

Chapter 17

This Thing of Social Media! Indeed a Platform for Running or Developing Business in the Financial Sector

Akwesi Assensoh-Kodua



<https://orcid.org/0000-0002-1669-6044>

Durban University of Technology, South Africa

ABSTRACT

This chapter is about social media and its networking platforms and how they can run or develop a business in the financial sector. As a platform economy, this sector ranges from shadow banks such as mutual funds, leasing companies, brokers, and credit insurance companies to other money market mutual funds. Nevertheless, recent studies in this sector have only focused on the money market, thus creating a vacuum of how social media can run or develop the banking sector through this platform. The social media platform has transformed drastically from being a place for just interaction to buying and selling, forcing many businesses to register on one or two of these media to take advantage of the ever-growing market potentials they offer. However, it also comes with its challenges. This chapter highlights how to manage this medium for a successful business. The study collected data online from bank clients who ever used this platform to transact financial business.

INTRODUCTION

In the current information and knowledge society, the objective of gaining competitive advantage has prompted the need to adopt information and communication technology (ICT) such as Social Networking Services (SNSs) to improve organizational efficiency. SNSs are virtual communities for users to create public profiles, interact with friends and meet people based on shared interests for social collaborations. These platforms come in different forms and models. The first platforms facilitate access to goods or property, and self-employment or services enabled platform economy (E.g.s are; eBay and property rental websites like Airbnb). The second is platforms that organize local labor markets or goods exchanges

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and organize or create markets on trans-local and/or global scales (E.g.s include Airbnb and Uber) (Drachokoupil & Fabo, 2016). Lastly, platforms that facilitate access to low-to-medium-skilled work (such as data entry or taxi driving) and those that focus on high-skilled activities (such as interior design) also exist (De Groen et al., 2016). All these are nowadays possible through social media.

Historically, SNSs are not meant for business purposes (Assensoh-Kodua, 2019) but to start and sustain relationships with the public. However, this has changed to the extent that LinkedIn and Twitter have created fascinating business models for their clients. Thus, it is no surprise that social media is undergoing intense studies to establish its potential to run or develop a business. Technologically, ambitious change in business organizations, predominantly concerning the rise of the Internet-enabled marketplace on social media, creates a platform economy for both goods and services and social interaction.

In the current information and knowledge society, the objective of gaining a competitive advantage has prompted the need to adopt information and communication technology (ICT) such as social media to improve organizational efficiency. As a result, many businesses have instituted performance systems on internet applications, such as search engines, e-business, and social networks, to achieve their aim of running or developing a business model that performs well. The explosion of online SNS for business activities continues to surge higher, providing opportunities and perils for various businesses. SNS features have given rise to social media, Web 2.0, and, more recently, cloud-based social applications whereby consumers can ubiquitously access vendors' services for data storage (cloud storage).

The growth of social networking online in terms of membership and usage has grown significantly to present substantial business opportunities (Pebrianti, 2016). If properly managed, it could address many of the socioeconomic problems experienced in recent times. In particular, business transactions conducted over social media have offered new opportunities, which have resulted in the following:

- Observing social distance in times of pandemic, such as COVID-19;
- Changing the human perception of traditional business practices;
- Enabling corporate presence on social media;
- Improving client support;
- Placing business information at the fingertips of the clients;
- Enabling distance education;
- Reducing costs of running a business;
- Facilitating low startup costs;
- Providing the capability to do business 24 hours a day, 7 days a week in a world 'without borders.'

Internet-based businesses, of which the most prevalent are those using social network services (SNSs), have been proven empirically to overtake socialization on social media soon by Assensoh-Kodua (2019). However, there are gaps identified by the above author and other researchers (Kayes & Iamnitchi, 2017) that confronts this new business model, such as usability, continuous usage, and loyalty, by SNS participants. Therefore, studies such as the current one are meant to fill these gaps of usage and loyalty by showing how social media can create a continuous intention for financial transactions and should be welcomed because ongoing intention can lead to the actual usage (Assensoh-Kodua (2019).

Social media are a significant source for business (Pebrianti, 2016, Assensoh-Kodua, 2019) that will go more than socialization in the near future. Suffice this prediction by noting that, per Pebrianti's (2016) research findings, SNS websites are ranked the most popularly visited sites by the average internet user. These findings suggest that SNS have become a fundamental part of the online experience globally,

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