



brandwatch

The Financial Services Industry

AN INTRODUCTION TO SOCIAL MEDIA

The Challenge

The Financial Services industry is one of the most established and complex around. Many of its key processes and systems have been developed and refined over decades or even centuries, making it a challenge to quickly adjust to advances in communication and technology.

Looking at the rise of social media in particular, two issues inherent to the financial services industry – privacy and security – can sometimes seem at odds with the transparency and openness of the social web. As so much of the communication between your customers and your organisation hinges on this privacy and security, staying away from social media might seem like a safer play.

The Opportunity

Of course, in reality, social media is becoming so totally ingrained in consumers' lives that it is essential for brands from *all* industries to understand what this means for them.

So, with every testing challenge comes an exciting opportunity! If you are able to innovate and react more quickly to consumer trends, circumnavigating the obstacles that your competitors find themselves hindered by, there is no end to the advantage you can gain over them.

In the years to come, it will be the agile and responsive financial organisations - those who are turning their entire businesses social - that truly flourish. So to the question, how can you use social media to become an adaptable, modern and more successful company?

Listening and Analysis

You've no doubt heard it before, but with any social media strategy, listening is the only place to start. You simply can't make assumptions about how social media works with your business; you need to know what people are already talking about in relation to you and your market.

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Of course, listening is just half of phase one, the other part is analysis: truly understanding the data you're pulling in. That's where enterprise-level social media monitoring tools come in. They give you the breadth of coverage to ensure you're not missing key conversations and also provide:

- a) Data categorisation and management: cut and slice your data with different segments and chart the results to see insightful trends and patterns.
- b) Statistics, metrics and metadata: these help you filter and sort your results so that you can track your successes and also prioritise what you're interested in most.

So those are the tactics – what are the practical uses and benefits for your business?

1. Customer Service & Reputation Management

Social media is now a natural platform for customers to turn to for all manner of issues. It's a place where they express their gratitude, vent their anger, give advice, recommend and also enquire.

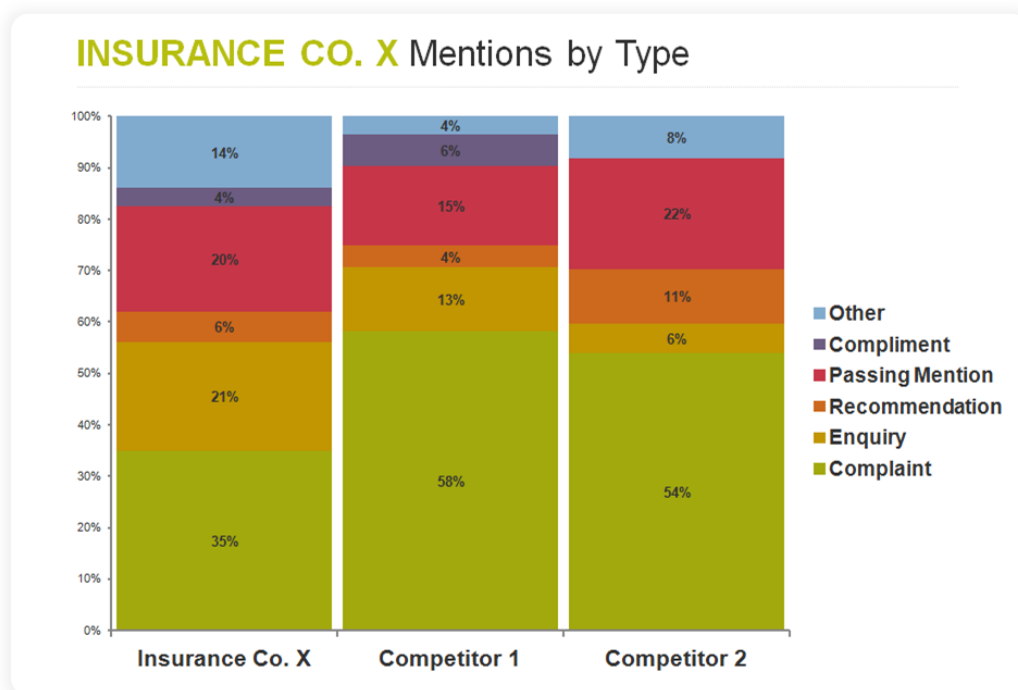


Figure 1: An insurance company analyzing the kind of mentions they get that may require customer service intervention.

If your organisation is letting these customers go unheard and their issues unresolved, you risk losing these customers and their peers, as well as causing unnecessary damage to your wider online reputation.

Monitoring your brand terms properly means you can pick up on customer issues, discern which department or branch they pertain to and assign them to the relevant person.

Don't let privacy or security issues get in the way – ensure you have guidelines as to when and how your staff respond online, what information they ask for and so on. The bottom line is that, if your customers are complaining or enquiring online, they will likely consider it appropriate,

favourable even, that you respond online. This can simply be the first touch point – it's advisable to then transfer the issue into a private domain, perhaps via email or telephone and take the issue from there.



Bank of America have got the right balance with their Twitter account, which is used to not only broadcast but also to interact with customers and help with their queries. They often will refer customers to a private DM conversation and encourage customers not to post personal details on the site, in order to comply with security safeguards. The account also has a nice personal touch, with messages signed by individual staff members.

Trust is such an instrumental factor when it comes to a consumer forming their opinions about financial organisations, so let your customers know you are listening and that you are sensitive to their requests and concerns. The trust this builds will result in happier, more loyal customers and a stronger, more positive image for your financial services brand.

