

SOCIAL MEDIA BANKING MODELS: A CASE STUDY OF A PRACTICAL IMPLEMENTATION IN BANKING SECTOR²

Social media are a part of the top IT trends of the technology world together with mobility, big data, cloud, and others. Banks and most business organizations are aware of the power of social media and are active on social platforms. They are valuing this media not only as a means to reach out to customers but also to conduct business. In banks' practice there are four main models for applying of social media banking – use of social platforms as a marketing tool, as a communication channel, as a channel for feedback and reactions and for transactional social banking, where banks allow their customers to realize active operations. Worldwide there are already present successful examples from banks to implement transactional social banking. Our study focus is on the use of the models of social media banking in the five largest banks in Bulgaria. The results indicate that the banks use the first three models, but currently underestimate the use of transactional social banking with the possibility of active operations on social media platforms.

With the purpose of checking the actual attitudes of one of the main target groups of banks - young customers in Bulgaria, a research with the help of an online questionnaire about the use of social platforms and consumer attitudes on social banking for active operations is conducted. Among active young users and especially ones aged 18-24 in academics, social platforms, mainly Facebook, are very popular and are visited every day. However their current views on active social banking are overwhelmingly negative caused mainly by doubts about security. Our research shows that in perspective customers alter their attitudes and are viewing positively the possibility for transactional social media banking in case banks guarantee higher security levels. Because of the wide reach of social networking among Bulgarian users but also the change in views about the transactional social banking a forecast can be made for growth and affirmation of transactional social banking as an innovative digital channel if banks on Bulgarian market offer adequate level of security.

JEL: L86; C830; G21

¹ Silvia Parusheva is from Department of Informatics, University of Economics – Varna, phone: +359-882-164705, e-mail: parusheva@ue-varna.bg.

² The author would like to thank friends, colleagues and students in Bulgaria and abroad who participated in the online survey related to this article. Thanks to their positive attitude an essential number of responses to the proposed questionnaire have been collected. The author appreciates the efforts and valuable time of all participants.

1. Introduction

Social media are a part of the top IT trends of the technology world together with mobility, big data, cloud, and others. In recent years social networks are increasingly replacing traditional media (Bruhn, Schoenmueller & Schäfer, 2012) and are becoming increasingly popular among consumers, but also more and more important as a tool for businesses. Social media platforms are a place where business organizations can not only communicate with their customers, but also create stable and profitable relationships with customers by doing business. When taking this into account, businesses are trying to make it available for their clients to get services and make transactions through social media as well.

Bank institutions are aware of the power of social media too and are active on social platforms, because they want to meet the rising customer expectations for personalization, demonstrating value to them and positive social care (Shankar & Khan, 2012), (NM Incite, 2012). They are part of those businesses trying to interact with customers through this new digital channel which comprises several models of social banking, including transactional social media banking.

2. Bank models for social media banking

Banks shape their attitudes and are acting flexibly to the possibilities for interaction with their clients presented by social media. We propose relationships between banks and their customers through social media to be comprised in four models: as a marketing tool, as a communication channel, as a channel for feedback and reactions, and as a model for social media transactional banking.

2.1. Social media as a marketing tool

Banks have the opportunity to use social media as a very effective marketing tool, when using them in a right way, including as a relationship marketing tool (Mitic & Kapoulas, 2012).

Studies show that social media communications strongly influence brand image (Bruhn, Schoenmueller & Schäfer, 2012). Through social media banks can strengthen their reputation and build more brand equity through further differentiation and stronger associations with the brand in consumer's brain.

After the global financial crisis in 2008-2009 that had very unfavorable effect on the financial sector, banks do not enjoy positive images of themselves in consumer's perception and the relationship between banks and their clients would not be close back then. Social media, among other tools can help bring back the trust of and closer relationships with their clients. Through it the consumers can feel that banks are friendlier, more real and more gracious towards them.

Most banks are using widely known media, such as TV and online ads, but also direct sales marketing and email marketing to reach out to consumers. Now that social media is added to those, as a new channel, banks can advertise, promote and use it as they please to build more brand equity. They can use social media for research purposes as well by collecting customer data and create customized advertising.

2.2. Social media as a communication channel between banks and their current and potential customers

Social media are a channel enabling banks to react fast to customer queries and respond to their needs and complaints in a quick and effective manner. As social media are introduced, banks can communicate with their consumers without using other channels and media, for example without using call centers. In social media banks can:

- Offer actual information;
- React quickly to questions and consumer problems and issues;
- Offer solutions and reach to everyone that is in need.

Social media can be the place where consumers are receiving competent answers to their questions instantly, conveniently and for free.

An important advantage of social media as a communication channel is that many queries can be received and solved in the same time, which makes this tool more scalable and very effective when responding to inquiries and solving problems. According to a survey by NM Incite, a consulting company, which is a partnership between the companies Nielsen and McKinsey, social customer care costs around \$1 per interaction while using phone support costs at least \$6, and further interaction per e-mail costs \$2.50 to \$5 (BenMark, 2014). Furthermore a study of Deutsche Bank Research shows that social media users have a stronger demand for financial information which contrasts with the less desire to see a bank consultant face to face, i.e. to this user the personal contact is slightly less important (Thomas, 2011).

