Titel: Swedbank versus Rabobank
-A Comparison of The Services Marketing Mix

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ABSTRACT

Title: Swedbank versus Rabobank: A Comparison of The Services Marketing Mix

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Aim: This thesis has been conducted after approval of Swedbank, for comparing their services with those of Rabobank. The study aimed finding differences between Swedbank’s and Rabobank’s services. Within the subject services, the study has aimed towards finding the differences –and similarities between the services marketing mix of Swedbank and Rabobank. The study also focused on the activities held in order to support the services marketing mix.

Method: The empirical findings were gathered by use of both written –and telephone interviews. Keywords were written down during the telephone interview and later constructed into full sentences. Data taken from the written interviews was viewed and re-written into complete sentences. The data has been analyzed with use of the literature review.

Result & Conclusions: Both Swedbank and Rabobank seem to have a highly similar services marketing mix. Small differences were found in marketing research, products, marketing communication, Human Resources Management and servicescape. In all these aspects it showed that Swedbank uses a more personal approach than Rabobank.

Suggestions for future research: The thesis’ focus has been on the services marketing mix of Swedbank and Rabobank in general. This allowed the research to go more in-depth than other subjects in the services marketing mix. To get a more clear view on the supporting methods both Swedbank and Rabobank use to support its services marketing mix, future research could be focused on the historical development of both banks which has developed the bank’s ways of doing business, the price development methods in detail, the segmentation process, the marketing communication campaigns of both Swedbank’s –and Rabobank’s internet banking, service development process and corporate identity strategy. It would also be interesting to compare these banks with their competitors in order to discover why Swedbank and Rabobank stand out more than their competitors.

Contribution of the thesis: This thesis compared two of the largest banks in both home countries and shows the implications of successful services marketing mixes. This thesis is useful for financial banks and other related financial service institutions.

Key words: Swedbank, Rabobank, Services, Marketing Mix, Comparison.
# Table of Contents

1.0 Introduction ................................................................................................................................. 6  
2.0 Methods and structure ................................................................................................................ 8  
3.0 Literature review .......................................................................................................................... 10  
3.1 Mission statement ....................................................................................................................... 10  
3.2 Strategy ....................................................................................................................................... 10  
  3.2.1 CRM as a strategy ................................................................................................................... 11  
3.3 Services marketing ...................................................................................................................... 12  
  3.3.1 Marketing research ................................................................................................................. 12  
    3.3.1.1 Marketing research for services ......................................................................................... 13  
  3.3.2 The services marketing mix .................................................................................................. 14  
    3.3.2.1 Product ............................................................................................................................... 14  
    3.3.2.2 Price ................................................................................................................................. 14  
    3.3.2.3 Place .............................................................................................................................. 16  
    3.3.2.4 Promotion ........................................................................................................................ 17  
    3.3.2.5 People ............................................................................................................................ 17  
    3.3.2.6 Process ............................................................................................................................ 19  
    3.3.2.7 Physical evidence ............................................................................................................. 19  
3.4 Critical reflection on the literature review ...................................................................................... 20  
4.0 Empirical analysis ........................................................................................................................ 21  
  4.1 Rabobank ................................................................................................................................... 21  
    4.1.1 Rabobank’s mission statement ............................................................................................... 21  
    4.1.2 Rabobank’s strategies ......................................................................................................... 22  
    4.1.3 Rabobank’s marketing research ............................................................................................ 22  
    4.1.4 Rabobank’s products .......................................................................................................... 23  
      4.1.4.1 Rabobank’s payment services ......................................................................................... 23  
      4.1.4.2 Saving at Rabobank ....................................................................................................... 24  
      4.1.4.3 Loaning at Rabobank .................................................................................................... 25  
      4.1.4.4 Investing at Rabobank ................................................................................................... 25  
      4.1.4.5 Rabobank’s Mortgages ................................................................................................. 26  
      4.1.4.6 Rabobank’s insurances ................................................................................................. 26  
      4.1.4.7 Rabo Mobile ................................................................................................................. 26  
      4.1.4.8 Modern banking at Rabobank ...................................................................................... 27  
    4.1.5 Rabobank’s pricing method ................................................................................................. 28
5.9 Process........................................................................................................................................... 40
5.10 Physical Evidence ......................................................................................................................... 41
5.11 Critical reflection on the analysis ................................................................................................. 41
6.0 Conclusions, recommendations, limitations and further research ............................................42
6.1 Conclusion .................................................................................................................................... 42
6.2 Recommendations ........................................................................................................................ 44
   6.2.1 Both ........................................................................................................................................ 44
   6.2.2 Swedbank ............................................................................................................................ 44
   6.2.3 Rabobank ........................................................................................................................... 44
6.3 Limitations and further research .................................................................................................... 45
   6.3.1 Limitations ............................................................................................................................ 45
   6.3.2 Further research ..................................................................................................................... 45
6.4 Contribution .................................................................................................................................... 45
Books ..................................................................................................................................................... 46
Articles ................................................................................................................................................... 46
Internet .................................................................................................................................................. 47
1 Introduction

This chapter introduces the topic of the study which focuses on the services marketing mix of two banks: Swedbank in Gävle and Rabobank in Velsen. Furthermore it introduces the research questions designed for the study. The further paper is constructed with methods and structure in chapter 2, the literature review in chapter 3, chapter 4 empirical studies, chapter 5 analysis and finally, chapter 9 including the conclusion, recommendations, limitations and further research, followed by the references.

This thesis is a result of addressing Swedbank in Gävle with the question if they are interested in comparing Swedbank’s services with those of Rabobank. After confirmation and a meeting with Swedbank’s local management in Gävle they gave a go on writing a report based on a comparison between Swedbank and Rabobank.

Finally, this thesis focused on a comparison of the services marketing mix between Swedbank and Rabobank, who both focus on customer satisfaction. The thesis will focus on services marketing from a company’s perspective and their (marketing) activities to support their services and achieve customer satisfaction. The author has chosen for this subject since his major is in marketing and because of the nature of both companies. Some subjects will go more in depth, while others are more discussed on a general level. This is so because some subjects would simply demand too much further research, allowing the subject to be a thesis on its own. The empirical data was mainly gathered by use of both written—and telephone interviews as well as the World Wide Web.

Rabobank of the Netherlands is one of the world’s leading financial institutions and is Europe’s largest internet bank. In its mission statement it focuses on prioritizing the customer, helping them create value and realise their financial ambitions by providing individual financial solutions that are relevant, innovative and reliable. Their primary business is to provide their customers with all the most modern financial services required for successful participation in today’s economy. This study will focus on a local Rabobank, placed in Velsen, The Netherlands.

Swedbank of Sweden was formed in 1997 as a result of the merger of Sparbanken Sverige and the Föreningsbanken group of co-operative banks. The bank has an extensive network of over 510 branches in Sweden. In their mission statement they focus on offering the best financial solutions to its customers by understanding and reacting to their customer needs. They focus on achieving the highest customer satisfaction, the best profitability and being the most attractive employer. This study will mainly focus on the services marketing mix of Swedbank placed in Gävle, Sweden.
The main research question in this thesis is: “What are the differences—and similarities between the services marketing mix of Swedbank and Rabobank?” The sub-question is: “How do they support its service by activities from a company perspective?”.

The aim of this paper is to develop a report outlining the differences—and similarities between Swedbank’s and Rabobank’s services marketing mix and the possible improvements both companies can make in order to improve its services marketing.
2 Methods and structure

For this paper and its research question, an exploratory research has been conducted. Exploratory research focuses on providing insight and understanding in a certain topic and is often the front end of a total research design, methods used in this research design are expert surveys, pilot surveys, and secondary data which is analyzed qualitatively and qualitative research (Malhotra 2007). Churchill and Iacobucci (2005) mention as well that exploratory research its objective is to gain insight and ideas and is particularly helpful to break large vague problem statements into smaller, more precise problem statements.

There has been made use of interviews which were conducted at both banks in order to answer the research question. Other sources used were the websites of both banks and personal experience. Interviews from both banks have been conducted by a mix of written and telephone interviews. The first interview taken place was a telephone interview with W.A. van Putten from Rabobank. The interview took place at the 21th of April 2008. The interview took circa 30 minutes and unfortunately no record applications were used, instead keywords were written down and later constructed into sentences according to the author’s best knowledge. The second interview was a written interview which was sent to Ö. Petterson, marketing manager at Swedbank in Gävle. The interview was sent on the 28th of April 2008 and received back with answers the 9th of May 2008. Multiple employees have answered the written interview including: Ö. Petterson, the head office and the marketing research department of Swedbank. Finally, another telephone interview was conducted with P. Hiltunen, service employee at Swedbank in Gävle. The interview took place in week 18, 2008 and took around 20 minutes to complete. The telephone interview was conducted in the same way as the first telephone interview. The choice had fallen on telephone interviews because of the person interviewed from Rabobank was present in another country. A interview over telephone was also conducted with the service employee of Swedbank in order to retrieve the same kind of information. Telephone interviews are useful if distance is a problem and because they save time. The negative side of a telephone interview is that no physical information is being communicated and because it is less personal. The written interview conducted with Swedbank’s higher management has been written because of the wide range of people interviewed, and because of the available time those people had. Information from both Swedbank’s and Rabobank’s website taken contained information about their products as well as their mission statement. The website of Swedbank is www.swedbank.se and Rabobank’s website is www.rabobank.nl.
The telephone interviews were – as said before – conducted by writing down keywords during the interview which were later constructed into full sentences by author’s best knowledge. The information was put directly into the empirical study. The written interview was looked at and later constructed into the author’s own words and put in the empirical study as well.

