

How Facebook Can Be Utilized to Provide Online Banking

Social media has grown tremendously over the past few years and connected people globally in ways that were never envisioned twenty years ago. People reconnect with former schoolmates they knew thirty, forty, and even fifty years ago. Social media has expanded over time and can now be used to:

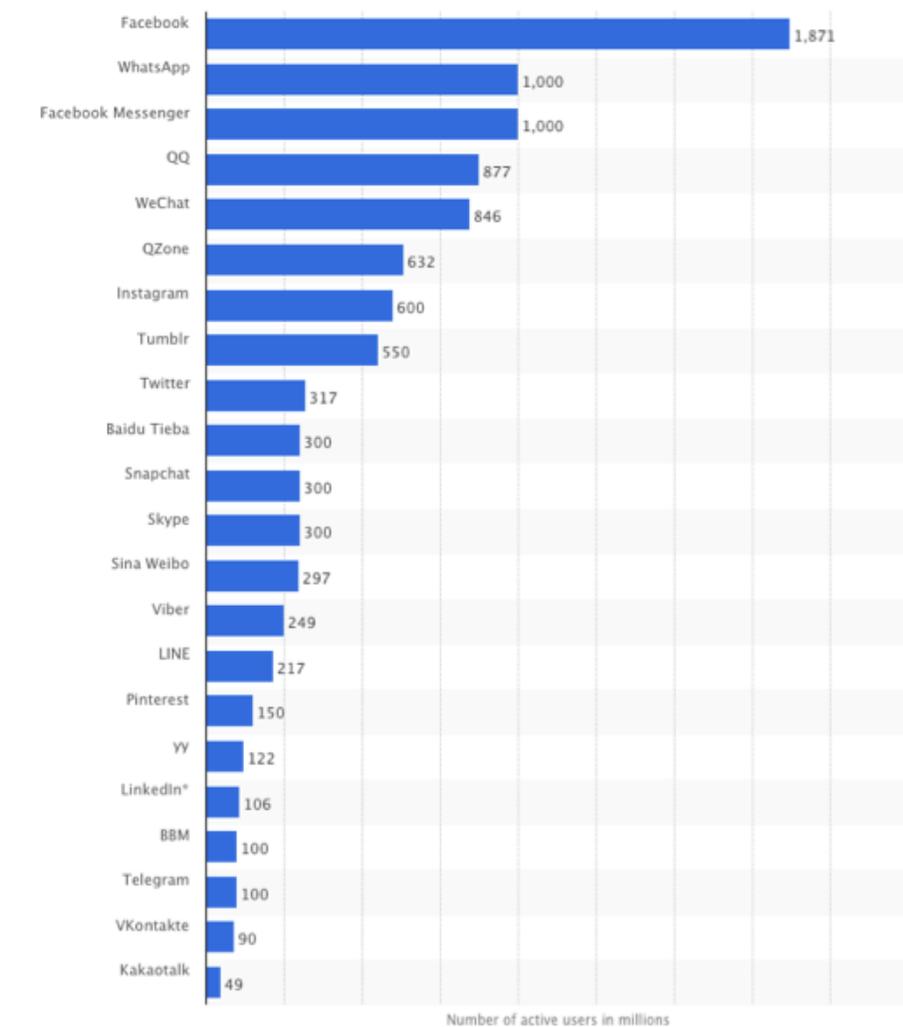
- Plan events;
- Read the news;
- Follow celebrities
- Play games;
- Shop;
- Share photos;
- Check-in at public places;
- Update friends and families about life events;
- And countless other features....

The Global Digital Snapshot below illustrates how clearly the digital world has permeated our lives.



Many consumers utilize more than one social media platform and relegate different tasks to each platform. Based on the chart below, Facebook by far is the primary social media platform used almost twice as much as the runner-up, WeChat. If you include the data from Facebook messenger, it is used nearly three times as much as the second place finisher. This makes Facebook a powerful tool and an attractive ally to provide services of all kinds to customers.

