

Levi Habila

**EXPLORATORY STUDY ON THE ADOPTION OF SOCIAL MEDIA INTO SERVICE INNOVATION: A CASE STUDY OF A NIGERIAN RETAIL BANK**



UNIVERSITY OF JYVÄSKYLÄ  
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## ABSTRACT

Habila, Levi

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Social media has seen an exponential increase in use with over 2 billion active accounts. Thus, retail banks use the platform to market their products and services, create stronger brands, and develop innovative services. This study looks at how banks, specifically Guaranty Trust Bank in Nigeria, have been successful in implementing social media technology for banking. Although studies on social media have grown, research on social media banking has been minimal.

Guaranty Trust Bank has over time, maintain its position as the leading bank in innovative technological solutions, geared towards increasing and obtaining profitability in the Nigerian banking sector. The significance of social media technologies in changing the way retail banks operate provides an untapped business opportunities for financial institution.

Understanding the elements influencing banks' decisions to adopt social media for banking is essential. Due to these social media technologies partly being new, these factors have received very little research. Through the application of the TOE framework, this research work endeavours to recognise what factors associated with social media usage are critical in facilitating retail banks' social media service innovation and value addition. This master's thesis is an exploratory study that employed qualitative methods and semi-structured interview data was collected from two sets of respondents-bank managers and bank customers to meet the research objectives. The data was analyzed and interpreted using qualitative thematic analysis. From the semi-structured interviews a TOE model was developed. The research community, banking industry together with policy makers would find the results of this thesis important and helpful when formulating strategies concerning adoption of social media. The model suggested in this thesis has the ability to enhance stakeholders' perception of why some banks decided to adopt social media technologies for banking, while other industry players facing related market environments have not.

Keywords: social media, service innovation, retail banking, TOE, TOE Framework, Bank, Banking Industry, Banking Sector, adoption

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# 1 INTRODUCTION

Bill Gates of Microsoft Corporation once projected that "in the 21st century, there will be more banking but no banks," insinuating that digital and social media will be significant improvements for the banking and financial sector.

Over the last decade (since 2005), the field of information systems has experienced extensive transformation. Among those progressions is the emergence of new technologies that can permit online social interaction, which has been acknowledged by a large number of users around the globe. In addition, the continuous improvements in information and communication technologies have brought about the combination of new functionalities to enable content creation and content sharing to form much more advanced online connections than these technologies were at first proposed for.

Social media adoption has been embraced by almost every industry and sector as a cost-effective medium for communication with customers, interaction and maintaining customer relationships, engage customers, and achieve their long-term customer service goals (Treem & Leonardi, 2012). However, the financial sector has been slow to leverage the best potential of social media in building constructive customer relationships (Boulianne, 2015) and maintaining service innovation (Ergor & Ergin, 2016). Furthermore the nature of social media adoption by retail banks, especially in emergent nations (such as Nigeria), is uncertain. Hence, such interactive channels are still in their nascent stage (Angelini et al., 2017).

Nnamdi & Chibuikem (2014) pointed out that the financial services market in Nigeria is intensely competitive as competition is not only between banks but also with innovative start-up firms that adopt social media to deliver innovative services. Moreover, the banking sector is nearly facing saturation with increasing competition. Hence, there is a pressing need for retail banks to differentiate themselves through service innovation and maintain their competitive position.

As suggested by (Dandago & Rufai, 2014), competitive advantage can be maintained by banking firms by providing innovative services to customers that create superior value and differentiation. Therefore, opportunities abound for retail banks to integrate technologies such as social media through their

different platforms for social computing to foster innovation in their service delivery process, retain existing customers, attract potential ones, and enhance their competitive position (Alabar & Agema, 2014). In Nigeria, with its fast-growing population with high users of social media, the banking sector are provided with an innovative platform to preserve and appeal to their customers.

Since the emergence of social media, its adoption by businesses has concentrated mostly on brand awareness and customer relationship management (CRM), which has greatly challenged the conventional standard of CRM due to power shifting from the firm to the customer. Social media platforms afford customers the ability to gather voluminous data about diverse competitive products and services, coupled with the opportunity to express their opinions to large online audiences (Michaelidou et al., 2011). Previous research argues that social media has been a channel for collaboration and interaction with customers, fostering relationships (Ryan, 2015). Furthermore, brand marketing by businesses enables customer attraction, retention, and engagement through diverse social media platforms - Twitter, Facebook, and Instagram. The digitization of a lot of bank customers has resulted in the common adoption of social media

Be that as it may, adoption of social media is slow in the financial sector compared to other service industries (Vater et al., 2012). Of the 90 million consumers using the internet in Nigeria, 85 million are active Internet users, out of which 16 million are active on distinctive social media platforms. At the same time, 14 million people have an active mobile social account. The population growth rate and internet usage stood at just 2.8% in 2016 and 16%, respectively (Toolz Academy, 2017). A place to begin this digitalization is to fully incorporate social media resources into improving banking services.

This study intends to establish the interpretative adoption of social media technology in the financial institution sector because there is rarity of literature and inadequate proof that describes social media in the context of commercial banks, especially in Sub-Saharan Africa.

In identifying that aperture in the literature, this research work will endeavor and seek to conceptualize the use and application of social media in financial institutions, looking at the Nigerian retail bank-Guaranty Trust Bank as a case study. Therefore, the research seeks to explore the adoption of social media as a service innovation by Nigerian banks in enhancing value and competitive advantage.

## **1.1 Research questions, aims and objectives**

The main idea of this study is the exploration of how and in what ways social media has been adopted in facilitating service innovations in Nigerian retail banks and leveraging this for enhanced business value. In other words, this thesis seeks to understand how retail banks adopt social media in facilitating

innovation and creating business value. In furtherance of this goal, this thesis will be guided by the research question below:

1. What factors associated with social media usage are critical in facilitating retail bank's social media service innovation and value addition

This study will try to answer this research question by examining extant literature to get thorough understanding of the concepts of social media, service innovation and carry out an empirical study to test the validity of the thesis.



## 2 LITERATURE REVIEW

### 2.1 Defining Social Media and Relationship with Financial Organization (Concept of Social Media)

Despite having been widely used in academic literature and by experts since its inception, the term "Social Media" has yet to be widely defined. (Kane et al., 2014). Kaplan and Haenlein (2010) define social media as "*A group of Internet-based applications that builds on the ideological and technological foundations of Web 2.0, and that allows the creation and exchange of User Generated Content.*" Kietzmann et al. (2011), from a technical perspective, describe social media as web-based or mobile technologies essential for operating collaborative platforms, it offers the capability to develop, change and distribute user-generated content for its users.

Social media expedite economical content-creation, collaboration, and interoperability by real-time users Okazaki and Taylor (2013). However, Scott (2011) argues that since social media is such a significant conception today, it has been misinterpreted. He thus explains that social media provides people with the opportunity of idea-sharing to content creation and online relationship.

Fundamentally social media enables human interactions and providing a means of connecting with other people. Initially, the definition was mainly on people and how they interacted. However, after 2010, the definitions have replaced the term "people" with "users", placing emphasis on generating and sharing content.

User-generated content was not considered as important in early definitions of social media but has since been incorporated into recent definitions.

According to Kane et al., (2014) Facebook, Twitter, YouTube, and LinkedIn are the prevalent social media technologies.

Since the emergence of social media over three decades ago, it has become an indispensable part of our everyday lives, with over 2 billion current users across the globe (Tripopsakul, 2018). According to Smith et al., (2012),

businesses and individuals are provided with means of communication on different social media platforms.

The most frequently utilized platforms are Twitter and Facebook (Durkin et al., 2014) and are of particular importance in this research. Furthermore, retail banks in Nigeria have consistently adopted these platforms of social media for their businesses - the motivation of this study.

Scholars in various fields have studied the essence, implication, functions, social media effect, and relevance to business and education. According to Price et al. (2015), social media have become extremely popular among consumers for communication, convenience of usage, keeping up with friends and family.

Social media has become an interesting subject of research in diverse fields, the banking sector not being excluded (Dănăiață et al., 2014). Although social media components have been reviewed broadly in the research community, they can be ascribed to an extensive scope of technologies and applications.

Tuten and Solomon (2018) classify types of social media into four; social community (social network sites, forums, and wiki's), Social publishing (blogs, media sharing sites, and news sites), social entertainment (games site, events, performances) and social commerce (SM usage in e-commerce).

By providing two-way communication, social media, in a broader sense, enables businesses and organizations to develop long-term relationships with their customers, thereby increasing consumer interaction and engagement. (Farshid et al., 2011 Greenberg, 2010).

According to Laroche et al., 2012, the two-way interactivity is one of the most substantial feature of social media. Social media provides financial institutions with a better way to listen and understand their customers than other alternative communication channels.

Additionally the benefits of social media enables organisations in the creation of conversations leading to brand building and influence consumers perceptions about the reliability and trustworthiness of the organization (Farshid et al., 2011). Being a collaborative service innovation, a difference exist between social media and self-service technology. Social media does not replace the individual delivery alternative but offers innovative ways in delivering, advantages to customers (Berry et al., 2010). Advantages includes a simplified and easy-to-use interface for users to communicate with the organisation (Ostrom et al., 2010). According to Durkin et al., (2014) the most used social media platforms are Twitter and Facebook, interestingly the Nigerian banks reliably adopt these social media platforms.

Trainor et al., 2014, opined that the expectation of today's customers is to interact and transact businesses with organisations through social media platforms such as they do with their contemporaries. Different social media platforms offer distinctive communication methods between organisations and users (Smith et al., 2012).

## 2.2 Concept of Social Media Banking

With social media becoming the medium for interaction with customers, the continual investigation of how customers develop value in helping organisations to identify opportunities to improve the delivery of new products/services (Lariviere et al., 2013).

As stated by the PWC Report of 2016, many financial organisations are hoping to improve in the social medium circle; never again is it about using social media absolutely as a communication and advertising instrument. It also gives the platform to convey benefits uniquely and react to client requests. (PWC Report, 2016).

Tandulwadikar (2011) supposes that a vital component of the economy is the banks and recommends a more significant mandate for responsive banking from the diverse participants. A well designed social media policy can guarantee customers interaction with the bank thus assists in creating products that are innovative for better service delivery. (Tandulwadikar, 2011). Accordingly social media bids new methods of offering novel benefits to existing customers.

As indicated by Kaplan and Haenlein (2010), the most popular and well-established social media component is Facebook, Twitter, Instagram, and Google+, they all have substantial influence on the financial sector specifically on banks.

In line with the concept of social networking sites, Bohlin et al., (2018,p.3) define social network banking *"as the provision of banking and financial services offered to consumers on interactive social network sites using any electronic and mobile devices such as a PC, mobile phone, smartphone, or tablet"*. Thus, the definition of social media banking is established on the utilization of social media tools for the application of social media banking models and provision of banking products and services to consumers.

