

# Navigating the Shift from B2B to D2C

## Addressing Marketing Strategy Challenges for Credit Reference Agencies in Sweden

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DIVISION OF INNOVATION ENGINEERING | DEPARTMENT OF DESIGN SCIENCES  
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MASTER THESIS



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**LUND**  
UNIVERSITY

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# Abstract

This thesis explores how a business-to-business (B2B) focused company should adapt the marketing strategy when transitioning into the direct-to-consumer (D2C) market, in order to grow through market penetration. The authors have examined a Swedish credit reference agency, Upplysningscentralen (UC), having expanded into the consumer markets of credit information and identity protection services – two markets that are increasingly relevant in today's society. UC is currently encountering challenges in growing through market penetration and is seeking to enhance its D2C marketing strategy to achieve growth within these two markets.

This thesis examines characteristics of the two markets, suitable marketing strategy adaptations for UC, and main challenges in developing a D2C marketing strategy within a B2B-oriented business. The research questions are explored through a literature review, quantitative internal and external data, as well as interviews with UC employees, industry participants, and experts within the relevant topics.

Findings suggest that both markets are characterized by high competitiveness and price sensitivity, yet they address consumer needs highly relevant in today's society, consequently driving demand. Four recommendations for UC's D2C marketing enhancement include: 1) enhance Kreditkollen's utility and increase awareness of UC ID-Skydd's benefits through product development, 2) eliminate UC ID-Skydd's binding period and raise its price, and reduce Kreditkollen's price to align with customers willingness to pay, 3) adopt D2C promotion tactics targeting specific segments and emphasize UC's B2B heritage, and 4) extend to include a business-to-consumer (B2C) model by partnering with reputable brands and enhance the minuc.se website for better D2C service. The identified key challenges of expanding a B2B organization to include a D2C unit are: 1) ensuring management and resource commitment to the D2C unit, 2) adapting to the behaviors of D2C customers, and 3) utilizing the B2B brand to appeal to consumer markets.

**Keywords:** B2B to D2C transition, credit information services, identity protection services, credit reference agencies, consumer marketing strategy, market penetration.

# Sammanfattning

Detta examensarbete undersöker hur ett business-to-business (B2B) inriktat företag som utvecklar ett direct-to-consumer (D2C) segment bör anpassa sin marknadsföringsstrategi för att växa genom marknadspenetration. Författarna har undersökt ett svenskt kreditupplysningsföretag, Upplysningscentralen (UC), som har expanderat sin verksamhet till konsumentmarknaderna för kreditinformationstjänster och identitetsskyddstjänster – två marknader som blir allt mer relevanta i dagens samhälle. UC har i nuläget svårt att växa genom marknadspenetration och vill därför förbättra sin D2C-marknadsföringsstrategi för att uppnå större tillväxt inom dessa två marknader.

Examensarbetet undersöker de två marknaderna, tar fram lämpliga anpassningar av UCs marknadsföringsstrategi samt utmaningar med att utveckla en D2C-marknadsföringsstrategi inom en B2B-orienterad verksamhet. Forskningsfrågorna besvaras med en litteraturoversikt, kvantitativ intern och extern data samt intervjuer med anställda inom UC. Utöver detta så har branschaktörer och experter inom privatekonomi och bedrägerier intervjuats.

Resultaten visar att båda marknaderna kännetecknas av hög konkurrens och priskänslighet, samt att de adresserar konsumentbehov som är mycket relevanta i dagens samhälle, vilket driver efterfrågan. Fyra rekommendationer är framtagna för att förbättra UCs D2C-marknadsföring. Dessa inkluderar: 1) förbättra Kreditkollens användningsområden och öka medvetenheten om fördelarna med UC ID-Skydd genom produktutveckling, 2) eliminera bindningstiden för UC ID-Skydd och höj dess pris, samt sänk Kreditkollens pris, 3) anpassa marknadsföringen efter D2C genom att rikta den tydligare mot specifika kundsegment samt betona UCs B2B-bakgrund och 4) inkludera en business-to-consumer (B2C) modell i distributionsstrategin genom att samarbeta med välrenommerade varumärken samt förbättra webbplatsen minuc.se genom att anpassa den till slutkundernas förväntningar. De identifierade utmaningarna med att utforma en marknadsföringsstrategi för en D2C-enhet i ett B2B-baserat företag är: 1) att säkerställa ledningens engagemang och resurstillförsel för D2C-enheten, 2) att anpassa sig till D2C-kundernas beteenden, och 3) att utnyttja B2B-varumärket för att öka sin trovärdighet bland slutkonsumterna.

**Nyckelord:** B2B till D2C övergång, kreditinformationstjänster, identitetsskyddstjänster, konsumentmarknadsföringsstrategi, marknadspenetration

# Acknowledgments

This master thesis was conducted at the Department of Design Sciences at the Faculty of Engineering (LTH) at Lund University, and in collaboration with UC (Enento) in Stockholm.

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Lund, May 2024

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# List of acronyms and abbreviations

API	Application Programming Interface
B2B	Business to Business
B2C	Business to Consumer
D2C	Direct to Consumer
D&B	Dun & Bradstreet
IMY	The Swedish Authority for Privacy Protection
PSD1	Payment Service Directive 1
PSD2	Payment Service Directive 2
UC	Upplysningscentralen

# 1 Introduction

*This chapter serves as an introduction to the thesis, offering a background on the relevant topics and the focal company of the study, as well as outlining the purpose, research questions and delimitations.*

## 1.1 Background

With the increasing digitalization of society, and the associated large volumes of data, there are a growing number of businesses focusing on information and data analytics. Many of these companies have traditionally followed a business-to-business (B2B) sales model, catering their services to other businesses. However, an increasing trend shows B2B companies expanding their brands to also venture into consumer markets (Zhou et al. 2021). This is especially prevalent in the data and technology industry. For example, Oracle, known for providing enterprises with cloud infrastructures, has extended its services to the personal cloud service market. Similarly, Huawei, initially focused on commercial communications equipment, has expanded into consumer markets with mobile phones and computers. These types of companies have usually used a business-to-consumer (B2C) sales model when extending to serve end consumers, meaning that they go through an intermediary such as a retailer. It is, however, becoming more common with the direct-to-consumer (D2C) sales model, thereby bypassing intermediaries and selling directly to the end consumer (Lienhard et al. 2021). Lienhard, Schögel and Boppart (2021) argue that this has largely been enabled by digital technology, and is almost exclusively used for selling online, so-called e-commerce. A D2C model means a direct channel to consumers, opening up many benefits and opportunities for innovation and development. However, transitioning from a B2B to a D2C perspective can pose significant challenges for businesses (Lienhard et al. 2021). The considerable differences necessitate careful adaptation of marketing strategies to thrive in the new consumer market.

In Sweden, some data intelligence businesses exhibiting signs of making this transition include companies operating in the credit information industry, more specifically credit reference agencies. These companies collect data about

individuals' and companies' financial status, analyzing and providing this data to other companies for different purposes. Hence, they are traditionally B2B-oriented businesses, with some of them now starting to leverage their extensive data and analytical resources to offer new services in consumer markets. They are particularly targeting two consumer markets.

Firstly, a market evolving around credit data is the credit information services market, aiming to help individuals manage their finances by monitoring their credit score, payment remarks, and other financial information. Over several decades, Swedish households have increasingly taken on debt, resulting in one of the highest levels of indebtedness per habitant in Europe today (Statistics Sweden 2023b). This trend has been facilitated by the ease of obtaining loans at low interest rates. However, the economic landscape has worsened in recent years, and research indicates that a third of the Swedish population struggles to cover basic expenses such as food and rent (Swedish Financial Supervisory Authority 2024). At the same time, one in four Swedes lack basic financial knowledge and understanding (Swedish Financial Supervisory Authority 2023).

Secondly, the market for identity protection has evolved, leveraging credit information as a foundation. The ease of applying for loans and credits has created opportunities for new types of crimes to arise, one of these being identity fraud. These can be committed through someone stealing an identity and then using it for different purposes, such as ordering goods (Skatteverket 2024b). Fraud crimes in general have risen in recent years, a trend that can be partly attributed to the ongoing digitalization of society (The Swedish Police Authority 2021). More than a third of the population in Sweden worries about being victims of fraud on the Internet (The Swedish National Council for Crime Prevention (Brå) 2023b). Identity protection services are meant to offer protection against these types of crimes, and the credit register enables the detection of suspicious activity.

There are five large credit reference agencies in Sweden, including Upplysningscentralen (UC), Dun & Bradstreet (D&B), Creditsafe, Syna, and Valitive (Fedelta 2024; IMY 2024). With increasing digitalization and a shift towards D2C models for B2B companies in this business area, it is important to understand the market dynamics and how to adapt the marketing strategy in order to grow. Moreover, the markets see entry from smaller, innovative firms amplifying the necessity of understanding these conditions. Financial data is also becoming more accessible through the so-called Open Banking initiatives, enabling customers to securely share their financial data with third-party providers, thereby promoting competition and innovation in the industry (Sydle 2023). The market conditions and transition from a B2B to a D2C marketing strategy will be investigated in this thesis through the case company UC, presented below.

## 1.2 The case company

This section aims to provide the reader with a brief summary of the case company UC, a subsidiary of the Nordic company Enento Group, as well as present the background as to why it is a reasonable choice of company for the research.

### 1.2.1 Enento

Enento Group, hereafter referred to as Enento, is a Nordic provider of digital company and consumer information services (Enento n.d.a). The company collects, develops, and transforms data to ensure responsible lending and prevent over-indebtedness in society. The services offered, based on their extensive database and analytics capabilities, are used for various purposes, including risk management, finance, decision-making, and administration (Enento 2023).

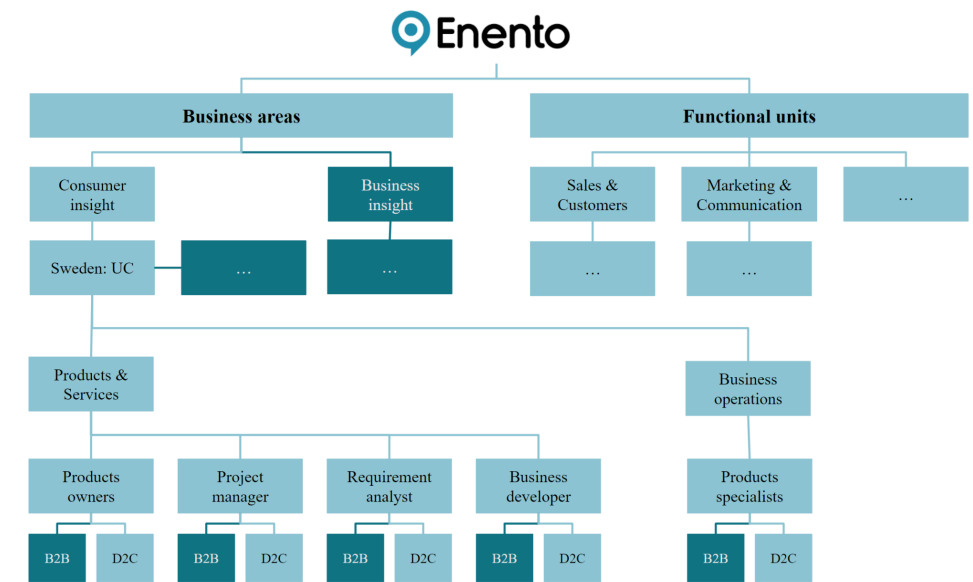
Enento's history dates back to the founding of its predecessor in 1905, Suomen Luotonantajayhdistys, marking the birth of the Finnish credit management industry (Enento 2023). Up until 2018, the company was solely based in Finland but has since then expanded to Sweden, Norway, and Denmark (Enento n.d.d). In Sweden, Enento is operating under the brands UC and Allabolag (Allabolag n.d.; Enento n.d.d). In 2023, the company had net sales of 155.9 MEUR, 404 employees, 76 000 corporate customers, and 500 000 consumer customers (Enento 2023). While holding a market-leading position in Finland and Sweden, Enento is positioned as a challenger in Norway and Denmark. (Enento 2023)

### 1.2.2 UC

As described above, UC is one of the two Swedish companies owned by Enento. The organizational structure of UC in relation to Enento can be seen in Figure 1 below (Enento n.d.b). UC was originally founded in 1977, as a result of Swedish banks recognizing a need for a neutral platform to collect and register information on individuals and businesses (Enento n.d.c). UC is today the leading provider of digital business and consumer information services in Sweden (UC n.d.i). UC owns the most extensive credit information register in Sweden, covering 100 percent of secured mortgages and 98 percent of consumer loans, making UC considered the industry standard for credit information services (UC n.d.a; UC 2021).

Since its origin, UC has been active as a B2B company, providing services for various purposes such as financial processes, and sales and marketing (UC n.d.i). For instance, UC's credit reports on private individuals assist banks in evaluating

loan applications. They have customers in various industries, including banking and finance, small business owners, retail, and the service industry. However, in recent years, UC has developed a D2C unit after recognizing that its comprehensive data collection could benefit private customers in the markets of credit information and identity protection services (UC n.d.f). Organizationally, the D2C unit has been incorporated into the already existing organizational divisions of UC, as shown in Figure 1 (Enento n.d.b). The organization is hence based on business areas as well as functional units as a matrix organization. Although the D2C roles are not segmented into a distinct business area, they will be referred to as the D2C unit since decisions are made independently for this segment. (UC n.d.i; UC n.d.m; UC n.d.f)



**Figure 1. Organizational structure of Enento. Dark color-coded units are not relevant to the D2C unit. Based on Enento (n.d.b) and internal data.**

### 1.2.3 UC's D2C unit

UC's D2C services in Sweden can be categorized into two main types: information services and protection services. They target the credit information services market and the identity protection services market, respectively, with the common denominator that they all leverage UC's extensive credit register. The offerings include both free services, single purchase services, and subscription services, all accessible through the website minuc.se (UC n.d.f). A short overview of the product portfolio is presented in Table 1 below.

The services are mainly distributed through UC’s own channel, minuc.se, representing the D2C channel. However, a partnership has also been initiated with the financial services app Kreddy, operated by the company Lendo, thereby introducing a small B2C element. Through this partnership, Kreddy’s users gain access to some of the features offered in Kreditkollen, as well as receive an offer to purchase the UC ID-Skydd (Kreddy n.d.).

**Table 1. Services offered to consumers at minuc.se. (UC n.d.f)**

<i>Product name</i>	<i>Category</i>	<i>Description</i>	<i>Payment type</i>
Kreditkollen	Information	Gives access to credit score and other credit information, enabling ongoing monitoring of creditworthiness.	Subscription
Min Upplysning	Information	Allows customers to obtain their credit report once, showcasing loans, credits, payment remarks, and prior UC inquiries.	Single purchase
Mitt Kreditbetyg	Information	The customer gains access to their credit score and risk prognosis for one week.	Single purchase
Digital brevlåda	Information	Delivers the customer’s copy of a credit report digitally instead of by physical mail.	Free
UC ID-Skydd	Protection	Monitors customers’ credit reports and online info to detect identity fraud, offering assistance in case of criminal activity.	Subscription
Förlustanmälan	Protection	Enables customers to report lost identification cards, making this information accessible to companies during credit report retrievals.	Single purchase
Bedrägerispärr	Protection	Prevents credit reports being taken on the customer’s personal identity number, in the event of fraud or identity theft.	Free

### 1.3 Problem description

Transitioning from B2B to D2C necessitates adjustments to the marketing strategy due to differences in, among others, consumer needs and decision-making patterns compared to those for businesses (Reklaitis & Pileliene 2019; Saini et al. 2010; López-López & Giusti 2020). With data intelligence companies expanding from B2B to D2C services, there is a growing need for research on how to adapt their marketing strategies to align with these new conditions (Lienhard et al. 2021). A marketing strategy outlines how a business will reach its target audience and achieve its marketing objectives, often depicted through the marketing mix:

product, place, price, and promotion (Kotler et al. 2008, pp. 13-14). This will be further described in Chapter 4.

One of the companies that has made this transition is UC, which developed a D2C model in addition to its B2B business and later experienced a stagnation in growth for the D2C segment. UC believes that there is demand for their existing D2C services and that there is room for growth in their current markets, but they are uncertain of how to reach their full potential. In other words, they are looking for how to grow through market penetration, which involves growing within an existing market using existing products, one of four common growth strategies that will be further described in Chapter 4. UC lacks knowledge about how to adjust its marketing mix specifically to its D2C unit and senses a need to understand customer preferences, market dynamics, competitive landscape, and its own market positioning. They seek assistance in assessing the markets, identifying the most crucial areas for improvement in their marketing strategy, and formulating recommendations to drive growth in their D2C segment.

## 1.4 Purpose and research questions

The purpose of this thesis is to enhance understanding of how to effectively adapt the marketing strategy for a D2C model in a B2B-focused company. This is done in the context of the credit information and identity protection services markets in Sweden, and the characteristics of the two markets will be evaluated. The thesis aims to evaluate how the case company UC, a B2B-focused company having added a D2C segment, should refine its D2C marketing strategy to better align with and penetrate these markets. Furthermore, the thesis seeks to identify the key challenges with adjusting the marketing strategy, which hinder a successful expansion from a B2B-focused business to a D2C unit.

The study aims to investigate the following research questions:

**RQ1:** *What are the characteristics of the consumer market and industry of credit information and identity protection services in Sweden?*

**RQ2:** *How can UC develop its marketing strategy to increase growth through market penetration in these markets?*

**RQ3:** *What are the challenges to consider when developing a marketing strategy to fit a D2C segment in a B2B-focused business?*

By answering these questions, the thesis will contribute to an enhanced understanding of the market dynamics for credit information and identity protection services. It will also highlight challenges to consider for B2B companies when developing the marketing strategy for a D2C extension. A lack of

research on the mentioned markets' characteristics, as well as regarding the transition from B2B to D2C, further emphasizes the knowledge contribution. Existing research predominantly focuses on transitions from B2B to B2C, or from B2C to D2C. The goal is that the insights from the case study on UC can be applicable to other credit reference agencies, as well as potentially other data intelligence companies undergoing similar transformations.

Additionally, this thesis contributes to UC's work towards better adapting their D2C marketing strategy and increasing growth through market penetration, in order to progress toward establishing a more robust D2C position in their markets.

## 1.5 Focus and delimitations

This thesis focuses on the adoption of the marketing strategy for a D2C model in a B2B-focused company. The focus is narrowed to the Swedish markets for credit information services and identity protection services. The geographic limitation is due to the natural time limit of the thesis, as well as available data and information within UC. The limitation on markets is due to their relevance for the case company, as well as an existing trend in these markets to extend to a D2C model.

As mentioned, the thesis will primarily achieve its purpose through the examination of one key company operating in these markets, UC. When examining UC's current marketing strategy, the focus will primarily be on the subscription services Kreditkollen and UC ID-Skydd, as they represent the key offerings in UC's D2C product portfolio and are responsible for generating the majority of revenue in the D2C unit. Furthermore, the company will be referred to as UC, as Enento operates under this brand name in Sweden, except when specifically referencing the Nordic organization as a whole, where the name Enento will be used.

The thesis will focus on adapting the marketing strategy, thus a functional-level strategy. This type of strategy is deemed relevant in the context of transitioning from a business to a consumer perspective, which is also confirmed by existing research. However, the analysis of UC will also involve the higher levels, primarily the business unit level, of the D2C strategy, including customer segments and positioning. This is essential in order to gain a comprehensive understanding of the D2C unit and make informed decisions on the marketing level.

Moreover, the thesis will be restricted to growth through market penetration, as the case company UC is aiming to grow in its current markets. As mentioned, this is a strategy for growing in existing markets with existing products. The remaining



growth strategies include market expansion, product development, and differentiation. Growth strategies will be further described in Section 4.1.

Further, the thesis aims to identify and describe which adjustments to the marketing strategy should be considered by UC, as well as identify key challenges in adjusting the marketing strategy for a D2C unit in a B2B-focused company. Thereby, no suggestions on how these should be further implemented organizationally will be made.

## 1.6 Target audience

The primary target audience of this thesis is stakeholders within the consumer credit information and identity protection industry in Sweden, as well as stakeholders of other B2B data intelligence companies looking to expand to a D2C model. The thesis also targets researchers and university students seeking insights to the specific markets or sales model transitions.

## 1.7 Thesis disposition

The disposition of the thesis is described below in Table 2.

**Table 2. Thesis disposition description.**

<i>Chapter</i>	<i>Description</i>
1 - Introduction	The chapter introduces the relevant background, the case company, problem, purpose and research questions as well as limitations and target audience.
2 - Method	The chapter outlines the research methodology, quality of research and research ethics.
3 - Empirical context	The chapter presents the result of the literature review, including previous research on sales models, and information about relevant topics to the industry and case company.
4 - Theoretical frameworks	The chapter presents the theoretical frameworks used in the analysis, including how the frameworks are used as well as their relevance to the research.
5 - Case study: The company	The chapter presents the D2C unit of the company more thoroughly, including its products and current financial state.
6 - Analysis	The chapter presents the analysis, divided into three sections: corporate level, business unit level, and functional level.

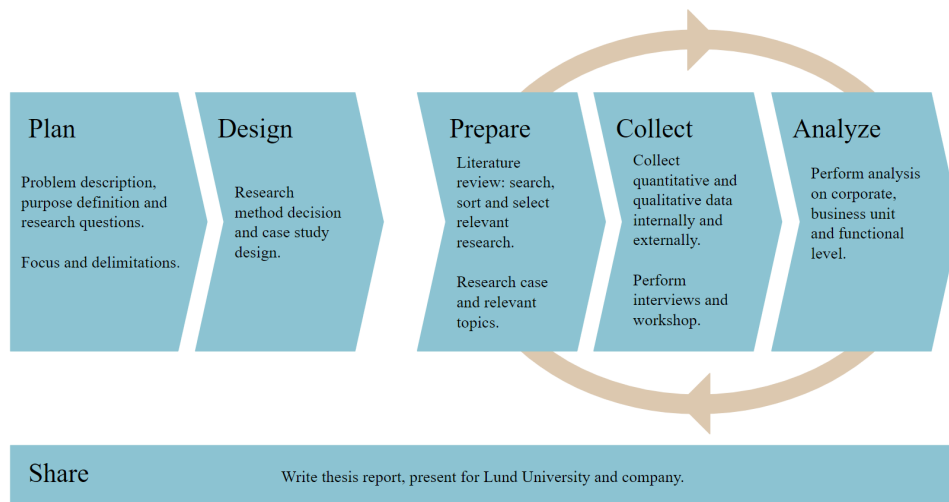
- 7 - Discussion      The chapter discusses the key analysis findings, presents the recommendations for UC, and discusses key challenges when transitioning from B2B to D2C.
- 8 - Conclusion     The chapter presents the conclusions from the thesis, as well as limitations of the research and suggestions for future research.

## 2 Method

*This chapter presents the research process used in the thesis, based on the phases: plan and design, prepare, collect, analyze, and share. Following, the quality of research and research ethics are evaluated.*

### 2.1 Overview

The structure of the research method was inspired by Yin (2018), and designed to follow the phases: *Plan & design, Prepare, Collect, Analyze, and Share*. Notably, the process was iterative and the phases *Prepare, Collect* and *Analyze* could be revisited if needed for further adjustments or the addition of new information. The overview of the process is illustrated in Figure 2, together with the activities being performed in each phase. Below, the phases will be described in more detail.



**Figure 2. Overview of the six stages of the method description. Inspired by Yin (2018).**

## 2.2 Plan and design

The first phase consisted of planning and designing the research approach, including defining the purpose of the thesis and the problem formulation. The company, UC, had identified a problem with the performance and growth of its D2C segment and was interested in finding potential areas of improvement in its marketing strategy. A larger trend of B2B companies expanding to D2C was identified, and the associated problems with adjusting the marketing strategy. Based on this, together with supervisors at both UC and LTH, the problem formulation and the research questions could be defined.

When crafting a thesis, selecting a research method that aligns with the thesis' purpose and questions is crucial. Höst et al. (2006, pp. 29-31) categorize research methods into four types: descriptive, exploratory, explanatory, and problem-solving. This thesis can be best described as a descriptive and problem-solving study. The descriptive nature is motivated by the collection of existing data on the markets, competitors, and company performance to get an understanding of the relevant markets, as well as a review of currently available research on the B2B to D2C transition topic. Further, this thesis aims to recommend solutions to enhance performance and growth, and identify key challenges, which motivates the problem-solving nature as well.

According to both Höst et al. (2006) and Yin (2018), a study with the purpose of thoroughly describing and solving a problem related to a topic or situation, can with advantage use the case study method. A case study is a research method used in various fields and involves an in-depth examination of an individual, group, event, or process within its real-life context. Case studies are valuable for exploring complex issues in-depth, providing rich descriptions and insights when many variables are to be taken into consideration. However, they are limited when the goal is to come to general conclusions, as findings from a case may not apply to other contexts (Höst et al. 2006, pp. 33-36; Yin 2018, pp. 44-50).

Case studies can be designed in multiple ways, and must be adjusted to fit the situation in question. Yin (2018, p. 83) describes two factors to decide on when designing a case study: the number of company cases included, and the number of analysis units within each case company. Yin explains that a single case study is favored when the case serves as a critical test of an existing theory, represents an exceptional or unusual situation, typifies a normal scenario, or aims to provide insightful or longitudinal analysis (Yin 2018, pp. 84-90). Considering the relatively specific research questions and the focus on the D2C unit, as well as the wish for an insightful analysis of UC's current market strategy, this thesis will employ a single case study with a single unit of analysis.

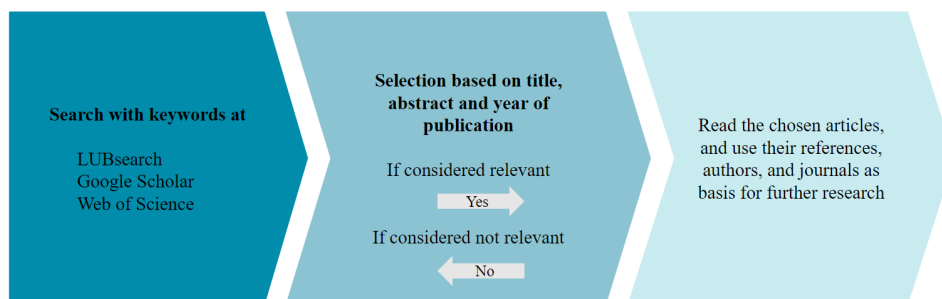
This thesis is based on a combination of the descriptive and problem-solving research methods, using a literature review and a case study with UC to answer the three research questions. The case company has been analyzed on three levels with focus on the second and third: (1) corporate level, (2) business unit level, and (3) functional level. The analysis is based on multiple frameworks, all presented and described in Chapter 4. The research questions, their type of research method, their source of answer, and where the answers can be found in this thesis are presented in Table 3 below.

**Table 3. Research questions and their basis of answers in the thesis.**

<i>Research question</i>	<i>Research method</i>	<i>Source of answer</i>	<i>Answer can be found in section</i>
RQ1: What are the characteristics of the consumer market and industry of credit information and identity protection services in Sweden?	Descriptive	Literature review & external analysis	Discussion: Chapter 7, Section 1
RQ2: How can UC develop its marketing strategy to increase growth through market penetration in these markets?	Problem solving case study	Business unit level analysis, functional level analysis & discussion	Discussion: Chapter 7, Section 2
RQ3: What are the most important adjustments in the marketing strategy to consider when developing a D2C segment in a B2B-focused business?	Descriptive & problem solving case study	Literature review, all levels analysis & discussion	Discussion: Chapter 7, Section 3

## 2.3 Prepare

To comply with scientific methodology, and ensure accurate data collection and valid conclusions, it's essential to have a thorough understanding of the research topic (Höst et al. 2006, pp. 18-20; Yin 2003, pp. 120-124). The authors' education has provided tools and broad knowledge on marketing strategy and growth, but additional knowledge on the specified markets and industries, as well as the transition from a business focus to a consumer services focus, was needed. Hence, the preparation phase included a literature review to further understand these areas as well as relevant research done on the topic.



**Figure 3. Overview of the used citation chaining research method.**

The review was conducted through the iterative snowball method, also called citation chaining (Cranfield 2024; Wohlin 2014). The process is explained in Figure 3 above and begun by identifying some broad keywords to base the initial search on: *Digital marketing strategy*, *Growth strategies*, *Consumer credit information services*, *Consumer credit market*, and *Digital identity protection*. Recognizing that these keywords gave a too broad scope of research, some more specific keywords were selected to continue the literature research with, such as: *Brand extension consumer services*, *B2B extension to B2C*, *B2B extension to D2C*, *Comparison business and consumer customers*, *Creditworthiness*, *Credit information legislations*, *Identity fraud protection*, *Identity fraud legislation*, and *Open Banking*.

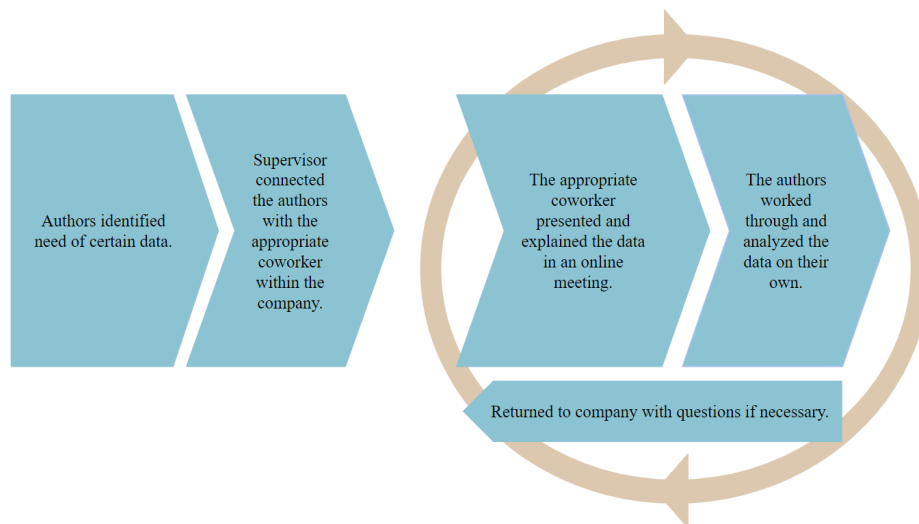
Following the keyword search, the most relevant articles, based on title, abstract, and year of publication, were selected and conducted into a list of more than 30 articles applicable to the research area. To ensure that the research did not result in dated information and knowledge, articles related to highly changeable topics published earlier than five years ago were not included. This included, for example, articles about recent market or technology trends. The following research was then based on these initial articles. New sources were continuously found out of references and recurring researchers, authors, and journals. The findings of the literature review are presented in Chapter 3, Empirical context. The information presented in the chapter has been complemented with less academic sources as well, to compensate for the lack of academic reports of the researched topics, particularly concerning the two markets.

