

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Diploma Thesis

**The role of social media in bank marketing. Case study
of Tinkoff bank in Russia.**

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management
European Agrarian Diplomacy

Thesis title

The role of social media in bank marketing. Case study of Tinkoff bank in Russia.

Objectives of thesis

The aim of this thesis is to analyse current attitudes towards bank marketing in Russia and the EU by means of a study of social media marketing in the banking industry.

In order to achieve this, the following partial objectives will be addressed:

- 1) Determine the increasing popularity of the use of social media for business development from theory and own research.
- 2) Analyse the online presence in the social networks of Tinkoff bank.
- 3) Determine the effectiveness of social media marketing in neobank marketing by analysis of the marketing strategy of Tinkoff bank in Russia.

Methodology

This thesis contains two main parts – one theoretical and one practical.

The theoretical part is based largely on a review of current literature, used to create a summary of current thinking on the topic.

The practical part uses a wide range of publicly available sources: web pages, annual and quarterly reports of the Tinkoff Credit Systems company, and profiles on the social networks of Tinkoff bank. This will be used to analyse the patterns of the followers of these profiles, their number and activity in the network.

The proposed extent of the thesis

Approx 60 – 80 pages

Keywords

SMM, bank marketing, marketing strategy, neobank, Russian clients

Recommended information sources

- Ehrlich E., Duke Fanelli D., (2012), The Financial Services Marketing Handbook, Hoboken NJ. USA., Wiley & Sons, 208pp., ISBN-13: 978-1118065716
- Kotler P., Kartajaya H., et al. (2010), Marketing 3.0 : from products to customers to the human spirit. Hoboken NJ. USA.: Wiley & Sons, 208pp., ISBN 978-0470598825
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- Render B., Stair RM., Hanna ME., Hale TS., (2017), Quantitative Analysis for Management, 13th edition, London, UK: Pearson, 608pp., ISBN-13: 978-1292217659
- Tuten TL., (2008), Advertising 2.0: Social Media Marketing in a Web 2.0 World, Westport, CT. USA: Praeger, 216pp, ISBN-13: 978-0313352966
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Declaration

I declare that I have worked on my diploma thesis titled “The role of social media in bank marketing. Case study of Tinkoff bank in Russia” by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 31st of March

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I would like to thank Ph.D. Richard Selby for his help, advices and support during my work on this diploma thesis. My gratitude also goes to my mother and friends. And many thanks go to all who participated in the research for their help.

The role of social media in bank marketing. Case study of Tinkoff bank in Russia.

Abstract

The aims of this study are to analyze online presence of Tinkoff bank and the main methods of Tinkoff work in social networks, the effectiveness of the bank's SMM strategy, reveal the structure of various channels and forms of bank-customer interaction, the advantages and disadvantages of online banking. The first part of the thesis is a review of literary sources on the research topic, where materials on marketing and its process, organisation of bank marketing, social networks as a form of mass communication in the Internet, and social media marketing are collected and analysed. The second part of the thesis is the material on the own practical research, it presents statistical data obtained as a result of the research online presence of Tinkoff in social networks, the results of their processing, numbers and analysis of their components. Quantitative data for the analysis were obtained only from publicly available profiles of Tinkoff, and also public data from followers of these profiles were used, first of all, quantitative indicators of the presence and activity of followers. Assembled questionnaire, where 103 responders answered the questions, was assessed individually and all together providing clients insights (real or potential) about online performance of Tinkoff bank throughout the social networks. The results of the analysis are presented in the form of tables, figures, and charts. The outcomes of the thesis can be used in the development of SMM strategies of other banks. Also, the conducted research and its results can be useful for Tinkoff bank in its further work to improve the online presence and adjust the bank's SMM strategies, the problem of promoting banking services and products and attracting the target audience through the social networks.

Keywords: Tinkoff bank, social networks, bank marketing, SMM, Internet marketing, marketing strategy, marketing mix, social media, Russian client, digital marketing, neobank, commercial bank.

Role sociálních médií v bankovním marketingu. Případová studie banky Tinkoff v Rusku.

Abstrakt

Cílem této studie je analyzovat přítomnost banky Tinkoff online a hlavní metody práce Tinkoffu v sociálních sítích, účinnost strategie SMM banky, odhalit strukturu různých kanálů a forem interakce banka-klient, výhody a nevýhody online bankovníctví. První částí práce je přehled literárních zdrojů na téma výzkumu, kde jsou shromažďovány a analyzovány materiály o marketingu a jeho procesu, organizace bankovního marketingu, sociální sítě jako forma masové komunikace na internetu a marketing sociálních médií. Druhá část práce je materiálem z vlastního praktického výzkumu, představuje statistická data získaná na základě výzkumu online přítomnosti Tinkoff v sociálních sítích, výsledky jejich zpracování, čísla a analýza jejich složek. Kvantitativní data pro analýzu byla získána pouze z veřejně dostupných profilů Tinkoffa a také byla použita veřejná data od sledovatelů těchto profilů, především kvantitativní ukazatele přítomnosti a aktivity sledujících. Sestavený dotazník, ve kterém na otázky odpovědělo 103 respondentů, byl hodnocen jednotlivě a všichni společně poskytovali klientům informace (skutečné nebo potenciální) o online provedení banky Tinkoff v sociálních sítích. Výsledky analýzy jsou prezentovány ve formě tabulek, obrázků a grafů. Výsledky práce lze využít při vývoji SMM strategií jiných bank. Také provedený výzkum a jeho výsledky mohou být užitečné pro banku Tinkoff v její další práci na zlepšení online přítomnosti a přizpůsobení strategií SMM banky, problému podpory bankovních služeb a produktů a přilákání cílového publika prostřednictvím sociálních sítí.

Klíčová slova: Tinkoff banka, sociální sítě, bankovní marketing, SMM, internetový marketing, marketingová strategie, marketingový mix, sociální média, ruský klient, digitální marketing, neobank, komerční banka.

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List of abbreviations

AMA – American Marketing Association

ATM – Automatic Teller Machine

PC – Personal Computer

PLC – Public Limited Company

RSS – Rich Site Summary

SE – Search Engine

SEA – Search Engine Advertising

SEM – Search Engine Marketing

SEO – Search Engine Optimization

SMM – Social Media Marketing

SMO – Social Media Optimization

SMO – Social Media Optimization

SMS – Short Message Service

SPSS – Statistical Package for Social Sciences

TCS – Tinkoff Credit Systems

UGC – User-generated content

VK – Vkontakte

1 Introduction

Having first appeared as a means of communication for active computer users, today the Internet has grown into a global network of a wide variety of data and documents. In recent decades, social media space has been actively formed and the Internet has ceased to be only a repository of information, turning into an endless stream of social events. Modern social networks are the most popular form of social media. The popularity of social networks among consumers provides an excellent opportunity for businesses to use social media marketing, where users share their content and promote business at a low price. Therefore, many companies use social networks such as Facebook, YouTube, Instagram, Pinterest and Twitter, developing strategies that help them use social media to support their business goals.

Presence in social networks today is important for the financial, banking sector. The modern financial market places high demands on the quality and level of banking services and products. In the past few decades, banks are increasingly competing in attracting customers and maintaining their loyalty; the market has a rather low differentiation of banking products and services; banks provide services and products that are similar in quality and conditions; any new product is quickly adopted by competitors.

This topic is relevant, as in the conditions of increasing interbank competition, the success of entrepreneurial activity will be in those banks that will quickly and better implement modern methods of managing banking processes by promoting their products and services through marketing strategies in Social Networks, in particular, through SMM strategies that help promote banking products, help create and maintain a positive image of the bank, stand out among competitors, expanding the customer base and increasing sales, thereby providing the bank with profits and, at the same time, forming positive associations with the brand. The use of marketing strategies and tactics are an integral part of the organizational structure of the bank. The recent changes in the banking systems of countries with developed market economies and the real economic situation in Russia today have led to the vital need for commercial banks to use the most modern techniques and methods of marketing. Banks create their communities and establish two-way communication with their customers, advertise products and services, discuss interesting news with followers.

Thus, an important activity is the study of the market, conducting marketing research - ensuring the promotional activities of banks. The introduction of marketing techniques in the work of all departments of the bank will allow to see the new ways of providing services, making a profit. Thus, banks, which are modest in their capabilities, can be objectively forced to maximize marketing opportunities in order to maximize their competitiveness in the market.

This thesis is devoted to the study of the role of social media in bank marketing, as a specific marketing area, based on the example of commercial bank in Russia which does not have branches and is considered a neobank (IBS intelligence, 2013). The online presence of Tinkoff bank in social networks should be analysed and the effectiveness of its SMM strategy should be measured. It is also important to answer the question whether a successful SMM strategy can neutralize the shortcomings in the functioning of a bank identified by customers and increase customer quantity and loyalty.

The subject of the research is a social network as a channel of marketing communications, the use of which is available to both potential consumers of products and services of the bank, and the bank itself.

The structure of thesis is divided into 5 chapters. The first chapter is dedicated to the introduction of the diploma thesis. The second chapter substantiates the relevance of the study, formulates its goals, objectives, research methodology.

In the third chapter of the work the theoretical aspects of key concepts are revealed. By describing the terms of marketing process, marketing mix and Internet marketing, the necessity of understanding the crucial concepts is highlighted. Theoretical knowledge and understanding of the concept of social media marketing, its advantages and disadvantages are considered, the definition and classification of social networks are given. Since the object of the study is a commercial bank, it is crucial to know the specificity of bank marketing and organization of marketing activities in the bank.

The fourth chapter presents the results of practical research, data on the analysed company, as well as statistical data from publicly available Tinkoff Credit Systems profiles, as well as publicly available data of followers of these profiles, first, quantitative indicators of the presence and activity of followers. Also the author provides the analysis of Web-banking development in Russia and comparison of SMM results of Tinkoff Bank and its three main competitors. A SWOT analysis of Tinkoff Bank was also conducted.

The fifth chapter is dedicated to own survey and its outcomes analysis. The questionnaire conducted for purposes of the thesis was distributed among Russian customers, relevant data, gathered from the respondents, were processed and assessed.

The results of the study are presented in Conclusion part. In the chapter of References used sources were listed. During writing the thesis, various scientific and educational publications, analytical information, materials of periodicals, various methodical sources devoted to issues of bank marketing, SMM, marketing process, marketing mix, digital marketing were used. The additional tables, graphs, and charts are put in Appendix.

2 Objectives and Methodology

2.1 Objectives

The main aim of the diploma thesis is to help to improve the knowledge about modern realities of bank marketing, in terms of increasing popularity of use the social media for business development through the theory and own research, as well as to define the effectiveness of SMM in neobank marketing by analyzing of the marketing strategy of Tinkoff bank in Russia. One of the objectives of this thesis is to study social media marketing and to analyse the online presence in the social networks of Tinkoff bank, reveal the structure of various channels and forms of interaction of the bank with the customers.

In order to achieve these aims, the following tasks must be done:

1. Revealing the essence of the crucial concepts of marketing mix, bank marketing and its specificity, SMM, methods, forms of promotions and development trends of social networks;
2. Identify the main marketing advantages and disadvantages of social networks;
3. To study the main methods of Tinkoff bank strategy in social networks;
4. To analyze the effectiveness of the SMM strategy of Tinkoff bank, the structure and quality of interaction between the bank and the followers;
5. To create a questionnaire;
6. To transform the results using statistical software (SPSS);
7. To analyze the results of the survey;
8. To check the effectiveness of Tinkoff digital marketing strategy with revealing its weaknesses;
9. To reveal advantages and disadvantages of online banking model for Russian customers;
10. To determine the relationships between the consumer loyalty, amount of clients and active SMM of commercial bank in Russia;
11. To conclude whether a successful SMM strategy can neutralize the shortcomings in the functioning of a bank, identified by customers, and increase customer quantity and loyalty.

2.2 Methodology

In this study, an analytical research method and mixed methods approach (Creswell, Plano Clark, 2011) were used as a complex of information collection methods, including literature analysis, as a practice of joint application of qualitative and quantitative approaches to achieve a holistic picture of the processes taking place in social reality.

The analysis was done in September – March 2020. Secondary sources were studied: scientific monographs, official company's website, resources of Internet sources, information from official sources of Internet agencies, monographs and articles on the topic of social media marketing, bank marketing and marketing mix. As a source of quantitative data for analysis were used only publicly accessible web pages and profiles on the social networks of Tinkoff bank, as well as followers of these profiles, their number and activity in the network. Were also used data from the official site, as well as annual and quarterly reports of the company Tinkoff Credit Systems (TCS).

The study is based on qualitative data and quantitative calculation. The collection of primary information was carried out by observing the selected Tinkoff bank profiles in social networks for the followers of these groups, their actions and situations. As a characteristic of the actions of participants in groups - followers of Tinkoff bank profiles, the reaction to publications (engagement rating) - likes, reposts (retweets), comments, views were taken into account. Statistical information was collected, the purpose and result of the analysis of which was the identification and effectiveness of the online presence of Tinkoff bank in social networks as an indicator of SMM activity.

The fifth chapter of the thesis is own practical work, where 103 respondents answered questionnaire, which was conducted to determine the relationships between the consumer loyalty, amount of clients and active SMM of Tinkoff bank in Russia by using SPSS statistical software. The questionnaire was done with the website my.surveymonkey.com. The questionnaire consists of 22 questions including the part of the quiz is aimed to identify the respondent's profile of the real or potential clients of the bank and general users of bank services, and the main part providing consumer insights about performance of the SMM strategy conducted by Tinkoff bank, with revealing its advantages, disadvantages and effectiveness.

3 Literature Review

3.1 Basic concepts of marketing

Currently there is no company in the system of market relations which can function normally without marketing service in the enterprise. The utility of marketing is increasing every year more and more (Zavyalov, 2010, p. 355). It is happening because the needs of people are endless, and the resources of the enterprise are limited. Everyone needs their own individual approach. Therefore, the enterprise which can most accurately define and capture the diversity of tastes survives in the new conditions.

Marketing has arisen from the real needs of life itself. Some elements of marketing (for example, prices and advertising) have more than a thousand-year history. As a scientific discipline, marketing was formed relatively recently: in the late XIX - early XX centuries (Kotler, 1984). However, marketing is a kind of philosophy of market management of the enterprise, aimed at meeting the needs. The concept of “marketing” is described differently by different authors. Nowadays, many marketing definitions have been put forward, each of which considers one or another side of marketing, or makes an attempt to characterize the concept comprehensively. Marketing has always been interpreted as a “purposeful, streamlined process of understanding consumer problems and regulating market activity” (Kotler, 2011, p. 21).

F. Kotler gives a general definition of marketing as a social process, by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler, 1984). The primary objectives of marketing - the organization of sales, trade and advertising. Marketing is defined as an entrepreneurial activity to promote goods and services from producer to consumer or user, or as a social process by which it is predicted that the demand for goods and services is expanded by developing, promoting and selling them.

Marketing as a product of a market economy is, in a certain sense, a production philosophy, completely (from research and design work to sales and service) subject to the conditions and market requirements, which is in constant dynamic development under the influence of a wide range of economic, political, scientific and technical and social factors (Paliwoda, Ryans, 2008, p. 25).

The American Marketing Association (AMA) has replaced the traditional definition of marketing with a more modern one, defining it as “a process of planning and

implementing the intent, pricing, promotion and realization of ideas, goods and services through exchange” (Gronroos, 1985). It is possible to foresee and predict demand only by constantly studying consumers and their requests in order to produce and offer to consumers exactly what they need.

The objectives of marketing are: the formation and stimulation of demand, ensuring the soundness of management decisions and plans of the company, the increasing of sales, market share and profits (American Marketing Association, 2012). In other words, before producing, an enterprise must carefully study the needs of specific consumers and, in accordance with the data obtained, refine and improve the product and then enter the market with it.

Basic marketing principles are (Kotler, Armstrong, 2008, p. 29):

- customer orientation;
- complexity;
- flexibility and adaptability;
- concentration of effort;
- focus on perspectivity;
- combination of adaptability with consumer exposure.

These principles reveal the most characteristic essential attributes of marketing. The set of principles can be expanded or narrowed, but the fundamental (source) principle is a firm consumer orientation. Moreover, consumer orientation in no way means marketing passively following the consumer for his needs, which are often implicit. With good reason, it can be argued that marketing “creates”, or rather, forms the consumer.

Marketing activities should provide (Hague, Hague, Morgan, 2013, pp. 19-20):

- reliable and relevant information about the market, the structure and dynamics of a particular demand, tastes and preferences of customers, information about the external conditions of the company;
- the creation of such a product, a set of goods (range), which more fully meets market requirements than competitors’ products;
- the necessary impact on the consumer, on demand, on the market, ensuring the greatest possible control over the sphere of implementation.

3.1.1 Definition of marketing strategy

The importance of strategic behavior, which allows the firm to survive in the long-term competition, has increased dramatically in the recent decades. All companies in a highly competitive, rapidly changing situation should not only focus on the internal state of affairs in the company, but also develop a long-term survival strategy that would allow them to keep pace with the changes occurring in their environment (Barkan, 2009, p. 386).

Developing a marketing strategy in the service industry is a complex process that requires in-depth research of the state and development of the service market, as well as an assessment of the position of the company that it occupies in the market (Kaplan, 2012, p.393). The choice of a strategy depends on the specifics of the external and internal conditions, different views of the leadership on the development of the organization and other reasons. There is no single successful strategy for all companies, just as there is no single universal strategic management. Each company is unique in its own way, therefore the process of developing a strategy and analyzing alternatives for each company is unique, since it depends on the position of the company in the market, the dynamics of its development, its potential, the behavior of competitors, the characteristics of the goods it produces or the services it provides. (Kotler, 2011, p.805).

There are many definitions of the “strategy” concept. For example, according to P. Drucker, strategy is a way to implement the theory of business in practical activities, the purpose of which is to provide the organization with the possibility of achieving the desired results. The strategy allows the organization to purposefully seek and take advantage of favorable opportunities (Drucker, 2000, p. 272). The overall strategy of the enterprise should be specified in functional strategies. One of these strategies, one of the most important, is a marketing strategy.

Marketing strategy is the formation of goals, their achievement and the solution of the enterprise’s tasks for each individual product or service, for each individual market for a specific period (Zhabina, Egorova, 2009, p. 36). The strategy should be formed in order to carry out production and commercial activities in full accordance with the market situation and the capabilities of the company. Marketing strategy is used to identify suitable products, services and markets to which they can be offered. It determines the most effective composition of the marketing mix (market research, product pricing, distribution channels and sales promotion).

In modern conditions, the marketing strategy is complex, covering all areas of activity of a company, and it is calculated for a long-term period. The basis for the formation of a marketing strategy should be a comprehensive analysis of a dynamically changing market environment and a forecast of the future development of the market. Strategic decisions in our time have to be developed and made in conditions of extreme instability and uncertainty in the development of the market and marketing environment.

3.1.2 Marketing processes

One of the best descriptions of the marketing process is the quote of Peter Drucker (1985, p.64): “There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available”.

Philip Kotler (Kotler marketing Group, 2001-2017) notes: “The most important concepts of marketing are: segmentation, targeting, positioning, needs, wants, demand, offerings, brands, value and satisfaction, exchange, transactions, relationships and networks, marketing channels, supply chain, competition, the marketing environment, and marketing programs. These terms make up the working vocabulary of the marketing professional. Marketing’s key processes are: 1) opportunity identification; 2) new product development; 3) customer attraction; 4) customer retention and loyalty building; 5) order fulfillment. A company that handles all of these processes well will normally enjoy success. But when a company fails at any one of these processes, it will not survive”.

The essence of the marketing system can be revealed through a set of socio-economic categories interconnected in a chain of processes (Homburg, Kuester, Krohmer, 2009, p. 93) for creating a product and bringing it to a consumer (Image 1):

Need - is the feeling of a lack of something felt by a person;

Demand - a need that has taken a specific form in accordance with the cultural level and personality of the individual;

Request - is a need supported by purchasing power;

Product (service) - everything that can satisfy the need or need and is offered to the market to attract attention, purchase, use or consumption;

Exchange - the act of receiving from someone the desired object with the proposal of something in return;

Trades - is a commercial exchange of values between the two parties;

Market - a set of existing and potential buyers of the goods. And all these processes are united by a common concept - Marketing.

Image 1. Chain of product creation and bringing it to the consumer



Source: Homburg, Kuester, Krohmer, 2009

Thus, marketing is a human activity, one way or another related to the market, it is working with the market for the sake of exchanges, the purpose of which is to satisfy human needs and requirements.

Modern marketing is not just selling a product or service in any way, it is, to a greater extent, customer satisfaction, attracting new customers, increasing the customer value of the product and retaining old customers, constantly meeting their changing needs. To realize marketing objectives, it is necessary to understand the needs of individual markets and the ability to choose those that a particular company is able to serve better. All this allows to produce goods of higher quality and thereby increase sales and increase their income by better meeting the needs of target buyers.

Marketing becomes the starting point of the business planning process. Companies that share this point of view regard their activities as an inextricable sequence of value creation and provision. This sequence includes three phases.

- The first phase - the choice of a particular type of value - is a stage of marketing activity that precedes the creation of any product.

- Once an enterprise has chosen a specific value, it prepares to bring it to the market.
- The task of the third phase is the transfer of value to the consumer.

Thus, marketing is: 1) meeting the needs of the target buyer through the exchange; 2) product development, pricing, distribution and product promotion, interaction with the consumer based on the 4C's marketing mix (Kotler, Armstrong, 2014); 3) orientation of the manufacturer's activities to meet the needs of the target buyer.

3.1.3 Marketing mix in the Internet marketing

The Internet today, provides the interaction of consumers and marketers to a large extent. Having first appeared as a means of communication for active computer users, today the Internet has grown into a global network of a wide variety of data and documents. The initial stage of the Internet is often referred to the Web 1.0 stage. In the recent decades, Web 1.0 has gone into social space. Having ceased to be only a repository of information the Internet turns into an endless stream of social events. This is the so-called Web 2.0 which becomes a huge resource with opportunities for e-commerce. If Web 1.0 concentrates data, which then tells us, then Web 2.0 classifies it, asking what we want, and gives us the opportunity to act based on our desires. On the threshold is the next generation, Web 3.0, the characteristics of which are not clear yet (Dann, 2011, p. 109).

