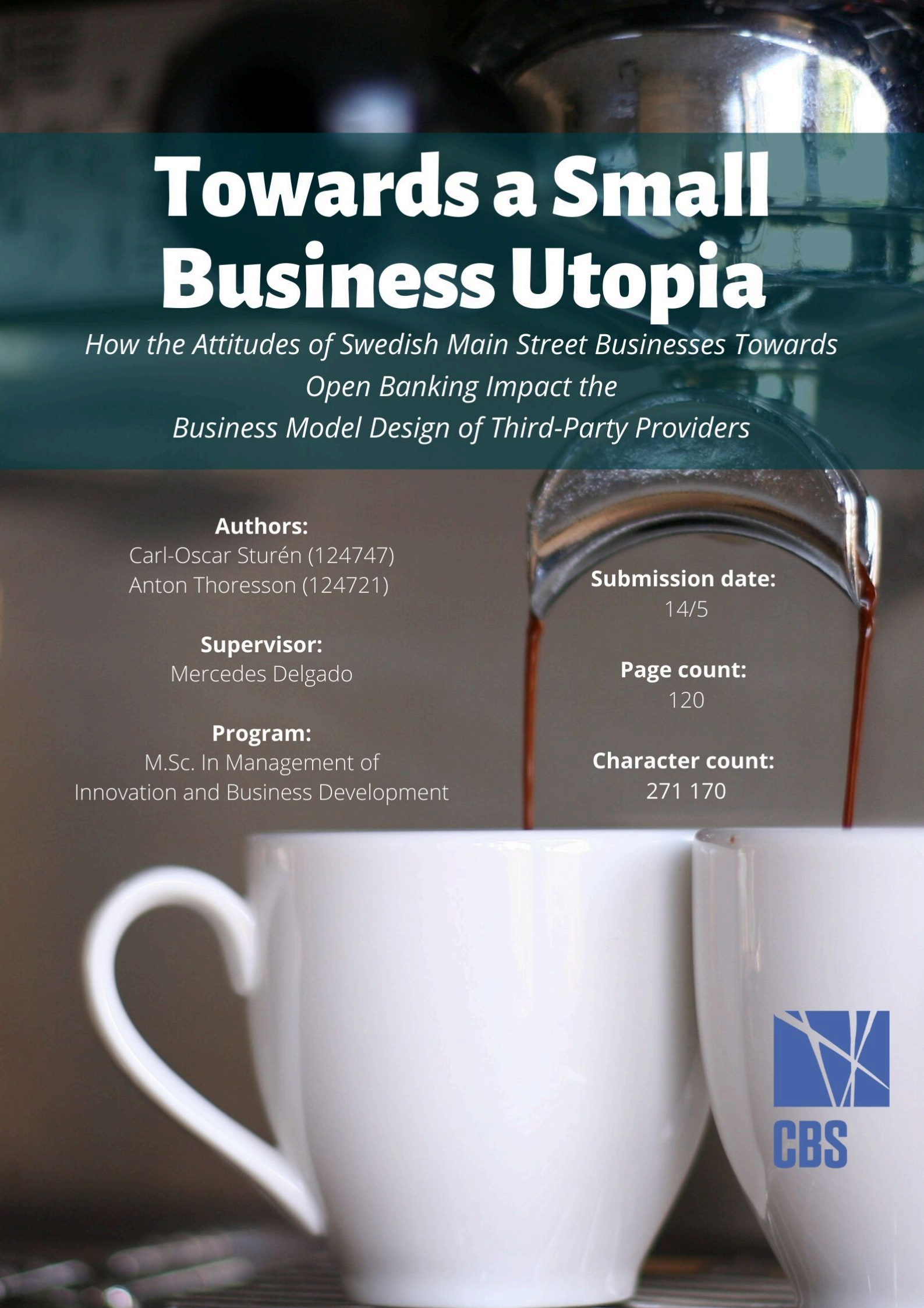

Towards a Small Business Utopia

How the Attitudes of Swedish Main Street Businesses Towards Open Banking Impact the Business Model Design of Third-Party Providers

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Abstract

In a sector that traditionally has been lacking innovation, the technological advancements have in recent years been forcing banks and other traditional financial institutions to become increasingly creative and innovative. In this development towards an increasingly innovative financial sector, a recent advance referred to as Open Banking has made its entry. This phenomenon refers to the data-sharing between financial institutions and licensed third-party providers, with the aim of democratising the financial industry and improving upon the experience of customers within the sector. Furthermore, although Open Banking has received a lot of attention since PSD2 was enforced (the EU directive that made Open Banking compliance mandatory), one group that stand a lot to gain from this development has often been overlooked: namely small businesses, and the smallest – Main Street Businesses in particular.

With a purpose of *"(1) outlining the attitudes of the Swedish Main Street Businesses towards Open Banking, and (2) provide third-party providers with guidelines of how they can create, deliver and capture value to and from this market segment"* this study looks at their attitudes towards the phenomenon at hand, and what elements that are important in developing a business model to reach them with Open Banking initiatives. To do this, Swedish Main Streets businesses have been surveyed regarding their attitudes, and their answers have been compared to a previous study performed by KPMG in Great Britain on a similar topic. In addition, interviews were held with representatives from one of Europe´s most prominent Open Banking platforms, namely Tink, in order to gain insights from a company operating within the realm of Open Banking.

The findings indicate that while Main Street Businesses might benefit a great deal from Open Banking initiatives, their attitudes are divided. Though the phenomenon itself does not necessarily excite the businesses, there might be potential for the associated innovations – If they are delivered by a provider they trust. In particular, we argue that it is important as a third-party provider to create and deliver value through, or in collaboration with, banks. This, as Main Street Businesses could be deemed conservative in regard to technology adoption, leading to value capture being difficult unless the channel has a high level of trust and familiarity.

Acknowledgements

As this study is coming to its closure, we would like to express our gratitude towards those people who have been helping, advising and guiding us throughout the process.

Firstly, this thesis would not have been possible without Tink, which provided valuable insights and voluntarily participated. In particular, our interviewees from Tink deserves especial gratitude for letting us interview them and have been helpful throughout.

In addition, we would like to thank our tutor and advisor Mercedes Delgado, whose advice and guidance has been crucial for the process and the end-result which you are about to read.

Table of Contents

Table of Figures

Table of Tables

1. Introduction

1.1 Background

Financial Technology (FinTech) has emerged as a massive market over the last decade. According to a report by Hatch et al. (2019), the global FinTech consumer adoption has risen from 16% to 64% between 2015 and 2019 among the digitally active, and these figures are continuously increasing. Originally springing out of e-finance, which was enabled through the creation of the internet, FinTech has leveraged the data and the in-pocket access that came with the smartphone adoption boom, parallel to the financial crisis of 2008 (Lee & Shin, 2018). In turn, whereas e-finance refers to all forms of financial services one might take part of online, such as online banking, trading stocks, and insurance, FinTech takes it further as it combines e-finance with social media, artificial analysis, internet technologies, and social networking services (ibid). Firms leveraging this trend have been able to individualise their offerings, and give the finance industry an opportunity to become more agile and offer their customers a more convenient value proposition. Thus, whereas the financial industry has been argued to traditionally be relatively well protected towards external threats, and not exposed to phenomena such as creative destruction (Scardovi, 2016), FinTech organisations have now been able to couple e.g. consumer data with technological advancements to develop new ways of serving their customer groups, increasing convenience, and heavily impacting the entire financial industry and the legislation surrounding it all over the world (Lloyd et al., 2017; Grieg et al., 2018; Mills, 2019).

One of these resulting legislations, that could prove to be a game changer long term in Europe, is the Second Payment Service Directive (PSD2), which is developed to promote the internal market for electronic payments and create better prerequisites for secure and effective payments (European Union, 2015). Following this legislation, banks and other financial institutions now needs to open up their application programming interfaces (APIs) and allow third parties to access financial information, in order to develop solutions that would increase the financial transparency for the account holder, small business and private consumer alike, if requested by the data owner (Phaneuf, 2019). This EU directive has in turn supported a global phenomenon springing out of the digitalisation of banks most commonly referred to as Open Banking (McIntyre et al., 2018), where banks and financial institutions are becoming increasingly open towards securely sharing their customer data among themselves through APIs, ultimately lowering pain points for customers such as switching

costs, as well as a lack of integration and aggregation between service providers (Hallsworth et al., 2018; McIntyre et al., 2018). According to Hallsworth et al. (2018 p.2) "*The promise of Open Banking is that data sharing will enable increased innovation, greater competition and improved products and services for the banking industry's retail and SME customers"*, and with PSD2, the EU has put mechanisms in place that encourages this data sharing between financial providers in the hope that financial institutions will compete on better services for their customers, and limit their motivation to keep their data entirely for themselves (Brodsky & Oakes, 2017; McIntyre et al., 2018). As a result, business models leveraging this initiative are emerging and could be said to challenge the existing revenue streams of financial institutions (Lloyd et al., 2017). To explain this simply, and as graphically shown in Figure 1, the traditional banking has enabled banks and financial institutions to execute their operations in closed systems, where the customer is not in control of their data and where banks have not been communicating unless they have an agreement. In contrast, Open Banking has through open APIs enabled customers to be in charge of their information, and services such as account aggregation, data enrichment, payment initiation and personal finance management (Tink, 2020a), have been enriched.

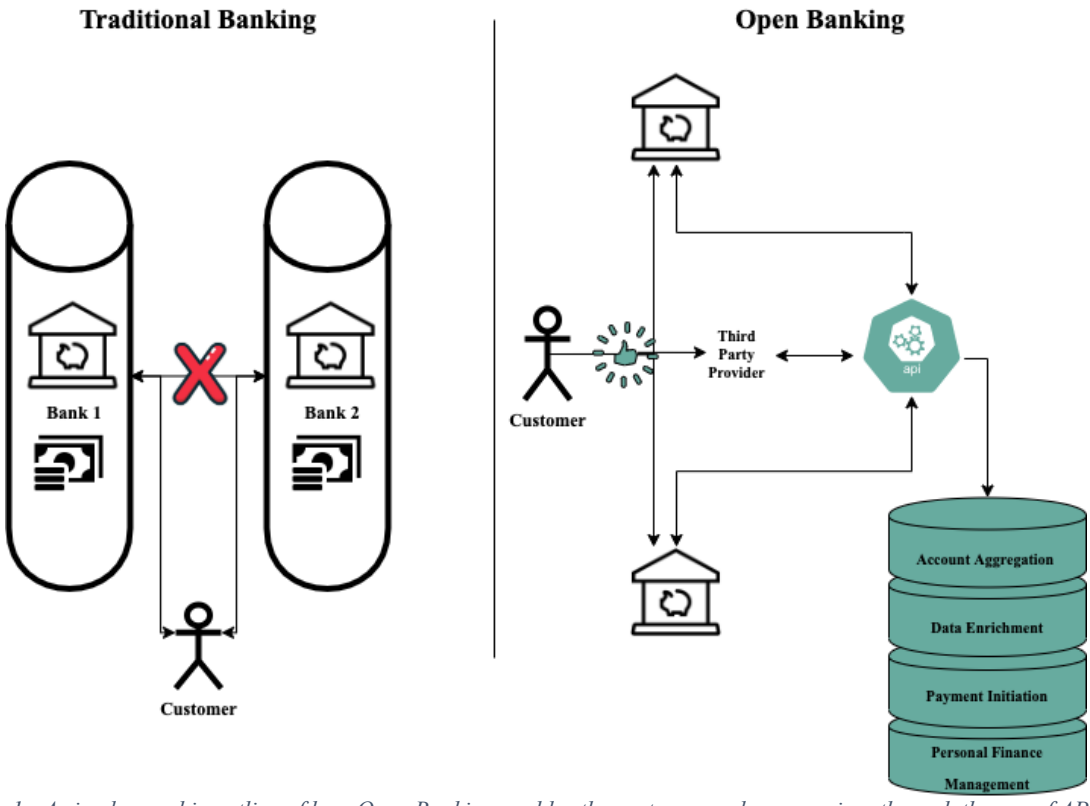

Figure 1 - A simple graphic outline of how Open Banking enables the customer and new services through the use of APIs in contrast to siloed traditional banking

Although there is little literature on this topic so far, with it being a novel subject (Brodsky & Oakes, 2017), when referring to the beneficiaries of Open Banking, most research focusses their efforts and their communication towards the private consumers and seemingly generalize their findings over to other possible beneficiaries. However, as e.g. Mills (2019) and Hallsworth et al. (2018) make clear, the needs of the private consumers differ from what businesses need, and that when these needs are met, the context regarding e.g. lending will look different for the two, making the generalization between beneficiaries possibly misleading. Furthermore, Mills (2019) makes it evident that with the massive data generation, FinTech growth, and new business models emerging, one group that could serve as a massive beneficiary, although relatively overlooked, are the small businesses – and the Main Street Businesses in particular i.e. the local small businesses that generally produce goods and services for local consumption (Mills, 2019). While describing what could be called a "Small Business Utopia", where technology assists, answers questions, and guides small business owners with their financial overview in real time, Mills (2019) argues that it has traditionally been difficult for small businesses to have an overview of their financial situation, resulting in various difficulties such as lending, and that technology together with regulations could provide tremendous effects. For example, Mills (2019 p.97) claims that *"Accounting software, bank balances, credit cards, tax payments, and bank loans all exist today in their own information streams. It is left to the small business owner, or her advisor or accountant, to integrate them and draw out the implications for cash balances and business decisions. The technology exists or will soon be available to meld this information onto a single platform. Imagine an intelligent virtual assistant that relies on a range of automated features and predicative formulas, all serving to compile and sort through the vast array of available data and anticipate a small business's future sales and cash requirements"*. Although mainly connected to small business lending (ibid), the quote paints an eloquent example of how small businesses can benefit from technological advancements within Open Banking. Consequently, as small businesses have an important role in society, it can be considered of importance to study if and how Open Banking as a concept, and services delivered by organisations within that area of business i.e. third-party providers, could impact small businesses and pave the way towards a Small Business Utopia.

1.2 Problem

Small businesses represent a large part of the society, where 'micro- enterprises' with less than EUR 2 million in turnover, and fewer than ten employees account for more than 90 % of the total amount of enterprises in Europe (European Commission, 2020). In Sweden, there is a total of 1.2 million enterprises, where about 96 % of the total has fewer than 10 employees (Persson, 2020), which is highlighted in Table 1. Thus, large enterprises with more than 250 employees only account for a small part of the total amount of enterprises but employ about one third of the total Swedish workforce (ibid). However, as highlighted in Table 2, with small businesses employing about 24 % of the total Swedish workforce, they can be regarded as the second largest type of employer. While large enterprises to a greater extent are active and produce and sell for an international market, about two out of three small businesses are targeting their local market only. One of the many obstacles that these, often locally active, small businesses face is access to, or lack of available options and solutions with regard to their financing (European Commission, 2020; Mills, 2019). Also, small businesses face issues regarding their productivity being low, payments many times being late, having efficient access to credit, as well as the rate of failed businesses being high (Hallsworth et al., 2018). Open Banking provides great potential to solve many of these issues, through opening up and enabling new services and tools which in the end can contribute to making small businesses more profitable, efficient and successful (Mark Chidley in Hallsworth et al., 2018 p.5). On the potential impact Open Banking can have, Alasdair Smith, chairman of the UK retail banking investigation states: *"Open Banking will make a transformational change to banking for personal customers and small businesses. For the first time innovative and secure apps will provide personalised services and information to cover all financial needs in one place."* (gov.uk, 2017). Yet, despite the potential impact technical business tools can have on small businesses, the smallest companies are lagging behind their larger peers in terms of technology adoption (OECD, 2018).

Although Open Banking is estimated to potentially have a great effect on small businesses, and consequently Main street businesses, the research on the subject is, as earlier stated, rather limited due to the novelty and newness of the topic. The financial industry has traditionally consisted of large stable firms but has during the last decade experienced much technological innovation, business transformation and process reconfiguration (Gomber, Kauffman, Parker & Weber, 2018). Consequently, these recent developments have transformed the industry in terms of the services produced as well as the operational capabilities needed to be successful (ibid). The Open Banking

revolution currently occurring will thus potentially reshape the entire industry by improving the quality of services, create a more diverse financial landscape, cut costs, and increase competition (ibid). These possible improvements can be regarded as important since the current solutions in the marketplace for financial services aimed at small businesses can be regarded as unsatisfactory. Also, small businesses reportedly wish to extract more value from the financial services provided to them with some of their top requirements being; the ability to make faster payments, to balance cash flows more easily, and enjoy greater financial flexibility (Hallsworth et al., 2018). However, many small businesses supposedly do not have an understanding, nor knowledge about what Open Banking is and are hesitant towards sharing their data with others than their existing bank and service provider. Those businesses who typically are smaller, have low-growth, and a revenue of less than €250 000, are in particular more hesitant towards Open Banking and the possible impact it can have on their business (ibid).

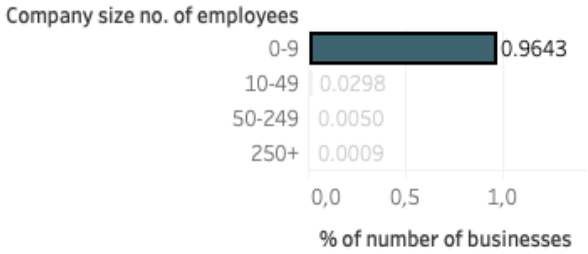

Table 2 – Highlighting that 96.43% of all businesses in Sweden have between 0-9 employees. Data from (Persson, 2020)

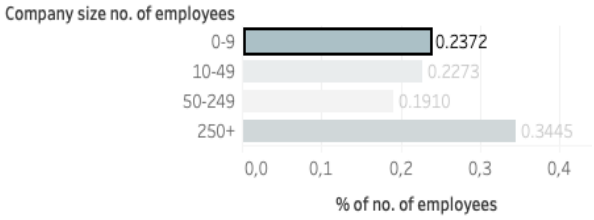

Table 1 – Highlighting that 23,72% of people in Sweden works for a small business with less than 10 employees. Data from (Persson, 2020)

1.3 Purpose

With the aforementioned problems and opportunities in mind, one might argue that it becomes important to investigate how the developments within Open Banking can provide small businesses with opportunities to improve on their situation. Consequently, the purpose of this study is to investigate how third-party providers could reach and design Open Banking initiatives for small businesses in practice. Also, seeing how the smallest businesses are less inclined to adopt technology compared to their larger counterparts (OECD, 2018), it becomes important to understand how receptive small businesses are to Open Banking initiatives and how business models can be designed to deliver value to this particular segment. In order to do this, this study will investigate the attitudes

towards Open Banking amongst small Swedish businesses, and how a third-party provider operating in the Open Banking context would be able to serve the identified small business needs. More specifically, this study will look into Swedish Main Street Businesses, a type of small business which will be further described in section 1.5. With this study, we thus strive towards (1) outlining the attitudes of the Swedish Main Street Businesses towards Open Banking initiatives, and (2) provide third-party providers with guidelines of how they potentially can create, deliver and capture value to and from this market segment. In addition, this can be considered important, not only to provide a meaningful market segment with solutions to their problems in the strive towards a Small Business Utopia, but also to assist in the closing of the aforementioned literature gap within this topic.

"With this study, we strive towards (1) outlining the attitudes of the Swedish Main Street Businesses towards Open Banking, and (2) provide third-party providers with guidelines of how they can create, deliver and capture value to and from this market segment."

1.4 Research Question(s)

In order to put the purpose of this study into more of a context, a possible, slightly adapted scenario that Mills (2019) paints with regard to a Small Business Utopia is in the following section told. Also, based on the scenario, as well as the Background, Problem and Purpose previously outlined, the overarching research question of this study is presented.

While the sun was rising and the city was coming to life, the owner of a small barbershop had been up for hours preparing the coming week. While taking a break about 30 minutes before opening her shop, she took out her mobile device, where she had the tool that had changed her life as a small business owner: a dashboard with a financial overview of her business. Her dashboard could not help her with everything related to her business - such as customer interactions - but thanks to the Open Banking technology on which it was based, she could easily see how big her cash reserves would be after payroll this week (if budget was met). Pondering over the short-term operations, she knew she needed new scissors and new hairdryers, but also had to pay off her loan. Her intuition told her that her cash reserves would solely enable her to pay for one or the other. After consulting her app however, which provided her and the bank with a clear overview of the business` finances, it became clear that because of the way she was running her business, her bank would be ready to offer her well

enough credit to both replace all old equipment, while paying off her loan. She ran an instant credit check on herself through the same app and got everything confirmed. As no new direct competitors had emerged in her neighbourhood, and the sales trends had been clear over the last three years, she now felt confident enough to order her equipment and pay for everything through one single click.

This adapted and scaled down story from Mills (2019 p.95) shows a quite straight forward and simple scenario of how small businesses could thrive in a Small Business Utopia. Unfortunately, the story is completely fictional for the time being. No such solution currently exists for businesses today and developing as well as spreading such a solution might seem more straightforward than what the reality actually holds. In fact, although the story might sound like a solid business case when reading it, there is very limited empirical evidence suggesting that these types of solutions is something that small businesses would prioritize if they had the option. Hence, whilst assuming that a Small Business Utopia, as described in 1.1, is beneficial for small businesses long-term and thus something to strive for in the societal development, this study aims at providing practical implications for businesses striving to develop solutions that would take us closer to a Small Business Utopia. To do this, this study strives to answer the overarching research question:

How can Open Banking facilitate the development of a Small Business Utopia?

In order to answer the overarching research question, this study will investigate if Open Banking solutions are sought after by small businesses, by looking into the attitudes of Main Street Businesses towards using Open Banking services and solutions. Also, in order for third-party providers to offer solutions to Main Street Businesses, this study will look into how these businesses best can create, deliver, and capture value to and from this segment. Thus, the two following sub-questions are outlined:

1. What are the attitudes of Swedish Main Street Businesses towards using Open Banking services?
2. How can a third-party provider aimed at providing Open Banking services best create, deliver, and capture value to and from the Swedish Main Street Business segment?

1.5 Empirical Context and Delimitations

Although PSD2 and Open Banking as such can have implications on businesses of all sizes and types, this paper has first and foremost been delimited to focus on small organisations, and Main Street Businesses in particular. This has been done to focus on those small businesses that are active and focus on their local communities and employ people that do not require any particular education, sometimes referred to as 'Simple Jobs' (SCB, 2020a). However, literature regarding small organizations in general will not be discarded, in order to gain a more holistic view of the research. For the data collection, Main Street Businesses will be the sole subject. In addition, in order to narrow this study down further, three types of Main Street Businesses will be queried, namely businesses focusing on (1) Consumer Services (SCB, 2020b), (2) Restaurant Services (SCB, 2020c), and (3) Specialized Retailing with Household Goods (SCB, 2020d). To avoid the bigger Main Street chains and potential outliers, we are also delimited to businesses with ≤ 10 employees and ≤ 20 000 000 SEK in annual turnover. Worth noting is while these delimitations have been followed throughout the study, the data collection on Main Street Businesses, and the subsequent analysis was impacted mid-collection as a result of the Covid-19 pandemic – resulting in a limited collection and dispersion between business types, something which has impacted the cross-business-type analysis which was initially intended and will be discussed further throughout this study.

Moving on, because of the intended size of the research, this study will be delimited to collect data from Main Street Businesses in Sweden. Sweden has been chosen for three, additional reasons from what has been previously brought up: (1) Because of the innovative nature: In addition to the data from OECD (2018) labelling Sweden as highly digital but with a relatively low technology adoption amongst small businesses, the European Commission (2019) ranked Sweden as the most innovative country within the EU, with high scores in areas such as 'Innovative Friendly Environment', making it a suitable market to investigate. (2) Studies such as Eriksson, Hultman and Naldi (2008) and OECD (2018) are suggesting that although not all parts of society are adopting technology in the same pace, individuals are highly familiar with technology and digital advancements, making it less of an obstacle to inform Swedish businesses about the topic at hand. (3) Sweden is deemed as suitable because of the cultural proximity to the writers as both the authors are Swedish. Hence, it will be easier to gain valuable insights from Main Street Businesses as the data can be collected in the local language. In turn, by collecting data from different parts of Sweden instead of one city in particular

as initially planned, this study will be able to gain more diverse data from cities where local goods and services have a big impact. For example, Malmö, Jönköping and Umeå are three of the cities where data has been collected from. They represent (1) a major city in Sweden (Malmö) (2) a city geographically placed between the three major cities (Jönköping) and (3) a city in the northern part of the country (Umeå). For all three of the cities in particular, local goods and services have high socio-economic significance (Svensk Handel, 2020a; 2020b; 2020c), and thus, they are deemed to give insights into different perspectives within the country.

Also, to investigate how businesses can serve i.e. create, deliver and capture value to and from the Main Street Businesses, this study is delimited to collect empirical data on a single corporation. Although this might leave out some important findings with regards to how Open Banking might work in practice on a wider scale, as this study aims at investigating how a third-party provider can create, deliver and capture value through Open Banking, collecting empirical data from one organisation is deemed sufficient and more suitable for the scope of this study. In order to gain as a holistic and innovative view as possible of how Open Banking business is done in practice, the Swedish Open Banking platform and API provider Tink has been chosen. Tink will be described further below in section 3.5.1.2.

2. Literature review

In the follow section, a review of the existing literature regarding Open Banking, the current situation between small businesses and banks is presented. This literature has been reviewed to get an understanding of the topic as well as the financial situation currently facing small businesses. In addition, as Open Banking is a relatively new phenomenon, literature with regard to attitudes towards new technology, introducing new technologies to a market, as well as common strategies and business models are presented. In the section that follows the literature review, the findings are gathered into a theoretical framework which has guided the empirical research towards fulfilling this study´s research purpose.

2.1 What is Open Banking?

Open Banking will, through data sharing, enable increased innovation, improved products and greater competition, where both retail and SME customers can be benefitted by the new technologies and services being offered to them (Hallsworth et al., 2018). The access to data gives FinTechs, challenger banks and BigTechs (e.g Apple, Amazon) a better opportunity to both develop new innovative solutions and services, while also enabling traditional banks with the opportunity to enhance and improve their offerings and customer experience through leveraging their vast amount of data and infrastructure (Remolina, 2019). This collaborative model can result in a large digital transformation of incumbents, but will most certainly not result in them disappearing, but rather force them to change the way they operate (ibid). It is suggested that incumbent financial institutions potentially can make use of their customer insights in new collaborative adapted ways, potentially disrupting their own business models (ibid).

In turn, Open Banking can be regarded as the technical realization stemming from open APIs (Zachariadis & Ozcan, 2017). APIs are communication applications which by Jacobsen, Brail and Woods (2012: p 5) are defined as; *"a way for two computer applications to talk to each other over a network (predominantly the Internet) using a common language that they both understand"*. Thus, APIs can be used in order to share data between market actors, where data such as payments services information and account information can be distributed (ibid). However, with APIs there is a distinction in terms of the openness, where the spectrum ranges from closed to open in terms of the

availability of the data. With PSD2, banks are now required to open up and make their data on customer accounts and payment services available for third-party actors to access (EBA, 2017). Nonetheless, Gozman, Hedman et al. (2018: p 5) states that: *"there will always be some form of control by the firm, in order to preserve security, privacy and contractual conditions."*

The development towards a more open model, where market actors allow other parties access to their APIs, have according to Jacobsen et al., (2012) grown exponentially since 2005. In this development, high technology and large industry players such as Amazon, Facebook and Google have in particular seen much success in building their business models around APIs (Zachariadis & Ozcan, 2016). Most incumbent organizations operating within the financial industry have up until recently prioritised their development of closed APIs where access to data only is made available internally and to end-customers. However, with PSD2 and the move towards an Open Banking model, financial institutions have started to significantly invest in their development of more open APIs. (Jacobsen et al., 2012).

2.1.1 Open Banking´s Effect on the Financial Industry

Although Open Banking potentially will change the entire industry, with the many opportunities it brings for financial institutions and new market actors - there is at the same time many challenges for them (Guibaud, 2016). (1) The data from banks must be safely and securely shared and distributed to third parties. (2) Banking systems and interfaces must be redesigned in order for third parties to be able to access and extract data. (3) Banks can lose their customer contact, with outside services linked to their bank account being used rather than the services offered by the bank. Although the majority of FinTech organizations are set up to build and create complementary services upon the existing banks´ offerings, some are operating with the objective of challenging the established banks (Guibaud, 2016). Still, third-party providers utilizing the Open Banking trend, are dependent on access to banks´ data, as well as banks´ infrastructure in order to both build and provide new innovative services (Remolina, 2019). However, this issue could be seen as less of a problem going forward, as the positive perception of Open Banking possibilities is increasing, and more financial institutions in Europe are incorporating FinTech partnerships into their strategy (Tink & YouGov, 2020), with 22% reportedly already running their Open Banking strategy by being in at least one or more partnerships.

Gozman et al. (2018) also acknowledge that Open Banking will transform the entire financial industry, by it changing the status quo and current practices. In their research on the future of the financial industry, it was found that Open Banking will create new roles and business models in the banking industry. In this, they suggest four different roles that organizations can play, namely; integrator, producer, distributor and platform. Most larger financial institutions already play the role of being an integrator, producer and distributor, but Open Banking will according to Gozman et al. (2018), enable organizations to potentially transform into platforms as a facilitator for third parties and customers. However, from their findings the authors conclude the following with regard to their most important observations on the emergent roles, risks and opportunities of Open Banking: 1) Open APIs could potentially facilitate Open Banking. 2) Existing processes with regards to products and distribution will be affected by Open Banking, where it will provide both new challenges and possibilities. 3) Banks will be needing to review their strategic choices and explore new business models which move beyond their current offerings. 4) In maximizing the value gained from openness in banking, API standards need to be more than simply technical standards, but instead facilitate easy integration and be cost-effective for any third-party developers (ibid).