## 2.4 Collect

The data collected have been divided into two categories; *quantitative* and *qualitative*. Quantitative data refers to objective data that can be measured and statistically compared, while qualitative data refers to non-numerical information that is descriptive, subjective, and often based on observations or interviews. Further, the source of data has been divided into internal and external, where the internal data refers to data that has been provided by the company UC, while the external data have been collected elsewhere.

### 2.4.1 Quantitative data

#### 2.4.1.1 Internal data



**Figure 4. Overview of the internal quantitative data collection process.**

Internal quantitative data, comprising annual financial reports, database statistics, internal advertising data, cost reports, and revenue calculations, was collected from UC. The collection process, outlined in Figure 4, began with the authors identifying required data points, followed by the supervisor connecting them with the appropriate person within the company. Subsequent meetings between the company representative and the authors clarified the structure of the desired information, which was collected by the representative and sent to the authors, and if necessary walked through together. If needed, recurring meetings with follow-up questions or data completion followed the first meeting. This approach facilitated contact with relevant employees for each data point, as well as ensured that the

authors understood and analyzed the data correctly. It also exposed the authors to many parts of the organization, which made it easier to plan whom to interview later in the data collection phase. The internal data primarily contributed to insights presented in Section 5.2, Current state.

#### *2.4.1.2 External data*

To collect external data, statistical websites such as Statistics Sweden have been used. The approach mirrored the literature review process described in Section 2.3, where the search was initialized with keywords, and then expanded by exploring references for additional sources. To validate our facts, we have used multiple sources of evidence to ensure that the information is correct, as suggested by Yin (2018, pp. 170-174), and Lincoln and Guba (1985, p. 290). The external quantitative data were then used in market size estimation calculations, as well as to identify macro trends, identity fraud trends, and personal finance trends, presented in the external environment analysis in Section 6.3.1.

### **2.4.2 Qualitative data**

#### *2.4.2.1 Internal data*

The internal qualitative data have been collected through existing customer survey results from UC, and interviews with UC employees, followed by a collaborative workshop. The objective was to collect genuine and truthful data about the company, the customer opinions, and the products, as well as the internal view of competitors and the market. To do so, it was important to let the interviewees speak their minds and encourage them to be honest about the reality of the company.

UC provided the authors with the results of a customer survey they conducted in 2023, giving insights into what the users of Kreditkollen and UC ID-Skydd think about the products. The customers had answered questions about the perceived value of the products and the pricing. They had also stated overall satisfaction of the subscription as well as improvement suggestions.

The structure of the interviews was semi-structured, as it allows the interviewees to bring forth new ideas and contribute with information that is not directly asked for (Yin 2018, pp. 161-165; Höst et al. 2006, pp. 89-92). Seven official interviews have been conducted, as presented in Table 4 below, covering all relevant parts of the business unit organization. By including both management and other employees, multiple perspectives on the issues that the company is facing as well as possible solutions and improvements were collected.



**Table 4. List of interviews conducted with employees of UC.**

<i>Title of interviewee</i>	<i>Time duration of interview</i>	<i>Workshop participant?</i>
CEO of UC AB	60 minutes	Yes
Head of Consumer Insight	60 minutes	Yes
Manager Consumer Insight	60 minutes	Yes
Product Owner	90 minutes	Yes
Product Specialist	60 minutes	Yes
Manager E-commerce	45 minutes	No
Customer Experience	60 minutes	No

The interview phase began with the selection of frameworks to guide the analysis. This was followed by identifying what information needed to be collected, which determined the questions to be asked in the interviews. An interview guide was created, containing all the relevant questions. Afterwards, the questions were distributed to the most suitable interviewee depending on their obtained expertise. Each question was asked to at least three company representatives to gain enough data in each area. The questions can be found in Appendix A. All interviews were done digitally, over Teams. During the interviews, one of the authors asked the questions, while the other author took notes of the interviewees' answers. Afterwards, the notes were summarized and the key findings and useful insights were organized according to the frameworks.

The final stage of the collection phase consisted of a two-hour workshop with five representatives of the company. The participants are shown in Table 4 above. The workshop had two main purposes: to present and validate the current findings as well as brainstorm on reasonable and effective solutions to the identified weaknesses. The structure was based on these purposes, with the first hour being dedicated to presenting and validating findings, and the second hour being dedicated to discussions on possible solutions to the findings. The discussion was structured by the four P:s in the marketing mix, and the input from the second part of the workshop was then mainly used as guidance for the discussion and recommendations in Chapter 7.

#### *2.4.2.2 External data*

To gain more knowledge on the topics, and validate the information found in the literature search, multiple interviews were conducted with experts in the areas of fraud, security, and personal finance as well as competitors and partners of UC. Digital, semi-structured interviews were used, with a duration of 30-60 minutes each depending on the time available for each interviewee. The interviewees were found through contacts, recommendations from our supervisors, LinkedIn, or through our research, and are presented in Table 5 below. They were chosen to

represent different views of the topics and hence be able to bring forth different viewpoints, all important to understand how the market and the consumers act and will evolve in the future.

**Table 5. List of interviews conducted with topic experts.**

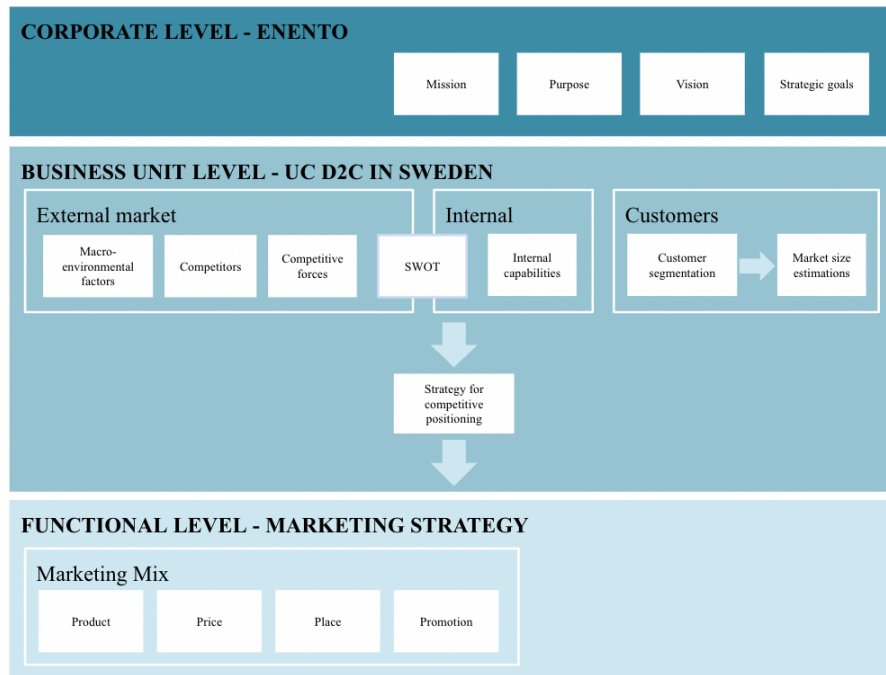
<i>Name of interviewee</i>	<i>Title of interviewee</i>	<i>Time duration of interview</i>	<i>Expert topic</i>
Martin Löthman	Lead Personalized services, Lendo AB	45 minutes	Competitor and partner of UC, financial consumer services
Jacob Nordlander	Head of Product, Anifyn AB	60 minutes	Financial consumer services
Marcus Nohlberg	Associate Professor in Information Security, University of Skövde	45 minutes	Fraud, security
Nina Jelver	Security Manager, Svensk Handel	30 minutes	Fraud, security
Björn Appelgren	Project Manager, Internetstiftelsen	30 minutes	Fraud
Jan Bertoft	Former CEO, Sveriges Konsumenter	45 minute	Fraud, personal finance
Patrick Siegbahn	Personal Finance Expert, Sveriges Radio	45 minutes	Personal finance

## 2.5 Analyze

In the literature, strategy is often defined at three levels: corporate level, business unit level, and functional level (Wheelen & Hunger 2000; Hill & Jones 2009, pp. 3-7; Finlay 2000, pp. 5-9). The corporate level strategy is meant to describe the general strategy of a whole organization, whereas the business unit level strategy translates this to concrete strategy for the individual business unit, and the functional level strategy concerns a specific business function and is meant to fulfill the objectives set on the corporate and business unit level (Hill & Jones 2009).

In order to structure the analysis in a comprehensive and exhaustive way, it was decided to structure it according to these levels, as each level is associated with different strategic decisions. It is also a way to make sure that lower level strategic decisions align with the higher levels. For each level, multiple frameworks have been used to structure the data and bring forth the insights. The overall structure of the analysis is illustrated in Figure 5 below, and the frameworks used in each level

are presented and explained in Chapter 4. All insights from the analysis have been validated by the company, ensuring that the conclusions are based on correct interpretations of the collected data.



**Figure 5. Structure of the analysis.**

Due to the focus on the D2C segment in this thesis, the corporate level has only been analyzed briefly and is included to provide the reader and the analysis with an overview and understanding of the main purpose, vision, and objectives of the company as a whole. At the business unit level, which refers to UC's D2C segment in Sweden, the analysis is divided into external environment, internal environment, and customers. The aim of this part of the analysis is to gain a thorough understanding of the different aspects that affect and restrict how a company like UC can conduct its functional level marketing strategy. The external and internal environment analysis are combined in the SWOT framework, and then further combined with the customer analysis, and later Porter's generic strategy framework to bring insights into the suitable competitive positioning of UC in a D2C context and consumer market.

Finally, the functional level, focused on the marketing strategy, is analyzed using the four P:s of the marketing mix, to combine the insights from the business unit level into practice within the functional level of analysis. The functional level analysis is based on data gathered in the internal interviews, the insights from the business unit level as well as academic theory presented in Chapter 3.

## 2.6 Share

The final phase includes the finalization of the report and presentation, including a discussion of the results and conclusions. Through the writing of this report, the structure and the content have been reviewed and iterated multiple times. To ensure high quality, the text has been read through by the supervisors, both at LTH and UC. The workshop with key people at UC was also used as a way to validate the findings.

The findings are shared through the report, a final presentation at the faculty of Engineering at Lund University, and a final presentation at UC.

## 2.7 Quality of research

Trustworthiness is the essence of all research, and hence a significant aspect of the methodology of this thesis. To ensure the quality of research, and highlight the limitations, the method is analyzed with Lincoln and Guba's four research quality criteria: credibility, transferability, dependability, and confirmability (1985, pp. 289-332).

The *credibility* criterion is determined by how one can establish confidence in the findings (Lincoln and Guba 1985, p. 290). To ensure high credibility, the concept of prolonged engagement and triangulation has been used when possible. Through numerous meetings with employees, the authors have gained an understanding of the culture, as well as built trust with the organization. Triangulation has been used by, for example, asking each included question in the internal interviews to at least three employees, making the insights more reliable. Both external interviews and the workshop have been used to validate facts and insights. Additionally, the broad expertise of expert interviews as well as the interview with one competitor has ensured that the data are less affected by the internal biases of UC.

*Transferability* refers to external validity and how applicable the findings of the research are in other contexts or with other subjects (Lincoln and Guba 1985, p. 290). Given the thesis' focus on the Swedish market and UC, and the context of UC's products, the transferability becomes limited. However, RQ3 provides a more general approach to data intelligence B2B businesses aiming to enter the end consumer market, and thus makes the findings more transferable.

The *dependability* criterion refers to how one can determine that the findings of the research would be consistent if the inquiry, or similar inquiries, would be repeated, and hence determines the reliability of the research (Lincoln and Guba

1985, p. 290). The criterion is ensured by proper documentation of the research method, results, and analysis as well as external auditing. For external auditing, the authors have had weekly supervision by both company and LTH representatives, along with a mid-process peer review. The thesis is finalized with a presentation and examination at LTH, including feedback and discussion.

*Confirmability* refers to the objectivity of the research, determined by the neutrality of researchers and the extent to which findings are influenced by their biases (Lincoln and Guba 1985, p. 290). Within this thesis, the data and conclusions have been controlled by supervisors, or by multiple sources, creating a form of triangulation. Bias toward the company is minimized as the authors have no attachments with the company, other than as authors of this thesis.

## 2.8 Research ethics

Yin (2008, pp. 124-131) recognizes two main aspects of research ethics during a case study: the biases of the researcher, and the integrity of the people involved in the study. The authors have addressed both of these aspects by implementing measures to mitigate risks. To minimize biases, external reviews were conducted throughout the process, and weekly meetings were held with supervisors from both UC and LTH.

There are three ways in which the integrity of involved parties should be protected, according to Yin (2008, pp. 124-131). Firstly, participation in the study should be voluntary, hence necessitating consent from participants. Furthermore, the participants' privacy and confidentiality must be respected. Finally, the authors must abstain from any form of dishonesty. To meet these requirements, all interviewees were requested permission to include their names and information in this thesis. They were fully briefed on the interview's objective and how their information would be utilized. External interviewees received a copy of their interview notes which had been reviewed by both authors, and they were given the chance to modify or retract their input if desired.

During the writing process, multiple technological tools have been used to help articulate and present the work in a more readable and clear way. To achieve full transparency, all used tools and what they are used for are presented in Table 6 below. ChatGPT has only been used with the purpose of correcting and improving the English language, as the authors are not native speakers. It has never been used to generate content in any way.

**Table 6. List of tools used for the written presentation of the thesis.**

<i>Name of tool</i>	<i>Type of tool</i>	<i>Tool used for</i>
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ChatGPT	Large Language Model	Grammar, synonymes, sentence structuring and rephrasing.
Google Translate	Translating service	Translating words between Swedish and English.
Thesaurus	Synonymes generator	Synonymes.

## 3 Empirical context

*The purpose of this chapter is to provide a contextual background for the thesis, including theory on sales models and the transitioning between them, as well as topics related to the examined markets and products. The chapter is based on the literature review and the external quantitative data.*

### 3.1 Sales models

There exists different types of sales models for companies, depending on how and to whom the company sells its products or services. Some of the most common sales models are business-to-business (B2B), business-to-consumer (B2C), and direct-to-consumer (D2C). As in the case of UC, they have predominantly utilized a B2B model for their services, but have expanded to also include a segment for D2C sales. The nature of these different sales models varies in many ways, which also means that relevant and appropriate strategies for marketing can vary.

B2B refers to companies selling their products or services to other companies or organizations. The market for B2B consists of all organizations that buy products or services to use in production or to resell or rent to others (Kotler et al. 2008, p. 291). The purchases are often in large quantities or have high monetary values. B2C, on the other hand, refers to companies selling their products to end consumers. This is often done through wholesalers or intermediaries and includes a distributor downstream in the logistic chain (Sekel Tech 2023). These purchases are often lower in price and sold at a higher frequency (Wordstream 2023). The D2C model will be further described below.

#### 3.1.1 The D2C model

While a B2C model usually includes selling to end consumers through intermediaries, the D2C model means selling directly to consumers. Lienhard, Schögel, and Boppart (2021) define a D2C strategy as: *“Direct-to-Consumer (D2C) strategies allow established consumer goods manufacturers to bypass intermediaries in the current market environment and sell directly to consumers*

*through means of offline or and online brand stores*". With the development of digital technology, the trend of selling online in the form of D2C has become more common (Lienhard et al. 2021). By establishing a D2C model, companies can gain direct access to the end consumers. This has a great advantage, as it allows them to interact directly with customers and receive insights that would otherwise be mediated by retailers in a B2C context (Gielens & Steenkamp 2019). Other potential benefits of a D2C strategy mentioned by Gielens & Steenkamp (2019) are opportunities to offer personalized experiences for customers, and to use the website as a test market for new innovations such as pricing and product development. In addition to these benefits that can drive the adoption of D2C models, Lienhard, Schögel, and Boppart (2021) describe how other drivers for D2C include a large financial attractiveness due to high retailer margins, differentiation from competitors, as well as having full control over pricing strategy.

Rangan et al. (2021), introduce four principles in order for D2C brands to continue to grow after the initial establishment phase. Firstly, they emphasize the importance of deepening customer relationships, and secondly to accompany the customer beyond the initial transaction and all along the decision journey. Moreover, many D2C brands have started venturing toward hybrid strategies, expanding into other channels in order to grow. Rangan et al.'s (2021) third principle underscores that it is important that these extensions align with the original D2C brand and enhance the customer journey, rather than simply aiming to increase reach. The last principle involves the need to strengthen the core offering first, before adding product extensions. While extensions can enhance revenue and customer loyalty, they must complement the core product and not dilute the brand's identity.

Furthermore, Kim, Shin, and Kim (2021) have investigated the determinants of customers' attitudes and repurchase intentions for D2C brands, finding cost-effectiveness to be of the greatest importance for a positive attitude, followed by website attractiveness and social media engagement. This suggests that respondents are motivated by direct engagement with brands, enabling them to co-create value. In terms of repurchase intentions, brand uniqueness, social media engagement, innovativeness, and cost-effectiveness were found to be determining factors.

### **3.1.2 Differences in marketing strategies targeting businesses versus end consumers**

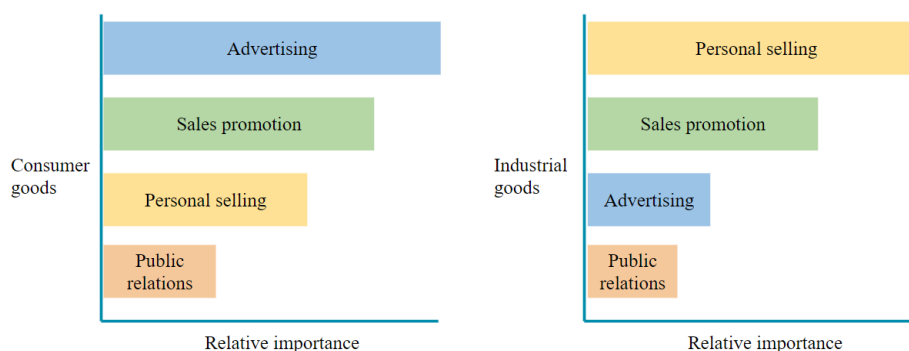
Most available research on the differences in marketing between industry buyers and individual consumer buyers focuses on the difference between B2B and B2C. The research is however considered to be largely applicable to D2C, in the context



of identifying differences relative to B2B, since both D2C and B2C are targeted towards the end consumer.

According to a study conducted by Reklaitis and Pileliene (2019), there are notable distinctions in the marketing communication processes between the B2C and B2B markets. For instance, companies in the realm of B2B put much focus on the product and its features, and their customers are more inclined to compare different alternatives. The customer’s decision-making process usually involves multiple people, and is formal by nature, thus encouraging personal selling. This reasoning is strengthened by Saini et al. (2010), describing how B2B relationships develop over a longer time period and thus raises switching costs, whereas B2C customers are less loyal and more easily switch when finding a better deal.

According to Reklaitis and Pileliene (2019), B2C customers tend to be more irrational and emotionally-driven in their decision-making processes. Therefore, the seller needs to put more emphasis on conveying the benefits of the product, and direct their marketing efforts in order to capture the customer’s attention quickly. However, even though the B2C customer will not put as much effort on comparing and analyzing alternatives, they may still be interested in understanding the features and benefits of the products. Furthermore, Reklaitis and Pileliene (2019) describes how the marketing messages for B2B are more informative, whereas for B2C they are usually calling for immediate action. Another difference is that in the case of B2B, customer service is more important before the actual transaction, including discussions and negotiations. For B2C companies, the consumer service is instead more important after the sale, including activities such as loyalty building, and providing updates and information about upcoming products. The differences in marketing activities and their relative importance is further described by Kotler et al. (2008 p. 717), shown in Figure 6 below. This underscores that advertising holds greater importance in transactions with end consumers, whereas personal selling is more relevant for businesses engaged in B2B transactions.



**Figure 6. Relative importance of promotion tactics for B2C (left) and B2B (right) businesses. Illustration inspired by Kotler et al. (2008, p. 717).**

A study made on B2B and B2C firms in Spain showed differences in the adoption of a digital marketing strategy, which includes for example the use of social media and construction and positioning of a company website (López-López & Giusti 2020). The research suggests that B2B companies are slower than B2C companies in the regard of adopting a digital strategy. Moreover, B2B companies seem to prioritize marketing themselves on platforms that are more professional, such as LinkedIn, whereas B2C companies to a larger extent use more socially oriented platforms like Facebook. In general, B2C companies without a defined digital strategy still heavily use social media, while B2B companies delay social media adoption until having formulated a digital strategy.

### **3.1.3 Transitioning to selling to end consumers**

There are both opportunities and challenges a company must address when developing an end consumer business segment in a B2B focused company. The opportunities and challenges concern aspects such as brand awareness and brand perception, as well as marketing strategy decisions.

Multiple researchers suggest that brand management is becoming highly important for industrial firms to succeed in a customer solution market, particularly with service-intensive products (Jalkala & Keränen 2014). Successful brand management during a business extension has, for example, been found to influence economic performance positively (Baumgarth 2010). Zhou, Ding, Feng, and Ke (2021) explains that due to the background in B2B, the brand awareness might be lower within the new end consumer segment when a company is trying to develop into the consumer market. Zhou et al. (2021) further explains that there is a deficiency in the understanding of how consumers evaluate the extended products of a B2B brand. The success of the brand transition depends on multiple aspects, including parent brand attributes, brand extension attributes, consumer characteristics, and marketing offers (Zhou et al. 2021). Burnaz and Bilgin (2011) also emphasize that the perceived fit and relatedness of the consumer products influences the consumers' opinion about the brand. Hence, there exist opportunities for companies to leverage the strengths of their B2B brand in their D2C branding efforts, but it can be challenging to execute this effectively, especially in terms of consumer perception and adoption.

To ensure that the marketing toward the end consumers becomes efficient and beneficial, the adjustment must be done correctly, and should be based on the characteristics of the products. In their research, Zhou et al. conclude that advertising the industry background of the parent B2B brand alongside the introduction of an extended consumer product within the same product category, positively influences how consumers assess the extended product. Zhou et al. (2021) further emphasizes the importance of advertising to promote awareness of

the brand within the end consumer segment, and focusing on how to adjust the marketing to the new customer segment. Depending on the nature of the products, the company should either emphasize its qualitative superiority through its B2B brand, or adapt its approach to the consumer segment by adding a warm, personalized aspect to the marketing. Especially if the product is considered competence and technologically focused, Zhou et al. mean that there exists an opportunity to excel on the strengths of the B2B brand. They argue that the background within the industry can make the brand appear functionally better and more qualitative, since there is a conception that such product aspects are important to industry businesses, and hence should imply that the products are of high standard. On the other hand, if the products are based on non competence focused products, the warm, emotional associations, for example risk reduction and trust, becomes more important. The key is to recognize the characteristics of the product, since using the wrong strategy is shown to result in less favorable brand evaluations. (Zhou et al. 2021)

Lienhard, Schögel and Boppart (2021) bring forth four prerequisites in order to successfully transition to a D2C model: commitment, capabilities, customer transformation management, and culture. The first one, commitment, emphasizes how top-level management needs to be committed to the D2C development through support and allocation of resources, especially financial backing. It is crucial for the board to believe in the concept and allow for the D2C strategy to develop over time. The second prerequisite is having the appropriate capabilities, as they vary across different sales models. There is a need to develop capabilities aligned with the D2C customer journey to effectively navigate the new landscape. Thirdly, customer transformation management is crucial, involving shifting from a business relationship with customers to an end consumer relationship. It is important to understand the differences and create commitment between customer and company. Lastly, it is necessary to foster an appropriate culture, often inspired by benchmarking with D2C leaders. For instance, the principle of trial and error is important to embrace in the culture, daring to innovate and be prepared to fail.

## 3.2 Credit information and reporting

Credit information services all rely on data from credit registers, which are maintained by credit reference agencies. The agencies regularly collect and store data about Swedish citizens from sources such as the Swedish banks, the Swedish Tax Agency, the Enforcement Authority, credit market companies, and mortgage institutions (UC n.d.a). These data include information about declared income, name, personal identity number, address, current debts, past credit inquiries, and payment remarks (Konsumenternas n.d.). The registered information is utilized by

loan providers to oversee the financial details of loan applicants, a process known as a credit assessment (Konsumenternas n.d.). Such assessments are necessary in various situations, with loan applications being the most common scenario. The loan provider requests a credit report on the applicant and receives an extract from the register. Through this process, they can obtain a comprehensive understanding and overview of the applicant's economic situation.

In Sweden, the five major credit reference agencies are UC, D&B, Creditsafe, Syna, and Valitive, the first three being the largest. Their primary distinction lies in their credit registries, varying in quality and coverage (IMY 2024). In the case of UC, their credit register covers 100 percent of secured mortgages and 98 percent of consumer loans, thereby having the most extensive register in Sweden (UC 2021). This implies that major loan providers, like large banks, rely on UC for their lending procedures. The remaining credit reference agencies have smaller coverage, and are mostly used by other types of lenders, such as those who offer fast loans with high interest rates (Anyfin 2021; Appelgren 2023).

### **3.2.1 Credit worthiness**

When a credit report is obtained by a lender, it is part of a risk assessment to be able to estimate the applicant's credit worthiness (Danske Bank n.d.b). Credit worthiness is a measure of someone's ability and likelihood to repay a loan (Danske Bank n.d.a). It is often presented as a grade ranging from low to high credit worthiness, and is sometimes referred to as a credit score (Danske Bank n.d.a; UC n.d.h). The level will indicate the degree of risk for the lender and affect their willingness to grant the loan. Lenders need to make sure that the applicant will be able to pay for both interest, amortization, and other associated fees throughout the entire term of the credit (Konsumenternas n.d.). If they determine that the necessary economic conditions are lacking, the loan will be denied. The purpose of this process is both to prevent individuals from over-indebting themselves, as well as to protect the lender from incurring credit losses (Konsumenternas n.d.).

There are multiple factors that contribute to determining credit worthiness. A higher credit worthiness is typically characterized by a stable income and a good credit history with timely payments (Danske Bank n.d.a). Having many existing small loans, credits and payment remarks will typically lower a person's score (UC n.d.h). A large number of credit reports being taken on the same individual can also affect the creditworthiness negatively, since it could imply that the person is trying to take multiple loans at the same time, potentially affecting their ability to repay (Danske Bank n.d.b). It is also possible to obtain a credit report on oneself. Unlike those requested by loan providers, these do not impact an individual's

creditworthiness. In order to obtain a credit report on oneself, a service such as UC's Min Upplysning must be used. (Danske Bank n.d.b)

It can be important to be aware of one's own creditworthiness, since it can affect financial decision-making. In a study done by Levinger, Marques and Stephan (2011), results showed that 73 percent of the participating individuals underestimated their credit score. Those who underestimated their score were also more likely to not apply for credit, since they thought they would be denied. A self-underestimation of credit worthiness can have further negative consequences on the individual, such as failing to explore multiple loan options and not bargain effectively. The research suggests that an accurate perception of one's credit score is important in the lending process and also indicates that past experiences and exposure to the credit score can improve the self-estimation accuracy.

### **3.2.2 Laws and regulations**

There are laws and regulations concerning credit information and reporting on private individuals. The Credit Information Act is a Swedish law with the purpose of protecting the personal integrity of the individuals that are registered in credit registers, and to contribute to efficient credit reporting (IMY 2023). The law is supervised by the Swedish Authority for Privacy Protection (IMY), and a license from them is required in order to conduct credit reference activities. The law states that credit reference agencies do not need to have consent from the individual in order to process their personal information data. However, a legitimate reason, such as applying for a loan or renting a property, is needed in order to access someone's credit report. When a credit report has been inquired by a lender, the applicant should always receive a written copy of the report in order to know what information has been collected about them and be able to check its accuracy. (IMY 2023)

## **3.3 Identity fraud**

Identity protection services are designed to protect against and assist in the cause of identity fraud. Identity fraud is when an unauthorized party uses someone else's identification, passwords, personal identity number, mobile BankID, or other credentials (Skatteverket 2024b). They might exploit this information for various purposes, such as obtaining false passports and IDs to facilitate criminal activities, applying for loans, or ordering goods (MySafety n.d.b). Scammers have various methods to access personal information, continuously increasing and becoming more sophisticated. Personal identity numbers and home addresses are considered

public information in Sweden, thereby usually serving as the foundation for most identity frauds (UC n.d.n). Scammers can then change the victim's listed home address, taking control of their identity and more easily access the purchases made in their name (Skatteverket 2024b; UC n.d.n). Personal information can also be obtained online through hacking or data breaches (Sentor 2021). Another method is called phishing, which is when the scammer uses emails, websites or other types of electronic communication to pose as a trustworthy person (IBM n.d.; The Swedish Police Authority n.d.b). A similar method is vishing, which is a type of telephone fraud using social manipulation (The Swedish Police Authority 2024).

A rise in fraud crimes in recent years can partly be attributed to the advancement of digital infrastructure and new technologies in the banking and financial sector, such as mobile BankID (The Swedish Police Authority 2021). These developments have opened up opportunities for new types of fraud, and the risk for detection and prosecution is perceived as low (The Swedish Police Authority 2022). According to Brå (2024), fraud crimes experienced the highest increase among all crime categories in 2023 in Sweden, with an increase of 22 percent as compared to 2022. In a survey by Novus for MySafety (2022) on the Swedish population, 43 percent of the participants stated having been victims of attempted fraud. Moreover, more than a third of the population in Sweden worries about being victims of fraud on the Internet (Brå 2023).

It has further been established by The Swedish Police Authority (2021) that frauds, including identity thefts, are important sources of income for criminal networks. The increase in reported frauds coincide with the rise in gun violence, and it is believed that the profits made from fraud crimes are reinvested in weapons and drugs (The Swedish Police Authority 2021). Fraud crimes, including identity theft, are estimated to have generated 5,6 billion SEK in criminal profits in 2022 (Sveriges Radio 2023). At the same time, the fraud crimes are difficult to investigate and clear up, with the current rate of resolved crimes standing at three percent (Fjelkegård & Horgby 2023).

### **3.3.1 Impact on the victims**

In addition to having an impact on society at large, identity fraud leads to significant consequences for the individual. These frauds are often difficult to detect, and thereby may have time to cause serious damage. When discovered, the victim must take quick action to minimize the consequences, such as blocking their identity with credit information companies and contest incorrect claims (Konsumentverket 2024b). At worst, the individual might end up with large debts (Skatteverket 2024a).

Being a victim of fraud may not only cause financial damage, but also emotional and physical distress. Research has shown how financial fraud victimization is

linked to worsened physical and mental health, such as major depression, generalized anxiety disorder, and decreased self-perceived health (Ganzini et al. 1990; Button et al. 2014). Victims have reported feelings of anger, embarrassment, shame and stress (Button et al. 2014). Emotional distress tends to intensify with the magnitude of financial loss, duration of information misuse before detection, and time spent resolving consequences (DeLeima et al. 2021). Many victims change their behavior, becoming more cautious about financial decisions and losing trust in others. Additionally, they may receive limited empathy or sympathy from peers and be labeled as gullible (Bailey et al. 2020).

