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USAGE, IMPEDIMENTS AND ATTITUDES TOWARDS SOCIAL MEDIA IN UK BUILDING SOCIETIES

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Abstract

The use of social media has revolutionized the internal and external communications and management of many businesses. This paper discusses the various social media platforms in the context of UK building societies. Many companies from the banking sector are utilizing social media, and in some this is outpacing traditional methods of marketing and internal communication. The main aim of this research is to identify the current social media usage trends and the barriers that limit the uptake of social media within the building society sector. The authors argue that strategic use of social media can prove useful and often rewarding. Preliminary empirical data from a survey and interviews support this analysis.

Keywords: Social media, UK Building Societies, Social media uptake.

1   INTRODUCTION

The use of social media has become a primary ingredient in the marketing strategies of many companies. A recent survey concluded that 88% of online marketers use social media for marketing purposes and 64% use social media for more than 5 hours per week (Stelzner, 2009). Building societies have a strong presence in the UK banking market and they comprise a small but significant proportion of the banking sector. The latest statistics show that four UK building societies have assets of over £10 billion, and the combined assets of all UK building societies are worth £320 billion. The largest of all is Nationwide Building Society, which has 800 branches and roughly 1.4 million borrowers, while Yorkshire Building Society has 178 branches and over 260,000 borrower members (Building Societies Association, 2011). Building societies thus have a significant share of the mortgage market in the UK. Along with the banks and other financial institutions, they contribute 7.7% to the UK's GDP and hence they are of value to the national economy (Burgess, 2011).

The corporate structure of building societies enables them to offer tough competition in the financial products market. Unlike banks, which tend to adopt a profit-driven approach in order to pay dividends to their shareholders, building societies have borrowers rather than shareholders. Consequently, there is no imperative to chase profit, and building societies are thus able to offer competitive interest rates and cheaper products such as mortgages. As a result, building societies are often a more attractive option for consumers than regular banks (Building Societies Association website). A recent report by KPMG illustrates that building societies have performed well despite the current tough economic climate. Their profitability has been remarkable despite a dearth of mortgage business in the markets. Mortgages are considered to be the building societies' primary product, and the report demonstrates an increase in gross mortgage lending. Building societies are thus crucial and add value to the UK financial services sector (KPMG LLP, 2011).

Little is understood about the social media strategies of building societies: as yet they have a limited presence on social media platforms such as Facebook and Twitter, which may create a barrier to their growth in competition with the more mature banks as they are unable to exploit the potential of these online platforms. Very little has been published on this sector despite recognition that the commercial use of social media is a growing trend with the potential to encourage business, brand-building and the rejuvenation of relationships.

The main research questions for this study are:
- What is the current level of use of social media in building societies in the UK?
- What are the factors that impede the uptake of social media within this sector?

The next section of this paper presents the relevant literature. Subsequently, the authors describe their methodological approach for data collection and present an analysis and discussion based on the empirical data. In the final section we offer some concluding remarks and highlight the significance of this research.

2   THE RISE OF ORGANISATIONAL USE OF SOCIAL MEDIA

The evolution of social media arrived with the growth of the internet interactivity often referred to as Web 2.0, when many organizations realized the huge potential of social media for marketing their brand and products by harnessing the vast network of users of social media. When considering strategic usage of social media, Culnan et al. (2010) argue that its usage may allow creation of "virtual customer environments" that lead to revenue generation, customer retention and effective marketing. However, this study revealed that social media adoption must be backed by a definite business strategy so as to harness its potential. After closely analyzing the social media patterns in the Fortune 500 companies they suggest that social media adoption has to follow three steps starting with "mindful adoption", "community

building" and "absorptive capacity". Mindful adoption comes into play when the social media adoption is in its nascent stages. The future goals of the firm should be compared with the risks that would be incorporated and a sensible social media adoption should ensue. In the later stages, the firms should focus on community building to market and sell their brand using the selected social media. Subsequently, absorptive capacity comes into play where the implementing organization may draw certain inferences from the messages posted by customers and may monitor customer posts to obtain valuable information.