Open APIs can be regarded as the technical realization of Open Banking (McKinsey, 2014), as well as potentially paving the way for Open Banking (Brodsky & Oakes, 2017; abe-eba.eu, 2016). Zachariadis and Ozcan (2016) suggest that the traditional players will be required to move from a closed to an open model, as well as to change their mind-set into becoming more collaborative, share their customers, and internally transform into becoming more agile. Thus, it is suggested that industry players must do more than simply comply with the open API standards in the short-term, and by doing so, see the changes in the industry as a burden (ibid). Instead, open APIs should, according to Zachariadis and Ozcan (2016), be approached with a long-term perspective as an opportunity to increase the connection with customers, as well as other industry players. The consumer insights possessed by traditional players have previously been considered their enduring source of competitive advantage (Remolina, 2019). However, as the industry move towards a more open model where financial services will be provided and distributed more freely, traditional players will have to reconsider their competitive advantage. Although not easily achieved, it is by Zachariadis and Ozcan (2016) argued that this entails that traditional players have to both reconsider their entire organizational culture and how they operate in order to better align their portfolio of offerings to better fit with the future of the industry.

2.2 Small Businesses and Their Banking

While the importance of small businesses in developed economies such as the U.S. and Sweden can be considered undeniable due to the immense number of them, their job creation, and dream bringing potential (Mills, 2019; Persson, 2020; Neumark, Wall & Zhang, 2011), their position in society can still, in many ways, be regarded as unfavourable. According to Ropega (2011), although businesses of all sizes fail, only about 50% of the small businesses survive beyond three years. Although the reasons for failure are numerous, and a hefty portion of the reasons being within the business owners' own control, external factors have been known to have an impact (ibid). For example, In the U.S., Mills (2019) describes how difficult it can be for the smallest businesses to access the capital they need to bring themselves forward. In essence, Mills (2019) argues that the smaller the business, the more difficult it is for the lender to determine the quality of the potential loan taker. This is presented as due to many aspects, but the most central concerns can be summarised into: difficulties in presenting a holistic image of finances in terms of e.g. having a sense over the cash flow and sales, poor sense of seasonal changes, and inadequate knowledge of how to build and handle cash buffers. With this in mind, although Mills (2019) mainly touches upon small business lending, these issues seem to arguably transcend between areas of business and could pose problems in terms of aspects such as potential expansion or new hires. In a similar fashion, Pike (2018) argues in his working paper that, in the UK, the relationship between banks and their customers could be better, and that many customers in fact do not know what value their bank bring to them. Despite this, both businesses and private consumers are traditionally reluctant to switch banks, to the point where divorce has been occurring more often in both the UK and Sweden (Pike, 2018; Kellberg, 2015). In a Swedish context, the literature on small businesses and their banking situation is relatively scarce. However, despite this, through some of the literature that does exist (e.g. Eriksson, Hultman & Naldi, 2008; Heshmati, 2001; Larsson, Hedelin & Gärling, 2003), it is possible to draw parallels to that the aforementioned situation would be something that small businesses in Sweden could find relatable, opening up for that it could apply to small businesses in other nations as well. For example, Heshmati (2001) argues that because of the unfavourable circumstances facing small businesses, originating from both policy makers and institutions, firms such as small organisations, less capital-intensive firms and family owned businesses have a restricted growth potential compared to their larger counterpoints. On a European level, both Beck & Demirguc-Kunt (2006) and Moscalu, Girardone & Calabrese (2019)

agree with this notion and claim that financial constraints, such as those described above, are detrimental for small businesses and that e.g. growth can be negatively influenced as a result.

Nevertheless, it is evident that small businesses being dependent on banks is a more or less a universal phenomenon, especially when it comes to funding (Ropega, 2011; Berger, Golding & Rice, 2014; Mills, 2019). Moreover, when the financial situation is at the core of the problem to why small businesses fail, scholars generally agree that it can be traced back to difficulties in the bank-business relationship, and/or managerial problems relating to non-measurable components (e.g. Koksal & Arditi, 2004; Crutzen and Van Caillie 2008; Ooghe & De Prijcker, 2008; Ropega, 2011). No matter the cause, however, there also seems to be a consensus that small businesses do not have the proper tools nor training to notice the signs of a deteriorating business quickly enough (Dahmen & Rodriguez, 2014). In terms of the relationship between small businesses and the banks, it is clear that if the relationship would be compared to a marriage, some proper counselling would be needed. On the one hand, while banks might deserve some of the blame to why so many small businesses fail, it is difficult to claim that the relationship is the sole root cause of the struggle. Instead, one would have to say that although the banks do not necessarily have the capabilities to make all small businesses successful, the existence of banks and their services play an integral part in the small businesses' well-being. On the other hand, as e.g. Mills (2019) and (Ropega, 2011) claim, it is not easy for a small business to benefit from the banks' services, even in situations when the criteria for services are fulfilled.

In terms of the managerial problems, Mills (2019) claim that these, and the financial issues of the business might go together. She argues that one of the core issues of small businesses is the lack of financial overview in the combination of general business knowledge. Adding the logic of Ropega (2011), Moscalu et al. (2019) and Dahmen & Rodriguez (2014) onto this, one might translate the situation into claiming that small businesses need 1) A better way of getting a holistic view over their situation 2) Insights into when, and what type of actions are needed 3) Tools to assist them in their relationship with their bank(s). However, even if the technology is available to assist small businesses with these issues as Mills (2019) would suggest, as the smallest and most local businesses have a tendency to be more conservative (Hallsworth et al., 2018), the task of spreading and introducing this technology might not be as straight forward as with e.g. tech start-ups.

2.3 Introducing New Technologies

Introducing new solutions to a market has been a central subject to research, and has been performed within e.g. organizational theory, innovation and strategy for a long period of time and has remained so up until today (e.g. Foster, 1986; Hannan & Freeman, 1989; Mitchell 1991; Rayna & Striukova, 2009; Suarez, Grodal & Gotsopoulos, 2013; Zachary, Gianiodis, Payne & Markman, 2015). The task is challenging however, as new technologies require an acceptance from a crowd that has not experienced it before. Hence, decisions with regards to when to enter the market, what way might be best for it to spread, and how to get the technology established are among some of the questions that various scholars over the years have sought out to answer.

2.3.1 First Mover Advantage

Although common in the past, a number of modern scholars have in recent years moved away from the notion that absolute first movers would be able to enjoy a competitive advantage (Suarez et al., 2013), and some go to the lengths of calling the first mover advantage a myth (Zachary et al., 2015). Instead, authors such as Markides and Geroski (2005), emphasize that this is rather associated with risks that might be detrimental for the company, and Grant (2016) maintains that the entrepreneurs with more creative ideas do not necessarily rush in to be the first ones on the market. In this, Grant (2016) argues that those with original thoughts rather learn about the market before entering, a notion which is supported by a classic study performed by Golder and Tellis (1993), suggesting that 47% of all first movers fail whereas only 8% of the fast followers follow the same destiny. In turn, by using Google and Facebook as two practical examples in modern times, Grant (2016) suggest that it is easier to succeed when improving on an existing idea, rather than trying to build a new concept from scratch. However, although there seems to be an underlying truth to that, being a first mover in itself does not necessarily bring negative consequences (Rayna & Striukova, 2009; Zachary et al., 2015), and having more time within a specific market could give an advantage over later entrants. Benefits of this include e.g. the opportunity to build a customer base and create capabilities that can extend profits (ibid). Oliva, Sterman and Giese (2003) describes one example of this in how Amazon was able to time their entrance into the digital climate with a ‘Get Big Fast’ strategy to propel an early advantage over the company Barnes and Nobles, which ultimately led to them gaining a bigger market share. Worth noting in Oliva et al.’s (2003) example is their emphasis on that ‘Get Big Fast’ also require certain mechanisms i.e. a balance between rapid growth through low prices, aggressive

marketing and the development of capabilities aimed towards customer acquisition and retention for it to reach its full potential. With this in mind, it also serves as an illustration for what Zachary et al. (2015) argues for, namely that while timing might be very important, it is not the factor that will ensure success. Instead, the authors posit that "*when to enter is only one of at least four additional considerations"* (p.1410), and that, in addition to 'when', questions regarding "who (e.g., considering the entrants, incumbents, buyers, partners, and stakeholders), where (the actual space where entry might unfold), what (whether the entry entails a product, resources, business model innovation), and how (how entrants might use strategy, resources, and capabilities)" are equally, or sometimes even more important (ibid p.1410).

2.3.2 Disruptive, or Simply Radical?

With regard to the introduction of new ideas to a market, established incumbents tend to not be as good as the smaller, more innovative organizations (Foster, 1986; Christensen, 1992; Bower & Christensen, 1995; Markides & Geroski, 2004; Christensen, Reynor & McDoland, 2015). When touching upon this topic, many chooses to cite Foster (1986), who claim that larger organizations rather focuses on refining their proven technologies over developing new ones, even though the proven ones might be reaching the maturity stage of the S-curve. Moreover, when discussing the introduction of new innovations to markets, Markides and Geroski (2004) emphasize that it is important to realize what type of market that can be created through the innovation. While many smaller organizations might claim that their business is disruptive (Christensen et al., 2015), their innovation, and target market would suggest otherwise. According to Christensen et al. (2015), disruption occurs when a smaller organization serves a market that has been underserved by the existing incumbents and then is given the opportunity to bypass them. With this in mind, few disruptions actually occur, but those who are successful gain vast attention, and thus disruption has become an attractive guiding star for many young businesses trying to succeed. However, as per Christensen et al.'s (2015) definition, markets are rarely created and new technologies are rarely presented through disruption, but is rather the result of an unexplored gap in the market that was hiding immense potential. Therefore, although small businesses, and Main Street Businesses in particular, are often underserved, it is difficult to call them ignored by e.g. banks. Hence, disruption, per its definition, might be difficult to discuss. Instead, for our narrative i.e. when introducing Open Banking services to the Main Street Businesses, it becomes more relevant to talk about what kind of

innovation to introduce and what type of market this subsequently might turn into. With this in mind, Markides and Geroski (2004) present four different types of innovations: Major, Radical, Incremental and Strategic. Similar to disruption, this theory suggests that it is a mixture of effects on established firms and customers that determine which type of innovation we are talking about (ibid). Worth noting is that although a certain innovation can create a market, it is very rare that a single company can (ibid). Nevertheless, when an innovation has a major effect on consumer habits and behaviour, as well as when it undermines competitors' competencies and complementary assets, it might be called a Radical innovation. These types of innovations are basically new inventions, and fundamentally change the behaviour on the market, such as the television or a phone (ibid). Conversely, when the effect on consumers are left out, it is more relevant to talk about a Strategic innovation, in which the core activity remains roughly the same but where incumbents are challenged. Internet banking is brought up as an example (ibid), where the core activity for consumers i.e. banking is the same, but where the banks are challenged into adopting similar technologies. When established firms on the other hand are enhanced, we can either talk about an Incremental innovation or a Major innovation. A Major innovation, like the Radical innovation, changes the way consumers act in the market, although a Major innovation rather elevates the existing incumbent instead of it challenging them. Similarly, an Incremental innovation is described as elevating and only having a minor effect on the behaviour of the consumer. With that being said, although claiming to have a Radical innovation might sound alluring as an alternative to claiming to be disruptive, some research show that it might not always be best to be Radical if you are looking for long-term success (Rayna & Striukova, 2009). While it is true that Radical innovations has led to disruption of industries, it is also closely associated with being a first mover (ibid). With this in mind, although great success could be reaped, the associated risks are at least equally high. Thus, when introducing solutions that might impact both existing players within an industry, and the beneficiaries of it, it becomes increasingly vital to know the market (Rayna & Striukova, 2009; Grant, 2016). In particular, aspects such as technology maturity, consumer preferences, knowledge, network externalities, intellectual property rights, complementary assets, switching costs, potential competitors, and industry know-how are all aspects that have been lifted as important to consider before entering a market. Especially in those situations that are associated with leveraging a Radical innovation (Christensen, 1992; Lieberman & Montgomery, 1998, 2013; George & Jones, 2000; Hoeffler, 2003; Suarez and Lanzolla, 2007; Rayna & Striukova, 2009; Cooper, 2011; Zachary et al., 2015; Grant, 2016).

2.3.3 Spreading the Word

Similarly, as Zachary et al. (2015) touch upon, once the market has been entered in a suitable manner, consequences for both the firm and the offering are bound to occur. In addition to the behavioural aspects of how a Radical innovation might alter the way consumers and organizations act, there is also the question of diffusion and market share. Christensen (1992) describes that with increased adoption, diffusion and technological understanding, where the technological advancements becomes greater as well, potentially enabling further innovation in the future. One of the most dominant theories on this topic over the years is Rogers' (1962) Diffusion of innovations (Lundblad, 2003; Franceschinis et al., 2017). The theory is a collection of many scholars' research and ultimately touches upon 4 core mechanism that come together (ibid): (1) the characteristics of the innovation, (2) how communication is used in the diffusion, (3) Time – Namely the awareness-adoption process, adopter categories and rate of adoption, and (4) the social system in which the innovation is diffused (ibid). According to Franceschinis et al. (2017), most studies on innovation adoption has been in the context within and between organizations, although Rogers' theory mainly focuses on individuals. With this in mind, Lundblad (2003) proposes that when applying the theory to organizations, how centralized the decision-making is, how formal the organization is, the level of organizational complexity and interconnectedness are all highly important aspects to consider in addition to the four mechanisms. Relating back to timing of entering the market and how to get the innovation to diffuse, Rogers (1962) argue that there are five different adopter categories i.e. Innovators, who are in the first 2,5 percentiles that might adopt the innovation, and are willing to take the risk of trying something new. In turn, Early Adopters make up 13,5% of the market and are more likely to hold an influencer status in the social system and have the potential to influence the Early and Late Majority (34% each) to adopt the innovation as well. Lastly, the Laggards, who occupy the last 16%, are the most conservative and thus the last ones to adopt any innovation - or as Sinek (2009) eloquently said *"The only reason these people buy touch-tone phones is because you can't buy rotary phones anymore."*. What e.g. Franceschinis et al. (2017) describe is that Rogers argues that because of their position in the social status, identifying and targeting the Early Adopters in order to seek their acceptance is key. The curve, graphically shown in Figure 2, is formed as a bell curve and the underlying logic is that with the acceptance of the Early Adopters, the innovation might be able to reach the point in the bell curve between 10-35% market penetration where the adoption will tip and eventually reach the vast majority, which in turn is shown in Figure 3 (Rogers, 2003 Sinek, 2009). However, the theory does not explain how acceptance is generated on an individual level.

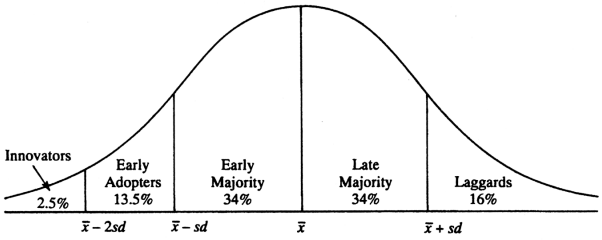

Figure 2 - A bell curve showing how the sizes of the different adoption categories presented by Rogers (2003 p.281

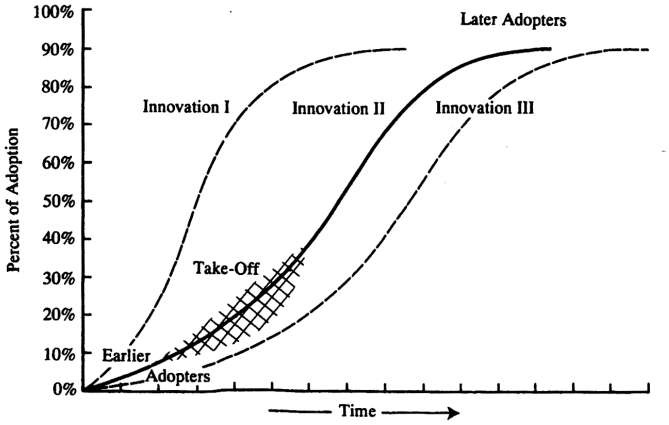

Figure 3- Showing how adoption within a market starts slowly and takes off with a 10-35% market adoption. From (Rogers, 2003 p.11)

2.4 Attitude Towards New Technologies

Even though better and more advanced information systems can result in many benefits for its end users, e.g. improving the quality of the service and cutting costs (Succi & Walter, 1999), in order for new information systems to be successfully adopted and used, it has by several authors been suggested that the attitudes of the users have a critical impact (Succi & Walter, 1999; Davis, 1989; Davis & Venkatesh, 1996). Thus, users rejecting an information system by having negative attitudes towards it, will result in it potentially not bringing any benefits to its end-users (Davis, 1993). On the other hand, users accepting new systems will result in higher willingness to take the time, energy and effort to make changes in their practices towards adopting new information systems (Succi & Walter, 1999). As a result, the adoption largely stems from the acceptance of its end-users, where user attitudes affect the rate of usage and adoption. In order for organizations to offer a system, which by its users, is accepted and perceived as effective, it is of importance to understand the reasons for users in terms of them potentially either accepting or rejecting a new information technology system.

In studying adoption of new information technology systems, the technology acceptance model (TAM) is one of the most used models in studying the attitudes and acceptance towards new innovative technologies (Al-Gahtani, 2001; Gefen & Straub, 2000; Shaikh & Karjaluoto, 2015). Additionally, in studies on the adoption and acceptance towards digital and mobile banking services,

it was by Shaikh and Karjaluoto (2015) found that TAM was used in 23 out of 55 studies. Thus, resulting in TAM being one of the most regularly used frameworks in studying adoption and attitude towards information technology and financial services within banking. Waite & Harrison (2015) also found TAM to possess a central position within innovation adoption theories, where the model was found to be used as a foundation in more than 60 percent of the studies, where all studies were of quantitative nature.

2.4.1 Technology Acceptance Model

The TAM was originally developed by Davis (1989) as an extension of the Theory of Reasoned Action (TRA), which is the earliest technology acceptance theory (Fishbein & Ajzen, 1975). While TRA is a more general theory on human behaviour, applicable on multiple different technologies. TAM was developed in parallel to the wider introduction of information systems in organizations to address the short supply of theories on user acceptance towards computers and their systems (Davis, 1989). In this, Davis (1989) developed the model in an attempt to conceptualize those factors that influence and determine either the acceptance or rejection of a new information technology system. The attitude toward using a technology (A), is according to Davis (1989), influenced and determined by the perceived usefulness (PU) and perceived ease of use (PEOU) with regards to people either accepting or rejecting it. In this, attitude is according to Davis, Bagozzi and Warshaw (1989) the positive or negative feelings an individual hold with regards to it performing the target behaviour. Also, Fishbein and Ajzen (1975) argues that the behavioural intention of an individual to carry out a certain action is directly influenced by the subjective norms and underlying attitudes of the individual. Thus, user attitude greatly influences an individual's behaviour in terms of performing a certain action, such as that of using a new technology. Hence, when studying user acceptance of a certain technology or service, attitude is an important element to consider as the intention to use a new technology is a direct product of the subjective norms, as well as positive or negative feelings that a user has towards it (ibid). Thus, with this study exploring the attitudes of Main Street Businesses towards Open Banking, the attitudes toward using the technology and any associated services, as well as factors potentially influencing and shaping it will be explored.

2.4.1.1 Perceived Usefulness (PU)

PU is by Davis (1989) defined as; *"the degree to which a person believes that using a particular system would enhance his or her job performance"* (Davis, 1989; p 2). A technological system is therefore perceived to be useful if it delivers benefits in terms of e.g. cutting costs and saving time (Aldás-Manzano, Lassala-Navarré, Ruiz-Mafé & Sanz-Blas, 2009). Thus, a technology will be perceived to be useful if it potentially can increase a user's performance. It has in previous studies on the attitudes towards using online banking services been found to have a major effect (Aldaz-Manzano et al., 2009; Pikkarainen, 2015; Davis, 1989; Davis, Bagozzi & Warshaw, 1989). As such, PU is in this study incorporated as to see if it is a significant factor influencing customers' attitudes towards Open Banking services.

2.4.1.2 Perceived Ease of Use (PEOU)

PEOU is by Davis (1989) defined as; "*the degree to which a person believes that using a particular system would be free of effort*" (Davis, 1989; p 2). Thus, PEOU is associated with how an individual perceive a new technology, with regards to its superiority compared to previous technologies used and the effort needed to use a new technology (Aldaz-Manzano et al., 2009). Several previous studies have found PEOU to have an effect on the attitude and intention to use new technology within financial services (Aldaz-Manzano et al., 2009; Davis, 1989; Pikkarainen, 2015; Davis, Bagozzi & Warshaw, 1989). PEOU can therefore be regarded as a factor affecting the acceptance of technology, where a system perceived to be easy to use will more likely be accepted and adopted by users. Also, for potential customers to start using a new technology within financial services, it has to be perceived as superior compared to existing services and technologies used, and thus need to be both easy to understand and easily utilized. Also, Davis (1989) suggest that PEOU is correlated to PU, which potentially makes it a factor affecting the attitudes customers have in terms of PU with regards to Open Banking technologies.

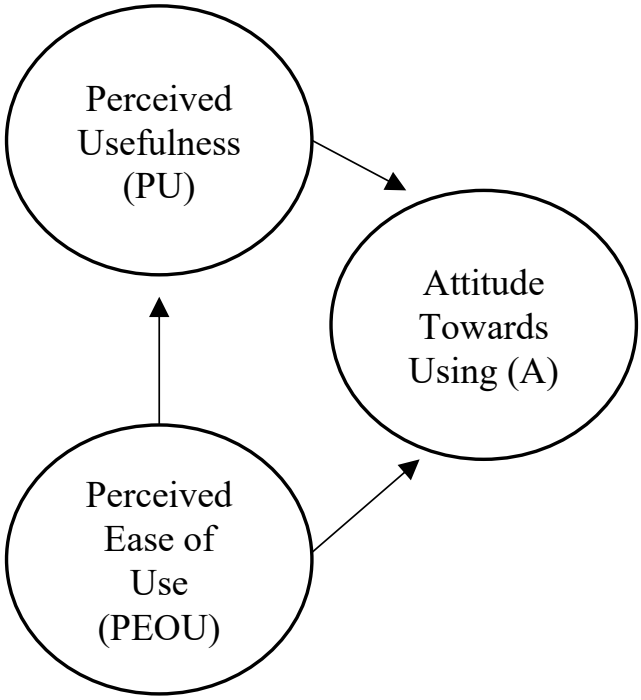

Figure 4 - The Technology Acceptance Model, adapted from Davis et al. (1989 p.985)

2.4.1.3 Extension of TAM

Davis (1989) argues that incorporating both PU and PEOU will account for all possible determinants of users´ intentions to adopt new systems. However, multiple scholars have successfully included several additional variables, where Waite and Harrison (2015) claim that this is necessary in order to better fit with what the society looks like today. External variables affecting PU and PEOU, which have been included in different studies are for instance: system quality (Igbaria, Guimaraes & Davis, 1995), social influence (Al-Somali, Gholami & Clegg, 2009), prior technological experience (Laukkanen, 2016; Karjaluoto, Mattila & Pento, 2002), and many others. However, TAM has mostly been used in studies where user attitudes and acceptance have been measured post trial of a specific system, rather than measuring user expectations pre experiencing an innovation (Waite & Harrison, 2015). Thus, with this study exploring user attitudes towards a system and an innovation that potential users have no, or very limited, experience with using, this study will incorporate external factors that better fits with the purpose of this study. This study will, in addition to the original TAM, incorporate

Perceived Customer Value (PCV) as it has been found to be an important factor in predicting the adoption behaviour of new banking technologies (Flint, Woodruff & Gardial, 1997; Lee & Allaway, 2002). Stickiness to Traditional Banking (STB) is also incorporated, as it has been found to affect the adoption of online banking and is thus included as a moderating factor potentially affecting the adoption of Open Banking services (Hsu & Lin, 2016). In his study of the intention to use Open Banking initiatives in India, Sivathanu (2019) included both PCV and STB in addition to PU and PEOU, as potential factors influencing consumer attitudes and their intentions to use Open Banking technology. Sivathanu (2019) concluded that PCV was significantly affected by both PU and PEOU, where the relationship between the intention to use Open Banking technology and PCV was found to be positive. Additionally, STB was found to significantly influence the relationship between PCV and intention to use, where the level of stickiness moderated consumers' intention to use. Lastly, trust will also be incorporated as an additional factor. Although it has not been put in an Open Banking context previously, it could be deemed relevant as it by several authors have been found to largely effect the adoption of online banking (Zaman, Khawaja & Waqar, 2013; Mukherjee & Nath, 2003; Al-Somali et al., 2009), as well as it has been found to be a more significant factor in an online environment (Reichheld & Schefter, 2000; Alsajjan & Dennis, 2006; Harris & Goode, 2004).

2.4.1.4 Perceived Customer Value (PCV)

PCV takes the perspective of an organization's customers, with regards to what they want and believe that they receive from the purchase and usage of a product or service (Woodruff, 1997). Thus, customer value may be considered at different times, where it for instance can be evaluated either before purchase or during or after having experienced the performance of the service. However, PVC takes the perspective of the customer's perceived preferences, where the value is evaluated pre purchase and usage. Thus, resulting in that customers' evaluation of the performance is determined by the perceived benefits and costs of a service, where the performance is evaluated based on the ability for said service to carry out its purpose (ibid). Thus, perceived value has to be distinguished to satisfaction, which is associated with post purchase evaluation. As a result, perceptions of value can be generated despite not having experienced the product or service, while level of satisfaction only can be determined after having experienced and used the product or service (Sweeney & Soutar, 2001). Customer value is according to Sheth, Newman and Gross (1991) determined by five different dimensions influencing the behaviour and choices of consumers. Firstly, the functional value is perceived as the main driver of consumer choice, where it depicts factors such as price, durability and

reliability where the perceived utility and functionality is measured. Social value is the perceived value acquired from being associated with certain social groups, where individual behaviour and choice is influenced by potential group membership and association with e.g. a geographic or cultural group. Thirdly, emotional value is associated with the emotional responses and feelings that various products or services can provide. Conditional value is the perceived utility acquired from a specific situation or set of circumstances, where for example some products or services may only have seasonal value or are only perceived as valuable depending on the situation. Lastly, the epistemic value is about the curiosity, novelty and knowledge a product or service can provoke, where entirely new experiences often provide this type of value for the consumer.

This study will incorporate PCV as a factor being influenced by both PU and PEOU as this study first and foremost will try to explore the attitudes Main Street Business have towards services they, most likely, do not have much prior experience with using. As such, this study will mainly explore what, and if, Main Street Business believe they would be able to gain any value from using Open Banking services.

2.4.1.5 Stickiness to Traditional Banking (STB)

Stickiness has previously been defined in the context of websites, as an intangible ability to attain and possess customers' attention over a longer period of time, without them switching to other alternatives (Sheth et al., 1991). Thus, it is the capacity of organization´s and their products to attain customers and them making frequent visits. The historically applied banking model is used to describe the traditional banking aspect, where customers do their banking activities in a universal manner. For instance, physical bank branches have historically served as the primary source of contact between bank and customer, but technology improvements have enabled a greater switch from in-person to more digital services (Gomber et al., 2018). However, according to Tran & Corner (2016) and Durkin, McCartan-Quinn, O'Donnell and Howcroft (2003), customers perceive face-to-face communication and in-person service to be the most reliable in terms of handling their banking related information. Customer stickiness to more traditional channels have for instance been studied in the context of intention to purchase through a mobile app (Hsu & Lin, 2016), intention to use e-commerce websites (Lin, 2007), and behavioural intention to use digital payment systems (Sivathanu, 2019). As Open Banking is a new technology that is distinguished and different compared to the more

traditional banking model, this study will incorporate STB as a moderating factor between PCV and the attitude toward using (A) Open Banking.

2.4.1.6 Trust

Trust is by Morgan and Hunt (1994) described as one party having the belief and confidence that the providing party will display reliability, integrity, as well as act in goodwill. The trust a customer holds towards another party is therefore, in most cases, based on the previous interactions and experiences despite there being no guarantees that the interaction will be constant, and that the supplying party will act in accordance with previous experiences (Gefen, 2000). Suh and Han (2002) argue that trust is especially important with regards to the relationship a customer holds towards its provider of financial services, e.g. a bank, as the interaction is associated with much perceived risk and uncertainty due to the delicate personal information being transferred. Also, the authors argue that trust is more important when the personal information is transferred through online channels, rather than communicated face-to-face at, e.g. a physical bank and its brick and mortar office (ibid). Lee, Kang and McKnight (2007) also investigated trust in terms of online versus offline channels and concluded that the trust a customer holds towards a financial provider's offline channels, can positively influence the trust towards the same organization and its online channels. In this, customer satisfaction, structural assurance and flow in terms of an organization's offline operations, were found to be factors that could have a positive influence on customer trust if said factors also were perceived to had been transferred to the online channels. Trust also has a close relationship with risk, as it by Aldás-Manzano et al. (2009) was found to be an important factor in reducing customers´ perceived risk of using financial services through online channels. Omarini (2018), in her study of banks and FinTechs in the context of Open Banking, conclude that trust is one of the most important ingredients in the revolution currently occurring in the financial industry. With the financial systems experiencing new competition and new business models, several new players will as a result enter. In this new world, Omarini (2018) argues that regulations have to be set up in order to avoid risk and abuse of the system. As such, the trust towards banks, FinTechs and other financial providers will be paramount in the future of financial services (ibid).

Although most prior studies discussed have incorporated trust in their studies of customers´ attitudes and adoption of online banking, this study will include it in order to see if it is a significant factor in

terms of Main Street Business potentially using Open Banking services. As such, trust will be included as an additional factor potentially directly affecting the attitudes toward using (A) Open Banking services.