Certain demographics, such as older adults and individuals with disabilities, face heightened vulnerability to fraud and exploitation (The Swedish Police Authority n.d.a). Research suggests that loneliness in older adults is associated with a vulnerability to fraud (Wen et al. 2022). Those lacking robust social connections are more likely to experience feelings of loneliness and social isolation, potentially leading them to seek interactions with strangers, including potential scammers. Furthermore, factors such as lower levels of cognitive function, poorer health and psychological well-being, and poorer financial literacy contribute to older adults' susceptibility to fraud (James et al. 2014). Higher levels of online purchasing behavior have also been linked to a greater vulnerability to identity fraud, as evidenced by Burnes, DeLiema and Langton (2020), showing that individuals who shop online daily are over five times more likely to fall victim to such crimes. The study also found that exposure to other forms of crime, along with past encounters with identity theft, were correlated with an increased likelihood of becoming a victim.

### **3.3.2 Legislation**

In 2016, Sweden introduced a new offense in the Penal Code, for unlawful use of identity (Regeringen 2016; Riksdagen n.d.). This legislation was designed to address the growing concern surrounding identity theft and fraud. The new law aims to prevent misuse of personal identity information as well as provide protection against the violation of privacy that occurs when the information is exploited. By making this behavior a criminal offense, the victims gain better opportunities to take legal action to defend their rights. To hold someone criminally responsible, it must be proven that they falsely represent themselves as another individual by unlawfully using that person's information, resulting in harm or inconvenience to them. The penalty for the crime is either a fine or imprisonment for up to two years. (Regeringen 2016; Riksdagen n.d.)

### 3.3.3 Identity fraud prevention and protection

To decrease the consequences of falling victim to identity fraud, there exist different identity protection services on the market. These services do not prevent the fraud from actually happening, but can assist the victim to minimize the negative effects (Konsumentverket 2024a). The services usually work by monitoring personal information, online and through credit information registers (UC 2023). This way, the customer can get notified when an unauthorized person uses their information. The company might offer assistance, such as blocking their personal identity number from further use and disputing invoices. In some cases, identity protection includes insurance for financial damages followed by identity fraud (MySafety n.d.a; UC 2023).

In addition to protective services on the market, there are other ways to protect oneself from identity fraud. Practicing caution in managing personal information is important to reduce the risk. Engaging in protective behaviors such as updating passwords regularly and shredding documents is associated with a lower risk of identity theft (Burnes et al. 2020). Additional preventative measures recommended by Tedder & Buzzard (2020) include using digital wallets for in-store and online purchases, setting up two-factor authentication for online accounts, and signing up for account alerts for suspicious activities. Regularly monitoring one's credit reports, billing statements and bank accounts can also be effective ways to detect suspicious activity (Office of the Attorney General n.d.).

## 3.4 Open Banking

As mentioned in Section 1.1, the barriers to data access are being broken down through customers' increasing power in their own financial data and ability to share it with third parties. This concept, called Open Banking, will be further elaborated in this section.

Open Banking aims to shift control and power of personal financial data from banks to private customers, as part of the trend of making the personal customer data and information more transparent and accessible (WSO2 n.d.; Remolina 2019). It is also founded in the idea that cooperating with external partners when working with innovation and research and development excels a company's competitive advantage (Durmusoglu 2004). Open Banking allows customers to securely share their financial data with other providers than their own bank via digital interfaces and platforms, known as Application Programming Interfaces (APIs) (Nordea 2023). The APIs can securely connect different IT systems, enabling them to share real-time data between a bank and another company (Nordea 2023). By integrating APIs in the value chain, the data becomes more



accessible, readable and understandable for the consumers and they can obtain a wider range of personalized products and services (Bianco 2022; Sydle 2023). The relationships between the banks and the consumer are illustrated in Figure 7 below. The data that can be shared varies depending on regional regulations, but the most common data points include account holder data, account information, financial liability, and transaction data (Keating 2023; Bianco 2022).

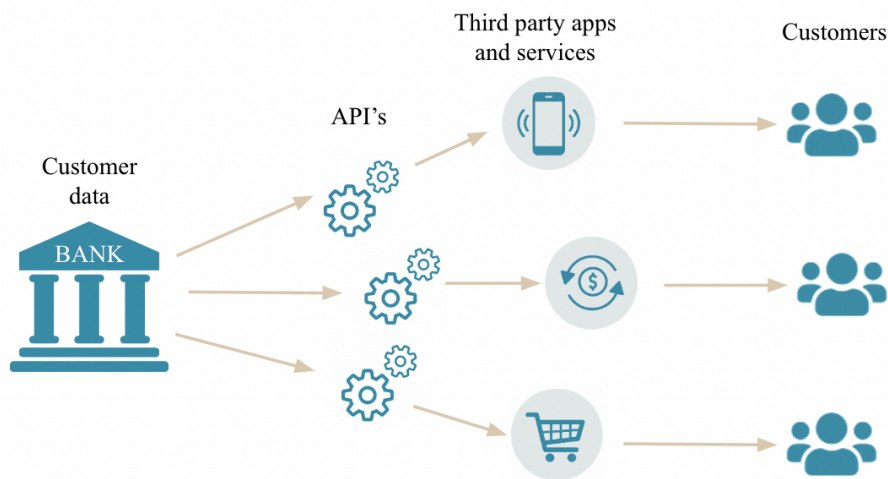


Figure 7. Overview of the Open Banking concept. Illustration inspired by Chakraborty (2023).

### 3.4.1 The Payment Service Directives

As part of the Open Banking initiative, with the goal to transfer control and power from the banks to consumers, the EU has legally regulated the financial service industry with the Payment Service Directives (Swedbank n.d.). The first legal framework within the Open Banking movement was the Payment Service Directive 1 (PSD1) regulation, which promoted faster, cheaper and more transparent payment services within the EU. The updated Payment Service Directive 2 (PSD2) regulation act additionally required EU banks to allow customers to share their personal data, with the purpose to strengthen consumer protection and control (WSO2 n.d.; Handelsbanken n.d.; Swedbank n.d.). The PSD2 specifically forces the providers of payment services to enhance customer authentication methods while introducing regulations concerning third party participation in the payment ecosystem (Williams 2017).

In 2018, the Open banking as we know it today was introduced. As of then, an Open banking application must guarantee adherence to regulatory requirements such as PSD2, and other global open banking regulations (Sydle 2023). By doing

so, it becomes easier for consumers and businesses to share their data with banks and third parties, enabling better and more comparable services (Gozman et al. 2018). However, many companies continue to struggle with the implications of the PSD2 regulation, which has not only altered the technical requirements for financial firms but also transformed the competitive landscape, creating new market opportunities, particularly in third-party payment services (Swedbank n.d.).

### **3.4.2 Benefits and challenges of Open Banking**

The many changes in the industry of recent years have made it challenging for companies, including banks, to adjust their businesses and use of data. There are, however, benefits and opportunities to engage in if one manages to adjust the organization and comply with all legislations of Open Banking (Gozman 2018). Except for the already mentioned regulation of data control in favor of the consumers, the concept also improves financial inclusion as well as promotes overall innovation (Bianco 2022; Gozman 2018). By enabling third-party providers to innovate and bring forth new products and services, people who have traditionally been excluded from finance systems and knowledge, will become more included with accessible and understandable data and financial services (Bianco 2022). Open Banking also fosters competition and innovation within the financial sector and enables better collaboration between financial institutions and third parties, which consequently enables customers to experience the most of their financial data in better products and services (Sydle 2023).

The main challenges include technology, data security, and a lack of standardization (Bianco 2022, Gozman 2018). Due to the technological nature of APIs and the data that is to be transformed, the connecting systems must work seamlessly and safely. To mitigate the risks with handling sensitive data, it is important to establish strong data protection and privacy policies (Bianco 2022). The lack of standardization does however make it challenging to develop such applications that work seamlessly between different banks and institutions (Bianco 2022).

## 4 Theoretical frameworks

*This chapter aims to present, describe and motivate the selection of frameworks used in the analysis.*

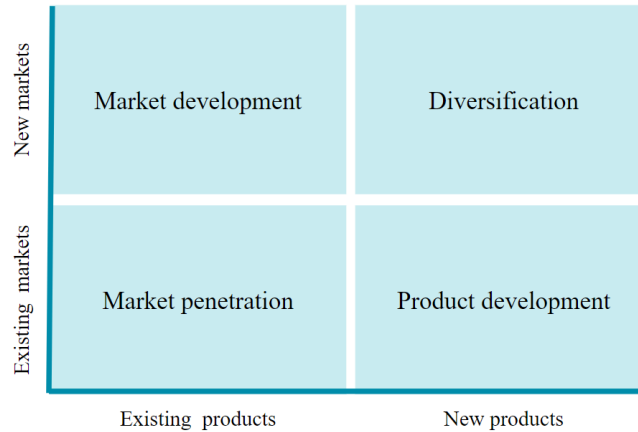
In order to develop a marketing strategy for the D2C unit, it is important to first understand the overall purpose, mission and vision of the company to guide the strategic decisions. The purpose of an organization should address how they are making a difference and for whom, the mission statement explains what the organization is fundamentally there to do, and the vision statement is concerned with the future of the organization and what they want to achieve (Johnson et al. 2015, pp. 79-80). Further, there exist multiple theoretical frameworks to help analyze the different aspects of strategy. The frameworks that have been used in this thesis will be described in this chapter.

### 4.1 Growth strategies

Given the problem description and the objective outlined in Chapter 1, describing the focus on market penetration growth in this thesis, it is appropriate to describe the different possible strategies for growth and their purposes. A growth strategy is a plan for how a business should improve their performance in different aspects, aimed at improving its value, profits, and market position (Covelent n.d.). Without a clear strategy, companies may lose direction and overlook growth opportunities. The growth strategy helps a company figure out where to focus its efforts and necessary steps to outperform competitors. Developing a growth strategy requires a deep understanding of the market, and an ability to identify internal and external factors influencing growth potential. (Covelent n.d.)

Ansoff (1957) introduced the Ansoff matrix, outlining four growth alternatives. The framework is illustrated in Figure 8. Ansoff argued that a business can grow through market penetration, market development, product development, or diversification, each evaluated based on the degree of new product development and new market expansion. As already mentioned in Chapter 1, this thesis focuses on growth opportunities through market penetration, wherein the company seeks growth in existing markets with existing products. This can be considered the least risky alternative, as the company is largely remaining within familiar territory.

Common tactics for achieving market penetration growth include price adjustments, product enhancements, changes in distribution processes, and improvements in marketing efforts (NI Business Info n.d.).



**Figure 8. The Ansoff matrix. Illustration inspired by Ansoff (1957).**

## 4.2 PESTEL

The first research question of this thesis demands a thorough understanding of the environment of the markets of credit information and identity protection services. Moreover, the broader environment where a company operates can significantly impact its success level and strategic choices (Edwards et al. 2014a). Hence, it is crucial to monitor and analyze current trends and environmental changes in order to understand the markets and make strategic decisions. The PESTEL analysis, a common tool for assessing macro-environmental factors and their impact on industries and companies, encompasses six key factors: political, economic, social, technological, environmental, and legal (Edwards et al. 2014a). These factors can present both opportunities and threats for companies (Edwards et al. 2014b). Examples of PESTEL factors, on which the analysis will be founded on, are detailed in Table 7 below.

**Table 7. Examples of PESTEL factors. (Edwards et al. 2014a; Washington State University, 2023)**

<i>Factors</i>	<i>Examples</i>
Political	Government leadership, internal political trends, and regulation and deregulation trends.
Economic	Inflation and interest rates, unemployment rates, disposable income levels and growth or decline levels of the economy.

Social	Trends in demographics, consumer attitudes, buying patterns, cultural trends, and living standards.
Technological	Changes in the way goods and services are produced and distributed, increases in automation, increases in the rate of new product development, as well as new ways of communicating with markets.
Environmental	Given the nature of the services, this aspect is deemed not relevant.
Legal	Employment laws, product labeling, advertising standards and consumer rights and laws.

### 4.3 Porter's five forces

After having examined the overarching relevant environmental trends, it is appropriate to examine the closer surroundings. One of the essential aspects of strategy formulation is how to cope with competition. Since both the relevant markets for this thesis, as well as the success of UC's marketing strategy, are influenced by the competitive landscape, analyzing the market dynamics becomes crucial. Porter (1979) highlights that competition extends beyond rivalry among market players to include customers, suppliers, potential entrants, and substitute products. His framework Five Forces identifies forces driving competition in an industry. Porter describes how the strength of these forces determine the ability to make profit in the industry, and they are therefore important to understand in order to strategically place the company in the most favorable position for coping with them.

Since Porter first presented his framework in 1979, it has been revised both by Porter himself and other academics (Gerard & Bruijl 2018; Goyal 2021; Grundy 2006; Porter 2008). The first version of the framework was criticized for being too abstract and hence difficult for managers to use outside of academia (Grundy 2006). Porter therefore updated his work in 2008, including added sections on how to use the Five Forces analysis in practice (Porter 2008). In his extended article, Porter emphasizes the implications of the strategic forces, as well as provided more relevant and usable examples in his explanations of the forces.

Examples of the driving or weakening factors of each force, forming the basis of the analysis, are presented below in Table 8.

**Table 8. Porter's five forces and their driving factors.**

<i>Forces</i>	<i>Driving or weakening factors</i>
Competitive rivalry	<i>Driving forces:</i> A large number of companies on the market, competitors evenly matched in size and resources, slow industry growth, diverse players, undifferentiated products, low switching costs.

Threat of new entrants	<i>Weakening forces:</i> Economies of scale, non-replicable cost advantages independent of scale that established companies have, product differentiation, requirement of large financial investments, if entry is dependent on different government policies.
Bargaining power of suppliers	<i>Driving forces:</i> The supplier group is dominated by a few companies, the suppliers face minimal competition from substitutes, the product is differentiated, switching costs for the buyer, the product is crucial to the buyer's success, the supplier group presents a threat of forward integration.
Threat of substitute products or services	<i>Driving factors:</i> The substitute products are becoming more attractive compared to the industry's product in terms of price and performance, the products are made by industries making high profits.
Bargaining power of buyers	<i>Driving factors:</i> The buyer group is concentrated or makes large volume purchases, the products are undifferentiated, minimal switching costs, the buyer has full information regarding demand and market prices, the buyer group is earning low profits.

## 4.4 VRIO

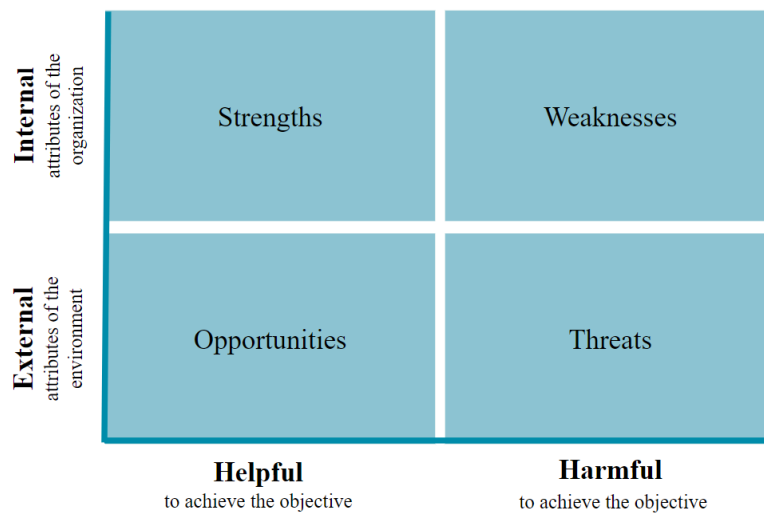
Given UC's history, experience and background in B2B contexts, it becomes relevant to understand how UC can leverage its capabilities in the new D2C context to drive growth. Developing sustainable competitive advantages requires that the company must identify, understand, and develop its internal capabilities (Johnson et al. 2015, pp. 54-59). Barney's VRIO framework (1991) is a valuable tool for evaluating capabilities based on their *value, rarity, imitability, and organization*. A capability must meet all four criteria to become a competitive advantage. Utilizing the VRIO framework provides insights into the strengths that give a company its competitive edge, and they can then adjust the strategy to capitalize on these strengths (Barney 1991, Johnson et al. 2015, pp. 54-59; OnStrategy 2022). The VRIO framework is illustrated in Figure 9 below.

Valuable?	Rare?	Hard to imitate?	Organized?	Result
Yes	No			Competitive parity
Yes	Yes	No		Temporary competitive advantage
Yes	Yes	Yes	No	Unused competitive advantage
Yes	Yes	Yes	Yes	Long-term competitive advantage

**Figure 9. Overview of the VRIO framework. Illustration inspired by Barney (1991) and Johnson et al. (2015, pp. 54-59)**

## 4.5 SWOT

To develop a strategic plan for a company, understanding its competitive position is crucial. Given that organizations continually interact with their surroundings, they must analyze both their internal environment and the external environment to ensure effective strategic management practices (Gürel 2017; Kotler et al. 2008, pp. 135-138). Given UC's goal to enhance growth and refine its D2C marketing strategy, alongside this thesis's aim to analyze the markets and UC's market position, the SWOT framework becomes a valuable tool. The SWOT framework, illustrated in Figure 10, is a strategic management tool for assessing internal and external factors influencing a company's success (Gürel 2017; Kotler et al. 2008, pp. 135-138). Internally, one should identify strengths and weaknesses, guiding the organization in leveraging competitive advantages and addressing areas for improvement. Externally, opportunities to capitalize on and threats to navigate should be identified.



**Figure 10. Overview of the SWOT model. Illustration inspired by Johnson et al. (2015, p. 70).**

## 4.6 Target group and market size estimation

In order to adjust the marketing strategy to increase the efficiency of a company's marketing towards its end consumers, the company must understand who their customers are and their behaviors (Eliasson & Andberg 2011, pp. 27-28; Goyat 2011). To do so, the customers must be segmented into targetable segments with opportunity to profit on (Eliasson & Andberg 2011, pp. 27-28; Goyat 2011). Therefore, the analysis of this thesis will include a customer segmentation for UC's D2C customers, and a market size estimation of selected segments, to ensure the possibility of growth by targeting the selected segment.

### 4.6.1 Market segmentation

Khandelwal, Tushar and Khandelwal (2020) discusses three aspects of strategy: segmentation, targeting and positioning. Goyat (2011) explains segmentation as the process of identifying specific customer groups with specific needs. Targeting involves the company concentrating on one or a few specific segments, while positioning refers to the company establishing itself in the market in a way that appeals to these segments (Khandelwal et al. 2020; Kotler et al. 2008, pp. 423-444). This allows companies to focus on a specific segment and tailor their marketing strategies to the needs of preferred customer groups, thereby enhancing



their strategic positioning and effectiveness of their marketing mix (Khandelwal et al. 2020; Goyat 2011).

Customer segmentation can be based on multiple aspects, with the four most common bases being geographic, demographic, psychographic and behavioral segmentation (Jobber & Ellis-Chadwick 2019; Kotler et al. 2008, pp. 411-418). The choice of segmentation base depends on various factors including the type of product, the characteristics of demand, the distribution method, the available communication media, and the motivations of the buyers (Chisnall 1985). Blythe (2003) and Craft (2004) argue that there is a trade-off between targeting small, specific segments, which allows for more tailored marketing mixes and often higher prices, and the resources invested in segmenting and customizing the marketing mix for various customer groups. Khandelwal, Tushar and Khandelwal (2020) further argue that companies with limited resources usually apply concentrated marketing, targeting one or a few sub-segments with high possibility for high earnings.

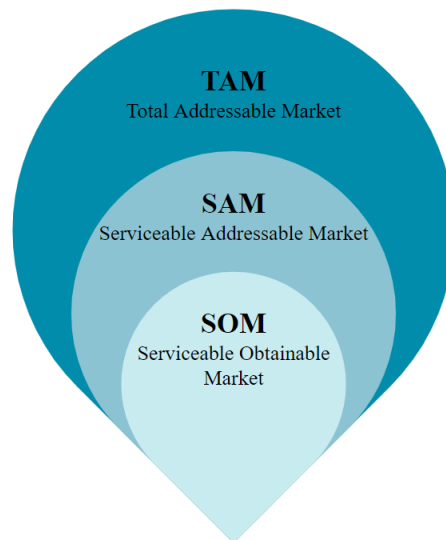
#### **4.6.2 Market size estimation**

A market size estimation can provide insights into growth potential and assist decision-making in areas like product development and promotion strategies. Since market size estimations of relevant market segments have not yet been done by UC, it is identified as a suitable action in order to establish a foundation for further insights and strategic decision-making. It is important to note that these estimations will be rough approximations due to limited data availability, serving as initial steps with potential for future refinements.

A market size estimation can be done by using a top-down or a bottom-up approach (Hartwig 2023). A top-down approach begins with a broad market estimate, which is then refined to the target market using assumptions and statistics. Conversely, the bottom-up approach makes the estimation from below, adding up known data from market participants. A bottom-up approach tends to generate a more accurate result, but it is also more costly and often requires primary research (Hartwig 2023). Therefore, a top-down approach is chosen in this case, and is deemed sufficient for providing an initial approximation of the market size.

The process of market size estimation can be divided into three steps, illustrated in Figure 11. Initially, estimation is done for the Total Addressable Market (TAM), representing the total revenue potential if the company captured 100 percent of the market without competition (Agarwal 2022). Next, the Serviceable Addressable Market (SAM) is evaluated, representing the portion of TAM that the company's products can target. Finally, the Serviceable Obtainable Market (SOM) is

determined, representing the actual market share the company can capture, considering competition (Agarwal 2022).



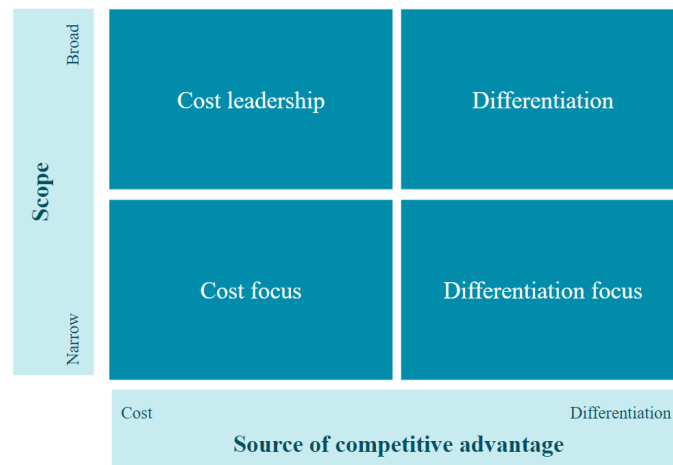
**Figure 11. Overview of the market estimation framework. Illustration inspired by Agarwal (2022).**

## 4.7 Porter's generic strategies

Since the business unit analysis aims to provide insights for shaping UC's marketing strategy, a summarizing tool or framework to condense the most important findings into a strategic positioning is deemed appropriate. Based on the Five Forces, Porter introduced his generic strategies to succeed in a market; *cost leadership*, *cost focus*, *differentiation* or *differentiation focus* (Porter 1980; Johnson et al. 2015, pp. 107-108). The choice depends on market circumstances and competition. To determine what strategy to pursue, one needs to identify the source of competitive advantage and the scope of the buyer group, as illustrated in Figure 10.

The strategies require different approaches within the business functions (Porter 1980; Johnson et al. 2015, pp. 107-114). Cost leadership minimizes costs through factors like input costs and economies of scale, while differentiation offers added value that customers are willing to pay extra for. The uniqueness of the offerings can be achieved through various means, such as added or improved features, brand image or advertising. Focus strategies target specific market segments with tailored products, and can be cost-focused or differentiation-focused within the segment, as shown in Figure 10. Committing to a single strategy is essential, as

being "stuck in the middle" typically leads to poor outcomes. Essentially, one must have the lowest costs to earn cost leadership, or one must offer the most value within the chosen differentiation dimension. Since customers will choose the product that best fulfills their needs, it is unlikely for second-best products to succeed in the long term. (Porter 1980; Johnson et al. 2015, pp. 114-116)



**Figure 10. Overview of Porter’s Generic Strategies. Illustration inspired by Porter (1980) and Johnson et al. (2015, p. 108).**

## 4.8 Marketing mix

After analyzing the business unit level, the actual marketing strategy will be examined on the functional strategy level. The analysis of UC’s marketing strategy will follow the structure of Kotler’s marketing mix, including: *product*, *price*, *place*, and *promotion*, the four key factors involved when marketing a product or service to customers (Kotler 2008, pp. 49-50; Twin 2024). The model facilitates a comprehensive approach to developing a marketing plan, ensuring that all key elements are addressed while promoting integration and consistency between the different factors. This ensures alignment with the core company strategy throughout all marketing elements (Borden 1985; Kotler 2008, pp. 51-53).

### 4.8.1 Product

Effectively marketing a product or service requires an understanding of its benefits and the value it offers to consumers, particularly in comparison to competitors

(Kenton 2024; Kotler et al. 2008, p. 501; Twin 2024). To do so, one can use the two frameworks: the three Levels of products, and the Product life cycle.

#### 4.8.1.1 Product life cycle

While few products last forever, companies can take measures to extend their lifespan. Although the appearance of the product life cycle may vary across different products and categories, a standardized framework typically includes five phases: product development, introduction, growth, maturity, and decline (Kotler et al. 2008, pp. 571-572). The standardized product life cycle is shown below in Figure 12, and the corresponding phases are described in Table 9. As one can see in the figure, the first phases are characterized by large costs and small profits, while the later phases are characterized by smaller costs and larger profits. Consequently, if one can extend the growth, maturity and decline phases, the company can make more profit on the product.

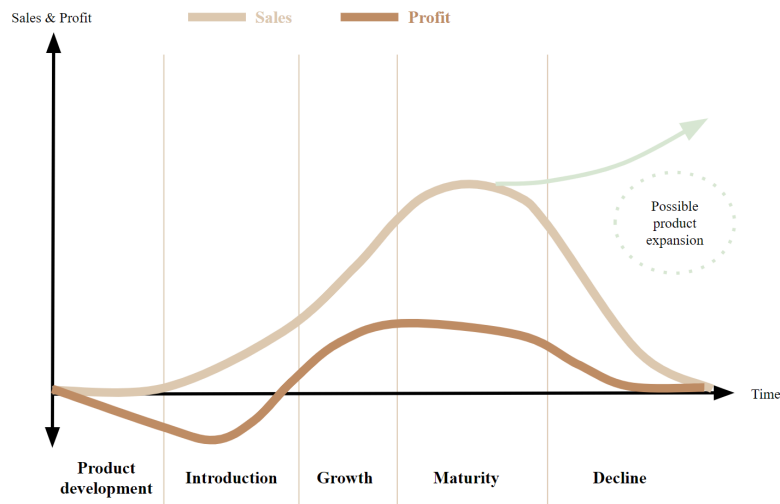


Figure 12. The product life cycle framework. Illustration inspired by Kotler et al. (2008, pp. 571-572) and Sild (2022).

Table 9. Descriptions of the phases of the product life cycle (Kotler et al. 2008, pp. 571-579).

<i>Phases</i>	<i>Considerations</i>
Product development	The company invests in idea realization and product development. Often a costly phase requiring investments without any sales earnings.
Introduction	The product is introduced to the market, and the company starts to collect revenue on the product. The company should invest in marketing to create awareness and educate the consumers on the product as well as attract distributors.

Growth	Early adopters will continue to buy and late buyers will join them and competitors start to introduce new, developed, products with new features and better quality, and the market expands. The company faces trade-offs between spending money on marketing to gain larger market shares, and maximizing current profit.
Maturity	Characterized by high competition, high profitability, and lower marketing and production costs. The company can use market development to attract new customer segments, and product development to increase usage among current consumers. Adjusting the marketing mix can enhance sales.
Decline	Characterized by loss in market shares and decrease in sales, revenue and profit. The company can extend the lifespan by adjusting pricing, customer segments or promotion budget. Keeping underperforming products can be costly, and requires careful consideration of whether to maintain or discontinue them.

#### 4.8.1.2 Levels of product

A product can be divided into three main levels: core product, actual product, and augmented product (Kotler et al. 2008, pp. 501-502). The core product addresses the core problem solving feature of the product. The actual product includes tangible aspects like quality, features, styling, branding, and packaging. Finally, the augmented product includes services and other benefits. The three levels combined creates the final bundle of benefits that attracts the consumer.

### 4.8.2 Price

Pricing is a vital part of the marketing mix, and should reflect the value the customer believes the product brings her (Twin 2024). The goal is to balance the price to the costs as well as the demand of the product. Two main pricing models are commonly used: value-based and cost-based pricing (Kotler et al. 2008, pp. 639-640). Value-based pricing further includes good-value and value-added pricing, while cost-based pricing comprises cost-plus and break-even pricing, as detailed in Table 10. The two main strategies are illustrated in Figure 13.

**Table 10. Descriptions of the phases of the product life cycle. (Kotler et al., 2008, pp. 640-647)**

<i>Pricing strategy</i>	<i>Description</i>
<b>Value-based pricing</b>	Based on the customer's perceived value, putting restrictions on price, hence setting boundaries on the costs.
- Good-value pricing	Aims to offer optimal quality and service at a fair price. Often used by high-end brands expanding their customer base with slightly more affordable product versions.
- Value-added pricing	Enhances product value in order to differentiate the offer from competitors', allowing the company to justify higher prices and avoid price-based competition.

<b>Cost-based pricing</b>	Relies on production and development costs to determine the price floor.
- Cost-plus pricing	Involves adding a standard mark-up to the costs to determine the price, offering simplicity but neglecting demand and competitor prices.
- Break-even pricing	Calculates the price needed to reach the break-even point, considering expected sales and profits to determine the most profitable price.

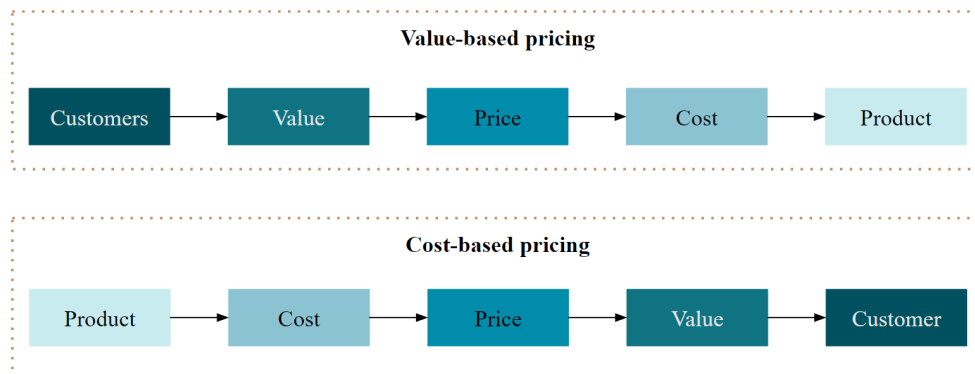


Figure 13. Value-based and cost-based pricing. Illustration inspired by Kotler et al. (2008, p. 640)

### 4.8.3 Promotion

Promotion involves communicating a product's value and building customer relationships. A company's total promotion mix includes a mixture of *advertising*, *sales promotion*, *public relations*, *personal selling*, and *direct marketing tools*, and should be coordinated with the product, price and place to achieve the most rewarding promotion strategy (Kotler et al. 2008, pp. 691-192).