If we understand the Internet as a global interaction space between people, then Internet marketing is an opportunity to use all aspects of traditional marketing on the Internet, all with the same standard goal - selling a product or service to customers, as well as promoting and effectively promoting a product or service for sale.

The basic elements of the Internet marketing complex are the same as in ordinary marketing, the four variable factors (4P's concept of Marketing mix), which were first proposed by E. McCarthy (McCarthy, 1978). Later, this approach was improved and popularized by Philip Kotler (Kotler, Armstrong, 2014). A potential seller uses 4P's mix (Marketing mix) to cause the desired response from the target market. The marketing mix model includes the necessary product parameters that a marketer can monitor and develop for successful product promotion on the market. For a marketer, a strategy development is a tool to maximize the value of a product and the company's long-term profit in the market. In the network space, the main task of the marketing mix is to get the maximum effect from potential users of the site, to use all possible product promotion channels on the Internet to increase site traffic and sales (Constantinides, 2006, p. 24). E-marketing

develops the virtual space of the global network, creates a real market of opportunities (Dann, 2011, p. 128) for promoting and selling a product or service, focuses on customer needs, creates a target audience and consists of the following components (Image 2):

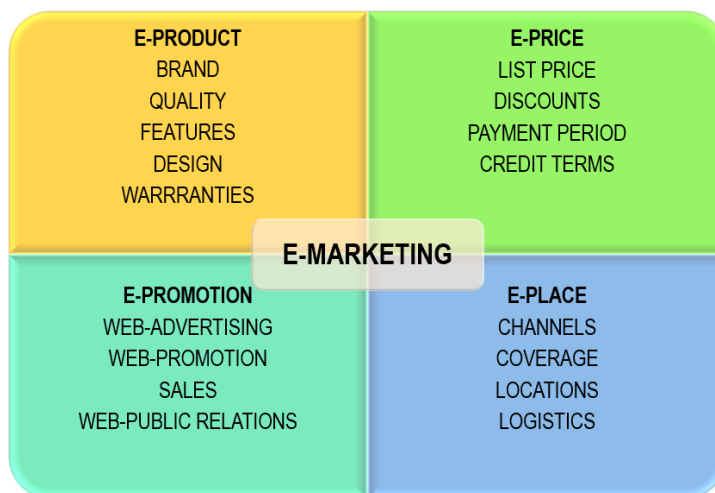
Product (e-product) — An interactive, to a certain extent, product offered for sale on the Internet, competes not only with counterparts on other sites, but also with real products in traditional stores.

Price (e-price) — As a rule, the price on the Internet is lower than in a regular store due to cost savings.

Promotion (e-promotion) — measures to promote a brand or product online. Includes tools such as search engine promotion, contextual advertising, banner advertising, e-mail marketing, viral marketing, hidden marketing, interactive advertising, working with blogs, etc.

Place (e-place) — for the Internet marketing, a product (brand) interaction point is a consumer when making a purchase decision (for example, an online store, an official website, an advertisement, a group on a social network, etc.). Here, an important role is played by the correctly chosen way of communicating with the target audience and the convenience of communication between the seller and the buyer, including communication related directly to payment for the product, method and time for its delivery.

Image 2. The Internet Marketing mix



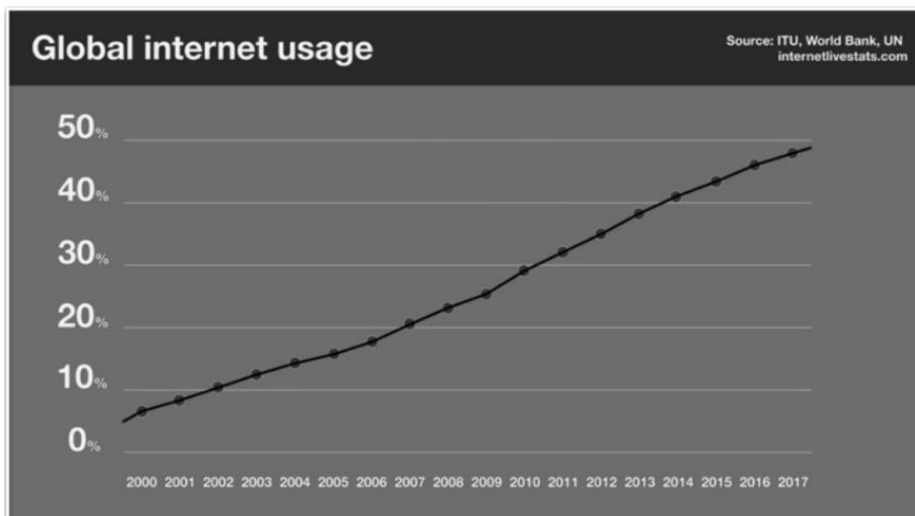
Source: Dann, 2011

Recognizing the important role of the Internet in the modern digital world, it should be noted that this resource is in the process of its active development. The Internet will

show significant changes in form and content soon and for the future. The global network will be more driven by users than conditional sellers.

Marketers will be able to create forums (sites), but participants will develop and promote them. As a result, the Internet will go even deeper into a person’s life, filling every niche of his interests and needs. According to the speed of distribution, the Internet is a record among the ever-existing media. If you follow the growth trend of the number of the Internet users around the world, it can be noted that their number is growing every year, as can be seen from the graphs below. (Figure 1) (Image 3 and 4).

Figure 1. Global Internet access 2000-2018, (in %)



Source: ITU, World Bank, UN, 2018

Image 3. Worldwide Internet users 2005-2017

	2005	2010	2017 ^a
World population	6.5 billion	6.9 billion	7.4 billion
Users worldwide	16%	30%	48%
Users in the developing world	8%	21%	41.3%
Users in the developed world	51%	67%	81%

^a Estimate.

Source: InternetWorldStats, 2018

Image 4. Internet users by region 2005-2017

	2005	2010	2017 ^a
Africa	2%	10%	21.8%
Americas	36%	49%	65.9%
Arab States	8%	26%	43.7%
Asia and Pacific	9%	23%	43.9%
Commonwealth of Independent States	10%	34%	67.7%
Europe	46%	67%	79.6%

^a Estimate.

Source: InternetWorldStats, 2018

According to InternetWorldStats (2018), the total number of the Internet users worldwide reached 4,208,571,287 people, which accounts for 55.1% of the total population of the planet (7,634,758,428 people) (Table 1).

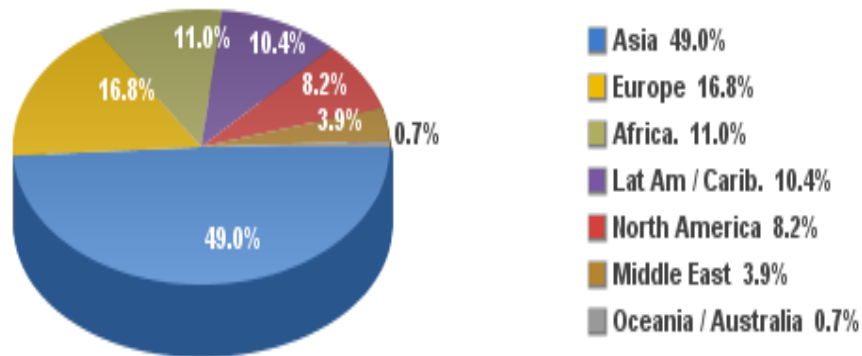
Table 1. World Internet usage and population statistics (June 30, 2018)

World Regions	Population (2018 Est.)	Population % of World	Internet Users 30 June 2018	Penetration Rate (% Pop.)	Growth 2000-2018	Internet Users %
Africa	1,287,914,329	16.9 %	464,923,169	36.1 %	10,199 %	11.0 %
Asia	4,207,588,157	55.1 %	2,062,197,366	49.0 %	1,704 %	49.0 %
Europe	827,650,849	10.8 %	705,064,923	85.2 %	570 %	16.8 %
Latin America/Carribbean	652,047,996	8.5 %	438,248,446	67.2 %	2,325 %	10.4 %
Middle East	254,438,981	3.3 %	164,037,259	64.5 %	4,894 %	3.9 %
North America	363,844,662	4.8 %	345,660,847	95.0 %	219 %	8.2 %
Oceania/Australia	41,273,454	0.6 %	28,439,277	68.9 %	273 %	0.7 %
World total	7,634,758,428	100.0 %	4,208,571,287	55.1 %	1,066 %	100.0 %

Source: InternetWorldStats, Miniwatts Marketing Group, 2018

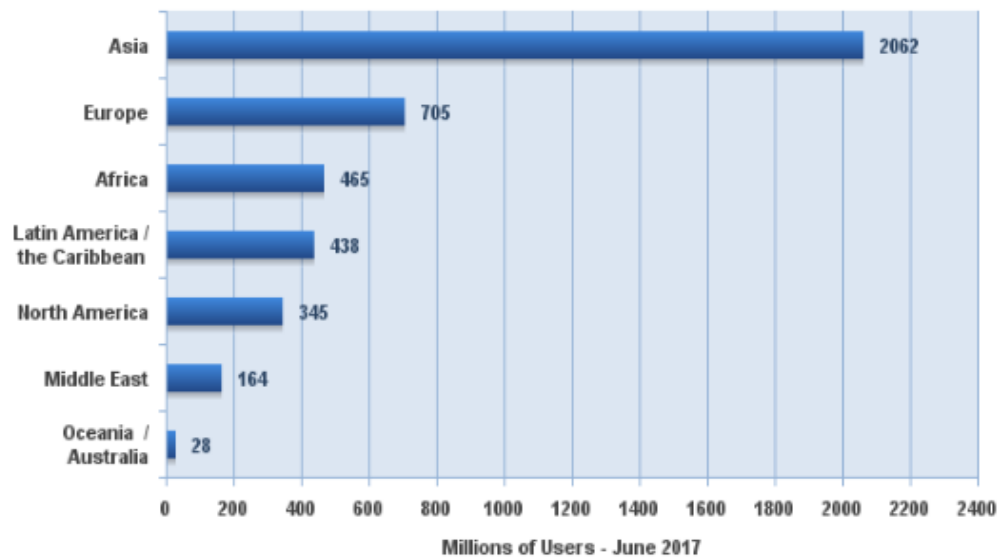
At least half of Internet users are from Asia (Figure 2). And this is not only because Asia is the largest regional market, but there is also the highest level of access to broadband - 2,062,197,366 users (Figure 3).

Figure 2. Internet users in the world by regions (June 30,2018), (in %)



Source: InternetWorldStats, Miniwatts Marketing Group, 2018

Figure 3. Internet users in the world by geographic regions (June 30, 2018)



Source: InternetWorldStats, Miniwatts Marketing Group, 2018

The Internet at the early stages was focused on data storage with e-commerce elements. Information was gathered here, the task of websites was that their creators could disseminate their information through them (advertising, advertising texts, information about a product or service). Web 1.0 was a huge electronic catalogue of information, products and services created by companies and individual advanced users. However, the Internet is distinguished by its ability to evolve and, today, the global network is significantly different from what it was 10 years ago (Teriz, 2011, p. 745).

The second generation of the Internet - Web 2.0 - is an era when the Internet is based not on websites, but on people, their knowledge, their interaction. Web 2.0 is the

term for the second generation of network services that allow users to not only surf the web, but also work together and post text and media information. If Web 1.0 has accumulated data, then Web 2.0 “learned” to classify by asking the user what he wants and works with the participation of the users themselves, who receive only what he asked for and not what this marketer wants (Teriz, 2011, pp. 750-753). Web 2.0 has introduced new resources, such as community and content created by the user. The content becomes mobile: it can be tailored to any digital device or the needs of an individual user. Users can easily convert data according to their ease of use criteria. The principle of presenting information is “do it yourself”, which allows the user to choose the best option for him; accurate segmentation becomes reality. Users, not marketers or designers, control what appears on their screen. After Web 2.0 sites are already running, their adaptation will cost almost nothing for the marketer. Specially designed instructions, icons, signs and rules are clear, users can work with them based on their desires and needs. In addition, created communities allow you to build long-term brand loyalty and monitor user desires. From the moment Web 2.0 went online, the Internet has become even more flexible (Kawa, 2017, p. 438).

Social networks unite users with the same views or common interests. People spend significant time on social networks Facebook, Twitter, Instagram, etc. to chat and discuss various topics. Thus, the page created and loaded by the marketer is further stimulated by the users themselves, responding to their requests, giving out information. Together, these four aspects - sharing the information and content itself, co-creating content, creating social networks, and supporting technology - create a dynamic, constantly changing system, the importance of which is users. The main advantages and disadvantages of a product or service are emphasized by those who use them. The user base affects the utility level of the product.

The third generation of the Internet - Web 3.0 will be even more user-oriented than Web 2.0 and this will be the merit of intelligent assistants who will play one of the key roles (Bhargava, 2004-2017).

For marketing, there are four factors that influence the Internet on users (Kawa, 2017, pp. 429-432):

1. *Equal opportunities* – relationships, existing today on the Internet, are not tied to a particular area and connections, which makes it possible to win the best, no matter where they are located. The Internet connection speed has become a more

important characteristic than geographic location. The network market is not tied to the territorial proximity to the consumer, working 24 hours a day, 365 days a year. Today, if desired, any company, product, service has access to global markets;

2. *Reducing the role of intermediaries* - the Internet has given the consumer the opportunity to act directly, bypassing intermediaries, consumers today can choose between buying in a regular store and ordering online with its unlimited access to products and information at any time of the day or night. Due to the use of mobile devices for e-commerce, consumers are not limited not only to the time frame, but also to geographical. As examples of such direct, without the participation of intermediaries of cooperation supplier-consumer, you can bring the increasing sales of online air tickets, tourist tours, hotel reservations, car rentals, etc. It was assumed that the Internet would practically remove intermediaries from the markets, providing consumers with the necessary information for buying directly. However, for a number of products and services, online buyers prefer to use the network only as a source of information, and make a purchase offline in some well-known retail network;
3. *A huge number of niches* - the marketer, having built the network monitoring correctly, is able to fill countless niches - these are ample sales opportunities and profits. In the development of these niches, great help is provided by such areas as joint filtering, blogs and RSS. Buyer's actions are summarized, and such feedback helps other buyers in making decisions;
4. *Marketing mix flexibility* - with dynamic pricing, different prices are set for different customers, reflecting their unequal sensitivity to them. Dynamic pricing can always be used by providing quantitative and cash discounts, setting prices for pre-ordering goods, etc. The Internet simply facilitates this process. Thanks to cookies, websites can keep abreast of previous customer experience and charge prices accordingly. Cookies are small lines of data sent by the site to the user's browser, most often without his knowledge. Cookies can be used to track the nature of web browsing on sites and transitions between sites. Thus, Internet marketing allows you to bring the product (service) to a new level and increase business income, so its main goals are:
 - An increase in traffic (attendance) of the site;
 - Creation, promotion and sale of new services and goods;

- Brand recognition;
- Promotion of the company's image.

The practice of using all aspects of marketing on the Internet, in order to promote or sell a product, customer service and communication with them includes (Image 5) the following tools (Kohli, 2016, pp. 91-93):

Display Advertising - type of advertising focused on the audience's spectacular perception. It is developed by using special methods of attracting the attention of readers and may include text, a company logo, photographs and other images, indicate a location on a map, etc. Display advertising on the Internet has many forms: traditional banners, teasers, videos, blocks in e-mail, even mobile banner ads, and etc.

Search Engine Advertising (SEA) - the type of the Internet advertising, where an ad is displayed in accordance with the content, context of the Internet page. Contextual advertising acts selectively and is displayed to visitors to the Internet page, whose sphere of interest potentially corresponds to the advertised product, service, target audience, which increases the likelihood of their response to advertising. The principle of keywords is usually used to determine whether the ad material is in compliance with the website page. Key words are guided and search engines. Therefore, contextual advertising is more likely to be shown to a consumer who uses the network to search for information of interest about goods or services.

Search Engine (SE) - this is series of actions aimed at improving resource indexing. The more qualitative the specialists and search engines evaluate the site, the higher it will rise on the search results page.

Search Engine Marketing (SEM) - the most effective approach to the promotion of the representation on the Internet: it combines the search engine optimization of the project and contextual advertising. With the help of search marketing you can only attract the audience that is interested in purchasing goods and services of the customer.

Social Media Optimization (SMO) - work aimed at retaining customers who came to the site from social networks. SMO can be an addition to integrated promotion.

Social Media Marketing (SMM) - promotion in social services through the publication of interesting materials about the company in the communities, on the forums, in the social networks. The essence is in a constant communication with users, hidden advertising of your products and services. The usage of audio and video is possible. The SMM is constantly working on the authority of the company and on its Internet resource.

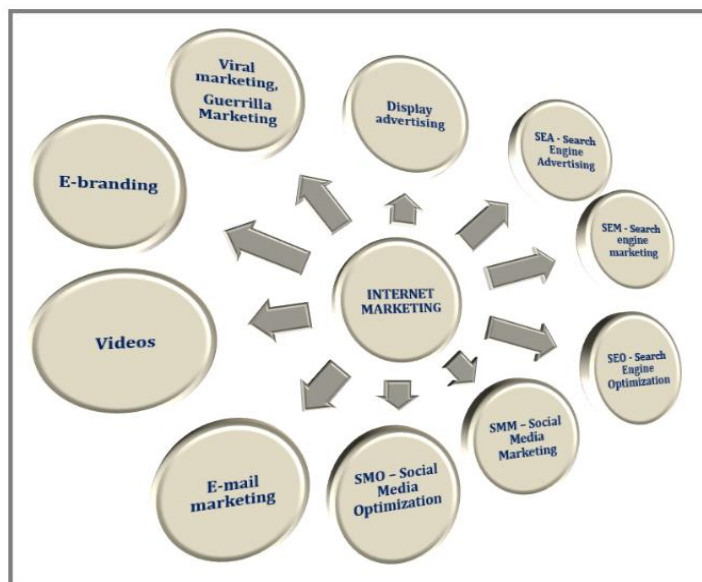
Viral Ad, Guerrilla marketing - low-budget ways of advertising and marketing, advertising strategy, encouraging consumers to transfer advertising message to each other. Information is not perceived as advertising, but rather as leisure and entertainment. People send each other a funny video or link and it turns out that viral advertising is distributed “independently” from person to person at no additional cost to the advertiser.

Videos - video advertising on the Internet has long proved its effectiveness and profitability. The number of visitors to YouTube channels, RuTube and other resources with video content in the millions. Unlike TV advertising, online video advertising is cheaper and more targeted. Such advertising can be earned by placing ads in the video or earning income as the author of videos. A popular channel on video hosting gives good opportunities for e-marketing.

Internet branding or e-branding - creation and promotion of a new or already existing brand on the Internet.

E-mail-marketing - Internet marketing tool for business, builds direct communication between the brand (business, company) and potential or existing customers via email.

Image 5. Online form of the Internet marketing



Source: Kohli, 2016

To sum it up, e-marketing is earnings on its website (blog), monetization of the followers’ base. A progressive and revolutionary web environment creates completely new conditions, a significant part of the World Wide Web users is gradually abandoning

traditional sources of information, stop watching TV, do not read newspapers and magazines (Kawa, 2017, p. 436). Users around the world get all necessary information from the World Wide Web. It is faster, easier and more efficient. The moment is close to times when most of the purchases will be made by users through the network: the percentage of such transactions in the total number of sales grows monthly. The network communications are characterized by convenience and efficiency: you can make an order and buy a product (service) through an online market for a couple of seconds, and for goods that require delivery, logistics is improved, and temporary delivery modes are developed.

3.2 Theoretical foundations of bank marketing

A bank is a credit institution that has the exclusive right to conduct the following banking operations: attracting deposits from individuals and legal entities, placing these funds on its own behalf and at its own expense on terms of repayment, payment, urgency, opening and maintaining bank accounts and legal entities. Bank marketing is a holistic concept of bank management, based on its active interaction with customers and aimed at maximizing their needs and creating a special climate of trust around the bank (Khabarova, Popova, 2004, p. 165).

Bank marketing, because of its specificity, is a special branch of marketing. This is the external and internal ideology, strategy, tactics and policies of the bank, determined by the specific socio-political and economic situation. Recent changes in the banking systems of countries with developed market economies, the real economic situation have led to the vital need for commercial banks to master the most modern techniques and methods of marketing. The universalization of banking activities, its expansion beyond traditional operations, increased competition with foreign banks, the emergence of non-banking institutions in banks, and the outflow of deposits from banks as a result of the development of the securities market are guiding this (Nikolaeva, 2009, p. 224).

3.2.1 The concept of bank marketing

In general, bank marketing can be defined as the search for the most profitable (current and future) markets for banking products, taking into account the real possibilities of the clients. This process represents a clear statement of the bank's goals, the formation

of ways and means to achieve them, and the development of specific measures for the implementation of plans.

The basis of bank marketing is a concept that includes goal setting, ideology, and banking business strategy (Khabarova, Popova, 2004, p. 32). The concept adopted by the bank makes it possible to use various forms of organization of marketing activities depending on the internal and external conditions in which a commercial bank carries out its activities.

The concept of marketing activity is a consumer-oriented target philosophy and strategy of the bank. It is based on the analysis of the whole range of indicators affecting the activities of a commercial bank. On the basis of the marketing concept, proposals are being prepared for optimizing the bank's activities and, subsequently, comprehensive planning of the bank's internal and external activities is carried out.

Bank marketing is fundamentally different from the marketing of financial institutions, which include insurance and investment companies, pension funds, savings and loan associations, etc. It is an essential element of bank management involves research and analysis of the processes occurring in the capital market (Shtein, 2012):

1. Directly in the sphere of credit and financial institutions, especially in the banking sector;
2. On the securities market, including the primary, secondary (stock exchange) and over-the-counter (so-called street) markets.

Banking marketing allows bank management to make flexible decisions aimed primarily at expanding bank sales and increasing profits. To sum up, banking marketing can be defined as the search for the most profitable existing and future markets for banking products and services solely taking into account the real needs of customers (Abaeva, Khasanova, 2011, p. 18). In this regard, it is necessary to clearly define the goals of the bank, as well as to develop ways and means to achieve them, specific measures for the implementation of the goals and development forecasts.

