Digitalization Strategies in the Banking Industry
A study among Swedish banks

Axelina Boström, Joakim Andersson
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Axelina Boström              Joakim Andersson
Abstract

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Problem The banking industry is changing with new technologies and the financial sector is exposed to the strong pressure of change. All this appearing as a result of the ongoing digitalization.

Purpose The purpose of this thesis is to gain a deeper understanding of how Swedish banks internally work with digitalization. Also, to create an understanding of the banks’ views of challenges, opportunities, and the future perspective of the Swedish banking industry that follows with digitalization.

Theoretical Framework The theoretical framework has been developed from our three keywords: Digitalization, Bank industry and Digital banking. The theoretical foundation of this thesis is presented to create an understanding of the concept of digitalization.

Methodology A qualitative research approach is used in this thesis where interviews are conducted with highly insightful respondents from each bank to fulfil the purpose and answer the research question.

Empirical Findings The result of the empirical data collection consists of primary data collected through interviews with four major banks in Sweden.

Conclusions All banks have a different internal approach to digitalization. However, there is no one-size-fits-all solution for a successful strategy, and the banks must adapt their internal work in order to manage the digitalization in the most suitable way. Although there are some difference and similarities in how banks internally work with digitalization, it is evident that the banking industry is changing along with the digitalization. We are facing a new reality where the digitalization brings both challenges and opportunities. The banks have a positive perspective on the future of digitalization. However, we will probably see a lot of changes in the banking industry in the near future.

Keywords Digitalization, Bank industry, Digital Banking
Definitions

Bank industry A network of financial intermediaries that provides banking services.
Digitalization The binding structure for all new media networks, that arise with the need to assimilate huge growth of the digitized information into a holistic infrastructure of communications.
Digitization The concept of converting information from sources such as books, friends, expertise from teachers among others, into bits that can be stored digitally.
Digital Banking Banking services that are delivered over the Internet.
Digital Marketing Stem from traditional marketing and emerged with the advent of radio, television, and especially the Internet.
Digital Product Experience The customer’s experience of using a digital product.
Customer Effort Score A measurement of customer experience and its correlation with customer loyalty.
FAQ “Frequently Asked Questions” Collection of frequently asked questions and their answers.
Fintech “Financial technology” A common term used for the latest IT technology in the financial sector, where financial services are combined with software technology.
GDPR “General Data Protection Regulation” A European Regulation aimed to protect individuals in the handling of personal data.
Customer In the context of this study customers is mainly referred to as private customers within the banking industry.
Customer satisfaction The feeling or attitude of a product or service the customer gets after using it.
e-Commerce “Electronic commerce” A way of distributing corporate information, upholding corporate relationships, and directing corporate transactions through telecommunication networks.
e-CRM “Electronic Customer Relationship Management” A concept developed from traditional CRM and it focuses on the Internet-based interaction with the customers.
Mobile Does in the context of this study cover the areas of m-commerce and mobile channels/applications.
Mobile BankID A mobile application which is an electronic ID for mobile devices.
Net Promoter Score An international measure that can be used to measure customer satisfaction.
Search Content Marketing All marketing that includes the creation and sharing of content to obtain customers.
Search Engine Marketing A paid marketing strategy that aims to make companies visible on search engines.
Search Engine Optimization An unpaid marketing strategy focusing on the process of optimizing a company’s website to appear in a search engine’s search result.
Social Media Websites and mobile applications that enable people to interact in human social networks and it have also become considered as an important marketing tool.
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1. Introduction

This chapter aims to provide the reader with a general knowledge of the main areas that this thesis will cover. Section 1.1 provides the background of digitalization in the Swedish banking industry, which is the main focus of interest for this thesis. Section 1.2 discusses the relevant problems building up the foundation for the research question of this thesis. Section 1.3 states the research question of this thesis and is followed by the purpose in section 1.4. In section 1.5, the delimitations of this study are presented.

1.1 Background

Today’s society is characterized by digitalization in many different ways and it affects companies across most industries. The Swedish national encyclopaedias definition of digitalization by Lindholm (2019), is originally the process of converting analog information to a digital representation. Nowadays however, digitalization has a broader meaning and is more about the society's digital transition (Lindholm, 2019).

Digitalization has become an important part to integrate into companies’ business models, and according to BearingPoint (2018, p.35), it is vital for most companies to make digitalization a part of their offerings and internal processes. Several industries are affected by the digitalization, including the banking industry which is facing a new reality with new technologies and changed customer behavior. Even though digitalization has rapidly changed the banking industry and the environment they work in, the banking industry still struggle with adapting to their customers’ digital demand (BearingPoint, 2018, p.35).

The importance of digitalization in the banking industry has been highlighted in the study Understanding Financial Consumers in the Digital Era, where the customers’ needs in the digital era were explored. The customers expect value adding, custom-made, and personalized services that support their financial goals (CGI Group Inc., 2014).

It was not until the 1970s that the efficiency of the banks’ production processes through automatization began (Swedish Bankers’ Association, 2016). It is the technical development that drives digitalization, combined with the regulatory changes and the ever-changing customer behaviors. The introduction of Internet banks in the late 1990s, the later development of banking applications in smartphones, and the recent digital development of the whole Swedish society have caused the Swedish customers to become an important part in the banks’ digitalization process (Swedish Bankers’ Association, 2016).

As an outcome of the rapid digitalization process, banks are forced to change their traditional banking business models, and those who are willing to change will be able to score the benefits (Olanrewaju, 2013). Banks’ must, therefore, prepare for this business model adjustment as changes will come, whether or not the banks are ready for it (Olanrewaju, 2013). According to the Swedish Bankers’ Association (2016), the new banking business model approach is a consequence of the digitalization as customers change their behavior and adopt more digital banking habits. Even if digitalization is a rapidly changing phenomenon that has been commonly known in the banking industry for some time, it was not until recent years that it became a frequent topic in the public debate (Swedish Bankers’ Association, 2016).
Although digitalization is closely related to digitization these terms should not be confused. Digitization is referred to the concept of converting information from sources such as books, friends, expertise from teachers, and much else, into bits that can be stored digitally (Brynjolfsson & McAfee, 2014). While the term digitalization instead is referred to the binding structure for all new media networks, that arise with the need to assimilate huge growth of the digitized information into a holistic infrastructure of communications (Van Dijk, 2005, p.33-34). In other words, digitalization has a broader meaning than digitization.

To examine the effects of digitalization in the Swedish banking industry we need to analyze several different dimensions of the digitalization phenomenon. The report Digital Leaders of Sweden 2019, published by Bearing Point (2018) has listed the digitally leading companies across different Swedish industries, as well as made comparisons between the different companies in these specific industries. However, worth noticing is that the Swedish banking industry is lagging behind other Swedish industries when it comes to adapting to the development of digitalization.

In the report Digital Leaders of Sweden 2019, digitalization is divided into six dimensions: digital marketing, digital product experience, e-commerce, e-CRM, mobile and social media (BearingPoint, 2018, p.10). Albeit digitalization is a widespread phenomenon, we consider these six dimensions as comprehensive for the foundation of digitalization, and as a good starting point for our research.

1.2 Problem

The banking industry is dynamic and continuously changing as new technologies make its path. The financial sector is exposed to the strong pressure of change as established companies have expanded their range of business, as well as new players, have emerged and established themselves in the market. All this appearing as a result of the ongoing digitalization (Swedish Bankers’ Association, 2019a).

In Sweden only, the digital transactions across the whole banking industry constitute 86% of the total amount of transactions made, which once again shows that online banking is becoming one of the most popular payment methods used in Sweden. This allows customers of Swedish banks a wide range of financial transaction possibilities through the banks’ websites, and thus less physical contact is exchanged between the banks and the customers (Statista, 2019a).

The digitalized way of banking has facilitated new ways of attracting and managing a larger customer base. Using multiple distribution channels that boosts the market coverage by enabling various products to be targeted at different demographic segments, is according to Jayawardhena and Foley (2000, p.21) beneficial for the banks. Banks on the other hand that are not capable of adapting to the different customers fast-changing demands will risk losing customers to other banks that are faster at adapting to those market demands (Jayawardhena & Foley, 2000, p.21).

As digitalization and the benefit of increasing customer bases uniformly follows the same increasing pattern (Jayawardhena & Foley, 2000, p.21), Kumar (2016) claims that the continuous development of technology and increasing customer base has changed the way of banking services, and hence the customer satisfaction affiliated with it. Kumar (2016) also explains that banking is an industry focused on customer-oriented service and
customer satisfaction which has, due to immense competition, become the most important aspect of any banking business. This statement is reinforced by Levesque and McDougall (1996, p.12), who claims that the deregulations within the financial service sector have created a customer market in the banking industry as the customers have got a considerable number of alternatives that can satisfy their financial needs. Hence, the banks are redirecting their strategies towards increasing and maintaining customer satisfaction and loyalty by improving service quality (Levesque & McDougall (1996, p.12).

However, as digital banking innovations that serve customers more effectively increases and customers to less extent interact physically with banks, there is in many ways an effect on the relationship between the bank and the customer (Oly Ndubisi et al., 2007). Ivarsson (2005) considers the increasing physical distance as a central problem since the physical face-to-face meeting is of fundamental importance for creating customer value, especially in the banking industry.

Regarding what has been outlined above, we can see that there is a clear indication of several effects rising from digitalization and its progress within the banking industry. It has become easier for customers to connect to the banks and its affiliated applications which have helped increase the banks’ customer bases. This benefit does however come at a cost for the banks in terms of increased physical distance and hence the complexity of creating customer value.

Although there are plenty of articles that treat the question of digitalization, as presented above, few studies have been made that analyze how banks within the Swedish banking industry differ in their internal approach of working with digitalization. We found it interesting that a lot of previous research in this field are focusing on the importance of digitalization. However, we found it hard to reach an answer to how the Swedish banks work internally with this phenomenon.

Examining digitalization in today's banking industry requires a complex approach that involves insights from numerous dimensions of digitalization which in this study will be digital marketing, digital product experience, e-commerce, e-CRM, mobile and social media. We will also consider the banks internal view of the challenges, opportunities, and future perspectives that the digitalization brings with it. This type of approach has not been adopted in any of the earlier studies that we found. Our study attempts to address the knowledge gap of how the Swedish banks internally work with digitalization by analyzing research literature on digitalization in the banking industry through journals belonging to varied knowledge sectors.

We consider this research relevant for the field of business administration. It is intended to contribute with managerial and marketing knowledge that will help bank managers to better understand how the industry peers work internally with digitalization and how managers within the banking industry can make justified business priorities when facing the digitalization phenomenon on their own.

1.3 Research Question

The research question is therefore designed as follow:

*RQ. How do Swedish banks work internally with digitalization?*
1.4 Purpose

The purpose of this thesis is to gain a deeper understanding of how Swedish banks internally work with digitalization, based on the banks’ approach to the six dimensions that we use to understand digitalization: digital marketing, digital product experience, e-commerce, e-CRM, mobile, and social media. We will also strive to gain an understanding of the banks’ views of opportunities, challenges, and the future perspective of the banking industry, that follows with the digitalization.

1.5 Delimitations

Digitalization is a widely defined phenomenon that covers many different aspects. We decided to limit the definition of digitalization in this study to the six different dimensions defined in BearingPoint (2018), to avoid excessive and too overwhelming information, but still allow for a comprehensive understanding of the digitalization phenomenon. This research was restrained by several factors and elements such as time, and different roles on the executives interviewed. Therefore, we must be aware that the final result of the study may merely be a view of empirical reality rather than a generalizable outcome of the results.
2. Theoretical Framework

The purpose of this chapter is to provide a framework of theories related to digitalization. Section 2.1 provides an overview of digitalization, consisting of our six defined dimensions as well as the challenges, opportunities, and future perspective of digitalization within the banking industry. To end the chapter a summary of the theoretical framework is presented in section 2.2.

2.1 Digitalization

As previously mentioned, digitalization was originally defined as the process of converting text and images into a series of numbers consisting of ones and zeros. This to enable a low cost of managing, copy and the distribution of data on a large scale (Lindholm, 2019). However, lately, digitalization has gained a broader meaning in connection with technological development. Fundamental for the term digitalization is that information is increasingly available in digital format, and to process and manage the digital information, tools as computers and mobile phones play an increasingly important role (Lindholm, 2019).

The digitalization development of digital systems and united platforms leads to new products, services, business models and behaviors, which also has an impact on the society with new working methods and more efficient opportunities for business process development (Lindholm, 2019).

Comparing recent times with previous decades, new technology has facilitated fast societal changes demanding corporations to tailor their business models and show a propensity to change, to be able to seize growth opportunities (Mishra & Singh, 2015, p.223). These technological changes have had a great impact on the banking industry as customers have been enabled to utilize most of the banking services online and no longer must visit the bank physically to conduct financial transactions (Mishra & Singh, 2015, p.223).

As mentioned earlier, in the report Digital Leaders of Sweden 2019, digitalization is divided into six different dimensions. digital marketing, digital product experience, e-commerce, e-CRM, mobile, and social media (BearingPoint, 2018, p.11).

2.1.1. Digital Marketing

It was not until the 1950s that marketing appeared as a discrete business discipline, even though marketing activities has been an important part in the success of a corporation right from the very beginning (Ryan & Jones, 2009, p.2). Ryan and Jones (2009, p.2) state that there are few things in the business world to be sure about, however, one thing is certain: “if you do not let customers know about your business you will not stay in business for very long”.

Advertising is a fundamental part of marketing, and it is about influencing people (Ryan & Jones, 2009, p.3). According to Ryan and Jones (2009, p.3) people have been trying to influence others since the beginning of human existence, despite the tools for media or communication they had at that point in time. Digital marketing emerged with the new advertising age of the 20th century as the advent of radio, television, and especially the Internet emerged as a form of a global infrastructure for information. Not only could
corporations, by using these technologies, reach out to potential customers easier, it also became a communication tool for the masses (Ryan & Jones, 2009, p.4).

The development of technology has enabled the relationship between marketer and consumers also on a global scale. However, the focus for marketers is not the technology, it is the people. Technology is, of course, interesting, but from a marketing perspective, the most interesting thing with technology is how it connects people effectively (Ryan & Jones, 2009, p.5). Technology can result in effective global connections but increased physical distance may lead to more complexity in creating customer value (Ivars, 2005). The main question is: who needs digital marketing? Whether or not the digital marketing is needed depends on the nature of the corporations, for example, a small local corporation with fixed contracts to the local cooperative with little ambitions to diversify and grow, probably do not need digital marketing (Ryan & Jones, 2009, p.20). On the other hand, a corporation that is looking to diversify its product offering, with a goal to grow, digital marketing is the way to go according to Ryan and Jones (2009, p.20). Because of the trend of a more digitalized society, customers behavior has changed as well. The banking industry is changing, and Ryan and Jones (2009, p.22) stipulated that it is of great importance for companies to embrace digital marketing to be able to connect with the customers who are increasingly using digital technology.

In competitive marketplaces, market segmentation has become increasingly important as it enables the advantages of both standardized group offers and personalized offers (Baalbaki & Malhotra, 1993, p.38). The approach on corporations digital marketing strategies will be based on several decisive components. The corporations need to know their customers, and what they want to achieve with their digital marketing, to be able to form their best fitting strategy (Ryan, 2016, p.24-25).

The assessment of digital marketing in the report *Digital Leaders of Sweden 2019*, is based on the ability of a company to reach potential customers and lead them to the company websites with the help of digital channels such as display marketing, search engine marketing and the use of own media (BearingPoint, 2018, p.12)

2.1.2 Digital Product Experience

Customer experience is according to Mbama and Ezepue (2016, p.250) positively related to satisfaction and loyalty. Factors that affect customer experience of digital banking are “functional quality”, “employee-customer engagement”, “service quality”, “perceived usability”, “perceived risk” and “perceived value” (Mbama & Ezepue 2016, p.250). Banks should be aware of these factors to be able to improve the digital banking experience. The importance of improving these factors are highlighted in the customer experiences ability to capture and retain customers (Mbama & Ezepue, 2016, p.249).

