The adoption of social media marketing in South African banks

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Abstract
Purpose – The purpose of this paper is to examine social media adoption models and social media implementation models being used by South African banks when adopting social media marketing. Challenges and opportunities faced are addressed in the paper.

Design/methodology/approach – In-depth interviews were conducted with key informants, which were comprised of five South African social media experts and 28 managements within the banking sector.

Findings – Social media is still at its infancy level in South Africa. The ACCESS model and the OASIS model are the most commonly used implementation models in South African banks. Further to that, findings indicate that Facebook and Twitter are the main tools used by banks and they are used for reactive customer service and advertising. Legal and regulatory issues were identified as obstacles to the adoption of social media. All respondents agreed on the need to integrate social media with traditional media. This might be because South African customers are consumers of both the new and traditional media.

Research limitations/implications – The research was limited to South African banks and focused on Facebook, Twitter, MXit, YouTube and Blogs.

Originality/value – The research adds theoretical knowledge on social media adoption models, thus giving a foundation on how other industries can effectively implement social media marketing.

Keywords Bank marketing, Social media marketing, South Africa banks, Social media adoption models, Social media implementation models, Social media, Banks, Marketing, Republic of South Africa

Paper type Research paper

Introduction
Social media marketing, a system which allows marketers to engage, collaborate, interact and harness intelligence crowd sourcing for marketing purposes, presents opportunity for banks which strategically adopt it into its organisation. According to Bonson and Flores (2011), Ernest & Young (2011) and Gritten (2011), social media marketing enables banks to regain trust from customers, which has been lost due to the recent economical crisis and the increased use of e-banking. Owing to the complex nature of the services that banks offer and the need for knowledge sharing to create value

Special thanks to all banks and social media experts who participated and who will remain anonymous.
for their services, social media provides a perfect platform for customer relationship management. There is, therefore, need to develop clear social media adoption and implementation strategies that integrate social media with marketing communication (Hanna et al., 2011; Mangold and Faulds, 2009). There are, however, challenges and opportunities that banks may face when adopting social media marketing. In South Africa banks are surrounded by, legal and other uncertainty issues surrounding social media. This paper, thus attempts to address how social media have been adopted in the South African banking industry and possible adoption and implementation models that banks can use. This creates a foundation on how African counter-parts can also take advantage of the new media.

Not much work has been done on the adoption and usage of social media in the banking sector and to the best of our knowledge no similar work has been done in the African context. This will create a foundation on how African counter-parts can also take advantage of the new media. This paper is organised as follows, the first section introduces the latest developments in social media, the next one will look at the methodology used followed by findings and then conclusions and recommendations will conclude the paper.

Literature review

Social media marketing: current trends

Social media marketing is described in this paper, as a system that allows marketers to engage, collaborate, interact, and harness collective intelligence crowd sourcing for marketing purposes. This system integrates social media principles with marketing communication elements in an effort to create strong and lasting relationships. This section will give an analysis of the latest development in social media within the business sector and how these can lead to the developments of social media adoption models and social media implementation models.

In an effort to provide a concrete foundation for organisations to embrace the use of social media, scholars have contributed in a variety of ways. Definition and classification of varieties of social media techniques and tools concreted acceptance of social media among commercial world as tools were classified as blogs, micro blogs, social networks, media sharing content, social bookmarking and voting sites (Boyd and Ellison, 2008; Singh et al., 2008). In spite of clear classification of social media tools, marketers and practitioners had scepticism on the possible opportunities and challenges presented by the new media (Kaplan and Haenlein, 2010). Social media help build brand awareness, visibility, reputation, knowledge sharing, customer acquisition and retention, low cost promotions, new product development, customer relationship marketing (Kaplan and Haenlein, 2010; Bolotaeva and Cata, 2010). Kaplan and Haenlein (2010) further presented challenges like negative comments and their effect on the image, control of brand and content in the hands of the customers, legal and security issues. Although these were presented they lacked strategies on how companies can implement social media.