#### 4.8.3.1 Promotion mix strategies

As described by Kotler et al. (2008, pp. 715-716), there are two main strategies available when composing a promotion mix: the push and the pull strategy. With the push strategy, a company makes the resellers buy the product and then promote the product to end consumers. The pull strategy involves promoting the product directly to the end consumer, creating a chain of demand from consumers to producers. The two strategies are illustrated in Figure 14 below.

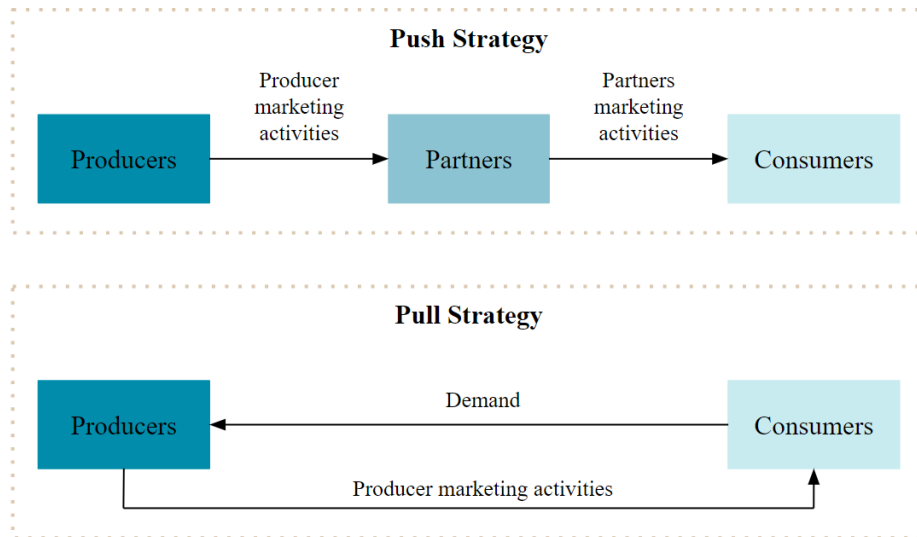


Figure 14. Promotion mix strategies. Illustration inspired by Kotler et al (2008, p. 715).

#### 4.8.4 Place

Place refers to where the product should be available and how it will be displayed (Twin 2024a). The first step in designing a company's channel strategy is to identify available channels for product distribution. Companies can use their own channels, intermediaries, or form partnerships with other businesses (Kotler et al. 2008, pp. 897-906). In partnerships, companies collaborate to create a mutually beneficial situation. When deciding on a partner, the company should consider factors such as what skills or capabilities the partner will provide, as well as their reliability and scalability. Regardless of the extent of the partnership, it is important that both parties are committed and invested equally for the partnership to succeed long-term (Hand 2023).

## 5 Case study: The company

*Before proceeding with the analysis and integrating the previous frameworks with the collected data, this chapter will provide a more extensive picture of the D2C unit of UC. It will provide detailed descriptions of the relevant products to establish a strong foundation for the analysis, as well as delve into the current state of the D2C unit, including revenue, subscriber base, and other relevant metrics. The chapter is based on internal data from the company as well as external sources.*

### 5.1 Products

As outlined in Chapter 1, the D2C unit offers multiple products, with subscription services such as UC ID-Skydd and Kreditkollen being the primary revenue sources. As previously mentioned, the services can be divided into two categories: information services and protection services. When purchasing Kreditkollen, labeled as an information service, Mitt Kreditbetyg and Min Upplysning are also included. Conversely, the services Bedrägerispärr and Förlustanmälan are included in the UC ID-Skydd service. This is illustrated in Figure 15 below. More thorough descriptions of Kreditkollen and UC ID-Skydd will follow below, including their different features. This information is sourced from the website, product usage, and internal interviews. The service Digital Brevlåda will not be further elaborated on as it falls outside the scope of this thesis.



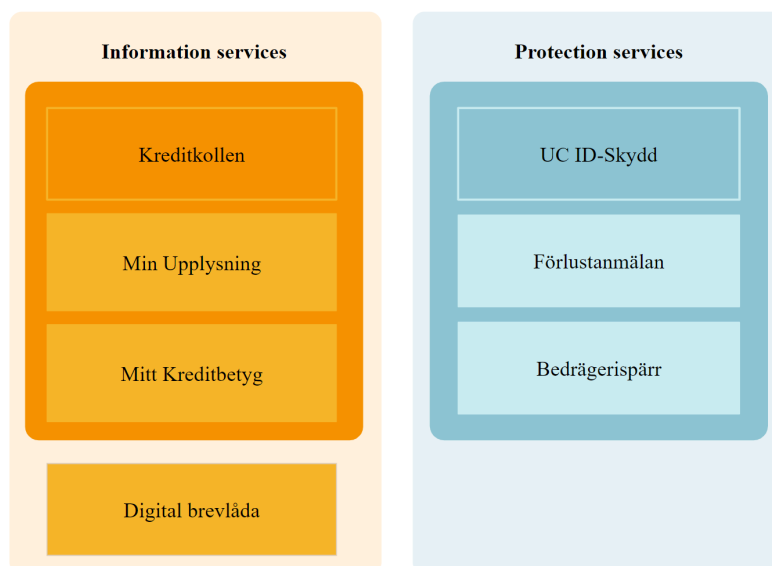


Figure 15. Overview of UC's products available for private customers.

### 5.1.1 Kreditkollen

Kreditkollen, the most extensive of the information services, is a subscription service with a cost of 49 SEK per month with no commitment period (UC, n.d.c). It offers access to historical credit data spanning up to 12 months and provides unlimited access to continuously updated credit reports. UC describes Kreditkollen as a valuable resource for individuals to monitor their credit score and track the progression of their creditworthiness over time. It helps those with lower creditworthiness to identify payment remarks and their expiration dates, while also allowing them to monitor their creditworthiness on a monthly basis. Moreover, individuals with stronger creditworthiness can utilize the service to check for unused credit cards, gain insights into their loan portfolio and repayment schedule, and prepare effectively for bank meetings. (UC, n.d.c)

#### 5.1.1.1 Min Upplysning

Min Upplysning is included in Kreditkollen, but can also be purchased separately as a single purchase, giving access to one's credit report for 72 hours at a price of 39 SEK (UC, n.d.d). In Kreditkollen, the customer has unlimited access to Min Upplysning. The service offers a credit report with up-to-date information about the customer's credit status, as the credit register data is updated daily. No credit report is registered in the system when using the service. The report includes basic personal information such as name, marital status, and registered home address, as

well as details about income levels and real estate ownership. Of particular interest to customers are details about loans, credits, payment remarks, and previously taken credit reports. For example, users can view information about their various credit cards, including credit limits and outstanding balances.

#### *5.1.1.2 Mitt Kreditbetyg*

The service Mitt Kreditbetyg is also included in Kreditkollen. If instead purchased as a single purchase, it is priced at 99 SEK and available for one week (UC, n.d.g). Mitt Kreditbetyg gives access to an individual's creditworthiness, presented as a risk prognosis score, hereafter referred to as the UC risk prognosis score. UC describes the service as a valuable tool for managing personal finances effectively. The score is commonly used by lenders when assessing loan or credit applications, making a good score advantageous for negotiating lower interest rates and better conditions with banks or other lenders.

The UC risk prognosis score ranges from 0 to 100 percent, indicating the risk of obtaining a payment remark within the next 12 months (UC, n.d.b). Based on information within the UC credit report, it serves as a statistical summary of the entire report, reflecting how different factors correlate with the risk of payment difficulties. The score is dynamic, changing with updates in the UC registry, and with certain factors such as recent payment remarks typically carrying more weight. The scoring algorithm incorporates data from all Swedish citizens over 18 years old, enabling individuals to compare their score with others. The algorithm behind the UC risk prognosis score is complex and under constant change, with only a few people at UC knowing exactly how it works. (UC, n.d.b)

#### *5.1.1.3 UC-Score*

In addition to Mitt Kreditbetyg, which displays the UC risk prognosis score, the Kreditkollen service also includes the UC-Score (UC, n.d.o). This score mirrors the UC risk prognosis score but with an inverted scale, where a higher number indicates better creditworthiness. Both scoring systems are based on the same credit report data. The measurement scale of the UC-Score ranges between 1 and 999. This score is exclusively used within Kreditkollen, allowing customers to easily monitor changes in their creditworthiness. This is in contrast to the UC risk prognosis score, which is often part of the decision-making process for banks and other lenders when granting loans. Therefore, discussions with banks should reference the UC risk prognosis score rather than the UC-Score.

#### *5.1.1.4 Goals and challenges*

Another feature included in Kreditkollen is the ability to set up saving goals and challenges. For instance, a saving goal could be to buy a car, and the user can regularly update their progress towards achieving this goal. An example of a

challenge could involve refraining from using credit to make purchases for one whole month. Breaking this rule would result in failing the challenge. (UC n.d.c)

## **5.1.2 UC ID-Skydd**

The UC ID-Skydd is UC's most extensive protection service. It is a subscription service with a monthly price of 89 SEK and a binding time of twelve months (UC, n.d.j). It is also possible to purchase ID-Skydd Duo, for a price of 139 SEK per month, or ID-Skydd Familj which includes five people for a price of 199 SEK per month. As mentioned, the service includes both Bedrägerispärr and Förlustanmälan. The service also includes multiple additional features.

### *5.1.2.1 Monitoring*

Firstly, the customer's personal information is continuously monitored via their credit report in order to detect suspicious activity like changes in the credit register (UC, n.d.e). Immediate notifications are sent via text or email in such cases. Additionally, an online monitoring service is offered as a free complimentary add-on feature, covering the open web, deep web, and darknet (UC, n.d.j). Customers can specify the information they wish to monitor, including personal details like email address and phone number, card and bank account information, and identification documents such as passports. If any suspicious activity is detected, notifications are sent via text or email. Customers can view the discovered information, estimated risk level, and receive tips on appropriate actions while logged in.

### *5.1.2.2 Assisting and restricting*

In the case of detected identity fraud, UC provides assistance, with specialists accessible 24/7 via a dedicated telephone line. They assist customers in cases of suspected identity fraud, confirmed identity fraud or to provide advice on cybersecurity. They will also help in assessing the extent of the fraud. Moreover, UC can take over the case in the event of fraud, assisting the customer throughout the process. With the customer's authorization, UC will for example dispute invoices, set up a fraud block, cancel subscriptions and remove incorrect payment remarks. (UC, n.d.e)

### *5.1.2.3 Bedrägerispärr*

The Bedrägerispärr service, also included in UC ID-Skydd, places a ban on a customer's credit report, preventing anyone from taking a credit report on their personal identity number (UC, n.d.l). It can also be used as a standalone service, free of charge. When activated, the block prohibits actions such as loan applications or purchases on installment plans. It is not possible to place a block

only for preventative purposes. The block extends to registers of other credit companies like D&B, CreditSafe, Valitive, and Syna. Initially set for two weeks, the block's duration can be extended up to five years with a police report on fraud submitted to UC. During this period, the block can be temporarily lifted online for specific purposes like loan applications, and then reactivated as needed. (UC, n.d.l)

#### *5.1.2.4 Förlustanmälan*

The service Förlustanmälan is also included in the UC ID-Skydd, and assists individuals who have lost their identity documents such as ID cards, driver's licenses, or passports (UC, n.d.k). If used as a standalone service, it is priced at 95 SEK per purchase. The reporting is made by making a call to UC's automated telephone service. Reporting a loss results in UC adding a notation about the lost document in the individual's credit report. This alerts companies to perform additional checks when requesting the individual's credit report, helping detect potential misuse of the lost identity document and reducing fraud risk. The notation remains in the system at UC for two years but can be revoked at any time, such as when the lost identity document is found. (UC, n.d.k)

#### *5.1.2.5 Insurance*

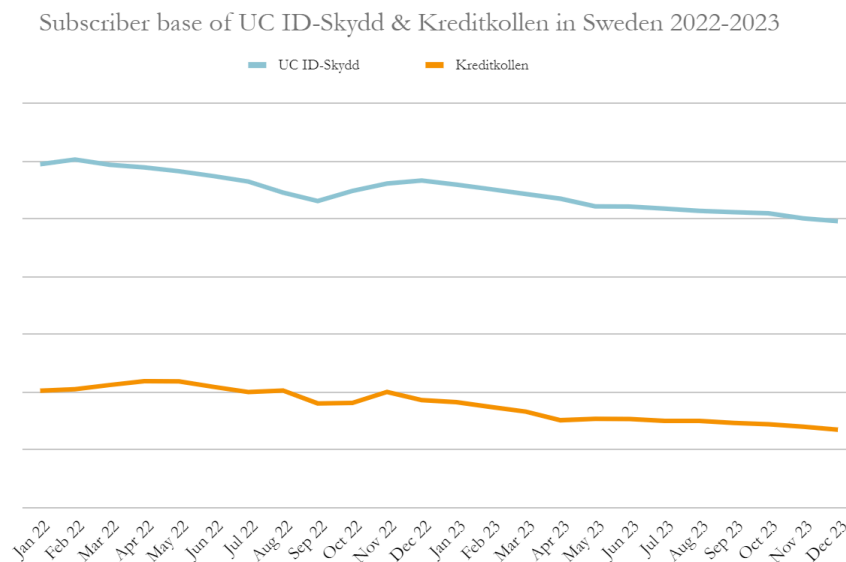
Finally, the UC ID-Skydd includes two types of insurance. Firstly, there is an insurance against outstanding debt, which becomes relevant if the assistance cannot fully address or manage the fraud, leaving a remaining debt. In such instances, financial losses of up to 200 000 SEK are covered. Moreover, insurance for potential legal expenses is included. This insurance applies if the customer has additional debt remaining after the outstanding debt insurance has been paid out, and in cases where there is a legal dispute. The coverage extends up to 500 000 SEK. (UC, n.d.e)

## 5.2 Current state

The objective of this section is to provide an overview of the current status of the D2C segment at UC, with a focus on key metrics. By examining how these have evolved over time, it is possible to gain insights into the current state of the D2C operations, and justify the necessity of a strategy review and reform. The data presented in this section is based on internal data from UC. To maintain UC's confidentiality, specific numerical figures have been omitted, but changes and trends remain visible.

### 5.2.1 Subscriber base

As mentioned in the problem description, see Section 1.3, UC has experienced a recent decline in growth within its D2C unit. Examining the subscriber base figures for the past two years, as depicted in Figure 16, reveals a decline in both Kreditkollen and UC ID-Skydd subscriptions since February 2022. There was a total decrease of 13.2% for Kreditkollen and 9.2% for UC ID-Skydd between 2022 and 2023, resulting in a combined decrease of 10.6% for the two products during the same period. Since both products are subscription-based, the subscriber base and revenue are greatly influenced by the duration for which a user remains a customer. A churn analysis by UC has revealed that the average Kreditkollen user stays for 21 months, whereas the average UC ID-Skydd user stays for 40 months. It is important to note that the 12-month binding period for UC ID-Skydd likely impacts churn, as customers cannot unsubscribe during the first year.



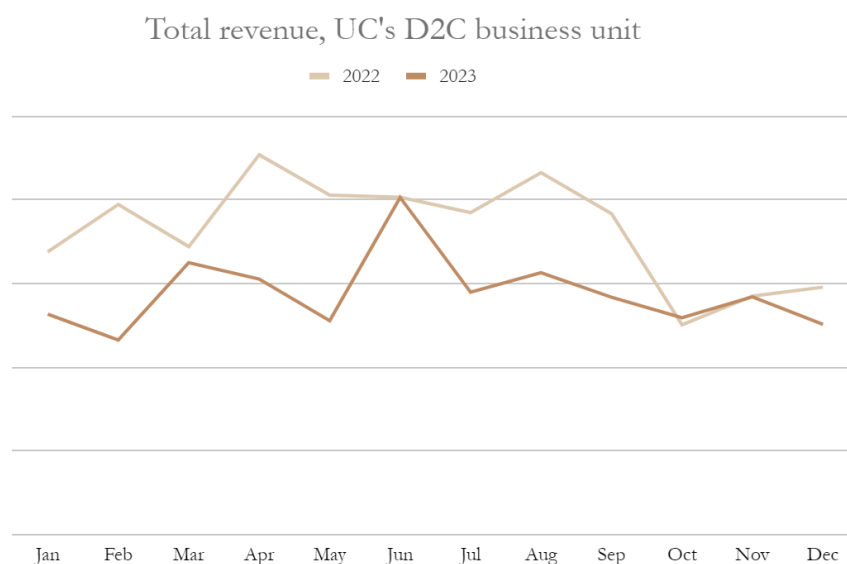
**Figure 16. Subscriber base of Kreditkollen and UC ID-Skydd over the time period of January 2022 to December 2023. Kreditkollen is represented by the orange line and UC ID-Skydd is represented by the blue line. Based on internal data from UC.**

### 5.2.2 Revenue and profitability

The presentation of UC's revenue and profitability is divided into two parts: the revenue of the total D2C unit, and the revenue of each product within the unit, primarily focusing on Kreditkollen and UC ID-Skydd.

### 5.2.2.1 Total revenue of UC's D2C unit

The total revenue of UC's D2C unit over the time period of 2022 to 2023 is presented in Figure 17 below. One can see that the revenue has decreased in 2023, with October being the only month where 2023 had better revenue than 2022. The total decrease in revenue between 2022 to 2023 is calculated to 3.5%, which partly correlates with the decrease in subscription base presented in the previous section. It is hence concluded that UC's D2C unit is both decreasing in growth and in revenue. The decrease in revenue at the end of 2022 can, according to employees at UC, be explained by the fact that the promotion budget was cut by the company, leaving no funds for advertising activities. Additionally, the decline in revenue towards the end of the year may be correlated with a general spending pattern, with people being less likely to spend money on subscription services during this time.

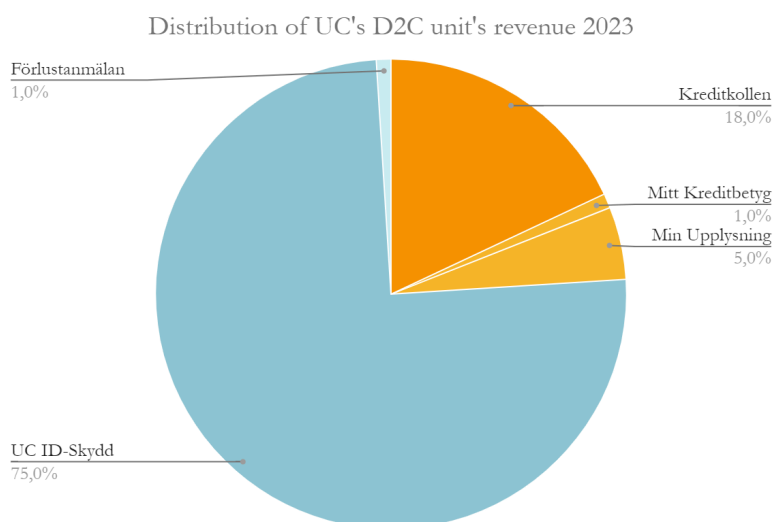


**Figure 17. Total revenue of UC's D2C unit from January 2022 to December 2023. Based on internal data from UC.**

### 5.2.2.2 Revenue by product

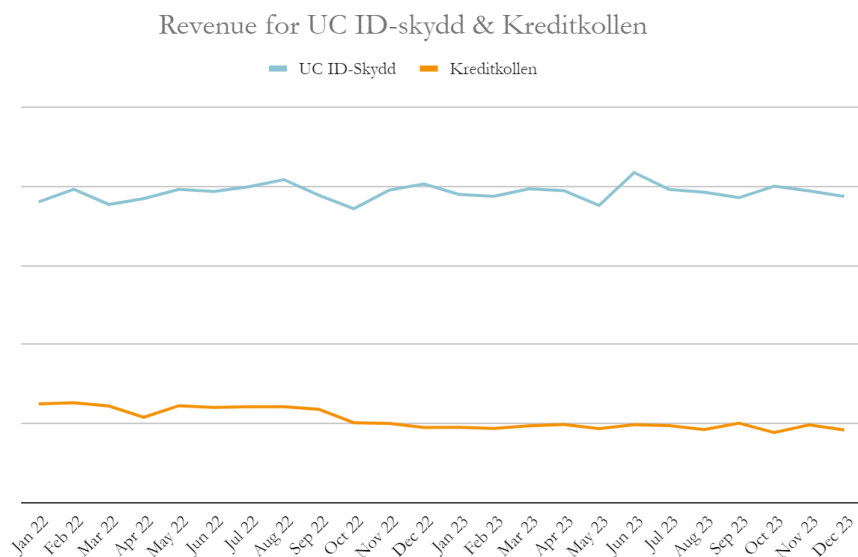
The revenue distribution for all paying services of the D2C unit, presented in Figure 18, shows that the revenue contribution varies significantly. UC ID-Skydd is the strongest product, with 75% of the revenue, followed by Kreditkollen with 18%. Min Upplysning, a single-purchase service, contributes with 5%, and the others with 1%. Min Upplysning, Mitt Kreditbetyg, and Förlustanmälan are

however still important to the unit as they bring in new customers, thereby being an important part of converting customers to Kreditkollen and UC ID-Skydd.



**Figure 18. The distribution of UC's D2C unit's revenue 2023 by product. Based on internal data from UC.**

Further, by comparing the revenue of UC ID-Skydd and Kreditkollen over time, one can see that UC ID-Skydd revenue has been stable with an increase of 0.5%, while Kreditkollen has decreased with 16.9% since January of 2022. This is shown in Figure 19 below. Employees at the company have explained that they have experienced challenges with their data management, and that some customers' payments have been located in incorrect time periods, making the data less reliable.



**Figure 19. Change in revenue of UC ID-Skydd and Kreditkollen during 2022-2023. Based on internal data from UC.**

### 5.2.2.3 Costs and margins

The margins of the credit information services, mainly corresponding to the margins of Kreditkollen, and the identity protections services, mainly corresponding to the margins of UC ID-Skydd, are presented below in Table 11. The lower margin of the identity protection services is due to the larger costs associated with the products, where the greatest costs for UC ID-Skydd are data acquisition, external services and paid commissions. The external services include the insurance and customer support partners, and the paid commissions include telemarketing. As for Kreditkollen, the greatest costs are associated with marketing and advertising expenses, but this budget segment was paused in December of 2023 and into the first half of 2024.

**Table 11. Margins calculated of the summarized revenue and costs of Kreditkollen, Min upplysning and Mitt Kreditbetyg, as well as UC ID-Skydd and Förlustanmälan. Based on internal data from UC.**

	<i>Financial services</i>	<i>Protection services</i>
EBITDA	52%	42%
EBIT	41%	38%



### 5.2.3 Online traffic and sales

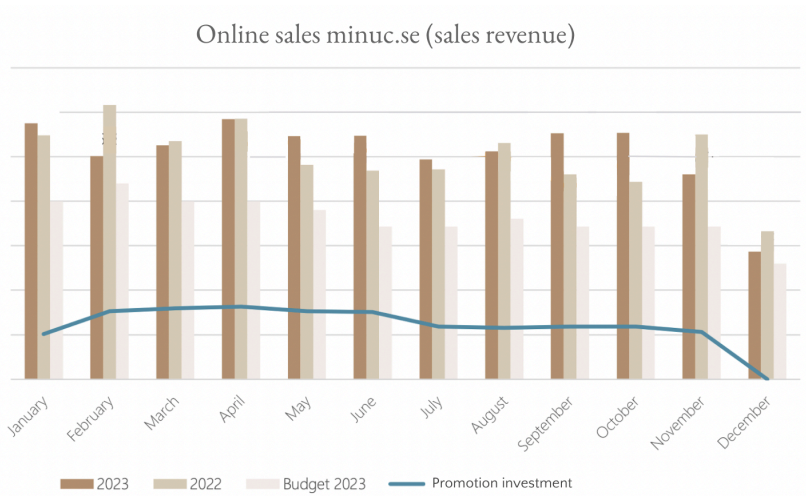
Figure 20 below shows the total visitors at the website minuc.se over the time period of 2022 and 2023. Traffic increased by 8.7% in 2023, compared to the previous year. However, compared to previous tertiarities of 2023, T3 decreased with 10.6%, which resembles the same period in 2022. The decline in visits at the end of both years could be explained by the lack of resources for promotion in December, confirmed by employees at UC.

Further, by comparing the promotion budget and the actual sales of the website, presented in Figure 21 below, one can see that the promotion efforts correlate with the sales. The month with the highest promotion investment in 2023, April, coincides with the highest sales, and both promotion investments and sales decrease towards the end of the year. Moreover, there is a correlation between sales and website visitors, as shown in Figure 20, suggesting that website traffic patterns can serve as a reliable indicator of sales patterns.

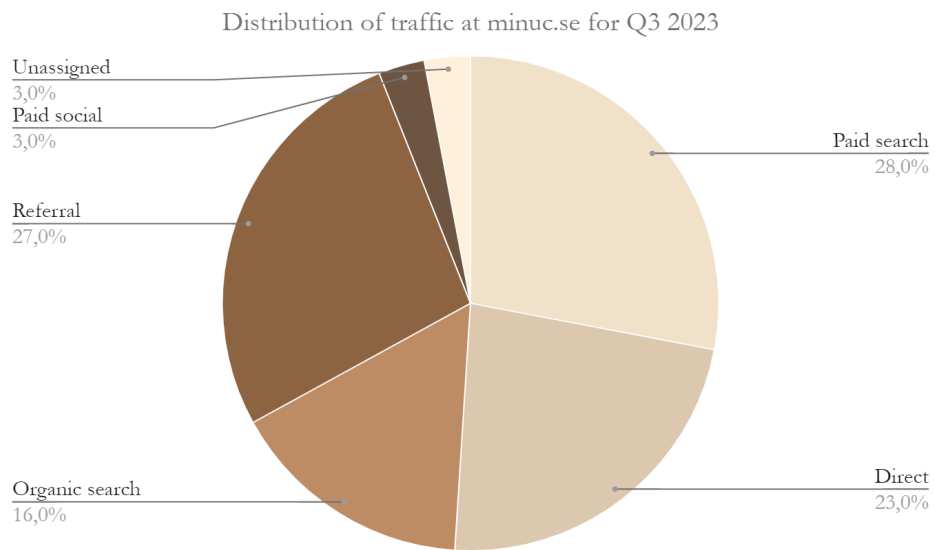
Examining the traffic data by channel, as shown in Figure 22, could help explain why the absence of promotion impacts traffic, as 28% of visitors in Q3 (September–December) of 2023 originated from paid search. The second largest channel, referral, includes visitors that have entered the website through a link that has been shared by a third part. Direct channel visitors directly enter minuc.se into their browser, while organic search visitors reach minuc.se by finding it in search engine results without any paid advertising by UC.



**Figure 20. Change in visitors at minuc.se from January 2022 to December 2023. Based on internal data from UC.**



**Figure 21. Change in online sales from January 2022 to December 2023, sales budget for 2023, and change in promotion investment for 2023. Based on internal data from UC.**



**Figure 22. The distribution of minuc.se’s traffic for Q3 2023 by channel. Based on internal data from UC.**

## 6 Analysis

*In the analysis, the results of the data collection phase are presented and analyzed with the frameworks presented in Chapter 4. The analysis aims to compress the results into comprehensive conclusions that can be used to answer the research questions later in the discussion.*

### 6.1 Overview

The overall structure of this chapter and its components is presented below in Figure 23. The analysis is organized around the three strategy levels: corporate level, business unit level and functional level, where the latter has a focus on the marketing strategy. Each level corresponds to different decision-making responsibilities within the company, with varying strategic focuses. Minimum focus will be laid on the corporate level, as the focus of the thesis is on the D2C unit, but a brief overview of the corporate level is provided to grasp Enento's overall vision and direction. The business unit level is meant to represent the D2C unit of UC and is where decisions concerning the overall strategy of the unit are made, including targeted customer segments and competitive positioning in the markets. This level is essential for analyzing the functional level, particularly the marketing strategy, as decisions made here guide the specific marketing actions undertaken at the functional level.

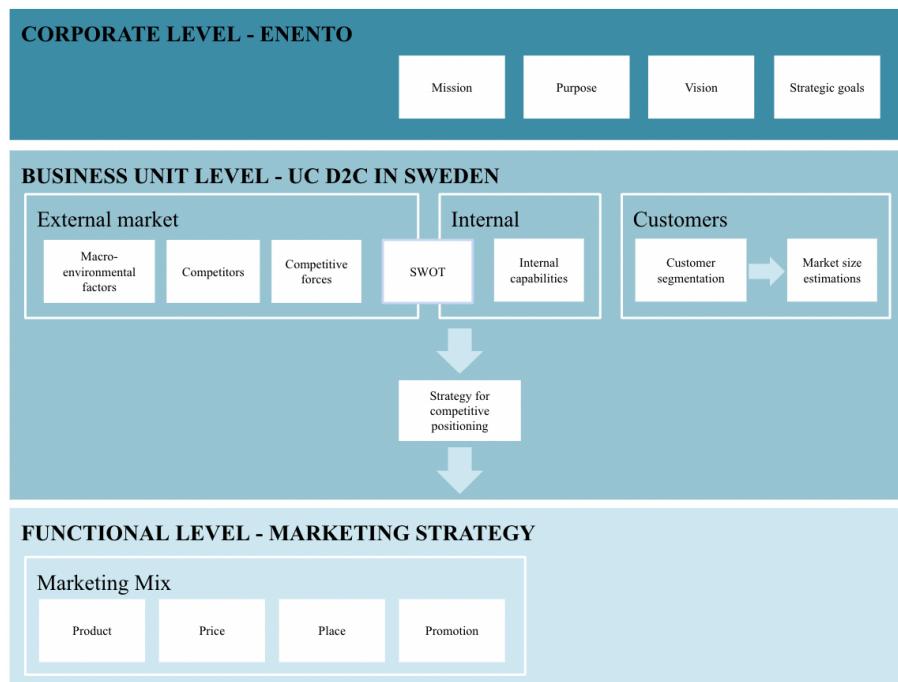


Figure 23. Overall structure of the analysis.

## 6.2 Corporate level

In this section, the mission, purpose, vision, and overarching strategic goals for Enento on a corporate level are presented. If no other source is presented, the results are based on internal data from the company as well as internal interviews.

### 6.2.1 Mission, purpose and vision

Enento’s mission is to decrease over-indebtedness in society and contribute to a sustainable economy. Furthermore, their purpose is highlighted with the sentence “Building trust in the everyday”. They describe how they collect and transform data into intelligence and knowledge, and when their data-based services are used in interactions, it builds trust in the everyday between people, businesses and society.

Enento’s vision is to serve as a Nordic knowledge company, empowering society with intelligence. They aim to achieve this through their transformation of data to knowledge and intelligence, which they share through their solutions.