Banks should provide a high level of security, improve service quality, functional quality and offer value-added services to improve customer experience. Since using bank services through digital banking is increasing more resources should be invested in mobile banking services (Mbama & Ezepue, 2016, p.250). Furthermore, as technologies emerge and the banking services is taking a more digital approach, banks will have to consider this issue by balancing the customers’ needs with issues related to design and security (Mbama & Ezepue, 2016, p.250).

In the article *Framework of Product Experience* by Desmet and Hekkert (2007) the concept of product experience in a psychological perspective is discussed. According to
Desmet and Hekkert (2007), the term “product experience” can be used to describe an experience that is affective. Within psychology, affection refers to all types of subjective experiences that involve an individual's perception on the degree to which something is good or bad, pleasant or unpleasant (Desmet & Hekkert, 2007, p.2). Hoch (2002, p.449) explains that as experience is seen as a passive partner of seduction, learning from experience is more seductive than from educational learning. This statement takes its base in that experience is more profound and vivid than education as it influences more senses on an individual (Hoch, 2002, p.449). This becomes important in the context of this study as Szymanski and Hise (2000, p.309) claims that the digitalization has created an immense competition, where corporations working with electronic commerce are forced to make their sites preferable and more competitive by offering a better digital experience.

It is also important to understand customer needs in order to provide good customer experience, and therefore, banks should constantly engage with their customers (Mbama & Ezepue, 2016, p.250). Customer satisfaction is according to Jamal and Nasar (2002, p.147) the feeling or attitude of a product or service the customer gets after using it. In marketing, customer satisfaction is an important tool to use as it is a link between many stages of a customer’s buying behavior (Jamal & Nasar, 2002, p.147).

Digital leaders of Sweden 2019 evaluate the digital product experience as a result of the company websites’ functionality, design, and content (information), especially from the aspects of the product and brand experience (BearingPoint, 2018, p.14).

2.1.3 e-Commerce

Zwass (1996) described e-commerce as a way of distributing corporate information, upholding corporate relationships, and directing corporate transactions through telecommunication networks. As telecommunication networks are the online directing tool of business, the Internet and the World Wide Web has under the era of digitalization served as the main driver and enabled e-commerce to obtain the significance it possesses in today’s business environment (Zwass, 1996). Statista (2019b) shows that there is an increasing trend of digital banking in Sweden, as the individuals using digital banking was approximately 84% in 2018, which is a significant increase compared to that of 2005 where only 62% of all individuals in Sweden used digital banking.

The perceived risk affiliated with online banking services is of growing concern all over the globe (Kesharwani & Singh Bisht, 2012, p.304). Kesharwani and Singh Bisht (2012, p.304) also explains that consumer’s perceived risk reflects the consumer’s perception of the ambiguous outcomes related mainly to searching and choosing information needed to conclude any decision affiliated with online purchases. If the online purchasing experience diverges from the expected outcomes, the consumer’s perceived risk will increase and therefore, the consumer might exclude that service (Kesharwani & Singh Bisht, 2012, p.304).

Perceived risk has a negative impact on a customer’s digital banking experience, and it should be prevented by enhancing the security (Mbama & Ezepue, 2016, p.249). As fraud, and especially computer fraud, has increased along with the growing digitalization (BRÅ, 2018, p.38), reducing the perceived risk of making online transactions has become of great importance for banks operating in competitive environments. The perceived risk of making online payments or using online services is a crucial factor, that according to Kesharwani and Singh Bisht, (2012, p.304), must be considered for banks to be able to sustain a business model converging too and keeping up with the digital development.
There are strict rules and regulations that the Swedish banking industry must follow. According to the Swedish Bankers’ Association (2019b), Swedish banks continuously develop their systems, run tests and updates, and encrypt information transfers between the bank and the customers, to ensure a high level of information security. Even if the bank’s system is safe, it is important that customers are aware of their own safety by being cautious. The customers have to protect their data and use the bank’s security solutions in order to get good overall security (Swedish Bankers’ Association, 2019c).

e-Commerce is in the report *Digital Leaders of Sweden 2019*, assessed as the company’s ability to sell via its digital channels, especially from the aspects of product presentation, purchasing process and sales support (BearingPoint, 2018, p.16).

### 2.1.4 e-CRM

In recent times, the marketplace has changed in many ways. The competition has become far more fierce today compared to the past, and the strive to build relationships with customers is of growing importance for many companies (Elmuti et al., 2009, p.75). To combat the issue with the increasing competition companies are now looking to build relationships with the customers (Elmuti et al., 2009, p.75).

Customer relationship management (CRM) is a fast-growing concept that is becoming increasingly important across industries, including the digital banking industry, and if it is implemented correctly, it can be useful in many ways (Elmuti et al., 2009, p.76-77). CRM systems enable the creation of attracting loyal customers, which can give the company competitive advantages (Elmuti et al., 2009, p.76-77). CRM can be defined as an approach of management that helps organizations managing relationships with their profitable customers by identifying and attracting them (Adebanjo, 2003, p.570). Another way to attract loyal customers with CRM is through customer loyalty programs. The customer loyalty programs can be seen as an enabler for increased brand loyalty, a dampener for alternative brand considerations, and as an attractor for larger customer bases (Uncles et al. (2003, p.16-17).

Electronic customer relationship management (e-CRM) is a concept developed from traditional CRM. With the digital development, this new concept was introduced, since the Internet provided a digital platform for CRM functions focusing on the Internet-based interaction with the customers (Alhaiou et al., 2009, p.1). By using e-CRM systems companies can add value to the company through the solutions that improve the operational effectiveness (Adebanjo, 2003, p.575-576). The value can be gained by reducing costs of contacting customers, transferring some responsibility to the customer, improve workflow by integrating e-CRM with back-office systems, improve sales, and improve overall interaction with the customer (Adebanjo, 2003, p.575-576).

Many of the traditional after-sale services such as customer support and call centers are today large and expensive, therefore a lot of marketers eventually strive to replace those. Digital forms of e-service support such as online chat and FAQs are thus replacing the traditional tools, and the transition involves e-CRM software (Taylor & Hunter, 2002, p.453). Another important feature for improving the customer relationship management in digital banking is to provide the customer with the possibility to submit feedback. When it comes to the customer behavior in digital banking, Mbama and Ezepue (2016, p.250) highlights the relevance of customer feedback. To be able to meet the customer’s
needs, bank employees should regularly gather feedback from the customers (Mbama & Ezepue, 2016, p.250).

*Digital Leaders of Sweden 2019* considers e-CRM by evaluating the banks’ ability to preserve and expand their relationships with customers in digital channels, such as; customer service, direct marketing, and loyalty, customer engagement, and personalization (BearingPoint, 2018, p.18).

2.1.5 Mobile

The digital dimension “mobile”, will be referred to here as mobile commerce (m-commerce) for expository ease. Zhang and Yuan (2002, p.1892) clarify that m-commerce differs from e-commerce across three important dimensions, namely: technologies, the nature of services, and business models. This includes, among much else, types of devices, processing capability, data transmission, service delivery, product information, cost reduction, and convenience. Not only does m-commerce differ from e-commerce, but it also possesses greater marketing reach opportunities (Riivari, 2005, p.11).

Already in 2005, there were three times more mobile phone users than online PC users (Riivari, 2005, p.11). Not only does this mean that marketers can reach out to more people, but people can also be reached anywhere and at any time with product advertisements matching their way of living (Riivari, 2005, p.11). According to Statista (2019c), the number of mobile phone users in Sweden in 2015 amounted to approximately 7.9 million, and that number was approximated to reach 8.3 million in 2018, indicating an increasing trend.

Along with the digitalization development, both technological innovations supporting mobile banking, as well as the social acceptance of the technological changes has matured. The new generation of mobile phones coming from technological innovations share multiple standardized characteristics such as high definition color displays and speedy data transmissions (Riivari, 2005, p.13). In a sense, a dominant design, which according to Utterback and Suárez (1993) is an industry accepted a standardized product that changes the competition within an industry from a more explorative to a more exploitative innovation contest of the standardized products attributes, has emerged with the new generations of mobiles. These innovative mobile phones are increasing in numbers, and mobile banking has become a cheap, accessible, and user-friendly service along with the innovative development of the new generation of mobiles, making m-commerce one very important marketing tool in the banking industry (Riivari 2005, p.13).

Siau and Shen (2003, p.10) argue that there are obvious potentials with mobiles and mobile applications, but technical limitations and corporate concerns complicate a smooth adoption of their business models. They suggest that organizations need to make fundamental changes to their business models and eradicate the incapability of the established organizational structures, to be able to benefit on productivity benefits of mobile services and to stay competitive.

With regards to the report *Digital Leaders of Sweden 2019*, mobile assesses the firm’s ability to take advantage of mobile channels and use technological solutions such as mobile websites and mobile applications to support their own business and their customers (BearingPoint, 2018, p.20).
2.1.6 Social Media

Social media is increasingly replacing the traditional sources of media, and the new marketing opportunities that this transition brings with it seem endless (Bruhn et al., 2012, p.770). The increase of social media marketing has sparked another trend where consumers are becoming fans of brands on social media channels. This has, simultaneously with the use of these media as an increasing source of brand information, led to the hypothesis that social media marketing has come to have a crucial impact on a brand’s prosperity (Bruhn et al., 2012, p.770-771).

An important feature to consider regarding social media is that negative opinions, or negative word-of-mouth about companies or products that are formed online, can be distributed via thousands or even millions of users within hours. Mainly since the companies no longer constitute the single source of brand communication, and consumers now have the ability to simply spread information to other consumers around the world (Pfeffer et al., 2013, p.118; Bruhn et al., 2012, p.771). Importantly, Mason (2008, p.220) states that companies that can integrate positive word-of-mouth as a formal part of the company’s strategic marketing and promotional plan are more successful.

The study Leaders of Sweden 2019 measures digitalization in the area of social media by evaluating the banks’ activity level and consistency on important social media channels and their own websites. The category of social media in this study involves Facebook, Twitter, Instagram, YouTube, and other social media (BearingPoint, 2018, p.22).

2.1.7 Challenges of Digitalization in the Banking Industry

The drivers of the electronic financial service are technology, globalization, regulations, entrepreneurship, capital, and competition (Shahrokhi, 2008, p.367). Generally, the financial industry has historically been characterized by high barriers to entry, since it has been required that new actors had to have good knowledge, financial and technological resources, and at the same time manage to be perceived as credible (Shahrokhi, 2008, p.391). However, global deregulations have made it easier for new actors to enter the market, which has led to an increase in competition (Shahrokhi, 2008, p.390). Today, we experience a completely different market since the banking industry is challenged by all different types of actors such as retailers, supermarkets, airlines among other companies with a well-established brand, great customer base, and solid distribution channels. Therefore, the future of digital banking is facing a new reality where it is possible that e-money is transferred easily without the need of a bank as an intermediary (Shahrokhi, 2008, p.391).

The future of banking is changing and new fintech actors are entering the market. Henderson and Clark (1990) states that new start-ups and small firms are in general better than large established organizations when it comes to radical, explorative innovation. They argue that new smaller firms do not deal with the same extent of established rules, communication channels, and information systems as large and old organizations. Henderson and Clark (1990) also explains that old and large organizations with architectural knowledge deeply embedded in their information channels and routines tend to become inert, making change a difficult process.

The digital banking industry is exposed to various numbers of cyber-attacks which makes security an increasingly important issue. Banks need to be prepared with security measures such as virus controls, password protection, intrusion detection along with
continuous updates of their technical systems (Shahrokhi, 2008, p.392). The new digital services that the banks are providing requires more extensive technical solutions which is safe and secure but also guarantees a good functionality. In addition, this technical architecture needs to be integrated with the banks legacy to create a common thread with the banks existing systems (Shahrokhi, 2008, p.392).

Another challenge the bank industry is facing with the digitalization is the trust issue according to Mukherjee and Nath (2003, p.5-6). In the study, A model of trust on online relationship banking, one of the main findings was that trust is significant for customers commitment in online banking (Mukherjee & Nath, 2003). To manage a new market with a digital approach in the banking industry is a far more complex issue than just creating a digital strategy and handle the competition. As customers move online, the banks have to meet their customers' new needs, but the problem is that most banks are not ready to do that yet (Olanrewaju, 2013). One of the reasons for the slow movement in the banking industry is that the banks tend to see the digitalization too narrowly and it is often seen as a separated part from their daily operations (Olanrewaju, 2013).

2.1.8 Opportunities with Digitalization in the Banking Industry

In the study Quantifying the Value of Digital Engagement published by Fiserv, a provider of technology solutions in the financial world, we can see that digital banking drives higher revenue generation, increased product holdings, lower customer attrition, and higher transaction activity (Fiserv, 2019). However, what we can see as the bottom line in the study by Fiserv (2019), is that digital banking drives higher customer value.

"Understanding digital banking activity and the value of these customers can help financial institutions determine where to invest in capabilities that engage and satisfy consumers" (Wilcox, cited at Fiserv, 2019).

From the model presented in the article The rise of the digital bank published by McKinsey, the author Olanrewaju (2013) presents that European banks’ that fully invest in the digital transformation, can improve their earnings (before interest, taxes, depreciation, and amortization) by 40% over the next years. Approximately two-thirds of this potential value comes from the effects of digitalization (Olanrewaju, 2013). Within the banks cost-saving opportunities, there are two main issues that are of specific interest: the automatization of services and the activity on digital channels (Olanrewaju, 2013). Within automatization, European banks can reach cost reductions due to the deployment of tools as self-service both in an internal and external context. The digital tools can be used to augment existing services such as iPad forms instead of paper forms, but also to maximize the utility with the digital tools services as video conferences can be added in order to enhance the customer experience (Olanrewaju, 2013).

However, the benefits of digital banking are according to Shahrokhi (2008, p.366) far more than just providing digital services, it is about changing the whole financial industry by recreating its core business. The banks need to change the interaction between them and the customers to create value to their shareholders, and the technology plays an increasingly important role in this. However, this requires a transformation to long-lasting business relationships with customers and suppliers among others in the organization, rather than just being a transaction processor (Shahrokhi, 2008, p.366).
The opportunities that the digitalization brings to the banking industry are many. In addition to the benefits discussed above, banks can use digital solutions to expand the information in their systems but also improve the quality of this information. Therefore, the importance of embracing the new technology, adapt the traditional banking, engage in the transformation process, and focusing on creating values for their customers will be inevitable (Shahrokhi, 2008, p.392).

2.1.9 Future Perspective of Digitalization in the Banking Industry

Banks are according to Lebo (2018, p.7) perceived as money-making institutions that never had to work hard for their success, and therefore, they have never been forced to provide services with any particular quality to their customers. Since the interest rate has been low in recent years, the younger generations have never thought of banks as places where they can make money (Lebo, 2018, p.7). The banks provide their customers with online services according to their needs. However, those services do not include any physical relationship with the bank. It is found that most of the young customers today are mostly using digital banking services, and in the future, we will probably see different kind of banks compared to the ones we have today (Lebo, 2018, p.7).

According to Lebo (2018, p.8) banks already know in which direction they are heading and are trying to make efforts to counteract the threats by bringing digital experts into their organizations, becoming more customer-orientated, and providing requested services. However, Lebo (2018, p.8) claims that the banks’ high profitability will hamper them from acting fast in order to adjust to all the quick changes, even though they know what is coming. Lebo (2018, p.8) also stipulates that there is a possibility that banks will be the next major industry that will experience the agonizing effects of digitalization.

Boudreau and Lakhani (2009, p.70) emphasize the importance of taking advantage of ideas arising outside of the organization's own walls and explains that when customer needs are highly varied and not yet understood, allowing for outside innovation can have substantial advantages. Independent of which product a corporation sells, opening up the business model to outside innovation means that the product will be transformed into a platform (Boudreau & Lakhani, 2009, p.72).

Cusumano and Gawer (2008, p.68) highlights the importance of understanding the difference between a product and an industry platform. A product is usually of sole proprietorship and under one corporation’s full control. A platform, on the other hand, is a fundamental service or technology that is imperative for a broader, multilateral ecosystem of corporations, indicating that the platform owner does not to full extent control the platform (Cusumano & Gawer, 2008, p.68). Considering the amount of data already belonging to banks, they have the advantage of becoming a platform leader, which according to Cusumano and Gawer (2002, p.52) are “companies that drive industry-wide innovation for an evolving system of separately developed pieces of technology”.

