



WHITE PAPER

8 Social Media Tips for Financial Services

A Hootsuite White Paper

8 Social Media Tips for Financial Services

A Hootsuite White Paper

The Financial Services Industry is now at a pivotal point in its adoption of social media for the enterprise. Regulatory demands, bureaucratic inertia and legacy technologies continue to pose challenges, but after years of apprehension many organizations are taking their first tentative steps onto social networks.

Industry leaders, meanwhile, have identified social media as a strategic force that can unlock billions of dollars of value in customer experience and employee productivity.

Social media humanizes customer service, brings businesses closer to their stakeholders, and makes information more accessible to the knowledge workers who are the heart of any FSI organization. For an industry built on trust, accountability and knowledge management, that's a good thing.

Social media's transparency and accessibility are still causes for concern among some decision makers in financial services. That's why a degree of prudence prevailed in the financial services industry during the early years of social media. However, today's social media management systems don't inhibit compliance. In fact, they facilitate it.

The time for equivocation is over, but there's no need for aimless experimentation, either. This paper outlines the path to success in eight simple steps that you can use to evaluate and implement social media within your financial services firm, starting today.

The Social Media Maturity Model

It's helpful for organizations to define where they are within the Social Media Maturity Model in order to better understand their present situation and, in cases where it's appropriate, to prepare to scale and expand a social offering.

Social Advocate:

This is social engagement at its simplest stage. At this stage, social is in the hands of a single individual within an organization. This person usually has strong personal social involvement and may have emerged from within the organization as a logical leader in social, pioneered social involvement from within, or may have been hired specifically to tackle social for the organization – the social expert.

Social Teams:

A Social Advocate can only do so much. Enter the Social Team. Typically the Social Team is departmentally focused. In the early days of social, these teams were nearly all centered around marketing or PR, but more recently we're seeing the spread of social teams throughout an organization. These teams can emerge organically, without central direction, and may adopt diverse technologies and procedures.

Social Organization:

Once you have a number of social teams operating in separate departments, you're on your way to the Social Organization stage. The true mark of a social organization, however, is having a standardized system and guidelines for social media use within the organization to drive true value through these technologies. You're turning the tools you've used to engage outwardly with customers inward to foster better internal collaborative practices.

To date, FSI has lagged behind other industries in the adoption of social media. In 2011, only 64 percent of financial services firms reported using at least one social technology tool, compared with 86 percent in high tech. Most FSI organizations have either avoided significant social media engagement or approached it as a traditional marketing exercise, without integrating customer service, human resources and other business functions into a holistic social strategy. But the numbers support the increased application and scaling of social in FSI. A [McKinsey Global Institute study](#) estimated that social technologies could contribute \$256 billion – \$423 billion in value annually in consumer financial services.

Tip 1: Evaluate

After taking stock of your organization's position on our Social Media Maturity Model, it's time to ask a few questions. First, where have you already or where do you plan to deploy social programs and against which goals? In either case, avoid considering social in a vacuum. Take the time to understand where it best fits your organization and how to integrate it into existing organizational and departmental goals. You're not reinventing wheels for social, just using it to make the ones you have turn faster.

If your FSI organization has grown through acquisitions or mergers, its personnel structures, IT systems and business processes may be fragmented and in need of streamlining. How can social help consolidate your organization and eliminate silos? If your knowledge workers don't have rapid access to information, your business might not benefit from the economies of scale that justified those acquisitions or mergers to begin with.

Where will social media allow you to reach the customers or stakeholders who most crave deeper, richer dialogue? Maybe you're better to consider developing a robust internal social ecosystem, harnessing the power of inward-facing social before you look outward? How are you going to measure and quantify the success of social programs?

What can you reasonably afford to dedicate to social in terms of time and tools? The allocation of human resources is far and away the most significant cost tied to social. What will your team(s) look like? Identify leadership within your organization or begin the hunt to find it from the outside.

Tip 2: Secure & Comply

Your security and compliance policies should be completely aligned, because a weakness in one can undermine the other. With the right technology and policies in place, you can secure your social profiles, safeguard your brand and keep regulators happy. Look for a social media management system that offers centralized control of corporate social accounts – these are strategic assets, and should be secured as such. Retain ownership of them at all times, especially during personnel changes.