In the literature review the research has mainly focused on books, journals, and the internet in order to find relevant information about services marketing (mix). The literature review has a top-down approach and starts by focusing on mission statement and company strategy and works all the way down to the 7 P’s of the services marketing mix. The book which was the greatest asset in retrieving information about services marketing was Zeihaml’s and Bitner’s (2003) book called “Services Marketing: Integrating Customer Focus Across The Firm”.

With more available time and resources, the interviews would preferably be conducted in person to retrieve a better meaning of the given information. Also, additional interviews from both Swedbank and Rabobank could have provided a better insight in the subject –and smaller matters by conducting follow-up questions.

This research has allowed the author to gain experience in comparison research. It has created a far greater insight in the different aspects in a financial institution. It has revealed that asking the exact same open question might not be interpreted the way which the question is meant to be interpreted, which creates different type of answers.

The research approach used in this study was useful since it saved travelling time and overcame the distance problem between the interviewed person at Rabobank in The Netherlands and the author who did the interview who was in Sweden at that time. The written interview was useful for contacting multiple people in a short amount of time. Still, if possible, personal interviews would have been better since the amount of information given is bigger. Also, follow-up questions would have been easier to give and the people involved in the interview would be able to explain themselves better by use of verbal –and physical communication.
3 Literature review

The literature review has been conducted by using books and articles. These books and articles are listed in a database at Högskolan i Gävle which has been used to find relevant literature concerning the topic. The keywords used in the literature were: services, services marketing, marketing mix –and strategy, and CRM. These keywords are believed to uncover all the relevant literature for creating customer satisfaction in a service company.

3.1 Mission statement

For long-run survival and growth of the firm, each company should find its own game plan (mission statement) which is the most logical according to the present situation, its opportunities, objectives and resources. This is what strategic planning focuses on, the process and development and keeping a strategic fit between the goals and capabilities of a firm and the opportunities which are changing in a marketing context according to Kotler & Armstrong (2008). But according to Goett (1997) mission statements are useless, all mission statements are written excruciatingly formal. Many firms packed their most senior people to prepare this essential document. After finishing the document, it will be tacked up on the wall and quickly forgotten. Concluding the fact that mission statements are rarely useful according to the author.

On the contrary, mission statements can be a very valuable tool to support a company its strategy and to get support from its employers when implemented correctly. Covey (1999) suggests that all employers of a company together should write down a mission statement for the company in order to make everyone feel in line with the company’s mission statement. Then again, each department should write its own mission statement which is more suited for their specific activities but which is still in harmony with the company mission statement.

3.2 Strategy

After designing a mission statement a company has to design detailed supporting objectives that guide the entire firm. Secondly, headquarters will decide what portfolios of businesses and products are most suitable for the company and how much they support each one. From that point, every business unit will create their own product development, detailed marketing and other plans for that department that will support the company in its overall plan (Kotler & Armstrong 2008). Aaker and McLoughlin (2007) say that four dimensions define a business strategy. Starting with the product-
market investment which describes where—and how to compete. Secondly the customer value proposition, choosing how to add value using different value propositions, for example good value, excellence on an important product or service, the best overall quality and global prestige. Thirdly, assets and competencies underline the importance of having an advantage over its competitors by those aspects in meaning of for example a large customer database and a highly skilled and motivate research and development department. Lastly, it focuses on functional strategies and programs which synergize with the customer value proposition and assets and competencies.

While Aaker and McLoughlin (2007) describe many different possible strategies, Treacy and Wiersema (1997) give a more clear and precise strategies by narrowing it down to three significant strategies, which they each call a value discipline, whereas the strategy that is most suitable for the company should be driven through the entire company and part of the mission statement. The first value discipline is operational excellence, which focuses on superb operations and execution often by providing an acceptable quality at a very low price. It focuses on efficiency, Supply Chain Management, streamlining operations, no-frills and volume counts. The second is product leadership where strong product innovation and brand marketing are important, operating in dynamic markets. The focus is on product development—and innovation, design, time-to-market and high margins in a short timeframe. Lastly, customer intimacy is a value discipline which is based on excelling in customer attention and customer service. Tailoring products or services to individuals or almost individual customers. The main focus is on CRM, delivering their services and products on time and above the customers its expectations, lifetime value concepts, reliability and being close to its customer.

Service firms can create the most value when applying the customer intimacy value discipline in their company. Zeithaml and Bitner (2003) confirm that closing the gap between perceived and expected service creates customer satisfaction and profitable long-term relationship with customers.

3.2.1 CRM as a strategy

Customer Relationship Management (CRM) can be a useful tool to manage customer relationships according to Foss & Stone (2001). In earlier stages companies developed databases to capture customer information including such details as their profiles, demographics, bought products and other items of interest. This data is used by several people in the company in order to determine market trends. CRM enables that database software to be used to develop actions in order to enhance customer relationships. Greenberg (2004) agrees that CRM is a useful tool to enhance customer relationship but that the implementation of CRM takes careful planning in order to succeed. He also mentions that a CRM program will not succeed with lack of planning or poor
planning, in fact, Accenture and Wirthlin Worldwide surveyed Fortune 1000 executives and discovered that 74 per cent failed due to flawed planning, there was too much reliance on technology and too few on basic business planning. Lovelock and Wirtz (2007) agree that over half of the CRM implementations fail, but they believe this is due to the fact that companies equate installing a CRM system to having a customer relationship strategy. They see the system as the strategy itself instead of as a tool to enhance the firm’s customer servicing capabilities.

3.3 Services marketing

Kotler and Armstrong (2008) define marketing as satisfying customer needs. A marketer must understand its consumer needs, develop products and services that cover those needs and provide superior customer value, and prices, distributes and promotes these products effectively, then those products would sell easily. They say companies should create a marketing mix which satisfies the needs of customers in terms of the four P’s: Product, Price, Place (distribution) and Promotion. Woodruffe (1995) and Zeithaml and Bitner (2003) identify another 3 extra P’s to the marketing mix solely for services marketing. These are People, Physical evidence and Process which will be described later in this paper. The extra P’s are especially used for service marketing since it involves interaction with the customer at the point of purchasing the service. As well as that, services are intangible, heterogeneous and perishable; on the contrary of products whereby production is separate from consumption, products are intangible, standardized and non-perishable.

3.3.1 Marketing research

The meaning of marketing research has not changed over the last 11 years. Malhotra (2007) defines marketing research as following “Marketing research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing”. Kinnear and Taylor (1996) have a shorter, but similar definition of the topic. As well that authors of both books agree that the definition from the American Marketing Association is a well and formal definition: “Marketing research is the function that links the consumer, customer, and public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.”

Marketing starts with a complete analysis of the company’s situation. From the analysis a marketer
should conduct a SWOT-analysis which consists out of strengths, weaknesses, opportunities and threats (Kotler & Armstrong 2008). Strengths includes internal capabilities, resources and beneficial situational factors which may help the firm to serve its customers and achieve its aims. Weaknesses are the opposite of strengths and include internal limitations and negative situational factors which may damage the company’s performance. Opportunities are from the external environment and are favourable factors that the company may be able to use to its benefit. Threats on the other hand are unfavourable external factors or trends that may prove a challenge towards performance of the company.

Zeithaml and Bitner (2003) affirm that firms without any marketing research are unlikely to understand its customers but that marketing research its main aim in a service company should be to find out customer expectation. A company who does no research on the topic of customer expectation may also fail to know what is needed to adapt to changing customer requirements.

3.3.1.1 Marketing research for services

Zeithaml and Bitner (2003) describe thirteen different types of research especially used for marketing research in services. They say that the composite of studies and types of research will be different for companies since the range of uses for service quality research requires a wealthy multifaceted stream of data. Table 1 below represent the different types of research Zeithaml and Bitner describe, since they only differ research from qualitative and quantitative it will be changed to exploratory, descriptive or causal research according to Malhotra (2007) and Churchill and Iacobucci (2005).

