JÖNKÖPING UNIVERSITY
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Corporate customer loyalty within the banking Sector: The case of SEB

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Abstract

Background:
The financial sector is under constant development and the massive digitalization has changed the banking sector. The banking industry is nowadays characterized by self-service solutions and customers can solve their problems from everywhere and at any moment. The banking industry is highly competitive since all banks offer homogenous products and services that easily can be duplicated. Therefore it is of major importance for the banks to distinguish themselves from the other banks, offering the same products and services. The only way to distinguish oneself in today's competitive environment is by either price or quality. Hence customer satisfaction, which leads to customer loyalty, can be seen as a potential tool to gain a strategic advantage in the highly competitive environment.

Purpose:
The purpose of this thesis is to examine marketing strategies for bank companies work in reaching corporate customer loyalty concerning digitalization, decision-making and service quality towards their corporate customers in the modern banking industry.

Method:
This thesis builds on primary sources in the form of semi-structured interviews. Three key persons carefully selected within SEB have been chosen to get an insight of how the bank works towards shaping long-term relationships and loyal customers. Respondents were chosen after their competence concerning corporate customer loyalty.

Conclusion:
The banking sector was examined and it showed to be highly homogenous and the products and services offered are basically the same. In that, three important conclusions were highlighted. First, there is a need for banks to distinguish oneself through high service quality, which will result in customer loyalty. The importance of being easy, credible and secure in order to keep existing customers and acquire new ones was fundamental. However being predictable and transparent in their reasoning is a necessity to shape a loyal clientele. Second, providing high service quality and reducing the gap between the customer expectations and delivered service will enhance the customer loyalty and also the bank's profitability. Significant since it is cheaper to keep loyal customers than to acquire new ones. Third, as digitalization has changed the banking landscape, the future customers will consider themselves as loyal, but they will be loyal with more actors at the same time. This is due to the fact that competitors will only be a click away and that the digitalization will make it easier for customer to increase their probability by switching bank, as they will be offered more different available alternatives.

Kandidatuppsats i Företagsekonomi

Titel: Företagskunders lojalitet inom banksektorn: fallstudie på SEB
Författare: Sofia Björk
Handledare: Elvira Kaneberg & Khizran Zehra
Datum: Jönköping, december 2015
Nyckelord: Marknadsstrategier, Kundlojalitet, Digitalisering, Beslutstagande, Servicekvalitet

Abstrakt

Sammanfattning:
Den finansiella sektorn är under konstant utveckling och den massiva digitaliseringen har ändrat den mycket de senaste åren. Banksektorn kännetecknas numera av självbetjäning där kunderna kan lösa sina problem var som helst och när som helst. Bankindustrin är en väldigt konkurrensutsatt marknad eftersom alla produkter och service är homogen och kan lätt kopieras. Därför är det extremt viktigt för banker att utmärka sig från sina konkurrenter, som erbjuder samma produkter och service. Det enda sättet att utmärka sig från andra banker i dagens konkurrensutsatta sektor är genom pris eller kvalitet. Därför kan kundnöjdhet, som leder till lojala kunder, ses som ett verktyg för att få en strategisk fördel i den konkurrensintensiva omgivningen.

Syfte:
Syftet med detta examensarbete är att undersöka marknadsstrategier i universalbankers arbete mot att uppnå kundlojalitet, beträffande digitalisering, beslutstagande och servicekvalitet mot deras företagskunder i den moderna bankindustrin.

Metod:
Denna uppsats bygger på primära källor i form av semi-strukturerade intervjuer. Tre nyckelpersoner noga utvalda inom SEB har valts för att få en insikt i hur bankerna jobbar med att skapa långsiktiga relationer och lojala kunder. Respondenterna valdes utefter deras kunskap när det gäller lojalitet mot företagskunder.

Slutsats:
Banksektorn undersöktes och den visade sig vara väldigt homogen och produkterna och servicen som erbjuds är likvärdig. Det gjordes tre viktiga slutsatser av detta. Först och främst så finns det ett behov för banker att urskilja sig själva genom hög servicekvalitet, vilket resulterar i kundnöjdhet. Vikten av att vara enkel, trovärdig och säker för att behålla sina kunder och få nya är grundläggande. Även vikten av att vara förutsägbar och transparant i deras resonemang är en nödvändighet för att skapa en lojal kundkrets. Den andra slutsatsen som drogs var att förse kunderna med hög servicekvalitet för att reducera gapet mellan kundens förväntningar och den levererade servicen som i sin tur kommer att öka kundlojaliteten och även bankens lönsamhet. Detta är viktigt eftersom det är billigare att behålla lojala kunder än att skaffa sig nya. Den tredje slutsatsen som drogs var att eftersom digitaliseringen har ändrat banksektorn så kommer framtidens kunder se sig själva som lojala, men de kommer vara lojala med fler aktörer samtidigt. Detta är eftersom konkurrenter bara kommer att vara ett klick bort och digitaliseringen kommer göra det lättare för kunderna att öka deras lönsamhet genom att byta bank, eftersom de kommer bli erbjudna fler alternativ.

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1 Introduction

This chapter presents a background of the banking sector, how the digitalization has affected the banks work, and also the importance of customer loyalty. Besides a background review of important problems the purpose of the thesis is also presented.

1.1 Background

The financial sector in Sweden is of great importance for the future welfare as well as the economic growth (Swedishbankers, 2015). The banks form a basic pillar in Sweden's infrastructure. The financial sector is under constant development and as new players come in to the field others are liquidated. The banking sector stands for 5 % of Sweden's BNP and employs more than 140 000 people (Swedishbankers, 2015). Banks are handling one of people's most valuable assets, money, and therefore people need a place to store their monetary assets. Hence banks play a vital role in today's society by providing them with services including savings, loans, risk management, home mortgages and stock trading just to mention a few.

The Swedish bank sector however consists of four different main categories including: ***Bank companies***, which consist of the four major banks in Sweden; Nordea, SEB, Handelsbanken and Swedbank, ***foreign banks***, for example Danske Bank which has got their affiliated companies in Sweden. The third category is ***savings banks***, which mostly operates in regional or local markets and finally there are ***Co-operative banks,*** for example Volvofinans and Mariginalen bank. The four banks sharing the major market share in Sweden are Nordea, SEB, Handelsbanken and Swedbank stated in the right order. The bank company SEB will be the case this thesis. It was established in 1856 and stands for Skandinaviska Enskilda Banken. The bank is committed to deliver customer value, building on their strong legacy of entrepreneurship, international network and long-term perspective (SEB, 2015). SEB is one of the leading corporate banks in Sweden and is established all around the world in more than 20 countries.

Massive transformations within the financial sector have created a strong pressure for change. The internationalization and digitalization makes today's competitive environment more complex than ever before and the expanding market makes it extremely important for the banks to differentiate themselves. A bank is dependent on their customers and without loyal customers it would be impossible to run a bank. In this regard, the majority of the Swedish banks are in the forefront concerning technical solutions that makes it easy for the customers to manage their affairs from any place and at any moment. In a study from the Royal Institute of Technology (2009) it emerged that the customers' confidence in the banks is extremely important in the banks work of creating long-term relationships where loyalty exists between the parties. Therefore, it is a central task for the banks to create safety for their customers by providing them with great competence (Royal Institute of Technology, 2009). Unfortunately the trust in banks has been reduced due to several financial crises.

Within that background, the banking industry is highly competitive since all banks offer homogenous products and services, which easily can be copied. Due to the fact that all banks offer identical services the only way to distinguish oneself in the market is either by competitive prices or superior quality. Therefore customer loyalty can be seen as a potential tool to gain a strategic advantage in the highly competitive environment (Cohen *et al.* 2006). Both the foreign banks and the Swedish niche banks have increased from 48 in 2004 to 67 in 2014. This is mainly due to the fact that many foreign banks have

established itself in Sweden in the recent years and also many security companies and credit market companies have turned into banks (Swedishbankers, 2015).

Considering that it has been made technical advances and the structure has changed a lot within the bank industry the latest years. The banking industry is nowadays characterized by self-service solutions (Swedishbankers, 2015).. Customers can now handle their affairs via telephone and Internet banking around-the-clock and many of the bank offices are not needed to the same extent as before. These changes have resulted in several advantages from both the corporate and the customers' point of view. Increased availability, simpler usage and a more intense completive environment have forced banks to cut costs and as a consequence customers are also offered cheaper prices. The society is moving towards becoming a paperless civilization, which can be seen from the banks perspective through reduced handling of cash. Five years from now most of the 1248 Swedish banks handled cash which today has decreased by 500 (Sveriges riksdag, 2013). This number is expected to decrease rapidly due to the fact that the society is moving towards a becoming paperless one.

It is beneficial for the banks and motivating for the employees of a company to find the right customers and maintain the good ones (Reichheld, 1996). Riechheld (1996) argues that customer loyalty leads to better efficiency and performance and that the banks should take advantage of the company's success. By maintaining their current customers future business transactions will be simpler. Parasuraman, Zeithaml, and Berry (1996) have found that in order to retain customer loyalty the use of high service quality is needed. If the customer is satisfied with the service quality it will increase the chances of developing a long-term relationship. According to Oliver (1997) service quality is connected to customer perceptions and customer expectations. Gibson (2005) argues that a satisfied customer are likely to become loyal customers and also more likely to spread positive word-of-mouth. Understanding service quality is therefore crucial in the banks work towards shaping loyal customers. Managers need to focus on increasing the *service quality* in order to create *customer loyalty*. Those two theories are going to be of major importance in the implementation of this thesis.

1.2 Problem discussion

Annika Falkengren, the CEO of SEB argues in an interview: "There are many more threats and the threats are global, and they can get local very fast". (Falkengren, 2014)

In association to the problem, there are some previous studies concerning how to achieve and maintain customer loyalty within banks, which gave the author a basic understanding of the topic. However, a research gap was found in the managers and employees apprehension of corporate customer loyalty and how they develop strategies after previous experience. The goal is to get a deeper understanding of how banks perceive customer loyalty and how they work towards acquiring new corporate customers and keeping the existing ones. Previous studies have been made from both the private and corporate customers perspective but the massive digitalization has gone unnoticed in many of the previous studies, which could have had a huge impact on how the banks work with customer loyalty today. Therefore in order to fulfil the purpose of this thesis firstly the question of how bank companies market themselves towards their corporate customers in today's digitized society will be answered. Secondly, how bank companies work with developing customer satisfaction toward their corporate customers in today's digitized society? Lastly the question of how the bank companies' work with shaping customer loyalty and how it has changed due to the massive digitalization will be answered.

This view is based on the fact that the personal interaction between corporate customer and advisor has been reduced, which makes it emotionally easier than ever to switch bank. Therefore the understanding of service quality, which in turn will lead to customer loyalty, is particularly important within the banking sector when they all offer the same basic products and services. As a result of less personal interaction the

importance of new technical solutions such as Bank-ID, Swish and telephone banking has increased significantly. As mentioned before, the handling of cash has decreased extensively due to security reasons and new technical solutions have opened up for the establishment of new banks.

The average Swedish person enters the branch once a year while interacting with the mobile banking almost every day (Falkengren, 2015). The ways of creating value through technology have expanded and as a consequence the potential of reaching customers around-the-clock via different devices exists. Due to the fact that today's society is characterized by self-service solutions and all the banks want to cut costs the competition between those platforms increases. John Chambers, the CEO of Cisco summarized the importance of being in the forefront concerning technical solutions in one sentence: "Every customer interaction that does not give any value for the deal should be replaced with a Web-based feature".

