis: 5**

2. Would you recommend Swedbank to other counties, organizations, companies? **4**

3. Do you have a close cooperation with Swedbank? **-**

4. How satisfied are you with Swedbank? **-**

5. Would you like to improve your cooperation with Swedbank? **-**

6. Does Swedbank outperform your expectations in terms of WHAT they deliver? **-**

7. Does Swedbank outperform your expectations in terms of HOW they deliver? **-**

8. Is Swedbank perceptive to your thoughts around improvements of your cooperation? **-**

9. Do you consider Swedbank to be a positive force in the society? **4**

10. In your opinion, does Swedbank preserve the environment? **4**

11. In your opinion, is Swedbank good at communicating their environmental work? **2**

12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility? **2**

13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand, and market communication? **5**
14. Do you prefer suppliers that are environmentally certified? 5

15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market? 5

16. See question no. 15: Would you recommend Swedbank more often in that case? 5

Per Karlsson/Survey:

Write a number between 1 and 5 that describes your answer from your work perspective: 1= little, weak, poor and 5= a lot, strong, very good

1. In your opinion, how strong is Swedbank’s image, today and before the financial crisis? Today: 4 and before the financial crisis: 4

2. Would you recommend Swedbank to other counties, organizations, companies? 4

3. Do you have a close cooperation with Swedbank? 4

4. How satisfied are you with Swedbank? 4

5. Would you like to improve your cooperation with Swedbank? 4

6. Does Swedbank outperform your expectations in terms of WHAT they deliver? 3

7. Does Swedbank outperform your expectations in terms of HOW they deliver? 3

8. Is Swedbank perceptive to your thoughts around improvements of your cooperation? 4

9. Do you consider Swedbank to be a positive force in the society? 4

10. In your opinion, does Swedbank preserve the environment? 3
11. In your opinion, is Swedbank good at communicating their environmental work? 2

12. Do you perceive Swedbank to be distinct in their market communication of their Social responsibility? 2

13. Swedbank is the first exchange listed bank, in the Nordic region, that is environmentally certified in accordance with ISO 14001. Should Swedbank position themselves more clearly as an ethical and environmentally friendly bank with help of their visual identity, brand, and market communication? 4

14. Do you prefer suppliers that are environmentally certified? 4

15. Would you make more business with Swedbank if they had a more distinct ethical and environmentally friendly position on the market? 3 (Riksgälden’s decision)

16. See question no. 15: Would you recommend Swedbank more often in that case? 4