For a platform leader, the collaboration with external innovators is vital as it is the sum of the efforts that can increase the size of the benefits for all parties involved (Cusumano & Gawer, 2002, p.53). These benefits bring along both intrinsic motivations, such as being part of a greater cause, and extrinsic motivation, such as financial returns, for external complementary innovators to innovate and thus contribute in the pursuit of value creation (Boudreau & Lakhani, 2009, p.72).
In terms of how a bank would approach a platform strategy is not clear. Considering the banks need for control due to regulations, one alternative approach would be the integrated platform model. The integrated platform model allows a platform leader to operate between the external innovators and the customers, which allows for monitoring and direct control of customer transactions (Boudreau & Lakhani, 2009, p.73). The banks will thus be in a position where the platform owner sells to the customers and can shape the development according to their preferences and thus allow for a high degree of control along with outside-in innovation (Boudreau & Lakhani, 2009, p.73).

2.2 Theoretical Summary

The theoretical framework above discuss the six different dimensions of digitalization that will constitute the fundamental foundation of this thesis. Digital marketing, digital product experience, e-commerce, e-CRM, mobile and social media are all concepts connected to the empirical analysis which will enable us to answer the research question. As the environment for the banking industry is changing with increasing digitalization there is an, arguably, increasing importance for bank managers to understand the challenges and opportunities that it brings with it, and how the Swedish banking industry peers’ differ in their forecast regarding the future of digital banking, and how they want to approach it. If the bank industry is not able to create strategies that allow a smooth adoption to the new demands, it might not be possible to gain the competitive advantage that is needed to sustain a corporation over time. Digitalization may require banks not only to create a new business model but also to establish an organizational structure with agile adherence to the digitalization phenomenon.

The dimensions of digitalization discussed constitute our theoretical framework. In the interview guide, which appears in the thesis appendix, interview questions are presented. The theoretical framework has given us a deeper understanding of the different dimensions of digitalization, as well as its opportunities, challenges, and potential future in the banking industry.

From the theoretical framework, we have created a model displaying today’s overview of how the banks within the Swedish banking industry is related to the six dimensions of digitalization along with the challenges, opportunities, and future perspectives of the digitalization phenomenon (see figure 1).

![Figure 1. An overview of digitalization and its relationship with the Swedish banking industry today.](image-url)
3. Research Method and Design

In this chapter of the thesis, the purpose is to provide the reader with the research method and design for this study. Section 3.1 presents the theoretical methodology for this thesis, while section 3.2 presents the practical methodology.

3.1 Theoretical Methodology

This thesis investigates how banks work internally with several different dimensions of digitalization. The aim of this research was to contribute with knowledge for the general understanding of Swedish banks’ internal work with digitalization. A qualitative research design was chosen to be able to profoundly understand and explain the phenomenon of digitalization.

The quantitative method for conducting the research was rejected as it is difficult to draw conclusions to explain a phenomenon that is an outcome dependent on organizational and social structures, from an empirical analysis involving numerical data. It is important to understand the surrounding factors that influence the bank’s subjective approach, which with numerical data, becomes complicated. Quantitative studies are according to Collis and Hussey (2014, p.44) associated with the paradigm positivism, which assumes that there is only one true reality which is singular, objective, and not affected by the investigation of, and the environment around it.

3.1.1 Paradigm

However, our philosophical assumption to the study takes it stands in the main paradigm constructivism, or as also called, interpretivism, as our findings are derived from qualitative methods of analysis based on interpretations of the qualitative research data rather than statistical analysis of quantitative data. Paradigms consist of several components and differ on their philosophical assumptions of reality and knowledge, referred to as ontological and epistemological assumptions (Scotland, 2012, p.9). Pure positivism, (or as Bryman and Bell (2017, p.52) call it: objectivism) and interpretivism each by themselves can be considered as a paradigm extremity (Collis & Hussey, 2014, p.46). Nowadays, the paradigm extremities are less conventional, and researchers instead tend to find themselves approaching new paradigms that have emerged with time due to the observed imperfection of earlier paradigms (Collis & Hussey 2014, p.43). It is, however, important to acknowledge that the philosophical assumptions of each paradigm can never be empirically denoted as valid or invalid as all assumptions are conjecture (Scotland, 2012, p.9). Thus researchers, such as ourselves, must decide upon our own beliefs and assumptions, and conduct our research accordingly.

3.1.2 Ontology

The ontological assumption of interpretivism builds on the idea that social reality is highly subjective and socially constructed rather than objective. Therefore, multiple realities are believed to exist, and they are shaped by each individual’s perception (Collis & Hussey, 2014, p.47). According to Scotland (2012, p.9), each researcher must take a stand on their perception of how things really are and how things really work.
When it comes to the philosophical assumption of ontology, we will conduct our research with an interpretive approach as we believe that the digitalization phenomenon are not independent of social actors, and the role of digitalization within the banking industry is perceived differently between individuals. The paradigm positivism is not in line with how we intend to execute our research as positivism, according to Bryman and Bell (2017, p.52), is in an ontological standpoint suggesting that social phenomenon are based on external facts and exists independent of the social actors and the individual perceptions.

3.1.3 Epistemology

The epistemological assumption is a philosophical assumption that constitutes a part of a paradigm and answers the question of what is, and can be, considered and accepted as valid knowledge within a specific research area (Bryman & Bell, 2017, p.47). Packer and Goicoechea (2000, p.227) fortify this statement and explains that epistemology is the standardized consideration as of when knowledge is valid and true. With the interpretive approach to epistemology, researchers attempt to interact closely with the phenomenon being researched and considers that the subjective evidence from participants is constituting valid knowledge (Collis & Hussey, 2014, p.47). The positivist approach on the other hand advocates that valid knowledge only can be extracted from phenomenon that are observable and measurable and the researcher should be distant and not interact with the studied phenomenon.

However, as we strive to contribute with a deep and complex understanding of the Swedish banks internal approach to digitalization through interactive interviews, our research approach is in line with the interpretive paradigm for the epistemological philosophy. Our research is conducted interactively with the phenomenon under study, and with the presumption that the subjective answers from the participants in our interviews are regarded as evidential knowledge of the phenomenon researched. A positivist assumption would be less likely to contribute with an organizational understanding for the complexities and possibilities that the digitalization phenomenon brings to each respective bank and is therefore not a better suit for our research (Saunders et al., 2016, p.127).

3.1.4 Hermeneutics

In accordance with the interpretivism paradigm that directs this research, there are different methodologies associated with interpretivism, such as hermeneutics. Hermeneutics is defined as “[..] a methodology that focuses on the interpretation and understanding of the text in the context of underlying historical and social forces” (Collis & Hussey 2014, p.64). Hermeneutics is thus related to our study as we focus on an interpretive understanding of the banks’ fundamental digitalization experiences and the relation between how banks work with both their internal and external structures to adapt to the digital development.

3.1.5 Abduction

Rather than basing the relationship between our theory and practical research on an inductive or deductive strategy, we have conducted our research with an abductive approach, which according to Suddaby (2006, p.639) is the process of when a researcher balances between both inductive and deductive approaches. An abductive approach is according to Bryman and Bell (2017, p.46) used to draw conclusions and develop theories
about reality, much in similarity with inductive and deductive approaches. However, abduction starts with an observation of an unpredicted fact, and researchers later tries to work out a plausible theory of how this observation could have occurred, rather than only moving from theory to data, as in deduction, or data to theory, as in induction (Saunders et al., 2016, p.148).

Our study started with the introduction of the unpredicted fact and problem that banks are lagging behind other industries in adapting to the development of digitalization. Based on this fact, we formalized a research question that strengthened the intended focus throughout our research. Thenceforth, we conducted a literature review where the previously stated key terms were fundamental for our findings. We established a theoretical framework and deductively created an interview guide extracted from the conceptual findings and important variables. Semi-structured interviews were then held with the respondents to understand their perspective of the digitalization phenomenon through empirical reality observations. From our observations, we then abductively created an understanding for how the banks internally work with digitalization. Thus, we conducted qualitative research with an abductive approach to be able to develop profound knowledge from empirical reality.

3.2 Practical Methodology

3.2.1 Sample Selection

As stated in the purpose section this thesis was restricted to examine Swedish banks to get a deeper understanding of how the banks work internally with digitalization. Due to the qualitative approach to this study, we chose a purposive sampling method both for the study objects and the respondents, which according to Bryman and Bell (2017, p.406) is a form of non-probability sampling. In a purposive sampling, the selection is not intended to be chosen randomly from the population, but in a strategic way for the relevance based on the research questions (Bryman & Bell, 2017, p.406). The banks studied in this thesis were SEB, Länsförsäkringar, Handelsbanken, and Swedbank which are four of the six biggest banks in Sweden according to the Swedish Bankers’ Association (2019a). These specific four banks were selected purposely as we wanted to understand how the major banks work internally with digitalization, and as we had established previous knowledge of them from earlier contacts.

The respondents were chosen to reflect the variation in the origin group, and we wanted to reach employees who possessed knowledge regarding the internal work with digitalization in their organization. Therefore, we looked for responsible managers who would be suitable for our interview in order to answer our research questions. After the respondents were chosen through purposive sampling, they were contacted via e-mail with a request to perform an interview, which all respondents accepted. A criterion for the selection was that the respondent had a managerial role at the bank and a deeper insight into the banks' internal work with the digitalization. Even though not all of the respondents possessed the same title in their respective banks, we felt that in-depth interviews could be held, and different perceptions of the digitalization in the banking industry were discussed. The respondents of the interviews are displayed in Table 1 below.
Table 1. Overview of all respondents in the research study.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Title</th>
<th>Bank</th>
<th>Communication</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Head of Customer Experience Design</td>
<td>SEB</td>
<td>Telephone Interview</td>
<td>2019-04-16</td>
<td>27 minutes</td>
</tr>
<tr>
<td>2</td>
<td>Head of Public Digital Channels</td>
<td>SEB</td>
<td>Telephone Interview</td>
<td>2019-04-23</td>
<td>7 minutes</td>
</tr>
<tr>
<td>3</td>
<td>Head of Digital Channels</td>
<td>Länsförsäkringar</td>
<td>Telephone Interview</td>
<td>2019-04-16</td>
<td>45 minutes</td>
</tr>
<tr>
<td>4</td>
<td>Office Manager</td>
<td>Handelsbanken</td>
<td>Personal Interview</td>
<td>2019-04-23</td>
<td>44 minutes</td>
</tr>
<tr>
<td>5</td>
<td>Customer Experience Manager</td>
<td>Swedbank</td>
<td>Telephone Interview</td>
<td>2019-04-25</td>
<td>41 minutes</td>
</tr>
</tbody>
</table>

3.2.2 Interviews

Bryman and Bell (2017, p. 216) stated that personal interviews are a common research method in connection with business administration research. However, telephone interviews are considerably cheaper and take less time according to Bryman and Bell (2017, p.217), which is something we had to take into consideration since the majority of our respondents were located in other cities. Further, it is easier to handle a telephone interview compared to a personal interview. In a personal interview, the respondents sometimes answer in a way they think the interviewer appreciated. This, because the respondents can get affected by various factors such as gender, class, and age in a personal meeting. A telephone interview reduces these potential biases and thus reduces the risk of this source of error (Bryman & Bell, 2017, p.217).

We decided to use a semi-structured approach when conducting the interviews with the participants. When conducting a semi-structured interview, specific themes are established through predetermined questions in an interview guide (Bryman & Bell 2017, p.454) However, the questions do not have to follow a strict order, and probing questions that are not predetermined can also be asked to contribute with more depth, significance, and clarity to the answers. The questions in the established interview guide are open-ended, enabling the respondent to design their own answers (Bryman & Bell, 2017, p.454). Therefore, semi-structured interviews were the most suitable option for our research as it enabled the respondents to answer the questions openly with the possibility to add valuable information that was not included in the initial questions.

We conducted telephone interviews with the respondents outside of Umeå to minimize the cost of travel, while still allowing for in-depth personal contact. With the respondent in Umeå, we instead conducted a face-to-face interview at the respondent's workplace, for convenience. We decided to conduct the interviews in Swedish to reduce language barriers between us and the respondents and to allow for a deeper discussion and more general understanding for all parties participating in the interview.
We found that four main interviews with one complementary interview were enough to provide sufficient material on the subject of digitalization and saturate the collected data. Saturation is when the main theoretical categories no longer get stimulated by new data and no new theoretical understanding or information of the material is added (Collis & Hussey, 2014, p.172; Saunders et al., 2016, p.419). In the context of our study, we believe that additional interviews would have given us a broader perspective of the subject, however, more respondents at each bank would not provide us with new knowledge necessary for this research.

3.2.3 Construction of Interviews

The interviews were constructed in accordance with the theory presented in our framework, which was used as a fundamental foundation for the structuring of the interview guide. The interview guide contained a script of open-ended questions with suitable language for the context of the interview which is in accordance with Bryman and Bell’s (2017, p.460) advice on how to construct an interview guide.

The interviews began with a short presentation where we declared who we are and the purpose of the interview, followed by the explanation that the interview is voluntary and can be discontinued at any time. We also stated that the result of the study would be treated confidentially, and the respondents were given the possibility to be anonymous. In addition, we explained that we wanted to record the conversation for the purpose of the study.

To simplify the results, all interviews were transcribed immediately after the interview. The transcription was later be decoded and synthesized with the six different dimensions of digitalization as well as with the challenges, opportunities, and future perspectives, which allowed us to easily categorize the material and find useful key terms and quotes. The questions in the interview guide were constructed carefully to enable us to answer our research questions.

3.2.4 Data Collection

The main source of the material in this thesis comes from our method of collecting primary data. According to Collis and Hussey (2014, p.59), primary data is information collected from original sources such as one owns experiments, interviews, and surveys. The primary data we have used was thus gathered through our four main interviews, and one complimentary interview. One shortcoming worth noting regarding our choice of primary data collection is that open-ended questions can be interpreted differently between respondents. This can cause answers to become of different meanings, diverging from the primary intention when the question was asked. Another shortcoming with semi-structured interviews is the issue of interviewer and respondent biases (Saunders et al., 2016, p.397). Albeit a telephone interview was conducted, which limits both biases, the total elimination of them is hard to accomplish as both the interviewer and the respondent are affected by the situation of the interview and the perception of the counterpart (Saunders et al., 2016, p.396).

In addition to our primary data, secondary data was used. According to Collis and Hussey (2014, p.59), secondary data is data collected from already existing sources in hard copy form and on the Internet. The secondary data used were mainly gathered from scientific journals, books, reports, and websites. The search for the secondary data was conducted
using our previously stated keywords to simplify the search, assessment, and selection of information, mainly through Umeå University databases and Google Scholar.

However, it is important to note that there are minor scientific shortcomings in some sources that we have used. For example, in the report Digital Leaders in Sweden 2019 by BearingPoint, we could not find evidence of how certain parts of the study had been conducted, although the majority of parts were described. Since BearingPoint is an established multinational management consulting organization and presented the study in a marketing and informative purpose financed by their own resources, we consider the information as neutral. In essence, we have only used this report as a starting point for defining the different dimensions of digitalization.

3.2.5 Data Analysis

We engaged an interpretative way of analyzing the data since the intention was to collect data by a qualitative method in order to describe the Swedish banks’ internal work with digitalization emanating from the thesis research question. The respondents’ similarities (as managers) and the limited size of the sample makes interpretivism an appropriate approach to analyze the data.

All the interviews were recorded on a mobile phone, as well as on a computer, and were later transcribed to Swedish. After transcribing the interviews to Swedish, we translated the transcription to English and then strived to summarize and decode the words of the participants using colors to find similar concepts and keywords. When summarizing the results for the empirical findings, we strived to grasp the emotions and nonverbal communications affiliated with the participants’ answers. This is according to Saunders et al. (2016, p.572), of great importance as incidents that may affect our observations in the interview could otherwise be missed. We also believe that grasping the emotions and nonverbal communication effectively will allow for a simple, and more comprehensive understanding for the reader of this paper.