The banking industry is a highly competitive market where the products and services easily can be duplicated since all banks offer identical products. Hence price and quality become crucial factors in the banks work trying to distinguish between each other. Therefore keeping customers in the long-term and creating customer loyalty is one of the most important tasks in today's rapidly expanding market. Since the costs are the highest in the introduction phase of the relationship it is more profitable to keep loyal customers than to acquire new ones. A strategic focus for every bank should be to form customer loyalty and in this way form a loyal clientele.

Key words: Marketing strategy, customer loyalty, digitalization, decision-making, service quality

1.3 Purpose

The purpose of this thesis is to examine marketing strategies for bank companies work in reaching corporate customer loyalty concerning digitalization, decision-making and service quality towards their corporate customers in the modern banking industry.

1.4 Research questions

RQ1 How do bank companies market themselves towards their corporate customers in today's digitized society?
RQ2 How do bank companies work with developing customer satisfaction toward their corporate customers in today's digitized society?
RQ3 How has the bank companies work with shaping customer loyalty changed due to the massive digitalization?

1.5 Delimitations

The author has tried to get a complete understanding of what the bank companies marketing strategies in reaching corporate customer loyalty looks like. However there are tremendous amounts of theories and all of them could not be analysed. Therefore the ones considered as the most important within the field have been examined. To manage to implement this thesis bank companies have been investigated further. Bank companies consist of the four major banks in Sweden; Nordea, SEB, Handelsbanken and Swedbank and SEB has been selected to be investigated further as a case in this thesis. The time management have been a contributing factor behind the decision to focus on a specific bank company, SEB in this case. Also the fact that the author is currently working at SEB made the choice of company to focus on much easier. The limitations have given this thesis a narrow focus given that the focus has been one specific bank company. The author has also chosen to focus only on the corporate customers and not on the private customer perspective. The ones referred to as the "customers" in the continuation will therefore refer to the corporate customers within SEB.

2 Frame of reference

In the following chapter the author will present previous research within the subject of marketing strategies and other theoretical views used in this thesis. The concepts of marketing strategies, service quality and customer loyalty presented below describes the most relevant findings within the field. They are important theories in the banks work with retaining customers due to the fact that in order to retain customer loyalty the use of high service quality is needed. In association to it there are several marketing tactics that are the first step in the banks work towards reaching customer loyalty, which includes choosing the right customer segment. They are linked to the research area and the concepts are important for a deeper understanding within the field.

2.1 Marketing strategies

Marketing strategies comprises a lot of decisions along processes for reaching customers and choosing the right way of doing it. The massively digitized society can infer both strategically opportunities and threats in the modern banking industry. Since an essential principle of consumer behaviour is that consumers have the ability to apply powerful influences upon each other, it is only natural that marketers seek to manage interpersonal influence. With the spread of electronic technologies, it is not surprising that virtual interactions among consumers have multiplied (Litvin, *et al.* 2005). New technology opens up for higher accessibility and decreased costs for information. A good example of consumers sharing is due to the changed infrastructure in the banking sector. These challenges are bringing opportunities for the banking sector, suggesting relevant marketing strategies to manage and enhance interpersonal influence online (Litvin, *et al.* 2005). As those views are quite new and demands different ways of thinking, the constantly changing environment has made it difficult for banks to maintain a favourable position in the market. Therefore, marketing tactics are more often required for managing and understanding the mind-set of the customer's, their satisfaction and to ensure customer loyalty.

2.1.1 Marketing tactics

Concerning marketing strategies, in today's competitive environment there is a need for banks to understand the mind-set of their customers. Gathering data through customer relationship management systems (CRM) can help banks make this process more successful. Lewis (2005) states that the customers are the banks most important assets and CRM systems should be used to identify the most profitable clients and thenceforth develop strategies that can make them reach the customers in an efficient way. The use of customer relationship management systems (CRM) can help banks gain information about the customers to facilitate their work with supplying the right messages to the right target group (Lewis, 2005). Lewis (2005) also claims that customers should be treated as economic assets.

The new technical solutions within the banking sector such as Internet banking and telephone banking have made the competition more intense than ever before and it has forced banks to discover the importance of customer loyalty. Banking customers can now handle their banking interactions from anywhere and mostly do it by using tablets and smartphones (Bain & Company, 2014). Customer loyalty leads to customers buying more products and making more referrals, which as a result allow the bank to capture more than its fair share of new sales (Bain & Company, 2014). Most of the customers are well informed about the products and services a bank can offer way before the choice of bank has been taken (Bain & Company, 2014). It is of major importance to be well prepared on how to tackle the challenges of the rapidly expanding market.

All banks have one thing in common; they want to form long-term relationships, which eventually will lead to a loyal clientele. To do this, they need a strong marketing strategy that will differentiate their bank from the other banks within the same industry, offering the same homogeneous products and services. Considering the highly competitive banking sector, there is a need for the banks to have a clear strategy that will differentiate them from the others. This can be attained through providing high service quality. Caruana (2002) argues that one of the underlying factors behind customer loyalty is excellent high quality service, which triggers customer satisfaction and will lead to customer loyalty in the long-term.

Within the financial sector it is particularly important to use the right marketing tools since it is all about creating credibility, personal private information and long-term committed relationships (Sunnikka & Bragge, 2009). There are a lot of different communication tools a bank can make use of to manage to reach their target group. Advertising, Public Relations, Sponsorships, Traditional media such as newspaper and magazines, digital media, social media are a few examples of what media vehicles can be used in the media planning stage. The different vehicles have got different Pros and Cons depending on what reach, coverage and frequency you want (Fill, 2013). Today's digitalization makes it possible to reach people everywhere and at any moment, which opens up for huge opportunities within marketing communications.

Nowadays it is more common to implement electronic channels in the banks communication purposes (Sunnikka & Bragge, 2009). Being in the cutting edge concerning technical solutions is crucial for the banks in order to keep their market share. As a consequence of the digital technology, banks can retain contact with their customers and with one-to-one marketing implementation supply excellent and more individual service (Pettinao, 2010). Furthermore, personalized and customized messages facilitate the banks work with acquiring new customers and keeping the existing ones. Personalized and customized messages often lead to enhanced customer satisfaction due to the trust and confidence that is build up between the parties. Via using personal information the banks can reach a higher attention level from their clienteles. Sunikka and Bragge (2009) argue that marketing within the banking sector is different than within other environments since it has to be more discrete and sensitive.

In a Wall street journal by Francesco Guerrera (2014), a tycoon quoted that he chose his financial services only based on the price because "in the end, banks are really the same". That is not what you want to hear in the banking industry where banks put a lot of effort into the relationship marketing and tries to create marketing solutions designed to appeal to their customers' unique needs (Chief Outsiders, 2013). Banks can make use of different strategies to attract customers. Banks can aim to protect their market shares or try to acquire new ones, all depending on which strategy is used. Small banks often try to cut charges or offer technical innovations in order to compete with the major banks.

2.1.2 Segmentation, targeting and positioning

It is of extreme importance to have a clear marketing strategy in order to know how to compete with similar firms and especially within the bank sector where the products and services offered are homogenous (Baines et al, 2008). Therefore banks need to have a clearly stated marketing plan based on the firms mission (purpose of the business) and vision (where do we want to go) (Hollendsen, 2014).

The first and one of the most important steps in the banks work towards reaching customer loyalty is to analyse and choose the right customer segment. Segmentation is the process of finding potential customers, defining and dividing the homogenous market into clearly distinguishable segments with similar wants, needs or characteristics (Business Dictionary, 2015). Segmentation can be done with different strategies based on behavioural, demographic, psychographic or geographical differences (Hollendsen, 2014). Banks need to differentiate their offerings according to their different segment clusters. For banks to be able to develop different strategies it is vital to recognize differences of needs and wants between customer segments (Laukkanen, 2006). By developing personalized and customized

marketing messages toward a specific segment group the chance of communicating the accurate marketing message increases.

Further on, when the right segment is chosen the procedure continues by targeting the most suitable group of customers. When the bank have decided what group of customers to direct the marketing efforts and products towards, it is time to decide the approach to manage to reach that specific target group. Fill (2011) argues that there are four different approaches in the process of targeting. *Undifferentiated marketing*, where all the segments are treated the same and one strategy is adapted to all segments. The second approach is *differentiated marketing*, where different strategies are adapted to different segments. The third approach is *focused marketing* where a company focuses on entering its resources in a narrow market (Fill, 2011). Finally, there is the *customized targeting* approach where the product is modified to the specific needs of an individual. The last element in the segmentation process is the positioning approach, which is concerned with marking a spot in the mindsets of the customers. Within the banking sector banks have a tendency of quickly copying each other's ideas with equivalent products and services. Therefore it is of major importance to be the first one entering a market with an idea in order to win as many market shares as possible.

2.1.3 Customer relationship lifecycle

The customer relationship lifecycle is important in the understanding on how to retain customers. It can be applied on how to attract new customers but also on how to maintain the relationship of the already existing ones, which is a central task for all banks.

Customer relationships can be talked about in terms of a series of relationship-development phases; customer acquisition, development, retention and decline (Fill, 2013). How marketing communications are used plays an important role through all the phases in the customer relationship lifecycle. **Customer acquisition** is characterized by the search, initiation and familiarization of the product or service. Once the transaction occurs, the buyers and sellers start to get more familiar with each other (Fill, 2013). In the **customer development** phase the seller tries to reduce buyer risk and enhance the credibility of the offering (Fill, 2013). The third phase in the model is the **customer retention** phase, which is the most profitable one where the greatest level of relationship value can be experienced. If the buyer and seller are able to meet their individual and joint goals the retention phase will generally last a long time (Fill, 2013). In this phase we become familiar with the concept of customer loyalty. The goal is to reach higher levels of trust and commitment between the bank and the customer by getting the relationship more involved. The last level of the lifecycle is the **decline** phase. If problems occur between the parties a closure of the relationship may occur (Fill, 2013). Figure 2.1 shows the different phases of the customer relationship lifecycle with the level of relationship intensity on the y-axis and time and duration on the x-axis in order to facilitate the understanding of the maintenance of customers.
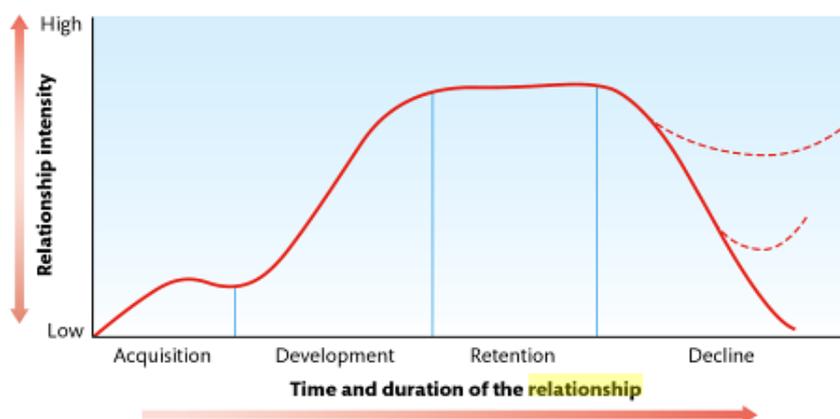

Figure 2.1: The customer relationship lifecycle (Fill, 2013)

2.2 Service quality

The tremendous growth of the Internet has changed the banks way of running business. To survive in the highly competitive Internet banking industry, banks need to provide customers with high quality services (Mefford, 1993). All banks use the Internet as a marketing channel today since it provides customers with around-the-clock services. The Internet banking compared to the traditional banking, heavily involves human interactions between customers and online banking information systems (Jun & Cai, 2001). Oliver (1997) claims that customer satisfaction is the forefather to long-term relationships and customer loyalty. The degree of which customer satisfaction influences loyalty depends on the level of customer satisfaction and satisfied customers are also more apt to stay loyal toward the company.

