

Moderation of Social Media between Customer Satisfaction and Brand Building in Private Sector Banks

K. Vinoth, Research Scholar, Department of Management Studies, St. Peter's Institute of Higher Education and Research, Avadi, Chennai 600054, Tamilnadu, India.

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Dr. R. Gayatri, Adjunct Faculty, Saveetha School of Law, Chennai- 602105, Tamilnadu, India

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Abstract

Nowadays social media is a popularly used tool, to communicate with each other and also to concentrate on a certain person/group. Social media are a part of the top IT trends of the technology world together with mobility, big data, cloud, and others. In recent years the social networks are increasingly replacing traditional media and are becoming increasingly popular among customers as a tool for businesses. Banking institutions are aware of the usefulness and importance of Social Media and also these days they also utilize this platform increasingly. However the institutions have to fulfill the requirements and needs of its customers by personalizing and displaying the specific requirements of the customers through value added offering provided by individualized care. Now social media is more of a marketing tool which enables in what is to be communicated. It helps in providing a media for exchange of views and opinions provides a channel for feedback and also help in the completion of needed banking operation transactions. Social media is very much a part of those businesses which relate to customers where the new age digital guides are used and where various models of social banking are getting used including banking using social media. The prime aim of the survey is to check whether Social media acts as a moderator in the relationship between customer satisfaction and Brand building. A sample of 136 respondents from Private sector Banks is included in the study. Questionnaire is used as study instrument. IBM SPSS v23 is used for analysis of the data. Bi-variate correlation and Moderated Multiple Regression analysis are the tools applied to achieve the objectives. Perceived quality followed by Brand awareness has got better relationship and Brand Assets has got moderate relationship with the Brand building dimensions. Further Social media serve as moderator and enhance the relationship between Customer satisfaction and Brand building in Private Sector Banks.

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Introduction

Social media is without any specific domain, general term used; internet-based methods developed on the ideological and technical basics of Web 2.0. Nowadays social media is a popularly used tool, to communicate with each other but also to concentrate on a certain person/group. Social media are a part of the top IT trends of the technology world together with mobility, big data, cloud, and others. In recent years the social networks are increasingly replacing traditional media and are becoming

increasingly popular among customers as a tool for businesses. Social media platforms are a place where business organizations can not only communicate with their customers, it also create stable and profitable relationships with customers by doing business. While taking this into account their customers are offered business operations and services which use the social media to make transactions. Banking institutions these days are fully abreast about the importance and prevalence of social media usage amongst customers and this media is utilized by the banking institutions to

help meet customers increasing expectations through personalization of their offerings in meeting customer requirements. The banking institutions while offering services through social media try to provide value added services. Several models of social banking which also include transactional social media transactions are on offer to the customers. Customers increasingly use the social media to communicate with and it's used to generate the content with the users. Customers' satisfaction and Branding are the two components which have a strong relationship with them and this seems to be the important goal of any Corporate. Private sector Banks is now concentrating on their customers in building the strong association to reach the loyal customers who admire and preserve the brand.

Social media in Banking

Banking institutions are open to newer ways of using social media to have multiple layers of communications with their customers who are familiar with and increasingly utilize the social media Banks propose association between them and their clients via social media involves four models:

- i. Social media as a marketing tool
- ii. Social media as a communication channel
- iii. Social media as a channel for feedback and reactions
- iv. Social media as a model for social media transactional Banking

Social media as a marketing tool

The banking institutions and banking sector has an opportunity to properly utilize social media as a prime marketing tool including a mode of being in touch with and to be able to communicate with their customers while also providing them transactional operations and services. Results that have come out in different studies indicate that customer satisfaction can get enhanced when social media while also building up the brand of the company. By engaging their customers and providing operations and services through social media the banking institutions can easily strengthen their brand equity and reputation through differentiation and helping to position strong brand associations in the mind space of the customer. Social media,

together with other tools has the potential to rebuild customer trust and in turn helping build closer relationships with them. It is seen that most of the Private sector Banks besides using media, like TV, online advertisements, direct sales promotion and email marketing to increase their sales, now utilize social media as an active channel of communication with their customers. Banks can increasingly use Social media for giving advertisements and to market their products and services and for building their brand equity. Banking sector like other sectors also can make use of social media for research purpose and to collect the customer data for customizing their offerings to the customers.

Social media as a communication channel

Social media are a gateway that enables the Banking sector to act fast to customers' clarifications and reacts to the needs and issues in a fast and quick and effectual approach. By starting to use social media as a marketing tool, banking sector can interact and communicate with their consumers even without utilizing other popular gateways and media, like call centers etc. Social media can be an easy method for banking companies to receive and resolve customer queries and concerns easily free of charge. A primary advantage of using social media is that numerous questions can be received and resolved at the same time which can make this tool both measurable and acting as an effective tool for responding to enquiries of prospects and in resolving customer complaints and issues.

