

Reeta Juntto

**EMPLOYEES' VIEWPOINT ON CHANGING BANKING SERVICE NEEDS IN
POHJANMAAN OSUUSPANKKI**

**EMPLOYEES' VIEWPOINT ON CHANGING BANKING SERVICE NEEDS IN
POHJANMAAN OSUUSPANKKI**

Reeta Juntto
Bachelor's thesis
Autumn 2017
International Business
Oulu University of Applied Sciences

ABSTRACT

Oulu University of Applied Sciences
Degree programme in International Business

Author: Reeta Juntto

Title of Bachelor's thesis: Employees' viewpoint on changing banking service needs

Supervisor(s): Anna Alapeteri

Term and year of completion: Autumn 2017

Number of pages: 43+1

The objective of the thesis is to find out the biggest challenges in the future that the bank needs to be ready for considering customer service. The banking industry is in a turning point due to developing technology, automation of the services and digitalization. That is why the banks need to develop itself and find out new ways of serving the customer, also online. Employees of the bank are in contact with the customers every day and notice what is working and what the customers think.

The commissioner of this thesis is Pohjanmaan Osuuspankki, and the empirical part of the thesis is a questionnaire for all the banks' employees, altogether little under 70. The survey is quantitative with elements of qualitative research and includes eight questions about the services, customer service, development ideas and possible new digital services that could be taken into use. Resources used in this thesis are literature about banking services and services' future. Also, recent articles in the field and experts' interviews are used alongside with the customer survey conducted in the bank in autumn 2016. Personal working experience and tacit knowledge learned in practice are also utilized in the thesis' theoretical part.

The main results found were that employees would like to see the bank trying chat service, improve other digital services, getting new customers by targeting better certain customer segments and keeping up with the technology's changes. The employees want to ensure cyber safety and the possibility for the customers to visit an office. The practical suggestions for the bank are to take chat service in trial, to improve information flow between the customers and to co-operate with real estate websites to create visibility. Also keeping the bank as traditional and "suitable for ordinary people" with a modern touch is a wish from the employees that can work as a guideline when improving the services.

Keywords:

banking services, customer service, online services, bank employees, change, chat, survey

TABLE OF CONTENTS

1	INTRODUCTION	5
2	THE BANK: POHJANMAAN OSUUSPANKKI	7
3	CUSTOMER SERVICE IN BANKS TODAY	8
3.1	Customer service in the offices	9
3.2	What could be developed according to customers – Säästöpankki’s research	11
3.3	Online chat as a service tool	13
3.4	Online bank, mobile application, video negotiations and more	14
4	PERFORMANCE, TARGET MARKETING AND PERSONALIZATION	19
5	THE FUTURE OF CUSTOMER SERVICE	22
6	RESEARCH METHOD	25
7	RESULTS	27
7.1	Services going online	27
7.2	What could be improved in customer service?	29
7.3	Chat service	30
7.4	Video negotiations	31
7.5	Employees’ suggestions on what could be changed	32
7.6	The biggest challenges in the future	33
7.7	A bank for ordinary people, support and encouragement	34
7.8	Summary of results	34
8	CONCLUSIONS AND DISCUSSION	37
	REFERENCES	42
	APPENDICES	44

1 INTRODUCTION

The whole banking industry is in a turning point due to digitalization, globalization, and development of technology. Customers still need to be served, even though their need of service is changing. Lots of services are replaceable with online services and programs, and services are going online. However, customers want to have local, human service and the possibility to visit an office. In customer satisfaction survey conducted in Pohjanmaan Osuuspankki in autumn 2016, people wished for local service in offices, but also the opportunity to negotiations and chat service online. Banks need to keep up with services going online and developing technology every day. Therefore, this thesis is going to search for development ideas for Pohjanmaan Osuuspankki's customer service.

This thesis' objective is to study banks' customer service today and to see where it might be going in the future with an example of a bank, Pohjanmaan Osuuspankki. The topic of the thesis is current and practical, and can provide practical suggestions to implement and try when competing with bigger banks. The research questions this thesis is going to find answers to are relating to the future and the changes in the services, concentrating on digital changes and payment services. Loans and other services are briefly referenced, too. The research questions search for answers to the biggest challenges in the future, on how to help customers to adapt and how the banks can keep up and adapt to the technological development. Two of the research questions are mainly answered with the empirical part, and, the second one, is answered by using mostly the theory, but also with some answers from the employees. The questions are as follows:

- What are the challenges that banks need to be ready for considering customer service?
- What could be done better to adapt to the services going online and digitalization?
- What can make it easier to customers to use online services be satisfied with them?

The empirical part in this thesis is a questionnaire for the employees in Pohjanmaan Osuuspankki. The questionnaire's objective is to find out the employees' thoughts and ideas for the future considering customer service in offices and online. They know based on their everyday work what could be done better or improved. Their ideas can be used to develop existing services and also

creating new ones. The questionnaire is an online survey that is sent to all the bank's employees via e-mail.

The resources used in this thesis are literature about banking services and services' future. Also recent articles in the field and experts' interviews are used alongside with the customer survey conducted in the bank in autumn 2016. Personal working experience and "silent information" learned in practice are also utilized in the thesis' theoretical part.

In the report the bank itself and its customer service is introduced first. Customer service in banks is discussed and its changes that are happening are elaborated a little. Then, another bank, Säästöpankki's research about what people are satisfied and dissatisfied with their banks is explained, because of its important information what people expect and are already happy with. Next, online services as a tool of communicating and making services easily accessible and to save time and money from both customers and banks' employees are discussed. The next chapter is about performance, target marketing and personalization, because those strategies that will be increasingly important in the future for banks to succeed in getting new customers as well as maintaining current ones. Chapter number five tells about future of customer service, a little about new providers that are coming into the banking field and some changes in the near future. Next chapters from chapter six to conclusion and discussion will concentrate on the empirical part and are elaborated later.

2 THE BANK: POHJANMAAN OSUUSPANKKI

Pohjanmaan Osuuspankki is a Finnish bank with seven offices centered in Ostrobothnia. As a relatively small bank in Finland, with approximately 24 100 customers, their focus is on customer service. The main office is in Kauhava, and other offices are in Alahärmä, Ylistaro, Korttesjärvi, Evijärvi, Ylihärmä and in Oulu. In the beginning of June 2017 two offices in Oulu were combined. Pohjanmaan Osuuspankki's vision is "Together stronger" which indicates their focus: modern, people friendly and safe banking services close to people. The bank is also known as "the birch leaf bank", since the bank's logo is a green birch leaf. Birch leaf is a Finnish symbol, which can be used to express, for example, nature, freshness, domesticity and traditionality. The bank competes with the bigger banks in Finland with its customer orientation and being traditional, local bank with a modern touch.

The bank functions in cooperative form, meaning that all the members own the bank together. Customers can purchase a membership by opening a membership account and thus get some discount on their daily banking services. Cooperative business form is common in Finland, for example the big S-group and Osuuspankki work the same way. Pohjanmaan Osuuspankki is part of the POP Pankki group which consists of 26 POP Pankkis and POP Pankkiliitto, bank union. (Pohjanmaan Osuuspankki 2017, cited 4.4.2017.)

In autumn 2016, Pohjanmaan Osuuspankki conducted a survey for customers. In this survey, customers got to express their views on current state of the service, opening hours, and their wants and needs. Many wished for chat service, possibility to come to an office after business hours and video negotiation was also a topic discussed. Customers thanked the bank for being a local, warm and customer oriented bank and were generally happy with the services. The customer survey is referenced to in the theoretical part.

3 CUSTOMER SERVICE IN BANKS TODAY

In this chapter customer service in banks is discussed. Effective customer service and how to achieve it and the link between satisfied customers and satisfied employees is elaborated. Daily banking business that customers take care of in the offices are discussed and customer satisfaction survey conducted in Pohjanmaan Osuuspankki in autumn 2016 is analyzed a little, as well. Säästöpankki also published a research, which explains what people like and do not like in banks and their customer service, and that research is explained in this chapter. Chat as a customer service tool is introduced and some other online applications such as mobile applications and video negotiations are reviewed.

When a customer is satisfied that is the result of successfully conducted customer service (Dilley 2012, 243.) Satisfied customer is the best customer, because when he or she feels happy with the service they received, he or she will most likely come back and recommend the service to others as well. According to the writer, three elements of customer service that may be inspected when dealing with customer service levels are process, quality and expectation Process means delivering the service itself. It means basically everything from a greeting at the door or on the phone to the service or solution completed. This is where the employees do most of their work to satisfy the needs of the customer. Quality means the level of service that the customers requires and receives (Dilley 2012, 244). Again, the service quality depends much on the expertise of the employee and the resources they have access to complete the task the customer asks for. Finally, expectation means the level of service the customer is expecting before it is actually happening. The expectation is a result of marketing, previous experiences and possibly experiences of other customers.