Gallaugher and Ransbotham (2010) also point out that social media can redefine the interactions between a company and its customers and that it allows monitoring of customer opinion. Their "3-M" framework for examining the current social media interactions includes "Megaphone" (firm to customer) and "Magnet" (customer to firm) communication. While, the authors use the term Megaphone for the communication of the firm with its customers publicly, it does not suggest any particular channel for communication. There could be multiple channels for reaching out to the customers but social media usage does entail benefits such as passing on important messages, brand promotions, business generation and even recruitment. Magnet represents the other half of this two way communication wherein the customers can interact with the firm freely, which was missing from traditional media. Magnet contributes towards getting customer reviews, innovative practices and even for the provision of essential customer service. The third M of the framework named "Monitor" pertains to the communication between the customers as it is anticipated that customers will interact with each other through multiple social media channels. The dialog between the customers is of real business value to the firms as they get an overview of the customer perceptions and insights and also get a chance to change incorrect perceptions and to find solutions to potential problems of the customers.

Some of the major application areas of social media are uncovered by the studies conducted by Culnan et al. (2010) and Gallaugher and Ransbotham (2010). This illustrates the importance of planned and strategic use of social media to drive businesses towards achieving their goals. The studies highlight the advantage that companies can attain provided that the social media adoption is in line with the company goals and the company identifies the major risks and negative effects of social media implementation.

Most of the largest companies across the globe have uncovered the potential of social media as a marketing tool. Companies such as IBM have a significant presence on popular social media platforms such as Twitter and Facebook. The company manages over 100 official blogs and has a community of active users on YouTube. Similarly, the multinational restaurant chain Burger King uses social media-based marketing to attract customers as illustrated by the "Whopper Sacrifice" campaign, in which the key strategy was to give free burger coupons to Facebook users if they agreed to "unfriend" ten of their Facebook connections. Social media have also been used for brand-building by smaller companies. Pink Cake Box, a high street shop in America with a presence on almost every social media channel, markets its brand by uploading videos and images of its products onto the web, and has consequently attracted a remarkable number of fans on Facebook (Zarrella, 2010).

In addition to positive benefits, social media platforms offer an outlet for customer dissatisfaction. A notable example of the power of social media to damage brand reputation involved United Airlines, whose shares lost $180 million (10%) of their value following an incident involving Dave Carroll, a popular Canadian singer. The airline refused to pay for the damage caused to his guitar in transit and so he used YouTube as a tool to express his unhappiness. His video went "viral" on YouTube and registered over 4 million hits within 10 days of its release (Wrenn, 2009). Another negative aspect of social media is the potential for forgery, perhaps in the form of a duplicate identity. Malicious users can exploit different social media platforms by creating fake profiles for established companies. If the fake profiles are convincing enough, customers may then unwittingly hand over sensitive personal information that the fraudsters can then exploit. However, this kind of identity fraud can be prevented if the company has a link on its website which automatically redirects the customer to the company's account on that particular social media platform (Pilcher, 2010).

2.1   Social Media Platforms

Facebook has been termed revolutionary due to its ability to produce user-generated content and its extensive capabilities as a social networking tool. It has been regarded as the pacesetter in the world of interactive content posted by end-users, and its popularity is noteworthy (Cohen, 2008): It currently claims to have over 800 million active users (Facebook website). A study of Facebook (Waters et al., 2009) looked at a range of parameters such as disclosure, information dissemination and involvement in non-profit organizations. The study's findings revealed that in terms of disclosure more than 95% of the pages displayed the information related to the organization and also revealed who the administrators of the Facebook profile were.

Royal Bank of Scotland (RBS)'s Facebook initiative has exploited this platform's potential for reaching out to a large number of consumers and clients. The RBS Facebook page allows users to post on the wall and also add their comments. Users can also share links on the wall, and upload photos and videos to the page. At the same time, the page provides information about RBS and its products. Posts on the RBS Facebook page mainly consist of the latest news from the company. There are links on the page through which users can subscribe to newsfeeds and also text messaging services. The bank uses Facebook to release new information about its products and also to promote its brand name (Facebook, 2011).

