

Accenture Interactive – Point of View Series

Moving Beyond Listening and Monitoring

Social Media Marketing for Financial Services



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Social Media Marketing for Financial Services

Today, financial services consumers have moved beyond just using the Internet as an information-gathering tool, to using both the Internet and mobile channels for an interactive, even social, experience.

Social networks are growing at pace; by 2017, the global social network audience is expected to total 2.55 billion.¹

In the UK, the percentage of customers willing to give personal information to their bank online in exchange for better value or tailored services more than doubled from 2012 to 2014.² And recent Accenture consumer research shows that nearly a third of consumers use information from social media sites when evaluating retail banking products and services. While still a minority, many consumers want companies to get directly involved in contributing to discussions on social media, and nearly one in four are more likely to do business with a company that they know they can interact with in a social media environment.³

Many financial services firms have responded by using social media to listen to their customers and monitor their brands. However, they are not yet using it to generate tangible business benefits. With advances in optimization tools, analytics and software, social media is now much more a science than an art. It can be a very effective means to build a community and engage with the consumer in a more personal way. By harnessing the power of analytics and integrating social media insights holistically into the company's marketing strategy, financial services firms can drive growth, increase operational efficiency and reduce risk.



¹ "Social Networking Reaches Nearly One in Four Around the World," eMarketer Inc., June 18, 2013. Retrieved September, 8th 2014 from: <http://www.emarketer.com/Article/Social-Networking-Reaches-Nearly-One-Four-Around-World/1009976>

² "Winning the race for relevance with banking customers", Accenture 2014, Retrieved September, 8th 2014 from: <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-UK-Financial-Services-Customer-Survey.pdf>

³ "The Digital Customer: It's Time to Play to Win", Accenture Global Consumer Pulse Research 2013. Retrieved September, 8th 2014 from: <http://www.accenture.com/us-en/Pages/insight-digital-customer-play-to-win-summary.aspx>

Social innovation

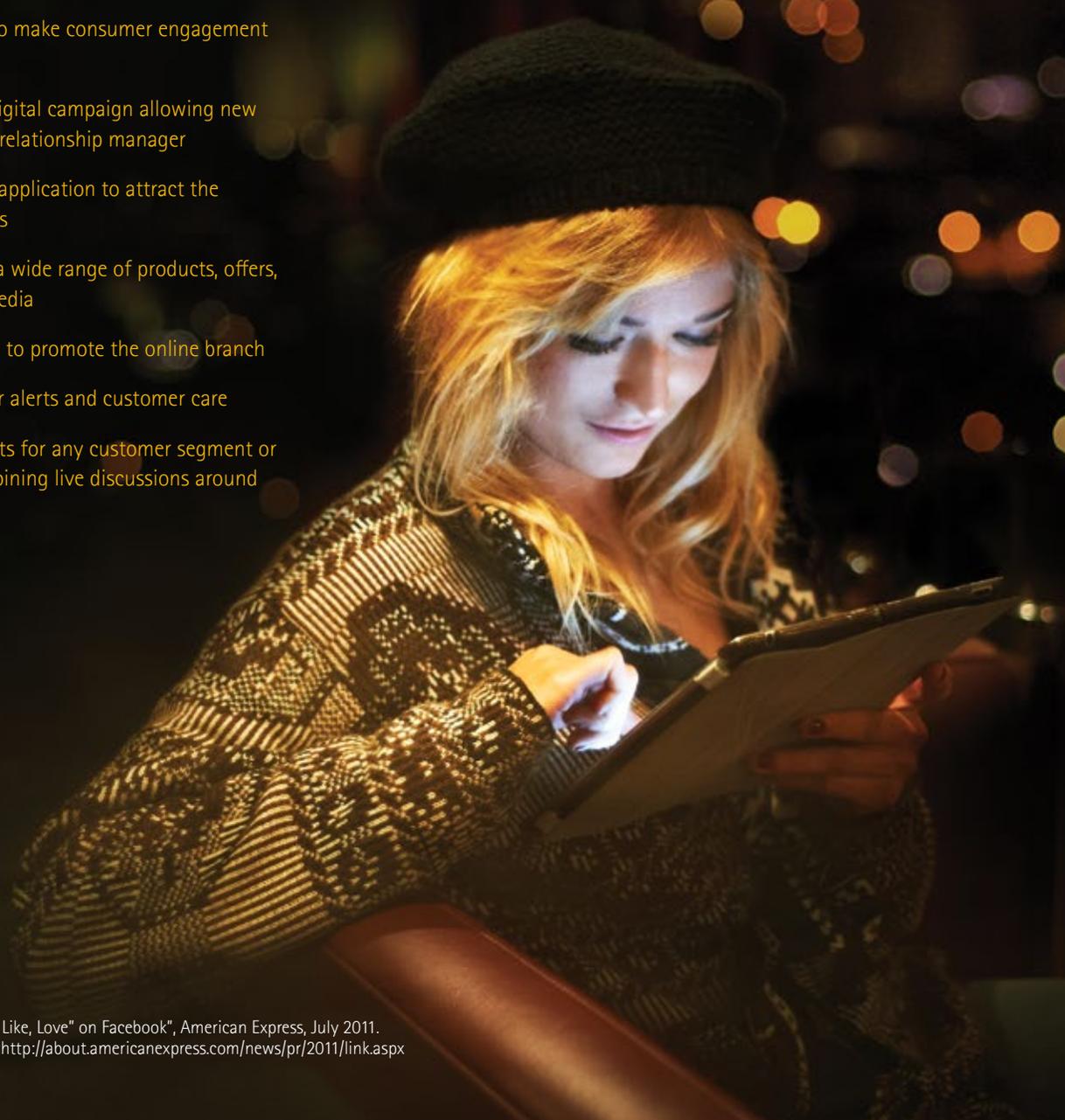
Leading financial services companies are increasingly using social media marketing with strong results. American Express pioneered several successful online initiatives that monetized the unique features of social media, such as location check-ins for discounts with Foursquare (Sync, Explore, Save) and discounts through Facebook (Link, Like, Love).⁴ These programs worked by linking the individuals' American Express cards to their Facebook account and delivering deals and offers based on Facebook activity, pages that were liked and shared, as well as the activities of Facebook friends.

