THE FACTORS INFLUENCING APPLYING SOCIAL MEDIA FOR MARKETING

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ABSTRACT

The adoption and use of social media for marketing by South African banks encounter challenges primarily because the influencing factors are not known, empirically. This study aims to examine the factors influencing the use of social media for marketing in a South African bank. Qualitative methods were employed, involving the case study approach and semi-structured interviews. A South African bank was selected using a set of criteria. The findings reveal several critical factors, including Awareness, Interactive, Operationalisation, Governance, and Security. The influencing factors have significant implications for both the bank and its employees, in improving the efficiency and effectiveness of marketing using social media. However, the implementation of such a system would require addressing challenges related to a framework.

KEYWORDS

Activity Theory, Marketing, Social Media, South African Bank

1. INTRODUCTION

Social media marketing refers to a system that allows marketers to engage, collaborate, interact, and harness the intelligence of crowdsourcing for marketing purposes (Chikwandiwa et al., 2018). Social media entails various components such as mobile systems that enable and support content created by individuals and groups (Chen et al., 2022). The most popular social media platforms include Facebook, Twitter, YouTube, LinkedIn, and Instagram. Currently, over 3 billion people across the world are estimated to use social media (Mire, 2020). South Africans are among these estimated 3 billion users. The drastically increasing number of users can be attributed to the general belief that social media is considered the fastest approach to disseminating messages, linking people, and establishing relationships and friendships (Chen et al., 2022). The approach creates a huge volume of data, which many banks explore for their products and services.

Social media is rapidly evolving, changing the way people communicate (Sloan & Quan-Haase, 2017). Popular samples of social media include Facebook, Twitter, YouTube, LinkedIn, and Instagram (Choi, Guo, & Luo, 2020). However, Chu et al. (2021) contend that social media allow "horizontal ways of communication" while Ali et al. (2020) argue that for a few, social media users interact with one another and naturally influence one another. Thus, many banks explored social media to foster their marketing strategies (Dwivedi et al., 2021). Miller (2019) advocates that businesses need to understand all these to be successful and create a presence that is endorsed by social media. However, while social media is very important, it has posed challenges for many banks across the world (Cheung et al., 2021).

Despite the increasing popularity of social media, little is known about its influence from a marketing perspective as little has been highlighted in research (Li et al., 2018). Likewise, little is known about South African banks' use of social media for marketing (Moche & Iyamu, 2023). This is the primary motivation of this study. The study therefore aimed to gain a better understanding of the factors that influence the use of social media for marking by a South African bank. Such as an objective entails various activities. Thus, activity theory (AT) was employed to underpin the study.

AT helps to examine the activities that are involved in banking marketing to gain better insights into the factors that influence the use of social media for marketing in South African banking institutions. Dennehy and Conboy (2017) provide examples of how using AT helps to understand the structure and how human activities are influenced by social context. Additionally, AT guides an understanding of the roles and relationships between the various actors. This helps to gain a better understanding of actors' roles in carrying out different activities using social media for marketing purposes. Engeström and Pyörälä (2021) argued that an activity is a collection of human actions and that they lead to guided outcomes using tools.

2. LITERATURE REVIEW

Enter the text here. Social media is creating virtual or online communities (Boukis, 2019). However, Dwivedi et al. (2021) believe that online communities represent a virtual space that aggregates people with a mutual interest and enables people to speak with one another through computer-mediated mechanisms. The acceptance of social media continues to grow in contemporary times (Alamsyah & Indraswari, 2017). However, Stallone, Wetzels and Klaas (2021) argue that the internet has become an efficient communication tool, which connects brands with potential customers. The Internet provides a 'marketplace' of ideas vital to democracy since it overcomes geographical limits (Wang, 2020). However, Miller (2019) submits that online social networks are based on centralised platforms suffering from certain problems.

Banks are progressively active in the marketing of their products and services. Thus, South African banking institutions are increasingly employing social media as a strategic tool for marketing and branding their products and services (Gavaza, Viljoen & Cilliers, 2019). This could be attributed to its benefits from different perspectives, such as cost-effectiveness and ease of information dissemination. According to Potgieter and Naidoo (2017), social media improves the quality of service and enhances client loyalty in South African banking institutions. In addition, through social media, some South African banks educate their clients about certain complex products, including creating transparency and brand awareness (Chikandiwa, Contogiannis, & Jembere, 2013).

Challenges faced by marketing within the financial sector and a few of the challenges emanating from the fact that almost all financial services firms are unaware of the potential of e-marketing, Andreasen et al. (2020). Li and Palanisam (2019) argue that another important point is that some financial firms lack the essential expertise, resources, and knowledge to market successfully using electronic communication channels. Moreover, a major number of banks face technical challenges in integrating their services and marketing offerings (Choi, Guo & Luo. 2020). In some instances, customers expect a seamless experience irrespective of the mechanism. They highly value more to communicating and interacting with the financial firm, yet most banks fail to acknowledge the importance of this (Jaiyeoba, Adewale & Quadry, 2018).

Some studies examine the dynamics of relationship marketing in e-banking by assessing the association between relationship quality and online customer loyalty at different phases of the relationship lifecycle (Garepasha et al., 2019). Imran et al. (2019) argue that another critical aspect raised in the literature pertains to the reliability of social media as platforms supporting relations between banks and their customers. Vemuri (2018) argued that metrics measuring the effectiveness of social media engagement and its impact on customer relationships are still vague.

