ZUCKERBERGS OR LUDDITES?
THE USE OF SOCIAL MEDIA BY SENIOR EXECUTIVES IN THE BANKING INDUSTRY

Alexander Leben, University of Auckland Business School, Department of Information Systems and Operations Management, afl.leben@gmail.com

Lesley A. Gardner, University of Auckland Business School, Department of Information Systems and Operations Management, l.gardner@auckland.ac.nz

Michael D. Myers, University of Auckland Business School, Department of Information Systems and Operations Management, m.myers@auckland.ac.nz

Abstract

Many organisations are starting to use social media for business purposes, although some industries are more advanced than others. This paper looks at the banking industry, and focuses specifically on how senior executives in this industry perceive social media and its value. Hence this paper is an exploratory interpretive study of the attitudes of senior banking executives to social media. Assuming that senior executives have a significant influence on the adoption of social media within their organization, this study throws some light on its potential uptake within the banking industry.

Keywords: Social Media, Banking Industry, Adoption; Senior Executive Perceptions

1 INTRODUCTION

This paper looks at the attitudes of senior executives in the banking industry towards the use of social media in their organisations. In general, the business practitioner literature suggests that social media is widely accepted as a tool that can be used to positively impact firms' business performance (Sayre et al. 2012). However, there is some acknowledgement that organizations often find it difficult to realize the benefits of social media. Many companies remain relatively naive about how social media data can aid operational decision-making (Larcker et al. 2012). A recent study has shown only 10% of CIOs were using social media technologies (Gaskell 2012).

Hence it seems we have much hype in the practitioner literature about the value on social media on the one hand, but on the other some acknowledgement that gaining value from social is challenging. Given the relatively low usage of social media by CIOs, we suggest it might be useful to explore the attitudes of senior executives to towards social media. Is the relatively slow uptake of social media related to executives' personal attitudes? Have some adopted a proactive 'Zuckerberg' approach seeing all the possibilities that social media provides, or are some executives more like 'Luddites' in their resistance to change?

Here we focus solely on executives within the banking industry. This industry is interesting from a social media perspective in that much information is inherently private and confidential. It is therefore perhaps not surprising that the banking industry has been relatively slow to adopt social media. Indeed this industry has the second lowest reported adoption rate for social media in general. Another reason might be that bankers see more risk than benefit compared with other industries. Banks are also frequently criticised for their lack of transparency. However, while there are risks in the use of social media, some have suggested that it is the job of senior executives to maximise its potential, even within the banking industry (Gallo 2013; Vemuri 2011) The argument is that social media can improve transparency and the interaction between the organisation and its customers.

This paper thus reports on an exploratory interpretive study of three banks. It looks at the viewpoints of executives within these three banks towards social media. Are they promoting or hindering the use of social media within their organizations?

The research questions we seek to address are as follows:

1. *What are Senior Executives Perceptions of Social Media?*
2. *What are the Motivations for Organisational Use of Social Media?*
3. *What do Senior Executives see as the Advantages of Social Media to their organisation?*
4. *What do Senior Executives Believe about the Risks Associated with Social Media and Governance in place to Control it?*

This paper is organized as follows. Section 2 provides a literature review of social media use in the banking industry; section 3 describes the research method; section 4 is an analysis of the findings; the final section is the discussion and conclusions.

2 LITERATURE REVIEW

Social media provides an opportunity for organisations to generate content (posts) and interact with individuals following them (Kaplan & Haenlein 2010). Neilsen (Neilsen 2012) reports that social media is second only to email with respect to online communications, the number of users interacting with businesses that have a social presence having increased from 46% in 2011 to 57% in 2012.

In the following discussion we provide a review of the literature regarding the use of social media in the banking industry. Given the relatively recent introduction of social media in the banking industry, it is perhaps not surprising that there are few academic journal articles on this subject. Therefore we have had to mostly rely on the practitioner literature, although some of this is of a reasonably high quality from consulting organisations such as Boston Consulting Group, KPMG and McKinsey.

