Banks’ Counteractions against Customers’ Online Criticism
Abstract

Title: Banks’ Counteractions against Customers’ Online Criticism

Date: June 5, 2012

Institution: School of sustainable development of society and technology, Mälardalen University

Level: Bachelor thesis in business administration, 15 ECTS

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Keywords: Banks, social media, dissatisfaction, complaints, customer behavior, sCRM, and e-WOM

Purpose: The purpose of this thesis is to describe and analyze how, where and why customers criticize the banking sector through online platforms, how the banks choose to defend themselves and counter this criticism, and to what extent these complaints may proliferate if not dealt with. The thesis will result in recommendations and suggestions for complaint management.

Method: In order for the thesis to capture the entire environment of online complaints, it has been conducted both from the banks’ and the customers’ perspective. Gathered information and cases as well as two interviews have been used for fulfilling the purpose of the thesis. Once studied, these sources have been analyzed and finally, conclusions and recommendations have been made based on the analysis.

Conclusions: Customer electronic word-of-mouth is publicly displayed on the most commonly used social platforms. In order to avoid unnecessary proliferation of customer complaints, companies ought to implement social customer relationship management strategies aimed towards fulfilling customer needs as well as company objectives. Complaints spread through social media can easily spiral out of hand as a result of the enormous amount of worldwide Internet users that can access the information, and for this reason, banks need to counter these complaints before they become unmanageable.
Acknowledgements

We would like to express our deepest thanks to our tutor, Carl G. Thunman, for his encouragement and supervision throughout the process of writing this thesis. We would also like to express our gratitude towards Samuel Kammensjö and the respondent at Fairshopping, for taking the time to provide us with their expertise on the area of complaint management. Additionally, we would like to thank our fellow seminar participants for constant feedback.

Thank you!

Västerås, June 5, 2012

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1. Introduction

This chapter includes an introduction, the purpose, and the disposition of the thesis.

During 2011, approximately one-third of the dissatisfied customer complaint letters sent in to the Swedish Financial Supervisory Authority was aimed towards the banking sector, mainly towards the largest banks in Sweden (Aronsson, 2012). According to the Swedish Quality Index (2011), customer satisfaction is deemed to be a prerequisite for maintaining customer loyalty. In order to retain this satisfaction amongst customers, there is a need for functioning complaint management; that customers feel that their complaints are addressed in a proper and efficient manner (Galijatovic, Höijer, & Seldus, 2009, p. 4).

In today’s society, the Internet allows customers to spread their complaints through online platforms, instead of directly to the bank. This means that handling customer complaints becomes more important due to the fact that they, through the Internet, have the possibility of spreading complaints more widely. Through the use of the recently established social media platforms, customers are able to share their opinions with friends and fellow users, within a matter of seconds. Although this change is favorable for customers, as it is convenient and less time consuming than face-to-face interaction, this virtual society has become an alternate way of communication that companies must learn to supervise and participate in. For this reason, in combination with the fact that not much has been written regarding complaint management and the influence of social media on customer dissatisfaction in the banking industry as of now, this specific area is of great interest for all businesses that acknowledge the importance of keeping track of customer opinions.

This thesis will describe and analyze how the Swedish banking sector is influenced by the spread of customer opinions online, both negatively and positively, and how they ought to manage dissatisfaction and complaints. To further narrow the scope of the thesis, only the efforts of the four largest banks in Sweden will be included; Swedbank, Handelsbanken, Nordea, and Skandinaviska Enskilda Banken (Swedish Bankers Association, 2011, p. 4). The reason for analyzing these banks is due to the advancement they have in this field in comparison to banks in other European countries (Market research, 2007). In order for the thesis to capture the entire environment of online complaints, it will be conducted both from the banks’ perspective as well as the customers’ point of view. A number of theses have been written on the subject of complaint management in banks, however, not much has been
written with regards to online complaints relating to the banking industry. During the past semester, a project was conducted at Mälardalen University, consisting of three thesis-groups. Through these theses, the need for banks to realize the potential risks of online complaints was highlighted, but not further developed. In the banking sector, the significance of complaint management will grow to be more important as the Internet’s impact on consumer and business markets increase and thereby banks need to have a greater knowledge of how to tackle these situations.

1.1 Purpose

The purpose of this thesis is to describe and analyze how, where and why customers criticize the banking sector through online platforms, how the banks choose to defend themselves and counter this criticism, and to what extent these complaints may proliferate if not dealt with. The thesis will result in recommendations and suggestions for complaint management.

1.2 Disposition

Hereafter, this thesis is structured as follows:

Chapter 2, Methodology: Specifies the methodology that has been used in order to fulfill the purpose of the thesis.

Chapter 3, Online Complaints towards the Banking Sector: Includes the figure for which the thesis will be structured to follow as well as the framework and the appurtenant findings for which the analysis will be based on.

Chapter 4, Results and Analysis: Includes the findings and the results obtained from interviews and studied cases as well as information obtained from other sources. This chapter also includes the analysis of these results. Chapter 4 will be structured so as to follow the figure and purpose.

Chapter 5, Conclusions and Recommendations: Contains the conclusions from the thesis as well as the proposed recommendations.
2. Methodology

This chapter includes a specification of the methodology used in order to answer the purpose of the thesis.

The phenomenon of managing and controlling social media platforms within the banking sector is rather unexplored and requires further research. Until recently, the Swedish banks had not implemented strategies aimed towards handling online customer complaints. Because of this, the available material for research is limited and for this reason, cases and interviews have been used as complimentary sources.

2.1 Data Collection

During the initial gathering of information, available sources were scanned for facts regarding online complaints. These sources included books, databases, websites, theses, academic articles, and newspaper articles. This information was later carefully reviewed by a critical examination followed by expurgation of less relevant material, in order to reassure that the information gathered maintained its relevance to the banking industry.

In the literature search, the databases provided by Mälardalen University were exploited. The databases that were included in the information search are: ABI/INFORM Global, DiVA, Google, Google Scholar, Mediearkivet, Nationalencyklopedin, and Uppsatser.se. Due to the fact that the area of research is rather new, Google and its constantly updated information was used to a greater extent than the scientific databases that include somewhat less updated material. However, since academic databases are of higher reliability, they have been used as often as possible as the main source and the facts from less academic sources have been compared to the information found here when possible. As a complement to the limited academic sources was needed, the Swedish newspapers Aftonbladet, Borlänge Tidning, Dagens Industri, Metro, and Svenska Dagbladet were included. A choice was made to exclude the other Swedish newspapers due to the fact that there was a lack of either relevant articles or possibilities for reader participation.

When scanning these resources, the keywords that were used in different combinations were: banks, social media, dissatisfaction, complaints, customer behavior, sCRM, and e-WOM. As there is a shortage of publications of scientific information on the matter, difficulties may arise when determining the reliability and validity of the sources. With this in
mind, caution has been taken when deciding on what sources may be used. As often as possible, attempts have been made to track the original source of the works used. In combination with this, all sources have been critically examined in advance to ensure reliability, validity, and relevance so that they coincide with the intended purpose. This has been made by comparing sources, to as great an extent as possible, in order to confirm that the information is uniform. If facts can be found as recurring through the various sources used, that information is far more likely to be considered accurate and is thereby the most appropriate alternative to make use of.

During the process of collecting relevant information and appropriately compiling it, an illustrated model was created in order to facilitate the process both for the reader and author. A figure helps the reader comprehend the information but also to understand why all information is relevant to the specific purpose, whilst it enables the author to appropriately sort and analyze the information gathered. This figure is an adjusted and specified version of what can be considered a complete model for complaint management within the banking sector. To be more suitable to the specific purpose, the model has been narrowed down to exclude formal complaints and the internal process of dealing with the complaints within the banking industry. However, the remaining aspects have been further evolved and include the factors that are concerned with only the online attributes.

The methodology has been further divided into three separate stages, so as to follow the purpose of the thesis. These steps are presented through the remaining sections of the methodology.

2.2 Cases
In order to thoroughly review how, where, and why customers criticize the banks online, the thesis includes a series of gathered cases where customers, or customers through social media, are starting to align against banks and where banks risk not having control over the situation before it becomes problematic. The first set of cases has been obtained from various platforms, namely Facebook, Twitter, online forums, and sites specifically created for user complaints such as Sanningen om Nordea. The second set of cases was collected from the online functions of Swedish newspapers. These platforms were chosen due to the extensiveness and accessibility they provide, as well as the large amount of customer involvement present on these sites. These cases were used in order to support the available
theories as well as the actual facts that have been gathered. By including cases, the process of connecting events to the model and concepts becomes simplified. These cases also facilitate the analysis of banks’ strategies, or lack of suitable ones, according to the model. To ensure that the work includes validity as well as relevance, cases are an appropriate method.

