

Insights on the Social Media Uptake by Retail Banks in the South-East Europe

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Abstract: *In this paper we present insights on the current state of the social media uptake by the banking industry in the South-East Europe (SEE). We conducted a web-based study to identify the scope of activities by retail banks in the SEE across some of the most popular social media platforms: Facebook, Twitter, YouTube and LinkedIn. We focus on the SEE region because of the noted efforts by its banking industry to adopt more customer-centric approaches to marketing. Our findings suggest that banks in the SEE are by large experimenting with the social media presence. Subsidiaries of large European banks are the leaders in terms of the multi-channel presence, followers and content, but notable examples are also emerging by local banks. Banks in the SEE are particularly active on Facebook, and demonstrate creative solutions for engaging audiences with their pages.*

Keywords: *Web 2.0, social media, retail banking, bank marketing, Southeast Europe*

1. SOCIAL MEDIA OPPORTUNITIES FOR BANKING INDUSTRY

The Web 2.0 phenomenon emerged during the early 2000s and was noted for revolutionising the ways in which individuals and organisations interact online. The tremendous popularity of Web 2.0 platforms, commonly referred to as social media, continues to be the hottest topic of discussion among marketers, who are actively seeking ways to leverage the power of Web 2.0 for building brands and supporting relations with customers (Constantinides and Fountain, 2008). Following the “social media craze”, it is becoming a norm for companies nowadays to have “Facebook” pages, “Twitter” accounts, video posts on “YouTube” and blogs in order to stay current, preserve relevance among fierce competition, and maintain bonds with customers (Andriole, 2010).

The trend of social media marketing did not pass unnoticed by the retail banking industry. Efforts to establish presence in the social media were noted among some of the largest industry players (Klimis, 2010), who are seeking innovative marketing tactics to remain close to the customers in aftermath following the global recession (Stone, 2009). The holy grail of Web 2.0 engagement promises to deliver: timeliness and effectiveness of highly targeted marketing communications, competitive costs in managing marketing campaigns, immediate customer feedback, sense of intimate relations with consumers, and enhanced brand equity (Andriole, 2010). While social media adoption is well noted among banks in the US (Cocheo, 2009; Spitzer, 2009; Cohen, 2010; Vemuri, 2010), European banks seemed to have remain in the shadow, carefully exploring the Web 2.0 waters (Klimis, 2010). Little is known about the strategies employed by banks across Europe in terms of social media, especially in countries of the South-East European region (SEE). Banking industry has been noted for undergoing substantial changes during the past decade, some of the most notable being privatisation initiatives, mergers, as well as efforts to pursue more customer-centric approaches to marketing (Barbesino et al, 2005). In the light of these changes, it is interesting to investigate how responsive the banks in the SEE are to the trend of social media adoption.

In this paper we present an overview of the social media presence among banks in the SEE. The aim of this paper is to offer first insights on the social media uptake by the banking industry in the region

2. THE STUDY

Our study was based on the web-based study, analysing the online content of banks (Klimis, 2011). In designing this study, we relied largely on the approach by Culnan *et al* (2010), used to assess the level of social media uptake by Fortune 500 companies. In our research we decided to focus on four social media platforms: Facebook, Twitter, YouTube and LinkedIn. We selected these platforms due to their top global ranking in terms of the web traffic, user membership and global search queries. Summary of social media sites is presented in Table 1.

Table 1: Social media sites used in the analysis

Social media platform	Description	Global ranking (Alexa.com)	Users
Facebook	Social networking site	2	Over 900 million
Twitter	Micro-blogging site	8	Over 140 million
YouTube	Video-sharing website	3	Over 60 million
LinkedIn	Social networking site for professionals	12	Over 150 million

We collected data for 138 banks in 6 countries of the SEE region: Albania, Bulgaria, FYROM⁵¹, Greece, Romania and Serbia. Due to the scope of our research, we limited our analysis to banks that provide retail financial services (i.e. services to individuals). We examined the number of followers bank have across the pages, as well as the frequency and type of their updates, in order to gain better understanding of the scope of banks' engagement is social media (Culnan *et al*, 2010). In the next section we present our findings of social media presence by banks across SEE countries.