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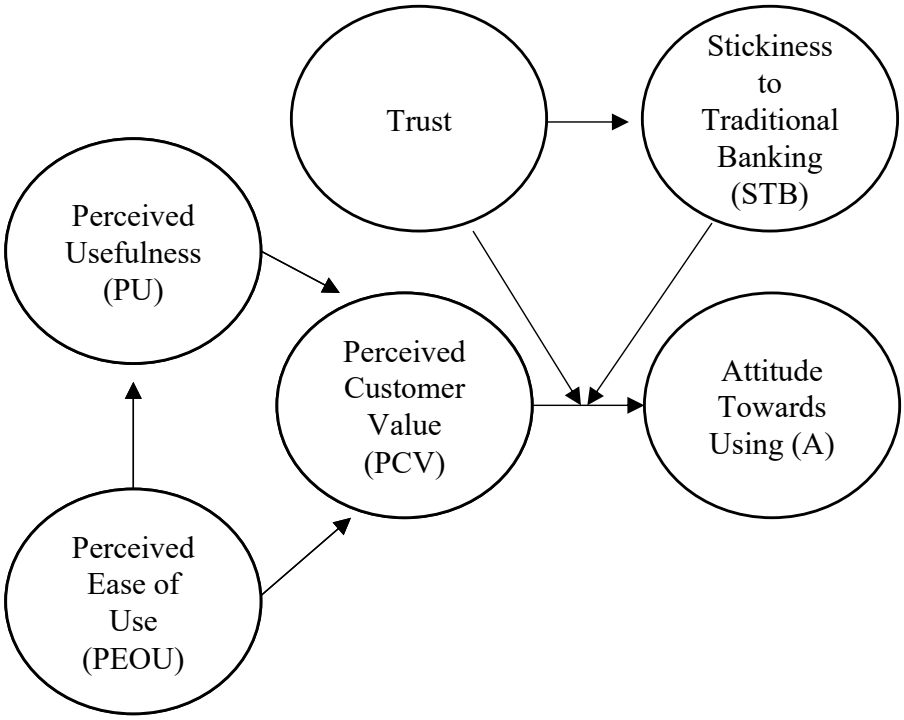

Figure 5 - Adapted Technology Acceptance Model that will be guiding the study of Main Street Businesses' attitudes towards Open Banking.

2.5 Strategy and Business Models

When it comes to the delivery of a product or service, as mentioned above, knowing the market before entering can be crucial for the long-term success of the business. In a similar manner, having a solid business model that is constantly developed is, by many authors, being highlighted as extremely important to achieve long-term success (e.g. Magretta, 2002; Casadesus-Masanell & Ricart, 2010; Chesbrough, 2010; Teece, 2010; Zott, Amit & Massa, 2011). However, despite it being a widely

researched topic with over 11000 articles published between 1995 and 2011 (Zott et al., 2011), relatively little consensus has been reached regarding (1) its definition and (2) its relation to strategy. Nevertheless, Chesbrough's (2010) argument regarding the importance of the business model, and how a mediocre technology with a great business model might be more valuable than a great technology leveraged by a mediocre business model, is a good summarizer of how most scholars perceive the concept as a whole. With this in mind, when introducing a new technology, having a suitable business model supporting the venture can be deemed critical.

In trying to debunk the concept, one might start with Magretta (2002), who takes a practical, yet philosophical approach to the concept, and portrays it as the businesses' soul, where the model explains the fundamental reasons to why the business exists in the first space, what problems should be solved and for whom, as well as how this fundamental reason links up in a financial logic. Compared to some classic narratives however, Magretta (2002) and other scholars with her (e.g. Chesbrough, 2010; Teece, 2010; Chatterjee, 2013), agree on that a business model not should be looked upon as being static. Instead, no matter the firm size, it is vital for the business to constantly review what they are doing to meet ever changing demands, as successful reality checking and tweaking of the business model has been found to positively influence the business performance, even in unfavourable situations (Zott & Amit; 2007, Cucculelli & Bettinelli, 2015; Foss & Saebi, 2017). Hence, while a static outlook might be favourable to adopt when first conjuring a business model to see how the logic links up, it will be important to constantly challenge this logic.

Another famous work regarding business models, which could be deemed more for building a business model rather than challenge its current logic, is the business model canvas (Osterwalder, Pigneur & Clark, 2010), which similarly defines a business model as *"... the rationale of how an organization creates, delivers, and captures value"* (p. 14). In this widely used theory, the business model is believed to best be described through nine blocks portraying how value travels to and from the company. These blocks, namely (1) Customer Segments (2) Value Proposition (3) Channels (4) Customer Relationships (5) Revenue Streams (6) Key Resources (7) Key Activities (8) Key Partnerships and (9) Cost Structure are, in turn, believed to cover four areas in customers, offer, infrastructure and financial viability (ibid). In accordance with previous sections, with the business model canvas, one also starts with the customers and recognising their pain points, before moving on to the offer and the underlying infrastructure. Although useful and having a vast spread, the business model canvas is not very flexible as a theory and has been argued to be static (Baden-Fuller &

Morgan, 2010). For a business model development purpose, an alternative approach to this definition of a business model is to view it as the businesses' choices and the following consequences (Casadesus-Masanell & Ricart, 2010). Similar to the business model canvas, with this definition, Casadesus-Masanell and Ricart (2010) poses that it is possible to map out the business model. In addition, as every single organization makes choices that ultimately have consequences, it is argued that this definition would apply to all firms. Also, while the business model canvas could be argued to be rigid in the components that are a part of it (Baden-Fuller & Morgan, 2010), this theory is in contrast rather flexible, and will look different between the mapped organisations. However, for our narrative, while Casadesus-Masanell and Ricart (2010) make valuable points, one might argue that there is a limitation in their theory when building up a business model from scratch, an element which Osterwalder et al. (2010) satisfies to a larger degree.

Chatterjee (2013) takes another approach and poses that business models are either driven by efficiency or perceived value, although they usually have elements of both. Within this logic, Chatterjee claims to have developed a roadmap for firms, where the idea is to choose one of the proposed 4 generic business models as their primary one, and then develop it based on a series of decisions which translates the value capture logic to core objectives, ultimately ending up with a map of the needed activities to deliver on these objectives. In this, a perceived value-based business model is usually the starting point for a business, where creating a desire within the target market is central. In contrast, an efficiency-based strives towards efficiency and gaining a better utilization of assets than the competition. The last two types are network based and depend on externalities. When it is loyalty based, it also relies on customers coming back, and becoming somewhat of a community. Success in this business model comes with capabilities that attracts and retains customers to lower costs. Finally, when the network business model is efficiency based, it can be described as a connector between suppliers and customers – where the amount of transactions becomes vital. In this, Chatterjee (2013) together with Osterwalder et al. (2010) and Casadesus-Masanell and Ricart (2010) argues similarly to Magretta (2002) i.e. that the underlying logic of the firm, as well as the business model development, must correlate with why the business exists in the first place. However, other scholars also argue for a competitive analysis relating to this (Magretta, 2002; Teece, 2010), as even though the parts of the business model might make sense, it usually does not incorporate competition. Therefore, when it comes to strategy i.e. *"The contingent plan as to what business model to use"* (Casadesus-Masanell, 2010 p. 203), it becomes vital to compare one's own logic to the ones of

competitors as well, and one might even argue that it is within this differentiation that the competitive advantage might lie (Magretta, 2002; Teece, 2010).

2.5.1 FinTech Business Models

As FinTech and Open Banking continues to expand and gain more impact, having a scalable business model that can serve the prospective customer base could be seen as key for success within the market. As established above, when conjuring up a business model it is crucial to adapt the way one creates, delivers and captures value to and from the selected target market. Naturally, this would apply to businesses within the FinTech sector as well (Lee & Shin, 2018). With this in mind, both practitioners and scholars have made their analysis regarding what business models might be suitable within a FinTech and/or Open Banking context. One example is Lee & Shin (2018) who presents six different business models used by various FinTech organizations, although they do not necessarily make a distinction with regard to what has been successful or not. Through their analysis, they present Payment Initiation, Wealth Management, Crowdfunding, Lending, Capital Markets, and Insurance Services as potential business models for FinTechs to adopt. What is worth making a remark about in the context of Open Banking is that these business models are action specific i.e. that the models are circled around one specific action within FinTech, e.g. payments, and are therefore limiting whereas the concept of Open Banking has the potential of transcending these specific actions (Tink, 2020a). With this in mind, one might be wise in making a distinction between Open Banking and FinTech with regards to business models, and instead view Open Banking as its own subcategory, perhaps even with its own business models. In terms of value creation however, Gozman, Liebenau and Mangan (2018) argue that FinTech firms can create value through innovations relating to (1) Payments (2) Investment Asset Management (3) Finance and Credit Management (4) Microfinancing and Crowdfunding (5) New Banking, and (6) Personal Finance Management. Here, they present the value creating methods as possible to combine, to contrast Lee & Shin's (2018) business models, which ties Open Banking and FinTech together in terms of the value that can be created. When developing both strategy and business models in this context, KPMG's market research suggests that one of the most central aspects when developing an Open Banking strategy is to adapt the model based on trust, and what that means for the target market (Hallsworth et al., 2018). For example, when targeting the segment, they call The Steady Conservative, they argue that high street banks are still

relatively trusted, whereas smaller and newer organizations might have difficulties establishing themselves and build trust. With this background, when targeting the conservative group, it is argued that the best chance of serving them is to aim for invisible enactment and leverage the trust that this group have for their banks. In comparison, for those small organizations that are more inclined towards adopting new ideas, one is smarter to lead with customer facing services (ibid). When presenting their generic business models for Open Banking ventures, they indirectly argue for that the conservatives are difficult to reach, as the business models presented are specifically aimed at the other two categories. Nevertheless, consistent with the notion that Open Banking business models can transcend individual financial actions, they suggest that one's business model should depend on one's role in the value chain, what one wants to accomplish within it and what the current capabilities are. On a similar note, when it comes to the business model design from a more holistic point of view than previously discussed, Gozman, Hedman et al. (2018) suggest that banks can take on four different roles in the context of Open Banking as shown in figure 6. More specifically, they suggest that the taxonomy is made up by two actions i.e. Service Creation and Distribution, and that the four value chain roles are determined based on if these two factors are performed in a closed or open environment. In this, the first role they describe is the Integrator, which can be described as both creating the service and distributing it through in-house efforts. Usually, this is done by banks - Developing financial services and distributing them under the same brand. The second role that has been identified is the Producer, where the in-house efforts are then distributed by a third party. As the article is written from a banking perspective, it describes it as the bank producing the service and then distributes it through more innovative brands and activities such as sponsored hackathons, accelerators and incubators. Thirdly, Distributors entails opening up and combining one's own offering with solutions offered by a third-party. Here, the solution is distributed through the established party, whereas the service creation is done by e.g. a start-up. In this scenario, the authors claim that being a distributor is a good way for banks to increase their own market presence and improve their own brand by leveraging innovative solutions and offer them to a broad installed base. Thus, enhancing their offering without having to

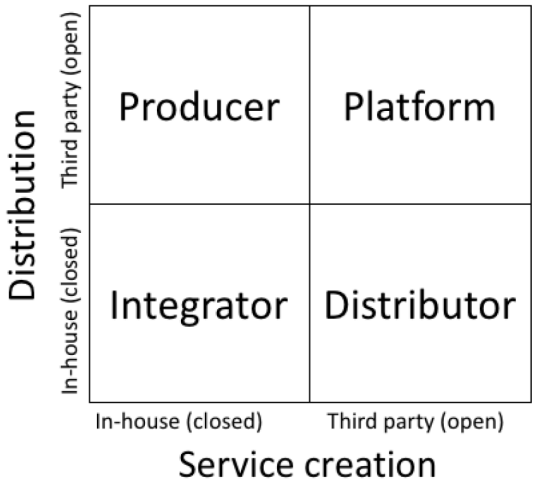

Figure 6 - Gozman, Hedman et al. (2018 p.7) Taxonomy of roles in banking

produce new services in-house (ibid). The last role is as a Platform, where the bank is acting neither as a distributor nor a service creator. Instead, the platform role entails facilitating the business between a third party and their customers, something which will not show up on a balance sheet (ibid). Although not directly aimed at third-party providers that might be able to offer their solution towards a Small Business Utopia, it does give an indirect insight into how partnerships between the traditional banks and these third parties could work, and could thus be applied in our study. This is important for three reasons. Firstly, as Hallsworth et al. (2018) argues that the trust is crucial for services aimed towards small businesses, and many small businesses being closely related to their banks, it could be deemed difficult for small business to not include current financial institutions in their solutions. Secondly, as Open Banking has the potential to revolutionize the banking industry, banks are not going to be able to avoid the topic for long, and simply compliance might not be enough in order for them to keep their competitive edge. Thirdly, as large players have a worse track record than smaller players when it comes to leveraging new technologies, partnerships between banks and smaller players could serve as a win-win situation for both parties (ibid). Lastly, when it comes to partnerships between banks and third-party providers, such as in a Producer or Distributor model, some market research seems to indicate that this is something that banks will rely on in the context of Open Banking. In a survey of 225 European banks, only 8,4% indicated that they do not plan to be in an Open Banking partnership with a FinTech, whereas 69,8% claim that they plan for such a partnership already within 12 months (Tink & YouGov, 2020 p.15).

3. Theoretical Framework

From the literature review presented above, it is possible to conclude that there is a compelling argument towards Open Banking having the potential to change the financial industry in fundamental ways. Following the logic of Zachariadis and Ozcan (2016) as well as Gozman, Hedman et al. (2018), it is debatable whether banks' abilities to retain customers through closed models are feasible in the long-run, and the previous competitive advantage of many banks might have to be revisited in the long-run (Remolina, 2019). This is worth making a remark about, not only from the traditional banks' perspective, but also from their customers'. Traditionally, although FinTech organizations have had a massive impact on the banking industry in the latest years - and might be expected to have so in the future as well - the ability for third parties to innovate within this space has most likely never been this grand before. It is thus clear that Open Banking could facilitate many innovations, giving way for both new entrants and improving upon the current offerings. As such, there will be possibilities for customers to access better financial services in the future, that will ultimately improve on the situation for their finances. For example, many small businesses fail as aforementioned, and while there are many reasons for this, there is a wide consensus that initiatives can be taken towards improving on their situation (e.g. Ropega, 2011; Dahmen & Rodriguez, 2014; Mills, 2019; Moscalu et al., 2019). In this case, even when one might argue that the business owner is at fault through e.g. not being able to notice when the business is deteriorating, there are according to Mills (2019) possibilities to develop e.g. solutions that can aggregate the data of the small business owner, and notify them when trouble is nearing. With this in mind, as the innovative solutions continue to emerge on the market, it seems that there are possibilities to improve on the small businesses' situation. However, just because an opportunity might be there, it does not necessarily mean it is without its challenges. For example, as it is more common to get divorced than change banks in some cases, even though the relationship might be strained, it is not a stretch to presume it is likely that these customers are conservative when it comes to the financial situation of their business. With this in mind, it is possible that small businesses might be reluctant to adopt novel ideas even if it could be beneficial for them, especially when the origin is from a company or provider not consistent with the bank in which they are customers with. Consequently, although the benefits from Open Banking might seem to be vast from the offset, it is clear that developing a business model to suit their adoption will be key and in this, making sure that trust is established early on (Hallsworth et al., 2018). As

such, this needs to be taken into consideration when designing the theoretical framework for the purpose of this research. Thus, as previous research more or less agrees on that when introducing new innovations to the market it is important to understand the pain points, attitudes and the behaviours of the target segment, it makes sense to design the theoretical framework following this logic as well.

Consequently, the developed theoretical framework follows a sequence from (1) understanding the market, through (2) discovering the potential opportunities and benefits that might emerge as a result, and ultimately (3) proposing factors that could prove to be important when choosing to target this market in striving towards developing a Small Business Utopia. Accordingly, the first step in the theoretical framework would be to investigate the attitudes and the acceptance towards new technologies within the market segment. In order to do this, the logic of TAM presented above will be applied. Herein, in order to explore the attitudes of Main Street Businesses towards potential Open Banking initiatives, as well as how the market potentially can be served, whether PU and PEOU are significant factors potentially affecting the attitudes towards adoption and usage will be looked upon. In this, the PU of Open Banking services have been studied, and the potential benefits delivered compared to existing solutions. Also, in order for Open Banking services to be perceived as useful and superior to existing solutions, users have to perceive them as easy to understand and use. Thus, both PE and PEOU is suggested to potentially influence the attitudes Main Street Businesses has towards Open Banking initiatives aimed at providing them with more and better services. Also, PCV and STB are included as additional external factors, as they previously have been found to have an effect on Open Banking adoption in India (Sivathanu, 2019), as well as several researchers´ suggest the necessity to include additional external factors (Igbaria et al, 1995; Mills et al, 2013; Laukkanen, 2016). Additionally, trust is included as it has been found to be a significant factor within the context of financial services and especially in an online environment (Suh & Han, 2002), as well as it has been found to be one of the most important factors to consider in the Open Banking revolution currently occurring (Omarini, 2018; Tink & YouGov, 2020; Hallsworth et al., 2018). The reason behind choosing this perspective and using the TAM is twofold: Firstly, it is a widely used model in studying the attitudes of users towards new innovations, suggesting that it is a reliable method of determining potential behaviour within certain groups. Secondly, through investigation of the factors presented by Sivathanu (2019), we would not only discover attitudes, but as acceptance is context based, we would also be able to gain valuable insights into the contextual situation of the Main Street Businesses, providing the opportunity to analyse the situation of Swedish Main Street Businesses and

how their situation is similar or differs from what the literature portrays. In turn, this could be argued to offer the ability to further analyse the market and obtain a perspective in relation to factors presented in 2.1.3. In the second step of the framework, insights from interviews with a current Open Banking practitioner i.e. Tink, will be applied together with the market research to further understand how solutions would be applied to solve the needs of Main Street Businesses. Consequently, we will use these insights to look into how Open Banking could be used in a business model design. In this, although there is not a wide consensus with regards to it, defining what is meant by a business model becomes key. For this, following the argumentation of Magretta (2002), Oswalder et al. (2010), Casadesus-Masanell and Ricart (2010) and Chatterjee (2013), it is evident that no matter the specific definition, the business model is based on an underlying logic of the firm. More specifically, this study chooses to adopt the perspective that a business model in the long perspective is built up by choices and their respective consequences (Casadesus-Masanell & Ricart, 2010), as it opens up for a more flexible outlook on business model development, and that the most underlying and important choices are the value - creation, delivery and capturing mechanisms (Oswalder et al., 2010; Chatterjee, 2013), which ultimately illustrates the story of how enterprises work (Magretta, 2002). As a result, since this study is investigating how Open Banking services could be provided to Main Street Businesses, as opposed to how they have been introduced, it will be difficult and outside of this study´s scope to map out a specific business model. Instead, the aim is to create a discussion regarding how business models could create, deliver and capture value from and to this market segment, from the perspective of the underlying story of creating a Small Business Utopia. To make it more comprehensible, Figure 7 graphically illustrates this sequence of introducing Open Banking, from TAM, to the value – creation, delivery and capture mechanisms, into business model design and Small Business Utopia.

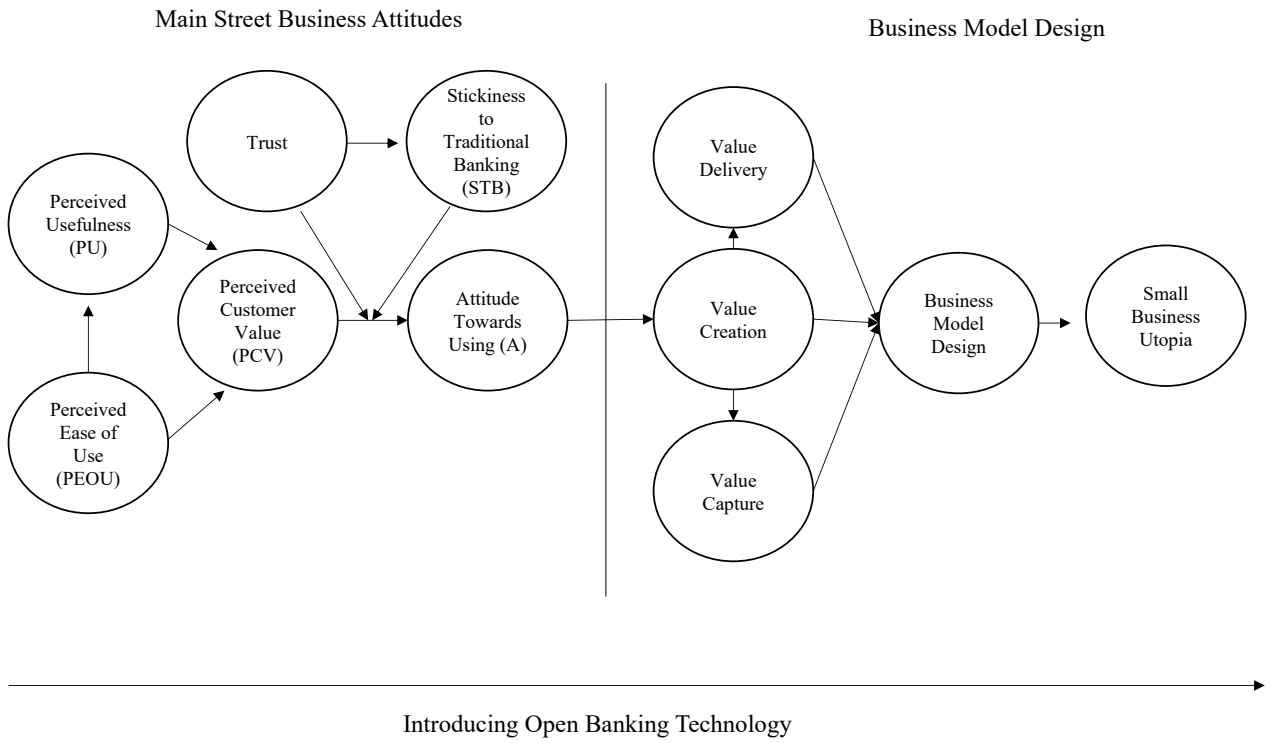

Figure 7- A visualisation of this study's theoretical framework, showing how Main Street Business Attitudes will be explored to seek out possible needs in the market - in order to explore and suggest suitable business models.

4. Methodology and Method

The methodological choices have in this paper been based on the framework The Research Onion, presented in the book Research Methods for Business Students by Saunders, Lewis and Thornhill (2009). In the framework, the authors suggest different layers to be considered when conducting research. Thus, in presenting the methodological choices of this paper, this section will start with a discussion with regards to the underlying philosophy, approach and other assumptions. Following this, the practical implications will be discussed in terms of aspects such as research design and methods for data collection.

Worth noting in regard to this section of this study is that the initially intended plan had to be revised as a result of the Covid-19 outbreak during the spring of 2020, which affected the data collection and thus the analysis. Below, the revised methodology and the revised method is presented. Worth keeping in mind is that the impact of the data collection was realised once the data collection was initiated. Hence, some aspects of the data collection and analysis might not be traditionally compatible with how e.g. models previously have been used, or with each other. For example, TAM is usually used more quantitatively than how it is used in this study, and the analysis would have been more quantitative if a reasonable sample size had been obtained. This will be brought up and discussed more specifically throughout the section.

4.1 Research Philosophy

Upon starting one´s research, the first step, according to The Research Onion, is to identify the research philosophy which relates to the underlying assumptions with regards to the nature, development and extraction of knowledge (Saunders et al., 2009). The philosophy adopted will thus be a representation of the researchers' conception of the world and will in turn impact the research strategy being pursued. In this, there are four different research philosophies, which differ in terms of their view on what knowledge is, and how it can be developed, namely positivism, interpretivist, realism and pragmatism. Positivism is reflecting the philosophical stance of an objective world view, where the researcher´s focus is on observable data. In a similar manner, realism also adopts a scientific approach but accounts for and acknowledges the human perception and contextual impact.

In more contrast to these two philosophies, interpretivist accounts for a more subjective worldview, where it encourages the researcher to both understand and account for different interpretations of social actors. Lastly, pragmatism is the philosophical stance which suggest that there is no specific right way to conduct one's research. Instead, it suggests that there are multiple ways, and several perspectives that can be adopted.

With the above in mind, it can be argued that the interpretivist philosophy is the most relevant and appropriate for this study. With it being a philosophy focusing on the differences between humans in a society, it is a subjective approach where the data and results have to be interpreted based on the respondents' personal attitudes, perceptions and experiences (Saunders et al., 2009). As such, it is of an explorative nature, where the objective not is to control a specific situation through experiments, but to instead observe and interpret a social phenomenon (ibid). However, the interpretivist philosophy adopted is a result of different ontological, epistemological and axiological perspectives held by the researchers. These will therefore be further elaborated on and described in the following sections.

4.1.1 Ontological Assumptions

Ontology is by Saunders et al (2009: p 119) defined as: "*the researcher´s view of the nature of reality or being".* In this, there are two different aspects, namely objectivism and subjectivism, which differ in their view on reality and how the world works. Objectivism represents the position that social entities exist independently and separately from social actors. In contrast, the subjectivist view acknowledges that social phenomenon exists and is created as a result of perceptions, and the consequent actions made by social actors. In this, Remenyi, Williams, Money and Swartz (1998: p 35), argue that it is of importance to study; *"'the details of the situation to understand the reality or perhaps a reality working behind them".* Thus, it is necessary to study and explore the subjective meanings of social actors and the motivators behind them, in order for researchers to understand those actions. As this study is aiming to understand attitudes of Main Street Businesses, as well as to provide insights in how to serve this market segment, the authors of this paper assume that actors and their perceptions are formed by the surrounding environment. This paper will therefore adopt a subjectivist view, as it is deemed most appropriate with regards to the purpose of the research.

4.1.2 Epistemological Assumptions

Epistemology is by Saunders et al (2009: p 112), defined as: *"what constitutes acceptable knowledge in a field of study"*. From an interpretivist philosophical view, phenomenon that are both observable, and subjective meanings can be considered acceptable and relevant knowledge if it leads to the research question being answered. In this study, observable data are used to illustrate the situation for Main Street Businesses, while subjective meanings, for example, are used to obtain business owners attitudes towards using Open Banking services, as well as a third-party provider view on how to possibly serve this market segment with financial services.

4.1.3 Axiological Assumptions

Axiology is by Saunders et al (2009: p 119) defined as: *"what roles the researchers' values play in the research choices"*. It is by the authors of this paper acknowledged that their own values play a significant role in all stages of the research process. These subjective values can for instance affect the interpretation of the results and sampling. However, in order to assure the credibility of this study, the researchers have the ambition of being transparent throughout the entire process. In this, the authors will also display research ethics by respecting the integrity of all interviewees and questionnaire participants, as well as to keep any company-specific information strictly confidential, something which is also agreed to during the interviews with Tink.

4.2 Research Approach

After having discussed the research philosophy, which is the first layer of The Research Onion, the second layer is according to Saunders et al (2009) the research approach. In this, there are two types of approaches, namely inductive and deductive, where the two differ in terms of how theory is developed. The deductive approach is similar to scientific research where a theory is developed and then rigorously tested. Thus, a deductive approach often involves the development of hypotheses and the gathering of a large set of empirical data, where the aim is to provide generalizable results by explaining causal relationships between variables. In this, the results must be able to be presented quantitatively, as well as the methodology must be highly structured in order to assure the reliability, but also in facilitating replications of the study. The inductive approach, on the other hand, focuses on building theory after empirical data have been collected in order to identify patterns which

eventually results in a conceptualized framework. The results and conclusions are therefore not tested scientifically, and can thus not be regarded as generalizable, but can instead be seen as results which can provide some understanding to empirical observations or a phenomenon. In this, the methodological approach of an inductive study compared to that of a deductive, can be regarded as less rigid. Thus, resulting in that the identified phenomenon potentially can have many alternative and different explanations, as well as the sample from which empirical data is collected is suggested to be smaller than that of a deductive approach (Saunders et al., 2009).

With this in mind, this study follows an inductive approach, as the purpose of it is to explore a possible future Small Business Utopia in the context of Main Street Businesses. Thus, this study does not aim to test already existing theory in order to provide generalizable findings, but instead add insights into an area which previously have not been studied to any larger extent. An inductive approach is therefore by the authors deemed appropriate, as this will allow for both contextual and social aspects being accounted for, which by the authors is seen as being necessary in order to be able to answer the research question of this study.

4.3 Research Design

The previously discussed two first layers of The Research Onion have outlined the underlying assumptions and approach to conducting the research of this study. In the following section, the design of the research in terms of how this study will go about transforming the research question into a research project will be presented and described. In particular, this section will describe the research purpose and strategy, methodological choice, as well time horizon of this study.

4.3.1 Nature of Research Design

After both the philosophy and approach to one´s research has been described and clarified, the overall purpose of the study is by Saunders et al (2009) regarded as the next step. In this, there are three different types of purposes, namely explanatory, exploratory and descriptive, where the research not necessarily have to be restricted to only one purpose but can have characteristics and aspects from all three simultaneously. Explanatory studies are often associated with quantitative data, where statistical methods are used in order to test correlation between variables through the development of

hypothesizes, in order to find causal relationships between variables. Conversely, an exploratory study aims to add to the understanding of an identified problem or phenomenon. By attaining new insights, the research conducted aims to assess a phenomenon where the nature to the problem is uncertain. Thus, the exploratory research purpose can be beneficial in trying to understand a problem and the nature of it, as well as attaining new insights and assess a problem in a new light. This type of research can be: *"likened to the activities of the traveller or explorer"* (Saunders et al, 2009: 140). The advantage with the exploratory purpose, is that it is flexible and highly adaptable to change, where changing direction depending on the data and new insights is common. As such, exploratory research is mostly associated with qualitative data, which can allow the researchers´ to remain having a flexible approach towards changing circumstances as new information emerges. The third and final purpose is associated with accurately aiming to describe an event, phenomenon or problem. A descriptive purpose can be the one and only objective with a study, but it is many times used in combination with either explanatory or exploratory research. When used in combination with either explanatory or exploratory, the purpose is many times to supplement the research by painting a picture of a phenomenon or problem identified by the researchers´. As the objective with descriptive research is: *"to portray an accurate profile of persons, events or situations"* (Saunders et al, 2009: p 140), this study will use some characteristics of this type of purpose.