2.3 Interviews
To further investigate customers’ behavior for complaining, as to where, how, and why complaints are spread, a technique where comments were posted on the highly used forum, Flashback Forum, was conducted. Initially, the social community Facebook was intended to be used for this technique as well, but after careful consideration, it was excluded due to the fact that no page or group that were recently created and thereby still highly active, available for the public to join and comment was found. In order for people to be most reactive, the grievances have to be fairly recent, and therefore there is either a need for a newly established group or one that brings up constant concerns regularly. On Flashback on the other hand, threads can be sorted and found under specifically specified categories, displaying threads after date and time of post. Additionally, the site is Scandinavia’s largest forum in which new threads and comments are posted continuously, ensuring a large exposure, making it highly suitable for this method.

The questions posted on Flashback were directed towards customers who are active on this specific site, and concerned which tactics they would make use of to influence their bank to the greatest extent possible. The questions were created in order to gain a deeper understanding regarding options for complaining as well as the reasons for why banks seem to ignore most online complaints and thereby customer dissatisfaction. The results from this contributed in gaining a deeper understanding of customer behavior as well as clarifying where the banks are currently at most critical risk. This technique was divided into two separate processes; the first being to create an alias and to post a scenario including questions on the forum, intended to find the reasons for why customers prefer to complain via online means. The second process being an examination accomplished with the help of the same alias posting different questions on the same forum. The questions in this case were intended to find out what consumers believe is the reason for banks lack of online efforts as well as where they believe they can have the highest level of influence on the bank. On the end date, 458 views and 9 comments had been made by Flashback members on the first posting of questions, and on the second posting, 1189 members had viewed the thread and 14
contributions on the matter had been made (Appendix 1). This initiative did not escalate according to expectations. It seems as if the reason for this revolved around the fact that there was no clear, up to date accusation towards a specific bank. However, the responses obtained were considered significant and relevant for the intended purpose and therefore, they were included in the results of this thesis.

This thesis also includes interviews with experts on subjects that are of relevance to the banks’ defense against this criticism. These interviews were conducted via e-mail as a result of geographical distance. This type of method was used to further confirm the actions taken by the banks with regards to complaint management. The first interviewee, Samuel Kammensjö, who is the Social Media Quality Manager of the Swedish bank SEB, was asked questions that were designed to provide relevant information on how banks can or are currently defending themselves. This interviewee was found through newspaper articles during the process of gathering information, where his knowledge of the specific area was clearly displayed. The second interview was conducted with a source of an online based platform used in order for companies as well as customers to enable an open dialogue, namely Fairshopping. This company was of interest for the thesis due to their function as a mediator between companies and their customers, enabling a more extensive information on possible strategies for banks to counter complaints. This interviewee wished to remain anonymous, however, the company name is used as a reference. This interview provided additional information through answering questions regarding the typical conditions involved in managing online complaints (Appendix 2).

2.4 Combining Customer Behavior and Bank Strategies

In order to find to what extent complaints are at risk of spreading, there is a need for studying why these complaints occur as well as to what extent they can be countered. For this reason, the third and final part of the purpose was fulfilled through a combination of the information and responses obtained through the usage of cases and interviews. Due to fact that this part of the purpose is highly intertwined and dependent on the other aspects of the purpose, the information found through this process was incorporated in various sections throughout the analysis.
3. Online Complaints towards the Banking Sector

Includes the figure for which the thesis will be structured to follow as well as the framework and the appurtenant findings for which the analysis will be based on.

3.1 Customer Complaints

**Dissatisfaction** is defined as an opinion or a feeling that something should be better than it is, whilst **complaint** is defined as a formal uttering of dissatisfaction (Nationalencyklopedin). Whilst these two concepts are of different meanings, the word **grievance** can be considered a concept which intertwines them both.

It has been recorded that customer complaints regarding services in the banking industry has increased during the year 2010 and onwards (Affärsvärlden, 2010). However, it has been stated that only a portion of the dissatisfied customers come forward with their complaints and thereby give the companies a chance to correct the errors (iSight, p. 2). According to Kahn (1995), there used to be a saying that “if customers do not complain, they are happy”. However, it would seem as if the reason for customers not complaining is the fact that they find it time consuming and inconvenient, as a result of bad accessibility of physical means to complain, rather than being satisfied with the service (Kämpe & Sewerin, 2012, p. 1). It has also been stated that a large portion of customers choose not to file a complaint as they believe that the bank will not solve or find the appropriate means to manage their issues (iSight, p. 2). This is confirmed in the Swedish Quality Index, where it has been shown that more than every third customer that has filed a complaint feels as if their grievance has not been appropriately solved (Swedish Quality Index, 2011, p. 1). It has been proven that it is within the banking sector where customers are most dissatisfied when compared to other industries (Galijatovic, Höijer & Seldus, 2009, p. 7).

The Swedish banking industry makes an attempt at a proactive stance against this by measuring dissatisfaction more frequently than other banks in Europe and by making sure to have a high level of technological development (Market research, 2007). This type of measurement and the actions followed by it are called **complaint management**, and since it has been claimed that the banking sector is one of the industries that is most vulnerable to service failure, a management strategy like this becomes highly important (Galijatovic, Höijer & Seldus, 2009, p. 7).
As the banking industry offers its customers products and services of such high complexity, customers have difficulties in determining whether their complaints are relevant to address and are thereby reluctant to forward their complaints. If consumers consider themselves lacking sufficient knowledge, and thereby choose to withhold their official complaints, there is a high risk of these complaints instead developing into negative word-of-mouth, leaving the bank without a proper opportunity to resolve the situation (Galijatovic, Höijer, & Seldus, 2009, p. 8). As the banks do not receive the information regarding the complaint, no improvements can be achieved (Zamora, 2012, p. 24).

### 3.2 Flow Chart of Online Complaints

Throughout the thesis, this model and its appurtenant figure will be the foundation of the work and analysis will, to such a great extent as possible, be based on its contents. This figure will be complemented by existing concepts that are of relevance to the subject.

In the illustration, the large, yellow stick figure represents the bank’s customer and the thought-bubble illustrates the customer’s reasons behind why he chooses to complain online. The adjacent dotted, red arrows represent the initiatives taken by the customer as to how and where this consumer complains. The dotted, black arrow connected to social platforms
represents the effects that the initiative taken by the bank’s initial complaining customer has on other users through the Internet. The dotted, black arrow between users and online complaints represents what influence these users in turn have on others, with regards to spreading e-WOM. The dotted, black arrow between the users and the initial complaining customer demonstrates what actions the initial complaining customer takes as a result of the initiatives taken by other users with regards to the original complaints. These Internet users are illustrated by the smaller, yellow stick figure presented next to a globe. The plain, black arrows represent mutual results from both bank and customer; the customers’ initiatives which affect the bank, the bank’s approach to handle these initiatives and how both actors adjust their strategies based on the actions taken by the other party.

The framework is structured so as to follow the process explained through the illustration of the figure.

3.3 Customer Behavior on the Internet
In this ever changing environment, companies are realizing that they have lost a significant amount of contact with their customers. Although they try to participate in conversations online, customers are now in greater control than ever of how, where and what is being said about the company (Owyang & Wang, 2010, p. 5).

The expression electronic word-of-mouth is the contemporary form of word of mouth and is equivalent to spreading a message with a single mouse click. E-WOM stands for boundary-less dialogues between unlimited numbers of Internet users that does not necessarily symbolize favorable conditions for a company (Helm, 2010, p. 159). Through the ability to spread a message to this extent, consumer opinions regarding a product or a service could potentially transmit through the Internet like rapid fire, thus replacing the company’s accurate and reliable information (Olsson, 2007). If faced with this situation, companies would have to spend an extensive amount of both financial and human resources to regain both control and trust.