With just one click, the discount was attached to the user's account. When the related transaction occurred with the corresponding Amex card within a specific time period, a statement credit was automatically applied. The promotion offered customers an integrated way to earn rewards for using their Amex card, promoting loyalty and affinity with the brand. What was the benefit to American Express? A positive response and greater sharing of content by users due to highly tailored offers – both leading indicators of greater customer satisfaction and retention.

Social innovations getting results:

- Launching a competition to make consumer engagement more robust
- Launching an innovative digital campaign allowing new customers to choose their relationship manager
- Launching a stock trading application to attract the new class of retail investors
- Providing customers with a wide range of products, offers, and initiatives via social media
- Using "e-commerce offers" to promote the online branch
- Offering personal customer alerts and customer care
- Creating dedicated accounts for any customer segment or topic to enable followers joining live discussions around several areas of interest.

⁴ "American Express Launches "Link, Like, Love" on Facebook", American Express, July 2011. Retrieved August, 28th 2014 from:<http://about.americanexpress.com/news/pr/2011/link.aspx>



Getting real results

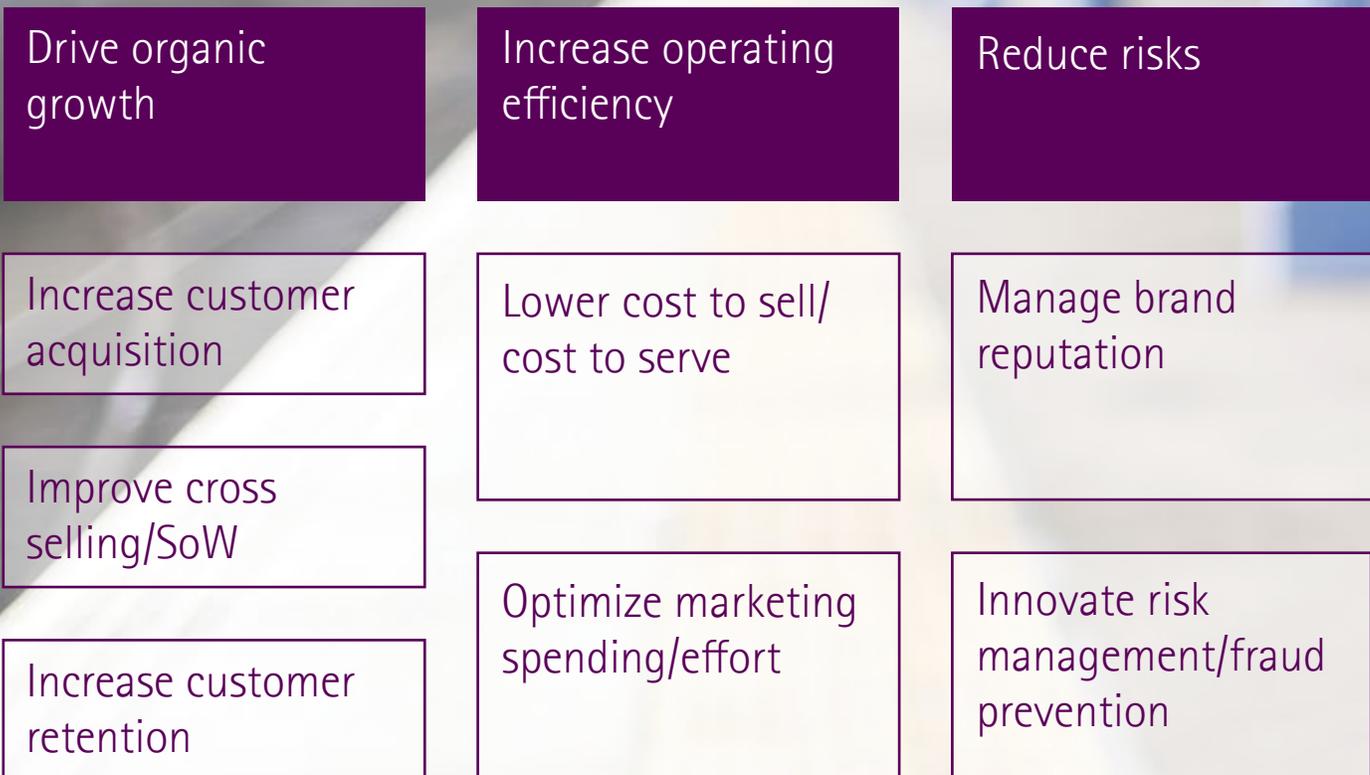
While most financial services firms are using social media to some extent, the vast majority is stopping short of using it to engage customers – leaving substantial business benefits unrealized. Social media marketing is no longer about passively listening to customers or conducting stealth experiments. A successful social media program hinges on:

- Understanding the relevant social audience and the organization's goals and limits
- Mapping customer needs to a social experience that the organization can deliver
- Enabling the organization with the right capabilities to execute.

Financial services firms have the opportunity to build on their market presence, brand awareness and marketing expertise to drive significant business impact through social media (Figure 1).



Figure 1: Tangible Business Results from Social Media







Driving organic growth

Social media offers new customer information such as personal attitudes, hobbies and needs that could help acquire customers and nurture existing relationships, both of which drive organic growth. This new customer information can enhance customer intimacy and customer insight and move marketing toward delivering personalized sales and service experiences. An enriched customer profile can help identify sweet spots in existing segments, select micro-targets and launch personalized cross selling and acquisition campaigns.

In this way financial services firms can gain actionable insight on customer needs (using such techniques as interest graph analysis and activity feed analysis) and life events at an individual, friends and family level. They can also leverage marketing automation and campaign management platforms to deliver personal marketing campaigns.

For example, they can identify individual customers through connections on LinkedIn, position personalized interest/hobby related offers based on Facebook likes and directly initiate customer dialogues using Twitter.