3. FINDINGS

3.1 Albania

We analysed online presence of 14 banks in Albania. Breakdown of social media engagement across platforms for the banks in Albania is presented in Figure 1. Our findings suggest that Facebook and YouTube are the most popular forms of social media presence among banks in Albania. Majority of Facebook pages were launched a little less than a year ago (mid-2011), and have relatively small number of followers, with the largest group of followers belonging to Fibank Albania (a little over 900 followers). Twitter pages also attract considerably small follower base, the leader being Veneto Banka Albania (member of Gruppo Veneto Banca) with approximately 300 followers. We identified that only one bank in Albania has multi-channel presence across social media - Tirana Bank (member of the Piraeus Bank Group).

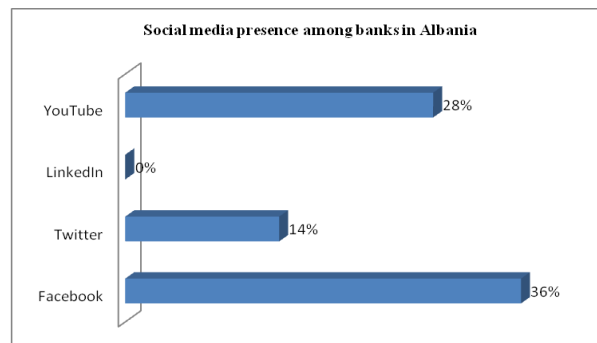


Figure 1: Breakdown of social media presence among banks in Albania.

Relatively low follower base in social media pages by banks in Albania could be attributed to the fact that majority of banks do not endorse their Web 2.0 engagement, which would help create awareness among clients and promote connectivity. For instance, we identified that only one bank, Fibank, promoted its official Facebook page via its website. It can be argued that banks in Albania are still new to the social media. Banks are in the early exploratory stage of experimenting with Web 2.0 platforms. It can be suggested that banks in Albania possibly do not promote their social media activities, as there is a general sentiment of caution in the industry about the use of social media in bank marketing as the repercussions of such strategies are still unknown (Klimis, 2010; Scarborough, 2010).

3.2 Bulgaria

We examined social media presence for 22 banks in Bulgaria. Breakdown of presence across channels is illustrated in Figure 2. Approximately a third of Bulgarian banks have presence in social media, with most popular platforms being Facebook and Twitter. UniCredit Bulbank (member of UniCredit Group) was identified as the pioneer in Facebook marketing among banks in Bulgaria, with presence dating from 2008. Nevertheless, long-term presence is not an indicator of success, as the leader in this segment is Raiffeisen Bank (member of Raiffeisen group), which attracted over 9,000 followers in a little less than a year of presence on Facebook. Although all banks provide very similar content on their Facebook pages (news about products/services, updates on corporate social responsibility campaigns, videos etc), there is a notable discrepancy in their power to attract followers. Banks with the largest follower base are also the ones that have integrated their social media channels with their official websites, thus making their Web 2.0 pages known and accessible to

⁵¹ FYROM – Former Yugoslav Republic of Macedonia

customers. The importance of integrating online presence across the web was noted banking by (Pannunzio (2008) and Mendelsohn (2010). The implication of this finding is that banks in Bulgaria still require traditional online promotions to support their social media initiatives, especially in order to increase customer awareness and engagement.

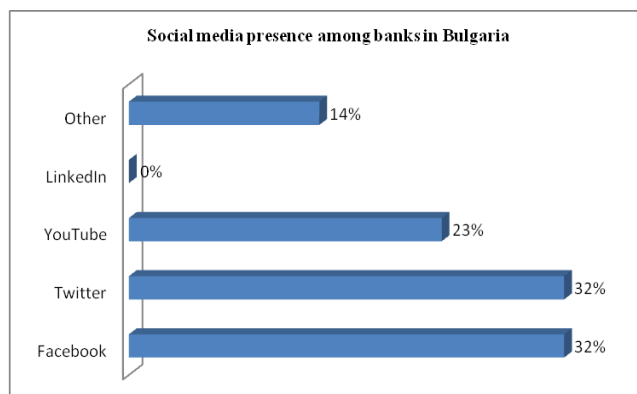


Figure 2: Breakdown of social media presence among banks in Bulgaria.