Kietzmann et al. (2011) gave a basis on how social media tools can be used strategically. Clemons (2009) ascertained that social networks should not be monetised but companies should seek to engage with the tools and with their customers, hence giving social media strategies. These social media strategies, however, should not be used as standalone but rather they should be integrated strategically with traditional marketing but at the same time avoiding using push marketing strategies which repels customers (Pitt and Berthon, 2011; Mangold and Faulds, 2009; Palmer and
Koenig-Lewis, 2009). This was further emphasised by Ahlqvist et al. (2008) who suggested the creation of customer based product development programme through interacting with customers on social networks. Although adoption and implementation strategies are lacking in this, traces of adoption models can be derived from Dragger et al. (2009) who suggested that companies should do a situational analysis when developing a social media marketing plan. Thus, this research seeks to address social media adoption and implementation models that can be used by companies.

Social media adoption and implementation models
Owing to the infancy level of social media in the corporate world, little has been done on the investigation of social media adoption and implementation models. The discussion thus given in this section is gathered mainly from a review of magazine articles and blogs on social media adoption and implementation models. It is important to note at this level the nomenclature used is not yet matured. Before an organisation begins considering how it can implement a social media strategy, it needs a framework to execute the strategy within. These frameworks are, in this work, referred to as the social media adoption models. We will start by giving a discourse of the social media adoption models and thereafter the social media implementation models.

Social media adoption models
An investigation of the social media adoption models proposed by practitioners revealed that they can be classified into two broad categories. The first category conceptualises adoption models on the basis of possible organisational strategic frameworks. The social organising model (SOM; Owyang, 2010) is the only adoption model being practiced in this category. SOM shows the different strategic frameworks within which social media can be defined. Thus, it can be centralised, distributed, coordinated hub and spoke, multiple hub and spoke or holistic. When the adoption strategic framework is centralised the social media policy and strategy come from a single department at a higher level of organisation. In a distributed strategic framework, each department will have its own social media policy and strategy. The coordinated hub and spoke is a compromise between the centralised and decentralised. A single department at a higher level gives the tactical framework but at implementation level there is decentralisation, with each department having its own implementation of the tactical framework. The multiple hub and spoke framework is more like the coordinated hub and spoke, but within department different products or units can have different implementations of tactical frameworks defined at department level, resulting in multiple hub and spokes. In the holistic framework each department/unit within an organisation is free to engage in social media, but then individual efforts are then coordinated unlike in the decentralised strategic framework.

The second category views social media adoption models on the basis of the different phases of maturity an organisation can be in the adoption of social media. Essentially there are five social media adoption models in this category: the social media strategy learning curve (SMSLC; Smiciklas, 2011), “Social media adoption curve” (SMAC; MiXT Media, 2008), “Social engagement journey” (SEJ; O’Driscall, 2010) and “Social media maturity model” (SMMM; Luxenmbourgb, 2011).

The SMSLC (Smiciklas, 2011), describes four phases of an organisation’s maturity in the adoption and application of social media. These phases are emerging, tactical, integrated and social phases. An organisation in the emerging stage needs to perform
SWOT analysis of what are the strength, weaknesses and its opportunities and threats in the area of social media. Organisations in the tactical phase need to understand the social media features and tools and making sure that they have the skills needed to implement them. Experimental implementations need to be done and the focus should be on monitoring practices. In the integrated phase, an organisation will be already advanced in the use of social media. In this phase there should be a leadership strategy that supports or promotes the use of social media. Social media strategic goals should now be linked to the organisational goals. Monitoring and measuring of the actual social media implementation should become commonplace. In the social phase, the organisation will be open, and have a flat organisational structure where employees are free to use internal and external audiences to communicate.

The SEJ model (O'Driscall, 2010), focuses on the steps an organisation must take to arrive at a complete implementation of a connected social organisation. These phases are: traditional, Dabbling in Silos, operationalising, real results and the fully engaged organisation phases. The traditional phase involves each and every department independently communicating with its market. In the Dabbling in Silos phase a department or a few individuals are assigned to be actively involved in creating awareness about the social media and making valuable connections with the market/audiences. In the operationalising phase the organisation fully adopts social media. Policies and strategies are formulated. In the results shown phase, the return on investments (ROI) should be realised. In the last phase the organisation should be fully and openly engaged with its audiences/customers.

