

Institution: University of Kent		
Unit of Assessment: 17: Business and Management Studies		
Title of case study: Helping Greek Banks to Move Online		
Period when the underpinning research was undertaken: 2018-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Dr Ioannis Krasonikolakis	Senior Lecturer in Digital Marketing	2018-present
Period when the claimed impact occurred: 2018-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact (indicative maximum 100 words)		
<p>Dr Ioannis Krasonikolakis' research helped one of Greece's largest retail banks, Eurobank, to recognise the need for culture change and initiate new management processes to promote its transition to online services and products. This project was particularly significant, as the retail banking sector in Greece has been slow to adopt the digital services that are now commonplace elsewhere in Europe. As part of a two-phase consultancy for Eurobank (between 2018 and 2019), Krasonikolakis produced a set of recommendations based on a 'blended' approach to digital transformation. In 2019, Eurobank began to adopt these findings through staff training and bank redesign initiatives. From 2018 onwards, project recommendations also started to gain traction across the wider Greek retail banking sector.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>Greece has struggled to escape from traditional banking models and venture into digital or virtual banking. This reluctance was partly due to the complexity of processes and outdated systems that existed in the larger and longer-established banks, along with a traditional and hierarchal management style. As of 2020, there was still no virtual bank in Greece, although this is a common feature of banking across much of Europe. From 2018 onwards, Krasonikolakis' research addressed this problem by developing a new theoretical framework, which detailed key strategic drivers and management practices that help achieve a successful digital transformation in retail banking.</p> <p>Krasonikolakis joined Kent Business School in September 2018 and immediately initiated a year-long research project funded directly by Eurobank, one of Greece's 'big four' retail banks. The initial aim of the project was to aid the bank's digital transformation process by creating an algorithm that helped track how customers used its services in order to tailor product offerings more closely [R1]. However, this preliminary stage of the research also highlighted a set of fundamental issues with management processes and organisational structures that impeded the agile and flexible responses needed in the fast-moving world of digital financial services. This led to a second phase of the project, in 2019-20, which addressed these organisational and management factors. Both elements of the project focused on the benefits of omnichannel retailing models in the banking sector. Omnichannel retailing is the recently established practice by which a variety of commerce channels (e.g. brick-and-mortar stores, web commerce, mobile commerce) are integrated and leveraged to influence a customer's purchasing decisions.</p>		

Krasonikolakis worked with his collaborators. Co-I Professor Teck Yong Eng at the University of Reading in Malaysia, and Michalis Tsbopoulos, Group Chief Digital Officer at Eurobank, on an interdisciplinary strategic and managerial approach. They developed a framework for understanding the management processes that determine a successful digital transformation in banking through an investigation of retail banking practice in eight different European contexts. A total of 13 senior managers (CEOs, CFOs, CIOs, CTOs) participated in interviews that explored a range of issues, including:

- Understanding of digital transformation dynamics in terms of business opportunities.
- Value placed on customer experience as a goal in its own right.
- System processes design and development.
- Cultural context and tolerance of failure.
- The impact of regulatory frameworks.

Krasonikolakis analysed these data from a social informatics perspective to map the effects of digital technologies on retail bank operations, structure, and the capabilities of those who deploy, implement, and use it [R1]. Implementation of the first part of the project was put on hold owing to the disruption to usual consumer behaviours during the Covid-19 pandemic. Consequently, this impact case study focuses on the second element of the project. The conclusions of this second phase of the project were threefold. In brief, the project:

- Developed the orchestration and configuration mechanisms of the proposed drivers that influence the successful outcome of digital transformation for the participating [R1, R2].
- Developed a roadmap that informs management and analysts on how to initiate change whilst acknowledging the challenges presented by the institutional and cultural dynamics of the banking sector [R1, R3].
- Established performance modelling comparisons between bricks-and-mortar and omnichannel banking services (products) [R1].

As the project demonstrated, omnichannel retailing is not simply a straightforward deployment of the latest information communication technologies. In his chapter in the edited volume [R3], Krasonikolakis set out the main components of this transformational context, including: organisational culture; management philosophy and approach; and the urgent need to redesign retail bank premises in a way that facilitates the introduction of new technologies in-store to enhance customer experience.

