



Uses of Social Media by Banks

It's all about Listening

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Today's customer is digital. They are virtually *everywhere*. They are searching for your products. They are commenting on your services. They are talking about you, whether you are there on this platform called social media, or not. How much ever you try, the cold hard truth is that banks have no escape; an opportunity to re-establish its relationship with public cannot be ignored, anymore.

Social, Digital and Mobile in India (We Are Social, Singapore – July 2014)

- Out of 1,256M total population in India, 886M are active mobile users (70% penetration of mobile in India)
- Out of 243M active internet users (19%), 185M are active mobile internet users (15%)
- Out of 106M active social media users (8%), 92M are active mobile social media users (7%)

A Sneak Peak into History of Publishing

We humans communicate by engaging in long conversations; it gets interesting and animated when expressed in the form of a story. The art of engaging human minds in story-telling began way back in 40,000 BC in form of cave paintings; the earliest known human cave paintings were found in Spain. From hiding secrets on papyrus rolls to password protective email accounts, from books made of woods and bamboo strips to ebooks, from printed Readers Digest to interactive digital magazines on tablets, from invention of camera to online streaming videos, from breaking news on television to real-time e-news tweets, it's been an enchanting endless journey of publishing and it is still evolving. What we all know is conversations continue; the modes and mediums change. The stories continue to triumph over technology.

In 1969, CompuServe opened the avenues to social interaction on digital space. It was the first commercial internet service provider that opened for the public in US; by 1980s it not only allowed the members to share files, access news but also offered an experience of true interaction without any global boundaries. But it is in 1978 when two Chicago computer hobbyists invented BBS (Bulletin Board System); BBS can be marked as the rudimentary beginning of small virtual communities. Our interactions changed, our online behaviours changed. Digitalization completely changed the way we think, feel, listen and do over the internet. It has become the preferred channel to our virtual presence; our second life.

What is Social Media?

A new age customer is digital; digital has changed the way they communicate today. It won't be surprising, if we define humans as social 'media' animal. More so, smartphones are empowering this digital human race with capabilities beyond imagination. Smartphones are not only growing by popularity, but also in their features, apps, performance capacity and with capabilities. A smartphone has become a companion that co-exists. The proliferation of devices has resulted in drastic change in consumer habits and relative behaviour. Today's customer literally sustains on the giant web called Internet. Their social life depends on it. They make friends on Facebook, their family (and friend) circles on Google+, they express by Tweets, they brainstorm (ideate) on Pinterest, they influence through Blogs, they Instagram their memories, they meet and present on Hangouts! Their expectations from bank are no different, than being available at service *anywhere, anytime*.

Performance Shapes Smartphone Behavior – Understanding mobile broadband user expectations in India (An Ericsson Consumer Insight Summary Report – July 2014)

- In India, the average time spent on smartphones apps has increased to 63% in past 2 years
- Indians spend over 3 hours a day on their smartphones, 25% of consumers check their phones over 100 times a day
- 61% of smartphone users browse the internet on their phones before start of their day
- Facebook and WhatsApp are top apps that almost every Indian smartphone user indicated they cannot live about
- 24% of smartphone users use chat apps (WhatsApp and WeChat) for business purposes

Social Media enables direct customer engagement. It is multi-directional medium to converse, listen, engage, and share. It's a platform to build mobile audience globally. It's a huge opportunity and possibility to go hand-in-hand with your customer *anywhere, anytime*. It's a social platform to *listen* to your customers. It's merely a café to *hang out* with your customers. It's a platform to *engage* with your customers; get their first-hand feedback on your services. It's a large window to *showcase* your products. It's an arena to *challenge* and *compete* with other banks. It's a platform to build trust and stronger relationship.

Social Media is an opportunity of direct business. It is not just a job that you can pass on your IT or marketing department. You need to plan your strategy, do your ground work, understand your brand, use analytics, pick relevant social media platforms, and take your customer experience and engagement to the next level.

What do Banks Fear to be there?

We conducted a survey amongst the 47 program participants, and though there has been a widespread sense of excitement about social media within the participants coming from financial sector, it is also known that there are some banks who have embraced social media and are making their mark globally, while there are others who still need to gather confidence to understand and explore social media.