As a basic compliance measure, be sure that your social platform has a multi layered permissions system and supports automatic archiving of both internal and public social messaging. Hootsuite has partnered with Global Relay to ensure that FSI organizations can use social networks while remaining compliant with requirements of [FINRA, the SEC, FSA, IIROC, Sarbanes-Oxley, and others](#). Hootsuite's integration with CMP. LY allows companies to meet the FTC's testimonial and endorsement guidelines.

Technology is only part of the compliance equation. Your FSI firm needs a policy that gives employees clear guidelines for business-related messages on social media.

If your policy needs improvement, look within your organization for expertise. Your legal or compliance department is an obvious resource, but don't discount the know-how of your social media practitioners on the front lines. They can provide valuable input based on particular use cases that they've experienced.

Tip 3: Educate

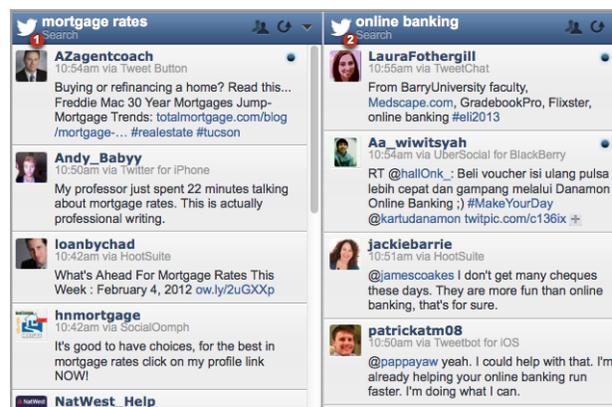
Of course, platforms and policies only exist to enable people. Think about how well your organization is educating its practitioners and other employees in the correct use of social media. If your training program is in need of improvement, start small by working with your existing social teams to find out which on-boarding, coaching and monitoring practices work – and which don't. Your digital leadership can foster sharing of best practices and begin educating practitioners in other departments or regions. As you standardize your education program, consider external certification programs like [Hootsuite University](#). When a formal system for ongoing social media training comes together, your firm can scale up its social activities more rapidly.

An educated workforce isn't just a competitive necessity, but a regulatory one. In 2012, a state securities regulator [issued a deficiency letter to an investment advisory firm](#), sanctioning the firm for, among other things, failing "to provide sufficient and appropriate training to employees" using Facebook and LinkedIn.

The imperative for social media education extends all the way to the C-suite. In 2012 Gene Morphis, the CFO of clothing retailer Francesca's [carelessly revealed non-public information](#) in a tweet from his personal account: "Board meeting. Good numbers = Happy Board." Although his Twitter page was public, the SEC took the position that his message provided his 238 followers with insider information. [He was quickly fired](#) for "improperly communicating company information through social media." Had Morphis received even basic training on compliance, his active use of Twitter would have been an asset to his company, not a liability. Educated executives can become brand ambassadors on public networks and high profile leaders of internal social initiatives, as well.

Tip 4: Listen & Learn

There's no question: people are talking about your FSI organization. And if by chance they're not, then they're talking about your competitors and starting a conversation that you'll have trouble being part of if you're not listening. Amazon founder Jeff Bezos once described a brand as "what people say about you when you're not in the room." Today, you can not only be in the room, but can take an active role in the conversation itself. But before you speak up, make sure you know how to listen.



Social media can be an effective tool for monitoring business intelligence. Did you know that Twitter rolled out 'Cashtags' in August 2012 to track stocks? The system works the same way as Twitter's already well-known # hashtags. Cashtags require a "\$" followed by the ticker symbol.

Listening is a safe way for your firm to ease into social media, and a prerequisite for meaningful engagement. Good practices begin with monitoring for social mentions of your organization – the good, the bad and the ugly – across multiple social networks. Hootsuite monitors for off- as well as on-brand messages in order to assist users who may not spell Hootsuite correctly 100 percent of the time. Your firm can also listen to what's being said about your competitors. Often this data can be just as useful in discovering what drives customer decisions.

Listen methodically. Use a social media management system to [categorize the messages you hear](#) about your own company and your competitors. A retail bank, for example, may want to tag references to interest rates, fraud prevention, online banking, and customer service. Think about what you can do to ensure that information from social networks actually makes it to relevant branch locations or lines of business within your organization. When you implement procedures for internal distribution of social intelligence, your organization will be listening, not just hearing.

