



Study of Social Media Usage by Banking Institutions

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ABSTRACT: Like any other institution, banking too is using social media extensively. The key reason for banks to jump to social media is to understand its potential customers and get to know the frustrations of its existing customers. Banks spend hundreds of thousands of dollars in order to get feedback and responses as they want to gauge the customer's needs and interests, yet all of this can be found in the social media by looking at what things we like, share and comment on. Social media is fully stacked with opinions, likes and comments. Although a lot of that is noise, however if we are able to filter it and look for the relevant things then it is one of the most useful tools in market research and helps in creating the marketing strategies of the company. It has the potential to give the banks an insight into the existing and potential customers about their needs, interests and concerns about the brand. This paper will present how banks are using social media for creating brand image.

Keywords: Social Media, Brand Image, Facebook, Youtube.

I. BRAND AWARENESS

Brand awareness is indicative of the degree to which a customer is able to recall and recognize a particular brand. Brand Awareness is one of the most important factors of consumer behaviour, brand management and management of advertising and strategy development [7]. The ability of a customer to recall a particular brand is key in decision making leading purchase. Purchase only occurs when the customer is aware of the category of the product and a brand within the category [5]. Awareness of a brand need not mean that the consumer is able to identify a specific brand name, but that he/she should be able to identify few distinguishing characteristics of the product in order to proceed with purchasing [1]. To take an example, if a person asks their friend to buy the soft drink that has a strong fizzy taste to it, the friend would be able to identify which one to buy, even though no one mentioned any specific brand.

Various forms of brand awareness can be defined, to name a few "*brand recall*" and "*brand recognition*". Researchers debate that the various types of awareness influence consumer behaviour in essentially different ways. This has significant ramifications in the decision process for purchase and in the case of marketing communications. Brand Awareness works in tandem with concepts such as the "evoked set" and "consideration set" which explains particular aspects of the decision making process for the consumer [8]. Development and testing of a model of consideration set composition. *Journal of Marketing Research*, 429-440. Consumers in general are considered to have 3 to 7 brands in their mind in varying product categories. Consumer would consider purchasing the products that they believe is in their top 3 considerations [2].

Brand awareness is an essential factor of the brand's competitive market performance. Considering the relevance of brand awareness in purchasing decisions of customers, marketing managers have come up with a number of metrics which helps in measuring brand awareness and other factors affecting the brand's health and performance. These metrics are categorised as "Awareness, Attitudes and Usage (AAU) metrics"[4].

In order to ensure the product's or brand's success in the market, awareness levels has to be maintained across the life-cycle of the product, starting from the launch of the product until the market decline. Many marketing managers periodically monitor brand awareness levels, and intensifies the advertising and promotional effort if they go below a certain threshold, in order to return the awareness to the desired level.

II. MARKETING STRATEGY

In order for an organization to improve upon its returns on investment. In order for an organization to improve upon its returns on investment on marketing is by basing its marketing actions on a properly thought out, empirically based strategy depending upon its circumstances. There are other factors that an organization must also keep in its mind, they are the assets and skills that the members have, the driving factors of the market, the competitors nature, the stage in the life-cycle that the industry or market is in, and others strategic decisions that the organization takes in order to be able to be competent in the market situation. Often organizations tend to adopt to market situations by lowering the cost of the products or the manufacturing process rather than differentiating their product on the basis of a unique selling point, braking the market norms and niche.

"Build a better mousetrap," the saying goes, "and the world will beat a path to your door." However, 'as all too many established businesses with new products, entrepreneurs with better mousetraps, and Internet hopefuls have found through bitter experience, if the world does not know that the new mousetrap is, indeed, better or that it is available, it is unlikely that a path will be beaten to one's door. Further, marketing is much more than getting the world out. Both our snail mail and e-mail boxes tend to overflow with advertisements for products we may or may not want, most of which are unsolicited. To send out a flyer announcing one's better mousetrap is unlikely to bring one the success desired. In addition, different types of products require different marketing strategies. For example, an advertisement for a new walker is much more likely to yield positive results if placed in the AARP Magazine (which has a target audience of people 50 years of age and older) than in Seventeen Magazine. Similarly, readers of Sports Illustrated are more likely to pay attention to an advertisement for sporting goods than are readers of Ladies Home Journal. In each of these examples, the cited marketing effort is probably doomed to failure because it is not reaching potential buyers. Further, many businesses find that a single approach to marketing is insufficient for attracting customers. Even if an advertisement is placed in an appropriate magazine, for example, it is unlikely to reach other potential customers who do not read that magazine. Part of successfully marketing a product is to determine the target market that one wishes to reach and then determine the right marketing mix to get the target market to purchase' one's goods or services.

