Chapter 85

The Interaction Between Banks and Brazilian Customers Through Facebook:
A Framework From the Perspective of Affordances

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ABSTRACT

The literature on the use of social media by banks is focused on specific processes that do not provide an integrated view of bank processes through social networks (SN). This article proposes FACEBAN – a prescriptive framework for the use of Facebook by banks. The research is structured in two phases of data collection, with two pieces of document research totaling 3,716 analyzed comments on bank Facebook pages and 15 semi-structured interviews with Brazilian bank customers and managers. The result was the following: FACEBAN was created considering three sets of concepts and recommendations: 1) action strategy on Facebook, 2) bank processes, and 3) affordances. The FACEBAN integrated bank processes and affordances with an action strategy on social networks, providing recommendations for bank managers. This research expands the existing literature on affordances in the context of Brazilian bank processes, adding a strategic view of action on social networks.

INTRODUCTION

Social networks (SN) constitute a potential for business growth and have emerged as a new means of expression and interaction that allows individuals and companies (including banks) to initiate and maintain relationships (Chen & Beaudoin, 2016; Parusheva, 2019). Managers should encourage employees to use SN as they all contribute to improved company performance (Nunez-Zabaleta, 2019). SN permit users to connect with networks of individuals through online platforms such as Facebook (Chung et al., 2016). More than 89% of bank customers in the world claim to have a social network account (Suvarna & Banerjee, 2014), making it necessary for the financial industry to intensify integration of social media with bank services.

The literature shows research done in order to understand how social media can be used by banks to support several processes, such as: 1. Improving corporate reputation (Rokka, Karlsson, &Tienari, 2014); 2. As a tool for relationship marketing (Mitic & Kapoulas, 2012; Murray, Worthington, & Clark, 2014); 3. For brand management (Farshid, Plangger, &Nel, 2011); 4. Providing current views of the market (Chikandiwa, Contogiannis & Jembere, 2013); and 5. Adding value and generating business with small companies (Durkin, McGowan & Murray, 2014). However, there are no studies providing help in how to organize the marketing process on SN (Murray et al., 2014). The literature on the use of social media for banks is focused on specific aspects or processes in relation to bank activities, especially the marketing process, with a limited number of studies considering an integrated view of these processes. Only Parusheva (2017) and Bohlin, Shaikh and Hanafizadeh (2018) present an integrated view of bank processes, considering the interaction of banks with their customers. However, their research does not offer practical recommendations for orienting banks in the strategic organization of the processes of interaction with customers. In addition, their research does not touch on a strategy of activity in the SN connected to bank processes which support managers.

Another problem is that to interact assertively with their public, banks need to make adequate use of the affordances available in the SN. A technological affordance is defined as mutuality of actor intentions and technology capabilities that provide the potential for a particular action (Faraj & Azad, 2012). As there is a lack of empirical knowledge as to how social media affordances influence the processes of organizations (Arazy et al., 2016; Pozzi, Pigni & Vitari, 2014; Treem & Leonardi, 2012), an affordance lens (Gibson1986) can provide new insights to explain the consequences of the use of Information Technology (IT) artifacts in organizations and the related organizational changes (Leonardo, Huysman & Steinfield, 2013; Majchrzak et al., 2013; Pozzi, Pigni & Vitari, 2014).

This being the case, using an affordance approach to investigate how SN influence the process of interaction of banks with their customers seems opportune, considering that there is no research integrating bank processes and affordances. This scenario, allied to the wide range of affordances related to social media available in the literature, is based on the research question of this article: How do Facebook affordances influence the process of interaction of banks with their customers? Thus, the objective is to understand how Facebook affordances influence the process of interaction of banks with Brazilian customers. The result of this understanding is a prescriptive framework to guide the banks in the strategic organization of the processes of interaction with Brazilian customers via Facebook.

Facebook has 2.23 billion active users and is considered the largest social network in the world (STATISTA, 2019). In addition, the first author of this article carried out an analysis of the presence of the five largest banks operating in Brazil on the main social networks in July 2019. On Facebook alone, 24.69 million people were following the pages of the five largest banks operating in Brazil, which

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