

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF COMMERCE  
MASTER OF BANKING AND FINANCE PROGRAMME**

**EFFECT OF SOCIAL MEDIA USAGE ON  
ORGANIZATIONAL PERFORMANCE OF SELECTED  
PRIVATE BANKS OF MYANMAR**

**KYAW KO KO  
MBF (DAY) 1<sup>ST</sup> BATCH**

**DECEMBER, 2019**

**EFFECT OF SOCIAL MEDIA USAGE ON  
ORGANIZATIONAL PERFORMANCE OF SELECTED  
BANKS OF MYANMAR**

A thesis submitted as a partial fulfillment towards the requirements for  
the degree of Master of Banking and Finance (MBF)

**Supervised by**

Daw Khin Nwe Ohn  
Associate Professor  
Department of Commerce  
Yangon University of Economics

**Submitted by**

Kyaw Ko Ko  
Roll No. 34  
MBF (Day) 1<sup>st</sup> Batch  
2017-2019

## ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce, Yangon University of Economics, in partial fulfillment for the requirements of the Master Degree, Master of Banking and Finance.

## BOARD OF EXAMINERS

-----  
Prof. Dr. U Tin Win  
(Chairman)  
Rector  
Yangon University of Economics

-----  
(Supervisor)  
Daw Khin Nwe Ohn  
Associate Professor  
Department of Commerce  
Yangon University of Economics

-----  
(Examiner)  
Prof. Dr. Daw Soe Thu  
Professor and Head  
Department of Commerce  
Yangon University of Economics

-----  
(Examiner)  
Prof. Dr. Aye Thu Htun  
Professor  
Department of Commerce  
Yangon University of Economics

-----  
(Examiner)  
Daw Chaw Su Aung  
Lecturer  
Department of Commerce  
Yangon University of Economics

DECEMBER, 2019

## **ABSTRACT**

This study was focused on the analysis of effect of social media usage on performance of the selected banks in Myanmar. There are selectively three local banks to analyze the effect of social media usage. They are KBZ Bank, CB Bank, and Yoma Bank. The main objectives of the study are to identify the use of social media usage of selected banks in Myanmar and to analyze the effects of social media usage on performance of the selected banks in Myanmar. The analysis of the study was based on descriptive and analytical methods with both primary and secondary data. The primary data was collected with sampling method from 90 respondents through Likert scale questionnaires, structured with four influencing factors and their impact on organizational performance of the selected banks. The respondents are from KBZ, CB, and Yoma Banks, who are at the levels of Senior Management, Middle-level Management, and Executives. 30 respondents from each bank were participated in the study and the surveyed data was calculated with SPSS version 22 and resulted mean values, standard deviation, correlation coefficient, and regression analysis were applied for the analysis of the study. The study was observed that the use of social media for cost effectiveness is the strongest influencing factor for the banks. It was also found that the use of social media enhances organizational performance of the three selected banks. The study was suggested that banks should focus more on customer relationship and services in the use of social media and maintain the bank's reputation.

## ACKNOWLEDGEMENTS

Firstly, I would like to express my sincere gratitude to Prof. Dr. Tin Win, Rector of Yangon University of Economics, for his concerns and encouragements to MBF programme.

Second of all, I would like to appreciate Prof. Dr. Nilar Myint Htoo, Pro-Rector of Yangon University of Economics, for her encouragements and supports to MBF programme.

Thirdly, my deepest gratitude to Prof. Dr. Soe Thu, Programme Director of Master of Banking and Finance Programme and Head of Department, Department of Commerce, Yangon University of Economics, for all her dedication and efforts for this MBF programme.

Fourthly, I would like to appreciate my supervisor, Daw Khin Nwe Ohn, Associate Professor, Department of Commerce, Yangon University of Economics for her invaluable advices for my thesis paper. She has provided precious guidance, and commitment of time, as well as supported the preparation and writing of this research paper thesis.

I would like to express my deep thanks to all professors, lectures, instructors, visiting lecturers, and all my classmates from MBF (Day) First Batch, Yangon University of Economics.

My sincere appreciation to the participants and Management of KBZ Bank, CB Bank, and Yoma Bank for their participations and support on my survey questionnaires.

Finally, I would like to appreciate all the unconditional supports from my beloved wife and my lovely son for everything they had done for me.

# CONTENTS

	<b>Page</b>
<b>ABSTRACT</b>	i
<b>ACKNOWLEDGEMENTS</b>	ii
<b>TABLE OF CONTENTS</b>	iii
<b>LIST OF TABLES</b>	v
<b>LIST OF FIGURES</b>	vi
<b>LIST OF ABBREVIATIONS</b>	vii
<b>CHAPTER 1 INTRODUCTION</b>	<b>1</b>
1.1 Rationale of the Study	2
1.2 Objectives of the Study	3
1.3 Scope and Method of the Study	3
1.4 Organization of the Study	3
<b>CHAPTER 2 THEORETICAL BACKGROUND OF SOCIAL MEDIA USAGE</b>	<b>4</b>
2.1 Social Media and Social Networking Sites	4
2.2 Traditional Marketing vs Social Media Marketing	6
2.3 Social Media in Banking Sector	8
2.4 Review of Previous Studies	11
2.5 Conceptual Framework	12
<b>CHAPTER 3 OVERVIEW ON THE USE OF SOCIAL MEDIA USAGE OF SELECTED PRIVATE BANKS IN MYANMAR</b>	<b>15</b>
3.1 Background Information of the Selected Private Banks	15
3.2 Social Media Usage of the Selected Private Banks	19

<b>CHAPTER 4</b>	<b>ANALYSIS ON EFFECT OF SOCIAL MEDIA USAGE ON PERFORMANCE OF SELECTED PRIVATE BANKS IN MYANMAR</b>	<b>22</b>
4.1	Research Design	22
4.2	Demographic Factors of Respondents	22
4.3	Analysis on Effects of Social Media Usage in Banking Industry	26
4.4	Correlation Coefficient	32
4.5	Analysis on the Influencing Factors of Social Media Usage Towards Organizational Performance	33
<b>CHAPTER 5</b>	<b>CONCLUSION</b>	<b>35</b>
5.1	Findings	35
5.2	Suggestions	36
5.3	Limitation and Needs for Further Studies	37

## **REFERENCES**

## **APPENDIX**

## LIST OF TABLES

<b>Table No.</b>	<b>Description</b>	<b>Page</b>
4.1	Number of Respondents by Level of Position	23
4.2	Number of Respondents by Experience in Banking Industry	23
4.3	Number of Respondents by Bank	24
4.4	Number of Respondents by Using Type of Social Media	24
4.5	Number of Respondents by Length of Social Media Usage	25
4.6	Number of Respondents by Frequency of Response	25
4.7	Number of Respondents by Frequency of Post	26
4.8	Use of Social Media for Marketing	27
4.9	Use of Social Media for Customer Relationship and Services	28
4.10	Use of Social Media for Information Search	29
4.11	Use of Social Media for Cost Effectiveness	30
4.12	Analysis on Organizational Performance	31
4.13	Relationship between Influencing Factors and Performance	33
4.14	Influencing Factors of Social Media Usage towards Organizational Performance	34

## LIST OF FIGURES

<b>Figure No.</b>	<b>Description</b>	<b>Page</b>
2.1	Traditional vs Social Media as a Tool of Marketing Communications	7
2.2	Conceptual Framework of previous study	12
2.3	Conceptual Framework of this study	13

## LIST OF ABBREVIATIONS

ADB	-	Asian Development Bank
APIX	-	API Exchange
ASEAN	-	Association of South-East Asian Nations
ATM	-	Automated Teller Machine
CB	-	Co-operative Bank
CGI	-	Canadian Global Information Technology consultancy
JICA	-	Japan International Cooperation Agency
KBZ	-	Kanbawza Bank
KfW	-	Kreditanstalt für Wiederaufbau
MPU	-	Myanmar Payment Union
SME	-	Small and Medium Enterprise
SPSS	-	Statistical Package for the Social Sciences

# CHAPTER 1

## INTRODUCTION

Over the past two decades, revolutionary change in information technology has made the essence of banking services simpler and easier. Recently, there has been a dramatic increase in the number of Internet users in the world, as well as the pace of growth of the internet and information technology. The use of the World Wide Web is increasing day after day in through chat, audio & video message, and emails to connect with each other with the growth of the internet infrastructure, where more than 4 billion people use the internet every day. An online two-way communication tool, social media, has emerged as a modern connection tool in the internet infrastructure with the increasing number of internet users.

Social Media differ from paper-based media (e. Newspapers, Magazines and other related business communications) or traditional electronic media such as T.V broad casting in many ways including quality, frequency, interactivity, usability, immediacy and permanence (Babu & Babu, 2018). Social media is a series of websites and applications designed to allow people to share content quickly, efficiently and in real-time (Babu & Babu, 2018). Social media marketing refers to the process by which social media sites gain traffic or attention (Stokes, 2013). Users typically access social medial services via web-based technologies on desktop, computers and laptops or down load services that offer social media functionality to their mobile devices such as smart phones and tablet (Babu & Babu, 2018).

Social networks have been gradually replacing traditional media in recent years and are becoming increasingly popular among customers, but also increasingly effective as a business marketing tool (Bruhn, Schoenmueller & Schäfer, 2012). Social media usage numbers are increasing day by day, and the world now has 284 million Twitter users, 332 million LinkedIn users, and more than 1 billion Facebook users. Social Media Changes the way individuals and large organizations communicate. Social media marketing has thus emerged as the largest distribution channel for goods and services in the world, the easiest and cheapest way to communicate and interact between customers and business as well as for the social purpose in the community.