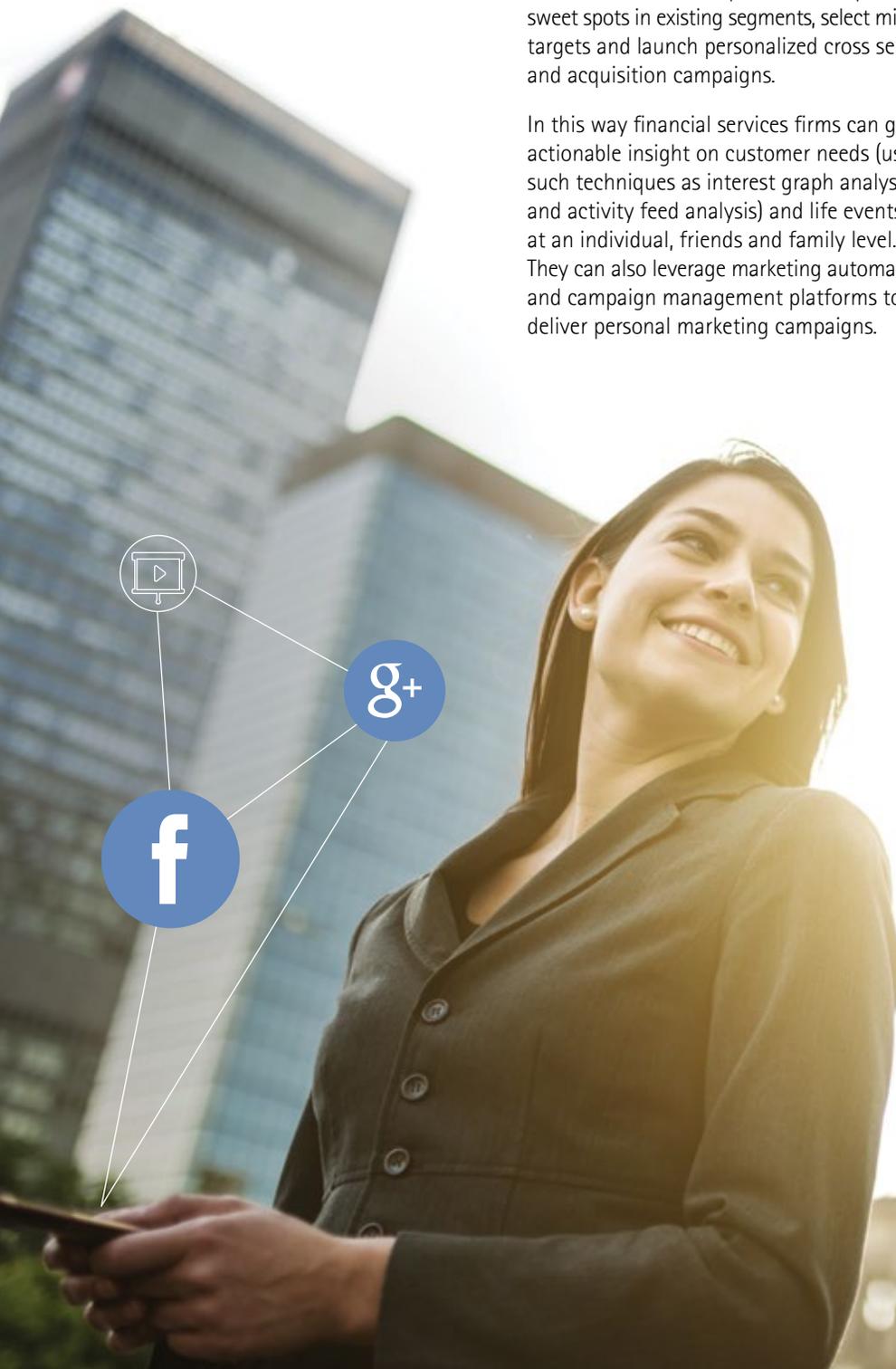
Gamification is another key tactic to enrich the customer experience, as well as to design products whose properties evolve according to social sharing. And financial services firms are able to design experiences with network dynamics in mind. A significant part of the buying decision process now happens in review and comparison sites, communities or crowd sourced content services. In this environment, financial services firms can extend their sphere of influence through proactive analysis, outreach and relationship management activities, and by enticing loyal customers to spread their influence.

Social In Action

In 2013, Indian bank ICICI launched "Pockets by ICICI Bank", an app allowing customers to access their accounts and conduct a wide variety of banking transactions directly from its Facebook page.

This social media strategy targets the more than 82 million Facebook users throughout India, 40 percent of whom are under age 30. Since launching its Facebook page the bank has amassed more than three million "likes" and continues to build out new "Pockets" capabilities to make banking simpler and easier for its customers.