3.3.1 Social Platforms
Customers used to be displeased with the options for filing complaints. Since the evolvement of the Internet, it has become easier and more convenient for consumers to express their dissatisfaction and the fact that it has been time consuming is no longer an issue. The power
to broadcast an opinion of a company online is indefinite and there is no limit to how far the message can be spread, whether it is a positive or negative one (Krishnan, 2011). The downside to this is that the consumer uses this freedom to spread their complaints further, not settling for the seller, but includes a warning to their friends and families (Ndubisi & Ling, 2007, p. 3). But this is not the main issue. Through the means of social media, they can reach people from all over the world as long as they have an Internet access. Since this Internet-based tool enables users to affect others through so many channels, it becomes difficult for companies to keep up (Owyang & Wang, 2010, p. 4). As a result of this, it becomes critical for companies to try to monitor their reputations as well as attempting to take action with their reputation at stake (Decker, 2012, p. 22).

In today’s society, a large number of the population is making use of the Internet and social media. "Social media is no longer a luxury, it's a necessity" McCormack said in a press release (Schreiber, 2012). Before the expansion of social platforms, customer complaints used to be reported by a single customer, only being triggered by his or her own grievance. Today, the Internet allows these customers to find others with the same issues and opinions through these social media sites and they now trigger each other to an even greater extent through their common concerns (Barefoot, 2000, p. 27).

Customers make use of various social platforms and communities to spread their word. The two largest online communities, with regards to the banking industry, are considered to be Facebook and Twitter. As of 2012, Facebook has reached a number of approximately 845 million monthly active users and an average of 483 million daily active users (Protalinski, 2012). As for Twitter, the site has managed to attract more than 140 million active users contributing to the 340 million Tweets posted per day (Twitter blog, 2012). These two sites, in combination with various blogs, YouTube, and forums, have altered the dynamics in the relationships between companies and their customers. A forum can be defined as a public meeting place for open discussion (The Free Dictionary, 2012). Since the startup in May 2000, approximately 652,000 memberships have been registered on Scandinavia’s largest forum, Flashback Forum, and almost 36 million postings have been placed (Flashback Forum 1, 2012).

Besides these types of platforms mentioned, there is one platform which is commonly overlooked, namely the newspapers’ postings on their own online websites. Through all these platforms, users are able to find likeminded people to the demise of banks. When the users
trigger each other, causing both the issues and number of people involved to escalate, there is a high risk of them forming groups where people come together to spread malice towards the banks (Evans, 2012). Now that customers can gain a greater advantage in numbers, banks need to keep up in order to avoid this issue getting out of hand.

3.3.2 Reasons behind Online Complaints

According to Grégoire and Tripp (2011), 96% of online complaints are filed after a face-to-face contact with the bank has failed. This means that customers have visited the office in hope that their concerns would be addressed, but the employees have failed to meet the customers’ expectations of service recovery. For this reason, it is of great importance that a company initially implements a successful service recovery and complaint management (Grégoire & Tripp, 2011, p. 38).

Generally, customer satisfaction is lower in the service industry in comparison to other industries. This is mainly due to the fact that the human element involved in the providing of services easily leads to misunderstandings and thereby causes mistakes to occur (Gustafsson, A., 2008, p.1). Therefore, it can be assumed that more complaints are filed in comparison as well. When it comes to the banking sector, customers are more concerned with anonymity which previously caused them to avoid filing complaints (Galijatovic, Höijer, & Seldus, 2009, p. 7).

Since the emergence of the Internet, these customers have been provided with an opportunity to anonymously file these complaints, not fearing it could affect their relationship with the bank. Another reason for the increase in complaints filed is the aspect of time and resources, which are facilitated and lowered through the use of online platforms (Galijatovic, Höijer, & Seldus, 2009, p. 65). The Internet has eased customers’ opportunity to evaluate both services and products, both to the dismay and the satisfaction of businesses. Those customers that are knowledgeable take advantage of the fact that they recognize that companies are monitoring these online conversations and they have realized that the awareness they are seeking is handed to them much faster through social media rather than if they were to complain in a more conventional or traditional way (Bard, 2011).

Complaints through social media platforms allow consumer complaints to be reachable for a long period of time. Through this, consumers are aware of the fact that they not only reach out to the intended company but also reach other consumers with the same amount of effort
(Heyne, 2009, p. 21). Often, customers’ initial intentions with these public complaints are not to spread negative rumors, but rather to inform others in order to prevent them from making the same mistake (Heyne, 2009, p. 78). However, if the targeted company does not respond efficiently and effectively to their complaints, these intentions are likely to alter into a more negative objective. The saying is that a satisfied customer will orally spread the word regarding the product or service to four friends; a dissatisfied perhaps to ten. But a mouse-clicker can reach thousands, maybe millions via e-WOM (Storytellers, 2009). Since the large expansion of the Internet, the opportunities to reach out to large masses of people have increased dramatically, almost to the point of no control. When applying this to dissatisfaction, one can only imagine to what extent negative statements and opinions can travel (Zamora, 2012, p. 17). Since the message can be spread to so many people, businesses may have difficulties managing the content.

In a recent survey, it was found that the majority of consumers believe that their complaints through social media forces companies to respond to and resolve their complaints much faster than if they were to complain through other means (Bard, 2011). This allows the consumers to feel that they have a higher level of control over both the dialog and the process. To the detriment of companies, customers can create large groups in community sites, all turning on a specific company in the banking industry and only spiraling upwards as time goes by. All people share their own experiences and together increase the mistrust and rage towards said company. When dealing with groups of this size, there is a risk of escalation to the point of it becoming unstoppable, and companies need to be careful not to let it go this far without even the opportunity to interfere and resolve the issues at hand (Barefoot, 2000, p. 26).

### 3.4 Reactions and Effects of Complaints

In cases where complaints are spread widely, through the various channels available to consumers, the banks and their brand are badly afflicted (Zamora, 2012, p. 24). If this kind of negative and sometimes dubious information is spread, the long-term relationships established between the customers and their bank could be jeopardized as a result of distrust. Although most customers do not actively search for negative news regarding their bank, they are still likely to be affected by the negative publicity once exposed (Heyne, 2009, p. 78).

According to Barlow and Møller (1997), complaints should be considered valuable assets since it allows companies to correct the mistakes they have made as well as improve and
address the issues which ultimately lead up to the mistakes. Complaining is a way for customers to show what they desire and once receiving the complaint, companies can understand how to properly please their consumers. If the bank manages to handle this, customers are less likely to discontinue their services or spread negative e-WOM (Ndubisi & Ling, 2007, p. 1).

### 3.5 Banks’ Social Networking

According to Kaplan and Haenlein (2010), “Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”.

Already in 2010, there were over 1.73 billion Internet users worldwide, 125 million blogs and 234 million websites (Greenwald, 2010). With regards to these enormous numbers, businesses need to realize that customers are using the Internet as their main source for spreading thoughts and comments. In the recent era, companies are thereby forced to drive their service processes based on the desires of their customers. Many companies have recognized the potential that social media websites provide with regards to enhancing customer relationships, allowing them to engage with and meet customers on their own turf, by entering communities such as Twitter and Facebook (Attensity 1, p. 15). As a result of this, companies are also taking part in the increased possibilities for improvements, which have emerged as a result of the growth of customer feedback, through these newly developed platforms (Attensity 1, p. 3).

When attempting to engage with customers through social media, banks have taken a step forward with regards to using corporate Facebook- and Twitter pages. For example, the Swedish Bank Skandinaviska Enskilda Banken made an estimate that 60% of their customers were active on Facebook, making it feel like a natural choice of establishment (Hernandez, 2011). Thanks to these efforts, SEB are now more aware of what their customers think of them and issues which were previously concealed have now surfaced. One example could be when customers feel that the services provided by a local office have failed to meet their expectations, they tweet about it. As of now, the banks have the means to locate the complaints and hopefully address them successfully, to the consumers delight (Gustafsson M., 2011). It has been apparent that consumers are grateful and glad that there is a possibility of receiving fast responses to their questions through these sites (Hernandez, 2011).
Today, many companies are creating media houses, meaning that they establish themselves on sites where they upload video clips with the intention to promote their brand. This is applied in order to engage with the customers on a turf where they are most active. Some channels included in media houses allow companies to solely control the content as there is no possibility for anyone else to influence what is posted. One case where this is applicable is when the banks post their own web-TV, where neither comments nor additional clips may be added (Dunér, 2012). However, there are other media channels, like YouTube, where the viewers, and thereby the customers, can make contributions, both negative and positive, that can affect the performance of the bank. It is important for banks to acknowledge the need to manage and monitor comments on channels of this type. Even though no one else can post negatively contributing clips, the comments posted here can afflict as much damage and need to be dealt with.