Figure 2.2: Contributing factors to customer loyalty (Sofia Björk, 2015)

High service quality → Satisfied customers → Loyal customers

Figure 2.2 shows the relationship between high service quality, which results in satisfied customers, that in the long-term will result in loyal customers. The model is of great significance in the understanding of the important factors and how they are connected to each other. Latimore et al. (2000) has found that 87 percent of Internet banking customers wants to execute their financial transactions at one site. This includes paying their bills electronically, viewing their monthly bank statements, and purchasing stocks and insurance just to mention a few. Nowadays banks are capable of choosing between many different choices in selecting products and choosing the rights ones has become a key factor in attracting new customers and keeping the existing ones.

2.2.1 SERVQUAL-model

Unlike goods quality that can be measured objectively by their durability and number of defects, service quality is an abstract and indefinable concept due to their intangibility, inseparability and heterogeneity (Crosby 1979). The SERVQUAL-model is a framework for quality management and was initially made to measure quality in the service sector (Zeithaml, Berry, & Parasuraman, 1996). Service Quality is based on customer expectations, needs, and wishes. In the SERVQUAL-model by Zeithaml et al. (1996) the analytical tool recognizes the gap between the expected level of service and the actual delivered level of service. Good quality in services is a basis for a company's overall well being and economic result (Reynoso & Moores, 1995). This model is often used when it comes to measuring what the customers expect the quality of a service to be. It is based on a comparison between what the customers expect versus their previous experiences with the service (Rajan Saxena, 2009). If the customer expectations are greater than the actual performance, then the perceived quality is less than satisfactory and hence customer displeasure appears (Zeithaml et al. 1996). In the first survey the founders of the SERVQUAL-model found ten determining factors of:

1. Tangibles
2. Reliability
3. Responsiveness
4. Competency
5. Courtesy

6. Communication
7. Credibility
8. Security
9. Access
10. Understanding the customer

Zeithaml et al. (1988) later reduced these ten dimensions into five generic dimensions including:

1. Tangibles: The physical surroundings including facilities, personnel and their way of communicating (Rajan Saxena, 2009). The tangibles purpose is to create a positive first hand impression.

2. Reliability: Refers to the company's ability to perform the service accurately and dependably (Rajan Saxena, 2009).

3. Responsiveness: Refers to the willingness of the company to help customers and provide prompt service (Rajan Saxena, 2009). The customer wants to feel valued in order to get the best possible reaction.

4. Assurance: Assurance is concerned with having competent employees that can gain trust from the customers. Firm credibility (or trustworthiness, believability), courtesy delivered to customer, and the extent to which the customer feels secure is present at this stage (Rajan Saxena, 2009).

5. Empathy: (Communication and understanding the customers needs) Refers to how the company gives individualized attention to the customers, making them feel extra special and valued (Rajan Saxena, 2009).

The SERVQUAL model has also received a lot of criticism from authors claiming that one single instrument alike to the SERVQUAL model is not enough for measuring service quality across industries (Rowley, 1998). In figure 2.3 the determinants of service quality and how the different components are connected is presented in order to get a greater overview on what the SERVQUAL-model looks like.

Figure 2.3: Determinants of service quality (Parasuraman et al., 1988)
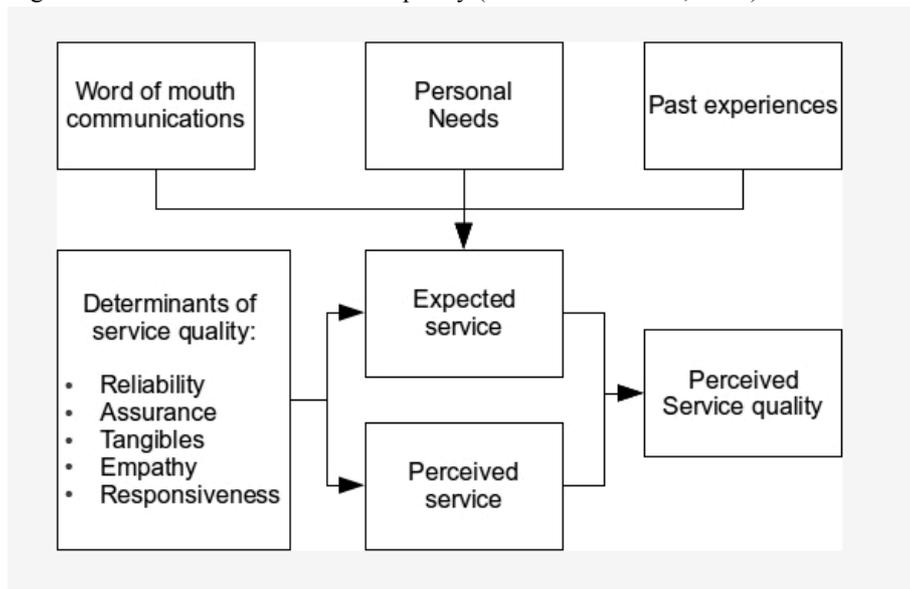
2.2.2 Zone of indifference

The correlation between satisfied and loyal customers is based on a curve-like relationship. Hart and Johnson in Grönroos (2000) examine this through the zone of indifference curve.

The curve is ranging from very dissatisfied customers into very satisfied customers. Where the curve is slowly going up the "zone of indifference" is present (Grönroos, 2000). This is the part where customers are simply satisfied and have not reached a state of loyalty yet. This is the part where most of a company's customers belong. However in order to make customers leave this zone towards becoming very satisfied, which is the goal for all companies, value-added activities and high service quality is needed. When leaving the zone of indifference customers move into the zone called "unpaid salespeople" (Grönroos, 2000). In this stage the customers will spread positive word-of-mouth about the company and become loyal through repurchases. On the contrary dissatisfied customers is something that every company wants to avoid since they become so called "terrorists" because of the fact that they try to scare away new potential customers through communicating negative facts about the company. Below the zone of indifference curve is presented. The Y-axis shows the loyalty-status and the X-axis shows the level of satisfaction. A customer in the zone of defection is likely to spread negative Word-of-mouth while a loyal customer in the zone of affection zone is likely to become loyal through repurchases.

Figure 2.4: The zone of indifference curve by Kelvin Dolgin, 2013
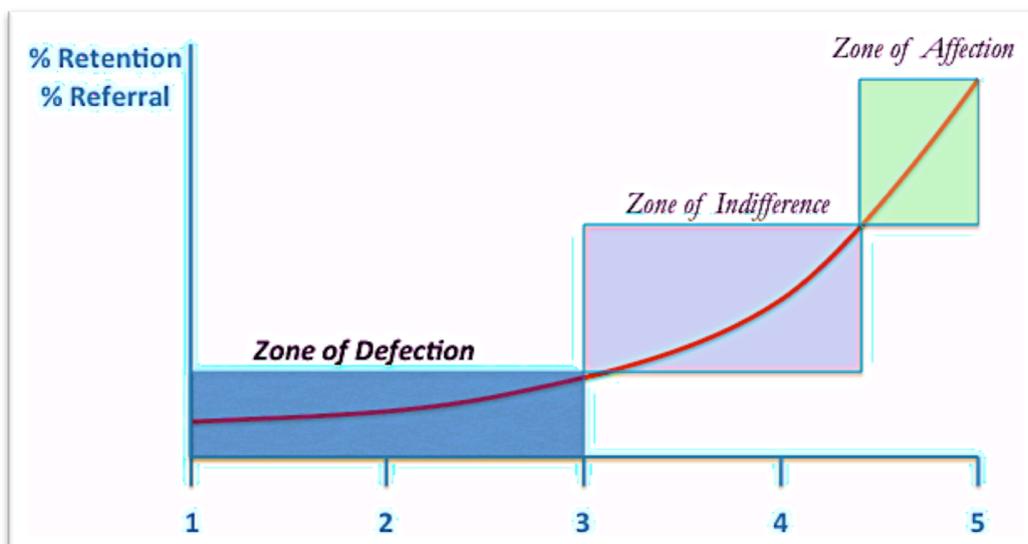
2.3 Customer loyalty

"There is a greater risk that people will get a divorce *than that they will switch bank"* *(Anonymous, personal communication, 2015-10-13)*

Reviewing customer loyalty in this study can be referred to as the relationship between the bank and the company decision makers, how the relationship occur and how the bank strive to keep their clientele loyal. Loyalty is how the interaction between the bank and the customer is maintained and strengthen with time. There is a strong connection between faithfulness and buying behaviour, a loyal customer has a coherent and tenacious buying behaviour. Trust is a crucial factor to economic growth and development within the international banking industry (Yousafzai et al. 2003). Previously the focus has been on the

sales force and the maintenance of customers. However in today's competitive environment there is a need for the banks to establish long-term relationship with their customers.

The importance of customer loyalty differs much between branches and within the bank sector long-term relationships and loyalty are tremendously important. Satisfied customers and loyalty goes together with profitability and market share (Gremler & Brown, 1996). Gremler & Brown (1996) argues that the definition of customer loyalty is the degree to which customer shows repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when there is a need for this specific service. For many years customer satisfaction has been a major goal of companies since it affects the customer retention and companies' market share (Hansemark and Albinsson, 2004). To survive in the highly competitive market firms need to produce products and services of very good quality that yield highly satisfied and loyal customers (Fecikova, 2004).

There are plentiful of definitions of customer loyalty and could also be summarized as consistently positive emotional experience towards a product or service (Beyond philosophy, 2015). Customer loyalty is the main objective for many firms since it generates many favourable outcomes. It is less expensive to keep current customers than to acquire new ones and Kotler *et al.* (1999) argues that the cost of attracting a new customer is five times more expensive than keeping the current customer happy. This argument shows why customer loyalty is of such importance and can also be seen as a cost saving activity.

In today's society of intense competition, a firm's ability to deliver high service quality that results in satisfied customers is the key to a sustainable competitive advantage (Shemwell et al, 1998). The concept of customer loyalty is useful since it allows a broader understanding of both the customer's attitudinal as well as the behavioural actions towards a firm (Tantakasem, 2008). Since retaining customers is cheaper then acquiring new ones, most companies strive against having strong bonds towards their existing customers. There is a clear association between customer satisfaction and customer loyalty. Satisfied customers are more likely to become loyal customers, which is the main goal for all banks. Loyalty is beneficial for all companies since loyal customers are less price sensitive and tend to repurchase more frequently than the average customer (Bowen & Chen, 2001). Muffato and Panizzolo (1995) found that customer satisfaction, which leads to customer loyalty, is considered to be one of the most important competitive factors for the future, and will be the best indicator of a firm's profitability.

As stated in the journal by Kunal Basu (1994) customer loyalty is a complex phenomenon within the bank sector since the products that different banks offer are homogenous. Therefore it is significant to grasp the meaning of customer loyalty and what factors can lead to higher customer satisfaction. Customer loyalty is mostly associated with the quality of certain tangible and intangible dimensions of service (Sayani, 2015). Loyal customers results in increased profitability and decreased costs for the company, as it is relatively cheaper to serve existing customers rather than attracting new customers (Hallowell, 1996). Tantakasem (2008) assert that a 5 percent increase in customer retention can enhance a firm's profitability by 50 percent.

2.3.1 Four-stage customer loyalty model

Oliver (1999) introduces a four stage-loyalty model and argues that different aspects of loyalty do not emerge simultaneously, but consecutively over time. At the different stages of the loyalty model, different factors affecting loyalty can be noticed. Oliver (1999) extends the loyalty sequence to cognitive, affective, conative and action loyalty by observing buying behaviour. He extends previous models to both attitudinal and behavioural aspect of the loyalty concept and defines loyalty as "deeply held commitment to rebuy or patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand purchasing" (Oliver, 1999).

