

A Study on Consumer Awareness and Perception Towards Social Network Platforms in Banking Sectors

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Social media today is not only an application that helps its users to interact with each other but a platform for companies to reach and attract customers and it significantly affect the turnover of many companies. To encash this phenomenon, many banks have established a presence on various social sites and engage on social media through Twitter, Facebook, Google+, LinkedIn, etc. Some banks have introduced another innovative practice – enabling banking on a social network platform. This research paper tries to identify the extent to which Indian banks have adopted this practice. It also examines the awareness level of customers about the facility and analyses the attitude of customers towards social network banking, its perceived usefulness, perceived ease of use and perceived risk by the customers. The study shows that a majority of customers have a positive attitude towards the idea of banking from a social network platform provided banks can ensure security, privacy and confidentiality.

Keywords: Social Network Banking, Innovative Banking Practice, Customer Awareness, perceived usefulness, perceived ease of use, perceived.

1. Introduction

In recent times, the world has witnessed a significant uptick in number of people using social media platforms such as Facebook and twitter as part of their daily routine. To reach this always-online potential customers, many businesses including, banking companies are trying to build their marketing and communication model using social media platforms. All leading international, nationalised and private Banks have established a presence on various social sites and engage on social media through Twitter, Facebook, Google+, LinkedIn, etc. However some banks have taken their internet banking facilities to the next level by providing

social media as platform for their banking transactions. This concept of social media banking or social network banking is not only expected to be a revolutionary banking facility but also an innovative marketing tactic. Many reports around the world have claimed that Generation X & Y is demanding social media presence from banks; and banks have a lot to lose by confining themselves to traditional and internet banking. The trend of social media banking started, with banks like Deniz Bank of Turkey and Commonwealth Bank of Australia providing customers with the facility to check account balances via Facebook, and perform money transfers to their Facebook friends. This research paper tries to analyse the social media banking facilities provided by Indian Banks, with reference to transactional banking and customer's attitude towards using social media as a platform for banking transactions.

SOCIAL MEDIA PHENOMENON IN INDIA AND INDIAN BANKS:

The Reserve Bank of India in its publication named Social Media Framework for Indian Banks have defined Social Media as “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”. Reports show that in India, out of 243 million active Internet users, 118 million are active on social media with 100 million active on social media via mobile. They spend an average of over two hours on social media. Study conducted by Times of India shows that a smart phone user spends 47% of their time on social media applications. The world's largest social networking site Facebook has 1.32 billion global users, of whom 108 million are in India.

With the increasing global usage of social media, analysts have opined that banks can leverage Social Media for improving customer satisfaction. RBI, on its part, has consistently highlighted the need for banks to increase their presence on social media. Banking companies use social network platform for both financial and non-financial interaction/ transactions.

For non-financial transactions, most banks have established a presence on various social sites and engage on social media through Twitter, Facebook, Google+, LinkedIn, etc. this they use for interaction with their customers, customer education, providing information, addressing issues and also popularising and marketing their products. Some of the private banks are using their Facebook page to provide customers, exclusive offers, product details and customer care services. According to a social business intelligence firm, Simplify360's Social Index score, HDFC Bank topped the list of the 'most social banks' in India on social media, followed by ICICI Bank and Yes Bank. The score considers three broad parameters—buzz score, Facebook score and Twitter score. While ICICI Bank, HDFC Bank and Axis Bank scored well on Facebook, Yes Bank scored well on Twitter, according to the report.

