Customer loyalty and satisfaction
A study of Swedbank’s small corporate clients in Gothenburg

Bachelor thesis within Business Administration
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The customer satisfaction and loyalty for Swedbank have in a recent study shown to be among the lowest for all banks in relation to corporate customers. Since there is not much interaction with small enterprises compared to medium-sized and large enterprises and a vast majority of customers are small corporations, there was a need to focus on this segment and find what they believed was in need of improvement. This study was conducted in cooperation with Swedbank in Gothenburg. The authors worked as consultants with the base of the satisfaction and loyalty study conducted by SKI in October 2006 and performed a case study where 25 randomly chosen small enterprises in the Gothenburg-region were interviewed by telephone.

The stated purpose of this thesis is to investigate what aspects of relationship quality and service quality Swedbank Gothenburg’s small corporate customers are not fully satisfied with and how to improve them to ensure customer satisfaction and loyalty.

The authors developed a model called the customer loyalty model, identifying the drivers of Total Perceived Relationship Quality and Total Perceived Service Quality which in turn determine an organisation’s image. The image has an impact on customer satisfaction and loyalty. Four key areas where service failures might occur are the basis for the research questions: the performance of the account manager, the performance of other employees, perception of the bank and perception of the services provided. Further, a fifth research question was posed to answer how to improve the possible lack of satisfaction.

Based on the empirical findings the authors could conclude that the customers should be the primary focus for Swedbank by developing a stronger service-oriented culture. A way to improve the problem of the frequency of contact between corporate client and account manager is to divide small corporate clients into sub-groups according to their different needs. Furthermore, the account managers having interest in and knowledge about the corporate clients are of importance. This can be done by visiting clients at their place of business and have continuous education to develop the account managers’ competence. There is a need for customised solutions for different corporate clients and this could be achieved by keeping an on-going discussion with each client. Furthermore, the accessibility of the account managers and the length of the decision-making process need to be improved. This can be accomplished by for instance longer opening-hours and more frequent group meetings.
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1 Introduction

This chapter provides the reader with an introduction to the importance of customer loyalty and satisfaction. First, the background is presented, followed by a problem discussion and finally the purpose is outlined.

1.1 Background

Corporations who understand the importance of, and do not underestimate customer service and satisfaction have a strong starting point in gaining competitive advantage and have major profits to collect (Bazan, 1998).

There is a strong relationship between customer satisfaction and loyalty (Horstmann, 1998). Customer satisfaction influences loyalty; the higher the level of customer satisfaction, the higher the level of loyalty. Customer satisfaction is the feeling a customer experiences when the customers’ expectations are met (Chaston, 1993) whilst loyalty is shown when a customer repeatedly turn to the same provider to get a service.

A business can in no point function without its customers and the financial losses and loss in reputation can be devastating for it when losing customers. When assessing the financial value of a life-long customer one can gain an insight in why every customer matter. The value varies heavily from industry to industry, often between several thousands to hundreds of thousands of dollars. The cost of gaining a new customer is five times higher than keeping an existing one. Apart from this financial aspect, the impact of negative word-of-mouth can oftentimes be severe. An unsatisfied customer will in general inform at least ten people of the bad experience and is willing to talk about this to anybody who is willing to listen. Hence customer satisfaction is an essential element in the performance of businesses and of such importance that it cannot be overlooked. (Bazan, 1998)

Customer satisfaction is not an element that businesses can put only semi-focus on. These instead demand an objective of complete focus on satisfying the customers from all employees and in every single step of operation in the business. However, in order to communicate this objective to the employees, the extent of the consequences from failure must be fully understood. (Bazan, 1998)

Small-and medium-sized enterprises (SMEs) are organisations that have between 0-199 employees and have an annual turnover of less than 10 million SEK according to Statistics Sweden (Statistiska Centralbyrån) and small enterprises (SEs) alone is the group of these organisations that have less than 5 employees. (Elin Johansson, personal communication, 2006-11-01). Statistics Sweden estimates the number of SMEs in Sweden to be approximately 900 000 out of a total of 911 000 companies and approximately 865 000 of these are SEs.

Since a vast majority of the companies in Sweden are SEs, they are highly important for the growth and development of the country. Most job opportunities come from these small and medium-sized enterprises. Many people may get employment by founding a sole proprietorship but in order to do this, entrepreneurs are in need of external finance since they often do not have the capital at hand. Sweden is a fairly bank-oriented country, meaning that the dominating providers of capital are banks as opposed to other countries where business angels and venture capitalists are more common investors. (Berggren, 2006)
According to Hemmasi, Graf and Winchell (1996), SMEs are a very important customer group for banks. This can be applied to SEs since they consists of approximately 96% of all SMEs. All companies are required to deal with financial issues and are to some extent in need of banks as a mean to carry out these matters. Binks and Ennew stated in 1992 that the main source for organisations seeking debt finance is banks (Binks & Ennew, 1997). SEs need help with finance and investment more than larger companies do and often choose to turn to a bank for guidance. The most common funding from banks are different kinds of credits provided. Contrary to other investors, banks are not profit-seeking in the same sense because they do not have the same possibilities to earn high profit. Banks are supposed to improve the financial routines in the company and lend money for their clients to grow. (Berggren, 2006) Many smaller companies do not have the in-house knowledge regarding handling finances, and therefore may use banks for this purpose. The point with having banks in society is that they are able to carry out financial errands more effectively than their customers can. As a result there must be a strong relationship between the bank and its clients for nations to evolve and grow. (Eriksson, 2006) Banks are thus an important player for enabling SEs to survive and grow. According to Binks and Ennew (1997), it is unlikely that smaller firms who have the intention to grow will get funds from internal sources. Instead they must get their funding from external sources of finance.

In addition to the relationship between the bank and its customers the actual services that the bank provides are of great importance. The most valued services that banks offer is according to the study of Hemmasi et al. (1996) depository service, closely followed by drive through banking service, commercial loans, line of credit and lending services. In addition, Hemmasi et al. (1996) presents a variety of service attitudes within banking that are related to the quality concept. In their rating the most appreciated service attribute was “keeping client information confidential”, “resolving errors and problems quickly and accurately” and “showing confidence in the clients business”.

1.2 Problem discussion

Relationships between banks and their SE customers can be strained, complex and hard to manage. There are two opposite players who must collaborate and each should benefit from the relationship. Banks try to lend out money with low rates of loan losses whilst business managers apply for loans in order to finance for example start-ups and investments. (Madill, Feeney, Riding & Haines Jr, 2002)

Banks and their SE customers could both benefit from having closer and more informed relationships. If the customers have positive feelings towards the relationship with their bank they will be less willing to switch bank. Furthermore, the positive feelings are related to the perceptions of higher quality. Communication and exchange of information is the base for the need of improving these relationships. (Binks & Ennew, 1997)

Lately there have been increases in information flow from the SE to the bank in terms of providing cash flow statements and other financial statements. The contact between banker and client has become more frequent and is occurring over the trading year. This increase in communication and information is positive in order for banks to minimise the risk involved. (Chaston, 1993)

The two most important features to recognise in a client-banker relationship is the length of the relationship and the opportunities for mutual gain. A bank must realise that only a fraction of their SE client base will show to be marginally profitable. The Pareto Principle
is used to show that 80 per cent of banks’ profit comes from 20 per cent of the customers and that 80 per cent of all problems banks face are caused by 20 per cent of the clients. (Chaston, 1993)

Theory has started to move away from the notion that SEs switched banks as a result of perceiving banks as undifferentiated in their service offering. Now a more common reason to keep the bank is the positive feelings associated with a strong and stable relationship. Strong relationships that grow over the organisational life-cycle have several advantages for both parties; the risk decreases, customers become more satisfied and information and communication increases. Customers become more loyal and perceive the quality of service to be higher. (Madill et al., 2002)

A Swedish survey in 1998 with 630 companies shows that the banks’ account managers, the contact person at the bank office who each corporate client receives when joining the bank as a corporate customer, tend to have good insight in the client companies and their operations but are bad when it comes to providing value-added activities in the relationships. Value added activities are defined as such activities that make day-to-day activities easier and are time-saving. Gaining deep insight to clients’ suppliers and the efficiency in that relation is one activity which can add value in the relationship. (Eriksson, 2006)

The light shed over banks trough external factors is vital when corporate customers choose banks. In addition, their own and their acquaintances’ prior experience of the bank is of importance (Chaston, 1993). It is of high significance for banks to have a strong relationship with their SE clients in order to avoid the impact of negative media coverage (Madill et al., 2002).

Swedbank is the largest bank in Sweden when it comes to private customers and hence there is great potential in developing a higher rate of corporate clients. For information about the historical background of Swedbank, see appendix 1. Since the number of SEs is a significant amount, as mentioned previously, it is understandable that they are a large potential client-base for the different banks in Sweden. However, before one can expand and attract new customers, one need to keep the already existing clients satisfied. In a recent nation-wide investigation performed by Svenskt Kvalitetsindex (SKI), Swedbank places itself in the bottom when it comes to overall corporate customer satisfaction (see Figure 1), which in turn has a negative impact on loyalty. However, it is important to note that the actual satisfaction index is somewhere between 72 and 73 and that is not too low. The investigation was conducted in the 21 different counties of Sweden and in the Västra Götaland County where Gothenburg is situated, Swedbank shows a somewhat better result than in the whole of Sweden, however, there is still room for improvement. Since medium sized corporations have more contact with their account managers than small enterprises have, Swedbank Gothenburg has more information about the satisfaction among these customers. The authors’ contact person at Swedbank Gothenburg, Elin Johansson states that a problem Swedbank has identified is that they do not have sufficient information when it comes to their small corporate customers (personal communication, 2006-11-01). Swedbank Gothenburg thus presented this issue as a topic for investigation and this thesis will therefore focus on small corporate customers rather than all SMEs. The authors were chosen to do the investigation and will do it with the intention to provide solutions for Swedbank Gothenburg as well as guidelines to other bank offices in different regions in Sweden.
1.3 Purpose

The purpose of this thesis is to investigate what aspects of relationship quality and service quality Swedbank Gothenburg’s small corporate customers are not fully satisfied with and how to improve them to ensure customer satisfaction and loyalty.
2 Frame of reference

This chapter provides relevant existing theories and models of relationship- and service quality as well as a model modified by the authors. The developed model builds upon the presented theories and is used as a foundation for the following analysis.

2.1 Customer loyalty and satisfaction

Horstmann (1998), states that there is a strong relationship between customer satisfaction and loyalty. Customer satisfaction influences loyalty, how much depends on the level of customer satisfaction. With higher customer satisfaction the level of loyalty increases. A customer that is “very satisfied” is six times more likely to repurchase a product than a customer that is “satisfied” (Matzler & Hinterhuber, 1998; Hart & Johnson in Grönroos, 2000). However, it is important not to exceed the satisfaction level too much, if you do, the customers’ expectations will be even higher the next time. It is important to understand that this will result in an up going spiral where the risk of service failure increases. Therefore it is important that the satisfaction level is increased by small steps to avoid the risk of dissatisfied customers in the future. Satisfaction may be influenced by a number of things, but the focus in this thesis is relationship quality and service quality. Quality is whatever the customer perceives it to be (Grönroos, 2000). Therefore, service quality is the result from comparisons consumers make between their expectations and their perception of the actual service performance (Lewis, (1989) in Bahia and Nantel (2000)). Relationship quality is thus the result from comparisons consumers make between their expectations and their perception of the actual relationship. As most research in the field of customer satisfaction is based on investigations performed on private persons rather than on organisations, one need to keep this in mind. However, organisations are run by people and those are the ones that are in contact with the bank and therefore the theories can be applicable to organisations as customers as well.

It is important to know that the relationship between satisfied customers and loyal customers is a curve-like relationship on the contrary from what one first may believe. Hart and Johnson in Grönroos (2000) discuss this through what they call the zone of indifference (see Figure 2).

![Figure 2 – Zone of Indifference (Grönroos, 2000)](image)

The curve shows what the relationship looks like ranging from completely dissatisfied customers to very satisfied customers. The large, slowly up going slope is known as the zone of indifference where customers are merely “satisfied” and do not tend to be loyal custom-
ers with a high retention rate. This is in fact where most of a company’s customers belong. It is important to strive for leaving this zone and make customers loyal through driving them towards being “very satisfied” by offering superior service and value-added activities. Not only does a customer then become loyal through repurchase, customers in this area are known as “unpaid salespeople” because of their willingness to spread positive word-of-mouth about the company. This whereas dissatisfied customers are called “terrorists” because of their will to try scaring away potential new customers by bad-mouthing the company. (Grönroos, 2000)

2.2 Relationship quality

How customers perceive a company is very much impacted by how they are approached and treated by front-line-, and support-employees at different encounters with the organisation. The same can be applied to the banking industry. Studies have found that SMEs are becoming more reluctant to approach their bank for discussions of financial issues because being met by bad relationship quality in a less welcoming atmosphere (Chaston, 1993). Ivarsson (2005) has found that a personal relationship with the bank is the factor of most importance for clients at an abstract level, he states furthermore that on a more concrete level the need for personal relationship increases proportionally with the complexity of a situation.