Tip 5: Engage

Seeking better customer service is the number one reason people direct tweets at banks, [according to Brandwatch](#). People no longer find it acceptable to trudge through layers of bureaucratic procedure before getting a meaningful response from a brand – if they ever did. The big difference today is that social media allows customers to connect and collaborate with an FSI organization, directly and without delay. Your customers know this, and expect it.

The most important thing you can do is to acknowledge the voice of the customer. Even if a problem can't be resolved right away, give them a quick first response to let them know you've heard them. Twitter and Facebook users value immediacy; [more than half of them expect a response in less than two hours](#). If what you're hearing is a complaint, let them know a resolution is being sought, then follow through on that resolution to the best of your organization's ability. Once again, don't consider social in a vacuum. Integrate your response with existing channels and let the most appropriate channel lead the way to resolution.

While social media is not a one-size-fits-all solution, [research by NMI Incite](#) (a joint venture of Nielsen and McKinsey) indicates that it's by far the most cost effective way to conduct customer service. Systematized customer care through social media costs less than \$1 per interaction, compared to \$6 per interaction and \$2.50-\$5 per interaction for telephone and email care, respectively. If your organization doesn't use social media to put customers front-and-center (and save money at the same time), you can be sure that your competitors will.

Tip 6: Collaborate

Share learning internally. Encourage your social teams to distribute new learning both within the team and your organization as a whole. Keep an ongoing loop of discovery and dissemination where best practices, positive messaging or common questions are put forward for comment or collaboration. The typical knowledge worker [spends 28 hours each week](#) writing emails, searching for information, and collaborating internally. So reduce that time by making your organization's collective knowledge more visible and accessible with internal social media platforms.

Internal social networks make it easy for employees to find subject experts who reside in other departments or regions. For FSI firms that offer a diverse range of complex products and services, it's critical for workers to be able to connect with specialists from across the organization.

Your customer-facing employees, analysts and executives alike should be able to rapidly identify and communicate with the people they need.

Social media not only accelerates these crucial exchanges of information, but makes them visible for the future. By contributing ideas on an internal social network, your organization's workers will free themselves from their inboxes and build up an enormous, searchable reserve of shared knowledge. This is social capital.

Tip 7: Measure ROI

Tie social to the big picture by linking it to organizational and departmental goals. You can begin by tracking basic indicators, including likes, mentions, retweets and follows, but your ultimate success on social will depend on how well you can link social activities to business objectives. Build the capacity for measurement into every social action so that you can understand how well your social strategy contributes to revenue, customer loyalty and other targets.

Use URL shorteners like ow.ly links to track your click-throughs from social networks and integrate Hootsuite with Google Analytics and Webtrends to track on-site conversions. Tally the number of customer service interactions your organization conducts on social networks, and measure how many of them improve relationships or resolve problems. And don't restrict your measurement efforts to external networks. Gauge the activity of your employees on internal social networks, and link this data to business transactions and customer interactions where possible.

Tip 8: Amplify

Double down. One of the benefits of good measurement and data analysis is the ability to hone your message and understand what did and didn't work from a content perspective. When successful messaging emerges organically in social media, paid social allows you to commit dollars with data-backed belief in your programs. Invest in promoted tweets, accounts or trends on social networks that have already demonstrated the highest yield. Adopt social tools that allow you to scale your campaigns effectively across teams, departments, geographies, and brands.

Conclusion

With these eight Tips, you're better positioned to move your FSI organization's social media programs forward. As you take your next steps, watch what works and measure social's impact on core business goals. If you put a strong foundation in place today – based on security, compliance and a focus on the social customer – your organization will be able to confidently scale up its investments.

To find out more, visit enterprise.hootsuite.com

About Hootsuite Enterprise

Partner with Hootsuite to accelerate your social transformation



Hootsuite Enterprise empowers organizations to execute business strategies for the social media era. As the world's most widely used social relationship platform, Hootsuite Enterprise enables global businesses to scale social media activities across multiple teams, departments, and business units. Our versatile platform supports a thriving ecosystem of technology integrations, allowing businesses to extend social media into existing systems and programs.

We help organizations create deeper relationships with customers and draw meaningful insights from social media data. Innovating since day one, we continue to help businesses pioneer the social media landscape and accelerate their success through education and professional services.

Request a custom demo today by visiting enterprise.hootsuite.com

Trusted by 744 of the Fortune 1000