The basis of bank marketing is the analysis of market opportunities of the bank, which involves conducting marketing research and determining the position of the bank in the market of loan capital. As a rule, the bank management formulates the goals and objectives of market research (for example, collecting and analysing information about the market, competitors, banking products and services, studying statistical data, etc.). Based

on the goals, available sources of marketing information are analysed to select the most reliable data (Abaeva, Khasanova, 2011, p. 21).

Considering bank marketing as an integrated marketing system with an organic implementation of the marketing service in the organizational structure of a commercial bank, the bank's management should focus on a specific marketing concept ensuring the effective functioning of the structuring elements of the marketing activity (Utkin, 2009, p. 135). The main elements of marketing activity are: analysis of market opportunities, identification of target markets, development of a marketing mix (products and services, pricing, service distribution system, bank communication policy); providing a set of support systems: collecting and analyzing information necessary for making management decisions, conducting marketing research, determining the main activities of the bank (strategic planning), marketing planning (drawing up business plans), monitoring the implementation of annual plans, monitoring profitability and strategic control (Abaeva, Khasanova, 2011, p. 27).

3.2.2 The role of bank marketing in the activities of a commercial bank

Marketing is extremely important, and plays a major role in the bank's activities, but certainly not the one that banks know and practice today. Regardless of the structure and type of organization, the main thing is to ensure the implementation of the most important principles and rules of marketing. It is necessary to find out the needs and desires of customers, develop a product, form a price, bring information to consumers and provide them with the product through the most appropriate channels. Ways of coordination, formation of structure and implementation will be different for each bank, but this activity undoubtedly affects all aspects of the banking business.

Bank marketing has the following main objectives (Popkova, Suvorina, 2010):

1. Reproduction of demand for bank products and services. Acceleration of cash flow;
2. Customer satisfaction. The expansion of the customer base;
3. Offering new products and services;
4. The rational use of income and temporarily released funds.

The objectives of bank marketing are to study the credit market, analyze the financial condition of clients, forecast the demand for banking products and services, attract deposits from individuals and legal entities, and form a bank's behavior strategy in

the market. However, the need for bank marketing is caused not only by the fact that it contributes to the commercialization of banking activities, ensuring the efficient use of monetary resources, but also by the specifics of the money turnover, which is the main object of banking activities (Nikolaeva, 2009, p. 213).

Thus, bank marketing should ensure the reproduction of the demand for bank products and services and the acceleration of cash flow. The practical embodiment of this is in the conduct of bank cashless payments. In this case, bank marketing should be aimed at satisfying the needs of the bank's clients in fast, accurate and correct calculations.

Marketing in the bank sector is the research and development of demand, the supply of new types of products and services, the impact of which depends on the speed of money turnover.

The development of commercial savings, mortgage banking, on the one hand, and non-bank financial institutions - on the other, due to the need to use bank marketing as an element of expansion and revitalization of banking activities. Therefore, the main purpose of banking services is to attract new customers, to have a market for passive and active operations, and to use the requirements of customers - various legal entities (companies, enterprises, firms) and individuals in a variety of banking products and services (Popkova, Suvorina, 2010).

Special attention is paid to customer needs. If there is no need to provide services to the client, then they should not offer the client. The fact is that the tactics of power pressure can give only a short-term positive effect in the form of an increase in the volume of bank operations, and in the end lead to the loss of customers and profits. The activities of the bank should be aimed at expanding the client base, i.e. long-term customer service. One of the main goals of bank marketing is to attract new customers who have not previously used the services of this bank.

At present, in industrialized countries, banking operations cover about 80% of the population, which has current and savings accounts, credit cards and other banking instruments (Shtein, 2012). Therefore, one of the goals of bank marketing is to offer new products and services to existing customers. Persons, who turned to the bank for one service, are potential buyers of additional or related services. If a bank customer, for example, purchases foreign currency for an accident insurance during a trip. This method is called cross-selling and is very often used in the practice of modern bank marketing (Abaeva, Khasanova, 2011, p. 26).

Bank marketing in relation to the credit sphere performs the following functions (Karpova, 2012):

- study of demand in the capital market and its individual segments of particular interest to banks;
- analysis and study of interest rate policy;
- advertising;
- development of a bank planning system;
- personnel management;
- organization of customer service.

Based on the analysis of the market, changes in the market volume, accounting for the socio-psychological characteristics of objects in the territory, the bank draws up a program to attract funds and money (Shtein, 2012). The bank is obliged to determine the general principles of competitive strategy and specific ways to master the market.

3.2.3 Organization of marketing activities in the bank

It is advisable to establish a number of fundamental factors that caused commercial banks to study the concepts of marketing and their application in their activities.

In the practice of commercial banks in the UK, the emergence of marketing concepts associated with the awareness of the need for banks to give the market organization of activities of all departments (Madan, Agrawal, Matta, 2015). Banks have discovered how useful it is to identify priority groups of customers, market sectors, and then determine the needs, demands and values of existing and potential customers; develop and implement products and services that meet these needs; reorganize the organizational structure of the bank and improve the service culture in such a way as to satisfy customer needs more effectively than competitors.

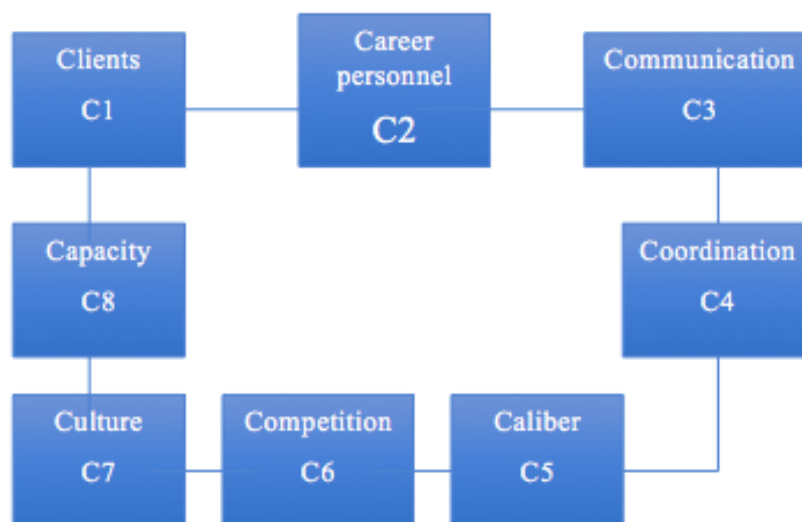
The traditional concept (Chirica, 2013, p. 288) began to find its supporters in the banking system in the mid 90's, when saturation of demand for traditional services began, some commercial banks began to have a developed external and internal infrastructure. Commercial banks that adhere to the traditional marketing concept, more often than others have their own "trademark" and also represent a full range of bank services.

Socio-ethical concept (Chirica, 2013, p. 293) assumes that with the help of marketing tools a balance is achieved between the interests of customers, the bank and society as a whole. In other words, in the process of satisfying customer requests, banks get

their profits, bank employees - wages, society (through customers, employees and the bank) receive their share of profits in the form of budget allocations or construction of social facilities. Sometimes this concept is called “person-oriented”, or “concept of intellectual consumption”.

It is possible to adapt the socio-ethical concept of marketing to commercial banks on the basis of the addition of a new element of this marketing concept. In the image 4, the elements of a socio-ethical concept are structured, which are conventionally called “8C’s” (Chirica, 2013, pp. 293-300) in relation to banking. All elements of the socio-ethical concept have a specific content, represented by dependent variables from various external and internal factors.

Image 6. Socio-ethical concept of bank marketing



Source: Chirica, 2013

Element C-1 is a bank customer or a consumer of banking services.

Any bank exists only when there is a consumer on its products and services. Increasing competition between banks requires special attention to the problem of organizing relationships with each client, establishing partnerships between banks and customers, which largely determine the competitive advantage.

Element C-2 - human resources.

The importance of this element is quite relevant both from the point of view of bank customers and the bank itself and determines the success of competition with other commercial banks. From the qualifications of personnel and their attitude to work depends on the level of effectiveness of any bank. And here, for the bank, one of the main problems

is to increase the qualification of the bank's personnel and search for personnel in order to optimize the operational risks of a commercial bank.

Element C-3 - communication, is a report of the methods and forms of bank ideas and specific provisions on a particular service to the consumer of banking services.

This P-3 element consists of five following components:

C-3.1 - includes technical support of communication;

C-3.2 - discloses the completeness of information for the client about the subject of the contract about the bank's service and its characteristics, about the procedure for providing banking services;

C-3.3 - indicates the specificity and clarity of the expression of goals, which saves the bank time and the time of customers;

C-3.4 - delicacy in relationships. This element not only increases the efficiency of activity, but also reflects on business reputation. In addition, there is a rule: you are attacked, and you listen, "pull" out of the client as much information as possible. If the client insists on a position, then the arguments, however brilliant, it is very difficult to "move". In such a situation, the task of persuasion largely falls on the ability to listen. Under attack, most bank employees naturally begin to defend or counterattack. However, for a negotiator, both of these reactions are contraindicated - they can only increase the spiral of contradictions between the parties.

C-3.5 - correctness and punctuality in the process of communication at all levels. At this point, timely responses to business letters and proposals, polite partnership and competent resolution of the issue regardless of the specific situation can be attributed.

Element C-4 - coordination, indicating the presence of feedback between objects and subjects of activity of commercial banks, a necessary element for the effective implementation of the strategy and tactics of its activities.

Element C-5 - quality, is a combination of the properties of services that determine their suitability to meet certain needs of customers, and are in accordance with their intended use. This is one of the main elements that ensure the prosperity of the bank and its customers.

Element C-6 is competition, representing the process of interaction, interconnection and struggle between banks for the most favorable conditions for the realization of their goals. To identify the competitiveness of bank products and services, it is necessary to analyse market and price competition, competition of production costs, profitability and

profits. Achieving maximum competitiveness associated with the development of banking products and services that have unique qualities.

The C-7 element is a culture, this element of the system covers all the above-mentioned elements and is expressed by a certain level of development both of the society as a whole and of its individual layers and specific individuals. This level is expressed in the types and forms of life and activities of individual subjects, in their relationships and in the material and spiritual values they create. For example, the culture of activity of commercial banks is unthinkable without information, technical and organizational activities in the marketing system.

It is necessary to supplement the constituent elements of the socio-ethical concept with an additional element - *the C-8 element - competence*.

From the perspective of marketing research and the systematic collection, compilation and analysis of data on various aspects of the bank's activities based on internal and external information, marketing research makes it possible to reduce the level of uncertainty when making management decisions. With the help of marketing information, it is possible to identify controlled and uncontrolled by the bank environmental factors affecting its activities, and develop measures to minimize the impact of uncontrollable factors. Analysing the marketing environment, i.e., a set of subjects operating outside the bank, we can distinguish the microenvironment (relations with intermediaries, competitors, customers, contact audiences) and the macro environment (demographic situation, economy, nature, politics, cultural structure) (Madan, Agrawal, Matta, 2015).

Based on the comparison of market opportunities with the goals and resources of the bank, marketing opportunities are determined. With careful selection of target markets, current and future demand is studied, market segmentation, selection of target segments and positioning of products and services in selected segments. Through segmentation, the division of the market into clear groups of customers who need different products, services and special marketing approaches. Determining a market segment, a set of customers equally responding to the same proposed product and a set of incentive marketing incentives reduces the cost of developing unpromising market segments and concentrates marketing efforts on the most attractive segments.

The organizational structure of the marketing service in the bank is determined by each commercial bank independently. Separate, very valuable information, which is often

not systematized, should be developed and combined into one database, which should be located in the marketing department. The marketing department should be a separate structural unit coordinating the work of all departments of the bank. The frequency of meetings with all departments of the bank should be determined as necessary - once or twice a week, where the most pressing issues and problems should be placed. Specialists and marketers should deal with these problems: finding potential borrowing clients in the region and abroad, finding clients for entering into payroll agreements, etc.

3.3 Social media marketing

3.3.1 Social media as a form of mass communication through the Internet

According to J. Thornley (2008): “Social media is an online communication in which an individual smoothly and flexibly changes its role, acting either as an audience or as an author. Social software is used for this, which allows anyone without coding expertise to post, comment, move, edit information and create communities around shared interests”.

It is indicated that social media is a multi-valued term that combines various online technologies on the Internet that allow users to communicate, interact with each other. A characteristic feature of all social media, in his opinion, is that the users themselves are the creators of the content (Thornley, 2008).

In 2010, A. Kaplan (2010) gave the most commonly used definition of social media today. “Social media is a group of Internet applications, on the ideological and technological foundations of Web 2,0 that allow you to create and share user-generated content”.

There are two key concepts of social media:

- ✓ Web 2.0 - a term coined by the American publisher T. O’Reilly, one of the main ideologues of free software distribution (2018). In his opinion, Web 2.0 is a trend in the development of Internet sites, which are based on the focus on socializing projects and services and improving them by the users themselves.
- ✓ User-generated content (UGC) is a meaningful social media basis, in the title of which their main feature sounds.

In social media, the flow of information is formed “from below,” through informal channels and reflects the public opinion of communities on various issues. The beginning

of communication is the initial information spread on the audience of the web resource. Subsequently, the rating and significance of information is not determined by the editors or an exceptional group of individuals, but by the interest of users who begin public discussion and promote the information as much as it matters to them. At the same time, the social media also builds a hierarchy of social communication roles: “presenters (moderators)” - “followers” - “late followers”. However, this is not a frozen system, since any user can switch the role of the leader to him. For traditional media, media content is created by professional journalists, edited by publishers, and distributed in one direction. Traditional media use a monologue strategy - “one source and many receivers”. Social media use an interactive communication strategy - “many sources and many receivers”, which create super interactive platforms that allow individuals or entire communities to create content, edit, discuss and distribute it (Pavlik, McIntosh, 2014). Social media is fundamentally different from traditional media types, each user can play both the role of the author and the consumer of information, and simultaneously receive and distribute media content via the Internet.

Social media allows people, firstly, to build a public or anonymous profile within a certain system, secondly, to create a list of other users with whom they have connections, and, thirdly, to view the social connections created by others within the system (Boyd, Ellison, 2007). Thus, social media is a collection of all Internet services that, based on the concept of Web 2.0, provide users with the opportunity to produce their own media content and establish communication with each other.

To sum it up, social media is:

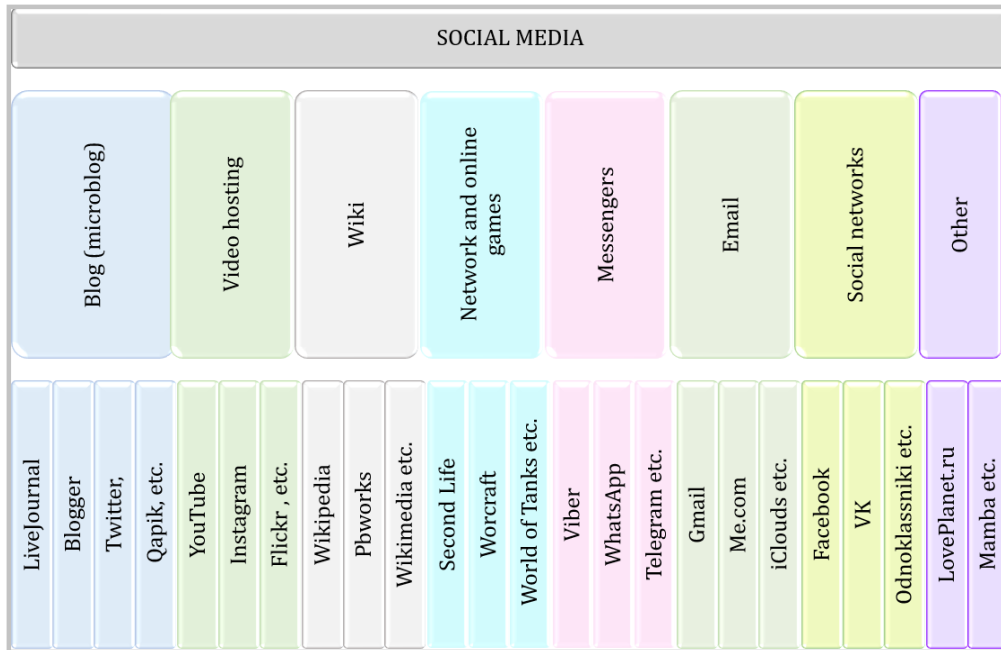
- 1) Internet services based on the concept of Web 2.0;
- 2) Mandatory feedback, implemented based on interactive capabilities of the Internet services;
- 3) Opportunity for users to create their own media content;
- 4) Possibility of flexible changes in the communicative tasks of users (as a communicator or recipient) in relation to media content;
- 5) Pronounced social orientation of media content on topics of relevance to users, the formation of public opinion is carried out during the discussion of the problem;
- 6) Dynamic ways of disseminating information. Receiving users share resources based on their social connections (the system of “friends” and “community”);

7) Technological accuracy of communications - the ability to track the popularity of information (“like”, “repost”, comments, etc.).

Social media can be tried to classify and highlight the following groups of them, based on the features of their functioning (Lopes, Goncalves, Miranda, 2012), but this classification is rather conditional, since recent trends still point to a merging of many of them. (Image 6):

- Blog (microblog) - sites, the main content of which are regularly added text entries or multimedia (LiveJournal, Blogger, Twitter, Qapik, etc.).
- Video hosting - sites for data exchange, storage services, delivery and display of video, photos, music (YouTube, Instagram, MySpace Music, Flickr, Picasa, etc.)
- “Wikis” in all forms - sites, the content of which users can independently modify using the tools provided by the site itself (Wikipedia, PBworks, Wikimedia, etc.).
- Network and online games - computer games that use a permanent connection to the Internet (Second Life, World of Warcraft, World of Tanks, War Thunder, etc.).
- Messengers - web resources that provide instant, real-time information exchange (Viber, WhatsApp, Telegram).
- Email - services for sending messages and the ability to store information, with cloud storage (Mail.ru, Gmail, iClouds, etc.).
- Social networks are virtual platforms based on websites for online relationships between users (VKontakte, Facebook, Odnoklassniki, etc.).
- Others - Internet services providing virtual communication services (LovePlanet.ru others); bulletin boards of the most diverse nature to search for the necessary goods, services, etc.

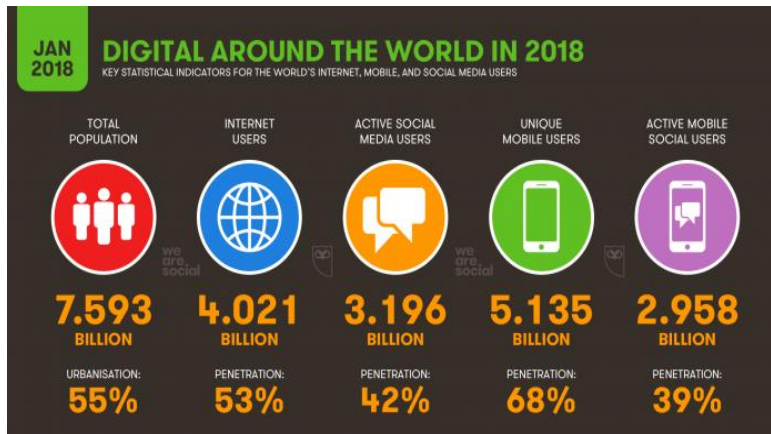
Image 7. Social media classification



Source: Lopes, Goncalves, Miranda, 2012

The current level of development of network technologies has an impact on the consumption of social media. For the presentation of data on Social Media in the world, the Smart Insights, We Are Social, Hootsuite network resources were used, which update their statistics and provide relevant information about the world of social networks. The new report for 2018 Global Digital (WeAreSocial, 2018) and Hootsuite (2018) shows that the Internet is currently using more than 4 billion people in the world. The growth in the number of users this year is due to the availability of smartphones and mobile databases. More than 200 million people purchased a mobile device in 2017 for the first time, and two-thirds of the 7.6 billion people in the world now have a mobile phone (Image 7).

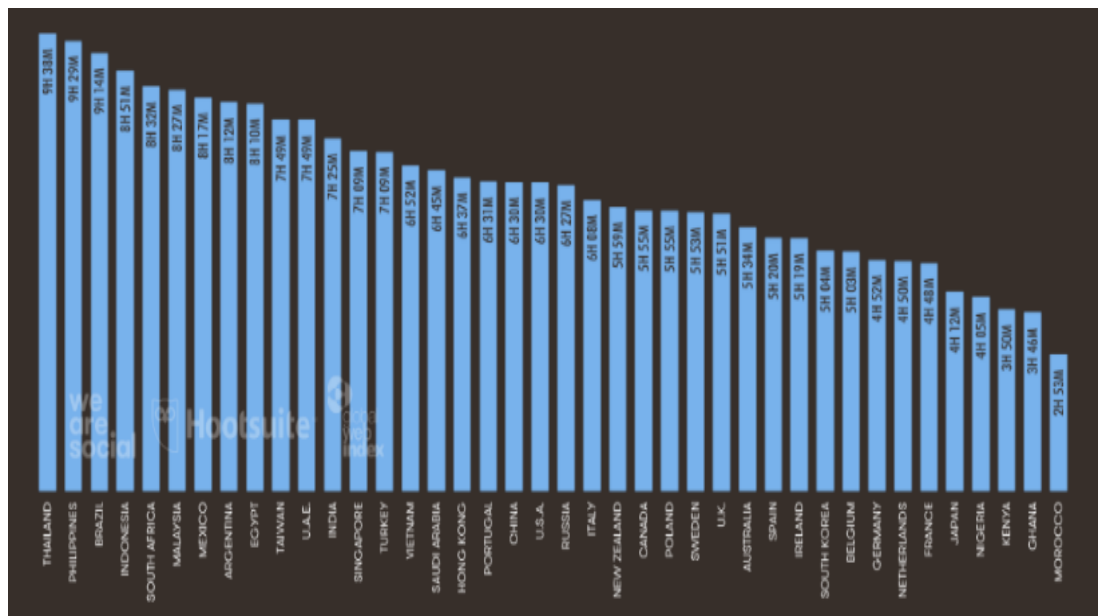
Image 8. Digital around the World in 2018



Source: Hootsuite, 2018

The use of social networks is growing rapidly, and the number of people using the most popular social networks in each country has increased by almost 1 million new users every day in the last 12 months. More than 3 billion people around the world now use social networks every month, with 9 out of 10 users accessing their Network platforms via mobile devices. The average Internet user today spends about 6 hours every day on the Internet, and if you count the time spent on the Global Network for all 4 billion Internet users in the world, it turns out 1 billion years on the Internet in 2018 (Figure 4).