The SMAC model (MiXT Media, 2008) consists of six successive stages; learning, observation, broadcast, participation, relationships and collaboration phases. The learning phase teaches the organisation what social media is and what it can do with it. In the observation phase, the organisation looks into what is happening in the social media space without taking any further actions. In the broadcasting phase, the organisation starts to be actively involved in social media, but communication at this stage is still focussed on one-way with only the organisation broadcasting to its audiences. A mind shift occurs in this stage when the organisation realises that social media is not a broadcasting tool but rather a way to engage with others. As a result of the mind shift in the participation phase the organisation embraces a two-way communication with its audiences. In the relationship phase the initial conversation develops into lasting relationships with customers and other audiences in the social media. Another mind shift occurs here when the organisation realises that they need not only be concentrating on creating value for themselves, but they can extend this to increasing value for the audiences they have created relationships with. This then ushers in the collaborative phase, where both the organisation and its audiences benefit from the interaction on social media and both are all actively involved in creating collective value.

The SMMM (Luxembourg, 2011), has four phases the ad hoc, experimental, functional, and transformation phases. In the ad hoc phase employees of the organisation try social media individually in an unstructured manner. In the experimental phase the organisation moves to accepting social media and begins to explore it. Experimental implementations are done to evaluate the learning experience. After experimenting with social media it is now adopted to serve the organisation. At this level social media is adopted to into the organisation’s business processes. Policy and best practices of its use are defined. In the transformation phase the boundaries between
the organisation and the outside world fade transforming the organisation and its stakeholders into an open collaborative network.

Social media implementation models
Against these adoption models quite a number of implementation models have been proposed by social media experts and practitioners. Comprehensive scientific studies to prove effectiveness of these models have not been conducted. In general, all social media adoption models have four phases observation, preparation, participation and the integration phase (Pick, 2011). The major differences in the models come on whether the organisation prioritises its strategic objectives or the audiences they seek to engage, and whether the organisation considers its competitors or not. Our investigation of the proposed implementation models identified three categorises of social media implementation models, and these are:

(1) models that prioritise the targeted audiences;
(2) models that prioritises the organisation’s strategic objectives; and
(3) models that try to strike a balance between prioritising audiences and strategic objectives.

Implementation models that prioritise the targeted audiences
Among the implementation models that prioritise the targeted audiences are: the POST model (Bernoff, 2007) and the ACCESS model (Safko and Brake, 2009). POST (Bernoff, 2007) is an acronym that stands for people, objectives, strategy, and technologies. The people aspect of the model advocates that an organisation that seeks to adopt social media must first understand the type clients they have and the prospects they have through these clients. Objectives, speak to the fact that the organisation must know what they seek to achieve by adopting social media. Reasons for adopting social media range from, enabling your customers to generate more awareness, branding, product development, creating a platform to listen to your customers to gain more insights. The strategy aspect stresses the need for a social media strategy. This should give a clear direction the organisation wants to take with social media. The underlying proposition to achieve organisation’s goal should be well layout. technology speaks to which technologies will be used. This should be informed by the people, objectives and strategy aspects of the model.

ACCESS (Safko and Brake, 2009), stands for audience, concept, competition, execution, social media, and sales viability. This model says after understanding one’s audience one needs to define the concepts that one wants to use when communicating/generating content for one’s audiences. In this case segmentation of one’s target audiences and creating communities around these resulting groups is very important. This helps in making sure that the concepts created are focused and are of relevance to the targeted audiences. Unlike the POST model, the ACCESS model adds the competition aspect. This deals with the analysis of the online activities of an organisation’s competitors. The focus should not be on the tools they use but rather on the purpose social media is serving for them and their customers and prospects. The execution and social media (tools) aspects of the model deal with the development of the social media strategy and the selection of tools to be used.

Implementation models that prioritises the organisation’s strategic objectives
Among the implementation models that prioritise the organisation’s strategic objectives are the objective, audience, strategy, implementation and sustainment
The OASIS model advocates that priority should be given to the organisation’s objectives to adopting social media rather than the clients. The audience and strategy phases are just like people and the strategy phases, respectively, in the POST model. The implementation aspect stresses the importance of having careful implementation plan that will bring the developed strategy to life. It covers the technologies that are to be used in the implementation. The sustainment phase deals with how organisation will keep up-to-date and improve its social media strategy.

