# Agricultural and forestry business owners' perceptions of banks

*Cecilia Dickson*
*Sara Magnusson*

**Agricultural and forestry business owners' perceptions of banks**

*Cecilia Dickson*
*Sara Magnusson*


**Supervisor:**           Helena Hansson, Swedish University of Agriculture Sciences
Department of Economics

**Examiner:**           Karin Hakelius, Swedish University of Agriculture Sciences
Department of Economics

Sveriges lantbruksuniversitet
Swedish University of Agricultural Sciences

**Department of Economics**

# Acknowledgements

# Abstract

Over the course of the past the agricultural sector has been characterized by radical market changes. Changing market conditions have forced owners of agricultural and forestry businesses to make further investments. This increase in investments has led to a greater need for external capital, which has increased the relationship between banks and owners of agricultural and forestry businesses. The financial sector is characterized by strong rivalry, which forces banks to create strategic positions in the financial market. Since agricultural and forestry businesses are generally seen as secure customers by banks, due to high property and land values, the competition between banks with agricultural and forestry businesses as customers has amplified. In order for banks to implement suitable strategies that will attract agricultural and forestry businesses, they need to maintain knowledge about the perceptions and expectations that agricultural and forestry businesses owners have of banks.

The aim of this study is to identify the perceptions that owners of agricultural and forestry businesses have of banks. The study aims at examining which aspects, service and product attributes that owners of agricultural and forestry businesses value the most in a bank relationship and why. This study has used a qualitative methodological approach, with the following interview techniques: the Zaltman metaphor-elicitation technique and the Laddering technique. Nine in-depth interviews were conducted with owners of agriculture and forestry businesses in order to explore different customer perceptions of banks. The methods were chosen with the aim to provide a thorough understanding of the respondents' thoughts and feelings concerning a bank relationship.

The findings of the study indicate that owners of agricultural and forestry businesses value soft factors in a bank relationship prior to e.g. low interest rate. The most important indicator for the respondents was the trustworthiness of the bank. The respondents wanted to be able to trust their bank and their bank contact. In order for the bank to be trustworthy the respondents require the bank to obtain knowledge about the agricultural and forestry sector, the respondent's individual business and personal characteristics. The bank and the bank contact should also act professionally, think long-term and act as a business partner. The respondents highly value one well-established bank contact for both private and business matters and to have personal connection with the bank contact. If the respondents trust their bank contact the respondents feel comfortable in a bank meeting, a more open dialogue can be exchanged and they are more likely to become long-term customers. Additionally, if the respondents trust their bank they are able to feel good, relaxed and safe.

# Sammanfattning

Skog- och lantbrukssektorn har under en längre tid präglats av stora marknadsförändringar, vilket ökat skog- och lantbruksföretagens behov av investeringar. Ett tilltagande investeringsbehov inom skog- och lantbrukssektorn har bidragit till ett ökat behov av externt kapital. I den finansiella sektorn råder stark konkurrens, vilket gör att banker idag måste inta en stark position på marknaden för att erhålla och behålla attraktiva kunder. Då skog- och lantbruksföretag anses av banker som säkra kunder på grund av stora fastighetsvärden, har konkurrensen mellan banker om skog- och lantbruksföretagare som kunder ökat. För att banker ska kunna implementera lämpliga strategier gentemot skog- och lantbruksföretag måste de besitta kunskap om kundernas efterfrågan och förväntningar på banker.

Syftet med denna studie är att identifiera skog- och lantbruksföretagares efterfrågan och förväntningar på banker. Studien ämnar undersöka vilka aspekter, tjänst- och produktattribut, som ägare av skog- och lantbruksföretag värderar högst i en bankrelation och varför dessa attribut anses viktiga. Studien är kvalitativ och har genomförts genom Zaltman metaphor-elicitation tekniken samt Laddering tekniken. Nio intervjuer med skog- och lantbruksföretagare har genomförts för att undersöka vilka förväntningar som finns på banker i dagsläget. Metoderna valdes med syfte att skapa en djupare förståelse för kunders tankar och känslor kring en bankrelation.

Resultatet av studien visar att skog- och lantbruksföretagare värderar mjuka värden högre än till exempel ränta i en bankrelation, den viktigaste faktorn anses vara pålitlighet. Intervjupersonerna som deltog i studien värderar att kunna lita på sin bank och sin bankkontakt högt. För att kunderna ska uppfatta banken som pålitlig, bör banken besitta kunskap inom skog- och lantbrukssektorn, den enskilda kundens företagsverksamhet samt kundens personliga egenskaper. Banken förväntas från kunders perspektiv agera professionellt, tänka långsiktigt och fungera som en affärspartner. Intervjupersonerna i denna studie vill ha en och samma bankkontakt för både privat- och företagsärenden, samt en god personkemi med bankkontakten. Om kunderna litar på sin bankkontakt, kan en öppen dialog föras, bankmötet blir gemytligt och kunderna blir i större utsträckning långsiktiga kunder i banken. Anledningen till att skog- och lantbruksföretagare efterfrågar pålitlighet i en bankrelation beror på att de då kan kännas sig trygga, slappna av och må bra.

# Table of Contents

# 1 Introduction

Over the course of the past there have been radical market changes within the agricultural sector with increased global demand on agricultural products (Johnsson & Svensson, 2008). Adjustments in the Common Agriculture Policy, increased price fluctuations and extreme weather conditions are some reasons for the radical market changes (SCB, 2012). The average farm size has constantly increased over the last decades (*www*, Jordbruksverket, 2012). Hence, the number of agricultural and forestry businesses has been decreasing, as an effect of the structural changes within the agricultural sector. In 2010, the number of agricultural and forestry businesses in Sweden was 68 200, which demonstrates a decrease of 29% over the last 20 years (SCB, 2012).

Increased market changes force owners of agriculture and forestry businesses to adapt and make financial investments (LRF Konsult *et al.,* 2012). During the past decades, agricultural and forestry businesses' debts have amplified, which has contributed to a greater need for external capital. Banks play a significant role in this matter as they act as providers of financial capital (Binks & Ennew, 1997). Almost 93% of financial loans go through banks, whereas other loans are e.g. financed by relatives and non-banking companies (LRF Konsult *et al.,* 2012). When it comes to lending to agricultural and forestry businesses in Sweden, the prominent banks are Swedbank/Sparbankerna, Landshypotek and Handelsbanken. Agricultural and forestry businesses have in general a stable solidity due to increased property and land values and are thereby seen as secure customers by banks. This has contributed to a higher rivalry between banks with agricultural and forestry businesses as customers. Breidning (2010) argues that it is important that banks obtain insight in how agricultural and forestry businesses are managed and understand the agricultural sector in order to maintain agricultural and forestry businesses as customers. Banks also need to maintain knowledge about specific production practices in the agricultural and forestry businesses to be able to predict possible risks and market changes.

Before the financial crises in 2008, the Swedish financial sector and the market environment had been relatively stable (Zineldin, 2005). The market environment has now converted to a deregulated market and the competition within the market has become more aggressive and competitive. The deregulated environment has contributed to the opportunity for non-banking companies to break into the market. The new and increased competition forces banks to find a strong market position in order to maintain profitability. If the banks are not flexible enough to participate in a changing market environment, they could face difficulties of surviving in the increased competitive market environment. Another consequence of the increased competitive marketplace is that banks have realized that they are not able to offer all products and services simultaneously and at the same time be the leading bank within all business areas (Zineldin, 1996). If a bank aims to occupy a strategic position were the bank is able to concentrate on specific market segments, the capability of creating a strong market position increases. A strong market position can also facilitate the identification of profitable customers.

## 1.1 Problem background

An organisation's strategy is an overall direction that organisations use in order to formally plan development (Porter, 1998). The strategy of an organisation involves all systems of activities and how different activities strategically fits together, creates competitive advantages and superior profitability. In order to successfully gain coveted market positions, organisations need to have a flexible approach in their strategy and be aware of current and changing market conditions. Flexibility creates high operational efficiency, which in homogenous markets leads to hypercompetitive market conditions. Hypercompetitive market conditions require organisations to develop competitive advantages in order to outperform rivals and to change the paradigm of competition (Johnson *et al.,* 2008). To distinguish an organisation from its competitors and to find unique market positions, a strategic position is essential to attract customers (Porter, 1998). A strategic position is based on terms of customer needs and requirements. To accomplish a strategic position an organisation has to perform and improve activities differently from its competitors. A strategic positioning can e.g. be a more profitable marketing tool for banks than creating an image (Zineldin, 2005). By positioning, the coveted market is able to understand where the bank stands in comparison to competitors. Positioning is also a way to fill in market gaps and a way for banks to express how they would prefer to be perceived. Some positions that a bank can undertake could be e.g. as a friendly bank, a large bank, a niche bank or a global bank. If the bank succeeds with its positioning, compared to its competitors, on a market it will lead to a competitive advantage.

To create competitive advantages on a market, the relationship between banks and their customers is essential (Zineldin, 2005). Through customer relationship management banks are able to deliver customer requirements more efficiently compared to competitors. Customers' perceived quality depend on expectations on service quality and relationships. A close and informative relationship between banks and their customers is a mutual dependence (Binks & Ennew, 1997). A close relationship is beneficial for both parties as it minimize asymmetric information (Landström, 2003). Asymmetric information can lead to unbeneficial circumstances and opportunistic behaviors. Through relationships banks are able to respond to customer requirements and improve delivered products and services (Zineldin, 2005). As the market environment is constantly changing it is important that banks continually correspond to market changes, in order to be competitive and outperform competitors. Environmental changes require banks to understand its existing environment and adopt corporate strategies to satisfy changed customer requirements (Johnson *et al.,* 2011). The agricultural sector is today facing a consolidation of production, which has contributed to that the number of owners of agricultural and forestry businesses as bank customers are decreasing (Roucan-Kane *et al.,* 2010). Radical market changes forces banks to develop suitable strategies to maintain profitable owners of agricultural and forestry businesses as customers. If banks implement strategies that do not meet customers' expectations, banks risk losing profitable customers and market shares.

## 1.2 Problem

Market changes require banks to constantly develop their strategies in order to attract and maintain profitable agricultural and forestry businesses as customers. By gathering important information about customers, it is easier to formalize strategies that match environmental changes and market demands (Johnson *et al.,* 2011). Today it is easy to switch bank, which puts pressure on banks to act competitive, in order to maintain profitable customers (Zineldin, 2005). In order to be competitive, banks have to understand customer needs and how provided services are evaluated among customers. By identifying needs of current and future customers, banks' ability to communicate in the right way to customers can be improved (Zineldin, 1995).

To develop a service concept, suitable services should be used to meet customer needs (Edvardsson, 1997). Services offered, both core services and supporting services, should match both customer primary and secondary needs, see Figure 1 below. To develop good service concepts organisations need to determine what customer needs they want to satisfy and how they should act to achieve customer satisfaction. The match between offered services and customer needs is essential when developing a service concept. Through service concepts organisations are able to formalize services with right quality before they are introduced to the market.
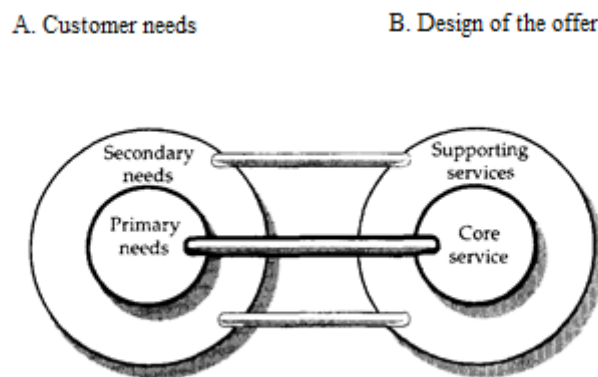


*Figure 1: Model of the service concept (Edvardsson, 1997, pp. 36, with permission from the author).*

As organisations develop strategies they need to consider both customer needs and historical and cultural influences to create strategies suitable for a constantly changing environment (Johnson, 1992). Competition in the financial sector is constantly increasing, which requires Swedish banks to adjust their strategies to meet both current and future market changes (Zineldin, 2005). In order to maintain customers and act competitive on the market, banks need to adopt their strategies to customer expectations and market changes (Johnson, 1992). Changing market conditions as well as customer behaviours it is difficult for banks to adapt strategies in an early phase, but it is necessary in order to avoid stagnation in the strategic development (Johnson *et al.*, 2011).

In order to avoid stagnation banks need to identify owners of agricultural and forestry businesses' perceptions of banks. By gaining knowledge about agricultural and forestry business owners' needs and expectations of banks, banks are able to create customer commitment and receive long-term customers (Vegholm, 2011). It is interesting to study what perceptions owners of agricultural and forestry businesses have of banks and why they have

certain perceptions. By gaining a deeper understanding of owners of agricultural and forestry businesses' perceptions, banks are able to detect what owners base their actions and choices on (Olson & Reynolds, 2001). A deeper understanding about customers' perceptions facilitates banks implementation of suitable strategies and their choice of strategic position on the market.

Questions arising are: What perceptions do owners of agricultural and forestry businesses have of banks and why do they have those perceptions? How should a bank act to meet owners of agricultural and forestry businesses' perceptions and what effects will it have if banks do not meet the perceptions?

## 1.3 Aim

Radical market changes have increased the competition between banks with agricultural and forestry businesses as customers. An increased market competition in the financial sector forces banks to implement suitable strategies in order to maintain and attract customers. Banks need to obtain knowledge about agricultural and forestry business owners' perceptions of banks and understand why they have different perceptions. The awareness of customer perceptions is of importance when banks develop suitable strategies in order to meet customer expectations.

The aim of this study is to identify perceptions that agricultural and forestry business owners have of banks:

-   Which aspects, service and product attributes, do owners of agricultural and forestry businesses value the most in a bank relationship and why?

This study has been conducted through a collaboration with Handelsbanken's agricultural and forestry division. To be able to answer the research question a qualitative study with interviews has been conducted. The findings of this study can be used by banks to explore owners of agricultural and forestry businesses perceptions of banks and how their strategies corresponds to customers' expectations. Handelsbanken's strategy will also be discussed in relation to the findings of the study.

# 2 Background

This chapter aims to present background information about the agricultural and forestry sector and Handelsbanken. The information is presented in order to explore different influencing indicators of the studied subject and to provide a deeper understanding of the research area. Information about Handelsbanken is provided to further on identify how well Handelsbanken's strategies correspond to owners of agricultural and forestry businesses' perceptions of banks.