Cognitive Loyalty: The first stage of the model is also the weakest type of loyalty. It is determined by information concerning the product such as price, quality and so forth. The cognitive loyalty is not concerned with the brand itself but only by the benefits an offering have got (Oliver, 1999). Switching behaviour is common at this stage since the relationship is only based on the cost-benefit ratio. If customers find a more preferable price, they are likely to switch brand.

Affective Loyalty: The second stage in the model involves having a favourable attitude toward a specific brand. Customers have an attitude of "I buy it because I like it". This is called affective loyalty and has been developed through regularly satisfying usage occasions (Oliver, 1999). The brand loyalty in this stage is connected to the degree of liking the brand. Switching behaviour is still present in this stage since deeper level of commitment still does not exist. A previously satisfied customer can easily turn into a dissatisfied customer at this stage in the model.

Conative Loyalty: The next step in the model is a behavioural stage called conative loyalty. This is the stage where the customer is prejudiced by repetitive occasions of positive feelings toward the brand and feels the desire to repurchase a particular brand. Customers have an attitude of "I'm committed to buying it". This phase is stronger than affective loyalty, but still has got some weaknesses (Oliver, 1999). If experiencing repeated failures in service quality the customer are still likely to switch to a competitor.

Action loyalty: Intentions are converted into actions and motivated intention in the preceding loyalty stage is transformed into actions. If the engagement is repeated, repurchases will be made in the future. In this stage offerings from competitors are not taken into account and this is the deepest form of loyalty (Oliver, 1999).

2.4 Summary of theoretical framework

Figure 2.5: Marketing strategies and useful tactics models in the bank sector,
 (by: Sofia Björk, 2015)

Figure 2.4 shows the connection of different marketing strategies within three major topics i.e., **marketing strategies, service quality** and **customer loyalty** reviewed in the theoretical framework.

Those topics are of major importance in achieving the purpose of this thesis. The theoretical framework builds a foundation for the base when building the analysis. To find the associations of the topics and connecting them to the empirical findings is a key characteristic to be able to answer the purpose of this thesis. The thesis aims to examine how bank companies work with reaching customer loyalty toward their corporate customers in the modern banking industry and the interview questions have been formulated with questions within all three areas.

Within the concept of **marketing strategies** important *marketing tactics* and the idea of *segmentation, targeting and positioning* is explained. The *customer relationship lifecycle* is also presented which increases the understanding of the phases in the relationship between corporate customers and the bank. Further on the second major concept within the thesis is presented, the concept of **service quality**. In the service quality section relevant findings such as the *SERVQUAL-model* and the *zone of indifference curve* is presented. The last section concerning **customer loyalty** explains the *four-stage customer loyalty model* by Oliver (1999). The model has got four different stages where different factors affecting loyalty can be noticed. The stages of cognitive, affective, conative and action loyalty is presented by the inspection of buying behaviour.

3 Method

This chapter will reveal the research approach of this thesis and methodological choices that has been made in order to fulfil the purpose by answering the research questions.

3.1 Research approach

The author of this thesis has worked at a bank for a couple of years now and therefore an understanding exists beforehand concerning how the banks work toward their corporate customers. An understanding of the importance of keeping their loyal customers is also known from previous experience. The preconceptions the author has about the banking industry also include the fact that they undergo major processes of change, which places higher demands on the bank. The digitalization in today's society is one contributing fact and the customers' way of handling their banking cases have gone through major changes. Hence there was an opportunity to deepen the knowledge within how the digitalization has changed SEB's way of working towards shaping loyal corporate customers.

3.1.1 Deductive vs. Inductive Approach

According to Bryman & Bell (2005) the relationship between theory and the empirical findings can be assessed based on two approaches, deduction and induction. A regularly held definition of the distinction between these two paths to knowledge is that induction is the formation of a generalization derived from examination of a set of particulars, while deduction is the identification of an unknown particular, drawn from its resemblance to a set of known facts (Rothchild, 2006). A simpler explanation of the distinction between the concepts is that the inductive inference is based on observations and deductive inference is based on theory.

Deduction is defined as the "inference by reasoning from generals to particulars" (Oxford English Dictionary, 2015). Deduction starts with a general statement, or hypothesis, and then examines the possibilities to reach a logical conclusion (Bradford, 2015). Deduction is a basic form of valid reasoning and based on the theory we hold we make a prediction of its consequences (Bradford, 2015).

The definition of ***induction*** is "the process of inferring a general law or principle from observation of particular instances" (The Oxford English Dictionary, 2015). Induction reasoning is the opposite of deductive reasoning and makes broad generalizations from specific observations (Bradford, 2015). In inductive reasoning you go from specific to generalization, exactly the opposite of deduction. You make

observations, distinguish a pattern, make a generalization based on your observations and then infer a theory based on your knowledge (Bradford, 2015). Induction allows a conclusion to be false since the conclusion may not follow logically from the statements (Bradford, 2015). Even though the two different paths of knowledge often are treated as two dissimilar approaches, the deductive method has features of the inductive method and vice versa.

There is also a third approach called *abduction*, which combines the deductive and inductive approaches. Abduction shifts between empirics and theory under the process which results in a gradually development of the empirical and theoretical material (Alvesson & Sköldberg, 2008). Initially the study is conducted inductive by the collection of empirical data, but unlike the inductive approach, it does not exclude the theoretical approaches. Instead theory is used to get a deeper insight in the empirical findings (Alvesson & Sköldberg, 2008).

The author of this paper has used both inductive and deductive approach. The process started by an analysis of existing theories to get an overview on what the reality looked like today between the bank and the company decision makers. The information collected via secondary data was used in the implementation of the interview questions in the qualitative research. The interview was constructed by previous theories within the topic intended to support the empirical part of the study. Since the interview was developed from different theories and not one specific model, the inductive approach was also used.

3.1.2 Primary vs. Secondary sources

As mentioned above the collection of primary (data that has been collected by the researcher itself) data will be in the form of qualitative interviews. Interviews have an advantage over surveys since it allows the researches to ask follow-up questions if it is needed. Another advantage of primary data is that the researcher can tailor the questions to induce the data that will help them in their study (Institute for work & health, 2008). The method creates a mutual feeling of trust, which will contribute to more trustworthy answers. The interviewee's ability to ask appropriate questions to their field of study ultimately determines the outcome of the interview. There are no clear guidelines of who should be interviewed in a qualitative research. The most important task is to find respondents that can contribute to useful and relevant information within your field of study.

Secondary sources refers to documents that relate or discusses information already used somewhere else. Secondary sources used in addition to the primary sources were relevant articles, the Internet, scientific journals and information about SEB and their background was collected from their website.

3.1.3 Qualitative vs. Quantitative Approach

In a study you can make use of either qualitative or quantitative methods. The major difference between qualitative and quantitative data is that the qualitative data focuses more on the written facts that are presented and not on the collected numerical statistics (Roberts, 2012). In a quantitative study information is collected and then analysed in numerical terms. Quantitative data deals with numbers that cannot be measured and as you can hear on the name **quantit**ative deals with **quantit**y (Roberts, 2012). Hence qualitative data deals with descriptions and can be observed but cannot be measured. As you can hear on the name **qualit**ative data deals with the **qualit**y aspects.

A qualitative study provides the researcher with a deeper understanding of the problem and is more of an interpretation process unlike quantitative studies that is characterized by the data collection process (Holme & Solvang, 1997). The choice of method often depend on different factors for instance the

research problem, time limits, the subject area and also what different research instruments that are available (Eriksson & Wiedersheim, 2001).

In the collection of primary data the author has used a qualitative method in the form of personal interviews. Based on the problem formulation key persons within the SEB bank have been chosen that can contribute with helpful information in the implementation of fulfilling the purpose of this thesis. By using qualitative methods the researcher investigates fewer components in order to get a deeper understanding within the topic. This will contribute to a more in depth analysis from trustworthy sources. Qualitative interviews are used to identify the respondents view on a certain research topic that is seen as relevant for the thesis. By using a semi-structured interview the goal is to get as honest and accurate answers as possible by allowing supplementary questions.

3.1.4 Exploratory, Descriptive or Explanatory approach

Research studies can be separated into three different categories including, exploratory, descriptive and explanatory studies. Every category has got a different purpose and can be used in certain ways. When the research progresses over time, you might find more than one purpose. The three different approaches are not mutually exclusive which means that there can be a mixture of them in a research paper. In the coming section the three different approaches will be explained in detail and what the different approaches are suitable for.

Exploratory research is concerned with the initial research into a theoretical idea (Kowalczyk, 2015). This is when the researcher seeks to understand more about an area of interest. The focus is on discovering ideas in the beginning of the research process. The goal of exploratory research is to find key questions and variables. It might involve a literature research or running a focus group. It is conducted to get a better understanding of a situation and researchers hope to find out what is going on in a specific situation (Kowalczyk, 2015).

Descriptive research attempts to explore and explain by providing information about a topic (Kowalczyk, 2015). In this part the actions are described in detail and expands our understanding about a topic. Further on Kowalczyk (2015) argues that as much information as possible should be collected to predict the future. Descriptive research seeks to describe observations of occurrences.

Explanatory research looks for explanations for certain relationships. The researcher starts by ideas about a likely reason of a phenomenon. It is an attempt to understand the cause and effect, which means that, authors wants to explain what is going on (Kowalczyk, 2015). This approach is concerned with how things come together and interact (Kowalczyk, 2015). The main purpose of explanatory research is to explain why occurrences happen and to predict future events.

Based on the purpose and the problem this study is made of descriptive research. As Kowalczyk (2015) argues this is the part when the happenings are described in detail to expand our understanding about a topic. Information has been collected to be able to predict the future within the banking sector due to the massive digitalization. The aim is to explore and explain by providing information about the topic of the modern banking industry.

3.2 Data collection

To comply with the initial purpose of this thesis and in order to answer the indicated research questions, data was collected. Different sources of information regarding material about the corporate bank in Sweden (SEB), personal interviews and sample collection about corporate customer loyalty have been collected.

3.2.1 The corporate bank in Sweden: Choice of company

The focus of this thesis is on the customer loyalty within corporate banking. The choice of bank came naturally since SEB is the corporate bank in Sweden and the decision was to investigate the corporate customer perspective. They have put a lot of effort in maintaining corporate customers and being seen as the corporate bank in Sweden. SEB strives to bring the expertise of the advisors closer to the customer and works actively with the research questions in this thesis on a daily basis. SEB was mainly chosen because it suited the research purpose perfectly since they put a lot of effort into especially customer loyalty and the corporate banking perspective in general.

3.2.2 Company background

Banks form a basic pillar in the Sweden's infrastructure (Swedishbankers, 2015). By assisting customers with asset management, financing, investment and secure payments SEB supports economic development and international trade (SEB, 2015). SEB was established in 1856 and stands for Skandinaviska Enskilda Banken. The bank is committed to deliver customer value, building on their strong legacy of entrepreneurship, international network and long-term perspective (SEB, 2015). Rewarding relationships is the basic pillar in SEB:s business. Since the start of SEB the bank has provided financial services to assist their clienteles.