2.2.1 Account manager performance

Performance of the account manager to understand the SE client, finding solutions, treating them as important clients and the performance of the branch staff in day-to-day activities leads to changes in the level of satisfaction. Especially the impact of the account manager’s way of managing the relationship is found to be a key factor in success of the relationship. Receiving a new account manager, or several over a short period of time, with no previous insight in the business and in need of education, is seen to yield dissatisfied customers who might instead change bank, if this turnover is not handled in a good way. Satisfied customers will be less likely to switch bank and more likely to stay loyal to, and give positive referrals about its bank. (Madill et al., 2002) Other things that affects the relationship is the competence of the account manager, how much communication there is, the level of flexibility in for example changes and conflicts and the level of solidarity in the relationship (Madill et al., 2002). The issue of competence is highlighted by Ivarsson (2005) as well but he calls it instrumental nearness and includes both the account manager’s economic ability and his/her authority to negotiate on the bank’s behalf and provide the customer with information regarding financial issues.

One of the most crucial things is for the bank to develop a culture that removes the thought of seeing the bank and the account manager as separate units instead of one. In addition, it is important to change corporate policies and procedures which would make the bank more flexible in meeting the needs of the SE and thus leads to making the relation with the bank and its use of products much simpler. (Madill et al., 2002)

2.2.2 Relationship events

According to Bazan (1998) there are specific events in the relationship where negative experiences often tend to occur as stated below, the matter of empathy is further developed by Ivarsson (2005):
- **Employee attitudes:** a negative attitude may signal an employee to be not only indifferent but also rude and lack respect for the customer.

- **Employee ability:** not providing proper training or education of the employees can lead to inadequate central knowledge and inability to help a customer in need of assistance.

- **Lack of empathy:** employees may be reluctant to see the customer’s point of view in case of dissatisfaction or bad service and simply not take complaints and customers seriously.

- **Rules and policies:** this is a major source of dissatisfaction as a result of operating procedures not functioning well. Having sales clerks state that they would like to help but can not is a typical example of rules and policies not functioning.

- **Perceptions of dishonesty:** not many are dishonest by intention, however, excessive optimistic claims and promises about products and a reluctance of providing a customer with negative news is seen as dishonesty as well.

In addition, Bazan (1998) outlines that actions to take against the negative factors stated above do exist but as stated earlier the employees must focus on fulfilling these actions in every instance of the company and focus on having 100% satisfied customers. Only after implementing these in a correct manner the company might be able to gain competitive advantage in customer relationship quality against other businesses. Examples of actions to take are given below.

- **Goals:** the primary thing is to set proper goals and objectives to achieve customer satisfaction. Gaining competitive advantage means 100 per cent customer satisfaction focus all the time. Often it is not enough merely to satisfy a customer, the business much exceed the expectations of a customer.

- **Aggressive problem solving:** a company cannot take baby steps towards improving customer satisfaction. The loss attached to each customer lost is tremendously high and therefore focus on aggressive problem solving is crucial.

- **Leadership:** leaders must set an example and be a role model when communicating the importance of service and satisfaction to everyone in the company.

- **Empowerment:** one way towards a healthy service recovery is by enabling employees on the floor to make decisions in order to immediately make a customer fully satisfied after a service failure.

- **Problem-solving teams:** a company might form a group to regularly meet and discuss problems existing in the organisation.

- **Assessment:** an organisation must fully understand strengths and weaknesses in order to know where the problems in the company occur and how to solve them.

- **Listening:** first and foremost, a company must encourage customers to complain if a service failure occurs. Then, when employees receive a complaint they must avoid taking a defensive position and instead listen to what the customer is saying and find out exactly what the problem is in order to recover from the service failure correctly. Of course, the company must make the customer completely satisfied immediately and show empathy and understanding.

- **Surveys:** a company may make a survey about service quality and satisfaction in order to find out the attitudes of customers.
2.2.3 Different views on measuring relationship quality

Relationships are based on continuous interactions between two parties and these interactions form the image of the quality of the relationship. Maria Holmlund in Grönroos (2000) has formed a framework for analysing relationships in interactions. Her framework is based on the fact that the relationship is based on flows of acts, episodes and sequences. Acts are the smallest elements in interactions, known as moments of truth, and consist of minor engagements as making a phone call to the company and so on. Several interrelated acts form episodes as going to the bank and deposit money which is done after making several small acts. Consequently, many episodes form sequences as for example campaigns with interactions over a time period. The largest aspect to be investigated is the relationship based on several sequences. Through separating these one can find detailed information occurring in each layer since every single interaction can be put into place and traced. (Holmlund in Grönroos, 2000)

Further, a perception and experience of one act will form the image of how the next act at another level will be. For example, as in the previous sentence, an act at the first level will influence the expectation of the episode on the second level, continuing in this way up to the relationship-level. The grading is merely divided in good-, neutral-, and poor-quality in order to once again here spot critical areas of quality break-down. This model does not study the dynamic, detailed aspects of formations of long-term quality, however, the Liljander-Strandvik model of relationship quality studies this deeper which for example adds satisfaction through comparison and customer behaviour variables. One here compares the quality with for example customer sacrifice which forms the value-image for a customer leading to level of satisfaction through incorporating the zone of tolerance. (Grönroos, 2000)

It is important to understand how expectations are formed throughout the relationship lifecycle. Jukka Ojasalo in Grönroos (2000) suggests different dynamics of customers’ expectations that may make an understanding of this phenomenon easier. He identifies three groups of expectations: fuzzy, explicit and implicit. Fuzzy expectations occur when customers feel that something needs to be done in order to solve their problem but do not know what needs to be done. These need to be handled and formed into explicit expectations, which on the other hand are expectations present in the minds of customers beforehand and can be separated in realistic and unrealistic expectations where the unrealistic must be made realistic. Further, implicit expectations are so obvious and taken for granted that customers do not even think about them. This latter one is similar to must-be requirements presented in section 2.3.1 where there will be a strong reaction if these are missing but go unnoticed if present. Implicit expectations must be made explicit. All of these changes are changes that can be transformed over time if handled correctly and adjusted in a correct way. (Grönroos, 2000)

2.3 Service quality

According to Bloemer, de Ruyter and Peeters (1998), there is a complicated relationship between image, service quality and satisfaction when it comes to bank loyalty among corporate customers. The importance when it comes to service quality is not the actual level of quality rather the level of quality the customer expects, hence it depends on the strategy of the organisation how it wants to be perceived (Grönroos, 2000). When it comes to service quality; efficiency and perhaps even more essential, reliability are important drivers of loyalty. Reliability is strongly connected to satisfaction. Therefore, the reliability factor is cru-
cial for banks in order to have loyal corporate customers. There are some factors that have an indirect effect on loyalty via satisfaction and service quality, those are that the bank has good customer contacts, is society-driven and shows empathy. (Bloemer, de Ruyter and Peeters, 1998)

2.3.1 Kano’s model

Kano with colleagues developed a model in the 1980’s with three different groups of requirements that influence customer satisfaction (Matzler & Hinterhuber, 1998). The requirements are presented below.

The first of the three is called “must-be” requirements. These criteria need to be fulfilled or else the customer will be dissatisfied. The requirements are basic needs that the customer takes for granted and hence if they are present no additional satisfaction will come from it. (Matzler & Hinterhuber, 1998)

Secondly, there are one-dimensional requirements which concern the proportion of customer satisfaction to the level of fulfilment. That is; the higher the level of fulfilment, the higher the customer satisfaction. (Matzler & Hinterhuber, 1998)

The third group of requirements is attractive requirements which are the most important requirements. If these requirements are not met it will not lead to dissatisfaction among the customers however if they are met they exceed the customers expectations and therefore lead to high levels of satisfaction. (Matzler & Hinterhuber, 1998) Bazan (1998) states that completely satisfied customers are approximately 40 per cent more likely to be loyal customers than customers that are merely satisfied. One way to exceed the expectations is to have good insight in the client’s company and the bank may even exceed customers’ expectation by providing solutions and making things easier or more effective to routines that the company might not even know are inefficient. Exceeding customers’ expectations is a fundamental element in gaining strong relationships and receiving more satisfied customers who are more likely to stay with the bank. Banks can however be somewhat reluctant to strengthen the relationship since it is rather time-consuming and demands many resources. (Eriksson, 2006)

According to Matzler and Hinterhuber, p. 37 (1998) one need to “fulfil all must-be requirements, be competitive with regard to one-dimensional requirements and stand out regarding attractive requirements” in order to receive “very satisfied” customers.

2.3.2 Service quality model

Parasuraman, Zeithaml & Berry (1985; 1988a) presented a service quality model (see Figure 3), the model shows possible gaps that can be filled and by doing that you increase customer satisfaction. The gaps have been divided into two sides, the marketer side and the consumer side. (Parasuraman et al., 1985; 1988a)
The first gap is called the consumer expectations – management perception gap. It is common that the view of the manager differs from the consumers’ view of a product or service.

The second gap is the management perception – service quality specification gap. Managers can find themselves constrained by for example slow working personnel and have a hard time delivering what the consumer expects.

The third gap, the service quality specifications – service delivery gap, states that it is hard to ensure high quality service performance.

Service delivery – external communications is the fourth gap and refers to media advertising and how one can use that to affect the consumers’ expectations.

The gaps can be interrelated and therefore gap five might be caused by failures in the previous four gaps. The focus on this thesis is on the consumer side and what the consumers expect and perceive. In this case the most important gap is the fifth gap between expected service and perceived service, since to meet and preferably exceed the consumers’ expectations is a key ingredient to ensure success. (Parasuraman et al., 1985)

2.3.3 Perceived service quality and total perceived service quality

Quality is known as being one of the key factors of success in organisations. By understanding the subjective evaluation criteria from customers in these processes, the company
can begin to change its service quality in a positive direction. Grönroos (2000) presents two models for managers to understand quality through consumer behaviour and the effects from comparing expectations about a good with experience of it and later evaluating it. These models are known as the perceived service quality model and the model of total perceived service quality.

The perceived service quality model focuses on how customers experience the service quality provided by a company (see Figure 4). Experience is a standpoint shaped from the accumulated prior experiences of the client, which can be split into two different dimensions. On one hand, there is the technical (outcome) dimension and on the other hand the functional (process-related) dimension. These two can shortly be explained as being the “what and how” of experienced quality. The “what” is what customers actually receive in the interaction with the provider of the service and the product or service that they are left with when this interaction is over. “What” is the objective dimension of the two. The “how” is the manner in which the product or service is delivered to the consumer. This includes how consumers are met by representatives from the service providing company and how easy they could get in touch with them if they need assistance, to mention some. The functional quality of the process is subjective since it is based on encounters with the service provider. (Grönroos, 2000)

![Figure 4 – Perceived service quality model](Grönroos, 2000)

The firm can choose to focus on a technical dimension- or functional dimension strategy. The former is suitable in situations where a company is able to find a technical solution to problems that competitors are not able to match. It is dangerous to focus merely on one strategy and forget the other dimension. Functional dimensions cannot be splendid but technical dimensions forgotten or vice versa, this would still decrease perceived quality. There must be a balance between the two dimensions and one cannot exclude the other, however it is most common to have slightly more focus on functional quality. (Grönroos, 2000)

The next step in this model is the Corporate and/or local image. This is the way customers will see the company and its methods of operation and is a major element of quality perception. If the company has a good image, minor mistakes will not change customers’ perception of the company, however if a company has a bad image mistakes will yield that customers perceive quality as bad. (Grönroos, 2000)
The model of total perceived service quality (see Figure 5) is an extension of the former model. Perceived service quality in itself is too narrow to focus on since it is not just how customers experience the company that matters but how they perceive it in relation to their prior expectations and this is what the model of total perceived service quality shows.

![Figure 5 – Model of Total Perceived Service Quality (Grönroos, 2000)](image)

Not only experiences determine if quality is perceived as being good or bad. It is important to implement the total perceived quality as well. Total perceived quality is the relationship between the experienced quality and expected quality. Expected quality in turn is a result of the different elements; marketing, image, sales, word-of-mouth and needs/values. Total perceived quality may be influenced if a company in commercials exaggerates the quality of goods and service and customers then not experience what has been promised. (Grönroos, 2000) The image that evolves from this total perceived quality leads to a new perception of the company.