Twitter is another important social media tool whose uptake has been augmented by the widespread appeal of social media and its own micro-blogging capabilities. Its marketing and communications potential has been recognized by many companies, and it is now being widely used to disseminate company news and marketing messages (tweets). In addition, Twitter is also being used for human resources purposes and for the provision of customer service information. A survey of Fortune 50 companies (Case and King, 2011) demonstrated that a majority had Twitter links and claimed to use Twitter for various reasons, mainly to release company news (85%) but also to market and promote their brand (30%), as a means of providing good customer service (19%), and additionally for HR purposes (11%). As an example, Dell used Twitter to offer online discount schemes to customers making purchases on the web, as well as to resolve customer queries (eweek, 2009 cited in Case and King, 2011). The study also demonstrated that Twitter is used by banks and financial institutions (Case and King, 2011). In this sector, Royal Bank of Scotland's media team has been involved in various activities on Twitter. The company's website has a direct link to its Twitter profile. Users can be part of the group on Twitter and can view and comment on the various tweets (posts) created by the bank's media relations team on the Twitter page, which also links directly back to the bank's website. Royal Bank of Scotland thus illustrates the use of Twitter for marketing and brand promotion purposes, as well as to publicise the latest company news (Twitter, 2011).

Yammer is an enterprise social network. It is currently being used in firms such as LG, Deloitte, and Thomson Reuters. Yammer offers good capabilities for enhancing networking within a firm, and its collaboration features are noteworthy as they allow users to link and share ideas with colleagues and get a handful of opinions within seconds. The networking side of Yammer allows users to get in touch with new colleagues and illustrates how the user is connected to different individuals in the organization. The open flow of information encouraged by a Yammer network reduces miscommunication. Yammer's implementation in Suncorp Group, for example, has helped the company by integrating staff in various geographical locations so that they could connect and share new ideas across distance. Innovation within the company increased as a result of better collaboration between all employees. The Yammer network improved real-time communication between employees, and the broadcast messages ensured smooth communication across various levels in the firm (Yammer, 2011).

Blogs have emerged as a very popular form of Web 2.0, as they offer a very interactive and collaborative environment in which users can carry out formal and informal discussions and can also follow links to other related resources and articles on the web. Blogs host features that facilitate the formation of bigger groups and communities on the web, and may be maintained by individuals as well as by groups or

communities. Many also have integrated RSS feeds, which alert users to the latest updates and additions to the blog (Goodwin-Jones, 2003). Corporate blogs are generally used for internal company communications. These have been classified as Knowledge, Collaboration, Campaigning, Customer Relationship and CEO blogs depending upon their usage. CEO blogs are used primarily for issues such as setting company agenda and also for discussion of company strategies (Juch and Stobbe, 2005).

Well-known blogs include that of Citigroup, which encourages users to read and comment on posts from the Citigroup CEO and other senior officials. The blog, which features videos and pictures from Citigroup, also gives users access to the latest news and promotions from Citigroup. User feedback and suggestions are also acknowledged by the company, and a dedicated section of the blog is set aside for user comments. The blog also contains links to the company's Facebook and Twitter pages and has an option for users to subscribe to newsfeeds (Citigroup Inc., 2010). Elsewhere, certain innovative company blogging practices have been observed, as in the case of McDonald's, which has its own special blogs for corporate social responsibility (Fieseler et al., 2010 cited in Patterson, 2012).

Wikis are dependent upon user-generated content since users are themselves responsible for maintaining and updating the content. Wikis that are used inside organizations are known as corporate wikis, and these are different from wikis that are publicly posted on the internet. Wiki usage by corporations is a common and increasing trend. Firms such as eBay, which has over 193 million members, encounter an enormous number of posts every week. To handle such heavy posting volumes the company started using a wiki to connect users so that they could interact and share knowledge. Its popular and easy-to-use interface are the two key parameters that add to wiki success. The overall structure of the wiki is very well organized and it provides lots of information under one banner. The wiki also has good security features, such as its rule that only registered users are allowed to access the content (Grace, 2009).