2.1. Why Banks Use Social Media

Geisel (Liu & Kim 2011) suggests key areas whereby the use of social media can improve executives "leadership goals and the company overall". Social media allows for greater transparency through open communication with an organisation's customer base. The ability to run a direct channel between the organisation and client can serve as a powerful tool. This bypasses any ambiguity or irregularities in media channels, as the company itself is often the most trusted source of information. This provides an opportunity for organisations to clarify misinformation in the market and take accountability when necessary. Nicolls (Nicolls 2011) identifies similar ideas as key motivations for social media use across banks. For some, new platforms can serve as a direct recruitment channel, such as through the LinkedIn. Granados and Gupta also observe the benefits of such openness in the digital environment and suggest strategies to progressively empower an organisation to achieve this. (Granados 2013)

Although many banks have started to develop a social media strategy, Russel (Russel 2012) found only half were actively using new platforms. McKenzie (McKenzie 2013) suggests that the level of activity on social media can greatly benefit or impede a bank's strategy for long-term success. An organisation implementing new technologies must prove its authenticity to the customer, which instils greater trust and confidence in their relationship.

Given that customer engagement is a primary benefit of social media use, some banks have affiliated themselves with extra-curricular activities, to which their audience relates. This is notably seen in the United Kingdom where British banks Barclays and RBS have dedicated their commitment to sports, football and rugby respectively (Russel 2012). Others also provided a number of service channels to provide value added services to their customers. KPMG (KPMG 2012) has suggested that if a bank's social media strategy is not built around the customer experience, there is a high chance of failure. DiStaso, McCorkindale and Wright note that such new media allows for an increased level of communication, however, they also observe an increased awareness of social media users of both the technical and emotional content that social media channels may transmit (DiStaso et al. 2011).

Social media can also provide a number of operational benefits (Logvinov 2013). In such a competitive industry as banking where the switching costs for customers are relatively low, the need to differentiate and stay innovative is crucial. Logvinov (Logvinov 2013) highlights social technology's' power in facilitating engagement. New uses for these technologies are constantly being developed. Such innovations allow customers to benefit from neighbouring social knowledge by communicating with like-minded individuals. This further reinforces a user's trust and loyalty with a particular brand.

2.2. External Communication

While it has been suggested that social media might replace traditional print advertising, banks still rate national newspapers such as the Financial Times to have the highest impact on brand reputation (Nicolls 2011). This suggests that it is important for organisations to incorporate new platforms into existing channels, as the latter remain the primary mediums. It is important for banks to identify functional areas where social media can improve and streamline processes, which helps an organisation achieve its goals (Accenture 2011b).

Nicolls (Nicolls 2011) found that banks saw social media as an opportunity to "communicate broadly and advertise products and solutions" rather than a direct route to the customer. Banks can distil data on social media and gain great insight into understanding their existing and prospective clientele, and better catering for their wants and needs (Russel 2012). 42% of adults using social networking sites reported interest in using financial providers through such platforms (Accenture 2011b).

Gallaugher & Ransbotham (Gallaugher & Ransbotham 2010) propose a 3-M framework that defines the types of interaction, which occur on social media between organisations and individuals. *Megaphone* refers to the business sharing of information, *Magnet* involves consumer interactions with business and *Monitor* is consumer-based interactions. While *Megaphon*e allows organisations to share content with the public, the power of social media lies within the viral nature of networks and ability for content to reach well beyond its initial contact group. Most banks seem to focus on the use of social media as a megaphone only, while ignoring the last two.

2.3. Internal Communication

Nicolls (Nicolls 2011) discusses the advances in internal communication functions through social media. Tools such as Yammer and Twitter that have protected channels, which makes information available to a selected individuals, can greatly streamline the communication process.

Citi Group has developed a tailor made channel in which their staff can communicate through social media (McKenzie 2013). A *Citi page* shows a "single, persistent page to which users can interact." The benefit of developing such applications is that it allows organisations to have greater control over security and privacy aspects of networks, as this is a great concern for numerous banks. IBM has also implemented a similar technology called the *Beehive* which is an enterprise social networking site exclusive to employees working in the business (Majchrzak & Ives 2009). A major driving force for these technologies often stems from global corporations desire to stay connected.