3. References to the research (indicative maximum of six references)

[R1] Krasonikolakis, I., Tsbopoulos, M., and Eng, T. Y. (2020). 'Are incumbent banks bygones in the face of digital transformation?'. *Journal of General Management* 46(1): 60-69. ISSN: 0306-3070. doi: <https://doi.org/10.1177/0306307020937883>

[R2] Krasonikolakis, I., and Eng, T. Y. (2020). 'Retail banking: challenges and evolutions in digital transformation'. In: *13th Annual Conference of the EuroMed Academy of Business: Business Theory and Practice Across Industries and Markets*, Italy, 16-18 September, pp. 1384-1355. ISBN: 978-9963-711-89-5. <https://kar.kent.ac.uk/85724/>

[R3]: Krasonikolakis, I., and Syrmakizis, S. (2019). 'Digital transformation and omnichannel retail banking'. In: G. Doukidis (ed.), *The Digital Future: Transformation, Strategy, Governance and Technologies*. Athens: Sideris Publishing. ISBN: 978-960-08-0834-6. <https://kar.kent.ac.uk/80149/>

Grants

[G1] Krasonikolakis, I. (2018-19). 'Aiding the digital transformation of Greek banks Eurobank Greece S.A.'. Eurobank. Value: £49,679.

4. Details of the impact (indicative maximum 750 words)

The findings of Krasonikolakis' research began to gain traction with senior executives across the wider Greek banking sector from 2018 onwards. In late 2019, as a direct result of their engagement with Krasonikolakis' research in the project funded by the bank, Eurobank managers recognised that organisational processes needed to change as they prepared to implement an omnichannel strategy. Consequently, the bank started to adopt his recommendations. Eurobank's Chief Technology and Digital Officer confirmed that 'the project offered the opportunity to successfully transform our organisation digitally, improve the consumer behavioural patterns and the quality of services offered', and that 'we found Krasonikolakis' multipolar framework a suitable base model to build our strategic initiatives' [a].

Eurobank: digital transformation training

As a result of the project, Eurobank recognised the importance of cultural change and, early in 2020, developed an initiative aimed at building the 'ideal' corporate culture to help employees perform at their best. This initiative was based on the preconditions for good performance identified in the project. Amongst the most important were that group members should feel that they share the same vision, that they have common goals and are working to a greater purpose, not solely of an economic nature. Another dimension that was highlighted in the project was a high sense of dependability, where team members can rely on each other and develop a support grid. Thirdly, security ranked high with teams expecting support by the managers' provision of a veil of protection. This safety net is critical when it comes to decision-making, especially when the loss of short-term profits is involved. As the then Chief Technology and Digital Officer stated in relation to the need for this programme of organisational change: 'One of the more challenging aspects of digital transformation is the human element, especially in legacy organizations mired in deeply rooted cultures' [a]. To achieve this goal, early in 2020 Eurobank ran a series of workshops with staff at every level within the retail banking division (at least 30 participants). These explored how Krasonikolakis' findings might translate into day-to-day operational activities. A number of structural changes were implemented as a result, including the delegation of certain decisions to more junior levels of the organisation.

Eurobank: retail bank branch design

As a result of project recommendations about bank branch design and a 'blended' approach to digital transition, Eurobank ran a pilot in 10 branches in Athens in October-November 2019. This involved the creation of a group of 15 specialist investment advisors based in a central hub, who met clients virtually when they visited their local Eurobank branch. The hub provided a hybrid experience, which focused on relationship management through virtual and interactive forms of communication. As part of this pilot, the bank offered customised services, aiming to enhance relationships and trust with the bank. A retail branch manager involved in implementing this pilot stated: 'The hybrid project changes the way we support our customers. It increases sales coverage and reduces operational costs. It receives high value rating from our customers [...]. This first project ran smoothly, providing significant insights towards the design of a longer-term plan.' [b]

Greek banking sector

Since 2018, Krasonikolakis has engaged actively with key stakeholders in the Greek banking sector to advise on an omnichannel retail approach. For example, in November 2018, he presented his research at a Digital Transformation in Banking event for banking professionals in Athens. The president of the Hellenic Bankers Association who attended this forum commented that 'it was vital to offer to our interested parties in the Association an easily, comprehensible and legible roadmap to the operation of digital banking, as presented by Krasonikolakis' [c].

5. Sources to corroborate the impact (indicative maximum of 10 references)

[a] Letter from the Group Chief Digital and Technology Officer, Eurobank, Greece, describing the impact of Krasonikolakis' research on the digital transformation of Eurobank.

[b] Letter from the Assistant Manager, Retail Branch Eurobank, describing the impact of Krasonikolakis' research on the retail bank branch design.

[c] Letter from the Chairman of the Board of Directors, Hellenic Bankers Association, describing the impact of Krasonikolakis' research on the digital transformation of banks for key stakeholders in the Greek banking sector.