## 2.1 Changes in the agricultural and forestry sector

The agricultural sector has historically been an industry with boom and bust cycles (Boehlje *et al.,* 2013). During the 20th century the agricultural sector has had a boom cycle as an effect of rising global demand on agricultural products, government policies, climate variability and population growth. Lately the growing global demand has been greater than the global supply of agricultural products due to weather conditions and low yields around the world. The access to farmland is the primary source for most agricultural and forestry businesses and the value of farmland have rapidly increased which has affected agricultural and forestry businesses' prosperity. During the past decades the growth in global agricultural production has been above 2% annually, but for following decades the growth is predicted to decline with 1.7% annually (OECD/FAO, 2012). OECD/FAO argues that there will be an increasing environmental pressure, resource constraints and that cost for inputs will increase. Emerging economies are growing rapidly and will receive increased market shares and gain majority in export of e.g. rice, oilseed, sugar and beef. Price volatility on the commodity market has a negative effect on the agricultural sector and the wider economy, which affects producers, customers, traders and governments as it creates risk and uncertainty on the market (OECD/FAO, 2008). Key forces for price volatility are change in weather and climate, stock levels, exchange rates, growing demand, trade restrictions and speculation. Price volatility is expected to continue in the future but the direction is difficult to predict. As the market demand continues to rise, due to higher income in the world with low stocks on the market, it tends to increase the price volatility markedly.

Banks operating in the agricultural sector must understand and anticipate needs from both current and future owners of agricultural and forestry businesses (Roucan-Kane *et al.,* 2010). The agricultural sector is facing a consolidation of production and the number of possible owners of agricultural and forestry businesses as customers for banks are decreasing. Market changes forces banks to develop and use right strategies to attract customers within the agricultural and forestry sector. In Sweden the number of agricultural and forestry businesses has decreased meanwhile the businesses with more than 100 hectares have increased (Johansson, 2011). The total area of arable land in Sweden has on the other hand decreased, as an effect of increased yield, meaning less land is required to produce the same amount of grains.

The forestry sector is constantly changing and is also characterized by booms and bust cycles, e.g. in 2012 the sawmill industry in Sweden faced major setbacks with bankruptcies and denunciations (LRF Konsult *et al.*, 2012). Difficulties for sawmills affect the agricultural and forestry businesses through lower prices, as 70% of the forest owners in Sweden receive their revenue from timber. Reasons for the setbacks for sawmills are a low demand of forestry

products and a strong Swedish krona. In 2010 two out of three agricultural and forestry businesses owned forest and the total amount of land owned by agricultural and forestry businesses amounted to 3.7 million hectares (Svensson, 2011).

## 2.2 Handelsbanken

Handelsbanken was founded in 1871 due to a personal conflict between board members in Stockholms Enskilda Bank (*www*, Handelsbanken, 1, 2013). Eight directors from Stockholms Enskilda Bank resigned and together with prominent companies they started a new bank, Stockholms Handelsbank.

Handelsbanken is a full-service bank for both private and corporate clients and businesses (*www*, Handelsbanken, 2, 2013). The bank has a nationwide network of offices in Sweden, Denmark, Finland, Norway and Great Britain. Handelsbanken operates in 24 countries and has 11 200 employees. The mission of Handelsbanken is to create high returns of equity for customers, compared to average competitors. In order to succeed with the organisational mission, Handelsbanken wants to create profitability among all customers rather than economic volume. The vision of Handelsbanken is to raise satisfaction among customers through low cost and improved services, compared to competitors in the same market segment (*www*, Handelsbanken, 2, 2013). The vision has paid off as Handelsbanken have been in the top in Svenskt Kvalitetsindex's customer satisfaction measurement, since the implementation of the measurement in 1989 (*www*, Handelsbanken, 3, 2013).

## 2.2.1 Strategy of Handelsbanken's agricultural and forestry division

In December 2011 Handelsbanken's agricultural and forestry division became its own business area, as it was formerly a part of Stadshypotek AB (Pers. com., Dahlerus & Åttingsberg, 2013). The reorganisation was viewed as a long-term investment and was primarily an internal change within Handelsbanken. Handelsbanken consists of six regions in Sweden that operates on their own but with a common credit policy.

Handelsbanken uses strategies with a strong customer focus (Pers. com., Dahlerus & Åttingsberg, 2013). Through great customer knowledge, Handelsbanken creates offerings that are tailored after the individual customer needs, desire and capability. Handelsbanken can through lobbying and support help the regional banks to increase their focus on the agricultural and forestry sector, but the main responsibility for decisions on a customer-level is placed on local offices. Each customer offering is made locally at offices and is customized with respect to individual customers. Dahlerus and Åttingsberg address that through a decentralized structure Handelsbanken is able to work closer to the actual customer and thereby base decisions on trustworthy information. The customer's individual needs are taken into account in offerings and the same bank contact handles both private and business activities.

Agricultural and forestry businesses are not treated differently within Handelsbanken; instead they are perceived as general businesses (Pers. com., Dahlerus & Åttingsberg, 2013). However, Dahlerus and Åttingsberg state that Handelsbanken works actively to offer expertise within the agricultural and forestry sector. Through internal programs, support, farm visits and collaborations with local partners, Handelsbanken ensures that their employees

obtain knowledge and understands agricultural and forestry businesses. Handelsbanken emphasize the importance of knowledge, which is created throughout internal training in order to meet the expectations from local agricultural and forestry businesses. However, Handelsbanken wants to improve its customer satisfaction through a proactive approach with more frequent contact with the customers.

According to Handelsbanken their strongest competitive advantages within the agricultural and forestry sector are their local presence, price hedging on agricultural products and that they are a universal bank with a high level of service (Pers. com., Dahlerus & Åttingsberg, 2013). In order to develop operations, Handelsbanken identifies potential customers through investigation of current customers and through offices' local knowledge. Customer knowledge also increases through different activities arranged locally by Handelsbanken. The activities create opportunities to exchange information with customers and improve peoples' knowledge about Handelsbanken's amplified focus towards agricultural and forestry businesses. Handelsbanken has through their unique product of price hedging on agricultural products received an opportunity to attract new customers and reach a higher satisfaction among current customers.

# 3 Literature review

The aim of the literature review is to introduce a relevant base for the field of study and to gain a deeper understanding of different customer perceptions of bank relationships. The literature review discusses the importance of customer relationships, as it is an essential part of bank strategies. As banks develop their strategies towards customers, they need to maintain knowledge about customers' expectations and perceptions. Owners of agricultural and forestry businesses have become essential customers for banks, which has contributed to that banks have a growing interest in the agricultural sector. In order for owners of agricultural and forestry businesses to become new or long-term customers, it is important to understand how banks and small businesses relates to one another. The literature review is therefore focused on both the financial sector and small businesses in order to explore different indicators of a banking relationship.

An extensive literature review was conducted in order to explore what previous studies have concluded regarding relationships between small businesses and banks. Throughout a literature review the researches maintains a broader research base for the study, which also has served as a base in the choice of appropriate theories. For this study the literature review has been processed and retrieved from several databases available at the Swedish University of Agricultural Sciences, such as; Primo, Science direct, Jstor, Web of knowledge, Google Scholar, Epsilon and Libris. Additional material from textbooks and journals has been used to accurate specific search terms that have been used in the literature review. Search terms and key words were used in different combinations for the literature review, such as: strategy, competitive advantage, relationship, management, bank, small firm, small businesses, agricultural- and service sector. As the aim of this study is to identify suitable strategies for banks to meet customer perceptions, the literature review consists of two different perspectives, the customer perspective and a bank perspective.

## 3.1 Small businesses' relationships with banks

As small businesses' need of financial capital increases, small businesses are forced to contact external financiers, which most commonly are banks (Winborg & Landström, 2000). The classification of a small business depends on the number of employees, business revenue and sales (*www,* Europeiska komissionen, 2012). In this section small businesses are defined as agricultural and forestry businesses with less than ten employees. When small businesses are in contact with external financiers, funding issues can occur due to financial gaps. Financial gaps arise when the financier does not receive full information about the small business that seeks funding (Winborg, 2003). Lack of information is a common problem with small businesses as the information of small businesses' activities is inferior compared to the available information on large organisations. Financial gaps are usually created based on a supply side and a demand side. The supply perspective of a financial gap refers to external funders, such as banks and venture capital companies. Meanwhile, the demand perspective refers to how small firms demand external funding. The financial gap can be lessened if the bank receives detailed information about the business that seeks funding, the market, the sector that the business operates in and the economic climate in the country (Bruns, 2003). It is not only the financial information that is evaluated in funding matters non-financial information is also taken into account as it is the responsibility of banks to ensure small businesses' creditworthiness.

Through the decades, banks have reasoned that locally available information about small businesses is trustworthy as it creates closeness to the customer (Silver, 2003). Through a local connection, banks are able to use social networks in a larger extent to develop business opportunities. The social network is useful for banks to gain deeper knowledge about the small businesses that seek financial capital. To maintain a social network, it is beneficial to have a decentralized structure. Even though a decentralized structure is viewed as an internal phenomenon, it tends to affect the customer, as decisions can be made with shorter decision paths. Silver (2003) argues that decentralized structures contribute to more accurate decisions within banks depending on the proximity to the customer. Kates and Galbraith (2007) also address that a decentralised organisational structure can be beneficial when operating on multiple markets, geographical areas or with a variety of customers. With a decentralised structure, managers are able to adapt their strategy towards e.g. specific market conditions and customers. Other benefits highlighted with a decentralised structure are more motivational environments, faster decision-making and development of innovations. Disadvantages with a decentralised structure could be lack in communication and fragmentation, duplication of performances that leads to high costs and standard variations that can affect the bank's reputation and brand negatively (Kates & Galbraith, 2007). A centralized structure, on the other hand, tends to prioritize larger cities and customers, which is to the detriment of small local businesses (Silver, 2003). A centralized structure has less information available on actual customers and decisions are made further away from the current customer, compared to a decentralized organisational structure (Silver, 2003). Though, a centralized structure can reduce costs, speed up institutionalization and gain leverage with suppliers (Kates & Galbraith, 2007).

Banks do not only provide small businesses with financial resources, they also act as advisors in different business activities (Berggren, 2003). Zineldin (1996) argues that small businesses evaluate trust and confidence as the most important indicator in their choice of bank. It is essential for small businesses that the bank is flexible in tailoring different services and that decisions and processing transactions are delivered rapidly (Zineldin, 1996). According to Zineldin (1996) small businesses require banks to offer price competitiveness on loans and services, as well as a well-established contact. Research indicates that a close relationship with the bank is in many ways beneficial for small businesses (Bruns, 2003). However, numerous small businesses are not aware of the benefits that arise through a bank relationship. This lack of awareness is a result of the fact that small businesses are either not aware of the advantages arising from a relationship or that small businesses choose to abstain from a close relationship (Ibid.). Yet, research shows that small businesses that have established a relationship with banks tend to grow faster and become more profitable. Another positive effect of a close relationship is when a small business grows, its perception of banks becomes more positive and the bank is viewed as a friend rather than an enemy.

## 3.2 Customer Relationship

Changes in the agricultural and forestry sector force banks to act competitive in order to maintain and create long-term customer relationships (Roucan-Kane *et al.,* 2010). Throughout relationship marketing a deeper understanding of customer needs can be accomplished which facilitate banks' work to customize offerings (Lam *et al.,* 2004). Previous studies indicate that the financial sector has accomplished a high level of relationship marketing, compared to other business sectors (Dibb & Meadows, 2001).

The concept of relationship marketing can be defined as *"Attracting, maintaining and-in multi-service organizations-enhancing customer relationships"* (Berry, 2002, pp. 61). Relationship marketing is today commonly used within banks in order to satisfy customer needs, create interactions between parties and maintain links between customer service, quality and marketing (Dibb & Meadows, 2001). The concept of relationship marketing has shifted from a marketing discipline towards a transaction-based marketing, with a focus on benefits of relationships, the attraction of new customers and how relationships with existing customers can be improved (Berry, 2002). Research shows that creating long-term relationships with customers are beneficial for banks, since long-term customers usually have lower account costs and higher account balances (Dibb & Meadows, 2001). To successfully adopt relationship marketing, banks need to move their attention from selling products to a stronger focus on meeting customer specific needs, in order to create customer commitment (Vegholm, 2011).

Customer satisfaction is considered as a key drive for long-term relationships (Lam *et al.,* 2004; Yuksel *et al.,* 2008; Liberati & Mariani, 2012). Previous studies indicate that customer satisfaction has through decades been a crucial part of doing businesses, since it contributes to a two-side exchange relationship between organisations and customers (Yuksel *et al.,* 2008). Due to changing market conditions, increased competition and recognition the importance of loyal customers have become an essential part of organisations strategies (Milhelis *et al.,* 1999). Previous studies demonstrate that organisations pay a lot of attention to create customer relationships. A relationship between an organisation and a customer provides the organisation with valuable information, which is necessary to enhance both business activities and customer relationships (Berry, 2002). Relationship marketing should therefore be a critical element as banks chose to develop their strategies, in order to create competitive advantages. Although, previous studies indicates that relationship marketing strategy is a complex phenomenon for banks to adopt, the revenue of creating long-term customer relationships is clearly advantageous (Dibb & Meadows, 2001). Through long-term customer relationships banks are able to gain higher level of commitment with existing customers, which generates necessary information of individual customers. It is important that both the bank and the customer perceive that a relationship is beneficial. If customers do not require a relationship commitment it is important that banks use strategies to convince the customer that a relationship will serve positive values. Throughout a strong customer relationship banks are able to develop their strategies which contribute to efficient bank businesses with streamlined processes, increased revenue and lower acquisition costs.

## 3.3 Summary of literature review

The literature review discusses interactions between small businesses and banks, both from a small businesses point of view and from a banking perspective. Bruns (2003) argues that a close relationship between small businesses and banks are beneficial for both parties. Banks play a significant role for small businesses, not only as an external financer but also as an important advisor in different business areas. As banks create relationships with its customers more business opportunities are perceivable and the exchange of information between actors is facilitated (Dibb & Meadows, 2001). Throughout customer relationships banks can decrease its costs of recruiting new customers and minor financial gaps and asymmetric information. As the agricultural and forestry sector is characterized with strong market changes, banks are forced to act competitive and create long-term relationships with its customers to maintain desirable market positions (Roucan-Kane *et al.,* 2010). Breiding (2010) argues that the agricultural and forestry businesses have through the last decades been a

growing market segment, which has increased banks concentration towards the agricultural and forestry sector (Breidning, 2010). Previous studies in the same research area have focused on small businesses in general. This study on the other hand aims to develop the research area towards the agricultural and forestry sector and its relation to the financial sector.

