Filtering service recovery feedback

-A Case study research at Handelsbanken, Uppsala city

Authors:
Neil Nolan
David Rudström
Preface

The process of writing our bachelor thesis has been an educational and interesting journey, and we would like the opportunity to thank the people making this possible. First of all a special thanks to Jörgen Ericsson office manager and Björn Wahlström regional complaints manager for believing in us and given us the opportunity to write this thesis.

Secondly a special thanks to our supervisor Leon M. Caesarius who has helped with valuable guidance and constantly motivated us to perform at our best.

Last but absolutely not least, we would like to show our gratitude to the frontline employees at Handelsbanken for their helpfulness and enthusiasm toward our work.

_______________________  __________________________

Neil Nolan               David Rudström

Uppsala, januari 2008
ABSTRACT

Research has shown that companies encourage customers to complain and gather huge amounts of service recovery information, although most of this information isn’t used by the companies. Our purpose with this thesis is to explore what determines the filtering of service recovery feedback, and if possible to identify its underlying reasons. This was accomplished through a qualitative case study at Handelsbanken Uppsala City. Empirical material was mainly collected through interviews with the office manager, frontline employees, and the regional complaints manager. When analyzing the empirical material Tax and Brown model of service recovery was used as an analytical framework.

The analysis shows that the employees at Handelsbanken Uppsala city aren’t controlled by many guidelines and policies; instead emphasis is put on the independence, trust, and responsibility of each individual employee. This is probably due to the decentralized organization of Handelsbanken and the belief in the employee’s capability to better understand what is of importance to filter, due to their close interaction with customers.

Keywords: Service recovery, Service recovery feedback, Filtering, Handelsbanken, Tax & Brown
# INDEX

1. **INTRODUCTION** ................................................................................................................................. 1
   1.1 **BACKGROUND** ............................................................................................................................ 1
   1.2 **PROBLEM DISCUSSION** ................................................................................................................ 1
   1.3 **PURPOSE** ....................................................................................................................................... 2
   1.4 **DELIMITATIONS** ............................................................................................................................ 2

2. **THEORY** .............................................................................................................................................. 3
   2.1 **CUSTOMER PERSPECTIVE** .............................................................................................................. 3
   2.2 **SERVICE ENCOUNTERS** ................................................................................................................ 3
   2.3 **PERCEIVED SERVICE QUALITY** ..................................................................................................... 4
      2.3.1 **Perceived and received service quality** .................................................................................... 4
   2.4 **SERVICE RECOVERY** .................................................................................................................. 4
   2.5 **THE SERVICE RECOVERY PROCESS** .......................................................................................... 5
      2.5.1 **Stage 1: Identifying service failures** ....................................................................................... 5
      2.5.2 **Stage 2: Resolving Customer Problems** ............................................................................... 6
      2.5.3 **Stage 3: Communicating and Classifying Service Failures** .................................................. 7
      2.5.4 **Stage 4: Integrating Data and Improving Overall Service** .................................................. 9

3. **METHODOLOGY** .................................................................................................................................. 10
   3.1 **RESEARCH APPROACH** ................................................................................................................ 10
   3.2 **CASE STUDY RESEARCH** ............................................................................................................. 10
   3.3 **DATA COLLECTION METHODS** .................................................................................................. 11
      3.3.1 **INTERVIEWS** ......................................................................................................................... 11
      3.3.3 **THE INTERVIEW OBJECTIVES** ............................................................................................ 13

4. **EMPERICAL MATERIAL** ..................................................................................................................... 14
   4.1 **INTRODUCTION HANDELS BANKEN:** ............................................................................................ 14
   4.2 **SERVICE RECOVERY PROCESS** ................................................................................................ 15
      4.2.1 **Stage 1: Identifying service failures** ....................................................................................... 15
      4.2.1.1 **Policies and Guidelines** ...................................................................................................... 15
      4.2.1.2 **Service recovery at the office** ............................................................................................. 16
      4.2.2 **Stage 2: Resolving Customer Problems** .................................................................................. 17
      4.2.3.1 **Policy and Guidelines** ......................................................................................................... 18
      4.2.3.2 **Service recovery at the office** ............................................................................................. 19
      4.2.4 **Stage 4: Integrating Data and Improving Overall Service** ................................................... 20

5. **ANALAYSY** ......................................................................................................................................... 21
   5.1 **STAGE 1: IDENTIFYING SERVICE FAILURES** .............................................................................. 21
   5.2 **STAGE 2: RESOLVING CUSTOMER PROBLEMS** ......................................................................... 22
   5.3 **STAGE 3: COMMUNICATING AND CLASSIFYING SERVICE FAILURES** .................................... 23
      5.3.1 **Other ways of sharing information** ......................................................................................... 24
5.4 Stage 4: Integrating Data and Improving Overall Service

6 Conclusion

7 Discussion and Managerial Implications

8 Reference List

Appendix 1 - Interviews with Frontline Employees 1 and 2

Appendix 2 - Interviews with Frontline Employees 3 and 4

Appendix 3 - Jörgen Ericsson the Office Manager

Appendix 4 - Björn Wahlström Regional Complaints Manager
1. INTRODUCTION

1.1 Background
Offering a high level of service quality is something that has to be obtained at all times, but it is inevitable to completely avoid service failures (Grönroos, 2007). Everybody has experienced a service encounter which has been dissatisfactory in one way or another. Even worse is when these failed service encounters keep on reoccurring time after time. These failed encounters need to be addressed through service recovery in order to avoid negative consequences for the company. (Bitner and Brown, 2000)

Companies have traditionally handled complaints as if they were a nuisance, but quite recently many companies have started to see the potential benefits in conducting an affective service recovery through using the collected complaints as a valuable resource, not only avoiding negative consequences but rather gaining a competitive edge. (Sheth, Sisodia and Sharma, 2000)

Many companies have systems for collecting information on these failed service encounters, however the way in which information is filtered, must be taken into consideration in order to not miss out on information that could be of value to the organization. (Grönroos, 2007)

In industries such as banking, understanding customer expectations is complicated due to the intangibility of the services (Bebko, 2000). For improving the company’s services, feedback from customer encounters need to be collected and processed in a way that enables the company to adjust its services to the needs and expectations of its customers (Grönroos, 2007).

1.2 Problem discussion
Many companies claim to deliver a high level of service recovery, because they encourage customers to complain by offering several ways of communicating failures. However this is misleading since collected information by itself has no value unless, it is linked to a specific context, and used as a foundation for future improvements.

Research shows that just a small portion of the gathered information actually comes to use, which can result in loss of valuable feedback from the customer. Therefore deciding on what information to filter is an important aspect when improving the quality of companies’ services.
1.3 Purpose
Our purpose is twofold. First, to explore what determines the filtering of service recovery feedback at Handelsbanken, Uppsala City. Second, if possible, to indentify its underlying reasons.