Although banks in Bulgaria have equal rate of presence in Facebook and Twitter, activities in these channels are not aligned. Certain banks opted for presence in just one of the channels. The leader in Twitter marketing is Fibank, with almost 2,000 subscribers. Interestingly, this bank has also a second official Twitter page “@askFibank”, which is dedicated solely for interactive customer help and support, and has 473 followers. This indicates that customers in Bulgaria are actively seeking service support via social media. Liang and Chen (2009) observed that such strategies are highly recommended for banks, as interactive online communications help establish rapport with customers as well as enhance their service experience. This could imply that social media presence (esp. on Twitter) should be balanced between the channels used for promotions and customer support.

Banks in Bulgaria are also experimenting with other forms of social media presence. UniCredit Bulbank is pioneering presence in Google Plus social networking platform, while Fibank and Raiffeisen Bank maintain blogs to inform customers about their operations and projects. The most diverse presence in social media is credited to Raiffeisen Bank, who extends its presence to 3 other channels for sharing photos and videos. (Raiffeisen Bank is the leader in social media marketing in Bulgaria, both in terms of presence and the follower base.) This indicates that banks in Bulgaria are seeking additional branches to expand their social media presence. Literature suggests that possible reasons for social media expansion could be the needs to fortify position in the Web 2.0, to differentiate from competitors, and to increase points of interaction with clients (Stone, 2009; Sashi, 2012).

3.3 FYROM

We examined social media presence for 16 banks in FYROM. Breakdown of presence across channels is illustrated in Figure 3. Facebook is the most popular social media platform among banks in FYROM, and is commonly used to share news about banks’ products and services, promotional material, and news about corporate social responsibility initiatives. The leader in Facebook presence is ProCredit Bank, active since 2010 and accounting for 1,400 followers. Its closest competitor, NLB Tutunska Bank, managed to attract close to 700 followers in just 5 months since its Facebook launch earlier in 2012. Such leap for NLB Tutunska Bank could be attributed to the endorsement of its social media pages on the bank’s website. This trend was observed also among banks in Albania and Bulgaria. It can be suggested that endorsement of pages in social media through banks’ official websites is the most effective way of raising customer awareness about banks’ Web 2.0 activities and attracting followers.

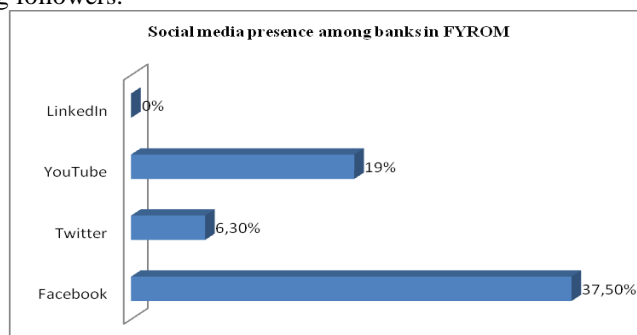


Figure 3: Breakdown of social media presence among banks in FYROM.

Banks in FYROM are not active on Twitter, and instead prefer to embed “share on Twitter” buttons on their websites, which enable visitors to distribute the information about the bank along their networks. This strategy indicates that banks are possibly exploring the market for Twitter, but at the moment prefer to delegate content dissemination to clients in the aim to encourage the word-of-mouth promotion of their products/services across the Web (Culnan et al, 2010).

