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Here's how social analytics can help financial institutions to reach out to potential customers with personalized service offerings and products that cater to individual customer preferences



How financial institutions can leverage social analytics to take informed business decisions

The widespread usage of social media in business has redefined the way enterprises approach customer engagement and business growth strategies. With social media turning into a mainstream form of communication, people are providing detailed information about themselves, their preferred products and services, particulars about their daily activities and other important aspects about their personality. This information has the power to not only influence their personal network, but it also allows companies to understand consumer preferences, and customize their product and service offerings accordingly.

In a market characterized by economic uncertainties and increased competition, an undivided focus on customer acquisition and retention has become the primary objective of the banking and financial services industry today. Banks compete to reach out to potential customers with personalized service offerings and products that cater to individual customer preferences and investment behaviors. However, acquiring information on target customers, their choices and financial preferences is a challenging task given the enormous amount of data that needs to be gathered, processed, analyzed and interpreted accurately to drive effective business decisions. This is where social analytics come in.

Social analytics involves aggregating unstructured data from across social networks and analyzing this data objectively to help enterprises take effective business decisions. It allows voluminous data to be processed quickly and efficiently using automated tools to enable companies to create better channels of communication with their customers and other key stakeholders, increase cross selling opportunities, provide enhanced

customer experience and offer targeted solutions.

There are four key areas where financial institutions can utilize the benefits of social analytics to take informed business decisions.

Marketing and sales: By studying buyer behavior and preferences, bankers can structure brand promotions, new product/service announcements, marketing plans and advertising strategies to ensure enhanced brand equity and alignment.

Product development: Customer preferences highlighted on social networks can help enterprises create new products/services to cater to specific requirements of their target customers.

Customer service: Organizations can gauge the effectiveness of their offerings by analyzing customer feedback expressed on social media. Banks can utilize this feedback to ensure that any grievances are quickly redressed for enhanced customer satisfaction and retention.

Risk management: Social analytics can help banking and financial institutions manage their risks proactively. By analyzing customer behavior and data available across social network, bankers can assess and manage risk more effectively.

It is evident that banking and financial services industry can gain several business benefits by integrating social analytics into their core business strategy. By tapping into social data and implementing analytics solutions, financial institutions can harness the power of Web 2.0 analytics in order to stand out in today's competitive market place, improve brand awareness, and increase customer experience and loyalty — all of which are likely to result in an improved bottom line. [IW](#)

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