2.3. Social media as a channel for feedback and reactions from clients about banking products and services

Thanks to social media, banks have the opportunity to receive feedback from clients about new products and services but also for existing ones. As a whole, banks receive feedback on how to optimize their products and services and ultimately the customer experience.

On social media, clients can react to a change in conditions of use of particular products or service that they do not feel is positive and banks on the other hand can give out information on the reasons for a change. As an example of such reaction, in March 2014 J.P. Morgan's stopped an individual's right to deposit cash into another person's bank account. The bank's reasoning was that this action would have a positive effect on the problem of money laundering. Clients reacted instantly with a wave of negative comments

on Twitter. On the same day J.P. Morgan reacted with offers for alternative ways to transfer money and also with public reasoning for that implementation. Currently J.P. Morgan Chase has more than 546,000 followers on Twitter and has more than 22,000 tweets. Chase's Facebook page has 3.87 million likes.

Bank's practice in using the three aforementioned models reveals that they often face challenges when communicating with customers on social media. In some cases the reactions of the bank staff are close to automated answers and hence have not much empathy. Besides, the public communication between banks and their customers can be risky and unfavorable for them, just because it is transparent. Especially when it comes to complaints, banks would have to be very careful.

2.4. Social media for transactional social banking

In addition to being an effective marketing tool and means for quick and personalized communication with consumers, social media can be used for transactional social banking. Through users' social media accounts banks give their clients an opportunity to make standard transactions as for example to make fund transfers. In that way social media are becoming a channel for executing transactions in a quick and a convenient way. This approach is most applicable in person to person payments. Through it, customers are able to make transfers to their Facebook friends through the social platform.

Some banks use social media directly as a platform, where they give their clients the opportunity to realize active operations.

3. Examples of banks using social media for transactional banking

The model of social media for transactional banking as a new way of using social platforms is affirming itself as a concept and has already being put into practice by banks. In the following lines, some examples of financial institutions that have already used this model are presented.

- The Indian bank **ICICI Bank** started in January 2015 banking services on Twitter – icicibankpay. Clients can do both financial and non-financial transactions using Twitter (ICICI, no date). In financial transactions they can do fund transfers and prepaid mobile recharge. In non-financial transactions they can check their balance and view their last three transactions using just their Twitter account. Customers can make payments to friends without knowing their friend's bank account up to Rs. 5,000 per transaction (around 75\$ as per July 2016). There is also a daily limit of Rs. 10,000. The security is guaranteed through two factor authentication process using one time password which is sent to the client's phone number as an SMS.
- **Garanti Bank**, the second largest private bank in Turkey by assets, has the big ambition to be the most-followed financial institution on Facebook in Europe and Turkey. Except for most popular platforms Facebook and Twitter, Garanti Bank uses

other social media platforms such as FourSquare, Instagram, Snapchat, Vine, Line and others, in total 10 (Garanti Bank, no date). Besides Garanti offers socially integrated' mobile banking service called iGaranti which connects with Facebook, Twitter and FourSquare to help users send money to friends and family. Garanti Bank customers can apply for 9 different banking products directly from Facebook. With 24/7 customer care provision on social platforms such as Facebook and Twitter for customers is very convenient to reach to financial instruments. They can apply to wide range of products (personal loan, insurance, etc.) directly without leaving the Facebook platform.

- Since May of 2014 the Spanish **CaixaBank** offers a Facebook application to its users that allows them to view their bank account balances and perform transactions via the social network. It was the first case of a European bank doing that – allowing customers to check account balances, make micro-donations and contact personalized card services. The new CaixaBank service for Facebook also delivers quick access to the bank's primary online channel, Linea Abierta (CaixaBank, 2014).
- The leading Nigerian **Guaranty Trust Bank plc** offers transactional services like online account opening, money transfer, bills payment, etc. via a Facebook application, which is optimized for mobile devices (GTBank, no date).

Examples of banks refusing the transactional social media banking model

Besides examples of successful implementation of the transactional social media banking model there are instances of banks refusing to employ it.

Among others, ASB Bank stopped the service because of lack of interest. It is a bank owned by Commonwealth Bank of Australia, operating in New Zealand. One of the bank's characteristics is its tendency to implement banking IT innovations. In July 2012 the bank introduced the capability to make payments to Facebook friends through the mobile banking app. Because of the low customer demand three years later the bank has discontinued the Facebook payment functionality from its mobile apps (Meadows, 2015). The bank justified its decision by the fact there is insufficient interest on the ability to make payments to Facebook friends through its mobile banking app.

4. Security aspects of transactional social banking model

Important aspect of transactional social banking is its security. For bank clients it is of paramount importance that their active transactions conducted via the social platform are as secure as possible. The main measure undertaken from many banks is to use the *out of band authentication* with one-time-password sent via SMS on the user's mobile phone. Such is the policy to protect active operations for example the Indian ICICI Bank.

The case of Pockets by ICICI – security issues

The ICICI bank sees Facebook as an intermediary. All transactions via Pockets take place on ICICI Bank's secured servers. Registration of the user's account is based on her/his Debit Card number and PIN authentication. Therefore no one can misuse the account. Every time the user transact, a unique One Time Password (OTP) is sent to the user's registered mobile number verifying the transaction, ensuring extra security (ICICI Bank, no date).