According to Parusheva (2017), the connection between banks and their customers, based on social media, can be captured through four social media banking models; as a communication channel, as a channel for customer service and feedback, marketing, and sales tool and a social media transactional banking. The services offered by banks can be divided into three classifications; informational, transactional, and sales, as shown in Table 2 below.

	<b>Banking Services</b>	<b>Activities</b>
1	Transactional services	Money transfers, bill payment etc
2	Informational services(passive operation)	Account balance, Account Turnover, deposits, printing account statements, information on stocks, exchange rate, investment and interest rate etc.
3	Performing Sales	Personal loans application and mortgages, banking cards (ATM, Debit cards) and other securities.

Table 1 Classification of bank services

According to Silvia 2019, banks who afford their customers the ability to access remote banking services rely on communication applications, content sharing platforms, and blogs. Firms in the financial industry use a variety of strategies to ensure their survival due to the competitive environment.

Retail banks can take advantage of social media platforms by innovating. Having a competitive advantage through social media may enhance a bank's financial performance and enable them to increase its market share. (Roberts & Amit, 2003).

Mutero (2014) stated that the banking industry must harness social media platforms to connect with customers. Mutero asserts that Twitter, Facebook, and YouTube provide platforms with a low-cost way to spread information about products and services.

### **2.3 The Concept of Service and Innovation**

According to (Henrike & Schultz, 2014), Service innovation can be described as introducing new ideas into the organisation, way of life, timing, and individualistic placement with collective processes of services delivered to consumers.

Innovation is generally about the process, and however, when it comes to service innovation, it is about service to clients in delivering new or improved value as different from product innovation which deals with improving or creating a new manufacturing process(Witell et al., 2016).

Service innovation is an important stimulant of economic growth, and it pervades all sectors as marketplaces become ever more dynamic (Rowley et al., 2011). Globally, the service sector is growing, and it is proving to be a very important contributor to the economies of many emerging countries (Martin et al., 2016). Service innovation plays a similar role in formation of new markets and innovative business opportunities (Kindström et al., 2013).

There are different forms of service innovation. Different researchers address possible service innovation types. Traditionally, three main forms of innovation exist. The process innovation, product innovation, and organisational innovation (Flikkema et al., 2010)

However, Damanpour et al. (2009) mention four forms, which are explained below.

Process Innovation	Product Innovation	Recombinatorial Innovation	Marketing Innovation
New or significantly improved production process, distribution method or support activity	New or significantly improved capabilities, user friendliness, components or sub-systems	A new composition of services or products and services	A concept or strategy that differs significantly from existing methods, not used before

Table 2 Forms of service Innovation

"A process innovation is the adoption of a new or significantly improved production process, distribution method, for goods or services" (CIS,2008).

The development of innovation does not need to be original from the enterprise. The introduction of newly improved goods and services concerning competences, user-friendliness, and sub-systems to the market is called product innovation. The firm must receive a new improved product, but market does not necessarily needs the product to be new. Firms or other businesses can develop product innovation. (CIS 2008).

A re-combinatorial innovation is the outcome of a new composition of commercial services or products that were not found previously in the market in which the business operates (Flikkema et al., 2010). In recombination innovation, the firms combine existing ideas together to form a new one.

A marketing innovation refers to the development and execution of a latest promotion strategy or concept that considerably deviates from the existing marketing procedures of an enterprise. In this case, it must be that which has not been used before. A marketing innovation will necessitate important modifications in product design and promotion. In addition, this also excludes regular or seasonal.(CIS 2008).

## 2.4 Service Innovations in Banks

In the society today, service innovation is progressively becoming a vital part, which is driven by information and communication technology such technological advancement includes; advanced broadband service, mobile devices (tablets and phones), e-commerce and electronic payments channels (Ryu & Lee, 2018).

It is not uncommon to find banks innovatively deploy businesses processes and services supported by information technologies. In recent times, banks customers have been able to enjoy non-banking services provided by their banks, including financial advice or investment advice. Since the 1990s, according to (Dhir et al., 2014), banks have innovatively transformed the way banking is conducted, focusing on creating value, attracting and retaining clients within a thoroughly competitive industry.

By leveraging technology as a tool for innovation, major strides have been made in the development of new products, markets, and delivery channels for banking..

Numerous new entrants have entered the banking sector that are not restricted by traditional banking activities, as traditional banking operations are evolving. The development of mobile banking and online banking have drawn new entrants into the financial sector, such as those providing electronic payment service, clearing, digital currencies, and a host of others (Chiu et al., 2017).

New services are emerging, so also is a new competition. Clients can now carry out banking transactions anywhere in the world and at any time without physically appearance in the banking hall (Vyas & Raitani, 2014). In contrast, it is also important to point out that some players leverage technology to outmuscle competitors and consolidate market leadership positions with the mere possession of the latest technology.

#### **2.4.1 Factors driving service innovation in retail banking sector**

The nature of services, the pace of change have been dramatic in recent times, so much that it will no longer be enough to master traditional aspects of service delivery.

Customer expectation , with the increase in mobile technologies, big data analytics and IOTs are all elements driving service innovation (Susha et al., 2015). Buoyed by an ever-changing lifestyle, more and more customers demand greater involvement, customisation, mobility, and personalisation from services with instant results. As customers find innovation in one industry, the lines between industry and rival firms are blurred, and they expect to find the same ideas elsewhere (Porter, 2008).

Furthermore, The increasing advancement in mobile technology spurs the need for innovation; reportedly, 4 billion people will own mobile devices by 2021.

Smartphone penetration rates are increasing as well. It is anticipated that smartphone usage would rise to around 3.8 billion from 2.1 billion in 2016 in 2021. (Statista, 2020). Also, smart and mobile devices are growing in importance even as it goes along cards as the primary medium of payment. Smartphone-enabled biometrics - fingerprints and voice recognition are becoming common in transaction authorisation allowing for more security with two-factor authorisation (PWC, 2020).

In the same vein, companies are using massive data to personalise and tailor services; for example, firms like amazon are known to use big data to customise their customer's experiences (Woetzel et al., 2018).

Analytic capabilities allow firms to draw insights from previously untapped sources and deployed them for new service possibilities. Finally, the internet of things has created the pervasive connectivity of objects which is rapidly facilitating real-time service delivery.

There are even contactless services that can be offered thanks to the ubiquitous nature of connected devices.

## 2.5 The Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) was introduced first by Davis in 1989, it is a well-established and highly cited conventional theory for adoption in the field of information systems (Awa et al., 2011; Chuttur, 2009). The theory is based on economic, utilitarian, and attitudinal premises. It reveals the influence of external variables on adoption decisions. It has been used to study various academic research relating to e-commerce adoption and mobile commerce (Yang, 2005).

Perceived ease of use and perceived usefulness (PU) are the variables most strongly related to technology acceptance, according to the model.

The TAM model is extensively used for IT adoption (Chuttur, 2009) because it has a simple structure and a limited number of constructs (Agarwal and Prasad, 1999).

Due to the extensive use of TAM, other constructs and antecedents have been incorporated into the model. For instance, According to Venkatesh et al. (2003), the intention of users to adopt innovative technology is significantly affected by other variables such as their expectation of effort, their expectation of performance, and their expectation of social impact.

## 2.6 The Technology-Organization-Environmental (TOE) framework

The TOE framework is widely used for the examining IT adoption at the organisational level. This model was developed by Tornatzky as a framework for assessing a wide range of IT innovations.

As described by Ndekwa and Katunzi, 2016, the TOE is likely the best theoretical approach we can use to explain the adoption of all technologies.

The TOE, which was founded three decades ago, has been in use in emerging nations to examine adoption and use of diverse technologies from a unique viewpoint.

For instance, it's been utilized to study the cloud computing adoption (Gangwar et al., 2015; Li, 2013), e-commerce (Rowe, 2012, Al Qirim, 2007), e-business (Chen and Wen, 2010), enterprise apps systems (Ramdani et al., 2013).

According to Abeysinghe and Alsobhi (2013), this model can be used to analyze internal and external variables that affect the adoption of technology. The TOE framework consists of three main contexts; Technology, Organisation, and environment, with each context having a set of elements that are accepted to affect the adoption of innovation in the organisation.

In comparison to other theories in the technological adoption, the TOE framework adopted for this study was due to its applicability to the purpose of the study. Earlier researches in e-business and e-commerce have employed the TOE framework on adoption of innovative technologies.

According to Jeyaraj et al. (2006), factors on the innovation technology characteristics, organizational characteristics, and environmental characteristics all influence organizational adoption of IT innovation. In addition, models are used generally to gather and test data (Parker and Castleman 2009). The literature review shows that the framework for innovation adoption and its context is not "one-size-fits-all."

The TOE framework affords flexibility and expandability according to Pudjianto and Hangjung (2009) to include additional factors and categories that provide a background to examine the motivators and constraints encountered in the adoption and implementation of technology (Zhu et al., 2006), this means from the findings of given study, it can add further topics.

Furthermore, Donaldson 2001, argues that inter-and external variables must be combined to enhance an organization's performance. Therefore, the choices of decision-makers should be made based on factors that can improve existing or introduce novel innovation, including technological, organizational, and environmental elements.

Additionally, TOE can bring a wider scope and address issues of cultural differences and type of industry by connecting the three contextual aspects (Oliveira & Martins 2010). From the arguments presented above, the TOE framework was adopted in the Nigerian context to fully understand the social media for banking in the Nigerian retail banking sector (GTBank).

Additionally, TOE can bring a wider scope and address issues of cultural differences and type of industry by connecting the three contextual aspects together (Oliveira & Martins 2010). From the arguments presented above, the TOE framework was adopted in the Nigerian context to comprehend the adoption of social media banking by the Nigerian retail banking sector (GTBank).

## 2.7 Conceptual Framework

In previous studies, factors that directly affect social media adoption have been investigated in either TAMs or TOE models. These models have been incorporated in studies in order to evaluate the influence of the contextual factors on technological services. A common method to examine technological adoption at the organisational level is by combining TAM with a contextual framework that covers the organisational and environmental antecedent factors (Hameed et al., 2012a).

For the adoption of social media into service innovation, this thesis develops a theoretical model by combining TAM model and TOE framework.

This makes it possible to bring the exploration of banking through social media by retail banks in Nigeria to an organisational level. In this research, the research model from Tripopsakul (2018) would be adopted and then submerge into the context of the Nigerian retail bank. The conceptual framework is depicted in Figure 1. as follows.



