

# THE STUDY ON ROLE OF SOCIAL MEDIA IN PROMOTING LOAN PRODUCTS IN SUNDHARAM HOMES

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## ABSTRACT

Social media has become a crucial tool for promoting loan products, especially in the financial sector, where platforms like Facebook, Instagram, Twitter, and LinkedIn help businesses engage with a broad following. This study focuses on how social media enhances the marketing of loan products by perfecting client engagement, trust, and consistent communication. Financial institutions can use these platforms to educate potential guests on loan options and eligibility while responding to inquiries and tailoring ads based on user data. The exploration explores the effectiveness of social media in promoting loan products at Sundaram Homes, analysing client engagement and the impact on loan adoption. The findings offer perspective into how financial institutions can strategically work social media to boost loan product uptake.

## INTRODUCTION

Social media has really changed the way businesses connect with consumers in recent years. With billions of users on platforms like Facebook, Instagram, Twitter, and LinkedIn, companies can now reach potential customers like never before. This has been especially impactful in industries like finance, where digital marketing has become essential for promoting products and services. Loan products, in particular, have seen significant growth through social media, offering financial institutions an affordable way to reach a wide audience. Promoting loan products on these platforms is all about creating engagement, building trust, and delivering personalized content. Businesses can educate potential borrowers on things like loan benefits, eligibility, and application processes in real-time, making financial products much easier to understand and access. But the key to success in social media marketing is getting the platform choice, content strategy, and audience engagement just right, which is crucial for financial institutions to effectively promote loan products and build lasting customer relationships.

## OBJECTIVES OF THE STUDY

1. Analyse strategies to create engaging content that attracts potential loan customers.
2. Identify key social media platforms that are most effective for loan product promotion.
3. Assess the impact of social media campaigns on loan product inquiries and applications.
4. Explore methods to leverage social media analytics for optimizing loan product marketing.

## RESEARCH MEASURING TOOL

The research tool used for this article is a questionnaire, as it is the most effective method for gathering data in research.

## RESEARCH PLAN

Data source:	Primary data
Research approach:	Survey method
Research measuring tool:	Questionnaire
Sampling plan:	Random sampling
Sample size:	78 employees
Sample area:	Sundaram homes company
Statistical toll used:	Sampling method of analysis percentage: Likert scale.

## LIMITATION OF THE STUDY

The research will be only for named areas thus it is generalized.

## LITERATURE REVIEW

- **Smith et al. (2024)** found that personalized content and flexible interfaces really help grab and keep users' attention in today's info overload.
- **Marketing Research Journal (2023)** highlighted the need to balance user engagement with respecting privacy and data security.
- **Journal of Customer Engagement (2023)** showed that posting consistent, relevant content helps turn short-term interactions into lasting connections.
- **Strategic Management Review (2021)** revealed that engaged employees are more resilient, helping companies get through tough times and reduce turnover.
- **Journal of Organizational Behavior (2021)** found that engaging training programs help employees learn faster and retain more in fast-paced environments.
- **Brown et al. (2017)** showed that workplace engagement boosts skill development, especially in tech-heavy industries.
- **Decision-Making Journal (2017)** found that emotional and cognitive engagement leads to better decision-making, especially under pressure.
- **Business Intelligence Quarterly (2016)** showed that engaged employees improve efficiency and precision when working with machine learning models.
- **Journal of Human Factors (2016)** showed that tracking employee engagement can help reduce mental fatigue and improve safety.

- **Technology in Workplaces Journal (2019)** found that cognitive load monitoring systems help reduce stress and improve task management.

## COMPANY PROFILE

Founded in 1999, Sundaram Home Finance Limited (SHFL) is a leading housing finance company in India, dedicated to helping individuals achieve their dream of homeownership. SHFL offers a range of loan products, including Home Loans, Plot Loans, Home Improvement Loans, Home Extension Loans, Top-Up Loans, Takeover Loans, and Loan Against Property, all with flexible repayment options and competitive interest rates. The company's commitment to providing accessible and reliable financing solutions has earned it the trust of a diverse customer base, from individuals to real estate developers. With a focus on integrity, customer satisfaction, and continuous innovation, SHFL remains a trusted partner in the housing finance sector, helping customers make their homeownership dreams come true.