1.4 Delimitations
We have chosen to limit our research area to only include filtering of service recovery feedback regarding consumers.
2. THEORY

We will start with explaining the theories which will lie as a foundation to our project. These theories describe possible underlying problems that a service failure may depend on. Furthermore it will elucidate the possible company specific gains from delivering a proper service recovery towards its customers. Finally the service recovery process is described by using Tax and Brown's explanation of the process.

2.1 Customer perspective

In today’s tough competitive situation companies can’t produce whatever and expect it to sell. An aspect of major importance is that a value of a service offering cannot be created without proper knowledge of the customers. (Joshi and Sharma, 2004). In endeavor of creating an optimal service offering, the company needs to be flexible and customize their offerings according to customer needs. Today’s customers are more aware and have better knowledge of what to expect from different services in accordance with the current competitive situation. (Bitner and Brown, 2000)

Customer centric marketing is about paying attention to customer specific needs, wants, and resources in order to understand and satisfy the individual’s needs rather than the mass market. When understanding the specific needs and preferences, determining the level of customization/standardization becomes much easier. (Seth, Sisodia and Sharma, 2000)

2.2 Service encounters

Services are subjectively evaluated and therefore experienced differently dependent on who receives the service. During the process the customer and the company experience several interactions and it is the perception in these encounters that decide the customer’s level of satisfaction. These interactions are of major importance since it is the overall experience of the delivered services which form the customer’s perceptions of the service offerings. (Grönroos, 2007)

Every encounter should be seen as vital moment of truth, were the provider has a chance of demonstrating the quality of the service. From the providers’ point of view, it’s important to catch every moment of truth since, the opportunity to satisfy the customer may be gone in a blink of an eye. (Ibid 2007)
2.3 Perceived service quality
The service industry is all about knowing your customers’ preferences and experiences in order to offer the right service. A common misunderstanding is that improving service quality is an internal goal without any connection to the actual meaning of service. Since service quality must be seen and evaluated from the customer’s perspective, where the producer has to define quality in the same way as the customers. Otherwise an investment regarding time and money into improving service quality is a poor investment. As a consequence, the planned service process will not lead to a desired result for the customer, which can be considered a service failure. (Grönroos, 2007). It is through developing knowledge of the customers’ knowledge that this can be avoided, since the needs and preferences of the customer are better understood (Joshi and Sharma, 2004).

2.3.1 Perceived and received service quality
The customer’s perception of a service offering might vary from what the company intended. Customers’ expectancies are grounded in past experience, personal needs and word of mouth communication. The service delivery on the other hand is a product of a series of internal decisions and activities of the producer; which forms the producer’s perception of the customers’ expectations. If the offering doesn´t match the customers’ expectations they will end up dissatisfied. These quality gaps are the result of inconsistency in the quality management process. Closing these gaps would lead to better satisfaction and therefore stronger long term relationship. (Grönroos, 2007)

Customers have a lower-level of acceptance for what he/she expects and what is received, this is called the zone of tolerance. It varies between customers, largely dependent of their loyalty towards the company, although all customers can tolerate some degree of variation in the service and still think it’s acceptable. If the lower level of tolerance is passed, the customer will leave the company or at least not repurchase in the same extent. (Ibid)

2.4 Service recovery
Although keeping a good service quality at all times is the motto in many lines of business, service failure is something that is inevitable, e.g. in forms of system breakdowns and the human factor. “Service recovery is a strategy for managing mistakes, failures and problems in customer relationships”. (Grönroos, 2007) Customers who complain when service failures occur should be seen as providers of valuable insight, which later on works as a foundation when making decisions regarding improvements. (Tax and Brown, 2007). Regardless of who
or what caused the problem the service failure should be seen as a valuable opportunity and a second chance to please the customer. The way service recovery is handled is vital for the company’s survival. In order to keep customers, a well managed service recovery must be conducted so that a competitive advantage is held in favor of the company. (Grönroos, 2007).

According to the research of Tax and Brown despite the apparent benefits of an effective service recovery many companies fail to solve customers’ complaints. The research also shows that the majority of companies still don’t take the opportunity to learn from a service failure. To please dissatisfied customers, great attention must be paid in understanding customer needs and preferences. If this isn’t done customers will perceive a deficient service and consider other alternatives. (Grönroos, 2007). Tax and Brown’s research indicates that receiving a good service recovery may improve customer’s attitude towards the company, even exceeding the impressions that the customer had about the company before the service failure occurred.

As stated in Tax and Brown’s article; “Poor recovery following a bad service experience can create “terrorists”. In which they mean that some customers become dissatisfied with the perceived service recovery that they actively take every given opportunity to criticize the company. This is common especially for customers’ long been loyal to the company because they have certain expectations and demands a particular treatment due to their previous devotion. Negative word of mouth can be a ravage to the company because this kind of communication of negative information is highly damaging. Another aspect that needs attention is that a dissatisfied customer tells about 8-10 other people about their bad experience, which means that the rumor escalades rapidly. (Stichler and Schumacher, 2003)

2.5 The service recovery process

Tax and Brown’s model for describing the Service Recovery Process is divided into four stages. Parts of this model will be used as an analytical framework for the thesis.

2.5.1 Stage 1: Identifying service failures

To be able to resolve service failures, the problem must first of all be identified. This is apparently a huge challenge for companies since only between 5-10% of the unsatisfied customers complain. According to Tax and Brown, the key reasons for this can be that (1) customers do not believe that the organization will be responsive to their complaint, (2) they don’t understand their rights and the firms obligations, (3) customers do not wish to confront
the one responsible for the failure, (4) and the customers feel that it takes too much effort and time to complain.

Another big reason that customers do not complain is that they don’t know what to expect from a service. If the service outcome is unclear from the beginning, then it is hard to evaluate the outcome. This can be overcome by setting service standards, where the expected results of a service are communicated to customers. Complaining can also be encouraged by training customers in how to complain. This can be done through having information easily accessible and e.g. handing out brochures. Another way of collecting information on service failures is when companies hold interviews with clients, where the customers can give feedback on problems concerning service offerings. (Tax and Brown, 1998)

The members of an organization also need to be encouraged to take responsibility in service recovery, understanding the significance it has for the company. This is because the employees of an organization are the ones who must gather this information for the company. (Ibid)

Symbols can support employees to carry out their work better, keeping in mind the core values of the organization. These can easily be carried around in the form of e.g. cards, so that the employee never forgets which guidelines he has to follow. Guidelines do not have to dictate exactly how to carry out the work; rather the employee might simply have to use his own judgment (Tax and Brown, 1998)

2.5.2 Stage 2: Resolving Customer Problems

Most service failures communicated by customers are what customers perceive to be serious problems. Due to the seriousness of the failure, they expect justice and fairness by some form of action undertaken by the company. Customers evaluate fairness according to 3 different aspects; interactional treatment, procedural fairness, and outcomes. (Tax and Brown, 1998)