5. Case study about the use of social media banking in top Bulgarian banks

The use of social media banking from banks working on the Bulgarian market is very much correlated to the Bulgarian consumers' participation in it. The only way for them to participate is if they have access to the Internet. According to the official Statistical Office of the European Communities Eurostat the proportion of households with internet access in Bulgaria at the end of 2015 was 59%, which is the lowest rate of internet access among the EU Member States and not only to them, but also to countries such as Turkey and Macedonia (Eurostat, 2016) (see Table 1).

Table 1
Internet access of households in Europe, 2015 (% of all households)

Country	%	Country	%
European Union (28 countries)	83	Spain	79
Luxembourg	97	Slovakia	79
Norway	97	Slovenia	78
Netherlands	96	Croatia	77
Denmark	92	Latvia	76
Sweden	91	Hungary	76
United Kingdom	91	Poland	76
Germany	90	Italy	75
Finland	90	Cyprus	71
Estonia	88	Portugal	70
Ireland	85	Turkey	70
France	83	FYR of Macedonia	69
Belgium	82	Greece	68
Malta	82	Lithuania	68
Austria	82	Romania	68
Czech Republic	79	Bulgaria	59

Source: Eurostat.

For comparison: the internet access of households in the EU-28 was 83% on average. Although there was a growth of 29% in households' access to the internet between 2009 and 2015, Bulgaria has still to catch up.

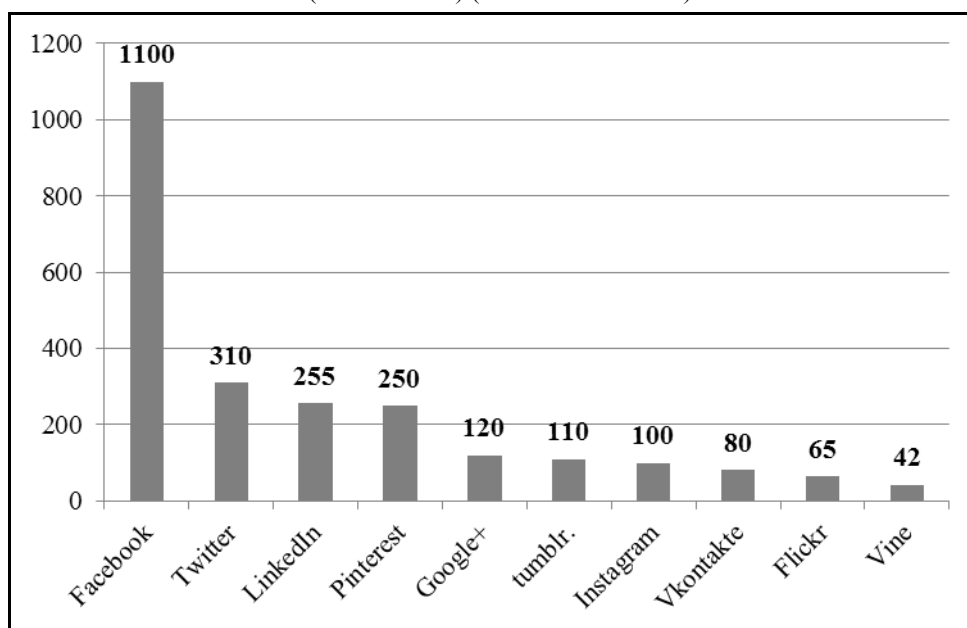
Regarding the number of users with access to Internet and social media users other statistical sources are also present, ones as Internet World Stats

(www.internetworldstats.com), Internet Live Stats (<http://www.internetlivestats.com>), the statistical portal Statista (<http://www.statista.com>), etc.

Internet World Stats for example publishes updated data in the form of internet stats per country both in Europe and worldwide. Besides that the website displays data for the population number of those countries, along with number of Facebook users. Facebook users number is of paramount importance, since this social network platform has most users present worldwide – 1.1 billion users worldwide (Fig. 1). eBizMBA Inc. (a company, which publishes eBizMBA.com, an eBusiness guide that helps firms find the web's best resources to grow their eBusiness) continually ranks the top 15 most popular social media sites according unique monthly visitors (eBizMBA, 2016).

Figure 1 displays the top 10 most popular social media websites worldwide as at the end of March 2016. The chart shows that Facebook users are 3.5 times more than Twitter users. The statistical portal Statista gives even more advantage of Facebook – it appreciates Facebook's users 1.59 billion and Twitter's users 320 million (data as of April 2016, number of monthly active users), (Statista, 2016), or 4.84 times more Facebook users than Twitter users.

Figure 1
Top 10 most popular social media sites worldwide according unique monthly visitors
(million users) (end of March 2016)



Source: eBizMBA.

On the basis of data from Internet World Stats for the majority of the European countries rates have been calculated about Internet users as a percent of the population and Facebook

users as a percent of Internet users. These rates are displayed on Table 2. The goal is as for the purposes of the research to compare the two types of rates in order to establish the following: whether countries with higher consumer access to the Internet at the same time have a higher proportion of Facebook users as part of Internet users, and where is Bulgaria compared to other countries in Europe.

Data on Table 2 is sorted in descending order according to Facebook users' rate. On the first place with highest proportion of Facebook users as part of Internet users is Turkey, followed by Malta, Montenegro, Monaco and Portugal. Bulgaria is on the sixth place with 3,200,000 Facebook users or 78.36% of all internet users (4 083 950) use it. This figure of more than three-quarters is impressively high. Countries with much higher Internet access per capita are behind Bulgaria, like Denmark (95.99% Internet users against only 64.42% Facebook users), Norway (96.30 against 64.33%), United Kingdom (91.61 against 64.05%), Netherlands (95.52 against 58.85%) and others. Statista gives a similar rate for share of online users in Bulgaria participating in social networks for 2015 – 74% (Statista, 2016).

