How Turkish Banks Benefit From Social Media: Analyzing Banks Formal Links

Eda Yasa Özeltürkay1,a, Burcu Mucan2

1Cag University, Yasar Bayboglan Campus Adana-Mersin Karayolu Uzeri Mersin 33800,Turkey
2Dumlupınar University, Kutahya, Turkey

Abstract: Companies have to catch the best points that make them survive in this hard competitive market. For that reason they try to reach their customers in every way with a single and certain message. With this strategy a company carefully integrates and coordinates its many communication channels to deliver clear, consistent, and compelling message about the organization and its brands [1]. Therefore companies need to monitor the new communication tools and try to create more loyal customers by using social media effectively. This study’s aim is to demonstrate the policies of Turkish banks about using this alternative channel, social media tools. A content analysis is done to show the profile of Turkish banks and whether they use social media tools to reach and affect their customers. The results showed that, nearly forty percent of Turkish Bank use Facebook and twitter more than other tools.

Keywords: Facebook, Twitter; web 2.0; banking industry; Turkey

1. Introduction

Over the past five years social media have impacted emergency management and disaster response in numerous ways. Firm starts to addict to the social linkages in time. Otherwise they have not sufficient choice to connect with their customers or other parts. People may have Facebook, twitter and other applications in their smart phones etc. [2]. Implementing social networks can initiate powerful connections with customers; these tools also helped banks in service delivery, by having a positive influence throughout their customers which implied before that is mostly students, approaching in interactive communications, having more satisfaction customers in the end. Through the use of social media banks would easily reach the user-friendly interactive system, understanding customers’ special and unique needs in a way that clients themselves can adopt and understand well [3]. Social media platforms such as Twitter and Facebook enable the creation of virtual customer environments (VCEs) where online communities of interest form around specific firms, brands, or products [4]. By this way, today’s consumers and suppliers can contact and communicate each other easily just with one click. By reaching current and potential consumers by one click provide interactive processes. This interactive
technology has also provided several opportunities blogs and other related social networking forums to develop themselves rapidly. A major definition of social media is known as the usage of web based and mobile technologies to turn communication into interactive dialogues [5]. According to Fisher & Reuber, social media is described as “content that has been created by its audience” [6]. In response to content generated by media companies or publishing houses. Media companies include some of the technologies such as Facebook, Twitter, Wikipedia, LinkedIn, Youtube, Instagram, Pinterest, Google+, Tumblr and so on. The power of social networks as Facebook and Twitter comes from their ability to share information about your personal life easily with other people. Facebook and Twitter accounts are not only known for socializing or getting the word out in 140 characters or less. You can also realize all banking facilities by this way, for instance, checking your balance, transferring your money, getting customer services, applying for a loan, all activities that you imagine with your accounts. There is an essential point here, along with that ability, the risk of sharing sensitive information with the people who are not well known, and that risk increases as your network cultivates well beyond your main circle of friends [7].

Firms must control and manage their official social media tools, otherwise wrong information can spread up fast. For that reason lots of corporations hire social media specialists or bloggers to prevent these events. While the amount of social media users are increasing, managers should take care measuring social media investment and try to manage their social media platforms and monitor their competitors applications as well. The generations are changed and the generation that is called Y generation especially deal with online applications more than the others (Gen X, baby boomers, etc). Financial institutions, including Vantage Credit Union, Addison Avenue Federal Credit Union and Wells Fargo designed activities to contact customers to banking facilities wherever they may be, including in a social network. Some of them are using online communities to improve customer service while others let customers conduct transactions. “There have been a couple of examples where we have seen people talking about us, recommending us or complaining about something and we have been able to jump into the conversation and help a member out,” says Matt Fagala, online products and communities manager at Vantage Credit Union in St. Louis. “Some of us here, at the credit union are on those sites 24/7 or at least late at night. It may be times business is closed but you'll still get answers to your question” [8].

There are lots of examples based on online communities, people easily can contact and do all activities or orders that he or she would like to do at the time they want and share his/her opinions, comments, and complaints. Through social media tools, people can tell their positive and negative experiences to everyone. Internet users in Turkey, statistically half of the population and these users have social media tools. This study was designed to analyze how Turkish Banks manage these tools. Identifying the profile of social media for Banks in Turkey. The list of sampling banks was gathered from the web site of The Bank Association and a coding schema was created and website figures were coded and content analysis was carried out with SPSS program.