Social media as a channel for feedback and reactions

By usage of social media now Banking sector has a unique opportunity to obtain customer feedback about the new products and services launched by them. Social media can also help in offering products and services to existing customers better. Banking sector by usage of social media can besides getting customer feedback for product and services optimization can also monitor and improve customer experience. Through social media, customers has a feedback window to convey their experiences of particular product or service and Banking institutions can also on the other hand provide

information on the causes for changes in products and services. The courtesy, care and concern of the Banking sector staff are also captured and highlighted. However usage of social media also calls for banking institutions to exercise due care in offering services and in the handling of the customer complaints as these are all in the public domain and can make or mar reputations.

Social media for transactional social Banking

Since social media is rapidly gaining ground in being a valuable marketing tool to provide quick and personalized customer interactions it can be also gainfully utilized to offer transactions using social Banking. Banking institutions are providing their clients a method of making valid transactions, including making fund transfers using Social media. Social media are thus also getting established as a gateway of making banking transactions which are fast and expeditious. Making of banking transactions are of course more amenable on a person to person basis. Facebook for example is being used by customers to make transactions to their Facebook account friends. Certain Banks are using social media as a platform, to their customers creating and exposing opportunity for rapid and expeditious transactions.

Review of Literature

E Constantinides, & S. Fountain in their article have defined Social media to be one of the recent developments serving as an online communication media, which has afforded an outstanding space for users to participate in. Social media transforms the one-to-many interacting medias into the many-to-many communicating mode. Social media has the attributes of information directness, contribution, communication, sharing and connection and so on. **D. K. Wright** and **M. D. Hinson** studied that it is very tough to provide and exact definition of social media though it is changing the interaction means of people as well as the organizations. Social media is a well-liked phrase evolving in the past few years, moreover it substitutes fashionable phrase, Web 2.0. O'Reilly was the pioneer who coined the word Web 2.0 and has stated it to a co-operative of a network which due its nature makes usage of its shared and collective wisdom (T. O'Reilly). **Dykeman** has stated that social media helps to publish creative

content in the digital medium and which helps in enabling real time feedback through on line discussions and by helping making adjustments and changes in digital contents. **Strauss & Frost**, defined social media to be tool for networking and which can help join investigation of network content, sharing of experiences and views and to build an action plan for commercial or amusement activities. As per **Safko & Brake** human groups use interactive social media to share information, opinions and knowledge which influence their actions, views and practices. They defined social media to be an Interactive media with tools based upon internet and through which people can create and easily communicate information through words, pictures, and videos, and thus people will melt into social media ecology circles. Steinfield et al. conducted their research on customer adoption of social media from the viewpoint of Social Capital. However, no study on factors affecting customer adoption of social media can be found from the perspective of social media characteristics. And so our study is to fill this void. **Dutka**, has stated that it is satisfied customers who can help business to increase revenues and decrease operating costs. Most companies feel confident that they have fully understood about customer satisfaction and about various ways to keep their customers delighted. Due to the increase in competition, the stagnation in the 1990s and the constriction of the global markets have highlighted businesses concern about customer satisfaction surveys. When the emphasis on customer satisfaction programs became tougher, banking companies are evolving newer methods to understand customers' requirements and to be offer products and services so that it helps the customers. Nielsen's customer satisfaction study shows that the tools and strategies of communicating with customers have changed since internet and social media penetrated our world. As a new online information source, social media is accepted by consumers for the purposes of recognizing about brands and services, products. Delighted customers also show interest in offering free advertisement for the banking companies Focusing on customer can help to achieve more profitability through selling to existing customers rather than finding newer ones. Companies are setting their strategies to ensure customer retention and to be more

customer-focused and service-oriented (Mohsan et al.). The study of Chantal Rootman and Nicole Cupp indicated that social media affects customer satisfaction and customer retention in the Banking industry, a questionnaire was used in an empirical investigation to gather the responses of 150 customers and 30 managers. Study showed strong significant relationships between both benefits and trustworthy content and customer satisfaction, as well as between customer satisfaction and retention. Their study has suggested Banks to use social media channels to increase customer satisfaction and retention and that the successful Banks, ultimately contribute positively to the economy.

Objectives of the study

- To study the association between the customer satisfaction and Brand building in Private sector Banks.
- To identify the effect of Social media as moderator in the relationship between customer satisfaction and Brand building in Private sector Banks.

