



A Qualitative Study of Adoption of Social Media for Personal Finance Investing

(Research in progress)

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Agenda *

- Introduction
- Research Procedures
- Cultural Description
- Theme analysis
- Interpretations, Learnings
- Unanswered Questions

* Format for qualitative studies: (Creswell, 1998; Wolcott, 1994)

Smartphones

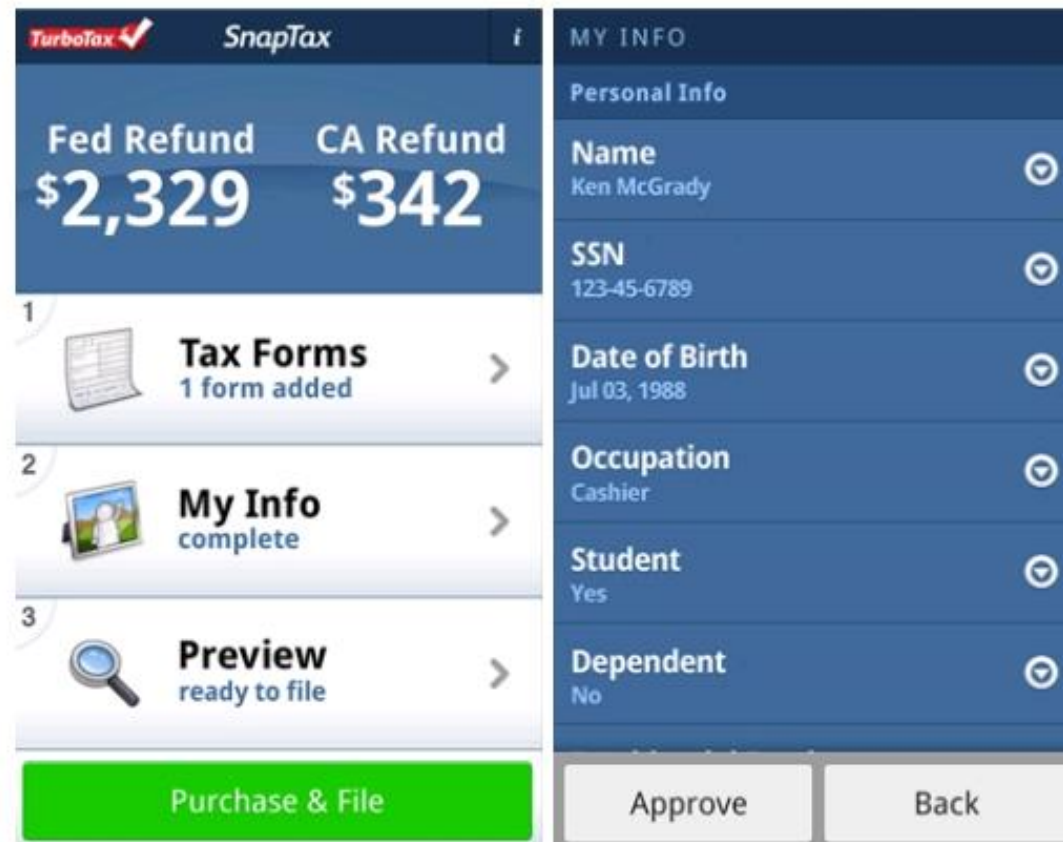
Pervasive & Ubiquitous computing

- Phone
- Camera
- Camcorder
- Calendar
- Podcasts
- Music/Video
- Web surfing
- Apps (e.g. Finance)