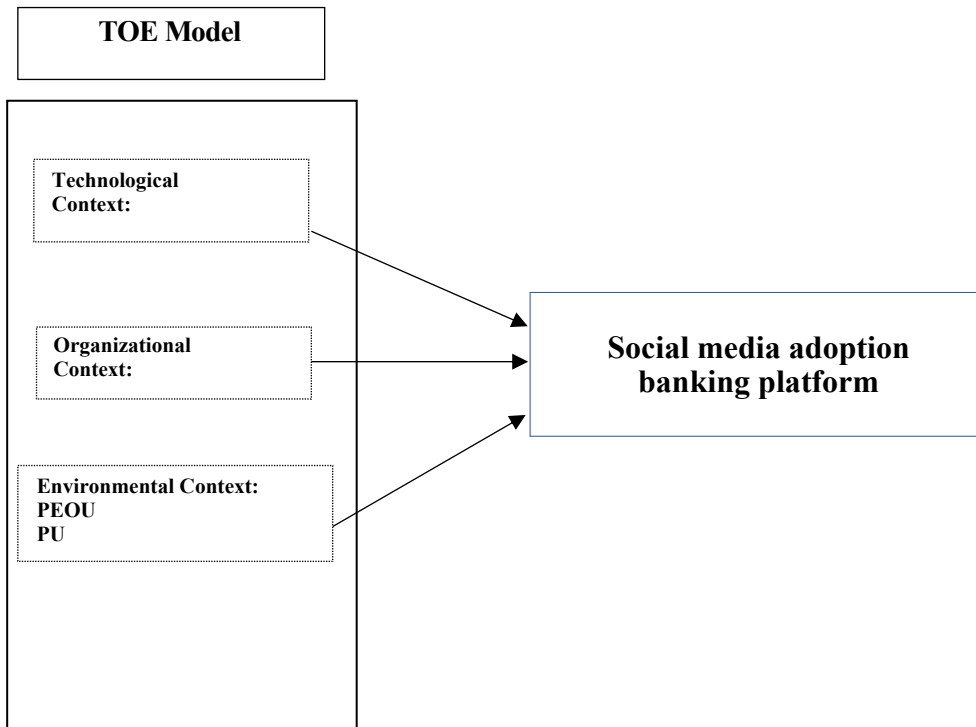


Figure 1: Conceptual Framework

Based on the TOE framework, there are three independent variables and two TAM variables. Determining whether social media will be used for banking purposes is dependent on the decision.

### 2.7.1 Technological Construct

The technological context considers the accessibilities of technologies critical to the firm both internally and externally that may be useful in improving organisational productivity and value (Lipper et al., 2006).

The importance of a variety of technological constructs, which includes;

- i. Relative advantage (RA)
- ii. Compatibility
- iii. Complexity
- iv. trialability
- v. observability

has been examined and established by several scholars. Alam et al. (2011) contend that the technological context indirectly influences adoption of social media and e-commerce through perceived ease of use (PEOU) and perceived usefulness (PU) of its adopters.

According to this thesis, perceived ease of use and perceived usefulness are crucial in the adoption of social media by bank clients and retail banks

(GTBank). The adoption of social media as a banking platform becomes much more relaxed and useful, as technology progresses,

### **2.7.2 Organisational Construct**

The term organisational context has to do with the availability of resources to support the adoption or implementation of social media. Organisational factors include organisation size and scope, top management support, IT expertise, organisational resources, innovativeness of managers, human resource, and prior technology experience. (Tornatzky & Fleischer, 1990, Fityan & Huseynov, 2018).

From works of literature consulted on adoption, the size and scope are significant organisational factors for the adoption of technology (Rogers 1983 and Tornatzky & Fleischer, 1990); scholars like Dewan and Hitt confirmed that the bigger the size of the enterprise, the more requirement for IT investment (Dewan 1998 and Hitt 1999).

Accordingly Pan and Jang, 2008, the firms' size has been perceived as a noble forecaster of the adoption of information systems.

Consequently, several studies have recommended a durable connection amid scope and the probability adopting new technology by businesses. Top management involvement in technological initiatives or projects is essential to guarantee the necessary resources needed for adoption. Also their support indicates to internal stakeholders how significant this new innovative technologies are. Al-Qirim (2004).

The receptiveness to new concepts and innovative products offering is a vital element upsetting the implementation of innovative technologies by firms. This aspect reveals the level of receptivity displayed by the organisation to new innovative information technology ideas

For example, Thong and Yap, in their study in 1995, have suggested that the likelihood for the adoption of IT is high when the CEO is innovative coupled with a optimistic approach towards information technology adoption, hence the expectation that the CEO's innovativeness is vital in the deciding process for the adoption of social media.

### **2.7.3 Environmental Context**

According to Lippert & Govindarajulu (2006), the environmental context signifies the background the enterprise handles its commercial activities and which is influenced by the sector. The ecosystem the business or firm operates is a driving factor in encouraging or inhibiting the business to adopt technological innovation (Rogers 2003).

The environmental context consists of industry competitors, customers pressure, and government legislation and regulation (Oliveira & Martins 2014; Ghobakhloo et al. 2011; Scupola 2009). These concerns are explained in this section. The environmental elements highlighted in this research are commonly

associated with competitor's readiness, governmental function, and customers pressure.

According Haller and Siedschlag (2011) corporations are influenced more to embrace innovative technologies as a reaction to tough competition in their market ecosystem. This innovative technologies empowers them to improve their productivity and their survival rate in the business. In the opinion of many authors, competitive pressure from industry partners and customers can significantly influence the adoption of technological innovation (Ayyagari et al. 2012, Sohail 2012).

Many organizations are exposed to international competition nowadays which may lead to increased competitive advantage. Benitez-Amado 2011, Ifinedo 2011 argue that competitive pressure has a deep effect on the utilization of various sorts of IT solutions by firms and businesses in the financial sector.

Arias-Aranda and Benitez-Amado (2011) argue that Technology adoption by non-adopters is accelerated by increased numbers of technology adopters, indicating the significant role this factor plays in adoption decisions.

As part of the knowledge-based economy, financial companies and banks should look to the implementation of innovative technologies, such as the emerging internet-based technology (Al-Qirim, 2004). Furthermore, it is reasonable to expect that competition from industry partners will be one of the leading environmental factors encouraging businesses to adopt social media technologies.

In technologies adoption, all jurisdictions require one form of regulatory adjustment. Regulatory support can either prompt positive development of technological infrastructure and information on the other hand little support affects technological adoption (Ghobakhloo et al. 2012). It was also revealed that there was still no universally accepted institutional framework for technological adoption.

Oorganisations have a higher likelihood of adoption of new innovative technologies as long as the environmental context is promising (Andzulis et al., 2012). Another vital environmental factor that impacts IT adoption is customer pressure. As supported by studies from Rahayu and Day, 2015; Benitez-Amado, 2011; the prevailing and growing base of customers who use social media is enough to pressurising banks in taking a step forward in adopting these technologies.

Customers' pressure play a major role in how new technologies are adopted. Several studies suggest that customers exert pressure on organizations to adopt new technology (Rahayu and Day, 2015). In many other studies, this environmental factor has been linked to the decision-making process of financial companies adopting new technology (Durkin et al., 2013, Mehrtens et al 2001).

As a result of the widespread usage of social media, the numbers would keep increasing and not reducing. The customers being stakeholders can influence how a firm understands the need for innovation, its capacity to secure the resources for pursuing innovation, and its competency in the deployment of such technological innovation. The TAM model is used to investigate the adop-

tion of technology by individuals. Abdullah et al. 2013, argues that TAM can serve as the base for examining technological adoption in organisations.

According to Chuttur (2009), the TAM emphasises two constructs as key elements of user acceptance: Perceived ease of use (PEOU) and Perceived Usefulness (PU).

Perceived usefulness as "*the degree to which a person believes that using a particular system would enhance his or her job performance*" (Davis, 1989, p. 320), and Perceived Ease of Use is "*the degree to which a person believes that using a particular system would be free of effort*" (Davis, 1989, p. 320).

## 3 RESEARCH METHODOLOGY

### 3.1 The Qualitative Case Study Approach

This study is an exploratory case study that is primarily targeted at exploring how and in what ways social media has been adopted in facilitating service innovations in Nigerian retails banks and leveraging this for enhanced business value.

This study is an exploratory case study that is primarily targeted at exploring how and in what ways social media has been adopted in facilitating service innovations in Nigerian retails banks and leveraging this for enhanced business value.

This study is conducted using a qualitative research process. Myers (1997) notes that the qualitative research process is a method of inquiry that uses qualitative data like interviews, documents, and participants observation for understanding and explain social phenomena. Qualitative research is performed when researchers want to ascertain the mindset of their research subjects, and by so doing access novel ways of perceiving the world. (Myers, 1997).

Qualitative methods are also suitable for theory building, the explanation of the relationship, writing detailed descriptions, and portraying collections of norms, such as standards, models, and frameworks (Wohlin & Aurum, 2915). Information system qualitative research endeavours to analytically study a range of experiences related to information systems by employing qualitative data from sources which may include, interviews, observations and material from archives (Conboy, Fitzgerald & Mathiassen, 2012).

This is an exploratory study on the adoption of social media for banking . Adopters in the study include both customers and managers of Guaranty Trust Bank (GTBank) from three branches in Nigeria.

A qualitative analysis was conducted to answer the research question which is; *What factors associated with social media usage are critical in facilitating retail bank's social media service innovation and value addition.* Qualitative interviews were conducted with bank customers and banking managers to collect data.. An interview is a social interaction between a researcher and a respond-

ent that usually consists of a question and answer exchange to collect data for a research study.

They are also the most frequently and most essential data collection tools in qualitative research (Myers & Newman, 2007). In addition to structured interviews, one can also conduct unstructured and semi-structured interviews, along with group interviews. This study used a partially scripted semi-structured interview, and questions were prepared or improvised before and during the interview, to gain a deeper view.

## 3.2 The Case: GTBank and its Environment

### 3.2.1 *Diffusion of Social Media in Nigeria*

Nigerians population is over 180 million as of January 2020, about 85.49 million of the population are active internet according to the Internet World Stats. Nigeria has the highest number of Internet users in Africa, with an estimated 73% and an internet growth of 101,484% between 2000-2020. The total number of active Facebook users is pegged at 31 million as of December 2020. 75% of the users are under the age of 35 and they are active users of the follow-social media ( Facebook, Twitter, YouTube, LinkedIn).

These platforms are majorly used by Nigerians for communication with friends, families, contemporaries, and society. Live chat, updating of status with pictures, and video sharing are some of the foremost activities by Nigerians that spend an average of 30 minutes every day online on different social networks.

As Nigeria continues to grow exponentially with a digitally adapting populace, opportunities abound for the provision of brand-consumer interactions across all business verticals. To place this within the appropriate context, the total number of internet users stood at 100.5 million people in 2018 and that of unique mobile phone users stands at 105 million people out of a total country population of nearly 200 million people.

According to Frank and Oluwafemi (2012), a major challenge in retail banks in Nigeria is the poor infrastructure. In recent years, a lot has been said about the ability of West Africans to innovate – predominantly in banking. Few banks have adopted social media, of particular interest is Nigeria’s GTBank, who has a great presence and most 'liked' brands on social media platforms. (KPMG 2014).