2.4. Higher-Level Management Resistance

Banks and financial institutions "are behind the curve when it comes to using social media as a communications tool"(Nicolls 2011).

While new platforms allow organisations to streamline customer service channels and reduce call centre costs, they must ensure new technologies are fully incorporated into existing operations. Russel (Russel 2012) suggests that the current use of social media within the banking industry is "a little bit like watching a kid sit on the edge of the pool and waiting to get in." Many banking executives are interested, but seem reluctant to commit significant resource to social media. (Hoffman & Fodor 2010).

Some senior managers in other industries envisage great benefits to flourish from social media (Brown 2012). They expect to see it help "facilitate creativity and innovation" in combination with attracting the best talent. There also exists the belief that such tools will reduce the "time spent on common tasks such as emailing and attending meetings by more than 25%."

In the banking industry, however, Accenture (Accenture 2011a) identified three key challenges banks often face when formulating social media strategies. Firstly, external communications are governed with strict protocols detailing what can and cannot be said on given platforms. In conjunction with this, banks face heightened security concerns, as they must learn how to handle consumers' information and data on social domains. Also, employees spanning across an organisation must be knowledgeable and have sufficient maturity when crafting responses and making difficult decisions.

2.5. Regulation and Control of Social Media

Crossman (Crossman 2013) examines the proposed guidelines set by the Federal Financial Institutions Examination Council for social media use amongst banks. Crossman stresses any organisation using social media must "take the good with the bad." Choosing to be selective about what to display and attempting to control comments has the potential to hugely backfire and attract criticism. Banks must allow social platforms to run their natural course. The best measure is ensuring strong governance is in place, which allows for consistency. Nicolls (Nicolls 2011) found regulatory issues along with time and budget constraints were primary obstacles for banks.

KPMG (KPMG 2012) raises the issue of the validity of data on social media platforms. It is important to question whether the information represents a "true reflection of customer trends, or if it might be biased by planted or augmented information." Systems can be put in place to track the authenticity of users and alert organisations to false accounts, spamming or defamatory social pages.

Overall, the existing literature discusses the benefits and costs of social media use for banking corporations. The streamlining of communication channels, improved advertising opportunities and ability to expand brand awareness can serve as motives for its adoption. However, there is a gap in the literature with respect to understanding the attitudes of senior executives in the banking industry towards the use of social media in their organisations. This is the therefore the focus of this paper. Next we describe out research methodology and findings.

3 RESEARCH METHODOLOGY

This research was conducted using a multiple-case study of three banks. We followed the guidelines for case study research as suggested by Myers (Myers 2013). The empirical research took place in Auckland, New Zealand, during October 2013.

Interpretive research was deemed most appropriate for this research project as it "acknowledges the intimate relationship between the researcher and what is being explored, and the situational constraints shaping this process" (Myers 2013).

The lack of academic literature on this research area also supported the idea of using exploratory research for this study. Collis & Hussey suggest exploratory research is useful when the "research problem or issue has very few or no earlier studies to which we can refer for information about the issue of problem" (Collis & Hussey 2009, p.6). The aim here is to gain insights into executives' use of social media and how it has helped or hindered their organisations.

A determination was made to interview one organisation with little social media involvement and two organisations that are heavily invested in the new technology. This provided an opportunity to compare and contrast business practices with those who have kept with conventional methods and others pursuing recent communication and marketing tools.

Individuals who participated were selected based on their knowledge and interest of social media within their organisation, and their involvement in its implementation and use. For confidentiality, all interviewees and the organisations they represent have been given pseudonyms as shown in Table 1.

Organisation*	Participant*	Role in Organisation
TASMAN INC	Jonathon Percy	Head of Digital Marketing
TASMAN INC	Catherine Smith	Social Media Manager
GLOBEPAC	Hillary Putton	Client Services Manager
BANK AOTEOROA	Alexia Vincent	IT Consultant

Table 1 - Overview of Interview Participants (pseudonyms used).*

The age range of the participants was between late 30's to early 50's. All interviews were conducted on-site at the organisation's premises, were face-to-face and lasted approximately 45 minutes each. The interview language was English. Due to the confidential nature of the banking industry, it was important to be aware of ethical issues that could arise. All participants were assured anonymity and the organisations they represented, which allowed for open and free discussion.