The social strategy model (Kerkhofs et al., 2011) emphasise the need for preparing the internal organisation to accept the social media initiative. This involved the organisation looking into its products, services, and the internal organisation strategy, which is dubbed the DNA of the organisation. It consists of nine sequential steps for adoption of social media which builds around the organisation’s DNA. These steps are: baseline, problem, objectives, target, strategic options, channel selection, go/no go time, implementation, and managing and measuring steps. The baseline phase establishes the organisation’s exact position in the market. The problem step deals with the problem or the concern that adoption of social media will address. The rest of the remaining steps are more like the OASIS model, except for the go/no go time step that comes after the selection of tools to be used. This is meant to create an exit point peradventure the organisation realises that social media strategy adopted is not a solution to the organisation’s problem that is set.

**Implementation models that balance prioritising the strategic objectives and audiences**

The only known model in this category is the Advanced Human Technologies (AHT) “Social media strategy framework” (Dawson, 2009). It takes a more agile approach to social media adoption. The model begins with the learn step. This step involves the active stakeholders in the adoption of social media familiarising themselves with how it works by using social media, studying relevant case studies, interacting with practitioners and exploring latest trends. After the learning phase, two streams of Engagement and Strategy Development follow that are done concurrently. Engagement has three sub-steps which are listening, engage in conversation and measure and refine. Listening involves identifying and learning a social media monitoring tool and using it to discover and monitor what is said about one’s organisation and market on social networks. The end result of listening should be identification of key influencers. Engaging in conversation involves joining into the conversations and engaging with key influencers. Measuring and refining involves measuring how successful your engagement has been and refining one’s social media strategies.

Strategy development has three sub-steps: prioritise objectives, establish governance, and define activities. The two streams of engagement and strategy development come together in the actual implementation of social media coined develop capabilities. This will lead us analysing the challenges and opportunities brought about but social media.

**Opportunities**

Adoption of social media comes with benefits to the company. Mangold and Faulds (2009) argued that social media empowers customers to make informed decision before and during purchasing process. The conversations exchanged on social media channels provide market intelligence for a company. According to Mangold and Faulds (2009), Sarkkinen (2009) and Ahlqvist et al. (2008) pointed out that social media: increases brand

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awareness, influences purchasing behaviour, provides assistance in pre and post-sales communication and evaluation, and increases audience. Increased engagement with customers helps an organisation in its new product development programmes, customer relationship marketing and maintenance of lifetime value. However, to float in effectively it demands marketers to be creative, develop disciplined processes and constantly improve their strategies.

As a business model, social media tools bring opportunities to the advertising industry by virtue of it being free and easily accessible. It also has great potential for generating multi-revenues and market research in the content of ethnography (Sarkkinen, 2009; Ahlqvist et al., 2008). The section that follows will discuss the methodology used to address the research at hand.

**Methodology**

Due to the exploratory nature of the research, a mixed-methods research approach was used (Bazley, 2002; Johnson and Onwuegbuize, 2004). The study was, however, largely qualitative. It focused on locally controlled South African banks. This was done to give a general cross-sectional view of the level of adoption and social media in South African banks. Research methods used were mainly Literature Surveys, observations, key informants and interviews. Key informants consisted of five social media experts who had experience with the marketing communication and banking sector, these were purposely selected (Marshall, 1996; Patton, 1990). The target population from banks were marketing and communication managers and decision makers who influence adoption and usage of social media. Banks were randomly selected while managers were supposedly selected (Sekaran and Bougie, 2010; Lee and Ian, 2008).

The study used social media experts from blogs and from referrals thus this helped the study to use experts who have the same experience and knowledge. The researchers intended to have interviews with ten social media experts but of the ten only five availed themselves for the telephonic interview. Each interview was between 30 to 45 minutes and was recorded and transcribed for easy analysis.

This was followed by observations of official social media profiles of these banks which are on Facebook, Twitter, YouTube, LinkedIn, Corporate Blogs and MXit. This was done from January 2011 to November 2011. The observation schedule was analysis of conversations of banks with their customers and how active the social media profiles were, what is being discussed on them and how they interact with the customers.

Interviews with 28 managers within the marketing communication departments and those who were administrators and decision makers of social media were conducted. Of the 15 followed banks, six availed themselves for interview with the rest either sceptical about disclosing information, or were not using social media at all. The interviews lasted between 30 to 45 minutes. These interviews were done within three months depending on the days given by the respondents. This gave us first hand information on the adoption of social media marketing from the banking industry’s perspective.