Table 2

Internet users as a percent of population and Facebook users as a percent of Internet users in Europe (end of November 2015)

Country	Internet Users (% of Population)	Facebook users (% of Internet users)	Country	Internet Users (% of Population)	Facebook users (% of Internet users)
European Union (28 countries)	79.30	58.63	Spain	76.89	61.61
Turkey	59.57	88.59	Sweden	94.55	60.76
Malta	73.17	85.95	Netherlands	95.52	58.85
Montenegro	61.00	84.33	Lithuania	82.15	58.34
Monaco	92.40	81.52	France	83.82	57.73
Portugal	67.62	79.82	Croatia	74.97	56.82
Bulgaria	56.70	78.36	Slovenia	72.76	56.63
Italy	61.96	74.33	Poland	67.53	54.55
Iceland	98.16	74.29	Czech Republic	79.71	53.57
Cyprus	94.96	73.36	Estonia	84.24	53.33
Romania	56.28	72.46	Luxembourg	94.67	52.54
Macedonia	68.06	71.01	Slovakia	83.15	51.02
Greece	63.21	70.23	Finland	93.53	50.80
Ireland	82.52	68.11	Austria	83.11	49.05
Hungary	76.13	68.02	Germany	88.36	40.43
Denmark	95.99	64.42	Latvia	82.01	39.91
Norway	96.30	64.33	Liechtenstein	95.21	33.73
United Kingdom	91.61	64.05	Russia	70.52	10.66
Belgium	85.00	61.65			

Source: Rates calculated on the basis of data from Internet World Stats.

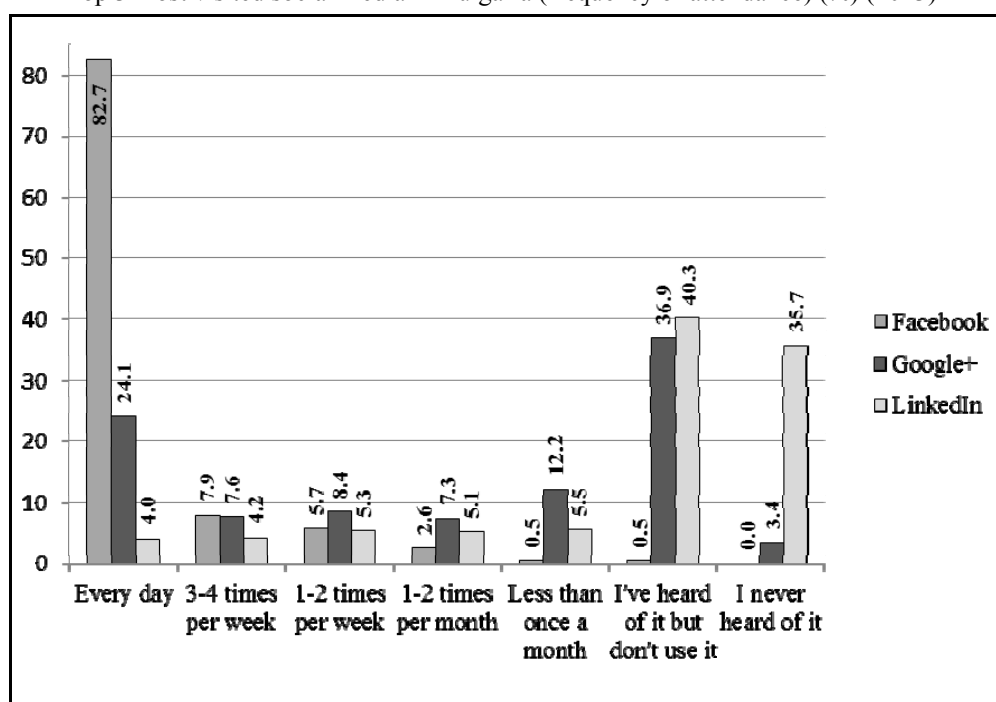
On the basis of the conducted research, a conclusion can be drawn for the strong interest of Bulgarian Internet users in social networks and the disproportionally high number of social media users compared to Internet access per capita.

Next important questions, part of the research, follow such as: Which are the social platforms, where Bulgarian users' interest is focused and what is the frequency of use of those social platforms. In accordance to the answers to these two questions, banks operating on the Bulgarian market would possibly intend to target the right social platforms, taking into account the preferences of their clients.

Results from the annual survey Digitribe Report 2013, prepared by Digitribe (subdivision for social marketing of Publicis Marc Group) and the research agency Pragmatica, show that undisputed leader among social platforms in Bulgaria is Facebook, followed by Google+ and LinkedIn. Nearly 83% of Bulgarian online users visit Facebook every day, another 7.9% – 3-4 times per week (Fig. 2) (Capital, 2013). This is evidence that Facebook users are loyal users and very regularly spend time on the platform.