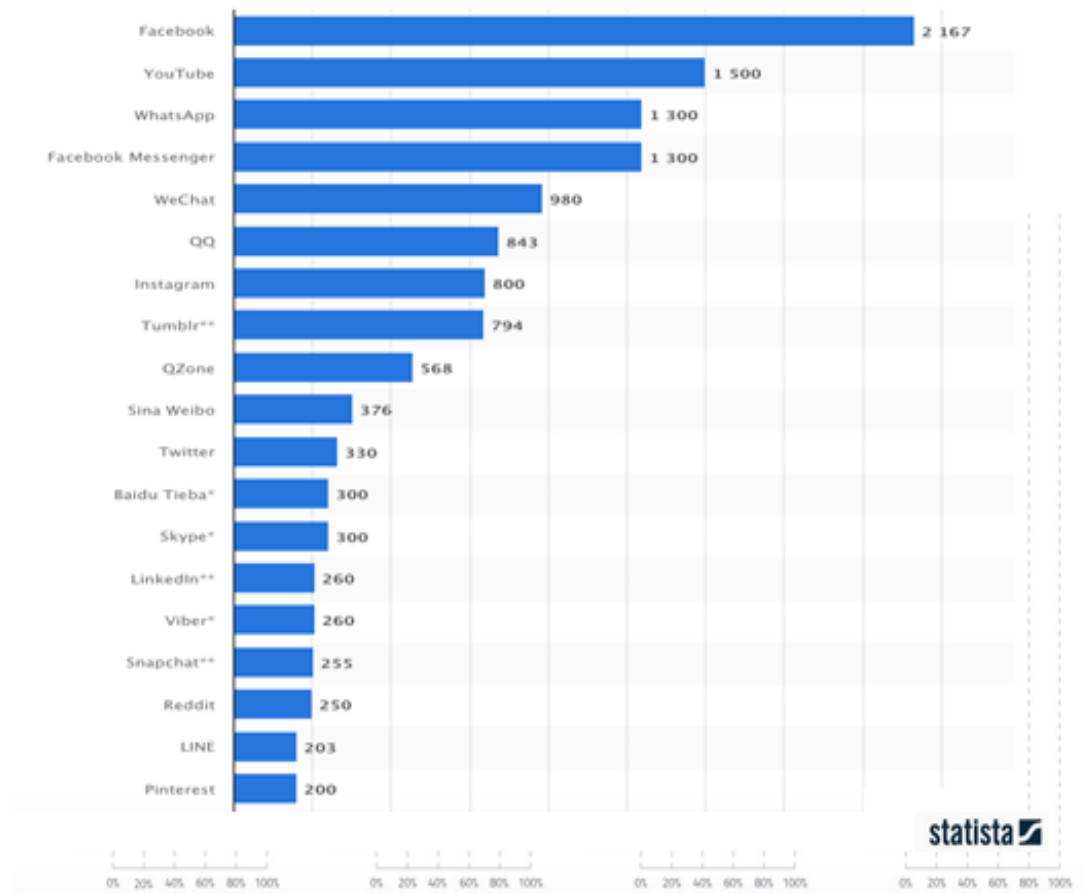
Figure 4. Time spent per day on the Internet (January 2018)



Source: Hootsuite, 2018

ComScore data (ComScore, 2018) shows that the most popular social networks, by the amount of time that users spend in them, as of December 2017 are: the absolute leader is Facebook, as well as Instagram, Twitter, Snapchat (Figure 5).

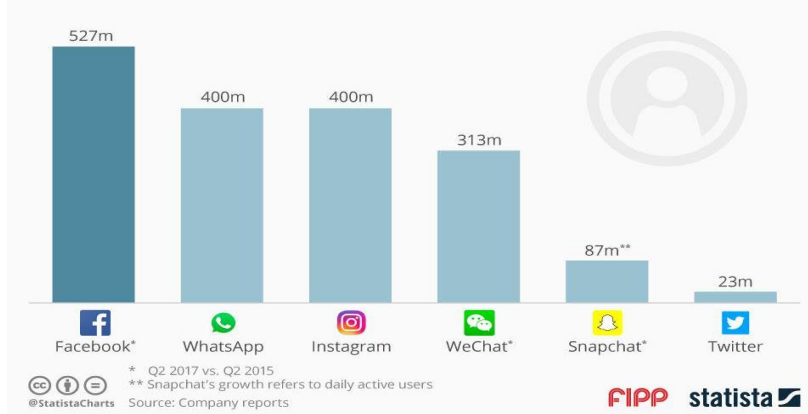
Figure 5. Most popular social networks worldwide, 2018, (in billion)



Source: STATISTA, 2018

Statista data (2018) represents the most popular Social Media. The number of active Facebook users is maximum today, with more than 2 billion active users, he is the absolute leader. YouTube ranks second. WhatsApp and Facebook Messenger respectively third and fourth places (Figure 5). The following chart shows which social networks are the fastest growing today (Image 8). Facebook is still the fastest growing resource, by the number of users. It is followed by WhatsApp, Instagram, WeChat. Studies show that most social networks primarily support existing social networks. N. Ellison, C. Steinfield, C. Lampe (2007) suggest that Facebook is used to maintain and strengthen existing offline relationships, rather than to meet new people. These relationships may not be so close, however, as a rule, there is some common element among people who have added each other as friends (for example, they studied together at school or university). Aiken. M (2019) in his study “Life in Cyberspace” noted that 80% of respondents are registered on social networks to maintain existing connections, and their use is the main motive for being in cyberspace.

Image 9. The comparison of increases in monthly active users in 2017



Source: STATISTA, 2018

The growing popularity of social networks indicates a shift in the organization of online communities. Even though sites dedicated to communities of interest, still exist and thrive, social networks are aimed more at people than at interests. The first public Internet communities and forums were structured by topic or based on thematic hierarchies, but social networks are designed as personal networks where a person is at the centre of their community. Such a principle reflects social structures where “the world consists of networks, not groups” (Wellman, 1988).

One of the serious problems of social networks is the confidentiality of information, primarily regarding the safety of young users. S. Preibusch, B. Hoser, B. Berendt (2007) argue that the privacy settings offered by social networks do not provide users with the flexibility necessary to resolve conflicts with those who have different ideas about the privacy of private information. Moreover, social networks questioned some legal aspects regarding the confidentiality of private information. For example, the fourth amendment to the US Constitution and legal decisions that relate to private life, is not adapted to solve emerging problems with social networks.

3.3.2 Definition of SMM (Social Media Marketing)

In 2006, webmaster Rohit Bhargava introduced the concept of SMO (Social Media Optimization), which explained how to optimize a site, filling it with interesting quality content (links, videos, documents, blogs, etc.) and providing a comfortable addition of this information to social networks or filling the site so that users of social networks (social media) find on their pages what they are interested in, add it to their bookmarks, tell about the site to their friends etc., the performance of the site in the iCal search lists increased. Among the main methods of SMO:

- Make site content interesting for users from social networks or communities so that they have a desire to share a link to the site with their friends.
- Bringing the site into compliance with the technical requirements of social resources, and its content - interesting for visitors.
- Creating an original, attractive design and the most friendly and intuitive interface, easy navigation.
- Creating outgoing channels through which users can easily and conveniently import site content (including videos and photos) to their pages on social networks. For example, the installation of buttons that allow the user to automatically move content from the pages of the site to their profile.
- Organization of communication of visitors on the site: creating a chat, forums, the ability to add comments, ratings of materials, etc.

All these methods are aimed at creating a user-friendly atmosphere conducive to promoting the site to them among as many of his friends and acquaintances in social media as possible.

A little later, the term SMM (Social Media Marketing) was introduced, which was understood directly as the marketer's actions in networks, such as participating in forums, discussions, publishing publications, recommending interesting articles, events, events to friends, that is, promoting the site through the target audience, which requires social space is involved. Among the main methods of SMM (Trattner, Kappe, 2012):

- Advertising site on thematic resources, where it is allowed to leave links in blogs, forums, social networks
- Creation of thematic communities in social networks, the purpose of which is to attract interested users to the promoted website
- Placement of headlines that attract the user's attention and encourage them to visit the promoted site. Buying "tweets", "likes", "classes", etc., as well as advertising on social networks.

In most cases, these two terms are synonymous. Using them, users understand how to work on the site, and activity in social networks. However, unlike SEO, which is aimed at interacting with the search engine, that is, with the program, SMM is aimed at people, should have an impact on them through their psychology, mood, habits, interests. Unlike SMO, all actions on SMM promotion are carried out outside the promoted website and consist in the implementation of marketing activities in social media. The main goal of

SMM is to create the necessary reputation for the site, to merge with its target audience from social space, to become an expert in it, to earn its trust with the sole purpose of promoting and selling a product (service). In this way:

The SMM is a set of measures that are aimed at promoting a product or brand in social networks or using social platforms. It should be noted that with the help of SMM tools, marketers manage to significantly influence the promotion of a brand and the purchase of goods and services by consumers (Felix, Rauschnabel, Hinsch, 2016).

The main task of SMM is to manage the opinion of users regarding the promoted product, brand or service. Today, when the Internet has become the main source of information, and users spend most of their free time on social networks, potential consumers seek to get maximum information about the product, communicating, including in the feedback mode, directly with the manufacturers. The task of the marketer is to provide complete information about the brand, product, service. Timely and competent response to customer feedback and questions can improve the company's reputation, strengthen its position in the market. With the help of SMM techniques, providing a constant reminder of the benefits of a brand, increasing customer loyalty is achieved. This is the key to attracting new customers, increasing the number of repeat sales, reducing marketing costs and traditional advertising (Zhang, Jansen, Chowdhury, 2011).

To achieve results in promotion through social platforms, it is necessary to have a good understanding of current SMM tools, as well as to be able to assess how each of them corresponds to a brand, product, service. Based on this, it is necessary to determine the marketing strategy in the selected social network. In this case, the marketer should always consider the fact that the use of individual methods in SMM can worsen the image of the brand being promoted. Each successful SMM project involves activities in several directions. Among the tools of marketing in social networks can be identified (Constantinides, Lorenzo, Gomez, 2008):

- Creation of blogs, communities filled with special materials and their promotion. Blogs should be considered as platforms for communication with fans or critics of the brand, searching for potential consumers, and communication with expert experts. Blogs allow you to inform about company news, strengthen the image of the product, act as an expert in this field, argue the merits of the products;
- Community discussions on behalf of the company, organizing thematic discussions, commenting reviews. One of the goals of social marketing is to

provide interesting content and create a positive perception of the brand among users. Discussions about the benefits of the brand work very effectively, but their support at the expert level is quite time-consuming;

- Discussion on the thematic forums using hidden marketing mechanisms, thanks to which consumers receive commercial messages and at the same time do not feel themselves objects of marketing influence. Using this tool SMM works to increase the number of clicks, sales or other targeted actions;
- Direct marketing - leading discussions directly on behalf of the company, which implies personal communication between the product representatives and the consumer;
- Direct advertising of the product on the pages of bloggers or in thematic communities. The fact that individual bloggers have expert authority enables them to control the opinions of representatives of target audiences. Examples of SMM sites that are popular for advertising of this type are Instagram, YouTube, VK, Facebook, Pinterest, Twitter;
- Viral marketing, implying such technology of influence, with the help of which the target audience is independently engaged in active promotion of the brand or product. The basis of this SMM technology is the formation of the most interesting content for the target audience, thanks to which it acquires information very quickly. Viral advertising options are videos, audio materials, photo images, limited texts, creative news, and etc.;
- Creating a positive company image in communities. Social networks make it possible with the help of SMM techniques to create a favorable brand image, to convey to a significant number of users the necessary information about the advantages of the company and the products offered. Features of building social networks allow you to work in strictly defined segments of the target audience. Creation of reputational capital is provided by such SMM methods as the publication of product reviews and the company's strategy, and experience in interacting with it. As a result of the processing of this information by search engines, it becomes available to both the target audience and other Internet users.

3.3.3 Marketing advantages and disadvantages of SMM campaigns

Brand promotion using SMM has a number of competitive advantages, the most important of which are (Neti, 2011):

- *Low promotion cost.* SMM is relatively cheap, since this activity is based mainly on activity on social networks. Its key stages, including correspondence, finding friends, forming communities, commenting and communicating, involve only time, not financial means;
- *Wide audience.* Due to the fact that users have a continuous exchange of information, through the use of SMM tools, a wide coverage of the target audience, regardless of location, is provided. News about brands and products are discussed not only in thematic groups, but also go beyond them. Active discussion, as a result, leads to an increase in incoming traffic to the company's website;
- *High viral intensity.* In a short time, you can get thousands of visitors to your site, due to the viral effect of disseminating information. If you have posted interesting material, then it can attract the attention of 10 people, they will share with their friends, and friends of friends with their and so on. And after a short time, this material has already been watched by thousands of people;
- *Successful advertising due to increased traffic.* Placing information in thematic communities is an advertising move that attracts the maximum number of representatives of the target audience. This, in turn, contributes to the promotion of the company's website, increases the target traffic, the position of the site in search engines become higher. In this case, the company receives accurate contact details of interested users.
- *Gradual development of the image that will last for a long period.* The implementation of the SMM project allows the company to demonstrate its openness, state the benefits, provides full information about the product or service. Such an approach becomes the key to increasing reputational capital.
- *Low competition.* Social networks have not yet been appreciated by large cash companies, and at low cost, you can get a good return.
- *Social networks are actively developing.* Almost all new Internet users in our time, begin their acquaintance with the world wide web with any social network. And then, maybe they will use some search engine.

Among the *shortcomings* of SMM promotion can be identified (Felix, Rauschnabel, Hinsch, 2016):

- *Undeveloped analytics*. It is very difficult to analyze the actions of visitors, where they came from, what requests, how they behaved on the site. There are common figures, and how the chosen strategy works is determined by indirect signs and depends on the experience and intuition of the marketer;
- *Control by network moderators*. With high activity, you can easily fall into disfavor. You may be blocked or somehow restricted by your activities. In all social networks, this happens in different ways and one must be well oriented in all these rules and traditions in order to effectively advance one's interests;
- *The presence of a popular brand or website*. In the presence of a promoted brand, it is much easier to convey your information to potential customers. It is clear that it is much easier to collect readers on a world celebrity page than on a simple user page;
- *Need for administration*. To support the livelihoods of a social group you have to spend a lot of time. Especially if the group is large and has thousands of people. In this case, it is necessary to allocate a person for administration.

If the user likes the content, he shares the link with friends, distributing information and attracting new followers and visitors to the site. A convenient scheme has been developed for such “promotion” of information in the form of special buttons;

For successful implementation in social networks of company’s information, it is necessary:

1. Actively behave in social networks, recruit friends, create groups, create publications, participate in discussions, be visible;
2. Create your profile, filling it with interesting content;
3. For the exchange of data between the profiles within the social network and other media platforms use the modes of using special buttons.

Purposeful work in social networks takes a lot of time, but the results of such work are not in vain. As information channels for the promotion of goods and services, social networks have taken a leading position among all media. SMM is becoming increasingly relevant as a means of increasing sales.

4 Practical Part

4.1 Company introduction

Joint Stock Company Tinkoff Bank provides online retail financial services in Russia. The company offers transactional and savings products comprising retail deposits, stand-alone debit cards, pre-paid cards, and e-wallets; consumer lending products, including credit cards, airlines credit cards, e-commerce lending, and cash loans; and personal accident and property insurance, travel, and motor insurance products. It also provides payment services, money transfer services, SME services, and investment services, as well as mortgage products; and mobile and online banking services. The company was formerly known as Tinkoff Credit Systems Bank and changed its name to Joint Stock Company Tinkoff.

4.2 Marketing strategy of Tinkoff bank

Tinkoff Bank was among a number of Russian banks that faced a decrease in business turnover during the 2008-2009 crisis. The negative information background associated with the global financial crisis has led to people willing to believe the wildest rumors that have no basis. Therefore, there is no bank insured against massive cash withdrawals by depositors. However, thanks to the operational support of the Central Bank of the Russian Federation, Tinkoff Bank was able to solve the problem as soon as possible.

Tinkoff Bank implements an active and full-scale marketing policy to promote its products. Its main elements are:

1) *TV and radio advertising.* The company places advertisements on TV channels and radio stations of a local format to reach the audience in the regions of Russia.

2) *Banner advertising.* Banners are placed in all major cities of Russia with a population of more than 300 thousand people. Placing banners made on the main streets. Smaller format advertising materials are also being placed: posters in post offices, in large stores and shopping centers, on information boards.

3) *Advertising on the Internet.* The company conducts a broad advertising campaign on the Internet: pop-up banners, banners on thematic sites, mailing.

4) *Mailing advertising materials and credit cards.* The company sends offers on the design and ready-made credit cards to potential customers. Bases for mailing are formed from reliable sources according to credit histories.

5) *Advertising and promotion through third-party sites.* Customers of the bank may become users and buyers of some third-party sites, such as Biglion, when buying a coupon, the user receives a credit card as a gift.

The advertising budget of the company is very large, which allows you to attract a large number of consumers of Tinkoff credit products. The advertising budget of the bank is presented in the table.

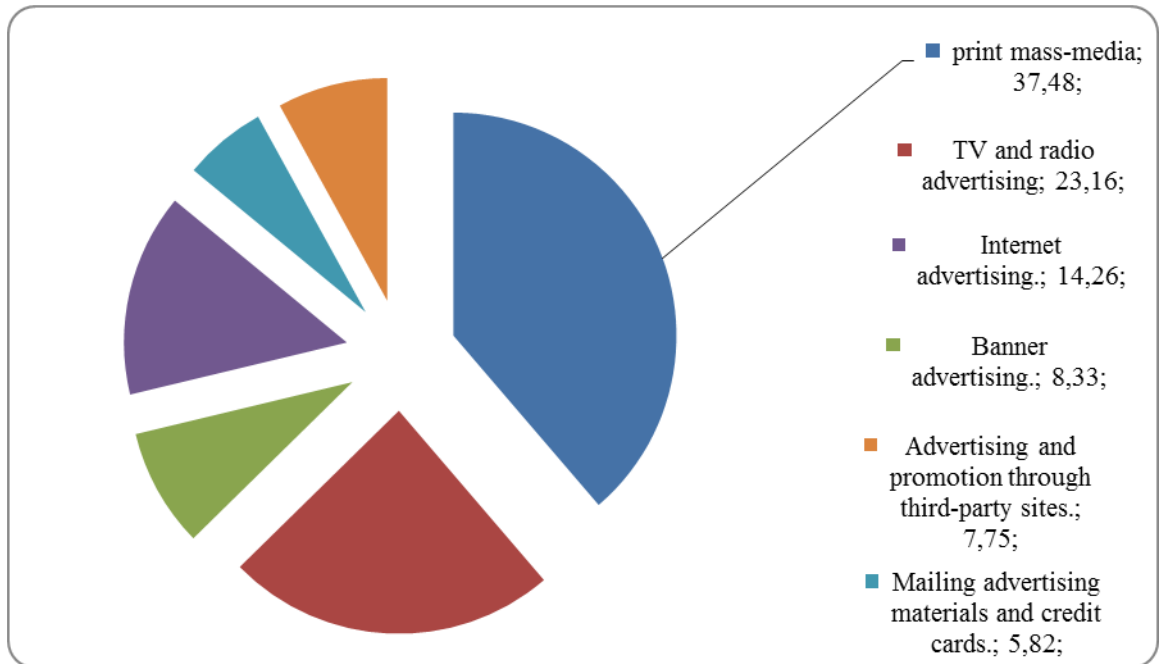
Table 2. Advertising budget of Tinkoff Bank , RUB thousand

Item of expenditure	2011	%	2012	%	Abs.growth	Growth rate, %
Print mass-media	23561	37,48	25418	37,05	1857	107,88
TV and radio advertising	14563	23,16	18963	27,64	4400	130,21
Banner advertising	5236	8,33	6985	10,18	1749	133,40
Internet advertising	8963	14,26	9852	14,36	889	109,92
Mailing of promotional materials and credit cards.	3658	5,82	4125	6,01	467	112,77
Advertising and promotion through third-party sites	4875	7,75	1256	1,83	-3619	25,76
Total:	62867		68611		5743	619,95

Source: TCS Group Holding PLC Annual Report, 2018

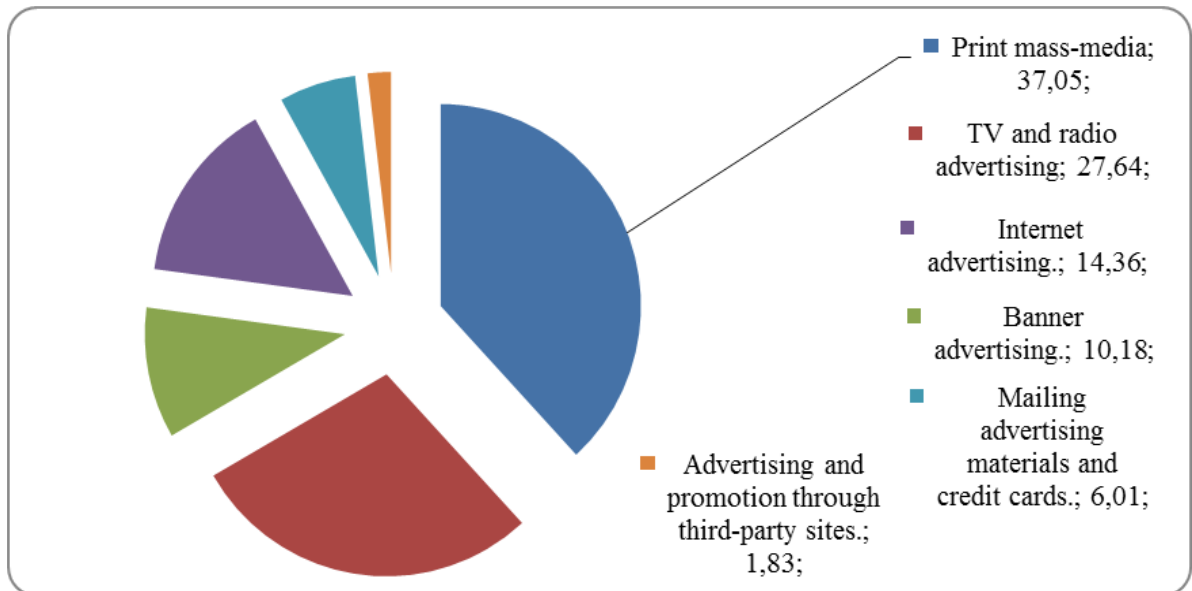
The main item of expenditure is advertising in print media, the cost of this item in 2012 is 37% of the marketing budget. The next largest item of expenditure is television and radio advertising - 27.64% of the advertising budget, followed by advertising on the Internet - 14.36%. Figure shows the structure of the marketing budget in 2011 and 2012.