Eleboda and Majekodunmi (2015) argue that there has been a momentous upsurge in the adoption of social media by financial service providers in Nigeria, predominantly the banks.

Social media platforms are not implemented only for marketing products and services, banks have developed to be so innovative that they now allow customers to open an account through these social media platforms. Guaranty Trust Bank Plc (GTBank) has shown significant innovativeness in the adoption of social media.

The literature review started by searching the search engines (Google Scholar, aisnet.org, etc.) with the keywords "Social media," "service innovation," and "retail banking" for papers or articles written on these topics. An initial search of the internet yielded a large number of documents, so a cursory reading of the titles and abstracts of a few of these documents was conducted to identify papers relevant to the subject area and the topic area of information systems.

From this process, a few pertinent papers emerged which led to the gathering of others (based upon the references in these papers). Next, the papers were reviewed. Based on the literature reviewed, a theoretical structure is developed. Afterward, to test the validity of the developed theoretical framework, a field study was conducted.

### 3.2.2 *Guaranty Trust Bank Background*

This section provides in-depth coverage of the case study in consideration – Guaranty Trust Bank of Nigeria. It includes the background of the bank, the banks' position and performance in the industry, its goals and strategies, and its competition. Furthermore, an effort will be made to locate the bank within a global banking context.

An analysis of the selected bank was also carried out. Relevant information was obtained with the aid of company reports, central bank reports, and other company documents.

This study adopted Guaranty Trust Bank of Nigeria as a case study because the bank is forward-looking and has at its core, a culture of innovation using technological advances for competitive advantage. In addition, the bank is an early adopter of technology within the Nigerian banking system.

Guaranty Trust Bank is an international financial establishment in Nigeria which is its home nation and was founded in 1988, licensed in 1990 but started operation in 1991. It also became a publicly listed company in 1996.

It has since expanded and owning subsidiaries and presence in several African countries and the United Kingdom. It was listed in the London Stock Exchange and the Deutsche Borse raising \$750 Million in the LSE as the first Sub-Saharan African bank to be listed in 2017.

GTBank was the pioneer for innovative banking technologies such as, mobile banking in Nigeria and it's a leading player in financial service innovation in Nigeria. GTB currently employs over ten thousand employees.

GTBank services include; Online or Internet Banking, Retail Banking, Investment Banking, Corporate Banking, and Asset Management services. The operation style and service delivery models of the bank are built on what they called the Orange rules.

The bank has a fierce competition from 26 other licensed commercial banks and non-bank players who deploy technology for financial service delivery such as those categorised in the table below:

S/N	Payment Service Providers	Number of Operators
1	Mobile Money Operators	23
2	Card Scheme	4
3	Super-Agent	1
4	Payment Solution Service Provider	9
5	Switches	6
6	Third Party Processors	3
7	Payment Terminal Service Providers	18

Table 3 Competitors who deploy technology for financial services

### 3.2.3 Nigerian Banking Industry Landscape

It is largely accepted that the financial system plays a catalytic function in the development of economic development. According to Onwe 2013, the financial system of any state is a function of the scope of its economy. The provision of financial service in the domain of the Nigerian financial industry is made of various institutions, markets, and operations. These institutions can be mostly classified into money and capital markets.

The Central Bank of Nigeria (CBN) is the country's main financial authority and supervises all operations of financial institutions and banks in Nigeria. In addition to providing guidelines for regulations, it safeguards the economy and ensures that payments are made in a secure manner.

(Sadiq et al., 2018) noted that since 1892 the banking industry in Nigeria has evolved through different stages ranging from changeovers, buyouts, and takeovers.

A vibrant financial sector makes Nigeria the largest economy in the continent (IMF, 2018). Nigeria now has 27 licensed banks from 26 in 2016 (CBN 2018). 21 commercial banks, 5 merchant banks, and one non-interest bank make up the monetary system.

In 2017, electronic payments was seen to rise by 60% representing a value of 99.2 billion naira compared to the value in 2016 of 71 billion naira. This rise was as a result in the upsurge of customer awareness, improved trust and confidence in the banking systems and e-payments channels.

The Nigeria financial services and banking system is led by dominant 5 banks- First Bank of Nigeria Limited (FBN), Zenith Bank Plc (ZBN), United Bank for Africa Plc (UBA), Access Bank Plc, and Guaranty Trust Bank (GTB) out of a total of 29 banks. (IMF 2018).

The Nigerian Financial Industry has undergone revolutions in the last decade. These changes have led to stiff and fierce competition in gaining a position of authority in the market. This advantage is attributed to innovation, a process of continually introducing new technology.

To stay relevant in the banking industry, cost reduction strategies, acquisitions, mergers, alliances, and outsourcing, strengthened capital buffers, bank-



ing sector resilience through a proper assessment of asset quality, and phasing out regulatory forbearance are some of the challenges that the banking sector (IMF 2018).

The Nigerian financial system has undergone significant reforms, the banking system is growing rapidly, and it is becoming increasingly integrated into the regional and global financial systems. Some of these reforms are the end of universal banking, the full adoption of IFRS, the adoption of new banking technology, and bank licenses that are differentiated by activity profile. (IMF, 2018).

### 3.3 Data Collection

Participants in the study included the customers and bank managers of the Guaranty Trust Bank. The sample frame for the study would be customers of Guaranty Trust Bank who have been bank customers and utilizing the services of the bank for a minimum of one year. 10 customers and 3 bank managers would be selected. Selective sampling was employed for the selection of the interviewees.

The sampling process involves identifying and selecting individuals or groups that are particularly familiar with the phenomenon of interest (Cresswell and Plano Clark, 2011). The main goal of selective sampling is that the research question is best answered by focusing on certain characteristics of the population of interest.

The most suitable method for this research was the selective sampling method, which enables the researcher to use his knowledge of the research problem to select participants. Selective sampling is also known as purposeful sampling or judgmental sampling.

In this study Interviews were used for data collecting. The interview consisted of general questions made up of age, education level, and gender. This provides data concerning the interviewed participants in the study which is needed to assess if participants are a representative sample for the generalization of the target population.

The interviews were semi-structured, all participants were asked a similar set of questions which combined a few general questions. However, in some instances, based on the responses, deeper questions were asked from the respondents. The interview nature offers freedom to use the interview to explore interesting areas that arise, and if possible, address the interviewees' interests or issues (Smith, Harré & Van Langenhove 1995).

A total of 13 interviews were conducted in English (10 bank customers and 3 Managers). Participants whose age ranged from 25-45 and where mostly students and professional were asked about their willingness to partake in the study.

The interview setting was informal carried out through Whatsapp and Zoom video calls. The nature and purpose of the study was well explained to the participants, and assurance on confidentiality and privacy of their contribu-

tions were guaranteed. They also agreed to the recording of the interviews. The composition of the respondents interviewed during the data collecting is shown below (table 5 )

Participants	Respondent ID	Age	Gender	Education
Bank Customer (BC)	#BC_1	31	F	Bachelor's degree
	#BC_2	25	M	M.sc degree (student)
	#BC_3	29	M	Bachelor's degree
	#BC_4	27	M	Diploma
	#BC_5	38	M	PhD (Employed)
	#BC_6	26	F	Bachelor's (Employed)
	#BC_7	40	F	Diploma (Employed)
	#BC_8	30	M	M.sc degree (Employed)
	#BC_9	26	M	Diploma (Student)
	#BC_10	31	M	Bachelor's degree (Employed)
Bank Manger (BM)	#BM_1	43	M	M.Sc. degree (Professional)
	#BM_2	45	M	M.Sc. degree (Professional)
	#BM_3	41	F	M.Sc. degree (Professional)

Table 4 Composition of Respondents

As shown in Table 5, the respondents consisted of students and employed professionals. A total of 10 bank customers were selected after identifying that they have been customers with GTBank for over a year. Three (3) bank managers were interviewed on the bank side. All the respondents interviewed have used GTBank social media banking.

The male respondents were 9 (69%) and 4 female representing 31% as shown in Fig.2. the diagram below.

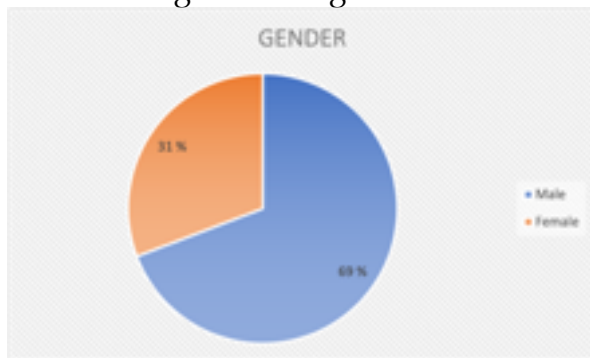


Figure 2 : Gender Distribution of Respondents

Fig.3 illustrates the respondent ages ranged from 25 to 35 having a mean of 33.23 and a Standard Deviation of 7.14

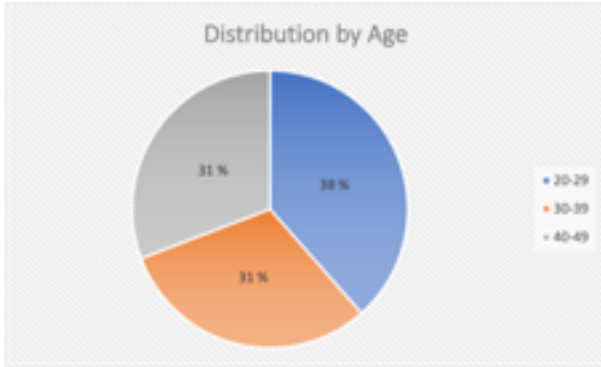


Figure 3: Age Distribution by Age

Fig.4 displays the educational levels for all respondents, Diploma (23%), Bachelor (31%), Masters (38%), and Ph.D. (8%)

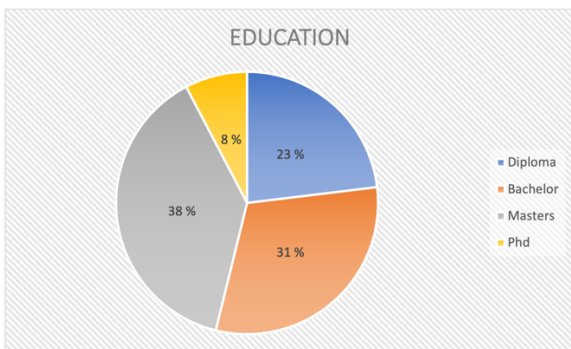


Figure 4: Education Distribution of respondent

### 3.4 Data Analysis

For the examination of the qualitative data obtained from the interview, a thematic analysis method was adopted. The purpose of this method is to uncover something of importance concerning the research question from the data collected. A better understanding of the data can be generated through it.