## AGE OF RESPONDENTS

AGE	RESPONDENTS	PERCENTAGE
18-20	16	20%
21-30	24	32%
31-40	16	20%
ABOVE40	22	28%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

## INFERENCE:

The survey included a diverse age range, with the largest group being 21-30 years old (32%, 24 respondents). Other significant groups included those aged 40 and above (28%, 22 respondents), 18-20 (20%, 16 respondents), and 31-40 (20%, 16 respondents).

## ANNUAL INCOME DISTRIBUTION OF RESPONDENTS

INCOME	RESPONDENTS	PERCENTAGE
LESS THAN ₹3,00,000	20	26%
₹3,00,000 - ₹5,99,999	29	37%
₹6,00,000 - ₹9,99,999	19	24%
₹10,00,000 OR MORE	10	13%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

## INFERENCE:

The survey revealed varied income levels, with the largest group earning ₹3,00,000 - ₹5,99,999 (37%, 29 respondents). Other income ranges included less than ₹3,00,000 (26%, 20 respondents), ₹6,00,000 - ₹9,99,999 (24%, 19 respondents), and ₹10,00,000 or more (13%, 10 respondents).

## BEST SOCIAL MEDIA PLATFORMS FOR LOAN PROMOTIONS

### INFERENCE:

The survey shows diverse social media preferences, with Instagram being the most popular (30%, 58 respondents). Other platforms include Facebook (27%, 51 respondents), YouTube (19%, 36 respondents), LinkedIn (12%, 22 respondents), Twitter (7%, 13 respondents), and "Other" (5%, 10 respondents).

## CHALLENGES IN PROMOTING LOAN PRODUCTS ON SOCIAL MEDIA

CHALLENGES	RESPONSES	PERCENTAGE
LACK OF ENGAGEMENT	29	22%
LIMITED BUDGET	24	18%
DIFFICULTY IN TARGETING RIGHT AUDIENCE	45	34%
PLATFORM SPECIFIC RESTRICTIONS	14	10%
INADEQUATE CONTENT CREATION RESOURCES	16	12%
OTHER	6	4%
<b>TOTAL</b>	<b>134</b>	<b>100%</b>

SOCIAL MEDIA PLATFORM	RESPONSES	PERCENTAGE
FACEBOOK	51	27%
INSTAGRAM	58	30%
TWITTER	13	7%
LINKEDIN	22	12%
YOU TUBE	36	19%
OTHER	10	5%
<b>TOTAL</b>	<b>190</b>	<b>100%</b>

### INFERENCE:

The data reveals that 34% of respondents find targeting the right audience a challenge when promoting loan products on social media. Other challenges include lack of engagement (22%), limited budget (18%), content creation issues (12%), platform restrictions (10%), and other concerns (4%).

## TOP SOCIAL MEDIA PLATFORMS FOR LOAN INQUIRIES

ENQUIRY GENERATION	RESPONSES	PERCENTAGE
FACEBOOK	56	30%
INSTAGRAM	50	27%
TWITTER	16	9%
LINKEDIN	20	11%
YOU TUBE	28	15%
OTHER	15	8%
<b>TOTAL</b>	<b>185</b>	<b>100%</b>

### INFERENCE:

The data shows that Facebook is the most effective platform for generating loan inquiries, with 30% of respondents citing its success. Instagram followed at 27%, while YouTube accounted for 15%, with LinkedIn, Twitter, and other platforms contributing smaller shares of 11%, 9%, and 8%, respectively.

## ADDITIONAL INSIGHTS FOR OPTIMIZING LOAN PRODUCT MARKETING

AUDIENCE INSIGHTS	RESPONSES	PERCENTAGE
MORE GRANULAR DEMOGRAPHIC DATA	36	29%
DETAILED ENGAGEMENT METRICS	44	36%
COMPETITOR PERFORMANCE BENCHMARKS	39	32%
OTHER	4	3%
<b>TOTAL</b>	<b>123</b>	<b>100%</b>

### INFERENCE:

The data highlights key insights for optimizing social media marketing for loan products, with 36% of respondents emphasizing the need for detailed engagement metrics. Other suggestions included competitor performance benchmarks (32%) and more granular demographic data (29%), with 3% selecting "Other" as an additional insight.