Figure 6. The marketing budget in 2011



Source: STATISTA, 2011

Figure 7. The marketing budget in 2012



Source: STATISTA, 2012

The structure of the company's marketing budget for the year has not undergone significant changes, it is only necessary to note that the cost of promotion through third-party sites was reduced by 4 times.

Marketing activities implemented by the marketing department of the bank. In general, the bank's marketing activities are based on the activities of the marketing department, which is fully responsible for the entire marketing mix of Tinkoff Bank.

It is seen that the marketing department is mainly engaged in the promotion of the product and its development. But today, in many large banks, the task is to retain the client, which is more connected with individual work with people, and this is what they do at a high level. Therefore, the marketing department of TCS Bank PLC should pay attention not only to the development and promotion, but also to increase the loyalty of its customers.

4.2.1 Social Network Analysis of Online presence of Tinkoff bank

One of the aims of this study is to analyze the online presence of the Tinkoff in social networks. The Tinkoff online presence in social networks was analyzed on the following statistics data: the number of social media followers on various bank profiles in different social media, as well as the distribution of different social network followers in different countries and regions. Also, for completeness, below are general Tinkoff statistics.

Presence in Russia 2017:

- 1) Employees (15391);
- 2) More than 5 million customers;
- 3) 322 billion rubles in total assets.

The total number of followers to various Tinkoff channels, on social media:

Facebook 123,000;

Instagram 126,000;

Vkontakte 384,500;

Twitter 118,000;

YouTube 27,000.

It may be noted that *Facebook* is the largest social network in the world, attracting a huge number of followers, so this social platform is the most important.

Instagram - is an application for sharing photos and videos with elements of a social network that allows a follower to take photos and videos, apply filters to them, and distribute them through other services and social networks.

Vkontakte (VK) - is a Russian online social media and social networking service. VK is available in several languages but it is especially used by Russian-speakers.

YouTube-is an American video-sharing website.

In the analysis, it is impossible not to consider the fact that one follower can be registered in several social networks and this has an impact on statistical data. In addition, the number of followers is quite variable, both upwards and downwards, as its absolute values. Nevertheless, the averaged statistics give a real picture of the presence and activity of followers on the profiles of Tinkoff Bank.

Profiles in social networks are divided by country, interest, their content attracts with high-quality content, with different information capacity. Among the pages there are many professional, presented in categories: Bank, Financial Services, Commercial Bank. There are also profiles presented in categories: Real Estate Agency, Insurance Company, Non-Profit Organization. And, finally, profiles from the category of Education and Science, as well as Sports, Entertainment and Cultural. There is also one profile from the Restaurant category. Also, here, followers can find interesting publications on music, travel, gastronomy, science, personal finance, financial education, technology and much more, all that is of interest to followers. From the statistical data it is clear that Bank Tinkoff is an active participant in social networks. The main methods of working Tinkoff in social networks are traditional, developed as SMM promotion strategies and used by many banks.

1) Creating company profiles as actual channels for promoting the image, raising the level of financial literacy, attracting the target audience, increasing the loyalty of bank customers, promoting and advertising the bank's products and services. It is important to create content rich in information, attractive in design and convenient in perception. This, various categories, thematic posts

2) Two-way communication with the target audience, actual or potential customers, consumers of banking products and services. Today, in search of answers to their questions, clients prefer to apply specifically to bank profiles in social networks, where online there is an opportunity to discuss certain problems and get answers. At the same time, the bank can take care of customers (custom care), monitor claims, preferences and requests of the target audience. This is the advantage of social networks - two-way communication, communication directly and around the clock.

3) Promotion of products and services - on the profiles of the bank. In social media, there is no direct sale of specific financial products, but there is their active and inactive promotion in the form of advertising, information inserts, video and photo materials, etc. Information about products and services are given in the comments of experts, as advice, training financial literacy, presented in the form accessible to the perception of the regular audience of this social network.

All these techniques are used for the one purpose of encouraging customers to make decisions about purchasing bank products.

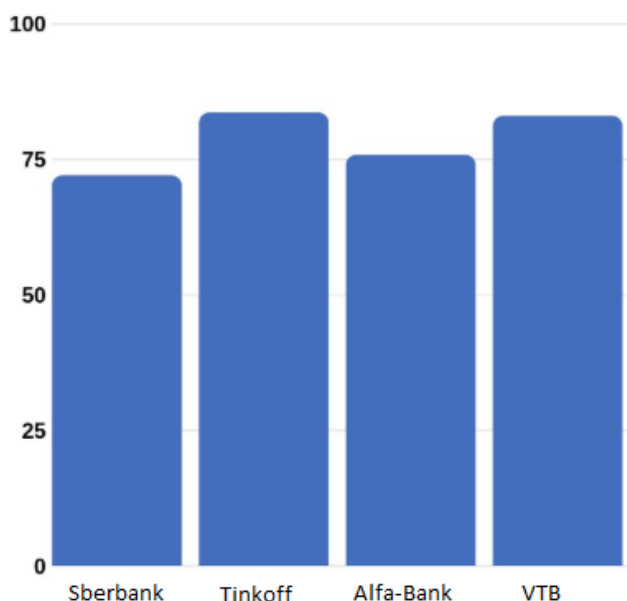
Comparison of SMM of following banks: Sberbank, Tinkoff, Alfa Bank, VTB

It has been taken 4 criteria that can be measured by external means (SPARK, 2019): the percentage of live audience, engagement per 1 view, audience growth rate and the amount of traffic from social channels.

Percentage of live audience on VK.

The data was collected by using the Adspoiler service, it shows the percentage of bots and deleted accounts from the entire audience.

Figure 8. Percentage of live audience on VK, 2019



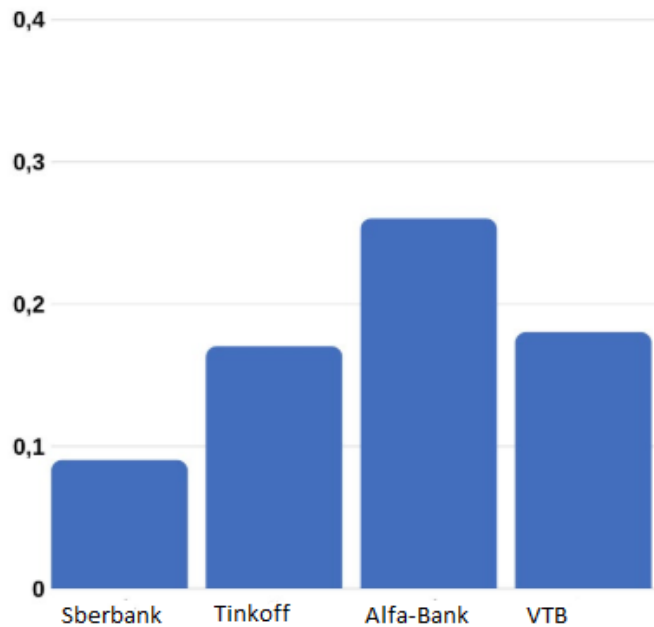
Source: Spark, 2019

The smallest live audience of VKontakte was at Sberbank. Sberbank has the most popular page on social networks. Most likely, the influx of bots on such a page is higher. In the first place by the percentage of live audience of Tinkoff Bank audience.

View Engagement Index (ERview) for VK.

The indicator displays the percentage of engagement of subscribers to each publication. It is convenient to use when there are groups with a different number of participants. At the first place is situated Alfa-Bank and VTB bank.

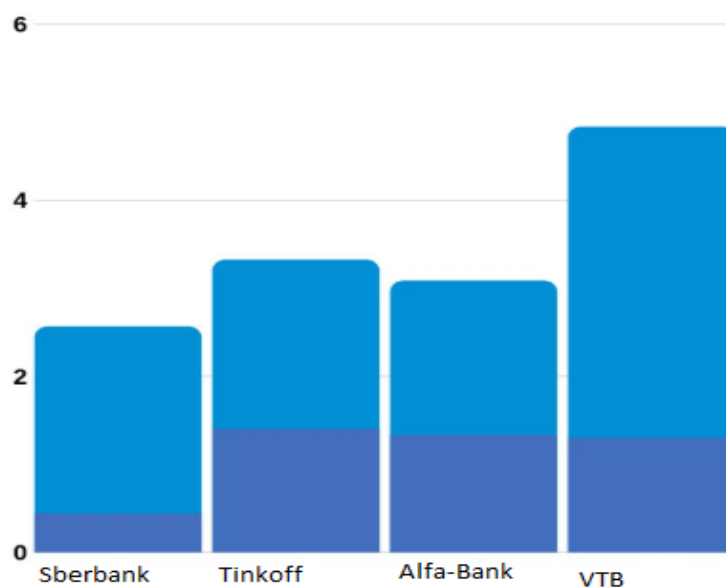
Figure 9. View Engagement Index (ERview) for VK, 2019



Source: Spark, 2019

Instagram engagement index and audience growth rate.

Figure 10. Instagram engagement index and audience growth rate for 2019



Source: Spark, 2019

The following results of Instagram engagement index and audience growth rate over past 28 days:

Sberbank - ER 0.44%. Growth rate - 2.12%

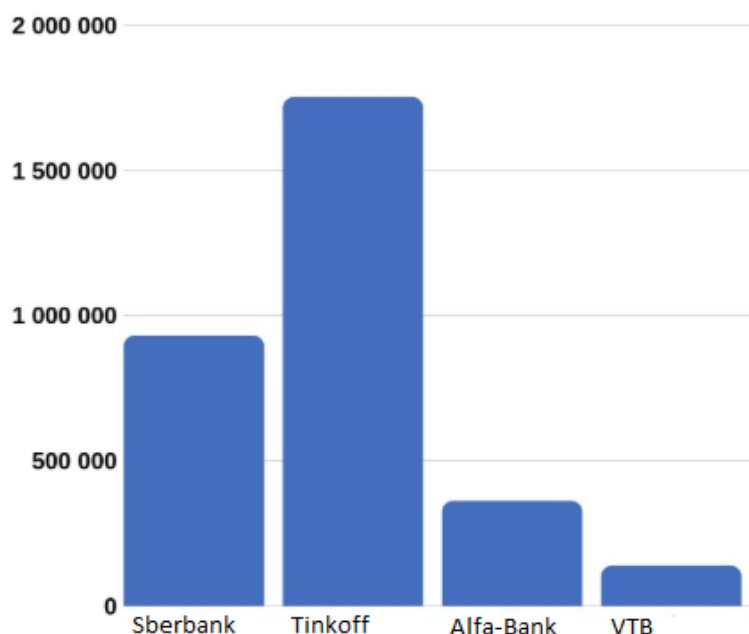
Tinkoff - ER 1.44%. Growth rate - 1.92%

Alfa Bank - ER 1.33%. Growth rate - 1.75%

VTB - ER 1.3%. Growth Rate - 3.53%

Social traffic channels.

Figure 11. Social traffic channels for 2019



Source: Spark, 2019

Tinkoff Bank comes first with a wide margin, followed by Sberbank and Alfa Bank. Thus, the best bank for working with social networks was Tinkoff, then VTB, Alfa-Bank took the third place.

Tinkoff Bank maintains pages on Vkontakte, Instagram and Facebook, as well as channels on Telegram. In addition, Tinkoff is in the Viber messenger and the Odnoklassniki social network. As for video hosting, the bank is represented on YouTube.

Conventionally, the materials posted by the bank can be divided into three areas: content, advertising and customer support. In social networks and instant messengers, the company shares news, articles from the blog, holds contests and draws (for example, the Tinkoff Girl beauty contest), and also respond to user comments - both positive and negative.

At the same time, it is worth noting a number of risks that the bank suffers when using Internet marketing and SMM (Tinkoff Journal, 2018). The websites in black wind statistics and lie in reporting. For example, they draw 1 million unique visitors per month, but in reality there are about three hundred thousand, the rest are bots.

Bloggers and communities in the most arrogant way win subscribers: they buy bots, win likes, artificially inflate the number of views of their posts. According to various estimates, top bloggers wind up from 15% to 40% of their indicators.

Referrals write viruses that write their referral codes to regular customers. For example, there was a virus that quietly misappropriated part of Tinkoff Bank's customers to one unscrupulous partner. Clients came for cards themselves, from outdoor advertising or TV, and a commission for them was received by a partner who was not related to them. Now we have a relationship with him in court.

CPA networks pay laborers to portray boisterous activities. Companies write bots that “click through” competitors' advertising budgets to merge their budgets into context. Agencies frankly lie in statistics. And only content marketing honestly says that it will start to pay off in three, or even five, years, so give up hope.

4.2.2 Analysis of Web-banking development in Russia

Online/remote-banking systems (Russian market)

Online banking - the name of the method of providing banking services to a client with the introduction of telecommunications without his personal visit to the bank.

Internet banking is one of the more popular services, which are used by Internet users in the Russian Federation. Important note that this service is more needed by private individuals, as it greatly simplifies daily transactions, and generally extremely convenient to use.

According to studies of the effectiveness of Russian Web banking services for private individuals conducted by an international analytical agency Markswebb Rank Report, according to statistics for the 2016 year, it is advisable to compare the Top 10 Web-banks in Russia by the effectiveness of their functioning.

Domestic banks are constantly working on the quality and convenience of personal Internet applications, evidence of this is functional dynamics of the configuration of the structure of the Top 10 effectiveness of Web-banks. By the results of 2017, “Bank Trust”

dropped out of the Top 10 Web-banks, Zapsibkombank, Moscow Credit Bank, Bank Saint Petersburg, and “Russian Standard Bank”, and subsequent positions in it were taken by subsequent banks: Bank Uralsib, Sberbank, Raiffeisenbank, Post Bank and Sovcombank (Table 3).

Table 3 - Performance Rating of Russian Internet Banks for 2017 year

Place	Internet bank	Rating efficiency,%	Rating functional opportunities (from0 to 10)	Rating convenience of use (from0 to 5)
1	“Binbank”	77,8	7,8	4,1
2	“Tinkoff bank”	77,4	8,2	3,9
3	“Promsvyazbank”	73,5	7,9	3,7
4	“Alfa-bank”	66,3	7,2	3,4
5	“VTB 24”	65,5	6,6	3,6
6	“Sberbank”	64,3	6,1	3,7
7	“Uralsib”	64,0	6,3	3,6
8	“Post bank”	63,0	7,2	3,1
9	“Raiffeisenbank”	62,5	6,0	3,6
10	“Sovcombank”	61,8	6,8	3,2

Source: Marksw Webb Rank Report, 2018

The level of efficiency of the functioning of Internet banks is large the impact is the introduction of new methods of stimulation of uses data services. This is exactly what helped Binbank Internet Bank to borrow leading position in the ranking.

From the point of view of the technologies used, the following types of On-line banking can be distinguished:

- Classic “Bank-Client” - on the user's computer a separate “Client” program is installed, which stores it right there, everything your data. Interaction with an ATM communication channel.

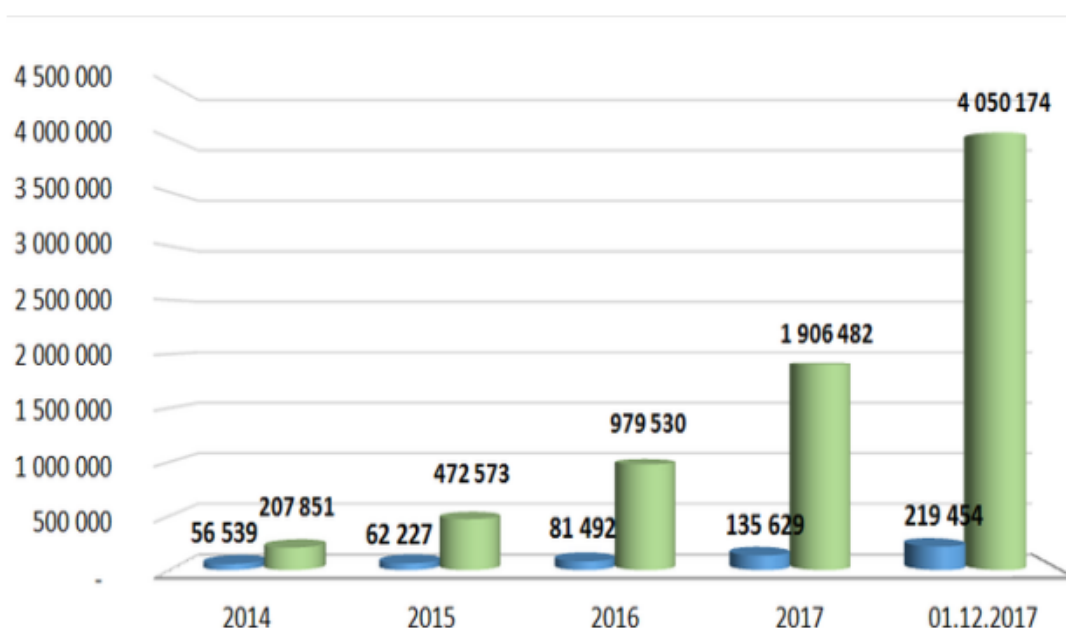
- Web banking (Internet client, thin client, online banking) is online banking system that works through a regular Web browser.

- Mobile banking (telephone banking, SMS banking) - the provision of services using telephone communications. Typically, such systems have a limited feature set. Most often it is an information service.

- External services - remote banking technologies using banking self-service devices (ATM’s, payment terminals, information kiosks).

Based on the histogram data presented in Table 3, it can be seen that in 2014 the number of Internet banking users was 56 539 thousand people, and for mobile banking 207 851 thousand people. And by the end of 2017, the number of users of Internet banking was about 219 565 thousand people, while there were already 4 050 147 million people in mobile banking.

Figure 12. Online banking users by system type



Blue (Internet-banking)

Green (SMS-banking and mobile banking)

Source: Infocom, 2018

Such a sharp increase in 2017 is explained by the fact that the economy from 2012 to 2015 fell sharply (due to mutual sanctions between Russia and Western countries), and by 2017 again headed for recovery. But whether this growth will be unchanged, or whether it will change in the future, is still unknown.

Prospects for Web-banking in Russia

Using Web-banking systems provides customers with a number of advantages:

- 1) Significantly saves time by eliminating the need to visit the bank in person.
- 2) The customer has the opportunity to monitor 24 hours a day personal accounts and, in accordance with the changing situation in the money markets, timely respond to these changes.

Obviously, the main advantage of Web banking is the ability to access your account at any time and from anywhere. Due to this opportunity, the client does not need to visit the bank to make a payment or receive an extract. In other words, all conditions have been created so that the customer does not spend a lot of time working with the bank, but takes care of its own affairs.

Web banking as one of the areas of banking has great potential for further development and broad prospects. Given the rapid development of high-tech banking products of the new generations, are logical plans for the development of Web-banking as a virtual financial “supermarket” of banking products for individuals and legal entities. This, in essence, is about creating a full-fledged electronic office with the ability to conduct all kinds of financial transactions via the Internet.

The main difficulty for all banks in promoting Web banking is the low preparedness of a significant share of the client to use the Internet as a control channel. Either the customer does not sufficiently use the Internet in general, or hesitates in the safety of online operations, or does not know all the functions of the system.

As the use of the Internet expands and the monetary vigor of the population grows, the Internet service will move from a range of exclusive services to the regular category, as it was with credit cards. One of the most key factors in the growth of the Internet audience this year (in Russia) is affordable mobile devices and not expensive tariffs for mobile Internet. In 2017, more than 200 million people became owners of phones for the first time, and now two-thirds of the world's 7.6 billion people have a mobile device (Romir Research Holding, 2018). In the past 12 months, the number of people on the most popular social sites has increased daily by almost 1 million customers. Every new month, more than 3 billion people interact with social networks, and 9 out of 10 come from mobile devices. Therefore, we can observe how the population of the Russian Federation is growing rapidly by those who use mobile banks and develop. We dare to assume that by 2020, almost the entire population of Russia and other countries will use not only mobile Internet banking, but also Web banking in general.

Image 10. Digital around the world in 2019



Source: WebCanape, 2020

Image 11. The Russian Federation 2019



Source: WebCanape, 2020

Conclusions from the analysis of online presence of Tinkoff Bank in social networks:

1. Tinkoff Bank is actively present in social networks, in order to promote the brand image, as well as services and products of the bank.

2. Profile content is an important condition for SMM success, attracting followers and potential bank customers. The elements of the success of the Tinkoff Bank profile are the familiar nickname (brand name), a bright and informative profile (high-quality, contrast photo, video, brand logo); interesting informational content targeted to the target audience of numerous profiles in the main social networks.

3. The target audience. The main feature of working with the target audience, from the point of view of the SMM strategy, is that they are potential customers who will purchase a product or service of a bank. The second feature is that the target audience acts as a kind of “advertising agents”, promoting the image and products of the bank. For each target audience and profiles where potential customers should be attracted, content strategies have been well developed. Elements of content strategy: publication topics; publication frequency; the style of publications; publication time.