<table>
<thead>
<tr>
<th>Table 1: Marketing research for services.</th>
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<tbody>
<tr>
<td>Type of research</td>
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<tr>
<td>Complaint solicitation</td>
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<tr>
<td>Critical incident studies</td>
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<tr>
<td>Requirements research</td>
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<tr>
<td>Relationship surveys and SERVQUAL surveys</td>
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<tr>
<td>Trailer calls</td>
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<tr>
<td>Service expectation meetings and reviews</td>
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<tr>
<td>Process checkpoint evaluations</td>
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<td>Market-oriented ethnography</td>
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<td>Mystery shopping</td>
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<tr>
<td>Customer panels</td>
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<tr>
<td>Lost customer research</td>
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<tr>
<td>Future expectations research</td>
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<tr>
<td>Database marketing research</td>
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</tbody>
</table>
3.3.2 The services marketing mix

McCarthy, as cited by Bennet (1997) was the first who offered the marketing mix which is also known as the four P’s. As written earlier in this paper, the marketing mix consists out of Product, Price, Place and Promotion. Grönroos (1994) questions the 4 P’s model and says that it has become such a big phenomenon that today’s paradigm is set to the Four P’s and other assumptions are neglected and rejected. Grönroos (1994) also cites the work of van Waterschoot and van den Bulte who recognized three flaws in the Four P model which says: “The properties or characteristics that are the basis for classification have not been identified. The categories are not mutually exclusive. There is a catch-all subcategory that is continually growing”.

Booms and Bitner, as told by Bennet (1997) introduced 3 more P’s to the marketing mix in 1981 which consist out of People, Process and Physical Evidence. The marketing mix with the 7 P’s is highly appropriate towards businesses who offer services (Zeithaml and Bitner 2003). Lovelock and Wirtz (2007) add another P to the marketing mix for services. This “8th P” is named Productivity and Quality and is used for describing the productivity of certain services weighed against the quality of those services and the choices a company should make. Since this P is not mentioned in most services marketing literature and not considered as a separate P, it will be considered part of the “Product-P” in the marketing mix.

3.3.2.1 Product

Kotler and Armstrong (2008) put it clear on what the aspects are under the P of Product of the Marketing Mix. They say it is an offering that brings value to target customers and may come in the form of a pure tangible good (product) or a pure service. As well they say that there can be a combination of both and that today, as more products and services become more commoditized, a lot of firms are moving to a more recent level of creating value for their customers. Instead of simply making products and delivering services, companies are creating and managing experiences for their customers with their product or company. Boswijk et al (2005) mentioned that companies should not just create an environment of experience, but give meaning to the customer as an individual. Lastly, Zeithaml and Bitner (2003) recognize Product in the Marketing Mix more on basis of services and include aspects like physical good features, quality level, accessories, packaging, warranties, product lines as branding as part of the P of Product in the Marketing Mix.

3.3.2.2 Price

Price is the only P in the marketing mix which is a variable which not costs money but generates it; it is the amount of money that is charged for either a product or service or the total of values that
consumers will exchange for the benefits for making use of or having the product or service. Prices should fall within the borders of too high prices which will not produce enough demand and between too low prices which will not produce enough profit (Kotler & Armstrong 2008). As well the fact that marketers should price their products or services based on the customer its perception of the value of the offered product or service. Therefore companies should use Value-based pricing instead of Cost-based pricing. Cost-based pricing is product or service driven. With Cost-based pricing a firm first designs what is to be perceived as a good product, adds up the cost of producing it and then sets a price that will pay for its cost plus which will add a target profit. Value-based pricing concentrates on the buyer’s perception of the value, as their way of pricing. With this pricing method, pricing is considered as a marketing mix variable, thereby considered together with the other marketing mix variables before a marketing program is put together (Nagle & Holden 2002).

Docters et al (2003) in their journal mention that price itself is a way of communication towards customers and that if companies do not pay attend to the price structure in contract terms that the given market prefers, a company might be unable to construct the right message to its customers. As well those companies should keep in mind that most major markets are build up with multiple segments, which have different price sensitivities and concerns.

Kotler and Armstrong (2008) as well state that by setting a price it is important to look at its competitor(s) strategies and pricing, especially in homogeneous markets where there is a low difference between the products or services that are offered.

Zeithaml and Bitner (2003) define three basic marketing price strategies which service companies can attend, the strategies are competition-based, cost-based and demand-based pricing strategies. They argue that competition-based pricing strategy could not be viable enough for smaller firms and since services are harder to compare because of its heterogeneity, as well, prices may not reflect customer value. Zeithaml and Bitner (2003) do not say that the Price is used as a marketing mix variable with cost-based pricing, instead they argue that costs for services are difficult to trace, labour is harder to put a price on than materials and that the costs may not be of equal value. Demand-based pricing is according to Zeithaml and Bitner (2003) the most effective pricing method since it focuses on customers instead of on the company or its competitors, although there are still two problems which may occur when applying demand-based pricing. One problem is that monetary price must be adjusted to reflect the value of nonmonetary costs and information on service costs is less available to the company’s customers, although price may not be a central factor. Demand-based pricing puts pricing strategies in four meanings of perceived value. Companies need to identify which values are
important for their customers or different segments and apply strategies which are appropriate to those values. These four values are presented in figure 1 below.

3.3.2.3 Place
Place in the marketing mix defines where the product is sold, through which channel and with what transportation, logistics etcetera (Kotler & Armstrong 2008). Although services are not tangible, their delivery may need tangible assets (for example: a client of a bank needs a place to talk to the service employee).

Woodruffe (1995) underlines that the distribution (or place) in the marketing mix of services marketing has the main purpose of making services accessible and available. Where accessibility has been defined as the ease and convenience with which services can be bought, used or received and where availability is defined as the extent, to which services are obtainable or capable of being purchased, used or received. The location where the service is produced is an important aspect since some services are inseparable like a hairdresser while a credit card can almost be used anywhere in the world, as well that customers often have a certain co-producing role in services. Customer needs and wants define how the customer wants its service and through which channels.

In their exploratory research, Black et al (2002) found that customers use the same products through different channel because their consumer confidence, lifestyle factors, motivations and emotional responses. The channel they were particularly concentrating on was internet banking, while we should not forget bank visits, telephone banking and the newly introduced banking by mobile phone.

Woodruffe (1995) as well describes the importance of geographical location as part of the service since it must be accessible to customers, either when customers have to come to a company or when a company is travelling towards the customer. Lastly, Zeithaml and Bitner (2003) mention that it is important to manage supply and demand and that the experienced waiting time for customers should be decreased making waiting fun, or at least tolerable.
3.3.2.4 Promotion

Promotion in the marketing mix basically exists out of communications (Woordruffe 1995), Target groups need to receive information about the products and services before they can even start to consider making a purchase.

Kotler and Armstrong (2008) identify it more deeply as a communication the proposition to its customer in order to build good customer relationships. They as well mention the importance of the promotion mix, consisting out of advertising, sales promotion, public relations, personal selling and direct marketing. Kotler and Armstrong (2008) describe 4 different ways of setting a promotion budget: Affordable Method, Percentage-of-Sales Method, Competitive-Parity Method and Objective-and-Task Method. They describe the Objective-and-Task Method as the most logical budget-setting method since it sets (1) specific, profitable objectives; (2) define the tasks that must be performed to achieve those objectives; (3) determining the costs of to perform the tasks, the sum of this is the proposed promotion budget. Finally, the two basic strategies are Push –and Pull strategy. Where Push strategy focuses on the sales force and trade promotion to push the product trough channels, pushing the channel members to deliver it to the final customer, while a Pull strategy is a promotion strategy which focuses on spending a lot on advertisement and consumer promotion to attract final customer to buy the product.

3.3.2.5 People

Woodruffe (1995) recognizes in people not only the service employees, but as well the customers and their roles in delivering the service to derive service benefits. The role of the employee is to deliver the service, and companies should – through Human Resource Management – find and develop the right people to give the service to its customers. Depending on the service, whether it is more a labour-intensive service or an equipment-based service, the actions of the personal can greatly determine the customer perceptions of the quality of the service. Zeithaml and Bitner (2003) agree that service employees have a great impact on the final service quality and made a strategic framework called the services triangle (Figure 2) which visually reinforces the importance of a company’s employees in the ability to keep their promises and succeed in building customer relationships.
Zeithaml and Bitner (2003) mention in their book that in order to enable promises, companies should apply Human Resource Strategies. These strategies, which are all around the focus of Customer-Oriented Service Delivery, are based on Hiring the right people, Retaining the best people, Developing people to deliver service quality and to provide needed support systems.