The bank is divided into five different divisions including retail banking, merchant banking, life, wealth management and Baltic. SEB is established all around the world in 20 different countries such as Germany, Shanghai, New York, London, Peking and Hong Kong. The banking company employs more than 16 000 people and half of them are working outside of Sweden. SEB delivers services to 3000 large corporations and institutions in both the Nordic countries and internationally (SEB, 2015). They serve 400 000 small-medium enterprises in Sweden and the Baltic countries. Finally they have got approximately 4 million private customers in Sweden and the Baltic countries and also 27 000 individual customers in and outside Sweden. Through sponsoring activities SEB supports future generations and the company have three prioritized areas of sponsoring including entrepreneurship, youth, education and knowledge. Figure 3.5 shows how SEB:s organization and different divisions within the company is built up.
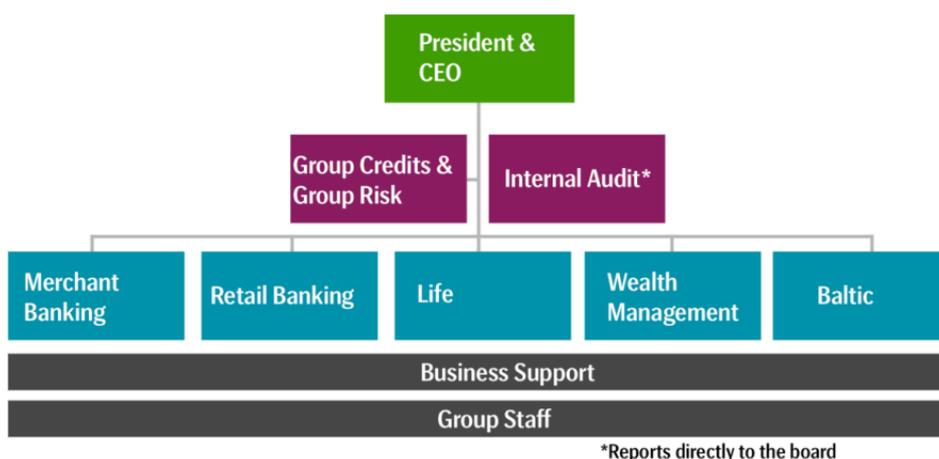

Figure 3.5 SEB:S organization and divisions (SEB, 2015)

History

In 1856 André Oscar Wallenberg founded SEB as Stockholm's first private bank and also one of the first commercial banks in Sweden (SEB, 2015). Eight years later in 1964, Wallenberg together with the

Danish financier Carl Fredrik Tietgen founded Skandinaviska Kreditaktiebolaget. They were functioning as a competitor to Stockholms Enskilda Bank (SEB, 2015). In 1910-1920 Stockholms Enskilda Bank moved to their head office at Kungsträdgårdsgatan in Stockholm. At this period the also became the largest commercial bank in Sweden. In 1972 Stockholms Enskilda Bank became Skandinaviska Enskilda Banken and the two banks were both stronger and more competitive than before (SEB, 2015). Today SEB aim to be the leading Nordic bank for companies and institutions. Their goal is to be the top bank in both Sweden and the Baltic countries. SEB has also sold its German and Ukraine retail banking businesses as a consequence of focusing on the areas where the banks can take a leading position (SEB, 2015).

Mission- *"to help people and businesses thrive by providing quality advice and financial resources (SEB, 2015)"*
Their goal is to move the expertise from the advisors closer to the customers through listening and sharing their knowledge. By listening and sharing their knowledge SEB aims to meet the customers needs and expectations. Through their customers' success SEB contribute to growing societies, which makes their daily work meaningful (SEB, 2015).

Vision- "*to be the trusted partner for customers with aspirations".*
The main goal is to be there for the customer through the good times and the bad and help them fulfil their ambitions. SEB believes that everyone has got ambitions for their future.

There are four core values of SEB, which are reflected to all of their target groups. Their goal is to create value for customers, shareholders and employees (SEB, 2015). **Continuity** is the first core value, which means that SEB learn, challenge and take action based on their knowledge within the market. Through **mutual respect** the bank strive to gain trust from others as well as from each other (SEB, 2015). **Professionalism** is the third core value and by bringing the expertise closer to the customer SEB makes it easy to do business with them (SEB, 2015). Lastly, **commitment**, which means that every activity they implement should be seen as a value enhancing activity.

3.2.3 Personal interviews

The information collection process used was semi-structured interviews. In the data collection process, interviews were given to different people at different positions within the company. The interview questions have been developed especially for the research purpose of this thesis. The aim is to get information from different key persons within the company in order to facilitate an answer to the purpose of the thesis. One telephone interview and two personal interviews have formed the collection of primary data. The reason for having one telephone interview is due to logistical reasons since the respondent was based in another city.

Since the qualitative interview does not include any "right" or "wrong" answers, the structure can be regarded as low. The lowest degree of structure can be referred to as unstructured interview where the researcher may ask the candidates different questions and a standardized rating scale is not required (US office of personnel management, 2008). The unstructured interview is based on loosely assembled notes and typically involves low levels of reliability and validity in contrast to another type of interview called the structured interview which is characterized by high levels of reliability and validity. In the structured interview all respondents are asked questions in the same order and all candidates are evaluated using a common rating scale (US office of personnel management, 2008).

The type of interview used in this data collection process is called a semi-structured interview. In a semi-structured interview you have a questionnaire based on different topics within your research area but the respondent can still formulate the answers at their own request (Bryman & Bell, 2005). By using this approach there was a focus on reaching the goal with the interviews without limiting the respondent from

expressing the answers in their own way. Both the personal and the telephone interviews were carried out in a semi-structured way with a low degree of standardization. The researcher asking the questions in a particular sequence characterizes a highly standardized interview. On the contrary a low degree of standardization is when the sequence is flexible. A low degree of standardization was used since the questionnaire was tailored by how the interview developed.

The personal interviews were conducted in relaxed surroundings with the respondent and the interviewer seated around a table at the respondents' office. There are several advantages at conducting the interviews at the respondents' location since the person will feel more comfortable in an environment where they feel secure. Another advantage with personal interviews is that you are able to construe the respondents body language and the interview will be more personal. Both the telephone and the personal interviews took around 35-40 minutes and a recorder was used in the telephone interview to make sure that the correct information is given. An advantage with the recorder is that it prevents the added distraction of interruption of taking notes during the interview (Williamson, 2002). Instead the focus can be on reaching the goal with the interview without interrupting the discussion. All the interviews had got Swedish respondents; hence the interviews were conducted in Swedish in order to avoid any misconceptions.

One disadvantage with the telephone interview is that there will be no face-to-face contact and the ability to interpret the body language will not exist. It is harder to build mutual confidence and trust in the telephone interview since the personal contact will be reduced. However the need for acquiring the information from the experts within the company made this approach was necessary nevertheless. Using telephone interviews could have had an impact on the validity and reliability but to be able to acquire the information needed this was the most appropriate choice.

3.2.4 Sample selection

The following persons have been interviewed in SEB:

Interview 1: Lars Dahlberg-Corporate Manager for SEB in Sweden, Stockholm

Interview 2: Tomas Thunholm- Corporate advisor (Major businesses), Jönköping

Interview 3: Dajana Zec- Corporate advisor (Small businesses), Jönköping

In the choice of respondents carefully selected key persons within SEB has been interviewed. The belief is that the chosen ones possesses the greatest knowledge within the interest area. The respondents were carefully selected after their competence regarding corporate customer loyalty. The choice of respondents is made based on their competence and what foreseeable glance they have over SEB. To get a birds eye view on SEB's policies concerning corporate customers SEB's Corporate Manager in Sweden, Lars Dahlberg has been interviewed. Lars is responsible for the goals, strategy, tactics and working methods within corporate banking in SEB in Sweden. He is also responsible for the handbooks that make sure that the corporate advisors know what to do everyday. Lars is extremely competent and the author got the recommendation to interview him from SEB's region manager, Per Gerleman. The respondents possess the knowledge that will be of major importance in the continuation of this thesis.

Due to logistical reasons the interview have been implemented by telephone since Lars Dahlberg is based in another town. Further on one corporate advisor working with small businesses and one advisor working with major businesses in Jönköping has also been interviewed. This was done to get an insight on how the advisors everyday work with shaping customer loyalty looks like. Tomas Thunholm has been interviewed whom is a corporate advisor working with major businesses in Jönköping. Lastly Dajana Zec who works with small businesses within corporate banking has been interviewed. The idea is to get an insight in what their daily work with enhancing corporate customer loyalty looks like.

3.3 Data Analysis

The section will analyse the appropriateness of the methods used and evaluate them according to different criteria such as trustworthiness, dependability, conformability, credibility and transferability. The positive and negative aspects will be evaluated regarding methods used and how suitable they where for this type of study.

3.3.1 Data limitations

One important limitation of the data collection method used is the possibility of diverse interpretations. Qualities such as age, gender, education, religion, nationality, and background can bias the discussion and the answers can vary based on how the interviewer and the interviewee interpret each other (Williamson, 2002). Since this is a natural effect of using the qualitative technique in form of interviews a guarantee that different interpretations have been left out cannot be given. Since the interviews were given to a Swedish bank to people having Swedish as their native language the interview was conducted in Swedish. This was done in order to ease the respondents' way of expressing oneself. The translation from Swedish to English has got some limitations since it opens up for different interpretations as well.

Another limitation with conducting the qualitative interviews is the likelihood of biases. The interviews have been executed in an environment where the respondent felt safe however this does not reduce the risk of affecting the respondents' way of answering. The way that the interviewer behaved or communicated may have had an impact on the respondents' answers. The fact that the author works at SEB and have had contact before with one of the respondents may also have caused some bias. Another limitation is that the employees of SEB do not want to talk negative about the company could have had an impact on the trust. Revealing negative information about the bank is not suitable when working at SEB and this may have caused some bias as well. Since the author is employed at SEB preconceptions about the company may be present and this could have biased the interviews. Consequently a full guarantee that the author is being objective cannot be given.

3.3.2 Trustworthiness of data

Trustworthiness is a key element in academic journals and it is based on some diverse views. Attention needs to be paid on validity and reliability in order to reduce the possibilities of getting the answer wrong (Saunders et al, 2000). Validity and reliability are two theories closely linked to quantitative research but it has been deliberated how applicable these methods are on qualitative research. Hence four conditions have been developed especially for the qualitative research approach to label it as trustworthy. These measurements include dependability, conformability, credibility and transferability.

Dependability: is based on the assumption of repeatability or replicability (Trochim, 2006). Dependability is concerned with whether we could obtain the same results if observing it twice. Dependability is used for the same purpose as reliability is used for in quantitative research. Trochim (2006) argues that if we measure the same thing twice then we are measuring two different things. Guba (1985) argue that dependability include factors of instability, design and phenomenal adjustments.

Confirmability*:* is concerned with the degree to which others could confirm the results (Trochim, 2006). There are a number of different strategies in order to reach confirmability for example if one researcher can take a "devils advocate" role with respect to the results (Trochim, 2006). It guarantees that beliefs and opinions of the author are left out. No personal opinions should be presented in the thesis. The interviews were conducted in a way to exclude as much bias as possible. Receiving response from supervisors and third parties on the material has also contributed to reducing the bias.

Credibility: is how confident the researcher can be about the truth and believability in the thesis. It depends more about the richness of the collected data than the quantity of data collected. Researchers can enhance the credibility by confirmation and support. The majority of the articles were from credible and well-known sources in order to avoid any non-credible information. Sources with many citations have been chosen to ensure that high-quality information is used. Respondents were chosen according to their literacy concerning corporate customer loyalty to enhance the credibility of this thesis.

Transferability: is concerned of the degree of which the results can be transferred to other settings (Trochim, 2006). It can be enhanced by providing enough details so the reader can decide themselves if the outcome can be transferred to their own context. If a person wants to transfer the results than he/she is responsible for making a judgement about how sensible the transfer is (Trochim, 2006). In the method section it is presented how the interviews were conducted in detail. There are data on time, place and interviewees in order to give a clear view of the method. The reason behind the company that was chosen is also presented in order to give the reader the possibility of transferring new information from the same study and create new research from it.