Braun & Clarke (2006) define this method to recognize, examine and report patterns or themes within the collected data, which is utilized to give understanding and meaning to the experiences of the interviewed people. The thematic analysis gives the possibility of analysing the dataset gathered in its entirety or an in-depth focus on a certain phenomenon. Subsequently, their framework for thematic analysis would be used as the basis for the analysis process in this study.

<b>1. Familiarising yourself with your data:</b>	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas
<b>2. Generating initial codes:</b>	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
<b>3. Searching for themes:</b>	Collating codes into potential themes, gathering all data relevant to each potential theme.
<b>4. Reviewing themes:</b>	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
<b>5. Defining and naming themes:</b>	On-going analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.
<b>6. Producing the report:</b>	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Table 5 Braun and Clarke Framework for Thematic Analysis Source: Braun and Clarke (2006)

According to Belk et al (2013) In thematic data analysis, the generation of code is a significant step. Coding has been defined by Cresswell (2007) as "reducing data into meaningful segments and assigning names for the segments.". this involves the separation of sections whose meaning does not change despite being removed from the circumstance. After coding, the next step is to sort various codes in potential themes, which would eventually provide themes useful in answering the research questions of the study (Graneheim & Lundman, 2004).

As part of this thesis, we aim to explore social media adoption through service innovation by Nigerian Banks in enhancing value and competitive advantage, analysing the data carefully was imperative for ensuring the accuracy of interpretation and avoiding researcher bias.

In the initial phase, all data from the interviews were transcribed into a word processor and recorded; in the second phase, the unit for analysis was defined. The focus was on concepts and topics, perceived usefulness, perceived ease of use and three TOE constructs included in the interview questions.

The initial coding schemes were derived from the framework (figure 1) introduced in the preceding chapter. Coding schemes can be generated inductively or deductively. Categories must be generated inductively from the data of studies where there are no previous theories, while for studies based on a preliminary model or previous theory, a list of initial coding categories can be generated from the theory or model. Consequently, coding the samples of the

data gathered to ensure that categories derived were consistent and ensuring that the coding rules were clear and easy to understand.

Lastly after coding the entire data and inherent consistency in the scheme were assessed, this is because human factors such as errors and fatigue can occur during the coding process. There were very few clear-cut ideas and themes gleaned from the data. As some of the ideas expressed by the respondents fit into more than one category.

Drawing conclusions and finding meaning in the coded data was largely done by scrutinising the coded data in Nvivo from the context of underlying assumptions stated in the framework, theories cited in the literature review, and personal observation.

## 4 FINDINGS

In this chapter, we present research findings. The results are organized based on the interview questions.

### 4.1 Social Media Banking

Customers have always desired a better and more convenient banking experience, and GTBank recognizes the importance of technology and social networking in making that a reality for its customers.

The GTBank social media banking service enables customers to handle their banking needs on Facebook. For the first time, GTBank will offer its first consumer account opening service through Facebook, providing customer service support via Facebook as well.

Through social media banking, GTBank serves people at home, at work, and on the go. It enables people to interact with their bank and conduct transactions with ease.

By using this unique service, customers can open GTBank accounts on Facebook and receive customer service assistance. In addition to money transfers, you can also purchase airtime and pay bills. The innovation is quite simple and works efficiently.

Basically there are two main tabs on the GTBank facebook page, "Open Account" and "Social Bank" tabs. Existing customers who want to carry other the offered banking services after logging into their Facebook, would select social banking and would receive a one-time password (OTP) to their email or phone and continue with the service they so desire. For those selecting "Open Account" they follow the steps and fill out the required information, at the end they would receive a bank account number. The diagram below shows how this innovative service works.

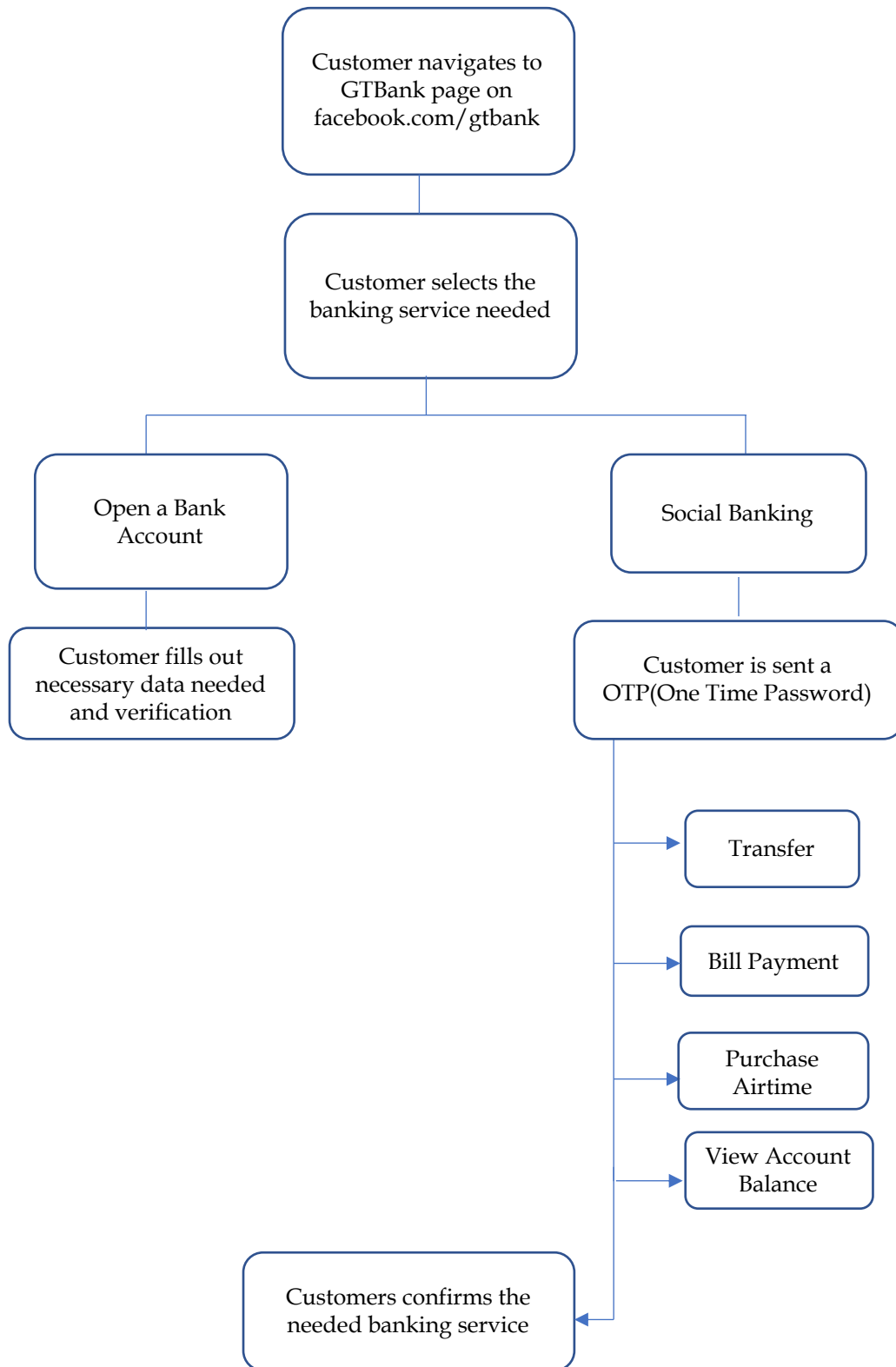


Figure 5: Showing how GTBank social media banking works

## 4.2 Technological Factors

Under the this factor, sub-themes were identified that influenced the adoption and success of social media platform by banks for banking services, supplementarily additional sub-themes surfaced resulting from the thematic analysis, which had an optimistic effect on the adoption this innovative technology in GTBank.

### 4.2.1 *Relative Advantage*

Results from the respondents projects that social media banking adoption provides GTBank with a wide advantage. All managers interview confirmed their awareness of the advantages of this technological implementations. Benefits revealed by respondents encompassed: fast, broad, time-saving, cost reduction; advertisement and brand advertising.

The implication here is that relative advantage is an effective factor for adoption of social media. Respondents BM#1 and BM#3 said that social media facilitated the bank to reach new and existing customers widely and at a very quick speed, which have resulted in a wider market reach.

*"We could reach out to a large number of our existing and prospective customers within a milli-seconds and they know about new products and services the bank has to offer" (BM#1)*

*"For your information we have the largest fans on various social media platforms, for any bank in Nigeria and Africa, this has helped reduce cost drastically in a lot of areas to the bank" (BM#3)*

### 4.2.2 *Complexity:*

Complexity is also an element in the implementation of social media by GTBank. All managers perceived social media technologies and applications are less difficult and easy to use, given the fact also that majority of the bank customers are younger generations who are tech savvy.

GTBank does not envisage technological as being complex as a result of their experience in pioneering novel banking innovative banking technologies.

*"Every technological product/service we release to market for our customers has always been made easy to use, because we always design services for the customers to be happy to use" (BM#3)*

*"For the fact that millions of people around the world and Nigerians alike are jumping on social media, it just affirms how easy the technology is, and how easy we can incorporate our banking solution to the platform" (BM#2).*

This perspective was supported by BM#1, BM#2 and BM#3, suggesting that social media technologies are not too complex. The three managers confirmed a great knowledge in regards to the low level of complexity of social



media application, which shows the bigger picture of why the bank is succeeding in the deployment and implementation of such innovative service.

#### 4.2.3 Compatibility

Findings under this sub-theme suggest that social media technology are compatible with the bank. Respondents expressed this in terms of how adaptable GTBank is with current technologies, its business values, previous experience in delivery such services and the future needs of the bank.

Bank managers stated that social media is well-suited with the bank vision to create a great and good brand not only to Nigeria but to other parts of Africa.

*“Digital technologies is of top priorities in GTBank, we believe that innovation must be delivered with a clear purpose and vision with must be in line with the bank mission and vision” (BM#2)*

*“ The most important feature of our innovative social media banking is that our customers can access the services without installing a separate or special software, it works with any mobile device that can use social media application” (BM#3)*

#### 4.2.4 Trialability:

Another important element found in this study was trialability. From questioned asked, the respondents reported that GTBank as an organization had prior experience with innovative technologies and as such an enhanced decision in adopting social media banking in the organization.

*“GTBank has great knowledge and experiences not only when it comes to innovative digital service but also in implementation of social media” (BM#2)*

*“right from its creation, GTBank is an organization that has introduced new banking technologies, for instance we were the first in the country to introduce Mobile money transfers through USSD”(BM#1)*

*“These technologies are not new to us at GTBank, we have tried our hands on other innovative solutions, which has been a success” (BM#3)*

#### 4.2.5 Observability

This indicates the degree to which the advantages of social media are visible to the adopters (in this case GTBank). Findings from the interview of the managers suggest that observability augments the decision to adopt social media banking in GTBank. In all responses (BM#1- BM#3), reported that GTBank saw usage of social media application in different sector except the banking sector in Nigeria.

