

UNIVERSITI TEKNOLOGI MARA

**THE STATE OF SOCIAL CUSTOMER
RELATIONSHIP MANAGEMENT AMONG TOP
BANKS: A CASE OF FACEBOOK**

ARDILAH BINTI MOHAMED NAWI

Thesis submitted in partial fulfillment of the requirements for the degree
of
Master of Science in Information Technology

Faculty of Computer and Mathematical Sciences

January 2014

ACKNOWLEDGEMENT

“In the name of Allah, Most Gracious, Most Merciful”

Praise to Allah for giving me the strength and health to finish my IT Project report. This report is part of the requirements for me to complete my study in Master of Science (Information Technology). However, this report will not be completed without the help and support from several individuals whether they contribute directly or indirectly. I would like to take this opportunity to thank each and every one of them.

Firstly, my deepest gratitude goes to my wonderful supervisor, Assoc. Prof. Mardziah Hj. Hashim for all her guidance, valuable suggestion, comment and advice that have been the reason that this report can be completed. I also like to express my thanks to the programme coordinator, Dr. Jasber Kaur and research methodology class lecturer, Dr. Fariza Hanis Abdul Razak for their advices on my IT Project undertakings.

A special thank goes to my parents, Haji Nawawi and my husband, Mohd Din and my siblings for their continuous support day and night, understanding and patience during my two and a half years journey in this study. During my study time, I have been engaged, married, pregnant and just safely delivered my two months baby boy, Muhammad Azim Dasuki which now has become my number one priority. And most of all, without my two best friends, I would fall and surrender to continue my studies, my biggest thanks to them, Mazni Mohd Salleh and Fariza Ahmad Fauzi. Our journey during this study was memorable and so much enjoyable.

Last but not least, I would like to thank all the lecturers that have taught me during my master study time. Not forgetting all my course mates and other individuals whose names are not mentioned here for their contributions in whatever forms whether directly or indirectly. Thank you so much and may Allah bless all of you.

ABSTRACT

The foundation of internet has given big impact to banking industry. Internet helps banking to enable their operation by the click of a mouse. To compete with the current trend, banks are also involved in social media to extract information from bank consumer and understanding their needs. Banks usually adopt Social customer relationship management (Social CRM) in their business functionality like e-commerce system. Banks also implement Social CRM in their social media platform like Facebook page. There is no study has been done on how bank use Facebook as Social CRM system. This research tends to study the adoption Social CRM of tops banks in bank's Facebook pages. Study also wants to list the common characteristic of Social CRM for bank's Facebook page. From the findings, the common characteristic of Social CRM globally in Provision Low stage is only Bank Name. While Malaysia banks having Bank Name, Bank Website, Bank Address, Bank Phone Number and Bank General History in the Provision Low stage. In Provision High stage, the characteristic of global and Malaysia banks are FAQ, Links, Special Offer, Product Catalog, Bulletin Board and Mailing. While in Interact stage, the common characteristic is only the Facebook Community. From global and Malaysia banks, only Provision Low, Provision High and Interact stage existed as a common Social CRM. Stage Transact is not a common characteristic in global and Malaysia bank's Facebook page. From the research findings proven that in Malaysia, 100% bank's Facebook pages have medium level of Social CRM adoption which is almost the same with global that is 98% of global banks having medium level of Social CRM adoption. Only 2% of global bank's Facebook pages have low level of Social CRM adoption.

Keyword: Bank, social media, social customer relationship management, social CRM, Facebook.

TABLE OF CONTENTS

AUTHOR’S DECLARATION	i
ACKNOWLEDGEMENT	ii
ABSTRACT	iii
TABLE OF CONTENTS.....	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
CHAPTER ONE : INTRODUCTION	1
1.1 Introduction.....	1
1.2 Research Background	1
1.3 Problem Statement	4
1.4 Research Design.....	4
1.5 Aim.....	5
1.6 Objective.....	5
1.7 Scope	5
1.8 Research Significance.....	6
1.9 Summary	7
CHAPTER TWO : LITERATURE REVIEW	8
2.1 Introduction.....	8
2.2 Information Technology and Banking Industry	8
2.2.1 Evolution of Information Technology in Banks	9
2.2.2 Social Media in Banks.....	11
2.3 Why Customer Relationship Management (CRM).....	17
2.3.1 Definition of Customer Relationship Management (CRM)	19
2.3.2 Definition of Electronic Customer Relationship Management (e-CRM)..	20
2.3.3 Definition of Social Customer Relationship Management (Social CRM)	21
2.3.4 Social CRM Evaluation	25
2.4 Conclusion	27

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter explains the overview and background for the study. It also describes the problem statement, aim, objectives, scope, research participants, research significance and lastly the research design.

1.2 Research Background

Historically banking is the industry that needs many labors to support their business process. After computer technologies come in, banking business process has been simplified by the use of mechanical accounting machines. Since then, banking has relied on computer technologies to ease their business processes. Banking has become major industry that is affected by the development and evolutionary in computer technology. Banking has become one of the earliest industries that involve in general-purpose electronic computer development (Anirban, 1989).

The foundation of internet has given big impact to banking industry. Internet helps banking to enable their operation by the click of mouse. Creation of e-commerce or internet banking website by banks has enable customers to interact easier with their banks. Customer can access their account and perform simple transaction on their own by using internet banking. Banks recognize the important of Internet to banking process. Internet play very important role in bank strategy in marketing, company profiling and even employees recruitment. Nowadays, social networking is popular