**Findings**

This section presents the findings of the study by first presenting tools used and how they are being used. Adoption and implementation models used by South African banks will then follow. Particular attention is given on whether the social media...
strategies being used are informed by tried and tested practices. The study discusses the challenges and opportunities presented by social media marketing.

**Demographic data**

Five out of the 15 banks originally contacted refused to be included in the study, owing to their company policies. The other four could not participate in the study citing their unwillingness to share their approach to social media with the public, because they are still in the early stages of adopting it. Thus, the research had interview with 28 managers from six South African banks. Our findings indicated that 60 percent of the six South African banks have been using social media for two to five years. One outstanding bank indicated that it had stopped using social media after using it for a year and a half. This, therefore, gave comprehensive information on the level of usage of social media.

**Most used social media tools**

The results indicated that the choice of social media tools depends on the type of customers a bank is targeting. For example, if targeting business-to-business customers blogs will be most preferred. All social media experts indicated Twitter and Facebook have the highest usage among banks. On the other hand, 75 percent of managers indicated that they were mainly using Facebook followed by Twitter, YouTube and MXit. LinkedIn and Blogs had the lowest usage this might be because of the time and effort required to administer blogs. This is further confirmed by the fact that only two banks indicated that they had content management strategy put in place, and 75 percent of social media experts were of the opinion that social media industry is still at infancy level with few experienced experts.

**How social media tools are used**

Asked which tools were effective, management and experts indicated that Facebook and Twitter are more effective than all other tools. Experts emphasised the importance of using social media as a relationship building tool and not for advertising and marketing. They further emphasised the need to use YouTube, for example, for brand awareness and educating the society, the youth in particular, about finance related issues. Although South African banks have adopted social media marketing findings from the experts indicated that social media is regarded as a platform for reactive customer services, survey feedback, mass communication, competitions, sales promotion, advertising, brand awareness and reputation and less on engaging with customers, community involvement, building relationships with customers, and knowledge sharing. For example, 80 percent of management said that they use Facebook and Twitter for advertising, sales promotion, brand management, customer service with lower indication on knowledge sharing, lead generation, new product development, relationship building, entertainment and market research. For example, 66 percent of managers regard Twitter as their channel for customer services and customer care. An expert was of the opinion that: [...] “a lot of competitions are being posted mostly on Twitter and Facebook” and that “banks need to use it for other purposes like customer relationship management, engagement and knowledge sharing”. Another expert argued that competitions on social media profile mislead some marketers as they regard the increase in the number of fans on a profile as a reflection of the effectiveness of social media strategies.
There were different views among experts on how to effectively use social media. One of the expert was of the opinion that “social media should be decentralised and be used by account managers, sales people, centralising it depersonalise the system. Social media should be about people not about the bank”. While the other expert indicated that social media should be used as a pull marketing method. Another expert indicated that “some banks don’t listen to their customers on Facebook profile, they throw advertisement to them, and this is abusing social media principles”. Despite the different views all experts agreed that South African banks have not realised that social media should not be about the bank but for the customer and that banks should not impersonate themselves on social media (Parent et al., 2011).

Although social media has been adopted in most of South African banks interviewed, findings indicated that banks are still using advertising, public relations and sales promotion more than they were using social media. One expert mentioned that South African customers are consumers of both traditional and new media. Thus, it was emphasised by most managers that banks should integrate traditional marketing with social media marketing. However, the level of acceptance of social media within banks is low with only 40 percent indicating positive acceptance of social media within banks.

Social media implementation and adoption models
To find out which social media adoption and implementation model being used, managers were interviewed using a list of ten steps towards full implementation of social media. Managers were asked to list how they ordered them when implementing their social media strategy. The following is a list of randomly placed steps:

(1) listening and segmenting one’s target audience;
(2) analyse competitors and international markets performance on their social media tools;
(3) identify key influencers;
(4) formulate social media objectives based on one’s company goals;
(5) develop content strategy to maintain quality;
(6) implement social media without any strategy;
(7) integrate social media and traditional media;
(8) implement approved social media strategy;
(9) measure ROI of social media; and
(10) identify social media tools for one’s target audience.