Figure 2

Top 3 most visited social media in Bulgaria (frequency of attendance) (%) (2013)



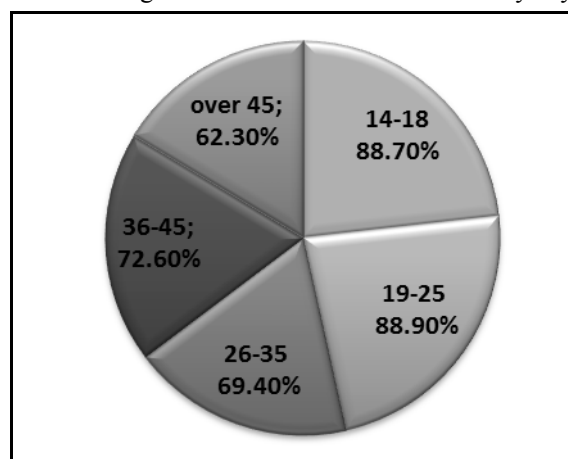
Source: Digitribe Report 2013, Digitribe and Pragmatica.

An aspect of the research worth noting is the age structure of the users of social networks in Bulgaria and primarily of Facebook. Data from another study of Digitribe from 2012 shows that young people are most active on social platforms. 88.9% of Facebook users aged 19 to

25 log in on Facebook at least once a day. (Fig. 3) (Dyakov, 2012). Among younger individuals aged 14 to 18 the share is similar. Users from the rest of the age groups are active as well - from Facebook users aged 36 to 45 around 73% check their profile every day. With smallest, but most impressive rate are people above 45 years of age – around 62.3% of them log in to Facebook every day.

Figure 3

Age distribution of Bulgaria's users visited Facebook every day (%) (2012)



Source: Digitribe Report 2012, Digitribe and Pragmatica.

For the purposes of research we have formulated the following *hypothesis*: *Bulgarians' big interest to participate in social media would attract banks to use social media effectively and to its potentially full extent.* In order to prove the formulated hypothesis, a research is conducted about the use of different models of social media banking from the Bulgarian banks.

The Bulgarian banking system consists of 28 banks at the end of 2015. The BNB Banking Supervision Department groups banks in 3 groups based on the amount of their assets at the end of each reporting period. The first group consists of the largest 5 banks, the second group comprises of all the remaining banks, and the third group comprises the branches of foreign banks in Bulgaria (Bulgarian National Bank, 2016).

In the following lines outcomes of research of the use of social media banking from the banks from the first group - the five largest banks in Bulgaria by assets at the end of 2015 are displayed. These are the following banks: UniCredit Bulbank, DSK Bank, Fibank, Raiffeisenbank (Bulgaria), United Bulgarian Bank (UBB). A summary of the results can also be found in Table 3.

The research shows that all five banks are active on Facebook, four put stress on and have accounts on YouTube (without Fibank) and three find it important to be present on Twitter. It has to be noted that the biggest bank in Bulgaria UniCredit Bulbank is present on six

platforms and with that it proves its leadership competencies by showing a desire to reach out to more consumers using different social networks.

Table 3

Use of models for social media banking in the five largest banks in Bulgaria

Presence in social media platforms	Use of type of models for social media banking
1. UniCredit Bulbank	
Facebook, Twitter, Google+, YouTube, Pinterest, LinkedIn	1. Marketing tool 2. Communication channel 3. Channel for feedback and reactions
2. DSK Bank	
Facebook, YouTube	1. Marketing tool 2. Communication channel 3. Channel for feedback and reactions
3. Fibank	
Facebook, Twitter, Google+	1. Marketing tool 2. Communication channel 3. Channel for feedback and reactions
4. Raiffeisenbank (Bulgaria)	
Facebook, Twitter, YouTube	1. Marketing tool 2. Communication channel 3. Channel for feedback and reactions
5. United Bulgarian Bank (UBB)	
Facebook, YouTube	1. Marketing tool 2. Communication channel 3. Channel for feedback and reactions

Analysis of the data from the Table 3 helps the reader make the conclusion that Bulgarian banks have adequately focused their presence mainly on Facebook, which is undoubtedly the most attractive platform for Bulgarians. Furthermore, banks on the Bulgarian market are choosing to be present on YouTube too sensing that this platform enables them to reach bigger audience through creating and sharing video content.

Another important figure is the high proportion – about 80% of Facebook users aged 18 to 45, most active age group, visit their account every day on average suggesting banks should use social media to reach this audience.

When looking at using the different models of social media banking it can be concluded that all of the five banks in question have the first three models in operation, namely social media as marketing tool, as communication channel and as channel for feedback and reactions. Banks are taking advantage of opportunities social media is presenting and they are using it accordingly. However none of the banks is taking action to implement transactional social banking.

Currently the abovementioned trends do not allow the hypothesis for banks using social media for conducting business, especially transactional social banking and to its full extent to be confirmed. It is worth noting that change of those trends does seem a logical suggestion considering the Bulgarians' affinity for social media, big numbers of them being

active daily on it and the favorable age structure. Thus this gives a hint that it is likely that banks will start using transactional social banking model, because of the promising forecasts and facts about current use of social media in Bulgaria.

What is the consumer's perspective on the transactional social banking model? What are their attitudes towards the possibility for active banking via a social platform like Facebook? To find an answer to these questions we performed a research on the latest attitudes among consumers in relation to this problem.