###CAFRAL Internal Research Study – May 2014

- Out of 29 Public Sector Banks (PSB) in India, only 3 are present on Social Media
- Out of 20 Private Sector Banks (PvSB) in India, only 12 are present on Social Media
- Only 2 PvSB's provide Social Media Banking

In today's volatile economy, biggest challenge to be on an open 'social' platform is majorly about being live and public! Social media comes with a potential of building audience in fraction of moments. Any information of public interest can go viral within minutes and given the long-list of protocols we need to follow before anything goes live, the damage could be beyond repair; it's a biggest credibility concern. But the underlining fear with financial brand is that we believe we are boring; we think we have nothing interesting to say or communicate about our brand. And we hold onto this discomfoting thought, we constantly conceive it.

There are numerous internal and external challenges like tackling the regulatory policies, compliance issues, setting privacy watch, lack of expertise, lack of internal resources with basic knowledge on social media, managing the volume of traffic through social media and also difficulty in setting standards and guidelines on content and information that should be publicly broadcasted over various social media platforms. These all challenges furthermore make it difficult to get a buy in from senior management, who display reluctance to reshape organisational policies.

The challenges can be met. If the content is relevant and intuitive, people will adapt and make it their preferred channel to establish on-going communication with your bank. There are lot of players who have been largely successful. It is good to understand what did they do right? Brands are changing the way they communicate, to best suit their changing consumer. It has been the FMCG sector that benefitted the most from their innovative use of social media and it's alarming for any sector including the financial sector to not be there. It's the need of the hour to accept that 'your customer is already talking about you.' Be it good. Be it bad. Be it on your official digital space or some other platform. Knowing that it is a public platform, it's not going to be your 'secret' anymore. So shutting yourself will do more harm than good. Prepare yourself, be there and reap the benefits that social media offers or just lose on the race. In August 2013, IDRBT released *Social Media Framework for Indian Banking Sector* deliberating on the role of social media in business and the approach that banks can take without violating RBI guidelines.

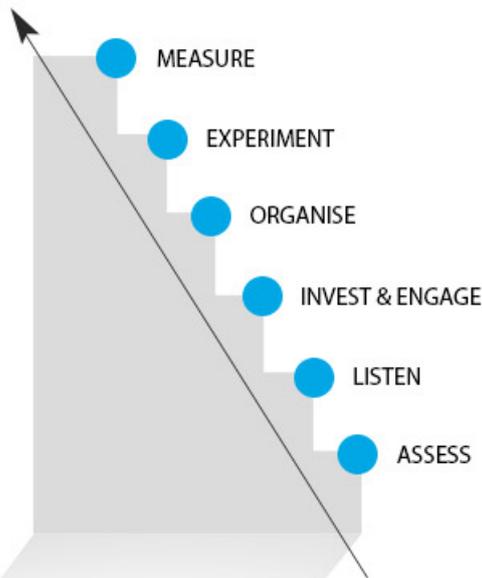
Social Media Strategy

Social Media plays a role of catalyst of multiplier effect. It helps multiply your reach. It can amplify your brand reputation. Digital is changing the customer behaviour and brands communication changes with the changing customer. Today, it's the art of story-telling that triumphs over technology, and technology empowers you with numerous tools to enrich consumer experience. Move people to care and remember with seamless story-telling. Understand your brand better; its needs better. Firstly, it's about breaking out-of-the-box of traditional approach and thinking; it's about embracing the change that digital world has brought in. It's going to take to change the belief that 'bank' or 'banking & finance' can be a boring subject to talk about. A money matter is a subject of interest when the central focus is customer. Our attention spans have decreased tremendously; preach what can be simple yet thought-provoking and interesting. **Rethink boring.**

Social trends/Social path to purchase (Source: iCube Research IMAI & IMRB June 2013)

- 54% Users read online user reviews before purchasing
- 46% Users rely on social when making purchase decisions
- 81% Social posts directly influence purchase decisions
- 33% Users follow brands on social

rethink **boring**. think **engagement**. think **change**.



6 basic steps to building presence in social media

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Assess

Social media gives an opportunity to investigate and assess itself before you consider venturing into it. It is a platform that can help you research and understand your target audience, as well as your brand in the current environment. Use these metrics and extract analytics to learn about social media and its endless opportunities. Tap the conversations about your brand, measure it up; if people are already engaged in conversations pertaining to your brand, consider it as **your asset** that you can engage and evolve.