The interview questions were tailored to discover whether they had taken a resistant 'Luddite' approach to social media, seeing many negatives and risks, or a 'Zuckerberg' mentality, where they saw all its advantages and willingly encouraged its development and facilitation. Whatever approach had been taken, further questions sought to determine whether their experience and engagement with social media may have helped or hindered their organisations.

All interviews were transcribed and then analysed in the light of the research questions noted earlier.

4 RESULTS

This section now compares and contrasts the experience of New Zealand banking executives to some of the reports from other countries. Participants' characterisation of social media will be explored looking at what constitutes its use in a business environment. The motivation for organisational use will be analysed addressing topical areas pertinent to this field of research. Lastly, the benefits and risks that social media pose to organisations are explored in which participants share their personal experiences during the implementation of new platforms and the challenges they have faced.

4.1. Defining Social Media Engagement

The banking executives have various definitions of social media. One interviewee said:

> *To me social media is social networking, blogs, and micro blogging. Social media is not just social networking; it was also Wikipedia, Google and the Yahoo Ask Questions. That's what I'm aware of." (Hillary Putton, Client Services Manager, GLOBEPAC)*

Another executive commented:

> *It was a little different I guess being in the States.... I know when I was in university, 2001, we used MSN Messenger all the time and it was all about sharing links. We didn't want to go to the bookshop and pay for the expensive textbooks, we'd share links on MSN and we'd create little communities where we could go in and chat. (Catherine Smith, Social media Manager, TASMAN INC)*

These views seem to suggest that social media has evolved alongside other technologies that they have embraced along their career path. Both executives seemed to agree with the idea that that fundamentally social media is any medium, which allows individuals to collaborate, typically through an online domain. (Lake 2009).

4.2. First Engagement with Social Media

The three banks that we studied all have a social media presence, albeit at different stages with varying magnitudes. One interviewee explained:

> *A new exec team came on board, slightly less traditional, slightly more approachable and their understanding of social wasn't any different to that in the past, but they saw the potential. We were two years behind all of our key bank competitors… it was a slightly easy conversation to have with the MD, look we're missing out. (Jonathon Percy, Head of Digital Marketing, TASMAN INC)*

Maybe as a consequence of this apparent delay in embracing social media, there was an attempt in this bank to rapidly catch up with their key competitors. But in the rush to implement social media, it seems the bank did not fully understand how to align the new social media tools with organisational goals. As one executive explained:

> *What you're actually starting to see now is the brands that jumped on the bandwagon, they can't demonstrate a business benefit from it and they're now looking for the next thing, which may be mobile… I've seen sort of a dip over the last year or so where brands are actually spending less time and energy and money within social. (Jonathon Percy)*

Bughin, Byers, and Chui (Bughin et al. 2011) reported that the financial services industry has the second lowest reported use of adopting social media of the 10 industries that they surveyed. Executives were anxious about the concept of introducing a public channel of communication. Many feared the risk of consumer backlash and were concerned about damaging firm reputation if dialogue between parties worsened (Kiron et al. 2012).

4.3. Platforms for Business Use

Social media serves a distinctly different purpose for organisations when compared to personal use. Different platforms and systems are used in order to maximise presence, improve efficiency, collaboration and connecting with target markets. Each platform has a particular use whether it is marketing a new product, connecting with the consumer or simply streamlining employee communication channels. The participants gave interesting examples of platforms currently been used within their organisations.

> *So we do internal blogs within the organisation… because our organisation is quite global. It's a good way of knowing what's happening elsewhere in the world and also kind of giving your feedback of what you think or if somebody has shared a best practice, going back and just saying thank you. (Hillary Putton)*

Participants make clear note of separate internal communication channels. Mainstream platforms such as Facebook and Twitter are used for business-to-consumer interaction whereas Yammer is an example of enterprise social software (Zhang et al. 2010). Only approved email addresses may join Yammer networks, which allows organisations to authorise selected staff into private groups. This is particularly useful in a highly regulated industry such as banking where confidentiality is paramount. These platforms encourage a collaborative environment compared to traditional methods such as e-mail.