Wikis are also emerging as an important tool for knowledge management within organizations. Knowledge is fundamental to the success of an organization and yet coping with large volumes of knowledge is challenging. Wikis have been recognized as an ideal tool for knowledge management as a lot of linked and open source information can be placed in a wiki. For instance, one company implemented the wiki collaboration system 'Mediawiki' in its R&D department so that users could communicate freely and contribute to the creation of important technical reports (Kang et al., 2010).

Online forums are essentially consumer-to-consumer forums where the consumers themselves establish relationships and post according to their topics of interest. Companies also take advantage of these forums to promote their brand and to attract more consumers and clients. The producer organizations can extract relevant and often very useful information from a consumer forum, such as the level of consumer satisfaction, consumer perceptions, feedback and data on the effectiveness of a product or service. Discussion forums represent a two-way communication between the organization and its consumers, and this element of interactivity adds to their effectiveness (Pitta and Fowler, 2005). A notable example of usage of discussion forums for knowledge sharing is in the case of pharmaceutical firm AstraZeneca. The main challenge for the firm before the implementation of its discussion forum was the time that was spent in gathering information and the wastage of time by conducting meetings. Now, employees make use of threads within a discussion forum to obtain relevant knowledge before attending a face-to-face meeting (Adelmann and Jashapara, 2003).

3   RESEARCH METHODOLOGY

The authors chose an exploratory approach as this study was the first to focus on social media usage in the UK building society sector. The UK building society sector was of interest to the authors because it makes significant contributions in terms of GDP and customer service. The sector has significant challenges in terms of size and resources to cope with when contrasted with the banks and hence, identifying the extent of social media usage within this sector was of interest. Certain statistics and figures available from the Building Societies Association website provided the starting point for the authors. This

information gave a preliminary idea about the current building society business and market trends; however, it did not uncover facts about social media penetration and strategies. Consequently the authors then researched the available relevant literature on social media in journals, practitioner publications and databases such as ABI/Inform Global. The building societies' websites were also useful in obtaining an overview of each organization and its previous records. Current social media strategies and trends in organizations across the globe were identified by the authors. This included the current usage and extent of usage in companies including the Fortune 500 and the banking sector. The major application areas were identified as business, marketing, brand promotion, communication, monitoring, user collaboration and knowledge sharing. The literature also described case studies on social media implementation some of which were within the banking sector. This gave the authors ample information to design a survey questionnaire for analyzing the level of social media penetration in UK building societies. The survey questions were influenced by useful social media concepts such as creation of communities (Goodwin-Jones, 2003), creation of virtual customer environments (Culnan et al., 2010), spreading company news, getting customer reviews, monitoring customer opinions (Gallaugher and Ransbotham, 2010), marketing, brand promotion, HR services (Case and King, 2011) and knowledge management (Grace 2009; Kang et al. 2010). We asked separate questions enquiring about the usage or non-usage of each: Facebook, Twitter, blogs, wikis and discussion forums within the application parameters discussed above, and also gave respondents the option to make additional comments. Specific multiple choice options were directed towards a company's internal and external communications. In order to carry out a robustness check, the questionnaire was piloted with five different reviewers, all of whom completed the questions well within the anticipated 8-minute response time. For example, one of the actual survey questions read:

"How much does your organization use Facebook (or similar) for the following activities:
- Business (Expressed as a percentage 0-100% on qualitrics survey software's slider bar)
- Marketing (Expressed as a percentage 0-100% on qualitrics survey software's slider bar)
- Brand Promotion (Expressed as a percentage 0-100% on qualitrics survey software's slider bar)
- Networking (Expressed as a percentage 0-100% on qualitrics survey software's slider bar)
- Don't use Facebook or similar (Please Specify)".