## 6.2.2 Strategic goals

Enento launched a new company strategy for 2024-2026, in response to dynamic and changing market conditions and to ensure profitable growth. The updated strategy underscores the importance of operational execution, consistent and healthy growth, and enhanced profitability. The strategy aims for 5-10% annual sales growth through market penetration in their core markets, price adjustments, digitalization of the customer journey, and introduction of new services. They mention growth opportunities in areas such as fraud, analytics, API's, new data and machine learning.

The strategic goals of Enento are to:

1. Retain and strengthen their leading position in the credit information business.
2. Become the leading provider of business information.
3. Become the number one choice in data-driven processes as a service.

They further describe four strategic focus areas to guide Enento employees:

1. Prioritizing the customers in order to maximize their value and maintain their competitive position.
2. Ensuring operational excellence to guarantee cost-efficient, scalable and well-managed operations.
3. Unifying under "One Enento" for Nordic reach and economies of scale.
4. Empowering individuals to foster a learning organization with a growth mindset, crosswise collaboration and empowering leadership.

## 6.3 Business unit level

In this section, the focus is on the D2C unit. The structure is presented in Figure 24 below. It will include an external environmental analysis in order to understand the markets and their dynamics, an internal environmental analysis to assess the company's abilities in relation to this, as well as an analysis of the customer base and relevant customer segments. The overall findings are then further analyzed with Porter's generic strategy framework in order to position the D2C unit competitively.

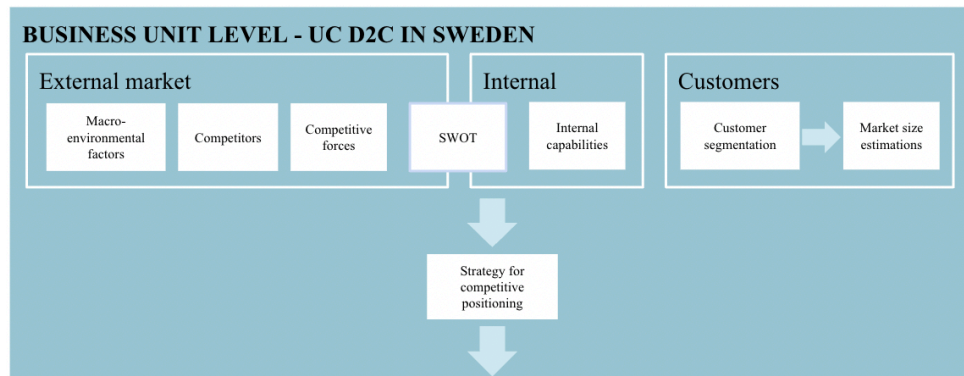


Figure 24. Structure of the business unit level analysis.

### 6.3.1 External environment

This section of the chapter will include the analysis of the external environment of the company and relevant products, including macro trends for the two markets, as well as relevant competitors and competitive forces at play within each market.

#### 6.3.1.1 Macro-environmental factors

The application of the PESTEL framework, as described in Section 4.2, to the two markets is presented here. The environmental factor of the framework is excluded since no relevant aspects were identified. The PESTEL is based on interviews with internal employees, competitors and experts as well as knowledge gathered through the literature review and external quantitative data search.

#### Political factors

*Credit information services:* The emergence of Open Banking, described in Section 3.4, implies a shift in the extent of consumer control over their personal data, and is believed by multiple interviewees to influence the dynamics of the market. The possibility for consumers to securely share their financial data with third-party providers could make the market for financial service applications more attractive. Additionally, increased consumer empowerment indicates a need for players in the market to establish stronger relationships with their customers in order to retain them. This is highlighted by the following quote from an UC employee: “*This [Open Banking] makes it important for us to maintain contact and build trust with consumers. In the future, consumers will have more power, and UC can become more dependent on their willingness to share information with us*”. From this perspective, Open Banking could increase competitiveness and serve as a threat for UC.

*Identity protection services:* An increased political pressure for regulatory action and prevention of fraud crimes is an important factor influencing the market. This is underscored by this quote from one of the experts: “*There is an ongoing national discussion, driven by the media, and stricter requirements are likely to be introduced*”. If regulations and governmental effort increase, the demand for standalone identity protection services may be reduced. This is because the perceived need for these types of services could decrease when people experience more support from other instances, thus making the services redundant to the customer. Thereby, this is identified as an external threat for UC.

### **Economic factors**

*Credit information services:* The current struggling economic climate in Sweden with high inflation and interest rates influences the market landscape. Individuals facing financial strain may reassess their expenses, potentially canceling non-essential subscriptions to prioritize urgent expenditures. Similarly, the demand for mortgages and unsecured loans have decreased during these challenging economic conditions, which could also result in a reduced demand. Hence, these factors are considered threats to UC. At the same time, the economic downturn could serve as a catalyst for increased awareness of personal finance management, thereby serving as an opportunity. For instance, UC experienced a surge in customer service calls in 2022 regarding personal finance instead of product specific questions. Moreover, the economy is projected to improve and interest rates decrease in the coming years, and average spending and loan applications are expected to rise. This is expressed by one of the industry participants: “*The economy is expected to improve in 2024, bringing some optimism. This could lead to people more willing to be credit-active*”. An increased utilization of credit and a growing interest in monitoring creditworthiness and financial well-being can serve as an opportunity for UC.

*Identity protection services:* In the same way as for the credit information services market, the poor economic conditions play an important role for this market, and can result in subscription cancellations and a decline in demand if the services are regarded as non-essential. Conversely, a future boost of the economy could increase the demand. Thereby, the economic conditions could both serve as threats and opportunities for UC.

### **Social factors**

*Credit information services:* Media and societal trends promoting excessive spending and materialism influence consumer behavior, potentially leading to overspending and reliance on consumption loans. Additionally, there is a rising trend of postponing payments, allowing individuals to access goods and services without the immediate burden of a payment but possibly accumulating debt in the long run. These factors could increase the demand and interest in services that help monitor and improve personal finance, thus presenting as opportunities for UC.

Moreover, the normalization and accessibility of credit and fast loans, particularly among the younger generation, further aggravate these behaviors. This reasoning is underscored by one of the UC employees: *“Some time ago we started seeing a trend of people taking more credits and private loans than before, which resulted in a higher need for people to manage their finances and understand the consequences of lending”*. There is also a lack of basic knowledge about economics and personal finance in society, especially among young people, increasing vulnerability to financial problems and poor decision-making. However, increased media attention on personal finance management is making people more aware of the subject and its importance. These trends are believed to influence the market of credit information services, potentially affecting interest in these types of services and serving as opportunities for UC.

*Identity protection services*: The increasing prevalence of fraud in society is leading to heightened awareness and worry among individuals about falling victim. Additionally, this is further reinforced by an increased exposure and discussion of frauds in the media. These trends could affect individuals’ sense of need for protection, hence increasing the demand in the market and serving as opportunities for UC. This quote from an UC employee highlights this: *“There are a lot of questions and curiosity about identity fraud, and there is a lot of worry due to the rising crime statistics”*. However, multiple expert interviewees have expressed skepticism towards these types of services and their efficiency in safeguarding against fraud. For instance, some consider the name “identity protection” misleading as the services can not actually protect from fraud happening, but only assist once the fraud has already been initiated. This quote from one of the experts underpins this reasoning: *“The way an identity protection solution is named is deceptive in itself because it does not protect anyone’s identity”*. They argue that credit reference agencies should take more responsibility in preventing these issues rather than profiting from a problem they have facilitated. These perceptions pose a potential threat to UC, diminishing the demand for the product and affecting its reputation.

### **Technological factors**

*Credit information services*: The technological developments enabling accessible e-commerce platforms are influencing the way people shop and make financial transactions, potentially presenting opportunities for UC by creating a larger need for personal finance and credit management. Furthermore, the adoption of APIs and data interoperability standards through the Open Banking initiatives will promote innovation in the financial services industry. For credit information services, this will allow for access to a broader range of data sources and the ability to connect more customer information to the services, thus serving as an opportunity for UC in this regard. One of the UC employees describes it as: *“Open Banking will positively impact us (...) we can integrate the information we already have with the information the customer has”*.



*Identity protection services:* As technology advances, the skills and methods of fraudsters are becoming more sophisticated, posing challenges to predict, control and safeguard against these crimes. The following quote from one of the experts underpins this: “*The fraudsters are often technically skilled and can therefore deceive others who do not understand technology as well, (...) they are clever and constantly find new ways to counter the banks’ solutions*”. Consequently, identity protection services must continually ensure that their services are effective and relevant. Moreover, technological advancements and innovations in fraud prevention can increase the competition within the market, and if solutions are integrated to platforms such as banking systems there is a risk for the services of this market to become obsolete. Hence, these factors can serve as threats to UC.

### **Legal factors**

*Credit information services:* Regulations and legislation regarding consumer information, consumer protection and financial reporting, among other areas, could influence the market of credit information services. For instance, the PSD2 regulation, strengthening the opportunities for Open Banking, promotes innovation and competition within the industry through third-party access to customer data. This both serves as an opportunity for product development for UC, as well as poses a threat in the form of heightened competition within the market. Furthermore, a new national system for credit registers, which is under discussion in the Swedish government, could affect the market dynamics and the value of UC’s credit register, thereby presenting a threat to UC. One of the industry participants describes that: “*The development and standardization of regulations are opening up the market*”. Potentially, a centralized national system could make credit data more accessible to other companies, thereby removing some of UC’s edge and increasing competition. A similar register has been implemented in Norway and indicates heightened competition.

*Identity protection services:* As of now, weak regulations and small risks of being convicted make fraud crimes more common. Despite the new law from 2016, described in Section 3.3.2, few are prosecuted. Future implementation of new laws regarding fraud crime prevention as well as the distribution of responsibility between banks and the victims could be underway, potentially serving as a threat to UC if lowering the attractiveness of their services. Furthermore, new legislations regarding credit data, such as a national credit register, would also pose a threat to UC if competitors would be able to create protective services with a similar coverage to theirs.

The most significant outcomes of the PESTEL analysis, as well as which sources are responsible for which factor, are presented below in Table 12. Additionally, each entry in the table is marked with (O) or (T), indicating whether it has been recognized as an opportunity or a threat to UC.

**Table 12. Summary of the main findings of the PESTEL analysis.**

<i>Factor</i>	<i>Main result of analysis</i>	<i>Source</i>
Political	<b>Credit information services:</b> <ul style="list-style-type: none"> <li>• (T) The emergence of Open Banking.</li> </ul>	Literature review, employees, industry participants and experts
	<b>Identity protection services:</b> <ul style="list-style-type: none"> <li>• (T) Political pressure for regulatory action and prevention of fraud crimes.</li> </ul>	Employees, industry participants and experts
Economic	<b>Credit information services:</b> <ul style="list-style-type: none"> <li>• (O, T) Poor economic climate with high inflation and interest rates.</li> <li>• (O) Expected future boost of economy with increased spending and loan-taking.</li> </ul>	Employees, industry participants, experts Employees, industry participants, experts
	<b>Identity protection services:</b> <ul style="list-style-type: none"> <li>• (T) Poor economic climate with high inflation and interest rates.</li> <li>• (O) Expected future boost of economy.</li> </ul>	Employees, experts Employees, experts
	<b>Credit information services:</b> <ul style="list-style-type: none"> <li>• (O) Consumer trends encourage excessive spending.</li> <li>• (O) Increasing behavior of postponing payments.</li> <li>• (O) The younger generation is accustomed to credits and fast loans.</li> <li>• (O) Low level of basic economic knowledge.</li> <li>• (O) Increased media attention on personal finance management.</li> </ul>	Experts Experts Experts Employees, experts Employees, experts
	<b>Identity protection services:</b> <ul style="list-style-type: none"> <li>• (O) Increased awareness and worry connected to rise in frauds.</li> <li>• (O) Increased exposure and discussion of frauds in the media.</li> <li>• (T) Skepticism towards these types of products and their value.</li> </ul>	Literature review, external quantitative data, employees, experts Employees, experts Experts
Technological	<b>Credit information services:</b> <ul style="list-style-type: none"> <li>• (O) Accessible e-commerce platforms.</li> <li>• (O) The adoption of APIs through Open Banking initiatives.</li> </ul>	Employees, industry participants Employees, industry participants
	<b>Identity protection services:</b> <ul style="list-style-type: none"> <li>• (T) The advancing technological skills and methods of fraudsters.</li> <li>• (T) Technological advancements and innovations in fraud prevention.</li> </ul>	Literature review, external quantitative data, experts Employees, experts

Environmental	There are no identified environmental factors to consider.	
Legal	<b>Credit information services:</b>	
	<ul style="list-style-type: none"> <li>• (O, T) The PSD2 regulation.</li> <li>• (T) A potential national credit register.</li> </ul>	<ul style="list-style-type: none"> <li>Employees, industry participants</li> <li>Experts</li> </ul>
	<b>Identity protection services:</b>	
	<ul style="list-style-type: none"> <li>• (T) Legislation regarding fraud crimes and the accountability of financial institutions.</li> <li>• (T) New regulations for credit data, such as the national credit register.</li> </ul>	<ul style="list-style-type: none"> <li>Experts</li> <li>Experts</li> </ul>

### 6.3.1.2 Competitors

To further analyze the competitive landscape, the most significant competitors to each product have been evaluated, presented in Figure 25 and 26 below. The data was collected through the different companies' websites, trial use of the products, as well as interviews with employees at UC and Kreddy.

#### 6.3.1.2.1 Credit information services

For Kreditkollen, three significant competitors have been identified: D&B, uScore and Kreddy. The total revenues for the companies are shown in Figure 25. Since they include the revenues from the companies' other services as well, it is mainly meant to illustrate the financial resources behind the services. Kreddy is owned by Lendo, hence the revenue presented reflects Lendo's revenue. It can be observed that UC, D&B and Lendo (Kreddy) are relatively comparable in size when considering their revenue figures. No data could be found on uScore as they have been owned by a Norwegian company and was recently acquired by another company, Axo Finans.

Both UC and D&B, originally B2B credit reference agencies, have expanded into D2C. Moreover, the credit reference agency Creditsafe provides a free credit report download option. However, due to its limited offering restricted solely to this basic download option, it is not viewed as a direct competitor to Kreditkollen and excluded from Figure 25. In addition to the credit reference agencies operating in the market, there are newer companies like uScore, partnering with credit reference agencies to access credit data. In contrast to the other competitors, they have not transitioned from B2B but instead have operated in the consumer services market since their inception. Notably, Figure 25 does not include the numerous personal finance services indirectly competing with Kreditkollen in financial monitoring.

Kreditkollen's direct competitors primarily offer free services, contrasting UC's paid model. Common for the free services is to offer some kind of loan brokerage service as their business model. For instance, uScore works with different partners

to promote new loans and credit cards or offer solutions to lower interest rates. In this way, UC is one of the only services not involved in promoting or profiting from new loans or credits. This is mentioned by one of the UC employees: “Almost all of them [the competitors’ services] are free, so what you’re really paying for is more invisible, you are constantly encouraged to take loans or similar actions. UC will never encourage taking out new loans and increasing your debt”. Figure 25 shows competitors offering lower-priced options with fewer features. D&B’s Min Bevakning, the only non-free alternative, requires a one-year commitment, offering a cheaper but less flexible option than UC. D&B offers a free basic product similar to UC’s Min Upplysning, alongside a premium version including a credit score and identity protection. Hence, D&B’s Min Bevakning is a combined competitor to Kreditkollen and UC ID-Skydd.

Both D&B and uScore rely on credit registers owned by companies other than UC. Since UC’s credit register has far more credit coverage than other registers on the market, as detailed in Section 3.2, both UC and Kreddy can present more robust and relevant credit information. With Kreddy being a partner to UC, and a provider of the credit score, one must be aware of the risk of Kreddy cannibalizing UC’s potential customers and making their credit coverage less competitive.






	 UC	 dun & bradstreet	 dun & bradstreet	 uScore	 kreddy
Product name	Kreditkollen	Min Upplysning	Min Bevakning	uScore	Kreddy Kreditapp
Company revenue year 2022	860 MSEK	997 MSEK	997 MSEK	-	873 MSEK (Lendo)
Price	49 SEK/month	Free	299 SEK/year (25 SEK/month)	Free	Free
Binding time	No binding time	No binding time	12 months	No binding time	No binding time
Credit registers covered	UC	Dun & Bradstreet, Creditsafe, Valitive	Dun & Bradstreet, Creditsafe, Valitive	Creditsafe	UC
24/7 access to credit score	●	●	●	●	●
24/7 access to records of non-payment	●	●	●	●	●
24/7 access to loans and credits information	●	●	●	●	●
24/7 access to property information	●	●	●	●	●
24/7 access to vehicle information	●	●	●	●	●
Goal features	●	●	●	●	●
Loan calculations	●	●	●	●	●
Tips or recommendations	●	●	●	●	●
Combined with ID-protection service	●	●	●	●	●

Figure 25. Competitors of Kreditkollen, with their respective product features and prices.

### 6.3.1.2.2 Identity protection services

In the identity protection services market, six companies have been identified as the main competitors to UC: D&D, MySafety, Tryggsam, Förebygg, Vipo, and SkimSafe, as presented in Figure 26 below. UC employees describe MySafety and Tryggsam to be the largest competitors, and these are also the largest together with D&B in terms of revenue. Considering D&B’s diverse range of services, it is

likely that their D2C offerings represent a smaller portion of their overall revenue compared to Tryggsam and MySafety, where identity protection is one of the main offerings. The revenue distribution varies significantly between the competitors, and the majority of the remaining companies are considerably smaller.

UC is the third cheapest alternative on the market and one of five with binding time. Examining the quality of the products, in terms of their database, UC is the only company that covers the UC credit register, which has the highest coverage. Almost all other competitors are using the same providers of credit registers, making them more similar in their offerings. Furthermore, only MySafety's Bedrägeriskyddet offers the legal expenses insurance and insurance covering of financial levels on the same level as UC, but at a higher price.

	UC	dun & bradstreet	mySafety	mySafety	tryggsam	tryggsam	FÖREBYGG	vipō	SKIMSAFE
Product name	UC ID-Skydd	Min Bevakning	Bedrägeriskyddet	ID-Skydd	Kreditbevakning Premium	Kreditbevakning Bas	ID-skydd Plus	Konsumentkollen Singel	SkimSafe Online
Company revenue 2022	860 MSEK	997 MSEK	257 MSEK	257 MSEK	82 MSEK	82 MSEK	41 MSEK	16 MSEK	7 MSEK
Price	89 kr/month	299 kr/year	129 kr/month	49 kr/month	129 kr/month	79 kr/month	149 kr/month	129 kr/month	129 kr/month
Binding time	12 months	12 months	12 months	12 months	No binding time	No binding time	12 months	12 months	No binding time
Credit/ID monitoring	●	●	●	●	●	●	●	●	●
Credit registers covered	UC	Dun & Bradstreet, Creditsafe, Valitive	Dun & Bradstreet, Creditsafe	Dun & Bradstreet, Creditsafe	Dun & Bradstreet, Creditsafe, Valitive	Dun & Bradstreet, Creditsafe, Valitive	Dun & Bradstreet, Creditsafe	Dun & Bradstreet, Creditsafe	Dun & Bradstreet, Creditsafe
Online monitoring	●	●	●	●	●	●	●	●	●
24/7 fraud block service	●	●	●	●	●	●	●	●	●
Unlimited assistance	●	●	●	●	●	●	●	●	●
Legal assistance	●	●	● (15h)	●	● (25h)	●	●	● (25 h)	● (20h)
Legal expenses insurance	● (500 000 SEK)	●	● (500 000 SEK)	●	●	●	●	●	●
Covering of financial loss	● (200 000 SEK)	●	● (200 000 SEK)	● (100 000 SEK)	●	●	●	●	●
Online harassment/offensive content removal	●	●	●	●	●	●	●	●	●

Figure 26. Competitors of UC ID-Skydd, with their respective product features and prices.

### 6.3.1.3 Competitive forces

After examining the macro-environmental trends, and the competitors and their offerings, the overarching competitive forces active in the markets are analyzed to understand current market dynamics. Utilizing Porter's Five Forces framework, as described in section 4.3, the strength of each force has been assessed on a scale ranging from low to moderate to high.

#### 6.3.1.3.1 Credit information services market

##### Competitive rivalry: High

Competitive rivalry in the Swedish market for credit information services is deemed high, emphasized by interviewees present on the market. Although the number of direct competitors is relatively low, presented in Figure 25, the

prevalence of free services makes it challenging to attract customers to paid offerings. Moreover, the switching costs are low, since the customer investments are low and no binding times are present, making it more likely for customers to switch between offers, intensifying the competition. This was described by both UC employees, industry participants and in customer survey data from UC.

The competitors on the market are diverse in terms of backgrounds and strategies. For instance, UC is a large and established company originating from the B2B market, having the advantage of their own credit register. Conversely, a company such as uScore is a fairly new player on the market, solely possessing a D2C model, with the credit information service as their main offering and lacking their own credit register. This diversity fuels competitive rivalry, as strategies differ. Employees and industry participants both describe how younger competitors prioritize strong and frequent marketing. It has been expressed in internal interviews that it is difficult for UC to keep up with the faster moving, often younger, D2C competitors. This is exemplified by this quote from an UC employee: *“There are competitors who focus more on marketing and behave differently, (...) they have a different type of marketing strategy and compare themselves to us”*.

#### **Threat of new entrants: High**

UC’s extensive credit register coverage poses a challenge for potential newcomers seeking to establish themselves in the market. Building strong relationships with data suppliers becomes crucial for entrants lacking their own credit register. However, employees describe a public unawareness of the distinctions between UC’s credit registers and those of competitors, which may favor new entrants. Both employees and industry participants also describe a low customer loyalty and low switching costs, further lowering the barriers to entry. Moreover, both industry participants and employees emphasize that while the shift towards Open Banking, as highlighted in Section 3.4 and in the PESTEL analysis in Section 6.3.1.1, presents significant opportunities, it could also intensify the threat of new entrants. The shift would make more data accessible and open up for new opportunities for innovation, potentially increasing the number of young D2C-born players in the market. Similarly, multiple experts have highlighted the impact of a future national credit register, as discussed in Section 6.3.1.1. This would open up for a more fair level playing field when all competitors have access to the same data. This is underscored by a quote from one expert: *“A national credit register will likely have consequences for UC if it becomes reality. The register has to be comprehensive, which would cause UC to lose market shares”*.

#### **Bargaining power of suppliers: Moderate**

In the context of this analysis, the suppliers refer to those who provide the players in the market with credit data, as this is the main type of supplier. Considering that the services’ offerings on the market have their foundation in this data, the

suppliers of these elements are crucial to the companies' success and thereby gives them increased power.

Suppliers in the market can be categorized into two groups: primary data suppliers who provide data to credit reference agencies, and credit reference agencies who supply data to other market players. Some of the players in the market are both credit reference agencies and providers of their own D2C services, as with UC and D&B, giving them more power as they can utilize their own databases. This also means that this supplier group of credit reference agencies poses a threat of forward integration to other players in the market, by extending from B2B to D2C. The other players, as seen in Figure 26, rely on the credit reference agencies such as D&B, Creditsafe, and Valitive for credit data, making them more reliant on external suppliers. Since the number of suppliers who can provide these important resources is limited, their power is quite high. However, a potential future national credit register, making the supplier data more accessible, would reduce this power.

Furthermore, the ones supplying data to the credit reference agencies can also be seen as important suppliers, as they are crucial for the services' offerings. However, employees at UC describe these relationships as mutual and collaborative in nature. For example, banks are providing UC with their data on credits and loans, but the banks are also reliant on UC's registry in order to take credit reports for their lending processes. This mutual dependence weakens the power of this supplier group.

#### **Bargaining power of substitutes: Moderate**

For individuals seeking to manage their finances, there exist substitutes on the market, including bank solutions or other personal finance management tools. Interviews with industry participants highlight that while these solutions may not directly compete in terms of providing information about credit scores and creditworthiness, they serve a similar purpose in helping individuals manage their finances. Additionally, those who do not require continuous monitoring of their credit information might choose one-time services to check their credit report.

#### **Bargaining power of buyers: High**

The bargaining power of the buyer group is considered high for several reasons. As previously mentioned, the switching costs are low which increases the buyer power in relation to the market players. This is further strengthened by a described high price sensitivity among customers for these kinds of services. This can partly be attributed to the belief that they should have free access to their own credit information, as well as a lack of understanding regarding the product's value, an observation shared by multiple employees at UC. As described by an UC employee: *"Swedish consumers are accustomed to information being free and accessible, so they are reluctant to pay for it"*. Customer survey data from UC shows that price is an important factor, and many question the cost versus value.

The ability to compare different offerings online allows buyers to easily acquire information about the pricings, features, and reputations of the brands. However, a lack of knowledge regarding different credit registers and their coverage may make the products appear undifferentiated to the buyer, even if substantial differences in quality exist. Due to ineffective communication of these factors, buyers retain a considerable amount of power. Clearer communication of these distinctions would enhance product differentiation. For instance, UC, with the largest credit register coverage, would have a clearer advantage.

In conclusion the market can be considered highly competitive. This is primarily due to multiple competitions pushing the prices down creating high competitive rivalry, low switching costs and low willingness to pay among the customers. A summary of all competitive forces for the credit information services market, including rating and the driving versus weakening factors for each force is presented below in Table 13.

**Table 13. Summary of the competitive forces in the credit information services market.**

<i>Force</i>	<i>Rating</i>	<i>Driving factors</i>	<i>Weakening factors</i>
Competitive rivalry	High	Highly competitive market, with competition from free services. Low switching costs.	
Threat of new entrants	High	Low switching costs for buyers. The introduction of Open banking. Low customer loyalty	Need for strong relationships and networks to access data.
Bargaining power of suppliers	Moderate	Few suppliers that can supply the right data. Supplier's product is crucial to buyer's success. Threat of forward integration.	Good relationships between first hand suppliers of data and credit reference agencies.
Threat of substitutes	Moderate	Bank tools and other types of personal finance services. One-time credit reports.	No direct substitute for the credit scoring aspect.
Bargaining power of buyers	High	Low switching costs. Price sensitivity. Can easily compare alternatives. Products appear undifferentiated to the buyer.	

#### 6.3.1.3.2 Identity protection services market

##### **Competitive rivalry: High**

The market for identity protection services in Sweden is highly competitive, with a fairly large number of players, as seen in Figure 26. It is described by employees at UC how the number of competitors, together with a variety of available features in each offering, puts pressure on the companies to motivate why the customer should choose their product. Even if there are differences in the qualities of their offerings, it is difficult for customers to distinguish these differences, leading



services to appear undifferentiated to buyers. This observation is reinforced by UC customer survey data, and by this quote from an UC employee: *“It is challenging to position our product in the market against competitors because different products include various features, making direct comparisons difficult. Our product can be mistaken or confused with lesser products”*.

Employees at UC describe how many competitors are using aggressive marketing strategies, to enhance their offering but also to diminish the offerings of the other players. For instance, research on websites as well as interviews have shown that multiple competitors use UC’s products as the object of comparison, with sometimes incorrect information about their products. UC, having a desire to be seen as the more mature and trustworthy brand does not engage in similar tactics. One factor that weakens the competitive rivalry is the presence of binding time in multiple of the competitors’ offerings, as illustrated in Figure 26. This heightens the switching costs since customers are locked in to a certain company. At the same time, employees describe how the binding time poses as a barrier for new customers considering a purchase.

#### **Threat of new entrants: Moderate**

In the same way as for the credit information services market, a challenge for new entrants is the access to data. Identity protection services have the foundation of their offering in customer and credit data, demanding good relationships and networks with suppliers of these resources in order to compete. At the same time, employees describe how a lack of regulations on who can label their products as identity protection services enables various companies to enter the market and position their products as identity protection solutions. This, together with the increasing concerns about fraud and potential advancement of innovative solutions, as emphasized by experts on the topic, heightens the threat of new entrants. Furthermore, the brand loyalty is described by employees as fairly low in the market, making it easier for new players to win over customers.

#### **Bargaining power of suppliers: Moderate**

Similarly to the credit information services market, one of the most important supplier groups are the providers of data. As can be seen in Figure 26, all competitors but UC use D&B, Creditsafe or Valitive as suppliers of their credit data. UC, and partly D&B, are their own suppliers in this aspect. Since many competitors rely on the same limited pool of suppliers, these have considerable power due to their critical role in the products. The power is also increased by the fact that suppliers can integrate forward and transition from B2B to D2C, as in the case of UC, and thereby offer the services themselves. If a national credit register is implemented in Sweden, as discussed in 6.3.1.1, the bargaining power of the suppliers would decrease, as their data would become easily accessible for everyone. For the suppliers of first hand credit data, the same reasoning as for the credit information services market applies: these suppliers do not have significant

power due to the mutual collaborative relationship between supplier and buyer, as described in interviews with employees.

UC employees also mentioned some additional supplier groups in this market, including those providing insurance features integrated into certain offerings, as well as providers of online monitoring and phone assistance services. While these features can be deemed important aspects of the offerings, the supplier groups are considered to have low bargaining power, which was also underscored by interviewees. This is because there exist multiple different suppliers for these functions with similar offerings and they can thereby be more easily replaced.

**Threat of substitutes: Moderate**

In order to monitor and protect their identity, there are other measures that individuals may choose instead of purchasing an identity protection service. For instance, as described by experts, many home insurance policies include features for identity protection. Although these may not provide all the functions of dedicated identity protection services on the market, individuals might opt for these alternatives as they are already included in their insurance coverage. Moreover, some may find digital mailbox services sufficient for added protection and information, as they provide quick notifications about credit report inquiries. However, while they alert the user to potential issues, they typically require them to solve them independently. Additionally, while not considered an offered service, there are other steps that an individual could take to protect their identity, as emphasized by multiple experts. For instance, blocking their home address to prevent unauthorized changes, regularly monitoring bank accounts, and being cautious with personal data. However, while this could partly substitute the monitoring part of an identity protection service, it does not replace the assistance after an event has occurred.

**Bargaining power of buyers: High**

The buyer group has a large number of competitors to choose from, and combined with a high price sensitivity, this increases the bargaining power of the buyers. As described by employees and confirmed by customer survey data from UC, many customers perceive the prices as too high. Similarly to the credit information services market, this often originates in a difficulty to understand the added value of the service, making it harder to justify a purchase. Moreover, even if customers have the ability to compare different offerings on the company websites, it requires a certain knowledge and effort to assess the differences in quality. Therefore, if the offerings look undifferentiated to the buyers, it could increase their buyer power as their perception is that equivalent competitors could be easily found. One factor decreasing the power of buyers is the binding times present in multiple of the offerings, increasing the switching costs for buyers. This is described by an UC employee: *“The binding period creates a barrier, as customers do not want to be tied down”*.

In conclusion, the competition on the market can be considered competitive, with a large number of players, lack of labeling regulations, as well as low brand loyalty and high price sensitivity among consumers. Factors that hinder the market from being highly competitive, in comparison to the credit information services market, is the prevalence of binding times as well as lack of true substitutes offering equivalent functions. A summary of all competitive forces for the identity protection services market, including rating and the driving versus weakening factors for each force is presented below in Table 14.