While the use of social platforms fosters a collaborative environment, organisations take great care in establishing strict protocols prior to their introduction. Jonathon Percy gives an account of the process he endured through the planning and inception phase when introducing social media into TASMAN INC.

> *We started putting governance documentation in place. We very carefully guarded that for the first six months or so and then over time we started working with the contact centre team around service related issues. And again just continually adding governance and training and our corporate communications team came on board shortly after that, so again having a representative within that side of business to give us guidance around reputational risk management. (Jonathon Percy).*

The introduction of new technologies can pose great hazards to an organisation (Kiron et al. 2012). Ensuring adequate security protocols are established is crucial in order to ward off malware and unauthorised access. Failing to ensure this poses reputational risks through the loss of intellectual property or the disclosure of confidential business dealings. Given these concerns, it may seem tempting for firms to avoid such technologies altogether; however failing to embrace social media has other ramifications.

4.4. Motivations for Social Media in Business Environment

This section seeks to address the motivations and goals amongst these participants and how they perceive these social media platforms aid business functions. Jonathon Percy explains the four key pillars of TASMAN INC's Social media strategy.

> *One is around brand engagements, which Facebook is better suited for. There's a customer service element to it as well, which again we use both Facebook and Twitter and we're increasingly bringing video into it as well, those sort of 'how to' videos. Then there's sort of a lead generation sales pillar and again all three of those would have pivotal roles to play and then the fourth pillar is the internal, social communication. (Jonathon Percy)*

Not only are traditional methods restricted to a local population, but also the static nature of these advertisements cannot compete with the realm of possibilities available on the Internet. Alexia Vincent recounts BANK AOTEOROA's focus on social media as a key marketing channel.

> *Managers or the CFO's, they are definitely focussed on social media now for their marketing. They don't have to use TV, they can just post on Facebook and it goes viral, so you're covering millions of people and you're external to New Zealand of course so that is pushing you out in the world, it's gaining worldwide reputation. The older way was a lot more expensive, like in departments and TV ads and radio, now social media is probably a cheaper way, I would expect, a cheaper way of promoting something. (Alexia Vincent)*

The need to provide quality customer service in the banking industry has never been higher. Organisations face much greater repercussions in the wake of consumer backlash given the virality and rapid dissemination of information on social platforms. Mangold & Faulds (Mangold & Faulds 2009) suggest, “companies must learn to talk with their customers, as opposed to talking at them” (p. 361). Organisations now require appropriate measures in place to best meet customer needs and ensure contingencies are in place in the event of worst-case scenarios. Many organisations have had tremendous success using Twitter channels as a primary customer service centre (Sprung 2013).

The third pillar refers to the use of social media as a sales channel. This area largely depends on the nature of the industry an organisation operates in. Facebook now provides an online shopping function whereby users who visit company pages can add items to their cart and proceed to payment all within the social platform. Such a channel is suited for businesses selling physical products rather than providing a service. Organisations must understand that different technologies are better suited to certain industries and only those which best aid their specific needs should be utilised (Bughin et al. 2011).

4.5. Growth and Power of Social Media

Having understood the primary motivations for organisational use of social media, we now move onto the growth and power of this technology. In order to gauge participants’ perspectives on the effect social media has had throughout society, they were asked to what effect they believed it impacted the Arab Spring crisis in Egypt in 2012.

> *I think so yes, I think everyone felt it in 2012 and also because it was so big, the micro blogging... Everybody kind of just went wow, okay, this is the impact of it, this is how big it is. I think until then people didn’t know how big it was and the impact it could create. (Hillary Putton)*

Once the power of a technology can be realised, organisations often exploit this and devise strategies to aid business functions (Cray 2012). Social media provides a number of tangible and intangible benefits. It is often difficult for senior management holding traditional views to realise this power and is a key reason for such late adoption. It has been difficult to attribute the direct effect of advertising mechanisms on social media platforms. This often makes for a ‘hard-sell’ by middle management pushing such technologies. Ray, Elliott, Riley, and Wise (Ray et al. 2010) emphasise the need for companies to realise social media is not easily measured in dollars and cents.