This study focuses on the use of social media platform for transactional banking facilities. Not many banks around the world are providing transaction or account information capabilities through social channels. A world-wide survey by the international management consultancy firm, Capgemini reports that more than half of the banks surveyed (58%) said they were unlikely to offer account information, citing data privacy, security, potential regulatory issues and inadequate back-end infrastructure as reasons. Notwithstanding this, many Banks are already providing money transfer enabled services and account information through social media platforms. Some of the pioneers in this regard from over the world are:

- Deniz Bankin Turkey: Became the first to open a Facebook branch, letting customers access their accounts, transfer money to friends, apply for credit, etc.
- Commonwealth Bank of Australia: Extended the Kaching product app to Facebook, enabling payments to friends, access to account information and transferring money between accounts.
- Royal Bank of Canada: Became the first North American institution to support (person to person) P2P payments between Facebook friends.
- ASB Bank of New Zealand
- S-money service BPCE bank of France: enabled all Twitter users in France—irrespective of their bank—to simply “tweet” money to one another bank through S-money service

TRANSACTION BASED SOCIAL NETWORK BANKING IN INDIA:

Following the lead, many Indian banks are trying to catch on with this technology and have found varying levels of success.

POCKETS BY ICICI BANK: ICICI Bank Ltd launched in September 2013 for sending money through Facebook account. To start the process, the Bank’s customer has to login to Facebook and register using ICICI Bank Debit Card and PIN. Once registered you have to fill name and other details of the receiver from among the friend’s list in one’s Facebook account. The registered users have to generate a coupon for the required amount and send it to receiver (“friend”), who can redeem the same instantly in any bank by authenticating himself by clicking on the link sent on his mail. The money will get credited after bank details and password send to sender and receiver are provided.

KAYPAY BY KOTAK MAHINDRA BANK: Kotak Mahindra Bank in October 2014 has launched a money transfer application called KayPay that allows customers to transfer money to people on their Facebook friend list without the need for their bank account details. The receiver need to have an account with any of the 28 banks that have Immediate Payment Service or IMPS: an instant interbank electronic fund transfer service. To avail of the service, account holders need to register their bank account on KayPay using their Facebook credentials. Customers who have registered for mobile banking to avail of the IMPS will be provided a seven-digit number code called the Mobile Money Identifier (MMID). Once registered, funds can be transferred to Facebook friend after entering the one-time password received on mobile. If the receiver is also already registered under KayPay, the amount gets credited immediately to the account or else after registration of the bank account in which they want to receive the money with Kaypay. Customers can transfer Rs 2,500 in a day and Rs 25,000 in a month. Kotak Mahindra Bank does not charge any fee for this service.

PING PAY BY AXIS BANK: Ping Pay launched in May 2015 enables smartphone users to send funds and mobile minute top-ups to contacts on social and messaging channels such as WhatsApp, Facebook, Twitter, email and phone lists. Ping Pay's person-to-person fund transfers, from the Bank’s account holders account to any other person using Immediate Payment Service (IMPS). The current transaction limit is 50,000 rupees per day. Axis Bank accountholders can download the Ping Pay app and sign up for the service using their

registered mobile numbers and their Axis Bank online banking credentials or ATM or debit card to send funds and mobile recharges.

The key features of money transfer through social media are:

- The users (usually the bank customer) have to register with the bank's social networking service or application.
- It allows the user to transfer funds to another contact in their social media platform without the need to know the receivers account details like account number, bank branch, branch IFS code etc.
- The receiver can redeem the amount from their bank by accessing the link that's send to them by the sender.
- The transfer sum ranges from Rs. 2500 to Rs. 50000
- No fees are charges by the banks for this facility.

SAFETY AND SECURITY ISSUES: The fund transfer through the various social media platform is secured by a two-level authentication-Login credential into the social media (eg: Facebook) and OTP. The bank also informs both sender and receiver immediately through an SMS. However, when one registers for such a service, the customers privacy is compromised as the banks server require to access their social network account's profile content, including name, friend list, birthday and city. The Banks state that no personal information, account balance or transaction information is shared with any of the social networking sites. Transactions take place on Bank's own servers. The registration through debit card number and PIN authentication is through the bank's servers. There are adequate security layers at the Facebook stage (user name/password) and then at the registration stage for access and fund transfer.