In order to satisfy agricultural and forestry businesses requirements on banks, banks need to obtain and develop their knowledge about customer expectations and perceptions of banks. As banks maintain knowledge about their customers, it facilitates the development of suitable strategies in order to reach a desirable strategic position. The used method in this study differs from what have been used in previous studies in the same research area and was chosen as it provides a deeper understanding of customers' expectations and perceptions of banks.

# 4 Theoretical framework

The aim of the theoretical approach of this study is to provide information, necessary for analysing how bank strategies correspond to owners of agricultural and forestry businesses' perceptions. The theoretical approach is based on theories within the discipline of business administration. Presented theories in the study are the means-end chain approach, strategy, strategic positioning and service marketing. The theories have been chosen in terms of relevance for the research area, with the aim to answer the research question and gain a considerable in-depth knowledge of the studied subject. The chosen theories concerns customer situations rather than business-to-business perspectives. As agricultural and forestry businesses are small private businesses, theories concerning customer research are more appropriate for this study.

The means-end chain approach (MEC) is a theory concerning customer behaviour. In this study the means-end chain approach have been applied to owners of agricultural and forestry businesses in order to reveal underlying motivations and to gain knowledge concerning their behaviours. The customers in the means-end chain approach are in this study therefore represented by agricultural and forestry business owners. MEC was chosen as it provides a central basis and understanding of how customers behave on a market.

The aim of the study is to identify service and product attributes, that owners of agricultural and forestry businesses demand in a bank relationship. The focus of the strategy theory lies therefore in the investigation of what strategies banks should use in order to meet customer perceptions. When a bank develops suitable strategies toward customers, it facilitates the organisational work of creating desirable strategic positions on a market. As banks operate on a service market it is important to maintain knowledge about how services should be developed in order to meet customers' expectations. The processed theories were chosen to explore various consequences that can occur when organisations act on a market and how those actions match customer behaviours.

## 4.1 The Means-End Chain Approach

To identify owners of agricultural and forestry businesses perceptions of banks it is necessary to understand elements that influence customer behaviours. One way to explore customer motivation and consumption choices is through MEC (Gutman, 1982; Reynolds & Gutman, 1988; Gengler *et al.,* 1995; Olson & Reynolds, 2001). MEC and the laddering technique together can be used in order to gain insight of customers' buying motives (Grunert & Grunert, 1995). MEC does not only provide the researcher with understanding of important characteristics of products but also an understanding of why certain characteristics are important for customers (Olson & Reynolds, 2001). To understand why customers make decisions out of multiple choices on a market is essential. A customer makes decisions from a selection of different possible behaviours and do not only make a choice between different products. Customer behaviours are influenced by different contextual factors such as social roles, the customer's economic situation and cultural influences. Gained understanding of customer behaviour can help organisations to make strategic and suitable decisions that generate long-term customers.

MEC includes different categories that influence customer purchasing behaviours such as attributes, consequences and values (Olson & Reynolds, 2001; Peter & Olson, 2010). The

categories construct different means-end chains of customers purchasing behaviours and can be used by organisations in order to understand customers' behaviours and consumption choices (Peter & Olson, 2010). Through MEC organisations are able to measure structures and predict customer behaviours, which facilitates organisational work as organisations beforehand can predict how certain products will be responded on the market (Grunert & Grunert, 1995). Today MEC is commonly used in order to investigate customer motivations concerning product choices (Leppard *et al.*, 2004). Through MEC a framework of customer behaviours can be conducted, which facilitates understanding of associations between attributes, consequences and values arising from products.

In the creation of means-end chains, the linkages between attributes, functional and psychosocial consequences and values occur differentially between customers depending on individual preferences (Peter & Olson, 2010). See Figure 2 for a description of the means-end chain.
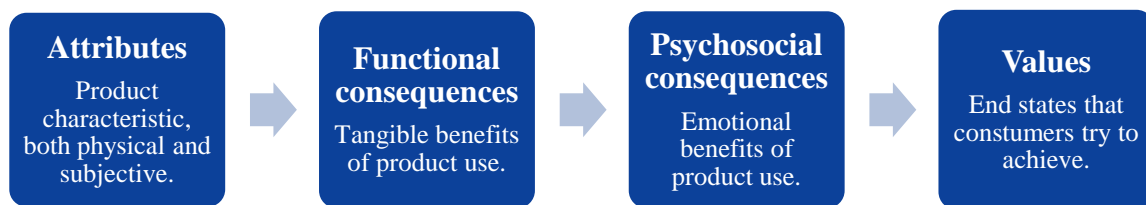
| **Attributes** Product characteristic, both physical and subjective. | **Functional consequences** Tangible benefits of product use. | **Psychosocial consequences** Emotional benefits of product use. | **Values** End states that constumers try to achieve. |

*Figure 2: Means-End Chain Model (own version after Peter & Olson, 2010, pp.78).*

Customers develop means-end chains uniquely as they arise from personal interest and background (Peter & Olson, 2010). Personal interest and background tends to affect customers' personal meanings for a product and brand. Different means-end chains can be connected to a product or brand, where each one is unique depending on customer preferences. A customer can also possess several means-end chains of one product but if the customer does not maintain knowledge or experience of the product, the means-end chain can be incomplete (Grunert & Grunert, 1995). The means-end chain is likewise incomplete if customers do not obtain experience of the products attributes, consequences or values. The means-end chain illustrates perceived associations that customers use as they make different consumption choices concerning product attributes, consequences and values (Grunert, 1995). It is important that organisations consider differences that can occur, e.g. the marketing manager have a different view of a product compared to the expected customer (Peter & Olson, 2010).

Gutman (1982) argues that the *means* in MEC represents linkages between product attributes. Meanwhile, the *ends* in MEC represent consequences that customers perceive through product attributes and personal messages. The consequences can be benefits or risks for the customer while the end can be an abstract value (Peter & Olson, 2010). As organisations strive to achieve positive consumption consequences through product attributes, it is of importance that organisations specify rational underlying consequences (Reynolds & Gutman, 1988). Rational underlying consequences can e.g. be personal important values that a customer perceives while consuming a certain product. According to Schwartz (1992) the definition of values is concepts or beliefs that are desirable end states for the customer and important factors that influence customers' behaviours and choices. Some values that Schwartz (1992) highlights are e.g. (1) Achievement – where the goal is personal success in relation to social standards, (2) Security – with the goal to achieve safety, harmony and stability of

relationships and (3) Benevolence – which concerns the goal to accomplish welfare for close parties.

## 4.2 Strategy

Rapid market changes and high competition require organisations to have a flexible strategy (Porter, 1996). Structural market changes force organisations to evolve and develop business activities in order to integrate and compete on a global market. Globalisation continues to change the paradigm of competition and causes previously secure sources of income in organisations to disappear. Global market conditions forces organisations to develop competitive advantages as it exposes organisations to larger markets with stronger degrees of rivalry, i.e. hypercompetition. As organisations become more entrenched in hypercompetition, the pursued strategies by the organisations become essential in an effort to perform activities differently and possibly more efficiently from competitors in the same market segment.

Customer satisfaction is an essential indicator for organisations' financial performance (Fornell *et al.,* 1996). The financial performance of organisations is significantly affected by organisations' capability to maintain existing customers, since it is more profitable to maintain existing customers than to acquire new ones (Lam & Burton, 2006; Yap *et al.,* 2012). Even though customers are satisfied, there is still a great risk that they might switch bank because of e.g. changed priorities, new technology or improved services by competitors (Buttle *et al.,* 2002). Previous studies show that trust between banks and customers is more essential than satisfaction when trying to keep loyal customers (Ranaweera & Prabhu, 2003; Caceras & Paparoidamis, 2007; Yap *et al.,* 2012). It is important that banks aim to achieve both customer satisfaction and trust throughout their strategies in order to keep loyal customers, which also generates competitive advantages (Yap *et al.,* 2012). As customers change priorities, banks need to be flexible in their strategies and respond quickly to new market conditions, otherwise the risk of losing customers tend to increase. Milgrom and Roberts (1990) address that for banks to prevent that customers switch business partner, it is important to be flexible and create offerings related to market demands, at the right time and in the right place. If banks are flexible in their strategy, they are able to more rapidly meet e.g. new customer priorities and changed competition. Banks with suitable strategies are most likely to achieve a high level of performance and therefore it is important to implement appropriate strategies (Phillips & Dar, 2009). The manager is responsible for the implementation of a strategy. The implemented strategy has to permeate throughout the whole organisation in order for the strategy to be beneficial. It is necessary that banks develop suitable strategies to achieve customer satisfaction. In order for the strategy to be realized, it is essential to train employees in communication and service (Yap *et al.,* 2012).

## 4.3 Strategic Positioning

When organisations determine suitable strategies, they adopt a strategic position on the market, which allows them to explore and use their strategic capabilities (Johnson *et al.,* 2011). Organisations that operate in constantly changing environments need to determine a strategic position to discover market opportunities and threats. A strategic position of an organisation is based on the organisations strategic capability and is influenced by the external environment, culture and organisational goals. Through a strategic position organisations are able to identify and focus on priority issues and use its strategic capabilities in terms of resources and capabilities to create competitive advantages. If organisations have a

clear purpose, including vision, mission and objectives it facilitates the determination of a strategic position (Johnson *et al.*, 2011). Throughout a strong organisational purpose organisations are able to avoid major detours, stick to organisational goals and use strategic capabilities in the best possible way.

A strategic position focuses on the value creation in different set of activities and how activities relate to one another (Porter, 1996). In order to create strategic positions it is necessary that organisations maintain knowledge about customer needs, accessibility and the variety of organisations' products and services; otherwise the strategic position will not emerge in competitive advantages. Interaction between business activities is essential as organisations develop competitive advantages and superior profitability. Business activities tend to affect one another, which require that activities fit well together in order for the organisation to identify potential weaknesses and strengths of its strategies. Competitive advantages are not created in single activities instead they are developed through system of activities in whole. It is important that unprofitable activities are identified and excluded from the system to the advantage of profitable activities. Porter (1996) argues that competitive advantages built on entire systems of activities, is more sustainable and profitable compared to competitive advantages that rely on individual business activities. A strategic position can therefore help organisations to find competitive advantages. A strategic position distinguishes an organisation from its competitors (Zineldin, 1996). Although, the strategic positioning do not have any significant use for the customer, the position can provide customers with important information about the organisation when the customer values different alternative on a market. The strategic position can therefore e.g. be an important indicator for customers in their choice of bank. When an organisation formulates a long-term strategy within an unstable external environment, the organisation is not able to base its strategy on volatile customer preferences (Grant, 1991). Within a changing environment it is more profitable for the organisation to develop a strategy based on its own resources and capabilities. There are two factors that determine if an organisation will become profitable; first the attractiveness of the industry and second the organisation's ability to create competitive advantage over its rivals.

## 4.4 Service marketing

Banks operate on a service market and as banks develop service concepts, they need to consider both customer needs and perceptions (Edvardsson, 1997). As the financial sector is imitated by high competition, it is important for banks to achieve service quality (Abdullah *et al.,* 2011). Throughout good quality services banks enhances customer turnover, the ability to gain higher market shares, attract new customers and increase financial performance. The concept of service marketing is built upon interactions between a service organisation and its customers (Grönroos, 2008). A service organisation aims to use its resources in order to create values for customers and has therefore a strong focus on customer practices, as customers have strong influence on different business processes. As a service organisation develops its service concepts, it is important that the company intent to provide resources that encounters the customers' perceptions and desires (Edvardsson, 1997). If a service organisation develops different business activities together with its customers, the organisation is able to raise revenues and market shares in a competitive environment (Fang *et al.,* 2008; Kunz & Hogreve, 2011).  It is important that the service organisation is aware of the fact that customer perceptions on quality services are connected to employees within a service organisation (Edvardsson, 1997). The employees are key resources within a service organisation and the

knowledge and commitment of the employees are examples of components in services that customers evaluate highly.

Services are performed during a short period of time and are therefore hard to correct (Edvardsson, 1997). During a service development, the service goes from an idea to an actually service that is introduced to the market. By involving customers in the service development processes it is easier for the service organisation to deliver the right service immediately, understand customer needs, expectations and to raise customers' satisfaction. The goal with service development is to create prerequisites that generate profitable relationships with long-term customers. As a service organisation involves its customers in the development process of new services the service organisation is able to have dialogues with demanding and competent customers to improve processes. To achieve a mutual exchange between the service organisation and the customer it is of importance that each customer relationship focuses on long-term benefits for both parties and the reduction of transaction costs (Lam *et al.,* 2004). Even though the customer provides the service organisation with useful proposals, the service organisation cannot always follow the customer when developing a service (Edvardsson, 1997).

## 4.5 Summary of theory

The theoretical framework has been conducted in order to cover customers' demand of service and product attributes in a bank relationship and how different perceptions tend to affect customers' behaviours and choices on a financial market. The theories have been used to explore the awareness of customers' perceptions, when banks' develop suitable strategies and strategic positions.

As banks strive to meet customers' perceptions it is important to understand customers' different buying motives and purchase behaviours (Grunert & Grunert, 1995). MEC have been used to gain a deeper understanding of customers' consumption behaviours and underlying motives that influences customers to make particular choices on the market (Gutman, 1982; Reynolds & Gutman, 1988; Gengler *et al.,* 1995). When banks aim to create service concepts, it is of importance that the customers are involved in the development process (Edvardsson, 1997).

Customer perceptions and consumption behaviours should be taken into account as banks implement strategies. Due to rapid market changes, Porter (1996) argues that it is important that banks use flexible strategies to monitor market changes. In order to attract both current and future owners of agricultural and forestry businesses as customers, banks need to use suitable strategies and obtain knowledge of customer perceptions in order to act competitive on the financial market. When banks use different strategies towards specific market segments e.g. the agricultural sector, they automatically occupy a strategic position on the market. Throughout strategic positions, banks are able to explore their strategic capabilities and prioritize business activities that are profitable (Johnson *et al.,* 2011). Strategic positions give banks opportunity to explore their competitive advantages and stay ahead of rivals on the market (Porter, 1996).