Interactional fairness reflects the employees’ treatment of the customer during the procedure. Procedural fairness refers to the processes, policies, timelines, and rules. Finally the outcome fairness is judged on how the customer perceives the outcome of the complaint. (Ibid)

If the company fails to deliver in one of these areas the overall impression will be highly affected, making the other two forms of compensation less effective when the third one is failing. Employees need training in how to carry out complaints to help them cope with these problems. Important skills to learn in the area of service recovery include; oral
communication, and listening skills. Guidelines can also be used to ensure that the whole organization is working in the same direction. (Ibid)

The company´s first step in providing customer-perceived fair procedures is to assume responsibility for the failure. The speed of the procedure is also of great importance to the customer. If the employees of an organization have been dealt a high level of empowerment, they are more enabled to speed up the procedure since they can respond immediately to a complaint. (Tax and Brown, 1998)

The employees´ interpersonal skills are of great importance when service failures occur. If employees are empowered they are more motivated to help clients. If the customer gets the impression that the employee doesn´t care about his/her situation, it will affect the customer´s satisfaction. Important skills in interactions with customers include demonstrating honesty, politeness and concern. (Ibid)

The most common form of failure assessed by customers is the fairness of compensation. The customer´s time and effort spent on getting the complaint solved should be taken into consideration when deciding how to compensate customers. Better systems for evaluating costs for the consumer need to be constructed, which correlate with the expected outcomes of the customers. Even worse than been inadequately compensated is when complaints aren´t handled at all. (Tax and Brown, 1998)

2.5.3 Stage 3: Communicating and Classifying Service Failures
When a service goes wrong the organization should learn from the service failure to prevent it from reoccurring. It is through organizational learning that the experiences from previous service encounters can be obtained and kept within the organization. In order to make this possible, the complaints need to be documented and categorized adequately, making knowledge organizational. (Tax and Brown, 1998)

Tax and Brown describes four common reasons for failing in documenting were identified. Often employees lack the motivation to listen to customers describe details about the complaints, not understanding that the information can be of use in other similar situations. Secondly many employees and managers try to avoid responsibility when problems occur instead of solving them. A third reason is that many complaints are never resolved, sometimes not even after several follow up complaints. Fourth, the person responsible for the service
failure is not notified about the problem since there is no system for communicating this information. (Ibid)

Service recovery information should be recorded, and classified throughout the whole process, and finally disseminated, so that information is made accessible to the rest of the organization. Filtering and registering service recovery feedback should be encouraged through communication of its importance. This is done through internally educating staff and cultivating service recovery friendly attitudes and making service recovery apart of daily routines. This should be communicated when educating and training employees. (Tax and Brown, 1998)

In addition to training employees, the design of a system should be simple to understand. Another way of assuring that the system is used is simply to make it a part of the employees’ working routines. The system might be dependent in that a procedure is conducted a certain way, and deviating from that approach would not be possible. (Ibid)

Internal complaint forms can be used by employees to classify service failures, making the service recovery feedback accessible for others. The reason for this is to facilitate organizational learning, since the employee can give a fair conclusion of the problem at hand. One possible design of this is to categorize complaints after business area, giving each of these a more detailed categorizing when moving forward in each category. The root cause can then be described in that later section, describing e.g. how the failure manifested itself. Thereafter the problem can be defined after the main characteristics of the problem e.g. if it is an ethical problem, or if it is caused by human error. Service recovery feedback can be useful when improving services if it is passed on to the employees responsible. (Tax and Brown, 1998)

Complaining customers often approach a member of the organization nearest to them. Companies face the challenge to motivate employees in reporting service failures. Involving employees in the process of quality management and customer satisfaction should be encouraged by reinforcing the value of their participation in this progress. If the positive aspects of empowerment aren’t communicated properly, employees failure-reporting will be discouraged. If the complaining customer is tracked after registration, service recovery can be used to please the customer, making her/him satisfied. (Ibid)
2.5.4 Stage 4: Integrating Data and Improving Overall Service

Complaints represent a valuable form of information about the actual market, but it can be problematic getting access to desirable information, since few customers actually complain. This makes it complicated for the provider to gain access to relevant and credible information in order disperse it to the persons concerned. The provider then needs to find new ways of information collection as for instance focus groups, and advisory panels regarding both employees and customers. With a combination of complaints data and for example advisory panels a holistic view of the service quality is created. In order to keep track of customers, databases on customer information can be valuable. These systems provide the ability to keep track of every customer interaction and finding reasons for possible causes for a customer to leave, this in order win them back. (Tax and Brown, 1998)

One of the most important aspects of data collection from different parts of the organization is the fact that it reaches the personnel responsible for implementing service improvements. This is usually done through monthly meetings focusing on sharing information, ideas, and plans for process improvements within the company. Ensuring that the employee is given the right tools, training and resources in handling customer complaints is of major importance. (Ibid)
3 METHODOLOGY

This chapter will present the methods used to carry out our study. Each method is explained and justified in order to motivate our choices. Further on we will describe the settings and execution of our data collection and discuss the trustworthiness of our research.

3.1 Research approach

Through our research we sought a deeper understanding of how complaints are filtered at Handelsbanken, Uppsala city. A qualitative study is suitable when the research seeks to understand the phenomena in a context specific setting. (Gummesson, 1991). A qualitative method was chosen, where we asked questions that needed a thorough explanation. These because the answers sought in our study were unclear and needed deeper exploring.

3.2 Case study research

We chose to conduct a case study within the banking industry mainly because it is a service industry. In our view Handelsbanken was of particular interest due to their competitive edge in consumer satisfaction according to SKIs latest study concerning the bank industry (SKI, 2007-10-01). We chose to explore the context specific situation of Handelsbanken, Uppsala City since it is the largest office with the most amounts of customers in Uppsala.

There are three different types of case study research, exploratory, descriptive and explanatory. Most usable in business related subjects and also chosen in our research is the exploratory case study. This consists of a pilot study that can be used as a basis for formulating more precise questions and to test specific hypotheses. The most important aspect of the case study research is the opportunity for a holistic overview of a specific process. The observations from a case study enabled us to view the problem from different aspects and to examine the relation in-between within its total environment. (Gummesson, 1991)

3.3 Data Collection methods

In our research information was mainly collected through primary sources, which means information directly derived from the research object, in our case Handelsbanken, Uppsala City. The empirical material needed for our research was collected through direct contact with the employees in semi-structured interviews. We chose this method because we had clearly defined questions, which however needed some discussion in order to understand the surroundings of the topic. (Denscombe, 2000). When describing the background concerning the banking industry and Handelsbanken, independent secondary sources were used, since
this information can be considered less biased (Gummesson, 1991). This was particularly useful when describing statistics concerning customer satisfaction.

SKI was our main independent source of information. SKI, Svenskt kvalitetsindex “Swedish Quality Index” is an organization which statistically measures the customer perceived value of different industries’ offerings. SKI is a part of an international collaboration EPSI (European Performance Satisfaction Index). (www.ski.se.)