Source: http://www.informationweek.in/informationweek/news-analysis/282804/icici-bank-launches-facebook-app-allows-customers-pay-friends-split-expenses?utm_source=reference_article





Increasing operating efficiency

Social media can be harnessed to "improve the basics" including lowering cost to sell and cost to serve and optimizing marketing spending. By seamlessly integrating current customer service workflows with social media components, financial services companies are already able to leverage the crowd effect, exploiting the potential of user-generated content such as in Q&A platforms.

Financial institutions can also employ a resource sharing approach, converging different media and channels. In this way skilled customer service workers can provide services through different channels achieving higher efficiency at a lower cost.

From a brand awareness perspective, traditional marketing techniques, such as word-of-mouth and member-get-member, might increase their power by leveraging greater reach and resonance of the marketing message, where a single commercial "meme" could reach a huge audience instantly. The famous Oreo tweet during the XLVII Superbowl "You can still dunk in the dark" generated more than 500 million impressions with 0 dollars in media spending.⁵

While the Oreo tweet is impressive in the reach and impact it achieved, these kinds of successes are opportunistic. Social now needs to be much more of a science, orchestrated to seek success without requiring a spontaneous moment or event. In a data-centric way, social can methodically drive operating efficiencies and optimized spending.

Social In Action

The Barclaycard Ring MasterCard, offered by global financial services provider Barclays PLC, is the first credit card to be designed and built through crowdsourcing. The Ring community platform allows community members to share ideas with Barclaycard and to help each other on a variety of financial questions. Customers are engaged in the product design and enhancement, building loyalty, peer-support and word of mouth. Combined with other voice of the customer initiatives this program has decreased customer complaints by 50%, and increased customer retention by 25%, resulting in an annualized benefit of over \$10 million.

Source: "Barclaycard Ring", Barclaycard, Retrieved September 8th 2014 from: <http://www.barclaycardring.com/> "The Barclaycard Story", Lithium. Retrieved September, 8th 2014 from: <http://www.lithium.com/why-lithium/customer-success/barclaycard>



Reducing risks

A big component of the financial services business is about sizing, anticipating and managing risks. For insurance companies, risk is a core component of the value chain; for banks it is a long-term bet and for capital markets it is a driver of higher returns. Furthermore, Accenture's consumer research showed that brand reputation and trustworthiness are key satisfaction drivers among customers.⁶

By identifying early signals and acting on (not just gathering) intelligence from consumer and business social data, social media could help to dramatically innovate reputational risk management. Looking at the customer within this broader network of relationships would introduce new approaches to help prevent fraud and better assess risk profiles.

Banks are already starting to understand local businesses by analyzing bill payments, money transfers and evaluating the micro-market from an economic standpoint to better assess default risks and capital requirements for specific loans. Through social media marketers and risk managers will have an extended view of customers within their network.

Social In Action

UBS, a leading global financial services provider, observed that understanding what is being published in social media is vital to effective communications, risk management and brand protection. Working with Accenture, UBS built a more functional social media monitoring capability delivered through global standardized services, scalable technology and methodology. The service operates in four different languages utilizing native speakers with industry backgrounds to eliminate mundane postings, spot irony and understand context. UBS gets a more comprehensive view and may conduct campaign-related monitoring at short notice and at a relatively low fee.

Through this new capability, UBS has a holistic perspective in the digital social world and may fulfill important business objectives in the area of reputation management and customer trust.

⁵ "Dunking in the dark", 360i, Retrieved August, 28th 2014 from: <http://www.360i.com/work/oreo-super-bowl/>

⁶ "The Digital Customer: It's Time to Play to Win", Accenture Global Consumer Pulse Research 2013. Retrieved September, 8th 2014 from: <http://www.accenture.com/us-en/Pages/insight-digital-customer-play-to-win-summary.aspx>

Source: "UBS: Outsourcing Social Media Monitoring", Accenture. Retrieved September, 8th 2014 from: <http://www.accenture.com/us-en/Pages/success-ubs-social-media-monitoring.aspx>

Making social pay

To build the right social media marketing approach, companies have to start by deeply understanding their social media readiness across all aspects of the organization, procedures, processes and technologies. In particular, the organization has to be aligned with the social media marketing strategy and have a group responsible for social media activities.