3.3.3 Ethical Issues

In the collection of qualitative data the ethical issues are of major importance. It is essential to make clear to the respondents that the thesis will be public. The respondents have been informed before implementing the interviews that their answers will be used in the thesis and that it will be public.

4 Empirical findings

In order to fulfil the purpose of answering the research questions the collected data have revealed important findings. Thus, conclusions regarding personal interviews and findings in secondary data within the area will be presented below. The chapter is organized according to the main concepts of: Marketing strategies, Service quality and Customer loyalty as are described in the theoretical framework. Those are linked to the main questions in each of the sections.

4.1 Marketing strategies

The main questions asked in the interview in this section were: How has your marketing strategy changed in recent years, given how the digitization has increased? How do you think the future of communication with clients will look like when most customers tend to do their transactions online? How have you chosen to position your bank in relation to your competitors?

The respondents were asked what SEB means to them and they were clear in their view. Tomas (2015) claims that SEB is the corporate bank in Sweden. It has a strong brand and is related to the Wallenberg family, which is Sweden's financial dynasty. SEB is status, SEB is the bank of the rich people and SEB is the international bank. The perception of the SEB was crystal clear in the eyes of their employees.

Nowadays SEB spends less money on traditional marketing and more money on content marketing (Dajana, 2015). Content marketing is when the experts within the bank pronounce itself via different medias. The experts make statements about taxes, financing, entrepreneurship and sustainability in order to share their expertise with their customers. As with every other player within the banking sector SEB tries to direct their customers towards their website when using search engines like Google for example.

This is called search engine optimization (SEO) and is based on the assumption that you want to get as highly ranked as possible on the search results page in order to gain new customers.

SEB marketing strategy comprises sending out customized mails with forecasts about interest rates and currencies, if the customer is doing a lot of foreign businesses for example. The banking company also has got a newsletter that they send out eight times per year. Lars (2015) highlights the importance of providing personalized and customized offers in the right time, modified after the customers' economic situation. The bank has got information about economic details such as what loans you have, your income, where you live etc. Based on these facts it is important to provide customers with relevant offers customized after their specific economic situation.

SEBs marketing messages are always directed towards reliable surroundings. The social media platform Facebook is mentioned as an environment that is not seen as a reliable one and therefore customized marketing messages should not be present on this website. The confidence in the banks will be reduced if marketing messages including information about your loans and other private information is shown at unreliable platforms such as Facebook for instance. Therefore being exposed in safe surroundings are taken seriously in SEB:s marketing strategy when deciding where to direct their marketing messages. The trust and confidence between the bank and its customers is the banks most important asset and should therefore be treated with confidentiality. Lars argues that one thing you can be one hundred percent certain of is that SEB will be required to build digital relationships with their customers in the future. The need for constant development of digital solutions will continue and SEB needs to follow the trend to manage to survive in the incredibly competitive banking industry.

SEB has gone from having 7% of all start-up companies to having 25% today. The bank has engaged extensively with "Almi" which is a state-owned company that works with advisory, debt and equity financing. They have also engaged with "Nyföretagarcentrum" which is a company that wants to stimulate start-up companies. Therefore SEB have established itself a position in the mindsets of their customers as being the corporate bank. There are no banks in Sweden that have the attribute of being the traditional corporate bank except SEB. In many situations SEB has a huge advantage of having the reputation as a being the corporate bank. This is the result of previous marketing campaigns convincing customers that "it should be easy to run your own business". Lars claims that customers see SEB or possibly Handelsbanken as the corporate banks in Sweden and this also puts pressure on the banks. A corporate customer entering SEB has higher expectations of the service quality that should be delivered than a customer entering Swedbank, whom promote themselves as being the "bank for everyone". Lars argues that having a good reputation is not badly, but it also requires more from the bank. The risk of major disappointments from customers if not delivering high service quality gets larger as a result of the high customer expectations.

Lars claims that the main factors for corporate customers to choose SEB as their main bank is due to their highly international network, high customer satisfaction rate, decent customer offerings and also because of the fact that they are seen as the corporate bank. SEB have chosen to position itself as the corporate bank and they strive to bring the expertise of the advisors closer to the customer. SEB can offer several diverse digital solutions for corporate customers in form of the corporate app, mobile bank-ID, digipass, bank-ID card, telephone banking and swish for companies. In this way they offer flexible solutions for the customers and the accessibility is also enhanced. With new technical solutions the competitive advantage and customer satisfaction is enhanced. Being in the front edge with digital solutions is a way of enhancing the customer satisfaction and as a result also the customer loyalty.

4.2 Service Quality

The main questions asked in the interview in this section were: Which factors do you think are the most important to a corporate customer when choosing bank? What do you think the corporate customers expect from the banks side? How do you handle dissatisfied customers? What events can make a corporate customer switch bank? What is the most common reason? What are the obstacles if a customer wants to switch bank?

Lars Dahlberg (2015) believes that there are three important responsibilities for SEB in winning new customers and acquiring old ones. Those factors include being credible, easy and secure and except for those three factors the most important thing of all is to be predictable. Being predictable means that SEB strives towards preventing surprises before they occur. The bank should be transparent and open in their reasoning and make sure that the customer gets an immediate feeling of what the outcome of the proposal is going to be like. Transparency will make sure that the customer do not waste any time being anxious about if the bank is going to grant the loan or not. By using transparency it should be predictable what the result will be beforehand. Tomas (2015) on the other hand believes that the cost of the products and services, trust in their advisor, availability, references and Word of Mouth are the most important factors in the corporate customers choice of bank. He further argues that recommendations from family and friends also are of major importance in the customers' choice of bank.

When asking what corporate customers expect from the bank two of the respondents argued that they expect proactivity from the bank meaning that SEB will suggest relevant offers to the customer. The customers also expect transparency, meaning that SEB should be able to explain the reason behind their decisions (Dajana, 2015). Dajana (2015) further argues that the customers expect that the corporate advisor have an understanding of their business and offer relevant prices in the accurate time. SEB also need to be able to explain why the customer has got a certain interest rate and why costs exist for instance.

In the question on how to manage dissatisfied customers Dajana (2015) argues that frequent meetings, contact with the corporate customer and to listen to what they have to say is the best receipt against displeasure. Lars (2015) further claims that it takes a lot of energy to handle a customer with unreasonable demands and this can be dealt with by being honest and explaining that there are other alternatives that better suits the customers demands. If switching bank is a win-win situation for both the advisor and the corporate customer, then it may be the only possible solution (Lars, 2015). This is due to the fact that is impossible to work with customers that never gets satisfied and has got unreasonable demands. Firstly SEB should try to investigate what is wrong, then reconnect to the customer and see if the problem can be solved. At first-hand the region managers and the advisors at the office should manage the dissatisfied customers.

The major cause of why corporate customers switch bank is due to an event that triggers the entrepreneur to look for other solutions. A big happening within the company such as a large investment, a new business partner or if the corporate customer is going to sell a part of the business can be reasons behind switching bank according to Lars (2015). The other main cause of displeasure is if the bank makes a fool of itself in any way that weakens the relationship or that the customers have had a successful relationship for many years with their advisor and then the advisor get substituted. Lars (2015) argues that one can never be sure that the relationship will continue to be successful just because the previous relationship between corporate customer and advisor has been so. The relationship between the advisor and the corporate customer is therefore extremely important for the banks profitability. Tomas (2015) claims that the main reason for corporate customers to switch bank is dissatisfaction with the corporate advisor and rejection of a credit request.

4.3 Customer Loyalty

Questions asked in this section were connected to SEBs way of shaping long-term relationships and loyal customers. During the interview questions asked were: How do SEB shape customer loyalty? How do you create trust/confidence? Do you think that it has gotten harden to create customer loyalty in today's digitized society? How do you measure loyalty?

During the interview respondents were asked how SEB:s employees work with shaping loyal customers. All respondents agreed on the fact that customer loyalty is one of the banks most important assets. In order to enhance customer loyalty SEB have a pronounced customer promise based on which segment the customer are placed in. They are clear in the communication with what the customer can expect from them and SEB actively contact their customers at least one time per year to execute the yearly customer meeting. Their "best" customers have a private company advisor that should mediate the customer promise to them. Tomas (2015) argues that regular meetings, frequent contact with the customer, tips and systematical work is the key to shaping loyal customers. According to Lars Dahlberg (2015) they reach smaller customers digitally where the customer receives offers about a yearly review, either by telephone or at an office.

SEB proactively work with a customer journal where relevant tips on what services to offer the customers. Lars Dahlberg (2015) claims that SEB has got "typical customers" where customized messages and offers are directed toward the different segment clusters. SEB works with something called NPS (Net promoter score) where the customers have the opportunity to assess the performance of the advisors. There are a number of external public studies that also measure customer opinions and attitudes towards SEB, for example "finansbarometern" and "SKI". Through those public studies SEB can see where there are shortcomings and what they are good at. The bank makes use of all those methods in shaping customer loyalty and enhancing the relationship between corporate customers and the bank. Surveys are also sent out frequently either by telephone or by mail to measure the customer loyalty and in this way enhance the relationship.

To enhance the trust and confidence in the bank a few of SEB:s "best" corporate customers are invited to trips and dinners with Annika Falkengren, the CEO of SEB. In this way they enhance the loyalty between advisor and corporate customer by getting to socialize intensely. It is important to know that this is not a bribing trip since the customer gets to pay much itself (Lars, 2015). With regular customers they have local and regional relationship strengthening activities such as going on ice hockey games and lunches for instance. Tomas claims that in order to enhance the trust and confidence the advisors make sure that they know about the customers operations and answer to the customers' proposals in time. Tomas (2015) argues, "It is especially important not to be a time optimist and promise that it should be done before it will be done in order to avoid any dissatisfaction". Otherwise disappointment will occur since the bank cannot keep their promises and the trust between advisor and customer will be damaged. As mentioned before in order to enhance trust SEB works with transparency and the bank company is careful with explaining the process to the customer. It is important to be able to explain how the bank reasoning goes in order to enhance the trust and confidence (Dajana, 2015).

The digitalization of today's society has changed the customer loyalty in the way that customers will consider themselves as loyal, but they will be loyal with more actors at the same time. Lars (2015) believes that it will be a lot easier in the future for the corporate customers to use more than one bank. SEB goal will still be to have all the affairs of one customer at the same place but it will get a lot harder. The ease of having different banks will make it harder for SEB to keep each affair the customer has got. Another relationship is just a click away and if the corporate customers are offered a better alternative the customer will be likely to switch bank. Tomas (2015), believes that the digitalization of today's environment have made it harder to keep the small start-up companies and the personal contact is still very important for major companies. For major companies the trust in the corporate advisor is more

important than for the small companies. Since there are many competitors within the banking sector it has become easier for smaller companies to switch bank because of the fact that the personal relationship will not suffer. It is easier to switch bank if there is no personal relationship between the parties and if no emotional bond between advisor and customer exists.

Lars (2015) argues that within five years SEB have to be able to offer the basic programs, such as VISMA, the accounting software that every new customer will need in the start-up of a company. This needs to be done in one process and the customers will probably be able to buy it to a discounted price via SEB. He believes that simplicity is the new way of building customer loyalty and by cooperating with companies such as VISMA together they will deliver flexible solutions. Within five years SEB have to be able to offer customers basic services such as accounting software and other services needed in the start-up of a company when you login to SEB:s website. All services should be offered at the same website to facilitate the use for the corporate customers.