Recording interviews is a common approach that enables the capturing of the respondents’ answers, which also facilitates a detailed analysis that is often required in qualitative research. It is also easy to lose important citations and expressions if the interviewer only takes notes (Bryman & Bell, 2017, p.460), and this is one of the main reasons why we choose to record all our interviews using digital devices.

As mentioned earlier, we conducted our interviews in Swedish which we then transcribed to the same language, before translating it to English. One problem with this approach can be the translation issue, but to make sure that we understood everything correctly we sent the English transcription to the respondents before we used the material. This also gave the respondents a chance to correct eventual misunderstandings.

3.2.6 Quality Criteria for Business Research

Some common criteria for assessing the research trustworthiness in the field of business and administration, is reliability, replicability, and validity. However, these concepts are not always considered to be appropriate to use in qualitative research (Bryman & Bell, 2017, p.68-70). Lincoln and Cuba (1985, cited in Bryman & Bell, 2017, p.70) claim that alternative concepts are needed for qualitative studies, the alternative terms for qualitative research are among others, credibility and transferability.
The term credibility corresponds to internal validities which concerns how true the result of the research really is, while transferability is a parallel to external validity, and is concerned with if the results can be applied in other contexts to permit generalization (Bryman & Bell, 2017, p.70; Collis & Hussey, 2014, p.172).

To maintain a good quality of our interpretive study, we promoted the credibility of the study early by supplying general but relevant information of what themes the interview will touch upon already before the interview was held, allowing the participants to prepare with organizational documentation and facts. We also shared the finalized data and interpretations with the participants, allowing them to verify and potentially adjust the data to ensure and validate the accuracy of the research. This is what Saunders et al. (2016, p.207) defines as a participant or member validation.

Since transferability refers to whether the results are generalizable in another context than the actual research, the method to assure this is by enabling replication. Our research was conducted with four Swedish banks', which has some peculiar properties such as corporate culture and banking regulations, which make the generalisability rather complicated. If the study would be conducted again, the result would likely have led to a different conclusion. The choices that have been made in this study were in conjunction with a qualitative research method, interpretative approach, and semi-structured interviews.

### 3.2.7 Criticism of the Methodology

Qualitative research is usually criticized because it can easily become too subjective as the results are based on unsystematic views (Bryman & Bell, 2017, p.393). Another issue with qualitative research is the difficulties in replicating the research because of the unstructured work process. For example, the selections for respondents to an interview can seem rather unclear (Bryman & Bell, 2017, p.394). To counter this problem, we have tried to be clear about our working structure as well as the sampling selection. We have also presented how data analysis is performed to avoid a lack of transparency. Further, the qualitative research result is also considered difficult to apply in general, except for the specific situation that was examined (Bryman & Bell, 2017, p.393).

A qualitative research design requires a lot of time and hard work. It can also be difficult to understand someone else’s complete perspective on the studied phenomenon. These perspectives could have been clearer if we would have conducted an interview with more in-depth questions and in-depth answers, this could, however, have brought other issues upon our methodology.

### 3.2.8 Research Limitations

This research was restrained by several factors and elements. One clear limitation of the research was that we were not able to conduct the same type of interview with all respondents. Due to geographical considerations, financial, and time limitations we only conducted one personal interview, while the others were conducted via telephone.

As stated in the purpose section, this thesis was restricted to examine Swedish banks to get a deeper understanding of how the Swedish banks work internally with the six dimensions of digitalization as well as with the challenges, opportunities, and future perspectives of the digitalization phenomenon. The Swedish bank industry has over 100 banks according to the Swedish Bankers’ Association (2019b), and as we were limited
by both time and financials, four banks were interviewed, which however provided enough materials for us to be able to answer our research question.

The interviews with each bank were limited to one employee. Our aim was to interview a manager with good insight and knowledge about the bank’s internal work with digitalization. However, since the respondents have slightly different roles within their respective organizations, some variation on the extent of knowledge for the digitalization phenomenon may occur.

3.2.9 Ethical Considerations

Bryman and Bell (2017, p.146) discusses several ethical aspects to take into consideration when conducting research. For this thesis to become ethically justifiable these considerations were taken into account during our data collection. The ethical aspects to consider are confidentiality, informed consent, privacy, and fraud. Research that can harm a respondent’s confidentiality is usually considered as unacceptable (Bryman & Bell, 2017, p.146) which is something we considered when we conducted our interviews. We informed the respondents about the purpose of the study and that the result was going to be treated as confidential. One of the most debated areas in the term of ethical issues in the business administration field is informed consent (Bryman & Bell, 2017, p.150). As mentioned earlier, we explained that the interview is voluntary and can be discontinued at any time, solving the issue of informed consent. Another aspect of the ethical research considerations is studies that intrude on the respondent’s privacy (Bryman & Bell, 2017, p.154). In our case, this was never an issue since our research is about how the banks work internally with digitalization, and no private questions were asked. Neither fraud was an issue for our research as we have had a transparent communication with the respondents regarding our purpose of the research.
4. Empirical Findings

The fourth chapter provides the results from the empirical study. First, a brief company description of the bank is presented in the beginning of each section. Section 4.1 presents SEB, in section 4.2 Länsförsäkringar is presented, followed by Handelsbanken and Swedbank in section 4.3 and section 4.4. To end the chapter a summary of the empirical finding is presented in a table in section 4.5.

4.1 Business Description SEB

Svenska Enskilda Banken (SEB) is a bank included in a Nordic financial group founded by André Oscar Wallenberg in Stockholm in 1856 and it was Stockholm’s first private bank (SEB Group, n.d.). In 1998 the bank started to operate under the name SEB, and today SEB has approximately 15,000 employees and 4.4 million customers including both private and corporate customers (SEB Group, n.d.).

The interview was conducted with Anna Swartling and Carolina Myhrberg at SEB. Henceforth, we will refer to Anna Swartling as “Head of Customer Experience Design”, and Carolina Myhrberg as “Head of Public Digital Channels”, in accordance with their job titles.

4.1.1 Interview SEB

**Digital Marketing**

It is important for SEB to be experienced as a bank who is trustworthy. They want trust to pervade through the entire organization to deliver better customer experience. SEB wants to be perceived in accordance with its five stipulated customer experience goals (Head of Customer Experience Design, personal communication, April 16, 2019).

“It is important for us to be perceived as a serious and trustworthy bank. Trust is the center of our customer experience and we want to be perceived as knowledgeable, insightful, proactive, on my terms, and simple, which is our five customer experience go” (Head of Customer Experience Design, 2019).

SEB’s primary focus lies on corporate customers, and a lot of these customers operate globally which leads them to position their brand accordingly.

“As we essentially are a corporate bank, we must be able to support the needs of our global customers. Therefore, we want to be perceived as a global bank on a corporate level, but on the private customer level, where we focus more on the local presence, it is less important to be perceived as global” (Head of Customer Experience Design, 2019).

When it comes to digital marketing, SEB uses newsletters as a tool for its existing customers. However, to reach new potential customers SEB works with both Search Engine Marketing such as Google ads, as well as with different types of Search Content Marketing. SEB invests the most resources in their own digital channels due to the cost-
efficiency, but the approach is adjusted depending on the purpose and the target of the marketing effort. When SEB digitally market campaigns, they usually cooperate with other digital media through which new potential customers are found such as for example Google ads or buying space in social media channels. When it comes to banking products however, SEB usually focuses its digital product marketing to the already existing customer base (Head of Public Digital Channels, personal communication, April 23, 2019). The approach to digital marketing is a little restricted because of the General Data Protection Regulation (GDPR).

“We would like it to be more personalized. Today we use personalized offers within the frames of GDPR and the consents that we acquire from our customers. But not to any great extent, as we feel that the possibility for it is limited by GDPR” (Head of Customer Experience Design, 2019).

**Digital Product Experience**

In recent years SEB has worked with transforming the customer experience towards being more relevant and customer focused. Both functionality and design are considered important elements for the digital product experience on the website. However, SEB approaches the issue differently.

“Choosing between either functionality or design is not possible. We create customer experience by building relevant and customer-focused offerings” (Head of Customer Experience Design, 2019).

When talking about the information contained on the website, SEB’s primary principle is to provide simple and clear information, but with the opportunity to access extensive information if desired.

“Many customers are in the middle of their lives or careers and prefer simple and fast information. Therefore, we focus on keeping the website as easy to survey as possible, while still allowing access to deeper information if the customer wants it. One of our values is simplification, where we usually talk about brutal simplification and it is something, we talk about all the time, it must be as simple as possible” (Head of Customer Experience Design, 2019).

SEB measures customer satisfaction for their digital products mainly through an instrument called Net Promoters Score, which analyzes various defined situations with questions such as: “would you recommend this service to someone else?”. SEB’s Head of Customer Experience Design (2019) explains that Net Promoters Score is an international measure that can be used to compare digital services.

**e-Commerce**

When it comes to SEB’s customers’ contact with the bank the digital contact is superior with approximately 97%, which is a number that also is increasing (Head of Public Digital Channels, 2019).

SEB has an AI-chatbot that is only used internally as it still is under development. The external use will linger until further notice as the chatbot is not yet mature and
knowledgeable enough to interact with customers (Head of Customer Experience Design, 2019).

Security is an important issue in many aspects for SEB who provides information about their safety approach on their website to spread their knowledge. Information security is one example of what SEB especially emphasizes in terms of security. They aim to ensure the privacy of customers information and to prevent unauthorized persons to access this personal information.

“We protect the information in accordance with the established safety standards and routines. We have and are continuously developing protective measures which together contribute to a very high rate of IT security” (Head of Customer Experience Design, 2019).

e-CRM

To understand customer needs, SEB works intensively with all kinds of collected data, but with a cautious approach. Customer profiling is one example of how the data is used for e-CRM. However, SEB is now exploring what is possible within the limits of GDPR.

“Due to the regulations of GDPR, we are a little vigilant at the moment when it comes to using data in the e-CRM perspective and implement more precautionary principles in these cases” (Head of Customer Experience Design, 2019).

However, one way of managing their customer relationships is by rewarding their loyal customers’ offerings on value-added services and gifts such as cashback functions and some discounts on, for example, loan interest (Head of Customer Experience Design, 2019).

SEB offers a solid FAQ page on its website to provide its customers with the most common questions and answers. On this page, one can find questions and answers about almost everything, with questions such as: "how do I get a Mobile BankID?", and "how do I apply for a new mortgage?". Furthermore, they also provide its customers with categories such as payments, digital services, borrowing and financing, pension and insurance and savings with additional information.

To submit feedback, SEB’s customers have a lot of possibilities, but SEB mainly receives feedback through comments on their social media channels. Apart from the social media channels, SEB also uses surveys where customers are given the opportunity to submit feedback by free text comments. One way their customers cannot give feedback is through SEB’s own website, and according to SEB’s Head of Customer Experience Design (2019), the reason is that this requires a moderator. Therefore, social media has become the main channel for feedback.

“We give our customers a lot of opportunities to give feedback, partly through comments on social media, but also through surveys where the customers are given the opportunity to submit feedback in free text comments, which we receive a lot of every month” (Head of Customer Experience Design, 2019).
**Mobile**
When it comes to customer product experience on mobile channels, SEB uses a conscious strategy. A lot of resources are invested in developing the mobile application and they strive to provide a salient and high-quality user experience. SEB has chosen a strategy that implies that the things they choose to focus on should be really good, rather than only mediocre and cover as much ground as possible.

“We have had a conscious strategy where we want to provide a very sharp and high-quality user experience in the mobile application. The things we focus on should be really good rather than covering everything” (Head of Customer Experience Design, 2019).

SEB does not offer the same range of services on all its digital channels, mainly since they have a lot of different digital channels. To be able to develop and improve the mobile application SEB uses an external collaboration for this purpose, while all the other digital channels in managed internally.

**Social Media**
According to SEB’s Head of Customer Experience Design (2019), LinkedIn is the most frequently used form of social media.

“We are essentially a corporate bank and our primary target groups are companies, and the target group we have for private individuals are more in a professional context as well. Therefore, we like to be experienced as very serious, and LinkedIn is then a suitable channel. But we do exist and work very actively on both Facebook, Instagram, and YouTube as well” (Head of Customer Experience Design, 2019).

Social media is partly used for marketing, but also as a channel for less formal communication with their customers. For example, YouTube is utilized for information purposes, where they post video instructions to help their customers. On social media, it is possible for customers to ask more open questions. If the questions get too personal, or the customer writes about their specific situations, SEB directs the customers to other more secure and suitable channels to solve their problems. SEB has one person that works full-time with their social media channels (Head of Customer Experience Design, 2019).

**Challenges, Opportunities, and Future Perspectives**
SEB has been on the market for a long time and uses old established IT systems, which are not easy to transform.

“We are struggling with an old mindset and an established corporate culture. The digitalization requires a transformation throughout the bank with new ways of thinking and new solutions, and adjusting the corporation accordingly is a tough task” (Head of Customer Experience Design, 2019).
Albeit the challenges that come along with the digitalization seems clear, opportunities also arise.

“Daring to think new, and try new things is a huge opportunity. During these last 4 years, the bank has been in an incredible transformation where we and the whole corporate culture is changing in many ways, and that is absolutely an opportunity” (Head of Customer Experience Design, 2019).

SEB strongly believes that many things can be achieved with digitalization in the future but are aware that it requires an extensive transformation process. Many banks today are challenged by fintech companies, but SEB believes that they have strength in their trustworthiness. When it comes to new smaller services, SEB’s Head of Customer Experience Design (2019) believes customers might be willing to try new solutions, but on the other hand, when it comes to bigger businesses such as mortgages the customers will choose a well-known and trustworthy actor. Customers are changing, and SEB wants to adapt to the new digital needs.

“We need to accelerate the digital interaction in order to stay relevant. We need to collaborate and understand our customers’ needs and how those needs change over time. We work a lot with new services and new ways to package these services in order to be considered more relevant” (Head of Customer Experience Design, 2019).

SEB is aware of the need for digital transformation and how their business model is changing in accordance with it.

“We do not see this development as a threat, rather as an opportunity. Instead of being at the center of all people’s ecosystems, we are now part of a larger ecosystem, therefore we work on creating relationships with other fintech companies, either by entering and investing capital or by integrating their services into our services” (Head of Customer Experience Design, 2019).

4.2 Business Description Länsförsäkringar

Länsförsäkringar is a Swedish federation founded in 1936 and has approximately 6,700 employees and 3.9 million customers. Länsförsäkringar consists of 23 different regional insurance company cooperates, called Länsförsäkringsbolag, and the jointly owned Länsförsäkringar AB and its subsidiaries (Länsförsäkringar AB, 2019). Through each regional Länsförsäkringar, the customers can receive both bank and pension services, as well as insurance and real estate agency services (Länsförsäkringar AB, 2019), giving them the ability to be a locally present and customer oriented branch, but with the power of a large company (Länsförsäkringar AB, 2019).

The interview was conducted with Matilda Ringström at Länsförsäkringar. Henceforth, we will refer to Matilda as “Head of Digital Channels”, in accordance with her job title.
4.2.1 Interview Länsförsäkringar

**Digital Marketing**

Regarding the overall organizational level, Länsförsäkringar wants to demonstrate a uniform brand that is holistically perceived in the marketplace they operate in. Länsförsäkringar’s main focus, however, is to establish a brand perceived, from a customer perspective, as locally present and relationship building (Head of Digital Channels, personal communication, April 16, 2019).

“We put great emphasis on being a close and local bank with quick responsiveness and good relationships with the local customers and their needs. Personal and local are key values in our communication” (Head of Digital Channels, 2019).

When it comes to digital marketing, Länsförsäkringar usually establishes a local presence by buying marketing space in different media channels and adding a local touch to it. Organizationally, two especially important investments are done in Search Content Marketing and Search Engine Optimization, which allows Länsförsäkringar to create an understanding of how their approach can be optimized in terms of quality and hit rates.