Brand loyalty is demonstrated when consumers stick to a brand and make repeated purchases regardless of the price offer or convenience of the product or service (Kotler, 2003). Kotler (2003) notes that the creation of a strong and stable brand

requires a long-term investment that can be made through frequent advertisement, promotion and re-launching of the product or services. Since social media marketing became more popular, banks around the world began to use it to communicate with their existing and prospective customers about their products & services and any relevant information. Therefore, social media has become a platform where banks can communicate with their customers as well as establish stable and mutual relationships with their customers. According to thefinancialbrand (2018), over 600 million USD was spend in social media marketing by US financial institutions in Facebook and YouTube in 2018.

### **1.1 Rationale of the Study**

In Myanmar, there are 4 Government State-owned banks, 4 Government Municipality-owned banks, 7 semi-private banks, 14 privately owned banks (Schellhase & Sun, 2017). The banking industry in Myanmar today has become a very competitive and complex environment as financial products and services offered by the banks have only minor differences. Therefore, the industry situation requires greater transformation with intense focus on customer satisfaction.

In Myanmar now has 18 million active internet users and internet usage is growing. 40 % of total population, over 53 million, of Myanmar have mobile connections and 39% of total population of Myanmar are active social media user of which 18 million people use Facebook (slideshare, 2019). In terms of social media usage, it is seen that Facebook is the most commonly used social media site in Myanmar. Therefore, banks in Myanmar are actively using Facebook as marketing tools to serve and communicate with customers.

As the banking industry in Myanmar is becoming very competitive, due to the continuous arrival of new players in business, it is difficult to maintain a customer. It is important to adopt social media as a new channel of marketing tool to follow the new social direction of customers to respond to increased competition among banks. Nonetheless, when implementing social media usage, banks may challenge and opportunities. The purpose of this study was to evaluate the effectiveness of social media usage on organizational performance in banking industry in Myanmar.

## **1.2 Objectives of the Study**

There are two main objectives to be fulfilled in the study. They are as presented in the followings.

- (1) To identify the use of social media of selected banks in Myanmar.
- (2) To analyse the effects of social media usage on performance of the selected private banks in Myanmar.

## **1.3 Scope and Method of the Study**

The study was focused on the effect of social media marketing of banking sector in Myanmar. Descriptive and analytical methods were used in the study. In order to analyze the study, both primary and secondary data were used. Primary data was collected from the surveyed data of Likert scale questionnaire and the secondary data was collected from the reports, internet websites, and relevant researches.

In collection of the primary data, 90 respondents were requested to participate in the survey. These respondents are from the three selective banks of KBZ, CB, and Yoma, relevant with the social media marketing of their own banks. Therefore, random data sampling method was used and 30 respondents within the levels of Senior Management, Middle-level Management, and Executives, from each bank were participated in the survey and the collected data was analyzed based on the calculation of SPSS version 22. The resulted mean value, standard deviation, correlation coefficient, and regression analysis were applied for the analysis of the study.

## **1.4 Organization of the study**

This study was organized with five chapters. The first chapter presents about the introduction, objectives of the study, scope and method of the study, and organization of the study. The second chapter includes literature review of Social Media Marketing. In chapter three, there are explanations about overview on social media marketing of banks in Myanmar, focused on the three selective banks, namely, Yoma Bank, KBZ Bank, and CB Bank. The analysis on effects of social media usage on organizational performance of selected private banking in Myanmar was expressed in the chapter four. Conclusion includes findings, suggestions, limitation and needs for further studies, mentioned in chapter five.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND OF SOCIAL MEDIA USAGE**

This chapter intends to describe theoretical background of social media usage. In order to study and understand the term of “social media”, definition and basic feature of social media has to be explained first. Theories related to social media, application and advantages of social media in banking industry, previous studies and conceptual framework for effect of social media usage on organisational performance are also expressed in this chapter.

#### **2.1 Social Media and Social Networking Sites**

Social media is computer-based technology that allows the development of digital networks and communities to share ideas, opinions and knowledge. Social networking is the utilization of social media sites on the Internet to connect with friends, relatives, colleagues, customers or clients (Stokes, 2013). It is important to understand that social media and social networking are not the same, but both are essential to business organization (Investopedia, 2019).

##### **2.1.1 Social Media**

Social media are computer-mediated interactive technologies that promote information, ideas, career interests and other forms of expression through online communities and networks to be generated and shared (Babu and Babu, 2018). The ' Social ' part refers to interacting with other people by exchanging and receiving information from them. The ' Media ' part refers to a multimedia instrument such as the internet (whereas TV, radio, and newspapers are examples of more traditional media forms) (Lifewire, 2019). Therefore, Social media are web-based networking tools that allow people to interact with each other by sharing information and consuming it.

Social media is internet-based by nature and allows users to share content quickly and digitally. Personal information, documents, videos and pictures are included in the content (Stokes, 2013). Users use mobile application or web application to connect with social media via desktop, tablet or smartphone, often using it for messaging.

Basic features of the social media are:

**a. Personal user accounts:**

A user account is a location on a network server used to store a user name, password, and other information on a computer. A user account permits or prevents a user from connecting to a network, another computer, or other shares (Lifewire, 2019).

**b. Profile page:**

Because social media is all about interaction, it is often necessary to create a profile page to help represent an individual and give them a space to create their own personal brand. It often contains individual user data such as an image profile, history, blog, and updates from recent posts, reviews, current behaviour, and more (Lifewire, 2019).

**c. Friends, followers, groups, etc.:**

Individuals use their accounts to communicate with other users, as well as subscribing to certain forms of information (Lifewire, 2019).

**d. News feeds:**

News feeds includes status updates, photos, videos, links, app activity, and like from people, pages, and groups (Lifewire, 2019).

**e. Customisation:**

Social media sites usually give users the ability to modify their account settings, customize their profiles to look a particular way, arrange their friends and followers, monitor the content they see in their news feeds, and even give feedback about what they do or don't want to see (Lifewire, 2019).

**f. Notifications:**

Notifications are alerts on social media activity. Users have full control of these alerts and can choose to receive the types of notifications they wish to receive (Lifewire, 2019).

**Like buttons and comment sections:**

The most common ways of interacting on social media are through buttons indicating a ' like ' and comment sections where user can express their thoughts (Lifewire, 2019).

**g. Review, rating, or voting systems:**

In addition to liking and commenting, many social media sites and apps rely on the community's collective effort to review, rate, and vote on information that user know about or have used (Lifewire, 2019).

**2.1.2 Social Networking Site**

Social networking site is used for individuals to keep contact with friends and family members for primely social purpose. But for business, Social networking site is an essential tool for companies. Businesses use social networking sites to identify and engage consumers, drive sales through advertising and promotion, gage product trends, and provide customer service or support (Investopedia, 2019).

The figures for the most popular social networking site as of January 2019 are as follows (Investopedia, 2019).

1. Facebook (2.27 billion users as of January 2019)
2. YouTube (1.9B)
3. WhatsApp (1.5B)
4. Facebook Messenger (1.3B)
5. WeChat (1.08B)
6. Instagram (1B)
7. QQ (803M)
8. QZone (531M)
9. Douyin/Tik Tok (500M)
10. Sino Weibo (446M)

**2.2 Traditional Marketing vs Social Media Marketing**

Social medial marketing is modern marketing discipline in nowadays. Business organisations, including banks, are now understanding the power of social media marketing since it changes the traditional marketing strategy which is usually used by businesses before.

**2.2.1 Traditional Marketing**

Social medial marketing is modern marketing discipline in nowadays. Business organisations, including banks, are now understanding the power of social media

marketing since it changes the traditional marketing strategy which is usually used by businesses before (Parusheva (2017).

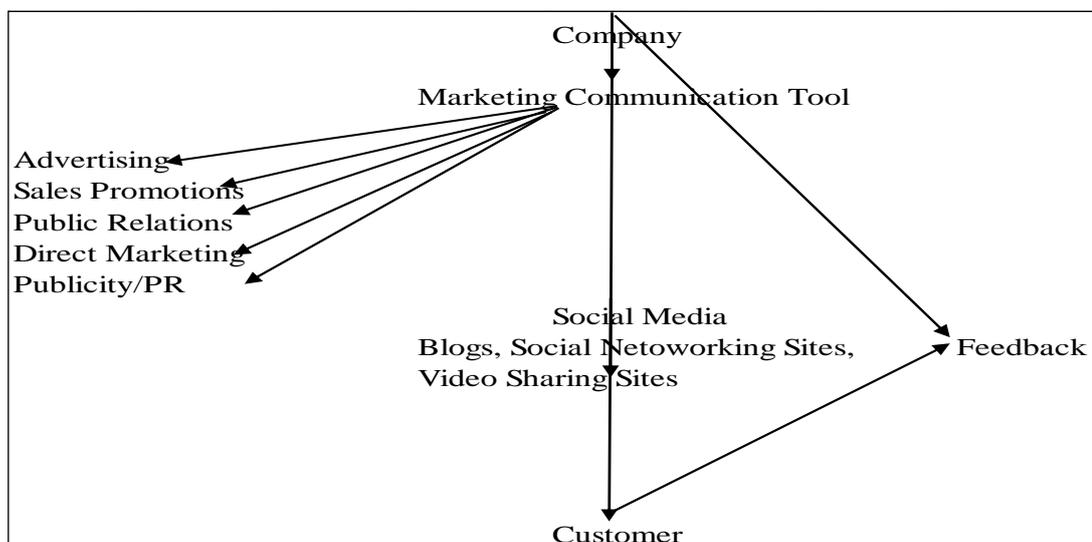
### 2.2.1 Traditional Marketing

Philip Kotler (2003) defines marketing as, “the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfies individual and organisational objectives”. In other words, traditional marketing is a method of using marketing mix of 4Ps, products, prices, place and promotion, for example, promoting and advertising through well-known and well-established outlets such as posters, billboards, print media, television commercials, radio, door-2-door marketing, banner advertisements, road advertisements, etc (Philip Kotler ,2003).