Social network sites worldwide ranked by number of active users (in millions, as of January 2017,)



In “[Banks That Have Implemented Social Media Payments Through Facebook and Twitter](#),” Let’s Talk Payments reported on a number of financial institutions already utilizing Facebook to augment their product offerings.

Rakuten Bank (Japan): “Transfer by Facebook” is Japan’s first money transfer service to use social media. Facebook users can transfer money to anyone on their friends list with the app.

Royal Bank of Canada: Initially launched on Royal Bank’s iPad app in December 2013, they now offer the ability to send Interac E-transfers through Facebook.

ASB Bank (New Zealand): P2P payments app allows ASB’s online customers to send money to their Facebook friends, whether the friend is an ASB customer or not.

FNB Bank (South Africa): FNB Facebook allows users to access some banking services by linking their Facebook profile to their cell phone banking profile.

Commonwealth Bank (Australia): CommBank Kaching for Facebook enables users to make payments from Facebook friends or anyone with a mobile number or email address.

GT Bank (Nigeria): GT Bank was the first bank to develop a highly secure Facebook app for:

- Online Account Opening;
- Airtime Recharge;
- Money Transfer;
- Bill Payment;
- GT Bank Account Balance Requests;
- Customer Service

GT Bank's early embrace and adoption of Facebook as a tool has led to GT Bank being Africa's most "liked" bank on social media and one of the country's most "liked" brands overall on Facebook.

If you are an active Facebook user, you may have received spam messages from a "friend" who is stranded and desperately needs money. Some worry that having your bank account linked to your Facebook account, it will be easier for those spammers to commit fraud and for you to lose some money. Banks that utilize Facebook as a conduit for payments are guaranteeing that your money will not be lost. Facebook is quietly promoting itself as a "place for privacy" which could lead to other industries entry onto the platform.

Business Insider, reporting on Facebook's partnerships with banks in "[Facebook: The Next Online Bank](#)," has listed the following pros and cons of using your bank's Facebook app:

Pros:

- A one-stop shop for all your banking needs;
- More deals could be promoted to you by business partners;
- Enables smaller financial institutions to compete with larger ones.

Cons:

- Spam messages used to commit fraud;
- Poor, or no, customer service – already difficult to reach customer service could become even more distanced;
- Information security – Facebook already shares user information with third parties.

Could Facebook Be Your Next Bank?

According to a survey of 32,715 people in 18 countries which was conducted by Accenture, “roughly one in three banking and insurance customers globally would consider switching their accounts to Google, Amazon, or Facebook if the Silicon Valley giants offered financial services...”



These three companies set customer standards in relation to customer experience and personalization. Banks are not even close to delivering service at that level. None of these companies currently offer bank products, however, Google and Facebook let users send payments to their contacts online. Amazon selects a small number of sellers that provides with limited loans.

The survey also provided insights on customer service. More than 70 percent said they would utilize robo-advice for assistance in determining what type of bank account to open and nearly 80 percent said they would use the advice for investing.

When it comes to customer complaints, though, 68 percent do not want a robot. This is valuable data for companies to utilize in determining just what services they do provide online.

Facebook Marketing Partners published “[Banking on Facebook for Better Customer Service](#)” and focused on the success of Krungsri, Thailand’s fifth largest universal bank. Krungsri decided to use its Facebook page as a support channel to improve customer satisfaction by decreasing call center response times. They turned inquiries, comments, and conversation into an integrated part of their business strategy and transformed their Page into a customer relationship management (CRM) platform. Since 2013, the bank has been very successful and has experienced:

- 83 percent decrease in call center response time;
- 97 percent engagement rate on Facebook posts;
- 2X increase in sales leads.

For now, most banks who offer personalized and timely customer service to their customers via Facebook are reaping the rewards of customer engagement and loyalty. The biggest potential threat is account security. Customers may sometimes unknowingly reveal personal information and conversations that were previously private in an office are now broadcast for everyone to read.

Social media is changing the way the banking industry operates. Banks are enjoying lower costs and customers generally receive better customer service. Banks may turn more to Facebook and other social media apps to provide additional products and services to their customers, but they need to ensure that privacy and information security are paramount.