To achieve effective customer service, the bank, or other organization must find out the “needs and “wants” of the customer (Dilley 2012, 249). Financial service organizations, such as banks and insurance companies are moving fast because they must keep up with the expectations of customers as well as the digitalization. Customers expect personified service and to be treated as an individual despite the channel they are getting their service from. Therefore, familiar, even traditional ways of serving customer still are convenient. Traditional channels, such as the office’s teller window and the phone are simple but effective ways to serve a customer (Dilley 2012, 249.) Today, when digital channels are increasing their share on daily communication between the bank

and the customer, they need to be considered and developed as well. When there is a channel for everyone, there are also more satisfied customers.

Satisfied customers will create goodwill and satisfaction in the working place, which is a preferable thing. On the other hand, satisfied employees generate happy customers, and it is a solution where everyone benefits within the organization. For the banks to ensure continuing improvement of customer service, they need to follow up on the activities that are meant to create change. For example, training of the employees and performance managing are things that need to be provided for. Monitoring, meaning measuring the outcome of customer meetings and feedback provide essential information to banks.

3.1 Customer service in the offices

Even though services are going online more and more, many people still take care of their daily banking business in the office. Pohjanmaan Osuuspankki is a quite little bank and known for its customer friendliness and having cash available every day when the offices are open. In a little bank customer base that comes into the office weekly is in general the older generation. Younger people are used to using their computers and mobile phones, and do not necessarily feel the need to come to the office when they are fluent in using an online bank, a mobile bank application and ATMs for withdrawals. Usually banking errands that are taken care of in the offices are withdraws, deposits, paying bills, getting or negotiating for mortgages and loans and asking for advice in investment relating issues. Smaller issues, such as changing card's limits or changing one's personal information can be done online when securely logged in to the online bank. However, certain matters are still mandatory to do in the offices. For example, when customers come to get their first ever bank card or an online bank account. Also, nowadays there are quite strict rules about how banks need to have basic information about their customers archived. Therefore, from every customer, there needs to be a copy of a valid ID and some basic information about them. Thus, for new customers and people whose personal information is being filled in for the first time coming into the office is essential.

In the customer survey conducted in autumn 2016 in Pohjanmaan Osuuspankki 9,2 per cent of the 1076 answerers said they visit an office every week at least once, which can be seen in Figure 1. Interestingly, in figure 2 it can be noticed that when the next question was about "How important is

it to you to be able to visit an office if needed?”, up to 33,8 per cent of the respondents answered, “very important”. This means that customers want to have the possibility to come in to take care of business that could possibly be taken care of online, too. The opening hours with the cash service available are good in Pohjanmaan Osuuspankki. The bank values customer point of view and their experiences and it is visible in their daily services. In the survey, some customers also said that for a busy customer, possibly a business owner, it is difficult to come to the office during business hours. The bank is currently open from 10am to 4pm. The bank reacted and from the beginning of 2017 in Oulu the offices have been open normally but with booked appointment customers can come in from 8am to 6pm. Of all customers over 10 200 had an online bank contract and use internet to take care of their daily banking business. Self-service was 94,3 per cent of all daily banking errands in 2016 (Pohjanmaan Osuuspankki 2017, cited 5.6.2017), such as using ATM’s, service automats or internet and online bank to pay bills and withdraw cash, for example. In Oulu area, there are not service automats or ATM’s in the bank’s office but in Southern Finland’s offices in Ostrobothnia there are.

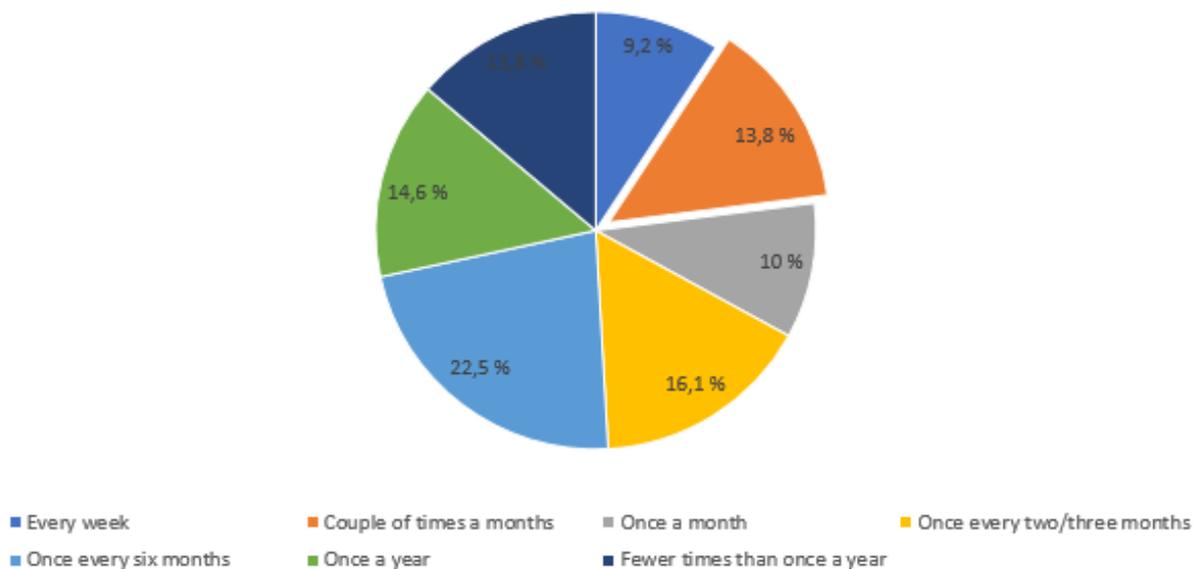


Figure 1. Question from the customer survey: How often do you visit an office? Answers in per cent, 1076 respondents

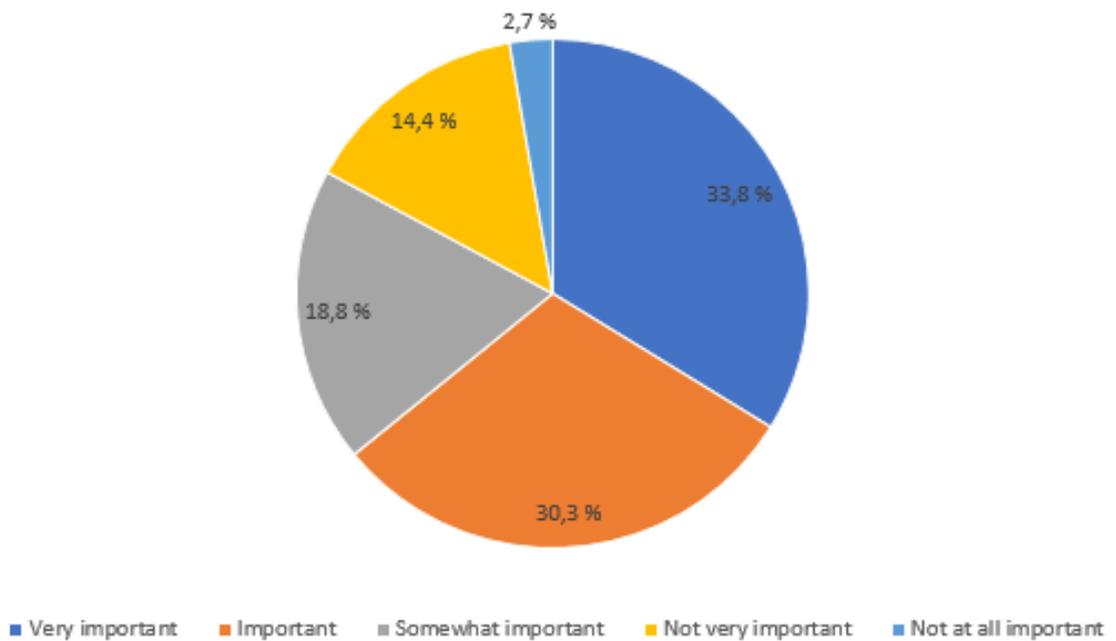


Figure 2. Question number two from the customer survey: How important it is to you to have the possibility to visit an office? Answers in per cent, 1077 respondents.