4.6. The Generation Gap

There has been considerable debate in the IS research literature about the differences between digital natives and digital immigrants (Vodanovich et al. 2010; Wang et al. 2013). Much discussion around the organisational use of social media similarly examines the role different generations play. One surprising finding has been that the older generation within organisations often hold the key to social media’s success. This is due to the different methods of adoption in becoming accustomed with social platforms (Brown 2012). While the younger digital natives may have grown up with social technologies, this is predominantly for personal use. KPMG (KPMG 2011) found senior managers tended to have a higher usage of social media at work than entry-level employees. Older generations have come on board to find ways in which social media can improve their organisation. As a result, this age segment often has a more proficient skillset in a business context. As one executive commented:

> *They (Younger Generation) haven’t been in the business world long enough to understand how tough it is to get the sales. It’s harder to grow your business nowadays because before it used to be a campaign, it seemed to be there was less people in the businesses too so your profit’s slimmer but they have to find a more efficient and cheaper and faster way to advertise or get their products through because everyone’s selling a product, whatever it is, or a service. (Alexia Vincent)*

While there may be a generation gap with respect to the use of technology in today’s business world, one interesting point is that the age at which people attain to senior management roles has been lowered in recent years. Also, organisations are employing horizontally orientated hierarchical structures, which better incorporates lower-management input (Price et al. 2012).

4.7. Risks and Governance of Social Media for Organisational Use

This final section focuses on the risks and governance of social media. A key issue surrounding social media concerns the heightened level of individual social responsibility. Social platforms have led to greater transparency not just in terms of organisational actions, but also employees' personal lives. One executive said this was a way of policing ourselves, as there is a deepened unease of self-image.

> *There's too much pressure now to be socially responsible, what you're putting on there, what are you wearing, who are you with, all of that. I think in a way it's kind of you're policing yourself, which is sometimes a good thing and a bad thing because that kind of makes you go, okay maybe I shouldn't do that, maybe that shouldn't go on Facebook. (Hillary Putton)*

The potential for organisations to slip up in conversation on a public domain is a significant threat to a brand's reputation. Traditional media broadcasts tended to be in the form of press releases. Legal experts meticulously examined documents prior to public disclosure. The release of information is more challenging with social media. While social media postings are also reviewed, far greater policing is required, as the frequency of communication between the organisation and customer has vastly increased. Organisations must acknowledge that some risk management element is needed, recognizing the potential for PR issues to arise, and forecasting the likelihood of these and the extent to which social media can help mitigate them (Ray et al. 2010).

> *There's the very real risk of, you know, we've had up to about 15 different people representing the bank through social; plenty of occasions for them to say the wrong thing or to deal with a customer. (Jonathon Percy)*

While there is good reason to be cautious, one of the banking executives saw this risk in a positive light.

> *You have to be careful, social media connects people's ideas but also creates complaints but the more complaints you get or the more issues you get you can then determine how to fix things quicker. (Alexia Vincent)*

Through the power of social media, firms are increasingly susceptible to coming under public scrutiny in the event of a negative incident. A firm's reputation can be decimated within hours due to the speed at which content can travel online. Banks have been very exposed to this particularly with the scandals in many US and European banks. Many of those came to light only through social media channels. Mangold and Faulds (2009) argue, "Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million" (p. 359). Trying to control this is unrealistic however the magnitude of such an impact poses many risks for organizations. One executive commented:

> *As a big Australian bank in New Zealand, we normally have quite a large sway over our vendors and the bank initially tried to treat the likes of Google and Facebook and Twitter like that. There was even talk of getting them to sign contracts with us and it just doesn't work like that. So our focus is now less about trying to control them and their platforms and more about just making sure we've got contingency plans in place, business continuity programmes. (Jonathon Percy)*

Overall, our findings document many interesting insights about the attitudes of senior executives in the banking industry to social media. Our findings illustrate that there is a range of views on the subject of social media. In actuality all four participants seemed to embrace the imaginative vision of Zuckerberg and could see how social media is taking their organisations forward. They were enthusiastic and wanted their own organization to fully participate in social media. On the other hand, there were some instances in which a Luddite mentality surfaced. The more this risk looked to be unquantifiable, the more resistance to change was expressed. Perhaps the banking industry will lead the way in developing tools and metrics to reduce the risks of social media?

