

ENGAGEMENT

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Who's chasing Aleksandr Orlov?

Social media networks give financial services players a new distributive power, writes MARIANNE CURPHEY – and the chance at last to cease being “faceless” to their customers.

Some seasoned observers are convinced that most large companies fundamentally misunderstand the tone and point of social media and will never be able to do it well. "Much of the time when big companies try to do it," argues Ian Aspin, "it feels fake and false. People quickly see through that and hate them for it."

Aspin has studied the scene. As author of *How to be a Superhuman using the amazing power of social networking*, he's not at all sure that big players in financial services really have grasped social media's core benefit of "finding out what people want and giving them real value".

Simon Middleton agrees. Social media has its place as part of an engagement strategy, says the MD of Brand Strategy Guru and author of *Build A Brand In 30 Days*, but he insists: "It's not the solution to all the marketing department's problems. The big banks are a very long way from cracking social media and the danger is they're like the boring guys at the party who try to regale you with tales of how cool they are."

One opposite, he says, proves the point: "The Meerkat campaign, launched by the insurance site Comparethemarket, went viral precisely because it's funny, entertaining and engaging." And, not surprisingly, the agency that gave birth to the Meerkat agrees it succeeds as an online and offline sales driver because of Comparethemarket's determination to stand out from the crowd by being "famous and different".

Created by integrated agency VCCP, the Meerkat confronts the challenge of being distinctive, a challenge that's acute in financial services generally, and insurance particularly, says MD of VCCP Share, Dominic Stinton. "Price comparison websites are a very generic business as far as branding is concerned, and all the companies had similar names. We chose our first character, a Russian oligarch, because it seemed the most topical." Now Aleksandr Orlov has his own Facebook page with 780,000 fans and Twitter account with 47,500 followers.

But Stinton encourages financial services companies not to think of social media purely as Facebook and Twitter. "There are thousands of forums and blogs where it's possible to build relationships. Instead of sending

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out millions of pieces of direct mail, companies could look at using social media for direct marketing and look at how to identify particular segments of consumers."

That formula is certainly endorsed by Sarah Carter, Vice President of Marketing at Actiance Financial Services, a developer of collaborative internet platforms. "Think outside of the financial box," she advises, "and look to engage with the consumer in the way that resonates: use personalities – and they don't have to be human! – to develop the brand within the social medium and expand it out."

She believes large companies should ask users what they want and expect from their relationship with the organization. "Engage them early on, set up a user group, crowd source the requirements from the audience themselves.

It gives financial services organisations the ability to engage personally.

"Many of the frustrations confronting individuals relate to a faceless organization – that's why we're now seeing new account teams using social media to reach out. Just take a look at @askciti or @wellsfargo, two instances of some great customer service through the Twitter channel.

"Social gives the organisation the chance to communicate through the channels that the consumer wishes to use – and in a wholly transparent fashion. Those that are succeeding are being transparent about dealing with criticism publicly (apart from when it contains personally identifiable information, of course, which they're taking offline).

"The concept of communities and networks has never been stronger in these days of austerity. Financial services organisations that adopt the community idea, and 'give back' by fostering the community spirit are starting to win over the hearts and minds of customers and prospects alike, by enabling them to collaborate and communicate with individuals within the organisation – not a faceless corporate identity. First Direct has a fantastic social media outreach campaign."

Christophe Langlois also believes that building a platform on Twitter, Facebook and You Tube is precisely where any brand must now begin as ways of distributing its content. The CEO of Visible Banking, a social media and digital engagement consultancy, he declares: "The sooner you start, the better prepared you'll be to deal with a crisis which might come up in the future. The first step is to take control of your brand."

He defines three important elements in an effective social media strategy: transparency, tone of voice, and demonstrating that you care. "It sounds basic, but very few institutions do it well," he says. "It involves sharing information in a different tone of voice and being more accessible and intelligible.

"Another approach is to find brand ambassadors – turn your customers into advocates and champions of your brand. In the Voice





of the Consumer project, for instance, companies in the US have started to put customer reviews on their site for wealth management products and are asking sophisticated investors to rate and share feedback on products.”

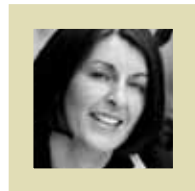
Another reason frequently cited as evidence for not participating in social networking is that the main audience is young and lacks decision-making or spending power. But that’s not supported by the data, Langlois insists. Among users of Facebook and Twitter in the US and UK, around 35-37% are aged 13 to 23, while 50 to 55% are aged between 25 and 54.

There are a few examples of pilot schemes in this country: Aviva has previously used feedback reporting specialist ServiceTick to filter and review customer comments on Facebook and Twitter. And First Direct has two distinct communities – Little Black Book, where users can swap tips and information on restaurants and accommodation, and First Direct Lab, where new products and features are “crowd-sourced” and tested. However, it’s in the US where innovation and good examples of social media use are most prevalent, says Langlois. Market leaders include American Express, Citibank, Progressive, Fidelity, Charles Schwab and Vanguard.

Another objection to engaging with social media is the perceived obstacles of compliance and regulation. “There’s always a notion of risk,” Langlois agrees, “but our job as an industry is to manage risk. As part of compliance, financial institutions need to ‘Know Your Customer’ (KYC). With social media, you need to ‘Know Your Followers/Fans’ (KYF), understanding who these

FIND BRAND AMBASSADORS – TURN YOUR CUSTOMERS INTO ADVOCATES AND CHAMPIONS OF YOUR BRAND.

CHRISTOPHE LANGLIOS, CEO Visible Banking



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people are and produce content to maximise your impact. But the vast majority of brands worldwide don’t do this.”

Sarah Carter is hopeful: “In an increasingly connected world, where our lives are busier than ever, we’ve moved away from walking into a branch, from answering the phone to the cold callers, the telesales teams. Social media allows customers to engage on their terms, in their location – and to share that with their friends, followers and family. The brand that uses these media to communicate with me in this fashion wins. Because ultimately, I’m the consumer and I have a choice.”

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An investigation of the fundamental forces that are shaping and driving the emerging world of social media, identifying the areas that organisations will need to address in order to adapt themselves to the social media world.

Strategic Social Media

Charlie Osmond explores the strategic side to social media, and explains that it is vital to think long-term in order to gain ROI on a social media strategy.

Customer experience without borders: a practical guide to social media in financial services: Christophe Langlois, Visible Banking (www.visible-banking.com)