3.2 What could be developed according to customers – Säästöpankki’s research

On 1st of February 2017 Säästöpankki published a research “Mikä pankeissa pännii”. The information was gathered in January 2017, and 1004 Finnish people answered (Säästöpankki 2017, cited 4.4.2017). Noora Säästöpankki’s CEO Tommi Rytönen wrote an article “Ahneus, ylimielisyys, kasvottomuus”, which stands for greediness, arrogance and facelessness, in which he tells about this research and what people now think about banks and bank services. According to the research, the biggest issue that customers think banks have is greediness. Up to 86 percent of respondents thought that banks only drove their own advantage. Arrogance was mentioned in 55 percent of the answers. In the countryside people felt less affected by arrogance, only 46 to 48 percent, which is understandable because in the countryside banks tend to be smaller and the employees get to know their customers easier due to there being less customers. Younger generation was more positive than the older generation. Of 18 to 34 years old 28 percent said banks to be arrogant. Of over 55 years old respondents half viewed banks as more arrogant these days. In smaller village bank offices bank is often associated with a person, not an institution. Older

generation that has been customers of one bank for a long time often see the change of things and want to stay in the traditional way of taking care of their business. For example, in Pateniemi the office was quite small and people wanted to do business with a clerk they know, and it took time to earn their trust. Approximately two decades ago there were smaller village banks, almost one in every part of the city. Older people remember this time and still want to chitchat with the bank clerk they know.

In general respondents stated that they did not feel important to the bank, which creates also facelessness. 321 answers of the 1004 mentioned facelessness being one of the biggest problems with banks nowadays. It was mentioned three times more often than for example service fees or there being less and less offices. This shows that Finnish people want to be treated as an individual rather than just a part of a machine. One of the respondents stated that bank should be there for its customers, not the other way around.

In Helsinki metropolitan area one third of customers feel that bank offices are located badly, but in the countryside only 18 percent of the customers seem to think the same way (Säästöpankki 2017, cited 4.4.2017.) Altogether smaller countryside banks have better touch with customers and their everyday life. In Tommi Rytönen's article (Taloustaito 2016, cited 4.4.2017) the author says that bank is indeed in some sort of a turning point. He says that in 2012 and 2013 digitalization was "not spoken of", and the banking industry was in denial state. It was a common thought that online banks were done and people were happy with it. However, the development is happening all the time. Digitalization is now commonly spoken of and customers expect the same intensity from banks than from other services. The service needs to be digital and modern. The bank service has traditionally been, at least in bigger banks been far away from people's everyday life. Rytönen says that he worries that this is where Google, Apple or some other company that will start forwarding payments can come in the industry. Customers can only gain from change when it comes to banking industry. In Rytönen's article there was a quote from CEO of Citizen Bank of Edmond Jill Castilla. She has said that banks can build their future as a surrounding community by being part of their customers' everyday life (Rytönen 2016, cited 4.4.2017.) And that can't be done from far or behind closed doors. Thus, banks need to get closer to the customer and make its services more transparent.

3.3 Online chat as a service tool

Chat service is one way to get closer to customers and lower the gap between the bank and customer's everyday life. The fast, easily accessible way of communicating is used in many official sites nowadays, such as banks, Kela, Verotoimisto, schools and even hospitals. In the customer survey conducted last year by Pohjanmaan Osuuspankki, customers wished for chat-service, since they think it would be an easy way to ask a quick question or solve a simple problem. OP-Pohjola-bank first tried the chat service a few years back. OP's online sales manager Ethel Eriksson says that Osuuspankki wanted to be part of the online culture when they launched their chat-service in autumn 2011. The service they launched included chat-customer service, call-back-service where people can leave call-back requests as well as online negotiation and online appointment booking (Kortesuo 2014, 49.) Eriksson says that with Osuuspankki the chat service has worked quite well, and people have been generally pleased. She says that people working in open offices these days don't have the possibility to queue on the phone lines, but they can chat on their computer with their bank.

The most important thing that Eriksson mentioned, was that the customer service in chat needs to be on "customer level". Too stiff language or quotes from terms and conditions would not suit people who ask for help in chat. It is very similar than blogging or tweeting: it needs to be appropriate, sort of business-like, but not too rigid. An official letter used to be a thing to know how to do, now speaking and writing customer language is coming more and more important (Kortesuo 2014, 54). As Tommi Rytönen pointed out when talking about Säästöpankki's research, banks need to come down to the customer, and that way avoid being seen as arrogant or non-transparent (Rytönen 2016, cited 4.4.2017.) Thus, recruitment and proper training is important. They need to consider employees' customer language skills as well as social media skills. This is also why robots cannot handle chat conversations, since customer service needs to be on the same level than the customer. Recruitment needs to focus on people skills and fast and reactive employees. The employee ideal for handling the chat service is on-going type. (Kortesuo 2014, 54). Being comfortable with fast changing situations, fastness and being handy are good qualities for working with chat service. Nonetheless, those employees are popular elsewhere in the organization, too, says Eriksson. Internal recruitment might need to be considered.

Bank secrecy needs to be taken care of, when dealing with easier ways of communicating with a bank. People need to log in with their online bank account, and then they can start to chat. Eriksson says that an employee in Osuuspankki only has one tab open at a time that no error occur easily. A person wanting to chat with a bank employee needs to choose a topic for their issues, which in Osuuspankki are for example cards, accounts or insurances. That way the bank can make sure the person answering is the best possible with proper knowledge to answer and do it fast (Kortesuo 2014, 52.) Customer's should not be directed through long menus and as the author says, "every click is too much". Simpliness and fastness are important, since reclamations and problems usually get worse over time. Solving them fast benefits both the bank and the customer and creates more positive experience. Taking responsibility and taking care of the problem right away is good, and saves time and money. Chat is a quick way to take care of for example reclamations compared to other forms of communication.

However, the employee needs to know when to change a channel (Kortesuo 2014, 53). Not all customers can write with ten fingers, and sometimes it can take time to write a simple message. Thus, the employee might then suggest, if he or she could call the customer and that way lead the conversation. Sometimes the issues might need signed papers or other things chat cannot provide, and a phone call or a message sent from the online bank might be in order. Online-world, such as chat service, needs resources, and constant developing. The online service, appointment booking or the chat service needs to work, otherwise it is just costing a lot of money and not working the way it is supposed to be. The queues should be kept as short as possible and there should be people dealing with the chat on a daily basis. A strong back-office is needed, meaning well-functioning IT department in this case. (Kortesuo 2014, 54.)

3.4 Online bank, mobile application, video negotiations and more

Most of the customer these days are using an online bank service. It is a necessity when signing in for example to Kela's, Finnish Tax Administration's and healthcare companies' websites, and it is considered as a basic banks service nowadays. Everyone should have a right to have online bank account, since it is important in other official institutes websites in order to get service. From figure 3 it can be noticed that 87.3 per cent of people who answered are using online bank services, and that it is a big, widely used service. Well-functioning online bank is essential in order to a

customer to be satisfied with bank's service online. If the online bank does not work or provide something a customer wants to solve, they will have to come to an office or call an employee to ask for help. Therefore chat-service would be a convenient thing to have, since in chat customers could ask simple questions and help for smaller issues in, for example, using online bank properly.

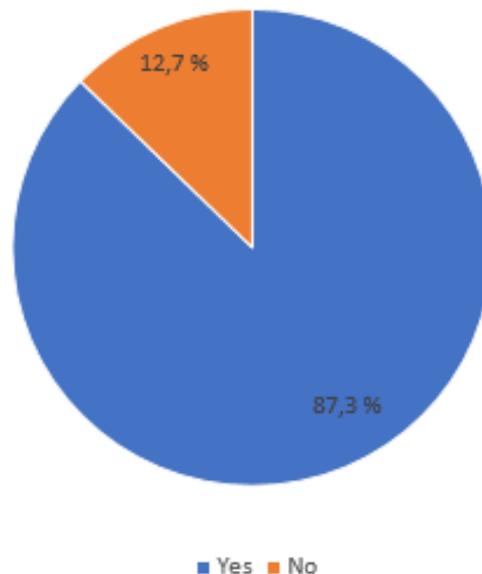


Figure 3. Question number three from the customer survey: Do you use online banking services?

Mobile application to take care of smaller errands when on the move is getting more popular every day. It is a convenient way to check account's balance when going to buy something or to do transactions between own account, for example moving money from savings account to regular account. Searching for ATMs or shutting down a card after losing it is easier in the mobile application. It is not as widely in use than a regular online bank, but growing. Nevertheless only 27.6 per cent of the 1063 respondents use the mobile application, which can be seen in figure 4.

It is surprising to notice that while many customers have a smartphone, they do not necessarily have the application. The numbers are quite different from the online bank's user rates. The application could be developed further and marketed better for target groups, younger generation and adults. Some of the respondents wrote to an open question that they wish it would be easier to for example check their own balance. Now the customer needs a security number from the

security number card alongside with their own account user number and password. For example, in Danske Bank's application balance can be checked and money moved between own accounts without the security number. That can be done with only own password and account user number. Customers thanked the application to be easy and simple to use, which is a good result.