1.1. Social Networks and Their Implications on Banking Industry

The internet provides the delivery of a range of online services (banking, news and weather, travel booking, education programs, etc.), and these have been subject to investigation [9]. Online transactions continue to rise rapidly. From consumers to companies in which every part of value chain is adopting themselves to this new infrastructure. Social commerce involves using web 2.0 social media technologies
and infrastructure to support online interactions and user contributions to help in
the process of acquisition of products and services.

There are two principle features of Social Networks are network size and network
quality; the size of a person’s network is a critical predictor of her/his ability to learn
new information [10]. Most people believe that if the network is larger everything will
be better. As large Networks mainly provide more opportunities than smaller ones
do. While this is true, the flip side is that large networks require more time and
energy for maintenance of high-quality ties within that network with too many
contacts, people struggle to manage the flow of information and obtain high quality,
and better relationships with others in their network [11]. Customers’ satisfaction
tools are changed day by day and it becomes harder and more difficult comparing to
the previous days. The use of Info and Communication Technologies (ICT’s) suggest
people the ability to make use of them to engage in meaningful social practices [12].

World Wide Web or with a well-known name of internet was created and day by
day improves itself. Today web 2.0 is so popular than web 1.0. The major difference
is web 1.0 is the “readable” phrase of the World Wide Web with flat data and there is
only limited interaction between sites and web users however web 2.0 is the
“writable” phrase of the World Wide Web with interactive data and it encourages
participation, collaboration, and information sharing[13]. There are lots of
definitions about Web 2.0. One of the major ones created by Oreilly as the business
revolution in the computer industry caused by the move to the internet as platform,
and an attempt to understand the rules for success on that new platform and it
does not have a hard boundary [14]. The basic characteristics of Web 2.0 can be
listed as participation, standards, decentralization, openness, modularity, user
control and identity [14]. These technologies have lots of benefits such as they allow
companies to have better communication such as collaborative writing (wikis, etc.),
content sharing (text, video, and images, etc.), social networking (Facebook, etc.),
social bookmarking (e.g., ratings, tagging), and syndication (RSS etc.) [15].
Purchasing power rising, availability of cheaper technologies, and internet usage
statistic figures are increasing all around the world day by day. Europe has the 3rd
biggest internet audience.

According to Comscore, [16] 2013 Europe Digital Future in Focus Report,
Turkey has the biggest portion of younger users (aged 15-24) in Europe, while
Germany has the largest share of elderly users (aged 55+). Nearly, 2 in 3 Dutch
internet users visited a banking site in December 2012, while only %19 of Swiss
users visited a website of bank. 8 in 10 European internet users visited a
news/information site in December 2012 – time spent on these sites increased by
%10 throughout the year. Various reports suggest that Turkey has between the
fourth and seventh largest number of Facebook users in the world. Voice of America
suggests that Turkey is the eighth largest market globally for Twitter [17]. When we
look up the statistics for Turkey, 32 out of 35 million internet users have Facebook
account. Although Facebook is a consumer centered and interactive communication
channel, companies are using this tool for reaching to new customers, and to make
them their fans. Companies are anxious about understanding what their consumers
think about their overall profile, updates, profile pictures, product information, user
comments, and also to be able to see how many people “like” them [18]. According to
a research result (2012), 92% of Internet users in Turkey have Facebook account.
Turkey’s other well-known social media tool is called “Twitter” and its usage is also
increasing so fast and approximately 6, 5 million Turkish users have Twitter
account [19].
Twitter can heighten other social media channels in that entrepreneurs can use Twitter to broadcast a link to their blog and send their Twitter messages automatically to their Facebook page [20]. So it is easy to make “Word of Mouth” (WOMM) Marketing with Twitter. In WOMM, information, such as product reviews and user recommendations are issued from one person to another, affecting both retailers, and brands [21]. According to Social Bakers statistics Twitter followers of Garanti Bank has 85,645 followers and it is obvious that Garanti is the most popular bank for Twitter users. Also, Turkey’s Bank is the 2nd famous bank for Twitter usage. Culnan et. al. (2010) researched that, in USA, Twitter is the most frequently used platform in all industries except Retailing, where Facebook predominates and in two industries (Financial Services and Other/Misc.), Twitter and Facebook are yield more [4]. One of the other major tools is YouTube and it is a video-sharing website, created by three former PayPal employees in 2005 and owned by Google since 2006, [22]. LinkedIn is a social networking website for people in professional occupations. It is also known as academic Facebook [23]. Other social media tools are named as, user-sponsored blogs, photo sharing sites (eg. flickr and Instagram), collaborative websites (eg. Wikipedia), news delivery sites, social bookmarking sites (eg. Digg), mobile applications, and company sponsored web sites/blogs, emails, etc.

