

# TOPIC: Role of social media marketing in Indian Banking Sector

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## Abstract:

Social media marketing is the new mantra for several Organisations and various brands. Marketers are making the most of many different social media opportunities and beginning to implement new initiatives at a higher rate than ever before. It is among the best possible marketing options available to a brand for connecting with prospective consumers. Social media in marketing helps to win the trust of consumers by connecting with them at a deeper level. One cannot afford to have no presence on the social channels if the competitor is making waves with its products and services on it. The explosion of social media phenomenon and the pace at which it is growing is huge. Global companies have recognized the importance of social media marketing as a potential marketing platform and utilized them with innovations to power their advertising campaign. The banking sector in India is no exception and is making wide use of social media in marketing. This paper discusses the concepts of social media marketing and the role and relevance of social media in marketing of banking services in India.

**Keywords:** Social media, Social media marketing, Banking, Lead generation, Reputation management, High engagement, Customer engagement

## Objectives:

To understand the concept of social media in marketing

To study and analyse the use of social media marketing in Indian banks.

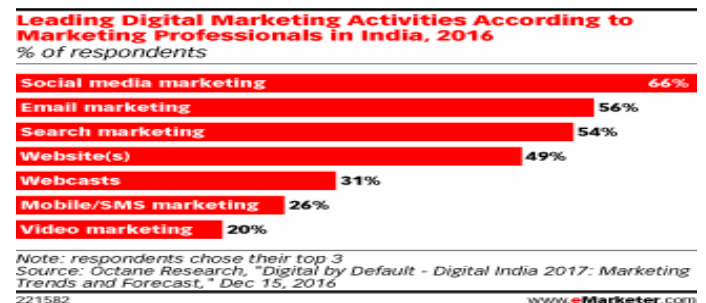
To explore the future scope of social media marketing in Indian banks

**Methodology :** The study is descriptive in nature. It is based on secondary data and primary data in the form of interviews , collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and bank web-sites are used in this study.

**Introduction :** Communication and interaction are as old as humanity itself. However, the paradox is that staying connected has never been as important as it is today. With the advancements in the technology , it is the age of social media. Social media therefore, was a response not just to the need to chat with friends, but to stay connected, learn, teach, grow, and create awareness. With approximately two billion people using social media around the world, no one can afford missing out on this powerful platform of possibilities. According to Wikipedia, social media is internet-based tools for sharing and discussing information among human beings. Social media is all about networking and networking in a way that espouses trust among parties

and communities involved. Some popular social media sites are: Facebook, YouTube, Twitter, LinkedIn, Flickr etc.

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. It is one of the most preferred options of marketing in the Banking sector.



Both private and public sector banks in India have established a social media fan following that matches that of their global peers. State Bank of India was ranked the number one social media brand among banks worldwide best by Financial Brand. YES Bank bagged the

fourth position as the top global bank on social media while ICICI, Axis, HDFC, and Kotak Mahindra all featured in the top twenty globally. But how exactly are Indian banks benefitting from social media marketing?

**Social media marketing is helping banks engage customers better**

For Indian banks, social media is not just another medium of advertising. It enables them to be a part of the lives of their consumers by initiating conversations beyond business. By actively listening to customer conversations in real time and gathering actionable insights, Indian banks are able to tweak strategies on the go, identify gaps, and build better solutions. In addition, by using social media to drive customised communication based on different customer groups, banks are better able to target specific customer groups – for example, working women. By mapping customer transaction behaviour with social media profiles and device usage, they are able to deliver more targeted, relevant, and meaningful messages on the channel of customer’s choice.

Let’s take a look at how the banking sector is leveraging social media for its growth:

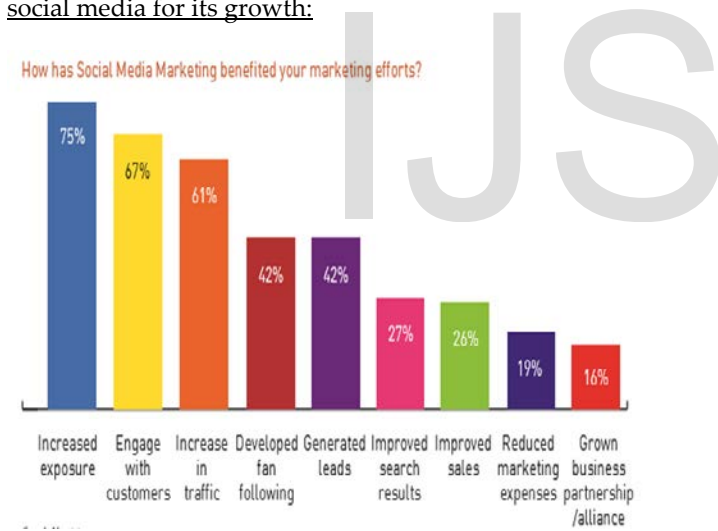


Fig : Benefits of social media marketing for Indian Banks

**Informed Marketing Campaigns:** Using social media, banks can gather information about the tastes, preferences, and needs of their customers. They can then use this information in running targeted marketing campaigns and saving on the overall marketing costs.