### 2.2.2 Social Media Marketing

Social media marketing is a form of internet marketing involving the production and distribution of content on social media networks to achieve goals of marketing and branding. Social media marketing covers practices such as sharing text and photo notifications, videos and other content enhancing audience engagement, as well as paid advertising on social media (Babu & Babu, 2018). It can be seen as conventional online marketing, as the basic premise remains the same – communicating and reacting to customers concerns (Investopedia, 2019). Therefore, social media marketing is a modern tool that can be used by businesses to reach their clients.

**Figure 2.1 Traditional vs Social Media as a Tool of Marketing Communications**



Source: Banerjee, 2015

Figure 2.1 shows that the traditional marketing of a company consists of advertising, sales promotion, public relations, direct marketing, and advertising / PR (Banerjee, 2015). But social media has emerged as a more interactive tool in relation with customers than traditional communications media. Unlike traditional media where readers and viewers are passive participants, social media network is one place where both consumers and customers are actively involved and exchanging information, sharing experiences, giving their opinions and feedback based on their understanding and experience (Banerjee, 2015).

### **2.3 Social Media in Banking Sector**

Social media can help banks gain a better understanding of their customer's insight by 360 °. By using the ample transactional information already have by banks, the "what" can be answered – what transactions have customers made in the past? Social media can ultimately help banks to understand the context (why) behind customer purchases (Khanum1, Nagrami & Trivedi, 2016).

Banks can listen (or monitor) on their social media pages to customer activities. Through listening to these interactions, banks gather useful consumer social information. In the next step, banks will be able to analyse and process these big (social) data, combine these social big data with transactional data and gain insight into the activities of the consumer and understand the context of the transactions (Khanum1, Nagrami & Trivedi, 2016).

Banks can shape their attitudes and behave flexibly in response to the opportunities presented by social media to interact with their clients. To build up relationships between banks and their customers via social media, following three models can be used by bank: as a marketing tool, as a medium for interaction, as a channel for feedback and reactions (Parusheva (2017).

#### **2.3.1 Social media as a marketing tool**

Banks can use social media as a very effective marketing tool when using them appropriately, including as a marketing tool for customer relationships (Mitic & Kapoulas, 2012). Studies show that social media communication has a strong impact on the image of the brand (Bruhn, Schoenmueller & Schäfer, 2012). By social media, banks can improve their credibility and create more brand equity through further differentiation and deeper connections in the customer mind with the brand. Many

banks use traditional media to reach out to customers, such as TV and online ads, but also direct sales marketing and email marketing. Nowadays, banks can advertise, promote and use social media as they please to create more brand equity as a new channel. Through gathering customer data and producing personalized advertising, bank can also use social media for research purposes (Parusheva, 2017).

### **2.3.2 Social media as a communication channel**

Social media is a medium that helps banks to respond quickly and effectively to customer requests and to respond to their needs and complaints. With the advent of social media, banks could connect their clients without using other traditional communication channels and media. Social media enable banks to provide real and update information, respond quickly to questions and consumer issues, offer solutions, and reach out to everyone in need (Parusheva, 2017).

### **2.3.3 Social media as a channel for feedback and reactions from clients**

From Social Media, Banks have ability to receive feedback from customers on new products and services, but also from existing ones. Moreover, through social media, consumers can respond to a change in the terms of use of certain products or services that they do not think are good, and on the other hand, banks can provide information on the reasons for a change. As a whole bank can receive feedback on how to improve their products and services and experience of the customers (Parusheva, 2017).

Increasing the use of social media can provide banks with vast opportunities to better understand customer needs and improve products and services. Some of advantages banks will gain from use of social media are;

#### **A. Better Marketing**

According to Investopedia (2019), Facebook alone have 2.27 billion user worldwide. Therefore, social media can help banks to wider their market reach, including international market. Moreover, with some stunning features of the social media such as comments under the post, like and share of the photo, video and content, interactivity between customers and banks, social media is attractive platform to do innovative marketing program for the banks.

## **Increase Brand Value**

Social Media helps banks to boost brand exposure and therefore improves awareness for their brand. social media sites of the banks offer new ways for sharing your content and showcasing the voice and personality of your brand. Through sharing compelling content that adds value to your target audience, Banks can make their brand more available and recognizable to existing and future customers, through sharing persuasive content that adds value to your target audience (lyfemarketing, 2019)

### **B. Customer Feedback**

Social media allow bank to interact and listen directly with their customers than ever before, which also ensures that banks receive real customer feedback directly and quickly from the original source. Therefore, banks are able to tailor and improve their products and services to suit varying needs of the customers (Khanum1,\_Nagrami & Trivedi, 2016).

### **C. Improved Customer Service**

Customers can now reach a customer service representative more quickly and easily than ever before, due to interactive feature of social media. Therefore, bank can also receive, review and respond more quickly and easily than ever before to complaints and enquires of customers. Moreover, as communication channel, a major benefit of social media is that many questions can be answered and addressed at the same time, which make this platform more flexible and very efficient in responding to inquiries and solving problems. Therefore, social media can be the place where customers obtain immediate, easy and free answers to their questions (Parusheva, 2017).

### **D. Cost effectiveness**

Banks are able to minimize marketing costs without losing efficiency is one of the main advantages of social media marketing. According to lyfemarketing (2019), social media advertising is three times less expensive than advertising through traditional media.

## **2.4 Review of Previous Studies**

There are several studies regarding to effect of social media on organisation performance and customer. This part would describe a review of some related pervious studies.

As in the past few years, effective ways of interacting and communicating among individuals have been rapidly expanded to replace traditional tools; among these, Social Media enable individuals, groups and businesses to share and exchange information, ideas and feedback (Daowd, 2016). Social Media gives businesses tremendous opportunities for getting closer to their clients and thus increasing their profits and reducing costs (Baird and Parasnis, 2011). Nyambu (2013) found out that SM increased the company's performance as it provided a low-cost marketing platform relative to other available types of marketing. In addition, Smits and Mogos (2013) studied the effect of social media and examined the degree to which social media has an impact on organizational capability and performance. They found out that social media improve organizational capability and performance. Tajudeen (2014) investigated social media usage and its subsequent impact on organizational performances among Malaysian firms. His analysis show that in terms of customer service, information accessibility, cost reduction for marketing and customer service activities, the social media had a stronger, positive impact on organizational performance. Parveen et al. (2015) examined social media's numerous objectives and their impact on organizational performance based on a qualitative approach. The findings also show that SM has a greater impact on corporate performance in terms of enhancing customer relationships and customer service practices, increasing availability of data, and reducing advertising and customer service costs.

Daowd (2016) aimed to investigate and clarify the impact of SM on the microfinance industry's (MFIs) organizational performance (efficiency, financial sustainability, portfolio quality and outreach) in developing countries such as Kenya, India and Jordan. His study revealed that the social media had a significant influence on the performance of the MFIs, according to which the use of SM as marketing, advertisement and interaction tools can significantly boost the performance of MFIs. Mahboub (2018) examined the impact of social media usage on performance of the banking sector in Middle-East and North-Africa countries. Mahboub investigated data from 102 banks in the region during the period of 2012-2016. The results of the research

indicated a positive significant impact of social media usage on financial and non-financial performance of banks in MENA countries. Parveen et al. (2016) studied SMU's impact on the performance and entrepreneurial orientation of one hundred and seventy-four Malaysian companies based on an online survey of senior managers from all firms running the SM division. The study showed that SMU has a very positive impact on the performance of companies in terms of cost reduction, increased customer relationships and improved accessibility of information.

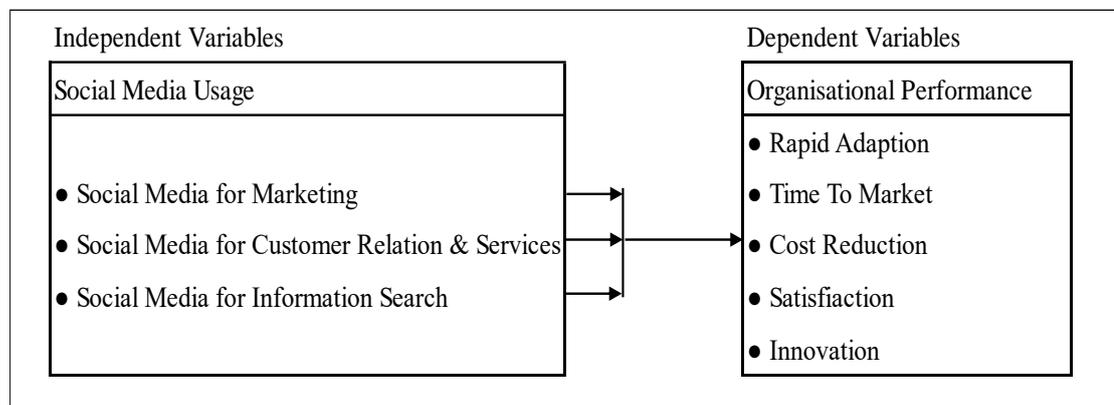
As can be seen from the studies above, previous research has explored the effect of social media on the organizational performance of companies from different industries. In the same way, most previous studies concluded that when companies use social media, both financial and non-financial results is likely to have a positive effect.

## 2.5 Conceptual Framework

A conceptual framework is analytical tool to reach objectives of this study. A conceptual framework of this study was developed based on and adapted from the conceptual frame work of previous study.