However, this study will mainly be of an exploratory purpose, but through deploying some characteristics of descriptive research, the purpose will be referred to as descripto-exploratory (Saunders et al, 2009). In order to answer the overarching research question of how Open Banking can facilitate a Small Business Utopia, Main Street Businesses and their attitudes towards using Open Banking services will be explored. Also, with Open Banking being a rather new phenomenon which many have no, or very limited experience with using, the course and direction of this study will likely have to change over time as new insights and data will come to light. The flexibility and adaptability inherent in an exploratory purpose is therefore by the researchers´ regarded as valuable and necessary in order to answer the research question. As such, this study will mainly have an exploratory purpose, but with some descriptive features.

4.3.2 Research Strategy

The next layer in The Research Onion, is according to Saunders et al (2009) the research strategy. In this, it is suggested that there are seven different approaches in terms of how to conduct one´s research: *experiment, action research, grounded theory, ethnography, archival research, survey* and *case study.* All of the strategies to collect data can be used in combination with different research purposes, since the most important element of the research strategy is that it enables the researcher to fulfil the objective of the study by answering the research question. There is therefore no strategy that is inherently more superior to the other, nor can they be thought as mutually exclusive to one another. As such, the research strategy pursued will first and foremost be guided by the research question and the final objectives, but also by other aspects such as amount of time and resources, the extent of existing knowledge and the researchers´ and their own philosophical foundations. With this, as well the objective and research question of the study in mind, the researchers´ of this paper will pursue both a *case study* and *survey*, which will be further elaborated on and described below (Saunders et al (2009).

This research project will perform a study in the context of Main Street Businesses and Open Banking. Firstly, this study will use the *survey* approach in exploring the attitudes of Main Street Businesses towards Open Banking. This strategy is commonly used in order to answer questions with regards to *who, what* and *where* questions, and is often used in exploratory studies. As surveys allows the possibility to collect large amounts of data, obtained through the distribution of questionnaires to a sample, the data received can be used in comparing different variables as well as reasons behind the relationships between variables. Thus, the survey approach can be used in order to collect a sizeable amount of data, which can be generalized to the entire population when sampling is used (Saunders et al., 2009).

In addition to using a survey, this research will also deploy a *case study* when exploring the possible deliverance of Open Banking initiatives, where aspects such as value - creation, delivery, capture, as well as the design of the business model will be explored. Rather than adopting a multiple case study, this research will perform a single case study on the company Tink. Case studies are, by Saunders et al (2009), found to be appropriate and suitable in situations where the research requires deep as well as contextual understanding of a phenomenon. Also, a single case study is by Yin (2003) argued to be an appropriate method when exploring a phenomenon that few others have previously considered

exploring, as well as in cases which can be regarded as unique. Additionally, multiple case studies and the rationale for using them, is by Yin (2003), argued to be that of establishing if the findings from different cases differ, in order to compare and generalize the findings from multiple cases. As this study will explore a potential future context, where a current provider of Open Banking services will be used as a case study, where the aim is to provide third-party providers with insights regarding business model design, the researchers deem the single case study strategy to fit with the purpose of this study.

4.3.3 Methodological Choice

After having identified which research strategy to pursue, Saunders et al. (2009) suggest that the next layer in The Research Onion is the choice of data collection method to apply. In this, there are two different types of data, namely quantitative and qualitative. Quantitative data is associated with numerical data, where the data collection uses, or generates data such as statistics or graphs. Conversely, qualitative data is associated with non-numerical data, that uses or generates data through the deployment of techniques such as an interview, or analysis procedure such as categorization of data.

A study can either use one single data collection technique or combine several procedures in order to answer the research question. As such, either a mono method in which a single data collection method and analysis procedure can be used, or a multiple methods approach in which several techniques and procedures can be used. A mixed method where both quantitative and qualitative data collection methods are applied, can therefore be used in the same study. In fact, a mixed method could according to Blaikie (1991), mitigate some of the strengths and weaknesses of each individual method, and therefore contribute to reducing the amount of errors and increases the study's validity. Also, a mixed method approach is within business management studies commonly used and necessarily applied in order to get a more complete and holistic view in terms of answering the research question (Curran & Blackburn, 2001). However, when using a mixed method approach to data collection, the different types of approaches can be used and cater to different parts of the study (Tashakkori, Teddlie, & Teddlie, 2003).

With the above in mind, this study was intended to adopt a mixed method approach towards the data collection process. In this, a quantitative method would have been applied when both collecting and analysing the data from the surveys aimed at exploring Main Street Businesses and their attitudes towards Open Banking. In addition, a qualitative approach would have been used primarily in the second part of this study, when exploring how the market potentially can serve the Main Street Business segment in terms of how companies can create, deliver and capture value, as well as the potential design of the business model. This study would therefore have used a mixed methods approach, with both quantitative and qualitative methods being utilized and applied to separate parts of this study. By choosing this approach, the researchers´ aimed to get a better and deeper understanding, catered to the different parts of this study. However, due to the necessary revision in accordance with the data collection later described, the researchers´ have been using qualitative methods to analyse the surveys as well, even though the method could be argued to be call for a more quantitative analysis. The different data collection techniques will be described in more detail further down in section 4.4.

4.3.4 Time Horizon

Prior to reaching the core of the research onion, Saunders et al. (2009) suggest that the time horizon is an important aspect to consider in terms of the research project. In this, there are two different time horizons, namely a longitudinal and cross-sectional study. A longitudinal study is one which is a representation of events over a period of time and has therefore the capacity to showcase development as well as change over a longer period of time. In contrast, a cross-sectional study is one which focuses on studying a phenomenon at a specific point in time, thus providing a snapshot from a particular point in time. Most research projects are, according to Saunders et al. (2009), cross-sectional because of their time constraints. This study will be no different, as it will adopt a cross-sectional time horizon, where the phenomenon will be explored in terms of how the situation is today. Also, the cross-sectional time horizon is by the researchers´ deemed appropriate because of the limited time frame in which this project is undertaken.

4.4 Data Collection

The core of The Research Onion is, according to Saunders et al. (2009), the different data collection techniques and data analysis procedures. All layers in the framework which previously in this paper have been outlined, has guided the subsequent choices with regards to data collection. The approach taken in the research philosophy, approach, and design has therefore guided the approach at the centre of the research onion. This section will start with the different data collection techniques of this study, where primary data through a questionnaire and interviews has been collected, and secondary data has been used to complement the primary data collected. Also, the case company Tink will be presented in further detail, as well as the sampling of this study, the data analysis process, and a discussion with regards to the credibility of the findings.

4.5.1 Primary Data

As this study is twofold – where the attitudes of Main Street Businesses towards Open Banking will be investigated, and the data was intended to be collected through a quantitative approach by the distribution of a questionnaire. As well as the second part of the study will entail a qualitative approach where interviews with a selected case company will be held, in order to explore how to serve Main Street Businesses in terms of value – creation, delivery and capture mechanisms, and the design of the business model. As such this study will, as previously mentioned, use a mixed-method approach to the data collection where both a questionnaire and interviews will be utilized in order to fulfil the purpose of this study. Both these data collection approaches will be further elaborated and discussed in the following sections.

4.5.1.1 Questionnaires

A questionnaire is one of the most utilized techniques within the survey strategy as it enables the collection of data from a large sample in an efficient way as all respondents are asked to respond to the same set of questions asked in a predetermined order (Saunders et al., 2009). As such, a questionnaire can be distributed digitally, as the interviewer does not have to be present, and can therefore be self-administered by using the internet in order to reach a diverse sample. However, one of the drawbacks of a questionnaire is, according to Bell (2005), the difficulty of producing a good one, where it is designed to give the researchers´ the precise data needed to answer the research

questions. It is therefore suggested by Saunders et al. (2009), that the overall design of the questionnaire should be carefully considered in order to maximize the validity and reliability of the data collected. In this, aspects such as; the individual questions, pleasing and clear layout, explanation of the purpose and pilot testing should be considered. Also, in comparison to interviews where different themes and issues can be explored further and more in detail, a questionnaire needs to be precisely designed prior to data collection, as the approach does not allow for additional data to be collected.

As this study has used a questionnaire in order to explore the attitudes of Main Street Businesses, where the TAM as well as the external variables PCV, trust and STB have been incorporated, the design of the questionnaire have been influenced by prior research utilizing the framework in similar manners. Thus, the specific questions, in terms of both PU and PEOU, asked in the questionnaire have been influenced by and adopted from Davis (1989), who is the originator of the TAM. Questions with regards to PCV have then been influenced by and adopted from Sheth et al (1991), Sweeney and Soutar (2001) and Sivathanu (2019), who all have included the factor in their studies of customer attitudes. STB and questions with regards to it have been influenced by and adopted from studies also incorporating the factor (Hsu & Lin, 2016; Lin, 2007; Sivathanu, 2019) Although not necessarily applied in the same context previously, as trust also have been identified as significant within banking (Suh & Han, 2002; Lee et al., 2007; Omarini, 2018), questions have consequently been developed accordingly. As such, the questionnaire and the design of it have been influenced by multiple studies which have previously included the different factors in their specific research. The design of the questionnaire has therefore been based on previous studies and their individual layouts, but has also been adapted to better fit with the purpose of this study. Lastly, as several scholars argue for that specific solutions providing e.g. a holistic situational view, actionable insights and a way to connect with the financial service provider would be especially beneficial (Ropega, 2011; Dahmen & Rodriguez, 2014; Moscalu et al., 2019), this study decided to include examples of specific, related solutions to test whether the respondents consider these to be especially alluring to their situation. Furthermore, by comparing the results of the questions relating to PU and PEOU (which are related to Open Banking as a topic) with these specific solutions, we will be able to gain various insights into e.g. how to communicate with Main Street Businesses i.e. if they have a high responsiveness towards the solutions but low PU according to the PU questions, we would be able to argue for that in order

to reach Main Street Businesses it is more important to communicate the solution over the underlying technology.

For the distribution, layout and collection of the questionnaire, the experience management software Qualtrics, which is owned by SAP, was used. Qualtrics is a tool which enables the user to easily design questionnaires, collect feedback from the respondents as well as centralize the feedback collection (Qualtrics, 2020a). The reason for using Qualtrics over other possible software was partly because of the free access through Copenhagen Business School, and partly because of its user friendly interface, a design which the authors deemed appealing, its ability to analyse data, as well as the function to export the data into sources that could be used in e.g. Tableau, R and MS Excel.

For the questionnaire itself, the structure was designed with what can be described as a problem to solution structure. First, the researchers´ wanted to find out some basic information of the businesses that were surveyed, such as how their current situation looks, how they view their relationship with their current financial service provider (i.e. bank) and how open they are to explore financial services outside of their current service provider. The logic behind this was to find out a "status quo" for the Main Street Businesses, before they were introduced to Open Banking, and the possible benefits that might follow. In this section, we took the opportunity to ask questions with regards to their trust and their stickiness to traditional banking as the expressed opinions in this section not had been anchored towards anything but their bank relationship. The second part of the Questionnaire focused on Open Banking, and the respondents´ attitudes towards possible Open Banking services. Here, the respondents were introduced to Open Banking through the basic information, a possible scenario and the purpose of PSD2, i.e. to enable competition between banks based on customer interaction and quality of services (Hallsworth et al., (2018). Thereafter, questions relating to their first impression, PU, PEOU, Trust and Stickiness to Traditional banking were asked. With regards to trust and STB, we chose to test this both before and after the Open Banking introduction because we wanted to see if their attitudes changed once they were familiarised with the concept i.e. if they would consider different types of service providers once they were introduced to the concept.

4.5.1.2 Interviews

The second part of this study utilized interviews in order to collect the data necessary to answer the research question. Interviews can, according to Saunders et al (2009), provide data that can be seen as both reliable and valid. In this, there are three different types of interviews where they differ in terms of their formality and standardization. Thus, interviews move along a range, where structured interviews are highly standardized interviews asking all participating respondents the same set of questions. On the contrary, unstructured interviews are informal and less structured talks where there is no predetermined set of questions to be asked. In between structured and unstructured are semi-structured interviews, where the researchers´ prepare a set of themes to be covered, but where the questions covering all themes can differ between interviews. As such, semi-structured interviews can be structured differently depending on the respondent, and the order of the questions asked can be varied depending on the flow of the conversation. Semi-structured, as well as unstructured interviews can therefore be regarded as advantageous when undertaking an exploratory study, as it enables the researchers´ to ask the respondent to further elaborate, explain and build on different questions and themes. Also, with more unstructured interviews being more flexible, it allows for the interview and discussion to move into areas not previously considered by the researchers (Kvale & Brinkmann, 2015). With the exploratory purpose of this study in mind, both the semi-structured and unstructured type of interviews were deemed as the most suitable for this study to fulfil its purpose.

As this study is a single-case study, where the company Tink has been used to get insights into the operations of a company operating within Open Banking, the interviews were held with employees at the company. The two Tink employees were selected based on their expertise and role in the company, where interviewee 1 (I1) is CTO and one of the co-founders, and interviewee 2 (I2) is Head of Communication. Hence, both respondents were identified as being highly relevant in providing this study with market-specific information, as well as knowledge and details regarding their operations and their perception of the Main Street Business segment as potential consumers. With both of the respondents working within separate parts of the company´s operations, they could both provide the study with their individual perspective and a nuanced viewpoint. Both respondents were therefore deemed suitable to provide this study with highly relevant information with regards to how a company operating within the Open Banking environment possibly could create, deliver and capture value from the Main Street Business segment. Thus, the interviews will provide this study with company-specific information in this explorative study on the strive towards a Small Business Utopia.

Both interviews revolved around the themes of introducing a new technology to a market, strategy and business model, where the components of value - creation, delivery, and capture were included. As such, the themes guide the questions asked to the respondents, where pre-formulated questions were included as guidelines and follow-up questions were adapted based on the conversation and responses. However, in order to ensure that all interviews resulted in relevant and sufficient data, a checklist was prior to the interview set up in order to ensure that all relevant themes and topics were thoroughly discussed. All interviews lasted between 30-45 minutes and were held in Swedish as it is the native language of both interviewees and researchers. Moreover, both interviews were held online in a virtual conference room. Mainly because of the current circumstances due to the Covid-19 outbreak, but also due to the geographical dispersion of the researchers´ and respondents, as well as the limited time horizon of this study. At the start of all interviews, the purpose of the study was provided, as well as a brief outline of what will be included in the interview. The entire length of the interviews was recorded and later transcribed, as it allows for direct quotes to be generated and used in the results and analysis (Saunders et al., 2009). However, no transcription can be seen as entirely complete as some elements are lost when converting oral interviews into text (Kvale & Brinkmann, 2015). Although a transcription does not incorporate the way in which the answers are communicated, the main objective is to mirror the answers of the respondents and the insights and knowledge that is provided. Both of the interview guides can be found in Appendix 10.4.

4.5.1.3 Case Company: Tink

In order to fulfil the second part of this study's purpose and investigate how Main Street Businesses can be served by Open Banking initiatives, primary data has, as earlier discussed, been collected through in-depth semi-structured interviews with the Swedish API provider and Open Banking frontrunner Tink. The company was founded in Stockholm in 2012 with the mission of improving the banking industry for the better (Tink, 2020b). Originally based on the idea to provide end-consumers with an application for their private economy, the business model has in recent years pivoted towards providing banks and other financial firms with the opportunity to develop their own solutions through their API, which has resulted in them winning an award for the most innovative business model in Sweden in 2019 (Cordial, 2020). Through their pivot, they have had the opportunity to capitalize on Open Banking initiatives, which have enabled them to become one of the leaders in

Europe within their market segment (ibid) and has as such developed an API consisting of broad possibilities for banks to develop upon. To simplify things, their current offering could be summarised into three steps: (1) The customer – e.g. a bank - connects to Tink's API and gets access to data from over 2500 European banks (Tink, 2020b). (2) The bank then gets the possibility to develop solutions for their customers based on this data. At the offset, there are four different solutions which can either be combined or be treated as standalone: account aggregation, payment initiation, data enrichment and personal finance management (Tink, 2020a). (3) The bank now gets the opportunity to know their customers through access and analysis of their data while given the possibility to offer them tailored and effective solutions involving services such as credit scoring, autofill and price comparison.

For our purpose, Tink was deemed a highly suitable company to interview in order to get insights into what Open Banking can do in practice and how business models could look based on the trend. Their suitability is based on their proven innovative capacity as 2019' winner of the business model award in Sweden (Cordial, 2020), broad offerings (Tink, 2020a), expertise within Open Banking (Tink & YouGov, 2019; Tink & YouGov, 2020), and Swedish heritage. While they might not be experts in small businesses and their situation, Tink is arguable the type of company that would be able to provide financial organisations with the possibilities to assist them. Hence, their expertise would give us insights into both how and what type of solutions could be developed based on our insights from the Main Street Businesses. To make it more tangible, take the aforementioned example of small business lending - whereas credit scoring previously has in large taken a long time and comparing firms to similar firms rather than their individual capabilities (Mills, 2019), Tink's offering, if adopted by e.g. a bank would not only provide an analysis based on the firm's individual data across potentially 2500 banks, it would also be done in real time (Tink, 2020c).

4.5.2 Secondary Data

Secondary data can be used as a complement to primary data but can also be used as the only source of data in a study (Saunders et al., 2009). It is commonly used in studies with an exploratory or descriptive purpose, where it more in particular often is utilized in studies taking a case-study or survey approach to collecting primary data (ibid). Examples of secondary data could for instance include industry statistics, surveys, government publications and different reports. By using secondary data, researchers´ can save time and resources, as well as it can provide a richer

understanding of a context. Also, it can be used to both triangulate and provide validity to findings coming from primary data, and thus potentially reduce errors and increase the validity of the findings. However, as the data is secondary, the quality of it and the sources behind it must be evaluated carefully, as there according to Saunders et al. (2009) is no control over the data quality. With the above in mind, this study has used secondary data to complement the primary data collected through questionnaires as well as interviews. More specifically, this study has used secondary data such as reports on Open Banking, reports from and made by Tink, as well industry specific statistics.

4.5.3 Sampling

According to calculations done using Qualtrics (Qualtrics, 2020b), when calculating an appropriate sample size, an appropriate size for our study would have equaled 68 respondents or more. However, as a result of the COVID-19 outbreak, many of the small businesses in Sweden are severely impacted, and our response rate was just shy of 10% - resulting in a sample size of merely 11. Thus, this study has had to make some adjustments as it could be argued that the sample size not is sufficient in order to draw statistically valid conclusions.

In our results, primary data from the distributed surveys, which will be the main source of analysis, will be analysed and compared with the secondary data found in the study conducted by Hallsworth et al., (2018). The underlying logic behind this choice is inspired by the research performed by Wainer and Zwerling (2006). Their findings are eloquently retold by Nobel Prize winner Kahneman (2012), who explains that one should be cautious with small samples, as they usually show extremes instead of an actual representation. He clarifies this phenomenon with a story regarding health in the United States (p.109): *"A study of incidence of kidney cancer in the 3,141 counties of the United States reveals a remarkable pattern. The counties in which the incidence of kidney cancer is the lowest are mostly rural, sparsely populated, and located in traditionally Republican states in the Midwest, the South, and the West."*

The usual heuristic, Kahneman (2012) claims, is to attribute the low cancer rate to the living of the rural lifestyle i.e. low pollution and access to high quality food. However, before we jump in and start investigating why small towns are healthier, we also need to look at the other side i.e. where kidney cancer was the highest. Just like Grant's (2013) research showing that givers are on both sides of the

performance evaluations within organizations, we can find that both the highest and lowest cancer rates are found in rural communities. Naturally, the rural lifestyle cannot explain both instances. Instead, this can rather be explained through the fact that rural communities have smaller populations, and therefore show more extreme results (Kahneman, 2012). To simplify why this is, imagine two people taking turns drawing golf balls from the same bag, and that the golf balls can either be colourful or white. If the first person draws 5 balls whereas the other draws 10 each turn, who is more likely to draw homogenous samples i.e. samples of only colourful or white balls, after 100 turns? Most likely, the person who draws 5 balls will have more homogenous turns than the one who draws 10 samples because of the size of the sample (ibid).

The moral of the story is that while a small sample might give an indicator towards e.g. attitudes, it is also likely that it can show extremes, and is therefore less likely to give an accurate estimate of how the situation actually looks. In our case, we have received 11 responses that invested their time to answer our survey, i.e. 11 out of the 96% of the Swedish businesses that has 0-9 employees. Although some commonalities have been found to secure some validity, there might be some underlying information affecting their responses that might not have been accounted for. For example, when talking to many businesses, they did not want to answer our survey as they claimed to be stressed by the COVID-19 situation. In fact, our response rate turned out to be 9.16%. Hence, for all we know, our sample of 11 business owners might not be hit as hard by the COVID-19 epidemic as the average business might be, and although they are well spread over 8 places all over Sweden, the possibility that they might display extreme results, rather than an accurate generalisation, must be taken into consideration. Therefore, following the logic of Kahneman (2012 p.110), one must be aware of that one´s intuition wants to draw causal connections between events. To mitigate this as much as possible, we tried to find similar studies that could provide us some insights. The available studies that we were able to find and deemed credible, as well as relevant, were Sivathanu (2019) and Hallsworth et al. (2018). However, as this study have delimited itself to Swedish Main Street Businesses, both the topic of cultural differences (India and United Kingdom) and whether the respondents were business owners of private citizens had to be considered. Seeing that India seems to be culturally distant from Sweden (Hofstede, Hofstede & Minkov, 2010) and that the respondents in the study made by Sivathanu (2019) were private citizens, the study was not deemed relevant as secondary data. In contrast, Hallsworth et al. (2018) investigated small businesses in the United Kingdom, which is relatively close to Sweden culturally according to Hofstede et al. (2010).

Furthermore, as aforementioned, Hallsworth et al. (2018) surveyed 1000 small businesses, 420 of which falls under the category "The Steady Conservative". This group is described as smaller and slower-growing businesses, with a lower turnover than 250 000£ a year, and often run with few employees or as sole-traders. The Steady Conservative thus shares many characterises with our sample and has therefore been used as secondary data whenever possible, although some cultural and e.g. regulatory differences should still be taken into account.

4.6 Data Analysis

Following the logic of the research question, the initial objective with the analysis of the questionnaires was not only to determine how attitudes of our sample actually were portrayed, but also whether or not it be could predicted which type of business would be more positive towards Open Banking than others. The idea was that this would have been able to provide managerial implications in terms of what characteristics a Main Street Business would have had when they are positive towards Open Banking. This would have been performed through exporting the Qualtrics data into the program RStudio, which enables the user to perform statistical computations and visualize the data. More specifically, the idea was to draw upon methods within supervised learning to develop models that would be able to predict the Main Street Businesses' impression of Open Banking based on their PU, PEOU, PCV, trust and STB. However, because of the low response rate due to the Covid-19 outbreak, only 11 responses were registered, which would most certainty overfit the model (James et al., 2013; Lantz, 2013; Provost & Fawcett, 2013; Baesens, 2014). As a result of this study not having sufficient amounts of data in order to develop a meaningful model, we have been forced to recede to an alternative analysis plan, which is to combine the unsupervised learning method of hierarchical clustering with a qualitative pattern analysis in an attempt to extract insights from our sample, which hopefully could provide both managerial and theoretical implications in turn.

Whereas the qualitative pattern analysis has been performed simply by investigating the results and the analysis provided by the Qualtrics software, such as the mean, and trying to find commonalities, hierarchical clustering aims at grouping together similar data, into a group that looks like a tree. Whereas the root contains the entire data, the nodes unifies the children. Agglomerative clustering in particular is a collection of clustering techniques. Here, to obtain a cluster which includes all information, we initiate with each singleton cluster and keep on merging until we receive our

satisfactory result (Hastie, Tibshirani, & Friedman, 2009; Provost & Fawcett, 2013). Hierarchical clustering has further been used as it is fairly easy to interpret, as it does not need a number of clusters specified up front. To plot the clusters, we used Euclidean and Maximum distances using the function hclust(dist(). Thereafter, we also plotted out k=3 and k=5 to obtain a more precise image of how the Hierarchical clustering has been used as an attempt to complement the qualitative pattern analysis of the survey results, in order to investigate if there are any visible similarities between the respondents, which would indicate e.g. that attitudes are divergent between different parts of the country.

For the interviews, as it can be highly difficult to interpret the spoken word to the exact point, this study has adopted the logic of Sinkovics (2018), who claims that pattern matching, which compares theory to the data collection, can be helpful in terms of both coming to valuable conclusions as well as assisting the reader in understanding the logic of the author. Furthermore, in an attempt to analyse the data accordingly, the transcripts have first been read individually by the authors, and then been analysed with the assistance of our theoretical framework. Thereafter, the individual insights have been shared among one-another, in order to match patterns into one common analysis. The objective with this method is two-fold. On the one hand, we want the most meaningful learnings to surface – which's likelihood increases by merging learnings after individual analysis, instead of a common analysis from the start. On the other hand, we want these misinterpretations which might be brought up by one of the authors to be challenged and questioned. Lastly, when coming to agreement to the most valuable points from the interviews, we have then together compared this to the literature review and the theoretical framework to find patterns between our data and the literature.

4.7 Credibility of Findings

Although this study has had to be revised due to the low response rate, discussing the credibility of findings can still be deemed to be important in order to decrease the risk of obtaining misleading and wrong answers to the research question (Saunders et al., 2009). In this, Saunders et al., (2009) suggest that the validity and reliability are aspects that should be considered in one´s research design. The validity is: *"the integrity of the conclusions that are generated from a piece of research"* (Bryman & Bell, 2015: p 49), where it more specifically concerns any other phenomenon, factors or variables not included in the study, which potentially could impact or have an influence on the findings. Furthermore, the reliability of a study is concerned with: *"the question of whether the results of a*

study is repeatable" (Bryman & Bell, 2015: p 49), and is thus associated with the consistency of the data collected, and if it would differ if collected at another time or by another researcher.

With regard to the validity of this research, it has previously been argued that the Covid-19 outbreak have had an effect on the response rate of Main Street Businesses, as well as potentially having affected other aspects of this research as well. Although this can be deemed to impact the validity of this research, the exploratory purpose of this study allows for aspects to change as new phenomenon are identified. As such, this study has due to the lower sample size been revised to the data mainly being analysed qualitatively rather than quantitatively. Also, to make up for the low response data, this study has included and compared the findings to a study performed by Hallsworth et al. (2018), which has been deemed to be appropriate and necessary to increase the validity of this study´s findings. As the findings of this study not can be entirely deemed to reflect the phenomenon studied (Kvale & Brinkmann, 2015), the degree of validity cannot be considered as optimal.

With repeatability being associated with some elements of stability being present in the data gathered, it becomes a concept that can be regarded as complex in studies of a qualitative nature where data is collected through semi-structured interviews (Bryman & Bell, 2015). As such, there is a trade-off between less structured and standardized interviews which allows for more exploratory elements, while a more defined structure allows for, and can accommodate more stability, and consequently facilitate the study´s repeatability. To address any reliability concerns associated with semi-structured interviews, a checklist with the different main questions was kept in order to make sure that all relevant areas were covered, and that the interviews resulted in sufficient data. Additionally, observer bias can be considered as a threat to repeatability, as questions can be asked in many different ways, and the replies can be interpreted differently. To reduce the observer bias, and the risk of misinterpreting data, both interviews were both conducted and then analysed by both researchers. With regard to the questionnaire utilized in this study, the replies given are included in Appendix 10.5 to allow for the replication and repeatability of this study.

5. Findings

5.1 Main Street Business Attitudes

To provide some background information about our sample: As mentioned, our 11 respondents are located in eight different towns/cities in Sweden, from Umeå in the north, to Malmö in the south and with populations ranging from roughly a million in Stockholm (Stockholms Stad, 2020), to roughly 30 000 in Ronneby (Ronneby Kommun, 2020). Eight of them associate their business with being consumer services, two work with specialized retailing with household goods and one runs a restaurant business. Whereas only one claim that their relationship with their bank is very good, five think it is good, whereas two are neutral and three claims that their relationship is bad. Finally, all of our respondents are familiar with technology based financial products and services, as they use between 1-6 in their business, with the mean being 2.81. A summary of the survey results can be found in the Appendix 10.3.

In terms of the nodes' proximity to each other, by using Hierarchical clustering as previously described, we are able to see that both the Manhattan and the Euclidean distances are highly resembling each other with three distinct clusters, which could indicate that the clusters are similar to each other. From the offset, it is easy to realise that two groups of answers i.e. 3 and 11, respectively 5, 1 and 7, seem to be those answers that are the most resembling to each other, as the distance between them are low. When looking at the clusters with k=5, we can see that answer 9 i.e. the only restaurant, is the answer that is least alike the others. In terms of patterns, the only thing that might be worth noting is that the answers 2,4,5 and 7 all have the smallest distance to the other businesses within their own city (2 and 4 are located in Malmö whereas 5 and 7 are located in Stockholm). However, as mentioned, the Stockholm nodes are also very close to answer number 1 from Eskilstuna, whereas the distance between the Malmö nodes is relatively long compared to other clusters. As such, as Eskilstuna is a city close to Stockholm, there could be some indication towards that the attitudes would differ based on location over the country. However, considering the other 6 answers, no such pattern can be seen, nor would any other possible indicator such as answers to the specific PU or PEOU questions indicate any possible similarities. Hence, the hierarchical clustering has not provided us with any insights that would indicate that the clusters are divergent in opinion. Thus, to find such possible clusters, a larger data set would be needed. Both plots can be found under Appendix 10.2.