Where Woodruffe (1995) solely uses personnel in the ‘People’ part of the services marketing mix, Zeithaml and Bitner (2003) also define the customers themselves as an important part of the final quality of the service. For example with taking a haircut, the more precise the customers explains how he or she wants him or her hair to look like, the better the hairdresser can perform its job. They define that there are three levels of customer participation (low, moderate and high) and that there are three major roles played by customers in service delivery. Customers can be Productive Resources when service customers are being referred to as ‘partial employees’ of the company. Some management experts have even suggested that the company’s boundaries be expanded to consider the customer as part of the service system, like in the example with the hairdresser, where the information input of the customer can give the hairdresser a better view of the customer’s desired service and thereby enhance the service delivery. Customers as Contributors to Service Quality and Satisfaction means that the customers themselves are responsible for the ultimate quality and services they receive. Participation of the customer has a crucial role in the final quality and satisfaction. For example, services like personal fitness and weight loss greatly depend on the participation of the customers. Since, if they are not willing to cooperate, they will not lose weight. Lastly, Customers as Competitors describes that companies should keep in mind that customers can and do choose to fully or partially produce the services themselves. In addition to realize that customers can be productive resources and co-creators of quality and value, companies should also realize that the customer can be a potential competitor.
3.3.2.6 Process

Process defines the way things are actually done and the steps taken in service delivery to achieve the desired results (Woodruffe 1995). As well the author mentions that there are certain aspects which companies should keep in mind when designing a service, these are: customer participation, location or service delivery, the service itself, high or low contact services, degree of standardisation and complexity of the service. Shostack, as cited by Zeithaml and Bitner (2003) points out that, since services are intangible and therefore described in words by people, companies have to be really clear in defining the service process. The risks of relying on words alone in describing services are the oversimplification of the service, incompleteness of the description, subjectivity of different readers and the biased interpretation of the words used to describe the service. Zeithaml and Bitner (2003) identified six steps in building a service blueprint, these steps are:

1. Identify the process to be blueprinted
2. Identify the customer or customer segment
3. Map the process from the customer’s point of view
4. Map contact employee actions, onstage and backstage, and/or technology actions
5. Link contact activities to needed support functions
6. Add evidence of service at each customer action step

As well, a blueprint of a service when fully described starts at Physical evidence, followed by the customer, the onstage contact person, the backstage contact person and finally the support processes.

3.3.2.7 Physical evidence

To evaluate services before its purchase and to assess their satisfaction with the service and after it is bought, customers tend to rely on tangible cues, or physical evidence (Zeithaml and Bitner 2003). This can consist out of the servicescape with its facility exterior, facility interior and air quality and temperature. And other tangibles like business cards, employee dress, uniforms, WebPages etcetera. Physical evidence focuses mainly on the initial first impression customers get from a company and their expected service delivery. Woodruffe (1995) sees physical evidence as a tool to support corporate image and identity. Finally, Lovelock and Wirtz (2007) say that physical evidence plays a vital role in creating a particular corporate identity and shaping the nature of the experience of the customers, together with the tasks performed by customer-contact personal.
3.4 Critical reflection on the literature review

The literature review in this paper focuses on the idea that the marketing research and the services marketing mix is highly influenced by the mission statement and the value strategy a company might follow. It does not focus in-depth on different marketing research service that companies can use because of the fact that it would be too much information and not relevant enough. Instead, the names of the different types of research should identify the type of research. The SWOT-analysis is also mentioned in this chapter while not researched or used in any of the following chapters since it is an outcome of the research – and therefore considered important to mention – while the study only focuses on the different types of research used by both Swedbank and Rabobank. Finally, it is important to describe all 7 P’s of the services marketing mix. Although, not all were able to be researched in detail because of the amount of time and resources it would take to do study on those topics. Therefore, the author does not go in-depth in the subject Process and the services blueprint, as well as Physical evidence and the use of business cards etcetera.
4 Empirical studies

This chapter covers all the information gathered from the services marketing mix of Swedbank and Rabobank. All information gathered in this chapter has come from both telephone interviews as well as the written interview, except for the mission statements and products which were taken from both Swedbank’s and Rabobank’s websites (Swedbank.se and Rabobank.nl). This chapter first discusses findings from Rabobank and secondly from Swedbank since the empirical study started by interviewing an employee from Rabobank.

4.1 Rabobank

The interviewed person in question from Rabobank is mister W. van Putten, currently fulfilling the function of account manager of private banking at Rabobank. Before that, he has worked as service desk employee, office manager and the last 19 years he has fulfilled the function of manager individual banking. These functions altogether contain out of front line service activities as well as managing services, meaning mister van Putten can answer questions from both directions.

4.1.1 Rabobank’s mission statement

Taken from its website, Rabobank’s corporate mission statement is as following:

“Wherever we work, and whatever services we provide, we always prioritise the customer, helping them create value and realise their financial ambitions by providing individual financial solutions that are relevant, innovative, and reliable.

The Rabobank Group aspires to help individuals and businesses participate fully and independently in economic activities. Therefore our primary business is provide our customers with all the most modern financial services required for successful participation in today’s economy.”

The district in which the interviewed works is “Velsen en Surroundings” which as well has their own mission statement which is as following:
“Cooperative Rabobank Velsen and Surroundings is a leading financial that – on a professional and active way – makes it possible to achieve the ambitions of her customers, members and employees.”

In the assembling of the mission statement, mainly a couple of executives work on putting the mission statement together. The final missions statement is then send to all employees by email which will be forgotten in a quick period of time. As seen above, Rabobank does not just write a corporate mission statement but writes one as well for districts. The mission statement will be communicated once-only in person, and sometimes it will be discussed.

4.1.2 Rabobank’s strategies

Rabobank focuses on a Customer intimacy value strategy. Meaning that they excel in customer attention and customer service. They as well make use of CRM and databases. Rabobank sees CRM as an important asset in strategy and top-management recognises it as a strategy. Service personal themselves see CRM as a tool to fulfil company goals and daily activities.

4.1.3 Rabobank’s marketing research

Rabobank tries to use as many available methods in order to identify customer needs. The interviewed identified that Rabobank uses 11 out of 13 methods in order to recognise customer needs. In the model below, all methods Rabobank uses will be checked in the boxes.
### Table 2: marketing research performed by Rabobank.

<table>
<thead>
<tr>
<th>Type of Research</th>
<th>Used</th>
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<tbody>
<tr>
<td>Complaint solicitation</td>
<td>X</td>
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<td>Critical incident studies</td>
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<tr>
<td>Requirements research</td>
<td>X</td>
</tr>
<tr>
<td>Relationship surveys and SERVQUAL surveys</td>
<td>X</td>
</tr>
<tr>
<td>Trailer calls</td>
<td>X</td>
</tr>
<tr>
<td>Service expectation meetings and reviews</td>
<td></td>
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<tr>
<td>Process checkpoint evaluations</td>
<td>X</td>
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<tr>
<td>Market-oriented ethnography</td>
<td>X</td>
</tr>
<tr>
<td>Mystery shopping</td>
<td>X</td>
</tr>
<tr>
<td>Customer panels</td>
<td>X</td>
</tr>
<tr>
<td>Lost customer research</td>
<td>X</td>
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<tr>
<td>Future expectations research</td>
<td>X</td>
</tr>
<tr>
<td>Database marketing research</td>
<td>X</td>
</tr>
</tbody>
</table>

An interesting fact is that Rabobank uses a youth panel as well in order to identify their needs. This youth panel has a number of meeting a year and discusses any fun activities to do as a “day out” for their younger clients, as well as doing research on the needs of this younger target group.

#### 4.1.4 Rabobank's products

Rabobank offers a wide variety of products/services and divides those products in 8 different product groups as shown on their website. These groups are payment services, saving, loaning, investing, mortgage, insurance, Rabo Mobile and Modern banking. Every group and its products will be explained shortly below and is translated freely from Dutch to English.

##### 4.1.4.1 Rabobank's payment services

Rabobank offers four different accounts for different kinds of customers. The Rabo Total Package covers every possible banking customers can take hold on. They as well have a Rabo Youth Account for their younger customers between the age of 12 and 18 who get a free account with interest and a Maestro cash card with smart card. The Rabo Student Package focuses on students and offers a free paying account, a debt possibility to a maximum of €1,000 and free phone banking and internet banking with a internet bonus account. Lastly, the Rabo Amble Package focuses on private banking customers and offers a paying account with personal advice on several matters, extra credit, a
savings account, 2 credit cards with extra service, internet –and phone banking, free international help and the first year a 25% discount on a continuing travel insurance.

With these accounts, Rabobank offers four different kinds of cash –and credit cards to its customers. The Rabo Europas with smart card is the basic card delivered and can be used for worldwide cash withdrawal and smart card use. The paying limit goes up to €5,000 but can be temporarily increased to €50,000. The youth pass is for Rabo Youth Account customers and has the same functions on the Rabo Europas, note that the paying limit differs for customers with a different income. The Rabocard is a worldwide accepted credit card, extra credit is possible between €2,500 and €10,000 with a monthly payoff or spread out payment and payments are insured for 90 days. Lastly the Rabo Goldcard is especially for Private Banking customers and is a special Visa credit card. It offers a basic credit of €10,000 and various extra’s like flights – and baggage insurance.