From GTBank point of view, adopters in other sectors reported that the motivation to accept various social media platform was a function of observability.

*As you and I are aware, the majority of people in Nigeria and the world in general have the tendency of utilising social media, and nearly every person has a social media account. ....people spend a lot on social media platforms than websites or online forums.*

BM#1, mentioned that GTBank decisions to adopt social media as a banking platform was influenced from what they observed from international companies decision to adopt.

*"We always read about successful banks and corporation outside of Nigeria and Africa, who had been able to offer innovative services to their customers through social media....to bring this same services to the Nigerian population" (BM#1)*

#### 4.2.6 Inter-activity

Social media platforms being collaborative in nature with the provision of different options in which banks can communicate with existing or prospective client was stated to influence GTBank adoption decision.

Respondents said that the embedded interactive features built into social media applications distinguish them from many other technologies such as websites or online forums. Social media platforms provide effective and efficient interaction with customers.

*"this is a new way of banking, when you compare to the old traditional banking, it is not as effective as what we offer now....."*

A similar view was given by BM#2, he clearly asserted that banking should be close to the customer with improved products and services.

*"Banking services nowadays should make use of technological solution that enables collaboration and is easily interactive with people. This level of interactivity is provided by social media platform, which affords us advantages in attracting new customers and developing better products and services". (BM#2).*

#### 4.2.7 Trust

GTbanks perceived Trust as a crucial factor influencing the decision for social media adoption. For instance, BM#1 said the bank is a social bank and has full trust in deploying full banking services on social media platforms. GTBank is not sluggish in conducting banking activities using social media.

*"So far , we have encountered little technical problem, which is normal with technology, but that has not shattered the trust we have in social media or stopped us from researching on new products and services"*

To sum up, these results offer essential insights into the function of technological adoption of social media by GTBank.

The technology construct in this particular point of the study was discovered to be important for a successful adoption. Findings from the organizational constructs are presented in the succeeding part.

### 4.3 Organizational Factors

#### 4.3.1 Support from Top Management

Respondents (BM#1 – BM#3) all established that support from top management performed a pivotal function in the bank adoption and implementation of social media banking. There was high similarities in opinions of the three managers. For instance, the BM#1 described the management support as:

*"In GTBank, our team of management, is made up of people from all profession with good experience with technology so working as a team is the way forward.... at GTBank we a policy where you can walk in and talk to senior managers and discuss issues that would lead the bank forward." (BM#1)*

*"Top management support is to encouraging here, management are always willing to listen to new ideas and has positive attitude when it comes to technology implementation as the vision of the bank is synonymous to innovation"(BM#3)*

#### 4.3.2 Size

Managers interviewed revealed their opinions on the cruciality of size as a factor in adoption of social media for banking. Interestingly none of the respondent mention size as a obstacle, the outcomes showed that size was perceived as an enabler for adopting social media banking at GTBank.

*"these days, you need to create a strong social media presence irrespective of your organization size, we are more concern on how we can deliver products and services irrespective of our size" (BM#3)*

*" we have a simple and flexible structures, which makes the deployment of our technological products implementable" (BM#2)*

#### 4.3.3 CEO Innovativeness

This was stated as a strong factor by the respondents leading to social medial banking adoption. From the interview data, it obvious that the attempt- ed exploitation new technologies or information systems contributed to the utilization of social media as a banking platform.

*"being innovative is part of us in GTBank, our CEO is very innovative, records are out there for everyone to see, from social media banking to the introduction of the Habari mobile platform..." (BM#3)*

*"Our CEO is always about seeking novel and latest technologies that would be useful to GTBank," (BM#1)*

*"The passion for new ideas, new innovation in the banking industry tells a lot about the innovativeness of our CEO" (BM#2)*

#### 4.3.4 Prior IS Experience

From the answers of the respondents, all are in agreement that prior IS experience with other technologies is a element in implementation of social media for banking.

*"Adopting social media for banking was not something totally new us at GTBank as we had past experiences in the deployment of other banking technologies such as mobile money transfers and Habari" (BM#1).*

*"from our past experience, we cannot have all the necessary experts, and as such we have collaborated with firms, which have been mutually beneficial.....special priority with experts being employed to manage the social media technologies" (BM#2)*

In order to understand the decision making process in adopting social media for banking, the organizational construct is of great significance to scrutinise. The influential factors included size of the company, support of top management, innovativeness of the CEO and prior experience in implementing the technology.

## 4.4 Environment Construct

### 4.4.1 Industry Competitors

Regarding the competitive pressure on the adoption of social media platforms for banking, respondents expressed a favorable view of the impact of this sub-theme on the decision to adopt.

Participants cited industry competition as a primary motivator for using social media in banking. For example, BM#1 emphasized the intense competition in the banking sector by stating:

*"Well , It is absolutely critical for us to leverage technology to gain a competitive edge over our competitors in the banking sector. Although some of our competitors use social media, we are the first to implement banking over social media as." (BM#1)*

*"in the case of the Nigeria banking sector, we are witnessing intensive competition not only from traditional banks but also fintech, this alone is enough reason to adopt innovative technologies" (BM#3)*

#### 4.4.2 Customer pressure

According to the findings of this study, GTBank's adoption of social media banking is largely driven by customer pressure. In fact, all three managers interviewed said that customers directly influenced the decision to use social media banking.

*"Our bank appeals largely young people, who predominantly spend time on various social media platforms, as a bank we identified, which technology our customers were leaning towards. They demanded the need for speed, speed of reaction from customers service, speed in trading and all other banking services being offered by our bank.." (BM#2)*

*"as a bank that is technological driven, we follow the technological trend, a large number of our customers are on Facebook, I mean, we took that advantage, which was necessary since our customers are already there" (BM#3)*

*"you know statistics have shown that majority of Nigerians are on the internet and a few of that majority spend much time on websites. A larger portion spend a great deal of time on social media platforms than browsing websites. As a result of high influx of people using these platforms, we decided to target both our existing customers and potential ones by bringing banking services to their fingertips" (BM#1)*

#### 4.4.3 Legislation and Regulations

It was unanimously agreed all respondents that government regulation affects the banking industry, both nationally and internationally, which presents challenges. Operating in multiple countries could result in conflicting laws (Edvardsson & Frydinger 2013).

The Nigerian government has a indirect or direct influence on every aspect of the lives of its citizens, which is notable on commerce and trade. One commonality of this aspect for all government is to deliver enabling regulation that offers a solid background for financial enterprises to fall back to in order to conduct transactions safely and securely on the internet.

BM#3 stated that

*"having obtained our banking license over the past twenty years, banking regulation keep changing and this affect delivery of our technological products".*

Finding from this study, shows that GTBank operates in other countries in Africa and the UK. as result, they often are face with conflicting regulations.

*"We did not really face a lot of legislative challenges here in Nigeria because we already have another innovative product over the internet space, but we are operating in other countries, challenges rise from different requirements for monitoring, and the type of in-*

*formation that you can provide online to use information on potential customers" (BM#2)*

#### 4.4.4 Perceived Usefulness of Social media banking

Perceived usefulness is decided by an individual's perception of the benefits relating to the new technology. In Nigeria, evidence shows that social media banking has been a long-awaited solution.

As most financial institutions are located in more economically viable urban areas and 50% of Nigerians live in rural areas, distance between institutions is vast. Social media banking eliminates this need by providing real-time transactions anytime, anyplace.

According to bank customer (BC#1)

*"You can now access the financial system with a few taps, thereby cutting down the distance from your bank".*

Reduced travel time to financial institutions and faster fund transfers improve efficiency. Nigerians now have more time to devote to their families and professional pursuits, allowing them to focus on more important matters such as work or starting a business.

Moreso, another respondent said that

*" I like the the fact that this banking solution comes handy when you want to pay for a product over the Facebook platform or wanting to send a call card to a friend on their birthday" (BC#4).*

These are coherent with the results of the Ericsson et al.,(2005) study, which confirms that perceived usefulness is an important factor because it determines whether perceived usefulness leads to increased usage of social media banking. Furthermore, PU of social media banking is a central element for banks in promoting its use by customers.

#### 4.4.5 Social media banking (PEOU)

The effort required to adopt a new technology will influence the rate and extent of adoption. Respondents' perceptions of the usage of social media banking will differ. Despite the fact that all of the respondents were educated. Technology has become an integral part of the younger respondents' daily lives. The older generation, on the other hand, is less comfortable with technology in general and is often sceptical of the social media banking solution.

*"This is quite easy to use as I am more comfortable doing things and transactions online, since I have the technical skills for that" (#BC 7)*

*"Considering my generational age and not being a technical person, I was somewhat doubting the usage of the technology, that being said I believe with time I would be more convinced to use the full functionality of the service" (#BC9)*

On the ease of use, respondents were asked as its relays to the willingness to adopt the technology, majority agreed that if more banking services are

included in the social media banking platform, such as the ability to request for a new debit card, new cheque book etc, it would increase the willingness of existing customers and new customers to adopt the new banking innovation.

*"I see myself, willing to adopt social media banking, If new services will be provided, if I could be able to apply for a new debit card, if I'll be able to change my card pin so forth. I think it will go a long way" (#BC3)*

#### 4.4.6 Social Media Banking Awareness

Most of the bank customers surveyed, knew about the social media banking existence, which made it easy for them to tell about the technology as a whole. An advertisement from the bank was the key to those who had an overall knowledge about the current social media banking solution. This was a factor that persuaded and attracted them to adopt social media banks.

*"I think that social media banking is an innovative futuristic service for the financial service providers like GTBank, which is reshaping traditional banking services. To my knowledge, social media banking has come to stay and I have seen some advertisements about the banking solution and I am very sure, it would reach a wider customer base soonest." (BC#6)*

Most respondents repeatedly spoke about social media banking's relative advantages and benefits. Some of them are practicality, speed, comfort and an alternate payment option for consumers, for example.

*" I honestly think it's an awesome idea to have social media banking service, with the advancement of technology, a lot is becoming or has become easier and much more convenient for usage. I am very optimistic about social media banking" (#BC 4)*

Worthy of note is that most interviewees have stated how easy social media banking can be with a high tendency of improving their daily social life when other bank clients are able to use banking transactions.

*"It was so fascinating whenever, I do banking task on my social media platform and my folks watch in amazement how easy the procedure of banking is.." (BC#10)*

*"To the greatest knowledge, this banking solution is really easy way to transfer money or carry out any other banking service. It's much faster than other payment service that I know or have used" (BC#5).*

Majority of the interviewees liked how easy and useful this banking solution is which would affect our financial behaviour.