Figure 3 shows a circulation of how customers' demand tends to affect banks' development of suitable strategies and strategic positions. Throughout MEC customers' perceptions can be found and implemented in the strategy development. If banks' strategies do not meet customers' demand, banks are not able to create long-term relationships with their customers.

Bank strategies in turn tend to influence customers perceptions, which also constitute a basis for customers motivation when choosing bank. It is essential for banks, in order to act competitive, to understand customer perceptions.
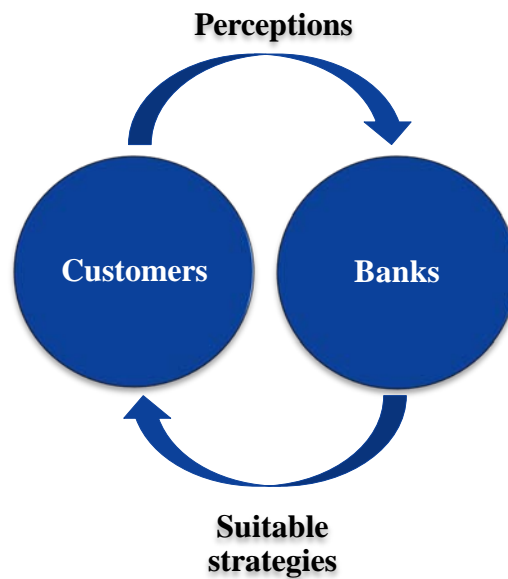


*Figure 3: Summary of the theoretical framework (Own illustration).*

# 5 Method

In this chapter the study's methodological approach for the research process is presented and discussed. Owners of agricultural and forestry businesses represents unit of analysis and the methodological approach of the study is qualitative.

In order to identify and explore owners of agricultural and forestry businesses' perceptions of banks, the study consists of qualitative interviews. Nine in-depth interviews have been held with owners of agricultural and forestry businesses in both Västergötland and Östergötland. The qualitative interviews were conducted throughout the Zaltman metaphor-elicitation technique (ZMET), complemented with the laddering technique. The research methods for the study were chosen as they aim to provide the researcher with an opportunity to investigate the studied subject more profoundly compared to other methods. Due to the fact that this study contains individual opinions, ethical issues are of importance and must be considered in the methodological approach. In this chapter different methods of collecting data, course of action, selection of respondents and the researchers' consideration of ethical issues are presented.

## 5.1 Approach

This study has used a hermeneutic approach with qualitative research methods to collect data. A hermeneutic approach aims to seek understanding of human actions in different context where human actions occur (Robson, 2011). The focus in a hermeneutic approach lies in the way understanding is reached, rather than the actual understanding of a subject. The hermeneutic approach was therefore suitable for this study as the study aims to gain a deeper understanding of agricultural and forestry perceptions of banks. Kvale and Brinkmann (2009) argue that through qualitative interviews researchers are able to ask the respondents to describe different actions through thoughts and feelings. By using qualitative interviews for this study, the researchers have been able to progress different situations and actions that occur, with the aim to receive a meaning on a concrete level instead of general opinions of the studied research area.

A quantitative research method would not have been suitable for this study, as a quantitative research method can limit the researchers' ability to reveal the respondents' unconscious thoughts and feelings about a studied subject (Kvale & Brinkmann, 2009). Qualitative interviews were thereby chosen for the study as it allows the researchers to understand owners of agricultural and forestry businesses' perceptions of banks on a deeper and more concrete level. Throughout qualitative interviews the respondents in this study were able to express their knowledge and experiences in their own words (Kvale, 1997). Thereby, the researchers are able to gain deeper knowledge about individuals' behaviour and reveal e.g. hidden and symbolic meanings that customers perceive through organisational actions.

## 5.2 The qualitative research interview

Kvale (1997) addresses that through qualitative interviews a researcher aims to understand a deeper meaning of the respondent's experiences, which allows the researcher to see the world from the respondent's point of view. A qualitative interview can be seen as a professional

conversation that deviates from an everyday conversation, where knowledge develops from the interaction between the researcher and the respondent (Kvale & Brinkmann, 2009). Denscombe (2000) argues that through interviews, a thorough account of data can be collected. This study has used semi-structured interviews in order to gain a deeper understanding of the meaning of the studied subject (Kvale & Brinkmann, 2009). A semi-structured interview is not an everyday conversation; instead it has its base in an interview guide with certain themes and suggested questions. Kvale (1997) explains that throughout a semi-structured interview the researcher is able to change question forms and add follow up questions to expand the respondent's answers. The semi-structured interview was chosen for this study as it allows the researchers to ensure the validity of the given answers, to reconnect answers with the respondents and uses follow up questions to develop given answers.

Robson (2002) indicates that if a researcher would like to ensure that all themes are addressed during an interview, an interview guide can be used. In this study an interview guide have been used to facilitate the interview process for the respondent and to ensure that all matters of the studied subject have been processed. Although an interview guide has the purpose to facilitate the interview, it is important that the researcher is not restricted to the interview guide and instead allows the respondent to express its thoughts and feelings profoundly to avoid similar answers between respondents (Kvale, 1997). Kvale (1997) argue that if the researchers allow the respondent to draw its own conclusions during an interview it is not only enriching for the researcher but also for the respondent. The interview guide in this study was based on the six steps of ZMET (Chen, 2008) and was used to ensure that the same interview approach was used throughout all conducted interviews.

### 5.2.1 Quality of the interview

The quality of interviews are an essential ground for the analysis of a study, but crucial for the verification and the final report of the result (Kvale, 1997). During an interview, the researcher represents the key research tool. It is the researchers' responsibility to apply the right interview techniques to motivate the respondent and to ensure that the interview contributes to qualitative results (Kvale & Brinkmann, 2009). It is also of importance that the researcher retains great knowledge of the research topic and uses a suitable language due to the respondent's linguistic style (Trost, 1997). To ensure that the conducted interviews in this study would generate qualitative results the researchers adapted the interview technique regarding to the respondent and its background. To further ensure that the quality of the interview and that the respondent could feel comfortable during the interview, all interviews in this study were conducted in the respondents' home environment. Kvale (1997) argues that the researcher needs to possess knowledge about how to critically analyse and interpret the answers reliability and validity given from the respondent (Kvale, 1997). In order to distinguish the reliability and validity of answers arising during the interviews in this study, all respondents were allowed to draw own conclusions and open up for new aspects of the subject. This was carried out to increase the value of the conducted interviews and allow the respondents to take part of the resulting outcome, to ensure the answers or allow the respondent to add further additional information.

Leading questions in interviews is a highly discussed issue (Kvale, 1997). Kvale (1997) addresses that leading questions in an interview can affect the final results as the researcher can lead the respondent into a coveted path. Leading questions can e.g. shape the content of the respondent's answers during a conversation, which contributes to an invalid result. The validity of leading questions depends on the purpose of the investigated topic and the different

intentions that arises during the interview (Kvale & Brinkmann, 2009). By using leading questions the researcher is able to test the reliability of the given answers and respondent's interpretations can be verified. Depending on how questions are formulated the researcher can affect the answers given from a respondent, which can be helpful if the researcher would like to increase the quality of the result. Kvale & Brinkmann (2009) address that the researcher should not seek to avoid leading questions completely, but should be aware of that the answers can be influenced by how the question is asked which tend to form the result. In this study leading questions were used as guidelines during the interviews. The leading questions worked as a helping-tool when the respondent did not understand questions during the interview or the different steps in ZMET. There is a risk during an interview, that the respondent gives answers that he/she believes is politically correct and answers they believe the researcher requests. The ZMET technique was therefore chosen as it gives an opportunity to reveal the respondents' unconscious thoughts and feelings. To ensure that the qualitative interviews enrich the researchers with good knowledge, several pilot interviews where completed in this study to test the interview technique.

## 5.2.2 Ethics in research

Trost (1997) argues that ethical aspects need to be considered when using interviews as a research method. As this study treats bank confidentially and economic matters of individuals, ethical aspects of the used research methods are essential. When an interview is conducted, the respondent's integrity and dignity must be prioritized throughout the whole interview process, from the first contact to the final written result. In this study the researchers informed the respondents about the subject before the interview and that the given answers during the interview are held under confidentiality.

Trost (1997) argues that confidentiality can contribute to problems when reporting the final result, as the respondent cannot be recognized through the presented information. Kvale (1997) addresses that if information that can lead to identification of a respondent needs to be presented the researcher has to get an approval from the respondent. In this study identification of respondents are not necessary to compile the result of the study, therefore are the respondents held anonymous. Information such as hometown, exact age or education is not always necessary to reveal (Trost, 1997). To ensure anonymity of the respondents in this study, each respondent were given a number as the interview proceed. The numbers were used as a coding system when the outcomes from the interviews were complied. Direct quotes that arose during the interviews have been used with caution, as the respondent can consider them intrusive. Direct quotes that directly can reveal identities of the respondents have been left out in this study.

Kvale (1997) argues that confidentiality creates a conflict with the fundamental principles of scientific research. Due to this, the undisclosed information that emerged in this study can make it difficult for other researchers to confirm the validity of the research and to reproduce the same results. Confidentiality should always be prioritized in an interview and if confidentiality is not possible to achieve, the results of the research should not be written (Trost, 1997). In this study confidentiality has been used in order to make the respondent confident to answer the research questions honestly and without the need to express thoughts and feelings that is assumed to be politically correct.

## 5.3 Course of action

The empirical data in this study were conducted throughout qualitative interviews with owners of agricultural and forestry businesses in Västergötland and Östergötland. To gain a deeper understanding of the selected respondents' thoughts, feelings and perceptions of banks this study has used the interview technique ZMET, presented in 5.3.2. To further improve the quality of the interviews, the traditional laddering technique was used as a complement to ZMET, presented in 5.3.3. The laddering technique was used to gather additional information from the respondents and to ensure that all information had been revealed during the interview.

Trost (1997) argues that recording an interview helps the researcher to identify recurring themes during the interview and gives the researcher an opportunity to return to the interview if important information disappears. The qualitative interviews in this study were recorded to facilitate the interpretation and the analysis of respondents' answers. As the interviews were conducted, each interview was transcribed and each respondent were given an identification number. The numbers were used as a coding system when the interviews were transcribed and when the results were complied. The transcribed material was used to analyse the results of the study and to facilitate the researchers' identification of recurring themes and words that arose during the interviews.

### 5.3.1 Selection of respondents

According to Kvale (1997) the number of interviews conducted in a study should be based on how deep a researcher would like to investigate a subject. Because of delimitations, such as expenditure of time and geographical distance, this study contains nine in-depth interviews with owners of agricultural and forestry businesses. However, a larger number of interviews would have been desirable. The nine chosen respondents in this study have been strategically selected after certain criteria and variables such as; sex, age, production practice and geographical area. The criteria and variables have been completed in order to examine different impacts, attitudes, thoughts, feelings and expectations that the chosen respondents maintain. Throughout a comparison between different types of agricultural and forestry businesses, similar responses can be reduced and instead be replaced by multiple viewpoints, which facilitate the identification of recurring themes (Denscombe, 2006). The election of respondents has been delineated to Västergötland and Östergötland, chosen by both Handelsbanken and the researchers. The nine respondents are customers in several prominent banks and are selected to gain a deeper understanding of agricultural and forestry businesses' perceptions of banks.

With a qualitative research approach a generalisation cannot be done, although Kvale (1997) argues that through a well premeditated assessment of an interview, an analytical generalisation can be accomplished. The analytical generalisation in this study is based upon differences and similarities from current situations and can serve as a guideline for future situations.

### 5.3.2 Zaltman metaphor-elicitation technique

This study has used ZMET to gather empirical data. ZMET is a technique that has evolved from the traditional laddering technique (Christensen & Olson, 2002). Christensen & Olson (2002) argues that with ZMET it is possible to gain a deeper understanding of a studied subject, compared to a traditional laddering technique. The aim of ZMET is to create knowledge about patterns that form customers' mental structures surrounding a studied subject. As a deeper knowledge of the customers' thoughts and feelings is completed, organisational activities can be customized to meet customer needs and demands. ZMET contains two theoretical suppositions 1) Unconscious Tacit Content, which refers to the unconsciousness of customers and the importance of developing methods that reveals hidden knowledge to create deeper meaning. 2) Images in Mental Models, deals with the fact that language is a tool to express thoughts based on images and as thoughts are image based investigations should be made through visual images.

ZMET is based on abstract images that represent thoughts and feelings of respondents (Christensen & Olson, 2002). Through images it is easier for the respondent to identify and communicate its mental structure, ZMET is therefore a useful tool to gain a deeper understanding of the unconscious. Thoughts are usually expressed verbally even though they are based on nonverbal images (Zaltman & Coulter, 1995). When thoughts are expressed verbally they can differ from the visual image, which can lead to loss of important information. If verbal language is used together with nonverbal images a deeper understanding of customer thoughts and feelings can be reached. However, ZMET is more appropriate when the respondent are able to express his/hers thoughts and feelings easily, otherwise the research method can be perceived as demanding since it requires the respondent to express thoughts and feelings on a deeper level compared to an ordinary interview. To understand customers' needs and mental structures, metaphors are important units since it is throughout metaphors customers' mental structures can be understood and studied. Thoughts are created and shaped through metaphors and thus metaphors are essential for understanding customer thoughts and feelings, i.e. a mental model.

In the first step of ZMET the respondents are asked to select a number of images that they relate to the studied subject (Christensen & Olson, 2002). Each one of the chosen images represents a metaphor of respondents' perceptions of banks. In this study the researchers have chosen the images, because of the respondents' time constraints. Since the researchers have selected the image sample, it is important to take into account that the interview can generate answers different from if the respondent selects images him-/herself. However, the respondent was asked during the interview process to express missed images, to ensure that the respondent was not limited by the predetermined images. The used images during the ZMET - interview were chosen with respect to the agricultural and forestry sector and the financial sector. The images were selected with range to widen the respondents' thoughts and feelings surrounding a bank relationship. In order to ensure that the respondent easily could associate different thoughts and feelings to the selected images, images that can have several associations were selected. The image sample consists of 21 photographs, animation pictures and illustrations. See Appendix 1 for image sample used during ZMET. The respondents were asked to choose five images out of the sample and explain how the chosen images represented his/hers thoughts and feelings concerning a bank relationship.