6. Recent study about the attitudes of young users in Bulgaria on transactional social banking - Questionnaire results

In order to understand the most current attitudes mostly of young customers in Bulgaria, but also in a few other countries towards using social media for active banking operations an online study was conducted with the help of a questionnaire. The study was conducted among academic members and lasted for two months between 10th of April 2016 and 12th of June 2016. Total number of participants was 275 men and women. Among them are members of 13 countries overall, with the biggest part of them coming from *Bulgaria* – 214 people or a share of 77.82% and *Egypt* (35 people or 12.73%). There are 10 people from Russia and the rest of the countries (Netherlands, India, Kazakhstan, Switzerland, etc.) are present with one to three members.

Our interest is mainly pointed at participants in the questionnaire that are Bulgarian with the purpose of understanding the current and future attitudes of those users, especially the young users among them towards the prospect of active transactional banking. Does the data prove that this model has serious potential among Bulgarian users, who have such affinity towards social network platforms? Important detail about our study is that a little more than 92% of the participants are 35 years old or less. The focus is on the youngest users – those between 18 and 24 years of age, who form a share of 74% of all participants or close to 3 of every 4 participants. Particularly members of this age group could in all probability be the main target of marketing efforts by the banks with the purpose of forming and nourishing users' attitudes and tastes. The distribution of age and gender of the Bulgarian participants in the questionnaire is displayed on Table 4.

Table 4

Age and gender distribution of Bulgarians participating in the survey (n=214)

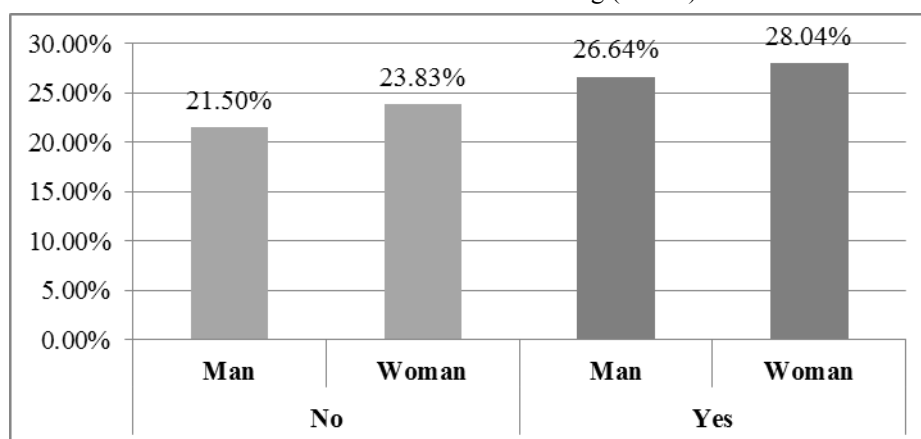
Age\Gender	Man		Woman		Total	
	Number	% from total	Number	% from total	Number	% from total
18-24	78	36.45	80	37.38	158	73.83
25-34	21	9.81	19	8.88	40	18.69
35-44	3	1.40	6	2.80	9	4.21
45-54		0.00	5	2.34	5	2.34
55+	1	0.47	1	0.47	2	0.93
Total	103	48.13	111	51.87	214	100.00

In our study we had the additional purpose of examining the share of unbanked in our sample and compare it to data in the 2014 Global Findex financial inclusion report which shows that 37% are unbanked (Demirguc-Kunt, et.al., 2015). Our research revealed that almost 92% of the respondents have an account and only 8% are unbanked. This share corresponds to the share of 5% in Eurozone.

On this basis the following dependency that was examined was how much the Bulgarian users make use of *active Internet or mobile banking (allowing transfer of funds)*. The results are illustrated in Figure 5.

Figure 5

Bulgarian users who use (“Yes”) or don’t use (“No”) electronic banking services as an active Internet or mobile banking (n=214)



54.67% from the respondents (117 people – 60 women, 28.04% of all participants and 57 men – 26.64% of all participants) use active Internet or mobile banking services. It could be claimed that particularly this user group of 117 people would most likely make use of transactional social media banking, mainly because they have already begun actively using online banking services and dealing with transactions online.

Main aspect of the study is to check with most recent data the Bulgarian users’ presence on social media - which are their favorite platforms, and making the link with how banks can work with this data to integrate transactional social media banking and it reaching its full potential.

Regarding the question of preferred social platforms by the Bulgarian users among Facebook, Twitter, Google+, Instagram, Pinterest, LinkedIn, VKontakt, Odnoklassniki, etc. it is clear that most preferred social network is Facebook – 96.7% from the Bulgarian participants have a Facebook account. 81.31% of the participants claim that namely Facebook is the social platform in which they are most active. Besides that one can observe the impressive frequency of visit numbers – a little more than 92% of all members share that they log in on Facebook every day and other 5.61% – 3-4 times per week.