Since these platforms enable customer complaints as well as mutual discussions, it is of importance to make an effort to monitor and capture what is being said apart from the discussion between the company and its customers. It is important for banks to try to address these problems, so that their own voice is heard in the matter and also showing the customer that they care. By doing this, they can more easily channel the complaints back to the bank where an attempt to correct them can be made (Barefoot, 2000, p. 29). Although these interactions through social media open up for a mutual dialog, organizations need to be aware of the fact that it also enables critical consumers to influence other consumers through angry posts. This could occur as customers form larger groups, for example on Facebook, targeted towards a specific goal with the purpose to force companies to respond to their accusations or when individuals post comments that attract others who coincide with their complaints.

3.6 sCRM and Online Strategies

The previous expression of customer relationship management has now, since the evolvement of the Internet, expanded to include attributes of the online environment. As of this expansion, the term social customer relationship management was created. Greenberg (2006) describes sCRM as "The company's response to the customer's control of the conversation." With the online community still expanding, it is of great importance that companies include sCRM in their CRM efforts. This does not mean that companies should replace their CRM initiatives, but simply add the features of sCRM. Companies ought to implement an online strategy
aimed towards fulfilling customer needs as well as the company objectives. The goal of sCRM is to successfully combine the two in order to maintain satisfied customers (White, 1999, p. 2).

According to Charlton (2010), “people with grievances about their banks are now more likely to talk about these problems on social networks, and banks can reduce the potential for brand damage by monitoring and engaging with these customers”. Apart from monitoring customer feedback in social media, in later years, many companies have taken it a step further and are now engaged in an interaction online with their customers (Attensity 1, p. 3). This step is taken in order to minimize the distance between companies and their customers, allowing an open conversation and a faster complaint management process. By implementing a strategy such as this, companies aim to receive accurate information and feedback on how the customer actually perceives them (Schumpeter, 2011, p. 1). By entering this form of channel, companies are making an attempt at finding an appropriate complement to already existing strategies. Many companies are doing this in order to find a suitable method to get in contact with those customers they cannot reach sufficiently with their existing tactics. Companies which do not follow this trend are at risk of losing the opportunity of acquiring valuable information which they may need in order to improve the quality of their services (CRM & Social Media Online, 2011).

Social media monitoring seems to be a trend which many companies are choosing to follow. Companies from all industries are following suit and the banking industry is no exception. Facebook and Twitter accounts are created in the name of the companies and they are choosing to meet the customer on their own turf. One of the largest Swedish banks, SEB, has launched accounts on several well-known social media sites, such as Facebook and Twitter, and has even created a financial community website called The Benche, with over 20,000 visitors a month (Krishnan, 2011). Through these sites, SEB has facilitated the process for their customers to forward their complaints and they are no longer forced to spend their time in long phone-queues or before the helpdesk (Zamora, 2012, p. 1).

However, it is not enough for a company to simply attain feedback from consumers. Efficient and effective handling of these complaints is at least as crucial, and this includes treating every complaint individually and fairly (Gibson, 2011). By managing to include both efficient and effective handling, banks are given the possibility of influencing the level of customer satisfaction, and thereby increasing the chance of obtaining loyal customers, good reputation
and moreover also an increase in sales. Since the lack of this kind of management is a particularly large issue in the banking industry, it is extra crucial that they carefully evaluate and improve their current way of dealing with complaints (Galijatovic, Höijer, & Seldus, 2009, p. II).

In addition to being active in social media sites themselves, an increasing number of companies have started to screen the internet for additional feedback and customer complaints, monitoring topics that now are of interest (Attensity 2, p. 8). Many companies employ a specific workforce to scan personal Facebook-pages, blogs and other community forums for dissatisfied customers and attempt to solve their issues on an even deeper level. If well-designed, this kind of system for screening and recording of data can allow companies to identify the need for changes in their products or services (iSight, p. 3). If companies nurture the existing customer relationships and have a functioning and effective complaint management, the chances of positive word-of-mouth increases drastically (Kämpe & Sewerin, 2012, p. 1). In the banking industry, this particular way of working is called social media quality management. SEB has, with Samuel Kammensjö at the front line, a team of 15 people focusing solely on scanning social media for any information related to their performances (Sköld, 2011).

### 3.7 Follow-up on Complaints

Previous research has shown that complaint management in the banking sector does not meet customers’ expectations. In 2008, a study made by the Swedish Quality Index announced that the Swedish banks are generally quite ineffective when addressing complaints in accordance to customer satisfaction (Kämpe & Sewerin, 2012, p. 1). Dissatisfied customers are more likely to leave a bank for a more beneficial relationship than those who are satisfied with their current offerings and services. If taking into account the fact that it costs approximately five times more to replace a customer than to retain one, it is easy to recognize the inadequacy and losses of managing complaints in an unsatisfactory manner (Zamora, 2012, p. 1).

When a customer forwards a complaint, it enables the company to make use of the information and from that learn from the mistakes made, and possibly correct the problem. However, this requires that the banks make use of analytics and understand how to interpret the collected data. In today’s society, obtaining useful data is not the greatest issue. The greater concern lies in how to create value and make use of it in a way that provides the
company with a competitive advantage in their specific industry (Hopkins, Kruschwitz, Lavalle, Lesser & Shockley, 2010, p. 3). In successful cases, a well-executed use of analytics may lead to the company receiving an early warning on possible needs for change whilst the situation is still manageable. If a bank can convert a negative situation into a positive one, by correcting what the customer believes is a mistake or wrong doing, the process is referred to as service recovery. By completing this process, banks can turn angry and dissatisfied customers into loyal ones (iSight, p. 2). A well-designed service recovery can result in customers expressing increased satisfaction towards the bank in comparison to if the situation would never have occurred at all, as a result of increased trust in their capabilities as a service provider (Galijatovic, Höijer, & Seldus, 2009, p. 8). It is also of importance for consumers to feel that the service recovery is considered personal and unique for their specific case. They feel that the solution is of higher importance than the process in itself (Zamora, 2012, p. 15). If successful, this process can give companies a chance to prove what they are truly capable of providing for their customers (Corin & Svensson, 2006, p. 1).
4. Results and Analysis

Includes the findings and the results obtained from interviews and studied cases as well as information obtained from other sources. This chapter also includes the analysis of these results. Chapter 4 will be structured so as to follow the figure and purpose.

4.1 Customer Behavior through Social Media

Since the weight of technological impact on society has come to be largely increased, a steadily increasing amount of consumers choose to take their businesses online (Finn, n.d). If studying the number of daily social media platform users in the world at the moment, it is only logical to assume that the spread of complaints is also continued through online means (Greenwald, 2010). Through the analysis of the responses obtained from the first process of questions that were posted on Flashback Forum, it can be stated that most consumers deem it to be less time consuming and also more easily accomplished to make use of the Internet to reach out to, or in some way file their complaints towards companies within the banking sector (Appendix 1). As can be determined by measuring the number of active users, there are certain platforms that become of more importance than others when it comes to monitoring.

4.2 Social Media Platforms

In order to successfully establish complaint management initiatives, banks would have to focus their efforts towards the communities where the highest amount of consumers are actively participating and where they can easily attempt to influence the opinions of fellow customers. In Sweden, the online communities that are deemed to cause the highest risk for spread of dissatisfaction and grievances are the platforms Facebook, Twitter, forums such as Flashback, and customer-initiated complaint websites. Although the online functions of the Swedish newspapers tend to be less observed, these sites also cause a high level of risk and have to be considered. The analysis of the following cases, in combination with the interviews conducted on Flashback Forum, will function as a confirmation for the need of managing online communities.

4.2.1 Facebook

As the commonly used site Facebook facilitates the process for users to keep constant contact with and keep a close eye on the activities performed by other users, the likelihood of opinions to spread rapidly is considered significantly greater in comparison to alternate
communities. Functions such as sharing or recommending information posted by friends or fellow users enable grievances or opinions to reach significantly further than just to your own friend base. E-WOM makes it possible for information to reach other continents by a single click, both positively and negatively, based on the characteristics of the messages. Through the endless possibilities that this specific platform provides its consumers, it becomes a large risk factor if not dealt with by companies.