Methods and Design

This study focuses on the identification effect of Social media as moderator in the relationship between customer satisfaction and Brand building in Private sector Banks. In Private sector Banks various factors of customer satisfaction are considered to retain the customers and this will also help the Private Banks to enhance the level of satisfaction in customer's point of view. The purpose of this study is to check the social Media's impact on customer satisfaction towards the Brand building in Private sector Banks. A sample of 136 respondents having access with the Private sector Banks in Chennai responded to the study. This study comes under the category of descriptive research. To achieve the objectives, questionnaire is developed as the study instrument. Simple random sampling, a probability sampling technique is applied to choose the respondents. The respondents are the existing customers' especially good users of internet who are having access with the Private sector Bank branches of ICICI Bank, HDFC Bank and Axis Bank in Chennai. The respondents are selected irrespective of age, gender, education, occupation and their family background. The

questionnaire comprises of two parts. The first part covers the scales on Customer satisfaction, perception on Social media on Banking and Brand building. Second section comprises of personal details of the respondents such as age, gender, education, income, marital status and occupation. The second section covers 5-point Likert scale questions. Books, Journals, magazines, Newspapers and online act as secondary data source. Bi-variate Correlation coefficient is applied to find the association between the customer satisfaction and Brand building. Moderated Multiple regression is applied to identify the moderation effect of social median in the relationship between Customer satisfaction and Brand building. IBM SPSS v.23 is used for data analysis.

Results and Discussion

A sample of 136 respondents from Private sector Banks was selected for the study. 63.2% of the selected respondents are males and remaining are females. 34.6% of the sample constitutes the graduates and 52% of the respondents fall in the middle aged category and 33% of the respondents' annual income is less than 3 lakhs.

The reliability of the study is found to be 0.813, which shows 81.3% of reliability. Since the reliability of the study is good and the association between the Customer satisfaction and dimensions of Brand building dimensions are obtained. Table-A depicts the association between customer satisfaction and Brand building:

Table-A
Association between Customer Satisfaction and Brand building

	Customer satisfaction	
	r-value	p-value
Brand awareness	0.532**	< .001
Perceived quality	0.601**	< .001
Brand association	0.512**	< .001
Brand Assets	0.405**	< .001
Brand Loyalty	0.423**	< .001

**Significant at 1% level

It is noted from the Table-A that the customer satisfaction in Private Banks has good association with the dimensions of Brand building. Perceived quality followed by Brand awareness has got better relationship and Brand Assets has got moderate relationship with the Brand building dimensions.

It is a known fact that the Customer satisfaction influences Brand building in Private Sector Banks. Moderated multiple regression analysis was carried out by taking Brand building as dependent variable, Customer satisfaction as independent variable and Social media as

independent variable. The idea in performing moderated multiple regression is to check whether 'Social media' acts as a moderator in the relationship between Customer satisfaction and Brand building. Mean centering was done to reduce the collinearity in moderated multiple regression.

In performing moderated multiple regression, Customer satisfaction and Social media (main effects) are taken in Block 1 and interaction effect was taken along with main effect in Block 2. The results of moderated multiple regression are shown in Table-B.

Table-B
Results of Moderation of Social media between Customer satisfaction and Brand building

	R²	Adjusted R²	R² change	F change	Beta	t value
Block-1						
Customer satisfaction (main effect)	0.532	0.522	0.532	30.25**	0.533	8.326**
Social Media (main effect)					0.216	3.159**
Block-2						
Customer satisfaction (main effect)					0.508	7.019**
Social Media (main effect)	0.616	0.606	0.084	16.98**	0.191	3.017**
Interaction					0.332	4.654**

** Significant at 1% level

First Block in the model shows that R^2 value is 0.532 and the model is significant at 1% level. t -values in Block-1 of Table-B show that Customer satisfaction and Social media are significant predictors of Brand building. Block-2 in the model shows that R^2 value is 0.616, and the model is significant at 1% level. The interaction explains 8.4% of the variance in the Brand building above the additive effect of Customer satisfaction and Social media; this increment in explained variance (F change = 16.98) is significant at 1% level. Hence from Block-2 of Table-B, it is observed that Customers satisfaction enhances Brand building by 0.508 units and Social media improves Brand building by 0.191 units. Hence Social media serve as moderator and

enhance the relationship between Customer satisfaction and Brand building by 0.332 units in Private Sector Banks.

Conclusion

Social media are part of the main IT trends of this decade along with cloud, big data, mobility and others. Well-established global tendency to variously and to fully exploit use of social platforms for delivery of business solutions is taken into account with due consideration of the financial institutions. That is the reason behind them being well orientated and active on social media at global level. Traditionally Banks are on the cutting edge in applying actual information and communication technologies. Social media is

already being used by the Banks are now establishing as a practice the usage of Social media in Banking, as a tool for marketing, communication and obtaining feedback. For many of the banking companies, social media is a place for conducting business through active Banking transactions. Therefore for Private Sector Banks in Chennai should promote the transactional social Banking as an actual product. Customer satisfaction in banking sector has good relationships with Brand building dimensions. Perceived quality followed by Brand awareness has got better relationship and Brand Assets has got moderate relationship with the Brand building dimensions. Private sector Banks should conduct some loyalty programs to convert the satisfied customers in to loyalty customers of the Bank. Further Social media serve as moderator and enhance the relationship between Customer satisfaction and Brand building in Private Sector Banks.

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