

# Impact of Social Media Marketing On Customer Engagement

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## Abstract

This research seeks to examine the impact of social media marketing on banking customers, highlighting how sites like Facebook, Instagram, and YouTube influence awareness, involvement, and decision-making within the banking sector. The study emphasizes the significance of digital marketing strategies in improving financial services and promoting more effective communication among financial institutions and their customers. The research was conducted at Krantibhumi Multiple Urban Nidhi Ltd., Chiplun, employing surveys and inspections. Findings show that while traditional marketing remains significant, social media has become an essential tool for improving customer relationships and increasing brand consciousness. Still, many banks are in the early stages of effectively executing these platforms. The study reveals that integrating social media marketing into a holistic business method can help banks attract younger customers, improve transparency, and strengthen economic understanding among the community.

**Keywords:** Social Media, Online Marketing Banking Sector, Customer Engagement, Promotional Strategy.

## 1. Introduction

### 1.1 Context of the Research

The rise of social media has transformed how businesses interact with their customers. Platforms such as Facebook, Instagram, Twitter, and YouTube enable organizations to engage with individuals quickly and affordably. In the banking industry, social media marketing has emerged as a creative strategy to enhance customer interaction and advertise financial services.

Krantibhumi Multiple Urban Nidhi Ltd., based in Chiplun, Maharashtra, is an emerging financial entity that offers banking and lending services to its surrounding community. This research examines the ways in which the bank utilizes social media to enhance customer awareness and draw in prospective clients.

### 1.2 Purpose of the Research

Banking clients nowadays are more connected digitally than at any other time. The majority of people favor online interactions and look for information regarding financial products via social media platforms.

Analyzing the effects of social media marketing aids in grasping how successfully banks connect with their audience and how it shapes customer opinions and choices.

### **1.3 Study Scope**

The research examines the clientele of Krantibhumi Multiple Urban Nidhi Ltd. located in the Chiplun area. It explores how social media enhances awareness, fosters trust, and boosts customer satisfaction, specifically focusing on marketing strategies on Facebook and Instagram.

### **1.4 Importance of the Research**

The study emphasizes how contemporary marketing strategies can assist cooperative and Nidhi banks in competing against bigger institutions. It offers perspectives on enhancing communication, marketing services, and engaging younger audiences via digital channels.

## **2 PROBLEM STATEMENT**

In the current competitive landscape, the success of any bank relies not just on the quality of its offerings but also on its effectiveness in communicating with clients. The rise of social media marketing has changed the way companies engage with their audiences, enabling banks to provide updates, advertise new offerings, and foster brand loyalty instantaneously.

Nevertheless, in spite of the swift expansion of digital platforms, numerous cooperative and Nidhi banks—such as Krantibhumi Multiple Urban Nidhi Ltd.—remain in the nascent phases of leveraging social media as a strategic marketing instrument. Their marketing strategies frequently depend largely on conventional techniques like word-of-mouth and printed content, which restrict their audience and do not connect with younger, tech-savvy consumers.

The divide between contemporary marketing strategies and conventional outreach techniques has led to difficulties in customer awareness, involvement, and loyalty. Numerous clients are oblivious to the bank's existence on social media or the variety of services it provides via digital platforms.

As a result, the organization finds it difficult to compete with bigger banks that effectively use social media for marketing and managing customer relationships.

The primary issue explored in this research is the insufficient comprehension of how social media marketing influences customer awareness and actions concerning cooperative banking. The study seeks to evaluate the impact of platforms such as Facebook, Instagram, and YouTube on customer views of Krantibhumi Bank, examine the efficiency of its existing marketing initiatives, and pinpoint tactics to enhance online presence and interaction.

In conclusion, this research aims to address the knowledge gap by assessing the effects of social media marketing on banking clients and recommending practical steps that Krantibhumi Multiple Urban Nidhi Ltd. can take to improve its digital marketing effectiveness.

## **3 OBJECTIVES OF THE STUDY**

This research aims to analyze the impact and efficiency of social media marketing on enhancing customer awareness and involvement in the banking industry.