3.3.1 Interviews

Using interviews as a data collections method is suitable when the researcher only has a vague picture of how the answers will manifest. (Ekholm and Fransson, 1992) Jörgen Ericsson, the office manager and also our contact at the office, was asked for information on where to find the required expertise within the organization. This gave us the opportunity to interview appropriate people to answer our interview questions. In total six interviews were conducted, including 4 frontline employees, Björn Wahlström, regional complaints manager, and Jörgen Ericsson, office manager. The interviews with the regional complaints manager and office manager lasted for about one hour each. Frontline one and two lasted between for 40 - 50 min, while frontline three and four lasted approximately 30 min each. We believe that a total of six interviews were sufficient in order to be able to grasp a holistic overview. All six interviews were needed since the subject was rather complicated and to a large extent subjective in nature. An additional interview probably wouldn’t have contributed enough for it to be motivated to conduct another one.

Ericsson was a suitable interviewee in our introductory interview since he has two years of experience working as an office manager at Handelsbanken, Uppsala City, and ten years in total at Handelsbanken. As an office manager he has the main responsibility for developing and administering the office, and managing the employees.

The frontline employees all have different experience in working with customers at Handelsbanken, some with little experience and others with many years of experience. Furthermore the job assignments of the frontline employees concerning customer services were of wide variety, but all with close interactions with customers. For example: cash desk, customer service, funds, stock shares etc. This gave us an opportunity to understand different insights of the employees in areas such as internal education and service recovery conduct.
The main reason for interviewing several frontline employees was to assure that our questions would be answered with rigor and relevance. Every additional interview gave us an opportunity to complement and compare it to previous interview results. All frontline employees were treated with anonymity partly because a person offered anonymity is less resistant when asked potentially sensitive questions about their personal opinions concerning the organization (Ekholm and Fransson, 1992). On the other hand the office manager and regional complaints manager weren’t treated with anonymity, mainly because the rigor of our thesis would have been severely damaged.

The regional complaints manager gave us information within areas that couldn’t be covered by other members of the organization. He has been working at his current position for five years and at Handelsbanken since 1978. He could therefore provide us with better insight in the company’s policies and guidelines concerning service recovery.

3.3.2 Interview questions

Before the actual interviews, an interview guide describing the overall research questions and context of our study was sent to the office. With a clearly stated purpose, the interviewee has a better chance in understanding his role in the process. This makes it easier for him/her to understand the settings of the research and thereby making it possible to provide the interviewer with more accurate answers. (Lantz, 2007) We also thought that this was the right thing to do from an ethical perspective since the interviewees would have a better understanding of the outcome of the thesis, and thereafter be able to decide if they still wanted to participate. In order to make sure of that we didn’t miss out on any important information, a summary of each interview was sent to the interviewee giving them a chance to correct us if they believed they were misquoted or misunderstood. This was shown to be appreciated by the interviewees where they had a second chance to comment on the material. This worked as verification that we understood the answers gathered in our interviews. (Ekholm and Fransson, 1992)

The questions in appendix 1 were used in our interviews with frontline nr 1 and 2. The interview questions where formed during the process of our research. Some questions could be extracted after gaining further insight, while other questions had to be added along the process. Appendix 2 was directed to frontline 3 and 4 and was of a more complementary character. Appendix 3 was directed to Ericsson, and Appendix 4 was directed to Wahlström.
Information on matters concerning simple questions of technical nature was adequately answered by one or two employees. Questions of subjective nature had to be answered by several members of the organization in order for us to grasp a wider and deeper understanding on the subject.

3.3.3 The interview objectives
In our first interview with Ericsson, office manager, our purpose was to gain a holistic overview of the service recovery process at Handelsbanken, Uppsala City. The primary focus was to understand how the office handles service recovery feedback.

With knowledge gained from the first interview, the practical work of filtering was explored through interviews with frontline employees, where work routines and criteria for registering where described. This helped us to understand the determinants for what information is filtered through registration, and what feedback was handled differently. We asked questions regarding the filtering of other information which was not included in the registering process and how and if it was spread throughout the organization.

At this phase of our research we had accomplished an understanding of how customer complaints handling were conducted at the office. This gave us a ground to stand on, enabling us to comprehend deeper analytical perspectives of Wahlström, the regional manager of complaints. In our final complete interview we sought the reasons behind different determinants and criteria of categorization. To understand the determinants and underlying reasons behind criteria, we interviewed Wahlström the manager responsible for customer complaints. Wahlströms perception of the way in which the office in Uppsala handles feedback could be compared to the answers received from the office employees, and the differences reflected upon.
4. EMPERICAL MATERIAL

4.1 Introduction Handelsbanken:

According to SKI Handelsbanken have had the most satisfied customers the past 10 years. Handelsbanken in Sweden has 459 offices which are highly decentralized, where employees have a high level of empowerment and responsibility. (Handelsbanken.se 2007-12-12)

Retrospectively the bank industry has been characterized by a few competitors. During the mid 1980’s the bank industry has gone through a deregulations process consisting of winding up of interest and currency control, which has affected the market. Since the mid 80’s the Swedish bank industry has gone through some major changes regarding both structural alterations and threats from establishment of new competitors. Today the Swedish market is still characterized by a few dominating banks like Handelsbanken, Nordea, SEB and Swedbank. Although the larger banks still have a major part of the industry they slowly lose market shares to specific niche banks and foreign banks which grow at a steady pace. This results in tougher competition on the market. (www.bankforeningen.se, 2008-01-10)

A recent study by SKI has shown that 4 out of 10 customers do not see an alternative to their bank while 2/10 of the customers see 2-3 see alternatives to their main bank. Handelsbanken and Swedbank have the least amount of customers who can consider changing banks. (www.ski.se, 2007-10-01)

The number of loyal customers however shows tendencies of declining, this is seen as an indicator on that many customers see it as a realistic alternative to change their main banks and not just to use another bank as a complementary alternative for some services. (ibid, 2007)

SKIs study shows that customers using the internet as their main channel for encounters are less loyal and satisfied than those who visit the offices personally. Customers’ expectations have declined since last year, while the perceived quality is unchanged. This is said to be the reason for the high level of customer satisfaction in the banking sector. In the study also shows that Handelsbanken is among the larger banks which have a low gap between the customer expectations and their perceived value.

In the past year, about 13% of the bank customers on the consumer market have felt a reason to complain, and 3/4 of these customers followed out their complaints. This number has
increased compared to last year when only 2/3 followed out their complaints in SKIs study concerning the bank industry. Handelsbanken is one out of two banks were dissatisfied customers most often have followed out their complaints (Ibid).

4.2 Service recovery process
Tax and Brown model, Service Recovery Process, will be used as a framework for our empirical findings from our case study at Handelsbanken Uppsala city.