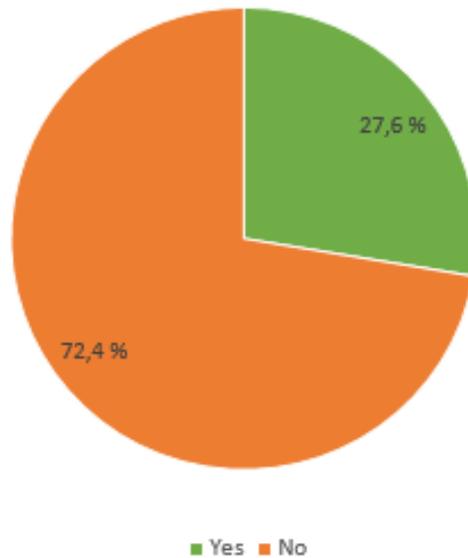


Figure 4. Do you have a downloadable mobile bank-application on your tablet or smartphone?

Many banks nowadays offer a service, in which customers can book a time in their website to go see a person in the office. For example, Pohjanmaan Osuuspankki and OP offer this service, and Danske Bank offers a similar one, where the customer can make a request and they will call back. In Pohjanmaan Osuuspankki this service is relatively new; it was introduced in 2017. Both existing customers and non-customers can book a time straight to an employee's calendar. This is an easy and fast way to get into contact with an employee and take care of the business that needs to be done in the offices or if the person just wants to come in. It makes the bank a little bit more approachable, and is more of a low-threshold service.

POP Pankki is the first bank to offer a mobile phone service that can re-open a locked online bank account. Customers can connect their phone number to their online bank account, and if they insert

their password wrong too many times, the account locks. With the mobile phone number put to the system beforehand, customer receives a text message with a code, which when inserted to the service, opens the account. Customers can save time and money by not having to come into the office to open it and pay the service fee for it. Often when a customer comes in with a locked account, the employees give them an instruction paper with directions of how to set their mobile phone number into the service that they can do it at home. This is a very modern application in an online bank and people are generally pleased with it, because it concretely saves them effort and money.

Video negotiation service divides people, both employees and customers into two groups. Some people think it is the future that the customer does not necessarily have to leave their home to get a mortgage of smaller loan, or that they can video negotiate any time, not only during office hours. For employees, video negotiations would mean peace to do their work and the bank doesn't need to be open. The employee can also work alone, which is cost effective to the bank, too. Bigger banks, for example OP and Danske Bank have offered these kind of services for years now, and the feedback has been positive. Danske Bank Finland's business director Asko Mikkonen says that if the customer is already a customer and the bank already has the customer's collaterals, the whole process of loan negotiations and signatures can be taken care of online (Varmavuori 2014, cited 15.4.2017). However, bank director in Osuuspankki in Helsinki Risto Pehkonen states that the signatures need to be done physically in an office, but otherwise online is a good choice. They both agree that if the loan is big, for example for building a house, the usual decision is to visit the office at least once. Pehkonen says that for most customers a house and a mortgage is such a big investment and an important milestone in their lives that they want to meet in person. In smaller loans, it is not necessarily the case (Varmavuori 2014, cited 15.4.2017.) In POP Pankki a mortgage can be applied for online, and the application goes to an employee, who then takes the case and calls the customer back about it. In the phone, they can get more information and set a date for a meeting and negotiation at the office. Video negotiations are not in use yet.

In short, vide negotiations are in use in some parts of a loan negotiation process in bigger banks. It seems, according to the experts, such as Osuuspankki's director Risto Pehkonen and Danske Bank's Asko Mikkonen, that people like being in contact directly with a person, but video connection would be efficient when used in some occasions during the loan process, not to cover the whole process without any visits in offices (Varmavuori 2014, cited 15.4.2017). Video negotiations may

increase in the future, and can help people who work late or live far away from the offices. It also takes resources and requires education to employees.

This chapter discussed about mobile application and online bank and how convenient and time saving they are to use. However, it is a bit surprising how few people have downloaded the application even though they use mobile phones. POP Pankki has application where customer can unlock their user if locked by wrong password themselves, which is one of a kind service in Finland at the moment. Also, video negotiations were discussed, as they could help people working late or living far away from the city to take care of their banking errands. Video negotiations could be used as an add-on to normal loan negotiations as well.

4 PERFORMANCE, TARGET MARKETING AND PERSONALIZATION

In this chapter, performance, target marketing and personalization of services and advertising are discussed. These things are important to banks to be able to maintain good customer relationships, be efficient and to gain new customers. Traditional, direct marketing by mail does not work the same way that it used to, since new channels exist and customers expect certain things from official institutes, such as banks. Banks compete these days with their performance, meaning who can perform the best when it comes to customer service and customer experience.

Google, Facebook or Apple are not likely to become banks, since the existing banks have the advantage of already gone through the regulatory duties, compliance and the needed capital (King 2014, 105.) More likely is that they will be forwarding smaller payments, working with online stores and digital wallets. Also, Jerry Canning, Google's head of the finance sector team of United States says in the book that for example Google could cooperate with banks by helping with target marketing. When increasing amount of people use mobile when searching for example mortgage options, Google has the information of searches Google can gather information about the searches, such as who searches and their demographic information and location. Also, the time of the searches, the clicks completed, the time spent on each website and the search words used. Canning stated that that's where banks and Google could cooperate and share information working alongside each other. Google's role for example could be connecting the information gathering to the customer's experience (King 2014, 105).

Years ago, banks were competing with their branch location and the best business places. Later, the competition was about which bank could offer the best interest rates and margins and service fees. Today the competition is about the bank's performance in managing end executing the customer's finances (King 2014, 109). Banks have not lost the battle against the new institutions that are coming into the field or against digitalization. In fact, banks have higher scores in giving out relevant advice and high quality offers to customers. The big question in the future will be whether banks can keep up with advancements of technology and compete in that with their peers. Also, the performance level they are able to deliver will be a big part of their success. Kevin Travis, financial institution Novantas partner explains that he thinks in the future there will be a couple of bigger banks that are strong brands and not that many physical offices. They also will have more "remote transaction capabilities" and very capable mobile capabilities as well as online competence

(King 2014, 110). Niche operators may rise, too, Travis speculates. He says that they may not have all the capabilities physically but are able to provide well targeted and branded experiences to customers. King also reminds that banks will be needed anyhow. Offices may be fewer, but there will be offices (King 2014, 111).

King interviewed Jim Marous, who is a direct marketing specialist and business developer. He said that there is and will be “customer 3.0” that means according to him that ordinary, traditionally used demographics do not define customers anymore, such as gender, age, social status and income or geography. The customer should be defined by the they use different technologies and their individual need (King 2014, 210). This is where digital marketing and targeting individually wins traditional media and marketing. The new type of customer is price sensitive, but will be pleased to pay for services that save them time or money in the long haul. It is often thought that “free is better, but it is not always the case. This is an opportunity to banks to build services that can be individualized or differentiated. A lot of “shopping” of banking services and banks is done online or by other people’s recommendations. Hence, customers expect targeted marketing already. They are used to targeted and personalized marketing, since receiving group adverts or offers are usually defined as junk-mail or otherwise ignored. Customers know that banks know a lot about them, thus that information may be used to target them better (King 2014, 215). That way for example marketing a service the customer already has can be avoided. Right message at a right time is the key to successful target marketing.

Laplanche and Schatt agree on that direct mail is a little outdated way of marketing, since that is a waste of effort (Laplanche & Schatt 2010, 59). It usually will meet the wrong person at the wrong time and not have the outcome expected, such a sale or a new customer, as King has said, too (King 2014, 211). Efficacy will be even bigger factor on succeeding and surviving in the future. Reaching the customer in the right place in the right way by targeted marketing is cost efficient and time saving. Businesses, such as banks need to take into consideration the social media and the impact of the global web. As said before, social media is a big phenomenon.

People choose their services in almost everything by brand preference, and there is an opportunity for banks, too (Laplanche & Schatt 2010, 85). If banks, the smaller and in King’s words niche providers that can succeed by branding, can create individually meaningful way of letting people know their brand and its story and values. That is an important matter. Most likely that will interest consumers and give them an option to choose that bank. Also, when retail locations are not necessarily the first thing customers choose the bank by, interesting enough digital channels and

service will be features that that draws customers to the bank. Businesses approach should be on mobile since that is where customers connect and operates. Long-term profitability is “where it gets interesting”, according to authors (Laplanche & Schatt 2010, 85.)