Procedures have to be adapted to incorporate social media as a possible channel through which the prospect and customer can interact with the organization. Specific processes need to be in place in order to guide the execution across all customer-facing touchpoints. The right technology must be available. Not only specific social media marketing components, but also more traditional components need to be social media "ready".

While every journey will be different, social media pioneers have followed four basic steps to improve the potential of social (Figure 2).



Figure 2: Steps to Harness Social Media



Laying the foundation

Every financial institution has its own business priorities and unique types of customer interactions it wants to conduct. Accenture has identified 11 fundamental social media tactics companies can consider when building personalized customer relationships. Each tactic involves detailed and customized decision-making to help achieve the targeted outcome, but the schematic in Figure 3 provides a high level roadmap of the tactics available.

In considering the combination of tactics to deploy, financial services firms should recognize that these tactics don't exist in isolation. Social media marketing must connect to the firm's digital strategy holistically, including mobile apps, website, and email, as well as its customer service channel, to begin to achieve the scale and impact desired. A lack of integration of social channels with established customer interaction channels can result in conflicting messages being sent to consumers and a bumpy, frustrating customer experience.⁷

Figure 3: Roadmap of Social Media Tactics

Social Media Tactics	Description	Revenue Growth			Operating Efficiency		Risk Mitigation	
		Customer Acquisition	Cross Selling	Churn Mgmt	Cost to Serve	Efficiency	Brand Risk	Fraud
Clustering	Build communities around interests and hobbies to attract prospects and acquire customers	Very High	Moderate	Moderate	None	Some	None	None
Gamification	Increase community engagement around products/education content	Moderate	Very High	Moderate	None	None	Some	None
Sales	Push personalized offers and transform into a sales engine	Moderate	Very High	Moderate	Moderate	None	None	Some
Banking platform	Perform transactions and retrieve product information	None	Moderate	Moderate	Very High	Moderate	None	None
Seeding/demand leverage	Increase social word of mouth, leveraging viral network effects by targeting key community influencers	Very High	None	None	Moderate	Moderate	Moderate	None
Listening and monitoring	Monitor, respond, ask and promote offers	None	None	None	Moderate	Moderate	Very High	Very High
Crowd sourcing	Leverage the communities to foster product and service innovation (feedback management)	Moderate	Moderate	Moderate	None	None	Moderate	Moderate
Content	Use people as a brand/product advocate (and marketing agency)	Very High	Very High	Very High	Moderate	Moderate	Very High	Very High
Branching	Complement physical with social presence	Very High	Moderate	Moderate	Moderate	None	None	None
Collaboration	Introduce new tools to stimulate internal collaboration and to spread best practices through the organization	None	Very High	Moderate	Moderate	Moderate	None	None
Customer service	Add another channel to provide service	None	Moderate	Moderate	Very High	Very High	None	None

Impact
 Very High
 High
 Moderate
 Some

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⁷ For more information, see "Talk With Me not At Me: Playing to Win with Social Media", Accenture, 2014. Retrieved September, 8th 2014 from: <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Playing-Win-Social-Media.pdf>.

Listen, learn, earn

Social media is in many respects an unstoppable cultural force—ubiquitous and powerful. For financial institutions it has vast potential beyond listening and monitoring. A methodical, data-centered, approach to social media marketing gives financial institutions the opportunity to increase customer acquisition, improve cross selling, drive customer retention, deliver operational efficiency and reduce risk.

But to capture these benefits firms must make social media a comprehensive and integral part of the company's marketing efforts. It begins with determining the appropriate social media marketing strategy based on specific business goals – the target market, tactics and channels. It involves experimenting through pilots. It requires flexing and extending capabilities.

In the words of a senior executive of social media for a major international bank, "One risk is not being open enough to social media, actually knowing its role in business and culture. I still hear stories of executives in the industry not taking social media that seriously—that it's just a 'nice to have'. But there is great power in it. This can be negative, given the speed with which issues spread on social media. But it can also be extremely positive. It can foster better relationships or create additional touchpoints in the digital marketing space."⁸ Even more significant, social media can become a new growth engine that is integral to the financial institution's business.



⁸ "A Comprehensive Approach to Managing Social Media Risk and Compliance", Accenture 2014, <http://www.accenture.com/microsites/insight-social-media-risk-management/Pages/index.aspx>

To learn more about how to evolve your social media solutions to deliver high performance, contact:

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