**Table 14. Summary of the competitive forces in the identity protection services market.**

<i>Force</i>	<i>Rating</i>	<i>Driving factors</i>	<i>Weakening factors</i>
Competitive rivalry	High	Highly competitive market. Large number of players. Aggressive marketing strategies from competitors.	Higher switching costs with multiple services on the market having binding times.
Threats of new entrants	Moderate	Increasing concerns about identity frauds can lead to an increased number of players. Lack of regulations on labeling as ID protection. Low brand loyalty.	Need for strong relationships and networks to access data.
Bargaining power of suppliers	Moderate	Few suppliers that can supply the right data, and the resource is crucial to the buyer's success. Threat of forward integration.	Good relationships with suppliers of data, often mutual benefits from cooperation. Some supplier groups are large with similar products.
Threat of substitutes	Moderate	Home insurance. Digital mailbox. Caution, DIY security practices and awareness.	Substitutes can mostly only replace the monitoring part of a protection service.
Bargaining power of buyers	High	Price sensitivity. Can easily compare alternatives. Products appear undifferentiated to the buyer.	Higher switching costs with multiple services on the market having binding times.

### **6.3.2 Internal environment**

In this section, the internal capabilities for UC's D2C unit are assessed with the help of the VRIO framework, described in Section 4.4.

#### *6.3.2.1 Internal capabilities*

In order to better adjust the marketing strategy and ultimately grow the D2C segment, UC must be aware of the strengths of the organization and understand how to capitalize on these. The internal capabilities within UC have been

identified through internal interviews, and the most significant are analyzed with the VRIO framework. The result is presented below in table 15.

**Table 15. Capabilities analyzed with the VRIO framework.**

<i>Capability</i>	<i>Valuable?</i>	<i>Rare?</i>	<i>Hard to imitate?</i>	<i>Organized?</i>	<i>Result</i>
<i>Brand</i>	Yes	Yes	Yes	No	Unused competitive advantage
<i>Competence &amp; expertise</i>	Yes	Yes	Yes	No	Unused competitive advantage
<i>The credit register</i>	Yes	Yes	Yes	Yes	Long-term competitive advantage
<i>B2B relationships</i>	Yes	Yes	Yes	No	Unused competitive advantage

### **Brand**

Brand trust can be considered crucial in personal finance and identity protection services. UC's brand is widely recognized in a B2B context, and has for many years been considered the industry standard for credit reports. As described by employees, the public often perceives "*taking an UC*" as synonymous with requesting a credit report. This strong brand recognition in the B2B sector is both rare and difficult for competitors to imitate. However, the D2C unit has not yet fully capitalized on this strong brand recognition. In the consumer services context, UC's brand is not as well-known. While consumers generally trust UC as a professional and reliable company, this trust is primarily associated with lending processes and credit reporting rather than consumer services. Consequently, there is a gap in communicating the brand's superiority and benefits to end consumers.

### **Competence and expertise**

The competence and expertise within UC's organization is considered valuable, rare and hard to imitate, but the D2C unit is not organized enough to take full advantage of this strength. Given the amount of sensitive data that a business active in the financial service industry has to handle, competence about how to do so in the correct way is crucial. An employee at UC underscores that: "*Our customers trust that we can handle sensitive data professionally*". Only a selected few individuals within UC possess the knowledge of how the credit score is calculated, and the expertise is therefore rare and difficult for competitors to replicate. While this competence is well utilized in the B2B business areas, employees describe how it is less effective in the D2C unit. The unit lacks the resources to fully utilize the available data, and integrate it more extensively into the offerings to enhance value for customers. It is described by employees how the D2C unit is given lower priority within the B2B-focused company.

### **The credit register**

The credit register is recognized as the only capability that is used as a long-term competitive advantage. The credit register is the basis of both Kreditkollen and UC ID-Skydd, and is hence valuable. One UC employee says: “*UC is a critical player for the majority of the loan applications in Sweden, given its broad cover, which makes our products highly relevant for our customers*”. With broader coverage and better reach than competitors, as described in Section 6.3.1.2, UC’s register is rare. Moreover, the dependence on external partners and their trust makes it hard to imitate. As the cornerstone of all products in the D2C unit’s portfolio, UC is well-positioned to leverage this capability. Despite its current status as a competitive advantage, there’s room for UC to further develop and utilize the credit register.

### **B2B relationships**

As UC operates primarily as a B2B organization, it has an extensive network with valuable contacts, including multiple banks that both supply UC with valuable data as well as purchases their products. One UC employee states that: “*We have good relationships with our B2B partners, which could give us opportunities within our D2C business.*” Another employee has specified the opportunity in the quote: “*Our big B2B partners have a wide reach of customers, potentially all of Sweden’s population.*” The importance of accurate and numerous data that the networks provide, along with the effort invested in building these relationships, the capability is considered valuable and hard to imitate. Competitors lack a similar network, or UC’s strong position as a credit report supplier, making the B2B network rare on the D2C market. However, the B2B network is not as utilized in the company’s D2C context as in the case of B2B. There is opportunity to take advantage of this capability, potentially by exploring new partnerships through the B2B network, which could help in reaching end consumers more effectively.

### **6.3.3 SWOT**

The SWOT, presented in Table 16, summarizes and categorizes the main findings from the analysis this far. The results from the PESTEL and Porter’s Five Forces frameworks are here classified as either threats or opportunities to the company. The strengths identified in the VRIO framework are also added, as well as weaknesses identified through internal interviews and the workshop.

**Table 16. The results of the SWOT-analysis.**

<i>Strengths</i>	<i>Weaknesses</i>
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<p>S1: The UC brand is strong and recognized for its quality.</p> <p>S2: UC has great competence and expertise within the organization regarding data analysis and credit information.</p> <p>S3: UC's credit register is the largest and most extensive on the market.</p> <p>S4: Strong and established relationships and network from UC's B2B business area.</p>	<p>W1: UC's non-prioritization of the D2C unit and lack of clear D2C strategy makes the unit ineffective. A large focus on B2B leads to decisions not adjusted to the D2C market.</p> <p>W2: The lack of resources makes it difficult to develop and improve products.</p> <p>W3: Low prioritization of marketing makes the products less exposed to the market and potential customers.</p> <p>W4: The digital platform used to promote and host the services is not modernized and user friendly enough to consumers.</p> <p>W5: The partially outdated IT infrastructure, developed for B2B operations, creates obstacles for product development in the D2C unit.</p>
<p><b><i>Opportunities – Credit information services</i></b></p>	<p><b><i>Threats – Credit information services</i></b></p>
<p>O1: The poor economic climate can serve as a catalyst for increased interest in personal finance management.</p> <p>O2: A future boost in the economy can increase spending and credit use, increasing the interest in monitoring creditworthiness and financial well-being.</p> <p>O3: Today's consumer society and an increasing prevalence of postponing payments could increase the need and interest in these types of services.</p> <p>O4: A younger generation being more customized to the credit and loan society, as well as a lack of financial knowledge, makes them a potentially important customer group.</p> <p>O5: Increased media attention on personal finance management increases awareness and thereby might influence the demand in the market.</p>	<p>T1: The shift towards Open Banking and new PSD2 regulations will increase customer empowerment as well as competition as it will make the API-market for financial services more attractive.</p> <p>T2: A growing market for personal finance management solutions can increase indirect competition.</p> <p>T3: A potential national credit register would diminish the value of the UC credit register, giving competitors access to the same data.</p> <p>T4: The poor economic climate can reduce demand and lead to customers canceling subscriptions.</p> <p>T5: Low switching costs, low brand loyalty as well as competitors offering their services for free increases competition and makes it harder to retain customers.</p>

O6: The adoption of PSD2 regulations and Open Banking will allow access to more customer data, enabling for new features to be developed and existing ones improved.

O7: Accessible e-commerce platforms increase the use of financial transactions, creating a larger need for personal finance and credit management.

O8: Mutually beneficial relationships with suppliers of credit data, e.g. banks, open up for further collaborations.

T6: A lack of knowledge among customers regarding credit registers and the variation in value between different offers, together with a high price sensitivity, makes it harder to attract customers.

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<i>Opportunities – Identity protection services</i>	<i>Threats – Identity protection services</i>
<p>O1: Increasing trend of ID frauds makes people aware and afraid of being exposed, hence becoming more prone to buy protection.</p>	<p>T1: Growing political pressure for tougher action against fraud may lead to more regulations, possibly reducing demand for standalone identity protection services.</p>
<p>O2: A future boost of the economy could increase the demand, when people feel that they are able to spend money on such services.</p>	<p>T2: Technological advancements, both among fraudsters and competitors, puts more pressure on the service to ensure that it is relevant and effective in protecting against fraud.</p>
<p>O3: A larger media exposure to the topic of fraud heightens the awareness and worry among individuals, potentially affecting their sense of need for protection and thereby increasing demand.</p>	<p>T3: A national credit register would affect the position of UC as all other competitors would be able to build their services on the same database.</p>
<p>O4: Mutually beneficial relationships with suppliers of credit data, e.g. banks, opens up for further collaborations.</p>	<p>T4: Competitors' aggressive marketing strategies, as well as a lack of regulations on who can label their products as identity protection, increase competition and make it more difficult to win customers.</p>
	<p>T5: Low brand loyalty, product appearing undifferentiated, and high price sensitivity among customers increase competition and make it harder to attract customers.</p>
	<p>T6: A skepticism towards the value and usefulness of these services can lower the demand and affect their reputation.</p>
	<p>T7: Other solutions for identity fraud protection, such as through home insurance, can serve as indirect competitive offers.</p>
	<p>T8: Poor national economic trend can result in subscription cancellations and a decline in demand if the services are regarded as non-essential.</p>

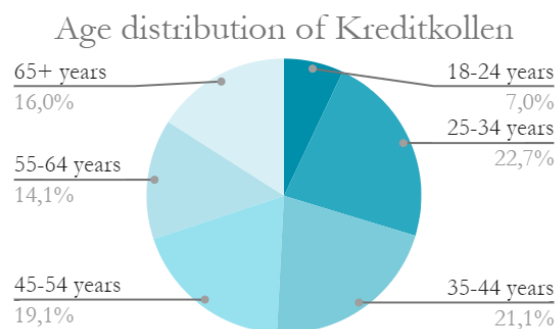
### 6.3.4 Customer segmentation

Through internal interviews, it has been made clear that UC's D2C unit lacks a clear understanding of their customer base, and has no emphasis on specific customer segments. While there may be a desire within the company to target a very wide range of customers, it is essential to establish some form of segmentation, as it is otherwise difficult to successfully compete on a D2C market (Goyat 2011). The segmentation is based on internal data and interviews, together with findings from the external analysis.

The segmentation is limited by what data was possible to collect, and while it might have been ideal to segment based on other parameters, this segmentation is therefore predominantly based on the demographic age. However, since age, and consequently life stages, often coincide with various psychological features, it can also be used as a proxy for psychological segmentation. This allows for a more tailored marketing strategy, addressing both the life stage and psychological traits such as motivations and aspirations of the consumers. Hence, an analysis of the D2C customers was conducted in order to find representative customer segments of the two services. By targeting these segments, UC can adjust their marketing mix and market position. While the customer base could potentially be divided into additional segments for a more targeted strategy, considering the promotion budget of UC as well as the scope of this thesis, these formulated segments can serve as a starting point. In the end of the chapter, a market size estimation is presented based on the identified customer segments, in order to assess the growth potential within these segments.

#### 6.3.4.1 Kreditkollen

Two segments to target for Kreditkollen have been constructed. While the two share some characteristics and overlap to some extent, they are still divided as this allows for more targeted marketing efforts. In common for both segments is that the consumers are credit active individuals interested in monitoring or improving their financial situation. The age distribution for visitors to Kreditkollen's web page is illustrated below in Figure 27.





**Figure 27. Age distribution of website visitors for Kreditkollen. Based on internal data from UC.**

#### 6.3.4.1.1 Financial Learners

The first segment is called Financial Learners and comprises the ages 25-34, combined with a psychological segmentation focused on financial education and building creditworthiness. The included individuals lack an understanding of personal finance, and are hence facing risk of financial issues currently or in the future.

The informative and educational features of Kreditkollen makes it a suitable product for individuals looking to educate themselves of personal finance, and their own financial situation in particular. Internal interviews and the customer survey data shows that many customers use the service to gain control and knowledge about their financial situation, making them prepared and in control of challenges related to credit use and mortgages. This is exemplified by this quote from an internal interview: *“Many of our customers use the service to better understand their financial situation, often in situations related to credit use and loan applications”*. As presented in Section 3.2.1, Levinger, Marques and Stephen (2011) argue that accurate information of one’s credit score can increase one’s economic health, indicating that Kreditkollen is suitable for individuals looking to excel their economical health.

The PESTEL in Section 6.3.1.1 indicates that younger people often lack basic financial knowledge and are more accepting of credit taking and fast loans. Additionally, external experts also conclude that the media trends promoting spending could be especially influential among younger demographics, who are typically more active online and on social media platforms. Moreover, this also suggests that the increased media focus on personal finance management could significantly impact this group and motivate them to improve their financial situation and knowledge level, something Kreditkollen could potentially take advantage of in marketing efforts. These factors underscore a need for financial education and management tools within this demographic, and hence makes them a suitable group for Kreditkollen to target. Looking at Figure 27, illustrating the age distribution of visitors to Kreditkollen’s web page of minuc.se, the age group of 24-34 years is the largest out of all groups. It accounts for 22.7% of the total visitors. Internal data from UC reveal that the 25-34 age group ranks in the upper half in the prevalence of payment remarks in Sweden, suggesting a pattern of high credit usage and a tendency to spend beyond their means. These facts make age a suitable proxy for psychological segmentation, and hence motivates the use of age distribution as segmentation basis for Kreditkollen.

Accordingly, with this segment, Kreditkollen is targeting individuals between 25-34 who are credit active, potentially with beginning financial issues, and are

becoming more conscious of their financial health. They have a desire to start educating themselves financially and improve their financial situation, with the goals of clearing payment remarks and building their credit score in order to qualify for loans.

#### 6.3.4.1.2 Financial Rebuilders

The second segment to target for Kreditkollen includes individuals aged 35-44 who are struggling with their personal finance, by for example facing multiple payment remarks or failing to get mortgages accepted. This segment is called Financial Rebuilders.

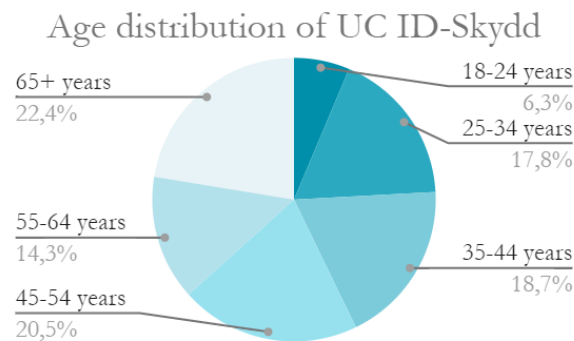
Given the availability of one's credit score over time, Kreditkollen users get information about how their financial situation has fluctuated over time, and can hence be informed about when and how it changes. This information contributes to knowledge and understanding about what actions affect the credit score, which can be used to improve the customer's financial situation. This makes Kreditkollen suitable for individuals with challenges in regard to their economy, with for example multiple payments remarks or declined mortgage applications. One UC employee says: *"Kreditkollen is suitable for those who face financial challenges and seek more information on how to obtain loans"*.

External interviews, internal interviews, and interviews with industry participants indicate that individuals in the age group 35-49 in general express a large interest for credit information services, as well as a potential large need for financial support. Individuals in this life stage are often in the middle of their career, likely managing larger financial obligations such as potential mortgages and family expenses, and starting to think about how to secure their finances for the future. This motivates them to seek out services that can assist them in monitoring and improving their personal finances. Similarly to the younger age group, their interest might be influenced by increased media attention on the topic, as described in Section 6.3.1.1, which may resonate particularly strongly with this group due to their financial decisions often having a larger impact. Furthermore, they are often interested in gaining knowledge and taking action on how to improve their savings strategies, debt management, and long term investing.

This age group stands for 21.1% of the web page visitors for Kreditkollen, as can be seen in Figure 27, and is thereby the second largest group, after ages 25-34. Moreover, the statistics on payment remarks in Sweden show that they are the most prevalent among individuals aged 35-49. Consequently, focusing on this segment means that Kreditkollen should target credit active individuals aged 35-44 with financial obligations and a strong desire to actively rebuild their financial situation and improve it long-term, as well as learn about future saving and investment methods.

#### 6.3.4.2 UC ID-Skydd

One segment has been conducted for UC ID-Skydd, also based on a combination of demographic, specifically age, and psychological segmentation. The age distribution of visitors to the web page of UC ID-Skydd is illustrated below in Figure 28.



**Figure 28. Age distribution of website visitors for UC ID-Skydd. Based on internal data from UC.**

##### 6.3.4.2.1 Security Seekers

The segment conducted for UC ID-Skydd, called Security Seekers, includes individuals above 55 years of age who are worried about identity fraud. The included customers either want to gain knowledge about fraud methods and how to protect themselves, have specific savings they want to protect, or want to increase their control and general security.

The typical UC ID-Skydd customer is worried about falling victim to identity fraud and wants to collect knowledge about how to protect oneself, gaining a feeling of control. As described in Section 3.3, more than a third of the Swedish population worries about Internet fraud. Victims of identity fraud are often facing financial challenges associated with the fraud for a long time after, as well as psychological stress, as described in section 3.3.2, making them prioritize to be protected and decrease the risk of being exposed again. The increased media coverage, as highlighted in Section 6.3.1.1, makes people more aware of the risk and the consequences of identification fraud, and hence could make people more eager to buy protection. Internal interviews and customer survey data revealed that some customers are interested in UC ID-Skydd because they possess specific, valuable assets that require additional protection. These assets can include retirement funds, ownership of companies, or their personal brand. An identity protection service can thus make the customer feel more secure and protected.

Given that older people are often targeted for financial fraud, as described in Section 3.3.1, the worry of falling victim as well as the motivation to protect oneself can be considered higher. Furthermore, opportunities for rebuilding wealth are more limited in retirement, which could increase incentives to buy protection. As shown in Figure 28, the age group of 55+ years is represented by 37% of the current visitors to the web page of UC ID-Skydd, with 65+ being the largest group out of all. This indicates that there is a strong interest in the product among the age group. This aligns with insights from internal interviews, affirming that the older customer base is typical for UC ID-Skydd. One UC employee says: *“The usual ID-Skydd customer is an older person, who is more vulnerable to fraud and finds it harder to navigate these areas”*.

Thus, by targeting this segment, UC ID-Skydd is targeting individuals above 55 years who worry about identity fraud, and want to take action to further protect themselves and their assets while gaining knowledge and control of their situation.

#### 6.3.4.3 Market size estimation

Market size estimations are conducted to assess the potential for growth within the constructed segments, in order to know if they are suitable targets for future strategy. However, general market size data for these markets in Sweden is lacking, with no available information from external sources and internal estimations being outdated. Consequently, this estimation is a rough approximation, as already described in Section 4.6. The estimations were formulated using a combination of external public data, statistics, and internal interviews, and have been discussed and iterated during the workshop with multiple key people at UC’s D2C unit. The framework used is presented in Section 4.6, and the results can be seen in Figure 29 and 30 below.

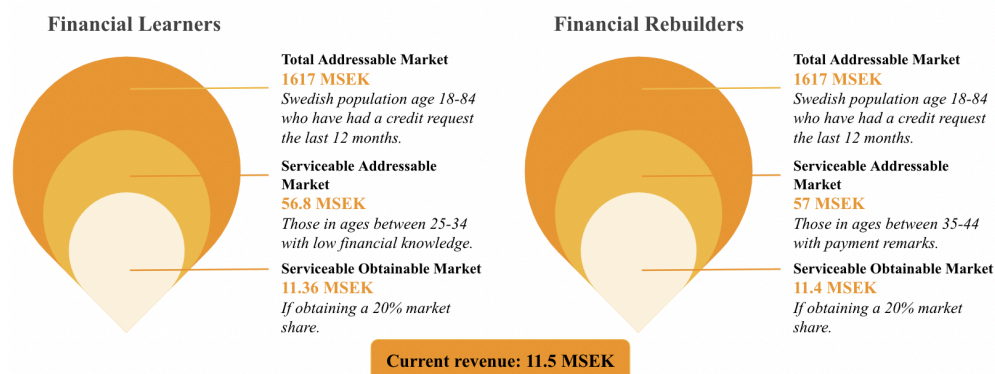
#### **Kreditkollen**

As described, the nature of a product like Kreditkollen appeals to a wide audience and the total market can be said to include all adults with personal finances, but primarily those who are credit active in some way. As such, the TAM for Kreditkollen, at 1.617 billion SEK, includes all Swedish adults ages 18-84 who have had a credit inquiry made about them within the past 12 months.

The SAM is divided into two, reflecting Financial Learners and Financial Rebuilders. Financial Learners is thereby limited to individuals aged 25 to 34 with low financial knowledge. This is considered to capture the main characteristics of the segment. Furthermore, the SAM for Financial Rebuilders includes individuals ages 35 to 44 with payment remarks, reflecting the financial situation that characterizes this segment. This results in a SAM of 56.8 million SEK for each segment.

Based on older internal data on indicated market share, combined with internal interviews, an aspirational market share to obtain for Kreditkollen is 20 percent.

This would suggest a SOM of 11.36 million SEK for Financial Learners, and 11.4 million SEK for Financial Rebuilders, added to 22.76 million SEK in total. Considering Kreditkollen’s total revenue in 2023 being 11.5 million SEK, accounting for all customer segments, this suggests growth potential within this segment.



**Figure 29. Market size estimation for Kreditkollen for the segments Financial Learners and Financial Rebuilders.**

### UC ID-Skydd

Similarly to Kreditkollen, the UC ID-Skydd is a type of product with potential relevance to a broad audience, as the risk of identity fraud affects everyone. To define the TAM, the constraint is made to the Swedish population ages 18-84 who fear falling victim to fraud on the Internet. This results in a TAM at 3 billion SEK.

The SAM, totaling 195 million SEK, reflects Security Seekers. Thereby, it includes individuals aged 55 to 84, and an additional restriction is made to those who are willing to pay for this service, using a comparison with individuals who are paying for home security systems in Sweden. This approach is based on the reasoning that this customer segment has a higher willingness to invest in enhanced protection, and potentially indicates a heightened sense of concern. This rationale was derived from internal interviews and the workshop discussions. Furthermore, those with a low economic standard are excluded as they are perceived to be less inclined to pay for such a service. Statistics Sweden (2023) defines low economic standard as those with a household annual income lower than 60 percent of the median value for all households in Sweden.

Finally, based on the last internal estimation made as well as internal interviews, a potentially obtainable market share for UC ID-Skydd is 30 percent. This translates to a SOM of 58.4 million SEK for the market segment Security Seekers. The total revenue for UC ID-Skydd in 2023 amounted to 47.1 million SEK, indicating that there is potential for growth within this market segment.

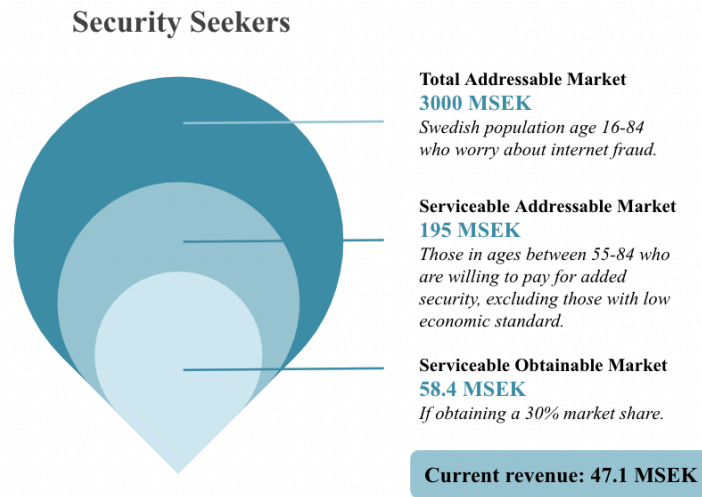
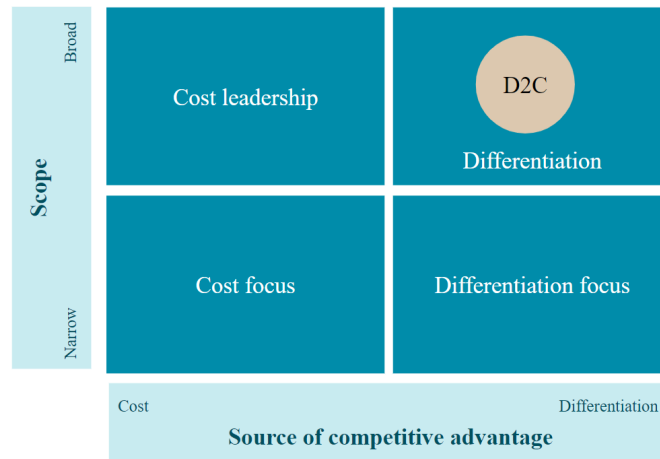


Figure 30. Market size estimation for UC ID-Skydd for the segment Security Seekers.

### 6.3.5 Strategic positioning for competitive advantage

Based on the findings from the preceding analysis, the next step is to determine the optimal positioning for UC's D2C unit to achieve a competitive advantage. This will be accomplished through the application of Porter's generic strategies framework, as detailed in Section 4.7. The placement of the D2C business unit can be seen in Figure 31. By choosing to focus on one of these strategies, it forces the company to make informed decisions about their direction and maintain a unified focus. As of now, with the absence of a clear and focused strategy, the unit can be considered to be somewhat stuck in the middle.



**Figure 31. Placement of the D2C unit in Porter generic strategies framework.**

The strategic positioning is made to the upper right quadrant, Differentiation. To recall, this involves distinguishing oneself from competitors, making customers perceive the services as more valuable, thereby often allowing for premium pricing. The chosen positioning means that the source of competitive advantage is differentiation, and that the scope of the market is broad.

The placement in the market scope dimension is motivated by the fact that the services are designed to cater to a broad audience, as was underscored in internal interviews with strategic managers. However, as outlined in Section 4.6.1, having defined customer segments in mind is crucial for successful competition and strategic planning, hence the formulated customer segments Financial Learners, Financial Rebuilders and Security Seekers. Given the broad demographics covered by these segments, they are not considered niche, leading to a determination of a broad scope.

The decision to pursue differentiation as the source of competitive advantage is rooted in the previous findings and analysis in this chapter. For instance, using the strong brand of UC in a more effective way, as described in Section 6.3.2.1, could further distinguish the company from competitors. Further, the unique credit register, as well as the established B2B relationships with key companies, can serve as sources of differentiation. These relationships can pave the way for more developed offerings and added value to customers. Moreover, as described in Section 6.3.1.3, the markets for both UC ID-Skydd and Kreditkollen are highly competitive, making it crucial to take action if wanting to grow. Through differentiation they could increase brand loyalty and strengthen their resilience against competitive pressures. A differentiated offering that customers perceive as valuable also simplifies the ability to charge a more premium price, and reduces

the dissatisfaction related to pricing and the perceived cost versus value ratio, outlined in Section 6.3.1.3.

Since the Porter's generic strategies framework does not offer any further guidance on tactics for how this differentiation positioning should be achieved through marketing, this will be further explored at the functional level, presented in Section 6.4.

## 6.4 Functional level

In this section, the marketing strategy of UC is analyzed with the four P's of the marketing mix, outlined in Section 4.8. The functional level analysis is based on data gathered through the internal and external interviews, the customer survey data, the data presented in Section 5.2, as well as the literature findings presented in Chapter 3. The structure is illustrated below in Figure 32.



Figure 32. Overview of the functional level analysis.

### 6.4.1 Product

The product needs to be constructed in a way that proposes as much value as possible to the targeted customer segments, given the available resources and price limits. In this section, the products will be analyzed with the product life cycle analysis and the three layers of a product. The conceived value will be presented, as well as possible development ideas derived from the internal interviews as well as UC's customer survey data.

#### 6.4.1.1 Value proposition

The internal interviews revealed a lack of a common or established value proposition for the services in the D2C unit, although perceptions and ideas about it are present within the company. Therefore two value propositions, for Kreditkollen and UC ID-Skydd, have been composed to capture the customer needs and values of the product and further use it as a foundation and guide for marketing strategy development. The value propositions are based on both internal



and external interviews, and further developed in the workshop with the company, and are as follows:

*Kreditkollen* – Secure your financial future with Kreditkollen. Stay in control of your finances using Sweden’s largest credit register, empowering you to make informed decisions.

*UC ID-Skydd* – Safeguard your identity with UC ID-Skydd. Backed by Sweden’s largest credit register, our service offers unparalleled protection against identity fraud. With expert assistance to minimize stress, workload, and financial losses, we ensure you peace of mind.

#### 6.4.1.2 Product life cycle

With basis in the internal interviews, the data presented in Chapter 5, and theory presented in Section 4.8.1.1, the products Kreditkollen and UC ID-Skydd have been analyzed and placed in the product life cycle, as illustrated in Figure 33. The analysis indicates that there is potential for UC to capitalize on the products in the future, but there is a need for investments in product development.

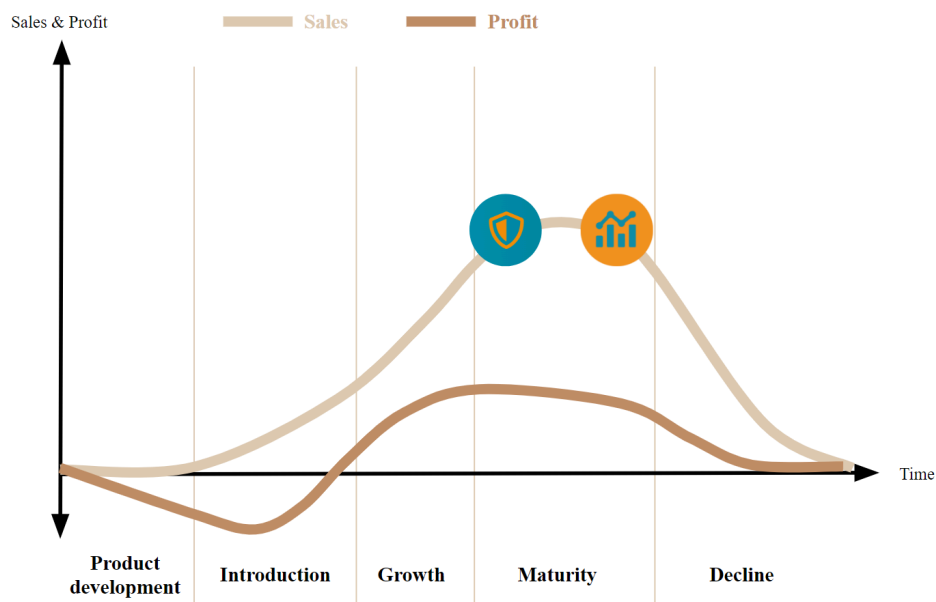


Figure 33. Product life cycle analysis of Kreditkollen and UC ID-Skydd.