Customer lifecycle marketing means forming life lasting relationships with customers, and possibly using channels that use customers’ real identities like Facebook to back it up. Also, trust is a big issue that needs to be there and working. Trustworthiness can be shown as credit scores or good customer feedback, but that is not all. There is every day more data and information of the customers, only because of the changing laws and regulations. Customers know that banks have information about them, but as more banking is done from home of the customers, they need to trust the bank. Even though the bankers are not literally at their house, still to let them see and hear in customers’ homes, where they are comfortable being, is a big step.

In short, this chapter discussed the importance of target marketing when it comes to gaining new customers. Marketing through mail and posting the same advertisement to multiple people based on, for example, postal code, is not likely to reach the right person at the right time. Performance is the key when it comes to improving customer service because of the competition. Banks compete with who can deliver the best performance to a customer. When it comes to maintaining existing customers, personalization is important. People like to be treated as individuals and since every customer is different, the service must adapt, even just a little, that the customer will be satisfied.

5 THE FUTURE OF CUSTOMER SERVICE

In this chapter, some future changes and possibilities are explained. New providers that deliver payments are entering the banking field and that creates both possibilities and threats to banks. Finnish banks have developed some applications and different kind of digital services to make payment easier and the services are elaborated in this chapter, too.

Digitalization is every day faster than ever and technology has developed fast in the past years. The biggest challenge is to provide services that profitable services and to meet the customers' needs (Fungáčova, Toivanen & Tölö 2015, cited 15.4.2017). Customers expect more and more faster and easier way to take care of their banking business. As the technology goes on, changes in the markets and the whole digitalization have created a base to third parties, competition from outside the banking sector, to be able come into the field. When new providers appear, it is not only a threat but also an opportunity.

These times are essentials to banks (Karismo 2017, cited 22.2.2017). Banks have a year before a new payment service directive comes into effect. In January 2018, the directive makes banks open up their information systems to third parties. It means that banks must give information about customers' accounts and payment service information to external service providers, however with customer's consent only. Those service providers can create banking services or payment tools, which charge payments directly from customer's bank account. Now even smaller start up-companies and technology companies from different fields are challenging banks, and this change will be a push for sort of disruption. It means old operating models being replaced by new ones in this case. That is why banks need to build even better services and get consumers interested in their digital platforms to secure their profits.

New providers that can forward payments make banks "unnecessary" in some transactions, for example when doing a purchase online. There are global companies that are going to take advantage on this new payment direction. For example, Apple Pay, created by technology giant Apple and PayPal, another big company that delivers payments will probably searching into this possibility to get into the banking field somehow. Already in Great Britain car company Jaguar and global oil company Shell stated in February 2017, that they will start working together with Apple Pay and PayPal (Finextra 2017, cited 22.2.2017.) With PayPal and Apple Pay car's driver could for

example touch the screen inside the car to pay for gasoline. This is a big step ahead with payment services and will become more popular in the future. These services are already popular and people are familiar with them, especially the younger generation. Smart phones and tablets are carried with and it will be easy to do shopping and to pay purchases in stores and on the move.

In Karismo's article Nordea's country manager Ari Kaperi states that he thinks this change might even increase people's use of banking and financing services, not the other way around (Karismo 2017, 22.2.2017). People find it easier to use the service wherever and whenever, when it is accessible all the time. New applications can be made and attached to banks' existing platforms, and existing services can and will be developed. Kaperi says that in Nordea they will develop their services to certain level that the customers can use them despite of who else comes to the market. Payments traffic, deposits, investment issues, crediting, all kinds of advising is getting easier and if banks can compete in these, there's a huge possibility for all banks (Karismo 2017, cited 22.2.2017).

New applications are already made by banks and they are successful and quite wide-spread in Finland. Danske Bank's MobilePay is a new way of sending money and paying at the cash register fast and effectively. Customers can download the application for their smartphones and sign in with their bank account information and a password they get to choose themselves (Danske Bank Oyj 2017, cited 16.4.2017). They can send and receive money with their phone number, and for example share a bill with friends easily, when they can send money to each other with a click. The customer does not need to be Danske Bank's customer, any banks' card and account will work with MobilePay. Today, MobilePay is in use in McDonald's restaurants in Finland, where customers can pay for their food with Mobile Pay. Osuuspankki has created their own mobile payment application called PiVo. In this application, the customer needs to be Osuuspankki's customer, because in PiVo they can follow their bonuses and discounts on banking services and Osuuspankki's insurances (Osuuspankki 2017, cited 16.4.2017). Also, K-Plussa-card can be attached to PiVo. PiVo works on every cash register that has NFC-chip reader. NFC comes from term Near Field Communication-system, which uses the chip to pay from close range. Aktia bank has also come up with their own Aktia Wallet, which is an application for NFC-payments. A sticker with NFC-chip is connected to customers' Aktia bank account and can be used to pay for purchases under 25 euros. The sticker can be attached to a phone, keys or other and one customer can have several stickers (Aktia 2017, cited 16.4.2017).

To summarize this chapter, banks need to be ready for new competitors coming into the banking field and to compete with their services. Banks already have existing platforms to create new features and applications on, and there is an opportunity to compete with the new providers. NFC-payments, wallet applications and such are increasing in the future and banks can profit from working together with already existing payment providers such as PayPal. Changes that come in the future are not only creating competition and causing threats but creating opportunities to grow, improve and modify their services.

6 RESEARCH METHOD

The objective of the thesis is to find out how Pohjanmaan Osuuspankki's employees relate to customers' changing need of service. The services are inevitably moving online, and customers need to be served online, too. The employees are in contact with customers and their opinions every day, thus they are the best people to ask what could be done better to adapt to the change. The employees have firsthand experience on the opinions and feedback of the customers as well as the information and experience on their own daily work. That is why their opinions can offer valuable information about what could be developed and what works well as it is.

The research concentrates on the research questions, which are as follows: What are the challenges that banks need to be ready for considering customer service? What could be done better to adapt to the services going online and digitalization? What can make it easier to customers to use online services to take care of their business and to be happy with it? The first and the third of the research questions are mainly answered with the empirical part, and the second one is answered using more the theory part, but also with some answers from the employees.

This quantitative research was conducted as an online survey with SurveyMonkey.com. The survey took place in April 2017 and the respondents had one week and a half to respond. The population was Pohjanmaan Osuuspankki's all employees and the sample was comprehensive since the target was every employee. The survey was sent to altogether 67 employees via email. Approximately seven of them sent an automatic reply on being on vacation or on maternity leave. The survey reached 60 persons. The final number of respondent is 27, thus respondent rate being 45 per cent. After gathering the material, the responds were looked more into. Due to the answers being long, common phrases and words were searched and common opinions found. Many of the employees were quite unanimous, and many things were mentioned multiple times.

The questionnaire was composed of six questions about bank's customer service now and its changes and challenges in the future, and they can be seen in the appendix. In the end, there are two questions in which the respondents can clarify their answers, answer to some questions that were not asked and give their feedback on the survey. Most of the questions are open questions, because of the questions are diverse and restricting them could prevent important issues to be expressed. Open question is best used when wanting answers to question whose answer options

are difficult to define in advance. Answers to open questions can bring new perspectives to light and offer valid development ideas (Heikkilä 2014, 48). Structured answer options might have had misguided the respondents in case they would not agree with the questions or the composer of the questions. Two of the questions are partly open and partly structured: they have three options but the options then need to be explained further. Open questions were chosen because the population was small enough that the answers could all be taken into consideration.

Background information of the respondents was not seen that relevant: every one of the respondents works in the same bank with quite the same background concerning training and education. 1.1.2016 there were 63 persons working in Pohjanmaan Osuuspankki full time. 58 of them were working in banking services and rest in the back office or other supporting job. Of those 44 were female and 14 were men. The gender ratio being approximately 76 per cent women and 24 per cent men. The average age of the employees in 1.1.2016 was 44 years (Pohjanmaan Osuuspankki 2017, cited 5.6.2017). Geographical location of the employees is as follows: 11 employees in Oulu, 11 in Alahärmä, 11 in Ylihärmä and Ylistaro, 14 in Kauhava, 7 in Korttesjärvi and 4 in Evijärvi.

7 RESULTS

In this chapter, the results of the empirical part are presented. The final respondent rate being 45 per cent gives a good sample of the opinions of this one bank's employees. One question concentrates on one topic, thus the results are presented one question at the time.