While implementation models that prioritise the organisation’s strategic objectives seem to be more appropriate from an organisational structure point of view, as substantiated by the fact that most of the banks have established a department that deals with social media issues and to map out a social media strategy, they seem not to be appropriate or favoured in the implementation of social media. Most respondents said they started off by listening and segmenting customers. Only 30 percent indicated that they started off by formulating social media goals based on the company’s strategic goal. This shows that most banks use implementation models, such as the POST and ACCESS models that prioritise the targeted audiences. One other step that appeared most in the early stages of the list is Analysis of competitors and international market performance on
social media (60 percent). This coupled with the emphasis provided towards the need to measure the ROI on social media depict that the mostly used/preferred implementation model is more biased towards the ACCESS model than the POST model.

However, from the study it was not clear whether banks using any implementation models to formulate their social media strategy or if they have any social media strategies at all. Most of the social media experts raised the concerns that most banks do not have a strategy for content management and they gave example of banks which have abandoned blogs and social networking sites. This is corroborated by the fact that only two respondents from two banks mentioned that they have content management strategy.

The results indicated that most banks are following Social Media Adoption models which consider both organisational strategic frameworks and phases of maturity in the adoption of social media. One of the major outcomes of the interviews with bank employees was the importance of having a consolidated social media strategy that involve all the relevant stakeholders which may include departments like Call Centres, Human Resources, Product Development, Public Relations, Information Technology, Legal and Outsourcing Social Media Experts. This implies that the Centralised Social Organisation Model is the preferred adoption model among SOM models. And as evidenced with the creation of a single department to handle social media issues, this department is most likely to be the centre of control. On the other hand, it was raised that banks should not rush into adopting social media before they are sure of what it holds for them and their capability to sustain it. One of the managers emphasised the need for banks to conduct a SWOT analysis before implementing social media and to fairly allocate resources, such as human capital and financial resources. This hints to the fact that the banks also consider their levels of maturity towards adoption of social media, when mapping their social media implementation strategy. When this is analysed in terms of the afore-discussed adoption models (especially the SMSLC) it speaks to the fact that South African banks are still in the early stages of adopting social media, where they need to do some SWOT analysis to be certain of their capacity to support it and the opportunities it holds for them. Only respondents from two banks mentioned the need to have evaluative policies to measure the success of social media campaigns. This is also supported by social media experts’ opinion that banks do not have the necessary skills to implement social media. This is largely due to the fact that the field is too new to the South African banking industry.

Challenges
Social media if not managed well and with no strategies and policies can have a huge effect on brand image. This was a common challenge expressed by both experts and management. Experts and management agreed that some banks have fears of losing control of brand in the hand of customers. To support that, one manager said “We had to stop using social networks because we couldn’t manage the pressure it was putting on our company”. Another manager added, “We are afraid of what people say about our brand and that they might bring our past failure thus tarnishing our image”. This gives a clear picture of the general fear on the reputation of brand among banks.

Maturity level of social media
75 percent of social media experts mentioned inexperienced social media experts as one of the challenges and claimed it to be a reason why some banks and other companies
are misled and have non functional blogs. One of the participants indicated that: “The South African social media industry is very much immature and there are very few experienced and qualified social media experts”. This could be a reason why half of the banks preferred in-sourcing than outsourcing. For example, one of the banks said that they terminated a contract they had with a social media expert because it was not working for them. On the other hand, one social media expert ascertained that there was much resistance from management in a bank he worked “I will never do business with banks again”. This might also be an indication of inadequate human capital and incompetence within some experts and management. This opinion was illustrated by on social media expert who was of the opinion that:

[... ] banks have not fully integrated social media into their system and to some extent it is one or two guys desperately running around the departments trying to fix customer complaints.

Regulatory and legal issues

The general view among experts was that the banking sector is very fragile and shareholders are particular about information sent to consumers. Thus, there are regulatory and legal policies put in place to protect the consumers. These policies may pose a challenge to banks and experts during the adoption of social media. The argument among the five experts was that banks cannot readily give advice as there are long policies and processes that need to be followed. One of the social media expert supports that:

[... ] this is one of the biggest issues and the reason why every bank and financial institution needs to have tight control and policies in place before embarking on engaging in the space.

This was further supported by one expert who mentioned that this can be solved by maintaining and using the Financial Advisory and Intermediary Services Act (FAIS). However, 80 percent of the experts were of the opinion that the act created some bottleneck within the system as social media administrators cannot readily advice customers on social media tools.