##### 6.4.1.2.1 Kreditkollen

Kreditkollen, symbolized by the orange icon, is placed to the right in the maturity phase. As seen in Section 5.2, the subscriber base has decreased with 13.2%

between 2022 and 2023, while the revenue has decreased with 16.9% over the same period. As mentioned in Section 4.8.1.1, the maturity phase is characterized by high competition, high profitability, and lower marketing and production costs than earlier, while the decline phase is characterized by loss in market shares and decrease in sales, revenue and profit. Hence, Kreditkollen is placed at the end of its maturity phase, with potential to enter decline if no action is taken. The external analysis presented in Section 6.3.1 shows a trend of increasing credit use and debt, suggesting continued market attractiveness for UC. Moreover, the identified customer segments in Section 6.3.4, Financial Learners and Financial Rebuilders, and their corresponding market size estimations suggest there is room for growth. Consequently, to capitalize on these opportunities and extend the maturity phase, enhanced advertising, product development, or price adjustments are necessary.

#### 6.4.1.2.2 UC ID-Skydd

UC ID-Skydd, symbolized by the blue icon, is placed in the maturity phase. The decrease of subscribers between 2022 and 2023 of 9.2% and the small increase of revenue of 0.5%, presented in Section 5.2, reflects the position. As described in Section 4.8.1.1, the growth phase is characterized by a competitive market, with developed products and aggressive marketing campaigns. Given the competitive landscape of identity protection services described in Section 6.3.1.2.2 as well as the macro trends presented in Section 6.3.1.1, indicating increasing market attractiveness, it is anticipated that the demand will increase in the future. This is also strengthened by the estimated market size of the segment Security Seekers, Section 6.3.4. Therefore, UC ID-Skydd is not positioned further to the right within the phase. In the growth and maturity phase, the company must decide on whether to spend money on further marketing efforts and product development, or increased profit.

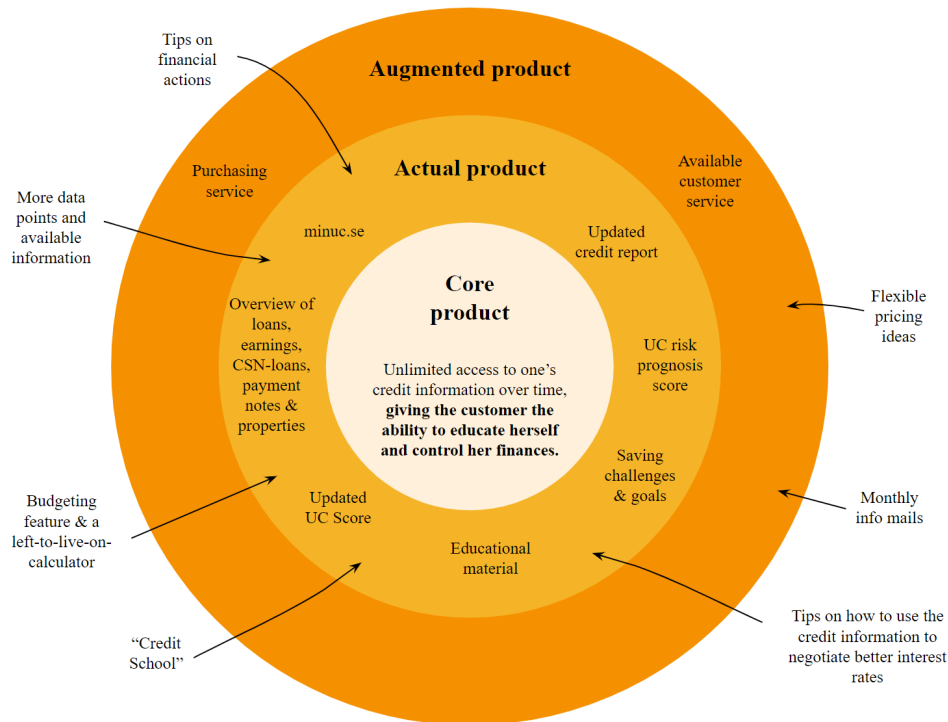
According to internal interviews, neither Kreditkollen nor UC ID-Skydd have been involved in any product development investments in the near past, indicating a non-prioritization by UC and Enento. Although several product development ideas were proposed in interviews, resource constraints within the D2C unit hindered their implementation. The life cycle positions of the two products indicate that there exists opportunities to capitalize on both of the products in the future, but some actions need to be taken in order to keep competing on the market and be able to make profit on the products for a longer time.

#### 6.4.1.3 Levels of product

To further understand the products and their value, they have been analyzed with the three layers of product framework described in Section 4.8.1.2. Both employees and customer survey data have highlighted the lack of useful tools in the actual product of Kreditkollen, and the lack of augmented product within both Kreditkollen and UC ID-Skydd. Figures 34 and 35 illustrate the analysis of the two products, with existing features depicted inside the circles and potential

product development ideas outside the circles. The new features are based on ideas brought forward in internal and external interviews, the workshop, as well as on customer survey data.

#### 6.4.1.3.1 Kreditkollen



**Figure 34. Analysis of Kreditkollen, using the three layers of a product framework.**

The core product of Kreditkollen is defined as the ability to educate oneself and control one's finances, with the unlimited access to credit information over time as the actual product. This is strengthened by the customer needs described in Section 6.3.4.1, and validated through the workshop. The actual product also includes access to one's updated UC Score, UC risk prognosis, saving challenges as well as the overview of loans, earnings, payment remarks and similar. The educational material of the actual product includes explanatory material, such as descriptions on what a credit register is, and what is included in a credit report. The augmented product is limited to the purchasing options and available customer service.

The consequences of a national credit register and the competitive landscape discussed in Section 6.3.1, as well as feedback collected through customer surveys

about the usefulness of the product, the urgency of product development presented in the life cycle analysis becomes excelled. Given the Open Banking movement described in Section 3.4, and UC's extensive data register, there exists opportunities to add more data points into the product, giving the user more comprehensive insights about her financial situation. Internal employees, often drawing from customer survey data, have proposed various ideas for product enhancement. Incorporating tools that empower users to further improve their financial well-being could significantly enhance the product's value and drive longer subscription periods. Ideas brought forward in interviews include information on how different financial actions affect the credit score and hence the possibility to negotiate with the bank, a budgeting tool, and a "left-to-live-on-calculator", indicating how different financial decisions affect one's living situation. That such features would increase the perceived value of Kreditkollen is strengthened in Section 3.2.2 by Levinger, Marques and Stephan (2011). Adding an augmented layer of the product could include updates on the credit environment in monthly information mails, or expanding the customer service by providing personalized financial advice.

#### 6.4.1.3.2 UC ID-Skydd

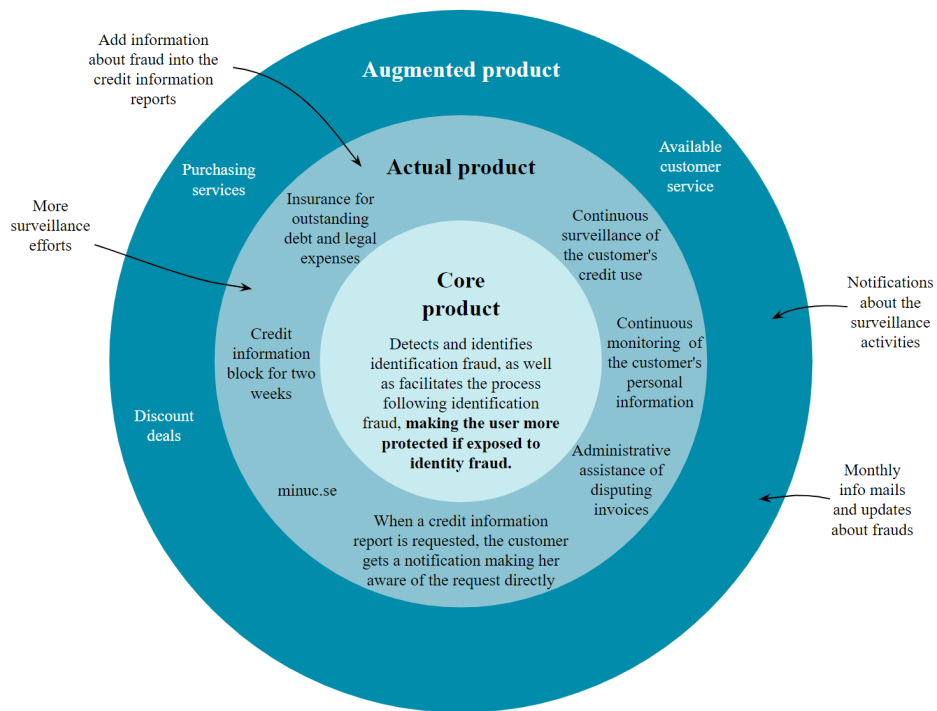


Figure 35. Analysis of UC ID-Skydd, using the three layers of a product framework.

The core product of UC ID-Skydd is to enhance user protection against identity fraud, enabled by the actual product that detects and identifies fraud and facilitates the process following the crime. This is strengthened by the customer segments described in Section 6.3.4.1, and validated through the workshop. The actual product involves continuous surveillance of the customer's credit use and personal information, as well as notifications to the customer if a credit report is taken on her. If exposed to suspected fraud, the customer has the possibility to block her personal identity number for credit requests for two weeks, while doing a police report. If the customer faces financial consequences after being exposed to fraud, UC facilitates the administrative work of disputing invoices, and offers insurance for outstanding debt and legal expenses.

In internal interviews, multiple employees identified UC's shortcomings in effectively communicating the value of UC ID-Skydd to customers, which is confirmed by customer survey data. It is underscored by this quote from one UC employee: *"We do not take care of our customers very well and need to get better. We want to remind customers they have a service and provide added value from the product"*. As described in Section 3.1.2, customer service is important when selling to end consumers instead of companies, and should include activities to build loyalty. Enhancing the augmented product, such as through informative emails or notifications, could raise customer awareness of the product's value and reduce subscription churn. Given the generally higher costs for acquiring new customers compared to retaining existing ones, investments in such initiatives could improve the product's profitability. Interviewees also suggested adding more surveillance efforts into the actual product, for example following consumers' digital patterns over time to identify and notify the consumer if unusual behaviors occur, as well as making it possible to add information about previous exposure to social manipulation in credit information reports. These features would make the product more comprehensive, and add value to the consumer experience.

#### **6.4.2 Price**

As described in Section 6.3.1, the customers in both markets are price sensitive. Internal interviews and customer survey data have identified that customers consider both Kreditkollen and UC ID-Skydd as too expensive, in comparison to value delivered. This makes it important for UC to reassess its pricing strategy to ensure maximum value delivery to customers. The prices of Kreditkollen and UC ID-Skydd, as of Q1 2024, are shown in Table 17, also illustrating the potential package deals when buying the service for multiple persons. As presented in Section 5.2.2.3, both Kreditkollen and UC ID-Skydd have gross margins of 52% and 42%, giving UC flexibility to adjust prices. Especially considering that the telemarketing costs of UC ID-Skydd have been canceled in the beginning of 2024.

**Table 17. Prices for Kreditkollen and UC ID-Skydd, given the amount of people included in the offer.**

<i>Number of people</i>	<i>Kreditkollen</i>	<i>UC ID-Skydd</i>
1	49 SEK/month	89 SEK/month, 12 months binding time
2	98 SEK/month	139 SEK/month, 12 months binding time
5	245 SEK/month	199 SEK/month, 12 months binding time

#### *6.4.2.1 Kreditkollen*

Kreditkollen is priced at 49 SEK per month with no binding period, and there are no discounted package deals available. Both internal and external interviews have highlighted that Swedish people are accustomed to accessing information for free, leading to a low willingness to pay for information services like Kreditkollen. The presence of competitors offering their products for free, as presented in Section 6.3.1.2, makes it difficult for UC to compete on price. Customers have, in the customer surveys, questioned why they should pay for Kreditkollen when there are cheaper or free alternatives. Even if the data used by competitors is less extensive, this is difficult to make customers understand, as described in Section 6.3.1.3.

As described in Section 6.3.5, UC's D2C unit should strategically position themselves within the area of differentiation. Consequently, value-based pricing, particularly value-added pricing, is relevant for the products, involving enhancing product value in order to differentiate from competitors and justify a higher price. According to internal interviews, the D2C unit has been aiming to position the products as premium, thereby working according to a value-added pricing strategy, but since the value is not perceived as high enough by customers, this strategy is not successful. Considering the price sensitivity and competitors' low prices in the market of Kreditkollen, UC must either improve the product or enhance communication of its value to justify charging a higher price. Value-adding improvements could be implemented to Kreditkollen in order to narrow the gap between perceived value and price among customers. At the same time, a slight reduction in pricing may be necessary to attract more customers, while still maintaining a premium position for the product in the market in relation to the free services.

#### *6.4.2.2 UC ID-Skydd*

UC ID-Skydd is priced at 89 SEK per month, with twelve months of binding time. Unlike Kreditkollen, UC ID-Skydd offers discounted pricing for multiple subscriptions, as could be seen in Table 17 above. Since UC ID-Skydd is similar to insurances, which people are used to paying for, the willingness to pay is slightly higher than for Kreditkollen. Moreover, the product is currently positioned in the

lower half of the price range within the market but with more features than many competitors, see Section 6.3.1.2.2, suggesting the potential for a higher price point. However, the economic factors described in Section 6.3.1.1, with many people facing economic difficulties, decrease the willingness to pay and makes it critical for UC to motivate the product's value. Customer survey data has indicated that customers consider the price as too high given the value offered. Similarly as described above, in order to achieve successful value-added pricing, UC needs to adjust the pricing model or the value to meet customer expectations.

Internal interviews have confirmed that the binding time of UC ID-Skydd is creating a barrier for new customers to join, and many employees want to see it gone. The interviewees have attributed the binding period of UC ID-Skydd to the expenses associated with the external insurance supplier. One UC employee says: *"We have had certain fixed cost elements associated with binding periods, such as insurance. I would like to reduce these costs so that we can lower the binding time or the price for customers"*. Employees suggest that financially, it would be beneficial to bring the insurance in-house, since the contracting costs today are bigger than the potential costs of UC managing the payouts internally. This is mainly because the insurance is rarely utilized in practice. Since one component of the price thereby is based on UC's own costs, the price can be considered partly cost-based. As outlined in Section 4.8.2, the cost-based pricing establishes the minimum price floor necessary for UC to cover its own expenses. The binding time makes it possible to spread the costs over multiple months, making it possible to lower the price for each month respectively. Hence, if UC is to remove the binding time, they must either compensate with an increased monthly price, reduce internal costs, or accept lower margins.

According to internal interviews, UC conducted an A/B test to evaluate the impact of removing the binding period and increasing the monthly price. A/B-testing involves testing two alternative options on randomized users. UC tested to remove the binding time while charging a higher monthly price, compared to the current price structure. The test results revealed a 40% increase in sales when making this change. Removing the binding period reduces the barrier to entry, making the product more accessible to new customers. Moreover, a higher price could further enforce the Differentiation strategy, elevating the product to a more premium price range within the market. Simultaneously, improvements could be made to the product in order to further justify a value-added pricing.

### **6.4.3 Promotion**

The promotion analysis is based on data gathered from minuc.se and competitors' websites, as well as internal and external interviews. As seen in Section 5.2.3, the promotion spendings decreased at the end of 2023, due to a tightened promotion

budget. In December of 2023, the promotion budget was cut to zero, canceling all advertising to the D2C market. It has become clear that UC's D2C business area has been unprioritized within the UC and Enento organization and that the lack of long term strategy is reflected on the promotion strategy, which also is recognized as a weakness in the SWOT analysis in Section 6.3.3. One UC employee states: *"Currently, the promotion strategy is short-term focused, with an emphasis on conversions using as little money as possible"*.

#### 6.4.3.1 UC's promotion strategy

Comparing UC's spending patterns on advertising with the promotion mix strategies described in Section 3.1.2, it becomes evident that decisions are mainly based on B2B decision-making rather than D2C. As seen in Figure 1 in Section 1.2.2, the marketing unit responsible for promotion decisions is combined for B2B and D2C, meaning that there is no dedicated unit for D2C decisions in this aspect. Employees witness that decisions are often made by personnel with B2B backgrounds who may not fully grasp the strategic adjustments needed for D2C operations. This is illustrated by the following quote from one UC employee: *"Those working in B2B may not understand the need for different approaches in D2C but still make decisions within D2C. The marketing team may not tailor strategies for consumers but instead push through the same strategy used in B2B"*. This is further underscored by looking at the relative importance of each marketing mix element presented in Section 3.1.2, where advertising goes from being the third most important element in the B2B promotion to being the most important element for D2C. Given the placement of Kreditkollen and UC ID-Skydd in the life cycle analysis in Section 6.4.1.2, advertising becomes even more important as it is considered an important part of prolonging the maturity phase. Consequently, UC needs to consider advertising spending out of a D2C perspective and life cycle perspective, rather than a B2B perspective.

Data from internal interviews, as well as sales and subscriber data presented in Section 5.2, indicates that UC is lacking focus on customer relationships, which is also confirmed by customer survey data. The promotion has largely been focused on converting new customers, rather than nurturing existing customer relationships. As discussed in Section 6.4.1, the absence of augmented product features within UC ID-Skydd makes the product passive and presents challenges for customers to perceive its value. Moreover, the price sensitivity, mentioned in Section 6.4.2, and the low switching costs, Section 6.3.1.3, makes it important to motivate the subscription over time and direct promotional efforts toward already existing consumers as well, which could improve long term customer relationships and decrease churn rate. One employee at UC says: *"Promotion is especially important because the products can be difficult to understand, and we need to improve our ability to communicate why we are better than our competitors"*.



#### *6.4.3.2 Implications of competitors' promotion strategies*

In the competitor analysis outlined in Section 6.3.1.2, it was found that competitors often benchmark their products against Kreditkollen and UC ID-Skydd, claiming superiority through misleading comparisons. Despite competitors' often aggressive marketing tactics, as described in Section 6.3.1.3, interviewees describe how UC has traditionally relied on its brand strength to attract customers. Their will to pose as a trustworthy company goes against taking after competitors' methods. However, the VRIO analysis in Section 6.3.2.1 indicates that UC's brand recognition is not as strong among end consumers as within the B2B context. Furthermore, given the number of competitors and the number of features that the products do or do not cover presented in Section 6.3.1.2, the ability for the consumer to choose a product and company that offers exactly what she is looking for is high. Hence, the need for the companies to motivate the usefulness of each extra feature to win the customers is heightened. This, together with the complexity of the credit register, and consumers' limited understanding of the quality differences between credit registers, underscores the need for UC to enhance its communication regarding the superiority of Kreditkollen and UC ID-Skydd. By clearly highlighting these differences through their promotion efforts, UC would be able to better leverage its differentiation strategy.

### **6.4.4 Place**

The place analysis focuses on investigating two available distribution options for UC: continuous focus on UC's D2C model with their own channels, or readjusting the model to also include partnership distribution through a B2C model. The analysis is derived from internal data, internal interviews, and interviews with industry participants.

UC's D2C products are primarily distributed through their own channel, minuc.se, which serves as the main platform for all D2C products. Additionally, UC has a partnership with the company Lendo, who run the financial service app Kreddy. Kreddy serves both as a B2C distributor of UC ID-Skydd and a B2B distributor of UC credit score data. Thereby, there is a smaller element of other sales models in the D2C unit, by selling the products through partners. As shown in the competitor analysis in Section 6.3.1.2, Kreddy is also considered a competitor to Kreditkollen. Consequently, Kreddy is both a competitor and distributor to UC, and this dual role can increase the risk of cannibalization of UC's own products.

#### *6.4.4.1 Own distribution*

As described by interviewees, the D2C channel minuc.se allows UC to maintain control over content and communicate directly to customers. Additionally, it

facilitates product development by enabling UC to test new features. One employee states: *“It [the website] can serve as a good platform to first test a new tool or feature and see how it performs before releasing it. We need our own product to gather data on how consumers use it”*. Given the importance of data collection to UC, as highlighted in the VRIO analysis in Section 6.3.2.1, gaining initial access and control over consumer data is crucial. Employees also describe how their own channel works as a promotion channel for possible partnerships, since a well presented product with user-friendly interface is easier to sell to partners. Given Burnes, DeLiema and Langton’s (2020) findings presented in Section 3.3.1, that the level of online purchasing behavior are linked to the likelihood of being exposed to identity fraud, as well as the trend of increased internet shopping presented in the PESTEL analysis in Section 6.3.1.1, indicated that the use of the channel minuc.se could make it easier to convert customers between the two products Kreditkollen and UC ID-Skydd.

Multiple employees and industry participants emphasize how relying on minuc.se as the main channel requires enough customers to reach the website, which necessitates larger promotion resources. Based on the analysis in Section 6.4.3, it is clear that UC needs to increase its resource allocation to promotion in the D2C unit, specifically for advertising. Additionally, the IT infrastructure and user interface would need to be updated to enhance functionality and customer interaction. This is highlighted by weaknesses identified in the SWOT analysis in Section 6.3.3, which indicates that the current infrastructure is tailored to the B2B business model. The benefits, risks and considerations of using minuc.se as distribution channel are summarized in Table 18 below.

**Table 18. Summary of benefits, risks and considerations of using UC’s own distribution channel.**

Benefits	<ul style="list-style-type: none"> <li>● Control over content</li> <li>● Direct communication with customers</li> <li>● Can be used as a platform to test new ideas or features</li> <li>● All data is owned and can be collected and analyzed</li> <li>● Promotion channel to potential partners</li> </ul>
Risks & considerations	<ul style="list-style-type: none"> <li>● Smaller reach through own website</li> <li>● Dependent on UC allocating resources for advertising</li> <li>● Important to keep up to date with user interface and functionality, IT infrastructure, and customer interaction</li> </ul>

#### 6.4.4.2 Partnerships

Internal interviewees are positive to UC’s D2C unit exploring partnerships, and hence including a B2C model by selling their services through a partner. However, they emphasize the need of a well worked through contract and mutual investment from both partners, as well as a way to balance the partnerships with the direct channel. One UC employee states: *“I see this as a very promising way forward (...)”*

*and if the collaboration works over time, it can be very beneficial for both parties. It is important that both sides commit to investing time in improving the product during the partnership”.*

According to employees and industry participants, partnerships offer several benefits, including expanded customer reach, leveraging each other’s competitive strengths, and enhancing differentiation from competitors. If the partnership’s reach is wide enough, the increased volume can compensate for a lower margin, making UC able to charge less in order to enhance the attractiveness of the partnership to potential collaborators. Given the competitive market described in Section 6.3.1, and UC’s differentiation strategy detailed in Section 6.3.5, reputable partners can elevate UC’s brand perception. Conversely, UC can utilize its brand capability, described in the VRIO analysis in Section 6.3.2.1, to promote themselves to potential partners. Furthermore, partnering with trusted entities such as large banks could improve the credibility and value of the products to otherwise skeptical customers. A quote from one UC employee underpins this: *“If we secure the right partners, such as banks that customers greatly trust, it would be beneficial for UC. Banks have significant market trust, and UC would also gain greater trust by association, so it is a win-win for everyone”.*

Employees and industry participants describe how partnerships are also associated with risks, including weakening the D2C identity and associated factors such as losing control over critical data. The risks also include the partnership being insufficient or unprofitable, and product cannibalism. Further, there is a risk of the partner’s brand overshadowing UC’s brand in the collaboration, lessening the emphasis on the UC brand and potentially weakening its brand identity. When considering the customer perspective, a collaboration between multiple parties could increase the risk of the product implementation being poor, making the customer experience faulty and diminishing the perceived value of the product. This is illustrated by the following quote from one UC employee: *“The collaboration needs to be seamless from the consumer's perspective. They will not want to click through five pages, it has to work smoothly for them”.* Furthermore, there is a risk of imbalance in the partnership, where one party may invest more effort, leading to frustration and resource inefficiencies, as highlighted by internal interviews. UC employees emphasize that for a partnership to be viable, it requires equal commitment from both parties towards the joint product. This includes financial investment, time dedication, and a proactive approach to resolving issues. This is underscored by this quote from one UC employee: *“It should be a win-win situation, creating good value with a fair model. Both parties should benefit from the deal, and there should be a shared interest in promoting the products. For example, banks get a better service for their customers, and we get greater reach”.*

A summary of benefits, risks and considerations is presented in Table 19 below.

**Table 19. Summary of benefits, risks and considerations of using partners as distribution channels.**

Benefits	<ul style="list-style-type: none"> <li>● Enables a wider reach</li> <li>● High margins for the D2C products enable more favorable offers to partners initially</li> <li>● Partnering with companies that customers visit more regularly increases the exposure and reach of the product</li> <li>● Can increase trust if partnering with other trusted brands</li> <li>● Customers associating these services with unserious businesses might improve their perceptions if offering the service through a trusted and legitimate partner such as their bank</li> </ul>
Risks & Considerations	<ul style="list-style-type: none"> <li>● Loss of perceived value and hence loss of sales due to cannibalism</li> <li>● Loss of brand identity</li> <li>● The collaboration needs to be seamless from the consumer's perspective</li> <li>● The partnership must be balanced, with both parties equally invested and benefiting from the collaboration</li> </ul>

# 7 Discussion

*In this chapter, the findings from the analysis will be discussed. The structure follows the order of the research questions presented in Chapter 1. Firstly, the market and industry characteristics will be discussed. Secondly, four recommendations for UC's D2C marketing strategy will be presented. Finally, four challenges of transitioning from a B2B business to include a D2C unit will be explained.*

## 7.1 Market and industry characteristics

The first research question was: *What are the characteristics of the consumer market and industry of credit information and identity protection in Sweden?* The discussion will be organized by examining each market separately below.

### 7.1.1 Credit information services

The analysis of the external environment, in Section 6.3.1, reveals a general problem in Swedish society regarding consumerism, over-indebtedness and credit-taking. Due to this, a large need for personal finance management measures has been identified, especially among customers described in the two customer segments in Section 6.3.4.1, indicating a potentially high demand for credit information services. Further, a predicted relief in the economic climate, increasing spending and desire for loan taking, could stimulate demand.

At the same time, multiple factors increasing competition and potentially saturating the market have been identified, as further detailed in Section 6.3.1. The trends increasing the demand are attracting more players to enter the market. Smaller, newer companies, lacking their own credit register, are innovating new business models to compete against established credit reference agencies with free services. This dynamic presents a challenge for fee-based services to compete, even if they offer superior quality. As described in Section 6.3.1.2, smaller players on the market have been consumer-oriented since their inception, operating with a D2C model, unlike the credit reference agencies, which could help explain these

players in some ways better catering to customer needs and forming their marketing strategies. For example, as found by López-López & Giusti (2020), companies with a consumer sales model are faster at adopting a digital marketing strategy, compared to B2B, potentially making the D2C-borns better at reaching their targets. Moreover, the customers are characterized by a low willingness to pay and low customer loyalty, which is typical for consumer market customers according to Saini et al. (2010), and is something the free services are better adjusted to. This is further strengthened by Kim, Shin and Kim (2021), finding cost-effectiveness to be an important factor for D2C customers. Furthermore, other D2C personal finance management solutions, as detailed in Section 6.3.1.3, could, if marketed effectively, capture the interest of customers seeking financial monitoring and potentially win credit information customers over.

Despite the threat posed by D2C-born players in the market, there is power in owning one's own credit register, as highlighted in the analysis. The credit reference agencies, fundamentally being B2B companies, can leverage this background in their marketing efforts to appear more qualitative, as brought forward by Zhou et al. (2021). Accordingly, there is opportunity for other credit reference agencies to make the same transition into D2C, thereby posing a threat of forward integration in the market.

The regulations around ownership of data are identified to play a large role in the market dynamics, both in terms of Open Banking initiatives and the movement towards a national credit register, detailed in Section 6.3.1.1 and 6.3.1.3.1. Open Banking could both provide more opportunities for existing players in terms of development and innovation, but also heighten competition by attracting new players. Similarly, a national credit register poses the risk of homogenizing the market, as all players would have equal access to data. This could make it more important to pursue other types of differentiation, such as advancing the algorithms and data insights, or improving the customer experience.

### **7.1.2 Identity protection services**

An increasing fraud crime rate, coupled with a large media exposure to the topic, has heightened the awareness and worry in society of being victimized, as found in the external analysis in Section 6.3.1. As described by Ganzini, McFarland and Cutler (1990), and Button, Lewis and Tapley (2014), victims of fraud suffer both mentally and physically. Moreover, the rise of digitalization allows fraudsters to develop more advanced techniques, making their methods more sophisticated. Hence, the actuality and severity of this issue should increase the interest among individuals to protect themselves, specifically for the customer segments described in Section 6.3.4.2, fueling the demand for the market of identity protection services. At the same time, multiple alternatives exist for safeguarding one's

identity, as found in the analysis Section 6.3.1.3.2. There exists a certain skepticism surrounding services claiming to protect against fraud. Multiple experts in the field have emphasized the misleading nature of the term “identity protection”, noting that no service can fully shield against such crimes and that credit reference agencies should take more responsibility in the prevention, as described in the competitive forces analysis in Section 6.3.1.3.2. Generally, shifting the burden of responsibility from individuals to the state or financial institutions could lower demand in the market, as individuals may feel less compelled to seek additional protection through external services.

Because of the actuality of identity fraud in society, the market consists of multiple competitors and is also attractive to new players, as detailed in Section 6.3.1. The lack of regulations around labeling, combined with a wide variety in the features offered complicates the distinction between offerings. This makes it difficult for customers to understand which features actually justify a higher price, and as described by Reklaitis & Pileliene (2019), consumers are emotionally-driven, making it important for the companies to quickly convey the benefits of their offer in order to capture their attention. The market is further characterized by low brand loyalty and high price sensitivity among customers, aligning with the findings of Saini et al. (2010) and Rangan et al. (2021). Many players in the market are using aggressive marketing tactics in order to convey their message. These companies are typically relatively small and young, resembling the case of the credit information services market. In contrast to UC, an established company originating from a B2B background, these competitors have prioritized a consumer approach to a larger extent. Thereby, their choice of marketing tactics aligns with the findings by Reklaitis & Pileliene (2019).

The majority of actors in this market are not B2B-oriented companies, but there is potential for other credit reference agencies to leverage their registers and enter the market. The same applies to other B2B companies with a strong focus on data or security. As suggested by Zhou et al. (2021), if the product is considered competence and technologically focused, there exists an opportunity to leverage the strengths of the B2B brand.

## 7.2 Enhancing UC’s D2C marketing strategy

To answer the second research question: *How can UC develop its marketing strategy to increase growth through market penetration in these markets?*, four recommendations have been formulated. The recommendations stem from the previous analysis and UC’s current state and growth objectives, as well as the empirical research findings. They are structured around the four P’s of the marketing mix.