2.3.4 Different views of measuring service quality

Service quality is not a static concept that only can be looked at from one point of view. Measuring service quality by looking at expected and experienced service quality (Grönroos, 2000; Parasuraman et al., 1985:1988b) is therefore not the only viewpoint, even though this is the one put forward in this thesis. Cronin and Taylor (1992) for example states that service quality should be measured as an attitude.

Parasuraman, Zeithaml and Berry (1988b) suggest a measurement-method known as SERVQUAL. Here there are five determinants driving the perception of service quality: tangibles, reliability, responsiveness, assurance and empathy. However, the five include 22 attributes that are asked to be described by the respondents. The measurement is based on a quantitative method that makes a comparison between service quality expectations and experiences from posting ones opinion on each of the two on a seven-point Likert scale. SERVQUAL is at its best when measured periodically to track trends in service quality and when not being the only measure. However, SERVQUAL has been discussed as being too static (Grönroos, 2000). The five determinants are not necessarily the most important ones.
in all industries and branches; therefore it should be used carefully and after being revised to what is measured. Critique has evolved from for example Liljander (in Grönroos 2000, p.78) who suggests that measurements between expectations and experiences are unnecessary, she argues that you instead should simply measure experience of different attributes, an example of a North American measurement method known as SERVPERF (service performance). A study made by Berger and Brodd (2001) concluded that the use of SERVQUAL in retail banking was not optimal due to low response rates. SERVQUAL has been found to not be an optimal measure in this thesis because it has been qualitatively performed and other determinants and attributes have been investigated to find customers perception of service-, and relationship-quality.

Yet another way to measure the perception of the quality of a service is using critical incidents. The customers with experience of a service and company are asked to in depth explain situations of the service process were something deviated from the normal, both in a positive and a negative way as precisely as possible. After collecting this information the researcher is able to find what sort of problems and opportunities exist and why they occur. This measure provides the researcher with a clear understanding of the strengths of the company as well as in what parts improvement is needed. This can be used as a base for further research concerning what needs to be done in order to increase the perception of service quality. (Grönroos, 2000)

Teas (1993) states some problems with the gap presented in Parasuraman et al.’s service quality model. He argues that the gap between the expected service and the perceived service consists of several problems. To start with, it is hard to define expectations, in the service quality model the outcome of the gap is compared to a norm rather than representing the true difference between predicted and received service. In addition Teas (1993) suggests that you can not be sure that a service performance that exceeds the ideal result increases the service quality more than a performance that equals the ideal result.

2.4 Customer loyalty model – the working model

It is of no use for the authors to purely look at the separate models and theories presented. From observing the theories presented one finds that the same aspects reoccur in the models. Customers’ experienced quality and expected quality are for example found in both the service quality model (Parasuraman et al., 1985; 1988a) and in the perceived service quality model by Grönroos (2000). All determinants of customer satisfaction and loyalty are interrelated and none can be completely excluded although more focus can be put on some elements than other ones. The authors of this thesis have developed a working model called the customer loyalty model (see Figure 6).
Grönroos’ (2000) model of total perceived service quality is a good base for the working model of this thesis. It shows that the difference between expected-, and experienced quality is the total perceived quality and this determines the image of an organisation. Total perceived quality can be applied to both services and relationships and to clarify the analysis they will be looked upon separately, TPRQ (total perceived relationship quality) and TPSQ (total perceived service quality). TPRQ has been limited to include Madill et al.’s theory of the account managers’ performance and Bazan’s (1998) relationship events that determine the performance of other employees. TPSQ will contain Kano’s model with the three different groups of requirements of services that influence customer satisfaction. In addition, according to the service quality model (Parasuraman et al., 1985;1988) the expectations of the services an organisation provides are shaped by external factors such as word-of-mouth and subjective past experiences of quality and how the organisation meets the needs and demands of their clients. This can be applied to expectations of the relationship between the organisation and their clients as well. TPRQ and TPSQ shape the customers’ image of the company and ultimately determine if a customer is satisfied and hence stays loyal or not.

2.5 Research questions

In order to fulfil the purpose of this thesis the following research questions have been developed with help of the customer loyalty model (see Figure 6).

- How do Swedbank’s small corporate clients perceive the performance of their account managers?
- How do Swedbank’s small corporate clients perceive the performance of other employees at the bank?
- How do Swedbank’s small corporate clients perceive Swedbank?
• How do Swedbank’s small corporate clients perceive the services that Swedbank provides them?

• How should Swedbank improve the possible lack of satisfaction in the above aspects?

These research questions will be the base for the investigation and the guidelines for the interview questions. The four first research questions will first be dealt with in the empirical findings and the fifth research question are included in the analysis.
3 Method

In the third chapter, different approaches to research are discussed. This is followed by the discussion of the data collection method. The issues of reliability, validity and generalisability are considered as well as the data presentation and analysis. Finally ethical issues and limitations to the chosen method are presented.

The purpose of this thesis is: to investigate what aspects of relationship quality and service quality Swedbank Gothenburg’s small corporate customers are not fully satisfied with and how to improve them to ensure customer satisfaction and loyalty. When it comes to determining the method one should use in the research project it is important to use the purpose as a starting point. The purpose of the report should determine what kind of approach to use (Trost, 2005).

3.1 Qualitative and quantitative approach

The qualitative approach and the quantitative approach are the two main approaches when determining the nature of a research project.

As seen above the purpose of this thesis aims to answer both the questions “what” and “how”. The focus is more on studying a certain phenomenon, in this case how Swedbank can increase the satisfaction among its small corporate clients, situated in Gothenburg, in the aspects where it is needed rather than make generalisations to the whole banking industry. Quantitative research is often based on measurable numbers (Trost, 2005). In this kind of research one may draw law-like conclusions and generalisations from the obtained data. All phenomena is however not measurable and a qualitative research focuses on more in-depth issues and is aimed to study an occurrence rather than draw population-wide solutions. (Saunders et al., 2003) A quantitative and a qualitative approach can be combined in one study, in this way they will complement each other (Holme & Solvang, 1997). The authors will use a qualitative approach to answer the research questions and consequently fulfil the purpose of the thesis.

In the case of this thesis the authors have used some already existing theory and from that developed a new model from which they hope to be able to draw conclusions and build theory. There are two central visions of research approaches; the deductive and the inductive approach. The deductive approach intends to test theories whilst the inductive approach aims to build theory (Saunders et al., 2003). These are connected to the qualitative and quantitative approaches mentioned above. A quantitative approach is most often deductive and a qualitative most often inductive in its essence (Svenning, 2003). A combination of the two approaches will be used.

The time is limited when conducting this thesis and the authors are not looking for evolutionary behaviour over time. The time horizon of the research project should be considered. A longitudinal study is research that takes place during a certain time period whilst a cross-sectional study deals with a “snap-shot” of time (Saunders et al., 2003). This study reflects the present situation and hence is a “snap-shot” of time.

3.2 Data collection

This study aims to locate what is happening in order to find new insights; hence the data collection method that is suitable to fulfil the purpose of this thesis is exploratory (Saun-
ders et al., 2003). In order to complete the thesis both primary and secondary data will be
gathered.

Deciding upon a research strategy to use is of importance in knowing how to be able to an-
swer the pre-set research questions. Great thought needs to be put into knowing why you
are doing it the way you are and not simply doing it “the easy way”. (Saunders et al., 2003)

3.2.1 Sample selection

The authors have chosen to select a random sample of Swedbank Gothenburg’s small cor-
porate clients with whom to conduct in-depth telephone-interviews. The original popula-
tion consists of 4400 small enterprises in the Gothenburg region from which a randomly
chosen sample of 100 was selected through a software programme by Swedbank. This was
done to simplify the sampling process. The authors were not present when this sample was
selected and can therefore not ensure that the companies were sampled in a correct man-
nner. This can be a possible bias but since it is in the bank’s best interest that the results
from this study are reliable, the authors believe that the risk for potential bias is limited.
The sampled companies were numbered from one to 100. From this selection, a simple
random sample was collected to receive a representative sample consisting of 30 small en-
terprises. The authors wanted the sample to be representative for the whole population and
therefore simple random sampling was chosen. Simple random sampling is considered to
be most appropriate for avoidance of over- or under-representing sides (Saunders et al.,
2003). To do this a table with random sampling numbers from Saunders et al. (2003) was
used (see appendix 2). First a number was pin-pointed out randomly and then the authors
followed the list of coming numbers to the right. In this way, each company had the same
chance of being selected to participate and possible bias was hence reduced. When the
sample of 30 companies had been chosen the authors contacted the participants to sched-
ule interviews, however, some companies had gone bankrupt or were not active anymore.
In addition, some companies simply did not want to participate. When the participants said
no to participate for the various reasons mentioned above the authors continued with the
simple random sampling from the list of 100 companies and called the next participant. In
the end some participants were impossible to get hold of, those were excluded. After con-
tacting all companies in the sample of 100, the authors were able to schedule 25 interviews
out of the 30 intended which thus is the sample the investigation will be based on and this
still yields a representative sample.

3.2.2 Primary data

There are several ways in which to collect primary data, one may obtain the data through
observations, interviews or questionnaires. In this case the primary-data collection process
will consist of in-depth telephone-interviews conducted with small corporate customers.

According to Robson in Saunders et al. (2003) a case study is a strategy for doing research
which involves an empirical investigation of a particular contemporary phenomenon within
its real life context using multiple sources of evidence. It can be used to answers both the
questions “what” and “why”, which are present in the purpose and by using a case study
the authors will answer the questions. By choosing to conduct a case study you do not need
to limit yourself to making observations. Questionnaires and interviews may very well be
used as well as documentary analysis. (Saunders et al., 2003)
The interview questions (see appendix 3) are based on the research questions and therefore there is a list of themes to cover, however during the interviews follow-up questions were asked as well. There are different types of interviews ranging from structured to unstructured and in this case semi-structured were used since there was a list of themes to cover although the follow-up questions varied from person to person (Saunders et al., 2003).

The interviews of Swedbank’s small-corporate customers were held with the sub-sample of 25 small enterprises of the original randomly chosen sample mentioned above. The questions presented in the interviews are based on the conclusions drawn from the survey conducted by Svenskt Kvalitetsindex as well as from the theories presented in section 2. Since the participants are situated in Gothenburg the authors found that travelling there to conduct the interviews would not be efficient due to the number of interviews, the geographical spread of them in Gothenburg as well as more practical problems as finding a date and time that suited all interviewees, therefore telephone interviews were instead used. The advantages of telephone interviews are associated with access, speed and lower cost (Saunders et al., 2003). The disadvantages may be that a person is more reluctant to give information on the telephone and that one could miss out on body language cues (Saunders et al., 2003). The authors therefore phoned the interviewees prior to the interview to introduce themselves and the study to decrease the reluctance to participate. When making the first phone-call the authors declared that they were calling on behalf of Swedbank but explained that the investigation was performed as a consultancy task uninfluenced by the bank. Trost (2005) argues that telephone-interviews generally are not optimal for in-depth interviews, however due to limits in resources the authors have found that this is the most suitable data collection method in this case.

In order to avoid biased answers, the questions asked were neither of sensitive nature nor leading questions. The theoretical framework served as a foundation to the content of the interview questions. The questions were based on the models and the theories presented there as well as the research questions. To ensure as good answers as possible, the questions were sent in beforehand to each person in order to give them a chance to prepare and think the questions through thoroughly. The interviewees were guaranteed access to the finished report by a promise to receive the external link to the uploaded thesis. The authors had the same semi-structured starting-questions but the interviewees received follow-up questions based on their answers in order to gain a complete understanding of their opinions. To ensure that no information is lost one can use a tape recorder. This was not the optimal way in this case since there were several interviews and time was an important issue, the authors instead solved the matter of information loss by conducting the interviews with a speaker phone where one interviewer asked questions and the other two took notes. All interviewees were informed about this and asked if it would be in order to do this, only after approval did the interviewer put on the speaker phone.

Furthermore, an interview with the responsible person at Swedbank was conducted to develop an understanding of how Swedbank operates. This was a one-on-one interview with the contact person at Swedbank, Elin Johansson (2006-11-01). She is situated in Swedbank’s local office at Sisjön in Gothenburg, therefore the authors travelled there to conduct the interview. Questions that arose after this occasion were asked and answered via e-mail and telephone contact.
3.2.3 Secondary data

The secondary data are gathered from various sources; relevant literature and scientific articles, the Internet, available master and doctoral theses. All of these data sources are documentary secondary data from written materials.

The main secondary data source for this thesis is the recent study conducted by Svenskt Kvalitetsindex (SKI) published in October 2006 of corporate customer satisfaction with their bank. The study was conducted over the whole nation and is with a great number of participants making generalisations valid.