5 DISCUSSION AND CONCLUSIONS

ARE YOU A ZUCKERBERG OR A LUDDITE?

We started by asking the question of whether the attitude of individual banking executives to social media may have impacted its adoption within their organisations. Are banking executives more conservative than those from other industries and hence more resistant to the advent of social media? Rather than embracing the positive Zuckerberg approach in seeing all the merits it can bring to organisations, perhaps banking executives might take a Luddite view in imagining all the risks and fearing change.

We acknowledge one of the main limitations of this research project: the small sample size of interviewees. However, case study research does not use sampling logic, and the people we interviewed were senior executives from some of the largest banks in Australasia. We also acknowledge that we studied one industry only. However, we believe our findings may be relevant for other organizations. We posit that this small study may pave the way for several new larger studies which include a wider range of senior executive ranks and suggest that the findings in this study may also be reflected in future studies and analysis.

In answering our first research question, which examined senior executives' perceptions of social media, we found that while banks have been slow to adopt social technologies, they are attempting to catch up quickly. The need to keep up with competitors' initiatives and engage with customers has proven to be major drivers for this. Realising the benefits of global marketing campaigns, improved brand awareness and customer service channels, high-level management has certainly changed their tune when it comes to advocating social media in the banking industry.

The evidence would suggest that despite initial rigidity and inherent resistance to transparency, the banking industry has now begun to embrace social media. This traditionally conservative industry has found a way to incorporate social technologies into existing operations.

As for our second research question, it would appear from our participants that early resistance might have been due to fears regarding the risks of social media to the brand. However, any residual fear of 'losing control' has now been replaced instead by active social media programmes underpinned by protocols that provide contingencies in the case of negative publicity. The cost of not having a social presence is now seen as being greater than perceived risks of having one. The fear of competitors gaining ground is a more troubling issue in a highly competitive industry. It turns out that the fear of losing out to one's competitors is one of the main motivations for the banks' use of social media.

With regard to the third research question about what senior executives see as the advantages of social media in their organization, the main benefit was perceived to be becoming more transparent when responding to customers. The added benefit is that it translates into greater levels of honesty. The banks seem to have realised the need to talk with their customers rather than talking at them. They have also realised the need to adopt technologies that are specific to their organisational needs and goals. While early adopters were keen to test out a variety of platforms, the decision to specialise on niché areas that provide the greatest return has proven successful. Despite the introduction of a number of innovative social channels, banking corporations have found Facebook and Twitter continue to provide the best results when it comes to engagement and brand awareness (Bughin et al. 2011).

The fourth research question was concerned with how the executives perceived the risks associated with social media and what governance mechanisms were in place to control it. Did they embrace social media with the vision of Zuckerberg or did their caution cause a Luddite reaction and resistance? Despite the conservative responses that we anticipated our findings were more mixed. There were elements of both responses in all our interviewees. Of course, all the executives are highly intelligent and articulate people. They are open to everything but questioning and evaluative of any new developments. Their careers have already exposed them to dynamic change in the way their industry operates.

The responses we obtained indicated a cautious approach to the new platform of social media despite an overwhelming acceptance that social media is here to stay. They believed that it must be harnessed and used to facilitate many aspects of their businesses especially in its ability to link directly with customers and other stakeholders. Although the potential was realised by all participants they also wanted to understand more about the threats it poses and find methods to reduce or mitigate this. This may also reflect the dire consequences in banking if things misfire. It has consequences not only for the reputation and performance of their company but also their own reputation and career. Many of their comments alluded to concerns such as these.

Our study has discovered that such executives are aware of social media, willing to embrace new technologically mediated channels. They are, however, also reticent about the risks and dangers that they perceive and the potential to damage their businesses. Hence we conclude that the banking executives who were interviewed were neither Luddites not like Zuckerberg, but cautiously accepting of a new technology such as social media.

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