7.1 Services going online

The first question is a base question that lets the employees tell their point of view to digitalization of the services and how that would affect their work in the offices. All the 27 employees that responded to this question, answered good thing and everyone also chose some other option. The respondent rates can be seen in figure 5. Many employees said that it is a good thing, since digital services are way to get closer to customers. Serving customers digitally saves time and customers can take care of their business anytime. From employees' point of view, it saves them time, too. When issues that could be taken care easily online are actually done online, it saves valuable working time and money. Employees noticed that digital services help younger people to get closer to bank since the information search and their culture is online already. Some mentioned the marketing point of view: it is easy to market online especially for younger generation, and stated that it is a necessity these days to have working online services. Application platforms are light and easily scalable and multi usable according to the situation. The employee also said that digital services are comfortable to use and can help people living outside the city area.

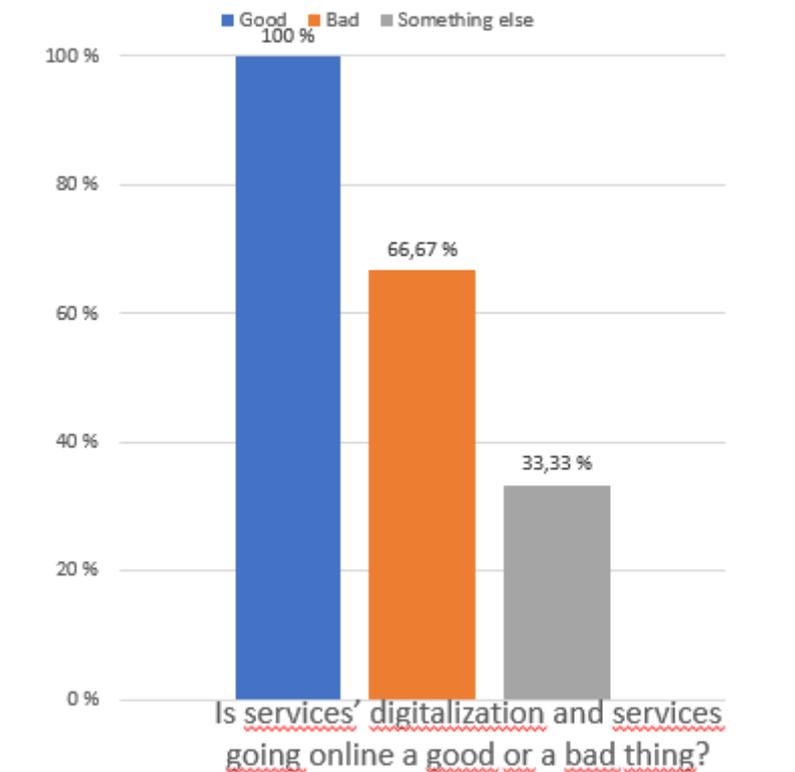


Figure 5. Is services going online a good or a bad thing?

Many employees were concerned about cyber threats and safety of the online services. Safety is a big issue and necessary for the services to work. Working digital services require working internet connection, strong IT-department of the bank that can keep the programs up to date and working as well as strong security level.

Majority of the respondents were thinking about older generation and how they would react to changes and whether they would be able to keep up with the technology. Employees were concerned that older people might not want to learn or be capable of learning how to use new technology or devices. Some were a bit worried about creating a wide gap between the generations, as older people want to come to offices to have a conversation and small talk. Face to face contact with customers and losing jobs were mentioned, but as said before, bank offices will be as long as there are people to visit offices. Other possibilities to take care of their business for people that do not want to use the internet bank or other services need to be available. Most of the respondents agreed on that. So, in general this question clarified employees' thoughts on the services: there

needs to be something for everybody. Other people want to visit offices and for some matters it is still a necessity. Others might want to take care of their business traditionally when it comes to serious issues such as money and investments. Little banks cannot necessarily compete with prices or interest rates, but they can compete with service. Good service takes everyone into consideration. That is exactly why there should be a service channel for everyone.

7.2 What could be improved in customer service?

Second question in the survey was “Serving customers does not mean serving customers only in person, but also online. What could possibly be done better for the customer to feel served well also online?” This question was important to include in the survey, since the digital service has been in discussion. Some people, both staff and customers, feel that digital service takes away from the traditional way of serving customers. The fact is that when customers are going online, service needs to do that, too. Need for faster and more comfortable service will increase and it is important to try to match with the demand.

17 respondents of 26 mentioned chat and stated that online chat service would be a good tool to have. One respondent said that Oma Säästöpankki, a competitor, has a chat service in which they serve people in real time and it has been noticed to be an effective way to serve customers. However, using the digital services can take time to learn to use properly and to find them convenient. Pohjanmaan Osuuspankki has a lot of elder customers, and employees are worried that they might not be able to adapt that quickly to new digital information. That is why a few employees suggested “service promise” that would include helping people with learning to use online bank for example. The service promise could be implemented by phone service where the customer is taught step by step how to do a certain task online. The learning and teaching could happen in an event, too, for example an elders’ night or similar. It might cost some employee hours and resources, but it might be a good service to invest in, the employee added. Other matter that was mentioned multiple times was the phone service. Currently, when people call, they cannot identify themselves properly and information that can be given is limited because of safety reasons. Phone service could be developed into direction in which customers could sign in with their online bank account that the service could be more personal. One employee put it simply: digital service,

for example chat service, is a good addition and help, but sometimes speaking with the service instructor creates trust about safety and credibility of the services.

The general service in online bank is the option to write a message, in which the customers can send messages to the bank when signed in with their account. Their identity is secured and known, thus communicating is easier in every issue. Employees think that the message option is behind a path that it is not the simplest one to find. That could be developed to be on the front page and easier to access for customers. Often, when people call in the office, the employees instruct them to send a message via online bank, since on the phone the identification is not possible currently. However, when signing in on one's online account the identity can be confirmed. That is why the message option should be clearly visible and easily accessible. It would save time from the employees and the customer, when the unnecessary phone call would not happen in the first place.

7.3 Chat service

Third question was about possible chat service as a service tool. The question was "In the customer satisfaction survey people were hoping for a chat service to their online bank. What do you think? How would it work as a customer service tool?". 21 respondents of 26 said it would be a good thing to have and it would be modern and good for competition. That means over 80 per cent of the respondents would want to try chat service. It is correct that it would take resources to build and maintain, but it would lower the threshold for customers to ask questions. The chat would work when signed in in the online bank, thus the customer is identified. Then it would be a great support in customer service to offer fast responses when there is no time or place for a phone call. Employees were concerned about training, and that would be an important issue to take care of. Employees need training on fluent use of the chat service, including bank secrecy. As said before, one employee should have only one chat window open at a time, because bank secrecy is a serious concern. Use of chat service would take a lot of planning and training as well as resources, but almost every employee agreed that it would be modern and profitable. People are close to expecting chat service, since almost every official site already uses chat service more or less. From the employee point of view 24 hours open chat service is possibly not the most efficient way, since in smaller bank it would take too much man power to manage. Signing document is not possible in

chat, but nor is it on the phone. Signing papers can still happen in the office or in the online bank, where it happens also currently.

7.4 Video negotiations

Next question was about video negotiation or video conferences. Again, there were three options: Yes, no and something else and those answers were to be elaborated as in why it would be a good thing. 76 percent of the respondents said it would work beside or even instead of regular negotiations. Employees thought that video negotiations would be great to start with when, for example, negotiating for loans. If the customer cannot come into the office, video would work, too. Almost every employee said that they like talking with the customer face to face, but admitted that video negotiations would be a good add-on and tool for customers who cannot come into the office or live far away. Time saving and also money saving video service could be used after business hours, too. Video negotiations divide people. It has its good sides and bad sides. It will probably be more demanded in the future, and whereas bigger banks already offer video negotiations, it could be an opportunity for smaller banks, too.

Many employees were concerned about the safety, and that is why the video negotiation should also take place when signed in with online bank account. Video negotiations are marketed as time saving and convenient, which is true. They also take a lot of planning and good connections to work, and customers should have good enough internet connection and know-how to use the application. Again, it would take time for the customers, especially the older generation, to adopt the application. Besides safety, the “coldness” of the service was a concern. Traditional negotiations give employees the chance to evaluate the customer and get to know them a little, thus the outcome of the negotiation could be more reliable when done in person. Video negotiation could be used as an add-on for a start, not to replace the whole negotiation process. As stated before, some banks already use video negotiation as a part of the process, for example when updating loan conditions or asking something concerning the loan, but the signatures are still done in the office officially. For customers, video negotiation would offer an easy way to ask offers from multiple banks in smaller period of time than regular negotiations. Video negotiations may not be the next thing for Pohjanmaan Osuuspankki because of its service and customer orientation and the customer base that enjoy being served face to face. However, it could be thought of later.