In the current age of digital change, marketing is no longer limited to conventional print or word-of-mouth methods; instead, it has transformed into a more engaging, technology-oriented, and customer-focused approach.

This research examines how Krantibhumi Multiple Urban Nidhi Ltd., located in Chiplun, uses social media platforms like Facebook, Instagram, and YouTube to market its services, engage with clients, and enhance its brand presence in the local community.

### **3.1 General Objectives**

To evaluate the overall effect of social media marketing on banking clients regarding Krantibhumi Multiple Urban Nidhi Ltd., and to comprehend how digital interaction affects awareness, trust, and customer contentment.

### **3.2 Specific objectives**

1. To examine the impact of social media on the promotion of financial products and services
2. To evaluate the level of customer recognition about the bank's existence on social platforms.
3. To identify the factors influencing customer engagement via social media marketing.
4. To analyze the influence of social media marketing on consumer choices.
5. To determine the obstacles encountered by the bank in executing social media marketing

The goals collectively seek to offer a thorough insight into how social media marketing enhances customer awareness, engagement, and satisfaction within the banking industry. The research will assist Krantibhumi Multiple Urban Nidhi Ltd. in recognizing its strengths and weaknesses in digital communication, paving the way for a more efficient marketing strategy ahead.

## **4 LITERATURE REVIEW**

The literature review establishes a basis for comprehending how social media marketing influences customer awareness and engagement within the banking industry. It assists in recognizing earlier discoveries, gaps in research, and the significance of the present study. Numerous academics, researchers, and organizations have investigated the impact of digital marketing and social media on consumer behavior, especially in the banking and service sectors.

### **4.1 Kotler & Keller (2020)**

Kotler and Keller, in their work *Marketing Management*, describe how the marketing environment has transitioned from conventional advertising to interactive, digital, and relationship-oriented marketing. They claim that social media sites facilitate interactive communication between businesses and customers, helping brands to cultivate trust and loyalty. Their framework endorses the notion that financial institutions can establish stronger ties via online engagement, regular updates, and customer interaction.

### **4.2 Mangold & Faulds (2019)**

Mangold and Faulds characterized social media as a “hybrid marketing system” that combines traditional word-of-mouth with contemporary technology. They highlighted that social media empowers customers to affect others with their experiences and reviews. For banks, this indicates that online customer satisfaction can directly influence brand reputation and the potential to attract new customers.

**4.3 Singh and Malhotra (2022)**

In their research titled “The Role of Social Media in Customer Engagement for Indian Banks,” Singh and Malhotra discovered that social media has emerged as one of the most powerful instruments for enhancing customer participation and awareness. They determined that banks that frequently share pertinent content, answer questions, and utilize visual media see greater customer retention rates than those that depend exclusively on conventional advertising.

**4.4 Mehta and Sharma (2021)**

Mehta and Sharma’s study on Digital Marketing in Cooperative Banking indicates that numerous cooperative banks in India still do not have organized digital marketing strategies. Their results indicate that constrained resources, insufficient skilled staff, and minimal technological adoption hinder smaller banks from maximizing social media for marketing purposes. This perspective is especially pertinent to Krantibhumi Multiple Urban Nidhi Ltd., which encounters comparable difficulties.

**4.5 Zeithaml and Bitner (2019)**

In their study on Services Marketing, Zeithaml and Bitner emphasize the significance of communication in influencing customer views. They clarify that regular and clear communication through all marketing channels fosters customer trust in service-driven organizations such as banks. Their study emphasizes the importance for banks to utilize social media not just for promotion but also for managing relationships and providing customer support.

**4.6 Reserve Bank of India Publication (2023)**

The Trends and Progress of Banking in India report by the RBI recognizes that digital outreach and financial education initiatives via social media have played a crucial role in enhancing banking access in rural and semi-urban regions. The report indicates that smaller financial institutions can enhance customer awareness by utilizing straightforward, attractive, and informative digital content.