Both qualitative and quantitative data were gathered in two phases. During the first phase (Quantitative - 28 June 2011 to 16 August 2011) officials from all 48 building societies (as of June 2011, currently 47) were contacted and requested to fill out the questionnaire designed using qualitrics survey software. This was done to get opinions from the entire UK building society sector before reaching any conclusion and for the same purpose, the Building Societies Association website and building societies' own websites were used to look for contact details of the building societies. Follow-up calls were made to those who did not initially respond. 13 responses were recorded in this phase[1], which were predominantly from male respondents (9) leaving three from female and one from an anonymous respondent. After achieving a response rate of 27%, the second stage of qualitative data collection began. In this stage, those officials who had replied to the questionnaire were asked to participate in a follow-up interview. The building societies who did not reply to the questionnaire were also contacted. This phase of data collection was equally important to get a much broader insight of the factors influencing the decisions about usage or non-usage of social media platforms in the UK building societies. The interviews further allowed the authors to obtain detailed information about social media usage and non-usage in the UK building societies and simultaneously discuss the survey responses gathered during phase one with the interview respondents.

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[1] All the 13 responses were from different building societies and each response represented the social media usage by that particular building society.

Finally, telephone interviews were conducted with officials from three different building societies[2] in order to obtain more detailed evidence for analysis; to maintain anonymity we refer to them in the text by their job roles rather than names. These were the marketing manager (A) of one of building society (19 August 2011), the Chief Executive (B) of another building society (24 August 2011) and the IT manager (C) of a third building society (24 August 2011). All three interviews produced useful additional material which allowed us to verify the survey findings and record supplementary information for both research questions.

4   FINDINGS

This section presents the analysis of the empirical data that was collected through survey and interviews and explains the significance of the findings in the light of previous research.

4.1   Facebook usage and implications

The level of Facebook usage by building societies was found to be very low; surprisingly, not a single building society uses Facebook to conduct business, although three building societies reported using Facebook for marketing purposes. One of them estimated a 20% Facebook usage while the other two each revealed less than 6% usage. The results further illustrate that the use of Facebook for activities such as promotion of brand name and networking has also been negligible: only one society exploits Facebook in this way. Consequently, we concluded that most UK building societies are not exploiting the potential of Facebook (or similar social networking tools) within their business.

The interview findings illustrate three major reasons for the non-usage of Facebook. The marketing manager (A) told us that his company doesn't use Facebook because of security, privacy and data protection concerns. Lack of trust was another crucial factor that came into the picture. Our chief executive interviewee (B) stated that "*social media only attracts teens", and* the IT manager (C) said *"we have done assessment of Facebook and Twitter and we don't see any business benefits".* Finally, building societies still feel that social media is relatively new to the market, and they are not fully aware of the benefits of Facebook: in our interview with the marketing manager (A) we were told that Facebook isn't used because it is *"still in its infancy".*

It can be concluded that the three primary reasons behind the low uptake of Facebook in UK building societies are security and privacy concerns, lack of trust in Facebook, and limited awareness about the potential and utility of Facebook. However, as we have noted above, the use of Facebook can redefine the trust relationship between building societies and their customers, increase customer loyalty and enhance the brand's image. Such proven potential should encourage building societies and their customers to trust Facebook and overcome this barrier. Using this platform can help building societies to connect with their customers and thus enjoy greater business benefits and a strong presence in the market. Facebook can strategically be used for product promotion, advertising, facilitating communication and encouraging networking both within and outside the organization as indicated by Culnan et al. (2010). Building societies thus miss out on these benefits by not using Facebook.

4.2   Twitter penetration and implications

The survey findings revealed that Twitter is used for marketing through tweets in three building societies from our sample. It is also used for monitoring posts from different people, which is quite useful for getting an unbiased customer opinion and is currently being used by three building societies. The potential of Twitter for recruitment has been explored by one building society and the internal usage of

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[2] These three building societies were different from the 13 building societies, who responded to the survey questionnaire. Hence, we had opinions from 16 different building societies out of 48 (total) to justify our claims.

Twitter within the same building society is negligible. Another building society is considering the use of Twitter, while a different survey respondent remarked that they are *"Not convinced of the benefits"* and hence do not use it. Interestingly, one of the survey respondents who rejected the use of Twitter stated that his company uses Yammer for internal company communications.