### 2.5.1 Conceptual Framework of Previous Study

**Figure 2.2 Conceptual Framework of Previous Study**



Sources: Dodokh (2017)

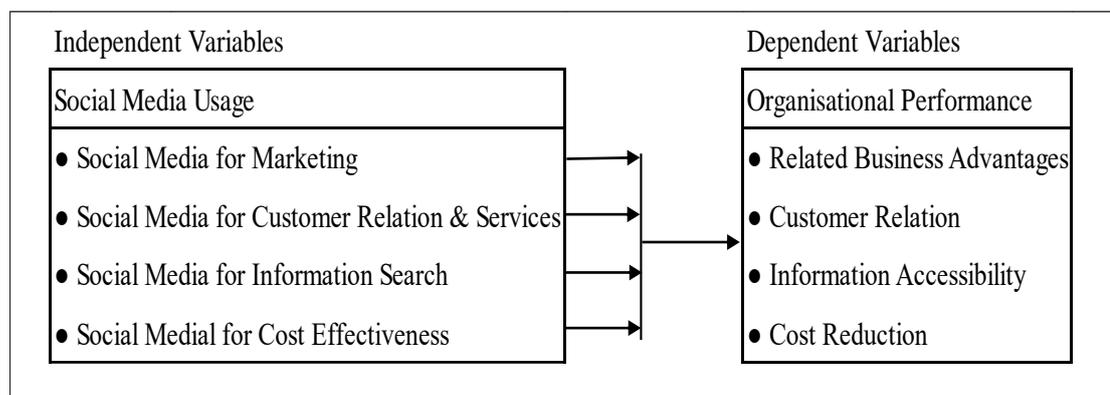
Dodokh (2017) investigate the impact of social media usage on organizational performance in Dead Sea products companies in Jordan by using above framework (figure 2.2) for his master of business administration thesis. The study was based on three independent variables of social media usage, social media for marketing, social media for customer relation & services and social media for information Search. Five

dependent variables of organizational performance were rapid adaption, time to market, cost reduction, satisfaction and innovation. As a result of the study, there was a positive significant impact of social media usage on organizational performance, rapid adaptation, time to market, cost reduction, satisfaction, and innovation. in Dead Sea products companies in Jordan.

### 2.5.2 Conceptual Framework of the Study

Conceptual framework of this study was adapted from the conceptual framework of previous study by Dodokh (2017), mentioned above in the figure 2.2. As the study of Dodokh (2017) was done for production companies, some independent and dependent variables were adjusted to suit for analyzing the effect of social media usage on organizational performance of selected private bank in Myanmar. Due to different nature of different industries, production and banking, related business advantages, customer relation, information accessibility were added to be studied as organizational performance and cost effectiveness was also added to be as reason for social media usage. Dependent variables of previous study: rapid adaption, time to market, satisfaction and innovation were not used in this study.

**Figure 2.3 Conceptual Framework of this Study**



Sources: Adapted from Dodokh (2017)

As demonstrated in figure 2.3, the conceptual framework of the study on the effect of social media marketing on performance of selected banks in Myanmar was based on four independent variables of social media usage and four dependent variables of organizational performance. The four independent variables of social media usage include social media for marketing, social media for customer relation and services, social media for information search, and social media for cost effectiveness. The four

dependent variables of organizational performance include related business advantages, customer relation, information accessibility, and cost reduction. The analysis result of organizational performance was fully depend on the outcomes of social media usage.

## **CHAPTER 3**

### **OVERVIEW ON THE USE OF SOCIAL MEDIA USAGE OF SELECTED PRIVATE BANKS IN MYANMAR**

This chapter consists of the background and the use of social media usage of the three banks, selected for this study. These three banks include Yoma Bank, KBZ Bank, and CB Bank.

#### **3.1 Background Information of the Selected Private Banks**

There are three selected banks in Myanmar for this study and the followings include the background information of these selected banks. The selected banks include Yoma Bank, KBZ Bank, and CB Bank. The background information explains about history, profile, and remarkable highlights of each selected bank.

##### **3.1.1 Background Information of Yoma Bank**

Yoma Bank was founded in May 1993 by entrepreneur Mr. Serge Pun of the First Myanmar Investment Company (FMI). After receiving a full commercial banking license, Yoma Bank opened its first branch in August 1993. Since 1996, Yoma Bank expanded and has become one of the largest private banks in Myanmar. In 1999 Yoma was Myanmar's first bank with a computerized accounting system and to use wireless communication to connect to all of its branches via satellite. In 2001, Yoma Bank provided 41 branches in 24 cities (Wikipedia).

In 2018, Yoma Bank went through a comprehensive transformation, which included branch, cash management, and digital transformation in order to provide a better experience for its customers and increased returns for its shareholders. The transformation was undertaken to future-proof the Bank for years to come and to ensure long-term sustainability through the systems and processes implemented (FMI Annual Report, 2019).

Yoma Bank's digital footprint has increased significantly in FY2019. With more than 500,000 customers and 1 million monthly digital transactions, Yoma Bank is well positioned to be a leading digital bank in Myanmar. In August 2017, Yoma Bank launched SMART, a digital banking product which allows users access to banking services 24/7 without the need to visit a bank branch. SMART owners have a pre-configured Wave Money account, giving them automatic access to all the features of Wave Money throughout the country. Since then, SMART has over 250,000 users with

approximately 1,000 new customers being added daily. SMART is evolving into a suite of digital financial products and services designed to solve every-day financial needs. With a strong focus on product design, Yoma Bank will continue to accelerate digitization and financial inclusion (FMI Annual Report, 2019).

A new digital, unsecured small loan product, “SMART Credit Business” was introduced to Wave Money agents, the Union of Myanmar Travel Association members as well as other small medium enterprises (“SMEs”) to integrate into a larger supply chain. Yoma Bank believes that by serving small-scale entrepreneurs, through partnerships with SMEs, it can help strengthen the economy of Myanmar. For enhanced credit scoring, Yoma Bank partnered with Experian to build an algorithmic decision-making engine based on past transactions and loan data to automate unsecured credit distribution. Over 6,000 SMART Credit Business loans have been disbursed through this credit model as working capital for micro and small businesses. SMART Credit Business customers are guided to follow healthy credit habits and provide on-time repayments (FMI Annual Report, 2019).

There are several other transformations that Yoma Bank has made along with the transformation. They are branch transformation, cash management transformation, and corporate transformation.

### **3.1.2 Background Information of KBZ Bank**

KBZ Bank is Myanmar’s largest privately-owned bank, with over 500 branches. The bank was established on 1 July 1994 in Taunggyi, Shan State. KBZ bank is part of the KBZ Group conglomerate, founded by Aung Ko Win aka Saya Kyaung (Wikipedia, 2019). Headquartered in Yangon, Myanmar, KBZ Bank presently accounts for approximately 40% market share of both retail and commercial banking in the country and has a growing international presence, being the first Myanmar bank to open offices in neighboring markets. KBZ is leading the way, particularly in digital and technology, for Myanmar’s rapidly developing financial services industry through an approach that understands the opportunities of innovation, the needs of the Myanmar people and the unique context of the country’s economy. This will take us closer to achieving 100% financial inclusion in Myanmar with the mission of improving the quality of life through banking. As Myanmar’s economy expands and opens up, KBZ sees exciting opportunities to work with international investors, providing an important and critical

bridge to Myanmar's fast-growing cities, entrepreneurs and local communities (KBZ Pay, 2019).

In February 2010, the bank bought an 80% share in Myanmar Airways International, Myanmar's international airline. On 1 April 2011, the bank launched Air KBZ, one of four privately owned domestic airlines in Myanmar, with plans to expand to international flights in the near future (Wikipedia, 2019).

In 2018, KBZ Bank launched KBZ Pay, a mobile wallet stored in an app on the mobile phone. Aside from storing money, the KBZ Pay app allows customers to make cashless transactions, send and receive money, and withdraw physical cash through authorized agents. The app, which is available for download across the country, recently crossed the 1 million downloads mark (Wikipedia, 2019).

Through the app, the bank aims to offer a safer, simpler, and more convenient way to transact money. With KBZ Pay, the bank hopes to bring millions of people in Myanmar into the digital economy, which will make 100% financial inclusion a reality and ultimately help improve lives. KBZ Pay aims to reduce existing challenges posed by a predominantly cash-based society. Users will be able to top up their mobile wallets, withdraw cash through authorized agents and at KBZ Bank branches, make cashless remittances, and pay bills. They will be able to check their wallet balance any time. The app will also resolve the issue of small notes by enabling exact-value transactions of any amount. It also aims to protect risk of theft and fraud, and secure money transfers so that no third-party can take out cash without permission (Consult Myanmar, 2018).

The bank hopes the wallet will help businesses and customers save time by reducing counting and managing cash. The app will allow users to see the details of all transactions, including dates, times, and names, to ensure greater transparency and address disputes involving transactions (Consult Myanmar, 2018).

### **3.1.3 Background Information of CB Bank**

The CB Bank was established on 21 August 1992 with the permission of the Central Bank of Myanmar. It started as a small bank with 33 employees and has around 7000 in 2016. In 2004, it became a public company. The CB Bank's head office is located in the Botahtaung township area of Yangon (Wikipedia, 2019).

In May 2013, CB Bank became the first bank in Myanmar to issue a debit card and permitted the first card-related financial transaction in Myanmar. In September 2012, Mastercard signed an agreement with CB Bank to license cards in the country and this enabled local merchants and ATMs to accept the payment cards. In 2013, CB Bank switched to T24 from Temenos as its core banking system to enhance bank-wide connectivity with the branches in the country. The bank named the ATM service as EASI Banking. The bank has the largest network of ATM and Foreign Exchange Counters in Myanmar (Wikipedia, 2019).