When it comes to both product and campaign marketing, Länsförsäkringar is no stranger of invigorating their campaigns by promoting their high rate of customer satisfaction. This is a fundamental strategy that Länsförsäkringar also utilizes to remind the public that they not only sell insurances but also operate as a bank.

“Länsförsäkringar as a bank is somewhat unknown for large parts of the Swedish population since the word bank is not incorporated into our name. Therefore, utilizing our levels of customer satisfaction for promotion becomes very important” (Head of Digital Channels, 2019).

Today, Länsförsäkringar strives to personalize digital offers and make them as relevant as possible towards each individual within the boundaries of what is legal and ethical. Even if creating these offers is a challenge, Länsförsäkringar is trying not to be too general in their approach as they want the targeted segments of individuals to feel that the marketing creates and fulfils their individual needs (Head of Digital Channels, 2019).

**Digital Product Experience**

Since personal banking can often be perceived as complex, boring, and only a necessity, Länsförsäkringar endeavors simplicity when it comes to the question of functionality versus design on their website and mobile application (Head of Digital Channels, 2019). When using smaller devices, such as mobile applications, Länsförsäkringar does not adopt the channel by leaving out functionalities, they rather restructure it with the help of the design.

“We want to display a platform where the design is used as a facilitator for simple functionality, and possibly create a little bit of fun” (Head of Digital Channels, 2019).
When dealing with the question of information, Länsförsäkringar is aware that people are different and takes this into consideration when creating the content.

“We want to display simple and informative content at first sight, while offering the possibility to take part of extensive and detailed information for those who are interested, one more click away” (Head of Digital Channels, 2019).

To be able to develop great characteristics for the customer experience, Länsförsäkringar involves their users and clients in the process of understanding customers’ digital behavior affiliated with their services offered. Länsförsäkringar uses both quantitative measurements and qualitative assessments at least once a year to measure customer satisfaction on their digital products so they can make improvements and corrections in line with the customers’ expectations (Head of Digital Channels, 2019).

**e-Commerce**

Comparing to physical and telephone meetings, the contact through digital channels constitute approximately 98% of the total customer contacts with Länsförsäkringar, and the trend of digital contact is increasing.

“The trend of digital contacts between the customers and Länsförsäkringar has increased massively over the years and is still increasing” (Head of Digital Channels, 2019).

Länsförsäkringar strives to digitize its services to work in symmetry with the fast pace of the development of increasing digital contacts. They are however keen on emphasizing that not everything should or is ready to be digitized due to legal issues, safety issues, and consumer preferences. Länsförsäkringar is, for example, aware that an AI-chatbot function lies in the interest of the customers. However, they do not offer this possibility today but are working on a solution that will be able to meet those needs in the future (Head of Digital Channels, 2019).

As a bank, Länsförsäkringar is exposed to significant safety requirements, which they fulfil through mainly IT-security systems and other protective technical mechanisms. When it comes to personal banking, the customers always must go through different safety requirements such as meticulous identifications and Mobile BankID verification as safety precautions (Head of Digital Channels, 2019).

**e-CRM**

Länsförsäkringar has not yet developed as much in the process of handling e-CRM as desired. They are however in the development phase and working with establishing automated structural processes covering predictive analysis of customer patterns. Today, most of the customer relationship management, for example, customer profiles, is therefore rather manual (Head of Digital Channels, 2019).

On their website, Länsförsäkringar has established a function called “Regular questions and answers” where they work to optimize their data to receive traffic with the right byte to be able to answer the current and common questions asked rather than answering all questions in one saturated FAQ page (Head of Digital Channels, 2019).
“Whether the questions are asked on Google’s search engine, or on our own search function on the website, we want to simply adapt our answers to the most common questions” (Head of Digital Channels, 2019).

A lot of the feedback received by the organization is collected through customer call-back surveys and electronic surveys on the website. Gathering this information leaves Länsförsäkringar with indications on how to prioritize further development both organizationally and on the website (Head of Digital Channels, 2019).

**Mobile**

Länsförsäkringar is yet to offer the same banking services on the mobile application as on the website. However, there are some inconsistencies as certain services offered on the website are not offered on the mobile application, as well as the other way around. On the mobile application, Länsförsäkringar puts greater emphasis on the critical and most regular functions needed for a bank customer. The importance of developing both the application and the website is considered rather equal, but they differ in their special focus (Head of Digital Channels, 2019).

> “The application is more considered as a fast and competitive tool, so it is of uttermost importance to be developed on a competitive basis. However, looking to the website, it’s more about satisfying needs affiliated with bigger errands” (Head of Digital Channels, 2019).

Internal teams consisting of both own employees and other external collaborators are used to develop and improve the website and applications. Although the external collaborators, such as encoders, are not employed by Länsförsäkringar directly, they are part of a long-term solution and are considered a part of the team (Head of Digital Channels, 2019).

**Social Media**

The primary source of social media that Länsförsäkringar uses is Facebook where all communication is mainly focused on individual customers and small corporations as this is the largest customer segment. The responsibility of the regional Facebook channels lies within each one of the local establishments of Länsförsäkringar where usually one or a few people control the Facebook page along with their other work duties. At the organizational level, however, one bigger team provides support and proposals of content for the local branches, to sustain a common thread throughout the organization. When it comes to other social media channels, there are other approaches. LinkedIn is used for displaying the employer brand and for recruiting processes. Instagram is used by both the local offices in terms of communication and updates, as well as for the whole organization, where they are displaying themselves more as an employer. Twitter is mainly used as a channel for the whole organization focusing on communication with media and journalists, and YouTube channels are used as a way of spreading commercial messages (Head of Digital Channels, 2019).
“The solution of any occurring customer problem on social media depends on its content. The problem is preferred to be solved within the first contact in the channel of which the customer chooses. However, due to safety and complexity issues, customers are sometimes referred to other channels (Head of Digital Channels, 2019).

Challenges, Opportunities, and Future Perspectives
Länsförsäkringar is aware that certain challenges arise with the development of digitalization, and some are greater than others.

“The prime challenge for bigger banks that have been in the game for some time, such as Länsförsäkringar, is to become able to quickly adapt to and meet the customers’ demands and behaviors, which are changing at an extraordinary pace” (Head of Digital Channels, 2019).

However, digital development also brings along certain opportunities for Länsförsäkringar as well.

“It simplifies the creation of added values that are not purely related to banking products or services, but to the customer needs. The more digital the customers become, the more our local offices and employers can be used to focus on value-adding activities such as becoming closer to the customers by working with softer questions, for instance” (Head of Digital Channels, 2019).

Fintech start-ups who are quick on providing new digital solutions continuously appear as new competitors to the banking industry, and hence as competitors to Länsförsäkringar.

“The old colossus of banks, such as ourselves, who uses decades-old solutions and computer systems may be more restricted in our innovative adaptiveness due to the restraints from old established organizational structures” (Head of Digital Channels, 2019).

Länsförsäkringar, therefore, finds it important to emphasize the value of innovative solutions fitting their systems for the future, but also to establish great customer experiences and offers that simplify the customers’ everyday life. Länsförsäkringar believes that providing the best digital solutions among the banks has become extra important today as many customers use several banks simultaneously.

“Offering the best digital solution has become a decisive factor regarding which bank a customer chooses to use, and therefore it is vital to appear at the forefront of the digital development” (Head of Digital Channels, 2019).
4.3 Business Description Handelsbanken

In July 1871 Stockholm Handelsbank opened its first office in Stockholm and the bank’s shares were listed on the Stockholm Stock Exchange in 1873 (Handelsbanken, n.d.). Handelsbanken provides a nationwide office network with approximately 800 offices in 20 countries (Handelsbanken, n.d.). Handelsbanken Group’s business operations are highly decentralized with the fundamental idea that the organization should be based on each office’s responsibility for individual customers rather than the central units’ responsibility for product areas or market segments (Handelsbanken, n.d.).

The interview was conducted with Helene Hedman at Handelsbanken. Henceforth, we will refer to Helene as “Office Manager”, in accordance with her job title.

4.3.1 Interview Handelsbanken

Digital Marketing
Handelsbanken wants the customers’ perception of their brand to be consistent in whatever way they choose to market themselves and their products.

“We want to be perceived as safe and stable. After all, that is our brand and as it always has been. It will probably not differ whether we do marketing in one way or the other” (Office Manager, personal communication, April 23, 2019).

What sets Handelsbanken apart from many other banks regarding marketing is that Handelsbanken does not have a central marketing budget. Instead, Handelsbanken works locally and each office decides over their own marketing budgets and how they decide to market themselves (Office Manager, 2019). Facebook is the only digital marketing channel that Handelsbanken uses frequently, and is used to locally market events and information, which is something that is positively perceived by their customers. However, in general, Handelsbanken does not put a lot of resources into marketing. Handelsbanken usually works with standardized group offers, but on a local level, but they can choose to personalize their marketing to some extent (Office Manager, 2019).

Handelsbanken operates globally, but it is important for Handelsbanken to be perceived as a local bank, and they see no contradiction in being local and digital. Compared to many other banks Handelsbanken has a lot of physical offices.

“We find it important to provide our customers with a combination of digital services but also physical meeting places such as bank offices to enhance bank-to-customer relationships” (Office Manager, 2019).

Rather than investing a lot of money into marketing, Handelsbanken relies greatly on the word-of-mouth marketing method. Therefore, one of their most important tools is their well-established corporate culture and their work to sustain a good reputation (Office Manager, 2019).
**Digital Product Experience**

For Handelsbanken, it is important that digital services provided on the website are simple and understandable. The mobile application is a bit shallower than the website and not all services are provided on the application. Mortgages are one example of a popular banking service where great resources are invested in the digitization process to enable the service to be fully digital, as well as safe and fast. The simplicity, however, is the most important quality when providing digital banking services.

“It has to be as simple as possible to fill in the application for mortgages on the website and yet as complete information as possible. Great resources are invested in this process to go completely digital” (Office Manager, 2019).

Handelsbanken has an external company that measures customer satisfaction, which is something the Office Manager (2019) claims is very important for further developing its organization in the optimal direction. However, Handelsbanken does not measure customer satisfaction specifically for their digital products.

**e-Commerce**

Although the exact number of digital contacts were not mentioned, the Office Manager (2019) explained that mobile application usage, as well as the usage of the Internet bank, is increasing. The number of physical meetings between the bank and customers is far less than those of digital meetings, and the physical contact trend is decreasing.

“The simpler cases are diminishing, but customers still demand physical meetings when it comes to more complex problems that are more difficult to manage digitally” (Office Manager, 2019).

Handelsbanken has one department named “Handelsbanken Direkt”, which provide twenty-four-seven service. What differs Handelsbanken from most other banks is that the customers can also call the local offices for support. Handelsbanken also provides a personal chat service with a human respondent, which is a service that is becoming increasingly popular. At the moment, Handelsbanken does not provide an AI-chatbot, as they believe in the importance of the personal meeting.

“We believe that it is important with personal meetings, whether it is via chat, phone or at the office. We want to exceed our customers’ expectations, and I believe that this is best achieved by being personal, with an actual person responding to the customer. But in five years, who knows?” (Office Manager, 2019).

Approaching the security issue, Handelsbanken put a lot of resources into establishing a completely safe system without fallacies. Handelsbanken explained that the problem with security does not lie with the system of the bank in itself, it is rather the scammers who lure people on their personal details and con them to log into the Mobile BankID to make transactions, that constitutes the modern security problem (Office Manager, 2019).
**e-CRM**

Handelsbanken, and other banks know more about their customers than most companies as banks have access to their customers’ bank accounts. However, Handelsbanken has chosen, due to ethical reasons, not to use that information for digital marketing purposes and therefore Handelsbanken does not use customer profiles to personalize their marketing offers.

“We have a lot of information about our customers and we know more than the vast majority of companies about our customers, but for ethical reasons, we have decided not to use it” (Office Manager, 2019).

To reward loyal customers Handelsbanken offers a card called “Allkort” where the customers get a bonus in a fund based on how much they spend with that card. Handelsbanken also offers other cards called “Platinum” and “Infinite”, through which Handelsbanken collaborates with other companies to offer benefits for customers with those cards (Office Manager, 2019).

Instead of having a detailed FAQ page on their website Handelsbanken has decided to have a search function where customers can enter keywords to search for answers to their questions. A lot of the positive feedback that Handelsbanken receives is usually left orally or by e-mail directly to the employee concerned, while negative feedback is more commonly sent to the managers.

“There are still old ladies who bring cookies because they are satisfied with our help, it is amazing. Positive feedback is usually, in some way, left in person” (Office Manager, 2019).

Internally, Handelsbanken works with what is called a “suggestion box”, where employees can give suggestions for improvements that they get from customers. Online, however, “Handelsbanken Direkt” handles all the feedback, which is usually received through social media such as Facebook. Employees working full-time on “Handelsbanken Direkt” handle Handelsbanken’s general social media and personal chat service. If the customer's comment is not too personal, the errand is handled directly on the channel, but if the issue is more of a personal matter then the customer is suggested to contact Handelsbanken directly. Handelsbanken does not offer a call-back service on their local offices, however, this service is provided if a customer calls customer service at “Handelsbanken Direkt” (Office Manager, 2019).

**Mobile**

At the moment, Handelsbanken does not provide the same services on all their digital channels. Not only does the range of offers differ on the digital channels, but it may also soon differ between physical and digital banking as well.

“In the near future, some services may only be offered digitally and not offered in offices. So far, we have thought that the services we offer at the office, should also be offered digitally. However, now services are developed that may only be offered digitally. We think it is an exciting future with the digitalization” (Office Manager, 2019).
When it comes to the mobile application and website, Handelsbanken invests rather equally, but with different purposes. The mobile applications main purpose is to be quick and easy to navigate in, while the website is providing deeper information and more extensive services. To develop on these channels, Handelsbanken works internally with a department focusing on these improvements (Office Manager, 2019).

**Social Media**

It is “Handelsbanken Direkt” that handles the general social media, but the local offices decide themselves which social media they want to use for their local communication. Most commonly, Handelsbanken’s local offices utilize Facebook and their own website while having a local employee responsible for the content, along with their regular working tasks within Handelsbanken (Office Manager, 2019).

> “Social media is used both for marketing and providing information on a local level. The information can be about the customer activities that we have or for example posts regarding what to think about when traveling in terms of safety and other things that we believe customers find interesting. We try to add a local touch to our publications with photos or movies as well” (Office Manager, 2019).

Due to the bank secrecy, Handelsbanken usually chooses to contact customers directly, rather than solving their problems on social media channels (Office Manager, 2019).

**Challenges, Opportunities, and Future Perspectives**

Handelsbanken’s Office Manager (2019) believes that the physical offices will always be needed and that the demand for physical meetings regarding big economic commitments in customers personal finance will always be there. One challenge with digitalization is to keep up with the changes to please the customers, but at the same time keep it safe and secure. Everything Handelsbanken does must still be recognized as their brand Handelsbanken, and they do not want to lose themselves in this process (Office Manager, 2019).

> “We have to hurry somehow, but we cannot think that everything dissolves in the digital channels. After all, we believe that the offices will be needed and that the customers will require physical meetings as well” (Office Manager, 2019).

Although challenges arise with digitalization, Handelsbanken believes that the digitalization also brings about great opportunities.

> “Customers can now choose more ways of managing their banking businesses, whilst still having the possibility to attend physical meetings. Digitalization also facilitates the handling of different banking cases, making the process of banking faster” (Office Manager, 2019).
When it comes to future perspectives within the banking industry, Handelsbanken remains positive. The Office Manager (2019) claims that even though others may think that Handelsbanken is threatened by the digitalization, they perceive it differently.

“When some may think that Handelsbanken feels threatened by this digitalization because we have so many offices, but we see it differently. We still believe that the local offices can make a difference. We know exactly who people are, who we want to do business with, we know our customers and that is something which we believe renders more satisfied customers. But the digital becomes like a basic service that all banks must have. We will bring added value by having the digital services along with the physical offices” (Office Manager, 2019).