4.1.4.2 Saving at Rabobank

Rabobank offers different saving possibilities, these different savings focus on different aspects. They offer savings for the customer themselves by an internet saving account, a phone saving account a return account and a mix of saving and investing. As well as for savings for the future like again saving and investing and a saving which focuses on a future pension.

Customers can also open a savings account for their (grand)children, there are the basic savings which open an account where the child gets a free teddy bear and book, an account which delivers a cd-rom with games in order for the child to learn how to save money and a special child account for clients of Private banking which makes it possible for clients to give money without taxes and to make the money available for the child when the private banking customer wishes.

Customers can choose to put their money on a savings account with a fixed interest. They can choose to put their money on a savings account for 1 to 10 years with a minimum amount of €400, 1 to 24 months with a minimum amount of €25,000 and a savings account with 1 to 10 years with a minimum amount of €4,000 where it is possible to withdraw money interim.

Customers can as well choose to open a savings account through their employer. The Rabo Course of Life Saving is fiscally attractive for saving in different ways of leave, with 12% a year maximum of the gross year wages, a 4% interest rate for saving for spare time and a possibility to invest and save at the same time. The Rabo Saving-Wages Account as well is fiscally attractive for saving the gross income, with a maximum of €613 a year.
### 4.1.4.3 Loaning at Rabobank

Customers can use a special calculation model from the Rabobank website in order to calculate the maximum amount of money that they can loan. Rabobank encourages sensible loaning and say that they do not give loans with any hidden catches. Customers can as well choose to be called by a Rabobank employee for personal advice, get a loan by using internet banking or by going to their own Rabobank. They offer eight different kinds of loaning options, these are:

1. **Credit on paying account;** extra paying amount, lower interest when in debt and taking money or withdrawing money with the cash card while in debt.
2. **Credit on Rabocard;** extra financial space on the credit card, monthly or dispersed pay-offs, free purchase insurance.
3. **Continuous credit;** flexible credit for higher expenditure, variable term, fixed interest.
4. **Personal loan;** one-time credit for higher expenditure, fixed repayment, fixed interest.
5. **Mortgage credit;** using the overvalue for extra credit on a payment account, freely withdraw and pay off, favourable interest compared to credit without collateral.
6. **Stock credit;** extra financial space on an investment account, continuous credit with a stock portfolio as collateral, favourable interest compared to credit without collateral.
7. **Student credit;** low interest during study, extra money available, no payments during study.
8. **Taking a loan;** loan fit to customer, fair tariffs, often lower monthly cost with a higher credit.

### 4.1.4.4 Investing at Rabobank

Customers at Rabobank can choose to invest directly without any help by investing by phone banking or internet banking. As well as investing with advice by offering four investment possibilities next to direct investing.

These possibilities are: Rabo RendeMix; a combination of saving and investing with a choice from 3 savings accounts and 5 mixfunds. Rabo FundsEffect; investing in investment funds with personal advice and continuing safeguarding of the portfolio. Rabo Select investment; especially for Private banking customers with a minimum investment amount of €80.000 and a personal advisor, as well as Rabobank Controlled Investing; with the same minimum amount and against lower cost, which focuses on being time saving.

Next to basic investors news like stock news, daily papers and company news Rabobank offers a free news service which is called Rabo Investors TV which brings up the latest news and investment opportunities. Customers can choose to invest by using phone banking or internet banking.
Rabobank gives advice on investing and investment decision, with advice modules customers can discover whether or not they would like to invest, what kind of type of investor they are, how they want to invest and by determining their return.

4.1.4.5 Rabobank’s Mortgages

Rabobank offers a lot of information about mortgages for its customers. It has a special calculation tool in order to calculate the mortgage customers can have and gives information about buying a house, rebuilding, transferring mortgages and raising it. They offer seven different types of mortgages but in combination there can be more. These 7 types are:

1. Payment free mortgage; low monthly cost since customers only pay interest.
2. Savings mortgage; maximal fiscal advantage and at the end of the period there is no more debt.
3. Investment mortgage; maximal fiscal advantage and customers built up their capital by investing.
4. Saving –and Investing mortgage; maximal fiscal advantage and customers built up their capital by saving and investing.
5. Annuity mortgage; equal gross monthly cost and at the end of the period there is no more debt.
6. Special mortgages; attractive mortgages for specific goals.

4.1.4.6 Rabobank’s insurances

Rabobank offers insurances in cooperation with an insurance company. Since almost everything can be insured and it is not officially a Rabobank product this section will not go to much in depth. Customers can choose to insure different things and as well make a combination of insurance packages. The main insurances Rabobank in cooperation with Interpolis offers is: Car, travel, house, furnishings, liability, partner, child, funeral, death, accidents, legal aids and others.

4.1.4.7 Rabo Mobile

Rabo Mobile is Rabobank’s newest product/service. Customers can get a subscription with a mobile phone capable of internet surfing in order to do banking on their mobile phone. Advantages of calling with a subscription and a call bundle are profitable calling with a fixed tariff a large selection of the newest and free cell phones, free subscription to Rabo Mobile banking and 2 free alerts concerning the balance of an account. Rabobank customers as well have the possibility to use their own phone capable of internet surfing in order to get prepaid. The cost of prepaid are €0,20 a minute for phone
calls and €0,10 for SMS. With a bundle-free subscription customers are able to call for €0,10 a minute and with the same SMS costs.

4.1.4.8 Modern banking at Rabobank

Rabobank customers have the possibility of making use of different modern banking utilities. These utilities are – next to Rabo Mobile described above – internet banking, TV-banking, recharging phone credit, Rabo Alerts and E-mail service.

Rabobank offers different services with internet banking. Customers are able to pay and save money, loan, mortgage, insure and look into their accounts. Next to standard applications used with internet banking, Rabobank offers iDEAL, an online service which speeds up paying on online web shops. When customers choose to pay an article they are directly transferred to a Rabobank website where they can use their random reader, cash card and pin code to generate a code which confirms payment. Rabobank customers as well have the possibility to use MiniTix, a small virtual wallet for payments between €0,10 and €100 which are anonymous and fast by use of user name and password.

Rabobank is the first Dutch bank who offers TV-banking. By connecting a device capable of Windows Media Center with internet to a television, customers are able to do banking on at home behind their television. Rabo TV-banking offers next to banking services, the possibility to watch Rabobank’s investor television as well as Rabobank’s sport television. Next to the television utilities, there are interactive videos on Rabo TV with information about mortgages, insurances, starting a company and stock price information.

Via iDEAL, customers can easily recharge their phone credit, by choosing telecom provider and selecting an amount customer are done charging their phone credit. Customers can also choose to make use of Rabo Alerts. This service sends customers an SMS to their mobile phone as soon as for example their salary is entered on their bank account, or when they reach their payment border. If customers have the Rabo Mobile application they will receive 12 SMS’ a year, if this is reached or if customers do not have Rabo Mobile it will cost €0,20 a SMS.

With Rabobank’s E-mail service customers have the possibility to get e-mails about the latest products, Alerts about paying and savings, investment news, Alerts considering mortgage, investment orders and news about a team’s performance in the Tour de France which is sponsored by Rabobank.
4.1.5 Rabobank’s pricing method

Rabobank suggests it is not using any specific price setting method but rather uses all of them in synergy. They look at competitors in order to still keep the price level attractive for customers, they look at costs in order to try to create a profitable margin and they use demand based pricing method in order to fit the customers wishes to the final price of a service.

4.1.6 Place and Rabobank

Rabobank tries to centralize the location of a Rabobank bank in a town or village in order to make it accessible to their customers. The banks are mainly placed near or in the shopping centre of a town or village since this is mostly the considered the centre and is accessible for all inhabitants.

Almost all products are offered through all channels at Rabobank. Products are offered and sold through internet, phone, mobile, personal sales and by written communication. Not yet all products and services can be bought through all channels.

4.1.7 Promotion and Rabobank

Rabobank promotes its products with a multichannel strategy meaning that they will use multiple channels in order to get the message towards the customers. The Rabo Mobile campaign date from 2006 can be used as an example.

Although there are no available case studies concerning this marketing communication campaign, own experience and some online information can be used in order to see which channels Rabobank used to promote this new product.

As a start, Rabobank used mass-communication involving TV –and radio advertisement as well as the internet advertisements and an informational website to promote the product. As well as direct mail and even SMS to Rabobank customers. The proposition used to promote the product was easy use, banking where-ever you want, cheap subscription and advanced phone.

4.1.8 People and Rabobank

In order to find the best possible employee for a job at Rabobank, a local Rabobank will first look internally for a candidate. When there is no good candidate available within the local Rabobank they will look within the complete Rabobank organization and finally externally by local newspaper or headhunter. For the potential candidates there will be several job interviews as well as with the people they would work with when admitted and several assessment tests. For students Rabobank
organizes several master classes in order to seek potential employees in the future. This usually
involves a two-day activities program which tests aspects like leadership, problem solving etcetera.

