



A LITERATURE REVIEW ON SOCIAL MEDIA IN FINANCE

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Gaye Ferah¹, Selay Ilgaz Sumer²

¹Baskent University, Department of Business Administration, Ankara, Turkiye.

gayeferah@baskent.edu.tr, ORCID: 0000-0002-7235-9472

²Baskent University, Department of Business Administration, Ankara, Turkiye.

silgaz@baskent.edu.tr, ORCID: 0000-0003-1104-276X

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ABSTRACT

Purpose- The aim of this study is to summarize the findings obtained from research on social media and finance, to analyze various perspectives, and to make some contributions to the researchers and shed light on future studies.

Methodology- In the study, articles examining the relationship between social media and finance were examined in the national database, DergiPark. In this context, the study will provide information on the usage of social media, customer relationship management, marketing strategies of financial companies and contribute to a better understanding of the role of social media in the financial world. In the study, a literature review of the last five years is included. For this purpose, article was searched in DergiPark using the expression "social media and finance". Then, the selected studies were examined within the framework of titles such as content, keywords, method, findings, and suggestions. The study is important in terms of presenting information about the importance and effects of social media in the financial world and informing the parties about the studies. The literature review clearly reveals the impact of social media on the financial world for the last five years.

Findings- Studies show that social media enables news to spread faster in financial markets, facilitates investors' access to information and is effective on investment decisions. In addition, it has been determined that social media platforms are important in marketing and customer relationship management for financial companies. On the other hand, analyses show that social media brings some difficulties in the financial world. Information pollution and false news raise the issue of reliability of social media. Therefore, more attention and precautions are needed to understand and manage the rising role of social media in the financial world. In the literature review, it is seen that social media has an increasing effect in the financial world and this effect is expected to grow even more. In this context, it is important that financial institutions use social media strategically and take precautions against reliability and accuracy problems. At the same time, social media should be used consciously for individuals and investors who are interested in financial issues.

Conclusion- Social media platforms facilitate access to financial information, increase communication between investors and influence financial decisions. In addition to all this, some challenges arise regarding the rising role of social media in the financial world. Problems such as misinformation, misdirection and manipulation attempts raise concerns about reliability and accuracy. Therefore, appropriate measures should be taken, and social media should be used carefully to manage the impact of social media in the financial world.

Keywords: Social media, customer satisfaction, finance, financial performance, banking

JEL Codes: M40, M41

1. INTRODUCTION

Today, social media has an increasing influence in the financial world. With the widespread use of the Internet and mobile technologies, social media networks have become a part of the daily lives of billions of people. In the financial world, the influence of social media is increasing rapidly. Investors and financiers actively use social media to access financial information and get ideas for investment decisions. Social media platforms provide rapid dissemination of financial news, analysis, expert opinions, and investment strategies and offer individuals the opportunity to access more information on financial matters. At the same time, social media plays an important role in the customer relationship management and marketing strategies of financial companies. Financial institutions use social media platforms to interact with their customers, increase brand awareness, promote their products and services, and ensure customer satisfaction. However, the increasing influence of social media in the financial world brings with it some difficulties. Situations such as information pollution, manipulation attempts, and speculative news spread over social media are a major source of concern in misleading investors and companies. It is known that in the financial world, it is important to pay attention to the reliability and accuracy.

Considering all these factors, social media presents both opportunities and challenges to the financial world. In this context, more research is needed. Thus, the effect of social media in the financial world will be more understandable.

In this study, research conducted at the intersection of social media and finance issues published in DergiPark in the last five years has been examined. In this review, studies focusing on the use of social media in the financial sector, its effect on financial decisions, investor behavior,

and effects on the financial performance of companies have been examined. In this study, studies in the field of social media and finance for the last five years have been revealed and tried to shed light to the researchers.

2. LITERATURE REVIEW

In the last five years, 14 studies in the field of social media and finance have been published. The data are presented in Table 1 as the name of the article, the year of publication, the journal in which it was published, the purpose of the article, the results of the study, and the number of author(s).