Various steps exist in ZMET (Zaltman & Coulter, 1995). Hence, this study has used six steps of ZMET, as the six-step-model was considered enough to answer the research questions of

the study. The six steps help the researchers to reveal the respondents' mental model, validate the expressed thoughts and feelings or to find new ideas (Chen, 2008). See Table 1 for description of the six steps during a ZMET interview. Chen (2008) argues that Step 4 aims to reveal unconscious thoughts and feelings of respondents throughout the use of senses. The senses can be revealed with different associations e.g. taste, touch, smell, colour, sounds or emotional feelings. In this study the researchers chose to ask the respondents to develop their associations with colours further, in order to reach unconscious thoughts and feelings concerning a bank relationship.

*Table 1: The six steps of ZMET (own version after Chen, 2008).*

| Step 1.<br>Storytelling | Step 2.<br>Missed images & Issues | Step 3.<br>Metaphor Elaboration | Step 4.<br>Sensory Images | Step 5.<br>The Vignette Participants | Step 6.<br>The Digital Image |
|---|---|---|---|---|---|
| The respondent motivates their choice of images. | The respondent is asked to explain an image that could not be found and describe it in detail. | The respondent is asked to develop its expressed thoughts and feelings. | The respondent widens its thoughts and feelings through senses. | The respondent expresses thoughts and feelings through a short movie. | In order to express important issues, the respondent creates a summary of the images. |

When the ZMET interview is completed, the collected data is analysed throughout an open coding process (Chen, 2008). An open coding process put labels and categorizes mental models into concepts. Throughout the process it is possible to identify dominant concepts and metaphors that customers perceive as important and identify different connections within a studied group (Christensen & Olson, 2002). The coding process result in a consensus map, which consists of different constructs (Zaltman, 1997; Christensen & Olson, 2002; Chen, 2008).

In this study the researchers started with summarizing all images that were selected by the respondents and counted the numbers of respondents that had chosen each image. The images were then matched to image motivations that the respondents expressed. Important and frequent words were thereafter highlighted in the transcribed interviews in order to find recurring themes. The highlighted words were then put in to one out of three found themes. To limit the number of words in the consensus map, related words were summarized in constructs. Constructs were made out of attributes that the respondents had highlighted as important during the interview. When constructs had been found the researchers could identify a core construct and end value constructs. After all themes, constructs, core construct and end value construct had been determined a consensus map was created.

### 5.3.3 Laddering technique

In this study the laddering technique has been used as a complement to ZMET. The laddering technique has been used in order to explore the answers that emerged during the ZMET interview even further. Laddering is a research tool to reveal customers' means-end chains (Grunert, 1995). The means-end chain links product characteristics to consumption consequences and values, which creates a model of customers' cognitive structures. Laddering is commonly used as an interview technique in order to develop a deeper

understanding of customers association to different product attributes (Reynolds & Gutman, 1988). The technique also improves the understanding of customers' quality perception and an awareness of how customers value certain product attributes (Grunert, 1995). The laddering technique is based on a tailored interviewing format that determines linkages between different key elements that affect customer decisions concerning consumption (Gutman, 1982). The key elements of the laddering technique are product attributes, consequences and the values of consuming a product. If organisations investigate the key elements of laddering, this facilitates the understanding of linkages between consumption indicators and creates a deeper understanding of customers' choices and behaviours (Reynolds & Whitlark, 1995).

During a laddering interview the respondent first presents the required product characteristics (Grunert, 1995). Continued with that the respondent specify certain values of the presented characteristics. The researcher can then use follow-up questions such as "why do you prefer…" with the aim to reveal abstract characteristics. The interview continues with the respondent answering "why is it important to you…" which creates opportunities to further explore how customers associate and value different product attributes. The questioning continues until both parties perceive that the end value is revealed. Depending on how the customer motivates his/hers answers during a laddering interview, the answers can be useful for managers to understand customers underlying motivations of products (Peter & Olson, 2010). Answers arising from the laddering technique are also useful for organisations to improve actions before entering markets or presenting a new product (Grunert, 1995).

After the ZMET interviews the respondents' most highlighted attributes were revealed and followed up by the laddering technique. By using laddering as a complementary technique to ZMET, respondents' thoughts, feelings and perceptions could be specified and evaluated. This was made in order to gain an even deeper understanding of the respondents' answers arising during the interview.

# 6 Result

In this chapter the results from the conducted interviews are presented and analyzed. The chapter is structured according to the six different steps in ZMET with a summarizing section in the end. Each section consists of the most illuminated answers given from the respondents. Throughout the chapter, a continuous analysis related to the theoretical framework is presented. The results in the different steps of ZMET have been analysed with the theory about MEC, meanwhile the summarizing section of the interviews is related to the theories concerning both MEC and strategies. In the summary section a consensus map has been conducted, which summarizes the results arising during the ZMET steps.

## 6.1 Step 1 – Storytelling

In the first step of ZMET the respondents were given a sample of 21 images. The respondents were asked to choose five images out of the sample and explain how the chosen images represented his/hers thoughts and feelings concerning a bank relationship. Out of 21 images, 16 images were chosen, with different motivations but with distinctly recurring themes. In Table 2 the chosen images are listed together with respondents' motivations of the images. Table 2 also shows the number of respondents that during Step 1 have chosen the same image.

Recurring motivations for the images regarding a bank relationship were trust, reliability and the importance of feeling safety. One of the respondents argued *The bank should be someone you can trust in hard times"*. Several respondents mentioned the importance of good counselling, which is based on the bank contact's knowledge and expertise. The respondents highlighted during Step 1 that knowledge about the agricultural sector, the specific business, economics and the customer's individual characteristics is all important parts of good counselling. Banks should not only act as financers of capital, they are expected to obtain knowledge about the agricultural sector, customers personal interest and work with counselling that matches customers' expectations and needs. If banks achieve to meet customer expectations and needs, several respondents mentioned that their interest of switching bank partner decreases as their satisfaction is raised. Another essential part that arose during Step 1 was that the bank should represent a business partner that acts, thinks and plans in long-terms. One respondent clarified it as *The bank contact should give me advice on a long-term basis, not provide me with a short insight of how the business runs today"*. Banks should help administer both agricultural and forestry businesses' properties and businesses, as they are important parts for creating business opportunities. The bank ought to offer comprehensive solutions that are competitive, e.g. low interest rate on borrowed capital.

*Table 2: Summary of the chosen images in Step 1.*

| Image No. | Motivation | | No. Respondents |
|---|---|---|---|
| 1. | Deals/Offerings<br>Finance<br>Sounding board | Spread sheet analysis<br>Clear dialogues | 6 |
| 12. | Business partner<br>Business relationship<br>Trust | Two-side exchange<br>Reliability | 6 |
| 9. | Advisory partner<br>Communication<br>Knowledge | One bank contact<br>Overall solution | 4 |
| 10. | Knowledge/Understanding<br>Agricultural sector | Financial support<br>Investment | 4 |
| 13. | Understanding<br>Long-term basis<br>Property | Safety<br>Business management | 4 |
| 16. | Economics<br>Stable relationship<br>Advising part | Availability<br>Capital management | 3 |
| 18. | Knowledge<br>Advice | Agricultural sector | 3 |
| 20. | Consistent income<br>Long-term planning<br>Generational shift | Forestry-/property<br>management | 3 |
| 2. | Interest rate on capital<br>Advice regarding money<br>placement | Payment flows<br>Development<br>Cash management | 2 |
| 5. | Relaxation<br>Trustworthiness | Sleep well<br>Long-term relationship | 2 |
| 14. | Credibility<br>Clarity | Good contact<br>Relationship | 2 |
| 17. | Overall solution<br>Generational shift | | 2 |
| 3. | Freedom<br>Leisure | Reliable bank contact<br>Trustworthiness | 1 |
| 8. | My business<br>Capital | Business opportunities<br>Managing capital | 1 |
| 19. | Overall solution<br>Flexibility | | 1 |
| 21. | Advisory<br>Knowledge | Long-term basis | 1 |

## 6.2 Step 2 – Missing Images

In the second step of ZMET the respondents were asked to motivate one or more missing images in the given picture sample and justify why the images were missing. Both the missing images and the motivations differed between respondents, which most certainly depended on respondents' individual preferences and previous experiences of bank relationships. See Table 3 for further explanation of the missing images that occurred during Step 2.

*Table 3: Motivation of missing images during step two in ZMET.*

| Missed image | Motivation/Explanation |
|---|---|
| **A local office** | The respondent value accessibility to the bank and the bank contact. Accessibility leads to an improved business relationship. |
| **Computer/ Internet bank** | Represents the bank office today and that customers are able to perform bank businesses by him-/herself. |
| **A personal contact** | It is desirable to have the same bank contact for both private and business matters. |
| **My own business** | The bank is essential when the business is in need of capital. |
| **Farm visit** | It is desirable that the bank contact visit my farm. If the bank contact obtains knowledge about my businesses, it generates an improved business relationship. |
| **Personal connection** | An open and honest dialogue with a bank contact is important. With a good personal connection it is easier to express issues, ideas and receive right advice. |
| **Clean desk** | The bank should help the business to become more efficient and profitable. When the bank develops new technique tools for banking operations, the bank should educate its customers. |
| **Collective analysis** | A spread sheet analysis together with the bank contact is desirable. It facilitates the discussion about different business solutions and opportunities. |
| **Insurance** | The bank should offer insurance for the customer and its business. |

## 6.3 Step 3 – Metaphor elaboration

Step 3 in ZMET is the metaphor elaboration, where the respondents were asked to develop its thoughts and feelings related to the selected images in Step 1. This step is performed with the aim to generate a mental model of the respondent's expectations of a bank relationship. During this step the respondents widely expressed and highlighted the most important parts in a bank relationship.

Several respondents emphasised the importance of a good relationship with the bank and the personal bank contact. It is essential for respondents to feel support from their bank in both good and bad times. The respondents want to trust their bank and have the feeling that they always receive the best offerings, regardless of current situations. One respondent highlighted that *"I do not want to feel defrauded by my bank"*. If the bank contact obtains knowledge about the individual person and its business, the bank is more likely to give right advice and customize offerings in an early stage. Numerous respondents mentioned the importance of having one bank contact for all businesses areas and that a personal connection with the bank contact is significant for how the respondent perceive its bank. The bank contact should be easily reached and reconnect to the customer rapidly in business matters. It is important that the bank operates in long-term and constantly develops technical tools, to facilitate bank operations so that the customers are able to be self-sustaining.

In Step 3 of ZMET no major differences from Step 1 occurred, the respondents rather developed there given answers in Step 1. During this section, the researcher received a deeper understanding of what the respondents perceive as the most important part of a bank relationship. Hence, during this step the researcher could distinguish that core values are more highlighted and prioritized compared to e.g. interest rate and offerings.

## 6.4 Step 4 – Sensory images

During Step 4 the respondents were asked to use their senses to further develop their thoughts and feelings about the studied subject. Several respondents argued that a relationship with the bank should be professional but at the same time pleasant for both parties. Reliance and security is significant for all respondents, as well as a close personal relationship with the bank contact. Most of the respondents argued that it is of importance that the bank contact is aware of personal characteristics and personal background, since it facilitates the exchange between the two parties. If a bank contact maintains knowledge about the person, the bank is able to give appropriate advice and offerings which the respondents highly value. The respondents do not want to be friends with the bank contact, but address that mutual respect is important in a bank relationship.

Several respondents highlighted personal connection as the most important factor in a bank relationship, but two respondents highlighted that they value the bank contact's knowledge higher than the personal connection. One of the respondents mentioned that *"I do not care about the bank contact's personal characteristics it is the competence from the person I want to receive"*. Some respondents pointed out that social competence is important, but it should be a clear limit between the social and the professional behaviour during a bank meeting. It is of importance that the bank contact possesses knowledge about the agricultural and forestry sector and the individual respondents business to provide useful advice. Such knowledge can create a more long-term thinking in business related questions. One respondent argued *"The*

*bank must understand both my personal needs and my business"*. It is essential that the bank contact provide the respondents with knowledge that they do not possess themselves. The bank contact should support the respondent and act as a sounding board in questions that the respondent finds uncertain or unclear. One respondent mentioned that *"I visit the bank to discuss issues that I am unsure of, by then I expect the bank contact to have knowledge of my business and acts as a professional advisor, after that we are able to have a mutual exchange of each other"*.

The respondents want to feel respected by their bank and require the bank contact to be both responsive and professional. During a bank meeting the focus should lie on the respondent in order to find solutions and development opportunities suitable for the respondent's business. In case of investment the bank contact should express the bank's opinions and inspire the respondent. It is important for the respondents to feel secure with their bank contact and to have the same contact for a long time generates a sense of safety. If the bank cannot offer counselling and safety required by the respondent, respondents argue that they will find a new financial partner.

During this step the respondent were also asked to associate a bank relationship with a colour, with the aim to reach hidden thoughts and feelings. The chosen colours were blue, green, orange, yellow and light colours. One of the respondents associated a bank relationship with three different colours. The respondents were asked to use their senses to identify the colours with different feelings, see Table 4 below for further description of the occurred colours together with motivation and the number of respondent that chose the same colour. This action was conducted in order for the respondents to use their senses even further.

*Table 4: Colours associated with a bank relationship.*

| Colour | Motivation/Association | No. respondents |
|--------|------------------------|-----------------|
| **Blue** | Harmony, serenity, leisure and trade. | 6 |
| **Green** | Money, business growth and the green industries. | 2 |
| **Orange** | A warm and inspiring relationship with the bank. | 1 |
| **Yellow** | Grains and harvest. | 1 |
| **Light colours** | A calm and bright environment in the bank office. | 1 |

## 6.5 Step 5 – The vignette participants

Step 5 in ZMET is based on a short movie. The respondents were in this step asked to develop a movie consisting of their thoughts and feeling before, during and after a bank meeting. Depending on the respondent's individual situation the expressed thoughts and feelings occurred differently.

Before a bank meeting several respondents mentioned that preparation was essential, both by themselves and the bank contact. Most of the respondents did not feel nervous before a bank meeting since they feel comfortable with their bank contact. Some respondents also mentioned their valuable property makes them feel secure before the meeting, if they e.g. would apply for a loan. However, uncertainty can arise if the respondents do not know the bank contact or doubt that the bank has enough knowledge about the respondent's personal characteristics. Anxiety before the meeting could occur if the respondent was uncertain if the bank would approve a loan or not. Last year results could also affect thoughts and feelings before a bank meeting, as the respondent felt that the bank bases its decisions on a short-term basis. Several respondents highlighted at this point that they require banks to think and act on a more long-term basis.

