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Developing Insights from Social Listening and Social Analysis

Growing penetration of social media and social networks has a direct influence on enterprises’ Customer Relationship Management (CRM) process. In the current social media wave, social conversations have a direct impact on enterprise products and services being offered. There is a growing need for organizations to tap into this Social Listening model first, gather insights, and take a holistic view of feedback, complaints, customer networking, and risk potentials before strategizing actions to drive better profitability.

According to Gartner: “Social CRM comprises applications with very different approaches for supporting communities of internal users, customers, partners and other stakeholders to assist with sales, marketing and customer services processes for the mutual benefit of enterprises and their customers.”

Enterprises have been exploiting internal Structured Data, consisting of Customer Demographics, Behavior Patterns, and Spend for various customer analytical solutions to improve customer satisfaction. CRM systems in such enterprises have been playing a critical role by providing a core channel to capture the structure and report on the customer information, and this is where data analytics plays a critical role in helping enterprises to understand enterprise performance and also in predicting the future based on historical data.

What is Social Analytics?

Social Analytics is an area—an extension to data analytics—which provides meaningful insights to enterprises from social media conversation. Social analytics, as an area, has emerged above social media metrics. “Social Analytics” is a broader term which covers various social metrics analyses such as “sentiments of people”, “buzzwords” emerging in social discussion, and
metrics oriented to individuals/authors such as “authors’ conversation volume”, “influential authors”, etc. Social analytics provides inputs to enterprises for enabling decision-making and drawing inferences for brand perception, co-creation, product performance, and campaign effectiveness, and also for analyzing individual customers with respect to influential power and various other parameters. These analytics are targeted towards various stakeholders of enterprises such as Product Manager, Campaign Manager, and Customer Service Managers, etc. Social analytics helps financial organizations build insights at various stages of the CRM process—from campaign management to customer support services. Customers are leveraging social channels such as Twitter, Facebook, and blogs more frequently to share their feedback on products and services provided by enterprises, as compared to direct feedback via CRM or call centers.

The touch points of CRM interaction, information acquisition, and monitoring aspects by banks, are still relevant. However, with the advent of social networking and media channels, there is a need to expand the scope of these quadrants in terms of coverage. For example, the Customer Acquisition process should be able to get insights via social networks as to the unmet banking needs of different categories of people.

Similarly, the Risk Operations process needs insight on customer behavior—a customer’s social peers, and networks and interests where he/she’s spending or likely to drift away. Such inputs will provide good value to figure out the risk associated with an individual.

Social Analytics in Banking - What Matters the Most?

In a recent research report called “BankInsight” published by Serendio, a leading customer experience analytics provider, a few interesting insights about banks came to light:

- Mortgage and Credit Cards are hot topics for banking customers, and represents about 32% of all banking conversations.
- Bank of America, Citibank, American Express, JP Morgan Chase, and Wells Fargo dominated the Internet conversations.
- Credit card was the most talked about product followed by Mortgage.
- Amongst the top 10 conversations, Wells Fargo, TD Bank, JP Morgan Chase, and NatWest were the only banks with Net Positive Perception score.

Now that we believe that social networking is here to stay, and reports like the one above indicate that there is growing customer-driven...
conversation about banks and the products and services they sell, let’s look at the ways in which social analytics can benefit banks:

- **Social Customer Profile:** Analyze the types of customers and their interests from their existing conversations on social networking sites such as Blogs, Facebook, Twitter, Forum, reviews, etc.

- **Peer Review:** Analyze how other banks in the same space are connecting with their customers, and what are their positive or negative traits.

- **Areas of Connect:** Once you have established the fact that customers are there on the networks and talking about your products, analyze customer behavior further to understand the type of service they are interested in talking to you about.

- **Medium of Choice:** Analyze customers with a view to understand their medium of choice—is it a simple 140-letter update that they are interested in on Twitter or is it a detailed information format like that of a Wiki or a blog.

- **Geo-preference:** Customers in different geographies have different interests and needs from banks. Social analytics, based on existing conversations, can help segregate the conversations based on geographical interest that could help banks find the right offering.

The customer influence circles around the connects that customers make in daily life and they pretty much influence the buying decision. Insights into a group of such influencers with varied interests and personal preferences coupled with their degree of influence, could help reach a certain level of understanding into the buying behaviors of the customers.

While social analytics and intelligence are important to financial enterprises and play a crucial role in transforming the CRM process to Social CRM, there are multiple challenges in implementing and exploiting such analytics.