## KEY KPIS FOR EVALUATING LOAN PRODUCT MARKETING

LEAD QUALITY	RESPONSES	PERCENTAGE
ENGAGEMENT RATE	45	24%
CLICKTHROUGH RATE	31	17%
REACH AND IMPRESSIONS	34	18%
CONVERSION RATE	43	23%
COST PER ACQUISITION	13	7%
RETURN ON INVESTMENT	12	11%

<b>TOTAL</b>	<b>187</b>	<b>100%</b>
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### **INFERENCE:**

The data shows that 24% of respondents prioritize engagement rate as the key KPI for loan product marketing on social media, followed by conversion rate (23%) and reach/impressions (18%). Other important KPIs include clickthrough rate (17%), ROI (11%), and cost per acquisition (7%), with 187 total responses.

### **LIKERT SCALE:**

### **SOCIAL MEDIA ENGAGEMENT FOR LOAN PROMOTIONS**

Engagement levels	Responses	Percentage
EXCELLENT	16	21%
GOOD	23	30%
AVERAGE	30	38%
POOR	7	9%
NOT SURE	1	1%
OTHER	1	1%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

### **INFERENCE:**

The data reveals varied engagement levels for loan product promotions on social media, with 38% of respondents rating it as average. Other ratings include good (30%), excellent (21%), poor (9%), and 1% who were unsure or selected "other."

### **EFFECT OF TESTIMONIALS ON LOAN APPLICATIONS**

LOAN PERSUASION	RESPONSES	PERCENTAGE
YES	50	64%
NO	2	3%
MAYBE	26	33%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

### **INFERENCE:**

The data shows that 64% of respondents would be persuaded to apply for a loan, while 33% were uncertain, selecting "Maybe." Only 3% felt that customer testimonials would not influence their decision, with a total of 78 responses recorded.

### **IMPACT OF SOCIAL MEDIA CAMPAIGNS ON LOAN APPLICATION NUMBERS**

CAMPAIGN EFFECT	RESPONSES	PERCENTAGE
SIGNIFICANT INCREASE	13	17%

MODERATE INCREASE	35	45%
NO CHANGE	7	9%
MODERATE DECREASE	0	0%
SIGNIFICANT DECREASE	0	0%
NOT SURE	23	29%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

### **INFERENCE:**

The data shows that 45% of respondents observed a moderate increase in loan applications due to social media campaigns, while 17% saw a significant increase. Additionally, 9% reported no change, 29% were unsure, and no respondents noted a decrease, with a total of 78 responses recorded.

### **LOAN APPLICATION QUALITY: SOCIAL MEDIA VS. OTHER CHANNELS**

RATINGS	RESPONSES	PERCENTAGE
MUCH HIGHER QUALITY	12	15%
SLIGHTLY HIGHER QUALITY	14	18%
ABOVE THE SAME QUALITY	27	35%
SLIGHTLY LOWER QUALITY	8	10%
MUCH LOWER QUALITY	1	1%
NOT SURE	16	21%
<b>TOTAL</b>	<b>78</b>	<b>100%</b>

### **INFERENCE:**

The data shows that 35% of respondents felt the quality of loan applications from social media was similar to other channels, while 18% believed it was slightly higher and 15% rated it as much higher. A smaller group felt the quality was lower, with 21% unsure, based on 78 total responses.

### **CONCLUSION**

In conclusion, this study underscores the growing importance of social media in the promotion of loan products within the financial sector. Platforms like Facebook, Instagram, Twitter, and LinkedIn have emerged as critical tools for businesses to engage with a wider audience, build trust, and maintain consistent communication with potential customers. The research conducted at Sundaram Homes highlights the effectiveness of these social media channels in generating loan inquiries and applications. Respondents pointed out key strengths in social media marketing, such as the ability to target a large audience and offer personalized content. However, challenges remain, particularly in audience targeting, engagement, and resource constraints for content creation. The findings suggest that financial institutions can optimize their social media marketing strategies by focusing on detailed engagement metrics, leveraging demographic data, and staying updated on competitor performance. By addressing

these challenges and aligning their strategies with the evolving needs of customers, organizations can enhance their social media presence, leading to improved loan product adoption and long-term customer relationships.

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