During a bank meeting several respondents mentioned that they appreciate a calm and separated environment as they discuss businesses matters.  The bank meeting should be comfortable but still professional. Some of the respondents highlighted that it is of importance that the bank contact sticks to the subject during a bank meeting and that the respondent does not need to negotiate to get the best offerings. The best offers should be presented from the beginning. Some respondents argued that sale of products and insurances are not appreciated during a bank meeting, instead the bank contact should be engaged in the discussed subject and present different solutions. After a bank meeting all respondents expressed that they want to feel satisfied with the results of the meeting. Thoroughly worked decisions are preferable and if the bank denies an idea it should be done in a professional way. Trust between the bank and the respondents are essential in order to develop a good relationship and to reach decisions that both parties experience as satisfying.

Olson and Reynolds (2001) argued that customers' behaviors are affected by different contextual factors such as social roles and customers' economic situation. In this study the respondents' behaviors can be affected by their economic situation, some of the respondents felt secure as they have a property while others could feel some anxiety due to low last year's result and that the bank does not base their decisions on a long-term basis. The agricultural and forestry sector is also characterized by constant change, which tends to affect the respondents' feelings.

## 6.6 Step 6 – The digital image

The last step in ZMET contains a summary of the chosen images, where the respondent is asked to express the most important part of a bank relationship. As the respondents were asked to summarize the interview, many recurring words arose during step 6. Several respondents argued that through a good bank relationship they are able to trust their bank and feel safety. Personal connection is essential for many respondents as it creates reliability for each other as well as a mutual reliance.  One of the respondents expresses it as *"If you trust each other the bank meeting runs smoothly"*. The bank should act as a functioning business

partner for a long period. To function for a longer period the bank must progress together with the respondent, help the respondent's business to become more efficient and find new solutions in different business matters. A bank contact should be professional and offer competitive deals to maintain customers. The bank contact is also expected to maintain knowledge about the respondent's personal characteristics, the agricultural and forestry sector and the respondent's individual business. One respondent mentioned *"If the bank understands my situation and knows how I think, and what values I have, I get the best advices"*. If the bank succeeds with fulfilling the respondent's claim, the respondent are able to feel relaxed, freedom and happiness, which is a desirable end-state for all respondents.

As a complement to Step 6 in ZMET the laddering technique was used. The respondents were asked during the laddering technique to express further what they evaluate as the most important factor in a bank relationship. Figure 4 below shows a description of the attributes, consequences and values that arose during the laddering technique. Attributes were the first thing the respondent was asked to express. As an attribute is revealed, it creates both functional and psychosocial consequences for the respondent. The respondent was asked to further explain why certain attributes are important and what contribution the attributes have further on. Both functional and psychosocial consequences occurred but most of the respondents mentioned trust as an important consequence that follows when the bank fulfills demanded attributes. Both the functional and psychosocial consequences lead to values, which represents the end-state for the respondent. As the value in the laddering technique is reached, the respondent has no further information to add as a stage of satisfaction is extended.
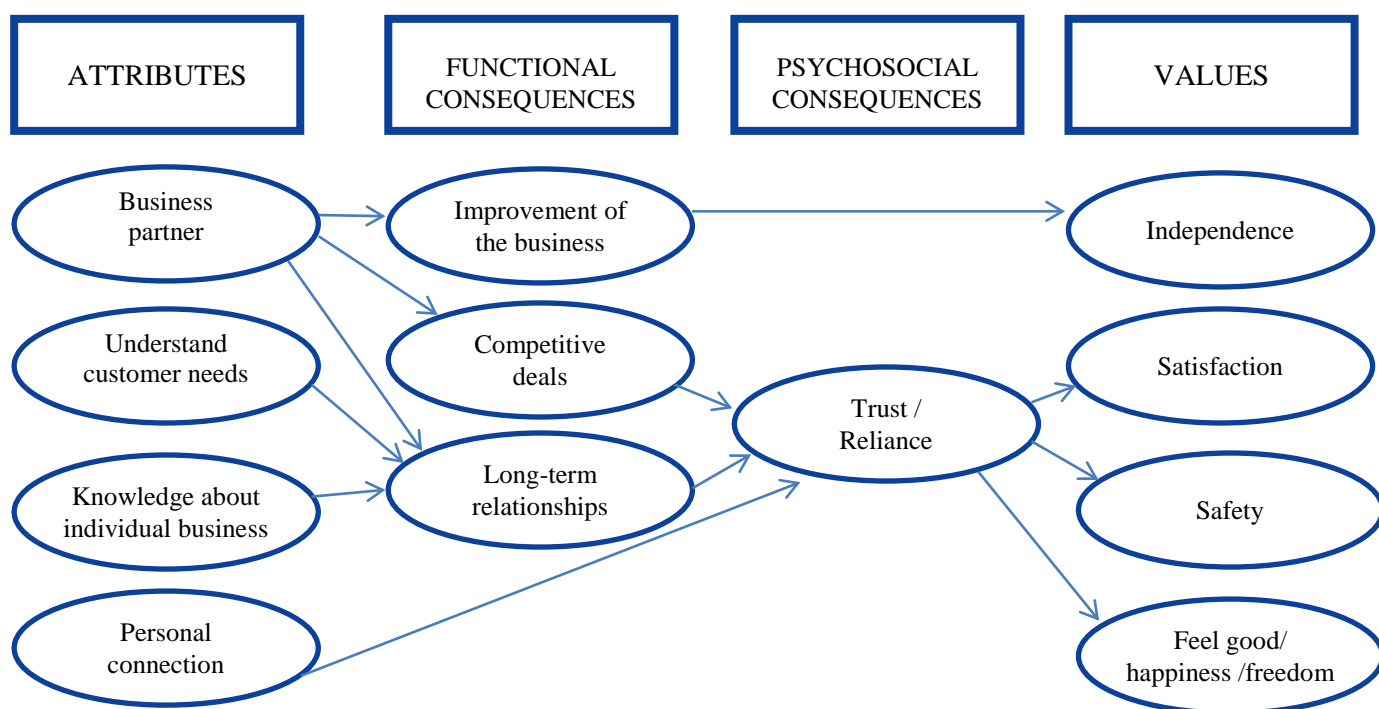


*Figure 4: Illustration of attributes, consequences and values occurring during the laddering interview.*

Grunert and Grunert (1995) argue that customers have different means-end chains for the same product. In this study the respondents did not have the same preferences but some similarities occurred. Some of the respondents value a good relationship and personal connection more highly than competitive deals. Meanwhile some respondents thought that the bank should only act professionally and offer competitive deals. This shows that it is important that the bank look to the individual customer. Yap *et al.* (2012) argued that it is fundamental that employees are trained in both service and communication. It can be difficult for banks to communicate different offerings to customers; it is therefore essential that the bank employees are trained and able to adapt their behaviour to the individual customer and the customer's needs.

Peter and Olson (2010) explained that the different categories in a means-end chain, attributes, consequences and values, affect customers' purchasing behaviour. Throughout the interviews in this study, the respondents highlighted essential attributes in a bank relationship. If the bank succeeds in fulfilling the attributes, the consequences arising from the attributes could be e.g. that the respondent decided to develop a long-term relationship with the bank or that they would trust the bank. The consequences lead to values that the respondents attempt to achieve. First and foremost the respondents wanted to feel safe and secure, as a bank relationship is connected to the respondents' economy. If the respondents did not feel that their economic situation was secured they could not feel safe or relaxed. This demonstrates how important it is that the bank acts professionally and communicates reliability.

## 6.7 Summary

The answers that occurred during ZMET and laddering technique have been summarized and analysed in relation to MEC in a consensus map, see Figure 5. Grunert (1995) addresses that a means-end chain illustrates perceived associations that customers use as they make different consumption choices concerning product attributes, consequences and values. In this study the consensus map can be compared to a means-end chain as it contains indicators that can be compared to attributes, consequences and values.
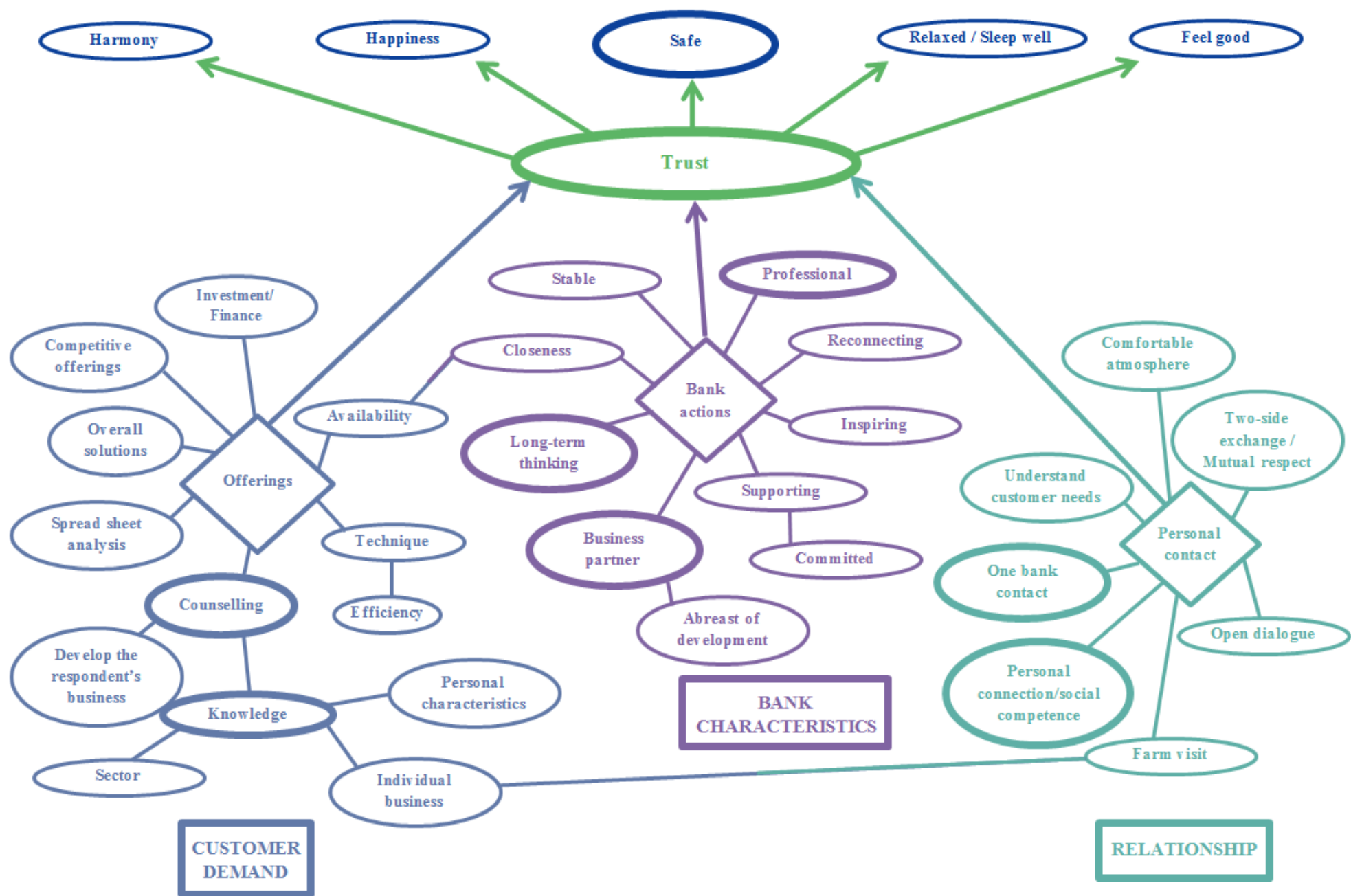
*Figure 5: Consensus map.*

33

In the consensus map, three main themes have been developed and each theme consists of numerous constructs. Each theme has in the consensus map a shape of a rectangle. Theme one, c*ustomer demand,* represents the owners of agricultural and forestry businesses and their perceptions on bank offerings. The second theme is *bank characteristics,* which represents how the bank should act according to owners of agricultural and forestry businesses. The third theme, *relationship*, represents the relationship between the bank contact and the customer, i.e. respondents' expectations on a bank relationship and how a bank contact should operate. The diamond shaped figures, *offerings, bank actions* and *personal contact,* are generic names for all the constructs developed from words that occurred during the interviews. Each construct in the consensus map is connected to one generic name and the constructs are shaped as ovals. The constructs in the map represent attributes that respondents expressed as important factors in a bank relationship. Some of the constructs are linked to each other, also between different themes. Technique is e.g. linked to efficiency as the respondents expressed that the bank should offer techniques that could make their business more efficient. The respondents thought that the bank should be available and be situated close to the respondent, which also increases the availability of the bank contact. Also, farm visits and individual business are linked to each other. This link was made as several respondents expressed the importance of that the bank contact visits their business in order to understand how the business in managed and understand the customer's personal characteristics better.

The attributes lead to consequences (Peter & Olson, 2010). In this consensus map, the constructs lead to a core construct that represents a consequence. The core construct is *trust* and symbolizes that the bank should be liable. Trust represents a psychosocial consequence arising as the bank succeeds with fulfilling the perceived attributes. The reason why trust was chosen as a core construct was because the respondents highlighted trust as the most important consequence. If trust is achieved, end value constructs can be reached. The end value constructs represent feelings and values that the respondents want to achieve, which include: *harmony, happiness, safe, relaxed/sleep well* and *feel good*. The core construct and the end value constructs are situated on the top of the map and are shaped as ovals.

During the qualitative interviews in this study, some constructs occurred more than others. The most recurring constructs have been marked with thicker lines in the consensus map. The most common and important attributes that occurred were *personal connection, one bank contact, professional, business partner, long-term thinking, counselling* and *knowledge*. The respondents argued that personal connection with their bank contact was an essential indicator in order for the respondent to experience satisfaction. The bank and the bank contact are also expected to act professionally as well as work as a trustworthy business partner. Long-term thinking was also highlighted as important by the respondents and several respondents argued that this was something the banks need to improve. The respondents also requested that the bank offer counselling in different matters and maintain knowledge about the individual business, the sector and personal characteristics. Knowledge about personal characteristics and the individual business were highlighted as important in order for the bank to give the respondents the most suitable offerings and advices.

The core construct in the consensus map have also been marked with thicker a line as respondents argued that they would like to be able to trust their bank. If the respondents trust their bank and their bank contact they were more likely to become long-term customers. Out of the end value constructs, feeling of safety have been highlighted as respondents argued that if they could trust the bank they would feel safe, which is a desirable state. If the respondents are able to trust the bank, they can reach found end value constructs. The findings of this

study support Schwartz's (1992) argumentation about important values affecting customers' behaviours. It is desirable for the respondents to achieve security, harmony and happiness which goes in line with what Schwartz (1992) argues are important end states.

