


Social Media Banking Usage From Banks' Perspective

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ABSTRACT

Social media is a fundamental trend in both the social and economic life of modern society. This study examines how banks, in the case of the top ten banks in Bulgaria according to their assets, are active in using different types of social media tools. A definition of the concept of social media banking and its scope is proposed. Based on significant amount of data collected from different sources including from an online questionnaire from a sample of mainly young people, an in-depth analysis of banks' use of social networking sites and other types of social media tools is provided. A special focus is placed on the assessment of the intensity of banks' presence on Facebook with a system of quantitative and qualitative indicators being proposed. The article finally identifies conclusions, and recommendations regarding the banks' practices, limitations, and directions for future research.

KEYWORDS

Blogs, Chatbots, Facebook Messenger, Messaging Apps, Social Media Banking, Social Media, Social Network Banking, YouTube

1. INTRODUCTION

Nowadays, social media have become a new and very important part of the life of society as a whole and for most people, including those who previously did not have any relation to information technologies. Social media are the focus of attention of billions of users worldwide. They become emblematic of modern contemporary society and their popularity has grown enormously, especially among young people. In addition, they are also an important business tool, with many of the businesses being transferred to social networks and other social media platforms where new market segments are emerging. There are business initiatives that are based entirely on presence with pages in social networks, such as on Facebook.

Many researchers see social media as an opportunity to promote them as a new environment for expression and interaction that allows consumers and businesses to initiate and develop new and real ways of interacting (Hajli, 2014; Chen and Beaudoin, 2016; Bohlin, Shaikh and Hanafizadeh, 2018) and have tremendous potential for business, including for financial institutions. Moreover, social media are referred to cost effective and a readily available ways for interaction with large number of people in a very short period of time (Madziwa and Sibanda, 2018).

Banks also appreciate the considerable power of social media and they are also focused on implementing their tools in response to the desire to respond to growing customer expectations

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of personalization, to show how much they value their clients and to offer appropriate social care (Shankar and Khan, 2012).

The research goal of the study is to explore which main tools of social media are used in the case of top ten Bulgarian banks in the context of social media banking and the implementation of social media banking models and how intensive is their implementation.

The results of the study support the perception of social media banking as a separate digital channel that is essential for financial institutions. The outcome provides evidence from the point of view of financial and, specifically, banking practice about the importance that new digital distribution channels such as social media channel have. In this context, the study confirms the views of other authors (Bohlin, Shaikh and Hanafizadeh, 2018) who, along with already established digital banking channels such as Internet and Mobile banking, recognize social networking sites (SNS) as a separate delivery channel and confirm its great potential. Furthermore, the present study contributes to both theory and practice by broadening the scope of applied social media tools in their role of digital banking channels, including tools such as communication applications, blogs, content sharing communities, etc. In addition to accepting the role of social network banking (SN banking), the study's implications for practice and academia consist of offering and explaining the concept of social media banking, which is a broader concept compared to SN banking, as it will be clarified in the following content.

The paper is organized as follows. Firstly, a systematic literature review is conducted and a theoretical background about the concept of social media is given. Secondly, a discussion about the relationship between several concepts and their scope is undertaken - social media, social network banking and social media banking. The study contributes to defining and distinguishing the scope of social media banking. After that, the research methodology, including the main sources of information is outlined. This is followed by a comprehensive analysis of the social media banking usage by the top ten banks in Bulgaria as of June 2018 (Section 5). In the next three sections an analysis of the banks' use of social networking sites (Section 5.1.), in particular and in detail of Facebook as the largest and most important social platform (Section 5.2.) and of other types of social media tools (Section 5.3.) has been carried out. The next part addresses the discussion of limitations and directions for future research, and the last section concludes the research and makes suggestions that can be useful to financial institutions and their practice.

2. LITERATURE REVIEW

Before clarifying the concept of social media banking a review of social media literature and research is needed. According to Kaplan and Haenlein social media is "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content" (Kaplan and Haenlein, 2010). The authors include in User Generated Content various forms of media content that are publicly available and created by end-users, such as text, images, and video. Tuten and Solomon (2018) summarize a number of views of researchers and construct their definition of social media as "online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility", sharing the vision that its complexity is consistent with a complex and quickly changing, dynamic environment. The variety of technologies, tools, and devices to effectively reach and connect with other users, creating relationships, building trust are defined also as part of social media (Safko, 2012). They respond to people's need to be social, to participate in groups with close interests and views and to share with them thoughts, ideas, and experiences. Other researchers like Obar and Wildman (2015) focus on several key features of social media like: they belong to Web 2.0 Internet-based applications, consist of user-generated content, give opportunities for user-specific profiles and facilitate the development of social networks. Some authors (Ganis and Kohirkar, 2016) share the notion that social media represent an umbrella term that can be used for already mentioned

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