Rabobank tries to keep its employees satisfied by internal flows of functions, democratic decision
making on operational business, a two-yearly employee satisfaction research, regular trips for
employees, open communication, a “Friday afternoon” drink and an internal magazine. Employees
are also trying to be kept satisfied by good employee conditions and a bonus.

To develop personal and business traits, employees have a yearly Personal Development Plan with
monthly progress and coaching conversations, and assessment –and evaluation conversations every
6 months.

4.1.9 Process and Rabobank

When dealing with customers, customers are considered priority number one at Rabobank. Integrity,
ethics and customer wishes are considered the most important values at Rabobank. Employees get
bonuses based on deal with customers and customer satisfaction, and certain goals which are fixed
and set together with the manager. Employees also have a certain instructions on how to approach
customers by e-mail, by phone and in written form.

4.1.10 Physical evidence and Rabobank

Rabobank uses an etiquette for its written communication and internet. They do not try to create a
fixed mood in every Rabobank. For example, Rabobank Santpoort-Noord – which is in a village –
focuses on creating the mood that makes the customer feel like home, which looks orderly and uses
warm colours. While Rabobank Ijmuiden – which is in a mid-size town – its facility interior tries to
give a professional impression. Rabobank did try to create a certain mood in every Rabobank but
then decided to create certain moods according to customer wishes in the towns/villages a
Rabobank is placed.

4.1.11 Further service improvements for Rabobank

The last question in the interview focused on if the interviewed person knew any other methods how
its bank tries to improve services. When asked to the interviewed the following methods arose:

The bank focuses on employing advisors instead of hard sellers, so only the right advice is given; local
banks have their own call centre so employees know the customers better which can give a more
personal touch; Processes are tested on a continuing basis, which negative side is that merely things
are restructured radically every 3 to 4 years; and finally, there is a revision of the strategy every 5 years.

4.2 **Swedbank**

Information about Swedbank was gathered by a telephone interview with mister P. Hiltunen, who is a service employee at Swedbank Gävle. As well as by a written interview with mister Ö. Petterson, marketing manager at Swedbank Gävle, who as well had some questions answered by the head office and the research department of Swedbank in order to get the most accurate answers.

4.2.1 **Swedbank’s mission statement**

Taken from the English version of the Swedbank website, the following mission statement was found:

“By understanding and reacting to our customers’ needs, we can offer them the best financial solutions and thereby help them to improve their quality of life. In this way, we can continuously increase our company’s value and serve as a positive force in society.”

Besides a mission statement, Swedbank as well mentions their vision and values. There vision is stated as following:

“We want to be the leading financial institution in the markets where we are present. By leading we mean: - the highest customer satisfaction, - the best profitability and - the most attractive employer”

Values:

“We believe that the group’s strong results and increasing international recognition are the result of a performance-oriented culture, clear and open communication, a willingness to change and our employees' strong commitment.”

“The group’s values are:

- Result-oriented - we want to achieve good results in everything we do
- Open - we are transparent and open in our communication
- Innovative - we are willing to learn new things and change
- Committed - we are jointly building a sustainable business”
Swedbank’s central mission statement is created by top management while they make adjustments for local offices. Still, also there higher management assembles the mission statement without involvement of employees. Swedbank communicates its mission statement often towards its employees although they are not involved in the creation of it. The values are communicated about every two weeks to its employees.

### 4.2.2 Swedbank’s strategies

Swedbank focuses on the Customer intimacy value strategy by providing service leadership towards its customers. They make use of CRM and databases in order to provide the necessary tools for its customers to help the customers. CRM at Swedbank is used as a tool to support its strategy instead of using CRM as a strategy on its own.

### 4.2.3 Swedbank’s marketing research

Swedbank makes use of most of the available research methods suited for service companies. From the interview, 11 out of 13 methods were recognized. In the model below all the used methods will be checked.

<table>
<thead>
<tr>
<th>Table 3: marketing research performed by Swedbank.</th>
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<tbody>
<tr>
<td><strong>Type of Research</strong></td>
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<tr>
<td>Complaint solicitation</td>
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<tr>
<td>Database marketing research</td>
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</tbody>
</table>
4.2.4 Swedbank’s products

Swedbank offers a wide variety of products. On their website they put their products and services in different categories than Rabobank. The categories which were used are Accounts, Living and House loan, Private Loan and Credit, Saving, Card and payments, Internet—and Phone Services and Youth & Student. The information taken from the website has been divided in the subparagraphs Payment services, Savings and Investing, Loaning, Mortgages, Insurance and Modern banking.

4.2.4.1 Swedbank’s payment services

Swedbank offers 6 different accounts for its customers. Two of those accounts are focusing on accounts designed for starting your own business and for golf club organizations. The other 4 types of accounts focus on customers. The Basis Account offers every possible banking method, customers can take hold on at Swedbank. Swedbank’s Youth Account is for the younger customers between 13 and 20 year, these customers can either choose a free Visa card with 12 free uses a year and then 5 SEK for every payment or for a Maestro card with a cost of 110 SEK every year after the free first year. With Swedbank’s Student Account students get a free account with internet—and phone banking, a credit card and a BankID. Swedbank’s More Account gives the customer – next to basic banking services – extra services like travel and concert possibilities. Lastly, Private Banking customers at Swedbank receive a lot of extra services: personal advice on several matters, a bank, paying—and credit card, advice on enhancement of profits, internet—and phone banking, international help, extra travel insurance a newsletter and more.

With these accounts, Swedbank offers different types of cards and services attached to it. For its Basic customers they offer a either a type of Visa card with cost of 250 SEK, a Maestro card or a Mastercard with a 20.000 SEK payment border with a cost of 195 SEK a year. A Visa card is offered for its Youth Account customers where the customers payment limit is reached when their account reaches zero, the cost of the card are 5 SEK a transition after the free 12 uses a year. Students receive a Visa cash card and a Mastercard where the payments will be taken from the account on the end of the month, students can choose between the normal Mastercard, or the WWF Mastercard which supports the environment with 25 SEK a year. Private Banking customers are offered 3 cards as described above and have paying limits which are adapted to unique customer situation. Finally, customers at Swedbank have the possibility to design their own card.

4.2.4.2 Saving and Investing at Swedbank

Swedbank offers six different savings types for its customers. The saving account is a safe way to save money; it has a good accessibility and gives information about how much a customer can save for
example a year. Swedbank offers a future savings account, an e-savings account and a savings capital
account.

Customers can as well choose for an obligation loan, these obligations can come from either the
Swedish government or from a private company. Swedbank gives information about obligations on
the website and says that obligations are rather same and close to risk-free when taken from the
government but they as well say that there can be certain risk when buying an obligation from a
comp any.

Another low-risk savings option Swedbank offers is by SPAX or Action Index Obligations. With this
savings account customers will always at least get there nominal amount back. They can choose to
connect their incoming money to a certain share-, interest- or currency market. If it goes well
customers will receive the extra money and if it goes bad they will get there nominal amount back.
This is a one to five year account and this account can be sold on the second hand market.

Customers can also choose to put their savings in funds of shares. Customers have the choice
between different funds and even fund in funds. Swedbank mentions on its website that interest
funds have the lowest risk while investment funds have the highest risk.

With the capital insurance customers can choose themselves in which funds they want to put their
money, and even some of these funds are tax-free. Swedbank suggest that this can be a good saving
type when customers want to place a larger amount of money or whether they want to save for their
grandchildren.

Finally Swedbank offers customers to put their savings in shares. On a longer term it has shown that
this can be a profitable investment. It as well mentions that there can be a big risk and that
customers can even lose their money and that they have to keep an eye on developments.

4.2.4.3 Loaning at Swedbank
Loans at Swedbank are divided into loans for five different groups: car; boat; motorbike; (mobile)
house; and other consumptions. For the calculation of the car loan it uses an online calculation tool
so customers can immediately check the amount of money they can loan. It as well gives advice and
tips on loans and buying the various products.

4.2.4.4 Swedbank's mortgages
The website of Swedbank mentions that they offer everything a person or family needs when they
are looking for a mortgage to support the cost of their house, when they buy a new house or when
they are raising the loan on their house. On the website they offer information and an interactive calculation tool in order to calculate the maximum amount they could lend in order to get the loan.

4.2.4.5 Swedbank’s insurances

Next to the capital insurance described above, Swedbank also offers other insurances. These other 3 insurances are:

1. Life insurance; for either an individual or a group.
2. Health care insurance; again for either an individual or group and can be paid by the employer.
3. Health cost insurance; covers a part of the income losses with long-term sickness and can only be taken in combination with a pension –or other insurance.

4.2.4.6 Modern banking and Swedbank

Swedbank offers various services concerning modern banking. One of their services is banking by mobile. With these services, customers can access their banking by use of a mobile phone capable of WAP. With this service customers can access information about their account, funds, loans and transactions. As well as transferring money from own accounts. Next to account information customers can access currencies, interest information and the location of the nearest Swedbank.