TurboTax SnapTax lets you file taxes from an iPhone, Android device

January 17th, 2011 | Author: Brad Linder



Source: mobicomputing.com

IRS launches mobile apps for tracking your tax refund

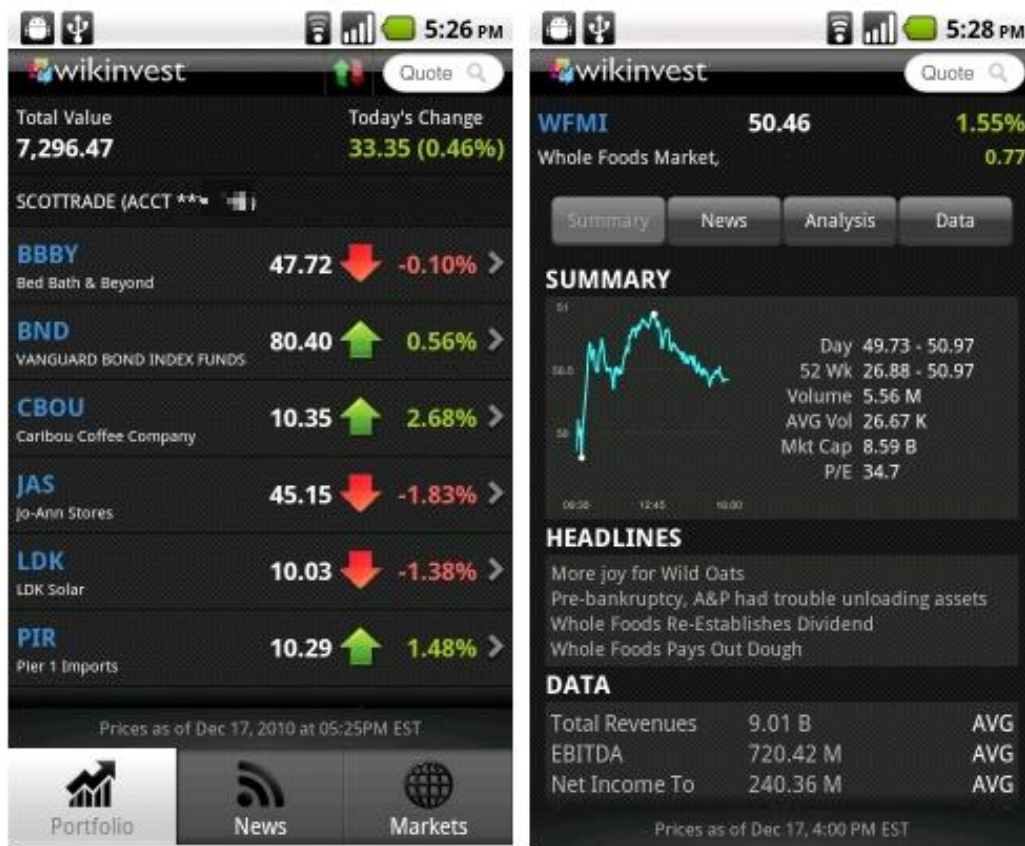
January 28th, 2011 | Author: Brad Linder



Source: mobicomputing.com

Wikinvest Portfolio lets you keep on track of your stocks on the go

December 21st, 2010 | Author: Brad Linder



Source: mobicomputing.com

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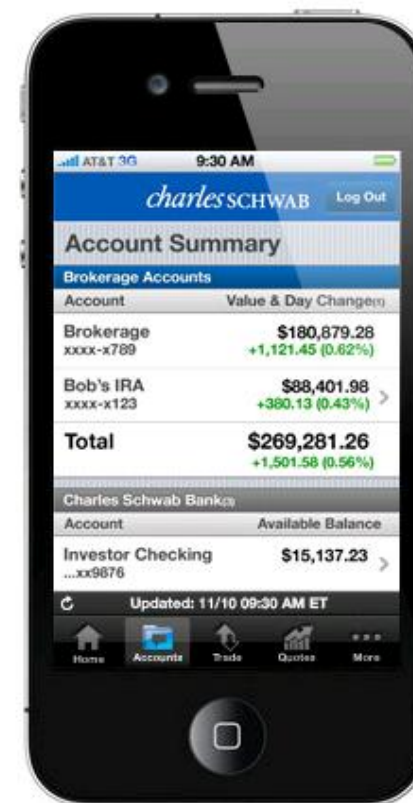
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Dow ↓ 1.54% Nasdaq ↓ 1.52%

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Finance Search Thu, Mar 10, 2011, 2:47PM EST - U.S. Markets close in 1 hr 13 mins

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Gold is chillin' so the Saudi news is BS by Ladybug_20... [8 minutes ago]	Not rated	0	8 minutes ago by Ladybug_20...
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Saudi Arabia Demonstrations by bill_c_bro... [10-Mar-11 01:22 pm]	Not rated	3	38 minutes ago by mcl2177

Introduction

- Social media & Investment decisions
- Participant perceptions towards online communities & social networking to make investment decisions
- Useful features in tools/communities
- Provide insights into value and diffusion

Focus on finance related...

1. Mobile access/apps for investing
2. Online finance communities
3. Social media sites



Scope of Study

- Exploratory in nature
- Research in progress
- Uses Qualitative model
- Limited to individuals investors
- Online community used for data collection
- Use of secondary data (131 respondents)



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Twitter (mis)use for investing...