There are a range of tools available in the market that help you measure the impact of your brand already prevalent on various social media platforms; help you understand what people are talking about your brand and services, gauge their sentiments, analyse which cities are heavily engaged on social media, their age groups, interests and so on. This platform lets you keep a watch on other brands, your competitors who are already there; the information is public, use it wisely.

Listen

Listen to your customers. There lays a huge difference in the way you believe about your brand and in the way a customer conceives it. It is wise to go in as a Listener and just listen to what your customers are saying about you. A complaint should be pursued as your chance to improve. Listen to how your potential customer is responding to your products and reacting to your brand, as a whole. It's an open market to learn and understand your competitors better. Listening will enable your organisation to understand your customer needs better and help you tailor your social media strategy accordingly. A lot of third party tools are available online that can help you learn about your brand and people sentiments around it.

Listen to understand your customers. How to reach degrees of emotional connect with your customers? Know your customer; strike the right emotional chord. Social media is an ever growing database of actions; it's easier to know your customer is thinking, use this information smartly. Today, social media has become an essential path to purchase. A good review on a service or product will help boost your business. Plan campaigns that have ability to move people to believe what you stand for. Move people to listen so that they will remember. Be real. Be true. After all, it is for your customers and the way you respond will matter the most.

Invest and Engage

Be Innovative. Think Engagement. Think Change. It is important to explore the basics first; expand to complexities, as you go! You need to invest in internal team trainings and/or invest in hiring creative agencies to bring in fresh ideas to the table, along with buy in from senior management.

Social Media comes with an open platform that can talk your language. Your imagination is the only limitation. How to generate content that your consumers will like to share; content that will not only benefit them, but will benefit their community; their circles? Create delightful content, extend life of your brand, be creative and comprehensive is the key to win on social media. Move people to participate; leverage the power of social media to turn your consumers into your brand advocates.

Organise

Understand your brand. It is important that you set an objective for yourself and your employees. Social Media needs participation from all departments in the bank, so it is important to have dedicated internal and/or external resources in place with approvals from senior management across the organisation. You need to collaboratively plan your brand strategies, amend brand policies, set brand visual and tonal guidelines and act accordingly. It is equally important that your internal resources have basic understanding of social media to know its potential and its vices. The volume of traffic, and the response time, is crucial and at crisis following the protocols, may not always be feasible; trust your people. Involve them and you will evolve as a stronger brand. Identify your key executives, your key voices for your brand as your bank representatives on social media.

It so becomes important to have thorough social media brand guidelines that clearly states your banks personality over the internet, visual brand guidelines, content standards and set a certain tone for internal and external communications over social media platform. The mobile phone has been used for personal communications over the years, if your tone is too organisational then that will be the last thing the users will consume. Move people at the moments that matter; personalise your tone of communication.

Experiment

Before going all-in on a public platform, experiment on smaller manageable campaigns/projects to build understanding, the volume of interest and traffic response. Again, picking up a relevant social channel/media for your bank is important, all available social media sites or tools may not fit into your business plan, weigh them against your business needs and strategies.

Measure

It is crucial to measure the impact of any social media activity or social media campaigns to highlight your success rate, your reach and also highlight areas to improvise as you go. The success/failure measure helps in effective social media management and customer engagement. This is a continuous process. This data again will help you build your social media strategies better and felicitate better social media management.

Social media strategy, if implemented and integrated effectively, can help boost your organic reach. Alternatively, it is cheap and easy to buy random fans and followers on social media but plan sustainability and social media management. Your success/failure on social media depends a whole lot on your commitment to maintain the relationship built on social media, the value proposition for a user to friend/follow you, originality of your business plan, your capacity to absorb, your capacity to think-out-of-the box and deliver, and your strategic approaches to social media.

Popular Social Media sites Banks consider

There are numerous social media sites available in the market but a thorough study must be done on what they offer. You need not be *everywhere*. It is therefore important to pick out the ones that can resonate with your business plans. Understand that opening an account on popular social media sites is not all; there must be a sustainability plan in place. Also, adaptability of the internal or external teams to expand or upgrade over time, must be considered, as social media sites come with a finite shelf-life; social media is constantly growing.

