Banking with Social Media Facebook and Twitter

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Abstract— Social Networks are already multiple service platforms and, badly that despite many sectors of activity, they are a lion competitor because they have what it takes a lot of time and money to get any sector: they have the public - potential consumer of whatever - with whom they have been building trust for years. Social networks have become an excellent customer service tool in many industries, and banking is no exemption. The implementation of artificial intelligence in different industries has brought profound changes in production processes. However, it is the banking industry that has benefited most from this type of technology. Concentrating on client services and accepting the idiosyncrasies of people they serve, small financial institutions, banks, and financial unions can teach big institutions what it means to be close to the clients. AI, Blockchain, virtual reality and augmented reality are striving to attract more customers towards social networks banking.

Keywords— Artificial Intelligence (AI); Blockchain; Social Networks; Banking; Augmented Reality (AR)

I. INTRODUCTION

In recent years, world banking is being recognized for the development of new strategies to sell the products that each of its entities offers, and have social networks took importance as a mechanism for customers to communicate needs that arise. It is an effective means of connection to meet the requirements of netizens.

The social media have become significant in the lives of Internet users and have not only revolutionized the way people relate to social level but also as consumers before a certain market. In the industry financial and especially in the bank segment it can be said that it is a Dangerous tool for customer interaction, but currently and given the level of technification of users and especially focusing on what the relationship will be entity - client in the coming years, developing this type of tools is extremely necessary.

The implementation of artificial intelligence in different industries has brought profound changes in production processes\(^1\). However, it is the banking industry that has benefited most from this type of technology. Concentrating on client service and accepting the idiosyncrasies of people they aid, small financial institutions, banks, and financial unions can teach big institutions what it means to be close to the clients\(^2\).

II. BANKING WITH SOCIAL NETWORKS

The world's largest banks are now increasing the use of AI in their applications. According to the Forbes best Banks list, top 50 banks around the globe are prioritizing ethical AI in its systems. For example, Capital One Bank\(^3\) in US has been doubling down its system using AI technologies. They are utilizing AI into its systems to ensure diversity in people and gender as well as in their teams so that industry can overcome natural tendencies towards bias. The diversity in technology is achieved when people with different cultures and languages have access to some technical and educational

\(^1\)Hurt, et al., Navigating AI through the 21st Century.

\(^2\)Veenswyk, M., 2013. Leveraging Social Media in the Banking Industry.

\(^3\)Sennaar, K., 2017. AI in Banking-An Analysis of America’s 7 Top Banks. TechEmergence, June, 13.
information. Capital One Bank is utilizing the dictionary regarding technical terms so that people with foreign languages can consult to dictionary regarding difficult terms. Their target is to produce large number of technical professionals.

In 2012, 40% of financial services companies expected to invest between 2% and 10% of their global network marketing budget social, which is especially significant given the low costs of the networks social compared to traditional media. Besides, 70% of companies already have a specific budget or specific financing for their initiatives in social networks, a sector that projected growth of 90% for 2012. However, 60% of these banks now consider themselves apprentices in the field of social networks. It is clear that now is the time for banks take social networks seriously, beyond their statements about that they will launch a budget to invest in them. However, this is easier said than do what. Social networks are an area of great dynamics, and of confusing competition, so Misconceived initiatives can mean wasting valuable time, resources and leadership if they do not run effectively. This is compounded by the fact that today, large banks operate across multiple lines of business, each with its leadership and business functions.

Chatbots are the best example of how banks have taken advantage of technological advances. Chatbots are a great way to pack the benefits of several technologies such as artificial intelligence, and today they can answer more than 90% of the questions asked by users.

According to the OpenText survey of financial institutions, almost 80% of banks around the globe are highly aware the importance of AI for its systems. Many banks are planning to utilize the solutions provided by AI. 75% of the Banks over $100 billion assets are currently implementing AI strategies, and 46% of the banks less than $100 billion assets also planning to advance their services using AI. Top banks around the world that have doubled down their AI are Capital One Bank in US, Sberbank in Russia, Bank Hapoalim in Israel, Mobank in US, etc.

2.1. Community construction

Banks are not typically known for creating sincere communities and cozy around their goods and facilities. When you think about them, you have the idea of impersonal bankers who deny their clients loan applications for cars or mortgages. However, the world is altering, and even the banks are trying to substitute community instead of looking massive and striking. Concentrating on customer service and accepting the idiosyncrasies of people they serve, small financial institutions, banks, and credit unions, can teach big institutions what it means to be close to the clients. The Missouri Bank, popularly known as Mobank, is a commercial institution with a fresh environment that makes it a natural user of social networks. It serves as an eclectic clientele of visionaries and artists, people who know about taking risks, and although it only has three branches, they are located in areas where people invest in community. The bank is not using social networks to “sell” anything, it uses them to cement his community-oriented philosophy, which has spent years developing a bank always up to date, young and fresh, bets on that image in a Facebook page that serves as a kind of online community for their customers cooperate with others and with the bank, as well as with their branches.

2.2. Customer services

Social networks have become an excellent customer service tool in many businesses, and banking is no exemption. Though, not in all banks. They are so practical. In a study conducted by the Association of Bankers of United States (Bair), four out of ten banks said escape discussions about their particular products and facilities in their social networks.