REGUALTORY FRAMEWORK FOR SOCIAL MEDIA BANKING:

Reserve Bank of India continues to be the regulator for any payment/fund transfer process initiated through Social Media channel as per Payment and Settlement System Act, 2007. Banks should comply with settlement and reporting requirements as detailed in the Act. Banks having Social Media Apps for financial/non-financial transactions should comply with National Cyber Security Policy 2013 and ensure secure computing environment and provide adequate trust and confidence in transactions and services.

2. LITERATURE REVIEW

The initial search proved that there are not many exactly related studies and articles with this study. The studies were related to other internet based technology adoption by banks and the customer's attitude towards these technology adoptions.

Blattberg and Deighton (1991) noted as early as 1990's itself that technology was already allowing interactive marketing to take place to individually identifiable consumers. Reddy (2003) stated that marketing is being increasingly affected by internet technology. Internet provides various channels of communications and interaction to the companies, which help

for the healthy relationship with customer and help in increase in sales.

V. Vimala (2015) studied the effect of various information technology led services on customer service and the study found that Information Technology led to increase customer satisfaction, improved operational efficiency, reduced transaction time, better competitive edge, reduced the running cost and ushered in swift response in service delivery. Study also revealed that the customers feel that IT adoptions benefits and make their routine life much easier.

Mohammad Yousef Abuhashesh (2014) in his study analysed the significance of the social media integration process on the core marketing and advertising function of the company. The study highlights that The corporate entities present in the current business environment have to ensure that they integrate the social media tools. and ensure that the company has the ability to capitalize on the strategic opportunities created by the social media business model. The model would provide the company with the opportunity to have a greater interaction with the customer base, and hence have the ability to create a positive brand image. The study also identifies that with the greater interaction with the customers, the business faces of risk of exposing itself to a high amount of public criticism. If the company is not able to highlight and alleviate the issue faced by the consumers in an effective manner, the consumers can lead a negative social media campaign against the organization.

3. METHODOLOGY

Research Design: It is a descriptive study using primary and secondary data. Primary data was collected through a questionnaire. The secondary data was collected from journals and articles from newspapers and various websites.

Sampling Method and sample profile: For the collection of primary data, convenient sampling has been used. Respondents have been selected on a random basis after initially screening them. Only respondents having any social network account and a bank account were selected.

Data and Analysis: The study tries to measure the awareness of respondents about social network banking, the demographics of the customers who are most likely to extensively use this service, attitude of respondents towards banking on social networking platforms, their perceived usefulness about the service, perceived ease of use, perceived risk and adoption intent. Chi square test was undertaken to test the hypothesis. Correlation and Percentage analysis also has been undertaken to reach at various conclusions.

OBJECTIVE OF THE STUDY

Objectives 1: To identify extent of use of social networking platform as a transactional tool by Indian Banks

Objective 2: To understand the customer attitude towards transactional banking on social networking platforms

Objective 3: To analyse the perceived usefulness, perceived ease of use and perceived risk of customers towards banking on social networking platforms

HYPOTHESIS FORMULATION:

Null Hypothesis 1: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their use of other existing e-banking facilities

Alternate Hypothesis 1: Adoption Intent of respondents of banking facilities on social networking platform has a significant relation with their use of other existing e-banking facilities

Null Hypothesis 2: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their age group

Alternate Hypothesis 2: Adoption Intent of respondents of banking facilities on social networking platform has a significant relation with their age group

Null Hypothesis 3: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their sex

Alternate Hypothesis 3: Adoption Intent of respondents of banking facilities on social networking platform has a significant relation with their sex

Null Hypothesis 4: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with time spend on social media

Alternate Hypothesis 4: Adoption Intent of respondents of banking facilities on social networking platform has a significant relation with time spend on social media

4. SUMMARY AND DISCUSSION OF RESULTS:

A. DEMOGRAPHIC PROFILE:

Though banks claim that banking on social platforms are used to cater to the need of the younger generation, called the Gen y, the present study span over respondents of varying age groups between 18 and over 60. However all the respondents were screened in such a way as to include only respondents having any active social media account.