Developing a market strategy depends on various factors that the organization must absolutely stick to in-order to be competent in the market. There can never be an one-size-fits-all strategy in a market, there always are numerous factors that come into play and change the situation, compelling the organization to also develop unique products.

Creating Brand Awareness Using Social Media: In the year 2017, Netizens spent approx. 135 minutes (2.25 hours) every day on social media sites and there are various intrinsic and extrinsic factor for social media usage [3]. There are consequently, companies see great potential in creating a brand awareness in these platforms. Customers discuss products and services they are interested in and those which have really satisfied the particular needs and desire that they have.

Alternatively, consumers also share unfavorable experiences, and often at a higher rate than satisfactory ones. Therefore, stimulating consumer interest and promoting the brand is a strategic process. As consumers view and interact with social media posts and updates, brand awareness will increase. For brand awareness to be most productive, consumers should be able to connect to the company's website seamlessly from the social media platform. Also, it is crucial for a company to respond to negative reviews and offer a solution to the customer's problem.

Banking Industry and Social Media: The race among lenders to get noticed and make a lasting impression in the public's psyche is only heating up. Traditional marketing tools like billboards and television advertising may retain their charm as the preferred medium, but in a gradual but perceptible shift, social media is emerging as the new destination for bankers to reach out to a wide array of customers. The reason is not too far to seek. The big driver is the cost of setting up a social media platform is minimal for banks, and on top of it, the reach is overwhelming by all accounts[6]. Analyzing market performance via social media: a case study of a banking industry crisis.

Kotak Mahindra Bank, one of the more active banks in the arena of social media, spends about 5% of its total advertising budget for this new form of marketing, says Karthi Marshan, head-group marketing.

Compared to mainline marketing, social media would be extremely cost competitive. At budgets less than Rs Two crore a year, banks could do a good job of managing an active social media presence, adds Sanjay Mehta, joint chief executive officer, Social Wavelength, a social media marketing firm that also manages Kotak Mahindra Bank's visibility in this space.

Just how useful the networking mechanism is can be derived from the fact that a whopping 90% of customers accessing banking services on social media platforms are men, and close to 75% of the total users are in the age group of 18-34 years, say experts. "While the penetration is across the board, the youth and young professionals are more adoptive of social media," says Anindya Datta, president & chief marketing officer, Yes Bank.

What is stoking the trend is major private sector banks have all come out with internet applications — popularly called apps — which not only help connect with an existing customer, but also attract prospective ones. While some

of these apps are purely marketing devices to promote new offers and discounts, some are plain utility services as well.

In order to get to a large number of customers banks and other financial institutions these tools which include Facebook, Youtube etc. Facebook is the largest social media site in the internet today, with about 2.3 billion active monthly users. It reaches to each and every corner of the globe in all 6 inhabitable continents. Thus, it should not be a surprise that banks and other industries have taken great interest in marketing their product in this platform. They use this site to all sorts of activities from customer redressal, marketing of new products, monitoring of customer satisfaction and so on. This site has the most powerful and important tool in the world of marketing today. To explain this pasted below are a few ads posted by Banks in order to promote their products and services. Youtube is another such tool, it is the largest online video sharing website in the world, with over 1.8 billion active users every month. The limitations of sites like Facebook and Twitter is that the advertisements on them are static, whereas in Youtube the companies can create a dynamic video that captures the imagination of the customers. These people account for a large number of potential customers that the company has the capability to reach out to. Not only that, but videos on Youtube can be embedded and shared into blogs, websites and social media websites throughout the internet increasing the number of people they are able to reach. Unlike other social media websites, Youtube only has the capability of a one-way communication, which restricts the amount of information that the banks can gather from the platform. However, Youtube does give the companies putting ads on the platform an opportunity to provide its potential customers with a vibrant video in which they can explain the products in a more efficient way. Videos gives the Banks flexibility to market to their potential customers by crafting the advert in a way that makes sense to them.

They also use the Email Direct Marketing tools like mailchimp.com. This website can be used to create and propagate posters and other informative emails to a large number of users saved in the company's database. This is a hassle free device for the companies as they only have to design a poster or an ad campaign that targets a specific customer base and then they can mass mail it to them using the database that they already have saved.

Modern day communication has been totally changed and revolutionized by the emergence of Social media sites like Facebook, Twitter and Instagram. It has completely changed the way how companies interact with their customers, and given the average person a much greater access and understanding of the financial sector. Facebook itself has 2.3 billion active users, and companies can reach a majority of them using this incredibly powerful tool.