The interview findings highlight some significant factors that hinder the adoption of Twitter: the first of these is lack of trust. The IT manager we interviewed (C) told us that *"we have done assessment of Facebook and Twitter and we don't see any business benefits"*. The chief executive (B) told us that *"Social media is transitory in nature. See what happened to Myspace in the UK"*. Secondly, the absence of a dedicated IT department in some building societies leads to a lack of opportunity for employees to engage with Twitter and social media related activities: *"We don't have an IT Department to take care of social media and other internet campaigns."* (marketing manager, A). Lack of sufficient resources is another factor that contributes to the non-adoption of Twitter. The marketing manager (A) remarked that *"We don't have sufficient resources to use these technologies. All we have is a website that is only informative and not interactive"*. When asked whether his company was considering using Twitter, he said that *"we have no immediate thoughts about it"*. The same can be ascertained from the interview with the chief executive (B). He said that his building society has limited resources and the legal structure also hindered its growth. Surprisingly, he told us that *"we limit the business rather than encourage it as we have more daily business and it is difficult to cope with"*.

It can be inferred from the data that although a few building societies do make use of Twitter, most are not well acquainted with the benefits of its use. Most show a lack of trust in Twitter and feel that there are privacy concerns related to Twitter use as discussed in the literature as well. Some building societies are using Twitter for marketing and monitoring, which gives them an advantage over others who ignore this hidden potential. Very much in line with Facebook usage, Twitter usage tends to attract more users to the brand, increase customer loyalty and also help the organization in enhancing its reputation. Twitter usage can lead to enhancement of the presence of the brand in the market and can also improve company-customer trust relationships. Based on the findings of Gallaugher and Ransbotham (2010), this could further lead to an invaluable two way communication between a company and its customers. Furthermore, building societies can make use of Twitter as a channel to boost sales, get customer feedback and reviews as indicated in the literature and all this can happen even with limited resources. However, by not using Twitter, the Building Societies are deprived of all these benefits.

4.3   Blog and wiki usage in building societies

The survey results clearly indicate low levels of use of blogs in building societies. Only two respondents (15%) declared any kind of blog usage, while CEO blogs are used in one building society for communication. In general, building societies did not feel the need to use wikis for knowledge management and communication. The implications are that most building societies don't use blogs and wikis due to the small size of their business. As noted earlier, building societies are comparatively smaller than other financial companies in the market. Some have few employees and thus don't require blogs and wikis for internal communications. As one survey respondent remarked, *"we only employ 20 staff and therefore communication is much easier"*. The same was observed in the interview with the chief executive (B), who said that *"we have only 6 branches and three of them are local"*. The words of the marketing manager (A) who we interviewed — *"I am the only person in the Marketing Department"* — further support this finding. In such cases, discussions are predominantly carried out through traditional and formal channels such as meetings. This is another significant reason for the absence of blogs and wikis. The survey recorded the following response to the question on blog usage: *"We use team meetings and other events to log and progress staff insights"* (anonymous respondent). The interview data further supports the claim: our chief executive interviewee (B) told us that *"we focus more on newsletters"*; moreover, the building society believes that by doing so it simultaneously avoids any negative PR since *"the commentary is low grade and sometimes negative"*. The IT manager we interviewed (C) had similar

thoughts about sticking to traditional channels. He told us that *"we believe that selling products in the branches is more useful than selling them online"*, a statement which also marks a negative attitude towards the adoption of social media platforms.

Building societies refrain from using blogs and wikis due to the small size of their business. Other predominant reasons include their tendency to stick to traditional channels for communication and advertising and even a negative attitude towards the adoption of social media. However, the evidence from other sectors suggests that blog use can lead to enhancement of customer collaborations and generation of important data, which could be used by the building societies to better understand market needs and trends and thereby increase profitability. Blog use can ensure effective communication with the customers (Gallaugher and Ransbotham, 2010) and the building societies can simultaneously conduct marketing activities by releasing the latest product information on the blog (Culnan et al., 2010), which in turn can increase customer awareness of the products and services offered by the building society. Building societies therefore ought to encourage blog usage as it is inexpensive and highly beneficial and the reliance on traditional channels would gradually fade.