As previous studies indicate trust is important (Ranaweera & Prabhu, 2003; Caceras & Paparoidamis, 2007; Yap *et al.*, 2012). The result arising in this study indicates that trust is the most essential factor to the respondents in order to reach desirable end values. If banks achieve trust, the bank will receive loyal customers and gain competitive advantages on the market (Yap *et al.*, 2012). Edvardsson (1997) argues that employees are key recourses in a bank. Due to this study's result, the employees are clearly an important head factor when banks build trust with their customers. The employees also tend to affect the perceived satisfaction and how the respondents evaluate their bank. In order for banks to reach a level of trust it is fundamental that banks train their employees in communication and service (Yap *et al.*, 2012). As banks trains their employees, the employees' capabilities to communicate with customers are improved and the relationship between the two parties can be enhanced.

The respondents argued that it is of importance that the bank contact maintains knowledge about personal characteristics, individual business and the agricultural and forestry sector in order to create suitable offerings. Porter (1996) addresses that if a bank achieves found perceptions the bank is able to create a strategic position on the market, which in turn will generate competitive advantages. To understand customers' needs and wishes it is essential that the bank involves customers in development processes (Edvardsson, 1997). With involved customers, the bank is able to gain knowledge about customers' perceptions and receive a two-side exchange, which is beneficial for both the customer and the bank. Lam *et al.* (2004) highlight the long-term benefits that arise through customer relationships. If a bank develops long-term relationships with its customers it facilitates the understanding of customer expectations and what strategies the bank should use in order to reach the best possible exchange. In this study several respondents argued that the bank should think more in long-terms as e.g. agricultural properties are managed on a long-term basis and the agricultural and forestry sector is constantly changing. The agricultural sector is characterized by long turnovers and therefore it is essential that the bank do not base their decisions on a short-term basis.

# 7 Discussion

This chapter aims to discuss the results of this study in relation to the aim and used methods. Different pros and cons with the method are evaluated together with an analysis of how Handelsbanken's strategies correspond to the agricultural and forestry business owners' perceptions. The results of the study are also related to the conducted literature review with a discussion of how this study will contribute with knowledge to the financial sector.

As banks develop strategies in order to reach a desirable strategic position they need to obtain and develop their knowledge about customers' demand of service and product attributes. As banks strive to meet customers' perceptions it is important to understand what affects customers' choices and purchase behaviours. It is therefore important to involve customers in the development process in order to be competitive.

## 7.1 Applicability of the methods

The method for this study was suitable as it aims to create a deeper and more profound understanding of the studied research area. However, some obstacles occurred during the interview process. The method was e.g. not appropriate among respondents that were not comfortable expressing thoughts and feelings around the research subject. As the method requested the respondents to think broadly about the research questions, some respondent perceived the method as demanding and complicated. However, as the interview proceeded, the respondents became more comfortable with the interview process and expressed that the interview method was quite interesting. The respondents mentioned that it was creative to use images, as they could relate many thoughts and feelings in the image sample provided by the researchers. However, in cases where respondents had difficulties to express him-/herself, a regular interview guide would have been favourable to generate more evolved responses. Some steps in ZMET were perceived as difficult by respondents, as they required the respondent to use their own senses and think outside the given instructions. In Step 4 e.g. the respondents were asked to describe and relate images to thoughts and feelings through their own senses. In this step the respondents found it difficult to describe a bank relationship through senses since the subject was perceived as concrete. As the researchers have selected the image sample for ZMET, it is important to take into account that the interview can generate answers different from if the respondents had selected images themselves. However, in Step 2 of ZMET the respondents were asked to describe missing images to ensure the validity of the results and that all areas had been covered. To ensure the validity of the result the researcher made sure that the respondents were able to add further information in the end of the interview and also confirm given answers.

To further explore which factors the respondents value the most in a bank relationship, the laddering technique was used as a compliment to ZMET. The laddering technique was supposed to further enrich the information that the researchers obtained regarding why the respondents value certain bank actions. However, the results that arose from the laddering technique did not contribute to significant differences compared to ZMET. Instead, the answers that arose during the laddering technique rather strengthen the answers arising during ZMET, which facilitated the researchers aim to draw a conclusion of important values that the respondents prioritize in a bank relationship. Since the traditional laddering technique has evolved from ZMET, this outcome was not an unexpected result in the study process.

After the use of ZMET and the laddering technique, a consensus map was created. The consensus map comprises of several different constructs, which can be perceived as disordered. To facilitate the understanding of the consensus map, important constructs have been highlighted within the map. The consensus map aims to facilitate the understanding of how different constructs lead to the respondents' core construct and end values. Throughout the consensus map it is easy to identify which values in a bank relationship the respondents prioritizes the most. A generalization of the results in this study is difficult to apply to an entire population because of the number of conducted interviews. However, it can be assumed that owners of agriculture and forestry businesses in Sweden share similar values concerning bank relationships, as their businesses are comparable. The respondents in this study represent different production practices, gender and age in order to cover different aspects in the research area and to generate a broader view of customers' perceptions.

## 7.2 Results in relation to previous studies

The result in this study indicates that owners of agricultural and forestry businesses value a close relationship with their bank and bank contact. The respondents argued that throughout a close relationship they receive better and more suitable offerings. This result goes in line with Roucan-Kane *et al.,* (2010) who argue that relationship marketing creates a deeper understanding of customer needs, which also facilitates the development of offerings. With a close relationship, the financial gap can also be lessened due to enhanced exchange of information (Bruns, 2003). A close relationship can be beneficial for both the bank and the customer. For the customer, a close relationship with the bank make the agricultural and forestry business more profitable as the customer receives useful advice as to how to improve different business actions (Bruns, 2003). The bank on the other hand is able to create long-term customers through close customer relationships (Roucan-Kane *et al.,* 2010). Long-term customers are desirable for the banks as they have lower account costs and higher account balances, as well as the costs of maintaining customers are lower compared to recruiting new ones (Dibb & Meadows, 2001). It is required among the respondents that the banks should not only act as a financial provider, but also as an advisor in different business matters; therefore, it is beneficial for the bank to create close relationships with its customers. Through close relationships, banks are able to develop knowledge about the individual customer and the individual business, which helps the bank to create suitable advice based on e.g. how risk adverse the customer is.

Even though the respondents mentioned that competitive offerings are an important factor in a bank relationship, soft values in a bank relationship are highly overrepresented among the respondents in this study. The respondents in this study highlighted the importance of a trustworthy bank as the most important factor in a bank relationship, which goes in line with previous studies in the same research area. Zineldin (1996) for e.g. argues that small businesses evaluate trust as the most important factor for customers in their choice of bank. The respondents' most likely prioritizes soft values more highly as offerings, such as low interest rate, do not differ markedly between banks. Through a good relationship and a well-established bank contact, the respondents perceive that they will receive suitable advice and offerings since the bank contact obtains knowledge about them as individual customers and their personal characteristics. Vegholm (2011) addresses that if banks want to receive long-term customers they need to move their focus from selling products and instead focus on meeting customers' specific needs.

Compared to earlier research, this study generates knowledge about what owners of agricultural and forestry businesses value the most in a bank relationship. This study differs from previous studies, as previous studies have been focused on small businesses in general (Winborg & Landström, 2000; Berggren, 2003; Bruns, 2003; Silver, 2003; Winborg, 2003; Kates & Galbraith 2007). As owners of agricultural and forestry businesses are valued as coveted customers by banks, it is important that banks understand owners of agricultural and forestry businesses' perceptions of banks in order to attract them as customers. If banks develop an improved knowledge about customers' perceptions it is easier to develop suitable strategies that either creates new customers or maintains existing customers. This study has also used an interview method where the respondents were able to more profoundly express their thought and feelings concerning a bank relationship compared to e.g. a regular interview with an interview guide. The ZMET method, compared to earlier studies, gave the respondents opportunities to more thorough think about their bank relationship and different factors that influence their choice of bank. The researchers have throughout the chosen method been able to present a developed knowledge about what the owners of agricultural and forestry businesses perceive as most important part in a bank relationship. The validity of the results is ensured, as the respondents were able to express their thoughts and feeling with little constraints. The findings of the study will provide banks with an increased knowledge about owners of agricultural and forestry businesses' perceptions of banks, which gives banks the ability to match their strategies towards customers' expectations. Throughout the use of suitable strategies banks are able to define a desirable strategic position on the competitive financial market.

## 7.3 Policy implications for Handelsbanken and other banks

The result of this study shows that Handelsbanken's strategies matches the owners of agricultural and forestry businesses perceptions of banks in multiple matters. The strategies of Handelsbanken focuses on individual customers were offerings are tailored after the individual customer needs, desire and capability (Pers. com., Dahlerus & Åttingsberg, 2013). A focus on the individual customer was something the respondents highlighted as an important factor in a bank relationship. It is required among the respondents to have one bank contact for both private and business matters, this goes in line with Handelsbanken's strategy were the same bank contact handles both private and business activities.

The agricultural and forestry sector is strongly characterised by booms and bust cycles (Boehlje *et al.,* 2013). The market changes in the agricultural sector tend to affect agricultural and forestry businesses markedly and also the owners of agricultural and forestry businesses perceptions of banks. Because of market changes, respondents request that their bank obtains knowledge about how agricultural and forestry businesses are managed and how the sector might develop over time. Handelsbanken works constantly to maintain expertise within the agricultural and forestry sector (Pers. com., Dahlerus & Åttingsberg, 2013). Throughout internal education and farm visits Handelsbanken ensures that their employees possesses knowledge about the agricultural and forestry sector and has an insight in how agricultural and forestry businesses are managed. Today banks act in too short-terms according to the respondents and because of rapid market changes in the agricultural sector, it is required that banks base their decision on long-terms instead. Long-term decisions are most likely desirable since the agricultural sector is characterised by booms and bust cycle, which affects the agricultural and forestry businesses' results differently each year. It is even more important for the forestry owners as forestry has a long growing velocity and need to be assessed over a long period.

It is required among respondents to have a close relationship with their bank in order to receive the right advices and offerings. Throughout a decentralized organisational structure Handelsbanken is able to work closer to the actual customer. Silver (2003) argues that through a decentralized organisational structure, banks receive more information about the customer compared to a centralized structure. Through a decentralized structure Handelsbanken is able to make decisions with shorter decision paths, which is highly valued among the respondents in this study. With a decentralized structure the exchange of information is facilitated and potential mistakes can be corrected. As Handelsbanken seeks to obtain profitable customers rather than creating economic volume, it is important that Handelsbanken maintains knowledge about targeted customers' perceptions. Throughout a close customer relationship knowledge about customer perceptions is improved and financial gaps can be avoided (Bruns, 2003). As banks develop close relationships with their customers they are able to possess a deeper knowledge about the individual customer and understand different customer actions and behaviours. If the bank improves their awareness of customer needs and expectations, the mutual exchange between the bank and the customer gets stronger which generates trust. If trust is created customers are more likely to become long-term customers compared to if the bank is unable to meet customers' perceptions.

# 7.4 Future research

A proposal for future research is to explore if owners of agricultural and forestry businesses with different economic situations have different perceptions of banks. In this study the respondents' economic situation has not been taken into account and therefor it has not been considered as an indicator of customers perceptions. A future research can also be conducted to see if there are differences in perceptions between urban and rural situated businesses. Especially if there are any significant differences between businesses situated in large cities compared to businesses situated on the countryside.

It would also have been interesting to study if there are any differences in perceptions between owners of agricultural and forestry businesses and owners of small businesses in general, since banks in current situations do not differentiate different business practices. ZMET could e.g. be implemented onto a group with both small businesses and agricultural and forestry businesses, in order to explore if the perceptions differ between the different business practices. The result of such a study could be used by banks to further develop strategies towards different business practices.

Finally, it would be interesting to investigate how the financial market has developed over time in relation to customers changing perceptions. As customers' perceptions are constantly changing as well as market environments, the research could generate information about how the financial market has considered customer perceptions through the decades. As the financial market is characterized by high competiveness it is important for banks to consider customer perceptions. But do banks really take customer perceptions into account and do customer expectations have any major impact on development of strategies in banks?

# 8 Conclusion

*This study aims to examine which aspects, service and product attributes, owners of agricultural and forestry businesses value the most in a bank relationship and why.*

According to our analysis the owners of agricultural and forestry businesses prioritize soft values in a bank relationship prior to e.g. low interest rate. This likely depends on the fact that bank offerings do not differ markedly on the financial market today. It is important for the respondents in this study that the bank obtains knowledge, not only financial knowledge, but knowledge about the agricultural and forestry sector, the individual business and the respondent's personal characteristics. The respondents expect the bank to offer suitable advices in different business matters and that decisions are delivered rapidly. According to the respondents, the bank should be professional, think in long-terms and act as a business partner rather than a financial provider. It is required among the respondents to have one well-established bank contact that handles both private and business matters. In this study it has been revealed that if the respondents trust their bank contact, they are able to have a more open dialogue with the bank contact and feel more comfortable in a bank meeting. The respondents perceive trust as the most important indicator in a bank relationship and by then they are able to feel safe and are more likely to become long-term customers. Trust is created among respondents if a bank succeeds with fulfilling the respondents' perceptions.

# Bibliography

## Literature

Abdullah, F., Suhaimi. R., Saban., G. & Hamali. J. 2011. Bank Service Quality (BSQ) Index: An indicator of service performance. *International Journal of Quality & Reliability Management, 28,* 5:542-555.

Berggren, B. 2003. Tillväxt och lönsamhet i småföretag – finansiärers bidrag sett ur företagets perspektiv (45-64) in Landström, H. (eds.) *Småföretaget och kapitalet: Svensk forskning kring småföretags finansiering.* Kristianstads Boktryckeri, Kristianstad. ISBN 91-7150-902-X.

Berry, L.L. 2002. Relationship Marketing of Services Perspectives from 1983 and 2000. *Journal of Relationship Marketing, 1*,1:59-77.

Binks, M. & Ennew, C. 1997. The relationship between U.K. Banks and their small customers. *Kluwe Academic Publisher, Small Buinesses Economics, 9*, 2:167-178.

Boehlje, M., Gloy, B. & Henderson, J. 2013. U.S. farm prosperity: The new normal or reversion to the mean. *American Journal of Agricultural Economics*, *95*, 2:310-317.