4.2.1 Stage 1: Identifying service failures

4.2.1.1 Policies and Guidelines
According to the regional manager of complaints Handelsbanken follows Finansinspektionen’s definitition of a complaint, which is that any dissatisfaction from a service is to be considered a complaint. “Handelsbanken’s policy is that no matter the reason behind the actual problem it is a service failure, if it is perceived so by the customer” - Wahlström, 2007-12-13. According to Wahlström complaints are always taken seriously at Handelsbanken. Ericsson says that it is devastating from the banks perspective when dissatisfied customers don’t utter their opinions about a service failure, since the bank then might lose a customer without having a chance to regain the customer’s trust.

If a customer is dissatisfied with a service, the information is not classified as a complaint unless the complaint is outspoken and is what Handelsbanken defines as a unique complaint. A unique complaint is described as complaints where specific situational factors concerning the individual are described; these mainly concern circumstances which have an impact on the customers’ economy or interpersonal experience. (Wahlström) An example of a complaint where the company has not done anything wrong in agreement but where the errand still can be considered a service failure and registered in the system, is when a customer misinterprets a service offering. If a customer has received information about a service but doesn’t take part of it, the office might revise how the terms and conditions surroundings a service offering are communicated to the customers. (Ibid).

General dissatisfactions are not registered in the complaints system. Even though most of these perceived service failures are not classified as unique complaints, they are not just put aside. (Ericsson 2007-12-07) These complaints or general dissatisfactions are still identified as service failures and can be used by the organization, e.g. through discussing them in meetings or by adding them in the form of suggestions to the “suggestions box” (Wahlström
and Frontline 3, 2007-01-04) The “suggestion box” is described as an open forum where every employee can add ideas regarding service improvements. (Frontline 4 2008-01-07)

4.2.1.2 Service recovery at the office
According to our interviews with the four frontline employees, the office manager, and the regional complaints manager, few complaints are issued at the office. In some of the interviews it was stated that complaints wasn’t a major issue at the office.

In our interviews with front employees we received different information regarding identification of service failures. All four frontline employees described the procedure of identifying service failures as something which was up to the individual to interpret if the problem is unique or a general dissatisfaction. The employees receive education in service recovery and in identifying service failures in their regular education at Handelsbanken (Frontline 1, 4). These are given through an introductory education which everyone should participate in, and a yearly education which is issued by the office. (Frontline 1, 2).

The office offers their customers several ways to complain. These different possibilities are presented on Handelsbankens home page and in a brochure, which is handed out at the office. The brochure describes the customers’ possibilities and rights concerning complaints (Frontline 1, 2). According to Ericsson customers are encouraged to leave complaints and opinions in office encounters. Dissatisfied customers have the possibility to turn to other members of Handelsbanken if they do not wish to confront the person responsible for the service failure, for instance the office manager or regional complaints manager. The office employees handle customer complaints as quickly as possible; this indirectly encourages customers to complain. (Ericsson)

Knowledge of the customers’ preferences and perceived experiences are collected through interviews. The information in these interviews are used to understand what the customer expects from a service offering (Wahlström, Frontline 3)

Some service-improvements can be derived from employees own observations, even though it might not originate from a particular problem or service failure. The suggestions can be brought up in the” suggestion box” or by informal contacts that later on might be used. (Frontline 3)
4.2.2 Stage 2: Resolving Customer Problems

Handelsbanken has standards for how complaints should be handled which are communicated to all employees through the education offered to the employees. The policies and guidelines are also available in print, as brochures and information cards. These are used to help the employees remember how encounters should be handled and how information should be extracted from complaining customers. (Wahlström)

Another policy is that a complaint should always be resolved at the office where the service failure originated. The company has a policy that complaints should be resolved within three days. If that’s not possible, the customer should at least be notified about how the process is proceeding within the two first weeks. A company policy is that the employee who receives a complaint owns the complaint, and is responsible for the problem to be handled. (Ericsson, Frontline 1 and 2) Handelsbankens philosophy is that an employee works independently with much empowerment, and at the same time receiving much support from co-workers, “An employee of Handelsbanken thinks independently, but never alone”- Ericsson. Support is also received through formal meetings such as weekly office meetings where discussions concerning any subject can be brought up. Informal meetings such as lunch break meetings are probably the most common ways of spreading service recovery feedback among colleagues. (Frontline 3, 4)

It is the employee in contact with the customer who mutually decides upon a solution that is beneficial for both parties (Handelsbanken documents). The personal banker knows his customer better than anyone else in the organization and unnecessarily involving a third party will just elongate the process which brings forth new problems. (Ericsson)

The corporate culture of“no blame” is important. Anybody can make mistakes, and mistakes can be fixed. Having a humane view on the employees is important. (Björn Wahlström)

At Handelsbanken there are explicit guidelines to how customer complaints should be handled at the offices, but it is up to the employee to decide exactly how she/he wishes to confront dissatisfied customers. The guidelines are easily accessible to every employee, even summarized on a card as a reminder. (Frontline 1, Wahlström).

When dealing with a dissatisfied customer it is recommended to have the discussion separated from the rest of the office (Ericsson). The first step in the service recovery process and also one of the most important is to take time and listen actively, ask open questions, including,
Who?, How?, Where?, When?, and Why? Thereafter the employee should retell the actual problem and thereby avoid misunderstandings. It is also important to avoid acting defensively and for employees to have a positive, open, and humble attitude. Also it is important to give a calm impression and act responsibly (Frontline 1, 2). In a discussion it’s important to keep eye contact and let the customer guide the discussion. The customer should feel that the employee appreciates the customer’s complaints and has a genuine interest in finding the right solution for both parts (Wahlström).

In order to sum up the conversation it’s of importance to inform the customer about how you’re going to resolve the problem (Frontline 1, 2). The solution presented to the customer should be a win-win solution, where both parties are satisfied with the result. Finally the employee should follow up the complaint and always keep the promises made to the customer (Ericsson). It is up to the office to decide if or how to follow up a complaint (Wahlström). The empowerment of the employee motivates them to handle service failures, since they have a better possibility to affect the outcome. (Ericsson, Frontline 2)

If the customer isn’t satisfied after their errand has been handled at the office, an appeal can be made to the regional office. If the customer still isn’t satisfied after processing at the regional office, then the errand can be sent to ARN (Allmänna reklamationsnämnden) or a public trial. (Wahlström)

4.2.3 Stage 3: Communicating and Classifying Service Failures

4.2.3.1 Policy and Guidelines

Registering information at Handelsbanken is decided by central guidelines and policies, where these guidelines highlight the importance of the employee’s own judgment of the decision making (Ericsson). The guidelines and policies for registering service recovery information also confirm the individual’s independence when carrying out the service recovery process. (Frontline 1, 2).

