



How to improve visibility of sustainability performance by the banking sector to (potential) consumers?

Background

The growing demand to become sustainable is a current issue that also applies to the banking sector. However, there is a lot of confusion about the way in which consumers of a bank can be effectively targeted in order to increase the visibility of the banking sector's sustainability performance. Existing literature on the visibility of sustainability performance emphasizes the need for better communication of such performance, yet relevant studies as to how to accomplish this are currently lacking.

Objective

- The aim of the research described on this thesis is to find out how the banking sector can increase visibility of their sustainable business practices to consumers.
- While the existing literature on the visibility of sustainability performance emphasizes the need for better communication about this performance, how to accomplish this has not been studied. The purpose of this research is to fill this gap.

Introduction

Being sustainable is not enough, this performance needs to be communicated clearly, making it visible to the consumers. Banks have a moral responsibility to actively and effectively inform their existing and potentially new consumers about the environmental benefits of their products in a transparent and unbiased manner.

Methods

To address the research question the case study of a single bank, i.e. the Rabobank, was selected, more specifically the two biggest branches of Rabobank in the Dutch province of Fryslân. From a logistical and practical point of view it is impossible to research the whole banking sector, and therefore this study will focus on one of the biggest players in the banking sector in The Netherlands, namely the Rabobank.

Research data was collected through qualitative research. The most widely employed method to perform qualitative research is the use of interviews. Therefore, the research was conducted using 8 interviews on the spot and 4 conducted by email exchanges. To accomplish the aforementioned research objective, the data for this study has been collected through semi-structured interviews. To identify the current visibility of the sustainability performance of Rabobank and the challenges with making these performance visible, four employees from different branches were interviewed.

To provide an overall picture on sustainability and to find out how important sustainability performance is for consumers, three existing consumers and three potential consumers were questioned about the visibility of the sustainability performance of Rabobank. In addition, the companies represent different sectors in order to prevent that the sector in which the company operates biases the outcomes. Moreover, selected consumers were divided based on the degree of sustainability, with one existing and one potential consumer having little or no concern for sustainability; one existing and one potential consumer who regard sustainability as important, and one existing and one potential consumer who had sustainability incorporated in its core values.

Finally, two experts in the field of communicating the sustainability of performance were interviewed on the different strategies that can be used to make this performance more visible.

Results

Proposition 1

- Banks who are able to bolster intrinsic motivation among employees in the field of sustainability are more likely to increase visibility of their sustainability performance.

Proposition 2

- Propagating an honest and open story to the consumer is the key to increase the visibility of the sustainability performance.

Proposition 3

- In the near future, consumers will increasingly make product selections based on the sustainability performance of a bank.

Conclusions

- A growing body of literature has proposed that in order to survive and compete successfully, the banking sector needs to increase their sustainability performance. However, making this performance visible to the consumer is also necessary to survive and compete successfully as a bank in the near future.
- Based on the research presented on this thesis, we may conclude that making the sustainability performance visible is becoming increasingly important for a bank. At present, not many consumers are explicitly opting for a sustainable bank, but the case analysis of Rabobank has shown that this will increasingly be the case in the coming years. Moreover, the consumer expects that a bank showcases its sustainability activities.

Implications

This study has important implications as regards to the approaches for making the sustainability performance of the banking sector more visible. It paves the way for conducting future research and has generated deeper insights into the visibility of sustainability performance of the banking sector. Future research may consider expanding the scope of the research by extending it to a broader range of banks (i.e. Triodos, ING or other banks), and of participants.

Future studies could conduct follow-up investigations into communication strategies to make the performance more visible and how to overcome the challenges mentioned in this research. Furthermore, this study has implications for research on sustainable banking and the communication towards their consumers. Lastly, this research offers useful insights to employees of the banking sector that might be interested in understanding the difficulties of making a sustainability performance more visible.