The SKI report has already identified that Swedbank’s current strategy to create loyalty and satisfaction among corporate customers is not working as well as it could be. Standardised questionnaires were sent by Svenskt Kvalitetsindex to a sample of 7,000 corporate customers in Sweden. The figure presented in the introduction (see Figure 1) is the result of the nation-wide study. As mentioned before the survey can be observed from a regional point of view where Swedbank in Västra Götaland County places itself slightly better than Swedbank does in the nation-wide study. Of all registered companies in Sweden only a small percentage are larger than SEs, therefore the authors do not consider them to bias the sample to a large extent. Furthermore, according to the source at Swedbank (E. Johansson, personal communication 2006-11-01), larger companies tend to be more satisfied than smaller ones. This concludes that the bias which might occur would yield a better figure for Swedbank than is true. Insights of how to make changes to increase loyalty are therefore of even more importance.

3.3 Reliability, validity and generalisability

The quality of the collected data needs to be checked according to the following criteria: reliability, validity and generalisability. Reliability is concerned with whether other researchers would reveal similar information if conducting the same study (Saunders et al., 2003). Validity refers to the extent to which the researcher gains access to their participants’ knowledge and experience, and is able to infer the meaning that the participant intended from the language that was used by this person (Saunders et al., 2003). Validity ensures according to Svenning (2003) that you measure what you are supposed to measure. According to Saunders et al. (2003), generalisability concerns whether the results can be used in other research situations and that it will not be a problem if you do not claim that your results can be generalised.

According to Lantz (1993) there are three requirements that you must fulfil when you conduct interviews. The requirements are: the method must give reliable results, the results must be valid and it should be possible for others to critically review the conclusions. How to ensure reliability and validity will be dealt with below.

It is easier to reach high reliability in a qualitative study than in a quantitative study and the same is true when it comes to validity (Svenning, 2003). Since a qualitative study does not aim to make generalisations but to present examples, reliability does not have to be as high as it has to be in a quantitative study. Clear definitions of aspects in the questions were present in the following-letter and during the interviews in order to avoid misinterpretations which will increase reliability.

As can be understood from the first paragraph in this sub-section, validity is connected to different kinds of bias such as interviewer bias (e.g. the authors misinterpret the answers)
and interviewee bias (e.g. the interviewees misinterpret the questions). Moreover, interviewee bias concerns unwillingness to share sensitive information and may lead to an inequitable picture (Saunders et al., 2003). Throughout the interviews the authors tried not to affect the participants with their own preferences or beliefs; this will increase the validity of the data. The unwillingness to give sensitive information was overcome since anonymity was guaranteed and this further increased the validity. After conducting the interviews there was a very low response rate on the fourth interview question concerning the must-be, one-dimensional and attractive requirements. This may imply that the clients had a hard time understanding what was meant and therefore it affects the validity in a negative way. Furthermore, there is a risk of translation bias since the interviews were performed in Swedish whilst the theories were in English. However, the posted questions do not include complex words and are quite easily translated to Swedish. The responses were translated from Swedish to English and the words that did not have a direct translation are followed by an explanation in the text.

When it comes to generalisation it is not possible to draw any law-like conclusions from the semi-structured interviews since they are too limited in their essence, however, the result of the interviews will show patterns that could point in a certain direction. Awareness of these different issues throughout the data collection process will confirm the quality of the data.

### 3.4 Data presentation and analysis

The data in the empirical findings will be presented in a clear way that is easy to understand and follow. In order to ensure this the authors have chosen to present the empirical findings in accordance with the four first research questions, whilst the fifth one will be answered in the analysis. In addition, an introduction will be given in relation to each research question explaining the different sub-questions; this will provide the reader with additional information about the questions.

All answers given to the four first questions will be presented in the empirical findings, even though the authors do not believe them to be equally relevant. Not including all answers would be favouring some answers over others and this would make the results less reliable as well as biased.

In the analysis the data is presented with the help of the authors’ customer loyalty model, first the perception of Swedbank is presented, which includes the views on word-of-mouth, past experiences and needs, followed by the Total Perceived Relationship Quality which comprises the account mangers and other employees performances and finally the total Perceived Service Quality that consists of the must-be-, one-dimensional- and attractive requirements. This is followed by a section about suggestions for improvements, the fifth research question mentioned before, which leads the reader on to the conclusion. The data is analysed according to the customer loyalty model and the differences between the expected and experienced service and relationship aspects are compared to identify what needs to be improved and how to improve those aspects.

### 3.5 Ethical implications

The participants in this study, that is Swedbank’s small corporate customers, have been ensured confidentiality. Swedbank, or anyone else for that matter, will not know what each
individual participant answered or which companies that was interviewed. Trost (2005) states that it is better to not present your findings than to break a vow of silence.

Continuously, in order to ensure confidentiality for Swedbank, the authors signed a contract for professional secrecy to ensure that no clients could be identified as customers and that a threat to their integrity was inexistent.

### 3.6 Limitation of chosen method

The authors first planned to use a cluster sample in order to receive a representative sample from many different industries. However, this was found not to be possible since there was no existing categorisation by industry at Swedbank and finding what industry each of the 4400 companies were in would be very time-consuming. Therefore, a random sample was decided upon to be a better alternative yielding a good representative sample. In addition to this, as mentioned in section 3.2.1, the authors can not assure that the sample was correctly chosen.

Lack of time leads to the authors not being able to do a quantitative study themselves but instead use a fresh, existing one from Svenskt Kvalitetsindex that conducts the same investigation that the authors would have strived for in their own quantitative research. There might always be a bias when using a survey as secondary data when its original intention is different from the intention of your own study. In this case however, the authors have concluded that the purposes of usage of the studies are similar enough to not cause bias.

According to Saunders et al. (2003), when answering the questions “what” and “how”, a survey strategy might be more appropriate than using a case study strategy as have been done in this thesis. But due to the time limit set on this thesis the needed time was not present to conduct a survey. This along with the already existing survey done by Svenskt Kvalitetsindex led the authors to focus on conducting a case study instead.

The way the primary data was collected was through telephone interviews with 25 different small corporate customers in the Gothenburg region. Different types of bias can occur as a result of conducting telephone interviews, as stated above in section 3.3. Even though the questions were sent out to the interviewees beforehand to avoid misinterpretations, this still occurred in the question concerning different requirements. This could have been prevented by sending a draft of the questions and following letter beforehand to two or three relevant clients that would not have been included in the sample and then receiving feedback from them.

Instead of conducting telephone interviews, focus group interviews could have been used where the authors would have travelled to Gothenburg and arranged a meeting including all participants. According to Saunders et al. (2003) this could lead to a productive discussion and reveal important data that could have been useful in the study.
4 Empirical findings

In this chapter the answers of the qualitative research are presented. The answers will follow the outline of the interview questions based on the four first research questions.

4.1 How do Swedbank’s small corporate clients perceive the performance of their account managers?

The first research question is about the relationship between the bank’s clients and the account managers at Swedbank. Since this is an issue with many aspects, the participants in the research were asked eight questions on this topic. It starts with how well the account managers can understand the clients’ questions, find solutions to problems and how they treat the clients. How many times the clients have changed account manager, the account managers’ competence and questions about the communication between the clients and account managers were asked as well. The account managers level of flexibility, for instance how adaptable they are, and solidarity are focused on. The latter question is about how well the account manager is able to put the clients’ needs before the bank’s needs. The answers to these questions will first state the clients’ expectations, followed by their experiences and suggestions for improvement.

4.1.1 Understanding their questions

When it comes to the clients’ expectations of the account managers’ understanding of their questions, the most common answer was that the account manager should be understanding and have the required knowledge for doing the job. Being able to give advices without the client having to come up with suggestions on solutions first is important, as well as being able to listen. Awareness of different industries and the business environment is vital.

Three of the interviewees had so little contact with the account manager that they did not believe that they could answer this question.

The clients’ experiences are mostly good. 18 of the 22 interviewees who answered this question said that they were satisfied with the account manager’s ability of understanding their questions. Four interviewees were unsatisfied.

The small corporate customers that were not satisfied had some suggestions for improvement. The account manager could be better at making suggestions and develop a deeper understanding of different industries. Offers are often mass-distributed and more individual solutions would be appreciated. The account manager should have knowledge in both private and corporate banking and when the account manager has done mistakes, the problem has not been dealt with as one could wish. The account manager could listen more and be more aware of the business environment.

4.1.2 Finding solutions to their problems

The expectation that almost every client has is the most basic issue, which is that the account manager is able to solve the different problems the clients have, for example deciding on bank loans. Six interviewees though, have never had any problems that they needed help with and could therefore not answer this question.

The number of interviewees that had good experiences was 17. Not only are these experiences that the account manager could solve existing problems, but in one case the account
manager gave examples of solutions that the client did not even know existed and this was highly appreciated. The remaining two were not satisfied due to the account manager’s lack of competence and knowledge, and not being able to listen.

There are not that many suggestions for improvement due to the fact that most clients are satisfied. But some things to improve are the same issues that are stated above. That is; more competence and knowledge and listen more.

4.1.3 The treatment they receive

The clients’ expectations when it comes to the account managers’ treatment are fundamental. They expect professionalism from the account manager and a nice and friendly treatment as well as a service-minded and helpful attitude. One interviewee could not answer this question at all.

The clients’ experiences of the received treatment are overall good. 19 interviewees said that they were satisfied and did not have anything else to add. One had the positive experience that the account manager asked if the client was in need of help, and not just waited for the client to contact the account manager. One client expressed that even though he was satisfied he found it a bit hard to get in touch with the account manager sometimes. Another client experienced that the account manager treated the client sometimes better and sometimes worse. There were only two interviewees that were entirely unsatisfied. The clients did not experience that there was a lot of interest in small corporate clients at all and that the account manager does not listen.

When it comes to improvement, there was nothing that seemed more important than anything else. The account manager could give more advises concerning different economic issues, such as accounts with different interest rates. The client’s access to the account manager could be improved in order to be easier to get in contact with. The account manager should listen more instead of saying no to different suggestions from the client at once. The last suggestion for improvement from a client is that the account manager could be more involved with the small corporate clients’ situations overall.

4.1.4 Turnover of the account manager

Twelve out of the 25 interviewees have not experienced any turnover but three of them mention that they have been forwarded to, and in contact with, several advisors at the bank depending on the matter of the question. Two interviewees had so little contact with the account manager and the bank that they could not answer this question.

In the remaining eleven cases where turnover has been present the rate and reason of the turnover differs. In nine cases the change was initiated by the bank and only in two cases by the client due to personal reasons. The change itself did not mean that the clients were unsatisfied compared to their expectations. However, in one of the cases where the bank initiated the change, the client was dissatisfied with the new account manager and decided to change back to the previous one. Two of the corporate clients were not informed by the bank when receiving a new account manager.

Most of the asked clients have only changed account manager once, but some have changed each or every second year. Examples of the reasons for change are maternity leave, long-term illness of the account manager, deceased account manager and account managers moving positions or offices.
4.1.5 Competence

The majority of the interviewees expect that the account manager has the required knowledge and a deep understanding in the area of expertise. One client states the importance of having the ability of understanding different industries. Six of the interviewees did not believe that they could answer this question.

17 of the 19 interviewees that answered this question were satisfied with the account manager’s competence. One example of a positive experience was that if the account manager could not help with a specific question, s/he let others at the bank take over. The client perceived this as a well working system at the bank. Two of the 17 satisfied interviewees still thought that there was room for improvement. Two interviewees that answered this question were not satisfied at all.

The interviewees that were satisfied but saw areas for improvement suggested that the level of service could be improved since a high level of service is a competitive advantage. There is room for improvement when it comes to the level of knowledge among the account managers, even though it is perceived as satisfying at the moment. The unsatisfied interviewees thought that the overall lack of competence is the issue that needs to be improved.

4.1.6 Communication

All of the interviewees were able to answer this question. The expectations of the account manager when it comes to communication varied a lot among the interviewees. Some do not want a continuous contact at all while some want to have contact with the account manager continuously once a month. An answer that was put forward more than once was that they expected the communication to be mutual.

Just as the expectations differ a lot among the interviewees, the experiences do the same. Some are never contacted by the account manager while some are contacted once every month. In some cases it is only the client that contacts the account manager and in other cases it is the opposite. Out of the 25 interviewees, 16 were satisfied with the communication they had with their account managers and nine were dissatisfied.

Suggestions for improvement from the interviewees differed as well. Some of the clients want to remain being the initiator to all contact and do not see the need for the account manager to contact them other than when it is absolutely necessary. But the most common suggestion for improvement was that the account manager and client should have contact more often than they do now, and strive for having contact on an average approximately once every sixth months. This was suggested by twelve interviewees. Nine interviewees do not want to have an ongoing interaction, but rather that the account manager is available when the client really needs to contact him/her. The remaining four interviewees had no suggestions for improvement.

4.1.7 Level of flexibility

The only expectation that the clients expressed was that the account manager should be as flexible and available as s/he can be.