4.4 Discussion Forum usage and implications

Seven survey respondents replied that they use discussion forums for facilitating communication between employees; three respondents claimed that they use discussion forums for establishing communication between employees and clients, and one respondent said that they use discussion forums for client to client communication. The results were thus mixed. More than half of our respondents admitted that they use discussion forums in some way: however, size continues to be an important factor that affects social media adoption. Accordingly, four of the building societies which claimed not to use discussion forums were small in size. The small size of the building society was again held responsible for the non-usage of social media in the interview with the IT manager (C), who remarked that *"We tend to use meetings as the staff can easily talk to each other"*. Similarly, in another interview, the marketing manager (A) stated that *"we are a small society and hence we don't need blogs and discussion forums for communication"*. Another implication is that security and privacy concerns hinder building society use of discussion forums. The information that the building societies deal with, such as transaction information and customer records, is mostly confidential and thus cannot be presented publicly on discussion forums. This can be inferred from the interview with the marketing manager (A). He revealed that *"social media has security, privacy concerns and data protection is a major issue"*.

The non-usage of discussion forums by the building societies leads to ignorance of their potential benefits. As mentioned in the literature, discussion forums have proved useful for various reasons (Pitta and Fowler, 2005). Discussion forums can also help employees to interact with customers (Gallaugher and Ransbotham, 2010) and even other employees and to generate new ideas that can be beneficial. This also improves their relations with customers and also encourages trust-building. Building societies and their customers can themselves tackle the security and privacy concerns by avoiding posts containing sensitive information. The size constraint does not hold any significance as far as the employee-customer interaction is concerned. Almost every society has thousands of customers and by implementing discussion forums, customers can get more involved with their building society and may as a result be tempted to buy products from them hence boosting sales and brand name.

5   DISCUSSION

Building societies in the UK are slowly moving towards the adoption of social media technologies. As discussed earlier in this paper, many companies are already utilizing the potential of social media and the internet to support their business capabilities. The nature of building society business and products is very similar to that of banks and other financial institutions, although the greater size, level of resources and reach of banks puts them at a certain advantage over building societies, while the latter are more focused

towards providing services to a local community. The literature indicates that banks such as RBS and Citigroup are using social media technologies to their fullest (Facebook 2011; Citigroup Inc. 2010). With the evolution of Web 2.0, social media have become an integral part of their business. Banks initially started offering products and services on the internet before venturing onto the social media platforms. The uptake of social media by banks illustrates a range of motivations, the most obvious of which was marketing and brand promotion.

Having set out the findings of our empirical research, we now consider how our findings address the main research questions. Our first question asked the following: What is the current level of use of social media in building societies in the UK?

Surprisingly, most building societies do not use Facebook despite its success elsewhere. Twitter has huge marketing and communication potential (Culnan et al. 2010; Gallaugher and Ransbotham 2010) and we posit that it can prove to be yet another useful tool for building societies. Twitter usage is common in many companies, including banks and financial institutions. The main uses of Twitter in Fortune 50 companies are to provide company information as well as marketing, brand promotion, customer services and HR solutions. Despite this potential, Twitter usage in building societies is visibly low. However, Yammer is regarded as "enterprise Twitter" and one building society in the sample is already using it.

Blogs can be classified into several categories and depending upon their suitability, they can be used for a range of purposes. We believe that blogs can prove to be revolutionary as far as the information and communication needs of building societies are concerned. Blogs have the ability to capture current market trends and information with great ease (Gallaugher and Ransbotham, 2010). Many firms, including those from the financial services sector, use blogs for communication, networking and discussion. A study by Lawson-Borders and Kirk (2005) revealed that the use of blogs has led to other hidden benefits such as real time communication and the honing of existing content. Blogs are a simple, easy-to-use communication tool, yet their usage is limited to a few building societies.

Discussion forum use in building societies was reported by more than half of our survey respondents, which shows an awareness of their potential and an ability to use them to suit their needs. We feel that such initiatives must be taken by other building societies if they wish to compete effectively in the market. Discussion forums were more widely used for employee-to-employee communication than employee-to-client communication. There is an implication that the building societies associate such forums with potential breaches of customer privacy and data security. Furthermore, building societies also tend to be formal in their communication with clients.