7.5 Employees' suggestions on what could be changed

Fifth question was about what the employees would change in the service or procedures and why. This question answers to the research question "What could be done better" and gives the employees space for their own ideas and opinions about current procedures. The theme was clear: keeping up with the technology but not forgetting the customer. Life cycle thinking was mentioned, meaning taking care of customers of every age in their lives. Young people and middle-aged people need and demand working digital services that are safe and convenient enough. Informing and teaching people to use digital services more and also clarifying employees' roles and tasks concerning the fast change is vital on employee's viewpoint.

Fast pacing development happens all the time and bank needs to make sure that procedures and ways of working are solid and unified that the service and employees status is equal. Personal, individual service is valued amongst the employees, which are part of the bank's important values. Employees also hope for better communication through staff's digital channels and note pads that can help serving the customer better when everyone can see what has been done with the customer earlier. Therefore, communication rose as the important thing in the future. Improving the information flow and using given tools to share information with other employees helps the bank to unify their procedures and thus making sure everything works as it is supposed to. Doing that safely and securely without forgetting the customer's viewpoint is essential to banks' success.

One employee mentioned a way to get new customers is to target real estate agencies customers when they are searching for houses to purchase. Some banks already have a loan offer advertisement on etuovi.com, oikotie.fi or other website where houses and apartments can be searched for. A one loan calculator from etuovi.com-website can be seen in figure 6. In that advertisement big banks Nordea, Danske Bank and Säästöpankki co-operate with the website. There the customer can quickly get an estimate of possible loan expenses. A service with some real estate company or a website could benefit both, the bank and the real estate website. One employee suggested that it would be good to have a partner in the real estate business field, so that the customers could be directed to them and vice versa. Mortgage is a big investment in most people's life, thus they tend to ask for bid from many banks and like to know all their options. Getting customers attention in the early stage of the process would benefit the bank and possibly get new customers with a relatively low price and effort.

Figure 6. Loan calculator from etuovi.com.

Loan calculator

Price	<input type="text" value="249000"/>	€	
Loan period	<input type="text" value="25 ..."/>		?
Interest rate	<input type="text" value="1,5"/>	%	?
Savings	<input type="text" value="24900"/>	€	?

 Monthly instalment
896 €

[Open the loan calculator >](#)

Loan requests with one form!

Nordea

 **Säästöpankki**

Danske Bank

7.6 The biggest challenges in the future

The last question that answers the research question “What are the challenges that the bank needs to be ready for” was about the future. Employees were quite unanimous when answering this question. Increasing competition, keeping up with the technology, keeping and gaining young customers and ensuring cyber safety. Customers ask for offers from many banks and bank loyalty is not significant amongst younger generations anymore. Bigger banks are serious competition, but a little bank’s competitive advantage is service, and that needs to be maintained. However, the

bank still needs to keep up with the technology changes and development. There are already lots of older people as customers, and getting younger people to stay even when they are moving away to study, for example, is a challenge. Younger people are productive customers, since they are likely to get loans, mortgages and bring their whole families business in to the bank. When technology is up to date with the competitors added to a well-known good service, it could be used to keep younger customers. Cyber safety is an important issue that will be even more visible in the future. As the technology and digital services increase, cyber threats and issues increase too. Training is a good way to minimize risks from employees' and bank's side. Together with informing customers and strong IT-department those threats can be controlled and fixed. Cyber security is the business of the future and will cost money, but it is necessity.

7.7 A bank for ordinary people, support and encouragement

In questions number seven and eight employees could add something that was on their mind and give general feedback from the questionnaire. One employee said that POP Pankki is good to keep as a bank for ordinary people, but trendy at the same time. Employees seem to think that the bank is led to the right direction. Unified procedures are important to employees to the business to stay well organized. One employee added that when it comes to selling, the staff would like more encouragement and training to achieve the goals. The employee asked, would it be the role for the supervisors in the future to "spur" them. Finally, one employee summarized that change in the banking field shows in the behavior of customers, and the bank needs to keep up with the technology, despite the fact of being a small bank. The employee added, that automation and digitalization must be used to help the employees in their tasks but never with the cost of customer's information safety.

7.8 Summary of results

In first question, the main thing found was that every employee found something good in the digitalization of the services. Digitalization helps employees in their job and can make running many errands easier for customers, too. Digital services and them being easy to access can help people that live outside the city are or work late in week days. For young customers, digital services are already a necessity and they expect service online. Cyber security needs to be considered and

maintained for the digital services to be safe and pleasurable to use. Older people need to be helped and encouraged to use digital services, because there needs to be a service channel for different customers.

The main points found in when asking about what could be done better were that chat service would be a preferable addition to existing services. Service promise for the elderly to help them to use the digital services, the elderly being one important customer segment in the bank. Phone services development was mentioned a lot. Developing the services in the phone, for example in the direction of identifying a person in the phone. The placement of the message option in the online bank should be considered to be made more visible, according to the employees.

The main result of this question about chat service was that the service would be a good addition to existing services according to over 80 per cent of the employees that answered. It would be easy and convenient way of asking simple questions and advise on little questions. Chat service is a modern service that is in use in many official institutes and in most of the banks, too.

In short, employees thought video negotiations would be a modern way of communicating during for example, loan negotiations. The service is time and money saving to both sides, customer, and the bank. It would be a good add-on in the opinion of the employees, not necessarily used to complete the whole negotiation process. Safety needs to be concerned, too.

To summarize the chapter about what could be changed, technology and keeping up with the changes are important to the employees. They would like to change communication between the employees: to be exact they would like to improve the communication. Using the tools given to employees they would know better what is happening with each customer and that would improve the customer service. Life cycle thinking and keeping customers is important to them too, since younger customers are the most profitable to the banks because of their tendency of taking loans, for example.

In the answers, the biggest challenge according to the employees is the technology and its fast pacing changing. Keeping up with the changes with service, security and training are big issues that need to be considered. Cyber safety will be increasingly necessary because of the technology's increase and training needs to be up to date as well. Keeping customers, especially young ones is

a challenge and will be important in the future. Also co-operating with real estate agencies could be looked into further or advertising in websites selling houses.

In the last two questions, the employees wanted to let the supervisors know that they want unified procedures that the services are done equally in every office. Personal differences and preferences can show in the work but the procedures should be similar to achieve profitable and long-term results. They also wished for guidance and encouragement from supervisors.

8 CONCLUSIONS AND DISCUSSION

The main results were that employees want to maintain the traditionality and being a bank for ordinary people. They agreed that modern steps need to be taken, and chat and even video negotiations could be looked further into. Chat service was supported almost unanimously, and that could add value to customer service experience online. There needs to be something for everybody, meaning service channels for customers of every age. Younger people need and expect well-working digital services and on the other hand older generation appreciates the opportunity to walk into an office to get cash.

To answer the research questions, the challenges that the bank needs to get ready for, is increasing digitalization and maintaining the traditional service channels as well. To adapt to the services going online and digitalization bank needs to be able to develop their platforms and applications further as well as concentrate on efficient target marketing instead of wasting money on mass marketing by mail, for example. As discussed before, efficiency will be increasingly important when it comes to marketing (Laplache & Schatt 2010, 59). The last research question about making it easier to customers to use online services was answered by the employees. Video negotiations, for example, could be a big help for people living far away to negotiate for a loan and to use digital channels to reach for the bank. Helping and assisting as well as encouraging older people to use digital services would help them, and educating the employees helps the customers, too.

The main results provide important information about what could be done next or what could be a valid development idea for the future. Firstly, the employees would like to see chat-service taken into use in the near future. Customer are soon expecting chat service to be available in different official services. Chat is convenient, easily approachable, and quick way to ask simple questions. It saves time from both customers and the employees, and can make it easier for customers to ask for guidance. It takes less time in the bank's office to answers a chat message than to use the message option in the online bank. Chat would add value and be a significant advancement in the digital service. Fastness and easiness are the key words in online service nowadays and chat would provide that for customers. Younger people communicate and search for information fluently online that they could find this service easy and pleasurable to use.

Young customers and keeping them were on employees' thoughts. Young people usually come as customers when their parent open up an account for them, but some employee said that they then disappear somewhere and do not necessarily take their student loans, mortgages from the bank nor bring their future family as customers. That is a possible loss and keeping young customers could be used to gain more customers. The younger generation chooses their bank often by services as a package to get easy and effortless service. When they get digital services, pleasurable customer service, good rates and possibly even insurances in the same place, it is a package and easier to buy. That is why traditional and small bank need to compete also with digital services. Digital service package, such as well working message options, chat, video negotiation as an option and mobile application can help younger customers to realize the benefits of staying with the bank.