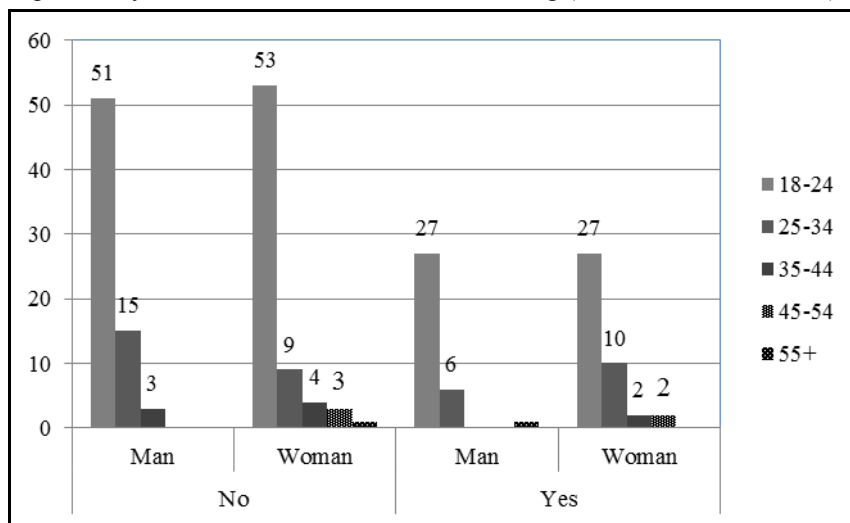
Main study question is: „Do you consider it positive if you can perform active transactions (such as "Pay to friend") through your account in social media?“. The distribution of responses by age and gender of the participants is shown on Table 5 and illustrated in Figure 6.

Table 5
Age and gender distribution of Bulgarians who consider positive or negative the possibility for transactional social media banking (n=214) (%)

Users, answered Yes/No	18-24	18-25	25-34	35-44	45-54	55+	Total
No	48.60	0.93	10.28	3.27	1.40	0.47	64.95
Man	23.83	0.93	6.07	1.40	0.00	0.00	32.24
Woman	24.77	0.00	4.21	1.87	1.40	0.47	32.71
Yes	25.23	0.00	7.48	0.93	0.93	0.47	35.05
Man	12.62	0.00	2.80	0.00	0.00	0.47	15.89
Woman	12.62	0.00	4.67	0.93	0.93	0.00	19.16
Total	73.83	0.93	17.76	4.21	2.34	0.93	100.00

Figure 6

Age and gender distribution of Bulgarians who consider positively or negatively the possibility for transactional social media banking (in absolute term, n=214)



Collected data reveals that at this point of time the attitude toward this possibility is rather negative – just below 65% responded with a “no” and 35% responded with a „yes“. From the graph it can be observed that in the most numerous age group of 18 to 24 year olds the gender proportion of yesses and no’s is the same – two to one in favour of the “no” – which further proves the current skepticism towards transactional social media banking.

It is important to understand the reasons for don’t accept the possibility of active transactions through social media platform. About 73% of all participants replied to this question and 70% of those who replied point out at *security reasons* for their answer.

Another 20% of respondents point out that they prefer a different channel for conducting active operations as internet or mobile banking for instance. A little more than 10% reveal their disapproval of social media as a place for doing business.

Logic pointed us out to asking the question what would be the attitude towards transactional social media banking in case of a guaranteed high security. Answers to this question embody the current uncertainty of the respondents about this possibility – almost 40% of all show consent, 31% decline the possibility, and around 29% are hesitating. Therefore the views of users on this possibility are mixed.

Would the consumers' attitudes towards active transactions in social media change as technology advances and higher security is a fact? That question paves the way of the new, altered consumer views and puts it into perspective. It is very revealing that the proportion changes reciprocally – 64.02% of all respondents now consider the possibility for transactional social media banking positively and the remaining 35.98% – negatively.

As a review of the empirical study about the attitudes of young users from academia in Bulgaria on transactional social banking the following could be claimed:

Among the participants from the academic fields from Bulgaria in the young age group of 18 to 35 years old social networks are very popular. The study convincingly shows that the most preferred social network is Facebook – above 96% of all people have an account on it and for above 80% of all people it is the favorite social network. An impressive share of above 90% of all people examined log in to Facebook every day. Currently, there are more negative views than positive on the possibility for transactional social media banking (65% to 35%) and the main reasons as discovered are security concerns. It is important to underline the change for the positive in views and attitudes of the users regarding active transactions in social media in case technology advances and security is higher – 64% view it positively then and 36% negatively.

7. Conclusion and further research

Traditionally banks are on the cutting edge in applying actual information and communication technologies. Social media are part of the main IT trends of this decade along with cloud, big data, mobility and others. Well-established global tendency to variously and to fully exploit use of social platforms incl. for delivery of business solutions is taken into account with due consideration of the financial institutions. That is the reason behind them being well orientated and active on social media on a global level. Banks have already established practices of using of three models for applying of social media banking – as a marketing, communication and reactions tools. For some of them, the most proactive ones, social media is even a place for conducting business in the form of active banking transactions as well, i.e. they are putting into practice transactional social banking as well.

Our research shows that the biggest banks in Bulgaria are active on Facebook, YouTube, Twitter, but they are stuck being focused only on the traditional models, without offering their clients transactional social banking. The conducted study based on online

questionnaire among young users from academics about their attitudes to active transactional social banking shows overwhelmingly negative views caused mainly due to doubts about the level of security. Among young customers aged 18 to 35 the social platforms, mainly Facebook, are very popular. It is very revealing for banks that almost two thirds of those users are positively viewing the possibility for transactional social media banking, in case of higher security. That enables us to make the following conclusion backed with absolute empirical results: with the condition of banks guaranteeing higher security being satisfied, customers are ready to try and accept the transactional social media banking model. Therefore for banks in Bulgaria all conditions are met and it is only up for the banks to secure higher security levels in order to have transactional social banking as an actual product. Our prognosis is that transactional social banking model will become more popular and be affirmed as a tool on the Bulgarian market as well.