After signing the contract with the Asian Development Bank (ADB) under the Trade Finance Program, CB Bank received \$12 million for its Trade financing program in October 2015. It allowed the bank to issue Letter of Credit agreement, which allowed exporters to ship products before receiving payment under CB Bank's trade finance lines, guaranteed by ADB (Wikipedia, 2019).

CB Bank also started offering mobile banking services to the personnel and corporate clients which include basic banking functions, remote access banking services and mobile airtime top-ups are available through the app. It launched Easi Mobile Banking Agent for areas in Myanmar where there is no branch coverage. Mobile agents will receive 30 percent of normal money transfer and 50 percent for other services. CB Bank partnered with Myanmar Post Office in 2017 to further expand its mobile agent services at post offices (Wikipedia, 2019).

From 2016, CB Bank and other several banks started offering loans for SMEs in collaboration with Japanese Government and state-owned Myanmar Insurance. Additionally, CB Bank was chosen by German KfW Bank to provide 4.45 EUR million worth of loans for SMEs in Myanmar based on market study and due diligence offer SME or loans with or without collateral (Wikipedia, 2019).

In January 2017, CB Bank signed an agreement with Diebold Nixdorf for systems, software and services to expand its cardless cash withdrawal services and P2P offerings to self-service banking in Myanmar. CB bank, already hosting one of the largest ATM networks in Myanmar, has planned to double the number of terminals to expand its self-service network (Wikipedia, 2019).

In August 2017, Grab, an online cab aggregator partnered with CB Bank to offer banking services available to its drivers. The drivers have benefitted from the program

obtaining access to ATM cards and bank accounts. In September 2017, it announced partnership with telecom operator Ooredoo to launch, M-Pitesan, a mobile wallet which will offer nationwide money transfer and bill payments services (Wikipedia, 2019).

In September 2017, CB bank launched the contactless payment system in collaboration with Visa and Mastercard the payment service providers. The service help users to complete their payments through contactless POS machines for Visa and Mastercard. In January 2018, CB Bank opened the first small and medium enterprise (SME) center in Mandalay. Through (SME) centers, CB Bank aims to help SMEs apply for necessary loans. Plans of SME loans include SME-Credit Guarantee Insurance Loan (SME CGI Loan), SME Long-term Investment Loan Powered by JICA, SME Business Expansion Loan Powered by KfW, and SME Term Loan. In April 2018, CB Bank signed an agreement with KfW Development Bank (KfW) to extend loans with \$13.22 million to finance small and medium-sized enterprises in Myanmar (Wikipedia, 2019).

In May 2019, CB Bank and Telenor Myanmar signed a partnership with Visa to launch the CB-Telenor co-branded Visa credit card which aims to enhance financial services in Myanmar and expand benefits for Telenor Star Platinum users. In October 2019, CB Bank announced that it will launch its innovation lab on the APIX platform making it the first bank in the ASEAN region to connect with an open-architecture (Wikipedia, 2019).

### **3.2 Social Media Usage of the Selected Private Banks**

The use of social media becomes the new typical marketing strategy now a days and thus, banks are also very active with social media usage. The followings presented the use of social media usage of the selected banks, namely, Yoma Bank, KBZ Bank, CB Bank.

#### **3.2.1 Social Media Usage of Yoma Bank**

Social Media becomes a tool of marketing in digital transformation of the industry. Yoma Bank's major marketing tool is social media and Facebook is the key resource of public relation and platform between the bank and its customers. Through Yoma Bank Facebook Page, the bank announces its daily Currency Exchange Rates, updated interest rates for its deposit and loan products, introduction of new products

such as mobile banking, public announcements, and customer education related with security such as cyber security, password sharing, etc.

Yoma Bank partnered with social media influencers to introduce its milestone product, SMART account and digital banking. The social media influencers demonstrated the use of SMART MPU card, mobile banking, and opening of SMART account in their own Facebook pages and this becomes efficiently approached to the public. Also, advertisements of Yoma Bank's new products were boosted in Facebook and this is how the public becomes familiar with Yoma Bank products. Even though social media marketing is not the only marketing tool for the bank, it is a vital tool for the bank's marketing strategy and the most reliable platform for Yoma Bank to reach directly to the public. Other social media such as You Tube and Instagram are also used in boosting Yoma Bank's new products.

### **3.2.2 Social Media Usage of KBZ Bank**

As the market leader of the banking industry, KBZ Bank uses social media effectively as its one of the marketing tools. KBZ Bank has several partnerships in its respective products and Facebook is the major social media marketing tool for KBZ Bank. KBZ Bank uses Facebook for its public awareness and announces its events and information about its products' privileges and benefits on Facebook. KBZ Bank's partnership events and activities such as Property events for its Home Loan products, auto mobile events for its Hire Purchase products were announced in Facebook.

Moreover, KBZ also published its CSR activities, award winning achievements, daily currency exchange rates, educating customers about mobile banking and internet banking, card payment systems, KBZ Pay, and several other benefits and products in KBZ Facebook page. Facebooks become source of all the information to customers for KBZ Bank. KBZ Bank also uses other social media like You Tube for its product advertisements.

### **3.2.3 Social Media Usage of CB Bank**

As social media becomes key platform between customers and the bank, CB Bank also uses social media as its marketing tool to make public announcements, activities and events, product advertisements, daily currency exchange rates, the bank's updated interest rates for loan and deposit products, award winning achievements, acknowledging customers on how to use the bank's products, etc. Facebook is the most reliable social media for CB Bank and can be reached through it.

Social media marketing is not the only marketing tool for CB Bank since billboards and other brand awareness activities were practiced in its marketing strategy. However, Facebook, social media, is the most reliable and cost effective marketing tool for the bank to interact effectively with the public. CB Bank also uses appearance ad boosters in websites for its awareness.

## **CHAPTER 4**

### **ANALYSIS ON EFFECT OF SOCIAL MEDIA USAGE ON PERFORMANCE OF SELECTED PRIVATE BANKS IN MYANMAR**

This chapter presents the analysis on effect of social media usage on banking industry in Myanmar. In this chapter, research design, demographic factors of respondents, analysis on effects of social media usage in banking industry, correlation coefficient, and analysis on the influencing factors of social media usage towards organizational performance.

#### **4.1 Research Design**

The effect of social media usage on banking industry in Myanmar was analyzed by the use of analytical and descriptive methods. The analysis was based on both primary and secondary data. The primary data was collected by the use of Likert scale questionnaires to 90 respondents from three selective banks namely, KBZ bank, CB bank, and Yoma bank. Random data sampling method was used for the study. Thus, 30 respondents, who work in social media marketing or whose works are relevant with the social media marketing, from each bank was participated for the research data collection. The secondary data was collected from reports, internet websites, and relevant researches.

The questionnaire was structured with four influencing factors for the use of social media and their impact on organizational performance. The four influencing factors include the use of social media for marketing, the use of social media for customer relationship and services, the use of social media for information search, and the use of social media for cost effectiveness.

The collected primary data were further analyzed by SPSS version 22 and the resulted mean value, standard deviation, correlation coefficient, and multiple regression analysis were applied for the analysis of the study.

#### **4.2 Demographic Factors of Respondents**

Overview of demographic and background of KBZ, CB and YOMA Bank and respondents from those three banks were described in this section. Demographic and background parameters were presented under different sub-heading such as level of position, working experience in banking industry, name of the bank respondents are working for, type of social media bank are using, length of social media usage by bank,

time taken by bank to respond customer queries and frequency of the bank update/post on social media.

#### 4.2.1 Level of Position

Level of position is shown in table (4.1). Respondents by level of position is divided into three levels. They are Senior Management, Middle Management, and Executive.

**Table 4.1 Number of Respondents by Level of Position**

Position	Frequency	Percentage
Senior Management	4	4.4
Middle Management	34	37.8
Executive	52	57.8
Total	90	4.100.0

Source: Surveyed Data, 2019

The Executive level respondents was 57.8% of the overall study, while middle management was 37.8% and senior management was only 4.4%. Therefore, the majority of respondents by level of position are executive.

#### 4.2.2 Working Experience in Banking Industry

Working experience in banking industry was divided into five groups. Those were less than one year, between one and five years, between five and ten years, between teen and fifteen years and more than fifteen years. Those five working experience groups are shown in table (4.2).

**Table 4.2 Number of Respondents by Experience in Banking Industry (in Years)**

Experience	Frequency	Percentage
Less than 1 Year	8	8.9
1 – 5 Years	36	40.0
5-10 Years	32	35.6
10-15 Years	11	12.2
More than 15 Years	3	3.3
Total	90	100.0

Source: Surveyed Data, 2019

According to Table 4.2, working experience between 1 – 5 years was 40% of overall respondents followed by working experience between 5 – 10 years which is 35.6% of overall respondents. Working between 10 – 15 years were accounted for 12.2% while less than one year is 8.9 %. Working experience more than 15 years represented only 3.3%.

#### 4.2.3 Bank of the Respondent

Bank of the Respondent where respondents were working for was described in table 4.3 as follows. There are selectively three banks requested for the survey participation. They are KBZ Bank, CB Bank, and Yoma Bank.

**Table 4.3 Number of Respondents by Bank**

<b>Bank</b>	<b>Frequency</b>	<b>Percentage</b>
KBZ Bank	30	33.3
CB Bank	30	33.3
Yoma Bank	30	33.3
Total	90	100.0

Source: Surveyed Data, 2019

As shown in Table 4.3, there are total 90 respondents participated from the three selective banks in the survey. The survey questionnaires for the study were collected from each 30 employees from the KBZ, CB and Yoma Bank who work in the department which concern with social media marketing.