2. Research

Being a social financial services organisation doesn't just mean responding to customers individually - you need to be able to see the bigger picture. By understanding the patterns occurring across your customer-base and tapping in to the behavioural trends typical of your target audience, you can uncover crucial information to direct your business.

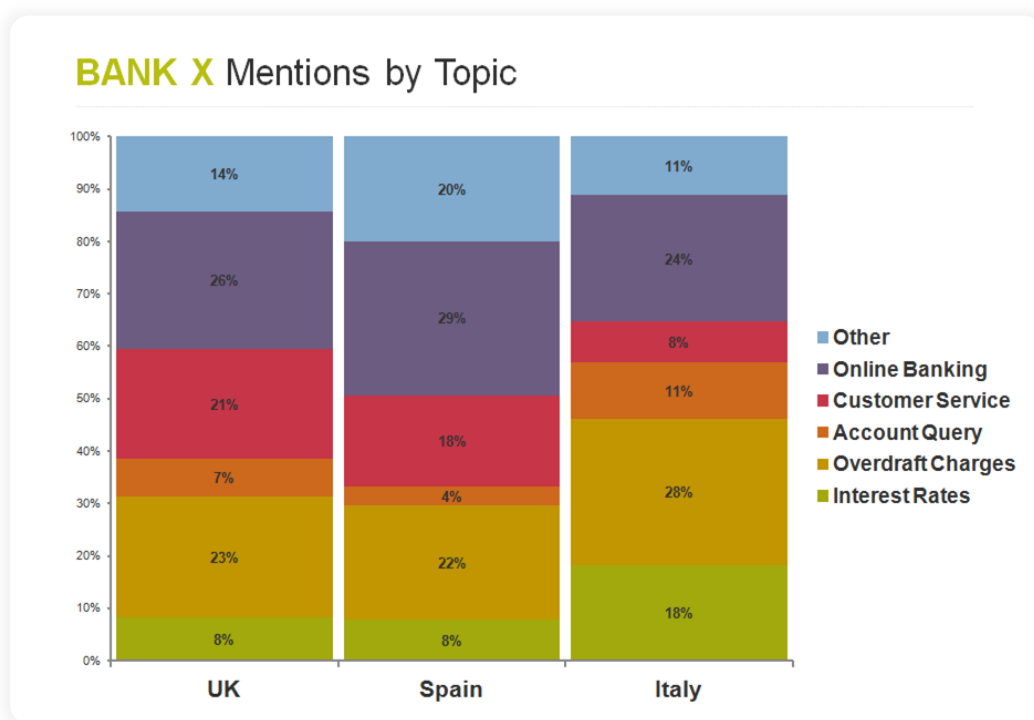


Figure 2: A bank comparing the kind of mentions it gets in different markets – there is more conversation about interest rates in Italy and more about customer service in UK.

For many, financial issues are very personal. The web provides a place for people to talk completely openly and anonymously about their attitudes and experiences. Consequently, combining the insights gathered from mining these domains with other traditional methods can provide far more sophisticated models of consumer behaviour than the traditional methods can do alone.

Having all this information to inform your business strategies is a vital part of being innovative and agile, but it is just that – a part. The next challenge comes in creating an environment where your business can actually make changes and act on this information. The more robust and powerful the insights you deliver, the more your organisation will feel compelled to take action.

3. Marketing I: Targeting

One marketing benefit that is unique to social media monitoring is the ability to find active communities and conversations taking place online that are highly relevant to your business and your interests. These might include forums, particular communities of blogs, individual posts or popular hashtags. This enables you to proactively engage with people in your target market who you know will be interested in your products and services.



This doesn't mean jumping in and broadcasting sales messages to them - remember what being social means! It's an opportunity for your advisors and knowledge specialists to objectively take part in discussions which they can add value to. Activities like offering advice, sharing others' content and asking questions all contribute to the community around your brand and the thought leadership associated with it. Are you running a blog? It's a great way to source ideas for content, and give your opinion on what's hot at the moment.

Some financial brands have already begun to embrace social. Take Morgan Stanley, for example, who recently allowed their some 18,000 analysts to use LinkedIn and Twitter, albeit only using pre-prepared messages.

Social media presents one of the most powerful targeted marketing opportunities available if executed smartly. Combine intelligent monitoring with tactful and considered engagement and your target audience will immediately begin to grow more aware of your significance in the market.

4. Marketing II: Measurement

When it comes to understanding what effect an online campaign is having, a simple metric to add detail to your tracking is online buzz. Of course, buzz doesn't mean bucks, but if you run two online campaigns and one generates far more online conversation than the other, a bit of further analysis should tell you why and what you can learn for next time.

Also remember, the information you uncover online can also be used to inform decisions across your marketing, including offline efforts. Do you want to know what public opinion of your latest ad campaign was? Combined with effectiveness measures, social data can provide a very real picture of how people are reacting to those spots that cost you so many thousands of dollars.

Both the above can help you determine which of your marketing efforts are working best for you, what resonates with your audience and how they feel about your brand.

Getting Started Now

Whether your organisation offers banking, insurance, investment or any other financial products or services, you will be amazed by the benefits you can reap from a refined social media strategy.

The companies gaining the edge in financial services today are the ones that understand how consumers behave and communicate in the age of the social web. What's more, they *act on this understanding* to improve customer loyalty and market themselves better to their prospects.

We've said that listening is the best place to start – more specifically, conduct a comprehensive report and audit of all social conversations around your brand and your market keywords, perhaps for the past 1-3 months, to give you a solid foundation on which to build your social media strategy.

Thanks for reading our guide to social media for financial services. To see how Brandwatch can help give your finance business the edge in social media, [visit the website](#) and [book a live demo](#) with our team.