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Twitter Helps Rapper 50 Cent Earn Millions In Just One Day

Filed as News on January 12, 2011 5:42 am by James Johnson

Like Sign Up to see what your friends like. Tweet 16



How's this for leveraging Twitter for financial gains, rapper 50 Cent this week turned his 30 million shares of a penny stock into \$8.7 million by urging his 3.8 million Twitter followers to invest in the company.

The company, known as H&H sells TV Goods and currently carries *Sleek By 50*, 50 Cents own brand of sunglasses which have also earned him equity in the organization.

Through Fifty's urging the company's stock jumped from 10 cents to 39 cents on Monday, closing at 41 cents on Tuesday.

According to the *New York Post*:

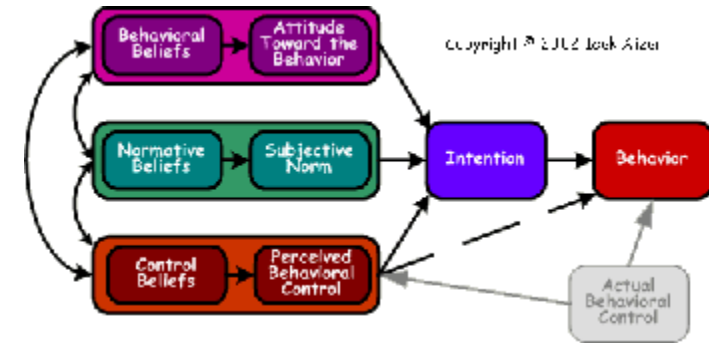
“50 Cent “received 30 million shares of H&H in a private placement last October, including a series of warrants granting him the opportunity to cash in as the stock rises: at 15 cents, 25 cents or — no kidding — 50 cents.”

The superstar rapper Tweeted, then later removed the following Tweet:

“HNHI is the stock symbol for TVG, Sleek by 50 is one of the 15 products this year. If you get in technically I work for you. BIG MONEY.”

Source: <http://www.blogherald.com/2011/01/12/twitter-50-cent-penny-stock-millions-earned/>

Theories/Models



- Theory of Planned Behavior
- Theory of Reasoned Action
- Innovation Diffusion Theory
- Technology Acceptance Model
- Unified Theory of Acceptance and Use of Technology
- Social Cognitive Theory



A word cloud centered around the word "Intention". The words are arranged in various orientations and sizes, with "Intention" being the largest and most prominent. Other significant words include "Behavior", "Attitude", "Social Influences", "Self-Efficacy", "Information Technology", "User Satisfaction", "Cognitive Factors", "Individual Acceptance", "Subjective Norm", "Behavioral Intention", "User Behavior", "Ease of Use", and "Beliefs". Smaller words include "TPB", "Davis", "Madden", "Mathieson", "Age", "Personality", "UTAUT", "Generation Y", "Social Influences", "Attitudes", "TRA", "Ajzen", "Bandura", "Bandura", "User Behavior", "Ease of Use", and "Beliefs". The colors range from dark blue to brown.

Intention

Behavior

Attitude

Attitudes

TRA

Ajzen

TPB

Davis

Madden

Mathieson

Generation Y

Social Influences

Self-Efficacy

Personality

UTAUT

User Satisfaction

Age

Cognitive Factors

Information Technology

Individual Acceptance

Subjective Norm

Behavioral Intention

User Behavior

Ease of Use

Beliefs

Bandura

Qualitative models

- The **phenomenology approach** to qualitative research studies various reactions to or perceptions of a particular phenomenon.
- The **case study** approach to qualitative research studies one individual, group, or program.

Preliminary Themes

- Attitude
- Purpose
- Effort
- Competency/Self Efficacy
- Ease of Use
- Benefits/Advantages
- Challenges/Disadvantages

Clustered Nodes by Coding Similarity



Findings

- 74% of respondents use Social Media sites
- #1 Facebook, #2. Twitter, #3. LinkedIn
- 38% use online finance community
- Popular Finance (non brokerage) websites:
 - MSN Money, Mint.com, Yahoo finance
 - Motley Fool, Seeking Alpha, Zack's
 - Stocktwits

Interpretation/Learnings

- Collaboration and community appear to be main reason for using social media sites
- Social media empowers individuals by enabling digital conversations
- Limited use for serious trading
- Security and privacy concerns
- Concerns over benefits over risks

Next Steps...

- Use another coder for validation
- Further analysis of collected data (e.g. heat maps, clusters, reports)
- Use different sample for comparison
- Analyze data in conjunction with demographic information (Gen Y)
- Compare both groups
- Explore characteristics of successful apps/online finance social communities

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