Despite their apparent reluctance to use social media platforms, there are indications that building societies are beginning to use other innovative technologies. For example, some of them are investigating the use of mobile apps and collaboration technologies with their counterparts.

Our second research questions asked what are the factors that impede the uptake of social media within this sector? The main factors hindering the usage of social media in this sector as identified in this study are:

- Privacy and security concerns: building societies have a tendency to resist social media because of privacy and security concerns. They have voiced concerns about information safety, and they feel that information may be misused over the web.
- Resources: lack of sufficient resources and capital is another factor that was identified in the study. Building societies refrain from using social media due to resource constraints and stick instead to traditional methods of communication.
- Size: building societies are smaller than banks and other financial institutions and hence there is very little requirement for social media, since internal communication can be done face to face more easily.

- Myths: building societies feel that social media channels are still in their initial stages and have a long way to go before they become mainstream. They feel that Facebook and Twitter are not beneficial from a business point of view.
- Presence of an IT department: the study indicates that societies which do not have a dedicated IT department are less likely to use social media and related internet technologies. Having a dedicated IT department means more resources and time available to facilitate the move onto social media platforms.

The main factors identified in this study could be relevant to other industry sectors rather than the UK building society sector alone. These factors are very important from a building society's perspective considering the fact that they are constrained in terms of size, resources and capital. The UK building societies are well aware of their challenges and needs and can make strategic use of social media to counter those challenges and gain a competitive advantage. For instance, when contrasted with their main competitors, banks, a strategic use of Facebook or blogs in the UK Building societies would hold the same potential in terms of marketing, brand promotion, HR and business generation as in the case of banks. Social media is an inexpensive and easy to use platform and hence would be an asset to the UK building societies if used with a specific plan and strategy in mind. We believe that absence of an IT department, size, resources and budget constraints hold little importance in the context of social media usage as most of the social media platforms are free of cost to use and every building society employee can contribute to it without disturbing their day to day activities. The practitioners from UK building society sector in general refrain from social media usage but they soon have to realize the potential and power of social media and implement it across their businesses. This is really important to grow in their market especially when the competitors (banks) are blessed with resources and capital and offer tough competition to the UK building societies.

6   CONCLUDING REMARKS

This study highlights the current usage of social media in UK building societies and also the challenges which they face in considering adoption of social media technologies. The research questions focused specifically on building societies in the UK. Our study found that building societies have little presence on social networking websites and there is also a dearth of literature about social media usage in these companies. The current extent of social media usage in building societies was thus of great interest, and consequently formed our first research question. We found that few building societies are using the potential of social media to gain a competitive advantage. Those that have adopted social media platforms used them for marketing and promotion purposes. However, most building societies did not use social media: our second research question therefore looked into the factors which inhibited their uptake. The study identified lack of trust, company size, lack of resources and myths about social media usage to be the main factors behind the reluctance to engage with social media platforms. These factors still continue to dominate the slow adoption of social media by building societies. Size and resource availability were the most important factors, and these were crucial when a comparison was made between the social media usage in banks and building societies. This study also found that building societies were on the whole indifferent towards social media, and were more inclined to use traditional channels for the purposes of communication, marketing and discussions.

The findings of this study are novel, since no previous research on the usage of social media in this sector has been carried out. The study determined that some building societies do use social media, so some in the sector are aware of the potential. However, our research indicated reasons for the sector's overall reluctance to use social media, which are of significance to practitioners and subsequent researchers.

This study has also contributed an improved understanding of the existing levels and types of usage of social media, and challenges in its uptake, by building societies in the UK, which was also hitherto

unknown. This study specifically focused on UK building societies and demonstrated the relevance of social media to the sector which was not limited to the findings discussed in the literature. The study further contributed with the creation of new knowledge such as the social media usage trends and barriers of the sector of study which would be of great significance to the UK building societies. The area is ripe for further research on the UK building society sector. Future research may consider the opinions of regular customers and clients regarding the use of social media in the building society sector. The use of Information Systems literature in a social media context could also produce meaningful research findings. Further research could also consider the professional social network LinkedIn, which is known to be used for communication, referrals and other business oriented activities in small and large organizations (Papacharissi, 2009).

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