Table 1: Literature Review on Social Media and Finance (Last 5 Years in DergiPark)

Name of the Article	Year	Name of the Journal	Aim of the Article	Results	Number of the Author(s)
CAPITAL STRUCTURE ANALYSIS OF SOCIAL MEDIA NETWORK COMPANIES LISTED IN STOCK EXCHANGES	2018	International Journal of Economic and Administrative Studies	The aim of the study is to statistically measure the capital structure analyzes of social media companies traded in the stock exchange between 2012 and 2017.	In the study, it was found that there is a negative correlation between the dependent variable UVYK (long-term liabilities) and ROA (Net profit / total assets). A positive correlation was found with UVYK and LAKTIF (Loge aktif), which was used to represent the active size.	3
COST AND BENEFIT ANALYSIS IN SOCIAL MEDIA ECONOMY	2019	Ataturk University Journal of Economics and Administrative Sciences	In the research, social media economy was examined with examples from social media platforms, and it was aimed to make a cost-benefit analysis in the light of this information. Besides, it was aimed to analyze the tax dimension of income with the results obtained.	In the article, it is concluded that the relationship between the costs and benefits of social media usage is examined, and social media can provide significant benefits in many sectors. However, it was emphasized that the usage of social media also includes some costs, and these costs should be taken into account.	2
THE EFFECT OF SOCIAL NETWORKS ON FINANCIAL LITERACY	2019	Socioeconomics 27	The aim of the study is to investigate how social networks affect the financial literacy level of individuals.	As a result, it was found that social networks have both positive and negative effects on financial literacy. While social networks offer individuals the opportunity to access and share information about financial issues. This situation varies according to the financial and economic situation of the individual.	2
SOCIAL MEDIA AND ACCOUNTING: A FIELD RESEARCH	2019	Journal of the World of Accounting Science	The aim of the study is to investigate the usage of social media in the field of accounting in Turkey and understand its effects on the profession.	It has been concluded that social media is not used effectively enough in the field of accounting in Turkey.	2
ANALYZING THE RELATIONSHIP BETWEEN SOCIAL MEDIA AND INVESTMENT TOOLS: BITCOIN	2019	Journal of Academic Inquiries 14	The aim of the study is to examine the relationship between social media and investment decisions.	According to the results of the study, while Twitter comments are not the granger cause of bitcoin prices, bitcoin prices are the granger cause of twitter comments.	2
THE IMPACT OF SOCIAL MEDIA USAGE ON FIRM PERFORMANCE: TURKISH BANKING SECTOR CASE	2020	International Review of Economics and Management	In this study, it is aimed to find out the usage of social media by banks in the Turkish banking sector.	According to the findings, the usage of Facebook by companies has a negative effect on company performance, while the usage of Twitter has a positive effect on the firm performances.	2
THE RELATIONSHIP BETWEEN SOCIAL MEDIA USE AND FINANCIAL PERFORMANCE OF COMPANIES IN BORSA ISTANBUL 100 INDEX	2020	Int. Journal of Management Economics and Business	In this study, it is aimed to determine the relationship between the usage of social media tools and the financial performance of the companies in the BIST100 index.	In the research, it was concluded that the financial performance of the companies within the scope of the BIST100 index and the rate of use of social media tools are partially related.	3
INVESTIGATION OF SOCIAL MEDIA USAGE OF COMPANIES BY NETWORK, INDUSTRY AND FINANCIAL PERFORMANCE: BIST APPLICATION	2021	Research of Financial Economic and Social Studies	In the research, it is aimed to reach the conclusion of how the social media use of companies that are traded in different sectors in the BIST 100 index affect the financial performance of these companies.	It has been concluded that the market value and firm performance of companies that actively use social media differ positively compared to those that do not.	1
THE EFFECT OF SOCIAL MEDIA USE OF COMPANIES ON FINANCIAL PERFORMANCE: A STUDY ON DEVELOPING COUNTRIES	2021	Istanbul Ticaret University Journal of Entrepreneurship	In the study, it is aimed to reach how the usage of social media affects the financial performance of companies by analyzing the companies in the developing countries index.	As a result of the study, a positive relationship was determined between financial performance and social media use.	2
A RESEARCH ON BANKS BRAND VALUE AND SOCIAL MEDIA USES	2021	Haliç University Journal of Social Sciences	The aim of the research is to examine the relationship between the brand value of banks and the number of social media followers.	According to the findings, a significant relationship was determined between the brand value of the banks and the number of social media followers.	1
USING SOCIAL MEDIA TO COMMUNICATE WITH BANKS: A STUDY ON TWITTER	2021	Malatya Turgut Özal University Journal of Business and Management Sciences	The aim of the study is to reach the conclusion of what level and how social media is used while communicating between banks and customers.	According to the results of the study, it was revealed that banks benefited from the social media applications. In addition, the results obtained show that banks use automatic software in social media communication and customer needs are not examined in detail.	1
THE RELATIONSHIP BETWEEN BANKS' SOCIAL MEDIA SCORES AND STOCK RETURNS IN TURKEY: PANEL GRANGER CAUSALITY ANALYSIS	2021	Global Journal of Economics and Business Studies	The aim of the study is to examine whether banks' active use of social media influences stock returns in Turkey.	In the research, it was concluded that there is a bidirectional relationship between stock returns and social media scores of banks.	2
THE EFFECT OF SOCIAL MEDIA PLATFORMS ON STOCK MARKETS: A SAMPLE OF BIST30	2021	Gumushane University Journal of Social Sciences	The aim of the study is to find out whether the shares on Twitter influences stock prices, and if so, what kind of effect they have.	According to the data obtained, it has been concluded that social media shares have an effect on stock returns.	1
A LITERATURE RESEARCH ON USING SOCIAL MEDIA AND INTERNET IN FINANCIAL SYSTEM	2022	The Journal of Business, Economics and Management Research	In the research, it is aimed to reach the conclusion of the effect of the usage of social media on companies, investors, and financial instruments.	In the article, it is concluded that the usage of social media and internet plays an important role in the financial system. Financial activities can be affected by the usage of social media.	2