Handelsbanken’s system for registering complaints has been used for the last for the last 5-6. The complaints handling system consists of fields/boxes where the employee is supposed to briefly register the product type, conditions, compensation and finally if the errand is completed or still under treatment. At the end of the document there is room for the employee to express the measures taken in his own words. (Frontline 3).
Handelsbanken open forum the “suggestion box” can be used to post all suggestions and errands. All members of the organization can forward their opinions through this channel, so that other members can participate in the discussion. (Wahlström, Frontline 3) The suggestions added to the suggestion box are looked over by an external entity. The person who posts a suggestion receives a small gift, and if it is recognized the employee can receive a compensation depending on the impact of the suggestion. (Frontline 4)

4.2.3.2 Service recovery at the office

Wahlström explains that it might be due to the young age of the complaints system that the frontline employees haven’t used it as intended. What is actually registered is determined by factors such as employees’ judgment, motivation and time aspect. (Frontline 3). “The office does not have interest in registered information; instead we put all our effort into effectively satisfying our customers’ needs”, the registered information is of more interest at the regional office”. (Ericsson)

During our interviews with frontline the answers differed somewhat regarding what they chose to register. Frontline nr 2 believed that the complete aspect of the problem such as the nature of the problem, customers demand for compensation, a detailed description of the process and customer satisfaction regarding compensation, this because it would eases the understanding of the problem. Others preferred registering just a brief explanation of the actual type of problem and compensation. (Frontline 1, 3). It’s up to the employee to decide exactly what is relevant to register and how to explain it in each case. (Wahlström)

After complaints have been received they are handled as fast as possible. If a service failure and complaint is unique in some way, it’s registered in our database. (Ericsson). When registering, the employee has the main responsibility to allocate the actual cause of the problem and forward it to the responsible for the product the, product owner. One aspect of major importance is the “no blame” company culture at Handelsbanken where the employee should feel the company’s complete backup. (Wahlström) Everyone can make a mistake and it’s important to have a humane attitude towards the employees. If few complaints have been reported in some time period, Ericsson sees no reason to suspect that service failure information is withheld from him. If a customer is dissatisfied with an employee, this information can reach him other ways e.g. in person. Handelsbanken takes part of the study presented by SKI to check their competitive status on the market. (Ericsson).
Knowledge about service recovery at the office is mostly spread informally through informal channels around the office, such as in lunch breaks (Frontline 2). Meetings are held at the office once a week where it is open for every employee to discuss any issue of interest (Frontline 3). Every week the office manager publishes weekly notices which he believes to be of interest to the rest of the office. These notices can contain information derived from all different sources, such as e.g. informal meetings with employees. These notices have more rigor and are used more extensively (Frontline 3, 4). Information is forwarded to, Wahlström through the registered information through the complaints system. Also informal information regarding service recovery is forwarded to him by Ericsson through meetings etc. and by employees at the office.

4.2.4 Stage 4: Integrating Data and Improving Overall Service

The information registered in the complaints system is after registration not further processed at the office. It is Wahlström who filters and analyzes information registered in the system and also used as aggregated information in form of statistics. The information from these systems and through contacts with the office can be used as a foundation for writing new instructions. (Wahlström)

Feedback from Wahlström on these reports is sent to product owners in charge of a particular product but not the person responsible registering the complaint. If the feedback is believed to be of interest for the whole organization it can be made accessible to everyone at Handelsbanken. (Wahlström)

In order to improve the overall service and spread important information at Handelsbanken, they have an internal service called “blue messages”. This is an internal system controlled by the regional office where all information delivered into the system is made accessible to members of the entire organization. The system is used to communicate information concerning all kind of issues for example changes in guideline regarding complaints handling or changes in working routines. The messages sent throughout the system are shown on every computer in the intranet of Handelsbanken, where every employee is supposed to read all issues posted within their business area. Every employee at the office has the possibility to post a message that they believe to be of interest to the rest of the organization, however it must be sent via Ericsson, the office manager before sent to the regional office. (Frontline nr 3, 4)
5 ANALYSIS

In this chapter we will analyze our empirical findings, using Tax and Brown's model called service recovery process. We will implement the remaining theories in the different stages of this model and draw parallels with the service recovery filtering process at Handelsbanken, Uppsala City.

5.1 Stage 1: Identifying service failures

According to Wahlström Handelsbanken defines all dissatisfaction as a service failure. The starting-point in their way of work is to always view upon a problem from the customers perspective. No matter what caused the problem it is classified as a service failure if it is perceived so by the customer. Although only a limited definition of unique complaints fits into the complaints system, all other service failures can be filtered through other channels, somehow including all forms of service recovery feedback. This shows the organization's consciousness concerning the most fundamental element in customer orientation.

Tax and Brown describe why many customers may be discouraged from complaining. Since they do not believe that the company will be responsive to their complaints. Our impression is that isn't evident for Handelsbanken, Uppsala city where being responsive seems to be highly prioritized. The employees encourage customers to hand in complaints in several ways and take these complaints seriously. They also inform customers regarding their rights and the firm's obligations. This information is mostly spread through secondary sources such as brochures. If customers are informed about these matters, more customers will complain, but we didn't investigate the customers' awareness of their rights and obligations. On the other hand, when using SKIs data concerning complaints within the bank industry, Handelsbankens customers followed out their complaints more often than several other competitors. This can be seen as an indicator that customers actually have been well encouraged.

There are guidelines explaining how every employee should confront dissatisfied customers and how they should extract information concerning service failures but there is no system deciding what feedback from these encounters that should be filtered. It should be hard to measure how well it works since the empowered employees work independently without being controlled by higher management. On the other hand independent sources such as SKI are used to check the status of customer relations and their relative standpoint in the market.
Identifying service failures and all of its characteristics can be complicated since there is a huge variation of different services. Interviews with customers are held at the office, where the employees have a good chance to understand what customers expects from a service recovery. These kinds of encounters make the office employees more aware about what causes service failures.

Time is an important factor when conducting an effective service. The longer a customer has to wait for measures to be taken, the more likely that the customer will pass his zone of tolerance and leave the company. Therefore the office tries to discover service failures at an early stage, getting the opportunity to deal with the service failure before it is too late.

5.2 Stage 2: Resolving Customer Problems

According to Tax and Brown customers often complain only when they consider a service failure as serious. Since the office encourages complaints, and consider all dissatisfaction as service failures, they should have an increasing chance to solve a problem before it becomes difficult.

The employees receive training in service recovery and have standards for how complaints should be handled which according to our interviews are well implemented. The procedural fairness at the office is much affected by this. According to guidelines and policies complaints should be handled as fast as possible and if the standard timeline for solving complaint has been passed, the customer should be informed about the procedure. The guidelines seem to be followed out by all employees as none of the interviewees saw a reason to do other wise. If the standard times for solving service failures is judged to be ok, then the guidelines are well matched with customers expectancies and should fall within the zone of tolerance. Due to the empowerment of employees, rules which can affect the customer’s evaluation aren’t that evident in the service recovery process. The employee can by herself decide what information is relevant to filter, and also how to solve the specific problem.