2. The Banking Industry in Turkey

There are 45 banks listed on the website of banks associations in Turkey [24]. Turkey’s banking sector is growing up year by year very fast comparing to other sectors. Jim Miller, senior director of banking at J.D. Power & Associates stated that “Successful banks are not pushing customers out of the branch, but rather providing tools that make it easier to conduct their banking business when and where it is convenient for them.”, “Customers are quickly adopting mobile banking, making it a critical service channel for banks, not just a ‘nice-to-have’ option.” [25]. For Turkish banking sector does not only grow in numerical terms, they also improve themselves in terms of technology and for that reason the sector is called as the leader of technological innovations in Turkey. Turkish banks have been implementing programs, applications and systems to support better quality services and innovative products like multi-channel banking services to their clients [26; 27].

There are classified under four types. These are deposits banks (privately owned (12) and publicly owned (3) deposits banks), banks transferred to savings deposits insurance fund (1 bank), foreign owned banks (foreign owned banks that were established in Turkey (8 banks) and foreign owned and they have branches in Turkey (6) and the fourth one is development and investment banks (three types: privately owned (6), publicly owned (3) and foreign owned (4) 2001 financial crisis period in Turkey, more of the banks which are the poorest financial structure) were minimized by government. Financial crisis had forced the government to do radical changes. Based on these events banking industry have reconstituted by Turkish Government. Before this, till 1987, banking activities in Turkey were mainly conducted in branches. Turkey Is Banks, Turkey’s largest private bank, laid the foundation for electronic banking in Turkey in 1987 by introducing automatic teller machines (ATMs) to Turkish consumers and also was the first bank to introduce IB services via the World Wide Web (WWW) in 1997; and also Garanti Bank followed this bank and benchmarked this strategy [28]. From the beginning of 1997, Internet banking sector in Turkey has been grown rapidly. Internet banking has clear advantages both customers and banks such as retaining a profitable customer base, lowering transaction costs, supporting customer relations, extending the market area, banking with round-the-clock convenience, decreasing the dependence on a
branch network and saving both time and money [29]. Therefore banks started to use online services and social media tools to establish deeper interactions with their customers for a long term. Another innovative Turkish bank is Denizbank and also in their press they release 24 January 2012 they announced that they would have a branch on Facebook- the most widespread social networking website. Based on this, if a customer has a Facebook account, he/she can transfer the money 7/24 and control and do many transactions in their daily agenda including monitoring their credit card, deposit and credit accounts. DenizBank customers who use Facebook also have the opportunity to ensure continuous communication with the bank by means of “Customers First” application available on the website [30].

3. Methodology

We developed the coding schema based on three researches scales, Culnan and et.al, (2010), Yasa and Mucan (2013) and Deghani and Nourani (2012) papers. They led us to investigate the situation for Turkey's banks. Coding schema was created in SPSS. Between the weeks of 22, July- 29 July 2013 data gathered from 45 banks official social media accounts. The list of banks and their webpage links were taken from the Association of Turkish Banks website [24]. Authors visited the homepages of the companies to reach and evaluate their social media applications. Two main research questions were analyzed:

1. Are the applications readily accessible from the bank's homepage (links or via search)?
2. How many banks have the social media tools in their pages and which of the tools are frequently preferred by the banks?

Nowadays, the two main popular tools are Facebook and Twitter for Turkey. We dedicated this by using content analysis coding with 1 indicating that they have “Yes” and 2 is indicating that they do not have “No”. Content Analysis is recognized as a research technique used in various fields, for instance, in marketing, psychology, communication, social science, with the introduction of web-based information, content analysis has become a significant research method [3]. The data’s reliability analysis and their means were computed. Nunnally (1978) suggests that Cronbach’s Alpha value of .60 is sufficient for early stage or exploratory research. According to the results of Cronbach Alpha if the value is equal to or greater than 0, 80 it means that, coefficient of internal consistency among variables is highly sufficient for Social Science [3]. This study’s alpha value is equal to 0,949. Frequency analysis was carried out.