YouTube is the second most popular social media platform among the banks in the country, although there are notable discrepancies in the scope of activities on this site. Stopanska Banka AD Skopje is the most active bank on YouTube, with 38 video uploads and close to 3,000 views (while its competitors TTK Banka and Eurostandard Banka share a total of only 3 video uploads). Despite these discrepancies, the content uploaded by banks on YouTube is very similar (video spots for TV commercials). This indicates that banks in FYROM are not prepared yet to produce video material specifically for this social media channel, but are rather using it to “backup” their traditional advertising in the mainstream media.

3.4 Greece

We examined social media presence of 23 banks in Greece. Breakdown of presence across channels is illustrated in Figure 4. Banks in Greece demonstrate relatively balanced presence across popular social media sites. Interestingly, Facebook is not the leading form of social media presence among banks in Greece (unlike in other countries analysed in this study). Banks in Greece demonstrate slightly higher interest in Twitter and YouTube. For example, banks such as Credicom (Credit Agricole group) and Geniki Bank (Societe Generale group) opted for presence in only one of the sites (Twitter and YouTube, respectively), possibly as experimental steps in social media engagement.

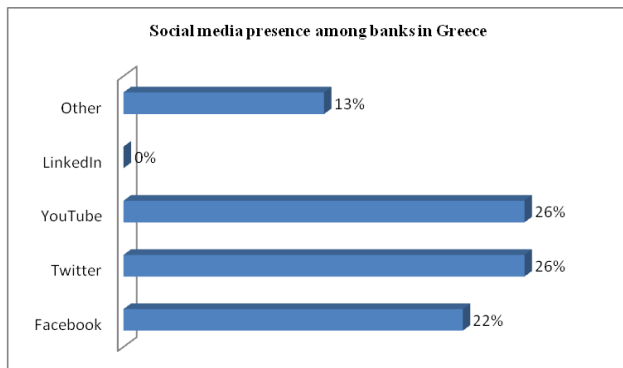


Figure 4: Breakdown of social media presence among banks in Greece.

Leaders in social media presence among banks in Greece are Piraeus Bank and WIN Bank, which run multiple Web 2.0 platforms (Facebook, YouTube, Twitter, as well as Flickr and Delicious), fully integrated with their online pages. It is interesting to note that WIN Bank uses its social media presence not only as a vehicle to deliver standard marketing messages, but also as an interactive tool for teaching customers how to use electronic banking services (through video tutorials on YouTube and interactive games and application on Facebook). Such strategy is supported by the literature (Pannunzio, 2008; Stone, 2009; Mendelsohn, 2010; Vemuri, 2010), as it is argued that encouraging interactive engagement with clients via social media is one of the key factors of success in Web 2.0 marketing.

3.5 Romania

We examined social media presence of 31 banks in Romania. Breakdown of presence across channels is illustrated in Figure 5. Banks in Romania demonstrate the highest rate of Facebook adoption in the region. Almost half of the banks in Romania have Facebook pages, supported by large bases of followers. The leaders in Facebook marketing are BCR (over 55,000 followers); Banca Transilvania (over 47,000 followers) and Garanti Bank (over 36,600 followers). Majority of banks with Facebook presence are investing in developing diverse interactive content for followers (videos, games, competitions etc) in order to attract and keep the audience, as well as to differentiate from the competition (N’Goala, 2010).

Romanian banks disprove some of the common concerns expressed in the literature regarding the use of social media in banking, especially the fears that social media are not “serious” enough for banking and could be perceived negatively by clients (Jaser, 2010; Pry, 2010; Scarborough, 2010). The high following rates for Facebook pages of Romanian banks prove that customers are interested in less conventional and more interactive ways of dealing with banks, and are not afraid to include banks in their daily online activities.

Banks in Romania also demonstrate the first steps to integrate LinkedIn presence in their marketing activities. Although only two banks embedded the LinkedIn buttons to their websites, this is a certain step forward for the industry in the region,

as majority of analyzed banks are missing to declare ownership to the pages in this professional networking site (Fish, 2009).