An aspect of importance is the fact that the customer should feel fairly treated throughout the service recovery process. The office has follow-up meeting where customer satisfaction is examined. This helps the office to learn about the customer specific needs and thereby enable customization. At Handelsbanken the employee that receives a customer complaint is also the one with the main responsibility for getting the problem solved. This makes it clear who is responsible for completing the service recovery, for both the customer and the office.
Regarding customer assessment of fair procedures also the time aspect is essential, where customers demands quick response from the company. The policy at Handelsbanken is that a complaint should be resolved within three days or at maximum within two weeks and always keeping the customer updated with the actual status of the problem. This shows that the office has understood the importance of their duty to inform and the advantages of a quick and effective response system. If customers are pleased with the speed of the company’s actions, they will feel fairly treated and be encouraged to complain again in the future.

The employees of the office seem to have a unison view on the importance of resolving customers’ complaints in a way that is satisfactory to the customer and the bank at the same time. It is difficult to resolve a problem since the service recovery process is subjectively experienced, although if attempting to understand the preferences of the customers a customized solution can be offered. Information collected from these service recovery encounters helps the company to prevent these failures from reoccurring. This can be linked to the outcome fairness theory.

5.3 Stage 3: Communicating and Classifying Service Failures
It is only through some general guidelines and policies that employees are helped when determining what service recovery feedback that needs to be forwarded or registered. Company policies stress that the person who receives a complaint owns the complaint, which makes it clear who is responsible for getting a complaint solved. This indicates that forwarding the information to the person responsible for the failure should be of interest for the person who receives it, since it would help her to solving the problem. Because neither taking responsibility, nor forwarding information to those who are responsible is an issue at the office, registering these the complaints should not be negatively affected these factors.

Only “unique” complaints are registered in the complaints system. Due to the company’s belief in the employees’ ability on deciding what is worth registering, the nature of the complaints registered in the system can vary a lot in character. Wahlström stressed that the system should be simple to understand, but despite this it is barely used.

According to Tax and Brown, many employees often fail to document service failures due to that the problem is never resolved. At the office in Uppsala employees seldom register even after problems have been resolved, since the employees at the office felt they had little or no interest of registering information. The major underlying reason for not registering at the
office seems to be the insufficient communication of its importance to the organization and that registering apparently isn’t part of daily routines.

According to Tax and Brown it is mostly serious service failures that are communicated to the firm. If customers have been properly encouraged this might not be the case, but should probably still be considered when communicating the importance of communicating these failures to the organization as a whole. If SKIs report on customer complaining is taken into consideration, Handelsbanken in general seem have done well in encouraging customers to complain and if they do resolve most complaints they should be successful in creating customer satisfaction. However, if these failures are not registered and analyzed, the possibility for the organization as a whole to learn from these mistakes can be missed.

5.3.1 Other ways of sharing information
Communicating failures in general is highly dependent on the individual employee. The weekly meetings are open, so anything of importance can be discussed. Information from these meeting is communicated through weekly notices, which have a high level of rigor. The information filtered from a frontline employee can be shared with other members, which in turn together can discuss its importance to the organization, and thereby filtered again. This information can later on be spread to other members of the organization, but it is up to Jörgen to filter the information from meeting and share it to the rest of the office.

Since the “suggestion box” is an open forum, ideas added there do not have to be filtered by other members. The suggestions added can be seen by all other members of the organization. Since it is completely up to the employee to determine what to add the suggestion box, knowing what is filtered there and why, is very hard to determine. Feedback from this system is received since it is an open forum which should favor its use compared to the complaints system which is a one way communication channel. The employee is more participating in the process concerning the suggestion box.

It lies in the “no blame”-company culture to encourage employees to cast light upon service failures. This in combination with the reward system in the suggestion box indicates that complaints are viewed on as valuable resources for the company. However the importance of spreading information trough registration is evidently not a priority. Perhaps because of the priorities of handling customer complaints, and the lack communication of the importance for registering makes the informal channels more natural to use since feedback is received when spreading information informally, increasing the motivation of the employees.
5.4 Stage 4: Integrating Data and Improving Overall Service

Service recovery information should be recorded, and classified throughout the whole process, and finally disseminated. Wahlström at analyzes the information from the complaints system if he believes it to be of interest for the organization. This information is made accessible to the rest of the organization in form of statistics. The information from these systems and through contacts with the office can be used as a foundation for writing new instructions and guidelines.

When a service goes wrong the organization should learn from the service failure to prevent it from reoccurring. It is through organizational learning that the experiences from previous service encounters can be obtained and kept within the organization. Information is shared in several ways at the office, making it available to all of the office employees, but it is unclear how much of the service failure information that is spread to an organizational level.

“Blue messages” is information which is available for the entire organization. It is partly through this channel that general guidelines and routines are spread. Since everyone at the organization keeps track of information which is relevant for them, it is a suitable channel to spread information which is intended to be made organizational. If filtering works well at the office, information which can be valuable to other members of the organization can very well be spread to other offices using this channel.
6 CONCLUSION
Handelsbanken defines any service encounters as service failures if they are perceived so by the customer. This means that all dissatisfaction can be filtered throughout the organization in one way or another. There aren’t many guidelines and policies, determining what to filter. Due to empowerment it is up to every employee to decide upon what is important to pass on; making it hard to assess what is actually filtered. It is only the unique complaints that are registered and somehow affected by criteria, although this system is not used as much as intended.

Several possible reasons for the low frequency in usage of the complaints system could be identified. Probably the most obvious determinant was the office employees’ disinterest regarding the registering of complaints. The main underlying reason for this is apparently the lack of understanding concerning the importance of registering which in turn can be explained by that the importance of registering was not communicated adequately by higher management. There have to be incentives in order to motivate employees to share information e.g. in form of feedback.

Service recovery feedback can be spread throughout the organization by e.g. passing it on through higher management or by discussions in the computerized open forum, the “suggestion box”. Since it is an open forum anything can be filtered into it in order to shed light on whatever issue they believe to be of interest. There are even less criteria for how service recovery feedback should be filtered through these channels. Since the organization has almost no criteria for what to filter, they are apparently missing a system for what to filter, and might therefore not have a clear idea of what feedback from customers can be of particular interest when improving service recovery. The main underlying reason for this is probably the trust in the individual’s ability to decide what is important to pass on through the organization.
7 DISCUSSION AND MANAGERIAL IMPLICATIONS

The system has existed for over five years, yet it is used very seldom. Maybe the reason for this not being perceived as a problem at the office is because they have done without it before. Perhaps it will become part of the daily routines as time goes, and after further adjustments of the system and the communication of its advantages. Besides the advantages of the system giving feedback to those who registered should be part of the process, motivating employees.

The lack of criteria used in the filtering process shows that Handelsbanken doesn´t seem to have a clear thought of what information is particularly valuable to them, since the directives sent to the offices only consist of few elements that are of interest on every occasion of registering. Our impression of the filtering process was that the information passed on, was not motivated by any criteria. The filtering of service recovery feedback seems to rely on what every individual at the office believe to be of interest.