4. Findings

The findings of the results demonstrated in the tables: which social media tools are used by banks through their formal websites (Table 1). Social media tools’ appearance places are showed in Table 2 and Table 3 indicates Twitter profile results of Banks. As it indicated in Literature review, there are not so much functions for twitter accounts as Facebook has. Just researcher can provide the findings of tweet number, number of followings, & followers and if the bank uploads daily or up to date tweets or not. In table 4, Facebook contents based on Turkish banks percentages are shown. Most of them have photo albums related to their advertisings (%35,6), their fans age interval is between 18 and 24 (%22), they have their basic company information at their accounts -%38 URL addresses, %38 contact info-, and % 22 of them post any notes to their wall one time in a day.
Table 1. The Official Social Media Tools for Turkish Banks

<table>
<thead>
<tr>
<th>Valid</th>
<th>Percent(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>38</td>
</tr>
<tr>
<td>Twitter</td>
<td>36</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>16</td>
</tr>
<tr>
<td>Google +</td>
<td>9</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
</tr>
<tr>
<td>Google +, LinkedIn</td>
<td>9</td>
</tr>
</tbody>
</table>

As it shown in the Table 1, more of the banks in Turkey use Facebook and Twitter much more. LinkedIn is following these two accounts. Others are flicker, Google +, YouTube, RSS. The banks who have both Twitter and Facebook accounts are totally equal to %31.

Table 2. Appearance of Social Media Tools

<table>
<thead>
<tr>
<th>Valid</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>57,8</td>
</tr>
<tr>
<td>Homepage</td>
<td>37,8</td>
</tr>
<tr>
<td>Follow us and contact info</td>
<td>4,4</td>
</tr>
<tr>
<td>About us</td>
<td>0,0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3. Twitter Notifications of the Banks in Turkey

<table>
<thead>
<tr>
<th>Tweet Followers</th>
<th>Tweet Uploading</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-500</td>
<td>Yes</td>
<td>31</td>
</tr>
<tr>
<td>501-1000</td>
<td>No</td>
<td>5,9</td>
</tr>
<tr>
<td>1001-1500</td>
<td>Total</td>
<td>36</td>
</tr>
<tr>
<td>1501 and above</td>
<td>Tweet Following</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>1-500</td>
<td>13,2</td>
</tr>
<tr>
<td>Number of Tweet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-100</td>
<td>1001-1500</td>
<td>4,4</td>
</tr>
<tr>
<td>101-500</td>
<td>1500 and above</td>
<td>13,2</td>
</tr>
<tr>
<td>501 and above</td>
<td>Total</td>
<td>33%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

Table 3 indicates most of the Banks’ social media tools and links are appeared on their official-formal websites’ home pages (nearly 38%). In table 3, % 67 of the banks does not have any tweets. Their followers’ numbers initiated their fans and their percentages are shown also between 1501 and above. Some of the banks which have twitter account do not update their information or advertisings on this tool. Table 4.a. and 4.b demonstrate the percentages of Facebook account information that is indicated in research questions’ results about their fans age interval amount of fans, photos albums related to their social responsibility projects (CSR), and company advertisings ,etc. Nearly %40 of the banks provides their contact information, web addresses within these sites. More of the banks, who have Facebook account, have their profile picture as their banks’ names and logo. Their pages are public. Anyone who has a Facebook account can see the activities of the
pages. They are merely up to date for posting their campaigns, projects and information, etc.

Table 4.a. Facebook Indicators of Turkish Banks.

<table>
<thead>
<tr>
<th>Bank’s information through Facebook</th>
<th>Yes %</th>
<th>Page Feature</th>
<th>Yes %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank’s contact info</td>
<td>37,8</td>
<td>Public</td>
<td>33,3</td>
</tr>
<tr>
<td>Bank’s URL address</td>
<td>37,8</td>
<td>Private</td>
<td>4,4</td>
</tr>
<tr>
<td>Fans can post notes without getting permission</td>
<td>8,9</td>
<td>Updating post frequencies</td>
<td>Yes   %</td>
</tr>
<tr>
<td>Post about nation private days</td>
<td>26,7</td>
<td>1 in a day</td>
<td>22,2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 1 post in a day</td>
<td>6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 post in a week</td>
<td>2,2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 1 post in a week</td>
<td>2,2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 in a month</td>
<td>2,2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 1 post in a month</td>
<td>2,2</td>
</tr>
<tr>
<td>Profile picture</td>
<td>Yes   %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company logo</td>
<td>15,6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slogan</td>
<td>4,4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank’s name and logo</td>
<td>17,8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.b. Facebook Indicators of Turkish Banks.