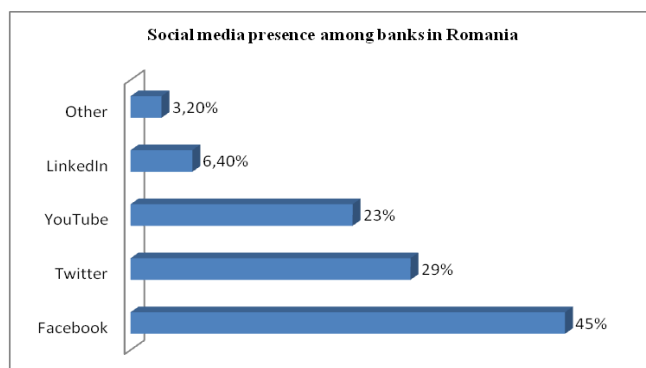


Figure 5: Breakdown of social media presence among banks in Romania.

3.6 Serbia

We examined social media presence of 32 banks in Serbia. Breakdown of presence across channels is illustrated in Figure 6. Banks in Serbia demonstrated higher rate of presence in YouTube than in other social media sites. Possible explanation could be that banks see YouTube as the easiest way of securing Web 2.0 presence, since the video content commonly uploaded on YouTube is readily available from the production of TV commercials and public appearances on TV. Based on the latest uploads, there is a trend among banks in Serbia to diversify YouTube content by focusing on corporate social responsibility programs (e.g. Komercijalna Banka) and short video films illustrating successful “client stories” about financing (e.g. Opportunity Bank). This could imply that banks are seeking new ways to attract followers in social media through less invasive non-product-centred content (Culnan et al, 2010).

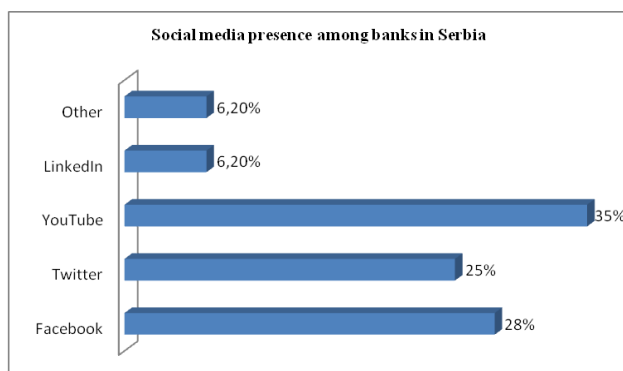


Figure 6: Breakdown of social media presence among banks in Serbia.

Similar trend was also noted in Facebook pages of Serbian banks. Banks are initiating strategies to engage followers in interactive online games, contests and socially beneficial non-profit programs. As a result, banks who offer more engaging content on Facebook are also leading in terms of the followers: Banca Intesa and Raiffeisen Bank run several Facebook-only contests and attract over 28,800 and 10,700 followers respectively, while Alpha Bank focuses on raising awareness about breast cancer and attract close to 8,000 Facebook “fans”. Such strategies are generally supported by the literature, which encourages banks to develop interactive forms of online presence in order to establish the sense of affiliation with customers (N’Goala, 2010).

4. CONCLUSIONS

About one third of the banks in SEE have established presence in social media. Facebook is the most popular platform for social media activities in the majority of examined countries, except Greece. The most advanced forms of Facebook presence is among banks in Romania, who attract the largest pools of followers. Interactive content that actively engages audiences, as well as campaigns promoting social causes, were linked to the largest follower bases on Facebook. Examples from Bulgaria suggest that Twitter could be employed by banks to support customer service, as its interactive character could help enhance service experience. YouTube pages of banks in the SEE serve as a “back up” to traditional advertising in the mainstream media, although banks are trying to diversify the content through less product-centric videos. Banks in SEE region are also experimenting with presence in LinkedIn, but few examples of integration with other channels were noted among banks, and more development is needed in this area. Several examples of presence through corporate blogs,

Google Plus and other smaller social media channels were noted a, and this was ascribed to the attempts of some banks to differentiate from the competition and expand points of interactions with audiences.

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