20 of the interviewees experienced that the account managers’ level of flexibility were good, especially when it comes to meeting-hours and so forth. Two clients had negative experi-
ences and the remaining interviewees found it hard to answer the question and had no comments.

The only suggestion for improvements that came across was that the account manager could try to act outside of the official regulations of the bank when it comes to customising solutions for a client.

### 4.1.8 Level of solidarity

There were 13 interviewees that had expectations about the account manager’s level of solidarity. These expectations were mostly that the account manager should show solidarity in general. Two of the 13 specified the expectation to that the account manager should care more about the small corporate clients and put the client’s interests first.

Twelve interviewees had positive experiences of the solidarity of the account manager. The positive experiences was that the account manager put the client’s best interest first and did not force any unnecessary services on the client. Four interviewees on the other hand had only negative experiences of this aspect. They did not feel that the account manager cared about the small corporate clients and had no trust in the account manager to provide him/her with the best solutions in areas where the client had no knowledge. One client had neither entirely positive nor negative experiences. The client felt that the account manager showed solidarity only to a certain extent and tried to force unnecessary insurances on him/her. The remaining interviewees could not answer the question.

The suggestions for improvement the clients gave were that the account manager could give more individual advice, such as what account suits the client best. The account manager should not just look at the mere size of a company when determining importance, but tune in to the small corporate clients as well. Having the ability of putting him-/herself in the client’s position is something that can be worked at.

### 4.2 How do Swedbank’s small corporate clients perceive the performance of other employees at the bank?

The second research question focuses on the other employees at the bank, apart from the account managers. The answers will have the same disposition as the previous question about account managers. Issues such as the attitude towards clients and the overall ability that the employees possess are brought up followed by a question about how the employees act when it comes to putting themselves in the clients’ perspectives. The last two questions concerning the other employees are about how honest they are perceived to be and their skills when it comes to following the bank’s rules and policies.

#### 4.2.1 Employee attitude

To be nice, helpful, professional, work fast and be service-minded are key issues that are brought up by most of the interviewees and they expect that all of the employees at the bank are fulfilling this. Two of the interviewees however, are handling most of their businesses over the Internet and therefore chose not to answer this question since they do not meet any other employees at the bank than their account manager.

The experience of the other employees differs between the interviewees. Most of them, 21 out of the 23 participants who answered this question are satisfied with the attitude of the
other employees when it comes to being nice, helpful, professional and service-minded. Thus, two interviewees are not satisfied; they experience the personnel at the cashiers to be rude. Regarding working faster two other interviewees are disappointed within this area.

A suggestion to improve the slow work is by increasing the efficiency. Those that did not experience that they were treated nicely would of course want this to be improved as well. Another issue that was introduced by an interviewee was that s/he experienced a high level of rotation of the employees and it is hard to build a relationship when there are constantly new people at the bank office. On the other hand another interviewee stated that it was nicer to go to the bank because there had been a generation shift in the office and that it was nice to see younger faces there.

4.2.2 Employee ability

The interviewees expect the employees to be versatile and able to help with whatever the customers want to get help with. In addition, some interviewees highlight the importance of efficiency. All interviewees answered this question.

The over-all experience that the interviewees have concerning this area is that it is good; there was only one participant that did not experience the employees’ ability to be satisfying. The reason to this was that an employee in a cashier asked the client to leave and not disturb them with questions that would take to much time to answer when s/he asked a complicated question. The employee instead sent the client away from the office and when contacting another office the client was offered the help s/he needed. Those who are satisfied mention that when employees do not know how to answer a question they do their best to find the answers or turn to someone that do have the required knowledge to find the answers.

Improvements that the interviewees suggested was that it should work the same at all bank offices; if one office can help with one thing, all offices should be able to do it. In addition increase efficiency to reduce queues.

4.2.3 Empathy

When it comes to how well the employees at Swedbank are putting themselves in their clients’ situations, the interviewees has different expectations. Eight of the interviewees chose not to answer this question and of the remaining 17, 13 expected to be shown empathy whilst the last four interviewees did not expect this.

Nine out of the 13 that expect that the employees at Swedbank should show empathy experienced that they did whereas four do not experience this.

What needs to change differs between the interviewees; one interviewee believes that more empathy is a must whilst a few others do not consider empathy to be an important issue at all. One interviewee suggests that the employees should be more involved with the clients. Furthermore, an interviewee states that empathy should be shown from both parties and that it is important to understand each others situations in order to reach a compromise.

4.2.4 Honesty

Six of the interviewees did not have an opinion in this matter. All of the 19 participants that did answer expect the employees to show honesty.
14 of the interviewees experience the employees to be honest. One comment that many interviewees repeated was that it was hard to tell and since they did not have proof of the opposite they said that they had to assume that the employees were honest. Those who were sure that the employees were honest mentioned that there were a straightforward communication between the client and the employees and that the employees are helpful. In addition, one client said that s/he felt that when asking if a service was needed, the employees were honest and said “no” if the client did not need it. The five that do not experience the employees to be honest feel; that the employees sometimes give an answer to a question even though they do not have knowledge of the issue, that the bank does not provide alternatives to its own products, the employees do their own thing, the employees can’t give clear answers in loan negotiations, the employees promise before really knowing if the answer will be yes or no and the employees are reluctant to give their own opinions because of changes in the market.

All of the issues mentioned above needs to be improved according to the clients who brought each specific issue to the surface.

4.2.5 Rules and polices
Six of the 25 interviewees did not have any opinion in this matter. The interviewees expect the employees to have knowledge in the rules and policies the bank has and that they do not make up their own rules.

All the 19 that expected that the rules should be followed experience that they are, one client states that the rules are clear, s/he is aware of what is expected from her/him as a client, however, two of them believe that the rules are too stiff and too many. E.g. the employees ask too many question when a large sum of money is deposited and the decision-making process takes a very long time.

A way to improve a possible lack of knowledge in the rules is to educate the employees.

4.3 How do Swedbank’s small corporate clients perceive Swedbank?
The research question about how the clients perceive Swedbank are divided into three parts. Word-of-mouth, which concerns what rumours the clients have heard about the bank and the bank’s reputation, their past experiences of Swedbank and what they feel about the bank’s ability about meeting their personal needs. Instead of looking at the differences between the expectations and experiences as in the previous two questions, these aspects affect the clients’ expectations of the service and relationship quality directly.

4.3.1 Word-of-mouth
15 of the interviewees have not heard any word-of-mouth about Swedbank. Of the remaining ten, six interviewees had only heard positive word-of-mouth, three only negative and one had heard both positive and negative.

Negative word-of-mouth heard about Swedbank is: being expensive compared to other banks in relation to fees and interest rates, not a corporate bank, hard to receive bank loans from, the account numbers are tricky and the bank does not have a “nose for business”.
Positive word-of-mouth on the other hand claims that they have many customers which should be an indication of satisfied customers, that Swedbank is good with corporate issues, that the bank is one of the largest banks in Sweden and general recommendations about the bank by acquaintances.

One client states that the reason for staying is the extent of negative word-of-mouth about the other great banks in Sweden, another stays because of knowledge about receiving better terms if being prepared and negotiating. A third customer says that the reason for choosing Swedbank in the first case is because they were the only bank allowing the same code for both private and corporate debit- and credit cards. One says that they have recommended the bank to friends but another interviewee is already looking up alternative banks.

Four customers straightforwardly say that they do not become affected by word-of-mouth in any case and one says that the only way in which the client has been affected is when it comes to choosing account manager.

4.3.2 Their past experiences

A majority of the 24 interviewees who answered (17 clients) claimed to have only positive past experiences of the bank and six participants had mixed experiences. Some of the persons being asked said that the professional personal relationship makes up for whatever negative sides the bank may have. Swedbank’s speed in returning phone-calls is one aspect of positive customer relationship noted as a strength. The bank is easily accessible; you will receive the help required no matter what bank office you visit. The easiness of using the Internet-, as well as the telephone-bank is another strength for Swedbank.

One interviewee had merely negative experiences of Swedbank. A negative experience of the bank is it being perceived as untrustworthy and making many mistakes. One client does not trust the bank and has the feeling that keeping an eye on them is a must. The decision-making process in perceived to be longer than necessary and the rules are seen as being to strict.

As noted earlier, the customer relationship Swedbank has is a great strength, however, one client believes that it is very hard to get in touch with the account manager perhaps because of there being less bank offices now than before leading to account managers having more work. Swedbank is perceived by one to have high employee-turnover, making relationship building harder.

The bank-world is perceived to be small and limited and thus making all banks, not simply Swedbank, being inflexible. One customer feels that the account numbers provided by Swedbank are too complex.

There are perceived to be too many small fees for the single services chosen. A better alternative would be to make a complete solution-package for each client that is in the best interest for the small enterprise.

However, from all the clients having both positive and negative experience of the bank, a number of them still have comments and suggestions for improvement of experiences. For example, one client sees a need for more staff in the front-line of the business to decrease queues. The bank is perceived to be too expensive for small businesses, not being keen on listening and not offering clients better terms. A need for longer opening hours at more than the current 52 bank offices is something that has come back as a wish to the authors while interviewing. The customers are suggested to be seen as key assets from Swedbank’s
point of view and making them feel important although being small and maybe not heavily profitable.

4.3.3 Meeting their personal needs

18 respondents claim to be fully satisfied when it comes to the bank meeting their personal needs, five were unsatisfied and two chose not to answer this question. There are differences in clients’ needs. One customer says only to have one need which is to get a bank loan, another merely wishes to be able to send and pay bills. Being able to make security and bond transactions through the Internet are factors that one client misses. One comments on the links in NetTrade, Swedbank’s Internet security trading service, not working and being automatically logged off after a time-span which is perceived to be too short.

Although a majority of clients claim that Swedbank meets their needs, several have opinions about where room for improvement exists and have suggestions. Banks’ terms in general are an issue that comes back from customers, although this is not specific for Swedbank. Clients comment about the strictness of the bank and wish that the bank could be flexible in re-negotiating terms for clients in for example fees and interest rates. Consequently this can make customers change to some other bank if they are offered better terms. For example, two customers say that all savings have been moved to another bank with better interest rates. In addition, alternative possibilities for guarantees to the customers’ suppliers that are not far too expensive or require security are lacking at Swedbank. The client suggests insurances for this.

The decision-making process at the bank is perceived to take too long time. One client thinks that this is because of the bank only having one group meeting a week. This can cause great problems for an entrepreneur since it is sometimes crucial to make business instantly. The customer therefore suggests the bank to have group meetings twice a week. The name change has been seen as an improvement from one client.

A client is disappointed on the credit fee, a percentage based on the credit amount, which according to the client only exists at Swedbank. Furthermore, there are added fees if you do not perform a certain amount of stock transactions which encourage the clients to make unnecessary transactions.

Further suggestions from clients are that the bank should put themselves in the clients’ positions and take more initiative to suggest suitable solutions and offerings to the clients. The bank is perceived to be indifferent to clients staying or leaving. Some clients miss cash-handling at the bank since this is perceived to be a bank’s core business.

4.4 How do Swedbank’s small corporate clients perceive the services that Swedbank provides them?

The last research question focuses on Swedbank’s provided services and the different requirements of these. Must-be requirements are requirements that a client does not think about as long as they exist, but if the services would be excluded from offerings provided by the bank the client would react strongly to this. One-dimensional requirements are requirements that state that the better conditions the service has, the better the service is perceived to be. Attractive requirements are requirements that add superior value to a service.
4.4.1 Must-be requirements

There are no basic requirements missing according to 21 interviewed persons although five have stated that there can be improvements and complements. Four interviewees had no opinion in this matter.

The service provided by Swedbank that seems to be of the highest importance is the Internet bank according to nine respondents. Several claim that it would be impossible to conduct business without the Internet banking service working. There seems to be room for improvement here as well. There is a need for seeing more than three pages of account statements. If there would be a need to find a historical transaction one has to receive it on paper which takes up a lot of place and the bank charges extra for this service. One client suggests that the bank should make this service free of charge while changing this feature at the Internet bank as promised. The service electronic bill is not offered to corporate clients, something that there is a need for. Being able to choose what page will be the first page is something that has disappeared since the homepage was edited some time ago. The page with currencies and interest rates needs to be updated more often than it currently is.

The telephone bank which functions as a support service, is seen as a crucial service offered to clients especially when clients are travelling or perhaps do not have a computer at hand. There is a need for keeping more than the current 52 bank offices open until six p.m. since entrepreneurs have little time doing bank errands during day-time.