<table>
<thead>
<tr>
<th>Fans interval</th>
<th>age</th>
<th>Yes %</th>
<th>Fans likes</th>
<th>Yes %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 18-24</td>
<td>22,2</td>
<td>1-1000</td>
<td>2,2</td>
<td></td>
</tr>
<tr>
<td>Between 25-34</td>
<td>11,1</td>
<td>1001-10000</td>
<td>6,6</td>
<td></td>
</tr>
<tr>
<td>Between 18-34</td>
<td>4,4</td>
<td>10001-100000</td>
<td>8,8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37,7</td>
<td>100001-500000</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Fans talk about</td>
<td>Yes%</td>
<td>500001-1439883</td>
<td>8,8</td>
<td></td>
</tr>
<tr>
<td>1-100</td>
<td>8,8</td>
<td>Total</td>
<td>37,4</td>
<td></td>
</tr>
<tr>
<td>101-500</td>
<td>4,4</td>
<td>Photo albums</td>
<td>Yes %</td>
<td></td>
</tr>
<tr>
<td>501-1000</td>
<td>4,4</td>
<td>Albums related to bank info</td>
<td>22,2</td>
<td></td>
</tr>
<tr>
<td>1001-5000</td>
<td>13,2</td>
<td>Albums rel. to social media competencies</td>
<td>8,9</td>
<td></td>
</tr>
<tr>
<td>5001-28135</td>
<td>6,6</td>
<td>Albums related to CSR</td>
<td>28,9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37,4%</td>
<td>Albums rel. to their campaigns</td>
<td>35,6</td>
<td></td>
</tr>
</tbody>
</table>

CSR subjects | Yes % |
--------------|-------|
Education     | 15,6  |
Health        | 17,8  |
Culture & art | 17,8  |
Sports        | 15,6  |
Environment   | 17,8  |
Human rights  | 6,7   |

Fans’ age interval is approximately equal to internet users’ age intervals. More of the respondents belong to 18-24 ages. They share their campaigns activities, their worker or company information, and Banks care of environment and their social responsibility and prepare projects based on the subjects of CSR.
5. Conclusion

At the very start of the worldwide web, it was a “read-only” medium that has been designed as a part of the internet infrastructure that was easily accessible and contained “WebPages” preceded by the prefix www and closed with a country identifier. In the 1990s, it was best compared to phonebooks and actually the term “directories”, which is still used for websites that bundle other website addresses, was already in use at that time. These technological developments ended this passive use of the internet as bandwidths increases make it possible distribute ever more bits and bytes [31]. Through the use of social media, banks would easily reach the user-friendly interactive system, understanding customers’ special and unique needs in a way that clients themselves can adopt and understand well [3]. Social media have managed to bring billions of people together from all over the world that get in touch online and virtually with each other even if they have never met. The most popular social media and micro-blogging networks are Facebook and Twitter [33]. The launch of online service platforms, such as Social media in bank marketing as e-banking enabled banks to connect with clients remotely in the online setting [34]. Social media and social networks conquer with surprisingly increasing rhythms more and more users and that is why they are implemented by many companies and they are associated with economic benefits of the companies [35], [36]. Through this paper, WebPages of Turkish banks were examined according to their ability to use social media tools. During the week of 22-29 July 2013, the data was gathered from WebPages of the banks, we could not have a chance to check if they add any social linkage through their websites after this week. The results of the study show that for Turkey side, there is not enough social media usage of banks application.

Mostly, the leader banks try to improve their facilities. The most preferable social links are Facebook, Twitter and LinkedIn. LinkedIn is used as a professional tool for Banks on social arena. For further research, the authors are planning to analyze and discover the perspectives of consumer's side and analyze the following year's results of social media usage by this technique. Implementing social networks can provide powerful connections with customers; these tools also helped banks in service delivery, by having a positive influence throughout their customers, will provide more satisfied customers in the end. The results show that, Turkey’s Banks trying to be social more than the previous years, they try to add and create new techniques to serve in a better way in the mind of all consumers. Today’s consumers are more sociable than before, so the institutions who need profit and sustain themselves must follow and be followed and catch the consumers by these social media linkages.

References