3. DATA AND METHODOLOGY

The data used in the study were obtained from the examination of the studies on social media and finance published on the DergiPark platform. In this context, the relevant studies published in DergiPark in the last 5 years have been carefully scanned and selected. Selected studies generally focus on social media's financial decisions and investors behavior.

In this context, a literature review of the last five years was made. At first, a systematic search method was used in the DergiPark database in order to collect the publications of social media and finance studies in a certain time period and the selected studies were meticulously examined. The study focuses on a limited time frame and examines only those studies that were published within the last five years in DergiPark. In this study, international databases were excluded. Analyzing research in the field of social media and finance are among the other limitations of the study. This method helps the study provide a comprehensive view to researchers to understand the current status and trends of research on social media and finance. The findings reveal the role of social media in the financial world, its effects, and ideas about future research studies.

According to the data obtained, the information in which years the studies were carried out are presented in Table 2. Accordingly, 7% of the studies in the relevant field are 2018, 29% are 2019, 14% are 2020 and 50% are studies done in 2021 and later. Research in social media and finance has focused on 2021 and 2022. The e-commerce sector, which stood out due to the social media advertisements of brands during the Pandemic period, the effect of which was most visible in the years 2020-2021, had a positive impact on the financial performance of the companies. Social media, usage has increased with the effect of COVID-19 pandemic, and the interaction of the financial sector, which is affected by the situation, have also been a matter of curiosity for researchers.

Table 2: Articles Published in 2018-2022

Years	n	%
2018	1	7
2019	4	29
2020	2	14
2021	6	43
2022	1	7
TOTAL	14	100

Information on the number of authors of the related articles is presented in Table 3. This table shows that 57% of the studies in the related field have 2 authors. Apart from this, 29% of the studies had a single author and 14% had three authors. Since more than 70% of the studies have two or more authors. It is concluded that the studies conducted jointly and with different opinions are more preferred.

Table 3: Number of Authors

Number of authors	n	%
1	4	29
2	8	57
3	2	14
TOTAL	14	100

The analysis of which areas social media is associated with is presented in Table 4. In studies of the last five years, social media has been associated with financial performance at most, with a rate of 36%. Following this, the banking sector stands out among the associated issues with a rate of 21%. The subjects associated with the remaining 43% are accounting, investment, economics and financial literacy. In this case, researchers tended to investigate the effect of social media usage on financial performance. The results show that the interest in the subject is not unfounded, as it has been concluded that social media has an impact on financial performance.

Table 4 : Subject of the Studies

Themes of the articles	n	%
Finance and financial performance	5	36
Banking	3	21
Accounting	1	7
Investment	2	14
Economic	1	7
Financial literacy	2	14
TOTAL	14	100

The type of the studies is presented in Table 5. According to this, while all the studies related to the last five years have been practical, there are no conceptual studies. As a suggestion, different methods and different perspectives can be conveyed to the readers, new concepts can be created, and the subject can be explored in depth by conducting conceptual studies in the relevant field.

Table 5: Types of the Studies

Types of studies	n	%
Practical	14	100
Conceptual	0	0
TOTAL	14	100

4. CONCLUSION

As a result, studies published in DergiPark were analyzed to understand the effects of social media in the financial world and to assist future research. On the relevant platform, 14 studies on the subject have been examined. Half of the studies were published in 2021 and beyond. The fact that most of the studies have 2 or more authors is important in terms of approaching the subject from different perspectives and developing different methods. Since the subject is examined in terms of the interaction of two different fields, experiments and observations are generally made. In the studies, the subject of social media has been associated and analyzed with finance and various branches of finance. In these analyzes, the role and effects of social media in the financial world are clearly revealed. Social media facilitates investors' access to information by enabling the rapid spread of news in financial markets. In addition, it has been concluded that the usage of social media influences the financial performance of companies and has positive relations. Studies show that the usage of social media affects investor behavior and is a determining factor on financial decisions.

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