**5 METHODOLOGY**

Research methodology forms the basis of any study, as it details the approach used for gathering, analyzing, and interpreting data to reach significant conclusions.

The current research, named “Influence of Social Media Marketing on Banking Clients: A Case Study of Krantibhumi Multiple Urban Nidhi Ltd., Chiplun,” relies on primary and secondary data sources.

The approach taken is descriptive, aiming to comprehend customer perception, awareness, and levels of engagement related to the bank’s social media efforts.

**5.1 Research Methodology**

The research adopts a descriptive and analytical approach.

A descriptive design aids in identifying and detailing the trends of customer awareness and behavior concerning social media marketing.

Analytical factors are utilized to analyze connections between marketing efforts and customer reactions, offering a more profound insight into the bank’s digital communication tactics.

This blend of methods guarantees that the research stays applicable, evidence-driven, and pertinent to actual marketing issues.

## 5.2 Field of Research

The study took place in Chiplun, Maharashtra, where Krantibhumi Multiple Urban Nidhi Ltd. functions as a community finance organization.

The research centers on the bank's clientele and nearby inhabitants who are either current clients or prospective customers influenced by its social media initiatives.

## 5.3 Demographics and Sample Selection

The overall population consists of all clients and social media followers of Krantibhumi Bank.

Owing to constraints on time and resources, a sample of 50 participants was chosen through the convenience sampling technique.

This approach was selected because it enables data gathering from readily accessible respondents, especially those visiting the branch or interacting online with the bank's social media platforms.

The sample consists of a combination of:

Current clients of Krantibhumi Bank

Prospective clients from the Chiplun area

Users of social media who have engaged with the bank's digital promotions

## 6 ANALYSIS AND INTERPRETATION OF DATA

Data analysis is a vital aspect of any research project, as it converts raw data into valuable insights.

The information gathered from 56 participants via structured questionnaires has been meticulously examined to comprehend the influence of social media marketing on banking clients.

Basic statistical tools like percentages and bar graphs are employed for enhanced clarity and presentation

### 1. What is your age group?

56 responses

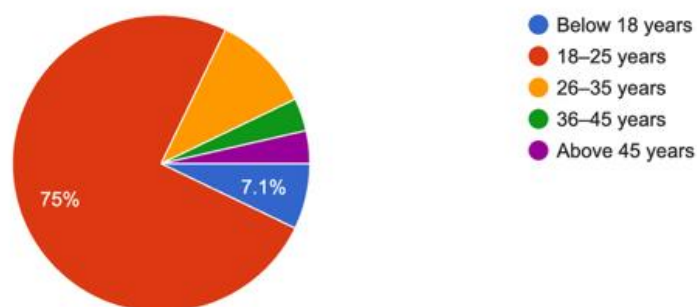


Figure 1 Age Group

### Interpretation:

*Most respondents (75%) fall within the 18–25 years age range, indicating that young adults are the primary users of social media and are more impacted by digital marketing within banking.*

## 2. What is your gender?

56 responses

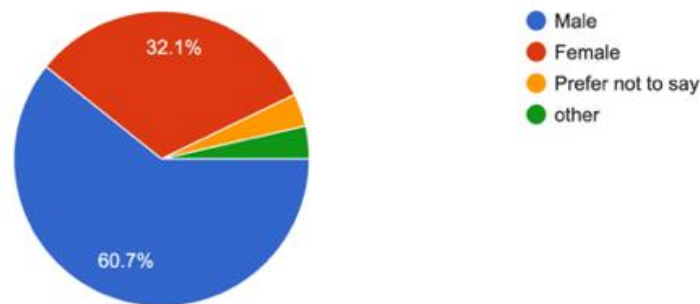


Figure 2 Gender

### Interpretation:

Most respondents are male (60.7%), with females at 32.1%, suggesting that both genders actively utilize social media, though male users show a slightly higher level of engagement with banking content.

