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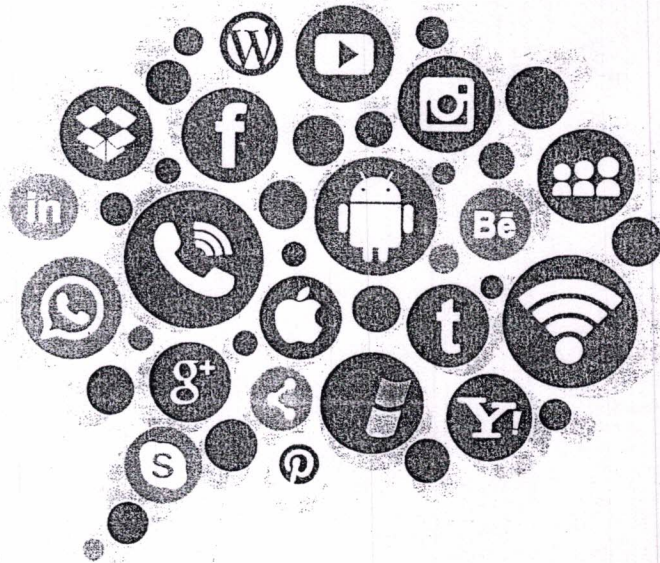
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Special Issue On
IMPACT OF SOCIAL MEDIA ON SOCIETY



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5. Book reading cannot be replaced for reading something on social media.

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Social Media and Banking

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Introduction: Social media is incredibly effective for all industries to promote and strengthen their brand. Many organizations have also learned to use social media for much more, and the banking industry is no exception. Banks now understand that social media's true power is found in its ability to connect brands directly with their customers. In other words, banks are using social media to communicate with clients, build credibility, launch new products and offerings, show their company's history and show off all that they are doing as it relates to social responsibility.

Social media although is new in the society, we can argue that it is here to stay. Social media platforms have gradually found their way into various aspects of our everyday life, replacing traditional media as they gain increasing popularity among users. Social media is no longer just a place where businesses can communicate with customers, it also offers an avenue for these businesses to create stable and profitable relationships with customers by making various transactions possible.

Banking Industry: The Banking industry is aware of the power of social media, it gives the customers a voice and enables the banks to connect and reach out to far more customers than traditional channels, but currently, banking activities on social media are limited to marketing products, engaging customers & providing support. Very few banks are keen on taking things a step further by offering transactional banking services on these platforms.

The future of banking is digital and social media will play an important role in shaping the banks of the future, while banks & customers might not be open to the idea yet due to concerns about data privacy & security risks, transactional banking on social media is already being put into practice by some banks like ICICI Bank & Kotak Mahindra Bank who allow their customers to transact online, and open new accounts using Facebook.

Consumer Banking: For everyday banking consumers, the banks focus on trying to connect with their customers on a personal level. One of the most effective ways to do this is to use social media to handle customer service issues in real time. As you can see from the TD

Bank example below, social media makes it incredibly easy to quickly respond to any customer and attempt to turn a negative experience into a positive customer service interaction.

Advertising on social media saves companies a lot of money. Financial service companies focus many of their advertisements on their rewards and benefits programs. Recently, Chase came out with a great marketing strategy. They decided to host private parties for Chase Sapphire credit card holders. Other than hosting free parties, they also ran many special promotions through social media advertisements. As you can see below, their promotion mentioned that if you dined at a specific location, you would receive extra points.

Investment Banking: There are many reasons why someone would choose to invest their money with one bank over another. However, the most important reason is trust. Social media can help any investment banking institution build a trust with their customers by showing multiple sides of their bank. One of the most effective ways that I've seen this done is by showing off a bank's history, and by promoting how successful they've been for many years.

Citibank uses social media to show off their investment banking prowess by promoting their history in investment banking through social media. The main reason why Citibank does this is that it allows consumers to know who they are and that they have been successfully doing exactly what the consumers need for a very long time.

Another example of a successful bank on social media is BNY Mellon. As seen below, put out their quarterly revenue reports on social media to show how their businesses are doing well. By putting out quarterly revenue reports, it will tell their clients, and possibly new potential customers, how well the bank is doing. BNY Mellon recently put out their second quarterly report, which provided analysis on how much revenue they generated over the past quarter, and their financial health.

Social Media: Recently, Facebook has asked large U.S. banks to share detailed financial information about their customers, including card transactions and checking-account balances, as part of an effort to offer new services to users. Besides connecting with friends, Facebook wants to be a platform where people buy and sell goods and services, in future more social platforms & banks would go into partnership to improve their service offerings to users & customers, the possibilities & opportunities such partnerships would open up are worth highlighting –

Greater Personalization: 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.

Bank will have greater insight into their customers' persona, spending patterns, preferences and important life events. This will enable them to develop products and service offerings that are more likely to meet customer needs & add real value to their lives.

For example – If a customer gets married and shares this information on social media, the banks can access this information and offer products that would be of interest to that customer, for instance – a house mortgage, Family insurance etc.

More Coverage & Customer Base : Already social media has allowed 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.

Imagine being able to transfer money from your bank account to a 'Facebook wallet' (& vice versa) in a secure and convenient manner and being able to make payments on websites, as well as receive funds from other sources using this Facebook wallet

Younger Customers: Younger customers (18-30 years) do not look forward to going to a branch to speak to a rep about their finances or discuss investment options, they prefer being able to manage their money from any location. This means their banks must be present at every communication touch point, whether it is telephone, social media, web or mobile apps.

This generation of customers will get attracted to the convenience of carrying out banking activities via their social media accounts. Banks will be able to leverage on this by cross-selling products which will be relevant to a younger customer base thereby deepening their relationship with the banks.

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 will help in building stronger relationships with customers further improve response time.

Already, ICICI bank – an Indian multinational banking and financial services company, has a mobile app that allows users to log in to their bank account using their Facebook credentials.

Conclusion: The banking industry clearly understands the importance of social media. Social media's ability to connect with your audience presents consumers with a side of your business they would normally have never seen before. It's a unique and powerful connection that only comes from social media. Want to learn more about the benefits of