3. RESEARCH METHODOLOGY

Qualitative methods were employed within which the case study and semi-structured interview technique were applied. The case study approach followed Yin's (2009) guidelines. According to Hesse-Biber (2011), the case study is unique in its holistic approach to gaining a deeper understanding of a phenomenon within its social context. A set of criteria was used to select the organisation (bank).

A pseudonym, Tshwaragano Bank South Africa (TBSA) was assigned to the bank, to avoid disclosure of identity, which was the condition for granting access. was selected. TBSA offers a wide range of banking and financial services to individuals, corporations, and businesses. TBSA provides innovative solutions, personalised customer services, and a strong focus on assisting clients to achieve their financial goals. Also, a set of criteria was used to select interviewees. A total of 15 people on various, senior, and junior levels participated, at the point of saturation. This means that no new information was forthcoming at the thirteenth person.

4. THE FACTORS INFLUENCING THE USE OF SOCIAL MEDIA FOR MARKETING

From the analysis, the factors that influence the use of social media for marketing include Awareness, Interactive, Operationalisation, Governance, and Security.

i. Awareness - Awareness of the use of social media for marketing in financial institutions is critical. This is because social media or blockchain enables employees (or marketers) to connect with clients, build a brand reputation, and even gather market insights (Naeem, 2020). The importance of awareness of the use of blockchain for marketing is to enhance security, streamline financial processes, and promote transparency for clients and financial institutions. Tan and Saraniemi, (2023) argue that it is more significant when combining both social media and blockchain for marketing for making secure and transparent transactions, fostering trust, and ensuring data integrity. Each employee must be aware of the tools that are there for them to use like blockchain, social media for marketing, or even a combination of both to achieve the goals and objectives of the bank (Naimi-Sadigh et al., 2021).

ii. Interactive - Interactivity in any organisation is key to the success of the business and its continuity. It is then critical to use social media and blockchain for marketing to enhance clients' and employees' engagements and foster a community that is trusting and loyal to each other. This is what organisations need for their survival, a loyal client (Madhani, 2022). In the social media landscape, interactive marketing encourages participation from the targeted audience, and brand visibility and it reaches most of its audience. While in the blockchain space, interactive elements can assist users in providing feedback which organisations can use to create innovative solutions or even better their current solutions to clients (Rabby et al., 2022). Interactivity in blockchain contributes to the success and adoption of blockchain by those who are sceptical of the use of blockchain (Rozak et al., 2021).

iii. Operationalisation - Operationalisation is part of the process through which theoretical concepts are translated into practice. It therefore has satisfactory influences on how social media or blockchain is used or managed for marketing purposes. From a production standpoint, Fatorachian and Kazemi (2018) argued that operationalisation is an enabler of concept. It provides a mechanism for translating things, concepts, or innovations into reality or practice. However, there are challenges, and one of them is how to facilitate the operationalisation of innovation in an organisation (Jaaron & Backhouse, 2018). According to Seeber (2020), another challenge of operationalisation is to provide suitable representations of other related factors. This is critical because the factors revealed in the analysis are interrelated or interdependent to influence the use of social media or blockchain for marketing in an organisation. Thus, a specific design or definition that specifies the scope, boundaries, variables, and measurables is required, to ensure precise focus of the operation.

iv. Governance - The importance of governance in blockchain for marketing is for the establishment of policies, rules, protocols, and easier decision-making processes while ensuring accountability and transparency to all related parties (El Khatib et al., 2022). It promotes the use of blockchain to those who are not comfortable seeing that rules or policies are created to protect their interests. Governance in social media promotes collaborations and fosters trust that assists in resolving any disputes that could arise knowing that the rules are there to be followed and guide users (Daskal et al., 2020).

v. Security - It is important to have security in the use of blockchain and social media for marketing to ensure the integrity and trustworthiness of the transactions and data while preventing fraud and unauthorised access to client information and data manipulation (Eriksson et al., 2020). Kethan and Basha (2022) argue that the bank will retain any client and have loyal clients when they have a trusting relationship with their bank. A lack of security in social media for marketing may cause a breach of the Protection of Personal Information Act (POPIA) for customers due to identity theft from data breaches (Kumar et al., 2022). This could also damage the brand reputation which could lead to the loss of clients and the continuity of the business (Koonin, 2020).

5. CONCLUSION

This study highlights the critical factors influencing the use of social media for marketing in a South African bank. The findings reveal that awareness, interactive, operationalisation, governance, and security are major influencing factors. Understanding these factors can potentially address any challenges that might arise in the bank or any other financial institution. Also, based on these factors policies and frameworks can be developed, to guide the adoption and use of social media for marketing in the banks. However, the development and implementation of frameworks would require significant efforts in terms of system design, data transfer, and staff training. The study has important implications for banks and their employees including their clients, to improve the efficiency and effectiveness of service delivery. However, the study also has some limitations, such as the focus on a single bank and the relatively small sample size. Future research should aim to validate the findings in other bank settings and explore the feasibility and impact of implementing social media on a larger scale.

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