#### 4.2.4 Type of Social Media

Table 4.4 shows the type of social media that banks are using. Only one type of social media can be selected by the respondent in the survey data in order to identify the most prioritized social media type for each bank.

**Table 4.4 Number of Respondents by Using Type of Social Media**

<b>Type</b>	<b>Frequency</b>	<b>Percentage</b>
Facebook	90	100.0
Total	90	100.0

Source: Surveyed Data, 2019

According to the result from Table 4.4, among other social media platform, all respondents responded their banks are using Facebook. Therefore, it is suggested that Facebook might be only social media platform banks are currently using.

#### 4.2.5 Length of Social Media Usage by Bank

How long the banks have been using social media was describe in table 4.5. Number of years (Length) that banks were using social media was divided into three group such as 1 year to 2 years, 2 years to 3 years and more than 3 years.

**Table 4.5 Number of Respondents by Length of Social Media Usage**

Length	Frequency	Percentage
1 Year to 2 Years	1	1.1
2 Years to 3 Years	9	10.0
More than 3 Years	80	88.9
Total	90	100.0

Source: Surveyed Data, 2019

According to 88.9% of respondents replied that their banks have used social media for more than 3 years followed by 10% of respondents which represented for 2 to 3 years. 1 year to 2 years is only 1.1 %. Therefore, it might be assumed that number of years that banks have been using social media was more than 3 years.

#### 4.2.6 Time Taken by Bank to Respond Customer Queries

Time taken by banks to respond customer queries was showed in table 4.6. Time taken by bank was divided into four category such as within an hour, within a day, within a week, within a month.

**Table 4.6 Number of Respondents by Frequency of Response**

Category	Frequency	Percentage
Within an hour	20	22.2
Within a day	60	66.7
Within a week	8	8.9
Within a month	2	2.2
Total	90	100.0

Source: Surveyed Data, 2019

Table 4.6 indicates that 66.7% of all respondents said banks responded within a day followed by 22% which indicated respond time was within an hour. On the other hand, 8. % of all respondents showed respond time was within a week, but only 2.2% represented within a month. Therefore, it is suggested that time taken by bank to respond customer queries might be within a day.

#### **4.2.7 Frequency of The Bank Post/Update on Social Media**

Frequency of the bank’s post/update information about its products and services on social media was described in table 4.7. Frequency of the bank post/update on social media was divided in to 4 categories, everyday, triple a week, twice a week, weekly.

**Table 4.7 Number of Respondents by Frequency of Post**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Everyday	77	85.6
Triple a week	11	12.2
Twice a week	1	1.1
Weekly	1	1.1
Total	90	100.0

Source: Surveyed Data, 2019

As shown in Table 4.7, 85.6% of all respondents showed that their bank post/update information on social media on everyday while 12.2% was for triple a week. Both twice a week and weekly were accounted for only 1.1%. Therefore, it might be assumed that banks post/update information about its products and services on social media on an everyday basis.

#### **4.3 Analysis on Effects of Social Media Usage in Banking Industry**

The effects of social media marketing in banking industry was analyzed based on four influencing factors and organizational performance. The influencing factors include use of social media for marketing, use of social media for customer relationship and services, use of social media for information search, and use of social media for cost effectiveness.

### 4.3.1 Use of Social Media for Marketing

The use of social media for marketing was analyzed based on the calculation of surveyed data and result of mean and standard deviation were analyzed. Greater mean score shows better influenced factor of using social media and lower mean score results vice versa.

**Table 4.8 Use of Social Media for Marketing**

No	Statement	Mean	Std. Dev
1	My bank uses social media to advertise company's product and services	4.12	.493
2	My bank uses social media to promote company's product and services	4.13	.524
3	My bank uses social media for branding	3.84	.559
4	My bank uses social media to provide full details of their products and services for customer	3.81	.598
5	My bank uses social media for getting referrals (word of mouth via likes, shares and followers in Facebook)	3.90	.451
6	My bank uses social media to keep pace with trends and new social media sites to get a competitive advantage.	3.37	.644
7	My bank use social media to distribute it products and services such as mobile banking and ibanking app.	3.07	.515
8	My bank review quality of social media marketing by examine feedback from (likes, shares and comment of Facebook) its social media pages.	3.99	.437
<b>Total Average Scores</b>		<b>3.78</b>	

Source: Surveyed Data, 2019

Table 4.8 indicates that respondents agreed banks are using social media for marketing purpose since total average scores is 3.78 which is greater than the statistical average 3. Using social media to promote company's products and services is the highest mean score 4.13 which is follow by second height mean score of 4.12, using social media to advertise company's products and services, among eight statements in social media for marketing. Therefore, it can be concluded that respondents are agreed that bank are using social media to promote and advertise company's products and services.

### 4.3.2 Use of Social Media for Customer Relationship and Services

The use of social media for customer relationship and services was analyzed in the following Table 4.9. The lower mean score can be interpreted as weaker influencing factor by the use of social media for customer relationship and services and the higher mean score indicates the better result for the use of social media for customer relationship and services.

**Table 4.9 Use of Social Media for Customer Relationship and Services**

No	Statement	Mean	Std. Dev
1	My bank use social media to receive customer feedback on your bank's existing/future products and services.	3.47	.502
2	My bank use social media to communicate with customers	3.82	.532
3	My bank use social media for customer service activities	3.21	.508
4	My bank use social media to improve the quality of their products and services through the study of customer feedback	3.98	.334
5	My bank use social media to reach out to new customers	3.80	.479
6	My bank use social media to provide full details of products and services for customer	3.93	.328
7	My bank use social media to provide general information and knowledge for customer	3.98	.211
8	My Bank operates customer service activities through social media.	3.11	.550
<b>Total Average Scores</b>		<b>3.66</b>	

Source: Surveyed Data, 2019

Table 4.9 reveals that banks decided to use social media for customer relationship and services purposes as the average total score is 3.66, which is higher than the statistical average of 3. Among eight statements in social media for customer relationship and services factor, using social media for providing general information and knowledge to customer has the highest means score of 3.98 and lowest standard deviation of 0.211. It can therefore be inferred that the majority of respondents believe bank uses social media to provide general information and knowledge for customer.

### 4.3.3 Use of Social Media for Information Search

The analysis on the use of social media for information search was indicated with mean and standard deviation as per Table 4.10. The greater mean score indicates the better performance for information search by the use of social media and the lower mean score indicates the difference.

**Table 4.10 Use of Social Media for Information Search**

No	Statement	Mean	Std. Dev
1	My bank use social media to search for general information about the target market	4.08	.269
2	My bank use social media to search for competitors' information.	4.09	.286
3	My bank use social media to search for general customer information.	3.29	.585
4	My bank use social media for conducting marketing research	3.99	.318
5	The social media site that my organization uses is vivid and evoke responses.	3.89	.461
6	The social media site that my organization uses provide features for interactive communication with our customers	4.07	.328
7	The social media site that my organization uses provide an appropriate amount of interactive features (e.g., graphics, pop-up windows, animation, music, voices).	4.76	.432
8	My Bank systematically collect customer feedback on social media sites	4.77	.451
9	The social media site that my organization uses contain components to help the interaction between it and consumers.	3.92	.343
10	The Bank is working via social media to create and maintain a customer database.	3.78	.576
<b>Total Average Scores</b>		<b>4.06</b>	

Source: Surveyed Data, 2019

Table 4.10 reveals that respondents accepted banks decided to use social media for information search purpose as the average total score is 4.06, which is higher than the statistical average of 4. Among ten statements in social media for information search factor, using social media for systematically collection of customer feedback has the highest means score of 4.77 and lowest standard deviation of 0.451. It can therefore be inferred that the majority of respondents believe bank uses social media to collect systematically of customer feedback on social media.

#### 4.3.4 Use of Social Media for Cost Effectiveness

The use of social media for cost effectiveness was analyzed based on the following Table 4.11. The higher mean score indicates the better effect and lower mean score shows vice versa.

**Table 4.11 Use of Social Media for Cost Effectiveness**

No	Statement	Mean	Std. Dev
1	Social media is more cost effective than other types of customer service technologies.	4.89	.316
2	Organization can avoid unnecessary cost and time by using Social media.	4.83	.431
3	Social media saves costs related to time and effort in branding.	4.90	.337
4	Social media saves costs related to time and effort in customer service.	4.87	.342
5	Social media advertising cost are more cost effective than traditional advertising cost such as TV, News Paper, Magazine, Radio, etc.	4.13	.342
6	Social media is more cost-effective way of communicating with customer than other way such as call center.	4.82	.384
7	Social media is more cost effective than other way of receiving feedback from customers.	4.08	.308
8	Social media is more cost effective for providing general information to public.	4.90	.302

9	Social media is more cost effective than other way of developing customer relations.	4.88	.329
<b>Total Average Scores</b>		<b>4.70</b>	

Source: Surveyed Data, 2019

Table 4.11 reveals that respondents accepted banks decided to use social media for cost effectiveness purpose as the average total score is 4.70, which is higher than the statistical average of 7. Among nine statements in social media for cost effectiveness, using social media to be more cost effective for providing general information to public has the highest means score of 4.90 and lowest standard deviation of 0.302. It can therefore be inferred that the majority of respondents believe that for bank, social media is more cost effective for providing general information to public.

#### 4.3.5 Organizational Performance

Effect of social media marketing on organizational performance is measured with 20 sentences. Higher mean score indicates the better result of organizational performance by social media marketing. On the other hand, lower mean value results the weak performance of the organization by social media marketing.