**Drawing Customer Insights:** Banks can leverage social media to draw insights about the requirements of a customer, based upon the information they share on social media. Banks can then integrate this external information with their internal core banking data to derive a holistic view of their customers.

**Lead Generation and Sales:** The posts shared by a customer, the likes, and retweets they perform, can all act as important leads for the banks. They can analyse this data and plan the next best actions to convert these leads into sales.

**Brand Development:** Word on the social media spreads like wildfire. People generally have a tendency to trust their peers more than a typical sales pitch when buying a product or a service. Retweets on twitter, endorsements on LinkedIn, shares on Facebook hold much more value in a customer’s decision making journey than an online ad. Banks can therefore leverage social media as earned media that leads to sales conversion in the future.

**Reputation Management:** Banks can hire or train social media savvy staff to create awareness around the philanthropic, community betterment, and other noble acts being undertaken by them. In addition to this, banks can also address and resolve the grievances of customers in a more dynamic and timely fashion on social media.

**Performance Management:** Banks can leverage social media to gather customer feedback, in an open, honest, and direct fashion. This would help banks create a transparent and accountable image in the public eye. They can also crowd-source ideas from customers on social media platforms and offer bespoke products and services.

**Indian banks and social media: Real world examples**

The strategies of social media pioneers such as State Bank of India, YES Bank, HDFC Bank, and ICICI throw light on how banks are using social media effectively to drive better outcomes.

- **Consistently ensuring high engagement on Twitter:** Virtually every month, SBI figures among the top five Indian brands in terms of brand engagement on Twitter, as per the Economic Times Brand Equity Twitter Advertiser Index. SBI’s campaigns, aimed at creating customer interest in digital services, saw high engagement from August 2017 to November 2017. A key aspect of SBI’s strategy is timely posts that educate and inform customers.
- **Using festive occasions to build goodwill:** YES Bank used the 2017 Diwali season to run a Digital Diya campaign that encouraged the Indian community to contribute to spreading the light of financial literacy in rural India. The campaign invited users to visit a microsite to light digital diyas. Enthusiastic users responded by lighting

one million digital diyas and the bank contributed an equal amount to spreading financial literacy, creating goodwill, and enhancing brand awareness.

- **Making social media listening a core activity:** In August 2017, HDFC Bank launched its in-house state-of-the-art Digital Command Centre (DCC) in Mumbai to listen, understand, and acquire valuable brand insights by monitoring customer conversations on social media. Using dedicated real-time dashboards, the DCC serves as a business intelligence tool for the bank, with its top management, central teams, and marketing department drawing upon its analysis. DCC insights help users realign campaigns and also take corrective action based on what influencers are saying on social media.
- **Using social storytelling to market niche products:** ICICI Bank's Fund Your Own Worth campaign promotes a savings account with special benefits for women who want to empower themselves. The campaign smartly leveraged social media storytelling by using socially curated real-life stories of successful women to sell a niche financial product, while also building brand affinity among working women.

### **Why is social media marketing going to be even more critical to the marketing mix in the future for Indian banks?**

Two-thirds of India's population is below 35 years of age. Factors like growing smartphone usage and the availability of affordable broadband data are increasing the number of active social media users. For banks, the social media phenomenon presents remarkable opportunities to drive engagement with customers. A Facebook-Boston Consulting Group Report on the state of social media in the financial services industry in India in 2017 revealed that there were 6 crore digitally influenced retail banking customers in India in 2016. By 2020, the number is expected to double to 12 crores. To meet the needs of customers who are comfortable using social media, it is vital for Indian banks to accelerate investment in social media marketing strategies, solutions, and talent.

### **Conclusion :**

With accelerating economic growth and increasing margin pressures, banks are not only competing among themselves, but also with disruptors like FinTechs, they can succeed with new social media strategies in this

environment. One option is to deploy a more integrated social media strategy by combining banking and social media analytics, text mining and social media marketing to identify profitable customers, and cross-sell as well as upsell products and services. Social media savvy banks are using employee brand advocates to drive brand engagement on social channels – something that more Indian banks can explore. There is so much more that the banking sector can do by leveraging social media. Embracing social media in their overall digital strategy is more of a necessity than an option. With more and more people joining the online social milieu, the banking sector needs to tap the realm of social media in order to augment its customer engagement and up its business.

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