Despite the regulatory policies mentioned above experts expressed their concern on the security of the customers on social media sites. It was stressed that some customers disclosed their personal information on social network sites risking their identity. This could also have a negative effect on the image of the company especially if the company does not educate its customers. This was, however, dismissed by four managers who felt that customers were well informed on the effect of disclosing personal information. Still on the same note two experts gave examples of some individuals who disclosed their personal information on Facebook profile of a certain bank. The two different opinions might be an indication of how management can overlook important issues that tarnish their image in the name of creating a social media presence. It could also mean that banks need to outsource social media experts so that all areas are not left unnoticed.

Though security was expressed on the side of the customers, some experts said that banks can be at risk of losing confidential information. The researchers argue that this might be a challenge to consider as social network are open and can be easily hacked if not secured. To affirm that one expert said “banks should be discouraged from using social media and concentrate on company website because they have full control and it is more secure”. This view might, however, be coming from traditional marketing point of view of having control of content on the hands of management.
Management perception

Social media experts mentioned the myth that social media is for the youth as a challenge faced by some banks. One expert mentioned that South African marketers believe that social media is another form of mass communication thus marketers end up pushing adverts to customers and not engaging with them. This might cause resistance from customers as one customer from the observation affirmed that, “I don’t want to be marketed at social media I want to engage and to be listened to”. This was further illustrated by one manager who said that “Getting approvals and buy-in from top management appeared to be the main concern among bankers”. Social media experts confirmed that banks face resistance from top management who have a traditional marketing mentality. We argue that management perception and those who still believe in old marketing methods are posing frictions within banks. This might be coming from the fact that some managers who believe that one cannot measure increase in sales volume through using social media. Thus, some managers might find no success in engaging with no increase market share like what advertising does. Besides, systems within organisations might base promotion on the market share attained and not on the engagement activities on social media profile.

Language, culture and racial issues were mentioned by one expert as a problem that caused some fights on the social networks. Some banks mentioned that this can be solved by using English as the official language and by encouraging their customers to avoid any racial comments.

Solutions

Although experts and management expressed their challenges the study wanted to know solutions to the above challenges. A 90 percentage of managers and experts emphasised the importance of training and educating internal and external customers on what to say and how to manage negative comments. They also agreed that much training was required for the top management to increase acceptance of social media marketing. Managers, 40 percent, emphasised the importance of academic research, case studies and knowledge sharing with competitors to fully equip banks and managers when adopting social media. About half of the managers emphasised the importance of having tight policies both for customers and employees. One manager integration of all departments, “call centres should effectively manage customer queries because if they are not solved they are exposed on social networks”. A 80 percentage of managers were of the opinion that integrating social media, business and marketing strategies would help companies send unified messages which are aligned to company goals and objectives. Experts mentioned that banks should learn to let go of control to the customers and this would create fruitful engagement which would help them in new product development. They added that negative comments can be solved by educating customers and staff on what to post on social networks. Social media experts indicated that banks should have policies on how to measure ROI.

Opportunities

Social media brings opportunity for banks to reconnect with their customers and eliminate negative publicity. One expert gave an example of a company which managed to regain positive publicity through Facebook. The general view among experts and managers was that social media is helping banks to reconnect with their
customers and regain trust lost during the recession period. This appeared to help banks gain credibility from customers thus building strong and long term relationships. Besides this has huge effect on the reputation of the company as one manager mentioned that social media is increasing brand reputation.

73 percent of banks that engaged well with their customers testified the great benefits they were gaining in their new product development programs. We argue that basing from the information from banks and by mere observation of their profiles, knowledge that banks were sharing with their customers, some blogs and Facebook is helping them improve current services and come up with new services which are customer tailored. This further helps banks to explain complex products, educate the youth on the importance on investing, thus this in the process increases their market share and create loyalty. In support one manager mentioned that “Social media can help banks to educate customers about their complex products on YouTube for example and about current economic trends thus empowering the customers”. Another manager said that “Twitter and Facebook are helping us communicate and convince the youth to learn to budget and save their money”. This manager further gave a blog which the bank uses to reach out to youth though encouraging them to share their experiences with money.

What can be derived from the above is that social media is also helping companies increase their competitive advantage. This also helps them create a platform for corporate social responsibility and helped banks put themselves on a global market and modify their business to suit the market hence build their image. Social media appeared to be helping banks to create transparency and brand awareness.