**Table 4.12 Analysis on Organizational Performance**

No	Statement	Mean	Std. Dev
1	Increase in business opportunities	4.00	.335
2	Allows for better advertising and marketing	4.86	.384
3	Enhances the company's image	4.02	.334
4	Enhancement in competitiveness	4.01	.382
5	Able to respond to changes rapidly in working environment	4.80	.502
6	Increased customer loyalty and retention	4.03	.350
7	Improvement in customer services	4.03	.381
8	Improvement in customer relations	4.82	.439
9	Enable to improve the quality of products & services through the study of customer feedback through social media.	4.77	.582

10	Enabled faster delivery of business information to customers	4.86	.439
11	Reduced the cost to communicate with customers	4.76	.526
12	Reduced the cost of advertising.	4.08	.374
13	Reduced the cost of promotion.	4.07	.361
14	Reduced the cost of customer service and support	4.03	.381
15	Reduced the cost of providing information.	4.83	.404
16	Enabled easier access to customer information	4.82	.464
17	Enabled easier access to competitor information	4.82	.464
18	Enabled easier access to market information	4.80	.479
19	Analyze customer requirements more efficiently	4.03	.350
20	Enabled interaction with customer	4.86	.412
<b>Total Average Scores</b>		<b>4.47</b>	

Source: Surveyed Data, 2019

Table 4.12 reveals that respondents accepted banks have organizational performance for social media usage as the average total score is 4.47, which is higher than the statistical average of 4. Among twenty statements in organizational performance factors, using social media allow for better advertising and marketing has the highest means score of 4.86 and lowest standard deviation of 0.384. It can therefore be inferred that the majority of respondents believe bank's social media allow better advertising and marketing for banks.

#### **4.4 Correlation Coefficient**

Pearson correlation is a statistical test that assesses the strength of the relationship between two numerical data variables (Saunders et al., 2009). Therefore, the relationship of independent variables and dependent variable is measured via Pearson Correlation. The significance level is 0.05 in the Pearson Correlation test, which means there is 95% of confidence level. Therefore, the hypotheses only can be accepted if the significant p-value is less than 0.05 (Malhorta, 2010).

**Table 4.13 Relationship between Influencing Factors and Performance**

<b>Social Media Usage</b>		<b>Organizational Performance</b>
Marketing	Pearson Correlation	.492**
	Sig. (2-tailed)	.000
Relationship and Services	Pearson Correlation	.060
	Sig. (2-tailed)	.287
Information Search	Pearson Correlation	.296**
	Sig. (2-tailed)	.002
Cost Effectiveness	Pearson Correlation	.413**
	Sig. (2-tailed)	.000

Source: Survey Results, 2019

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

According to Table 4.13, there is a fairly positive relationship between using social media usage and organizational performance. In terms of the relationship between using social media for customer relationship and services and organizational performance, it is positively weak. Moreover, the relationship between using social media for information search and organizational performance is positively weak. Finally there is a fairly positively relationship between using social media for cost effectiveness and organizational performance. Therefore, using social media for marketing has the strongest relationship with organizational performance, compared to other influencing factors for using social media.

#### **4.5 Analysis on the Influencing Factors of Social Media Usage towards Organizational Performance**

To analyze the factor influencing of the social media marketing toward organizational performance, the multiple regression analysis is conducted, and the results are reported in Table 4.14.

**Table 4.14 Influencing Factors of Social Media Usage towards Organizational Performance**

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.100	.549		3.827	.000	
Marketing	.181	.055	.340	3.299	.001	1.324
Customer Relationship & Services	.007	.081	.008	.091	.928	1.030
Information Search	.114	.074	.147	1.539	.128	1.144
Cost Effectiveness	.253	.095	.259	2.659	.009	1.188
N	100					
Adjusted R <sup>2</sup>	.842					
F value	9.939** (.000)					
Durbin Watson	1.873					

Source: Survey Results, 2019

As per the estimated multiple linear regression model, the F-value of 9.93 is significant at the 0.00 level. This can be interpreted that the overall regression model with these four independent variables can well explain the variation of influencing factor of social media marketing towards organizational performance. The R<sup>2</sup> for the model is 0.842 which indicates 84% of the variation in using social media marketing can be explained by the variation of all influencing factors. The linear equation above indicates that using social media marketing for marketing, customer relationship and services, information search, and cost effectiveness have significant positive relationship with organizational performance since resulted p value is less than 0.01.

According to the results, cost effectiveness ( $\beta_4 = 0.253$ ) with .259 standardize coefficient has the greatest impact on organizational performance for banks. This can be explained as every unit increase in cost effectiveness will result an increase of 0.253 scores in influencing factor of social media marketing towards organizational performance. Subsequently, marketing ( $\beta_1 = 0.181$ ) has the second strongest impact and followed by information search ( $\beta_3 = 0.114$ ).

## **CHAPTER 5**

### **CONCLUSION**

This chapter concludes with the findings of the resulted analysis from the research data, presented in the previous chapter. This chapter also indicates with suggestions, and limitation and needs for further studies.

#### **5.1 Findings**

According to the results of the analysis from the research data, there are Executive levels participated the most and the fewest respondents participated are Senior Management levels. In terms of working experience in banking industry, most of the respondents are from one to 5 years of experience while the few respondents are with more than 15 years of experience. Name of the bank has equal respondents since equal number of respondents were requested to participate. It was found that Facebook is the only type of social media that the banks use for their social media marketing. With regards of the length of social media usage by bank, most respondents recognize as more than 3 years of usage by their banks while only few respondents recognize as 1 to 2 years of social media usage. In terms of the frequency of response, most respondents recognize as within a day while few respondents recognize as within a month and within a week. Regarding the frequency of the bank post/ update on social media, most participants recognize as every day, while very few respondents known as weekly and twice a week.

It was found that the use of social media for marketing is the second strongest value amongst the four influencing factors. In that case, the use of social media to promote the bank's product and services and the use of social media to advertise the bank's product and services are the most favorable outcome in marketing. However, the use of social media to distribute the bank's products and services such as mobile banking and ibanking app is the least favorable part of the use of social media for marketing. It was also found that the use of social media to keep pace with trends and new social media sites to get a competitive advantage are less favorable reasons for the use of social media for marketing.

Based on the analysis, the study was found that the use of social media for customer relationship and services is the least resulted influencing factor for the organizational performance. The use of social media to improve the quality of their products and services through the study of customer feedback and the use of social

media to provide general information and knowledge for customer are the most favorable factors for customer relationship and services. The bank's operation of customer service activities through social media is the least favorable factor for the use of social media for customer relationship and services.

The study was observed that the use of social media for information search is the second lowest influencing factor for the banks. In addition, the systematic collection of customer feedback on social media sites is the strongest factor while the use of social media to search for general customer information is the weakest factor for the information search. On the other hand, the use of social media sites providing an appropriate amount of interactive features such as graphics, pop-up windows, animation, music, voices, etc., results the second strongest factor in the information search.

The use of social media for cost effectiveness is the strongest influencing factor amongst the analyzed four factors since the social media saves costs related to time and effort in branding and it is more cost effective for providing general information to public. Moreover, the social media is more cost effective than the other way of developing customer relations. It also saves costs related to time and effort in customer service and social media is more cost effective than other types of customer service technologies.

In the analysis of organizational performance, it was found that the use of social media contributes satisfactory impact on the organizational performance. On the other hand, the use of social media allows the banks for better advertising and marketing and it also enables faster delivery of business information to customers. It also reduced the cost of providing information, enabled easier access to customer information, and improved in customer relations.

## **5.2 Suggestions**

Based on the findings, banks should focus more on customer relationship and services in the use of social media since it is the best way to get the bank's reputation for its quality of products and services. Otherwise, it could impact on the bank's image and thus banks should provide trainings to its first-line employees who are responsible for social media. Customer relationship and customer service trainings should be framed and customized for their own banks, in order to have the most effective and suitable trainings to deliver their employees. The banks should also provide product

and service trainings to all the social-media marketing employees since they are the new image of the bank and their expertise on the bank's products and services could have major impact on the bank's reputation and customer awareness and understandings on the bank's products and services.

Moreover, the banks should review the structure and quality of team members who are dealing with social media marketing. Unlike the traditional banking ages, the marketing team should be formed with innovative and fresh-minded marketing employees who can handle well enough on the social media. In other way, the bank should reform their marketing teams to have sufficient capacities for digital marketing. The language and choice of word in the social media posts are also very important for the banks since banking sector becomes critical and competitive along with the economic development of Myanmar.

In addition, it is very important to get right and sufficient information to support efficiently in implementing the bank's strategic goals. The strategy of marketing relies mainly on the right data and the approach of social media marketers is very important for the effectiveness the bank's strategic achievements. The bank should keep focusing and investing more on the social media marketing since it is cost effective and the bank can resist longer with great marketing efforts in this area. This will then support more on the result of organizational performance and thus, achieve the banks' strategic goals.

### **5.3 Limitation and Needs for Further Studies**

The thesis was only researched in the top three banks that are actively using the social media marketing as their marketing tool in Myanmar. There are more than three banks that are using social media as their marketing tool in Myanmar and thus, it would be more effective if the study surveyed on all the local banks exist in Myanmar. It would be more accurate if it is possible to get actual data from Facebook since the current study only surveyed from the employees relevant with social media marketing from the three banks. The Facebook has actual data of boost frequency, amount of investments by each bank, number of viewers and number of likes/dislikes of each posts/ updates, etc. It can be further studied on the usage of other types of social media and the comparison can be surveyed as Facebook vs Instagram, Facebook vs LinkedIn, etc. It can also be studied on the usage of social media depends on the nature, culture, and strength of each social media and how they can be best applied based on the type of business and purpose of usage. The study can be further expended by comparison of

the use of social media marketing within the ASEAN countries. This can result how social media is impacting and what type of social media is well used in each ASEAN countries.