4.4 Business Description Swedbank

Swedbank started its operation in 1820 when the first bank was formed in Gothenburg by Eduard Ludendorff (Swedbank, n.d.). With the merge of Sparbankerna Sverige AB and Föreningsbanken AB in 1997, the name was changed to FöreningsSparbankerna. In an international context FöreningsSparbankerna was using the name Swedbank and in 2006 FöreningsSparbanken AB legally changed the name to Swedbank AB (Swedbank, n.d.). Today, Swedbank has over 7 million private customers and 600,000 corporate customers in Sweden, Estonia, Latvia, and Lithuania (Swedbank, 2019).

The interview was conducted with Greg Henriques at Swedbank. Henceforth, we will refer to Greg as “Customer Experience Manager”, in accordance with his job title.

4.4.1 Interview Swedbank

Digital Marketing

Swedbank’s ambition is to be perceived by its customers as a digital bank, but with physical meeting places. Apart from being the digital bank, Swedbank also wants to be perceived as a local bank operating “glocally”, meaning that Swedbank has a local focus on its markets but with a global perspective (Customer Experience Manager, personal communication, April 25, 2019).

When it comes to marketing, Swedbank’s campaigns are aiming for the local market through the usage of a mix of different media such as TV, and newspaper advertising. However, most of the advertisements are now digital and Swedbank possesses a strong digital presence.

“Swedbank has been exploring digital marketing for many years now. We are keen on experimenting and are willing to test new approaches for our campaigns with everything from Search Content Marketing and simple advertising, to interactive digital solutions” (Customer Experience Manager, 2019).
As Swedbank offers a wide range of banking services, the digital marketing of their products can be challenging as all products and the brand need to merge for consistency. However, the main focus for Swedbank is to market specific products and product features to a very specific segment and market.

“We are very keen on being in the right place with the right message to the right individual or group of people, at the right time” (Customer Experience Manager, 2019).

To reach their customers digitally, Swedbank works with targeted communication to create awareness on both external and internal channels. They want to catch the customers and direct them straight to the correct channel providing a service that fits their needs, not necessarily to the general website (Customer Experience Manager, 2019).

**Digital Product Experience**

To create a good digital product experience, Swedbank focuses on the balance between functionality, design, and brand building. Although functionality serves as the main focus, Swedbank also emphasizes the importance of the design, which they at times put a lot of resources in to develop.

“It is vital with a well-functioning systematic design to be able to work with the message, content, campaigns, and communication in a good way and to ensure that the functionality becomes as smooth as possible” (Customer Experience Manager, 2019).

Swedbank measures the customers’ satisfaction specifically for their digital products, using Net Promoter Score. They also measure how satisfied their customers are with their digital channels through the Customer Effort Score. Swedbank evaluates the data from customer satisfaction and experiences to be able to develop organizationally and digitally in line with the customers wants and needs (Customer Experience Manager, 2019).

“The digital channels can be regarded as hygiene factors, which may not affect the general customer satisfaction towards the bank as a whole when functioning properly. However, if we would not have had digital channels that the customers were pleased with it would work as a detractor and lower the customer satisfaction” (Customer Experience Manager, 2019).

**e-Commerce**

When it comes to the customers’ contact with Swedbank, approximately 99% of all communication comes through digital channels, and this digital communication trend is increasing. The digitization and digital contact preferences have enabled new opportunities for establishing contact with customers (Customer Experience Manager, 2019).
Swedbank uses digital assistants on their website as a digital service used for customer support. The popularity of these automated services is growing and is now able to satisfy a large part of the basic service demand. Swedbank is also having some support services in pilot, one example is video-calls as they consider remote-meetings an important complement to their telephone contact center. Swedbank has also implemented an AI-chatbot which they use both externally as well as internally. The AI-chatbot is not yet fully developed, but its capability is increasing all the time (Customer Experience Manager, 2019).

As a big bank, security is an important issue for Swedbank and something they work to improve continuously. New services or solutions are never released without having a safety assurance of above 99%.

"A big bank like Swedbank is exposed to risk from all types of attacks. We are not only following the industry standards for safety requirements, but we are also trying to be one step ahead" (Customer Experience Manager, 2019).

**e-CRM**
Swedbank strongly emphasizes the importance of e-CRM and approaches it comprehensively throughout the entire organization. It is not only used for designing personal offerings, but it is also used as a foundation for establishing the functionality of their products, as well as in many other perspectives.

"We have a holistic approach through the entire organization. The e-CRM is closely integrated with the product area to gain a functional perspective. It is also the engine behind the communication, pricing and marketing activities we do to become more personalized. We have a whole department that focuses on finding different segments with the use of our CRM-systems" (Customer Experience Manager, 2019).

Instead of building relationships by offering customer loyalty programs, Swedbank focus on providing different types of service to active customers who frequently use their products in the Swedish market. This strategy is designed such that loyalty from Swedbank’s side will build loyalty on the customer side (Customer Experience Manager, 2019).

Since Swedbank has an automated assistant who manages frequently asked questions on their website, they do not provide a detailed FAQ page. Neither are the customers provided with the opportunity to give feedback through their website. This is, however, something Swedbank is developing. The customers will have the possibility to choose
how they want to contact Swedbank, either if the purpose is to give feedback or to have a dialogue. The feedback that Swedbank receives today however mainly comes from social media and is handled by the customer center who forwards the information to the right instance. This department also works with Customer Effort Score and other feedback related issues (Customer Experience Manager, 2019).

**Mobile**

Swedbank basically offers the same range of services on both the mobile application as the website. The Internet bank is completely responsive which makes it adaptable to mobile phones. To be able to keep up with good quality in the mobile application, more resources are focused on this digital channel compared to the website.

"The mobile app is our main contact area with the customers. As the individual visits in the mobile application are approximately two-to-four minutes, quick functions and accessibility are of great importance. Therefore, we put a lot of energy into making it both fast and smooth." (Customer Experience Manager, 2019).

When it comes to the public website, Swedbank continuously works with updates and renewal of content and they are trying to keep it as easily accessible as possible. As Swedbank is a big bank with a lot of active customers, the accessibility is important, and the content should be concise and easily understandable. They are also working on sharing information on the customers’ terms and are trying to speak the customers’ language. Both internal and external teams are working on the improvements of Swedbank’s digital channels, in order to remain consistent throughout their communicative approach with customers and the overall Swedish population (Customer Experience Manager, 2019).

**Social Media**

Swedbank’s main focus on social media is Facebook, and it is used as an interactive channel where they provide active customer service by offering close dialogues with their customers. Swedbank, therefore, has a special team dedicated to handling Facebook issues specifically. However, they also have another team working with including specific communication and marketing within the social media channels. Instagram and Twitter are used as well but are utilized more as publishing channels. The general purpose of Swedbank’s social media usage is more about enlightening rather than marketing and publishing, but according to Swedbank’s Customer Experience Manager (2019), it is important to find a good balance.

When it comes to more general questions and considerations the customers prefer contact on Facebook rather than calling the customer service. However, more private questions regarding customer’s own finances usually end up as a phone call to the customer service. Swedbank tries to solve the customers’ problems directly via the social media channel, but it depends on the issue. Swedbank, however, has the ambition to solve their customers’ problems as close to the first instance as possible.
“If we look forward, the idea is that we should be able to solve the customer’s problems on the first instance, where the customer is. Our ambition is to always try to solve the customer’s problems as fast and as simple as possible. Eventually, we want to be able to incorporate the automated assistants to the social media customer services as well” (Customer Experience Manager, 2019).

Challenges, Opportunities, and Future Perspectives
One of the biggest challenges for Swedbank is to sustain its corporate legacy while still adapting to the development of digitalization.

“As a large bank with many interactions and loads of data, our greatest challenge is possibly to be able to upgrade and integrate the old system into the new development. We are not short on ideas or knowledge, we have got plenty of it, but the old system acts as an anchor and somewhat limit our pace of development, especially in the security perspective as it must be involved in almost all the changes we do” (Customer Experience Manager, 2019).

As Swedbank generates a lot of customer data, the digitalization enables them a great opportunity to use this data for purposes such as working with sustainability in the customers’ finances and offering customer suitable solutions. The great customer base also enables Swedbank to reach out to interested customers with their pilot projects.

“We can try new solutions directly with our customers to understand what is desired and what is not. Our great customer base and their willingness to test new solutions have also become an attraction for third-parties, as well as other potential partners since they know that we can reach out to approximately 2.5 million active and interested customers very easily” (Customer Experience Manager, 2019).

Swedbank’s Customer Experience Manager (2019) claims that a lot of people who talk about digitalization in the financial industry are focused on what start-ups are doing, the digital niche products they are developing, and turning paper solutions to digital solutions. This is a rather poor understanding of what the true meaning of digitalization really is and not what Swedbank’s Customer Experience Manager (2019) believes the future will be consistent with.

“The digitalization must be more about really understanding the customers’ needs and finding new ways to solve them digitally. It will eventually change the product and service opportunities for both the customers and the banks completely, so we have to be open as our own products are not the main drivers of change anymore. The financial industry is not only an industry; it is part of the society’s infrastructure, meaning that it will not disappear, but it has to change. And it has to change in the right direction” (Customer Experience Manager, 2019).
Swedbank’s Customer Experience Manager (2019) believes that the future of digitalization will depend on the future intellectual capital and the ability to organize and access new skills and types of leadership to drive the change for the greater good of society and companies.

“There is a clear need for skills and talent in the future. I think that this will be a decisive factor for the future of digitalization and for the success of companies. Today, there is a lack of talented people who actually understand that digitalization is not just about translating paper processes into digital ones, but it is about having an inventiveness and understanding for the greater whole” (Customer Experience Manager, 2019).

4.5 Empirical Findings Summary

In order to get an overview of the empirical findings, the result is summarized in a table. Within each category, the main findings are presented for each bank, see Table 2.

The table is categorized with the six dimensions of digitalization along with the challenges, opportunities, and future perspective of the phenomenon. Each bank is presented at the top followed by a short summary of each category to get a quick overview of their similarities and differences.

As displayed, there are many differences and similarities between how the Swedish banks’ work internally with digitalization. The summarized table was constructed as a fundamental tool, enabling us to conduct a coherent analysis based on the key findings from the empirical result.
Table 2. A summary of the results in the empirical findings.

<table>
<thead>
<tr>
<th></th>
<th>SEB</th>
<th>Länsförsäkringar</th>
<th>Handelsbanken</th>
<th>Swedbank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital Marketing</strong></td>
<td>- Trustworthy.</td>
<td>- Local and relationship building.</td>
<td>- Limited of digital marketing.</td>
<td>- Digital bank with physical meeting places.</td>
</tr>
<tr>
<td></td>
<td>- Mainly global.</td>
<td>- Mainly local.</td>
<td>- Local focus.</td>
<td>- &quot;Glocal&quot;.</td>
</tr>
<tr>
<td></td>
<td>- Own channels.</td>
<td>- Search Content Marketing and Search Engine Marketing.</td>
<td>- Word of mouth.</td>
<td>- Personalized offers.</td>
</tr>
<tr>
<td></td>
<td>- Personalized offers.</td>
<td>- Personalized offers.</td>
<td>- No central marketing budgets - Local offices differ.</td>
<td>- Personalized offers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Standardize group offers.</td>
<td></td>
</tr>
<tr>
<td><strong>Digital Product Experience</strong></td>
<td>- Simplification/brutal simplification.</td>
<td>- Simplicity.</td>
<td>- Easy and understandable.</td>
<td>- Balance between functionality, design and brand building</td>
</tr>
<tr>
<td><strong>e-Commerce</strong></td>
<td>- Approximately, 97% of the contact is digital.</td>
<td>- Approximately, 98% of the contact is digital.</td>
<td>- Digital contact is increasing. Exact % not stated.</td>
<td>- Approximately, 99% of the contact is digital.</td>
</tr>
<tr>
<td></td>
<td>- Internal AI chatbot.</td>
<td>- Do not have AI chatbot but are working on a solution.</td>
<td>- No AI chatbot. Instead a chat service with a human respondent.</td>
<td>- Internal and external AI chatbot.</td>
</tr>
<tr>
<td></td>
<td>- Significant safety requirements.</td>
<td></td>
<td>- Significant safety requirements.</td>
<td>- Significant safety requirements.</td>
</tr>
<tr>
<td><strong>e-CRM</strong></td>
<td>- Profiling.</td>
<td>- Has not yet achieved the desired effective handling of e-CRM.</td>
<td>- No profiling.</td>
<td>- Strongly emphasizes e-CRM.</td>
</tr>
<tr>
<td></td>
<td>- Customer loyalty program.</td>
<td>- (Customer loyalty program unanswered.)</td>
<td>- Customer loyalty program.</td>
<td>- Provide different types of services to loyal customers.</td>
</tr>
<tr>
<td></td>
<td>- Solid FAQ on their website.</td>
<td>- &quot;Regular questions and answers&quot; rather than detailed FAQ.</td>
<td>- No FAQ, search function instead.</td>
<td>- No FAQ, Digital assistant instead.</td>
</tr>
<tr>
<td></td>
<td>- Feedback mainly through social media.</td>
<td>- Feedback through call-back survey.</td>
<td>- Positive feedback mainly perceived orally.</td>
<td>- Feedback mainly through social media.</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td>- Different services on the different channels.</td>
<td>- Different services on the different channels.</td>
<td>- Different services on the different channels.</td>
<td>- Basically the same services on the different channels.</td>
</tr>
<tr>
<td></td>
<td>- A lot of resources are invested in the mobile application.</td>
<td>- Developing both mobile application and website equally, but with different focuses.</td>
<td>- Developing both mobile application and website equally, but with different focuses.</td>
<td>- More focus on mobile application.</td>
</tr>
<tr>
<td></td>
<td>- External collaboration for developing mobile application while other digital channels managed internally.</td>
<td>- Internal teams, both internal employees and external collaborators.</td>
<td>- Internal teams working on improvements.</td>
<td>- Both internal and external teams working on improvements.</td>
</tr>
<tr>
<td><strong>Social Media</strong></td>
<td>- Mainly LinkedIn.</td>
<td>- Mainly Facebook.</td>
<td>- Mainly Facebook.</td>
<td>- Mainly Facebook.</td>
</tr>
<tr>
<td></td>
<td>- Partly marketing and informative purpose.</td>
<td>- Marketing and information purpose, but also for recruitments.</td>
<td>- Marketing and information purpose with a local approach.</td>
<td>- More about enlightenment rather than a marketing purpose.</td>
</tr>
<tr>
<td></td>
<td>- One person works with social media.</td>
<td>- Local responsibility.</td>
<td>- Department managing general social media.</td>
<td>- Both an operational team and a marketing team working with social media.</td>
</tr>
<tr>
<td></td>
<td>- Tries to solve customers' problems directly via social media, depending on the issue.</td>
<td>- Tries to solve customers' problems directly via social media, depending on the issue.</td>
<td>- Direct contact rather than solving customers problems directly via social media.</td>
<td>- Tries to solve customers' problems directly via social media, depending on the issue.</td>
</tr>
<tr>
<td><strong>Challenges, Opportunities, and Future Perspective</strong></td>
<td>- Old IT systems, mindset, and corporate culture.</td>
<td>- Challenge to quickly adapt to change and customer demands.</td>
<td>- Challenge to quickly adapt to changes to please the customer.</td>
<td>- To be able to upgrade and integrate the old systems.</td>
</tr>
<tr>
<td></td>
<td>- Daring to think new and test new things.</td>
<td>- Digitalization simplifies the creation of added values</td>
<td>- Customers can choose more and faster ways of managing their banking businesses.</td>
<td>- The large customer base has become attractive for third parties.</td>
</tr>
<tr>
<td></td>
<td>- Focus on creating relationships with fintech companies by integrating their services (Into SEBs).</td>
<td>- Emphasizes the value of innovative solutions fitting their systems and the establishment of great customer experience.</td>
<td>- Will be able to bring added value by offering digital services along with physical offices.</td>
<td>- The own products and services are no longer the main driver for change. Understanding new customer needs is vital.</td>
</tr>
</tbody>
</table>
5. Analysis

The thesis analysis will be presented in this chapter by linking the theoretical framework to the empirical findings. Hence, the differences and similarities of each bank's internal work with the six dimensions of digitalization will be presented along with the challenges, opportunities and future perspectives of the digitalization phenomenon in section 5.1 to 5.7.