## 3. What is your occupation?

56 responses

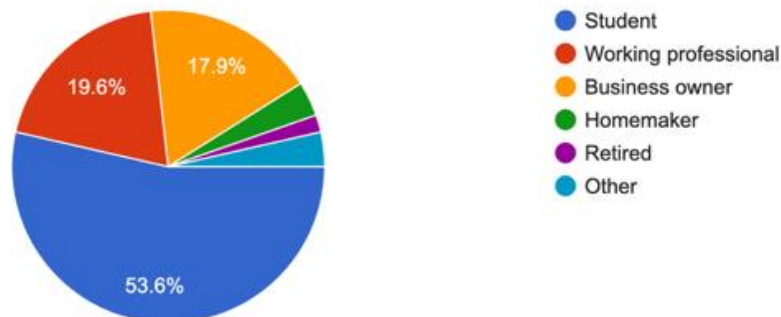


Figure 3 occupation

### Interpretation:

Most respondents are students (53.6%), with working professionals making up 19.6%, indicating significant involvement from the youth

4. Do you use any banking services?

56 responses

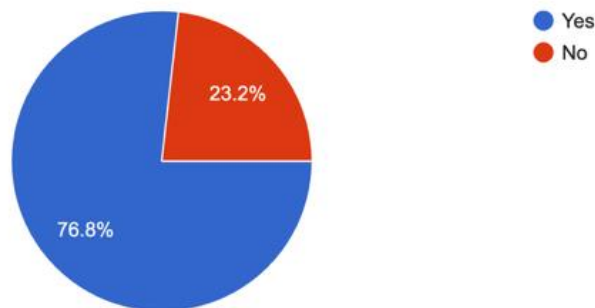


Figure 4 services

### Interpretation:

*A significant 76.8% of respondents utilize banking services, reflecting strong financial awareness and involvement*

5. Which social media platforms do you use most?

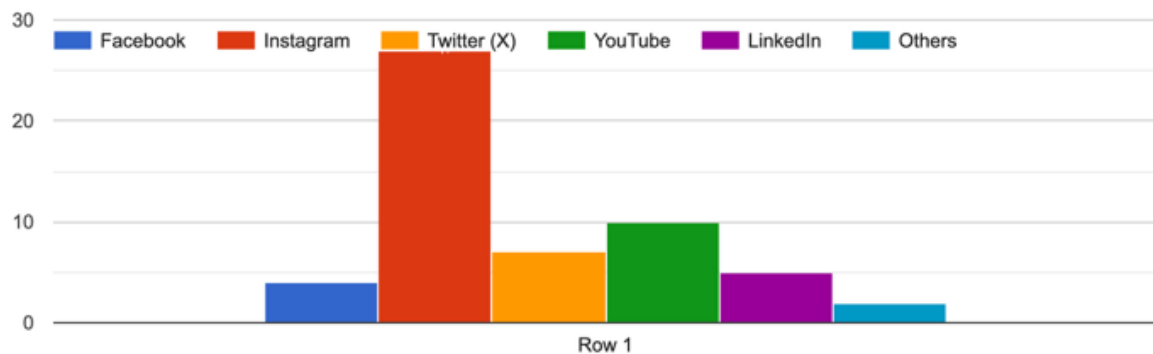


Figure 5 Social media

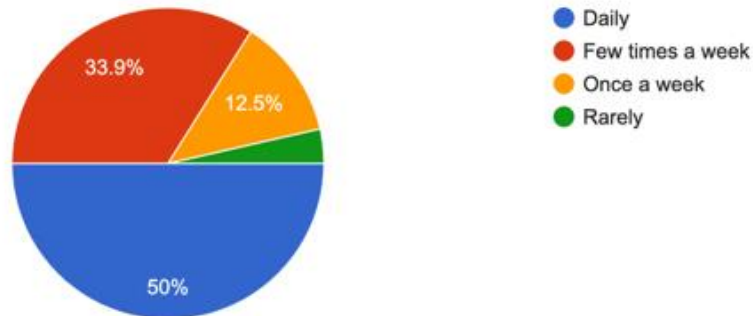
### Interpretation:

*Instagram is social media platform are most uses*



## 6. How often do you use social media?

56 responses



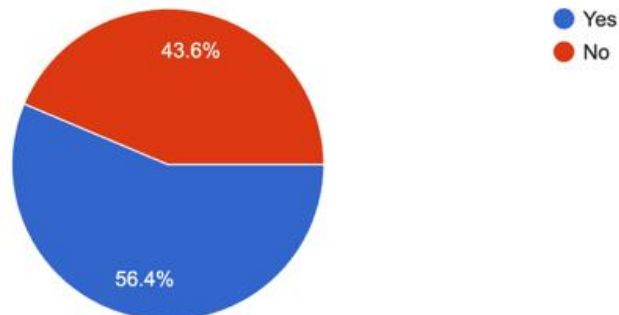
*Figure 6 Use of social media*

### Interpretation:

*Daily in most use social media*

## 7. Do you follow any bank pages or accounts on social media?

55 responses



*Figure 7 Bank pages or accounts*

### Interpretation:

*A significant portion of the cohort (56.4%) is actively interacting with social channels owned by banks, indicating strong digital engagement.*



8. How did you first hear about your bank's services or offers?

56 responses

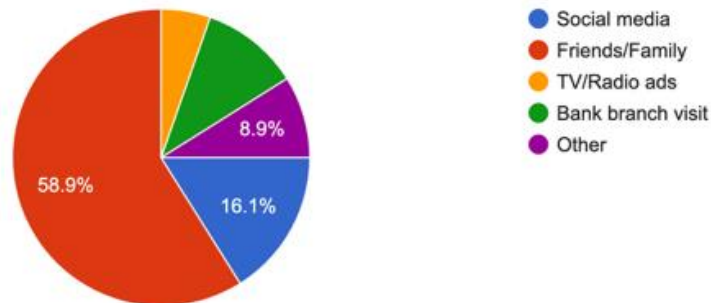


Figure 8 Offers

### Interpretation:

Most participants (58.9%) obtain information from friends and family, emphasizing word-of-mouth as the primary communication influence

9. Have you ever seen advertisements or offers from banks on social media?

56 responses

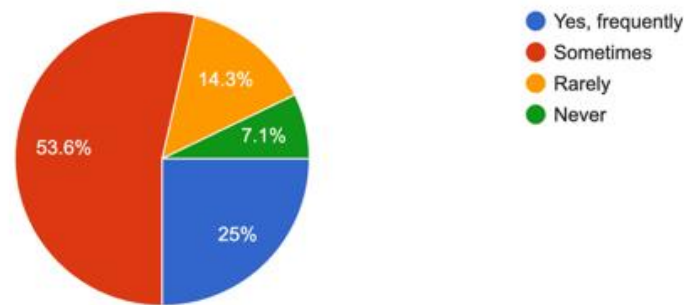


Figure 9 Advertisements or offers

### Interpretation:

More than half of the participants (53.6%) experience bank promotions occasionally, suggesting consistent yet unobtrusive campaign awareness.

10. What type of bank posts do you like the most on social media?

55 responses

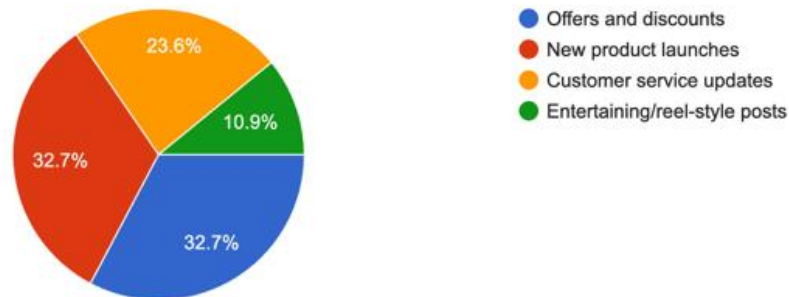


Figure 10 Bank most like social media

### Interpretation:

Viewers exhibit a combined interest in promotions/discounts and the introduction of new products (both 32.7%), emphasizing the need for value-focused content.