Table 1 Age of Respondents:

	Frequency	Percentage
Below 20	3	6.0
20-30	26	52.0
30-40	10	20.0
40-50	4	8.0
50-60	4	8.0
Above 60	3	6.0
Total	50	100.0

Source: Primary Data

The study analysed responses from both male (62%) and female(38%) respondents.

Table 2 Sex of Respondents:

		Frequency	Percentage
	Male	31	62.0
	Female	19	38.0
	Total	50	100.0

Source: Primary Data

It was found that out of the respondents 20% of the respondents were always online on social networking sites. Most of the respondents used social networking sites for more than 2 hours.

Table 3 Time Spend on Social Media

	Frequency	Percentage
Less than 1	16	32.0
2-3 Hours	17	34.0
Over 3 Hours	7	14.0
Always Online	10	20.0
Total	50	100.0

Source: Primary Data

B. AWARENESS ABOUT BANKING FACILITY ON SOCIAL NETWORKING PLATFORM:

It was found that less than half (34%) of the respondents only were aware of the facility of banking on social networking platforms. Both male (32.25%) and female (36.84) showed comparable level of awareness. Out of those people who have heard of such facility only three respondents have personally used such facilities through their social networking accounts. It was majorly respondents below the age of 20 and in the age of 20-30 who said that they have heard about such a facility from various Medias. (Table 4)

Table 4 Awareness about banking on social networks based on age of respondents

		Awareness about banking on social networks		Total
		Yes	No	
Age of Respondents	Below 20	3	0	3
	20-30	12	14	26
	30-40	1	9	10
	40-50	0	4	4
	50-60	0	4	4
	Above 60	1	2	3
Total		17	33	50

Source: Primary Data

A. Attitude towards Banking on Social Networks in terms of Acceptance And Adoption Intent

Out of the total respondents a majority, 68%, are willing to accept the idea of banking from a social networking platform, like Facebook, Twitter or Watsapp. On trying to find out whether they prefer to avail only account information or do fund transfers or both, 62% of those who are willing to accept the technology said that they would want their banks to provide both the facilities. However only about 44% of people said that they would avail such a facility if provided by their own Banks. 34% of respondents said they were unsure of their decision as to avail such technology or not. Analysis has shown a high level of positive correlation between acceptance of the technology and adoption intent. Therefore it may be assumed that most of the people who have a positive attitude towards banking on social networks may avail the facility if provided by their banks.

Table 5
Acceptance of the idea of Social Network Banking

	Frequency	Percentage
Yes	34	68.0
No	16	32.0
Total	50	100.0

Source: Primary Data

Table 6
Intention to adopt Social Network Banking if provided by their Bank

	Frequency	Percentage
Highly Agree	10	20.0
Agree	12	24.0
Neutral	17	34.0
Disagree	11	22.0
Total	50	100.0

Source: Primary Data

Table 7 Correlation between acceptance and Adoption Intent

		Acceptance of the idea of Social Network Banking	Adoption Intension
Acceptance of the idea of Social Network Banking	Pearson Correlation	1	.730**
	Sig. (2-tailed)		.000
	N	50	50
Adoption Intension	Pearson Correlation	.730**	1
	Sig. (2-tailed)	.000	

	N	50	50
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary Data

HYPOTHESIS TESTING:

Hypothesis 1: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their use of other existing e-banking facilities

The Chi square result has given a p- value higher than that of 0.05 or 5%. This means that we can accept the null hypothesis. Therefore there is no significant relation between Adoption Intent of respondents of banking facilities on social networking platform and their use of other existing e-banking facilities.