4. To assess the effectiveness of a campaign in social networks, periodically it is necessary to analyze the results achieved. Here, analysis is taking into account the number of followers and monitoring their activity, rating involvement in the information content of a profile, as well as in promoting content by the bank’s profile followers.

The effectiveness of the SMM strategy of Tinkoff in social networks was estimated as:

1) The total number of followers of different bank profiles: the total number of followers and their number in various profiles, various social networks suggest that the content of the bank, its content is of undoubted interest, attracts a large number of potential customers;

2) The quality of interaction (engagement rating) of followers with the bank in social networks, which was determined in the comments, likes, reposts and views: involvement in the information content of the profile is low, activity is low. Followers browse publications, marking them as likes, but the general trend is a small number of reposts, and comments are almost absent. It can be concluded that on the Tinkoff profiles

on social networks, the followers are inactive, they participate little in the discussion, but they visit and view the profiles steadily. The cumulative engagement rating is high (views and likes), but passive (almost no reposts and comments), followers are consumers of information, do not participate in its further distribution in the network.

4.3 SWOT analysis

SWOT-analysis is a method of evaluating internal and external factors, which allows to evaluate the strengths and weaknesses of the object under study, to reveal the advantages and disadvantages, as well as to predict the threats and capabilities of the object. SWOT analysis is widespread in various areas and is used for social media marketing. SWOT analysis divides factors affecting an object into four categories, which helps to evaluate it from all sides: Strengths, Weaknesses, Opportunities and Threats.

The research results allow a SWOT-analysis of the on-line presence of the Tinkoff Bank (Table 4), to determine the components of each of the four elements of the SWOT-matrix.

Table 4. Swot analysis of online banking

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ many company profiles in several social networks, the active involvement of the target audience; ✓ loyalty of bank customers, high total number of followers; ✓ positive brand recognition, image promotion, stable positive reputation and positioning in social networks as a channel for improving financial literacy, customer care (custom care); ✓ recognition of corporate design, unified, well-thought-out brand positioning, promotion and advertising of bank products and services; ✓ high-quality content of content rich in information, attractive in design, interesting and convenient in perception; 	<ul style="list-style-type: none"> ✓ lack of discussion in the profiles on behalf of the company, discussions, commenting. One of the goals of social marketing is to provide interesting content and form a positive brand perception among users. Discussions about the benefits of the brand work very effectively, but their support at the expert level is quite time-consuming; ✓ relatively few comments / likes / reposts (low engagement rating); ✓ new followers are not involved; ✓ small, compared to the total number of followers, profile views; ✓ no reaction to negative comments.
Opportunities	Threats

<ul style="list-style-type: none"> ✓ absence or small number of competitors with the same service; ✓ two-way communication with the target audience, actual or potential customers, consumers of banking products and services; ✓ presence of popular, reputable, famous people among the followers; ✓ interesting, relevant news and events that can be used to encourage discussion on the brand page; ✓ quality of interaction, high rating of involvement of followers with the bank in social networks, which is determined in the comments, likes, reposts and views; ✓ broadcast news from the official website / blog. 	<ul style="list-style-type: none"> ✓ the presence of a large number of competitors; ✓ aggressively minded users who leave negative comments / feedback; ✓ popularity in social networks of pages of competing companies (posts of similar subjects in the news); ✓ lack of fans in social networks; ✓ negative reviews made by competitors.
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Source: Own analysis, 2020

5 Results and Discussion

5.1 Methodology of the survey

To archive set objectives, the author needs to gather primary data and analyze it. The chosen quantitative data collection method is a quantitative questionnaire survey created in English and translated to Russian to avoid language barriers. The questionnaire was divided into three parts: socio-demographic questions, questions concerning to experience with online banking and part consisting questions about SMM of banks (particularly Tinkoff Bank).

The questionnaire was conducted and placed online by using the website survio.com and named “Tinkoff Bank SMM strategy”. There was a specific sample respondents of the questionnaire and consist of Russian consumers who are the clients of a commercial bank and using online banking, living in Moscow or Krasnodar region (one central one peripheral region). As the questionnaire held among Russian consumers who are using online banking it was reasonable to use online survey platform and allocate the link on the most popular Internet platforms (including Tinkoff Banks’ groups on VK.com, Instagram and YouTube channel (in the comments below). The survey was held from December 2019 till February 2020. The respondents are targeted into the group “Internet users”, that’s why received data are more valuable for the research.

The main aim of the diploma thesis is to define the effectiveness of SMM in online banking marketing by analyzing of the marketing strategy of Tinkoff bank in Russia, to reveal the preferable channels and forms of interaction of the bank with the customers, and define the crucial disadvantages and barriers in using online bank services to consider and take into attention in conducting future SMM strategies. The final aim was to determine the relationships between socio-cultural factors and revealed barriers to use online bank, as well as preferred channels of interacting with bank (to check the effectiveness of channels used in SMM strategy of Tinkoff bank).

The respondents were required to fulfill the demographic questions such as gender, age, income and the permanent residence in Russia. In total, there were 22 questions consisting only closed questions with both single and multiple choice. The data from the 100 questionnaires were evaluated out of the total 103 questionnaires received that due to limitations of used survey platform. The first section contained basic questions on age, income, residence and education. Section two formed of questions regarding financial

activity in social networks, using online bank, reasons to use online banking and its barriers. The third part focused on their experience with SMM of banks and Tinkoff Bank precisely.

After quantitative data collection the following step is descriptive statistics, particularly Cross tabulation and Chi-square tests created with the Statistical Package for the Social Sciences (SPSS). Chi-square tests used to determine the relationship between social factors and revealed barriers to use online bank, as well as preferred channels of interacting with bank. Also, by the same test, it is determined the relationships between variable of which bank the client is (particularly Tinkoff bank) and barriers to use online banking.

The last step of the survey is evaluation of results of the tests, which shows if there is a dependency between social factors and barriers to use online bank, as well as preferred channels of interacting with bank, and dependency between customer affiliation to the bank (particularly Tinkoff bank) and barriers to use online banking.

There are several tools, which were used to check the relationships (dependency) between variables: Cross tabulations and Chi-Square tests. Statistics, which is given in numbers, changes raw data into the clear content. This type of data analyzing makes the results of the questionnaire more understandable and valuable for future using. By Chi-square tests' results, it is shown directly how the two variables relate to each other. Each test has two hypotheses. One (alternative hypothesis) says that there is a relationship between two variables; the Null hypothesis assumes that there is no effect between the variables.

The degree of statistical evidence requested in order to prove the alternative hypothesis is the confidence level. When the null hypothesis is true, the level of significance is the probability of rejecting the null hypothesis. The typical level of significance is equal 0.05 corresponds to a 95% confidence level: accepting a 5% chance of rejecting the null (even if it is true). The P-value is the probability of obtaining a result as extreme as, or more extreme than, the result actually obtained when the null hypothesis is true. Regardless of the level of significance and p-value, any hypothesis test has only two possible outcomes:

1. Reject the null hypothesis (if P-value is less or equal to level of significance) and conclude that the alternative hypothesis is true at the 95% confidence level.

2. Fail to reject the null hypothesis (if P-value is more than level of significance) and conclude that not enough evidence is available to suggest the null hypothesis is false at the 95% confidence level.

5.2 Evaluation of the results

5.2.1 Respondent's profile

A large number of respondents using an online bank are included in the age group of 26-35 years - 43% (Chart 1¹), which is expected, since in Russia this age group is considered to be working youth. It is followed by equal quantity of 18-25 and 36-45 age groups (24% each). This can be explained by the activity of people of these age groups on the Internet. Regarding to gender, an indicative share of both men and women participated in the survey, but still the majority, according to the results, are men – 59% (Chart 2), the same situation with the residence of participating respondents, there is a representative share of both regions (peripheral and central) to attempt in determination relationships with other variables (in the next part of current research work) but the majority are from Moscow – 58% (Chart 3). It can be explained by dynamic lifestyle of metropolitan, higher average rate of income, openness to novelty, lack of time to go to the physical bank department. The results, concerning to the education question, show the majority of respondents with higher education and academic degree: Bachelor – 42% and Master – 38% (Chart 4). It is interesting that there was no the strongest representation regarding the income of respondents, cause 18-19% each were gained by the respondents who have approximate mounthly household income 21,000 – 30,000 RUB, 51,000 – 70,000 RUB and 31,000 – 40,000 RUB (Chart 5). The big differences in the results concerning to income are not surprising, cause the average salary in Russia depends on the region of the country and differs a lot within the country. The average monthly wages in Russia in nominal terms in January 2018 accounted to 36,379 RUB or 31.8 thousand rubles after deduction of income tax of 13% (Federalnaya sluzhba gosudarstvennoy statistiki, 2019).

Based on the received results and summarizing demographic part of the questionnaire, the average respondent's profile can be stated as a male, in the age of 26-35 years old, living in Moscow, having academic degree (at least Bachelor) and actively user of the Internet and social networking website (Chart 7).

¹ Note: Chart 1 and other following charts, started from this part, are in Appendix.

5.2.2 Analysis of relationship testing results and cross tabulations

At first, the author's task was to identify the relationship between socio-demographic factors and the frequency of use of online banking. Chi-Square tests show that there is no relationship between the frequency of use of online banking and gender (Table 1.2), as well as residence in the Table 2.2 (living in central (Moscow) or peripheral (Krasnodar region) districts). But there is a relationship between residence and client affiliation to bank (Table 3.2).

The next relationship testing was between gender and preferred sources of information about the bank and its services. As the question "What is the most likely source of information about the bank and its services to attract your attention?" was with possibility of multiple choice, the relationship with each source was tested, the result is that there is no relationship with all sources, except contextual advertising on the Internet (Table 4.2). The same testing was made between residence and preferred sources of information about the bank and its services. There is no relationship between residence and all sources of information about the bank and its services, except advertising from influencers in social networks (Table 5.2). There is no relationship testing between residence and importance of bank communication with customers through social networks (Table 6.2). It is found out that there is a relationship between importance of bank active presence and following Tinkoff bank in social media (Table 9.2).

The results of cross tabulations shows that:

- 1) The majority of respondents living in Moscow using Tinkoff Bank, while respondents living in Krasnodar region preferred physically represented Sberbank (Table 3.1).
- 2) Women prefer Contextual advertising on the Internet as a source of information about bank and its services more than men (Table 4.1).
- 3) The respondents living in Central district (Moscow) are tend more to choose advertising from influencers in social networks as a source of information about bank and its services than living in Krasnodar region (Table 5.2).
- 4) The cross tabulation of following your bank on social networks and which bank customer are you shows that Tinkoff Bank is the leader in amount of clients

following it on different social networks. The second place remains Sberbank who accounting the half of clients as followers in its social media's profiles (Table 6).

- 5) The next cross tabulation of residence and importance of bank communication with customers through social networks shows that for both central and peripheral regions it is mostly important for bank to have communication with customers through social networks (Table 6.1).
- 6) Regarding to the cross tabulation of residence and barriers to use online banking – Insecure point – which is more significant for Krasnodar region than for Central district (Moscow) (Table 7.1).
- 7) The opposite situation was shown by the cross tabulation of residence and barriers to use online banking – Lack of needed operations point – which is more frequently chosen by respondents from Central district (Moscow)(Table 7.2).
- 8) The cross tabulations (Table 8.1 and Table 8.2) of which bank customer are you and barriers to use online banking – Insecure and Less secure then with bank specialist points – reflect greater trust of Tinkoff Bank customers in its security system.
- 9) Another barrier shown by cross tabulation, experienced by the customers of Tinkoff Bank is – lack of needed operations (Table 8.3).
- 10) Cross tabulation of importance of bank active presence and following Tinkoff bank in social media shows, that respondents, thinking that active presence of bank in social networks is important, follow Tinkoff bank in social media (Table 9.1).

5.2.3 Conclusion of the questionnaire

The main aim, described in Chapter 5.1, was achieved by the author. The respondent's profile was described and analysis of relationship testing and cross tabulations results were provided. After studying the main methods of Tinkoff Bank strategy (part 4.2), the most attractive and convenient social networks were revealed (Chart 18): 1st – Vkontskte (41%), 2nd - Instagram (36%) and 3rd - Facebook (27%). This distribution is fully consistent with the number of subscribers on social networks at the moment. To analyze the effectiveness of the SMM strategy of Tinkoff bank, respondents were asked to choose what kind of information they would like to receive from bank's social media (Chart 15), the majority chose useful information about special offers (66%) and new services of the bank (62%). The client/follower who has benefited is more loyal

than the client/follower who sees only entertaining or advertising content. The different sources of information about the bank and its services were analyzed as well. Based on the research results (Chart 16) the most popular source is advertising from influencers in social networks (69%), which was especially popular among respondents from Central district (Moscow); it is followed by advertising and informational material in the social media of bank (66%). Only the third place is taken by TV advertising (50%) and contextual advertising on the Internet (mostly preferred by women) goes with a small margin from it (45%), but when we take a look at the distribution of advertising budget (part 4.2, Table 2), one of the biggest spendings on TV and radio advertising, expenses on the Internet advertising is more than twice smaller.

It should be also admitted that Tinkoff Bank is a leader in amount of clients following it on different social networks. It could be explained by another received result that followers of Tinkoff Bank social medias think that active presence of bank in social networks is important. Moreover, overwhelming majority of respondents (86%), including the clients of other banks, think that active presence of bank in social networks is important (Chart 13).

By making the analysis of relationships testing, it was found out that there is no significant relationship between socio-demographic factors and online banking activities of the respondents. The correlation between household income of respondents and online banking activity is not representable, because of the big differentiation of the first variable (Chart 5).

Talking about advantages and disadvantages of using online banking, it should be mentioned that revealed disadvantages help to conclude whether a successful SMM strategy can neutralize the shortcomings in the functioning of a bank, identified by customers. For this aim the common for all respondents barriers of using online banking were found out, as well as disadvantages for the clients of Tinkoff Bank particularly, and compare the results (if it is the same or not). Among the prevailing disadvantages common to all users of online banks, were highlighted (Chart 12): the lack of needed operations (63%), less secure than with a live specialist (45%), easy to forger access password (37%), insecure (29%). Concerning to the prevailing shortcomings to Tinkoff Bank customers - lack of needed operations (Table 8.3). It shows greater credence of Tinkoff Bank customers to its security system.

It should be highlighted that customers from peripheral region mostly prefer physically represented bank then online banking (Tinkoff Bank services), the author suggests that it is connected with mentioned shortcomings revealed in Krasnodar region – insecurity of using online banking, which is more significant then in Central district (Moscow).

Concerning to revealed advantages of using online banking (Chart 11), the majority was given to easy access point (88%), and it was followed security (49%) and convenience in tracking operations (49%). It is important to mention that security point was popular mostly among customers of Tinkoff bank. The author suggests that it can be connected with technical part of secure level, but also with SMM strategy of Tinkoff Bank. By using its social media, Tinkoff Bank provides instructions on how to use a particular product or service; information on how to avoid the danger of hacking, about new known fraud schemes. All this information is beneficial for customers and increases their loyalty and credence to the bank.

6 Conclusion and Recommendations

The main aim of this study was to improve the knowledge about modern realities of bank marketing, in terms of increasing popularity of use the social media for business development through the theory and own research, as well as to define the effectiveness of SMM in neobank marketing by analyzing of the marketing strategy of Tinkoff bank in Russia. Furthermore, this paper describes social media marketing and to analyses the online presence in the social networks of Tinkoff bank, reveals the structure of various channels and forms of interaction of the bank with the customers. Final results show that banking marketing is undergoing a series of changes and in order for the marketing activities of banks to be effective, they must keep up with the times and modern marketing trends, especially in an era when the so-called neobanks are gaining popularity. The unique characteristics of the Internet as a marketing tool are significantly different from those of traditional marketing tools. One of the most important properties of the Internet environment is its hypermedia nature, which is more effective in the process of presenting and assimilating information, and significantly increases marketing opportunities, creating a closer relationship between enterprises and consumers. The role played by the Internet is not limited only to communicative functions, but includes wide opportunities, such as making deals, making purchases and making payments, thereby giving it the features of a global electronic market.

As a result, it can be argued that a rapidly growing Internet audience may be an area of increased interest for most advertisers. As it is seen from the respondent's profile, (part 5.2.1) it is a young, modern, usually highly educated, wealthy and actively using social medias part of society. It is these people who, as a rule, determine the mood of society. The attractiveness of Runet as a means of marketing communications is extremely high both in terms of audience size and in terms of its quality. However, it is most likely that a few more years will pass before the moment when the use of the Internet environment as a marketing tool will become commonplace in Russia. Currently, this area is at a development stage when the idea of top managers and advertising specialists about Internet marketing is only being formed under the influence of modern processes taking place in Russia and taking into account all the historical features of our country.

All the tasks, set in order to archive the aimes of the research, were done. The essence of the crucial concepts of marketing mix, bank marketing and its specificity and

SMM was revealed with identification of main advantages and disadvantages of social networks. In the practical part of the research marketing strategy of Tinkoff Bank was determined with social network analysis of online presence of Tinkoff bank and additional analysis of web-banking development in Russia. On this basement, by using SWOT analysis, Among the threats were identified the presence of a large number of competitors, which confirmed by comparison of SMM of competitive banks such as Sberbank, Alfa Bank, VTB. And despite the fact that the percentage of live audience at Tinkoff Bank remains the highest and in terms of traffic from social services it remains in the first place, followed by Sberbank and Alfa-Bank and they show higher audience growth in major social networks (Vkontakte, Instagram and Facebook) in comparison with Tinkoff Bank.

Based on the analysis of Tinkoff Bank's SMM and the results of the own survey, the author can conclude that Tinkoff Bank's marketing strategy as a whole is effective and resonates with its audience. According to the taken 4 criteria that can be measured by external means: percentage of live audience, engagement per 1 view, audience growth rate and traffic volume from social channels, the best bank for working with social networks was Tinkoff. Of course, these criteria do not fully reflect the work of banks in social networks (traffic indicators are more important than the percentage of a live audience). But it was managed to draw general conclusions about the work of Tinkoff Bank in comparison with others. Moreover, live audience was confirmed by the survey, Tinkoff Bank is a leader in amount of clients following it on different social networks. It could be explained by another received result that followers of Tinkoff Bank social medias think that active presence of bank in social networks is important. Tinkoff Bank, according to the analysis and research, uses the right social networks for realization its social marketing strategy, these networks (Vkontakte, Instagram and Facebook) are seen as the most attractive and convenient for customers. Along with this, the bank uses 80% of the content on Tinkoff Bank's social networks as content aimed at the benefit (tips, reviews, news); And only the rest – this is selling content – these are the posts in which the products are embedded. Their strategy of content creating is correlated with majority chosen useful information about special offers and new services of the bank as the most interesting. The client/follower who has benefited is more loyal than the client/follower who sees only entertaining or advertising content. Thus, it leads to neutralizing one of the shortcomings of Tinkoff Bank (which is still significant among other banks' customers). It is well demonstrated on the results of the self-conducted survey: By using its social media, Tinkoff Bank provides

instructions on how to use a particular product or service; information on how to avoid the danger of hacking, about new known fraud schemes, doing it Tinkoff Bank increases customer loyalty in terms of insecure and lack of credence to online banking. Thereby, it allows the author to conclude that a successful marketing strategy can neutralize the shortcomings in the functioning of a bank, identified by customers, and increase customer loyalty.

The following recommendations will address some of the imperfections in the SMM strategy identified during the study. The first recommendation will concern the source or the so-called advertising channel. Based on official documents (TCS Group Holding PLC Annual Report 2018), the main items of advertising costs were identified. The largest part of the advertising budget is allocated to the print press, television and radio advertising. The print press runs are gradually declining because people are getting used to reading on the Internet, and the cost of advertising in reputable print media is quite high. Usually they pay for the fact of advertising, whereas, for example, contextual advertising in a search engine is usually paid by clicks. The power of the TV is that it reaches people all over the country, regardless of the Internet. The audience of national television is gradually aging, so here we are now mostly available to the Russian working class, but for their children and grandchildren the bank will be forced to turn to other sources of advertising, namely related to Internet technologies. The author was able to obtain such conclusions on the basis of the received profile of the respondent and data on preferred sources of information, as well as the activity of respondents on social networks. This is especially true for clients of neobanks, as they are mainly young people who are more committed to the use of new technologies and experience fewer barriers with it.

But, as can be seen from the results of the study, just using new Internet technologies is not enough to reach an audience and increase their loyalty, because feedback with a person, not with technology, is necessary in case of increased loyalty and credence to the bank.

There is a difference in shortcomings of using online banking, depending on the region of Russia. It can be explained by the specifics of the country. Russia is the biggest country in the world divided into federal districts and regions which differs from each other by different socio-cultural factors and having their own features. And here coming the main principle of advertising that it should be targeted. This is the most fundamental, important and necessary that you can come up with. Targeting means that the person to

whom we show advertising can potentially become our customer, that is, he may have a problem that our product solves. Targeting is achieved through the selection of advertising channels and proper work with them.

And here the author approaches the following recommendation, since the advertisement should be targeted, for this we can use the capabilities of the SMM. The strength of social networks is that they know a lot about their users: how old they are, what they have with their family and children, where they work and how much they earn, who they are friends with, what recently happened in their life, in which region they live in. The strength in aiming: you can select the right people as accurately as possible and get a good response. To neutralize the shortcomings of using online banking that are identified in a particular region, you can combine two channels: advertising with a local small blogger, in which another method - content marketing - will be used as well. For example, to eliminate the barrier identified in the Krasnodar region - insecurity - you can use advertising from local bloggers, who will broadcast content marketing aimed at educating the audience about the safety measures of using online banking. Moreover, experts on blogging advise to choose not the most top-ranked and promoted bloggers, but small ones. The top ones have a very expensive and not always interested audience, plus it's not easy to find a common language with everyone in terms of conception.

The last recommendation concerns the results of a study of the attitude of current customers to the interface of the Tinkoff Bank mobile application and website (Chart 21, Chart 22). A large number of respondents expressed their neutral attitude, and there is also a rather significant percentage of negative attitudes towards them. The author recommends using SMM to monitor the reasons for the lack of positive perception and further address them, it may be the basis for further research.