11. Has social media helped you understand bank services better?

55 responses

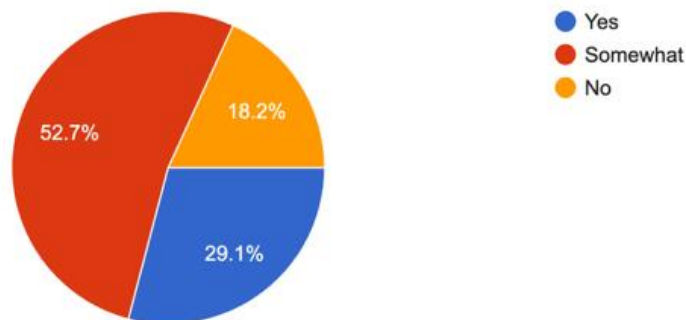


Figure 11 understand bank services

### Interpretation:

A notable portion (52.7%) indicates no improvement, highlighting a distinct discrepancy in content comprehension and educational effectiveness.

12. Have you ever opened a bank account or taken a service after seeing it on social media?

56 responses

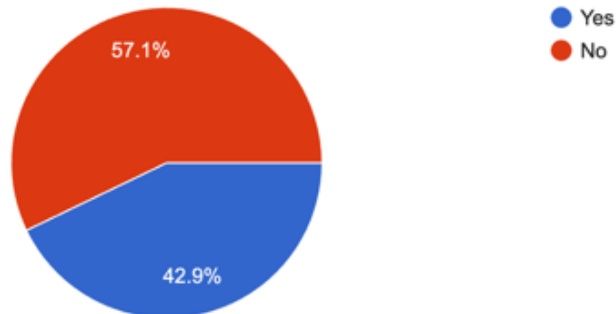


Figure 12 Account an taken service

### Interpretation:

A large portion (57.1%) has not transitioned, indicating a weak response to the call-to-action.

13. How much do you trust information shared by banks on social media?

56 responses

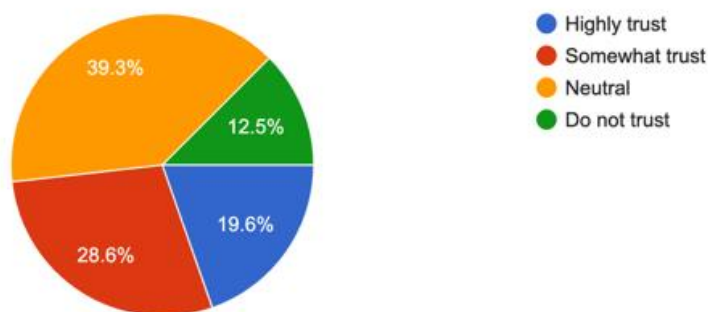


Figure 13 trust

### Interpretation:

Neutral sentiment prevails (39.3%), indicating a careful yet receptive consumer trust attitude.

14. Do social media posts affect your choice of bank?

56 responses

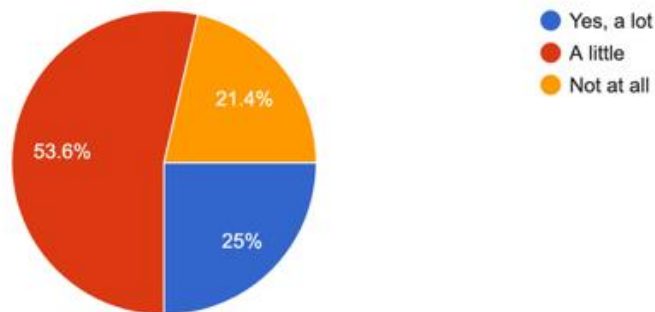


Figure 14 Posts effect

### Interpretation:

Most participants (53.6%) acknowledge minimal impact, suggesting that social content functions as a gentle persuasion mechanism.