Breidning, L. 2010. Riskhantering vid kreditgivning till lantbruksföretag - Riskanalyser av fyra fallgårdar. *Sveriges lantbruksuniversitet, Institutionen för ekonomi, Uppsala.* ISSN 1401-4084.

Bruns, V. 2003. Kreditprocessen ut bankens och det växande ägarledda företagets perpektiv (115-133) in Landström, H. (eds.) *Småföretaget och kapitalet: Svensk forskning kring småföretags finansiering.* Kristianstads Boktryckeri, Kristianstad. ISBN 91-7150-902-X.

Buttle, F., Ahmad, R. & Aldlaigan, A. 2002. The theory and practice of customer bonding. *Journal of Business-to-Business Marketing. 9*, 2:3-27.

Caceres, R. & Paparoidamis, N. 2007. Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty. *European Journal of Marketing. 41*,7, 8:836-867.

Chen, P-J. 2008. Exploring Unspoken Words: Using ZMET to Depict Family Vacationer Mental Models. *Advances in Hospitality and Leisure. 4,* 29-51.

Christensen, L.G & Olson, C. J. 2002. Mapping Consumers´ Mental Models with ZMET. *The Pennsylvania State University, Phycology and Marketing, 19,* 6:477-502.

Denscombe, M. 2006. *The Good Research Guide- For small-scale social research projects.* Open University Press, Buckingham and Philadelphia. ISBN 91-44-01280-2.

Dibb, S. & Meadows, M. 2001. The Application of a Relationship Marketing Perspective in Retail Banking. *The Service Industries Journal, 21*, 1:169-194.

Edvardsson, B. 1997. Quality in new service development: Key concepts and a frame of reference. *International Journal of Production Economics. 52,* 1-2:31-46.

Edvardsson, B., Gustafsson, A., & Roos, I., 2005. Service portraits in service research: a critical review. *International Journal of Service Industry Management, 16,*1:107–121.

Fang. E., Palmatier. R.M. & Steenkamp. J. 2008. Effect on service transition strategies on firm value. *The Journal of Marketing, 72,* 5: 1-14.

Fornell, C., Johnson, M., Anderson, E., Cha, J. & Bryantn, B. 1996. The American Customer Satisfaction Index: Nature, Purpose, and Findings. *Journal of Marketing. 60,* 4:7-18.

Gengler, C., Klenosky, D., & Mulvey, M. 1995. Improving the graphic representation of means-end results. *International journal of research in marketing. 12,* 245-256.

Grant, R.M. 1991. The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation. *California Management Review.* 33, 1:114-135. 56.

Grunert, K. G. 1995. Food quality: A means-end perspective. *Elseviers Science Ltd. 6,* 3:171-176.

Grunert, K. & Grunert, S. 1995. Measuring subjective meaning structures by the laddering method: Theoretical considerations and methodological problems. *International journal of research in marketing, 12,* 209-225.

Gutman, J. 1982. A Means- End Chain Model Based on Consumer Categorization Processes. *Journal of Marketing. 46,* 2:60-72.

Grönroos, C. 2008. Service logic revisited: Who creates value? And who co-creates? *European Business Review, 20,* 4: 298-314.

Handelsbanken Finans, *Handelsbanken Annual report 2011.* Stockholm.

Johansson, K. 2011. *Sveriges första femton år som medlem I EU – Jordbrukets utveckling.* Jordbruksverket, Rapport 2011:33. SJV offset, Jönköping. ISSN 1102-3007.

Johnson, G. 1988. Rethinking incrementalism. *Strategic Management Journal, 9,* 1:75-91.

Johnson, G. 1992. Managing strategic change – strategy, culture and action. *Long Range Planning, 25,* 1:28-36.

Johnson, G., Scholes, K., & Whittington, R. 2008. *Exploring Corporate Strategy.* Pearson Education, 8th Edition. ISBN: 978-0-273-71191-9.

Johnson, G., Scholes, K., & Whittington, R. 2011. *Exploring Corporate Strategy, Text and Cases.* Pearson Education, 9th Edition. ISBN: 978-0-273-73202-0.

Johnsson, B. & Svensson, H. 2008. *Jordbruket om tio år, Hur påverkar omvärlden?* Jordbruksverket, Rapport 2008:12. SJV offset, Jönköping. ISSN 1102-3007.

Kates, A. & Galbraith, J. R. 2007. *Designing your organisation – Using the star model to solve 5 critical design challenges.* Jossey-Bass Publishers, San Fransisco. ISBN-13: 978-0-7879-9494-5

Kvale, S. 1997. *Den kvalitativa forskningsintervjun.* Studentlitteratur, Lund. ISBN 91-44-00185-1.

Kvale, S. & Brinkmann, S. 2009. *Interviews – Learning the craft of quality research interviewing*. SAGE Publications, USA. 2nd Edition. ISBN: 91-44-00185-1.

Kunz. W. & Hogreve. J. 2011. Toward a deeper understanding of service marketing: The past, the present and the future. *International Journal of Research in Marketing,* 28: 231-247.

Lam. R. & Burton, S. 2006. SME banking loyalty (and disloyalty): a qualitative study in Hong Kong. *International Journal of Banking Marketing. 24,* 1:37-52.

Lam. S., Shankar. V. & Murthy. M. 2004. Customer Value, Satisfaction, Loyalty, and Switching costs: An illustration from a Business-to-Business service context. *Journal of the Academy of Marketing Science, 32*, 3:293-311

Landström, H. 2003. *Små företaget och kapitalet: Svensk forskning kring små företags finansiering.* SNS Förlag. ISBN: 91-7150-902-X.

Leppard, P., Russell, G., & Cox, N. 2004. Improving means-end chain studies by using a ranking method to construct hierarchial value maps, *Consumer science programme, 15;* 489-497.

Liberati, C. & Mariani, P. 2012. Banking customer satisfaction evaluation: a three-way factor perspective. *Springer- Verlag Berling Heidelberg, 6:* 323- 336.

Lovelock, C. & Gummesson, E., 2004. Whither Services Marketing? : In Search of a New Paradigm and Fresh Perspectives. *Journal of Service Research. 7,* 1:20-41.

LRF Konsult, Swedbank & Sparbankerna. 2012. *Lantbruksbarometern 2012*. Ljungbergs tryckeri, ISBN 978-91-977538-0-7.

LRF Konsult, Swedbank & Sparbankerna. *Skogsbarometern 2012 – Skogsägarnas uppfattningar och förväntningar på konjunkturen*. Ljungbergs tryckeri. No. 7447 0027.

Milgrom, P. & Roberts, J. 1990. The economics of modern manufacturing: technology, strategy and organisation. *The American Economic Review. 80,* 3:511-528.

Milhelis, G., Grigoroudis. E., Siskos, Y., Politis, Y., & Malasrakis, Y. 1999. Customer satisfaction measurement in the private bank sector. *European Journal of operational reseach, 130:* 347-360.

OECD/FAO. 2008. OECD-FAO *Agricultural outlook 2008-2017 – Highlights.* OECD Publications, Paris. No. 88801 2008

OECD/FAO. 2012. *OECD-FAO Agricultural Outlook 2012-2021*, OECD Publishing and FAO. Paris. No. 59953 2012

Olson, J. & Reynolds, T. 2001. The means-end approach to understanding consumer decision making. (3-62) in Olson, J. & Reynolds, T. 2001. (eds.) *Understanding consumer decision makin – The means-end approach to marketing and advertising strategy.* Lawrence Erlbaum Associates, New Jersey. ISBN 0-8058-1730-1.

Peter, P.J. & Olson, C. J. 2010. *Consumer Behaviour and Marketing Strategy.* 9th Edition, Mc Graw Hill Production. ISBN 978-007-459781-6.

Phillips, N. & Dar, S. 2009. Strategy (414-432) in Alvesson, M. Bridgman, T. & Willmott, H. (eds.) *The oxford handbook of critical management studies.* Oxford University Press, New York. ISBN: 978-0-19-959568-6.

Porter, E. M. 1996. What is Strategy*? Harvard Business Review. 75*,1:61-78.

Porter, E. M. 1998. *Competitive Advantage: Creating and sustaining superior performance.* Free press London, ISBN: 0-7432-6087-2.

Ranaweera, C. & Prabhu, J. 2003. The influence of satisfaction, trust and switching barriers on customer retention in continuous purchasing setting. *International Journal of Service Industry Management. 14,* 4:374-395.

Reynolds, J. T. & Whitlark, B. D. 1995. Applying Laddering Data to Communications Strategy & Advertising Practice. *Journal of Advertising Research. 34,* 4:9-17.

Reynolds, J. T. & Gutman, J. 1998. Laddering Theory, Method, Analysis and Interpretation. *Journal of Advertising Research. 28*, 1:11-21.

Reynolds, J., Gengler, E., & Howard, J. 1995. A means-end analysis of brand persuasion through advertising. *International journal of research in marketing, 12;* 257-266.

Robson, C., 2011. *Real world research - a resource for users of social research methods in applied settings.* John Wiley & Sons Ltd, United Kingdom. 3rd Edition. ISBN 1405182415.

Roucan-Kane, M., Alexander, C., Boehlje, M., Downey, S. & Gray, A. 2010. Agricultural financial market segment. *Agricultural Finance Review. 70,* 2:231-244.

SCB, Statistiska centralbyrån. 2012. *Yearbook of agricultural statistics 2012 – including food statistics,* ISBN 978-91-618-1566-1.

Schwartz, S. H. 1992. Universals in the content and structure of values: Theoretical advances and empirical test in 20 countries. In Zanna, M. P. (eds.) *Advances in experimental social psychology.* Academic Press, San Diego, Vol. 25. ISBN 0-12-015225-8.

Silver, L. 2003. Lokala skillnader i bankers kreditbedömning av små och medelstora företag (151-170) in Landström, H. (eds.) *Småföretaget och kapitalet: Svensk forskning kring småföretags finansiering.* Kristianstads Boktryckeri, Kristianstad. ISBN 91-7150-902-X.

Svensson, U. 2011. Jordbruksföretag och företagare 2010. Statens Jordbruksverk. ISSN 1404-5834.

Trost, J. 1997. *Kvalitativa intervjuer.* Studentlitteratur, Lund, 2nd Edition. ISBN 91-44-00374-9.

Vegholm, F. 2011.Relationship Marketing and the Management of Corporate Image in the Bank-SME relationship. *Emerald group Publishing Ltd*, *Management Research Review. 34,* 3:325-336.

Winborg, J. 2003. Pengar är inte alltid lösningen – användingen av finansiell bootstrapping I små företag (29-44) in Landström, H. (eds.) *Småföretaget och kapitalet: Svensk forskning kring småföretags finansiering.* Kristianstads Boktryckeri, Kristianstad. ISBN 91-7150-902-X.

Winborg, J. & Landström, H. 2000. Financial bootstrapping in small businesses: examining small business managers' resource acquisition behaviors. *Journal of business venture, 16,* 235-254.

Yap, B, Ramayah, T. & Shahidan, W. 2012. Satisfaction and trust on customer loyalty: a PLS approach. *Business Strategy Series. 13*, 4:154-167.

Yuksel, A. Yuksel, F. & Bilim, Y. 2008. Destination attachment: Effects on customer satisfaction and cognitive, affective and conative loyalty. *Tourism Management, 31:* 274-284.

Zalmtan, G. 1997. Rethinking Market Research: Putting People Back In*, Journal of Marketing Research. 34*, 4:424-437.

Zaltman, G. & Coulter, H.R. 1995. Seeing The Voice of The Customer: Metaphor- Based Advertising Research*, Journal of Advertising Research. 35,4.*

Zineldin, M. 1995. Bank-company interactions and relationships: some empirical evidence. *International Journal of Bank Marketing, 13,* 2:30-40.

Zineldin, M. 1996. Bank strategic positioning and some determinants of bank selection. *International Journal of Banking Marketing, 14,* 6:12-22.

Zineldin, M. 2005. Quality and customer relationship management (CRM) as competitive strategy in the Swedish banking industry. *The TQM Magazine*, *17,* 4:329 – 344.

## Internet

Handelsbanken. (www.handelsbanken.se)

1. *History* (2013-01-28)
   http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=51&base=/shb/INeT/ICentSv.nsf&sa=/shb/INeT/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

2. *About the bank* (2013-01-28)
   http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=51&base=/shb/INeT/ICentSv.nsf&sa=/shb/INeT/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

3. *Customer satisfaction* (2013-01-28)
   http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=51&base=/shb/INeT/ICentSv.nsf&sa=/shb/INeT/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

Jordbruksverket. (www.jordbruksverket.se)

1. *Information about farms in Sweden* (2013-01-25)
   http://www.jordbruksverket.se/amnesomraden/konsument/faktaochrapporter/basfaktao
   msvensktjordbruk.4.5125de613acf69a0f680001878.html

Europeiska Komissionen (www.ec.europa.eu)

2. *Små och Medelstora företag (SMF)* (2013-03-25)
   http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-
   definition/index_sv.htm

## Personal messages

Dahlerus, Jarl & Åttingsberg, Rolf. Business Development Manager, Handelsbanken
(telephone, 13.03.08)

# Appendix 1



1.  *Photo: Clip Art.*



*2. Photo: Clip Art.*



*3. Photo: Photographer SalFalko (flickr) 2010, license Creative Common (BY-NC 2.0).*



*4. Photo: Photographer Statsskog SF (flickr) 2004, license Creative Common (BY-NC 2.0).*

6. Photo: Clip Art.



5. Photo: Photographer Le Batteur de Lune (flickr) 2008, license Creative Common (BY-NC 2.0).

7. Photo: Clip Art.



8. Photo: Own photo.

*9. Photo: Photographer SalFalko (flickr) 2012, license Creative Common (BY-NC 2.0).*



*10. Photo: Photographer Claus Isenberg2010, license Creative Common (BY-NC 2.0).*



*11. Photo: Clip Art.*



*12. Photo: Photographer SalFalko (flickr) 2011, license Creative Common (BY-NC 2.0).*

13. Photo: Handelsbanken.



14. Photo: Clip Art.



15. Photo: Photographer Cyclonebill (flickr) 2010,
license Creative Common (BY-SA 2.0).



16. Photo: Handelsbanken.



17. Photo: Clip Art.

*18. Photo: Clip Art.*



*19. Photo: Clip Art.*



*20. Photo: Handelsbanken.*



*21. Photo: Handelsbanken.*