The key reason for banks to jump to social media is to understand its potential customers and get to know the frustrations of its existing customers. Banks spend hundreds of thousands of dollars in order to get feedback and responses as they want to gauge the customer's needs and interests, yet all of this can be found in the social media by looking at what things we like, share and comment on. Social media is fully stacked with opinions, likes and comments. Although a lot of that is noise, however if we are able to filter it and look for the relevant things then it is one of the most useful tools in market research and helps in creating the marketing strategies of the company. It has the potential to give the banks an insight into the existing and potential customers about their needs, interests and concerns about the brand.

III. SOCIAL MEDIA STRATEGY FOR BANKS AND ITS BENEFITS

Increasing Touchpoints: Banking institutions have traditionally struggled with making consumer connections, largely because they interact with customers only when needed. Social media increases connections, building on touch points so that consumers can see and interact with their bank or potential bank multiple times a month, week, or even day. In addition, the personal nature of social media gives banks the opportunity to work to build real relationships through branding, customer satisfaction, and value-added content.

Building Leads: With tools like limited time offers, special rates, introductions, and personalized solutions through chatbots create a sense of exclusivity and personalization – which will the banks to build Leads.

Improved Customer Support: Social media is already being used for customer support by most banks, but a deeper partnership with social media platforms will empower the banks to offer better support services. This helps in building stronger relationships with customers further improve response time.

More Coverage & Customer Base: Social media allows banks to reach a wider audience through social media marketing & advertising, deepening partnership with social media platforms will allow banks offer financial services to customers anywhere in the world, eliminating geographical constraints.

Sharing Data and Value: Social media gives new data sources, new insights, and new ways to connect with consumers. Social media marketing for banks often involves using rather than sharing data. But now, sharing data and company values helps in building trust. Like by sharing Facebook videos or Instagram photos, etc. add value to the customer's experience. More importantly, while these tools help you to build customer loyalty, they can also help you to increase product awareness and drive sales.

Using Emotional Targeting: One of the most common reasons customers switch banks isn't rates, it's emotions. While that's often anger or irritation regarding customer service, being able to connect with consumer's emotions

gives an advantage over other competitors. Creating emotional connections to finance is simple, mostly because there are often emotional reasons behind financial decisions. A partnership between banks and big social media giants will open up new possibilities in terms of personalizing the customer experience as data is shared between the two parties.

Social media also allows you to target your ads and posts more specifically. For example, Facebook and Instagram ads allow you to target based on location, age, gender, career, education, and interests, allowing you to greatly fine-tune what you are saying to the audience who most needs to hear it. How can you make the most of this? By highlighting periods when products are most popular (tuition loans in August-September, new car loans in January-April), you can create specific campaigns targeted at the people most likely to need them, leveraging the emotional aspects of the product rather than the product itself.

IV. CONCLUSION

The key reason for banks to jump to social media is to understand its potential customers and get to know the frustrations of its existing customers. Banks spend hundreds of thousands of dollars in order to get feedback and responses as they want to gauge the customer's needs and interests, yet all of this can be found in the social media by looking at what things we like, share and comment on. Social media is fully stacked with opinions, likes and comments. Although a lot of that is noise, however if we are able to filter it and look for the relevant things then it is one of the most useful tools in market research and helps in creating the marketing strategies of the company. It has the potential to give the banks an insight into the existing and potential customers about their needs, interests and concerns about the brand.

In today's world banks are not limited to only a branch. People have lesser time to spend on their banking activities and would like to avail the banking services through other channels. In a competitive market where the services offered command market share, banks are constantly vying for customers. Banking has become a process of choice and convenience. The rise of social media is a phenomenon that has swept through every sector of commerce in the past couple of years, slowly but surely transforming the manner in which companies deal with their customers. Banks, in particular, are precariously positioned as we enter an age where the customer is now not only always right, but always online and connected.

As technology and the financial industry evolve, so will attitudes towards social media and banking. Currently, the surface has been scratched and larger financial institutions have set upon some sort of social media strategy. There is still some way to go before there is complete consumer confidence in undertaking the bulk of one's banking via these forums, and in many ways not much will change aesthetically or structurally - people are still going to require local branches, 24-hour hotlines and traditional websites. Where the shift is likely to occur - if it has not already - is in how a bank attracts, communicates and interacts with its customer base. Marketing departments face the greatest challenge in not only adapting to this new opportunity, but also moulding it into something that the banks can control once more.

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