As described in section 3.1 Sales models, the preferred marketing strategy varies based on the sales model a business unit employs. UC's transition from solely B2B to incorporating D2C underscores the need for an adjusted marketing strategy for the latter. At the same time, the D2C strategy should align with the overall objectives and goals of the company, which are described in Section 6.2 Corporate level. Analysis reveals neglect and non-prioritization of the D2C unit within the Enento and UC organization, leading to insufficient resource allocation in order to successfully grow, as shown in Section 5.2. This is exemplified by the absence of a clear D2C marketing strategy, including incomplete value propositions, undefined customer segments, and a lack of product development efforts. As emphasized by Lienhard, Schögel and Boppart (2021), commitment from management and resource support are crucial for D2C success. As can be seen in the SWOT analysis in section 6.3.3, almost all weaknesses of UC's D2C unit are related to lack of resources. Conversely, three out of four internal strengths are unused competitive advantages, as highlighted in section 6.3.2.1. Consequently, UC has the opportunity to excel its D2C unit by utilizing its capabilities better.

### **7.2.1 Investing in product development**

Given the products' positions in the product life cycle analysis presented in section 6.4.1.2, and the product level analysis presented in section 6.4.1.3, as well as the market and the external environment analysis presented in section 6.3.1, it is evident that UC needs to invest in product development of Kreditkollen and UC ID-Skydd to better adjust them to the customer needs as described in the Customer segmentation in Section 6.3.4. Through this, UC can motivate the prices, keep the customers for a longer time, decrease the churn rate and hence increase the profit earned on each user.

To extend the product life of Kreditkollen, attract the customer segments Financial Learners and Financial Rebuilders, and add to the perceived value of the product, both the actual and the augmented product of Kreditkollen need to be developed. By adding features to the actual product, such as a left-to-live-on-calculator tool, or educational material on financial topics, the product would add more value to the user. Financial Learners would especially benefit from the addition of educational material, whereas Financial Rebuilders are in larger need of financial tools. UC obtains great knowledge and expertise within the topic of financial services and credit information, due to their B2B background, and as described by Lienhard, Schögel and Boppart (2021), it is crucial to develop the company's capabilities to better align with the D2C customers. By adding features to the augmented product, for example frequent newsletters, or offering the opportunity for personalized financial advice, the customer relationships with targeted segments could be improved and deepened. The users would perceive the product as more valuable, making them more loyal and less likely to terminate the



subscription. This would be in line with the findings of Reklaitis and Pileliene (2019) and Lienhard, Schögel and Boppart (2021), describing how selling toward end-customers must convey the benefits of the products, the importance of loyalty building, as well as create commitment between customer and company.

UC ID-Skydd is struggling with the inactivity of the product. Since no news is good news, the users easily forget or neglect the benefits of the service. As described by Reklaitis and Pileliene (2019), customer service after the sale is more important for end-customers than in a B2B context, and focus should therefore be on loyalty building and sending updates after a sale. Hence, by adding to the augmented product, by for example adding newsletters or updates about the result of the surveillance regularly, the user would be more aware of the product benefits, and thereby less likely to terminate the subscription. This is particularly in line with the customer segment Security Seekers, since their worry could be lessened by updates on the prosperity of the product, making them more inclined to be satisfied with the service.

The discussion and reasoning above motivates the first recommendation to UC:

*UC should invest in product development of both Kreditkollen and UC ID-Skydd. Focus should be on how to develop Kreditkollen into a more informative and useful tool, and how to make the users of UC ID-Skydd more aware of the product benefits during inactive periods.*

## **7.2.2 Enhancing the pricing model**

According to the market landscape presented in section 6.3.1, and the presented pricing analysis in section 6.4.2, UC should reconsider their pricing model. Firstly, the binding time of UC ID-Skydd creates barriers for new customers, and secondly, the pricing of Kreditkollen is considered high in regard to perceived product value as well as in comparison with competitors' offers.

Given the price analysis of Kreditkollen, in section 6.4.2, it is evident that UC must increase the perceived value of the product, or lower the price, in order to compete effectively in the consumer market. As found by Kim, Shin and Kim (2021), cost-effectiveness is an important factor for D2C customers, affecting both initial attitudes as well as repurchasing decisions. This is observed to also be the case in this market, characterized by customers with high price sensitivity and low willingness to pay matched by competitors offering lower-priced or free services. Both Financial Learners and Financial Rebuilders are characterized by challenging financial situations, indicating that they are sensitive to recurring costs. UC should adjust their pricing strategy of Kreditkollen to better match these conditions while still being positioned as a more premium alternative on the market. As described in Section 6.3.5, the unit should differentiate themselves from competitors, and

should thereby not adjust themselves completely to competitors. Preferably this can be achieved by lowering the price initially, and meanwhile investing in the other dimensions of the marketing strategy, such as product enhancement, in order to be able to justify the higher price point later on.

Removing the binding time for UC ID-Skydd would necessitate compensatory measures, such as raising prices or reducing costs, if wanting to maintain margins. Competitors' offers, presented in section 6.3.1.2.2, as well as the A/B-testing mentioned in section 6.4.2, suggest that eliminating binding time with a higher price could boost UC's revenue. Internally, UC has two possible options for cost reduction: renegotiating with the insurance supplier or internalizing the insurance cost. Renegotiating could decrease costs per customer, reducing vulnerability to churn, but there is a limit to how large potential savings could be, and the future evolution of the deal is uncertain. Taking the insurance in-house could entail more risk, as UC would have to cover potential payouts. However, historically, the insurance has rarely been utilized, making this risk justifiable.

The discussion and reasoning above motivates the second recommendation to UC:

*UC should remove the binding time of UC ID-Skydd and potentially raise the price, enabled by moving the insurance in-house. UC should further lower the price for Kreditkollen in order to better match the competitors and the customers.*

### **7.2.3 Aligning promotion and branding with D2C theory**

Promotion and branding are key aspects to marketing in an end consumer focused market, as emphasized by the findings of both Kim, Shin and Kim (2021), Jalkala and Keränen (2014) and Zhou et al. (2021). Coupled with the promotion analysis presented in Section 6.4.3, there is an evident need for UC to reconsider its promotion tactics. Comparing the theory by Kotler et al. (2008) presented in section 3.1.2, with the analysis in section 6.4.3, UC has made D2C decisions grounded in a B2B marketing strategy theory. By canceling advertising of the D2C products, the most important promotion activity was cut short. Hence, UC must recognize the significance of marketing in a D2C context, reinvest in promotion, and maintain resources allocated to advertising activities consistently.

As brought forward by Reklaitis & Pileliene (2019), compelling to the consumers feelings and emotions becomes more important when marketing to end consumers. Until now, as explained in the customer analysis in section 6.3.4, UC's promotion efforts have been general, and not adjusted to any certain customer segments. To increase conversion rates and return on ads spent, the promotion must be more customized to end consumers and the relevant customer segments Financial Learners, Financial Rebuilders and Security Seekers brought forward in section 6.3.4 Customer segmentation. The promotion should emphasize the educational

aspects when targeting Financial Learners, highlighting how Kreditkollen can help them build financial knowledge and creditworthiness. For Financial Rebuilders, the focus should be on the practical financial tools and product benefits that address and improve their specific financial challenges. In the case of Security Seekers, the promotion should focus on the increased control, empowerment and peace of mind that the service enables.

In order to improve the branding, UC should utilize its reputation and B2B brand more than they currently do. This could improve customers' perception of quality, as found by Zhou et al (2021). Brand uniqueness has further been found by Kim, Shin and Kim (2021) to be a determining factor for repurchase intentions for end customers. As have been identified in the analysis, Sections 6.3.1.2 and 6.3.2.1, many customers are lacking knowledge about credit registers and their varying quality, not necessarily recognizing the superiority of the brand UC in comparison with competitors. Hence, UC must improve its informative communication in the promotion, educating the consumers about the brand and the importance of the credit register quality to determine the quality of the offerings.

The discussion and reasoning above motivates the third recommendation to UC:

*UC should align their promotion tactics to D2C theory by continuously allocating resources on advertising toward specific customer segments. Additionally, they should emphasize their B2B background in their promotion, highlighting the superiority of their credit register and brand, educating customers on why UC is the preferred choice in the market.*

#### **7.2.4 Developing a combined distribution model**

Based on the analysis in section 6.4.4, UC could benefit from a distribution strategy that combines partnerships and the direct channel minuc.se. This entails expanding from a pure D2C model to incorporate sales through partners, where the latter can be considered a form of B2C model. Given the identified weaknesses in UC's D2C marketing strategy, the company can be considered to not be fully equipped yet to succeed solely through their D2C channel. Complementing it with a B2C channel could present a viable compromise, to simultaneously strengthen the D2C channel without exclusively depending on it. Caution is however required, as emphasized by Rangan et al. (2021), so that the extension aligns with the original D2C brand and enhances the customer journey, and not only focuses on increasing reach. Keeping the direct channel, minuc.se, is deemed important in order to retain ownership of the UC brand and continue to independently strengthen it.

By leveraging UC's strong B2B network, identified as an unused competitive advantage within the D2C unit, they can select partners who have access to

customer bases that align with UC's target segments, as described in section 6.4.4.1. Partnering with reputable brands, such as major banks, could enhance UC's D2C brand and help convey UC's superiority to consumers. UC could further benefit from the partners' promotion model, transferring UC's current pull model into a push model, as described in section 4.8.3. This shift would enable the D2C unit to leverage the expertise and practices of B2B marketing.

At the same time, keeping the direct distribution channel *minuc.se*, as presented in section 6.4.4.1, offers several advantages. These include control of the content and its presentation, collection of user data, as well as serving as a platform to promote products to potential partners. Utilizing *minuc.se* also provides UC with a platform to test new product features and gather direct insights about them from users, a practice underscored by Gielens & Steenkamp (2019). However, private customers require user friendly and attractive websites, as highlighted by Kim, Shin and Kim (2021), demanding UC to invest in developing their interface and user experience to better meet these needs.

The discussion and reasoning above motivates the final recommendation to UC:

*UC should expand its distribution strategy to incorporate a B2C model, delivering D2C services through trusted partners with a sizable consumer base and strong brand reputation. Additionally, minuc.se should undergo enhancements in website attractiveness and user-friendliness, serving as a platform for D2C distribution, facilitating data collection, product testing, and partnership promotion.*

### 7.3 Challenges with developing a D2C marketing strategy in a B2B-focused company

The third research question was: *What are the challenges to consider when developing a marketing strategy to fit a D2C segment in a B2B-focused business?* To convert a B2B business into a hybrid B2B and D2C model successfully, it is a prerequisite that each unit makes decisions based on the respective business unit strategy and customers, while still aligned with the corporate level strategy. For example in the case of UC, the marketing department is not divided into B2B and D2C, as described in section 6.4.3. This makes it hard for decision makers to change their mindset and base their D2C marketing decisions on the D2C market. Businesses need to be aware of the differences between successful marketing towards industries and end consumers, and align the marketing decisions accordingly. Three challenges related to this transition have been identified: management and resource commitment, understanding and adjustment to new customer behaviors, as well as utilization of the B2B brand in the new D2C business unit. These are discussed below.

### **7.3.1 Management and resource commitment**

As for any new investment, a new business unit needs resources to succeed. Lienhard, Schögel and Boppart (2021) argues that organizational commitment through allocation of resources is a prerequisite for a D2C to develop successfully, as described in section 3.1.3. This challenge has been identified in the case of UC, where a low D2C prioritization has contributed to the non-adjusted marketing strategy for the unit. Expanding a B2B model into a combined B2B and D2C model requires knowledge about the new end consumer needs and behaviors, as well as how to organize the new business unit to meet these demands. Doing so requires opportunities to test new ideas as well as the availability of financial and personnel resources over time. Since resource allocation decisions are made by top management, their commitment to the transition is crucial in order to succeed. Thus, the first challenge identified is to ensure resources and commitment in the development of the D2C unit, and make sure that it does not become unprioritized in favor of the B2B unit.

### **7.3.2 Understanding and adjustment to new customer behaviors**

Switching from B2B to D2C includes switching from selling to other businesses to selling to end consumers, enforcing the company to develop marketing strategies adjusted to the new type of customer. As described in section 3.1.2, the behavior of customers differ between B2B and end consumer markets. Reklaitis & Pileliene (2019) argues that industry customers focus more on product features and usually compare different alternatives, while end consumers tend to be more irrational and emotional in their decision-making process. Saini et al. (2010) further argues that B2B relationships develop over a longer time period, while end consumers are more price sensitive, less loyal and make quicker decisions. Rangan et al. 's (2021) principles for D2C growth emphasizes the importance of deepening customer relationships, and to accompany the customer beyond the initial transaction and all along the decision journey. Due to the change in customer behavior when converting from B2B to include a D2C model, it is crucial that the company researches the characteristics of the new users, and adjusts their marketing mix to attract them. As emphasized by Lienhard, Schögel and Boppart (2021), customer transformation management is crucial when transitioning to D2C. In UC's case, failing to define customer segments to target and adjusting the marketing mix to suit the end customers have contributed to slower growth and a reduced subscriber base. In compliance with this reasoning, the second identified challenge is to research and understand the behavior of the D2C customers, and adjust the marketing mix to appeal to them.

### **7.3.3 Utilization of the B2B brand in the new D2C business unit**

A shared capability among companies that convert to a hybrid model is the possession of an already existing brand. As it is beneficial to maximize the utilization of company capabilities, a company developing a D2C unit should ponder how the B2B brand can be used in the D2C marketing. Zhou et al. (2021) describe how brand awareness might be lower within the end consumer segment when developing it from a B2B background, and emphasizes the importance of advertising to promote awareness of the brand. This difficulty has been observed in the case of UC, which has encountered problems with utilizing the strength of their B2B brand in the D2C context and creating awareness among their new customers.

As mentioned in section 3.1.3, both Baumgarth (2010) and Jalkala and Keränen (2014) argue that successful brand marketing can result in positive financial performance. Zhou et al. (2021) suggest that if the products are considered advanced or technical, a B2B brand can emphasize quality of the products, since end consumers generally believe that industry use indicates high quality. For example, in the case of financial information services and protection services where trust and credibility is considered important, UC can benefit from its B2B reputation as the industry standard, and should hence use it as a selling point in the marketing strategy. Following, the third and final challenge identified is the utilization of the B2B brand in the new D2C market. In the conversion from customers being companies to include end consumers, the brand strategy must be adjusted to the market, company, product and consumer characteristics to be successful.

## 8 Conclusions

*This chapter summarizes the conclusions from the analysis and the discussion. Further, the limitations of research and suggestions for future research are described.*

This thesis aimed to enhance knowledge concerning extending a B2B focused-business to include a D2C model, in terms of adopting a suitable marketing strategy. To do so, three research questions have been investigated. The three questions and the emerged answers are as follows:

***RQ1:*** *What are the characteristics of the consumer market and industry of credit information and identity protection in Sweden?*

The analysis of the credit information market and industry highlights a strong need for personal finance management in Sweden, driven by consumerism and over-indebtedness, indicating a potential surge in demand for credit information services amid improving economic conditions. However, the market is challenged by rising competition, and consumer preferences for cost-effective solutions, with new D2C companies competing against established agencies.

The analysis of the identity protection market and industry shows that increasing fraud rates and media focus have raised awareness and demand for identity protection services, despite doubts about their effectiveness and calls for more accountability for credit agencies. The crowded market, marked by low brand loyalty and high price sensitivity, necessitates that companies clearly communicate their service benefits to emotionally-driven consumers.

***RQ2:*** *How can UC develop its marketing strategy to increase growth through market penetration in these markets?*

To answer this question, four recommendations have been brought forward, and are summarized in Table 20 below.

**Table 20. Summary of recommendations to UC.**

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1	UC should enhance Kreditkollen's informativity and utility, and increase awareness of UC ID-Skydd's benefits during inactive periods through focused product development.
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- 2 UC should eliminate UC ID-Skydd's binding period and raise its price, enabled by internalizing insurance, and reduce Kreditkollen's price to align with competitors and customers' willingness to pay.
- 3 UC should adopt D2C promotion tactics by targeting specific customer segments with continuous advertising and highlight their B2B heritage to emphasize the superiority of their credit register and brand.
- 4 UC should extend to include a B2C model by partnering with reputable brands for D2C services, and enhance minuc.se website attractiveness and user-friendliness to better serve as a D2C channel.

**RQ3:** *What are the challenges to consider when developing a marketing strategy to fit a D2C segment in a B2B-focused business?*

The transition from a B2B to a hybrid B2B and D2C sales model presents three main challenges: ensuring management commitment and adequate resources for the D2C unit and marketing strategy, understanding and adapting to the distinct behaviors of D2C customers, and effectively leveraging the existing B2B brand to appeal to consumer markets. These challenges require strategic and committed resource allocation, customer engagement, and brand utilization to successfully integrate and benefit from both business models.

## 8.1 Limitations of research

As mentioned in Section 2.7, research quality was ensured through the aspects credibility, transferability, dependability and confirmability. The key limitations of the research, evaluated through these factors, will be discussed in this section.

In terms of *credibility*, the limited number of interviews with other competitors in the markets could be considered a weakness, as more interviews could have provided insights to further nuance the analysis. Securing interviews with these parties proved challenging when revealing the thesis's partial collaboration with UC, assumingly due to the high competitiveness. Moreover, additional insights directly from customers would have been preferred by the authors as it is believed to have offered valuable perspectives. However, this option was not accessible through the company, and the customer survey data available was deemed sufficient. Furthermore, due to a discrepancy between the opinions and positions of the market side and expert side, some of the interviewees wished to not be referenced in a way that could trace their opinions to their identities. Thus, a certain level of anonymity was deemed necessary by the authors, in order to collect more truthful and sensitive data, but could affect the credibility of the research.



Limitations regarding *transferability* concerns the collected data, being based on the Swedish context and limited to specific markets. However, while the findings of RQ2 are primarily constrained by a specific company context, the last research question generalizes the findings to challenges relevant to other companies undergoing a similar transformation.

The *dependability* of the research can be questioned, as the interviewees could be influenced by their own interests and biases when questioned, and there is no guarantee that the same findings would be obtained with other subjects within the same group. Moreover, in certain situations during the research process, assumptions had to be made due to insufficient or incomplete data, which could further compromise the dependability.

Additionally, the *conformability* of the research could be questioned due to its close collaboration with the case company, along with the authors sharing similar educational backgrounds, which could potentially restrict the diversity of perspectives and interpretation of data in the analysis. Moreover, conflicting interests between the supervising parties, LTH and UC, could potentially have influenced the research's direction, as some academic interests may collide with the more business-focused intentions of the company. Measures have been taken in order to minimize these risks, with third party controls and validations, but they can still represent potential limitations.

## 8.2 Future research

This thesis aimed to research the transition from an isolated B2B business model to a combined B2B and D2C model. The lack of current research on the topic emphasizes the opportunity for the interested to add to the available academia. Some of the topics that would benefit from further research are presented below.

During the research on sales model transformations, it became apparent that existing studies primarily focus on either B2B to B2C transformations or B2C to D2C transformations, thus overlooking the transition directly from B2B to D2C. For example are Reklaitis and Pileliene (2019), Saini et al. (2019) and López-López and Giusti (2020) all basing their research on the difference between B2B and B2C customers. As demonstrated in this thesis, the B2B to D2C transition can present numerous challenges and may be even more daunting for businesses compared to the other types of transformations, due to the significant disparity between the models. It hence becomes interesting to further research this topic, including prerequisites, success factors and potential strategies to overcome the associated challenges.

The fourth recommendation, see 7.2.4, advises UC to expand to a third distribution strategy, implementing a partnership B2C model. This thesis has found that UC might not have been fully prepared to successfully grow as a D2C unit, and it would hence be interesting to further investigate whether B2C can serve as an intermediary step to D2C for businesses transitioning from B2B. This could include research on how this process could unfold, factors determining a company's readiness for the transition, and potential risks to the original business model.

Given the trend of technology development, the rise of data-driven companies, and the opportunities presented by Open Banking in terms of data collection, the demand for research about the B2B to D2C transition should increase, especially for information and data-based companies. It would be interesting to understand the success factors for such companies in the transitioning period, especially given their technological competence. Future research could explore how these companies use technology and data to enhance customer experiences, streamline operations, and improve decision-making processes in D2C transitions. The research could provide valuable insights into the specific technologies that are most effective in different industry contexts and offer guidelines for their implementation.

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# Appendix A: Interview guides

*Appendix A presents the interview guides used for all interviews. The questions have been divided into three categories: internal interviews, external interviews with topic experts, and external interviews with industry participants.*

## A.1 Interview participants

All interviewed individuals, with the interview guide used for each person, are presented below in Table A1.

**Table A1. List of interviews conducted for the thesis, with the corresponding interview guide for each interviewee.**

<i>Name of interviewee</i>	<i>Type of interview</i>	<i>Title of interviewee</i>	<i>Interview guide</i>
Employee at UC	Internal interview	CEO of UC	Internal interview guide for employees: topic 1, 2, 3, 4, 6, 7 and 9
Employee at UC	Internal interview	Head of Consumer Insight at UC	Internal interview guide for employees: topic 1, 2, 3, 4, 6, 7 and 9
Employee at UC	Internal interview	Manager Consumer Insight at UC	Internal interview guide for employees: topic 1, 2, 3, 5, 6, 7, 8 and 9
Employee at UC	Internal interview	Product Owner at UC	Internal interview guide for employees: topic 1, 2, 3, 4, 5, 6, 7 and 8
Employee at UC	Internal interview	Product Specialist at UC	Internal interview guide for employees: topic 1, 2, 3, 4, 5, 6, 7 and 9
Employee at UC	Internal interview	Manager E-commerce at UC	Internal interview guide for employees: topic 1, 2, 3, 4, 5, 6, 7 and 8
Employee at UC	Internal interview	Customer Experience at UC	Internal interview guide for employees: topic 2, 3, 4, 5, 6 and 7

Marcus Nohlberg	External topic expert	Associate Professor in Information Security, University of Skövde	External interview guide for topic experts: identity fraud
Nina Jelver	External topic expert	Security Manager, Svensk Handel	External interview guide for topic experts: identity fraud
Björn Appelgren	External topic expert	Project Manager, Internetstiftelsen	External interview guide for topic experts: identity fraud
Jan Bertoft	External topic expert	Former CEO, Sveriges Konsumenter	External interview guide for topic experts: personal finance and identity fraud
Patrick Siegbahn	External topic expert	Personal Finance Expert, Sveriges Radio	External interview guide for topic experts: personal finance
Martin Löthman	External industry participant	Lead Personalized services, Lendo AB	External interview guide for industry participants
Jacob Nordlander	External industry participant	Head of Product, Anyfin AB	External interview guide for industry participants

## A.2 Internal interview guide for employees

### A.2.1 Introduction

- Give a brief introduction about us
  - Industrial Engineering and Management at LTH
  - Master thesis project with UC
- Explain the interview structure
- Ask the interviewee to briefly introduce herself and the interviewee's role and areas of responsibility within the company

### A.2.2 Topic 1: Strategy

- How would you describe the current strategy for UC's D2C unit?
  - Are there any differences in the strategy for Kreditkollen and UC ID-Skydd?
- Where on the market would you say that Kreditkollen and UC ID-Skydd are positioned relative to competitors for each product?
  - Where do you think UC should position themselves in the future?

### A.2.3 **Topic 2: External factors and the market**

- How do you perceive the market conditions?
  - Is the competition high?
  - Would you describe the market as fast- or slowly-changing?

### A.2.4 **Topic 3: Internal capabilities**

- What capabilities are most important to have within the organization to succeed in UC's current market?
  - Which of these does UC have and not have?
  - Which of these do you think your competitors have and not have?
- What are UC's main strengths and weaknesses?
  - Which capabilities could be developed?
  - Does UC have any resources that they are not fully utilizing?

### A.2.5 **Topic 4: Customers**

- Which customer segments are UC targeting today?
  - Which segments do you think UC should target in the future?
- What needs do UC's customers have?
  - Do UC meet these needs with their products?
  - If not, what would UC need to do differently?
- How do you perceive the customers' willingness to pay?
  - How much power do the customers have?
- How do you think UC needs to work to attract new customers?
- How do you think UC needs to work to keep their current customers?

### A.2.6 **Topic 5: Products**

- Do you believe there is sufficient demand for Kreditkollen and UC ID-Skydd?
- Do you believe that Kreditkollen and UC ID-Skydd fit the market and customers right now?

#### A.2.6.1 *Kreditkollen*

- What is the value proposition of Kreditkollen?
  - If you don't know, what do you think it should be?
- How does Kreditkollen differentiate itself from competitors?



- What product development efforts have been made recently on Kreditkollen?
- What would you like to develop with Kreditkollen?

#### A.2.6.2 *UC ID-Skydd*

- What is the value proposition of UC ID-Skydd?
  - If you don't know, what do you think it should be?
- How does UC ID-Skydd differentiate itself from competitors?
- What product development efforts have been made recently on UC ID-Skydd?
- What would you like to develop with UC ID-Skydd?

#### A.2.7 **Topic 6: Price**

- What is UC's pricing strategy for the D2C products?
  - How did UC determine the prices of their products?
  - What are your thoughts on Kreditkollen being a paid service? Is it reasonable that the customer pays for their own information?
- Are there any indications that a different pricing strategy would increase revenue for the products Kreditkollen and UC ID-Skydd?
- How competitive are UC's prices compared to other offerings on the market?
- Which pricing strategy do you think is best for UC in the future?

#### A.2.8 **Topic 7: Distribution**

- What distribution channels are UC currently using?
  - What are the strengths/weaknesses of each distribution channel?
- Do UC have any partnerships right now?
  - How do you perceive these to be working, and how do they benefit UC?
  - What are your thoughts on working more with partnerships and selling through partners' channels?
    - What advantages would it bring?
- What can UC offer potential partners that their competitors cannot?
- Which distribution strategy do you believe is the best for the future?

#### A.2.9 **Topic 8: Promotion**

- How would you describe UC's current promotion strategy?

- What channels do UC use?
- What channels are most effective?
- How did UC develop their promotion strategy?
- How does UC's promotion strategy differ from UC's competitors' promotion strategy?
- How would you like to develop UC's promotion strategy?
  - What would you change if you could?

#### A.2.10 **Topic 9: Suppliers**

- What companies are UC's suppliers?
- How much influence and power would you say the suppliers have in the market?
- Do UC have different suppliers than their competitors?
- How do you see the dynamics with UC's distributors being affected by the fact that they are often also customers of UC's B2B unit?

### A.3 External interview guide for topic experts

#### A.3.1 **Introduction**

- Give a brief introduction about us
  - Industrial Engineering and Management at LTH
  - Master thesis project with UC
- Short introduction of the products
  - Identity Protection and Credit Information
- Explain the interview structure
- Ask Interviewee to briefly introduce herself and her expertise

#### A.3.2 **Personal finance**

- How do you perceive the use of credit in society, and how has it changed over time? What do you think are the causes of the over-indebtedness and the rise in consumer loans?
  - How common are credit problems among consumers in Sweden?
  - How does it affect consumers and who does it affect the most?
  - How does it impact society at large?
  - How will the trend develop in the future?

- Do people have sufficient knowledge to solve their situation on their own?
  - Does the level of knowledge differ among certain groups?
  - What knowledge do you think is lacking?
  - How should this knowledge be conveyed? What initiatives should be taken to increase consumer knowledge?
- How is the responsibility divided among lenders, borrowers and society?
  - Do you believe this will change in the future? If so, when?
  - Do you believe that the loan industry is an dishonest industry?
- What should be done to reduce over-indebtedness, credit use, and improve personal finances in society? What are the most important initiatives?
- What is your opinion on personal finance services, such as UC's Kreditkollen, which aims to increase consumers' awareness and control over their credits and finances?
  - Can Kreditkollen be used as a tool for reducing over-indebtedness and improving personal finances?
  - What would you like to see in such services, in the consumers' best interests?

### A.3.3 Identity fraud

- How do you perceive the current situation and trend of frauds today? How has the development been, and how are consumers affected by this?
  - How do you think the fraud problems will evolve in the future?
  - What is the reason for the widespread occurrence of fraud?
- Our work focuses on fraud in the form of identity fraud. What is your view of this type of crime? Is it common?
  - What groups do you think are the most vulnerable?
  - How do you think identity fraud can be prevented and countered?
- How is the responsibility for fraud distributed today?
  - Are banks or individuals responsible when fraud happens?
- What is society doing to combat identity fraud?
  - Are the government and companies doing enough?
- What do you think could and should be done to strengthen consumers' rights and protection in this matter?
- Do you think there is a lack of knowledge among consumers about how to protect themselves against fraud?
  - What type of knowledge is needed, and how should it best be communicated?
- What is your opinion on consumer services to prevent and assist with fraud crimes, such as the UC ID-Skydd service?
  - How do you think such a service should be designed and marketed to consumers?

## A.4 External interview guide for industry participants

### A.4.1 Introduction

- Give a brief introduction about us
  - Industrial Engineering and Management at LTH
  - Master thesis project with UC
- Explain the interview structure
- Ask the interviewee to briefly introduce herself, describe the company and the interviewee's role within the company.

### A.4.2 About the company

#### A.4.2.1 Offer

- Can you briefly describe the company's product/service?
  - What customer needs do the product fulfill?
- What are the strengths/weaknesses compared to competitors?
- Why has your company chosen to work with consumer services?
  - What is the objective with the D2C business unit?
- Do you believe that there is sufficient demand for these types of products?

#### A.4.2.2 Customers

- Who are the company's customers?
  - Do the company have any clear customer segments?
- How do you perceive the customers' willingness to pay?
- How loyal do you think customers are to a particular brand within the consumer financial service industry and the identity protection industry?
- What do you believe will become most important to customers of such services in the future?

#### A.4.2.3 Pricing

- What is the company's pricing strategy and why?

#### A.4.2.4 *Distribution*

- What distribution strategy do the company use and why?
  - What do you think is the most suitable distribution strategy for these types of services?
- Does the company have any partners or collaborations?

#### A.4.2.5 *Marketing*

- How does the company work with marketing? What channels are used?
- How does the company attract new customers?
- Do you believe it to be a viable strategy or is there something you think should be changed in the future?

#### A.4.3 **Relation to UC**

- What is the relationship between the company and UC?
- If in a collaboration:
  - What is the most important aspect of the collaboration?
  - Why do you believe that UC is a good partner?

#### A.4.4 **The market**

- How would you describe the consumer credit information market?
- How would you describe the market for consumer identity fraud services?
- How do you perceive the competitive situation? High or low competition?
- How is the market changing? At what pace?
  - What are the market trends of today?
- Are there any adjacent industries or alternative products that fulfill the same customer needs and could replace the company's or UC's products?
- Is the consumer market for credit information services or fraud protection services difficult to enter as a new player?
- Do you see any opportunities in the markets that one can take advantage of in the future?
- Have you identified any external threats in the market that could affect your company or the markets?
- Who are your company's suppliers?
  - Are there many/few?
  - How much power do they have?
  - Is it difficult to switch?
- How much power do customers have?
  - How much purchasing power do they have?
  - Is it easy for them to switch to another company?