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Appendix

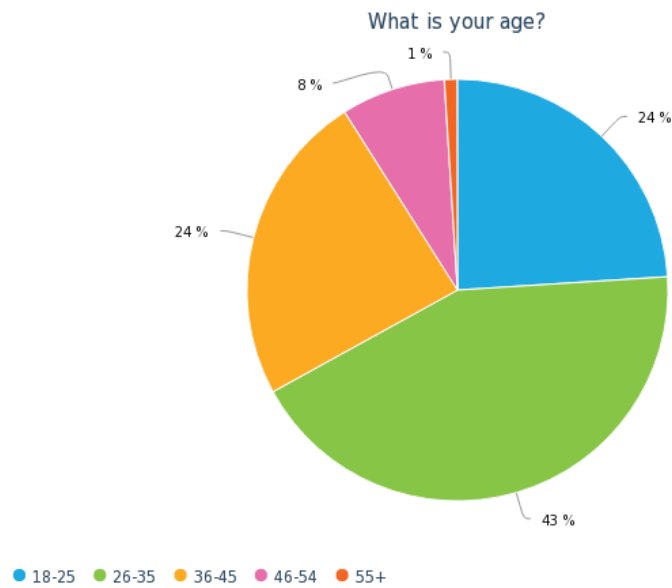
Questionnaire and Results

Online banking (Tinkoff case) among Russian customers

1. What is your age?

- 18-25
- 26-35
- 36-45
- 46-54
- 55+

Chart 1. Age Group

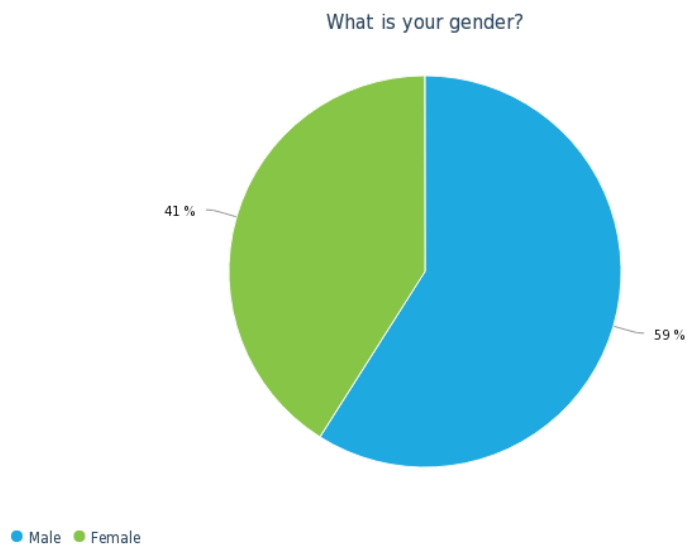


Source: Self-made research, 2020

2. What is your gender?

- Male
- Female

Chart 2. Gender

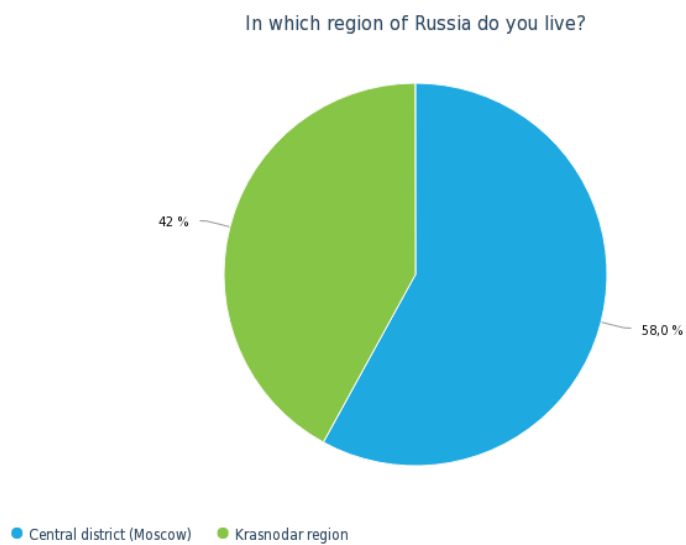


Source: Self-made research, 2020

3. In which region of Russia do you live?

- Central district (Moscow)
- Krasnodar region

Chart 3. Region in Russia

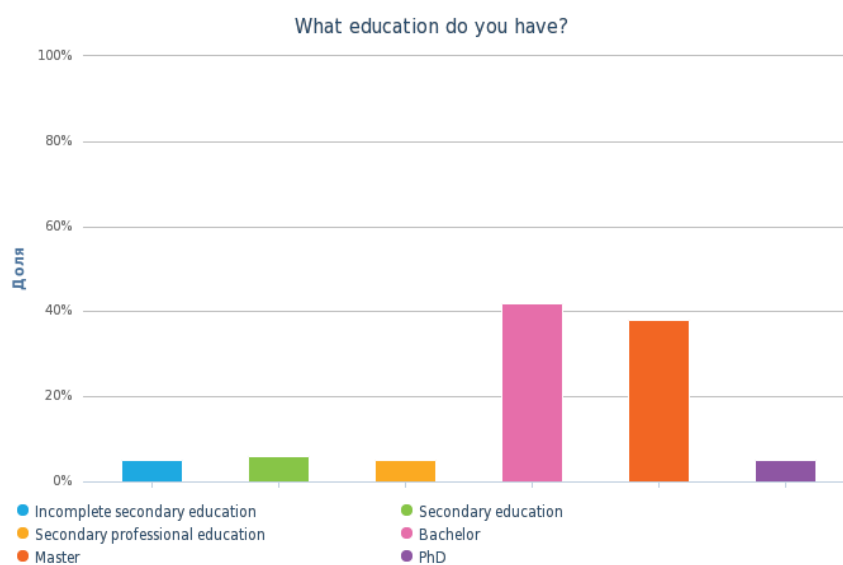


Source: Self-made research, 2020

4. What education do you have?

- Incomplete secondary education
- Secondary education
- Secondary professional education
- Bachelor
- Master
- PhD

Chart 4. Education

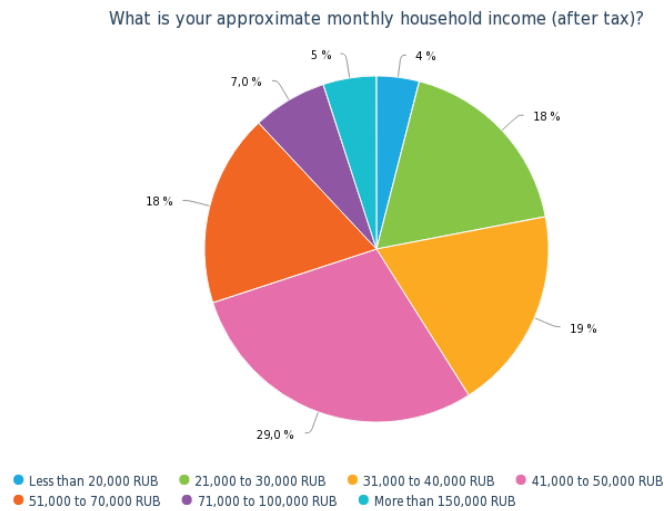


Source: Self-made research, 2020

5. What is your approximate monthly household income (after tax)?

- Less than 20,000 RUB
- 21,000 to 30,000 RUB
- 31,000 to 40,000 RUB
- 41,000 to 50,000 RUB
- 51,000 to 70,000 RUB
- 71,000 to 100,000 RUB
- More than 150,000 RUB

Chart 5. Monthly household income (after tax)

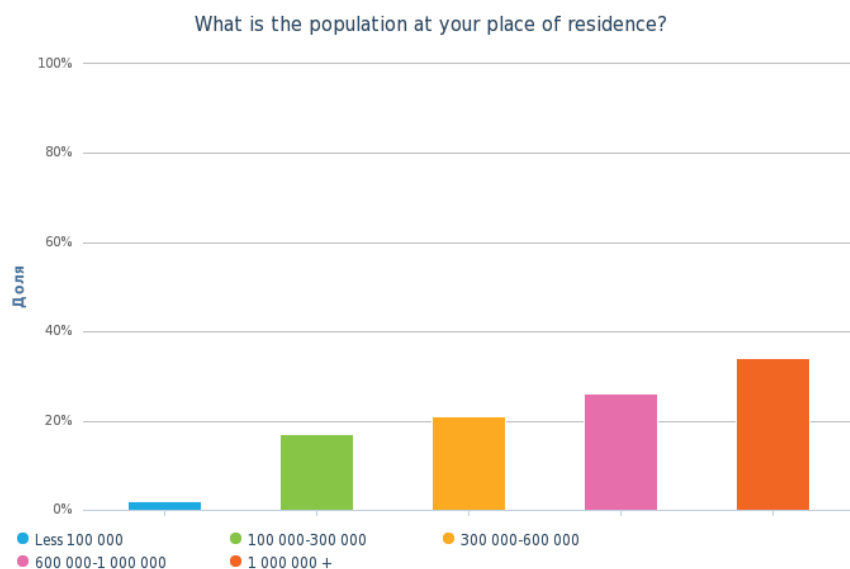


Source: Self-made research, 2020

6. What is the population at your place of residence?

- Less 100 000
- 100 000-300 000
- 300 000-600 000
- 600 000-1 000 000
- 1 000 000 +

Chart 6. Population



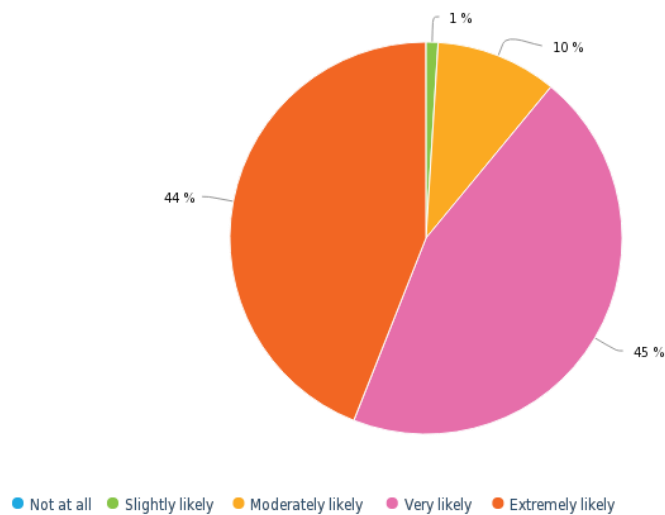
Source: Self-made research, 2020

7. In typical day, how likely are you to use social networking websites (e.g. Facebook, Vkontakte, Instagram, Twitter, YouTube, etc.) ?

- Not at all
- Slightly likely
- Moderately likely
- Very likely
- Extremely likely

Chart 7. Using social network websites.

In typical day, how likely are you to use social networking websites (e.g. Facebook, Vkontakte, Instagram, Twitter, YouTube, etc.) ?



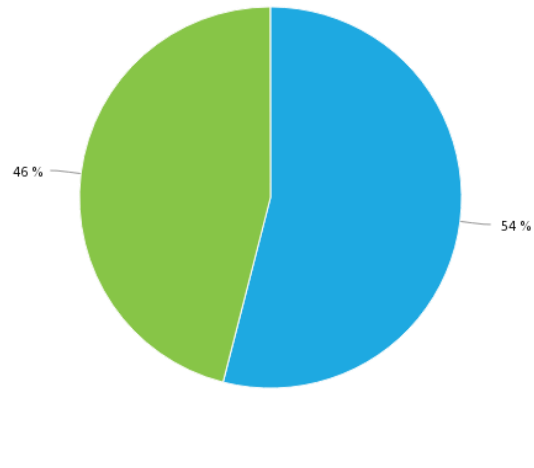
Source: Self-made research, 2020

8. Are you subscribed to the website of the bank whose client you are in social networks: Facebook, Vkontakte, Instagram, Twitter, YouTube

- Yes
- No

Chart 8. Website subscribers.

Are you subscribed to the website of the bank whose client you are in social networks: Facebook, Vkontakte, Instagram, Twitter, YouTube

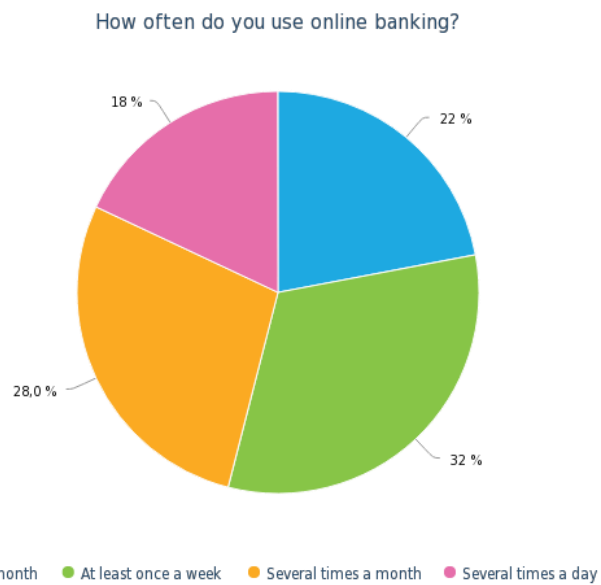


Source: Self-made research, 2020

9. How often do you use online banking?

- Less than once a month
- At least once a week
- Several times a month
- Several times a day

Chart 9. Using online banking.

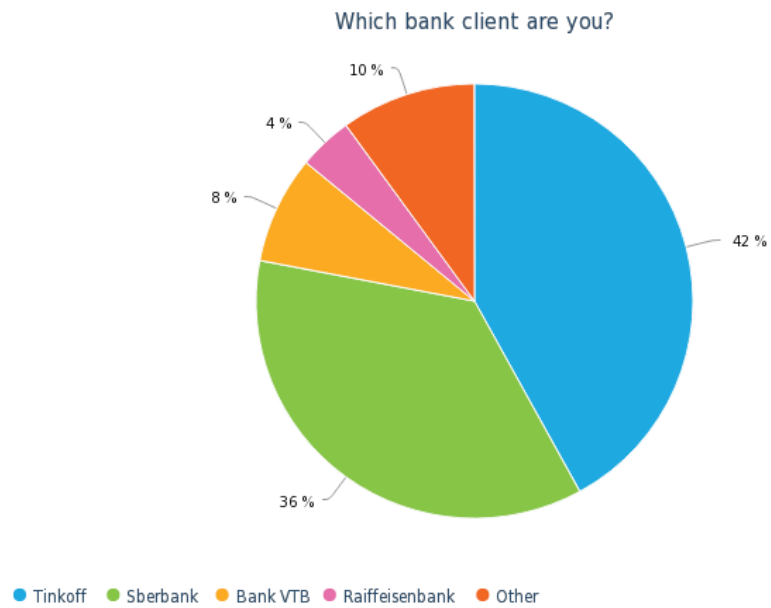


Source: Self-made research, 2020

10. Which bank client are you?

- Tinkoff
- Sberbank
- Bank VTB
- Raiffeisenbank
- Other

Chart 10. Bank client.

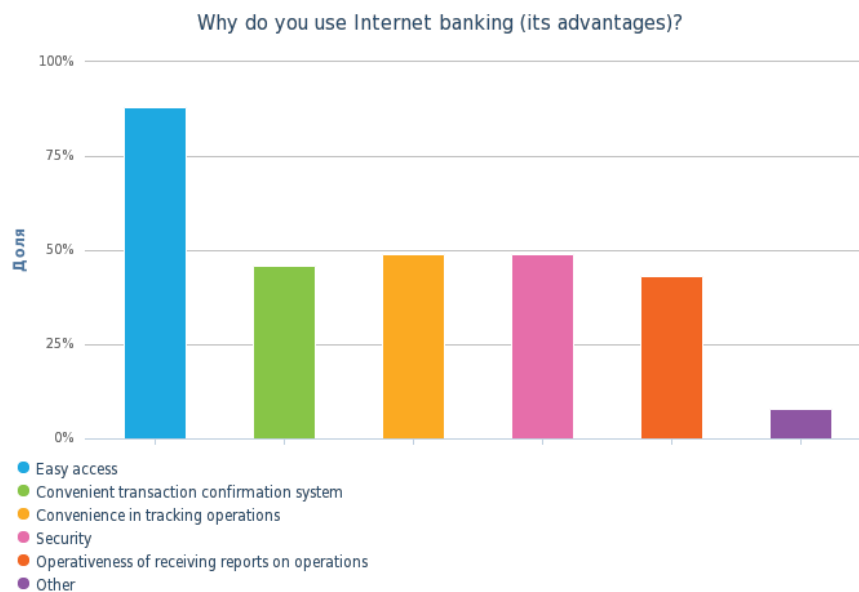


Source: Self-made research, 2020

11. Why do you use Internet banking (its advantages)?

- Easy access
- Convenient transaction confirmation system
- Convenience in tracking operations
- Security
- Operativeness of receiving reports on operations
- Other

Chart 11. Reason using internet bankin.

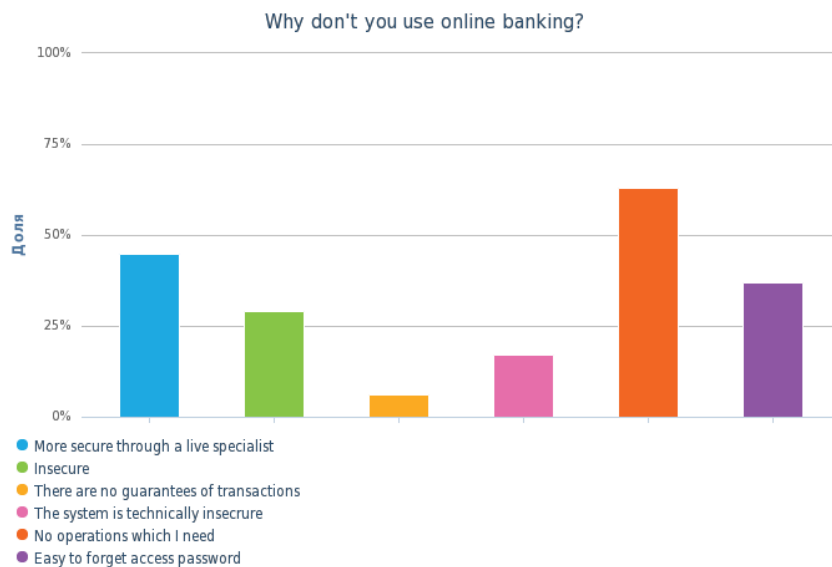


Source: Self-made research, 2020

12. Why don't you use online banking?

- More secure through a live specialist
- Insecure
- There are no guarantees of transactions
- The system is technically insecure
- No operations which I need
- Easy to forget access password

Chart 12. Reason to not using internet banking.

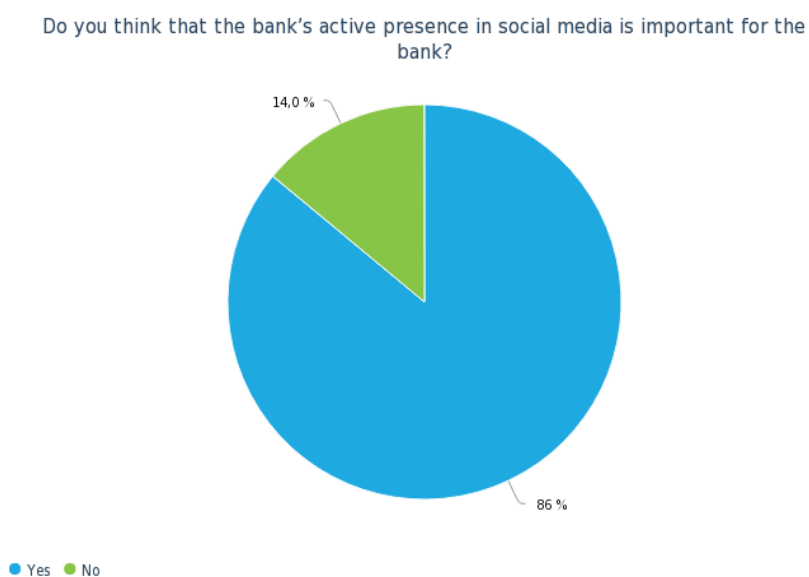


Source: Self-made research, 2020

13. Do you think that the bank's active presence in social media is important for the bank?

- Yes
- No

Chart 13. Bank's active presence.



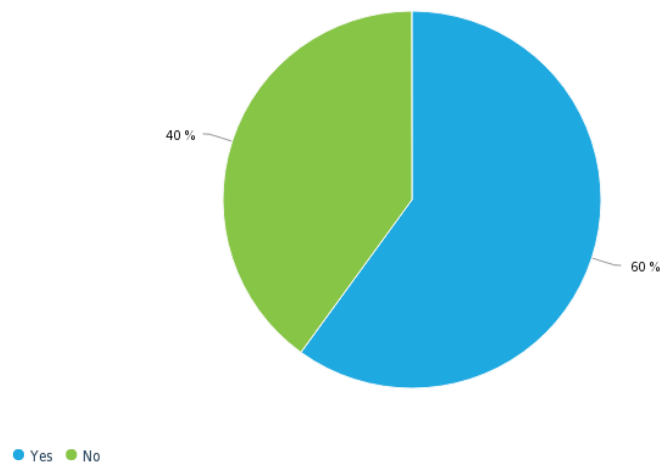
Source: Self-made research, 2020

14. Is it important for you the communication of the bank with customers within the framework of social networks?

- Yes
- No

Chart 14. Importance of communication between bank and client.

Is it important for you the communication of the bank with customers within the framework of social networks?