With internet banking at Swedbank customers have the possibility to pay bills, transfer money, buy and sell shares or funds, apply for a loan or card and much more. In order to login customers can either use the safety box, a BankID on the card or a personal code used for internet banking.

As last, customers have the possibility to load their prepaid phone credit by using a special service of Swedbank’s phone banking.

4.2.5 Swedbank’s pricing method

From the interview, Swedbank argues that they do not using one particular pricing method but rather make use of all three pricing methods in order to set a price. These price setting methods are by looking at competitor’s prices, by cost-based pricing and by pricing according to market desires.

4.2.6 Place and Swedbank

From personal trips to Stockholm, Uppsala and Gävle in Sweden the author is able to make the suggestion that the locations of Swedbank offices is placed in the centre of a town/city and near –or in shopping areas, most probably in order to be most accessible to the largest group of customers.
Products from Swedbank are offered and sold through all of the distribution channels Swedbank has. These channels are internet—phone banking, personal sales and mail. Swedbank offers nearly all products through every channel.

4.2.7 Promotion and Swedbank

Swedbank uses multiple communication channels to promote its products. There is no clear example available of lately introduced products or services and its channels used but Swedbank's management did say that they always make use of personal sales when promoting new products. They often make use of promotion through direct mail, the internet and the telephone bank and not so often by use of mass-communication.

4.2.8 People and Swedbank

Swedbank finds its ideal employees via meetings on högskolor 'universities' and by meetings at the bank itself. As well as from other banks and they test the employees in order to see if they are suitable for a job at Swedbank. When applying for a job at Swedbank from the employees initiative there are a number of steps taken before the interested is hired. The first step is applying and sending the required papers, step two is a psychological test with approximately 250 questions. The third and final step is an interview with the district’s psychologist, the nearest boss the potential employee would work for and an employee from an employee-union at Swedbank. After successfully finishing these steps the employee is hired.

Employees are kept satisfied at Swedbank by providing information, financial incentives, education and motivation. This is done by providing employees with continued education, sport activities for employees, bonuses when certain goals are achieved, secondary benefits like lower costs for a loan at Swedbank, and finally by providing employees with an extra bonus when the company makes over-profit.

Swedbank trains and develops its employees by development meetings with a coach where goals are set and, group meetings, personal dialogue and provided education by web-education and job-rotation.

4.2.9 Process and Swedbank

Swedbank has certain values when it comes to day-to-day activities and longer term plans. These values are greatly similar to the values described with the mission statement. The values are: result-
driven, openness, innovative and engaged. When asked the same question to the service employee the two values learning and involvement were added as well. A bonus system is set with a coach based on achieving certain goals specific for the employee. Furthermore, there are four criteria where the bonus system is based on when providing service to a customer, these are: company values, amount sold, competence and the function of the employee.

4.2.10 Physical evidence and Swedbank

As like many bigger companies, Swedbank has its own visual manual in order to maintain the corporate identity so customers will get the same visual impression from any way Swedbank is communicating with the customers. Swedbank has many offices through Sweden, but the bank is on its way to create the same atmosphere in every office.

4.2.11 Further service improvements for Swedbank

The last question in both interviews conducted with Swedbank asked how Swedbank tries to further improve its service. The reply from the interview with management was that Swedbank always has new developments on their way, of probably fulfilling its mission and vision. While the service employee replied more specific and noted current developments concerning: the available opening hours, internet –and phone banking.

4.3 Critical reflection on the empirical study

The empirical study tried to focus directly on the given theory in the exact same structure, although not all the information from the theory was researched in the empirical study because that would demand too much research. This is as well mentioned in the critical reflection of the last chapter. Furthermore, information retrieved from both Swedbank and Rabobank did not always contain the exact same kind of answers to the questions, which is probably due to the result of the implications of the language.
5 Analysis

This chapter focuses on comparing and analyzing the difference between Swedbank’s and Rabobank’s services marketing mix. The research findings in the empirical studies will be used to identify differences.

5.1 Mission statement

By comparing both mission statements it shows that both banks focus on their customers and providing them with suited financial solutions. Both banks have their mission statements created by higher management but as well have a locally adapted mission statement, which as well are created by higher management instead of by all personnel concerning. Except the locally adapted mission statement both Swedbank and Rabobank do not further create mission statements for different departments or functions to create further commitment.

At Rabobank the mission statement is communicated once in person only and will sometimes be discussed, but still does not meet up to the requirements of regularly communicating the mission statement. At Swedbank on the other hand, the mission statement is communicated often at an approximated rate of every 2 weeks.

Both banks do not imply the mission statement as well as Covey suggest it should be done, but as well do not confirm that mission statements are as bad and useless as Goett suggest they are.

5.2 Strategies

Both companies focus on the Customer Intimacy value strategy by focusing highly on customers. Swedbank as well mentioned that this is done by service leadership, which will be considered part of the Customer Intimacy value strategy. It seems that by conducting a Customer Intimacy value strategy, both Swedbank and Rabobank do not neglect the other value strategies. There are divided opinions between service employee and management about the implication of CRM as a strategy. The service employee recognises CRM as a tool for helping customer but beliefs that CRM is used as a strategy on higher management, while higher management suggests that CRM is used as a tool for the current strategy. At Rabobank, CRM is suggested to be used as a tool on daily use and as a strategy on higher management level.
5.3 Marketing research

Both companies perform a great deal of different marketing research methods in order to identify customer needs and wants. Table 4 below shows a direct comparison of the methods used by both banks.

<table>
<thead>
<tr>
<th>Table 4: comparison of marketing research.</th>
<th>Rabobank</th>
<th>Swedbank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Research</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaint solicitation</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Critical incident studies</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Requirements research</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Relationship surveys and SERVQUAL surveys</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Trailer calls</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Service expectation meetings and reviews</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Process checkpoint evaluations</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Market-oriented ethnography</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mystery shopping</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Customer panels</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Lost customer research</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Future expectations research</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Database marketing research</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

As seen above, Swedbank makes use of critical incident studies where Rabobank does not. Critical incident studies are powerful and vivid in eliciting customer requirements, particularly when focused on employee behaviour, and to let customers describe “best practices” (Zeithaml and Bitner 2003). Rabobank makes use of SERVQUAL surveys where Swedbank does not. SERVQUAL surveys can assess the company’s service quality among all five SERVQUAL dimensions; tangibles, reliability, responsiveness, assurance and empathy. It can as well compare scores with competitors, track customers’ expectations and identify and segment different customers’ needs (Zeithaml and Bitner 2003). Furthermore, Swedbank is the only bank who conducts service expectations and reviews with ‘bigger’ customers. This is helpful for identifying the needs of large customers and to stay in the loop with those customers (Zeithaml and Bitner 2003). Finally, Rabobank is the only bank who makes use of customer panels; which are used to monitor changing customer expectations and to provide a forum for customers to suggest and evaluate new service ideas (Zeithaml and Bitner). Conducting this many research methods provides valuable insight in customers’ wants and needs, but also brings
more costs. A synergized selection of less methods might reveal the same information with less costs. Depending on the available recourses and staff, concentrating on a few methods more deeply instead of many methods can create a better performance in gathering information.

5.4 Products

Both Swedbank and Rabobank offer a wide range of products to its customers. Since products and services from financial banks are mainly homogenous, the main focus on this paragraph will be on greater noticeable differences.

The only great differences found were some extra services Rabobank offers to its customers. The first service Rabobank seems to offer is the Rabo Mobile service where customers can get a phone subscription from Rabobank, with an internet-capable phone for standard services and accessing the customer’s own account. Swedbank offers a similar, yet less advanced service by giving customers access to their account with their mobile via WAP. With Swedbank's service the customer is limited to the transfer of money within their own account while with Rabobank’s service customers are as well able to pay bills, and they are able to pay with their mobile phone at some vending machines. But too much differentiation of offered services can lead to a less clear image of the company’s core business and can lessen the expectations of customers if they think the company is getting less specialized.

Products at both Swedbank and Rabobank mainly seem to focus on (financial) services. No experiences seem to be offered as services.

5.5 Pricing method

When the interviewed management from both companies were addressed with the question which out of three pricing methods they use, they both answered that they used all three of the pricing methods rather than focus on one. Focusing on all three can prove to be more successful than focusing on one, but a clear guideline should exists to point out on which of the pricing methods to focus more and on which less in order to create the same pricing level with every product and not base the price of one product more competition based while pricing another product more cost-based. Prices are a form of communications as well and different products price-based can bring the customer in doubt about the overall quality of the offered products in a company.
5.6 **Place**

Both banks place their offices in the centre of villages and towns. This makes it centrally available for customers living in the certain town or village, and since most activities find place in the centre, customers can attend to other business as well while being in the city.

Swedbank and Rabobank both provide nearly all services through every channel. The only difference is that Rabobank provides one more channel to access services by, namely Rabo Mobile.