There is a high risk that dissatisfied customers not only share their own grievances, but also attempt to trigger others to feel the same. If allowed to continue, it can lead to negatively influenced customers forming groups where people come together with the intent to spread malice towards the banks. Facebook is an online platform where people can easily create groups for this sole purpose due to the lack of limits and rules. The only thing needed in order to be allowed to create any kind of group is to have an active user account.

One example where this kind of situation has occurred is when a dangerous alliance was formed against the Swedish bank Nordea via Facebook, where participants came together and publicly shared their negative experiences with the bank (Nordea – Sveriges Värsta Bank). Today, the page is not as active as it once was, but with its 127 likes and various postings containing malicious comments and negatively influencing articles, the group still manages to display obvious discontent and anyone who happens to stumble across the group when browsing the website can take part in the information available and access the content, without even joining the group. Not all groups fall under this category, but most are available to the public without any form of invitation. In this group, there is no obvious sign of any kind of efforts made by the bank concerned to avoid or prevent further spread of negative rumors or accusations. When being allowed to continue for this long period of time, it is likely that the dissatisfaction of the customers involved has grown to become so extensive that the relationship probably will be too damaged to repair.

Another case where a different kind of grievance occurred was when the Swedish bank Swedbank decided to shut down an ATM. Concerned customers directly formed this specific kind of group on a page that was in no way in the hands of the bank, in order to force some kind of response from the concerned bank. The participants were of the opinion that the rescission of the machine would lead up to a clear deterioration in service and they were not prepared to let the bank execute the change without a fight. The group quickly grew to contain over 350 members, all eager to force the bank to take immediate counteractions. Even though
this group was not in any way directly connected to the business provided by Swedbank, the criticism was bound to come anyway, with or without their involvement to counter it. In this specific case, the bank was forced to actively enter the group and respond to its members with an own comment, even though they, at the time, normally did not use this kind of counter measurement. Through the efforts initiated through this Facebook group, the complaining customers were able to influence the bank and caused them to reestablish the ATM (Sociala Medier, 2010). These cases clearly show that companies need to monitor both their own social media initiatives as well as customer-created pages in order to fully comprehend the online environment and thereby address all issues in order to avoid unnecessary spread of dissatisfaction and criticism.

4.2.2 Twitter

The community site Twitter provides its users with the opportunity to connect with people around the world through tweets, short messages consisting of a maximum of 140 letters. These tweets can be accessed by people, with or without own accounts, as soon as they attempt to initiate a search on their area of preference. This is most easily done via the use of tags. Users can easily type in certain keywords for which they desire to find related tweets and through this come across all postings that could be considered of interest. Much like on Facebook, Twitter users are able to use a sharing function to further spread tweets posted by others, in this case called retweeting. Because of this, unmonitored tweets containing complaints are at risk of spreading like fire, causing a lot of grievance. If not managing customer complaints in social media efficiently, banks may realize that these complaints could potentially turn into vicious rumors. A few years ago, Swedbank encountered this kind of problematic situation through the spread of false rumors through their Twitter account. Via this twitter account, rumors were spread stating that the company’s automatic teller machines in both Sweden and Latvia were running out of cash, causing worried customers all over Latvia to rush to the closest dispenser to withdraw money. As a result of this rumor, almost half of the available machines operated by the company ran dry. Swedbank was unable to properly address and counter these accusations in time and this lead to a temporary loss of trust from their customers in the country (The Local, 2011). Although a company cannot manage to control all rumors spread through social media, this site provides an opportunity for identification of rumors and a chance for the company to tackle
the situation, through a well-thought-out response, before it gets out of hand (Greenwald, 2010).

4.2.3 Customer-initiated Websites

If customers feel that they want to go a step further and impact the bank even more, there are other means of doing this. In extreme cases, frustrated customers create specific websites with the sole purpose of expressing anger and disappointment towards dissatisfying companies. Through this initiative, they in turn affect other users who have not experienced the concerns themselves, but have found their way to the group or site, or further trigger people who are already irritated as a result of a different negative situation. In either circumstance, the bank and its reputation is negatively affected by the exposure to this kind of website with regards to retaining and obtaining customers. If the creators of such a website decide to mention a specific company in their web address, the site will appear when typing the company name in a search engine. As Google is a very large and frequently used search engine, a situation such as this could lead to a downfall for the company, since the website will be attainable for so many people. In worst case scenarios, established customers will begin to question the banks professionalism and customers searching for a new service provider will be faced with this website and probably decide to look elsewhere. These kinds of situations cause a vicious circle which ultimately becomes very difficult to handle from a banks perspective, since it will continue to develop with or without the involvement of the concerned company.

A case where this has happened is on a website named Sanningen om Nordea, translated into The Nordea Truth. The creators of this site claim that they offer a platform where dissatisfied customers of Nordea can speak their mind and state that “the idea for this page originated once we were poorly treated by Nordea” (Sanningen om Nordea). In this case, the creators have included Nordea in their web address, enabling search engines to include this site when customers enter the banks name in their search. Due to the fact that the bank cannot affect the created website it is very difficult to reverse the situation and regain control.

4.2.4 Flashback Forum

Today, forums are a very commonly used platform where users are given the opportunity to share their thoughts as well as stress their concerns and grievances. With approximately 20,000 postings per day, Flashback Forum is one of Scandinavia’s largest forums where anyone can register and take part in sharing their opinions (Anis, 2012). Flashback has as their vision to protect freedom of speech and their goal is to provide society with an opportunity to
speak its mind, even for those with diverged opinions (Flashback Forum 1, 2012). For this reason, Flashback contains customer created topics consisting of opinions and thoughts of various natures. In the forum, customers may either start a new thread, meaning that they create a new specific subject to discuss, or comment on existing threads. This forum also allows members to search for specific subject areas, which means that the visitors themselves can browse amongst their subjects of interest, enabling a more interesting and relevant open discussion.

When it comes to the banking sector, there are quite distinguishing threads where users are discussing factors relating to the subject. On Flashback, a thread called The banks are abolishing cash management!, has been created by a dissatisfied customer. This thread has received over 2000 views by members of the forum, and has generated 52 responses in the form of concerned bank customers. The subject concerns the fact that many of the larger Swedish banks are beginning to decrease the handling of cash, and this specific case mainly concerns Nordea. This decision made by the bank has caused many customers to express dissatisfaction and anger (Flashback Forum 2, 2012). Between themselves, the customers are discussing alternative options for changing bank, indicating that they are planning to discontinue their relationship with Nordea.

Another consumer-created thread on Flashback, directly translated into Time to grow up and switch banks! Which one is the least greedy?, has been recognized by many visitors. Almost 2500 members have accessed the discussion thread and 18 people have commented. With Nordea in focus, most comments are directed towards the negative features of this bank (Flashback Forum 3, 2012). However, although the negative comments are directed towards Nordea, another large Swedish bank, Handelsbanken, is highlighted as a favorable bank. This shows that many online communities also offer users the possibility of searching for better alternatives, with the help of other users, and not only the negative aspects of spreading malice. Although it is stated that banks have difficulties in managing these kinds of postings, there is still an opportunity for them to simply monitor and take actions with regards to what customers are claiming needs to be changed or improved.

The majority of the respondents from the second interview process on Flashback suggested that Facebook may be the best and most common way to file an online complaint. This did not come unexpectedly since Facebook is the online community with most active users. Twitter was also mentioned as an option for stressing complaints as well as privately initiated
complaint websites, although this was not very highlighted as a suitable option due to the time necessary and the complexity it holds. The most common responses as to why banks seem to ignore online complaints was that they either are not aware of the extent of these types of options for filing complaints, or that they deliberately have chosen to ignore them due to the difficulties of management (Appendix 1).

However, the discussion did not escalate according to expectation. Even though a relatively large number of visitors accessed the thread, namely over 1000 visitors, only a very small portion of these visitors chose to leave a comment. This seems to be due to the fact that unclarity arose with regards to what answers were desired. In order to gain a high amount of visitor responses, it seems as if there is a need for a clear accusation towards a specific bank. This assumption can be made by examining the available customer-initiated threads and measuring the amount of readers and comments they have received. Even in the trial initiated for the thesis, the thread seems to escalate once faced with issues as such. The initial question concerned how one can most extensively affect the bank as a consumer, yet switched through consumer comments to concern the bank Nordea and their poorly functioning Internet bank.

