
SOCIAL BANKING: BUILDING CUSTOMER ENGAGEMENT THROUGH SOCIAL MEDIA

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ABSTRACT

Banks must have a thorough awareness of the essential components of social media leveraging in order to use it effectively. They must create roadmaps for initiatives' seamless implementation and adopt an effective social media strategy. Although utilising social media has several advantages for banks and bank customers, the present banking focus is only on developing a social media presence. However, banks must concentrate their efforts on utilising social media to boost consumer awareness and customer service as customer service demands and a preference for digital channels increase. This paper discusses in detail about the different ways of building customer engagement through social media.

Key words: Banking, Customer Engagement, Social Media

INTRODUCTION

The requirements and wants of today's consumers are substantially different from those of even ten years ago, despite the fact that the banking industry has always tried to preserve a connection that is focused on the customer. The last ten years, since the advent of social media, have seen a significant change in client expectations and their connection with banks.

The number of people using social media sites like Facebook and Twitter as part of their daily lives has significantly increased since the creation of these platforms.

Customers expect banks to offer services on social media platforms as more and more people use them. Banks must now work to take advantage of this quickly developing channel if they want to maintain client engagement and provide a twenty-first century banking experience.

This paper explores the opportunities social media can provide to banks in addition to the various ways banks can use it to improve client engagement.

Increasing Relevance of Social Media in Banking

Although the word "social media" has no precise meaning, the term will be used in this paper to refer to any online platform where the majority of the content—including text, photographs, and multimedia files—is produced by end users and is participatory in character. Social media can be roughly divided into four groups using this definition:

- Social networking platforms like Google+ and Facebook
- Microblogging platforms like Twitter;
- Sites for business networking, like LinkedIn;
- Platforms for sharing content, including YouTube and Flickr

Social media usage has significantly expanded as a result of the rising popularity of social media sites like Facebook and Twitter, as well as the widespread use of broadband internet, smartphones, and mobile applications. Social networking is become a common tool for daily interactions and duties. Banks must find creative methods to use social media, which is today's competitive advantage, if they want

to maintain meaningful consumer engagement.

Why Social Media is important for banks?

Targeted Marketing Campaign

Banks can execute focused marketing efforts on social media while spending less on marketing as a whole. Customers' awareness of new features and products can be greatly increased because to social media's wider reach than traditional methods.

For example, a customer frequently visits a local restaurant. His bank may utilise this data to provide discounts, rebates, cash back incentives, and loyalty points for meals or dining-related purchases.

Customer Information

By using client data from social media and adhering to data privacy laws, banks can profit from their ability to gather customer insights.

Additionally, by integrating and utilising both internal and external data (i.e., the core banking system and social media and other platforms), banks can improve their capacity to draw a comprehensive perspective of their customers.

A client announces her child's recent birth on social media to friends and relatives. This data can be used by her bank to identify potential changes in her life stage demands and provide products that might be appropriate.

Feedback of banking products and services

Social media is becoming increasingly important to consumers, so banks may use it to get feedback on their banking services and products. Engaging in social media also enables the crowdsourcing of ideas, which may result in the creation of products and services that are specifically tailored to certain customer segments.

Sales Lead Generation

Banks can employ analytics to produce leads from consumer behaviour on social media, such as posts and likes, which can be used to conduct next-best analyses and create next-best actions.

For instance, a customer provides details about an upcoming international trip. This information can be used by his bank to market products for foreign exchange, travel insurance, and cash cards. Banks can improve their sales closure ratio by using this focused strategy.

Service to clients

Social media improves a bank's capacity to respond to consumers in a quick, logical, and personalised manner—improving the entire customer experience—because it facilitates real-time contact.

For example, a consumer had difficulties using her credit card and tweets about it. Her bank can take proactive action by getting in touch with the customer and fixing the problem, essentially turning a negative into a positive.

Brand Building

Banks can utilise social media to broaden the scope of their branding initiatives because it has a global audience and doesn't discriminate based on geographic location. In order to keep the bank on the minds of those customers, they can also use social media to create a feedback loop between the marketing department and customer replies, and even modify campaigns to become more interactive and responsive.

Customers who use Facebook to "like" a bank's campaign message or use Twitter to "retweet" a bank message support the bank's brand by doing so.

Management of Reputation

A bank discovers a pattern of unfavourable opinion through social analytics concerning its products, services or activities. By connecting with customers, the bank can take preemptive corrective action to lessen the risk of reputational harm.

Customer Loyalty and Support

Customers are more likely to remain loyal to a bank when they feel that their questions are routinely and promptly answered. On social media, the consumer might promote the bank's brand.

Internal Cooperation

The window of opportunity for banks to respond to client questions and complaints on social media is relatively small. Banks

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will need to improve internal communication as they fully embrace social media to enable seamless information flow.

CONCLUSION

The necessity for banks to adopt this quickly developing medium grows as more and more people use social media. They must include it as a crucial component of their overall digital strategy as they step up their attempts to boost client engagement. Social media is the most significant platform that might offer banks the desperately needed avenue for establishing client relationships. Some of the priceless benefits that social media strategy could provide for banks include the enormous potential for providing client solutions, raising brand awareness, growing their customer base, and establishing ongoing personal connections.

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