Accenture Interactive – Point of View Series

Moving Beyond Listening and Monitoring

Social Media Marketing for Financial Services

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Strategy | Digital | Technology | Operations
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.

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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). 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.

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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

Drive organic growth
Increase operating efficiency
Reduce risks

Increase customer acquisition
Lower cost to sell/cost to serve
Manage brand reputation

Improve cross selling/SoW
Optimize marketing spending/effort
Innovate risk management/fraud prevention

Increase customer retention
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.

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.\(^5\)

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

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.


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

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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).
Define

Define the social media marketing strategy

Defining the social media marketing strategy begins with identification of social media marketing goals, and understanding the brand and product characteristics that can drive value in the social media context. A personalized social media marketing strategy answers four key questions:

• What is the goal?
• Which tactic is more suitable to achieve the selected business results given the company’s particular DNA (e.g. brand perception)?
• Who are the target customers/prospects?
• Through which social media platform?

Experiment

Execute the social media marketing first pilot

There are benefits to dipping a toe in the water before taking the plunge. By experimenting a company reduces IT investment and runs a simple social media marketing pilot to gain the overall marketing organization’s buy-in before planning the bigger moves. This could be done based on already available technology or through a managed service approach.

Extend

Add targeted outcome segments and tactics

With strong results from the pilot, companies can develop the business case to extend the social media marketing approach. This may involve broadening programs into additional targeted segments, expanding the number of tactics utilized or adding new social channels, depending on the targeted business outcomes the firm is targeting.

Financial services firms should do deep technological due diligence and, based on the defined strategic goal, adapt the social media platform, introducing new components or services available in the market.

Expand

Transform social media into a new growth engine

When the due diligence is complete, financial institutions can scale their social media marketing strategies and may be able to transform social into a new growth engine. A scaled program has numerous components from listening and planning to engaging and measuring. Key prerequisites for successful expansion include:

• Full-time active social media monitoring is underway and a process is in place to inform strategy and tactics.
• Efficient social processes, policies and actions are aligned to the organization’s digital strategy and there is enterprise-level funding and ownership.
• There is high engagement and social activity across all desired properties and experiences.
• Robust key performance indicators are defined, including both social and business metrics.
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

<table>
<thead>
<tr>
<th>Social Media Tactics</th>
<th>Description</th>
<th>Revenue Growth</th>
<th>Operating Efficiency</th>
<th>Risk Mitigation</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Customer Acq.</td>
<td>Churn Mgmt.</td>
<td>Cost to Serve</td>
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<tr>
<td>Clustering</td>
<td>Build communities around interests and hobbies to attract prospects and acquire customers</td>
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<tr>
<td>Gamification</td>
<td>Increase community engagement around products/education content</td>
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<tr>
<td>Sales</td>
<td>Push personalized offers and transform into a sales engine</td>
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<tr>
<td>Banking platform</td>
<td>Perform transactions and retrieve product information</td>
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<tr>
<td>Seeding/demand leverage</td>
<td>Increase social word of mouth, leveraging viral network effects by targeting key community influencers</td>
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<tr>
<td>Listening and monitoring</td>
<td>Monitor, respond, ask and promote offers</td>
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<tr>
<td>Crowd sourcing</td>
<td>Leverage the communities to foster product and service innovation [feedback management]</td>
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<tr>
<td>Content</td>
<td>Use people as a brand/product advocate (and marketing agency)</td>
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<tr>
<td>Branching</td>
<td>Complement physical with social presence</td>
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<tr>
<td>Collaboration</td>
<td>Introduce new tools to stimulate internal collaboration and to spread best practices through the organization</td>
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<td></td>
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<tr>
<td>Customer service</td>
<td>Add another channel to provide service</td>
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</tbody>
</table>

Impact
- Very High
- High
- Moderate
- Some

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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.”

Even more significant, social media can become a new growth engine that is integral to the financial institution’s business.

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

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