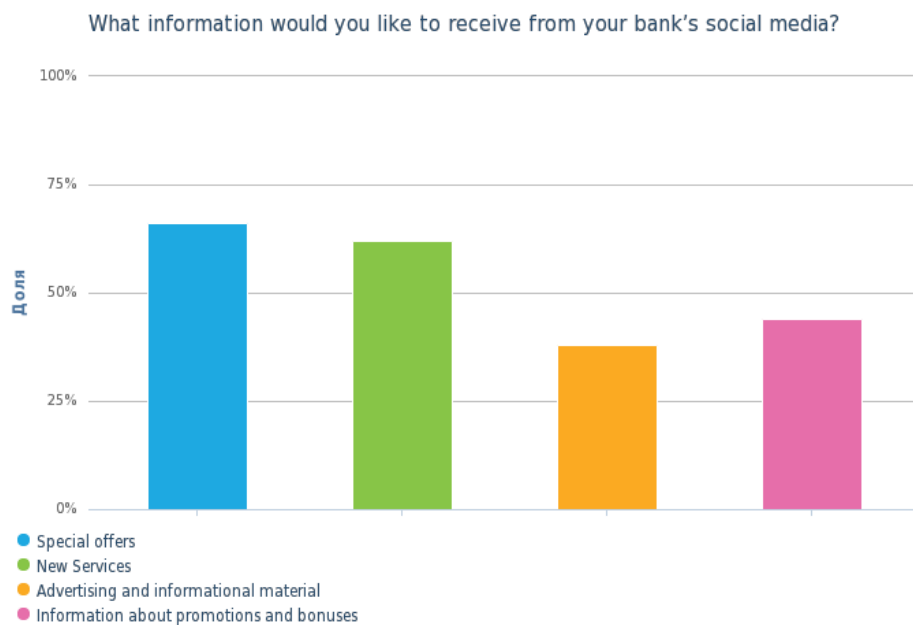


Source: Self-made research, 2020

15. What information would you like to receive from your bank's social media?

- Special offers
- New Services
- Advertising and informational material
- Information about promotions and bonuses

Chart 15. Type of information receiving from the bank.

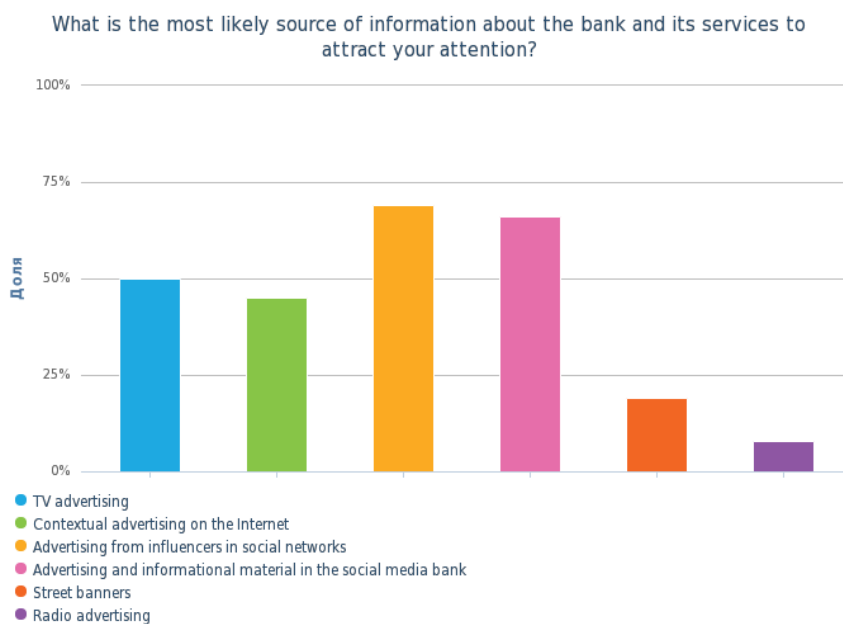


Source: Self-made research, 2020

16. What is the most likely source of information about the bank and its services to attract your attention?

- TV advertising
- Contextual advertising on the Internet
- Advertising from influencers in social networks
- Advertising and informational material in the social media bank
- Street banners
- Radio advertising

Chart 16. Source of information about the bank.



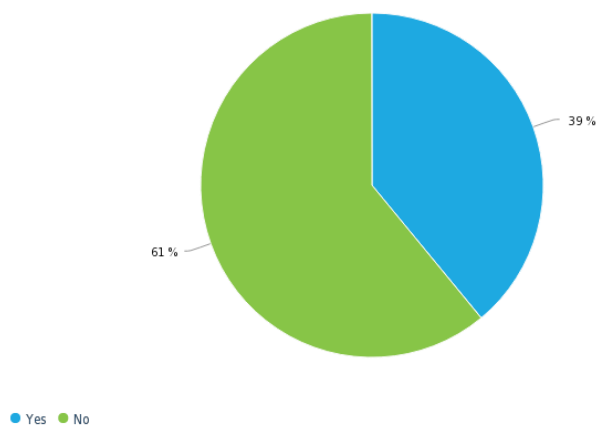
Source: Self-made research, 2020

17. Do you follow Tinkoff bank on any of the social media: Facebook, Vkontakte, Instagram, Twitter, YouTube?

- Yes
- No

Chart 17. Following Tinkoff bank.

Do you follow Tinkoff bank on any of the social media: Facebook, Vkontakte, Instagram, Twitter, YouTube?

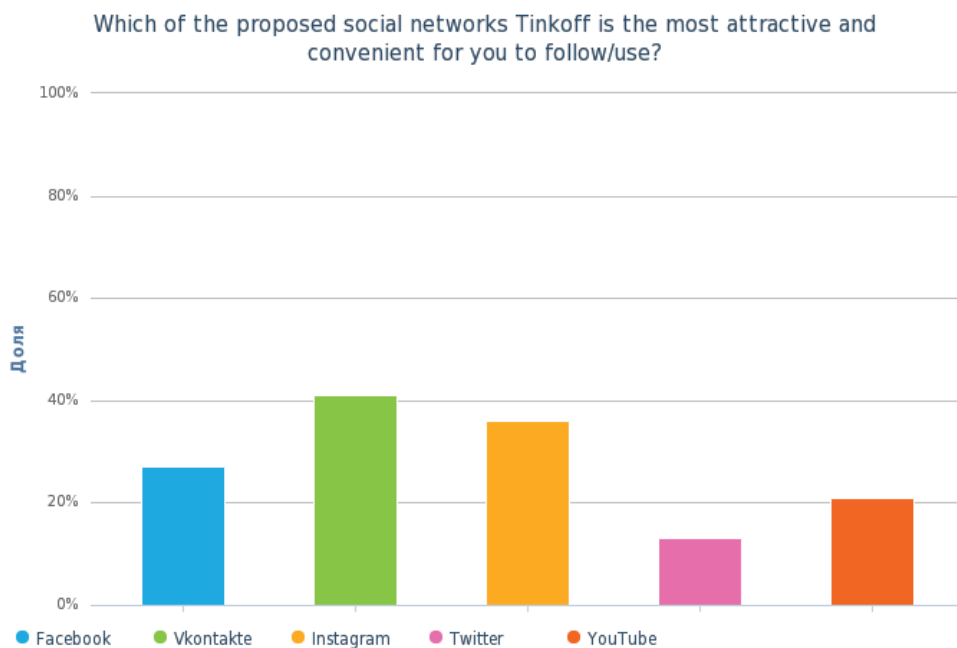


Source: Self-made research, 2020

18. Which of the proposed social networks Tinkoff is the most attractive and convenient for you to follow/use?

- Facebook
- Vkontakte
- Instagram
- Twitter
- YouTube

Chart 18. Which websites are more attractive and convenient for using (in case of Tinkoff).

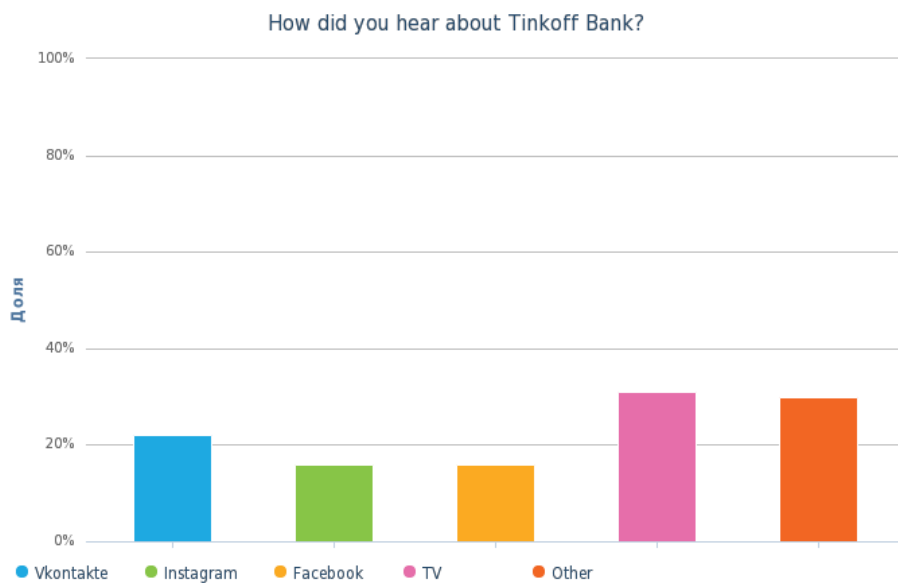


Source: Self-made reserach, 2020

19. How did you hear about Tinkoff Bank?

- Vkontakte
- Instagram
- Facebook
- TV
- Other

Chart 19. How did you hear about Tinkoff Bank.

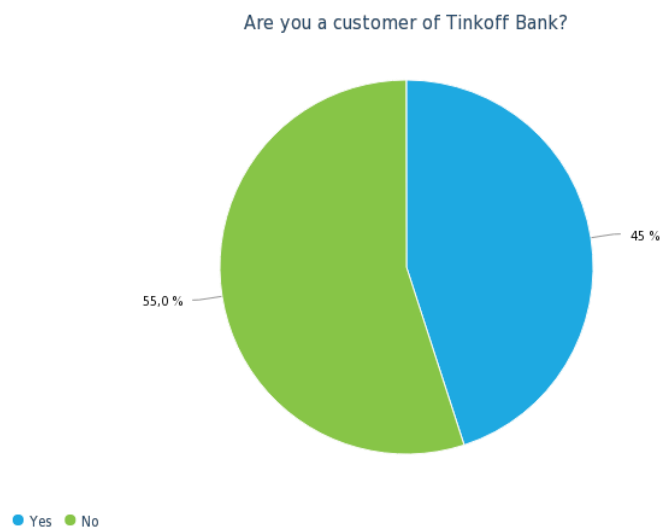


Source: Self-made research, 2020

20. Are you a customer of Tinkoff Bank?

- Yes
- No

Chart 20. Are you a customer of Tinkoff Bank.



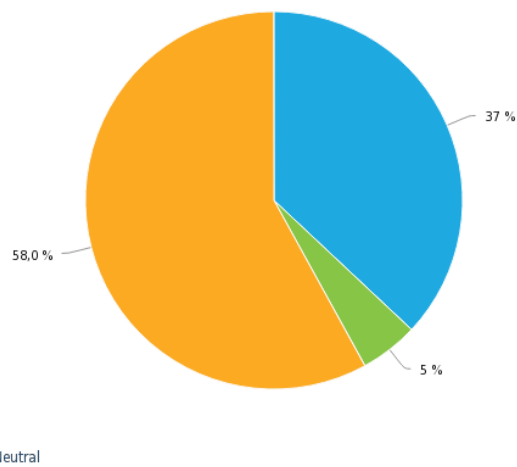
Source: Self-made research, 2020

21. Answer if 20q is positive-Do you like the Tinkoff Bank mobile app?

- Yes
- No
- Neutral

Chart 21. Do you like the Tinkoff Bank mobile app.

Answer if 20q is positive-Do you like the Tinkoff Bank mobile app?



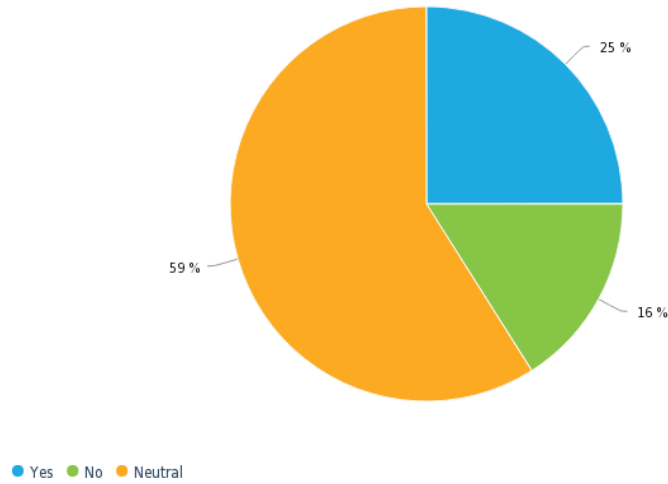
Source: Self-made research, 2020

22. Answer if 20q is positive-Is the Tinkoff Bank website easy to use for you?

- Yes
- No
- Neutral

Chart 22. Is the Tinkoff Bank website easy to use for you.

Answer if 20q is positive-Is the Tinkoff Bank website easy to use for you?



Source: Self-made research, 2020

1) Relationship testing between gender and frequency of using online banking.

H0: There is no relationship between gender and frequency of using online banking.. The variables are independent.

H1: There is a relationship between gender and frequency of using online banking.

The variables are not independent.

Test at .05 level of significance; P value (.177) according to the table 1.2.

P value > Level of significance H1 hypothesis is rejected, H0 hypothesis is true.

There is no relationship between these two variables.

Table 1.1. Cross tabulation of of gender and frequency of using online banking

What is your gender? * How often do you use online banking?

Количество

		How often do you use online banking?				In Total
		Less than once a month	At least once a week	Several times a month	Several times a day	
What is your gender?	Male	16	20	16	7	59
	Female	6	12	12	11	41
In Total		22	32	28	18	100

Source: Self-made research, 2020

Table 1.2. Chi-Square tests of gender and frequency of using online banking

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4,925 ^a	3	,177
Likelihood Ratio	4,950	3	,175
Linear-by-Linear Association	4,557	1	,033
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

2) Relationship testing between residence and frequency of using online banking.

H0: There is no relationship between residence and frequency of using online banking. The variables are independent.

H1: There is a relationship between residence and frequency of using online banking.

The variables are not independent.

Test at .05 level of significance; P value (.122) according to the table 2.2

P value > Level of significance H1 hypothesis is rejected, H0 hypothesis is true.

There is no relationship between these two variables.

Table 2.1. Cross tabulation of residence and frequency of using online banking

In which region of Russia do you live? * How often do you use online banking?

Количество

		How often do you use online banking?				In total
		Less than once a month	At least once a week	Several times a month	Several times a day	
In which region of Russia do you live?	Central district (Moscow)	15	21	11	11	58
	Krasnodar region	7	11	17	7	42
In total		22	32	28	18	100

Source: Self-made research, 2020

Table 2.2. Chi-Square tests of residence and frequency of using online banking

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5,797 ^a	3	,122
Likelihood Ratio	5,776	3	,123
Linear-by-Linear Association	1,575	1	,209
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

3) Relationship testing between residence and which bank customer are you.

H0: There is no relationship between residence and which bank customer are you. The variables are independent.

H1: There is a relationship between residence and which bank customer are you.

The variables are not independent.

Test at .05 level of significance; P value (.043) according to the table 3.2

P value < Level of significance H1 hypothesis is true, H0 hypothesis is rejected.

There is a relationship between these two variables.

Table 3.1. Cross tabulation of residence and which bank customer are you

In which region of Russia do you live? * Which bank client are you?

Количество

		Which bank client are you?					In total
		Tinkoff	Sberbank	Bank VTB	Raiffeisenbank	Other	
In which region of Russia do you live?	Central district (Moscow)	30	20	4	1	3	58
	Krasnodar region	12	16	4	3	7	42
In total		42	36	8	4	10	100

Source: Self-made research, 2020

Table 3.2. Chi-Square tests of residence and which bank customer are you

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8,414 ^a	4	,043
Likelihood Ratio	8,536	4	,039
Linear-by-Linear Association	7,823	1	,005
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

4) Relationship testing between gender and preferred source of information – Contextual ad on the Internet.

H0: There is no relationship between gender and preferred source of information – Contextual ad on the Internet.

H1: There is a relationship between gender and preferred source of information – Contextual ad on the Internet.

Test at .05 level of significance; P value (.023) according to the table 4.2

P value < Level of significance H1 hypothesis is true, H0 hypothesis is rejected.

There is a relationship between these two variables.

Table 4.1. Cross tabulation of gender and preferred source of information – Contextual ad on the Internet

Cross Tabulation

Количество

		What is the most likely source of information about the bank and its services to attract your attention?Contextual advertising on the Internet		
		Yes	No	In total
What is your gender?	Male	21	38	59
	Female	24	17	41
In total		45	55	100

Source: Self-made research, 2020

Table 4.2. Chi-Square tests of gender and preferred source of information – Contextual ad on the Internet

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5,145 ^a	1	,023
Likelihood Ratio	4,260	1	,039
Linear-by-Linear Association	5,093	1	,024
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

5) Relationship testing between residence and preferred source of information – Advertising from influencers in social networks.

H0: There is no relationship between residence and preferred source of information – Advertising from influencers in social networks.

H1: There is a relationship between residence and preferred source of information – Advertising from influencers in social networks.

Test at .05 level of significance; P value (.029) according to the table 5.2

P value < Level of significance H1 hypothesis is true, H0 hypothesis is rejected.

There is a relationship between these two variables.

Table 5.1. Cross tabulation of residence and preferred source of information – Advertising from influencers in social networks

Cross Tabulation

Количество

		What is the most likely source of information about the bank and its services to attract your attention? Advertising from influencers in social networks		
		Yes	No	In total
In which region of Russia do you live?	Central district (Moscow)	45	13	58
	Krasnodar region	24	18	42
In total		69	31	100

Source: Self-made research, 2020

Table 5.2. Chi-Square tests of residence and preferred source of information – Advertising from influencers in social networks

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4,760 ^a	1	,029
Likelihood Ratio	3,852	1	,050
Linear-by-Linear Association	4,712	1	,030
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

Table 6. Cross tabulation of following your bank on social networks and which bank customer are you

Cross Tabulation. Which bank client are you? * Are you subscribed to the website of the bank whose client you are in social networks: Facebook, Vkontakte, Instagram, Twitter, YouTube

Количество

		Are you subscribed to the website of the bank whose client you are in social networks: Facebook, Vkontakte, Instagram, Twitter, YouTube		
		Yes	No	In total
Which bank client are you?	Tinkoff	28	14	42
	Sberbank	18	18	36
	Bank VTB	3	5	8
	Raiffeisenbank	1	3	4
	Other	4	6	10
In total		54	46	100

Source: Self-made research, 2020

6) Relationship testing between residence and importance of bank communication with customers through social networks.

H0: There is no relationship between residence and importance of bank communication with customers through social networks.

H1: There is a relationship between residence and importance of bank communication with customers through social networks.

Test at .05 level of significance; P value (.934 according to the table 6.2.

P value > Level of significance H1 hypothesis is rejected, H0 hypothesis is true.

There is no relationship between these two variables.

Table 6.1. Cross tabulation of residence and importance of bank communication with customers through social networks

Cross Tabulation. In which region of Russia do you live? * Is it important for you the communication of the bank with customers within the framework of social networks?

Количество		Is it important for you the communication of the bank with customers within the framework of social networks?		
		Yes	No	In total
In which region of Russia do you live?	Central district (Moscow)	35	23	58
	Krasnodar region	25	17	42
In total		60	40	100

Source: Self-made research, 2020

Table 6.2. Chi-Square tests of residence and importance of bank communication with customers through social networks.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	,007 ^a	1	,934
Likelihood Ratio	,000	1	1,000
Linear-by-Linear Association	,007	1	,934
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020

Table 7.1. Cross tabulation of residence and barriers to use online banking – Insecure

Cross Tabulation

Количество		Why don't you use online banking? Insecure		
		Yes	No	In total
In which region of Russia do you live?	Central district (Moscow)	10	48	58
	Krasnodar region	19	23	42
In total		29	71	100

Source: Self-made research, 2020

Table 7.2. Cross tabulation of residence and barriers to use online banking – Lack of needed operations

Cross Tabulation

Количество

		Why don't you use online banking?No operations which I need		In total
		Yes	No	
In which region of Russia do you live?	Central district (Moscow)	46	12	58
	Krasnodar region	17	25	42
In total		63	37	100

Source: Self-made research, 2020

Table 8.1. Cross tabulation of which bank customer are you and barriers to use online banking – Insecure

Cross Tabulation

Количество

		Why don't you use online banking?Insecure		In total
		Yes	No	
Which bank client are you?	Tinkoff	3	39	42
	Sberbank	17	19	36
	Bank VTB	5	3	8
	Raiffeisenbank	1	3	4
	Other	3	7	10
In total		29	71	100

Source: Self-made research, 2020

Table 8.2. Cross tabulation of which bank customer are you and barriers to use online banking – Less secure then with bank specialist

Cross Tabulation

Количество

		Why don't you use online banking?More secure through a live specialist		In total
		Yes	No	
Which bank client are you?	Tinkoff	5	37	42
	Sberbank	23	13	36
	Bank VTB	6	2	8
	Raiffeisenbank	4	0	4
	Other	7	3	10
In total		45	55	100

Source: Self-made research, 2020

7) Relationship testing between importance of bank active presence and following Tinkoff bank in social media.

H0: There is no relationship between importance of bank active presence and following Tinkoff bank in social media.

H1: There is a relationship between importance of bank active presence and following Tinkoff bank in social media.

Test at .05 level of significance; P value (.008) according to the table 9.2

P value < Level of significance H1 hypothesis is true, H0 hypothesis is rejected.

There is a relationship between these two variables.

Table 9.1. Cross tabulation of importance of bank active presence and following Tinkoff bank in social media.

		Количество		
		Yes	No	In Total
Do you think that the bank's active presence in social media is important for the bank?	Yes	38	48	86
	No	1	13	14
In total		39	61	100

Source: Self-made research, 2020

Table 9.2. Chi-Square tests of residence and preferred source of information – Advertising from influencers in social networks

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6,945 ^a	1	,008
Likelihood Ratio	5,475	1	,019
Linear-by-Linear Association	8,489	1	,004
Number of Valid Cases	100		

a. 5 cells (41,7%) have expected count less than 5. The minimum expected count is 1,54.

Source: Self-made research, 2020