#### 4.4.7 User Experience

Interviewees were requested to recall the very first time they used social media banking service and they were asked how their perception of trust and securi-

ty changed when they started using the service. As most respondents were familiar with the technology of social media banking, some were initially sceptical at first. They say that their banks advised them to use social media banking as the process will be streamlined and more convenient.

Also, friends and families advised them to adopt the technology. As a result, their perception of trust and security towards social media banking are negatively and positively affected. Social media banking was an unpleasant experience for two respondents. In the first case, social media account of one of the respondent was comprised after making some purchases online.

*"I remember when I made some purchases over the social media platform and my money was missing from my account, I complained to the bank, they investigated the incident and returned the N40,000 naira " (#BC8).*

This not so pleasant experience has influenced the customer perception of the security of this service, resulting to being more cautious when using the service. On a positive note, when asked bank customer (BC#1) said

*" Ever since I started using social media banking, it has a been a sweet experience as it comes in handy when I want to surprise my loved ones on their special days, so far no undesirable experience."*

The research led to the adoption of a TOE framework for the adoption of social media for banking by GTBank. According to this study, sixteen factors were influential in the deciding to adoption of these technologies. We found that five of the sixteen technology attributes (relative advantage, compatibility, complexity, observability, and trialability) contributed significantly to adoption decisions.

The bank's decision to adopt social media technologies for banking was found to be influenced by factors which included support from top management, size, the innovativeness of the CEO, and prior IS experience in technology implementation. Study findings indicate significant roles played by several factors in motivating banks to adopt these innovative technologies (competition in the industry, customer pressure, legislation and regulations). Moreover, the results hinted at new sub-themes under the environment context, including perceived utility, perceived ease of use, and consumer awareness.



## 5 DISCUSSION

The findings and implications of this master thesis are discussed in this chapter, along with the contributions to research and practice. We begin by comparing the results with literature reviewed and the results from the interview. The results from the empirical study will be used to evaluate the TOE constructs originally presented in the thesis. The TOE constructs submitted earlier in the thesis will then be evaluated using the insights gained from the empirical study. The chapter ended with the study's limitations, further research suggestions and a final overview of the entire thesis.

The main objective of this study was to explore what factors associated with social media usage are critical in facilitating retail bank's social media service innovation and value addition. Also, the author did not only try to understand how retail banks adopt social media in facilitating innovation but also what factors would convince customers to adopt social media banking.

According to the thesis research, empirical results show that technological, organizational and environmental factors have substantial effects on the adoption of social media for banking by Banks and on the customer end, the perceived usefulness of the technology and perceived ease of use of the technology are imperative factors for adoption of the innovative social media banking.

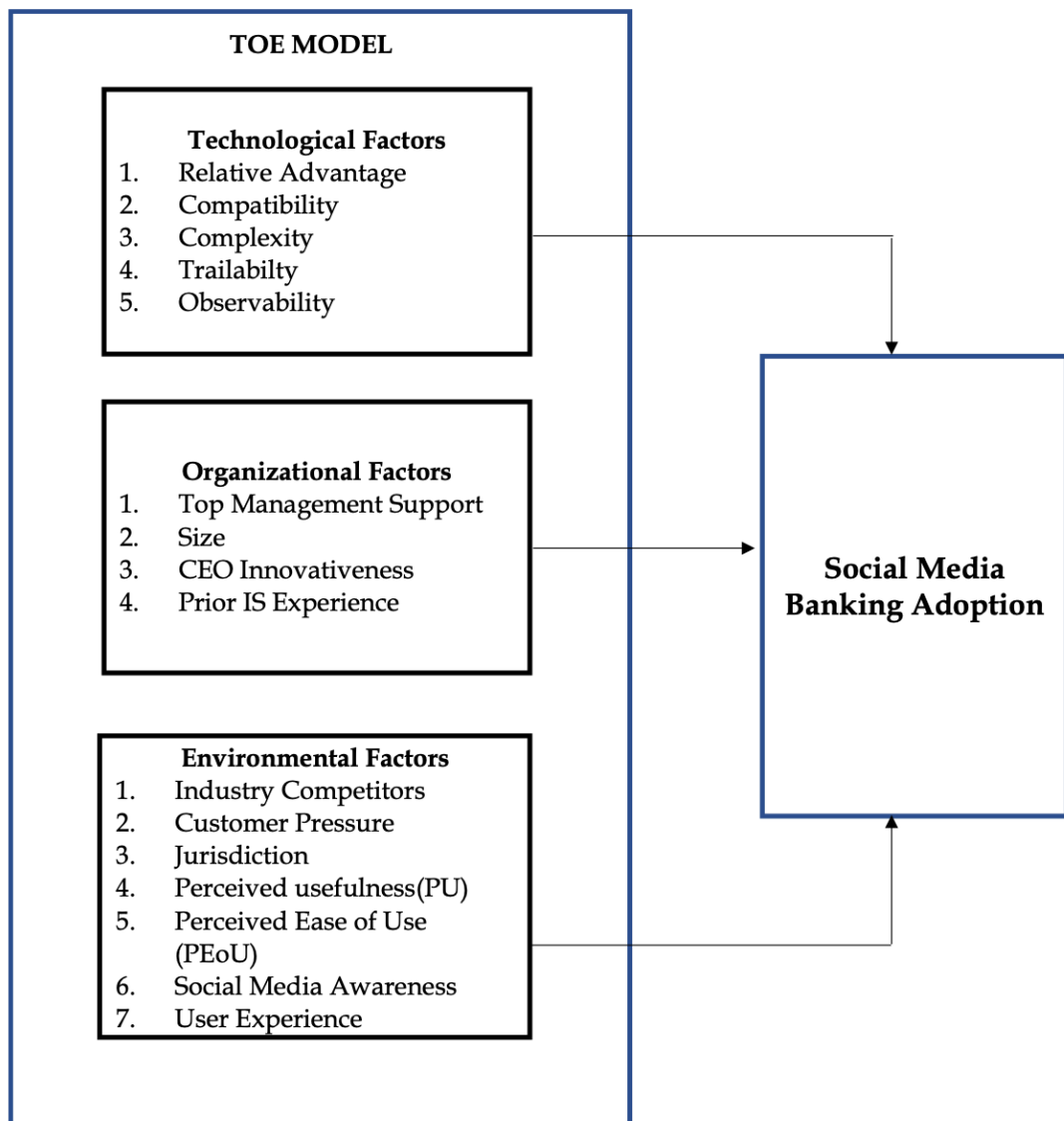


Figure 6: Proposed TOE Model

## 5.1 Theoretical Implications

### 5.1.1 Technological Context

In view of the relative advantages that social media technologies offer for banking, it would thus be expected that banks who perceive social media banking as advantageous would likely adopt social media banking. This is important for the successful deployment of the innovative service because it gives the bank a competitive edge over preceding ways of executing similar task. Several of the respondents confirmed the primary use of social media by banks in pushing the products packages and service in a different manner than ever before.

Banks and financial businesses are well suited to using social media, as the benefits of this technology are evident.

According to this study, social media banking is more likely to be adopted by banks when it appears better than the concept that it replaces, and more effective and beneficial than the idea that it replaces. In addition to increasing GTBanks' market share, increasing their customer base, and improving public relations, the deployment of social media banking could improve the bank's overall operating costs.

GTBank adoption of banking via social media has been revealed to have a comparatively high level of returns, consistent with previous research on the adoption of other ICTs (Ramdani et al., 2008). Additionally, the relative advantage outcomes are in line with those of Gangwar et al. (2015), which demonstrated a strong impact of relative benefit on cloud computing adoption.

Compatibility is identified as one significant factor in GTBank's implementation of social media. This sub-theme effect influential to successful deploy social media banking because when technological innovations are compatible with previous ideas, there is a high likelihood of adoption. This was evident from the responses of the bank managers. GTBank's innovation was compatible with their preceding idea, which led to a high rate of adoption. Social media banking meets the needs of GTBanks customers, which is a function of compatibility. By identifying the needs of their customers, GTBank recommended innovative solutions.

Furthermore, if banks perceive social media banking as compatible with their business procedures, the higher the rate of adoption. Innovative banks and financial organizations who adopt novel technologies can be expected to view social media banking initiatives as compatible with their business.

Ainin et al. (2015) also discovered significance of compatibility, as supported by the findings in this study.

For this outcome, two explanations may be given. The first advantage is that social media can be quickly adopted. Secondly, social media is viewed as being more accessible due to its lower infrastructure requirements. The results are in line with many previous studies, demonstrating the complex relationship between IS adoption and innovation (Oliveira, Thomas and Espadanal, 2014; Ramdani and Kawalek (2007).

The trialability of technologies was also found to be an influencer of GTBank's social media adoption. The findings submit that a trial on various social media applications is meaningful in the decision for adoption by banks. GTBank has demonstrated that this was not the first time the bank was trying their hands on such technologies, having released other banking technologies earlier than social media banking.

Two more attributes emerging from the data of the study were trust and interactivity. When technology is new and still not sufficiently developed, employees will not yet adapt or drag their feet to adopting the technology to securely replace old processes or people. By contrast, GTBank was very confident in this essential technology. The procedure of adoption cannot take place if the banks are not confident that the technology will meet their needs.

The case study demonstrates that they have the technological context necessary to adopt social media banking. Nevertheless, other financial institutions and banks in Nigeria are either unable to use social media technology or unwilling to do so (Nigerian Communication Commission, 2019). A major reason is that the technological infrastructure, which is underdeveloped, does not enable banks to undertake these types of commercial activities (Al-Somali, et al. 2009; Al-Gahtani, et al. 2007).

In spite of this, GTBank's strong commitment to the adoption and development of social media banking shows that Nigeria can cater to the technical infrastructure necessary to effectively implement social media banking. Despite the relatively minor boost to current technology, it is not unlikely that social media banking in Nigeria will become widely accepted quickly, leading to a technological revolution in the banking industry. The massive growth in Internet usage in Nigeria, which has reached 60% of the population in 2018 (Nigeria Communications Commission 2019), corroborates these findings. Social media banking in the country is therefore ready to be widely adopted, as these statistics indicate.

This study discusses social media banking adoption factors, particularly in the case study, which has used social media banking substantially. In Nigeria, many retail banks do not offer any social media banking and view social media banking as a low-value opportunity, nor does it match the incentives they offer for business expansion. There is uniformity with previous outcomes of Abou-Shouck et al (2013) that adoption drivers seem to align with adopters' view points, while non-adopters are opposed it.

This study has implications for the technological context as well. Five technology attributes were found to be distinctively significant in determining whether or not banks decide to use social media banking.

The results suggest that GTBank's experience in technology deployment made their adoption easier. To fully understand social media's potential, financial companies should consider experimenting with different emerging social technology platforms.