5.1.1 Perceived Usefulness

After being introduced to the concept, the possible effects, and existing cases of Open Banking solutions, the results to the subsequent questions showed varying perceptions. After the introduction, the respondents were initially asked about their first impression of Open Banking, and asked to rate their impression from 0 to 10. The result varies from 3 to 10 with a mean of 6, and as such, the first impression of what Open Banking is, and what the possibilities are, is moderately positive amongst most of the Main Street Businesses in our sample. To put it into context, this is in contrast to the wider analysis of similar businesses performed by KPMG, where 72% of the group termed The Steady Conservative were unwilling to pay for Open Banking services (Hallsworth et al., 2018). Moreover, when considering this group, they are described as having a limited appetite for Open Banking and based on their former technology use and their operations (smaller and slow growing), it can be anticipated that their PU of Open Banking solutions is quite low (ibid). That they perceive little use for advanced technology to assist their operations is further reinforced by them only using 2.5 financial services. In the end, as Open Banking encourages competition, more alternatives and switching to alternative services, The Steady Conservative is described as being difficult to get on board due to their low interest in these potential benefits (ibid).

To go back to this study´s primary sample, and compare the initial impression with the PU, the only thing that becomes clear is that whereas there was relative consensus of a moderately positive impression of the concept as a whole, the opinion regarding the degree to which potential usage was imagined was more divided i.e. where some indicated similar results as The Steady Conservative, others were far more positive. With that being said, as the sample size is small, the relatively high variance across all aspects can be expected. Yet, this divide portrays a clear picture in terms of that the impression and the attitude towards Open Banking solution varies depending of whom answered the questionnaire within our sample. For example, when asked whether the respondents believed that Open Banking solutions overall could be useful on a scale from 0-10, the answers ranged from 1 to 10, with a variance as high as 7.42 and a mean of 6.32. This can be compared to the first impression, where the variance was 4.0, suggesting that there is a bigger consensus regarding the first impression compared to the overall usefulness. These results also stay consistent among the questions relating to general usefulness. For example, when asked more specific usefulness questions such as whether they believed Open Banking would be able to assist them in increasing productivity, the mean was once again close to the middle of the scale i.e. 5.1. Similarly, when asked whether Open Banking would

be able to address many of their financial needs, the same mean was reached, although with a slightly higher variance i.e. 6.9 compared to 6.4. As such, when asked about the concept on a general level, the results with regards to PU could best be described as neutral or alternatively moderately positive, as no mean were below 5.

5.1.2 Perceived Ease of Use

As with the PU, the results with regards to PEOU were varying, and it seems unquestionable that the findings represent a wide range of different opinions and impressions. For example, when asked if they look forward to using solutions based on Open Banking, the range spread from 0.5 to 10, had a mean of 5.4 and a variance of 7.6. Hence, the impressions towards new technologies and how open the respondents are to start using them diverge quite a bit, despite the respondents sharing many characteristics in terms of size and operations. In contrast however, judging by the mean, the results from the sample would suggest that the respondents seem to have a relative consensus and finds that using the solutions would not cause a lot of mental effort nor frustration. When asked how much mental effort they thought would be required based on their impression, the mean was a low 3.2 on a 10 scale, and with a relatively low variance of 4.2. Similarly, when asked how much frustration they thought this type of solution was going to bring, the mean was once again relatively low in 3.6, indicating a higher probability to try solutions out if given the opportunity. With this said, despite the impression that the solutions might not require a lot of complex thinking, the simplicity of the concept is once again spread out – and there is little consensus amongst the respondents. In contrast to the perceived mental complexity needed, the variance is higher regarding whether they believe that solutions sound easy to use in general, with the mean once again being moderately positive in 5.5.

5.1.3 Perceived Customer Value

As aforementioned, when looking at the PCV, it is important to bring in aspects of both PU and PEOU. Looking at the results from both sections, one might claim that the PCV should follow the same pattern i.e. moderately positive. However, there are results that would indicate slightly more positive attitudes, which could be related to usefulness and thus indirectly imply a higher PU, and thus a higher PCV, than what was indicated from those questions that directly addresses the PU: When asked to address 5 specific solutions, and then determine whether or not they would (1) pay

for them (2) use them but only for free or (3) did not find them useful at all, only four out of 55 answers indicated that a proposed product would not be useful. To simplify the results, the mean indicates that when presented with one of the five products randomly, 5 out of 11 respondents would end up paying for the solutions proposed to them. To be more precise, two out of the five solutions i.e. a dashboard over the current financial situation and a digital tool to assist with taxes and payroll, stood out as more positive than the others, with all of the respondents not only indicating they would use them, but with a majority (6 and 7 respectively) indicating that they would pay for such a solution. The reaction to the other solutions were not as optimistic, with the tools to help with (1) a quicker loaning process and (2) payment initiation both receiving 7 indications that they would use but not pay, 3 indications that they would pay and 1 that would not use at all. Lastly, in regard to a tool similar to the one Karen Mills (2019) describe on p.95 i.e. a tool which would help the small business owner predict the upcoming periods, and assist with issues such as bills, suppliers and insurance - the indications were the most divided, with 6 businesses responding that they would be ready to pay for such a solution, whereas 2 indicated that they would not even use it, and 3 only would be using it for free. Overall, it is difficult not to claim that our sample would be open to these solutions with 92.7% of the recorded responses being open to use the suggested products, free or not. As a result, it is also difficult to claim that there seems to be a low PCV within our sample. However, these results differ quite a bit from those presented by Hallsworth et al. (2018), as when they were testing for 13 different solutions, the part of their sample which could be compared to ours i.e. The Steady Conservative, would only consider 2,5 solutions, or 19,2%, on average. Even when looking at the slightly less conservative group, only 43.1% of the solutions on average were considered. Worth noting is that Hallsworth et al. (2018) does not clarify if considering a product means that they would be open to pay for it, or simply open towards using it if it was available to them. However, when comparing both options to our sample, our results show that 45.5% of the respondents are positive towards paying for any solution on average. At the end of it, although the sample only had a moderately positive attitude to the questions that directly can be tied to PU, they still indicate to a far greater level that they are interested in the potential solutions, which would indicate that the solutions seemed more useful than the concept in itself. In turn, this could be argued to increase the initial perception of the PCV only being moderately positive.

5.1.4 Trust

One of the most emphasised characteristics of The Steady Conservative is reportedly that they are very loyal to the traditional financial institutions (Hallsworth et al., 2018), which follows the logic presented throughout the literature review as well. As aforementioned, banks' business models have for long been based on being secure instead of providing a stellar customer service. Before Open Banking, when transitioning from one bank to another, the data was not automatically transitioned with the customer, and it might have taken years to build up the same record with the new bank as with the old. It is therefore no wonder that small businesses (both our sample but also Hallsworth et al.'s) mainly consider banks when in need for financial services. Consequently, one should not be surprised if trust is entrenched with traditional banks –Which seemingly stands true for both Hallsworth et al.'s (2018) sample, and ours. When asked which type of business our respondents would consider turning to for financial services, the banks came out on top, with 100% saying that they would consider turning to a traditional bank, also indicating high trust. Worth making a remark about is that when looking at the dynamics between the Main Street Businesses' bank-relationship and where they place their trust, it can be seen that although those with a less positive relationship still would consider a bank, they are also those that are hinting towards exploring different providers the most. Not only that, whereas those with a positive relationship (54%) indicated that they trust their current bank on average 7,6 out of 10, those with a neutral or less positive relationship indicated a mean of 2,9. In addition, when only looking at those 27.3% who indicated a less positive relationship, no one indicated a trust above 3.0. However, even though it may not seem as if those with a less positive relationship with their bank exerts trust towards them, one might argue that the trust is still quite high, seeing that they would turn to them for financial services more than they would to alternatives. Furthermore, one can assume a high trust level on a wider scale, following the results of e.g. Hallsworth et al. (2018), Omarini (2018) and Mills (2019).

When touching upon the other types of financial providers, such as FinTechs or BigTechs, there is seemingly more agreement in that few are today open towards considering them and their services. As mentioned, those with the less positive relationship are those that are the most open towards testing something new, with 2 out of 3 reporting $7 \leq 10$ in terms of their openness towards exploring services delivered by other companies than those they normally turn to. For the other 8, the mean was a mere 3,6. As a whole, the entire sample provided a mean of 4.4, and a variance of 6.8, which would indicate a low trust towards other firms than banks on average.

An additional note worth making a remark about is that one of the businesses that claimed that their relationship with their bank was "very good", also put in an additional note claiming:

"*I have a sole proprietorship and my banking is therefore in close proximity to my private finances. Handelsbanken has in a terrific way served me with the possibility to a holistic view of my finances through the accounting software Fortnox. It is fair to say that I am very content.*"

This is worth noting, as the organisation Fortnox in recent times has started to rely on Open Banking technology themselves (Fortnox AB, 2017; 2019). Hence, as the collaboration between Handelsbanken and Fortnox is something the respondent emphasise when lifting why they are happy with their bank (even before Open Banking had been introduced in the survey), it is also worth keeping in mind that they most likely have been exposed to a solution enabled by PSD2 and had a positive experience.

5.1.5 Stickiness to Traditional Banking

As mentioned in the previous section 5.1.4, the trust towards the traditional banks seem to be high in general, and even in those cases it is not, all of the surveyed in our sample still convey that they primarily would turn to their bank for financial services. Similar results are conveyed by Hallsworth et al. (2018), who presents that The Steady Conservative would mainly consider either turning to their bank (58%) or a building society (36%). Moreover, as of the time being, it would be reasonable to assume that with the low number of financial products used today by both the respondents, but also Hallsworth et al.'s (2018) sample (≤ 5), the will to seek out other, potential providers might not be substantial. This notion is arguably reinforced with the low amount of businesses claiming to be open to exploring financial services delivered by other firms than their banks – with only 3 respondents reporting a willingness above 5.5 on a 0-10 scale. For the remaining respondents, the mean is as low as 3.1. Furthermore, when asked whether or not they interact often with their bank and their services, as well as whether they are happy with these services, the responses were divided. This was especially true in terms of the satisfaction as the answers range from 0.5-10, has a mean of 5.6 and a variance of 8.7. Yet again, our sample seems once again moderately positive to their banks on average, whereas

the mean regarding the amount of interaction is 4.3, suggesting that our sample interacts relatively little with their respective banks.

Following the question of a potential switch from their current bank, the highest variance of the survey presented itself at 10.8: When asked to agree or disagree with the statement "It is easy to switch bank if I want to", answers ranged from the minimum 0 to the maximum 10, and a mean of 5.6. Although not providing us with a possible imagery of how easy it is for a Main Street Business to switch banks in Sweden, it is clear that perception of this predicament presents different feelings. The same lack of consensus is provided when asked if it is easy to finance the business. Once again, the answers range from 0 to 10, with a variance of 10 < and a mean right in the middle at 5.0. Similarly, although not as spread out, our sample seems to have different opinions on how pleasant their bank is to interact with. Once again, they can be denominated as moderately positive with a mean of 5.9, but like with many other situations, the variance is high and there is no apparent pattern in terms of e.g. their perception of their bank-relationship. In contrast however, our respondents do think that it is quite easy to have a total overview over their financial situation, with only 3 businesses reporting an answer <5. Instead, the overall mean is quite high at 7.3, and a variance at 5.1.

5.2 Business Model Design

In order to better understand the results that can be extracted from the interviews with the Tink representatives, it can be considered important to understand their context in the marketplace and how they operate. Therefore, in the following section, in addition to Tink's view on value - creation, delivery and capture in a Main Street Business context, a description of their award-winning business model will be presented, as well as how their operations has changed over the course of Open Banking.

5.2.1 Tink´s Current Business Model

As mentioned, Tink's business model originates from a business to consumer application (B2C), which enables the user to aggregate their finances, and thus serves as a sort of personal finance assistant. The underlying story behind the application came from the perspective that the banking industry, according to Interviewee 1 (I1), was deemed as far behind on innovation, and that the

traditional way of making revenue was to silo the customer insights, and that the banks thus controlled their customers – instead of the other way around. However, as the consumer application was not viewed as the most promising strategy, and as PSD2 emerged, the business model pivoted accordingly (I1). As such, their value delivery is now, according to Interviewee 2 (I2), primarily as a business to business organization (B2B), offering their API to financial institutions so that they could reap the benefits of Open Banking, and provide their customers with better services. With a business idea that they today describe as *"the tools that allow anyone – from big banks and FinTechs to start-ups – to build the future of financial services across Europe."* (Tink, 2020b), one can describe Tink's value creation strategy as collecting banking information across Europe into an easily implemented API so that their customers can offer their customers more insightful, quicker and personified solutions. They do this as they wish to change the banking industry for the better, meaning to untangle and change the old industry that lacked competition and momentum (ibid). For their vision of how the market might develop, I1 describes it like this:

"From our perspective it does not really matter who wins in the market. What we are hoping for is that what we are doing is a part of what unlocks the market." (I1)

With this in mind, it might not come to a surprise that a core choice in their intention to constantly being on the forefront of innovation is to give access to over 5000 independent developers to conjure up their own Open Banking solutions. As such, their value capture has not only expanded beyond their revenue driving customers, but it is also making sure that more value is created based on their technologies. Hence, it is easy to see that Tink is driven by their belief that innovation within banking should catch up to other markets, and their ambition is to be a key player in driving this innovation (I1).

"We want to attract all those that can leverage our technology, so that we can build the industry's future big corporations." (I2)

5.2.1.1 Tink´s Value Proposition

Through Tink´s connection to more than 250 banks all over Europe, allowing them to reach more than 250 million bank customers, the company have grown into becoming one of Europe´s leading

Open Banking platforms. With their products offering being within payment initiation, enrichment of transactions, aggregation of financial data and finance management tools (Tink, 2020a), the company enable banks, FinTechs and start-ups to develop financial services that are data-driven.

"Our API offers one access point to financial data from across Europe – as well as the ability to offer insights and actionable advice – whether it's through our full-service enterprise offering or our self-service platform for developers." (Tink, 2020a).

With the following value proposition: *"Our goal is to help people understand their finances, empower them to make smarter choices and ultimately bring financial happiness. We believe that managing money should be effortless and rewarding"* (Tink, 2020d), Tink has partnered up with companies such as BNP Paribas Fortis, SEB, Klarna, Paypal and Nordea and provided them with their services. Among the companies Tink have worked together with in developing services, Avanza is one example where their technology provided them with a solution to better deliver their financial services. As the largest stockbroker in Sweden, Avanza had problems with users dropping off before completing their transferring of investment. This problem was identified due to users not knowing their investment details and account numbers, and thus needed to both look them up and fill them in manually. Eventually, causing many of the users to drop out of the process. The solution to the problem identified by Avanza was a system that automatically prefilled and aggregated users' financial data. As such, the automatic process resulted in users´ no longer needing to know their financial data by heart and having to manually fill it in. This account aggregation solution provided to Avanza resulted in the stockbroker increasing their customer conversion rate by more than 150 % (hub.tink.com, 2020a).

An additional use case explaining how Tink has delivered value to one of its customers, is the service provided to SBAB, a company that is offering mortgages to more than 270 000 people on the Swedish market. SBAB wanted to introduce their services to more people on the market by providing both existing and potential customers with the possibility of them getting better deals with regards to their interest rates. By using account aggregation, SBAB introduced the new product called `The Interest Rate Showdown`. In this, customers could compare their existing interest expenses with what SBAB could offer them, and thus possibly get a better deal and save money by switching mortgage broker. With the entire process being entirely automatic, it took a couple of minutes and customers could

easily move their mortgage to SBAB with a few clicks. The results showed that the product provided 8 out of 10 customers with the possibility of getting a better interest rate (hub.tink.com, 2020b).

Both of the above examples are use cases and stories provided by Tink, where they display two different examples they in which their services have provided value to their customers. In turn, Tink´s customers have been able to provide the private consumer with more and better financial services. However, Tink was initially founded with the purpose of providing value directly to the private consumer with their B2C services, and has in the recent years transformed and pivoted their business model into becoming a B2B company. Thus, the following two sections will present Tink and the financial industry prior to Open Banking, followed by findings from Tink and the industry post Open Banking.

5.2.2 Tink and the Financial Industry Prior to Open Banking

Prior to Open Banking in general and the PSD2 legislation from EU in particular, Tink was founded on the idea of providing private consumers with an application to enable them to better understand their private economy (Tink, 2020b). Upon entering the financial industry with their product, (I1) explained that they were entering an industry which, to a large extent, was closed and controlled by the larger incumbent banks and in which innovation to some extent had been absent. As a result, they recognised that they could be part of opening the industry up and break some of the monopoly power banks held:

"The industry was fairly limited in terms of innovation, and banks very much worked towards locking their customers in with them, rather than building and offering them good services." (I1)

"We saw that we, among other companies, potentially could have the keys to open the industry up, which was very locked due to the monopoly banks had on customer knowledge and information about the customer. Banks were the only ones who knew how much money customers had, and what they were spending it on." (I1)

"Banks also had monopoly power on money transferring. Customers had to go to them and ask them to send their money. All of this had led to a rather magical position for the banks, where it was very hard to even try to compete with them on the financial market." (I1)

Despite the financial industry having conditions as quoted by I1 above, Tink recognized an opportunity to enter the market and offer technology that potentially could make use of all the data owned by banks. However, with all of this being several years before the PSD2 legislation that was ultimately put in practice in September 2019, banks were somewhat reluctant to share their data, which they had the full ownership right over. Thus, Tink entered into the financial industry before Open Banking even was a concept, in a way that at the time was argued to be controversial. The industry which Tink entered, as well as the market conditions is further presented and elaborated by I1:

"We realized that there was a possibility to use our technology, and apply it to unlock all of the data, and unlock the possibility of making payments outside the banks. All of this was started and launched before Open Banking even was a concept, and before PSD2 had been thought of." (I1)

"The idea was that, in the long-run, by using this technology and unlock everything the market could become more effective. Early on, we came to the realization that banks not were ready for this, because it was highly unregulated and our approach was a bit controversial with how we did all of this before regulations such as PSD2." (I1)

As mentioned, Tink started out by offering their technology as a consumer service, but as Open Banking started to grow into becoming ever more accepted and incorporated by banks, as well as when PSD2 became a reality, they pivoted their business model towards transforming into becoming a B2B provider. This shift in the company´s operations is by I1 summarized into:

"We started out with doing our own thing by offering the consumer services that we launched. But with PSD2 in place, and the banks having become more comfortable with sharing data, we changed our business model into selling the exact same technology that we had built for ourselves, to instead sell it to the banks." (I1)

5.2.3 Tink and the Financial Industry Post Open Banking

After having transformed from offering their technology directly to the end-consumer via their application, Tink mainly started partnering up with large banks. Although the company to a large extent uses the same technology but applied differently, the shift in the company´s operations has resulted in many differences. Among other things, (I2) explains that Tink to a very high degree still are known and associated with the original application offered to private consumers, despite them having shifted their communication to better fit with their new offerings.

"We are still known as a B2C company, where it was Tink with the application with more than 500 000 users that was very popular. That is still what we are most famous for, so journalists who are contacting me still believe that the application is our main business." (I2)

"Nowadays, we sell our technology to large banks, where we are a B2B supplier instead. In there lies a challenge for me, because the shift we have done in our operations has also resulted in a shift in our communication." (I2)

However, the technology and services developed by Tink are not only offered towards large incumbent banks, but also towards other FinTechs, as well as any smaller organizations that potentially could make use of any of their offerings. Thus, Tink currently offers their technology and services to many different companies in several different countries. With them having the objective of unlocking the financial market and to provide better products, it makes sense that they do not care who will be successful on the market, as the company see many potential businesses using their technology.

"There are equally many opportunities for the banks themselves to use our technology to build better products, as there are for any challengers to do the same thing." (I1)

With their products offered to financial organisations, I1 further elaborates on the possibilities their products enable for their customers, as well as how Tink is part of changing and improving the financial services available for the end-customers.

"What our product portfolio enables is both the Open Banking part with retrieving data and moving money from other banks. But it also enables what we call our `Data Product`, where we extract knowledge and value from large amounts of data in order for banks and other financial organisations to better help their end-customers in understanding their economy, and provide them with information and solutions for them to make better financial decisions." (I1)

However, the solutions provided by Tink for their customers have solely been aimed towards helping individual customers with their financials rather than any type of organization. Thus, neither Main Street Businesses or any other type of SMEs have been consumers of what financial organizations have provided services for as a result of partnering with Tink, and by making use of their technology and products. The following sections will therefore provide findings on Tink´s view and opinion, with regards to them potentially developing and providing financial services towards smaller organizations as well. Also, with them being one of Europe's leading Open Banking platforms (Tink, 2020b), aspects around business model design and value creation and delivery towards the Main Street Business segment are presented. As such, the following section will provide findings on Tink´s view on offering Open Banking services towards the Main Street Business segment.

5.2.4 The Main Street Business Segment

Ever since Tink made their shift from offering a personal finance application targeted towards private consumers, into a platform offering their technology towards financial organizations, the company have seen several other potential areas in which their products could be applied. However, with them still being a young and rather small company operating within an industry where many of the other organizations have much more resources and other prerequisites to explore more possibilities, Tink has, according to I1, decided to focus on the private consumer segment. However, I1 acknowledges that their services easily could be applied and delivered towards the small business segment as well and that doing so would not require much of a change in the company´s operations.

"Initially, I believe we see that much of what we have delivered to the private customer segment, possibly can be copied straight of and be delivered to the business segment as well." (I1)

"And for our customers, which are the banks and FinTechs, we of course see that there are equally many opportunities for them to deliver value to the business segment. From our perspective as a start-up, it has been more about focus and problems with resources in terms of why we have not executed on this part of the market as well." (I1)

As such, Tink acknowledges companies as an end-customer, and a potential segment which their services could be ultimately offered towards. Although I1 believes that their technology and different products can be directly applied without any changes in their offerings, the company will have to make changes in the long-run in order to better adapt their offerings with the business segment. As an example, I1 acknowledges that businesses and their finances have other more complex aspects compared to private customers, where aspects such as treasury and obligations with regards to financial reporting greatly differs from the private customer.

"Again, we see that all of the products that we offer can be applied and transferred directly to the SME segment as well. In the long-run however, we of course believe that the products and how they are used, will differ very much." (I1)

"The problems on the SME side differs much compared to those on the private customer side, with aspects such as that of handling treasury." (I1)

"There are much more clear, practical and statutory regulated laws around matters such as reporting, which you have to keep track of." (I1)

However, I2 also argues that the segment is associated with the distance between an individual and his or her business being low, and that they many times are intertwined. As such, Main Street Business owners are by I2 thought to already to some extent use private consumer oriented services but in the context of their businesses.

"When you look at this type of segment, I believe that there is a pretty strong trend that this type of company who is largely run by an individual often not is very corporate, and that the distance between being an individual and company is very small. Where the company essentially is like the other half of an individual." (I2)

"So I believe that it is a quite common trend that small business owners´ already use a pretty large amount of private consumer services in their businesses." (I2)

Tink sees possibilities in expanding their operations, by also targeting the business segment. Despite them not having acted yet, I1 states that they shortly will start offering their products to Main Street Businesses, SMEs and larger corporations as well. However, with this not being any publicly communicated information from Tink, I1 does not want to go into any specific details but emphasises that they see much value potentially being both delivered and derived to and from this segment.

"It is not a complete secret that our utmost ambition actually is to start doing this quite soon. That is: do more or less what we do right now, but also start doing it aimed towards the business segment as well." (I1)

"We are seeing extreme amounts of value in this, and we will pretty soon launch our first services." (I1)

When discussing if there is a demand from Tink´s customers in terms of starting to offer more financial services aimed towards businesses, I2 states that in their communication with some of the financial organizations which they collaborate with, a tendency towards it has been noticed. Where I2 more specifically, argues that account aggregation for private consumers have been in high demand, but that business account aggregation has started increasing as well. When asked if I2 have noticed any demand in developing financial services for SMEs the following reply was given:

"I would definitely say yes. It has to do with that we are working with account aggregation for private consumers, but there is now also a lot of talk about account aggregation for businesses as well." (I2)

With regard to the potential demand from the end-customers, e.g. the SMEs and Main Street Businesses, I2 states:

"There is a demand for these services, so things have started to move and happen on the market, where I believe that it so far mostly have been aimed at larger companies. But I would like to say that there are possibilities in delivering services to all companies, no matter the size." (I2)

As it has been established that Tink see a great deal of value in targeting this segment, as well as having made plans for entering and shortly start offering their financial services to it, the following sections will, from Tink´s perspective, present findings on how to create, deliver and capture value to and from the Main Street Business segment.

5.2.4.1 Creating Value for the Main Street Business Segment

On the subject of creating financial services that can be of value for Main Street Business to use in their day-to-day operations, I2 emphasise that the fact that it is Open Banking solutions that are provided is secondary. Instead, the importance is to provide services that are useful, and both build and communicate proof points with regards to what the technology actually can do and help businesses with accomplishing. Also, with Open Banking, according to I2 being a rather niche subject which the majority of the population having no or very limited knowledge about, the importance of clearly communicating actual benefits is even more so important.

"The interest in Open Banking is very much a niche subject, and there are only a very few media outlets writing about it." (I2)

"The biggest challenge for me when it comes to Open Banking, is that us discussing it right now understands what it is. But me as a communicator have seen that if you are to explain what Open Banking is for a consumer, you do not actually talk about Open Banking. You instead talk about a concrete solution, by for instance showing a use case." (I2)

"I therefore believe that when you talk with the end-customer and communicate with smaller companies, the most important thing is to build and communicate proof points that shows what Open Banking actually can do and what value it can add. The fact that it actually is Open Banking services, is currently secondary, as it just now only should be a matter of actually proving what the technology can do." (I2)

I2 further elaborates on the importance of building and communicating the actual benefits and proof points on what a financial service can provide, rather than emphasising the technicality and the fact that it is an Open Banking service, by presenting a use case from a Danish customer to Tink.

"Today I was in contact with a company in Denmark who have realized that private consumers want to be able to monitor and keep track on their money being invested responsibly. By using our Open Banking technology, they can track customers' shareholdings against the United Nations responsible investment principles. With approval through one click, customers are able to see how responsible their investments are. From my perspective, this is of course an Open Banking solution since we provide them with the technology. But, for the customer it is rather a great service." (I2)

On the topic of organizations who have entered the financial market and been able to quickly and successfully been able to deliver valuable a service or product towards their intended customers, I1 argues that iZettle perhaps is the company who most successfully have been able to create value for small businesses. iZettle is a mobile payment company offering both an application and card reader, which enables businesses to receive payments by card from customers, through their smart phone or tablet. As such, iZettle provides small businesses with the possibility to easily and more cheaply accept and process card payments (iZettle, 2020). In this, I1 suggests that iZettle have been able to reach the SME segment because of their ability to successfully execute within several parts of their operations.

"We have seen it again and again, where perhaps iZettle is the best example in Sweden, where they went into the market and invested heavily in building a good brand with a high quality team, well executed marketing campaigns accompanied by a great digital product. All of this led to a very strong brand and people starting to process all of their transactions through them." (I1)

With iZettle managing to enter the market and successfully build their brand and product, I1 argues that there also are possibilities for other new entrants and smaller players to accomplish this. However, I1 also states that the larger banks hold a position where they have better prerequisites in terms of delivering value to small businesses, where they over a long period have built up much more authority and a huge lead compared to any smaller competitors.

"It is of course possible for a smaller player, but it is also clear and obvious that the banks are in a very luxurious position, with regards to the authority they hold. It is therefore hard to say if smaller organizations will be able to deliver these financial services to the Main Street Business segment. But I do believe that it is possible, but the banks of course have a huge head start." (I1)

5.2.4.2 Delivering Value to the Main Street Business Segment

With banks having built up their operations over a longer period of time, compared to newer market entrants, e.g. FinTechs, they are by both interviewees suggested to be in a better position to deliver Open Banking services towards Main Street Businesses. However, with Open Banking enabling all types and sizes of organizations to enter and compete on the financial market, the market can be regarded as more open for various industry players to be able to offer their services. Despite the effects on the market and competition that both I1 and I2 suggests that Open Banking has, and will have on the financial market, banks are still regarded as being in the forefront in terms of being able to deliver services to customers. I2 argues that the core asset for banks is the large trust capital built up over the course of many years, and that the trust will be one of the most important aspects in order to be able to deliver Open Banking services to Main Street Businesses.

"What is main asset for banks? Well it is trust. I am willing to keep my money in a bank because I trust them, and me as well as others are very inflexible in changing to another bank." (I2)

"So what I mean is: If someone currently were to deliver Open Banking services like the Small Business Utopia, as it is about customers´ economy and accounts, I believe it would have to be a player who have built up much trust." (I2)

In this, I2 also provides an example by building up a scenario about a large incumbent firm operating within the mail delivery industry. Although the Swedish postal company does not operate within the financial industry, as well as not providing any Open Banking services, I2 argues that the company have built up much trust and a large customer-base and could thus easily move towards providing services within other areas.

"Although not a real example, but think about the Swedish postal company, which is an old institution that has been around forever. There is some critique towards them being old fashioned at times, but they still have a gigantic customer base. A company like them could quite easily do something completely different, by for example start providing Open Banking services, by building new innovative services. If a company like them were to actually do this, and deliver great services, I believe customers would have great trust in what they delivered. Because their core asset is and have always been trust." (I2)

I2 therefore believe that, at least in the short-run, larger incumbent banks or organizations are most likely to be able to deliver Open Banking services in an attempt to create a Small Business Utopia for Main Street Businesses. I1 on the other hand, believes that essentially all banks and FinTechs are aiming towards accomplishing this. Although acknowledging that they are operating from different starting points and provide different types of services, I1 suggest that most organizations currently providing Open Banking services to companies have the same objective of essentially creating a Small Business Utopia.