5.7 **Promotion**

Both companies use multiple communication channels to communicate towards its customers. Swedbank often makes use of personal sales, direct mail, and internet—and phone banking while less by mass-communication. Rabobank on the other hand used mass-communication, internet, direct mail and SMS to advertise its latest product to its customers.

5.8 **People**

When attracting potential employees, both banks focus mainly on students. Swedbank does this by meetings at universities and at the bank while Rabobank organizes master classes for academic students. Potential employees are as well found in other banks and internally at both banks.

The application process at both banks is quite similar. Swedbank starts with a psychological test followed by an interview with a psychologist, the nearest future manager and an employee who is connected to an employee union. At Rabobank applicants will be faced with several job interviews with future managers and colleagues they would work with and several assessment tests.

Both banks use several activities in order to keep employees satisfied with their job. Both companies offer job-rotation, trips and group activities, education, information, bonuses and personal development. Rabobank as well has a “Friday afternoon drink” and an internal magazine where Swedbank has group meetings and personal dialogues with colleagues from multiple functions.

Coach meetings take place at both banks to monitor the development of employees. At these coach meetings goals are set and possible education is discussed.

5.9 **Process**

Both banks have certain values which should be kept in mind when dealing with customers. The values at Swedbank consider openness, result-driven, innovation and engagement, as well as
learning and involvement. Rabobank employees should remember that customer is priority number one, and should be handled with integrity, ethics and customer wishes.

5.10 Physical Evidence

Both companies use manuals in order to give the same impression when customers come in contact with the banks visually, so the corporate identity will keep intact. Regarding the atmosphere and mood in the offices, Swedbank is on its way of creating equal moods in every Swedbank office. Rabobank has tried this as well, but decided to create atmospheres and moods adapted to local needs.

5.11 Critical reflection on the analysis

This chapter took the empirical data retrieved from both Swedbank and Rabobank and compared them to one another. There is less focus on the connections towards theory in this chapter and a larger focus on the main differences between the financial institutions. In part 6.9 Process, there is no focus on the service blueprint because of the vast amount of information that would be and the amount of research demanded to research that topic, making it a study on its own.
6 Conclusion, recommendations, limitations and further research

This chapter will discuss the conclusions drawn from the findings in this research as well as making recommendations connected to those conclusions. Further in the chapter the limitations of this research will be discussed as well as interesting further research and to whom this study is relevant in the contribution.

6.1 Conclusion

Swedbank and Rabobank are two companies who both focus on the customer, this is noticeable through many aspects of their services marketing mixes. Both banks are far more similar to each other in respect of the services marketing mix than what was imagined when starting this research, and only few differences have appeared in the findings.

The similarity between two banks already starts to be recognised at the very cornerstones of the companies, namely the mission statement and value strategy. Both companies focus on Customer Intimacy as a value strategy, which especially builds value in service companies like banks, where customers entrust the banks with their money. The mission statement is not fully integrated through every single division at both Swedbank and Rabobank. Also, Swedbank communicates its mission statement far more to its employees than Rabobank.

Both banks as well use an equal amount of methods for research, although Swedbank uses one crucial method which Rabobank doesn’t; Service expectation meetings and reviews. Not coming in dialogue with large customers can lead to significant losses when assumed that the 80/20 rule still exists; 20% of the largest customers provide 80% of the income. The large amount of research methods used by both banks can also reduce the effectiveness of the research when there are not enough available resources and staff.

Rabobank reveals to invest more in innovation and product development than Swedbank although both companies offer mainly the same products towards their customers. Today’s difference in product/service offers is Rabobank’s mobile phone service with mobile phone banking.

The pricing methods of both banks, which are similar, contradict towards the pricing method Zeithaml and Bitner (2003) identified. Where Zeithaml and Bitner focus on 1 out of 3 pricing
methods, both banks focus on all three in order to set prices. With further thought this is a more logical method; products are usually not offered when costs would exceed profit due to the price of the competition, and demand-prices set by customers are usually as low as competitions prices since services are intangible and hard to be pre-evaluated for permissible prices. As said before, both banks should have a pricing method where the same amount of all 3 methods is put into consideration in order to price the products in the exact same way.

Both banks place their offices at the same locations; in the centre of villages/towns which are best accessible for the largest number of customers. Inside the offices Swedbank focuses on creating the same atmosphere every office while Rabobank – after trying to achieve the same – now creates atmospheres within the offices according to local needs. Since customers would mainly visit their bank in their hometown, Rabobank’s local adaptation could make the customer feel more recognised with the bank. Furthermore, both banks use manuals to secure the corporate identity.

Swedbank and Rabobank have similar interests in students when it comes to employment. But Rabobank’s method on finding the ideal applicants might be more successful. The master class selects the best out of tests for an eventual job while Swedbank focuses on meetings which might not directly focus on the best-in-class students.

Both companies focus on employees as well, while most aspects are the same when it comes to achieving employee satisfaction, Swedbank tends to focus more on the individual. Employees have several dialogues with colleagues from different functions while Rabobank uses more informal type of meetings. That Swedbank focuses highly on individuals is also shown through its marketing communication were they prefer personal communication channels instead of mass-communication, while Rabobank communicates with a mix of both.

In conclusion, there are only a few differences between Swedbank and Rabobank. The main reasons are that they both offer financial services which are mainly homogenous and that Swedbank and Rabobank follow the same value strategy, which gave them both the position of market leader within several areas in their originated country.

Swedbank adds a more personal touch than Rabobank by means of research, communication and Human Resources Management while Rabobank aims for a bigger audience and relies more on technology. In this research neither of them jumps out as “the winner”, rather both of them are equal to another with providing their own personal touch.
6.2 **Recommendations**

The author was able to suggest some recommendations drawn from the conclusions and the theory. These recommendations are based on the available information gathered during the study and therefore made according to the author’s best knowledge of the situation.

6.2.1 **Both**

In order to (further) motivate employees; both companies should consider creating a mission statement together with all employees in a local office and preferably, let different departments within a local office create their own mission statement with all employees from that department. So that employees are more involved in the road the company will travel. The co-created mission statement should be visible in a central spot within the bank, communicated often and coherent with the company’s mission statement.

6.2.2 **Swedbank**

Firstly, Swedbank should consider organizing master classes for (under-)graduates which could attract and identify higher qualified potential employees. Secondly, in order to lower costs less personal banking should be motivated. Swedbank uses more personal communication channels like telephone and personal sales to promote products while telephone banking and personal sales is more expensive than other channels. There is a possibility that promoting products through this channel makes the customer think that products should be purchased through this channels as well. Well-implemented CRM-software could identify customers needs and make customers aware of this by direct mail or email. In this type of communication a motivation should be added towards using internet banking. Thirdly, workshops for internet banking should be offered to customers who make no use of internet banking. With this workshop the safety of internet banking should be communicated as well. This might make customers unfamiliar with internet banking more confident of using it. The fourth and last advice is that Swedbank should reconsider creating the same atmosphere in every Swedbank office. Local needs can differ in different places (for example: city vs. village). Creating a recognizable, similar atmosphere with a local touch within the offices is advised. This in order to make it recognizable for the general public, but make it more personal for local customers.

6.2.3 **Rabobank**

Rabobank could concentrate more on the needs and wants of bigger clients by getting in dialogue with them and ask about their perception of the quality of service and their (future) desires in order to keep them more satisfied. They should also reconsider seeing CRM as a strategy and use it more as a tool to support its strategy. As Lovelock and Wirtz (2007) say that company’s fail to implement CRM as a strategy when they believe that CRM is the actual relationship strategy instead of as a tool to enhance the firm’s customer service capabilities.
6.3 Limitations and further research
In this paragraph the limitations of the study as well as the further research is being discussed.

6.3.1 Limitations
The biggest research limitation in this research has probably been the language barrier, both the author and the people who were interviewed are not native speakers of the English language. This could have created misunderstanding at different levels and incorrect notions. Furthermore, not all P’s in the services marketing mix have been able to be dealt with accordingly. Since this research looked at the services marketing mix of the entire company instead of on one main product it couldn’t define any specific price strategy on a product or promotion campaign. Finally, the process could not been defined on itself since it would have been too large and could have been a thesis on its own.

6.3.2 Further research
The research conducted in this paper described the services marketing mix from both banks on a general level. This still allowed to go in-depth on several aspects but less on others. When looking at the empirical study it shows that interesting research could be conducted to research the price development in steps, which factors are considered and which factors have a bigger effect on the eventual price. Other interesting research would be to see which segments both banks have identified from the research on their customers; a comparison in the marketing communication efforts both banks have made in order to promote internet banking; the process of service development at both banks and the factors which identify the needs of this new service; and finally the corporate identity both banks create with their physical evidence implications.

6.4 Contribution
This study is mainly been done for Swedbank and Rabobank to help both companies further improve their services marketing by learning from each other. This study will also provide useful for other financial service institutions like banks and related companies.
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