Table 8 Chi- Square Analysis

Pearson Chi-Square Value	.389
Degrees of freedom	3
Asymp. Sig. (2-sided)	0.943

Hypothesis 2: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their age group

The p- value is lesser than that of 0.05 and therefore we should reject the null hypothesis. This shows that there is a significant relation between Adoption Intent of respondents of banking facilities on social networking platform and their age. The cross tabulation shows that Respondents of the age between 18 to 40 are most likely to accept the idea of social network banking than those above the age of 40.

Table 9 Chi- Square Analysis

Pearson Chi-Square Value	31.173
Degrees of freedom	15
Asymp. Sig. (2-sided)	.008

Hypothesis 3: Adoption Intent of respondents of banking facilities on social networking platform has no significant relation with their sex

The null hypothesis is accepted as the p- value is greater than that of 0.05. This shows that the respondents' intention to adopt banking facilities on social networking platform does not depend on their sex.

Table 10 Chi- Square Analysis

Pearson Chi-Square Value	1.482
Degrees of freedom	3
Asymp. Sig. (2-sided)	.686

Hypothesis 4: Adoption Intent of respondents of banking facilities on social networking platform has a significant relation with time spend on social media

The p- value is lesser than that of 0.05 and therefore null hypothesis is rejected. This shows that there is a significant relation between Adoption Intent of respondents of banking facilities on social networking platform and time spend on social media. The people who spends more amount of time is likely to adopt the technology more willingly.

Table 11 Chi- Square Analysis

Pearson Chi-Square Value	23.374
Degrees of freedom	9
Asymp. Sig. (2-sided)	0.005

B. PERCEIVED USEFULNESS:

Most of the respondents (20% highly agree and 30% Agree) that the use of social media as a platform for transfer of fund will help to quickly accomplish the task. The most noteworthy and useful feature of banking through a social networking platform as opined by the respondents (70%) is that it facilitates transfer of fund without knowing the account details of the receiver. They (62%) also feel that the facility may be suitable for small denomination transfer.

C. Perceived Ease of Use:

62% of the respondents feel that the technology of banking via a social network platform should be easy to master. A considerable percentage also perceives that this might be easier than using other e-banking facilities like internet or mobile banking.

D. Perceived risk:

The Risk perception of most of respondents regarding the facility of banking on a social network platform is either very high (32%) or high (38%). Some (28%) also feel that there might only be moderate levels of risk. Respondents have expressed their concern as to what extent the Banks might be able ensure security, privacy and confidentially while providing banking services through a social network platform. 90% have expressed that they would be willing to do transaction on such a platform only if these are ensured by banks.

5. CONCLUSION

The present study was conducted to understand a very new and budding phenomenon in the Banking Industry itself – Social Network Banking, which offers a bank’s customer to do banking through a social media platform. This will enable the always online customer to do banking without leaving their social network account. This facility will even enable customers to send money to anyone on their “friends list” (contacts) on the social networking sites, without knowing their account details. Worldwide, this facility is in its nascent stage, though many international banks have successfully launched this scheme. A few of the Indian Banks, like, ICICI, Axis, Kotak Mahindra, Yes Bank, etc. have also adopted this innovation. The present study shows that customers who have social network accounts have a positive attitude towards the idea of banking from a social network platform and they also expressed their willingness to accept and adopt such a facility if provided by their bank. People belonging to the age group between 18 and 40 are more likely use this service. Since these people referred

to many as Generation X & Generation Y are the future of any bank, they cannot ignore the preferences of these potential customers. Hence, it is important that more banks, especially, the public sector banks and traditional private banks will have to come forwards with smarter products like social network banking to attract and retain customers. The study also shows that the primary apprehension of customers regarding banking from a social networking platform is whether the banks will be able to ensure security, privacy and confidentiality. Though, Banks claim that all these are ensured while providing social network banking, this could remain a major concern for customer across classes. At the end, what matters most is that the consumers get the best and also banks have to provide what is desired by them.

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