One big issue that is always topical with almost any bank is getting new, profitable customers. Customer acquisition is a big thing for developing and smaller bank like Pohjanmaan Osuuspankki. Now that the two offices in Oulu area are combined, the operation becomes more efficient and getting new customer comes higher in the priority list. Nowadays mass marketing, such as flyers or advertisement in mail do not work properly, monitoring the results is difficult and it is more expensive when compared to achieved results. As King said, it will most probably not get to the right person at the right time, and thus is waste of money (King 2014, 211.) Direct mail is a little outdated and is not that efficient. Target marketing is a good way to optimize the resources put into marketing and acquiring new customers. Splitting the customer into groups such as students, young adults who are thinking about purchasing a house, for example and the elderly. When researching into when to reach a certain customer segment is when the marketing is at its most effective and will make profit. The employees thought that the bank will succeed with good digital services and keeping the bank as a bank to ordinary people with a modern touch.

The objective of the research was to find out how employees feel about the future of the banking industry when considering customer service. The biggest challenges and ways to serve customer better and to be profitably updated with technological development were to be researched. Using the resources, as the literature, other researches and own practical experience and empirical part, the questionnaire, for the employees the objective was reached somewhat decently. The project achieved to chart the employees' ideas and thoughts and was able to provide some valid, practical suggestions of what should be done next. The timing of the thesis was good, in the spring time, although in Oulu are the offices were busy due to some changes and moving process. The research

results were trustworthy and valid, because the results were employees' opinions and the sample was comprehensive. The thesis taught me a lot and I feel like I know a lot more about the subject than I did at the start.

My goals besides answering the research questions was to provide actual information about what the employees think. The employees were happy that they were asked about the future and about development ideas because it affects them the most and being included is important. I have been working in the bank, too, so this topic was interesting to research into and it was motivating to be really able to provide practical help for the bank. The development ideas can be seen in figure in short in figure 7. Also, many employees wished good luck with the thesis and thanked for asking the important questions. Three of the seven persons that answered the last question about general greetings or feedback said that the topic or the thesis and questionnaire is very current and important to discuss.

Improving digital services

- Chat service
- Message-option more visible in online bank
- Co-operation with real estate-websites
- Training for employees

Improving and maintaining information flow between employees

- Using tools given to report and store information, for example "asiakasmuistio", the notepad
- When everyone knows what has been done and what is currently going on, the service is more efficient and pleasant

Keeping young, profitable customers

- Digital services
- Target marketing

Acquiring new customers

- Targeting customer segments
- Co-operation with real estate-websites
- Digital service packages

Unifying procedures and services

- Training
- Support and encouragement, for example in selling, from the supervisors
- Information flow's improvement

Figure 7. Development ideas for the bank for near future.

This research could be continued furthermore in many ways. These results provide practical ideas for development, but the implementation could be researched more into. For example, designing a marketing plan for targeting customer segments and implementing the plan. Target marketing is efficient and can be productive, but it needs to be carefully planned and executed for it to work properly. Chat service is modern and needed service, but it costs money and takes a lot of man hours and development. It is expensive to get to work properly and to maintain, since it needs to function at all times. IT department and cyber security programs are costly but necessary. Defining cost structure for taking the chat service in the use could be an interesting research topic. Predicting the costs and the real resources needed for that kind of service would be important at some point. Video negotiations could be more far away in the future as for example the chat service. That could

be researched more into and for example creating a survey for customers to see if there is a demand for it amongst the customers of Pohjanmaan Osuuspankki.

REFERENCES

- Dilley, D. 2012. Essentials of Banking. New Jersey: John Wiley & Sons, Inc.
- Heikkilä, T. 2014. Tilastollinen tutkimus. Porvoo: Edita Publishing Oy.
- King, B. 2014. Breaking Banks: The innovators, rogues and strategists rebooting banking. New Jersey: John Wiley & Sons, Inc.
- Kortesuo, K. 2014. 50 keissiä asiakasplvelusta. Helsinki: Kauppakamari
- Laplanche & Schatt 2010, Virtual Banking, New Jersey: John Wiley & Sons, Inc.
- Aktia 2017. Aktia Wallet-sovellus. Cited 16.4.2017, <https://www.aktia.fi/fi/aktia-wallet/lahimaksaminen>.
- Danske Bank Oyj 2017. MobilePay. Cited 16.4.2017, <https://www.mobilepay.fi/fi-fi/Pages/faq.aspx>
- Finextra Research 2017. Jaguar embeds payments into digital dashboard. Cited 22.2.2017, <https://www.finextra.com/newsarticle/30139/jaguar-embeds-payments-into-digital-dashboard>.
- Fungáčova, Z., Toivanen M. & Tölö E. 2015. Pankkisektori muutoksen kynsissä. Euro & Talous. Cited 15.4.2017, <http://www.eurojatalous.fi/fi/2015/artikkelit/pankkisektori-muutoksen-kynsissa/>.
- Karismo, A. 2017. Yle Uutiset. Kova talous-haastattelu: Pankkiala järisee ensi vuonna, Nordea ei pakene muille aloille. Cited 22.2.2017, <http://yle.fi/uutiset/3-9463231>.
- Osuuspankki 2017. Cited 16.4.2017, https://www.op.fi/op/henkiloasiakkaat/tilit-ja-maksut/lataa-maksuton-pivo-puhelimeesi?cid=151715951&_pageLabel=page_sisaltoalue_levea&srcpl=3.
- Pohjanmaan Osuuspankki 2017. Henkilöstö-, koulutus- ja tasa-arvosuunnitelma. Cited 5.6.2017. Internal source.

Pohjanmaan Osuuspankki 2017. Tilinpäätös ja toimintakertomus 2016. Cited 5.6.2017. Internal source.

POP Pankki 2017. Mikä on POP Pankki-ryhmä? Cited 4.4.2017, <https://www.poppankki.fi/pop-pankki-ryhma/mik%C3%A4-on-pop-pankki--ryhm%C3%A4>.

Rytkönen, T. 2016. Onko pankeilla hetken päästä sijaa asiakkaan arjessa. Taloustaito. Cited 4.4.2017, <https://www.taloustaito.fi/Teemat/TT-Blogi/Blogit-2016/Onko-pankeilla-hetken-paasta-sijaa-asiakkaiden-arjessa/>.

Säästöpankki 2017. Kansallinen "Mikä pankeissa pännii"-tutkimus selvitti - suomalaispankkien kolme kuolemansyntiä ovat kasvottomuus, ahneus ja arroganssi. Cited 4.4.2017, <http://www.saastopankki.fi/pankki/nooa-saastopankki-oy/-/kansallinen-mika-pankeissa-pannii-tutkimus-selvitti-suomalaispankkien-kolme-kuolemansyntia-ovat-kasvottomuus-ahneus-ja-arroganssi>.

Varmavuori, M. 2014. Lainan voi saada pankissa käymättä. Helsingin Uutiset. Cited 15.4.2017, <http://www.helsinginuutiset.fi/artikkeli/273890-lainan-voi-saada-pankissa-kaymatta>.

Etuovi.com 2017. Loan calculator. Cited 5.6.2017, <http://www.etuovi.com/itempage/9558737>.

APPENDICES

Kysely Pohjanmaan Osuuspankin henkilökunnalle

1. Onko palveluiden digitalisoituminen ja meneminen nettiin mielestäsi hyvä vain huono asia?
 - Hyvä asia, miksi?
 - Huono asia, miksi?
 - Jotain muuta, miksi?
2. Palvelu ei enää tarkoita pelkästään asiakkaan palvelua paikan päällä, vaan myös netissä. Mitä mahdollisesti voitaisiin tehdä paremmin, jotta asiakas kokisi tulevansa palvelluiksi myös netissä asioidessaan? (Esim. chat-palvelu, neuvontaa puhelimitse, ohjeita, infotilaisuus/lehtiset tms.)
3. Asiakaskyselyssä monet toivoivat chat-palvelua verkkopankkiin. Mitä mieltä olet? Miten se mielestäsi toimisi asiakaspalvelun välineenä?
4. Olisiko videoneuvottelu vaihtoehto esimerkiksi perinteiselle lainaneuvottelulle tulevaisuudessa?
 - Kyllä, miksi?
 - Ei, miksi?
 - Jotain muuta, miksi?
5. Jos saisit muuttaa jotain pankin asiakaspalvelussa tai tavoissa toimia, mitä muuttaisit ja miksi?
6. Mikä on mielestäsi suurin tulevaisuuden haaste pankin asiakaspalvelua ajatellen?
7. Onko jotain muuta, mitä haluaisit kertoa tai tuoda esille?
8. Tässä voit jättää palautetta kyselystä tai muita terveisiä. Kiitos vastauksista ja palautteesta!