Observations have caused beliefs that this low amount of comments is based on the fact that consumers tend to complain most effectively at the specific time of the occurrence of the grievance. If examining a constantly updated, fairly old thread concerning exactly the same subject which the trial thread ended up regarding, the consumer comments come in waves, based on the level of functionality of the Internet bank. Each time Nordea has a relatively lengthy failure with regards to this function, one specific thread is brought to life again through a large amount of complaining customers (Flashback Forum 4, 2012). Overall, this specific thread has conjured 218 comments and has been viewed over 35, 000 times. This leads to the belief that customer comments are most likely to escalate in numbers at the time of the occurrence of grievances and therefore that the highest need for managing online complaints arise at the time of these occurrences. Even though the need for this kind of management is at its highest when faced with situations such as these, the initiatives ought to be implemented and used even though the bank currently does not raise as many complaints. A well-functioning management of online complaints can be used to avoid unnecessary grievance to be spread through means provided by the forum and if used properly also reduce the risk of these problematic threads occurring in the first place.
4.2.5 Newspaper Cases

Aside from the more commonly used social media platforms, there are other available options that are not as obvious or recognized. These options do not provide users with the same kind of direct contact with other users, but still enable customers to share their opinions in an alternate way. One of these platforms is the online websites of newspapers. The consumers themselves cannot post introductory information, but are still able to share their grievances and opinions on the already provided information. This kind of platform needs to be monitored much like the more commonly used ones, since it too can contribute to negative associations for the company.

A quite common factor relating to the banking sector, which seems to trigger customers to complain online through the means of newspaper websites, is concerning the interest rates that banks offer their customers. In March 2012, the Swedish newspaper Aftonbladet published an article on their online website which included a calculation made by a parliamentary commission. This calculation showed how much a housing loan would decrease if the banks were to halve their profit margins. The article also discusses how much of a customer’s housing loan is transferred into the bank’s own profit. For the article, an already established customer, Göran Roxström, was interviewed and commented ”the question is how much profit is reasonable. The banks used to be more accommodating, but I believe that today we have too few banks with too much power and too many weak consumers”. On this site, visitors can comment and express their grievances. In this specific article, 51 comments have been added, and although some customers are defending their banks, most comments still seem to attack the banks and their behavior. It is also important to note that this article has drawn attention to 105 Facebook users who have recommended the article on their specific Facebook profile page. By doing so, the article is exposed not only on the newspaper website, but also on Facebook, reaching a significantly higher number of dissatisfied customers (Wallroth, 2012).

The Swedish newspaper Svenska Dagbladet Näringsliv also contributed in putting pressure on the banks in April 2012, by engaging approximately 20,000 customers in filling in their specific interest rates online on svd.se. The initiative in the article includes a map over the average house interest rates in Sweden. Whilst the banks are trying to defend themselves, this material shows that interest rates depend not only on individual banks, but also on location and the relationship with your bank official. A customer has expressed his/her opinion by
writing “greedy impostors with false beards and false smiles on their faces”, indicating a discontent against the bank officials. This shows that even though it is not the bank in itself that has caused the issue to surface, employees are a part of what customers associate with their bank. If a bank official executes a job very poorly, the entire bank will be faced with a negative reputation as a result of the employee not taking responsibility for the mistakes. With 55 user comments and almost 50 recommendations on Facebook, this article is another example of how newspapers can trigger and involve customers in sharing their grievances online (Almgren & Neurath, 2012).

Another factor that commonly causes concerns for consumers is the amount of payment the banks’ offer their high-ranking staff members. In March 2012, an article was posted on the website of the Swedish newspaper Aftonbladet, which concerned the yearly salaries of the bank heads of the four largest banks in the country. The article showed how all the CEO’s had been paid at least 7 million Swedish crowns in salaries and additional provisions for pension, as a result of the fact that all of the banks have chosen not to lower the interest rates on their loans, even though the state bank has lowered the repo rate. If added together, all of the banks made a profit of over 60 million Swedish crowns, and still decided to reward their CEO’s instead of investing the money in their customers, in the form of benefits. This article has conjured 97 comments from displeased customers, who either try to encourage other customers to change to the smaller banks in order to leave an impact on the larger four, or that simply state that they believe that it is highly illogical, unfair and upsetting that they are given salaries that are of this magnitude. Many of the customers who have posted a comment do believe that the CEO’s deserve proper compensation for what they are put through, with regards to difficult decisions, hard work, and media publicity, but even these consumers believe that their payment has gotten out of hand. The article has evoked additional responses in terms of tweets and Facebook recommendations. Over 380 visitors have shared this article with their Facebook friends, creating an extensive spread by making use of a single social platform besides the newspaper site (Stengård, 2012).

An additional article was posted in the Swedish newspaper Svenska Dagbladet Näringsliv, concerning the large Swedish bank Handelsbanken and the increasing fee it is providing for its board members. It is stated that Handelsbanken is carrying out an increase like this for the second year in a row, putting the salary of the chairman of the bank far above its colleagues in the other large banks of the country. The Swedish Shareholders' Association is reacting strongly and asks themselves if this could be considered a reasonable change, based on the
company’s previous way of making business. This article causes concern and annoyance amongst consumers. A fairly large number of visitors have posted comments where they state their issues with the amount of increase involved and that they would have preferred to see a more rational amount to have been selected. This seems to cause doubts to whether Handelsbanken is in full control of and have a clear picture of their current state of business as well as their future endeavors. Not only have comments been posted on the newspaper website, the article has been tweeted nine times and has been recommended on Facebook the same number of times (Neurath, 2012).

On the online site of the Swedish newspaper Borlänge Tidning, visitors reacted strongly to an article regarding technological change within the banking sector. The article concerned the Swedish bank, Swedbank, and the fact that their banking offices in the towns of Borlänge, Gagnef, and Säter are going to abolish consumer possibilities to manage cash over the counter and states that this change will enable the bank to focus more extensively on their customer consultation service. Instead, the bank refers their customers to make use of the automatic teller machines and deposit machines. It is stated that these changes will decrease the risk of robberies and lessen the banks impact on the environment, due to the large decrease in transportation of cash, but also recognizes the fact that these changes will most likely cause the bank to lose a certain number of their customers in favor of other banks or at least other offices which still provides this kind of service. This article has conjured a seemingly large amount of consumer responses. There is no direct way of sharing this article via platforms like Twitter or Facebook, but this article alone caused opinionated consumers to post almost 110 comments in the course of solely three days. The consumers who posted these comments are concerned with what effect this will have on the other services provided by the bank, like limited amounts of cash withdrawals from the ATM and difficulties caused by broken apparatuses. Many of the consumers who took the time to comment are of the belief that the situation will not be improved by these changes and that it instead will cause people to make the final decision to switch banks. Next to none seem to believe that these changes will bring about something good and now, customers are losing faith with this specific bank in this region and are of belief that their services will be better handled elsewhere (Bacelj, 2012).

Even though this kind of social media platform is easily forgotten as a result of the fact that it is not the most commonly used form of community, the newspapers online functions are as likely as the other platforms to cause concern if not managed. Banks need to recognize the
need for monitoring consumers’ comments through these sites in order to prevent a spread of negative accusations.

4.3 Effects and Reasons for Monitoring

Since problems involving complaints and negative criticism easily spiral into complicated situations, the banks ought to establish certain measures for finding these complaints and most importantly for countering them. It can be established that these accusations will occur with or without the participation of the concerned company, displaying the need for successfully implemented complaint management on the banks’ behalf. If not addressing the issues themselves, the banks are at risk of losing both the trust of the customers as well as the customers themselves. Since the services of banks concern aspects of such a delicate nature, trust becomes of even greater importance. Customers who do not feel confident in or have trust in their service providers are unlikely to remain recurring and loyal.

As the services provided by the bank are something that most people are in need of, there is a large chance of creating a strong customer base if proven trustworthy. The offerings provided by the bank are of such nature, magnitude, and complexity that few people who feel satisfied would ever consider changing supplier. However, when faced with issues regarding for example high salaries for bank officials, the banks are at risk of displaying themselves as non-caring of their customers and may give the impression that they put their employees first, which is the opposite of how one is supposed to address customers as a service provider (Stengård, 2012). Instead of showing that they value their customers above all, situations such as these make it seem as if the banks are only considering their own position in the market and how to please their employees in the most suitable way in order to assure that they remain loyal in first hand. Instead, the banks should make sure to promote the relationship between themselves and their customers.