"I believe that all of these companies we are working with and who are our customers, where it is both banks and certain types of FinTechs actually are trying to achieve the same thing, but from different starting points." (I1)

In this, I1 also acknowledges the role of trust, and that it is one of the most important aspects when operating on the financial market when handling customers and their economy. However, there has also according to I1 been a decrease to the level of how much customers actually care nowadays in terms of who the provider is and their built up trust. With Open Banking enabling more financial services being available for customers to choose from and use, customers have become comfortable with signing up and use several different financial services. As such, I1 argues that the trust that many of the banks have built up over the course of several years, perhaps not is as important as that of actually offering a well-functioning and high qualitative product.

"The part about trust being important is a fact. But with that being said, we have also been both positively and negatively surprised about how little people actually care nowadays." (I1)

"What we actually saw early on was that people nowadays are comfortable with both signing up and use several different digital services. If you then are able to build a good product, and build a strong brand with the help of a well-functioning and highly qualitative product, you can come a long way in terms of being credible and customers trusting you." (I1)

Additionally, I2 adds that a part of them having become a successful Open Banking service provider is the fact that they emphasise that everything they offer is secure and that all customers can trust them with handling delicate financial information.

"We have rigorously high security in everything we do, because we are required to be as secure as a bank. We go through all of the test that are needed in order for banks to collaborate with us, and we then live up to those standards. So it is all a chain of trust which I believe is central in order for customers to use our services, and which have led to our popularity." (I2)

5.2.4.3 Capturing Value from the Main Street Business Segment

As earlier presented, Tink are planning to soon enter and start offering Open Banking services to Main Street Businesses, as well as other company types. However, with them being a B2B company, it will be the organizations which Tink collaborate with that will have the customer contact as well as being the ones delivering the services to them. As such, Tink will act as an enabler of Open Banking services to be delivered to the end-customers by collaborating companies, such as banks, by providing them with some of the technology and products. Accordingly, it is by I1 suggested that Tink does not plan to start offering several additional services, by for instance provide accounting software, but will instead let other companies on the market be the ones building and offering more complete and full equipped services.

"With many of the use cases, we feel that we will not be able to go as deep as other companies who are offering more tailored and specialised services. I do not believe that we would want to go all the way and build an accounting system that is based on Open Banking data. But we feel that some other company will do that." (I1)

In order to maximize the potential value captured from the segment, it is by I1 suggested that a company striving for this should become the central point of contact by becoming the one-stop-shop. As such, a company striving for this should own the relationship with the customers and achieving this requires an ability and offering that connects all of the different services used by Main Street Businesses. It therefore requires the ability to extract and crunch data from all relevant areas of a business and their operations, in order to be able to build and offer services with regard to planning of cash flow and other financial functions relevant for a company. In order to extract value from the segment, I1 takes us through some of the steps necessary for Open Banking service providers to succeed:

"Everyone wants to become the central point of contact with the company and own the relationship with them. Whether you are a bank or an accounting company, you have to become the one-stop-shop, and be able to connect all banks and financial services used by a company in order to become relevant." (I1)

"Once you have done this, you have to crunch all of the data available in the smartest and best way and help the company and customer to handle aspects such as cash flow planning and such parts, as well as the most elemental financial functions." (I1)

"The next step would have to be to offer some sort of advanced system including accounting and similar services." (I1)

Furthermore, I1 once again argues that banks, companies such as iZettle, as well as others who are operating within the business segment, try to achieve the same thing by striving towards becoming the central point of contact by both owning and controlling the entire relationship with their customers. In this, it is by I1 suggested that Open Banking is a necessity in order to enable this, and for companies to successfully capture value from the segment. By not using Open Banking, financial service providers would not be able to get enough data which to build their services upon.

"I believe that all actors, whether it is a bank or a company such as iZettle are going in the exact same direction and are trying to achieve the same thing. In this, I believe that Open Banking is the

thing that enables this, because otherwise it would mean that iZettle not would be able to retrieve and use enough data." (I1)

However, as previously argued by I2, incumbent banks and larger financial organization have at least in the short-term better prerequisites to attract a large enough customer base for it to become profitable. With trust to more established organizations being higher, I2 provides an example of one of Tink´s collaborators with regards to them having better possibilities to attract more users:

"One of the companies investing in us and our technology is Poste Italiane, which is the Italian postal company. If a player as such, who has more than 60 million customers, would start building and offering Open Banking Services they would have an easier process in terms of attracting and convincing customers to start using their services, compared to if a complete unknown player would do the same." (I2)

With trust to larger incumbent organizations being a factor with such high importance, I2 argues that they have incentives to early on start building services aimed towards satisfying the needs of Main Street Businesses. In doing so, they have a better possibility to attract the end-customer and possibly become the one-stop-shop.

"There is therefore a large upside for these larger organizations to early on attract these customers." (I2)

5.2.4.4 Key Determinants of Becoming Successful

Although both I1 and I2, to some extent, have argued that larger incumbent organizations who over the course of several years have built up much trust and a large customer base, would have better prerequisites to succeed in offering Open Banking Services to Main Street Businesses, smaller organizations now have better possibilities to compete with them. With Open Banking levelling the playing field, it is according to I1 hard to determine what it exactly takes to become successful on the market, and what will determine which organization it will be that eventually provides the segment with the most valuable and winning products.

"The thing that is so awesome with everything that we nowadays call Open Banking is that it is levelling the playing field so that essentially everyone actually has the same prerequisites, and that you now for the first time can compete with the banks." (I1)

"It is therefore hard to say and determine which type of organization that will become successful in this, because I do not think there is any secret sauce to it, but it is instead about actually having the ability to execute and build a very good product. And that is what I believe actually is what in the end will be winning." (I1)

The key determinants of becoming successful, has therefore according to I1 to do with being able to both build and offer a highly competitive product and have the ability to execute and provide the segment with a solution. With Open Banking, and many of the services associated with it, having opened up the financial industry and provided new entrants with the possibility to compete, many of the organizations providing Open Banking services are new players who potentially are better at building and delivering digital services. With these organizations often not having as established practices, many of them are by I1 regarded as being better than established banks in building digital services. Also, there are large differences among the different banks in terms of their ability to operate in this new competitive landscape. Those banks not being able to build, deliver and execute on a digital strategy and provide innovative financial services, will according to I1 go bankrupt. It is therefore logical that many of the European Banks are now positive towards FinTech partnerships, and seeing API production as more than simply a compliance measure (Tink & YouGov, 2020).

"One can argue that some of these new players are better at delivering innovative financial services than, for example, the banks are. Because what we have seen with many of the banks, our opinion is that there are some banks who are quite good at executing on a digital strategy and build good digital services. Far from everyone are good at it however, and that will mean that as the competition increases, these banks who cannot adapt will go bankrupt." (I1)

As such, I1 argues that it is crucial for banks and other financial incumbents to adapt to the new innovative landscape. With innovative organizations such as iZettle and Klarna having entered and successfully being able to compete with the banks, they have been forced to revise their former competitive advantage. However, with banks such as Nordea and BNP according to I1 having been

able to successfully adapt and become more digital, they will have both the capacity and ability to compete and potentially be able to successfully offer the Main Street Business segment with Open Banking services.

"Whether it is Nordea who will succeed in the Nordics, who are both a large bank and very digitally capable, or if it is BNP who also have proved their digital proficiency. There will be a couple of banks who have the knowledge, ability and resources to actually compete with companies such as iZettle and Klarna." (I1)

However, once again I1 points out that far from all banks will be able to successfully adapt to the new financial landscape, and those organizations will be outperformed by their more innovative competitors. Therefore, Tink together with YouGov (2020) suggest the following recommendations to large financial organizations in order to adapt to the new playing field: (1) Leverage Open Banking to enhance your current business model. (2) Make business strategy central to Open Banking Investments (3) Explore FinTech partnerships to create customer value.

"Not all organizations will be able to adapt, and those will most probably lose a lot of their business." (I1)

6. Analysis

In the following section, an analysis of the above results - on the basis of the Theoretical Framework will be presented. Following the logic of the Theoretical Framework, the attitudes of Main Street Businesses will first be analysed qualitatively in 6.1 using the extended version of TAM. Next, these insights will be incorporated into the analysis of the business model design.

6.1 Main Street Business Attitudes Towards Open Banking

This section, as aforementioned, will present a qualitative analysis of the results using the elements of TAM. Normally, the model is used quantitatively which previously has been reflected upon in the intended data-collection. However, the situation in which this study has been conducted cannot be deemed as normal circumstances. Consequently, while TAM is usually applied in contexts where already developed solutions exists – in this study, the attitudes are analysed based on solutions that have not been developed yet. Furthermore, also taking the adjustments needed to be able to analyse our sample due to its size, the underlying theory on which the model is developed will be used qualitatively to avoid the cognitive bias towards sample size neglect (Kahneman, 2012).

6.1.1 Perceived Usefulness

As mentioned previously, it seems to be quite clear that Open Banking solutions would be useful for many businesses around the world (e.g. Mills, 2019). This is further reinforced in our sample, as a clear majority of the queried Swedish Main Street Businesses would both use and pay for a clear majority of the proposed solutions. However, as Open Banking is getting increasingly established on the market, one might at the same time have reason to also get worried by both our results as well has Hallsworth et al.'s (2018) - assuming that an adoption of Open Banking solutions would be beneficial for the smallest businesses. As previously argued, Hallsworth et al.´s (2018) sample that could be compared to our primary sample show a general tendency to be quite resistant towards new technology adoption, and the technology that do pass the test usually come from suppliers in which they have great faith. This is in contrast to the tech-savvy firms of similar sizes who are more open towards using new technology as soon as it comes on the market. On the flip side of that coin, our sample was a bit more optimistic, with all questions regarding usefulness having a mean above the

mid-point of 5. Although there is an argument to make in regard to that slightly over 5 on a 10 scale is not positive, it is at the same time difficult to claim that it is a pessimistic response. Adding the results for the more tangible solutions onto this, we would like to claim that it is difficult to not see a higher PU for our 11 respondents compared to the ones examined by Hallsworth et al. (2018). Nevertheless, although this might have its explanation in that Swedes and Swedish firms are indeed more open towards trying new things compared to the British – and thus conforming into the argument of the European Commission (2018) in that Sweden is one of the most innovative countries in the EU - the question needs to be asked where in the diffusion of innovation curve our sample might lie in general within the Swedish society. While looking at Hallsworth et al.'s (2018) results, it is easy to claim that there is a relative Laggard tendency whilst comparing to the less conservative businesses, whereas our sample could be argued to be more on the left side of the bell curve (if they were British), seeing that the openness towards adopting new technologies is relatively higher (Rogers, 2003). Following the logic of behavioral economist and Nobel-prize winner Kahneman (2012) once more, the truth for the average firm is most likely more towards the larger sample size, suggesting that the PU is most likely slightly lower and more pessimistic than what our primary data would suggest. Yet, taking other factors into account as well, such as innovativeness (e.g. European Commission, 2019) as well as that FinTech has made remarkable expansions in general since Hallsworth et al. (2018) conducted their study – it is plausible that the PU of Swedish firms is greater than what the British results would indicate as well.

In addition, keeping I2's quote in mind that presenting concrete solutions would give better responses, one might argue that we have found concrete evidence of that in our study, as although the questions specifically designed for PU generated moderately positive results at the most, when presented with the concrete solutions, the PU could be argued to be significantly higher – suggesting that PU varies depending on how the solution is portrayed by the messenger. Similarly, worth noting is the commonality that both sets of samples seem to have similar preferences in terms of financial solution providers. With this in mind, it is possible that if this questionnaire was conducted by bank representatives (i.e. a known source that they would turn to for financial services), presenting only concrete solutions that they would be able to deliver - the PU could prove to be higher in general. As a result, it is possible to draw a parallel to Sivathanu's (2019) research and argue that the PU of small businesses is neither high nor low, but rather contextual depending on (1) who asks the questions, and (2) what the situation of the one answering the question is.

6.1.2 Perceived Ease of Use

With regards to PEOU, one might argue that it is more difficult to have a nuanced discussion regarding what can be said about the findings, as this is not something that Hallsworth et al. (2018) tested, nor have we found any other secondary data that might give us a better idea. However, as with any qualitative research, although it might be complex to generalise 11 businesses as a whole, it could still provide some insight into how Main Street Businesses in general think. Debatably, this is particularly true in the case when some questions invoke low variances, where the norm for the rest of the questionnaire are high variances. For the questions specifically relating to PEOU, a relatively low variance was reported for the questions touching upon mental strain – Which would suggest that our respondents do not believe that technological advancements from Open Banking require a lot from them in terms of mental effort. As such, it could it be argued that new services made possible through Open Banking not are perceived as requiring much effort in order to be able to start using them (Aldás-Manzano et al., 2009). Although it cannot be fully established that our sample believe that the possible Open Banking services will take no, or very little effort to start using (Davis, 1989), it is for us difficult to argue that PEOU is a significant factor affecting the PU of Main Street Businesses. Conversely, for the other questions regarding if solutions seem easy to use or if they look forward to Open Banking solutions, it is once again possible to argue for that it is contextual, as the answers vary and there seem to be very little consensus.

However, even though Hallsworth et al. (2018) did not directly test PEOU, one of their key findings and key discussions was that Open Banking needs to make the small business life easier and free up time to focus on core activities. Following this logic, one might argue that although solutions might be complex in their nature – one might argue that the ease to use is something that should be highlighted in the development of solutions, as well as communicated. For this, following the example of Tink, acting towards consumers through banks and other financial institutions might prove to be a successful method.

6.1.3 Perceived Customer Value

The analysis that both the PU and PEOU of our samples seems to be contextual rather than following any clear pattern with regard to e.g. geographical location or relationship with banks could be argued to follow the logic of Woodruff (1997), who aforesaid claims that PCV takes the perspective of an

organisations' customers, with what they believe they will receive from the purchase and usage of a product or service – and that it thus in turn should be considered contextual. In terms of PCV for our context, one can argue that the results are clearly in favour of the argument that specific solutions built on Open Banking is something that Main Street Businesses consider beneficial. Hence, despite the PU and the PEOU being assessed as moderately positive at best, when presented with specific solutions in which they would possibly put into their own context, the PCV shows dramatically different results, showing the PCV is high. Connecting this with the results from Hallsworth et al., (2018), and the specific solutions in particular – Although most of The Steady Conservative would not pay for an Open Banking service, Hallsworth et al. (2018) also emphasises that the solution worth making a remark about is assistance with taxes. This is something our respondents agrees with, as 'A digital tool to help with payroll and taxes' is the number one solution that our sample would pay for. Furthermore, with the functional value being presented as the main driver of consumer choice (Sheth et al., 1991), one might argue for that this type of solution is the first solution that Main Street Businesses would be open towards adopting and pay for, regardless if they see as high perceived value as in our primary sample, or less open towards technology as in Hallsworth et al., (2018). However, as we have argued for contextual differences, one must also lift Sheth et al's (1991) conditional value and emotional value as possibly being highly influential on the PCV in both samples, as the British economy was in a uncertain position in 2018 with Brexit being one factor (Partington, 2020), whereas the COVID-19 is affecting most businesses in Sweden negatively during the point of this research (Hedén Westerdahl & Nilsson, 2020), and most likely their PCV as a result.

As mentioned as well, Open Banking has become more established during the last years with financial institutions becoming more positive towards the initiative (Tink & YouGov, 2020). Similarly, as an Open Banking solution was lifted from one of the respondents as something positive, it is possible to claim that the value gained from exposure also has made some impact – This, as they are now able to experience this sort of solutions in practice, whereas it is more unlikely that The Steady Conservative in 2018 were able to do the same. As a result, even though it is difficult to claim that there generally are positive attitudes towards Open Banking as an initiative today, it is possible to predict that the solutions from Open Banking are going to get a more positive response as time prolongs, and more and better solutions become available. To put this more straight forward, we are ready to agree with I2 in that although the concept of Open Banking might not be the thing small businesses are interested in (seeing the results for the PU and the PEOU), the solutions seem to be able to give a high PCV –

Suggesting that directing Open Banking initiatives towards Main Street Businesses could be a good idea for both the financial institutions and the small businesses. However, taking the results at face-value might be misleading seeing the small sample size, especially when considering that our sample and The Steady Conservative share many characteristics. While the possibility should not be ruled out, it can be deemed unlikely that Swedish Main Street Businesses are this positive towards adopting new solutions, and that if explored on a bigger sample, the level of positivity could potentially be lower (Kahneman, 2012).

6.1.4 Trust

Although the results from our sample suggests that the respondents to some extent are positive towards adopting and start using Open Banking services, our findings suggest that the attitudes towards using is influenced by the trust the respondent has towards the provider of the service. Despite 3 out of 11 of the respondents indicating a less positive relationship with their bank, all respondents replied that they would consider turning to a traditional bank for financial services. With traditional banks having operated for several years both through their offline channels, but also more recently through their online channels, they can be regarded as having built up trust that potentially can be transferred from their previous operations towards their potential future operations within Open Banking (Lee et al., 2007). With trust also being argued to in most cases be a result of previous interactions and experiences a customer has had with a party (Gefen 2000), traditional banks have compared to newer financial organizations been able to build up a relationship with their customers over the course of many years. With the 3 respondents indicating a less positive relationship with their bank, simultaneously being the ones who are the most open towards using financial services provided by other organizations than banks, it can be assumed that the findings from Gefen (2000) holds true. As such, the 3 respondents could be argued to have a lower trust towards using the services delivered by traditional banks, as the bank in previous interactions potentially not have been able to display reliability and integrity in the relationship (Morgan & Hunt, 1994). However, with 8 out of 11 respondents displaying low trust towards other potential providers than banks, as well as indicating a more positive relationship with their bank, it could be suggested that previous interactions with a party impact the trust towards using potential future offerings. As such, on the topic of delivering Open Banking services, it could be suggested that those banks that have built up a well-functioning

relationship with customers have a lead compared to other organizations, who customers have not had have much previous interactions with.

With the Open Banking revolution enabling new organizations to enter the financial industry, Omarini (2018) argues that regulations have to be set up in order to reduce potential risks and abuse of the new financial system. As Open Banking results in customers´ personal information to be more freely distributed, where banks no longer have exclusive ownership of the data (Brodsky & Oakes, 2017; McIntyre et al., 2018), more delicate personal information will be transferred between organizations. As transferring of personal information by Suh and Han (2002) is argued to be the main reason for why trust is especially important in the relationship between a customer and its financial provider, there can accordingly be assumed to be some scepticism towards sharing delicate information with newer and alternative financial providers. As the financial industry and banks have to move from an open to a closed model (Zachariadis & Ozcan, 2016), customers will be faced with the alternative of agreeing to share their personal data with organizations other than their bank. However, with our findings suggesting that the majority of the respondents not being much open to currently consider financial services from providers other than their bank, there is a hesitation towards considering other alternative providers. Although not clear if this hesitation towards potential providers stems from the sharing of personal information to other organizations than one´s bank, it has been found to be a factor heavily impacting the trust a customer holds towards a financial provider (Suh & Han, 2002). Also, with the close relationship trust has with risk (Aldás-Manzano et al., 2009), our findings could suggest that the majority of the respondents do not trust other providers than their bank, because of the many potential associated risks with sharing personal information with other providers that can potentially can be perceived as less trustful. In a way, one could successively say that because of the massive trust capital that banks have, they have an initial advantage over new entrants, such as third-party providers, to build a large customer base that could provide them with long-term advantages, not unlike a first mover (Rayna & Striukova, 2009; Zachary et al., 2015).

6.1.5 Stickiness to Traditional Banking

As it has been established that the majority of our respondents have greater trust to the more traditional banks, than other potential organizations and providers of financial services, it can be assumed that they accordingly would be quite attached to their traditional bank and the relationship

which have been formed. Also, Hallsworth et al. (2018) found that the The Steady Conservative segment shows high loyalty to traditional financial institutions, where it is the organization which most companies participating in the study would consider turning to for their financial services. With the previously discussed trust of the respondents, as well as the findings from Hallsworth et al. (2018), it seems plausible that customers would be reluctant to switch to other alternatives (Sheth et al., 1991). However, our findings suggest that there is much divide in terms of the level of satisfaction and the happiness with the relationship and services delivered to them. With the respondents seemingly, on average, being only moderately positive towards their bank and their services, as well them only interacting with their bank on relatively few occasions, they would perhaps not be as reluctant to switch to other providers as one can assume. With banks and their physical branches historically having served as the primary source of contact between a customer and bank, technology improvements have enabled more of a shift towards digital services instead of in-person relationships (Gomber et al., 2018). However, with Tran and Corner (2016) as well as Durkin et al., (2003) arguing that customers perceive face-to-face communication and in-person service to be the most superior and reliable in terms of handling financial matters, the move towards offering financial services digitally might damage the relationship a bank has formed with its customer. However, despite that it from our findings can be argued that the respondents not are entirely positive with their services, nor have much on-going contact with their bank, Pike (2018) in his study found that customers not knowing what value their bank brings to them still are reluctant to switch to another bank. Suggesting that customers´ not being entirely positive and happy with their relationship towards their bank, still to some extent are very much reluctant to switch to alternative providers of financial services. Also, with our respondents using less than three financial services on average, they would at this point of time perhaps not perceive there to be much value in starting to explore alternative providers on the market.

Much like the divide in terms of the respondents' satisfaction and level of interaction with their bank, the respondents were divided when asked how easy they perceived it to be to switch bank, as well as when asked how easy they believed it was to finance their business. With a large spread in the responses to both questions, and a mean around 5 with regards to both questions, there can be no definite conclusion drawn as the responses differs greatly between the different respondents. However, despite that it can be argued that our sample not having an entirely positive nor good relationship with their bank, the respondents on average believe that it is easy and that they have a

good understanding over their financial situation. As such, there could potentially be a limited demand for additional Open Banking services, as the majority of the respondents seems to already have a good understanding of their financial situation. However, as the PCV from the respondents was found to be high when presented with actual solutions that potentially could be offered to them, and the majority seeing much value in using the services presented, STB could be a moderating factor potentially affecting the overall attitudes of the respondents. As such, with the results being as divided as presented above, it can be argued that STB indeed is a moderating factor affecting some respondents' attitudes towards using Open Banking services. At the same time however, our findings suggest that some respondents not can be perceived as being reluctant to switch to other alternatives (Sheth et al., 1991), and instead start using financial services from providers other than their bank.

6.1.6 Attitude Towards Using

With the above analysis of the different factors included in the TAM, the overall attitudes towards using Open Banking services will in this section be analysed. As such, the (A) towards using Open Banking services are a function of all respective factors previously analysed, namely PU, PEOU, PCV, Trust and STB, which thus forms the overall attitudes of Main Street Businesses.

With our respondents only being moderately positive with regards to the PU of Open Banking services, there are seemingly no clear evidence that the respondents perceive it to be highly useful for them to adopt and start using. Whether the PU being moderately positive because of the respondents not having much of a need for any additional financial services, or if they simply believe that the services not would be particularly useful for them in their operations is unclear. However, with PU being associated with technological systems being perceived as useful with regards to cutting costs and saving time (Aldás-Manzano et al., 2009), as well as enhancing one's job performance (Davis, 1989), it can be argued that our sample have neither positive nor negative feelings towards the usefulness of Open Banking. However, when presented with specific services enabled through Open Banking, that potentially could be offered to them, the respondents showed high degrees of positive attitudes towards both the usefulness and the adoption of most of the different solutions they were presented with. With PEOU not being a factor which seemed to affect respondents' attitudes neither positively or negatively, where the general consensus was that they perceived that using the services not would require a great amount of mental effort, it could be argued that PEOU not is a factor

significantly affecting neither the PU or PCV. With the respondents seeing much value in the solutions presented to them, it can be argued that they perceive there to be much additional value which can be gained from using the different financial services. As such, it can be argued that, although the respondents only where moderately positive with regards to the PU of Open Banking services, they still perceive there to be value to be gained from using said services.

As it from the results can be argued that it cannot be established, and that no significant evidence was found with regards to PU or PEOU being factors that are neither positively nor negatively affecting the attitudes, PCV was among the respondents found to be high. As PCV is a function of both PU and PEOU, it can, despite the lack of clear evidence, be stated that the respondents overall are somewhat positive towards using Open Banking services. However, both trust and STB was in this study incorporated as moderating factors potentially affecting (A). With trust also being a factor potentially affecting the STB. With trust being found to generally be higher towards traditional banks, as well it was found that there was scepticism towards other providers of financial services, it can be stated that trust indeed is a factor influencing (A). Also, with trust being highly associated with the type of organization providing the services, where the majority of the respondents were hesitant towards providers other than their bank, it can be claimed that it indeed has a close relationship with STB. Even those respondents indicating a worse relationship with their bank, would place larger trust with the larger banks in delivering Open Banking services. However, with these respondents at the same time also being those that are the most open towards using services from organizations such as FinTechs, the trust and relationship built up by banks can both positively and negatively influence customers STB. As such, both trust and STB can be argued to both positively and negatively affect (A). As the majority of the respondents are displaying much trust towards banks, and not being entirely positive towards using alternative providers and their services, this could indicate that if faced with the choice of adopting a service from 1) a bank, or 2) a FinTech, the bank would primarily be chosen and would thus consequently have better prerequisites to reach a larger customer base. However, as all respondents are not displaying the same feelings towards their bank, and some are more open towards exploring alternative providers, some respondents are arguably less attached to their bank and would thus be more willing to explore possibilities outside of their bank. With this in mind, both our results, as well as the results from Hallsworth et al., (2018), generally indicate that the attitudes would be most positive, and that Main Street Businesses would be most inclined towards

using, if Open Banking services were to come from a traditional bank which they trust, and have previously formed a relationship with.

6.3 Designing a Business Model

As it throughout this study has been suggested that Open Banking could result in many potential benefits for Main Street Businesses, if the services and solutions are presented in a suitable manner, this section focuses more precisely on how a business could design their value mechanisms i.e. value-creation, delivery and capture, in the pursuit of a Small Business Utopia. Here, the insights from the previously presented findings from Tink will be incorporated with the previously presented literature on business model design and introduction of new technologies.

6.3.1 Value Creation

As aforementioned, when creating value for a market segment, especially with a new technology, it could be considered important to know the market (e.g. Rayna & Striukova, 2009; Osterwalder et al., 2010; Zachary et al., 2015; Grant, 2016). Previous sections have therefore analyzed the attitudes of Main Street Businesses towards using Open Banking services. Accordingly, we have gained valuable insights that could be valuable when developing a business strategy aiming at providing Main Street Businesses with Open Banking services. In regard to value creation, we have found that the type of Open Banking solution that both our sample, and Hallsworth et al. (2018) found the most useful is with regards to assistance with taxes and payroll – Which consequently could be argued to be a fair place to start if wondering what type of solution should be brought to market first. Although more research is debatably required within this area to say with more certainty, a finger of warning should be raised in terms of the actual opportunity as only 12% of The Steady Conservative were willing to pay for the solution (ibid). Nevertheless, as customer preferences change over time, and it is rather difficult to know whether the British reluctance was a product of lack of perceived needs or because of a general conservatism towards adopting technology, one might argue that as other attitudes towards Open Banking are becoming increasingly positive (e.g. Tink & YouGov, 2020), there could be a clear window of opportunity here for the business that does its due diligence and can find an underlying purpose to the business model (Magretta, 2002; Casadesus-Masanell & Ricart, 2010). Furthermore, as I2 exemplified with e.g. the Italian postal service, developing solutions together in a

FinTech-established institution collaboration could be beneficial for both parties – As a newly founded FinTech would be able to gain a lot of traction and leverage a massive installed base, whereas the institution would be able to leverage the innovative nature of many FinTechs, delivering better services for their existing customers and possibly even attracting new ones as a result

As such, building upon these attitudes in the context of what type of innovation is needed, as per Markides and Geroski's (2004) taxonomy, our findings would suggest that a Radical Innovation, which might seem lucrative for many creative third-part providers, might not be the most strategically smart option, as undermining the competition's resources (which in many cases here would then be the banks) would mean challenging the organizations which already have built up a lot of trust with the target market. We can see this with e.g. iZettle as described by I1, where it can be argued that they focused heavily on building trust, without undermining the banks. In fact, one might argue that they have, instead of competing with the banks, rather challenged the idea of a cash society, and made it easier for businesses and banks to work together in a digital world. With this in mind, depending on if the digital tool to assist with taxes and payroll (for instance) would require a shift in the consumer habits and behavior or not, it might be more reasonable to discuss either an Incremental or Major Innovation. While both options could perhaps prove feasible, one might argue that the most valuable aspect to emphasize from both the survey data, but also the interviews, is that leveraging the banks' and other financial institutions' trust should be regarded as important when creating value, and trying to obtain a competitive advantage in the current financial industry landscape. However, this might not always be the case. While banks are highly trustworthy now, one of the clearest benefits with Open Banking, according to I1, is that it levels the playing field. Hence, as the principles of Open Banking become more mature and Main Street Businesses become more accustomed to third-party providers such as FinTechs as service providers, developing the business model in the direction of utilizing Radical or strategic innovations, and thus challenging the banks, could prove less risky than what our analysis currently would suggest.