One interviewee states that being able to see someone at the office with complicated errands is of high importance. More active suggestions from the bank is a service that the bank can improve since their broad product offering is very positive but customers are not informed about these. The importance of cash handling at the bank is of great importance with this feature being the core service of bank offerings. Insurances provided by the bank are being improved and this is of great satisfaction. Being able to have personal meetings with people at the bank is of great importance for customers. One client sees the need of being able to deposit large amounts of money without the employees asking questions.

4.4.2 One-dimensional requirements

13 interviewees feel that they have no opinion on this matter. Of the twelve remaining, four are satisfied with terms offered by the bank and eight are unsatisfied.

Five clients feel that fees must be decreased and not least concerning BABS-payments, the credit card tele-system that makes it possible for customers to pay by debit- or credit cards, which for many companies imply high costs. The clients’ customers demand the service of paying with a debit- or credit card and now the only solution for the companies that can not afford the high costs is to charge their customers or simply deny them the service.

Three clients feel that flexible interest rates are a one-dimensional requirement. Being able to have more contact with the account manager is perceived to be a one-dimensional requirement by one client. A special desk separately for corporate customers is suggested to make it easier and faster to make bank errands. Clients want to feel special and the sort of treatment received will affect how the service is perceived to be.
4.4.3 Attractive requirements

19 interviewees answered this question and six had no opinion. Eleven participants were not able to identify any current attractive requirements, but four of them were able to give suggestions for value-adding services. Eight interviewees were satisfied with the existing attractive requirements.

Some of the customers have different opinions on what attractive requirements are present or missing. Getting in contact with the account manager and booking appointments fast is an attractive requirement that Swedbank offers according to some of the respondents. The clients receive solutions to problems even though not all problems are very complex. The stock analytical service in NetTrade is considered to be a value-added feature from the bank.

The insurances provided by the bank are existing value-added activities. The bank is working much through networking which one client finds is very suitable and has opportunity for developing into a very useful source. One client finds a value-added feature to be the things that they do together with the bank such as having dinner and thus receiving a better relationship with the bank.

Lowered fees is something that would be an attractive requirement for one client, and one other misses having the personal telephone service available 24 hours a day for corporate clients.

Flexibility can be improved with for example offering customised solutions and being more active. One client feels the need for more empathy from the bank; they need to put themselves in the sometimes hard positions that the clients find themselves in.
5 Analysis

The analysis will be dispositioned according to the customer loyalty model where the four first research questions are included. This is followed by a section concerning suggestions for improvement, the fifth and last research question.

In order to determine how Swedbank’s image is constructed, the focus will first be on the word-of-mouth, personal experiences and the clients’ needs. These aspects affect the expectations the clients have when it comes to both Total Perceive Relationship Quality (TPRQ) and Total Perceived Service Quality (TPSQ). TPRQ and TPSQ will be combined to determine the image the small corporate clients perceive Swedbank Gothenburg to have. The third research question concerns word-of-mouth, personal experiences and the clients’ needs and the answers to the first and second research questions will be analysed to find out the TPRQ. To determine the TPSQ the answers of the fourth research question presented in the empirical findings will be analysed. The fifth research question is dealt with in the section concerning suggestions for improvements.

5.1 The perception of Swedbank

There does not seem to be a substantial amount of word-of-mouth about Swedbank among customers. From the ten interviewees having heard word-of-mouth the majority, although a small one, had heard merely positive reputation. The positive reputations seem to fit somewhat good together with the general image that exists of Swedbank as a traditional private bank. This includes the notion that the bank must have satisfied clients since it is large and has many private customers. The three that had heard negative word-of-mouth had much to do with the other side of this view, that it thus is not a corporate bank, is expensive and that the bank is bad at dealing with corporate issues such as approving loans. What seems to be a clash in reputation is this latter view since others have heard the exact opposite of it.

One might ask oneself how much word-of-mouth really affects the expectations of the bank. It seems that the previous personal experiences of the bank drive this more than rumours and reputations about Swedbank do. Hence, the expectations of Swedbank in terms of service and relationship quality will be affected more by personal experiences than word-of-mouth.

Nearly 71% of the respondents say that they have positive past experiences of Swedbank. It seems that Swedbank’s customer relationship focus is the bottom line of positive experiences as clients mention easy accessibility to the bank as well as to the account manager as a strength. Concerning the account manager too is thoughts about the strong personal relationship that exist between the two. Of customer focus has been mentioned the simplicity for customers of using the Internet and telephone bank services. Although some interviewees mention that the positive experiences of Swedbank weigh up for parts not working as good, there are indeed negative experiences important to address. Of this the most severe is that the bank is perceived to make many mistakes and not easy to trust. This leads to a client feeling that s/he has to control every action taken by Swedbank. Furthermore, rules and regulations are too harsh and the decision-making processes are seen as far too long. Rules and regulations about for example not wanting to re-negotiate terms and interest-rates for customers have been found to be a driving factor for clients leaving Swedbank for a different bank. Simply put, the bank is perceived as not being flexible and as one customer quoted “too stiff”, although this can be expected to be similar to several banks. Ad-
ditionally, the bank is experienced to have many small fees, which make doing-business there unnecessarily expensive for the clients. It becomes more expensive to do business at Swedbank when looking at credit fees, only present at Swedbank. Added fees, if not enough transactions are made drive unnecessary transactions the client would not make otherwise.

An even higher number, 78%, are fully satisfied with the bank meeting their needs. Of negative experiences here is bad terms once again stated as a force for changing bank completely or at least partly to other banks. Two customers are for example identified that have chosen other banks which offer better interest rates for their savings. Some clients present at bank offices with no cash-handling comment on this as unfulfilling in this case of clients’ needs being met. This is considered as a core operation of a bank and assumed to be present. The bank is oftentimes considered to be indifferent in relation to the risk of loosing a customer. In addition, some clients do not feel that they are aware of all the services that Swedbank offers.

Since the majority of the clients who have encountered word-of-mouth had heard positive rumours, 78% of the interviewees are fully satisfied with the bank meeting their needs and 71% have positive past experiences, the expectations of the service and relationship quality will be quite high. This is due to that these three perception aspects influence the clients’ expectations of both TPRQ and TPSQ.

5.2 Total Perceived Relationship Quality

When looking at how the TPRQ affects the image that the small corporate customers perceive Swedbank to have, the first aspect to focus on is the account managers’ performance at the bank.

When it comes to how well the account manager is able to understand questions the clients have, 18 out of 22 interviewees experiences that their expectations were met. There was a high level of fulfilled expectations when it comes to finding solutions to problems, 17 out 19 respondents had this experience. The account managers’ treatments of their clients follow this positive pattern as well. 19 out of 24 interviewees were entirely satisfied and another three had positive experiences but believed that improvement was still needed. Twelve out of the 23 respondents that were able to answer the question about turnover had not experienced any turnover at all, while eleven had experienced it. According to Madill et al. (2002) it is important to handle turnover in a good way to avoid loosing customers to other banks. Since turnover is hard to control, due to for example long-term illness, both the interviewees that did and those who did not experience turnover of the account manager had fulfilled expectations since the majority were satisfied with the outcome, therefore this is not a major problem for Swedbank. 15 out of the 19 answering interviewees were experiencing that their expectations of the account manager’s competence were fully satisfied. Two of the 19 were satisfied but still thought of possibilities for improvement. Concerning the communication between the account managers and the clients, 16 out of 25 respondents were experiencing that their expectations were met. The account managers’ flexibility was experienced as being good by 20 out of 22 and this corresponds well to the clients’ expectations. When it comes to the level of solidarity, 17 interviewees could answer and twelve among them had only positive experiences.

Generally, one can see that the satisfaction with the account managers at Swedbank is high. The mean value of the satisfaction percentage is 85% (see calculation in appendix 4).
In addition to looking at the account managers’ performance one need to look at the performance of the other employees at the bank to determine the total perceived relationship quality.

When it comes to the performance of the other employees at the bank the level of difference between the expected and experienced relationship differs. Concerning employee attitude, the expectations are in most cases (21 out of 23) met, that is the interviewees experience the employees’ attitudes to be as good as or better than expected. With reference to the employees’ ability 24 out of the 25 interviewees stated that they experienced the ability to meet or exceed their expectations. When it comes to empathy, nine out of the 13 who expected to be shown empathy experienced that their expectations were met. Of the 19 who expected the employees at the bank to be honest, 14 felt that their experiences matched the expectations. Regarding rules and polices all of the 19 interviewees who answered this question experienced that there expectations were met.

Overall the total perceived relationship quality regarding the performance of other employees at Swedbank is high. The mean value of the satisfaction percentage is 86% (see calculation in appendix 4).

5.3 Total Perceived Service Quality

TPSQ is the second of the two image-creating driving-forces that will be focused on. The answers received from the interviewees are very wide-spread in service quality since clients have different needs and find different issues more important than someone else does. Each individual company is unique and complex and therefore value separate things. The authors have tried to identify what seem to be the essential services offered by Swedbank.

How do Swedbank’s small corporate clients perceive the services that Swedbank provides them? The basic service requirements known as “must-be” are all considered being present by 76% of the 21 interviewees who responded to this although examples were given on improvement of current must-be requirements. A high number here is preferable since it is an indication of no requirements missing in the services offered by Swedbank. The most crucial service offered by Swedbank to corporate clients turned out to be the Internet bank, without which many operations would simply not work. When customers are travelling and not able to use their computer or have Internet close-by they are in need of the telephone banking service. This is another important service offered by Swedbank since it is working as a supplement to the Internet bank. As mentioned earlier, the bank is appreciated by many because of their apparently good overall customer relationships. Being able to get in contact with the bank or the account manager and getting the help that is needed, when it is needed, is of importance to customers.

There was a fairly low response rate in the question concerning one-dimensional requirements. Only twelve of the 25 chose to answer this question. From the remaining twelve, 33% were satisfied where the remaining eight respondents were not. Three major factors were identified as being one-dimensional requirements that could be changed or improved. Initially, Swedbank’s fees are seen as too high, especially in relation to BABS-payments where it is not always profitable to have this service if the customer runs a business that works with small amounts of money with every transaction. This service must often be taken away or the cost put at the client’s customers instead. The second thing mentioned were interest rates and the need for them to be flexible to each customer’s situation and business. Last but not least we once again touch upon the relationship-aspect of the bank.
and its customers. Making the customers feel they are important and being able to give them the attention and help needed has been identified as an overall element clients’ wish for.

From the 19 answering the question about attractive requirements 42% were satisfied, eleven could not identify any but four of the eleven were able to give suggestions of value-added activities including both relationship and service factors; getting in contact with the account manager, different types of events, the account mangers’ flexibility, NetTrade, insurances and lowered fees.

5.4 Result from the customer loyalty model

As stated previously one starts with the word-of mouth, personal experiences and the clients’ needs to determine the expectations of both TPRQ and TPSQ. In this case the majority of the clients have heard positive word-of-mouth, 71% of the clients are satisfied with their personal experiences and 78% of the clients are satisfied with how the bank meets their needs. As a consequence the expectations on both the relationship quality and the service quality are quite high according to the customer loyalty model (see Figure 6). When it comes to TPRQ one can see in section 5.2 that that the satisfaction level is high, 85% regarding the account managers’ performance and 86% regarding the performance of other employees at the bank. This implies that the gap between the expected and experienced relationship quality is not that wide and therefore the TPRQ is quite high. The next part of the model is the TPSQ which is determined by the different service requirements. Concerning the “must-be” requirements 76% of the clients did not feel that there were any basic requirements missing. Only 33% could identify one-dimensional requirements that they were satisfied with and 42% could recognise attractive requirements that reached their satisfaction level. This shows that there is room for improvement regarding service quality as well. To improve its image Swedbank Gothenburg needs to lessen the gaps of both the TPRQ and TPSQ.

5.5 Suggestions for improvement

Since the image of Swedbank is dependent on the TPSQ and TPRQ it is important for Swedbank to improve in those cases where the corporate customers’ experiences do not match their expectations and even in the cases where the customers are satisfied it is important to increase the level of satisfaction. As stated earlier it is not enough to have satisfied customers to create loyalty they have to be very satisfied, therefore it is important for Swedbank to look at the aspects where they are found wanting.

Word-of-mouth is something very abstract and hard to improve in itself. Having no word-of-mouth is not something Swedbank should strive for, no company would gain from being “forgotten” or perceived as not being different and special. Positive word-of-mouth is what should be strived for. The bank needs to work harder in making the bank being perceived as better and thus creating a better image. Since customers tell more people about negative experiences than good experiences, keeping customers satisfied and continuing working toward having a good image becomes even more vital. If this will succeed, there will eventually be good word-of-mouth circling and Swedbank will have a good reputation.