Since customers seem to feel that they are not able to influence the banks and their way of doing business, there is a risk that the customers will feel that they are insignificant and that their opinions do not matter. Banks ought to show that they are customer focused in order to maintain their status as a service provider. Ultimately, customers have the need to perceive themselves as being meaningful, special and important for the company and therefore, banks have to take every opinion and complaint seriously in order to prove that they indeed take their customers opinions into account and try to act accordingly (Eikenberry, 2007). This
initiative can lead to the relationship between the bank and their customer to become more stable and eventually, once well-established, the relationship could be based on trust instead of uncertainty. This could be considered an important tactic, since the consumers would feel that their individual relationship is considered vital for the bank. However, when a bank does not address these concerns, unnecessary grievance will be caused with regards to consumers who are not placated and could potentially lead to negative associations for the bank.

Since this negative reputation could easily come to spread widely through the various tools provided by social media, the banks are at risk of losing loyal consumers to competing firms as well as their own position in the market. In order to repair the damage caused by a negative reputation as a result of unfavorable exposure, the bank should step in and take responsibility for issues they themselves may have caused. The bank should begin by apologizing for the actions taken that lead up to this dissatisfaction, and if possible, they should also try to explain the reasons for why the situation originally occurred (Galijatovic, Höijer, & Seldus, 2009, p. 32). If they do not deal with these accusations, their reputation may spiral out of hand and eventually the bank will have to apologize for much more than the original issue as a result of a bad attempt at service recovery efforts. If a bank successfully manages to deal with this kind of negative reputation in a professional way, customers may be able to overbuild the crack in the relationship.

The banks should take a proactive stance and try to restore the initial customer relationship. Mutual trust and reliability are two very important factors for building a solid foundation for a relationship. In order to repair a situation where customers question a bank’s reliability, the bank should try to initiate a dialog, on the social platform, where they calm their customers and prove to them that they in fact are professional and in control of the business, so that the customer eventually will feel no need to switch banks. This could be a relatively easy way to calm upset or worried consumers and by this also show that the bank is in control of and has a focused view towards future endeavors.

Not only the complaints originating from the most commonly used social platforms are in need of monitoring, the less commonly used ones should not be ignored. Even though newspaper sites are not considered to be the typical kind of social media platform, they too enable consumers to come together to spread their opinions with regards to events concerning the banking sector. Through these sites, these grievances or general opinions can be further spread through the usage of the larger platforms, such as Facebook and Twitter (Arwengrim,
However, it becomes difficult to compute the actual number of consumers that have recommended or shared the articles, as the sites only measure the one form of direct recommendation. Facebook offers its users alternate ways of sharing these articles that overrides the system and is not included in the calculations for number of recommendations. Furthermore, it is not possible to determine the extent of exposure of these articles, since there is no obvious way of measuring how many times the articles have been accessed and thereby how many people have been taken part of them, with regards to content and posted consumer comments. Since this unusual form of social media does not require an account and is open for display to anyone who has Internet access, it can easily become a customer advantageous tool for spreading grievance via additional means or sources. Therefore, there is a need for dealing with this kind of media attention as soon as it can be considered to have negative effects on the company. As the banks have no way of influencing the contents of articles posted online through these newspapers, there is a need for management of the cognizance it conjures.

4.4 Strategies
Since e-WOM cannot fully be controlled by companies, postings on online websites can have enormous effects on the company reputation. Today, many banks are realizing the extent of customer complaints online, but although Swedish banks are establishing themselves on social media, the information gathered through the interview with Fairshopping confirms that they still have a very long way to go (Fairshopping 1). By entering the virtual society, banks can enable the possibility of direct communication with their customers online whilst also facilitating the process of addressing complaints more effectively and efficiently via direct response. The faster a company can address a complaint, the greater the possibility to counteract these discussions or accusations before they spiral out of hand. Also, by a fast response, companies can show their customers that they care and are using their resources to the fullest in order to reverse an unfavorable condition (Andersson, 2011).

However, all companies need to be aware of the fact that many features on the Internet are impossible to undo and should thereby be careful with how they approach negatively influenced customers, so that they do not end up in an irreversible situation (Heyne, 2009, p. 21). According to Kammensjö (2012), SEB has several different online communication functions where both established- as well as non-established customers have the possibility of
stating their opinions online. In SEB’s case, customers may state their opinions through the bank’s Twitter- or Facebook page, but also on the bank’s own website. As SEB strives to be active in all those channels where their customers are active, the bank is looking into other options, potentially a chat function. Kammensjö states that “SEB are very glad to be able to be active within so many channels and in many cases at all hours, but there is always room for improvement. For this reason, we are happy to receive feedback, both negative and positive, in order to realize the options for improvement”. The interviewee continues by stating that the reason for managing online opinions is to build trust-related relationships. “In order to achieve this, we need to actively make use of the received feedback and work on improvements as well as try to follow-up on customer grievances. It is of importance, no matter which bank it concerns, to allow the customer to be heard”.

An implementation of a strategy in which companies establish themselves on online platforms can help companies receive accurate information and feedback on how the customer actually perceives them. However, according to the interview conducted with Fairshopping, it is not sufficient for companies to be active in social media, the importance lies in being active where your customers are active. After this, a company can begin searching for customer opinions concerning their activities, their competitors, as well as opinions regarding the product or service which the company provides. Sequentially, a strategy can be implemented according to how the company wants their customers to perceive them. This strategy should be consistent in all channels in order for the customer to receive the same treatment whether they enter the store, make a phone call, send an email, or write to the company via other means (Fairshopping 1, 2012).

In order to provide their customers with the best service possible, banks should initiate sCRM strategies. As sCRM strategies require the company to cherish their relationships with their customers in order to be successfully accomplished, the management of complaints should be dealt with according to these values. This means that all complaints filed online by dissatisfied customers should be treated individually as to show that the bank considers that its customers deserve personal solutions to their issues (Andersson, 2011). When a customer files a complaint, it tends to be of a personal nature and therefore, the banks need to treat it as such. A service providing company is dependent on their customers and the interactions that follow, and for this reason it is of importance that the relationship between themselves and their customers is based on mutual trust. By implementing strategies such as these adjusted
sCRM efforts, the bank can demonstrate their desire for achieving customer satisfaction by putting effort towards managing customer relationships.

Many companies have implemented sCRM strategies in the form of monitoring social media. However, it is not enough to locate these complaints, there is a need to extend this initiative to include complaint management as well as create means for a two-way dialog with customers (Gibson, 2011). Efficient and effective handling of complaints will influence the level of customer satisfaction, and thereby the characteristics of customer e-WOM. By initiating searches and scanning for posts containing customer dissatisfaction, companies have the opportunity to reduce the risks by dealing with them quickly. One example could be to search for keywords related to the company and their business and thereby retrieve posts in which they are mentioned. This can help businesses regain a certain amount of control over the situation (Squidoo).

According to Fairshopping, there are quite easy methods for scanning the Internet for valuable information. Services such as 48ers, Twitter Search, Google Alerts and Social Mention are free of charge and a very good way to begin this initiative. These efforts will help the company very quickly realize which type of information is interesting and uninteresting. Through this, companies have the possibility of buying a service that can filtrate the unnecessary and uninteresting information. A well-designed system for monitoring and recording complaint data can help the company retrieve information regarding what customers are saying about them and thereby it is also an effective way to find out what needs to be improved or changed with regards to their products or services (Fairshopping 1, 2012).

If companies want to scan the Internet for customer opinions whilst still having the opportunity to respond to these, the interviewed company Fairshopping is a quite successful example of such a site, relating to Swedish companies and consumers. The site fairshopping.se was launched in 2007, created with the purpose to enable companies and their customers to interact with each other at a neutral location where an open conversation could take place regarding both the issues of the consumers as well as the company flaws. Fairshopping enables customers to post evaluations and additional comments to the postings of other users, making it possible to complement the information added by someone else. These comments are then later forwarded via email to the company which they concern. As of 2010, the site also offers companies specific corporate pages where they can make use of the statistics and additional information provided, and through this be given an opportunity to
enhance their connection to their customers. Even though this function is currently free of cost, companies will in the future be forced to pay for their corporate function, although the rest of the site will remain free of charge (Fairshopping 2, 2012).