5.1 Digital Marketing

The approach of how the four banks want to display their brands digitally are similar in nature, albeit some deviations are clear. Even though all banks strive to establish a local presence to be close to the customers, Swedbank and SEB approach their way of displaying their brand and market themselves with a wider, and more global perspective. The global marketer and consumer relationship have according to Ryan and Jones (2009, p.5) been enabled by technological development. Länsförsäkringar and Handelsbanken, on the other hand, focuses more on displaying themselves as a local bank creating value through relations, which is more in line with Ivarsson’s (2005) opinion that physical meetings are of fundamental importance to be able to create customer value.

How the banks work with digital marketing depends not only on how they want to display their brand but also on the nature of their business model. Ryan and Jones (2009, p.20) state that whether to what extent a corporation uses digital marketing depends on the growth and diversification ambitions of the bank. Therefore, many different approaches to digital marketing are highlighted among the banks.

Search Content Marketing is one of the most popular ways of digital marketing among the four banks, even if there are some deviations. Along with Search Content Marketing, many additional tools are used, such as Search Engine Optimization and Search Engine Marketing. Most of the banks demonstrate breadth in their digital marketing approaches and agree that traditional media marketing has become less important in relation to digital marketing. This can be connected to Ryan and Jones (2009, p.22) who argued that companies must embrace digital marketing in order to grasp the customers that are increasingly using digital technology. Even if digital marketing is in general perceived as important, all of the banks have different focuses for their investments. Some of the banks choose to invest more in the internal organization in terms of brand building and their own digital channels, to increase the quality awareness and for being cost-effective. The other banks focus more however on an approach where the investments on digital marketing efforts are put on displaying themselves for customers to create attention for the bank.

When it comes to how the banks use their ways of digital marketing for campaigns and products, they differ substantially. Swedbank makes a clear distinction in their approach. For campaigns, Swedbank utilizes many different digital possibilities and is willing to experiment on their ways of reaching the intended market. Products, on the other hand, becomes more complicated as brand consistency becomes a bigger matter. Länsförsäkringar, however, utilizes their digital marketing channels differently, and focus more on promoting how satisfied their customers are. Handelsbanken has instead chosen to focus on its good reputation and puts little emphasis on marketing their products and campaigns digitally. Lastly, SEB has a divided approach where the marketing of
campaigns is mainly aimed at new customers and marketing of products are aimed for existing ones.

Regarding the bank’s ambitions to standardize or personally customize their digital marketing advertisements, most banks have different degrees of focus. Most of the banks do however agree that personalized and adapted digital marketing is the common way to go within the banking industry, while others prefer standardization. The decisions as to which strategy of digital marketing the banks choose to conduct may, in accordance with Ryan (2016, p.24-25), be a function of the corporations understanding of what they want to achieve, and who their customers really are.

5.2 Digital Product Experience

All four banks consider qualities that make the usage simple and understandable, as important for their digital channels. All the banks discussed the importance of simplicity in their digital channels to generate good customer product experience. The approach to the important development of these qualities can be derived from Mbama and Ezepue’s (2016, p.249-250) study explaining that it is important to improve upon the factors that affect customer experience to capture and retain customers.

The emphasis that the banks put on developing a good customer experience can be explained in accordance by Hochs (2002, p.449) conclusions that a good experience becomes more memorable and established in a consumer’s mind compared to that of educational learning. However, the banks point out the importance of finding a balance between different qualities on their digital channels in order to be able to offer the best customer product experience possible. This is in accordance with Mbama and Ezepue’s (2016, p.250) statement that banks should be balancing the customer’s needs with issues related to design, but also security.

SEB, Länsförsäkringar, and Swedbank measure customer satisfaction for their digital product to enable the work of improvements and corrections in line with the customers’ expectations. However, Handelsbanken has an external collaboration to measure general customer satisfaction but does not specifically measure customer satisfaction for their digital products. Thus, all of the banks emphasize the importance of measuring customer satisfaction, which is reasonable in accordance with Mbama & Ezepue’s (2016, p.250) claims that customer experience is positively related to satisfaction and loyalty, therefore it is important to understand the customers’ needs in order to provide a good customer experience. Since the perception of an experience is the individual’s subjective view (Desmet & Hekkert, 2007, p.2) banks can investigate their customers’ needs to be able to adjust the digital products and offer the best product experience possible.

5.3 e-Commerce

The Swedish customers’ contact with the banks is increasingly changing to a more digital approach. This trend is supported by Statista (2019b) which indicates that in 2018 the individuals using digital banking in Sweden was 84% compared to 62% in 2005. The digital contact within the Swedish banking industry is also experiencing an increasing trend which is a united fact for all four banks. The customers’ digital contact with the bank’s amounts to approximately 97% to 99% of all contacts, although the exact number of digital contacts were not mentioned for Handelsbanken.
When it comes to digital customer service, the approach is different among the banks. Swedbank is the only bank that provides both an internal as well as an external AI-chatbot while SEB has an internal AI-chatbot that is under construction. Länsförsäkringar is yet to introduce an AI-chatbot, but they see an increasing interest for the service as this is something that their customers are commonly asking for. Since Handelsbanken is working on a more local approach with the emphasis on the personal and human meeting they have not yet introduced an AI-chatbot as they see their customers demanding human contact. Further, what distinguishes Handelsbanken from the other three banks is that they provide general customer service as well as local customer support.

Security is an important issue for all the banks, and it is governed by strict rules and regulations. All four banks want to ensure a high level of security and work to improve their standards regularly. This is in accordance with the Swedish Bankers’ Association (2019b) who states that Swedish banks continuously develop their systems to ensure a high level of information security (Swedish Bankers’ Association, 2019b). The banks further discuss that there are several different kinds of risks and attacks within the banking industry to which they are exposed. They state that one of the major problems within the banking industry is the risk of customers being exposed to fraudsters, even though the banking system in itself is safe. Another reason for the continuous development regarding the security issue of the banks could be drawn from Kesharwani and Sing Bisht’s (2012, p.304) statement that the perceived risk with online banking services is of growing concern. This could be an effect of the fact that computer fraud crimes have increased along with the growing digitalization (BRÅ, 2018, p.38).

5.4 e-CRM

There are significant differences in the four banks’ approach when it comes to their work on building relationships with their customers. SEB works with profiling to some extent to provide its customers with more personalized offers. Länsförsäkringar is also working with e-CRM but has not yet fully developed the desired process of handling it. Due to ethical reasons, Handelsbanken does not use information about their customers to provide any personalized offers, instead, they offer more standardized group deals. However, Swedbank strongly emphasizes e-CRM with a comprehensive approach. The banks’ usage of e-CRM can be explained by Adebanjo’s (2003, p.575) theory that e-CRM increases the value for the corporation as it, amongst much else, reduces costs, improves workflows and improve sales and thus improves the operational effectiveness.

Most of the banks are managing their customer relationships by rewarding their loyal customers with different offerings and discounts. However, Swedbank has a slightly different strategy where they instead of providing offers and deals, provide a different type of service to their active customers. According to Elmuti et al. (2009, p.76-77) CRM systems, in general, enable the creation of attracting loyal customers, which can give the company competitive advantages.

After-sale services used to support customer relationships are starting to be replaced by digital services, and one of those services is FAQs (Taylor & Hunter, 2002, p.453). There are different approaches on how the banks decided to approach the issue of FAQ on their websites. Some bank chooses to compile one big document of FAQ while others have decided to limit the questions to the most common ones asked, or even delegated this function to the digital assistants. Another important feature for involving the customers and building customer relationships is to provide the possibility to submit feedback. Even
if the ways of collecting feedback differs among the banks, they all collect it to be able to make improvements in line with the customer’s needs. Why the banks value and gather customer feedback may connect to Mbama & Ezepue’s (2016, p.250) emphasis on the relevance of customer feedback to be able to meet the customer’s expectations.

5.5 Mobile

It is clear that most of the banks have some inconsistencies in their range of service offerings when comparing the mobile application to their website, mainly due to the challenge of managing multiple different digital channels simultaneously. Even though this poses as a challenge, it is not an improbability to achieve it by developing completely responsive sites. However, offering different services on mobile and websites is in line with Zhang and Yuan’s (2002, p.1892) statement that m-commerce and mobiles differ in terms of technology, the nature of services provided, as well as the business model approach.

The focus philosophy when it comes to the locus of investments comparing the mobile application to the website is two-fold. While SEB and Swedbank put more resources into developing the mobile application compared to the website, Länsförsäkringar and Handelsbanken invest more equally on both sides. However, all four banks agree that different focuses are considered when developing and investing in these digital channels. The website is commonly developed for bigger and more extensive errands, while the mobile application is more developed as a competitive tool.

All banks share the similar belief that the mobile application is the main contact tool for customers which can be explained by Riivari’s (2005, p.11) findings saying that there were three times more mobile users than PC users, and Statista’s (2019c) data reinforcing this statement in a Swedish perspective. The banks also agree that, apart from being the customer’s main contact tool, innovation on a high-quality experience, quickness, and simplicity is vital to develop a competitive position with their mobile application design. The establishment of the dominant customer contact tool and the focus on innovating for a better competitive position is in line with Utterback and Suárez’s (1993) findings explaining that when a dominant design has been established, the competitors turn towards more exploitative innovation within the established designs defined areas, rather than exploring on new designs.

The strategic decision regarding if internal or external teams should be used for the development of the mobile application is not the same for the four banks. It is thus evident that the banks have adopted different types of business models while dealing with the development of their mobile channels. This approach may be explained by Siiau and Shen (2003, p.10) who stipulated that organizations must fundamentally change their business models and uncap their organizational structures in order to be able to capitalize on the benefits that mobile services offer.

5.6 Social Media

The usages of social media have become increasingly popular in today’s society. All four banks use some type of social media, however, there are differences in what social media they use and to what purpose they use it. Facebook is a popular channel for social media among all four banks, and the purpose of using social media is in general quite similar.
The social media channels are partly used for marketing but also as channels for less formal communication with their customers. Moreover, the usage of social media also has an informative purpose where the banks can use the channels for sharing information. The widespread use of social media is a fact and Bruhn et al., (2012, p.770) explains that the increased use of social media is replacing the traditional sources of media, as the marketing opportunities seem endless.

As stated previously, all four banks have some degree of involvement in social media, especially Facebook as the banks want to meet the customers on their own channels. All four banks state that they have someone, or a team, specifically responsible for their social media channels, so there are differences in the responsibility approaches. The clear responsibility can be a precautionary act for the banks in order to deal with Pfeffer et al. and Bruhn’s et al. (2013, p.118; 2012, p.771) statement that negative consequences can arise from social media as well, and that negative opinions and information can reach out very fast to social media users all around the world. Another reason for the distinct responsibility roles of the banks can be to be able to better fulfil Mason’s (2008, p.220) proposition that companies that are better at integrating positive opinions through word-of-mouth into their strategic marketing plans are more successful.

It is common that the banks try to find a solution to their customers’ problems directly on the social media channel, but the solution of any occurring problem depends on the content. It happens that customers questions and concerns get too personal, and in those cases, the banks refer the customer to a more suitable channel to solve their problems.

5.7 Challenges, Opportunities, and Future Perspectives

When talking about the challenges that digitalization brings to the banking industry, all four banks seem to agree on what constitutes the main challenge for them: to keep up with the fast competitive development and be able to change quickly in order to adapt to and meet the customers ever changing demands. The majority of the banks also emphasizes their old, IT-systems as one major reason for constraining their pace of development.

Why the banks mentions their slow change and old IT-systems as the main challenge for the digitalization may stem from Henderson and Clark’s (1990) explanations that large and old corporations usually have a harder time changing due to their established rules, communication channels, and IT-systems, while smaller and new firms do not suffer from the same restraints. Another alternative as to why the banks are slow at adapting to the digitalization can be found through Olanrewaju’s (2013) perspective claiming that the banks’ narrow perception of digitalization and their inability to see it as an integrated part of their business is the reason for the slow change.

However, not only does the banks have difficulties to keep up with the fast development of digitalization, but the competition is increasing as well. The increase in competition is explained by Shahrokhi (2008, p.390) who stated that global deregulations are the cause for the increase of new actors in the financial markets.

Some of the banks do however also raise the trust issues related to safety and security as an important challenge in the process of integrating their data systems with new digital developments. According to Mukherjee and Nath (2003, p.5-6), trust is of fundamental importance for a customer’s commitment to using the Internet bank. This is also
emphasized by Shahrokhi (2008, p.392) who states that digital banking is exposed to multiple threats and attacks making security an important issue.

Regarding the opportunities with digitalization, the views of the banks are more scattered. The banks suggest that digital banking development has allowed for not only new products and services but also new ways of conducting banking and faster processes. This has enabled the banks to instead allocate free resources to focus on activities that bring higher value to the customers. This is in line with Fiserv’s (2019) argument that digital banking drives higher customer value as it enables the banks to invest in more value-adding capabilities both due to higher banking transaction activity, increases in the banks’ product holdings, as well as higher revenue generation. Olanrewaju (2013) also argued that automatization of services and the activity on digital channels should be two especially important issues of interest due to the cost-saving opportunities.

All four banks agree that digitalization has changed the way banks operate and interact with customers. Not only has new possibilities and new ways of conducting banking arisen, but the cultures of banking have changed in many ways as well. Shahrokhi (2008, p.336) stated that digital banking is changing the financial industry as it makes the actors recreate their core businesses. Not only has the way of conducting business within banking changed due to the technological developments that come with the digitalization, but the need to create value to the shareholders by creating a long-lasting, quality relationship between the banks and their customers has become inevitable (Shahrokhi, 2008, p.336,392).

Up to this point, the main challenge discussed has been to keep up with the competitive development and be able to change quickly in order to adapt to and meet the customers ever changing demands. All four banks agree that these quickly changing demands and the increased competition with fintech companies have forced the banks to change their way of conducting business, their future perspectives of the banking industry and its products and services. All banks also agree and emphasize the value of innovative solutions fitting their systems, as well as great customer experience.

Some banks have chosen an internal approach, while others have begun the work on creating relationships with external innovators. The approach of creating relationships with external innovators is in line with what Boudreau and Lakhani’s (2009, p.70) highlighted in their paper where they pointed out the importance of opening a firm's walls for external innovation to be able to take advantage of ideas arising outside the organization. They explained that this strategy can have a substantial competitive advantage when the customer needs are highly varied and not yet understood. Boudreau and Lakhani (2009, p.72) also stated that when opening up the business model for external outside innovation, the business model will turn into a platform, which Cusumano and Gawer (2008, p.68) explained is a fundamental service or technology that is imperative for a broader, multilateral ecosystem of businesses which the platform owner do not control to full extent.

Claims was also made that the banks extensive data accessibility and many customers have become an attraction for third parties, who are becoming more integrated with the banking processes. This indicates that the bank is in a position to lead the industry-wide innovative platform of third party developed technologies in line with the platform leader definition of Cusumano and Gawer (2002, p.52). Not only has external innovators become interested in being part of the banking platform, but the external innovators themselves have also become an attraction for the banking platform as well. The banks
increased motivation to include external innovators can be explained with Cusumano and Gawers (2002, p.53) statement that the platform leader’s collaboration with external innovators is crucial as it is the sum of the total efforts that decides the benefit. It can also be explained by Henderson and Clark (1990) who argue that smaller and newer firms have a better ability to adapt to change compared to large corporations due to the absence of old, established corporate structures. The motivation of the external innovators is instead explained by Boudreau and Lakhani (2009, p.72) who said that both intrinsic and extrinsic motivational factors drive the external innovators’ eagerness to innovate in the pursuit of value creation for the platform.
6. Conclusions

In this final chapter, the thesis research question will be answered in the general conclusions in section 6.1. Further, the relevance of the study will be discussed in section 6.2 and the chapter concludes with limitations of the study and proposal for further research in section 6.3.