When it comes to past experiences the clients mention easier accessibility of the account manager to be possibilities of improvement as some perceive that the account manager has more to do now since there are fewer bank offices. Employing more account managers
could be one solution for example which would take some weight of the existing ones since the account manager would have a smaller group of small enterprises to focus on and devote more time to adapt to the needs of the different clients. A comment during the interviews have been the need to keep more than the current 52 bank offices open until six p.m. since corporate customers seldom have the possibility to leave their work and visit the bank with errands during the day. Since some interviewees comment on the long waiting times being a reason that makes this hard, one suggestion might be to employ more frontline staff members or opening up a special desk for corporate customers during a few hours each day.

According to Madill et al. (2002), flexibility is reached by changing policies and procedures to fit the needs of the customers. As many have commented on Swedbank being too expensive with the services offered an improvement could be to make customised packages of services and products to clients where there would only be bundled costs and clients’ would have all services they need in this complete solution. This would in turn make the bank being perceived as more flexible if interest rates and fees were adapted and negotiated to the each individual company in relation to size, industry and so on and hence meet the needs of small corporate customers better. Further, the bank often offers some form of supplier payment-guarantees that are expensive or require safety and this need to be improved. Therefore, an alternative way could be to use cheaper insurances without requirement of safety that in fact are available at the market today. In addition, information about the existing service offering needs to be communicated to the clients to increase their awareness of available alternatives.

The long decision-making process has been an area for possible improvements. Bazan (1998) suggests that having problem solving teams in the organisation help to identify problems. As an example of the long decision-making process is given that account managers at different bank offices tend to have only one group meeting per week which can cause plenty of inconvenience for the customers who sometimes need decisions faster than that. Opportunities for profit when conducting business can be missed if the client must for example wait until the following week to receive answers from the bank. More frequent group-meetings is thus one change that would make business easier for customers; increasing the frequency of the group-meetings from once to twice a week would make a great difference for Swedbank’s clients.

NetTrade has aspects that need to be improved. For example are links in NetTrade not working and customers are logged off too soon after inactivity. One client suggests a longer time-span before this happens since his/her computers are running all day and s/he has to log in several times a day. Since the physical business environments differ, some work from their home and other sit in an open office-landscape, the need for security differs. Therefore, Swedbank could add the possibility for companies to choose the time-span before being logged-off that would suit each organisation.

The way Swedbank perceive clients is discussed. For example, some clients perceive Swedbank to be indifferent to them since they are small and the bank does not profit heavily on them. Swedbank needs to improve their culture and implement values where customers are the focus and their situations understood. The employees at Swedbank need to put themselves in the clients’ positions and understand that terms and rates should be re-negotiated to be more beneficial for small enterprises.

One aspect that the unsatisfied clients mention is that the account manager could be more in tune with each individual corporate client and their specific needs. Some clients felt that
there was little interest from the account manager in small corporate customers in general and that they did not listen to the clients. To listen to your clients is an important characteristic to have according to Bazan (1998). It is important to avoid taking a defensive position and instead listening to what the customer is saying to be able to find the essence of the problem in order to solve it correctly.

Furthermore, the clients experienced that larger business clients were treated better and found this to be a problem in need of improvement. To do this the account manager could make visits to different corporations in different industries in order to get a broader insight into the different environments that the clients conduct their businesses in. Even though there were not that many clients that experienced that their account managers lacked knowledge and competence, the ones that are unsatisfied still exists and the issue is therefore in need of improvement. To have continuous education among the account managers is a way to come to terms with the problem of competence. Bazan (1998) stresses the importance of empowering the employees in this case including both account managers and front-line staff members. An aspect that has been put forward as a strength but could be further developed as a complement to education is that when account managers are unable to answer the clients’ questions, they forward the clients to someone at the bank office that do have the required knowledge.

The account managers’ accessibility is an issue of improvement that the authors came across during the interviews. It was sometimes hard for the clients to get in contact with their account manager. Answering missed telephone calls and received e-mails on a regular day-to-day basis can decrease the dissatisfaction surrounding this issue. By doing this the level of over all service will increase as well. This is a policy that Swedbank already applies but since the issue has been commented on it is important to ensure that the policy is carried out by the account managers.

Even though some clients had never experienced any account manager-turnover and some had, they were for the most part satisfied with this. But one thing that needs to be improved when it comes to turnover is that a client should be informed when there is a switch of the account manager in order to avoid confusion. This could be done by just sending out an e-mail with information about the switch.

The level of communication the clients need differs, hence, to divide the clients in different categories depending on how much contact they want from the account manager’s side can be a good idea. Overall, most clients wanted the account manager to initiate contact more often. To decide the contact frequency with the client during the first meeting might be a good way to establish a good relationship and will avoid dissatisfaction from the clients who expect the account manager to contact them more often than they do. A suggestion for improvement regarding the level of flexibility of the account manager was that the account manager should be more flexible when it comes to bending the rules when customising solutions to the individual customer. Several account managers might already do this, however, they can not bend the rules too much or the rules will be redundant. In addition, certain regulations have to be followed in accordance with Swedish Law and the guidelines set by the Swedish Financial Supervisory Authority (see appendix 5). To show the clients solidarity is important if you want to keep the existing clients. Instead of giving the impression of selling unnecessary services to the clients the clients appreciate customised solutions and advices. As has been mentioned before the account managers’ ability to put themselves in the clients’ situation is of great importance to increase the level of solidarity.
When it comes to the performance of other employees at the bank most people were satisfied with the way they were treated, however, it is important that all customers feel welcome to the bank; therefore all employees have to be nice, professional and service-minded at all times. This is something that needs to be translated through the whole organisation, and it is important that all employees live by it. To fully incorporate this in the culture the bank office manager must set an example and be a role model when communicating the importance of service and satisfaction to everyone in the company (Bazan, 1998). Bazan’s (1998) theory when it comes to aggressive problem solving emphasises that possible problems should be dealt with immediately and this is connected to being service-minded. In addition, his concept of assessment concerns that an organisation needs to understand the strengths and weaknesses it has as a stand-point to identify where problems may occur. The efficiency to reduce queues is another aspect that could be improved. A further aspect concerning the employees’ ability is that all bank offices should have equal knowledge and treat problems in the same way and this is strongly linked to being service-minded. Empathy is an issue that has contradicting answers, on one hand some interviewees want the employees to put themselves in their situation and be more involved in the clients whilst on the other hand several interviewees point out that this is unnecessary therefore it is hard to draw any conclusions. An important issue to improve when it comes to honesty is that the employees should not promise anything or answer questions before they know the answers for sure. There were a few interviewees that experienced the rules and policies of the bank to be both stiff and too many. One issue that was considered was that the employees ask too many question when a large sum of money is deposited and another was that the decision-making process takes a very long time. A way to improve a possible lack of knowledge in the rules is to continuously educate the employees.

Analysing must-be requirements, there were no customers who felt that any basic services were missing which is what is strived for. This is not to say that Swedbank has nothing to work with as it appears that they do. The Internet bank needs more improvement although there are no great changes needed in this highly valuable service offered by Swedbank, only minor things which still would make every-day business easier for clients. Giving the customers more options for customising their own page could for example be one improvement. In addition, being able to see historical transaction further back than at the present time and more frequent updates on currencies and interest-rates are important. When not having Internet at hand the telephone bank becomes the link to the bank. As some entrepreneurs travel and conduct business around the clock there could be a need to have the possibility to personal telephone support service 24 hours a day. The offices without cash-handling are a concern for clients who have this need and the decision to exclude cash needs to be thoroughly considered.

The one-dimensional requirements, that is, the services where the terms offered drive the perception of customers’ satisfaction with the service were apparently hard to grasp for the clients and there was a fairly low response-rate. However, what the authors did find was somewhat expected; interest rates and fees would be something of importance. Again, for the clients’ sake, it would be preferable to have variable interest rates and fees negotiated based of the situation of each company where capital, size and turnover might be factors influencing this.

Since customer relationships are seen as being one of the great strengths of Swedbank, this is something that they should focus more on to drive competitive advantage through using this contact as to do more attractive requirement value-added activities. Some clients say that they sometimes go to dinner with their account manager or simply do things together.
This should go for more companies that feel they wish for this. Once or a few times a week, the account manager could for example have lunch with different clients or from time to time arranging more activities involving several clients and it does not necessarily need to be professional events. Strictly following the current rules mentioned previously of calling a customer back within 24 hours is something that could be monitored to see if it is followed since letting customers know about this policy might increase their feeling of this being a value-added activity. Coming back once more is the relationship matter as for example having the account manager or bank support service in handy when needed and receiving active feedback and help is seen as an existing value-added activity as well as the insurances that the bank offers.
6 Conclusion

This chapter includes the conclusions of the research as well as reflections on the thesis, a discussion of the limitations and suggestions for further studies.

As the purpose of this thesis is to investigate what aspects of relationship quality and service quality Swedbank Gothenburg’s small corporate customers are not fully satisfied with and how to improve them to ensure customer satisfaction and loyalty the aspects that need to be improved first need to be stated and then how they can be improved. The image is constructed by TPSQ and TPRQ mutually which is why the factors forming these two needs to be handled in order to have a better image of the company and thus increase the customer satisfaction driving loyalty. The most important areas for improvement are expressed below starting with the most crucial aspect.

The small corporate clients do not feel that they are as important as larger corporate customers. The most important issue is that the clients should always come in first hand, which applies not only to Swedbank but other organisations as well. To assure this notion there needs to be a stronger culture in the bank that encourages employees to be more professional and service-oriented. It is important that this starts from the top-level management in order for all employees to be striving for the same goal.

Of essential importance for Swedbank Gothenburg is to decide the frequency of contact from the bank’s side early in the relationship to avoid customer dissatisfaction in this area. The general opinion that clients are contacted too seldom is driving the need for improvement. One way to make sure that the account manager is spending his/her time on the clients that wants it is to divide the small corporate clients into sub-groups with those who want to be contacted on a regular basis and those who do not want this. In addition, when changing account managers the clients must be informed about this by for example receiving an e-mail or telephone call with information concerning the occurring change.

Value-adding activities are something that Swedbank lacks. This is a very important aspect and one activity that enhances the relationship building can be to have lunches with clients and another one arranging more net-working activities. This is closely linked to the issue of making small corporate clients feel more important. The interest and knowledge the account manager has in the small corporate customers should be improved. This could be improved by visiting various clients in different industries which yields an insight in what the clients really do and need. Further, to ensure competence the education needs to be continuous to avoid being perceived by clients to lack the necessary knowledge.

Customising solutions that fit each client’s situation is highly recommended to be developed at Swedbank to be perceived as more flexible. All clients do not need all services and are therefore in need of individual solutions. Swedbank is perceived to be expensive and a way to compromise with the clients could be to negotiate fees and interest rates individually. Although there might be necessary costs associated with different services, to keep an on-going discussion with the clients regarding this is positive both for the clients and the bank. In addition, the clients would benefit from receiving more information about the service offering Swedbank provides.

To increase the low accessibility of the account managers as there are fewer bank offices today has some importance as well. Possible solutions for this is to hire more account managers, keep more bank offices open until 6 p.m. or keeping a desk for only corporate customers open a few hours a day. Since small corporate clients conduct business on a
daily basis they need answers, i.e. whether or not a loan will be granted, fast. The long decision-making process could be shortened by increasing the frequency of account managers’ group meetings to twice a week instead of the current one meeting a week.

### 6.1 Reflections

To fit the nature, resources and time-limit of the thesis, the customer loyalty model was constructed in a fairly simplified way based on the theories used. Due to this some important things influencing the outcome might have been missed along the process since they might not be included in the model. The field of investigation is very broad and trying to look into more than what is in the model would be a bit more than the authors could chew. Therefore, after thorough consideration, the authors limited themselves to what they believed were the most important areas in this particular case, although keeping the possible limitation in the back of their minds. Further, the customer loyalty model has not been scientifically tested and therefore one can not say that the model is valid and reliable beyond all reasonable doubt. The purpose of using the model was not to test whether or not the different aspects in the model affects image, rather to use them as a base for the investigation.

Technology as a support system turned out to be a very important factor for many clients. This was not one of the primary objects believed would influence satisfaction much but the authors found that technology such as the Internet bank was an important service of how, the functional quality, a service process is seen.

The fact that access was given to all necessary background information needed from Swedbank enabled the authors to conduct the investigation smoothly. The conducted 25 interviews yielded a wide empirical base which provided a broad set of data to build the analysis from. This is a strength that helps the conclusions to be more accurate than if for example having a sample of 100 interviewees without any opinions would yield.

One of the focuses in the thesis is to provide Swedbank with suggestions for possible improvements in order to raise small corporate customers’ satisfaction and loyalty. This implies that mostly negative aspects of Swedbank are highlighted since these are the ones where areas of improvement are present. However, this does not mean that there are no positive benefits with Swedbank, only that they are not that heavily focused on here.