5 Analysis

With the aim of answering the initial research questions complying with the purpose of this thesis, linking theoretical views with the empirical findings creates this chapter. The initial questions stated in the theses are: (1) How do bank companies market themselves towards their corporate customers in today's digitized society? (2) How do bank companies work with developing customer satisfaction toward their corporate customers in today's digitized society (3) How has the bank companies work with shaping customer loyalty changed due to the massive digitalization? The analysis will be divided into three different sections concerning the main topics within this thesis of marketing strategies, service quality and customer loyalty. Below follows the analysis from the interview and the secondary data analysed connected to the theoretical framework.

5.1 Marketing strategies

This part is regarded to give focus to the research question: How do bank companies market themselves towards their corporate customers in today's digitized society?

Marketing strategies are employed to ensure banks are shaping customer loyalty. These practices are crucial as people more often demands easier access to services and the digitalization forces banks to develop their technological services in order to keep their market share. People are getting more mobile and demands banking services that will facilitate their everyday life. The digital environment is under constant development and the need for banks to adapt to those changes is crucial.

Besides this, practices were found as indicators relating to the massive digitalization that has changed the marketing environment a lot the latest years. Less money is spent on traditional marketing and more money is spent on content marketing. Content marketing is done via statements in media from experts within SEB concerning taxes, financing and entrepreneurship. Lars (2015) argues that the goal is to enhance the expertise of their customers and convey the expertise from the experts to the customers. The argument is supported by Hollendsens (2014) argument that it is important to have a clearly stated marketing plan based on the firms mission (purpose of the business) and vision (where do we want to go). SEB has got a clearly stated mission in form of enhancing the expertise of the customer, which is communicated both internally and externally. I believe that in order to succeed with reaching their customers in an effective way having a clearly stated mission and vision is crucial.

Based on the information collected, by using search engine optimization SEB strives to get as highly ranked as possible on the search results pages (Tomas, 2015). This is an effective way of reaching new

customers by getting attention when different search words are typed in Google. SEB also has got a newsletter that they send out eight times per year and customized mails and forecasts concerning the customers' different interest areas. If the customer is having a lot of foreign businesses, forecasts concerning rates and currencies will be sent to that specific customer (Lars, 2015). This view is supported by Hollendsens (2015) claiming that banks need to differentiate their offerings according to their different segment group's needs. Hollendsen (2014) states that segmentation should be done with different strategies based on behavioural, demographic, psychographic or geographical differences. SEB uses psychographic segmentation when customizing and personalizing their messages toward the selected segment group. Psychographic segmentation is when you divide the market into segments with similar values, attitudes, and as in SEBs case with different interests areas. Personalized and customized messages facilitate the banks work with acquiring new customers and keeping the existing ones (Hollendsen, 2014). This is also highlighted by Lars (2015) who claims the importance of providing customers with customized offers in the right time, modified after the customers' economic situation.

Since the bank handles vulnerable information about the customers economic details such as loans, income, where you live etc. it is important to provide customers with relevant offers and customized marketing messages according to their personal needs (Lars, 2015). Since banks are handling sensitive information the use of personalized and customized messages becomes even more important. This argument is also communicated by Sunnikka and Bragge (2009) which states that it is particularly important in the financial sector to use the right marketing tools since it is all about creating credibility, personal private information and long-term committed relationships.

Tomas stresses the importance of only being seen in secure environments that will not cause any harm to the customers' confidence in the bank. This can be confirmed by Sunikka and Bragge (2009), which claim that marketing within the banking sector is different than within other environments since it has to be more discrete and sensitive. SEB uses the customized targeting approach by Fill (2011) when trying to reach their customers. Customized targeting is where the product is modified to the specific needs of an individual (Fill, 2011). In the banking sector, as claimed by Sunnikka and Bragge (2009) the use of customized targeting is of major importance since the banks are handling sensitive information.

SEB have had a huge success story with acquiring new start-up company customers. They have gone from having 7% to having 25% of the start-ups today. Their marketing strategy has included engaging extensively with confident and relevant companies such as "ALMI" and "Nyföretagarcentrum". In this way they have positioned themselves of being the corporate bank and the greatest bank for start-up companies. SEB has used focused marketing where a company focuses on entering its resources in a narrow market (Fill, 2011) and in this way gained a huge market share. SEB has a huge advantage of having the reputation as being the corporate bank in Sweden. This is the result of previous marketing campaigns convincing customers that "it should be easy to start a company". This can be supported by Fills customer relationship lifecycle. Fill (2013) argues that there are four different relationship phases of; customer acquisition, development, retention and decline. When customers are in the first stage of customer acquisition it is characterized by the search, initiation and familiarization of the product or service. Many loyal-enhancing activities should be implemented in the customer acquisition phase and this is exactly what SEB has done by engaging with different suitable companies.

Lars (2015) argues that having the favourable reputation of being the corporate bank in Sweden is good, but it also requires more of the bank. If not delivering high service quality the risk of getting disappointed customers gets higher. The customer retention phase (Fill, 2013) can be the most profitable one, however the last level of the lifecycle, the decline phase, can still occur. If problems occur between the parties a closure of the relationship might occur (Fill, 2013). Lars (2015) argues that having a good reputation also puts a lot a pressure on the banks to keep their customers in the retention phase, which can be a hard task since switching behaviour is still present at this stage.

5.2 Service quality

This part is regarded to give focus to the research question: How do bank companies work with developing customer satisfaction toward their corporate customers in today's digitized society?

Great service quality is a must to be able to form loyal customers. High service quality leads to satisfied customers. The banking industry is constantly changing and it puts pressure on the banks to deliver high service quality to their customers. According to SEB's employees the use of the Internet and the telephone banking has improved the customer service. Providing customers with easy and secure solutions in form of new technology has enhanced the customer satisfaction and as a result also the customer loyalty.

During the empirical data collection it was found that Lars (2015) claims the importance of being easy, credible and secure in order in order to obtain new customers and keep the existing ones. Those three factors can be connected to Mefford (1993) argument that in order to survive in the highly competitive Internet banking industry, it is obvious that the banks need to provide customers with high quality services. High service quality in the eyes of Lars (2015) is defined as those three factors and the last and probably most important factor is to be predictable and make sure that no surprises will occur (Lars, 2015). Being transparent and open in their reasoning is crucial in the banks work of shaping customer satisfaction and customer loyalty. According to Oliver (1997) customer satisfaction is a forefather to long-term relationships and customer loyalty, which is something that SEB strives toward achieving. Therefore the focus should be on providing customers with high service quality to win the customers confidence and trust.

Tomas (2015) on the other hand, believes that the costs, the trust in their advisor, availability, references and Word-of-Mouth are the most important factors in the corporate customers' choice of bank. Due to the constantly developing technological environment the availability has enhanced since all banks use the Internet as a marketing channel today. Internet banking solution offers around-the-clock services to customers, which as a consequence enhances the customer satisfaction even more.

The respondents' points out some of the most important factors in increasing the customer base. Some of the key factors in acquiring new customers can be related to the SERVQUAL-model. The SERVQUAL-model recognizes the gap between the expected level of service and actual delivered level of service (Parasuraman *et al.,*1998). Having trust and confidence in their advisor is the first success factor Tomas (2015) mentions and trust can be linked to the assurance part in the SERVQUAL model. Assurance is defined as the need of having skilled employees that can gain trust from the customers (Rajan Saxena, 2009). Firm credibility, courtesy delivered to customer, and the extent to which the customer feels secure is present at this stage. Making sure that the gap is reduced between what the customer expects and what the customer gets can according to both Tomas (2015) and the SERQUAL model (Parasuraman et al. 1988) enhance the customer satisfaction that according to Oliver (1997) is the forefather to customer loyalty. This is a win-win situation for both SEB and the corporate customers since the customers gets satisfied and SEB enhances the customer loyalty which leads to profitability. As Kotler *et al.,* (1999) argues the cost of attracting a new customer is five times more expensive than keeping the current customer happy. Therefore the focus should be on providing high service quality and reducing the gap between the customer expectations and delivered service. This can be connected to Reynoso and Moore's (1995) argument that good service quality is a basis for a company's overall well-being and economic result, which is something that SEB should put a lot of effort into.

SEB:s use of goods and services towards different segments in the market such as Internet banking, telephone banking, offices and so forth is something that the bank does very well. By being proactive and flexible in their technological solutions their service quality is enhanced. As identified by Grönroos (2000) zone of indifference curve, in order to move customers into the state of being "very satisfied", which is the goal for all companies, value-added activities and superior service is needed. SEB uses value added activities such as the Internet banking, telephone banking, meetings and lunches to make the customers move from the phase of being "satisfied" to being "very satisfied". By making a customer "very satisfied" customers will spread positive word-of-mouth, as Thomas (2015) argued were one of the main ingredients in the customer's choice of bank. By spreading Word-of-Mouth about the company the customers become loyal through repurchases (Grönroos, 2000). This is why value-adding activities and superior service is of extreme importance within the banking industry where the products and services offered are homogenous. Superior service and value-added activities is the only way banks can distinguish from each other. Therefore all efforts should be in providing customers with high-quality service and reducing the gap between the expected service and the delivered one. Good service is crucial in order to make the customer move into Grönroos (2000) zone of being a "very satisfied" customer and spreading recommendations to the prospective customer (Word-of-mouth).

Lars (2015) argues that corporate customers expect proactivity from the bank meaning that SEB will suggest relevant offers according to the customers' specific needs. Therefore, bearing in mind the SERVQUAL-model, SEB needs to make sure that proactivity and relevant offers will be offered since this is what the customer expects according to the respondents. The SERVQUAL-model is all about reducing the gap between the customers' expectations and the actual delivered service. If not living up to the expectations of the customers the risk of getting a dissatisfied customer will be enhanced. A dissatisfied customer is according to Grönroos (2000) likely to become a "terrorist". "Terrorists" try to scare away new potential customers through communicating harmful information (negative Word-of-Mouth) about the company. I believe that this is something that SEB should try to avoid in every situation since it can be extremely harmful for the banks reputation. Negative word-of-mouth dangerous and will have a negative impact on many aspects of the firm. Tomas (2015) argues that to handle dissatisfied customers SEB tries to investigate what is wrong, then reconnects and see if it can be solved. I believe that communication is key in handling dissatisfied customers and as Lars (2015) argues, meeting the corporate customers as often as possible and listen to what they have to say is the best receipt against displeasure.

5.3 Customer loyalty

This part is regarded to give focus to the research question: How has the bank companies work with shaping customer loyalty changed due to the massive digitalization?

The respondents all agreed on the fact that the customers are the banks most important assets. Without the customers a bank would not be able to exist. Since customer loyalty is connected to profitability the question of how to create customer loyalty is of major importance. Thus, respondents stressed the importance of customer loyalty and long-term relationships.

As Gremler and Brown (1996) argues the definition of customer loyalty is the degree to which a customer shows repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider there is a need for this specific service. This is what SEB strives to achieve in the long-term. One reason for having this goal is due to the fact that as Kotler *et al.,* (1999) argues that the cost of attracting a new customer is five times more expensive than keeping the current customer happy. Since all banks want to be profitable this is one of the main reasons why banks should strive towards getting loyal customers.

According to Lars (2015) in order to shape trust and confidence between advisors and corporate customers trust-enhancing activities such as trips and dinners with key persons within the company is offered. Further elaborating Yousafzai (2003) argues that trust is a crucial factor to economic growth and development within the international banking industry; therefore you can notice the importance of organizing social events between customers and advisors. By socializing intensively they get to know each other really well and the bond becomes stronger. This is a really smart way of enhancing the trust between the parties and reduces the risk that the customer would like to switch bank. Having strong bonds with their customers will enhance the customers satisfaction and as a consequence also the customer loyalty.