6.1 General Conclusions

The purpose of this thesis was to create a deeper understanding of how Swedish banks internally work with digitalization, based the banks’ approach to the six dimensions that we have used to understand digitalization: digital marketing, digital product experience, e-commerce, e-CRM, mobile, and social media. We also strived to gain an understanding of the banks’ views of opportunities, challenges, and the future perspective of the banking industry, that follows with the digitalization phenomenon. This resulted in a research question that would help fulfil the purpose of the study. The specific research question stated was:

RQ. How do Swedish banks work internally with digitalization?

The concise answer to our research question is that all banks have a different internal approach to digitalization. However, there is no one-size-fits-all solution for a successful strategy, and the banks must adapt their internal work (to their business environment) in order to manage the digitalization in the most suitable way. Although there are some difference and similarities in how banks internally work with digitalization, it is evident that the banking industry is changing along with the digitalization. We are facing a new reality where the digitalization brings both challenges and opportunities. The banks have a positive perspective on the future of digitalization. However, we will probably see a lot of changes in the banking industry in the near future.

From the analysis chapter, we have also been able to conduct a more thorough conclusion based on our key findings.

Digital Marketing

How the banks decide to work with digital marketing depends not only on how they want to display their brand but also on the nature of their business model. The digital marketing strategy is influenced by the banks focus on being a local or global actor, and their ambitions to expand their corporation and diversify. Even though the banks use different tools in their way of conducting digital marketing, it is evident that most of the banks demonstrate a breadth of approaches and awareness of the increasing importance of digital marketing compared to that of traditional media. As the banks have different approaches to digital marketing, the focus of investments within the digital marketing area differs, but the investments are most commonly allocated in either the internal organization development or for displaying the organization externally. The interviewed banks indicate that the most common approach to digital marketing is to personalize and adapt digital marketing to suit the individual, rather than standardizing the offers. It is, however, clear that there is a difference as to how much the banks focus on trying to adapt their marketing to the individual, both due to ethical, and regulatory reasons.
**Digital Product Experience**
Simple and understandable are qualities that all four banks consider important when discussing the usage of their digital channels. Simplicity is especially emphasized as it is considered as important for generating good customer product experience. However, it is highlighted that it is necessary to find a good balance between these qualities. Some banks measure the customer satisfaction affiliated with their digital products, while others merely measure it on a general basis. However, the purpose of measuring customer satisfaction is similar; to be able to work with improvements in line with the customers’ expectations.

**e-Commerce**
The trend of the Swedish customers’ contact with the banks is increasingly changing to a more digital approach. The trend of the increased digital contact has resulted in different courses of actions regarding how the banks handle their customer support with digital services. The technology of AI chatbots is clearly becoming a popular topic for the banks in terms of a digital service, even if it still is in early development stages. Furthermore, even if security always has been of great importance for the banks, it has along with the digitalization gained significant ground on which the banks continuously strive to improve their standards.

**e-CRM**
There is generally big differences among the banks regarding how they work on building and managing relationships with their customers. Some of the banks strive to offer more personalized deals while others provide more standardized group offers. It is however common among the banks to manage their customer relationships by rewarding their loyal customers with special offerings or different types of services that adds value. To support the customer relationships, the banks offers a variety of digital services such as FAQs, common questions & answers, or digital assistants. To engage with the customers, the banks gather feedback in various ways which allow them to make improvements in line with the customers’ expectations.

**Mobile**
The range of service offerings on the banks’ websites compared to that of the banks’ mobile applications is commonly inconsistent, even if the extent of inconsistencies differs between the banks. It is proven that all banks agree on the fact that the website and application are developed with different purposes as they serve as very different tools, but the mobile application is agreed to be the main contact tool between the bank and its customers. Even if this is the case, the distribution focus and investments on the website versus the application differ amongst the banks, but in general, does the bank invest equally much in both or more in developing the mobile application. To develop the application and website, the banks have decided on different strategies where they either use internal or external teams to develop these channels.

**Social Media**
The increased popularity of social media has had a significant impact on the banks. It is evident that all four banks use some type of social media. There are clear differences in how many varieties of social media they use, but the purposes are in general quite similar. The different purposes depend much on the specific social media channel, but they are commonly used for marketing, information, and communication purposes. How the banks distribute the responsibility of the work with the social media channels does however look very different when comparing between the banks.
**Opportunities, Challenges, and Future Perspectives**

The digitalization phenomenon combines several different challenges for the Swedish banking industry. It is evident that the banks struggle with both issues related to safety and security when integrating new digital developments into their systems, as well as dealing with increasingly fierce competition in the financial markets with new fintech companies. The preeminent struggles for the banks are however their lack of ability to keep up with the rapidly increasing competitive development and to quickly conform to the customers ever changing demands, mainly due to their old, established IT-systems and organizational structures.

The opportunities the digitalization has brought upon the Swedish banks are mainly related to the banks’ new ways of conducting banking. There are now faster processes in banking and the banks’ focus has turned more towards creating value, and better customer experiences for customers through interactions and other value-addıng activities. The digitalization has changed the culture of the Swedish banks in many ways, and innovative solutions fitting the organizations have now become a well-emphasized opportunity.

It is clear that the challenges and opportunities that the digitalization has brought upon the Swedish banks also have altered the banks perspective of the future. The emphasis on an innovative solution and increased customer experience has led to either an internal focus or, an approach where external innovators are becoming increasingly involved in the banks’ digital development. The reason for the increased integration between the external innovators’ and the banks are believed to stem from the banks’ data accessibility and customer base, as well as the external innovators’ ability to quickly innovate and meet the customers’ demands in a way that the banks are not capable of. The intrinsic and extrinsic motivational factors are fuelling the integration between the banks and external innovators, which allows banks the opportunity to change their traditional business model towards a platform business model.

**6.2 Potential Business Model for the Future**

A platform business model where the banks open up their organization to allow for external innovators to innovate on solutions fitting the banking systems may be a potential solution for the bank’s way of controlling the six dimensions, as well as the challenges, opportunities, and future of banking, that the digitalization brings with it.

As new, smaller, fintech innovators, in general, are better at quick innovation and meeting the customers rapidly changing demands than big corporations such as the banks in this study, an integrated solution where both sides of a platform are motivated to create shared value, may be a reasonable solution.

Due to the banks extensive amount of customers and their data accessibility, they have an advantage in their opportunity to maintain a leadership position within the platform and can serve as the middleman between the external innovators and the banks customers, and in this way maintain the majority of the control within their organization (see figure 2).

Without a functioning platform or other solution, the banks may see themselves lagging behind fintech innovators and their digital solutions for a long time to come. Alternatively, the banks can take control by establishing themselves as platform leaders, whom through the shared ambitions with the external innovators, will be able to provide
better digital solutions that suit the banks’ systems, and quickly can adapt to the digital development and the changing customer needs.

Figure 2 displays the banks within the Swedish banking industry’s relation to digitalization today, as well as the external innovators competing with the Swedish banks with their digital innovations in the era of digitalization.

![Figure 2](image.png)

**Figure 2.** An overview of digitalization and its relationship with the Swedish banking industry today, including the banks external competitions.

A potential overview of how the banks within the Swedish banking industry may look in the future is presented in figure 3. It displays how external innovators become integrated in the Swedish bank’s innovation process through a platform business model. This will allow the banks to take part of the external innovators’ innovation capabilities, while the external innovators get data accessibility through the banks.
Figure 3. A potential overview of a Swedish banking platform in the future.

6.3 Relevance of the Study

The subject of this study has a relevance in today’s society as digitalization has a great impact on most industries and is widely debated especially in the banking industry. The respondents agree that this is a subject that is up to date and that we are facing changes along with the digitalization.

The theoretical contributions of this study are expressed in increasing insights of Swedish banks internal work with digitalization. The study’s practical contribution consists of the methodology for collecting data that reflects the theories presented in the thesis theoretical framework. The managerial implications of this study are that the banks have different approaches to work internally with digitalization, and there is no one-size-fit-all solution for an ultimate strategy. Further implications of this study suggest that digitalization can be put in a much larger perspective in the modern’s society of the bank industry than in the past.

As mentioned earlier, there are plenty of articles that highlights the importance digitalization, however, none of them gave us an answer of how the Swedish banks are working internally with digitalization. However, this study will contribute with a deeper understanding of how the Swedish banking industry differ in their internal approach working with digitalization, along with the future perspective of digitalization in the banking industry.
6.4 Research Limitations

This research has been limited by various factors and elements. One definite limitation that we encountered was that not all interviews were conducted the same way. Due to geographical considerations, financial, and time limitations, only one interview was conducted physically, while the rest were held over the phone. This may potentially have created both interviewer and respondent biases affecting the results of that interview.

As was stated in the purpose section, this thesis is limited to four Swedish banks, while the whole industry consists of over 100 banks. This may be argued as a rather small sample, not representative for the whole population. The sample of this study however provided sufficient information to saturate the data.

The interviews were limited to one employee for each respective bank. Considering the different roles of the participants, some variations regarding the extent of knowledge of the digitalization phenomenon may be present, also affecting the results of this thesis.

6.5 Future Research

A recommendation for further research would be to investigate how the level of digitalization within each bank correlates with their respective levels of customer satisfaction, to better understand the digitalization within the Swedish banking industry from a customers’ perspective. Such a study of quantitative character, possibly through surveys, would supplement this qualitative research with a holistic understanding for both the customers and the banks, and the potential correlation.

Another possible direction for future research would be to study banks internal work with digitalization in other countries to gain an even deeper understanding and to investigate the differences and similarities of the internal work with digitalization among different countries.

One proposition would also be to delve into the question of the difference between the large banks and smaller fintech companies’ ability to innovate by measuring their innovative output, and thus potentially confirm the difference in their innovative abilities.
Reference list


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Scotland, J. (2012). Exploring the Philosophical Underpinnings of Research: Relating Ontology and Epistemology to the Methodology and Methods of the Scientific,


**Personal communication**


Appendix

Appendix 1. Interview guide in English.

<table>
<thead>
<tr>
<th>Categories with related sources</th>
<th>Interview Questions</th>
</tr>
</thead>
</table>
| **Digital Marketing**  
Is it important for your bank to be displayed more like the local, or global player?  
How do you usually promote campaigns on your digital channels?  
How do you usually promote products (services) on your digital channels?  
How do you work with digital marketing to reach your potential customers? And how do you lead them to your website?  
Is your digital marketing approach more focused on personalized segmentation or standardize group offers?  
How do you work with digital marketing to reach potential customers?  
- And how do you lead them to your website?  
What part of digital marketing do you invest most resources into?  
- And why? |
**Digital Product Experience**


**e-Commerce**


---

What qualities do you think is the most important to give the customers a good product experience of the bank’s services via the website?

What qualities do you think is the most important to give the customers a good product experience of the bank’s services via the mobile application?

Do you measure customer satisfaction specifically for your digital products?

How much of your customer contact with the banks comes from a digital contact?
  - What is the trend in that change?

Do you use any type of digital service as customer support?

How do you approach the security issues of your digital channels?
| **e-CRM** | Do you work with CRM?  
• If yes, do you also work with e-CRM? |
|-----------|--------------------------------------------------|
• If yes, how? |
• If yes, how do you use it? |
• Why? |

<table>
<thead>
<tr>
<th><strong>Mobile</strong></th>
<th>Do you have a mobile customized website?</th>
</tr>
</thead>
</table>
• Or do you hire external companies for this?  
• Why have you chosen this approach? |

<table>
<thead>
<tr>
<th>Mobile</th>
<th>Do you have a mobile customized website?</th>
</tr>
</thead>
</table>

Do you work with CRM?  
• If yes, do you also work with e-CRM?  

How do you work with e-CRM?  

Do you use customer profiles as a tool for e-CRM?  
• If yes, how?  

Do you use any customer loyalty programs?  
• If yes, how do you use it?  

Do you use FAQs on your website?  
• Why?  

Do your customers have the ability to give feedback online?  

Do you have a mobile customized website?  

Do you provide the same services on all your digital channels?  

Do you focus more on developing mobile applications or the mobile website?  

Do you have internal teams working to improve the mobile channels?  
• Or do you hire external companies for this?  
• Why have you chosen this approach?
### Social Media


### Challenges, Opportunities, and Future Perspective


### Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which social media channels do you use?</td>
<td></td>
</tr>
<tr>
<td>Which social media channel is your main focus?</td>
<td>• Why?</td>
</tr>
<tr>
<td>What is the main purpose for using social media?</td>
<td></td>
</tr>
<tr>
<td>Who is responsible for your social media channels?</td>
<td>• Why?</td>
</tr>
<tr>
<td>Do you consistently share offers, information, and news on your social media channels?</td>
<td>• Why?</td>
</tr>
<tr>
<td>Do you actively integrate with private customers on your social media pages?</td>
<td>• Why?</td>
</tr>
<tr>
<td>Do you try to solve potential problems directly on the channel or do you refer the customers elsewhere for help?</td>
<td></td>
</tr>
<tr>
<td>What do you think are the main challenges with digitalization in the banking industry?</td>
<td></td>
</tr>
<tr>
<td>What do you think are the main opportunities with digitalization in the banking sector?</td>
<td></td>
</tr>
<tr>
<td>What is your view on the future of digitalization in the banking industry and how will you adapt to it?</td>
<td></td>
</tr>
<tr>
<td>Is there anything else you would like to add?</td>
<td></td>
</tr>
<tr>
<td>---</td>
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</tr>
</tbody>
</table>
## Appendix 2. Interview guide in Swedish.

<table>
<thead>
<tr>
<th>Kategorier med relaterad källhänvisning</th>
<th>Intervjufrågor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital Marknadsföring</strong></td>
<td></td>
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<tr>
<td><strong>Digital Produktupplevelse</strong></td>
<td></td>
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<tr>
<td><strong>E-handel</strong></td>
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<tr>
<td><strong>e-CRM</strong></td>
<td></td>
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<tr>
<td><strong>Mobil</strong></td>
<td></td>
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<tr>
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</tr>
<tr>
<td><strong>Hur hanterar ni säkerheten på era digitala kanaler?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Arbetar ni med CRM?</strong></td>
<td></td>
</tr>
<tr>
<td>• Om ja, arbetar ni även med e-CRM?</td>
<td></td>
</tr>
<tr>
<td><strong>Hur arbetar ni med e-CRM i verksamheten?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Använder ni kundprofiler som ett verktyg för e-CRM?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Använder ni något kundlojalitetsprogram?</strong></td>
<td></td>
</tr>
<tr>
<td>• Om ja, hur arbetar ni med det?</td>
<td></td>
</tr>
<tr>
<td><strong>Använder ni FAQs på er hemsida?</strong></td>
<td></td>
</tr>
<tr>
<td>• Varför?</td>
<td></td>
</tr>
<tr>
<td><strong>Har era kunder möjlighet att lämna feedback online?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Har ni en mobilanpassad hemsida?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Erbjuder ni samma utbud av tjänster på alla era digitala kanaler?</strong></td>
<td></td>
</tr>
</tbody>
</table>


**Sociala Medier**


**Utmaningar, Möjligheter och Framtidsperspektiv**


**Fokuserar ni mer på att utveckla mobilappar eller den mobila hemsidan?**

**Har ni interna team som arbetar med att förbättra de mobila kanalerna?**
- Eller anställer ni externa företag för detta?
- Varför har ni valt det tillvägagångssättet?

**Vilka kanaler av social media använder ni er av?**

**Vilken kanal av sociala media lägger ni mest fokus på?**
- Varför?

**Vad är det huvudsakliga syftet med användningen av sociala medier?**

**Vem ansvarar för era sociala media kanaler?**
- Varför?

**Arbetar ni aktivt med att interagera med kunder via era sociala medier kanaler?**
- Varför?

**Försöker ni lösa kunders problem direkt via kanalen eller hänvisar ni kunderna vidare för hjälp?**

**Vad anser du är de huvudsakliga utmaningarna med digitaliseringen för er?**

**Vad anser du är de huvudsakliga möjligheterna med digitaliseringen för er?**

**Vad är er generella framtidssyn på digitaliseringen inom banksektorn och hur ska ni anpassa er efter det?**

**Finns det någonting mer som du vill tillägga?**