This study is a useful tool for Swedbank Gothenburg since focused on their specific market. They will receive helpful first-hand information of what their small corporate clients really feel are their strengths and weaknesses. Further, this might be applied to other Swedbank offices around Sweden to some extent where they could decide on if the operations and routines present there might cause the same implications of customers’ feeling at their bank offices. The purpose is not for this study to be generalised to the complete Swedish banking-industry since it has been done in accordance with the services and routines within the Swedbank organisation. There is a possibility that other banking companies would be able to read the thesis and find in which zones the risk for potential customer dissatisfaction at their bank might occur although not being able to use the exact solutions fitting the Swedbank organisation.
6.2 Limitations of the thesis

It is hard to make a study that provides detailed investigation in all elements causing a phenomenon. Instead some important elements are touched upon to reach a holistic view of what is going on. Digging deeper into these elements can be a suggestion for making further studies in this field of study as one can read about in the following section. Due to these facts the study has its limitations. To mention one here, since service quality and relationship quality are very much interrelated there were difficulties in completely separating them. As an example, when conducting the interviews the questions answered concerning service quality answered matters dealing with relationship quality as well and vice versa.

Further, there might be a lack in the validity of the empirical findings if the participants do not fully understand the matter being investigated and the questions asked. This might be the case when asking the interviewees of this study about their perception of the services offered by Swedbank and therefore dealing with the must-be-, one-dimensional- and attractive-requirements. As one can find in section 4.4 there are very low response rates which can imply that customers did not understand the questions. Therefore, these answers should be interpreted with caution and the response rate kept in the back of one’s mind. To avoid this in future research, a pilot test could have been performed to understand which questions that could have been posted differently to be understood. In addition, alternative questions could have been included and thereafter the most appropriate questions could have been chosen to be included in the final version of the interview questions.

6.3 Suggestions for further studies

During the process of writing the thesis several thoughts occurred of how the study could have been done additionally or different. For example, if wanting the findings to be generalised one might interview a larger sample of the customer base which is geographically spread out over Sweden and perhaps divided into clusters of industries.

The thesis now offers an overview of the strength and weaknesses within Swedbank Gothenburg and the areas of where improvements are possible. If one would like to have in-depth knowledge about a specific service such as the Internet bank, and has the possibility of making a continuous investigation, SERVQUAL might be a good tool for measuring this. The thesis can be used to find alternatives for the original determinants in SERVQUAL more suitable to the organisation.

Measuring critical incidents is not strategically used in this study as a measure of service quality, however many interviewees explained critical incidents during the telephone-interviews from where patterns of service failure or positive experiences could be drawn. However, measuring critical incidents might apart from SERVQUAL be an additional tool for investigating service quality where a deep understanding of the exact moments of when and where service failures occur.

Further, as the emphasis of this thesis is on the small corporate customers and on their opinions of what is lacking in the quality aspect of Swedbank the gap that has been focused on in Parasuraman et al.'s service quality model is the fifth. The five gaps in the model can be interrelated but must not necessarily be. The gap most frequently occurring due to failures in other gaps is the one highlighted in the thesis. If instead wanting to focus more on the routines and operations within Swedbank or what makes a failure in gap five occur, more emphasis can be placed on the first four gaps.
The focal point in this thesis with relationship quality lies on service encounters and interactions between Swedbank and their small corporate customers. This view could be altered and performed on through the frameworks presented by Holmlund and Liljander-Strandvik where relationship interactions are very much studied in detail to find what encounters are likely to have risk of failure. Continuing, customers’ expectations can be studied deeper through Ojasalo’s theory and a focus can be on how to make implicit and fuzzy expectations explicit and unrealistic ones realistic.

This thesis cannot be directly generalised over the whole banking-industry since it investigates the operations within Swedbank and their offered services but might still to some extent be used as a base of implications from where service failures are likely to occur. The authors see this thesis as a good base for further in-depth studies of customer satisfaction and loyalty in the Swedbank-organisation.
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Appendices

Appendix 1 - Swedbank history

Swedbank, formerly known as FöreningsSparbanken, is a fusion of the two banks Sparbanken and Föreningsbanken.

The history of Sparbanken dates back to 1820, when the first savings bank was founded in Gothenburg. At the savings banks' highest peak in 1928, there were 498 savings banks in Sweden. In order to grow stronger they started to merge with each other and in 1942 Sparbankernas Bank was founded as a central bank for all the savings banks. Sparbanken Sweden was founded in 1992. (Swedbank homepage)

Föreningsbanken has its origin in “jordbrukskassorna”, and their purpose was to provide the increasing need for capital in the agricultural society. The first “jordbrukskassa” was established in Västerhaninge in 1915. In 1958 the central bank for “jordbrukskassorna” was founded and it was called Jordbrukets Bank. In 1969, the savings banks as well as “jordbrukskassorna” were made equals to other banks and were able to compete under the same conditions. Föreningsbanken AB was founded in 1992. (Swedbank homepage)

The discussion about forming a fusion between Föreningsbanken and Sparbanken started in the 1960’s. Sparbanken had everything to gain and nothing to lose hence it wanted to pursue this merger as quickly as possible. Föreningsbankerna/jordbrukskassorna were the weaker part and not as interested in merging since they understood that they would be resolved in the merger. Föreningsbankerna/jordbrukskassorna started to collaborate more and more during the seventies and in 1974 they united to become a stronger player; Föreningsbankerna and thus reached a broader mass. After this the two players became more equal and discussions about merging blossomed again. It however took to the nineties until real attempts to merge took place. During the years to come, Föreningsbanken AB grew and the two players had very similar organisational structures which was a reason to merge. The other reason was that the environment of banks was changing and merging became more and more common. If they did not merge, there was a great chance that one of them might be acquired or merge with some other bank. In 1994 there was a real attempt to merge but it failed in the last stages. They finally managed to reach a decision in 1997 and became FöreningsSparbanken AB. (Körberg, 2003)

FöreningsSparbanken AB changed its name to Swedbank in September 2006 after a decision at the yearly assembly in April the same year. (Swedbank homepage)
### Appendix 2 – Simple random numbers

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Retrieved from Saunders et al. (2003), appendix 4.
Appendix 3 – Following letter and interview questions in English and Swedish.

Following letter

Hello! On account of our telephone call on 11/07/2006 I will now send you the interview questions in order for you to prepare before the interview. The interview consists of four main questions with some sub-questions each and the interview will take about 20 minutes.

Each subject in the questions one and two has three parts. What do you expect from the issue? What is your experience of Swedbank when it comes to the issue? And how could Swedbank improve according to you? For example, the first issue “understanding your questions” will have the three questions: What do you expect from Swedbank when it comes to understanding your questions? What is your experience of Swedbank when it comes to understanding your questions? How could Swedbank improve in order to understand your questions better? In order to avoid misinterpretation of the questions I will include an explanation to all the questions.

The first question concerns your account manager at the bank and how you perceive him/her and your relationship. Aspects that will be brought up concerning this are: understanding your questions, finding solutions to your problems, the treatment you receive, turnover of the account manager, the account manager’s competence, the communication between you and the bank, your account manager’s level of flexibility and level of solidarity.

The second questions concerns other employees at the bank except your account manager and how you perceive their attitude, their ability, their level of empathy for you, their honesty and how they follow the rules and policies at the bank.

The third question is about word-of-mouth, i.e. what you have heard about Swedbank from other customers, your past experiences of the bank and how/if they are meeting your personal needs.

The fourth question concerns how you perceive the services that Swedbank provides. “Must-be requirements” are fundamental requirements of a service that must be fulfilled and that you do not pay attention to as long as they are present. An example is that you expect that a bus or a train will be in time because it is a fundamental requirement. “One-dimensional requirements” implies that the better they are the more the value of the service will increase. For example, the more economical on petrol a car is the more satisfied you are. “Attractive requirements” are requirements that exceed your expectations of a service.

Thank you for participating!
Interview questions

Every issue in question one and two has three parts. What do You expect from the issue? What is Your experience of Swedbank when it comes to the issue? And how could Swedbank improve according to You? In question three and four the perception of the different requirements is in focus.

1. How do You perceive the performance of Your account manager?

In terms of,
- understanding your questions?
- finding solutions to your problems?
- the treatment you receive?
- turnover of the account manager?
- competence?
- communication?
- level of flexibility?
- level of solidarity?

2. How do You perceive the performance of other employees at the bank?

In terms of,
- employee attitude?
- employee ability?
- empathy?
- honesty?
- rules and polices?

3. How do You perceive Swedbank?

In terms of,
- word of mouth?
- your past experiences?
- meeting your personal needs?

4. How do You perceive the services that Swedbank provides You?

In terms of,
- must-be requirements?
- one-dimensional requirements?
- attractive requirements?
Följebrev

Hej! Med anledning av vårt telefonsamtal 2006-11-07 skickar jag nu intervjufrågorna så att ni kan förbereda er för vårt nästa samtal. Intervjun består av fyra grundfrågor med några underrubriker var och intervjun kommer att ta ungefär 20 minuter.


Den första frågan handlar om den kontaktperson ni har på banken och hur ni uppfattar honom/henne och er relation. Aspekter som tas upp är förståelse för era frågor, hitta lösningar på era problem, bemötandet ni får, hur många gånger ni fått byta ekonomisk rådgivare, rådgivarens kompetens, kommunikationen mellan er och banken, hur flexibel er rådgivare är och hur solidarisk hon/han är mot er.

Den andra frågan handlar om personalen på banken förutom er ekonomiska rådgivare och hur ni uppfattar deras attityd, deras förmåga, om de har empati för er och är upprightiga och om regler och policies på banken.

Den tredje frågan handlar om ryktesspridning dvs. om vad ni hört om Swedbank från andra kunder, er egna tidigare upplevelser av banken och hur era krav möts.

Den fjärde frågan handlar om hur ni uppfattar de tjänster och produkter som Swedbank erbjuder. ”Måste-finnas” krav är grundläggande krav på en produkt eller tjänst som måste vara uppfyllda och som ni kanske inte tänker på i första hand. Ett exempel är att man förväntar sig att en buss eller ett tåg kommer i tid för det är ett grundläggande krav. ”endimensionella krav” är att ju bättre de är ju mer ökar produkten/tjänsten i värde. T.ex. ju mindre bensin en bil förbrukar ju nöjdare blir man. Attraktiva krav är krav som gör att dina förväntningar överträffas, ni får alltså mer än vad ni trodde.

Tack så mycket för att ni ställer upp!
Intervju frågor


1. Hur uppfattar Ni Er ekonomiska rådgivares prestation och relation?

   I förhållande till, förståelse för Era frågor?
   hitta lösningar på Era problem?
   bemötandet Ni får?
   hur många gånger Ni fått byta ekonomisk rådgivare?
   kompetens?
   kommunikation med Er?
   nivå av flexibilitet?
   nivå av solidaritet?

2. Hur uppfattar Ni övrig personals prestation på banken?

   I förhållande till, personalens attityd?
   personalens förmåga?
   empati?
   uppräkning?
   regler och policy

3. Hur uppfattar Ni Swedbank?

   I förhållande till, ryktesspridning?
   Era tidigare upplevelser?
   mötandet av Era krav?

4. Hur uppfattar Ni de tjänster som Swedbank erbjuder Er?

   I förhållande till, måste-finnas krav?
   endimensionella krav?
   attraktiva krav?
Appendix 4 – Satisfaction percentage calculation

The mean value of the satisfaction percentage concerning account managers is calculated as follows.

The number of satisfied customers in all eight sub-questions was divided with the number of interviewees who answered each question. In order to calculate the mean, this in turn was divided by eight. We used three decimals to limit the size of the calculated numbers.

\[
\frac{(18/22)+(17/19)+(22/24)+(23/23)+(17/19)+(16/25)+(20/22)(12/17)}{8} = 0,848 = 85\%
\]

The mean value was of the satisfaction percentage regarding performance of other employees were calculated in the same way as above but in this case with five sub-questions.

\[
\frac{(21/23)+(24/25)+(9/13)+(14/19)+(19/19)}{5} = 0,860 = 86\%
\]
Appendix 5 – The Swedish Financial Supervisory Authority

The Swedish Financial Supervisory Authority, Finansinspektionen (FI), is as the name implies the authority that supervises the financial market in Sweden. FI makes sure that the Swedish legislation, the EU rules and regulations and international rules and regulations are followed. FI publishes complementary regulations that are binding as well as general guidelines. An example of an implementation of an EU directive is the Basel II accord that shall be implemented to Swedish law before January 1st 2007. Basel II includes permission for banks, credit institutions and investment firms to use the IRB approach (internal rating-based approach) which calculates the capital requirement for credit risk. Banks have to follow these regulations which in some cases make improvements possible, e.g. a client that is dissatisfied with the amount of credit s/he was granted might have been denied a higher amount due to regulations. (The Swedish Financial Supervisory Authority homepage)