ABSTRACT:
The social media is influencing the society at large. All customers are using whatsapp, face book, twitter for their communication. The social media is influencing the personal life of customers. Most financial services companies have only a piecemeal social presence. That said, it's currently one of the most talked about financial brands on Twitter and the Priceless Surprises hash tag has been shared thousands of times. This is one of the things to watch out for when using social channels: once something is out there, it's out there. In the present research paper, researcher studied the impact of social media on buying decisions of financial customers. The financial decisions are now a days influenced by the social media.

Keywords: Social Media, Financial Decisions and Social Financial Marketing etc.

Introduction
Mangold & Faulds (2009) cited Blackshaw & Nazzaro (2004) definition of social media, which describes it as: “A variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues”.

David Armano, an influential expert on the subject, referred to social media as the —construction of connectiveness; he differentiated between digital and social, thus he described the current situation as the “Digital Social Revolution.

Marketing in the financial services industry has rarely been ahead of the curve. This is nobody's fault; legislation, data protection and complex target audiences have been the root cause. However, the world has gone digital, then social, and the industry has been slow to adopt and even slower to adapt its pre-existing structures built to deliver more traditional media.

Brands like Red Bull and Virgin are busy showing the world how to evolve using social channels, while retail and investment banks are still trying to work out handle names for their multiple product-led Twitter accounts. Moreover, when they try, it doesn't always end well: just look at MasterCard's disastrous involvement with the Brit Awards.

That said, it's currently one of the most talked about financial brands on Twitter and the #PricelessSurprises hashtag has been shared thousands of times. This is one of the things to watch out for when using social channels: once something is out there, it's out there. But it's not exactly positive, and MasterCard could yet put an end to the original campaign idea.

Most financial services companies have only a piecemeal social presence. Their siloed, product-led nature means their divisions all have their own voices. With the advent of social, they are trying to reorganize this internally instead of focusing resources externally to engage with customers. In contrast, TSB has used social channels as part of its launch campaign and done so beautifully, with a consistent tone of voice and frequent messaging promoting its brand position as our local bank.

For financial services brands, social media is a very complex thing. Lifestyle brands have it easy, as the trust you need to earn a place on a customer's mobile phone screen or Twitter feed is inherent for brands like Nike, Google, etc. However, a lack of trust in the financial services category makes it
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hard even for the good companies to use it effectively. In fact, most customers have their head in the sand when it comes to communicating with the big bad world of banking.

That said, a few are getting it right. Every morning on the @HSBC_UK_Help Twitter feed, an HSBC person gives their name and says they're there to help with any queries. It's reassuring as a name shows you're reaching out to a real human.

Another example is Scottish Widows' integrated campaign of Life Feels Better When you Have a Plan, which is reassuring but passive. Living life today is a positive message – but if that's living, it's life in slow motion. Curiously, it feels like a campaign targeted at the grey pound, but using channels more appropriate for twentysomethings.

The brands which are focusing strongly on being customer-centric (eg Lloyds Bank's Moments that Matter) tend to be those with a stronger digital strategy and better engagement. Social isn't just another marketing channel – and the ones that realize customer service plays a big role in social communications tend to be more successful.

Financial brands, even more so than others, need a cross-organization social strategy, not just a marketing strategy that includes social. They also need to measure it. Boards and budget holders in this category are numbers people by definition, so a lack of metrics and tangible results means social isn't taken seriously, which means it doesn't get allocated budget ... which means you don't get the metrics ... which means ... and on and on...

2014 will no doubt see advances, but the risk is that by the time slower financial brands are organized on Facebook, Twitter and YouTube, those channels will be dead and new ones will be emerging. And so it begins all over again.

Social media is not only used for personal uses but is now playing a growing role in business and organizations; with entrepreneurs increasingly looking towards social media platforms to market their businesses. It is evidently becoming the case that investment in social media is a necessity, not a luxury”, it is a fundamental instrument which should be used in any marketing plan.

However, it is clear that business owners encounter various challenges with respect to investing in social media; they may face lack of time and knowledge on how to determine the return on investment (ROI) as an example; this is a recognized measurement to evaluate the efficiency and financial consequences of an investment and to ultimately assess the profitability of a business.

The Emotional Cycle of Investment Decision-Making

It can be a challenging task to manage an investment portfolio on your own. Despite the challenges, many people forge ahead and do not seek help from a financial advisor. While there are many aspects that need to be understood and addressed when managing finances, one particular aspect is the potential impact of social media on financial decisions.

First, let’s review the emotional cycle that many people face when making an investment decision. The set of emotional triggers surrounding purchase and sale decisions can cause us to make costly mistakes. For instance, you hear that an investment has done well (maybe from a friend or associate), so you buy it after learning about its short-term period of good performance, at or near the peak of the shorter-term pricing. As it begins to decline in value, you convince yourself that it is still a great investment and that you should hold onto this security for the long haul, continuing your emotionally-based decision-making process. When the investment declines further in value, the emotional pain of holding it becomes much greater. At some point, usually near the bottom of the pricing cycle, you fall out of love with the idea of this investment and decide you can’t take it any longer, so you sell. By reacting in this fashion, you have essentially created a pattern of buying at higher prices and selling at lower prices.