6.3.2 Value Delivery

As earlier mentioned, established incumbents tend to not be as good as smaller, more innovative organizations in bringing and introducing new ideas to a market (Foster, 1986; Christensen, 1992; Bower & Christensen, 1995; Markides & Geroski, 2004; Christensen et al., 2015). However, both I1

and I2 suggests that incumbent banks currently are in a better position, than smaller and newer organizations, to deliver Open Banking services to Main Street Businesses. By banks having operated over a longer period of time, they have according to the interviewees built up a lead compared to smaller and newer organizations such as FinTechs. Hence, one could draw a parallel to that banks seem to have a first mover advantage, which potentially could help them build long-term advantages in the realm of Open Banking (Rayna & Striukova, 2009; Zachary et al., 2015). However, as previous research has argued, a first mover is not necessarily the one who gains the most in the long-run (Golder & Tellis, 1993; Markides & Geroski, 2005; Grant, 2016). Therefore, Open Banking provides an interesting situation where, with the fast follower argument in mind, third-party providers might have an opportunity to gain valuable insights into the market and figure out where the pain points are and where the opportunity is, which might help them gain market shares in the long-term. Nevertheless, as the trust built up by an organization towards their customers is a factor that, by both I1 and I2, is considered as especially important when aiming to deliver Open Banking services, it would seem that banks currently are in a better position to deliver value to Main Street Businesses. At the same time however, as Foster (1986) argues that incumbents to a large extent often focuses on refining their already proven and mature technologies, over developing new ones, there also seems to be some ambiguity where banks, on the one hand, are regarded as the organization with the best possibilities to deliver Open Banking services, while they on the other hand can be seen as worse than smaller organizations in creating and delivering new innovative services. This can in turn leave one wondering what the best value delivery method truly is. However, from what can be seen throughout this study, it could be argued that banks most likely will play a key role in delivering Open Banking value to Main Street Businesses due to their trust capital. Hence, although a third-party provider seemingly has three viable options i.e. deliver Open Banking services without assistance of banks, deliver Open Banking services through partnerships with banks, or selling their innovation to banks, we would argue that including the bank one way or another to reap the benefits of their trust capital can, at least in the short-term, be considered important.

Furthermore, from the discoveries with regard to the attitudes of Main Street Businesses, it could as previously argued be seen that they, at the time, are moderately positive towards using Open Banking services. From the results of both this study, and the study from Hallsworth et al. (2018), the segment researched arguable displays moderate appetite towards adopting new innovations in general, and Open Banking services more specifically. Main Street Businesses could therefore not be regarded as

neither Innovators nor Early Adopters, when looking at Rogers (2003) five different adopter categories. Instead, the findings on Main Street Businesses suggests that they are closer towards being either Late Majority or Laggards, and thus among the last ones adopting and starting to use an innovation (ibid). Not only does this possibly entail that it would be hard to attract the Main Street Business segment with new innovations, but also that the adoption of an innovation would happen only after earlier adopters having started using it. Therefore, in line with Franceschinis et al. (2017) who describes that identifying and targeting the Early Adopters is key in order for an innovation to reach the vast majority, a provider of Open Banking services would ideally be suggested to start by targeting and attracting the acceptance and usage from Early Adopters. In doing so, it is suggested that the adoption eventually will tip towards the innovation being accepted by later adopters and reach the vast majority. Open Banking services has, so far, primarily been targeted towards private consumers rather than different types of organizations (Brodsky & Oakes, 2017). Also, I1 argues that many users of financial services actually have grown into becoming more comfortable with using several different services coming from different providers. As a result, it could be assumed that adoption of Open Banking services within the private consumer segment already has started, and perhaps reached a point where it has started to attract users other than the those who can be regarded as Innovators or Early Adopters. Additionally, with larger companies, than those studied in this paper, being more inclined towards adopting new technologies (OECD, 2018), one can draw an additional parallel to Rogers (2003), and claim that these businesses seem more like the Innovators or Early Adopters one might be looking for, compared to the Main Street Businesses. Thus, it could be argued to be beneficial to utilize those companies and drive adoption through them first, in order to increase the adoption rate towards reaching the tipping point (ibid), where the Open Banking services can reach the Late majority and eventually Laggards, e.g. Main Street Businesses.

In addition to the discussion above, Main Street Businesses being dependent on banks and the funding coming from them can be regarded as a universal phenomenon (Ropega, 2011; Berger et al., 2014; Mills, 2019), where Open Banking has the possibility to disrupt this, by it changing the status quo and current practices (Gozman et al., 2018). Although most of the new entrants are set up to complement the current offerings of the banks, some are set up to directly compete and challenge the banks and their offerings (Guibaud, 2016). Throughout this paper, it has been argued that Main Street Businesses has the most trust towards traditional banks in them delivering Open Banking services, and that these banks have better prerequisites than their smaller competitors in terms of delivering

these services. Despite this, I1 emphasize that both building and offering a well-functioning and high qualitative product is the most important aspect, and that it outweighs the trust aspect. In this, I2 also states that the fact that the products are based on Open Banking is irrelevant in the communication with the customer. Instead, the communication should be focused towards showing proof points by displaying what value that actually can be delivered, and in which contexts the service can be used. As such, the actual product delivered, the value which customers can derive from it, and displaying what the product actually can do can be regarded as the most important aspect in terms of successfully delivering financial services to Main Street Businesses. In this, it can actually be said that Open Banking, as stated by I1, levels the playing field so that essentially all actors has the same prerequisites to successfully accomplish this. However, from the findings it should still be stated that banks currently should be regarded as being in a better position to potentially succeed with delivering valuable services to the Main Street Business segment.

6.3.3 Value Capture

As claimed by Chesbrough (2010), if given the opportunity to choose between a mediocre business model but with a great technology or having a mediocre technology but with a great business model, one should opt for the great business model coupled with the mediocre technology. In this study´s context of third-party providers within Open Banking, one might argue for the same logic seeing Tink's venture. Looking at their pivot, going on a journey from a B2C to a B2B, one can extract valuable learnings in regard to value capture and how a business model can work in different ways but with the same underlying story, in accordance with Magretta (2002). Even though Tink's pivot occurred several years ago, I2 claim that most people still attribute the Tink brand to the consumer application – suggesting that the application did get attention and most likely quite some spread. Furthermore, as I1 argues, the technology behind the application was very good. With this in mind, one might ask why they pivoted their business model. Following the logic of I1, while consumers seemingly were ready for their solutions, the banks were at the time in a conservative setting where innovation not was an ordinary occurrence, where they not were ready to work together with Tink. Here, one might draw a parallel to Markides and Geroski (2004): While Tink have been striving towards helping people understand their finances better, and thus not necessarily challenging the banks, it is possible that the banks did not perceive it this way initially. Instead, while Tink might have seen their innovation as somewhere in between Incremental and Major in Markides and

Geroski's (2004) taxonomy, it seems quite likely that banks perceived the data sharing and the associated solutions as Radical, especially seeing that I1 describe their market entry to have been perceived as controversial. As such, scholars such as Osterwalder et al. (2010) and Casadesus-Masanell and Ricart (2010) would most likely argue that the value capture element within the pre-pivot business model was not sufficient. Through their pivot, one might argue that this changed dramatically. As I1 describe, they are still selling the same technology, and with the same end consumer - but by changing the customer and the channel aspects of the business model towards the banks (who already had their customer relationships), they have arguable been able to reach far more end-consumers, increase revenue, and become one of the most prominent platforms within Open Banking, all while maintaining the same underlying story and value proposition which they originally started with:

"Our goal is to help people understand their finances, empower them to make smarter choices and ultimately bring financial happiness. We believe that managing money should be effortless and rewarding" (Tink, 2020d).

In this context, one of the main learnings should be that value can be captured in many different ways, and that it can come in many different forms. While the consumer application did capture value through e.g. brand building towards the general public, which might have helped when pivoting, the pivot itself enabled Tink to gain what seems like a sustainable business model that could be scaled and developed upon. For a third-party provider, it could therefore be smart to look at Tink, seeing our analysis above, and take advantage of their prospective end users' existing customer stories. When targeting Main Street Businesses, with lower cash reserves and a lower tendency to adopt new technologies and services from companies they have no previous relationship with, our results would indicate that this learning is even more important. Hence, when looking at Main Street Businesses, our results would indicate that following Tink's example and developing solutions together with banks would, currently, be the most promising in order to gain the trust of the target market, but also to reach a larger audience, and being able to capture more value. Furthermore, seeing how banks are seemingly bad at providing services to small businesses pre-Open Banking (e.g. Mills, 2019), if the services improves, we could possibly see an increased level of trust, which would most likely mean an increased probability of customer retention, over a higher probability of switching banks.

Connecting this to Gozman, Hedman et al.'s (2018) taxonomy in Figure 6, a clear parallel can be seen. Although their work is from the perspective of banks, it is possible to view it from the other way around i.e. if a bank works in a distributor setting, the third-party provider which they are in collaboration with would arguably be in a producer setting. Hence, tying all of this together, it is possible to argue for that using banks as either customers or as a sales channel through a platform business model or a producer business model (from a third-party provider perspective) (ibid), would give the highest chance of building a sustainable business model with the objective of creating a Small Business Utopia. This, partly as Main Street Businesses, because of trust and STB being influential factors, seem more likely to adopt a technology that is affiliated with banks, and partly as banks are realizing the Open Banking potential to a higher degree (Tink & YouGov, 2020). In this however, many paths might be taken, such as selling the technology to banks as Tink, or developing solutions together with the banks, as in the example of Fortnox and Handelsbanken. Here, looking at the work of e.g. Magretta (2002), Teece (2010), Chatterjee (2013) or Casadesus-Masanell (2010), one might argue that it becomes important to base one's strategy and the successive business model development on an underlying story of how the business should operate. Worth making a remark about is that this argument stands true as long as the banks have a higher relative trust level compared to other firms that might deliver the same type of value. If we fast forward another 12 years (it has been 12 years now since the inception of the smart phone boom), the nature of the relative trust level might look different, and our analysis would thus have looked different as well.

6.3.4 Business Model Design

With the previous analysis on the value – creation, delivery and capture mechanisms, this section will provide an analysis on aspects surrounding the design of the business model in the strive towards a Small Business Utopia. As this study takes the perspective of third-party providers, where the Open Banking platform and third-party provider Tink have been used as a case-study, the discussion on business model design will revolve around how these types of financial organizations can design their business model in order for them to create, deliver and capture value from the Main Street Business Segment. With this being a cross-sectional study where the phenomenon will be explored in terms of how the situation is today (Saunders et al., 2009), the analysis will focus on aspects considered important today and thus largely neglect possible future developments.

This study has looked upon the business model as the underlying logic of a firm, where all choices made have consequences, and the most underlying and important choices are the value – creation, delivery and capture mechanisms (Oswalder et al., 2010; Chatterjee, 2013; Magretta 2002; Casadesus-Masanell and Ricart, 2010). In terms of value creation, it has previously been argued that third-party providers should avoid Radical innovations as it potentially could undermine the banks, and the relationship and trust that banks have built up with many of their customers. Instead, it has been suggested that third-party providers aiming to provide Main Street Businesses with Open Banking services could leverage the banks´ trust and relationship built up, in order to create value for the segment. However, while it has been suggested that banks currently are in a better position than any newer and smaller FinTechs or other financial organizations, being able to deliver services which are well-functioning and of high quality can be regarded as the most important aspect. While the value created and delivered through the Open Banking services can be considered as being of such high importance, coupling the offering with a great and fitting business model can be regarded as equally, or even more important in order for an organization to successfully capture value from the targeted segment. This can, for instance, be seen with Tink, where they pivoted their business model into offering their technology and services towards financial organizations. By doing so they have been able to grow into becoming one of Europe´s leading Open Banking platform.

With the above insights in mind, it could be argued that third-party providers could be suggested to pursue a business model which is designed around complementing the bank and their offerings, rather than it being set up to directly compete with the banks and their offerings (Guibaud, 2016). In this, third party-providers could pursue a producer role, where the bank is set up as a distributor where them as an established actor leverages innovative solutions created by third parties, which are then offered to the end-customer via the bank´s already broad installed base (Gozman et al., 2018). Although Tink and the success they found with their "producer" business model (ibid), can not necessarily be applicable nor fitting for all third-party providers operating within Open Banking, our findings on the attitudes of the Main Street Businesses suggests that a similar business model arguably could be suitable. As such, it is argued that, in order to create, deliver, and capture value from and to the segment, the attitudes as well as the factors affecting those have to be incorporated when designing the business model. Additionally, when introducing solutions that have the potential to impact both the existing players within the industry, as well as the intended beneficiaries, it is even more important to know the market before entering (Rayna & Striukova, 2009; Grant, 2016). It is therefore crucial

for any third-party providers to adapt their business model (Lee & Shin, 2018) in accordance with the attitudes of the end-users, as their acceptance results in higher willingness to change their practices and adopt and start using new technologies (Succi & Walter, 1999). With Main Street Businesses having moderately positive attitudes towards using Open Banking services, where both trust and STB were found to be influential factors. As well as it was found that they perceive there to be a great deal of value in many of the different suggested services, where a service helping with taxes and payroll being the service which was deemed the most valuable. As such, it could be suggested that a third-party provider aiming to provide the segment with Open Banking services would need to adapt their business model to fit with the Main Street Businesses. As suggested by Hallsworth et al. (2018), companies who aim to develop a business model in this context should adapt it based on trust, and the significance it has for the target market. As such, our findings as well as the results of the study made by Hallsworth et al. (2018) would not only suggest that trust is a significant factor for small businesses. But that it is essential, and that the segment to a very high degree currently are very reluctant and does not consider adopting Open Banking services coming directly from any newer and smaller organization which have not built up any trust towards their customers.

Additionally, as Main Street Businesses displayed the most positive attitudes towards adopting services aimed at helping them with taxes and payroll, a good strategy could be to start offering those services that are perceived as being the most demanded and needed. As the Main Street Business segment has been argued to be somewhat reluctant towards adopting new technologies (OECD, 2018; Hallsworth et al., 2018), as well as being among the later ones to adopt any new technologies (Rogers, 1962; Franceschinis et al., 2017), third-party providers should aim to adopt their business model and offering accordingly. As such, approaching the segment with a carefully thought out strategy coupled with a limited amount of services, where only the most demanded and crucial services are offered in order to make the Main Street Business segment more comfortable with using innovative financial services can be deemed an appropriate strategy in an attempt to start offering the segment Open Banking services. In this, it is according to I2, of significance to eloquently and clearly explain and display what the services actually can do, by showcasing concrete solutions and use cases, where the fact that it actually is Open Banking services is irrelevant in the communication with the customers.

With the above analysis in mind, it can be argued that third-party providers aiming to design a business model which can create, deliver and capture value to and from the Main Street Business

segment, should leverage and form partnerships with banks. However, not only would this require banks to change into a more collaborative model (Remolina, 2019), where many banks already have formed, or are planning to form, a partnership together with FinTechs (Tink & YouGov, 2020). But it would also require banks to become more innovative and adapt to the new industry landscape, where it by I1 is suggested that this is necessary in order to not lose out on a lot of their business. However, with the head start and luxurious position which banks currently hold; they are in a position which can be regarded as key in order for Main Street Businesses to be provided with Open Banking services. Thus, third-party providers aiming to design a business model which will provide the Main Street Business segment with Open Banking services, in a strive towards a Small Business Utopia, are suggested to leverage the traditional banks, where they act as the consumer facing provider in the role of a distributor of the services.

7. Discussion

7.1 Theoretical Implications

As mentioned in the introductory section of this study, there has previously been little academic research that, despite its importance, directly addresses the phenomenon of Open Banking. Furthermore, this is especially true in regard to the context of Open Banking and small businesses. Therefore, this study's contribution to the theoretical domain should be seen as a foundation to build upon for future research, which directly addresses (1) How the attitudes of Swedish Main Street Businesses are towards Open Banking, and (2) what is important for a third-party provider to consider when creating, delivering and capturing value to and from the segment. What is important to note here is that, because of the sample size, this study should be viewed as a glimpse into the topic, and an introduction, rather than be relied upon for significant findings.

Previous literature has for many years claimed that small businesses are dependent on banks (e.g. Mills, 2019), and while the development of Open Banking clearly seems to bring possibilities for the Main Street Businesses, what we have been able to see is that Swedish Main Street Businesses to a large degree only consider banks for financial services, and that these are highly trusted. Hence, although Open Banking might make it easier for the Main Street Businesses to switch financial service providers due to the increased competition, our findings suggests that they might not want to, nor do they need to. Instead, we predict that the Open Banking development will put pressure on banks into becoming more innovative, and digital. As previous literature has presented, banks that have previously focused on data-safety will have to reconsider their competitive advantage. As a result, as the banks have such an enormous installed base, we see a bigger opportunity for third-party providers to leverage the bank's trust over challenging them - Although this implication could easily change if the banks are reluctant towards the development. In addition, this would mean that our findings would indicate that the pressure is on the banks to adapt to the Open Banking revolution (which they increasingly are doing according to Tink & YouGov (2020)). As such, if provided with better services than before, our findings would suggest that the Main Street Businesses' trust towards banks would increase, which in turn would logically decrease their probability of switching banks. Hence, an important implication of ours is that whereas previous Open Banking literature has claimed that Open Banking will increase the switching between banks, we present another possible scenario where those who display reluctance to switch bank pre-Open Banking, will be so even less when they

experience the improved services, no matter if their bank is providing the most benefit or not - Although this is dependent on that the bank in question embraces Open Banking as an opportunity, which should not necessarily be taken as a given. However, as mentioned, more research is clearly needed within this area to confirm our results.

7.2 Practical Implications

Looking at the practical implications, the value- creation, delivery, and capture mechanisms can individually bring insights into the specifics of a business model. However, as aforementioned, it is when these three factors are combined that a business model design can be looked upon holistically (e.g. Osterwalder et al., 2010). In the pursuit of a Small Business Utopia, one might argue that there are several learnings from this study that needs to be taken into consideration when designing a business model. Here, we will rely on Osterwalder et al.'s (2010) business model canvas to combine the creation, delivery and capture findings. However, as financial aspects such as revenue and costs have been beyond this study's scope, the parts relating to revenue stream and cost structure will be excluded.

In terms of the customer segments, businesses are as diverse as the people running them. This is why this study was delimited to look at those businesses that have had the most difficult time being served by banks i.e. the Main Street Businesses, and thus potentially could benefit greatly from a Small Business Utopia (Mills, 2019). Despite a small sample, this study has, by comparing the results with the findings from Hallsworth et al., (2018), been able to distinguish a few learnings which could be helpful for third-party providers in them looking to target the segment with Open Banking services. For instance, Main Street Businesses tend to be less open towards adopting new technologies compared to other types of businesses, and the trust towards banks is high, regardless of how the relationship is perceived. This means that it is deemed more likely that Main Street Businesses would be more inclined towards using services from the banks over e.g. a start-up, despite them potentially being better at serving them with innovative financial services. Hence, following the business model adopted by Tink, it could be argued that working together with, or towards the banks is most likely the best option in order to increase adoption from the Main Street Business segment. However, as seen with the example of iZettle, it is as a third-party provider also possible to target the segment and end-customer directly. Although our analysis would suggest that it, at the time being, can be seen as

a riskier, and less viable option unless you have a trusted bank or institution supporting you. Moving on to the value proposition, it has been found that when delivering value to the Main Street Business segment, it will be important to skip the technicalities and keep the services simple. Here, an underlying purpose containing what problems you want to solve e.g. make tax and payroll matters easily handled will appeal more than technical specifications that might sound impressive. Hence, when striving towards a Small Business Utopia, making the value proposition easily understood and the products easy to use are arguably factors that should be prioritized. With this in mind, this study, in contrast to Hallsworth et al. (2018), do argue that it is possible that the small businesses are ready for Open Banking, as our sample are willing to pay for some of the Open Banking services proposed. However, one might argue that they are simply not interested in the difficult-to-understand aspects. As we have seen when them being presented with specific services, there is a massive discrepancy compared to other, more technical questions, which suggest that simplicity should be a priority over e.g. advanced solutions (at least initially). In terms of channels and customer relationships, a similar argument can be made. As Sweden is highly digital (OECD, 2018), and our sample seems to have vastly different relationships with their banks, one might argue that this is where third-party providers could be creative, and establish relationships either through banks or on their own, as both digital and physical channels could be plausible. However, as it is financial technology within a cashless society that is being discussed – primarily aiming for digital channels with a personalized, predictive behavior as in the case described in 1.4 could be regarded as potentially being more scalable in the long-run. Moreover, learnings can be drawn from Gozman, Hedman et al. (2018) in terms of how to successfully accomplish this. In this, it is presumed that developing a business model where the banks work as a (1) platform, through which third-party providers' solutions are distributed to consumers, but without the bank making neither an effort into distribution nor creation, could be a successful model. Alternatively, customer relationships could be built with the bank acting as a (2) distributor, where the third-party provider develops the solution and where the bank assists in the distribution of the service, by offering it towards their installed customer base. Both of these models are arguably supported by our findings and can be argued to be viable options, as they could work as an example of how both banks and third-party providers could find synergy through leveraging the banks' trust as well as the third-party providers' innovative solutions.

When looking at the left side of the business model canvas i.e. key activities, key resources and key partners, similar stories can be told. In terms of activities, it is as mentioned important to keep the

services offered towards the Main Street Businesses simple i.e. solving pain points in the most user-friendly manner possible (e.g. through one click). Through Hallsworth et al. (2018), one might argue that the Main Street Businesses are mainly interested in solving existing problems, rather than taking risks to solve issues that might show up in the future. In contrast, if the banks are the customers, such as in Tink's business model, simplicity might not be as highly prioritized. Instead, one should rather focus on delivering a product which is superior in solving the problem in which it promises to solve, so that the banks' customers will get superior service in turn. In this case, key activities will be closely related to key partners (the bank perhaps being the most prominent one in this case), and the activities should arguably be focused on providing the innovative solutions instead of e.g. establishing trust with the Main Street Businesses. Consequently, staying true to the underlying story to why the business was founded, is important (Magretta, 2002), and if the value proposition is phrased in the form of solving a problem - that will pave the way towards a Small Business Utopia - then key activities should first and foremost be prioritized around this area no matter if the third-party provider primarily targets the Main Street Businesses, or the banks. Finally, in terms of key resources, the relations with other entities (regardless if these are customers or partners), and the data on which products and services will be based upon are the most significant, regardless of if one develops solutions for private consumers or businesses. In the context of Main Street Businesses in particular, our results suggest that for the time being, trust cannot be overrated. If the Main Street Businesses establishes trust towards the third-party provider and/or their partners, and believes that they need what can be delivered, then that should be considered powerful. In this, to get to the point where the third-party provider has what the Main Street Business perceive they need, the product or service will be in the center. Hence, the value proposition could also be seen as a key resource.

To summarize, one might argue that when introducing Open Banking services to Main Street Businesses in the pursuit of a Small Business Utopia, a few business model design aspects are especially important: (1) Trust: gaining the trust of a Main Street Business is seemingly not an easy task, but yet important in order for them to be willing to adopt new technologies and innovations. In order to gain this trust, or leverage the trust built up by others, (2) having a good relationship with banks and/or other trusted organizations and large institutions is of importance. As Open Banking is becoming more established, third-party providers now have the opportunity to build something great together with the already established parties, but for that to become a reality, (3) a high quality product

and a corresponding value proposition which solves Main Street Businesses' real problems, and which does not undermine the bank, but rather strengthens them can be considered important.

8. Conclusion

The financial industry has been experiencing a great amount of innovation during the last decade, and it is not controversial to predict that more is to come. But in an industry which many are dependent on, one might ask how increased innovation affect those who are somewhat reluctant to technology adoption, and whom have a reputation to have difficulties in their relationship with their bank. To find out, this study looked into the phenomenon Open Banking, which is affecting the financial industry heavily since the enforcement of the EU directive PSD2 in 2019. More specifically, whereas most literature on the topic has looked into how the relationship between the banks and private consumers would be affected, this study has looked into (1) how Main Street Businesses e.g. your local coffee shop or your neighborhood barbershop, sees Open Banking and potential associated services offered to them, and (2) how third-party providers best could approach the challenge of providing services to the Main Street Businesses, in the strive for a Small Business Utopia, a concept presented by Mills (2019).

For this purpose, this study relied on a modified version of the *Technology Acceptance Model* to ask Main Street Businesses in Sweden, one of the most digital and innovative countries according to e.g. OECD (2018), how they perceived Open Banking, their attitudes towards using possible Open Banking services, and their relationship with their bank. As our sample was highly affected by the Covid-19 outbreak, resulting in small sample, our findings were compared to a similar market research study performed by KMPG (Hallsworth et al., 2018) to avoid sample size neglect as much as possible (Kahneman, 2012). Our results showed that the attitudes towards Open Banking are moderately positive at best i.e. quite neutral, but that there seems to be potential if presented with specific, and easily understood solutions – With a digital tool to help with taxes and payroll being the most interesting (although not by a large margin). Furthermore, a significant finding from both our sample and Hallsworth et al (2018) is that the trust and the stickiness to traditional banking can be determined as high for the Main Street Businesses.

Next, we interviewed two representatives from the leading Open Banking platform Tink on their business model, and how they viewed Main Street Businesses as Open Banking consumers. Then, these learnings were combined with prominent business model research (Magretta, 2002; Casadesus-Masanell & Ricart, Osterwalder et al., 2010; Chatterjee, 2013; Gozman, Hedman et al., 2018) into segments of value - creation, delivery, and capture to analyze how to best design a business model in order to introduce Open Banking services to the Main Street Business segment. Our results show that while the circumstances might change as the development has only begun, leveraging banks' wide trust on the market seems to be the most efficient way of fostering Open Banking adoption among Main Street Businesses. This can in turn either be done through different collaborative business models or by approaching banks as prospective customers. Regardless, following the logic of scholars such as Magretta (2002) and Casadesus-Masanell & Ricart (2010), developing an underlying story and a value proposition which relates to the problem being solved will be important for value - creation, -delivery and -capture alike, but also when considering the long-term business model development.

8.1 Limitations and Future research

This study is subject to a number of limitations that in turn could guide future research. As expected, one of the most significant limitations of this study is the sample size, where a survey response rate of 11 Main Street Businesses unfortunately, yet naturally, limits the representativeness, the quality of our primary research, and our analysis as a result. Also, as a result of us not being able to physically distribute surveys, we realize that while we have only sent the survey to business owners whose business fits our profile, we have had little control over who actually has answered our survey. While the incorporation of secondary data from e.g. Hallsworth et al. (2018) have given us an indication towards how a larger sample might have answered on a wider scale, and thus some weight behind our analysis, a bigger sample of Swedish Main Street Businesses would have provided us with a better image of how the situation looks in Sweden. With this in mind, in order to test and validate our results, future research would be needed in order to more comprehensibly investigate the attitudes and technology adoption of Main Street Businesses. Furthermore, because of the sample limitations, that as far as we understand can be attributed to the Covid-19 outbreak, additional nuance has been left out, such as potential differences between the different types of Main Street Businesses surveyed.

Hence, it cannot be said that there are any differences between e.g. a restaurant and a barber at this point, even though the study was designed partly to find some data on that subject. With a larger sample size, future research would be in a position to mitigate this, by getting a more representative sample and controlling it so that the analysis can be drawn from different groups in terms of e.g. trust towards banks and level of conservatism regarding technology adoption.

On a related note, through our revised plan of analysis of incorporating British data (Hallsworth et al., 2018), we were able to get an international outlook on the topic at hand. Through this, we could see an indication towards that Swedish Main Street Businesses were more inclined towards adopting technology. Here, while both samples indicated that tools to assist with taxes was most sought after, a clear majority of our sample indicated that they would pay for such a solution (63.6%), whereas only about 12% of The Steady Conservative would. This raised the important question whether there are any cultural differences within Europe related to this topic that potentially could have impacted the results. The significance of the question comes from that PSD2 stretches over the EU, and that organizations are able to collect data from corporations and individuals in various nations (Tink, 2020b). Hence, this both provides an opportunity for future research, as well as clear limitation to the findings of this study.

Naturally, as the recommendations for the business model design are partly based on the attitudes of the Main Street Businesses, similar limitations apply here. In addition, the study has been theoretical, and while our analysis mainly agrees with the conclusions of e.g. Hallsworth et al. (2018) and Mills (2019), two limitations should especially be highlighted. Firstly, it is well documented that a business model needs to be constantly developed to stay both dynamic and innovative (e.g. Teece, 2010; Casadesus-Masanell & Ricart, 2010; Chatterjee, 2013). Thus, this also means that to truly find out what works best in a constantly developing market, testing is key. Here, while we put forward practical guidelines for business model design, one must also be aware that there might be a discrepancy between attitudes in a survey versus attitudes when faced with the decision to actually adopt a technology. Similarly, While Tink & YouGov (2020) claim that banks are increasingly positive towards FinTech relationships all across Europe, the nature of how these relationships would look like is not explored. Hence, a clear limitation with our study is that while the analysis incorporates the banks' role as highly important, no primary research on banks' attitudes have been collected, which calls for future research within the area.

Lastly, although outside of this study's direct scope, as trust is emphasized as critical for Main Street Businesses (e.g. Hallsworth et al., 2018; Ropega, 2011; Berger et al., 2014; Mills, 2019; Tink & YouGov, 2020), it can be seen as vital factor for a Small Business Utopia to potentially become established and a reality. In this, it is also clear through literature such as Mills (2019) and Pike (2018), that the relationship conditions are not ideal. Thus, one might wonder if it is solely the banks', now seemingly former, wide customer retention strategy of not sharing data with potential competitors that has enabled this trust, and it could be interesting for future research to investigate how trust can be built in the age of the Open Banking revolution.