Our future studies include widening the online study about consumer attitudes towards social banking and especially transactional social media banking among academics from other countries too and comparing and analyzing of the gathered results so that conclusions can be drawn not only for the domestic market but also internationally.

References

- BenMark, G. (2014). Why the COO should lead social-media customer service. Available from: <<http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/why-the-coo-should-lead-social-media-customer-service>>. [Accessed 15.05.2016].
- Bruhn, M., Schoenmueller, V. & Schäfer, D. (2012). Are social media replacing traditional media in terms of brand equity creation?. – Management Research Review, Vol. 35, N 9, pp. 770-790. Available from: Emerald Insight. [Accessed 10 June 2016].
- Bulgarian National Bank. (2016). Banking System and Bank Groups Data. Available from: http://bnb.bg/BankSupervision/BSCreditInstitution/BSCIFinansReports/BSCIFRBankingSystem/BS_201601_EN. [Accessed 03 June 2016].
- CaixaBank. (2014). CaixaBank is the first European bank to launch a platform for consulting accounts and performing transactions via Facebook. Available from: http://press.lacaixa.es/caixabank/press-releases/caixabank-is-the-first-european-bank-to-launch-a-platform-for-consulting-accounts-and-performing-transactions-via-facebook__1775-c-20052__.html. [Accessed 30 May 2016].
- Capital. (2013). Българите разчитат все повече на социалните мрежи при избор на покупка. Available from: http://www.capital.bg/biznes/kompanii/2013/12/16/2204706_bulgarite_razchitat_vse_poveche_na_socialnite_mreji/. [Accessed 05 June 2016].
- Demirguc-Kunt, A., Klapper, L. Singer, D., and Oudheusden P. V. (2015). The Global Findex Database 2014. World Bank Group, pp. 1-97.
- Dyakov, V. (2012). 25% от жителите на българските градове прекарват над 5 часа дневно в интернет. Available from: <http://www.investor.bg/analizi/262/a/25-ot-jitelite-na-bylgarskite-gradove-prekarvat-nad-5-chasa-dnevno-v-internet-137675/>. [Accessed 16 June 2016].
- eBizMBA. (2016). Top 15 Most Popular Social Networking Sites. Available from: <http://www.ebizmba.com/articles/social-networking-websites>. [Accessed 15 June 2016].
- Eurostat. (2016). Level of internet access – households. Available from: <http://ec.europa.eu/eurostat/web/products-datasets/-/tin00134>. [Accessed 15 June 2016].

- Garanti Bank. [no date]. Garanti Bank on social media with opportunities exclusive to you. Available from: http://www.garanti.com.tr/en/our_company/garanti_on_social_media/garanti_bank_on_social_media.page?gbid2=202120. [Accessed 25 May 2016].
- GTBank. [no date]. Social Banking. Available from: <http://www.gtbank.com/personalbanking/products/savings-and-investments/social-banking>. [Accessed 30 May 2016].
- ICICI Bank. [no date]. Fun, Finances & Safety are all on one platter! Pockets assures you a safe, simple and social way of banking. Available from: <http://www.icicibank.com/Personal-Banking/insta-banking/internet-banking/pockets-on-facebook/security.page?#toptitle>. [Accessed 11 June 2016].
- ICICI Bank. [no date]. How to use icicibankpay. Available from: <http://www.icicibank.com/Personal-Banking/insta-banking/internet-banking/twitter-banking/transactions.page?#toptitle>. [Accessed 15 May 2016].
- Meadows, R. (2015). Facebook payments ditched due to low demand. Available from: <http://www.stuff.co.nz/business/money/67435684/ASB-Facebook-banking-plans-ditched>. [Accessed 31 May 2016].
- Mitic, M. and Kapoulas, A. (2012). Understanding the role of social media in bank marketing. – Marketing Intelligence & Planning, Vol. 30, N 7, pp. 668-686. Available from: Emerald Insight. [Accessed 12 March 2016].
- NM Incite. (2012). State of Social Customer Service Report 2012, pp. 1-8. Available from: <<https://soulofbrands.files.wordpress.com/2012/11/nm-incite-report-the-state-of-social-customer-service-2012.pdf>>. [Accessed 10 May 2016].
- Shankar, R. & Khan, S. (2012). The Next Generation Social Banking Ecosystem: A Road Map for Banks, Happiest Minds Technologies. pp. 1-13. Available from: <<http://www.happiestminds.com/whitepapers/The-Next-Generation-Social-Banking-Ecosystem--A-Road-Map-for-Banks.pdf>>. [Accessed 15 June 2016].
- Statista. (2016). Leading social networks worldwide as of April 2016, ranked by number of active users. Available from: <http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>. [Accessed 16 June 2016].
- Statista. (2016). Share of individuals in Bulgaria participating in social networks from 2011 to 2015. Available from: <http://www.statista.com/statistics/384319/social-network-penetration-in-bulgaria/>. [Accessed 17 June 2016].
- Thomas, M. (2011). Social media in finance: Users want tangible benefits, not friendship. – Deutsche Bank Research, E-Banking Snapshot 37, pp. 1-4. Available from: http://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD0000000000273185.pdf>. [Accessed 03. April 2016].