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4 Parusheva, S., 2017. Social Media Banking Models: A case study of a practical implementation in banking sector.
5 Parusheva, ibid.
6 Makridakis, S., 2017. The forthcoming Artificial Intelligence (AI) revolution: Its impact on society and firms.
7 Makridakis, ibid.
8 Sennaar, K., 2017. AI in Banking-An Analysis of America’s 7 Top Banks.
But for banks that have good relationship with their clients through the social media channels about their services, the real-time search can be useful in the treatment of issues with clients. In other cases, a Twitter account can be an easy and quick first step of customer service when public want to get particular information. In Bank of America many questions they receive through the classic channels – by phone or in-person - they are the same ones they are receiving on Twitter, though, due to the complex structure of banking and the opening of social networks, customers should be cautious when sharing data with service providers in this channel. On Twitter, Knapp regularly holds private conversations with instant messaging, and from there it goes to safer communication channels to collect confidential information.9

III. ROLE OF AI, BLOCKCHAIN, AND AR

Amongst all the high tech innovations, blockchain becomes the uncrowned champion of 2018 tech highlights. It has revolutionized the norms of many industries with its multiple applications, high-end security, advanced integration, and transparency. The blockchain has gained attention of more than 90% of the banks around the world. Statistics predict that blockchain market growth will reach $2.3 billion by the end of 2021.10

By the next five years, blockchain will experience a better reputation. Blockchain will witness better education programs, high tech research and development programs, and sophisticated technology development. Blockchain will prosper over the years. Limited time is not enough to understand its growth. AI is growing business in technology, but its acquisition with blockchain will experience massive growth. The combination of these two technologies will provide more reliable and efficient results. The autonomous machines need high tech security to eradicate vulnerability that is provided with blockchain distributed ledger. AI systems require big data to operate, and blockchain makes possible the acquisition of large data.11

AI is used to overcome human error, emotional reactions, and bias in decision making. In the future, AI, with the help of blockchain will allow making rational decisions. AI is in charge of big data analytics in global companies such as Google and Facebook. Blockchain's ability to enforce peer-to-peer connections will allow big companies to boost their data available in the market.12 13

Several countries have issues with registration because of lack of birth information and other relevant records. AI will help them to speed up the process of information for immigration and health records. Blockchain will secure the data for future use. AI and blockchain will help to overcome the fraud in financial industry by cross-checking, tracking, and data analytics.

Social networks will use AI and blockchain by creating authentic global networks. Social networks with the use of AI and blockchain will profit the users. The blockchain-based social network will use utility tokens for transactions with minimal or zero fees. The future of AI and blockchain is surely bright, and we can that technology here is good to stay.14

3.1. Augmented reality application in banking

The banking sector requires experience; clicking to wrong button on social networks can lead to huge disaster. Augmented reality (AR) is becoming more mainstream in banks, financial institutions, and investment firms. All sectors are trying to adopt AR technology. AR is the latest technology, and problem lies that banks, users, and customers are not innovative enough to use AR for transactions. Companies like Audi, Delta, Toyota, and Ikea are trying to use AR in their businesses. Audi is

9 Parusheva, S., 2017. Social Media Banking Models: A case study of a practical implementation in banking sector.
10 Hill, C.A., 2019. How Virtual Reality Can Help Bankers Become More Empathetic–and More Ethical.
11 Makridakis, S., 2017. The forthcoming Artificial Intelligence (AI) revolution: Its impact on society and firms.
12 Shoolapani, B. and Jinka, P., 2011, December. Virtual simulation and augmented interfaces for business models with focus on banking and retail.
13 Byström, H., 2019. Blockchains, Real-time Accounting, and the Future of Credit Risk Modeling. Ledger, 4
14 Shoolapani, ibid.
planning to bring AR in showrooms where customers with smartphones can have real feel of cars. The use of AR in banking is still rare. The financial industry is trying to utilize AR in their business. They have started to make impact on business using AR. Financial institutions are trying to impact with AR applications such as data visualization, virtual trading, virtual reality payment, services, security, customer services, Virtual branches, virtual training, and customer acquisitions. Millennial generations are looking forward to global applications for their financial transactions. Almost 73% of this generation wants their financial products through Google, PayPal, or Apple. Millennial generation says that local banks will not necessary in the coming future. Banks and financial institutions are looking for technology to incorporate augment reality of virtual reality in their system to attract more customers.

IV. EXAMPLES OF FACEBOOK, TWITTER, AND FINTEC
Facebook, has about 1.7 billion users globally we could call “customers” who, in exchange for delivering their data and participation in the social network, obtained what no company had offered them before without an outlay Monetary: the use of a digital space to socialize, communicate, have fun, get informed or broadcast live.

Facebook has known in these years listen to its users to improve their value proposition. And for many swings he has had, no social network even managed to hit his heels, in the number of users and activity.

So, in marketing terms, we could say that this network has a loyal clientele that has never betrayed its promises. This level of trust that FB has generated with its public opens the doors to any commercial activity that you want to offer them. The novelty of today is that Facebook already operates as digital banking.

The platform has already tested this functionality (and new business model) since a year ago; the service was launched in the USA. And everything suggests that its entry into the financial business will continue to spread soon to other countries of the EEC and will continue in Latin American countries, given that in Asia, the largest market in terms of digital users, platforms such as WeChat and Viber they lead and have become the central platform for access to all kinds of services for Asian users. The integration of banking services in Social Media is happening at such a speed that many predict that these platforms could be the banks of the future.

The FinTech (financial companies that use technology to make life easier for people) was the first to use the data provided by social media, to facilitate access to credit or the opening of a bank account, including a segment of the population that would not have qualified as a client for a bank.

Between Social Media and FinTech, they are revolutionizing the traditional business models that banking has used for decades.

Facebook's entry into digital banking is not just another fact, but a new and very disruptive change. Perhaps it is time to start thinking about social networks as strategic allies and think about the reinvention of business models pivoting in this alliance, not only as a medium or channel but as an intermediary between the business and its audience.

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16 Hurt, et al., Navigating AI through the 21st Century.
17 Hurt, ibid.
18 Veenswyk, M., 2013. Leveraging Social Media in the Banking Industry.
19 Veenswyk, ibid.
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