A greater percentage of banks agreed that social media was helping them create an online presence and interact with customers and also engage with other stakeholders.

**Discussion**

It might be difficult to give a conclusion on adoption models used in South Africa because social media is still at its infancy level in South Africa with a lot of experimentation and observation. However, there are few traces of experimental implementation of the SMSLC (Smiciklas, 2011). The maturity level of South African Industry may be a mixture of the *ad hoc* phase and the experimental phase of the SMMM (Luxenembourg, 2011). This is because South African banks seem to be experimenting a lot as indicated by one of the expert.

According to the research findings, most South African banks are using SOM (Owyang, 2010). This is reflected by the fact that when we contacted the banks we were referred to a single department which was said to be managing and administering social media. Social media marketing has not been decentralised to other departments or branches. During pilot study, some pilot managers did not know what social media is and tools used by their organisation. Some interviewees indicated that “our social media should only be specialised and managed by a special group”. Thus, although banks are using social media, it appears to be centralised only to the head office hence there is need for pushing social media down to branch level to fully exploit it.

The research findings indicate that South African banks’ social media adoption is in the early stages and is more focused on observation and preparation (Pick, 2011). Most of the banks do not have a fully fledged implementation of social media. This is reflected by banks which mentioned that they do the SWOT analysis of their social media. Our findings indicate that a few individuals are responsible for the whole social
media, which they use for creating social media awareness and educating both the customers and the bank. This is the Dabbling in Silos stage of the SEJ model.

Findings reflect that South African banks are mostly using the customer or audience centric social media implementation models and to a lesser objective centric models. Two of the banks interviewed have strategies which are more biased to the POST model (Bernoff, 2007) with the other biased towards ACCESS model. This is because they do not have in place ways of measuring the effectiveness of their strategies. One manager seemed to have a combination of ACCESS model and the AHT “Social media strategy framework” (Dawson, 2009). The strategy of this bank has elements of listening and experiment and at the same time all its strategies where customer centric and elements of evaluate and measuring return of investment of its social media strategy. Mere observations of this bank on the social media sites indicate that activities on social media are outstanding and more engaging than other banks. Basing on Culnan et al. (2010) implementation strategies which are focused on customers and building communities around them are more effective as they create ownership, loyalty to the existing and new brand and resistance to negative comments which are more likely to be building against the company. The “Social media strategy framework” (Dawson, 2009) coincide with (Culnan et al., 2010) in the sense that both emphasise learning from content created by customer. some South African banks seem to be following this concept as evidenced by the success on social media.

As identified in the results of this paper adoption of social media in South Africa is still at infancy level and there is need for banks to use social media not only for marketing purposes but for engagement. Companies can take advantage of the system as it can help in product development. It has been argued that social media is a new method that company can use to communicate with customers. This is evident by the general respondents in this paper. According to Mangold and Faulds (2009), perception of social media among customers is still low, this is evident in the research results that management generally have not fully accepted social media as a marketing tool and that some still regard it as a passing fad.

Weinberg and Pehlivan (2011) argued that there is a need for companies to develop strategies on how to measure the return of investment of social media. This is supported by the scepticism among management on the benefits of adopting social media especially related to promotion. Mangold and Faulds (2009) advocate integration of social media with the promotional mix and this also was emphasised by respondents that banks should not use social media in isolation to other tools but should integrate it with other departments.

The results indicate that South African markets are still behind in the benefits that the social media brings to the company. This is evident by the fact that one of the respondents indicated that there is need for companies to use social media to educate customers about their complex products. According to Kietzmann et al. (2011) and Kaplan and Haenlein (2010) companies are desperately pushing their products on social media without a strategy. This is supported by the results of the research at hand.

**Conclusion and recommendation**

Generally, social media has been adopted by South Africa banks and is helping them to reconnect with its customer. This helps companies to be transparent to their customers and gain competitive advantage. We argue that it is important for banks to integrate social media together with traditional marketing as the results indicate that
South African consumers consume both media. However, banks should slowly take customers to the new media. It is important for banks to engage with their customers and remove the faceless impression they might be giving to customers.

The social media adoption models and social media implementation models discussed herein are still at infancy level. More research need to be developed on this area as it was seen as the most important area that will determine the success of social media in South African banks.

References


Further reading


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