We believe that there could be advantages of having more precise criteria for service recovery information, even though there seem to be some in problems with implementing it in practice. The frontline that are responsible for registering must be able to comprehend feedback from all business requiring much expertise, but the system could be designed to be flexible yet with possibility to be more precise. The system could be refined, giving the employees responsible in each product area a clearer frame to fit the information and thereby making it easier to categorize and share information. This could potentially make information sharing more systematic making it easier for the organization to learn giving those in the organization who have the same type of expertise as the person who registered.
8 REFERENCE LIST

Books


Ekholm and Fransson, 1992: “Praktisk Intervjuteknik”. Nordstedts förlag AB: Göteborg:


Denscombe, M. 2000, ”Forskningshandboken: för småskaliga forskningsprojekt inom samhällsvetenskaperna”. Studentlitteratur : Lund

Articles


**Internet**

Svenska Bankföreningen, 2007-03-01: Konkurrensen på bankmarknaden (2008-01-05)
http://www.bankforeningen.se/upload/konkurrensen_p%C3%A5_bankmarknaden.pdf

http://www.handelsbanken.se/uppsala_city


http://www.kvalitetsindex.se/index.php?option=com_content&task=view&id=13

**Interviews**

Ericsson, Jörgen, office manager at Handelsbanken Uppsala city, 2007-12-07.

Frontline 1, at Handelsbanken Uppsala city, 2007-12-11

Frontline 2, at Handelsbanken Uppsala city, 2007-12-11

Frontline 3, at Handelsbanken Uppsala city, 2008-01-04

Frontline 4, at Handelsbanken Uppsala city, 2008-01-07

Wahlström, Björn, regional complaints manager, 2007-12-13
Appendix 1 - Interviews with Frontline employees 1 and 2

- For how long have you been working at Handelsbanken?
  - And at your current position?

**Education**

- What kind of introductory education have you received concerning service recovery?
  - What did it contain?
  - How was the education supplied to you?
- How often are these educations held?

**Manuals and support documents**

- Are manuals or other support documents used in order to facilitate the sorting and categorizing of complaints?
- What do these manuals include?
- Do you think that these manuals have any imperfections?

**Guidelines and policies**

- Can you describe the Handelsbanken guidelines and policies concerning complaints?
- How does it come to use and are they easy to understand?
- To what extent do you follow these guidelines and policies?
- In what situation can it be motivated to deviate from these guidelines and policies?

**Sorting and categorizing**

- What are the criteria concerning registering of complaints?
- Can you describe what characterizes a “unique” complaint, and what separates them from other complaints?
- What exactly is registered? Concerning e.g.
  - The nature of the complaint
  - The service recovery procedure/ actions taken
  - Results
- How detailed is the registered information?
- Do you perceive registering to be complicated or time-consuming?

**Freedom of action**

- What are the freedoms of actions as a frontline employee?
- What are the frontlines abilities to affect the complaints handling process?
Appendix 2 - Interviews with Frontline employees 3 and 4

- For how long have you been working at Handelsbanken?
  o And at your current position?

Education

- What kind of introductory education have you received concerning service recovery?
  o What did it contain?
  o How was the education supplied to you?
- How often are these educations held?
- What are the existing guidelines and policies concerning complaints handling?

Sorting and categorizing

- What are the criteria concerning registering of complaints?
- Can you describe what characterizes a “unique” complaint, and what separates them from other complaints?
- What exactly is registered? Concerning e.g.
  o The nature of the complaint
  o The service recovery procedure/ actions taken
  o Results
- How detailed is the registered information?
- Do you perceive registering to be time consuming?

Other ways of sharing service recovery information

- Can you describe how the”suggestion box” and how it is used?
  o What does it contain, and what is its purpose?
- Are there policies, guidelines, and routines for how it is supposed to be used?
  o How do you use it? Do you consider it to be of importance for Handelsbanken?
  o How often is it used, how often do you use it?
  o Are there any special incentives encouraging employees to use it?
- How are complaints/ service failures brought up in meetings?
- What incentives do you have to register complaints and to share service failure information in general?
- In what other ways can information be shared?
Appendix 3 - Jörgen Ericsson the office manager

- For how long have you been working at Handelsbanken?
  o And at your current position?
- Which are your main areas of responsibility as an office manager?
- What is your involvement regarding the complaints handling process and its:
  o Policy and guidelines?
  o Degree of systematization?
  o Design of manuals?
  o Education of the frontline personnel?
- What is your opinion regarding complaints?
- In which way do Handelsbanken encourage their customers to complain?
- What are the specific characteristics regarding the complaints handling within the bankindustri compared to other lines of businesses?

Guidelines for sorting and categorizing

- Does the sorting and categorizing process differ between Handelsbankens different offices? If so in what aspects and why?
- What are the guidelines regarding sorting and categorizing and what are their planned effect?
  o In which way do these help to solve customer problems?
  o How are these conveyed to the personnel?
  o How is it controlled that these guidelines are followed?
- Is there any unjustified complaints? How do employees know where to demarcate?
  o Is there guidelines for how categorize these complaints? If yes, which criteria?

Manuals

- What do these manuals consist of?
- How often are these updated?
- Which is the most common aspect of change?

Sorting and categorizing

- Describe the design of the sorting and categorizing system, and what are the underlying reasons?
- Which are the main categories and sub categories?
  o Which are the criteria?
  o Are the criteria evident or is it demarcations from each specific case?
- Is wrongly sorted information a common problem?
  - If yes, what does it depend on?

**Freedom of action**
- What are the freedoms of actions as a frontline employee?
- What are the frontlines abilities to affect the complaints handling process?

**Education**
- How often do receive education within sorting and categorizing?
- What do the education consist of?
- What is the most important aspect that frontline receives?
Appendix 4 - Björn Wahlström regional complaints manager

- For how long have you been working at Handelsbanken
- For how long have you been the regional complaints manager of Handelsbanken?
  o Which are your main areas of responsibility?
  o Which are your job assignments?

The importance of a well managed service recovery

- What is your view upon service failures?
- What affects the value on collected information?

Guidelines and policies

- What are the guidelines regarding sorting and categorizing and what are their planned effect?
- How are these conveyed to the personnel?
- What is the offices feedback on these guidelines, are they clear or instinct?
- Do you think that the frontline receives enough education regarding sorting and categorizing?

Sorting and categorizing

- What type of information is collected and how is it related to a specific purpose?
- Why only unique complaints?
  o What is a unique complaint?
- What deters the design of the sorting and categorizing process?
- Can you give us an example of a main category with a subcategory
- Are the criteria for each category clear and easy to understand?
- Is wrongly sorted information a common problem?
  o If yes, what does it depend on?
- How do you get affected by the wrongly sorted information, is it a common problem?
- Is it possible to create clearer criteria in order to work counter to wrongly sorted info?

Statistics

- Are there statistics for collected complaints?
- How does this information come to use in order to lead to improvements?
- How does statistics get transferred to the local offices?