In addition to these findings, the finding that GTBank's adoption of social media was influenced by technological complexity is also significant. Considering that social media is viewed as a user-friendly technology in this research, financial institutions and banks should not think that complexity is an obstacle to adoption of social media banking.

### 5.1.2 *Organizational Context*

A study of the adoption process for social media banking showed remarkably consistent findings about key strategies. A common and typical factor is that, there is a clear adoption strategy as well as a strong connection between social media technology and business vision, goals, and strategies. It is unlikely for businesses to develop and innovate without these factors. An innovation that does not support the business company's current vision and strategic direc-

tion is clearly a dead innovation that no business firm is willing to accept and invest resources in.

The size of an organization is assumed to have an influence on its implementation and use of information technology which included, cloud computing and business (Jones et al., 2013).

Analysis of the results revealed that business size does not affect the decision for implementation negatively. Which is in support of studies by Al-Somali et al.,(2013), who said that the size of an enterprise doesn't have much impact on IT adoption.

In contrast, this research findings contradict the results outcomes of several other studies conducted in various contexts and for various technologies. Different results were obtained. It is likely that this study and those above differ in their findings partly owing to the reason that social media are more accessible, less complicated, and less expensive than other capital intensive technologies(e.g., cloud computing, ERP). In other words, organization size has little bearing on technology adoption.

The support of GTBank's senior management was a critical component of social media adoption. A close link was also established between IT adoption and management support. There is no doubt that senior management has a direct influence on different decisions, such as those relating to IT adoption (Wilson et al., 2015).

This study backs earlier studies that discuss IT adoption among banks and financial organizations and emphasize the importance of top management's support for IT integration (Ifinedo, 2011, Hussin and Noor, 2005).

Support from top management during the initial stage of IT adoption is said to have great importance due to the belief that their support is essential.

Since Social Media Banking is a relatively new technology, senior management is required to pay further attention or demonstrate strong commitment in order to succeed.

In order to provide top management support, organizations usually commit organizational resources and participate in decision-making processes.

Prior information system experience is a major element for the implementation of social media in the case study. GTBank being the leading IT innovative bank in the country have preceding experience when it comes to adoption and deployment of banking technologies, which made it important in understanding the success of social media banking implementation.

According to Daniel et al. (2012), the lack of prior information system experience does not matter at the earlier stages of adoption instead it is essential for the later adoption phases, but the study found previous IS experience to be critical for the early stages of adoption as well as the final adoption phase.

### 5.1.3 *Environmental Context*

An exploratory study performed in 2011 by Sinclair and Vogus indicated that IT adoption could differ among competing sectors.

Competition within industries influences companies' attitude towards the adoption of social media and other technologies, according to the findings of this study. The three bank managers interviewed, insisted that for them attaining a competitive edge was important to remain relevant in the banking and financial industries. These results suggest that competitive pressure significantly influence managerial decisions in the adoption of social media.

Earlier studies have suggested the same conclusions (Alqahtani and Fosso Wamba, 2012; Ifinedo, 2011; Scupola, 2009). Considering Lippert and Govindarajulu's (2015) conclusion that the banks tend to use social media to gain an edge or gain recognition within their industries, the results to this study may suggest that banks are employing the technologies of social media as a reaction to pressure in order to retain their position in the competitive market. GTBank has proven to be primarily driven by customer pressure to utilize social media.

Sinclair and Vogus (2011) achieved the same result and suggest the importance of customers' pressure on companies to adopt social media in the organizational context. GTBank argues that its customers' interest in social media continues to drive its commitment to social media and its adoption of banking technology. Consequently, GTBank is addressing this trend due to its response to the trend of social media.

Based on the findings of this research work, GTBank clients feel that taking advantage of social media banking would benefit their everyday lives and are motivated to adopt it. When they perceive that a service is helpful, they are more likely to use it for carrying out their banking activities. This is consistent with other research work, Lee et al (2005) that show customers feeling comfortable with a technology is the most important element of intent to use the social media banking service.

According to Podder (2005), the usefulness of a technological innovation impacts users' decisions regarding its usage.

Additionally, this is supported by Davis' (1989) study, which concluded that using a technological product or system increases work or life productivity.

GTBank customers' acceptance of social media banking services is greatly affected by ease of use. As in the previous chapter, researchers have previously found that perceived ease of use plays an important role in end-user adoption of new technologies. Meltzen et al (2013) found that the adoption of technology depends on the management of the organization.

User intention can be predicted based on perceived ease of use, whether a system will be used or not. When a particular system is easy to use and doesn't require extra time or effort, users would certainly be willing to use it.

According to Hamid et al.,(2016) systems should be designed in way that is efficient and easy to use, will be increases less effort in using it and thereby increasing likelihood of use.

To conclude this part, the Nigerian financial sector has seen a lot of rapid transformations in the last decade. These changes have led to stiff and fierce competition in gaining a position of authority in the market. The introduction of new technology on a regular basis have been credited to be the reason for this competitive edge. Many agree that the social media banking channels are easy to navigate and use.

However, most respondents seem to agree that they have trust issue with social media banking transactions. Banks need to build a stronger system that is reliable and can be trusted as secured against malpractices.

With the fast growth of the banking sector in Nigeria, and how its impact the economy, There is clearly more growth potential considering the size of the Nigerian market, the population of the non-banked as well as development in ICT and its rapid adoption. The future of banking is surely technology dependent which will lead to better service for customers and more profitability for the organizations.

## 5.2 Practical Implications

This study provided rich information on factors affecting the adoption and implementation of social media for banking in the retail banking sector. The resulting outcome of this research have a number of significant effects which may facilitate the adoption by bank managers and other financial enterprises.

The development of TOE framework can helpful to bank managers and other financial organizations in Nigeria by recognizing the factors behind social media banking usage prior to its implementation and deployment. This which can enrich the level of knowledge for managers interested in adopting social media banking.

Bank executives can use the model in this study to assess the Technological, Organizational, and Environmental factors that influence the implementation of social media technologies. It may be feasible for bank managers to use the model created in the study for;

- (i) evaluating the conditions for social media for banking adoption, and
- (ii) increasing awareness of the factors affecting future decisions regarding the use of these technologies.

By identifying influences affecting the implementation of social media in the banking and financial industries for transactional purposes, this model may also serve as a benchmark for other banks or players who are interested in social media banking. Taking advantage of social media banking requires a clear strategy from the bank's management in line with its corporate strategy.

By this measure, the business sector will compete more effectively and other sector players will be encouraged to adopt this technology.

## 5.3 Limitation, Future Research

Just like any other research project, this thesis has its limitations. It was difficult for the study to find similar research that concentrated especially on the Nigerian market, due to the relatively few existing studies. As ten bank cus-

tomers and three bank managers were to be interviewed in this study, establishing the time that would be appropriate for each participant proved challenging.

Despite this, the researcher was able to ask pertinent questions within the time frame, allowing for obtaining detailed information from each participant.

The study also suffered from a difficulty of selecting from among many theories the most suitable one. In addition, the study was conducted with one interview at a time, which limited the number of participants.

To determine whether a larger data sample will yield more generalizable findings, much effort and time would be required, since each interviewee's contribution must be investigated in-depth.

As mentioned earlier, this thesis research did not provide evidence of generalization, but was conducted using qualitative research methods that will be subject of future studies. Because the study was exploratory, data saturation was attained despite the small sample size..

Nonetheless, the study could be performed quantitatively in the future using larger sample for more dependable comparisons and data collection.



## 6 CONCLUSION

The financial sector, historically, has been at the forefront of implementing contemporary technologies (big data, mobility, and the cloud). Additionally to using social media for marketing, communication, and customer service purposes, banks have already developed practices in this regard. In addition to marketing and communication, GTBank sees social media as a valuable transactional tool. Based on findings in this thesis, other Nigerian banks are also active on social media, but we have found that they focus only on traditional banking models and do not offer their clients transactional social media banking services.

Through this study, the TOE framework is shown to be valid when it comes to social media banking, adding to the existing literature and the main factors that affect organization intention to adopt social media as an alternative banking channel. Banks and financial institutions will be able to develop effective business models and strategies if they better understand how social media technologies can be implemented as an integrated banking channel.

This research is more concerned with retail banks in Nigeria, which is the target market for the social media banking research in this thesis. The torchlight of subsequent research should focus on the adoption of social media for banking in different countries.

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## APPENDIX 1 EXAMPLE

### Interview Guide:

*Follow up questions may be asked to request clarification or to expand upon responses. Due to the fact that responses are not known at this time, follow-up questions are not pre-determined.*

### Part 1: DEMOGRAPHIC INFORMATION

Gender

Age

Education

### QUESTIONS FOR BANK CUSTOMERS INTERVIEW

1. Do you use social media? If yes mention the social media platform and how frequently you use these social media
2. For what purposes would you use social media banking platforms.
3. Do you believe that using social media banking enhances your job/school/business /social life performance? If so how? (Does it save you time, enhances control over your work/, addresses business related needs, increases productivity, improves quality of work, makes you more efficient.)
4. Do you think there is anything that can be or should be improved regarding the system of social media banking? If yes, what/If no, why not?
5. Could you tell about your experience with the banking platform interface? Did it require a lot of effort from your part?
6. How do you perceive the ease of use of banking on a social media platform? (Do you think that social media banking is easy to use, stress free/well-organized, is it too difficult/complicated etc.?)
7. Does this influence your willingness to adopt social mobile banking?
8. What were your reasons in deciding to try this technology for the first time.
9. What are the reasons for adopting the this technology on a regular basis.
10. Could you could you tell me like real life examples, like, how has this come into being for you.

## INTERVIEW QUESTIONS FOR BANK MANAGERS

1. How does GTBank use social media for banking?
2. How effective do you think your bank is in exploiting new information system innovations?
3. In what ways has the SM banking adoption been consistent with the existing values and needs of the bank
4. What has been the most difficult part of adopting social media for banking
5. What about the security of the platform, how do you make sure money transfers or bill payment are secured.
6. How is social media affecting other non-social media digital innovation plans? Could you give some examples
7. Is there any contingency plan(s) for when SM platform is hacked or goes out of business?
8. Do you think previous experience in adopting similar innovations have an influence on the implementation of social media banking in GTBank?
9. How would you describe the GTBank openness to innovative ideas ? Is innovation readily accepted? Or is it perceived as a risk
10. How would you describe the GTBank openness to innovative ideas ? Is innovation readily accepted? Or is it perceived as a risk
11. Was there resistance inside the bank against using social media for banking?
12. Do you have the necessary expertise or you had to hire new people with skills? What skills?
13. What were the most salient hurdles coming from the inside?
14. How has adopting social media banking enabled your organization gain a competitive edge.
15. Have you met any legislation problems? Was it easy to get all the approvals?
16. Was GTBank the first to adopt this technology? Do you know of other banks implementing this technology before GTbank.
17. From where did they get help? Was there customer pressure?