1. Tapping the right source of social media and network: Social media can be classified into different buckets—social network sites such as Twitter, Facebook, Blogs and discussion forums, and enterprise-owned social network sites. Insights from and influence of these sources also vary. Twitter is predominately used to express quick opinions and activities, and banks are having Twitter presence and following Twitter to see any grievances or service needs of customers. Facebook provides a channel for marketing. Banks need to adopt a different strategy to leverage the information and collaboration from social media sites. Applying a “One size fits all” strategy will lead to improper insights.

2. Encouraging the community to participate in the discussions and collaborate: It is difficult to keep the social channels active. Analytics plays a crucial role in identifying the trends and active authors.
3. Integrating the social insights with enterprise data and analytical models: Social media analytics and insights on a standalone/silo basis will not provide any action insights, unless these data are linked or correlated with enterprise events or enterprise data.

4. Tools, techniques, and approaches for deriving accurate insights: Most of the social media conversations are in the form of unstructured text. Language usage such as slang, the short form of words, acronyms, domain-related words, etc. add complexities in choosing the right technology and technique.

5. Deriving the business value for social engagement and analytics.

Depending on the social media and interaction application, enterprises need to develop strategies and integration systems to enable a holistic analysis.

Key Business Benefits of Social Analytics and Insights

There are several implicit and explicit business benefits achieved via social analytics, and this adds to the benefits that any CRM would claim of. The categorization of benefits for any organization, primarily banking and financial, would fall under the following:

- **Marketing and Sales**
  - Effective and targeted campaign management
  - Rapid marketing response to customer needs
  - Pro-active lead generation
  - Edge over competition by active listening and action

- **Customer Engagement**
  - Enhanced customer experience—instant service to address their problems
  - Enhanced customer satisfaction—every customer feels personal experience being provided

Social Analytics Integration with Enterprise CRM Analytics – Approach Addressing Challenges

Enterprises need to adopt a holistic approach in analyzing and deriving insights from social data. Standalone analysis of social media data will not provide any actionable insights for enterprises. The core elements of any successful social media analysis are:

- **Listen**
- **Analyze**
- **Actionize**
- Reduction in customer attrition or churn to competition
- Co-creation and Innovation
  - Insights and opportunities to involve customers in product design and features—Crowd Sourced Innovation and Research
- Customer Support and Monitoring
  - Brand and image building by word of mouth
  - Prevention of any negative branding or dent in bank’s image amongst larger peer community
- Banks as Organizations
  - Connection to a larger community base and increase in revenue potential
  - Opportunity to relook and redefine strategies in the context of customer needs
  - Better competitor analysis
  - Possibility to profile customers to ensure risks for banks are covered, and opportunities for cross-selling

Key Vendor Initiatives Worth Mentioning

Social analytics in the financial sector is gaining much attention from the vendors in this space too. Vendors who have typically been focusing on markets like retail and manufacturing, are today bringing their offerings close to banking needs as well.

- **SAS** - One of the vendors’ offerings that could help banks address customer concerns on Twitter is SAS Conversation Center, which brings all connected tweets by customers wherever they have relevance, to the bank’s domain, to help the bank respond on priority.
- **Radian6** – This offers a dashboard that has a built-in workflow and monitors and brings all conversations that happen on Facebook (open conversations) and Twitter to a central place. A definite workflow helps to bring closure to each of these conversations.

- **Scout Labs** – This integrates real-time views from customer conversations on Twitter, Flickr, and blogs, in addition to providing scheduled reports on each metrics set.

Proposed Approach: What Should the Banks Do?

While working on an approach towards social media, banks should carefully consider the kind of details they would need as per their customer base, be it around buying patterns, age groups, deflection points, personas, etc, and take a call on investing in a solution that can merge these insights and the standard CRM insights with social listening and networking-based soft information. This, when taken into consideration with the current portfolio of a customer, and his/her financial history with the enterprise, will provide an improved decision-making capability to minimize risks, increase profitability, raise customer wallet share, and ensure better customer satisfaction.

Conclusion

With the increasing awareness amongst user communities to leverage various channels under the social media belt, there is an equal sense of urgency amongst banks and other organizations to ensure that they are tapping those conversations. There is no doubt about the need of having traditional CRMs considering the value they provide; however, the customer strategy needs to be looked at from a holistic perspective to address consumer problems when they are generating or talked about. Any strategy to have effective customer engagement, will not be effective unless the platform and ecosystem in which
customers are operating is understood, which in today’s world is Social Media and Network. There is an added value to banks with CRM and social analytics, to increase their customer base without much effort, via word of mouth about their effective services and products. Yes, today the level of accuracy to get social insights may be less; however, this is a science that’s evolving and understanding customer behavior and conversation well and will get better with time.

References

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The Rise of Social Media in Financial Services – Balancing Risk and Reward