## REFERENCES

1. Babu, P.B & Babu, C.M (2018). *Role and Impact of Social Media on Banking Industry*. International Journal of Commerce and Management Research. Vol. 4, PP. 56-61
2. Baird, C.H. and Parasnis, G. (2011). *From Social Media to Social Customer Relationship Management*. Strategy and Leadership, Vol: 39. ISS 5. PP 30-37.
3. Banerjee, B. (2015). *Traditional vs. Social Media as a Marketing Communications Tool in FMCG Sector in India*. Asia Pacific Journal of Research, Vol: I, Issue XXI, PP.154-162
4. Bruhn, M., Schoenmueller, V. & Schäfer, D. (2012). *Are social media replacing traditional media in terms of brand equity creation?*, Management Research Review, Vol. 35, no. 9, PP. 770 - 790.
5. Chheda, S.H. (2014). *Impact of Social Media Marketing on Performance of Micro and Small Businesses*. D. Y. Patil University. Master of Philosophy in Business Management. Master Thesis.
6. Daowd, A. (2016). *The Impact of Social Media on the Performance of Microfinance Institutions in Developing Countries: A Quantitative Approach*. Business School- College of Business, Arts and Social Sciences Brunel University London. Doctoral Thesis.
7. Dodokh, A.M.I (2017). *The Impact of Social Media Usage on Organizational Performance: A Field Study on Dead Sea Products Companies in Jordan*. Middle East University, Amman, Jordan. Master of Business Administration. Master Thesis.
8. First Myanmar Investment Co., Ltd. (2019). *FY 2018-2019 Annual Report*. Yangon, Myanmar.
9. Khanum1, M.A, Nagrami, S.A & Trivedi, M.C (2016). *Use of Social Media to Drive Business Advantage in Banking*. ACEIT Conference Proceeding 2016, PP. 79-82
10. Kotler, P (2003). *A Framework For Marketing Management*. Upper Saddle River, NJ: Prentice Hall.

11. Mahboub, R.M (2016). *The Impact of Social Media Usage on Performance of the Banking Sector in Middle East and North Africa Countries*. International Journal of Economics and Business Administration. Vol.6, Issue 3, PP. 3-20
12. Mitic, M. and Kapoulas, A. 2012, *Understanding the role of social media in bank marketing*. Marketing Intelligence & Planning. Vol. 30, no. 7, PP. 668 - 686.
13. Nyambu, E.M. (2013). *Influence of Social Media Marketing on Performance of Telecommunication Firms in Kenya*. International Journal of Innovative Research and Development, Vol. 2, ISS 9, PP. 184-190.
14. Party, B. J. (2018). *Media: Approach and Strategy (Quick Guidebook for Handling Media & Social Media)*. India, Jhandewalan, New Delhi: Excelprint.
15. Parusheva, S. (2017). *Social Media Banking Models: A Case Study of a Practical Implementation in Banking Sector*. Economic Research, Issue 3, PP. 125-141.
16. Parveen, F., Jaafar, N.I. and Ainin, S. (2015). *Social Media Usage and Organizational Performance: Reflections of Malaysian Social Media Managers*. Telematics and Informatics, Vol.32, ISS 1, PP 67-78.
17. Schellhase, J & Sun, L (2017). *The Banking Sector in Myanmar: An Assessment of Recent Progress*. Milken Institute, PP. 1-35
18. Smits, M. and Mogo, S. (2013). *The Impact of Social Media on Business Performance*. Proceedings of the 21st European Conference on Information Systems, PP 1-12.
19. Stokes, Rob (2013). *eMarketing: The essential guide to marketing in a digital world (Fifth Edition)*. South Africa.
20. Tajudeen, F.P. (2014). *Social Media Usage and Its Impact on Malaysian Organizations*. Faculty of Business and Accountancy, University of Malaya, Kuala Lumpur. Doctoral Thesis.
21. <https://consult-myanmar.com/2018/12/13/kbz-bank-launches-digital-wallet-kbipay/>
22. <https://thefinancialbrand.com/75882/financial-banking-digital-advertising-marketing-media-trends/>
23. [https://en.wikipedia.org/wiki/Kanbawza\\_Bank](https://en.wikipedia.org/wiki/Kanbawza_Bank)
24. [www.facebook.com](http://www.facebook.com)
25. <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>

26. <https://www.investopedia.com/terms/s/social-media.asp>
27. <https://www.kbzipay.com/personal/en>
28. <https://www.lifewire.com/what-is-social-media-explaining-the-big-trend-3486616>
29. <https://www.lyfemarketing.com/benefits-social-media-marketing/>
30. [https://en.wikipedia.org/wiki/Co-operative\\_Bank\\_Ltd](https://en.wikipedia.org/wiki/Co-operative_Bank_Ltd)
31. <https://www.slideshare.net/DataReportal/digital-2019-myanmar-january-2019-v01>

## APPENDIX

**Yangon University of Economics**

**Department of Commerce**

**Master of Banking and Finance Programme**

### **Questionnaire for Analysis on Effect of Social Media Marketing of Banking Sector in Myanmar**

#### **I. Demographic Information of Respondents (Please tick)**

1. Your level in the organization hierarchy:  
 Senior management  Middle management  Executive
2. Your years of experience in Banking Industry:  
 less than 1 year  1 to 5 years  5 to 10 years  10 to 15 years  More than 15 years
3. Name of your bank:  
 KBZ Bank  CB Bank  Yoma Bank
4. Type of social media that your bank uses (please select only one):  
 Facebook  YouTube  Instagram  Twitter  LinkedIn  Other
5. How long has been your bank using the social media:  
 Less than 6 months  1 Year to 2 Years  2 Years to 3 Years  More than 3 Years
6. How long does it take for your bank to respond to customers' queries on social media?  
 within an hour  within a day  within a week  within a month  more than a month
7. How often your organization post/ update information about its products and services on social media?  
 every day  triple a week  twice a week  weekly

## II. Analysis on Effect of Social Media Marketing of the Bank

Please tick on the most appropriate scale on whether you (1) Strongly Disagree (“SD”), (2) Disagree (“D”), (3) Neutral (“N”), (4) Agree (“A”), or (5) Strongly Agree (“SA”) with the following statements.

<b>I</b>	<b>Social Media for Marketing</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	My bank use social media to advertise company’s product and services					
2	My bank use social media to promote company’s product and services					
3	My bank use social media for branding					
4	My bank use social media to provide full details of their products and services for customer					
5	My bank use social media for getting referrals (word of mouth via likes, shares and followers in Facebook)					
6	My bank use social media to keep pace with trends and new social media sites to get a competitive advantage.					
7	My bank use social media to distribute it products and services such as mobile banking and Ibanking app.					
8	My bank reviews quality of social media marketing by examination of feedbacks (likes, shares and comment of Facebook) from its social media pages.					

<b>II</b>	<b>Social Media for Customer’s Relations and Services</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	My bank use social media to receive customer feedback on your bank’s existing/future products and services.					
2	My bank use social media to communicate with customers					
3	My bank use social media for customer service activities					
4	My bank use social media to improve the quality of their products and services through the study of customer feedback					
5	My bank use social media to reach out to new customers					
6	My bank use social media to provide full details of products and services for customer					
7	My bank use social media to provide general information and knowledge for customer					
8	My bank operates customer service activities through social media.					

<b>III</b>	<b>Social Media for Information Search</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	My bank use social media to search for general information about the target market					
2	My bank use social media to search for competitors' information.					
3	My bank use social media to search for general customer information.					
4	My bank use social media for conducting marketing research					
5	The social media site that my organization uses is vivid and evoke responses.					
6	The social media site that my organization uses provide features for interactive communication with our customers					
7	The social media site that my organization uses provide an appropriate amount of interactive features (e.g., graphics, pop-up windows, animation, music, voices).					
8	The social media site that my organization uses contain components to help the interaction between it and consumers.					
9	My Bank systematically collect customer feedback on social media sites					
10	The Bank is working via social media to create and maintain a customer database.					

<b>IV</b>	<b>Cost Effectiveness</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	Social media is more cost effective than other types of customer service technologies.					
2	Organization can avoid unnecessary cost and time by using Social media.					
3	Social media saves costs related to time and effort in branding.					
4	Social media saves costs related to time and effort in customer service.					
5	Social media advertising cost are more cost effective than traditional advertising cost such as TV, News Paper, Magazine, Radio, etc.					
6	Social media is more cost effective way of communicating with customer than other way such as call centre.					
7	Social media is more cost effective than other ways of receiving feedback from customers.					
8	Social media is more cost effective providing general information to public.					
9	Social media is more cost effective than other way of developing customer relations.					

Please indicate the degree to which the social media usage had benefited your bank.

<b>Organizational Performance</b>						
<b>I</b>	<b>Relative Business Advantages</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	Increase in business opportunities					
2	Allows for better advertising and marketing					
3	Enhances the company's image					
4	Enhancement in competitiveness					
5	Able to respond to changes rapidly in working environment					
<b>II</b>	<b>Customer Relation</b>					
1	Increased customer loyalty and retention					
2	Improvement in customer services					
3	Improvement in customer relations					
4	Enable to improve the quality of products & services through the study of customer feedback through social media.					
5	Enabled faster delivery of business information to customers					
<b>III</b>	<b>Cost Reduction</b>					
1	Reduced the cost to communicate with customers					
2	Reduced the cost of advertising.					
3	Reduced the cost of promotion.					
4	Reduced the cost of customer service and support					
5	Reduced the cost of providing information.					
<b>IV</b>	<b>Information Accessibility</b>					
1	Enabled easier access to customer information					
2	Enabled easier access to competitor information					
3	Enabled easier access to market information					
4	Analyse customer requirements more efficiently					
5	Enabled interaction with customer					