Even though the available threads created by customers on this site clearly shows that the banks themselves enter the page and here try to solve the issues that have occurred between themselves and the customers, this initiative is not brought forward through any other means. Since the banks, through this site, are given an opportunity to quickly and directly respond to the accusations made by customers, they should try to encourage consumer to raise their concerns via the functions the site provides. If customer instead were to post these concerns through platforms such as Facebook or Twitter, the possibilities to minimize the effects caused by the situation would be fairly reduced on the banks behalf. Fairshopping on the other hand would make it far more likely for the bank to be able to keep the situation contained and under as much supervision as possible, creating a far more favorable situation for all parties involved.
5. Conclusions and Recommendations

Contains the conclusions from the thesis as well as the proposed recommendations.

This thesis concludes that all industries ought to carry out an efficient way of handling complaint management. However, in the banking sector, it has come to be even more important since their customers are currently dissatisfied. Up until now, customers have found that the means for filing complaints have been nonsufficient. As our community is basing more and more of its activities online, there is a risk of customer dissatisfaction being expressed to not only directly reaching banks, but also large masses of other Internet users.

When reflecting upon why, where, and how customers complain, it can be concluded, through interviews, that the main reasons for consumers choosing to file their complaints through online means is that they deem it to be less time consuming and also more easily accomplished. Since large portions of the population in Sweden are active on various online communities, these also become the most common platforms for stating their opinions. The online communities that are deemed to cause the highest risk for spread of this dissatisfaction and grievance are the platforms Facebook, Twitter, forums such as Flashback, customer-initiated complaint websites, in combination with the platform provided through the online function of the Swedish newspapers. These customer opinions are publicly displayed through negative e-WOM, intended to enlighten other consumers of the banks shortcomings as well as trying to force banks to address their concerns.

Today, sCRM strategies are recognized as necessary initiatives in order to successfully comprehend and control the social media environment as well as to build trust-related relationships between the banks and their customers. Many banks have implemented these strategies in the form of social media monitoring. However, when analyzing how banks counter and defend themselves against online criticism it can, through this thesis, be concluded that many banks need to further evolve these functions and become more active in social media in order to achieve a sufficient complaint management. This study has shown that successful complaint management derives from companies responding to, and interacting with customers on the platform where they are most active. Through this, banks can enable direct communication with their customers whilst also influencing the level of customer
satisfaction, and thereby the characteristics of customer e-WOM through effectively and efficiently addressing complaints.

When considering the proliferation of customer complaints, conclusions can be made that if banks fail to handle customer complaints efficiently and effectively, there is a risk that this dissatisfaction will multiply and these customers will trigger each other into an even higher level of grievance. Complaints spread through social media, containing negative criticism can easily spiral out of hand as a result of the enormous amount of worldwide Internet users that can access the information posted via these highly popular communities. It can be concluded that through this spread, the banks are at risk of losing loyal consumers as well as their position in the market. For this reason, it is critical to establish certain measures for countering this criticism before it can be considered to have a negative effect on the company’s reputation.

Despite the fact that the Swedish banking industry attempts to measure dissatisfaction more frequently than other banks in Europe, it can be concluded that they need to further develop and improve on their initiatives. Through this, banks would be taking a large step towards creating a mutual trust between themselves and their consumers as well as overbuilding cracks that may have occurred in the relationship and through this maintain customers that were at risk of discontinuing the service. In order to reach these results, it is of importance that banks implement the needed complaint management as quickly as possible after the grievances have occurred, this so that the bank has to face as few consequences as possible.

5.1 Recommendations
In order to improve on the low level of satisfied customers currently involved in the banking sector, there are certain actions banks can take.

- **Do not underestimate the effects of negative e-WOM.** Banks need to realize the extent to which customer e-WOM affects the perceptions of other customers. Not only do customers who come across these grievances tend to increase their current level of dissatisfaction if already displeased, but also currently satisfied customers may potentially be influenced and alter their opinions.

- **Consider complaint management an investment.** The banks ought to consider complaint management an investment for promoting positive e-WOM. By proving to
their customers that they have both the motivation and the ability to address the issues they are faced with, banks can demonstrate their reliability as a service provider and thereby strengthen their relationships with their customers as well as their position in the market.

- **Embrace criticism.** The banks ought to consider criticism as an asset that can be used in order to realize what needs to be improved with regards to their services.

- **Choose place for establishment wisely.** Banks ought to make sure to research and determine where their customers are most active online and establish themselves accordingly. Since convenience is of high importance for customers within the banking sector, it is more likely to manage to establish a successful two-way dialogue on a turf where they feel at ease.

- **Improve functions on the company website.** The most convenient alternative from the banks perspective would be to adjust the corporate website so that it contains appropriate means suitable for today’s customers. Since customers tend to and have the possibility to search the Internet for opinions from fellow consumers, the most logical alternative would be to establish such a function on the company’s own site. A possibility is to add a public function, such as a forum, where customers would be enabled to state their opinions publicly, whilst the company maintains a certain level of control over the contents.

- **Initiate a tryout.** If companies wish to initiate a tryout on social media monitoring before attempting to fully include these efforts in their company activities, there are various alternatives that could be used initially free of charge. Via the blog of the consulting firm Gamsun, which deals with management of social media, companies can find different suitable alternatives. The options mentioned in this blog are Google Alert, Twingly, Twitter Search and Social Mention, which all enables a relatively extensive coverage of the social media platforms with the help of searching for keywords (Lundin, 2010).

- **Inform customers of presence online.** Banks ought to make sure that their efforts on the Internet are well-known to their customers. If consumers are aware of where the banks are most likely to address their issues in a fast and efficient manner, they will most likely also use these functions to file their complaints.
5.2 Further Studies

Although this thesis was conducted from the perspective of the Swedish banking sector, managing online complaints is a strategy which all industries should implement. The results and the recommendations resulting from this thesis can therefore also possibly be applied to international banks as well as other companies that acknowledge the importance of customer satisfaction and the prevention of proliferation of negative customer e-WOM. This possibility could be further explored, in order to obtain a general comprehension of the overall scope of the necessity for up-to-date complaint management in all sectors.
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Appendix 1: Flashback Forum Interviews
The numbering before each response has been added in order to clarify the beginning of each new comment, it is therefore not the order of the most common responses. The names of the threads are portrayed by their Swedish name, in order to facilitate the process of searching the forum, but can for comprehensibility be translated into Process 1: How do you complain? and Process 2: Poorly treated by bank.

<table>
<thead>
<tr>
<th>Where</th>
<th>What</th>
<th>Name of Thread</th>
<th>Start Date</th>
<th>End Date</th>
<th>Nr. of Responses</th>
<th>Most Common Usable Responses</th>
<th>Nr. of Views</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flashback Forum</td>
<td>When you have issues with a service providing company, do you believe it is more appropriate to forward this by visiting their office or via online means?</td>
<td><em>Hur klagar du?</em></td>
<td>2012-05-16</td>
<td>2012-05-28</td>
<td>9</td>
<td>1. Complaints about a certain product should be done face-to-face, but just expressing opinions could be done online. 2. Through online means</td>
<td>458</td>
</tr>
<tr>
<td></td>
<td>For what reason do you believe this is the most suitable way?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. The Internet is more easily accessible and convenient. 2. The Internet is less time consuming.</td>
<td></td>
</tr>
<tr>
<td>Process 2</td>
<td>Why are banks so awful at managing online complaints?</td>
<td><em>Illa behandlad av bank!</em></td>
<td>2012-05-07</td>
<td>2012-05-28</td>
<td>14</td>
<td>1. They may not be aware of how many people actually complain online. 2. They may find it too difficult to manage such large platforms. 3. Customer interaction is very expensive. 4. If the bank finds the complaint to be justly, they may find it inconvenient to deal with it.</td>
<td>1189</td>
</tr>
<tr>
<td></td>
<td>Which Internet site should I make use of in order to reach as many people as possible whilst at the same time having the greatest impact on the bank?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Create a group on Facebook or find existing groups where people discuss malfunctioning banks. 2. Make use of Twitter and the “tag” function. 3. Create your own website.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Interview Guide

First Interview

Respondent: Samuel Kammensjö, Social Media Quality Manager at Skandinaviska Enskilda Banken (SEB)

1. What methods are banks using at the moment in order to manage online complaints?

2. What can be improved?

3. What are the most crucial reasons for banks to deal with these online complaints?

Second Interview

Respondent: Fairshopping

1. What can companies, according to your experience, do in order to control customer complaints in social media? How can this be done, what techniques can companies make use of?

2. What social media do you find most important to manage? Which are still out of range?

3. What experiences does Fairshopping, as a company, have with banks that need help with managing social media?