If you repeat this process, you are likely not putting yourself in a fruitful long-term financial position. Quite the opposite. You are probably reducing your wealth by operating in this emotional cycle. Why does this happen? This is a natural result of emotions driving investment decisions. One of the most difficult parts of managing your own investment process is to do so without emotion. In fact, it is virtually impossible for many people.
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So, what happened to the friend that recommended this investment? You have no idea? People may tell you about investments, but they generally don’t provide a detailed list of their track record. They may likely have had a much less rosy experience than the one that they portrayed. But, it is certainly fun to tell these stories at social gatherings. This is a form of the big fish story of the next generation.

However, there is someone that benefitted from your roller coaster of buying and selling— the broker that placed your trades. They probably earned a commission for transacting your purchases and sales. The trader that executed the trades also may have priced the bid/ask spreads in a way that was advantageous for them. In fact, they might make a profit regardless of the performance of your investment.

**Investors are Using Online and Social Media Resources**

**Social Media Grows in Use and Influence**
Cogent Research recently released a study showing that social media is playing an influential role in the decision-making process of individual investors, including those that can be considered high net worth investors. They learned that of the adults online in the US, one out of four are using social media with a specific focus on personal finance and investing. And, it is not limited to people with fewer resources. On the contrary, high net worth adults that are online are using social media for investing purposes at a rate that is higher than the general population! Almost two-thirds of high net worth investors say that the online groups and peer-generated information has an influence over their purchasing behaviors and decisions.

**Consider the Source**
It is interesting (and scary!) to note that while many investors are seeking out peer groups, they generally are not relying on official sources of information. More than half of high net worth investors have questioned the accuracy of information received from official sources because of what they have heard through social media. Let’s think about that. Instead of trusting factual data, many high net worth investors are questioning it and relying on advice presented in social networks. It is very difficult to get reliable and helpful information when you are engaged in a giant game of “telephone”.

Indeed, social media networks may provide emotional support in the form of positive feedback on financial decisions. Although getting support is great, social media can contribute to the emotional roller coaster of investing described above. Investors may be relying on a social media source that
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contributes to emotional investment decision-making while concurrently reducing their reliance on accurate data from official sources.

The Online World and Social Media

It is worth noting that the social media space is big! Globally, about one billion people are connected to the internet. Smart phones that are data-capable represent over 50% of new phone sales. And, it is believed that more than 400 million people are sharing their experiences and opinions via weekly online exchanges.

The social media network is also a larger and looser network than many individuals’ personal networks of trusted friends and colleagues. The average Facebook user has 130 friends, although younger users tend to have more, usually associating with around 1,000 friends and sometimes even significantly above that. While you may not call all 130 (or 1,000!) of these people for coffee, you in fact may find that your network of people on social media sites is quite a bit broader and quite a bit more untested. In fact, a post from a person on a networking site may influence your decision making through their positive or negative feedback and it is this influence that can contribute to the emotional cycle of investing.

Benefits and Cautions about Information Gleaned Online

As always, the internet is an amazing tool with an amazing amount of data out there. The key is to discover how to use the data to learn how to create a framework for improving your finances. Using online and social media may help you learn more about an advisor through client reviews. This can give you some insight into how that advisor works and allow you to evaluate whether their approach appeals to you. Of course, you typically find that testimonials trend to either the high or the low. People rarely report a middle-of-the-road experience. And with primarily high and low experiences to rely on, you may have to discern what role the individual played versus what role the advisor played in the relationship(s) being reported upon. But such reviews are a way to learn about what the service experience was like and where an advisor could provide help. You may find an advisor that seems well-suited to you and be able to research the advisor’s background and qualifications.

However, the social media space is not a great place to obtain investing tips! Other social media users’ stories can be like the cocktail party story run amok. “I bought a great stock last month and it doubled in value!” There is no vetting of the individual making the claim. There is no monitoring of their history of comments and recommendations. And, there is certainly no regulation of how they claim successes. Anyone can make a claim on a social network that they have an amazing track record. But not everyone may make baseless claims online. For example, registered investment advisors may risk liability for what they publish or recommend online. So, the one group you will not usually hear from in a public forum is the group that may actually have the background to evaluate your financial situation and make recommendations for you. Ironic, but for the most part true.

Social Media can be great for making connections with friends, family and colleagues. The internet is a good tool to use to research factual data (not advertisements) and look up an advisor’s background information. Also, before you hop on the social media bandwagon, take some time to think about what you need. Do you need help with your financial decisions? It is usually a great idea to avoid getting tips from peers, whether they are someone you see at a party or someone you find online. Instead, you may want to consider seeking an expert’s opinion and endeavor to break free from the emotional investing cycle.

Conclusion:

The social media influenced on the purchasing decisions of financial product buyers. It is concluded that the social media made an impact on financial decisions. The investment decisions are affected now a days by the social media. Social media is not only used for personal uses but is now playing a growing role in business and organizations.
References
2. Mangold & Faulds on Social Media, 2009, p. 358]

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