15. Do you think social media marketing helps banks connect better with customers?

56 responses

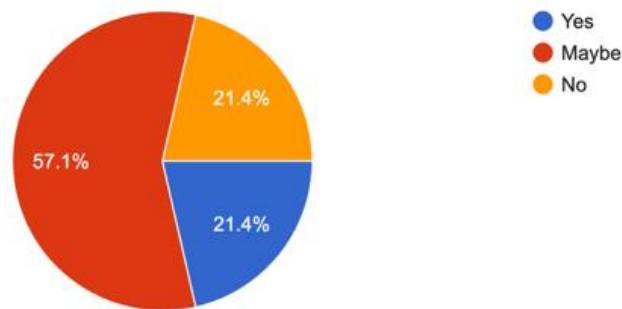


Figure 15 Connect customers

### Interpretation:

Most (57.1%) respond with "Maybe," indicating possible yet unexploited strategic opportunities for enhanced digital interaction.

## 7. Findings of study

The research named “Effect of Social Media Marketing on Banking Clients concerning Krantibhumi Multiple Urban Nidhi Ltd., Chiplun” uncovers various significant findings. The study revealed that most participants (75%) are in the 18–25 age bracket, indicating that young adults are the most engaged and interactive audience on social media platforms. Most respondents were male (60.7%), with 32.1% being female, suggesting that both genders are involved, though men interact a bit more with digital banking materials.

Approximately 64% of participants recognized the bank's existence on social media, whereas 36% did not, indicating that the bank enjoys moderate visibility but requires broader promotion. Facebook and Instagram were the most favored platforms, indicating that engaging visual and interactive content draws more participation. Participants favored informational content rather than promotional ads, indicating that valuable and educational material fosters greater trust.

Additionally, approximately 76% of clients concurred that social media affects their banking choices, demonstrating that digital marketing significantly impacts awareness and service adoption. Nonetheless, the research identified obstacles such as inconsistent posting, insufficient technical knowledge, and restricted advertising funds, which impact continuity and audience reach.

In conclusion, the results indicate that social media marketing positively influences banking clients, particularly younger users. Krantibhumi Multiple Urban Nidhi Ltd. can enhance its online visibility by posting consistently, creating engaging content, and implementing customer-centered communication tactics

## 8. RECOMMENDATION AND CONCLUSION

### 8.1 RECOMMENDATIONS

According to the results of the research, the subsequent suggestions are proposed to enhance the social media marketing approaches of Krantibhumi Multiple Urban Nidhi Ltd., Chiplun:

- **Share Consistently:**  
The bank needs to uphold a regular posting routine on Facebook and Instagram to keep customers notified and involved.
- **Distribute Educational Material:**  
Concentrate on informative and helpful content like saving advice, product information, and brief awareness clips instead of merely promotional material.
- **Create a Compact Marketing Group:**  
A skilled team or intern group ought to manage online promotions, address inquiries, and organize campaigns more efficiently.
- **Utilize Sponsored Advertising:**  
Allocate funds for small paid ads to expand your reach and draw in new customers by utilizing targeted social media advertising.

- **Promote Customer Engagement:**

Engage with customer remarks, carry out surveys, and gather input to foster stronger connections and confidence

- **Encourage Community Narratives:**

Showcase local customer achievements and distribute content in the regional language to enhance the relatability of campaigns.

## 8.2 CONCLUSION

The current research named “Impact of Social Media Marketing on Banking Customers concerning Krantibhumi Multiple Urban Nidhi Ltd., Chiplun” finds that social media marketing has emerged as a vital and powerful instrument in the contemporary banking industry. The research results distinctly show that platforms like Facebook, Instagram, and YouTube are crucial for raising awareness, enhancing customer interaction, and shaping banking choices, especially for younger individuals. The research emphasizes that engaging and educational content draws the greatest attention from consumers, aiding banks in fostering trust and enduring relationships. Most participants engage with social media daily, highlighting significant chance for financial institutions to interact with customers more efficiently via regular and innovative online marketing efforts.

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