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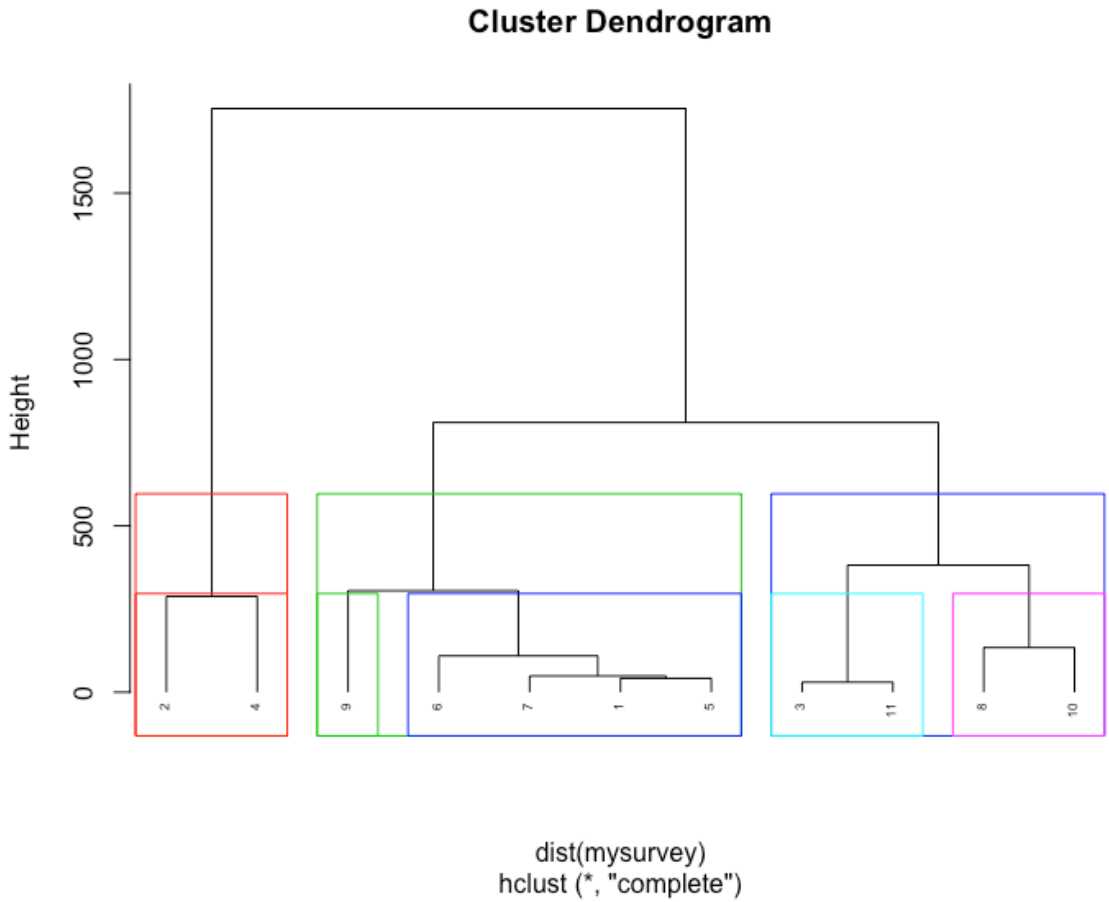
10. Appendices

10.1 Summary of Key Findings

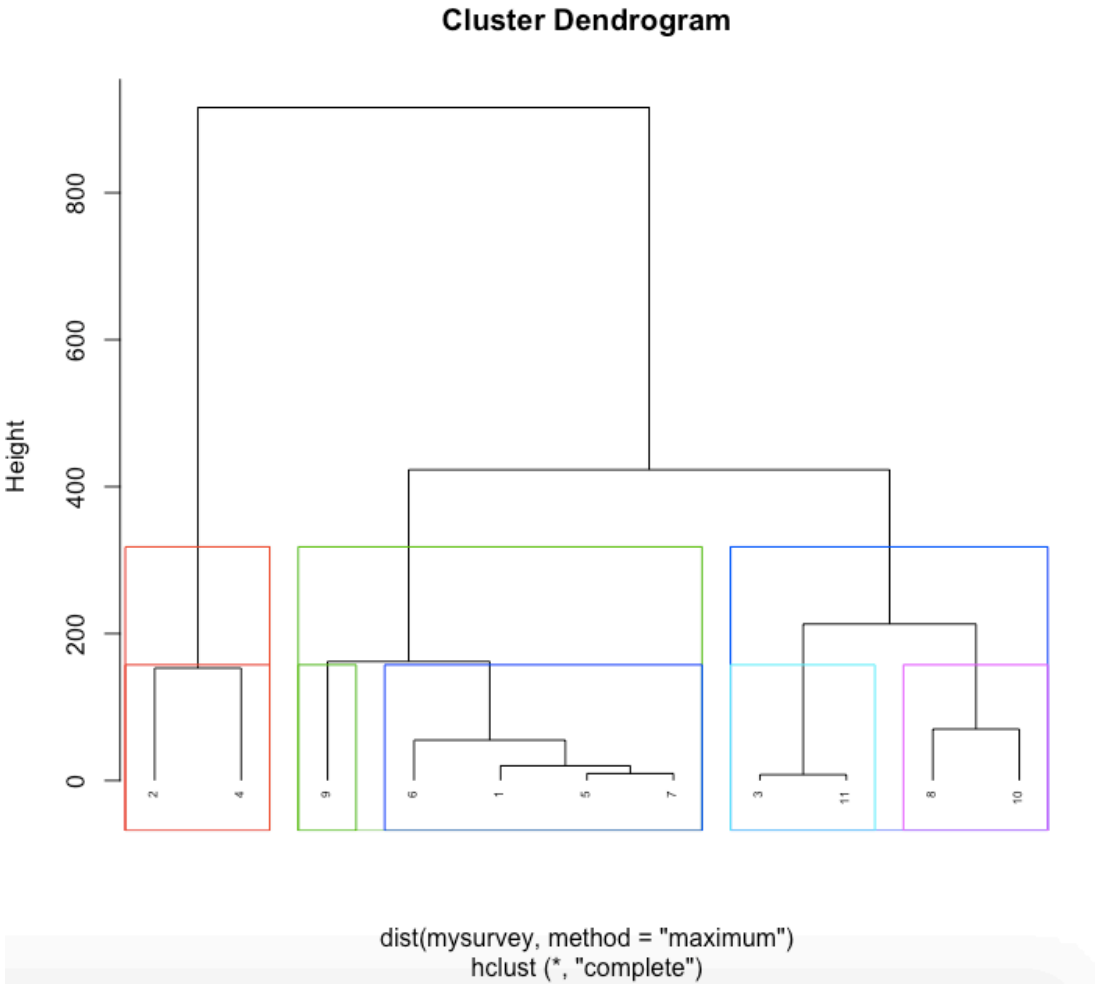
	Key Findings
Main Street Business Attitudes	
Perceived Usefulness (PU)	Our primary sample shows moderately positive results towards the usefulness, while the results from Hallsworth et al., (2018) suggests a lower positivity to the usefulness of Open Banking services.
Perceived Ease of Use (PEOU)	Cannot be determined as a significant factor impacting the attitude towards using, as our sample did not perceive Open Banking services to require much mental strain nor much effort having to be put into start using.
Perceived Customer Value (PCV)	When presented with specific Open Banking services, our sample displayed that many of the services could bring much value to them, suggesting a high perceived customer value. The service that was both in this, but also in the study by Hallsworth et al., (2018), found to be perceived as the most valuable, was a service that assists businesses with taxes and payroll. The high PCV also suggests a higher PU than what was found in our study.
Trust	Trust was found to be a significant factor for both our primary sample, as well as for the sample studied by Hallsworth et al., (2018). In this, the trust towards traditional banks were the highest, at the same time as the trust towards smaller and newer organizations was found to be low.
Stickiness to Traditional Banking (STB)	Trust was found to be the highest towards traditional banks, as well as it by Hallsworth et al., (2018) was found to be the organization which small businesses mainly would consider turning to for financial services. However, with a large spread in terms of the respondents; level of satisfaction, happiness with the relationship, the ease in switching to another provider, and the ease of financing their business, no definite conclusion can be drawn and STB can be regarded as a moderating factor both positively and negatively affecting the attitudes.

Attitudes Towards Using (A)	Overall the respondents are somewhat positive towards using Open Banking services. Both our and Hallsworth et al´s., (2018) results suggest that the attitudes towards using would be the most positive if the services were to come from a traditional bank which they trust and has previously formed a relationship with.
Business Model Design	
Value Creation	As trust can be seen as important for Main Street Businesses, value creation is deemed best performed whilst leveraging the banks´ built up trust and creating value with e.g. products aimed at enhancing the banks' customer relations. In this, third-party providers could utilize either an Incremental or Major Innovation Markides & Geroski (2005), to not undermine the traditional banks´ resources and challenge those who have built up a lot of trust. In this, it is suggested that a service assisting with taxes and payroll could be brought to market first, seeing how a product like that was emphasised by both our primary sample, but also Hallsworth et al. (2018).
Value Delivery	Traditional banks are currently in a better position to deliver Open Banking services due to their long-standing relationship with the target market and have thus built up advantages related to a first-mover advantage. With the trust capital they have built up, banks can be seen as both a key partner and/or customer and/or channel when delivering services to the segment. But with the Main Street Business segment being argued to be late to adopt innovations, it is suggested that one should seek out adoption from the Innovators or Early Majority. However, offering a high-qualitative and well-functioning product should be regarded as the most important aspect to consider.
Value Capture	Following the example of Tink and sell to - alternatively develop solutions together with - banks would currently be the most promising in order to: gain trust from the target market, reach a larger audience, and being able to capture more value. Thus it is suggested that third-party providers would be a producer of services, while the bank is in a distributor setting as the consumer facing sales channel.

10.2 Cluster Dendrograms



Hierarchical Cluster Dendrogram of the Swedish Main Street Businesses using Euclidean Distance



Hierarchical Cluster Dendrogram of the Swedish Main Street Businesses using Maximum Distance

10.3 Summarised Questionnaire Results

1. Which type of business suits the description of your organization?

Restaurant services	Consumer services	Specialized retailing with household goods	Total Observations
1	8	2	11

2. Where is your organization located?

Stockholm	Gothenburg	Eskilstuna	Umeå	Helsingborg	Malmö	Ronneby	Jönköping
2	1	1	2	1	2	1	1
18%	9%	9%	18%	9%	18%	9%	9%

Geographical mapping of the locations of the respondents, note that the most Northern part of Sweden is not illustrated for visualization purposes

3. Which of the following organization types would you consider turning to for financial services? (Multiple choices possible)

Traditional Banks	**Insurance companies**	**FinTechs**	**BigTechs**	**Social media organizations**	**Financial advisories**	**Public sector**
11	2	1	1	1	2	1
100%	18%	9%	9%	9%	18%	9%

4. How would you describe your relationship to your bank?

Very good	**Good**	**Neither good nor bad**	**Bad**	**Very bad**
1	5	2	3	0
9.1%	45.5%	18.2%	27.3%	0%

Question 3&4 combined: Showing how the choices in question 3 compares to the respondents' relationship with their bank

	Traditional Banks	**Insurance Companies**	**FinTechs**	**BigTechs**	**Social Media organizations**	**Financial advisories**	**Public sector**
Very good	1	0	0	0	0	1	1
Good	5	0	0	0	0	0	0
Neither good nor bad	2	0	0	0	0	1	0
Bad	3	1	1	1	1	1	0
Very Bad	0	0	0	0	0	0	0

5. On a scale from zero to ten how much would you agree with the following statements? Where 10 is completely agreeing. (Note that these are 4 different questions)

	We often interact with our bank and use their services	**I'm happy with the services that my bank offers**	**We are open to exploring services delivered by other companies than banks**	**We trust our bank and the services they provide**
Mean	4.3	5.6	4.4	5.5
Median	4	5	3.5	5.5
Minimum	1	0.5	1	0.5
Maximum	9	10	9.5	10
Variance	6.7	8.7	6.8	7.3

6. How many financial products are you currently using (For example an iZettle or Swish or similar)?

Number of products	**Number of Observations**
1 product	1
2 products	4
3 products	4
4 products	1
6 products	1

7. On a scale from 0-10, how well do you agree with the following statements?

	It is easy to finance my company	**It is easy to have a total overview of over financial situation**	**It is easy to switch banks if I want to**	**It is pleasant to interact with my bank**
Mean	5.	7,3	5.6	5.9
Median	6	8	5	6
Minimum	0	4	0	1
Maximum	10	10	10	10
Variance	10.2	5.1	10.8	8.6

8. After this introduction to Open Banking and possible solutions – How positive is your impression on a scale from 0-10?

	Impression
Mean	6
Median	6
Minimum	3
Maximum	10
Variance	4.0

9. On a scale from 0-10, how well does your impression agree with the following statements?

	Open Banking solution would probably give me more situational control	Open Banking could help us increase our productivity	Open Banking solutions could address many of my company's financial needs	Open Banking could potentially make it easier to run my company	In general, I view Open Banking solutions as something useful
Mean	5.2	5.1	5.1	6.1	6.3
Median	5.5	6	5	6	7
Minimum	1	0.5	1	2.5	1
Maximum	9	9	8.5	9.5	10
Variance	4.5	6.4	6.9	5.8	7.4

10. On a scale from 0-10, how well do you agree with the following statements?

	Open Banking solutions seem like they would be easy to use	Open Banking solutions seem like they would demand a lot of mental effort	Open Banking solutions seem like they would create a lot of frustration	I look forward to using solutions based on Open Banking technology
Mean	5.5	3.2	3.6	5.4
Median	5.5	2.5	3	5,5
Minimum	0.5	0.5	0.5	0.5
Maximum	10	7	8.5	10

Variance	6.9	4.2	5.3	7.6

11. How useful does the following solutions sound to you?

	A dashboard over our current financial situation	A digital tool to help us with payroll and taxes	A tool that would simplify a quick loan process	A tool that handles and performs transactions regardless of bank	A forecasting view which helps you with tasks such as bills, suppliers and insurance
I would pay for this	6	7	3	3	6
I would have used it, but not payed for it	5	4	7	7	3
Does not sound useful at all	0	0	1	1	2

12. Now that you have been introduced to Open Banking – Which of the following organizational types would you trust to deliver a service <u>which you would have used?</u> (compared to their relationship with their bank)

	Traditional Banks	Insurance Companies	Fintechs	BigTechs	Social Media organizations	Financial advisories	Public sector
Very good	1	1	1	1	1	1	1
Good	5	1	1	0	0	1	0
Neither good nor bad	2	1	1	0	0	0	0
Bad	1	1	1	1	1	2	0
Very Bad	0	0	0	0	0	0	0

10.4 Interview Guides

Interview Guide interviewee 1 (I1) – Co-founder and CTO:

- Let us begin with some background: How did the idea for Tink emerge, how did you come to realize that you needed a pivot, and how did you end up in the chosen direction?

- What do you experience that your customers, and your customers' customers appreciate most with Open Banking and your offering?

- How do you look upon small businesses in the context of potential consumers? Do you reckon that you would have to adapt your current offering and your current business model? How in that case?

- How would your customers have to adapt in order for them to target Open Banking initiatives towards small businesses?

- How do you think small businesses will approach/feel about Open Banking initiatives?

- Have you identified anything as especially important to push when it comes to small businesses? i.e. that they would value above other things?

- Do you believe that there is a difference between small businesses and private consumers in terms of (1) the importance of trust and (2) what builds trust?

- Do you think it is important to use services that small businesses already use, such as banks, as channels in order to reach the customers? Why?

- If you have entered the market now – What aspects of your offering and your business model would you have emphasized developing?

- What do Tink view as the biggest opportunities for continued expansion?

Interview Guide Interviewee 2 (I2) – PR and Communications Director

- How do you reckon that the average consumer perceives Open Banking?

- What are the biggest challenges in your work?

- How do you think, communicatively, you would have to adapt in order to build trust with a pizzeria, compared to a private consumer and a bank?

- We have been able to find plenty of objectives in regard to e.g. cover all of Europe – But we find little regarding your brand and how you wish to develop in that area – How would like to be perceived and does differ between different stakeholders?

- How do you think that the communication would diverge if you communicate towards private consumers contra small businesses?

- What do you believe is the best way to reach the small business segment with Open Banking initiatives?

- What do you believe is the best method to spread Open Banking among this segment?

10.5 Interview Findings

Interviewee 1 (I1)

About the industry

The industry was fairly limited in terms of innovation, and banks very much worked towards locking their customers in with them, rather than building and offering them good services.

We saw that we, among other companies, potentially could have the keys to open the industry up, which was very locked due to the monopoly banks had on customer knowledge and information about the customer. Banks were the only ones who knew how much money customers had, and what they were spending it on.

Banks also had monopoly power on money transferring. Customers had to go to them and ask them to send their money. All of this had led to a rather magical position for the banks, where it was very hard to even try to compete with them on the financial market.

How the company started

We realized that there was a possibility to use our technology, and apply it in order to unlock all of the data, and unlock the possibility of making payments outside the banks. All of this was started and launched before Open Banking even was a concept, and before PSD2 had been thought of.

We realized that we could, what you call reverse engineer these APIs that the banks had and also used. And then basically do the same thing as the bank, but with all possible kinds of services.

By that time, we were essentially around seeing all banks that were operating on a high level, and explored if we were to do all of this together with them or how everything was gonna play out. We saw that this was something that could be very useful, not just as a way of challenging the banks, but banks would also be able to use it.

The idea was that, in the long-run, by using this technology and unlock everything the market could become more effective. Early on, we came to the realization that banks not were ready for this, because it was highly unregulated and our approach was a bit controversial with how we did all of this before regulations such as PSD2.

We started out with doing our own thing by offering the consumer services that we launched. But with PSD2 in place, and the banks having become more comfortable with sharing data, we changed our business model into selling the exact same technology that we had built for ourselves, to instead sell it to the banks.

There are equally many opportunities for the banks themselves to use our technology to build better products, as there are for any challengers to do the same thing.

From B2C to B2B

Ever since we made our shift to becoming a platform we have realized that the potential in all of this is at least as big on the corporate side

What our product portfolio enables is both the Open Banking part with retrieving data and moving money from other banks. But it also enables what we call our `Data Product`, where we extract knowledge and value from large amounts of data in order for banks and other financial organisations to better help their end-customers in understanding their economy, and provide them with information and solutions for them to make better financial decisions.

The above refers to our customers, the banks and FinTechs, and that they will be enabled to conduct sales that are data driven. And in this we have seen that the value creating services that we offer, potentially are applicable and can be used by small businesses as well.

And for our customers, which are the banks and Fintech, we of course see that there are equally many opportunities for them to deliver value to the business segment. From our perspective as a start-up, it

has been more about focus and problems with resources in terms of why we have not executed on this part of the market as well.

It is not a complete secret that our utmost ambition actually is to start doing this quite soon. That is: do more or less what we do right now, but also start doing it aimed towards the business segment as well.

We are seeing extreme amounts of value in this, and we will pretty soon launch our first services.

What we currently are working on is, what I believe you could assume for yourselves, is services that will basically be a direct translation from our current services offered to private consumers, but that instead will be offered to businesses instead.

On the topic if the offerings towards small businesses potentially would differ compared to the offerings towards private consumers

Initially, I believe we see that much of what we have delivered to the private customer segment, possibly can be copied straight of and be delivered to the business segment as well.

If looking at our product portfolio we essentially have four main products. We have what you would call Account Aggregation, Payment Initiation, Data Enrichment products and then we have Personal Finance Management which is about understanding the customer and, by doing so, be able to help the customer with understanding their economy.

Again, we see that all of the products that we offer can be applied and transferred directly to the SME segment as well. In the long-run however, we of course believe that the products and how they are used, will differ very much.

The problems on the SME side differs much compared to those on the private customer side, with aspects such as that of handling treasury.

There are much more clear, practical and statutory regulated laws around matters such as reporting, which you have to keep track of.

The use cases in these situations are of course both stronger and very different than what we can see on the private consumer side

With many of the use cases, we feel that we will not be able to go as deep as other companies who are offering more tailored and specialised services. I do not believe that we would want to go all the way and build an accounting system that is based on Open Banking data. But we feel that some other company will do that.

About Small Business Utopia and services not being offered separately, but instead integrated

I definitely believe that the Small Business Utopia will become a reality, but I do not believe that we are best suited to accomplish it.

I believe that all of these companies we are working with and who are our customers, where it is both banks and certain types of FinTechs actually are trying to achieve the same thing, but from different starting points.

Everyone wants to become the central point of contact with the company and own the relationship with them. Whether you are a bank or an accounting company, you have to become the one-stop-shop, and be able to connect all banks and financial services used by a company in order to become relevant.

Once you have done this, you have to crunch all of the data available in the smartest and best way and help the company and customer to handle aspects such as cash flow planning and such parts, as well as the most elemental financial functions.

The next step would have to be to offer some sort of advanced system including accounting and similar services.

I guess this is something similar to Small Business Utopia, which you are talking about, and there absolutely no doubts that this eventually will happen and become a reality.

I believe that all actors, whether it is a bank or a company such as iZettle are going in the exact same direction and are trying to achieve the same thing. In this, I believe that Open Banking is the thing that enables this, because otherwise it would mean that iZettle not would be able to retrieve and use enough data.

On the topic of what will be the key determinants in the long-run in terms of succeeding

The thing that is so awesome with everything that we nowadays call Open Banking is that it is levelling the playing field so that essentially everyone actually has the same prerequisites, and that you now for the first time can compete with the banks.

It is therefore hard to say and determine which type of organization that will become successful in this, because I do not think there is any secret sauce to it, but it is instead about actually having the ability to execute and build a very good product. And that is what I believe actually is what in the end will be winning.

One can argue that some of these new players are better at delivering innovative financial services than, for example, the banks are. Because what we have seen with many of the banks, our opinion is that there are some banks who are quite good at executing on a digital strategy and build good digital services. Far from everyone are good at it however, and that will mean that as the competition increases, these banks who cannot adapt will go bankrupt.

Whether it is Nordea who will succeed in the Nordics, who are both a large bank and very digitally capable, or if it is BNP who also have proved their digital proficiency. There will be a couple of banks who have the knowledge, ability and resources to actually compete with companies such as iZettle and Klarna.

Not all organizations will be able to adapt, and those will most probably lose a lot of their business.

On the topic if it is a larger player in the form of a bank, or a smaller player, who have the best prerequisites to successfully target the Main Street Businesses, and the role of trust

Ever since we started out with our consumer business, we have been made aware of how big of an impact trust actually has, since it involves giving someone direct access to one´s bank account or similar things.

The part about trust being important is a fact. But with that being said, we have also been both positively and negatively surprised about how little people actually care nowadays.

What we actually saw early on was that people nowadays are comfortable with both signing up and use several different digital services. If you then are able to build a good product, and build a strong brand with the help of a well-functioning and highly qualitative product, you can come a long way in terms of being credible and customers trusting you.

About new players becoming successful in the financial industry

We have seen it again and again, where perhaps iZettle is the best example in Sweden, where they went into the market and invested heavily in building a good brand with a high quality team, well executed marketing campaigns accompanied by a great digital product. All of this led to a very strong brand and people starting to process all of their transactions through them.

It is of course possible for a smaller player, but it is also clear and obvious that the banks are in a very luxurious position, with regards to the authority they hold. It is therefore hard to say if smaller organizations will be able to deliver these financial services to the Main Street Business segment. But I do believe that it is possible, but the banks of course have a huge head start.

The differences in trust in terms of private consumers and small businesses

Of course there are many differences, but at the same there not many differences at all

When you look at this type of segment, I believe that there is a pretty strong trend that this type of company who is largely run by an individual often not is very corporate, and that the distance between being an individual and company is very small. Where the company essentially is like the other half of an individual.

So I believe that it is a quite common trend that small business owners´ already use a pretty large amount of private consumer services in their businesses.

I therefore believe that the segment, and the distance between an individual and his or her business is quite small, where the business basically is like the other half of an individual.

On the topic of what Tink possibly could have done different when they started the company

We have had many strange detours, just with this thing that we started out as a B2C company, and then transformed into B2B. And it could of course be argued that we should have understood that we should have started with B2B right away, but it is always easy to say that afterwards.

But at the same time, I do not believe that it would be possible to have done that, but we actually had to take this detour in order to end up in the position where we are today.

Although I do not believe that we could have started out as a B2B, we could have started with it even earlier.

You want to do soft changes all of the time, but sometimes it is just better to rip off the band aid.

Interviewee 2 (I2)

About the interviewee and his role at Tink

My objective is to build the image of Tink as the leading Open Banking platform in Europe. Where we break new ground, develop infrastructure, connects with more banks. And becomes more and more relevant for customers all over Europe.

I mainly work with the communication towards the largest customers, which are banks and large FinTechs

But in parallel to this, we also have a development part where developers can access our platform and build services. It could everything from individual developers to start-ups and smaller companies.

We want to connect with everyone who can make use of our technology in order for us to build the next large corporation within the industry.

I have some insights into the strategy behind all of our operations, but my main objective is to build the image of Tink as a B2B distributor, so the focus is on large deals, and on banks which further increases our presence and connections all around Europe.

The future of Tink

I do not really have that many insights in terms of what the next step is for us to reach the Main Street Business segment. My objective is to build the image of Tink as the leading Open Banking platform in Europe.

We recently acquired a company in Spain called Eurobits, and that enables us to directly go into that market and compete, by us joining forces with the leading player in Spain.

On the topic of the communication towards the customers, and if it possibly would be different if communicating with small businesses

We are still known as a B2C company, where it was Tink with the application with more than 500 000 users that was very popular. That is still what we are most famous for, so journalists who are contacting me still believe that the application is our main business.

Nowadays, we sell our technology to large banks, where we are a B2B supplier instead. In there lies a challenge for me, because the shift we have done in our operations has also resulted in a shift in our communication.

The biggest challenge for me when it comes to Open Banking, is that us discussing it right now understands what it is. But me as a communicator have seen that if you are to explain what Open Banking is for a consumer, you do not actually talk about Open Banking. You instead talk about a concrete solution, by for instance showing a use case.

For example, the subject of Open Banking is a rather niche subject. There are very few medias reporting on it. Even in a Swedish company which is growing, the interest for Open Banking is very technical.

I therefore believe that when you talk with the end-customer and communicate with smaller companies, the most important thing is to build and communicate proof points that shows what Open Banking actually can do and what value it can add. The fact that it actually is Open Banking services, is currently secondary, as it just now only should be a matter of actually proving what the technology can do.

There are services which are built upon Open Banking solutions, but they are not famous for them being Open Banking solutions, but they are famous because of it being a good product.

I would like to go so far to say that our application is so popular because it is a good product. The fact that it is Open Banking, is from my perspective irrelevant from a communication standpoint.

Today I was in contact with a company in Denmark who have realized that private consumers want to be able to monitor and keep track on their money being invested responsibly. By using our Open Banking technology, they can track customers' shareholdings against the United Nations responsible investment principles. With approval through one click, customers are able to see how responsible their investments are. From my perspective, this is of course an Open Banking solution since we provide them with the technology. But, for the customer it is rather a great service.

In order to approach the small businesses, one have to build relevant solutions. I believe that the Open Banking technology is outstanding in achieving this, but the fact that it is Open Banking is irrelevant in the process of convincing people to start using.

On the topic of how Open Banking services could be delivered, and if it is through large banks or smaller companies

Although not a real example, but think about the Swedish postal company, which is an old institution that have been around forever. There is some critique towards them being old fashioned at times, but they still have a gigantic customer base. A company like them could quite easily do something completely different, by for example start providing Open Banking services, by building new innovative services. If a company like them were to actually do this, and deliver great services, I believe customers would have great trust in what they delivered. Because their core asset is and have always been trust.

What is main asset for banks? Well it is trust. I am willing to keep my money in a bank because I trust them, and me as well as others are very inflexible in changing to another bank.

So what I mean is: If someone currently were to deliver Open Banking services like the Small Business Utopia, as it is about customers´ economy and accounts, I believe it would have to be a player who have built up much trust.

There is therefore a large upside for these larger organizations to early on attract these customers.

I believe that, in general, both private consumers and businesses and their economy, they rather trust larger players who they know, and which have a high degree of security.

We have rigorously high security in everything we do, because we are required to be as secure as a bank. We go through all of the test that are needed in order for banks to collaborate with us, and we then live up to those standards. So it is all a chain of trust which I believe is central in order for customers to use our services, and which have led to our popularity.

One of the companies investing in us and our technology is Poste Italiane, which is the Italian postal company. If a player as such, who has more than 60 million customers, would start building and offering Open Banking Services they would have an easier process in terms of attracting and convincing customers to start using their services, compared to if a complete unknown player would do the same.

On the topic if Tink have noticed that there is any demand from small businesses towards using Open Banking services

I would definitely say yes. It has to do with that we are working with account aggregation for private consumers, but there is now also a lot of talk about account aggregation for businesses as well.

There is a demand for these services, so things have started to move and happen on the market, where I believe that it so far mostly have been aimed at larger companies. But I would like to say that there of course are possibilities in delivering services to all companies, no matter the size.

On the topic of differences between the banks contact and offering towards private consumers compared to small businesses

I think it all comes down to what you can offer your customers

You have to be able to innovative, because how the society looks today it has become easier to switch between providers of financial services

So I believe it is a way to build customer loyalty and sell more. There are many things which companies could do, and those who will not do anything will lose a lot of customers. The one being the most innovative will in the end win.

It feels like there are many possibilities in this segment that you are investigating, and something that many perhaps not have seen any potential in targeting.

But you still have to convince them to become your customer, and in this I believe that it is all about having the sharpest and most innovative offer.

On the topic of Main Street Businesses having been overlooked when it comes to innovation

I think it has some to do with that it can be hard for a large bank to approach this segment, when there already are many smaller niche players on the market.

If there already is a specific player who offers a service towards the segment, it is perhaps easy for them to win that segment. But on the other hand, the larger players entering and offering services to the segment, I believe it will be easier for them to on-board new customers.

On the topic if it most likely that it is a bank or a newer and smaller player which will be able to provide customer with a Small Business Utopia

If a hairdresser got to choose between the well-known bank X who is offering services, and the new unknown start-up Y, I believe that the hairdresser would choose the known bank X in 8 out of 10 times. The price is secondary in this situation, while the trust is the most important.

On the topic of this, Klarna solved a problem which existed with them offering a solution where customers could shop with invoices online. They offered something which previously did not exist, and steps in and becomes dominant on their market.

On the topic if Tink would be able to have a similar business model if they were to start offering their services towards small businesses

The way I see it, our offer is that we are an Open Banking platform where we offer what is demanded by our customers. I mean, it is not really up to us, but it is up to our customers and what they would want to use our technology for.

Basically everyone can build a bank with the help of our technology. So if any player wish to be able to offer hairdressers financial services, it is our technology they should be using.

We are a leading player which with ease could broaden our offering towards many more target markets.