Another important aspect is that SEB puts a lot of effort in shaping customer loyalty by providing digital banking services and consultation. This will lead to higher satisfaction among their customers, which is in line with Muffato, and Panizzolo (1995) view that customer satisfaction leads to customer loyalty. This is considered to be one of the most important competitive aspects for the future, and will be the best indicator of the banks profitability. It will enhance the trust and confidence in the relationship between the bank and the customer and therefore putting a lot of effort into shaping loyalty is a key factor behind the bank companies' profitability. Offering telephone consultation around-the-clock and being accessible also enhance the trust since the customers feel like can get help in every situation. Tomas (2015) argues that it is important for SEB to be able to explain how the bank reasoning goes in order to enhance the trust and confidence. This makes the corporate customers understand the reason behind their decisions and by making the process transparent SEB makes sure that no unexpected surprises will occur. SEB has the right focus of enhancing the trust and confidence and as a consequence also increase the chances of reaching the main goal for SEB, customer loyalty.

Connecting this to the journal of Kunal and Basu (1994), customer loyalty is a complex phenomenon and especially within the bank sector since the products offered are highly homogenous. The ease of adapting products and services has made the competition more intense than ever before. All the interviewees agreed on the fact that the difference between reaching small or major companies is that SEB reach smaller customers via digital solutions and the major ones are more dependent on the personal contact. Tomas (2015) argues that regular meetings, frequent contact with the customer, tips and systematically work is the key to shaping loyal customers. He believes that the importance of regular personal meetings with important customers will not decrease in importance. This can be connected to Oliver's four-stage customer loyalty model that was found in 1999. The action loyalty where the customer stays loyal will be of greater importance in the relationship between the bank and the major company owners. Action loyalty is the greatest form of loyalty and if the engagement is repeated, repurchases will be made in the future (Oliver, 1999). Since the main objective for banks is to keep their customers loyal, striving towards having customers in the greatest phase of loyalty, action loyalty will be more important on major company owners than on the smaller ones. This is due to the fact that reaching smaller customers will be based on non-personal interactions in form of digital solutions in the future, and it will be harder to enhance the loyalty via those platforms. Therefore SEB will have to accept the fact that there will be more competitors and easier for small company owners to look for other opportunities. Small company owners will be in the first step in the loyalty model called cognitive loyalty phase where if customers find a more preferable price, they are likely to switch brand (Oliver, 1999).

As Lars (2015) argues the digitalization of today's society has changed the customer loyalty in the way that customers will consider themselves as loyal, but they will be loyal with more actors at the same time. He believes that it will be a lot easier in the future for the corporate customers to use more than one bank. On behalf of the small company owners the digitalization has made the cognitive loyalty more significant. As Oliver (1999) argues cognitive loyalty is the weakest type of loyalty and it is determined by information concerning the product such as price, quality and so forth. It is not concerned with the brand itself but with the benefits an offering have got (Oliver, 1999). As Lars (2015) argues it has become extremely simple to switch bank and another relationship is only a click away. This has intensified the

competition between the digital platforms even more. It will become much easier for small companies to switch bank and much because the cognitive loyalty has increased the latest years and in order to form loyal customers there is a need for action loyalty. Since switching behaviour in the cognitive loyalty phase is only dependent on the cost-benefit ratio, the customers are very sensitive to price changes. Therefore SEB should strive towards implementing value-added activities to make the customer stay in the action loyalty phase.

The feedback e-mails and telephone calls that SEB uses can be seen as a loyalty-enhancing activity. SEB is proactive and this is showed by regular phone calls and invitations to personal meetings. The proactivity can be linked to the four-stage loyalty model since SEB is trying to climb higher in the stage model to make sure that the deepest form of loyalty is reached. The higher a customer climbs is in the loyalty model, the less the risk that the customer will become disloyal and switch to another competitor. All the trust and confidence-enhancing activities is something that SEB puts a lot of effort in. Dajana (2015) argues that SEB makes use of something called NPS where the customers get the opportunity to assess their advisors. This is done in order to see where there are shortcomings and what they can improve. Getting feedback from their customers is crucial in order to know how the customer loyalty can be enhanced. There are also some public studies called "SKI" and "Finansbarometern" that measures customer opinions and attitudes towards SEB. I believe that the studies concerning customer loyalty will increase in importance due to the fact that the digitalization has increased the use of self-service solutions. Therefore the banks need to provide the customers with new technical solutions to make them stay loyal. Getting feedback from their customers concerning the self-service solutions will therefore be of major importance in the future.

All respondents agreed on the fact that loyalty leads to profitability and therefore SEB want to have all the affairs of a customer at the same place. This can once again be confirmed by Kotler *et al.* (1999) who argues that the cost of attracting a new customer is five times more expensive than keeping an existing customer happy. Hence I believe that the banks resources should focus on keeping their current customers happy. SEB has got the right focus by putting a lot of effort into shaping customer loyalty. Reliant on which segment the corporate customers are in the four-stage customer loyalty model different actions should be taken. This is supported by Lars (2015) argument "in order to enhance customer loyalty SEB have a pronounced customer promise based on in which segment they are". I consider that SEB should strive towards having as loyal customers as possible in form of making them stay in the active phase. If the customer is in the conative phase, more efforts should be implemented toward that specific customer in form of invitations to meetings, events, lunches etc. in order to enhance the customer loyalty. The four-stage customer loyalty model is a great way of sorting customers into different segments depending on their loyalty-status. Thenceforth, as Lars (2015) argues, different products and services should be offered depending on which segment they are in.

6 Conclusions

In this section answer to the initial questions will be presented. Those are in conclusion an attempt to fulfil the overall purpose of stated in the beginning of this thesis, i.e., "To examine marketing strategies for bank companies work in reaching corporate customer loyalty concerning digitalization, decision making and service quality towards their corporate customers in the modern banking industry".

How do bank companies market themselves towards their corporate customers in today's digitized society? After examining how SEBs marketing tactics towards keeping loyal customers looks like and analysing the results, the need for banks to differentiate themselves can be noticed. The banking sector is highly homogenous and the products offered are basically the same. Therefore there is a need for banks to distinguish oneself through high service quality, which will result in customer loyalty. People are demanding new ways to socialize and networking and the need for banks to adapt to those changes is

crucial. Less money is spent on traditional marketing and more money is spent on content marketing and since banks are handling sensitive information and the use of personalized and customized is important. As a bank it is crucial to be seen in secure and serious environments that will not cause any harm to the customers' confidence in the bank.

How do the bank companies work with developing customer satisfaction toward their corporate customers in today's digitized society?
Service quality is a forefather to customer loyalty and high service quality is needed to shape satisfied customers. The landscape of the banking industry is under constant development and this puts pressure on the banks to deliver high service quality to their customers. The bank tries to be easy, credible and secure to keep existing customers and acquire new ones. Being predictable and transparent in their reasoning is a must to shape loyal customers. Focusing on providing high service quality and reducing the gap between the customer expectations and delivered service mentioned in the SERVQUAL-model is the main goal for the banking companies. Hence by being proactive and flexible in their technological solutions their service quality is enhanced. Superior service and value-added activities within the homogenous banking sector is a must since this is the only way to distinguish oneself from the other competitors in the market.

How has the bank companies work with shaping customer loyalty changed due to the massive digitalization?
SEB shapes customer loyalty by providing digital banking services, consultation and other trust-enhancing activities such as trips and dinners with key persons within the bank. The digitized environment has made SEB available via different devices such as telephone and Internet banking around-the-clock. The ease of adapting the products and services has made the competition more intense than ever before between the banks. The society has changed the customer loyalty in the way that customers will consider themselves as loyal, but they will be loyal with more actors at the same time. For small company owners the ease of switching bank are only a click away but for the major companies the personal contact has not decreased in importance. It will be a lot easier in the future to use more than one bank and the importance of getting feedback concerning the self-service solutions have increased due to the expansive development.

7 Further research

When writing the thesis the author noticed that there are gaps in the research concerning the modern banking industry and in what way the digitalization has changed the banks way of doing business. There are a lot of interesting academic journals regarding customer loyalty but in many of them the impact that digitalization could have in the banking sector, have gone unnoticed. There are also a lot of journals concerning the private customer perspective within the banking industry but not from the corporate customer perspective which can be even more interesting since the corporate banking department deals with higher amounts of money. Today's development with both the digitalization and the self-service solutions have changed the customers way of thinking and if the personal contact between corporate customer and the bank will be reduced is a really interesting question that needs further investigation. Will the technical self-service solutions be able to replace the incredibly important personal contact between corporate customer and advisor in the future?

Further on it would also be interesting to make a more detailed examination of the study to increase the validity and reliability. Since the bachelor thesis has got a limited scope and the time management is a crucial factor it would be interesting to implement a survey toward the corporate customers in order to investigate their side of the story as well. There are currently some interesting information concerning the banks view on the topic but it would be interesting to know what the corporate customers really value in their choice of bank. What are the most important factors when choosing a certain bank in the eyes of the company owners?

This is a really interesting topic and further research will be needed due to the massively changing environment. The banks will need further investigation concerning how they will manage to keep their market share and how the digitalization has changed the customer's way of thinking. However to do this, they will need more information concerning the corporate customers way of thinking regarding the choice of bank. Implementing supplementary research within the topic will result in a win-win situation for the banks as well as the customers.

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Appendix 1

Interview questions in English

SEB employee
Describe a little bit about yourself and what SEB as a brand means to you?

Marketing tactics
1. How has your marketing changed in recent years, given how the digitization has increased?
2. How do you think the future of communication with clients will look like when most customers tend to do their transactions online? Will the personal relationship decrease in importance?
3. Do you think that the digitization will result in a reduced need for labour?
4. What do you believe is the main reason corporate customers choose your bank?
5. What can you offer that other banks cannot?
6. How have you chosen to position your bank in relation to your competitors?

Customer expectations/service quality
7. Which factors do you think are the most important to a corporate customer when choosing bank?
8. What do you think the corporate customers expect from the bank side?
9. How do you handle dissatisfied customers?
10. What events can make a corporate customer switch bank? What is the most common reason?
11. What are the obstacles if a customer wants to switch bank?

Customer Loyalty
12. How do you work with shaping long-term relationships and loyal corporate customers?
13. How do you create trust/confidence?
14. Do you think it is harder to create customer loyalty in today's digitized society?
15.How do you measure loyalty?

Questions in Swedish
SEB anställd
Berätta lite om dig själv och vad SEB som ett varumärke betyder för dig?

Marknadsföring
1. Hur har er marknadsföring ändrats de senaste åren med tanke på hur digitaliseringen har ökat?
2. Hur tror du framtidens kommunikation med kunder ser ut då de flesta tenderar att göra sina ärenden online? Kommer den personliga relationen minska i betydelse?
3. Tror du att digitaliseringen kommer att resultera i minskat behov av arbetskraft?

4. Vad tror du är den största anledningen är till att företagskunder väljer just er bank?

5. Vad har ni att erbjuda som inte andra banker har?

6. Hur har ni valt att positionera er i förhållande till era konkurrenter?

Kundnöjdhet

7. Vad tror du är viktigast för en företagskund när den ska välja bank?

Förtroende för kontaktpersonen, kostnaden, tillgängligheten, referenser, WoM viktigt,

8. Vad tror du företagskunden förväntar sig av banken?

9. Hur hanterar ni missnöjda företagskunder?

10. Vilka händelser kan få en företagskund att byta bank?

11. Vilka hinder finns det för en kund som vill byta bank?

Kundlojalitet

12. Hur jobbar ni för att skapa långsiktiga relationer och lojala företagskunder?

13. Hur skapar ni förtroende/tillit?

14. Tror du det är svårare med digitaliseringen i dagens samhälle att skapa kundlojalitet?

15. Hur mäter ni lojalitet?