Social Networking Sites

An engagement on social networking sites can let you get into conversations with your customer, gives easy access to their friends and communities whom you can influence and convert into your customers, extract analytical data on audience you may like to cater to, and also in-depth analytics on their social behaviour and spending patterns. This information can not only help you do targeted marketing but also tailor your products and your social media strategy based on emerging customer trends. Some of the activities that banks have been engaged on popular networking site like Facebook, LinkedIn, Google+, are -

- Providing full-fledged online social media banking
- Engaging into adult education through 'gamifications' apps
- Conducting community-oriented initiatives; donations and charities
- Finding talent, interests; influencing and building professional social network
- Using predictive modelling and data analytics for prevention of cyber-crime
- Staging live online meets and product launches
- Driving marketing and product campaigns by customer engagement by offering direct rewards i.e. more Facebook likes, less interest rates on their accounts; more loyalty points for online purchases, etc.

Microblogs

Microblogs push short targeted messages in real-time. It's live, public and conversational. A well-planned microblog engagement can lead you to setup on-the-go problem solving cell for your customers. Microblogs also provides opportunity to emphasize on your brand's personality; provides opportunity to follow interests, share, interact and influence. Microblogs are mobile phone invention that has the capability to make anything interactive! Also virality on microblogging sites remains high; it's an open public platform after all, so your press shop should be telling the story with innovation. Some of the activities that banks have been engaged on microblogging sites like Twitter, Tumblr, are -

- Buzz monitoring and sentiment analysis
- Staging public meetings with top management
- Using as a real-time online problem solving customer centre
- Controlling social banking services
- Monitoring brand reputation and establishing brand loyalty
- Customer interaction and acquisition
- Pushing real-time messages and information; easy adaptation to SMS
- Real-time global broadcasting and also ability to integrate on to traditional mediums like TV, radio, interactive hoardings; drive and co-create your campaigns through customer engagement

Visual Content Communities

What we see is what we believe and share. Online visual communities work similar to networking sites, but it is content specific. Some of the popular content communities are YouTube, Instagram, Flickr, Pinterest, etc.

- Brands have successfully engaged in product launches
- Steering mass campaigns
- Educating customers on products and services
- Emotionally connecting with the customers, moving communities

How does it make a difference?

The more long lasting experiences over fancy advertising; the simpler you make it for your customers; the more customised, personalised service you can deliver; the more engaging and integrated your bank will be; the more banking becomes part and parcel of their lives, the more successful the bank will be.

Case Studies

Banking is Social with Kotak Mahindra Bank

With 220M Facebook Likes and 100M dedicated Twitter Followers, Kotak Mahindra Bank ranks 11th in the power 100 social media rankings for banks globally, as per The Financial Brand Q2 2014

report. This year, Kotak Mahindra Bank made a remarkable leap by announcing the launch of first-of-its-kind fully integrated social banking account Jifi designed for the tech-savvy digital generation. The product helped customer acquisition and created lot of buzz on the internet.

Jifi integrates social media platforms like Twitter and Facebook with mainstream banking for secure and seamless on-the-go information. The entire process from opening a Jifi account to the ability to transact on social media platforms is highly simplified, secure and all with minimal human intervention. A list of pre-defined hashtags released by the bank aids you with getting account updates, branch locations, and much more via DM on Twitter. To literally stand-out and sustain on a social platform that has more than a million tweets accounted in every 2 days, there comes a huge responsibility to constantly deliver, engage and interact with your consumer to their satisfaction. The value proposition other than on-the-go banking also lies in the loyalty points the account holder earns for his/her social activities like online transactions, liking/commenting on Facebook, inviting and adding friends to Jifi network.

Branch Banking goes Digital *with State Bank of India*

SBI becomes the first public sector bank in India that goes digital. With its digital branches, it's marching ahead of the race by bringing in world-class digital banking experience. It is also present on social media sites to cater to tech savvy customer online. Their strategy for the social media has been one step at a time. The bank is constantly learning on its way and listening to the customer has helped them align products & services to the customer needs. They have run product launches through YouTube and they have active customer interaction through Facebook and Twitter. Social media helped SBI to break out of the traditional bank image that the young generation perceived over the years and in return has helped in customer acquisition especially in the younger age group.

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