

Special Report

# Banking Social Media Index

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Rating Social Media Strategies of Top Global Banks

## What is Banking Social Media Index?

- Social media platforms are critical for the successful execution of a company's digital marketing strategy in recent times. They play a vital role in helping big conglomerates, corporates, and even small businesses expand their reach and connect with a large customer base.
- Financial institutions, such as banks and non-banking financial companies, leverage social media channels for reaching their target markets, attracting new customers, building customer loyalty, and expanding their reach.
- In this report, we try to identify how banks across the world are leveraging social media effectively and making it an important element of their marketing strategy.
- For this purpose, we have identified 15 global banks selected from different regions based on their asset size. These banks were then assessed on their social media presence and an index was created (Banking Social Media Index – BSMI) based on the ranking of banks against various parameters.
- Using BSMI, we selected the top 5 banks of the 15, exploring how they utilize social media platforms.

## Why is BSMI Required?

- BSMI was developed to identify top banks globally that use social media platforms to their advantage for identifying business opportunities, extending reach, servicing customers remotely, and building brand name.
- The index is a mix of key parameters typically used to develop banks' social media strategies. It evaluates banks against these parameters and ranks them by scoring the total.
- Hence, the index is useful for identifying the top banks that are utilizing social media platforms and exploring their social media strategies.

## What are the Parameters/Metrics Used in BSMI?

- 1. Channel Presence:** If banks are present on key social media channels such as Facebook, Twitter, and Instagram
- 2. Frequency of Posts:** If banks are regularly posting on social media channels to keep customer engagement high
- 3. Number of Followers:** Number of followers on different social media channels showing reach of respective banks
- 4. Engagement on Last 10 Posts:** Average engagement activities indicating loyalty and inclination level of customers/users to banks
- 5. Number of Accounts:** Higher number of accounts on a single social media channel typically made to specialize their purpose; therefore, more accounts show greater inclination of banks to using social media
- 6. Social Media Strategy:** A well-devised social media strategy gives an edge over competitors
- 7. Content/ Marketing & Communication:** Owned content versus reposted content plays an important role in developing customer engagement on banks' social media pages

## What was the Sample Size?

To identify banks that leverage social media channels, a sample of 15 banks was selected based on their size (LTM revenues, market capitalization, etc.) and location (all parts of the world for sample diversity). These banks were then assessed on their presence and activity on platforms such as LinkedIn, Twitter, Facebook, and Instagram.

The selected banks were:



Deutsche Bank



The selection of the four social media channels (LinkedIn, Twitter, Facebook, and Instagram) was based on their overall followers and traction.

## How did we Score Banks?

### Step I. Assigning Weights to Social Media Channels Against Each Parameter

We assigned weights to each social media platform against parameters such as channel presence and frequency of posts. For other parameters like social media strategy, weights were assigned to core elements. (Refer to tables below)

Figure 1. Assignment of Weights to Social Media Channels

Channels	Channel Presence	Frequency of Posts	Number of Followers	Engagement on Last 10 Posts	Number of Accounts
Facebook	60%	40%	47%	25%	25%
Instagram	20%	20%	43%	25%	25%
Twitter	7%	25%	5%	25%	25%
LinkedIn	13%	15%	5%	25%	25%

Figure 2. Assignment of Weights to Social Media Strategy Elements

Social Media Strategy	
Paid Promotions	15%
Celebrity Endorsements	15%
Customer Engagement Activities	25%
Mobile Application	45%

Facebook was given the highest weight, followed by Instagram and LinkedIn, as it has the maximum user base. Within social media strategy, maximum weight was given to mobile application.

## Step II. Assigning Ranks to Parameters

As a next step, all the parameters were assigned ranks depending on the criteria they fit in. The following ranks were provided to the parameters:


Parameter	Channel	Rank Assigned			
		4	3	2	1
Channel Presence	NA	Yes	-	-	No
Content/ Marketing & Communication	NA	Yes	-	-	No
Frequency of Posts	Facebook	More than 10,000 posts	5,000–10,000 posts	1,000–5,000 posts	<1,000 posts
	Instagram	More than 1,000 posts	750–1,000 posts	500–750 posts	<500 posts
	Twitter	More than 100,000 tweets	50,000–100,000 tweets	10,000–50,000 posts	<10,000 posts
	LinkedIn	More than 1,000 posts	750–1,000 posts	500–750 posts	<500 posts
Followers	Facebook	More than 1 Mn likes	500,000–1 Mn likes	100,000–500,000 likes	<100,000 likes
	Instagram	More than 100,000 followers	50,000–100,000 followers	10,000–50,000 followers	<10,000 followers
	Twitter	More than 500,000 followers	100,000–500,000 followers	10,000–100,000 followers	<10,000 followers
	LinkedIn	More than 2 Mn followers	1–2 Mn followers	500,000–1 Mn followers	<500,000 Followers
Engagement for Last 10 Posts	Facebook	More than 1,000 likes	500–1,000 likes	100–500 likes	<100 likes
	Instagram	More than 1,000 likes	500–1,000 likes	100–500 likes	<100 likes
	Twitter	More than 20 comments	15–20 comments	10–15 comments	<10 comments
	LinkedIn	More than 1,000 likes	500–1,000 likes	100–500 likes	<100 likes
Number of Accounts	Facebook	NA	NA	More than 1	Single
	Instagram	NA	NA	More than 1	Single
	Twitter	NA	NA	More than 1	Single
	LinkedIn	NA	NA	More than 1	Single
Social Media Strategy	Paid Promotions	Yes	NA	NA	No
	Celebrity Endorsements	Yes	NA	NA	No
	Customer Engagement	Yes	NA	NA	No
	Mobile Application	Yes	NA	NA	No

### Step III. Assigning Ranks to Banks and Assessing Top Banks

- In this step, the 15 banks were assigned ranks against each parameter and social media channel depending on where they stand. For instance, State Bank of India (SBI) was assigned 4 on channel presence for Facebook, LinkedIn, Instagram, and Twitter each, as it has presence on all the four channels.
- After ranks were assigned to the banks against each parameter on every channel, an average of the values of channel ranks was taken to determine the average parameter score of that bank. For instance, in the above example, the average score of SBI for social media presence was 4 since it scored 4 for all the channels in that parameter.
- Finally, the average scores of all the parameters for each bank were added to identify the top scoring banks. (Refer to table below)

Figure 3. Average Scores of Banks for Each Parameter and Their Total

Banks	Channel Presence	Frequency of Posts	Number of Followers	Engagement on Last 10 Posts	Number of Accounts	Social Media Strategy	Content Development	Total
State Bank of India	4.0	4.0	3.9	3.0	1.5	4.0	3.1	23.6
JP Morgan	4.0	2.7	3.1	3.3	1.5	4.0	3.3	22.7
Citi Bank	4.0	3.2	3.6	1.8	2.0	4.0	4.0	22.4
Wells Fargo	4.0	2.5	3.5	3.0	1.5	4.0	3.1	21.6
Commonwealth Bank	4.0	2.7	2.4	2.3	1.3	4.0	4.0	20.5
Bank of America	4.0	3.2	3.9	2.8	1.5	1.0	4.0	20.4
HSBC Holdings	4.0	2.3	2.1	2.0	1.8	4.0	3.6	19.7
BNP Paribas	4.0	2.9	1.5	2.3	1.5	4.0	3.6	19.7
Deutsche Bank	4.0	2.5	2.1	1.8	1.8	4.0	3.1	19.3
DBS	4.0	2.5	2.5	1.3	1.8	4.0	3.1	19.1
US Bancorp	4.0	2.7	1.9	1.5	1.3	4.0	2.4	17.8
Banco Santander	4.0	2.7	3.0	2.5	1.5	1.0	3.1	17.7
Credit Agricole	4.0	2.1	1.5	2.3	1.8	1.0	2.8	15.4
Mitsubishi Group	3.4	1.3	0.6	0.8	1.3	4.0	3.6	14.8
ICBC, China	3.4	0.8	0.6	0.5	1.5	1.0	2.8	10.6

 The outline represents the top selected banks for analysis.

### The Winners

Of the selected 15 banks, the top 5 banks that were ranked the best on the basis of social media activities and strategies are:

- State Bank of India
- JP Morgan
- Citi Bank
- Wells Fargo Bank
- Commonwealth Bank

## What are the Winners Doing Right?

### State Bank of India

- SBI is one of the most well-known financial institutions in India with the largest clientele in the country. The bank has country-wide presence and has also expanded internationally.
- SBI started its social media activities with a bad Twitter debut in 2016, but gradually turned things around with active participation and responses to customers. By 2016-end, the bank had Facebook, YouTube, and Twitter pages up and running.
- SBI runs several campaigns to promote financial products and social causes across its social media handles. For instance, at the onset of the pandemic, it launched “Ghar Se Banking” to encourage people to use digital/online channels for banking, which gained considerable traction.

#### As of 2020, the bank had:



#### Impact of Social Media on Business:

1. By 2020, SBI had more than 3,000 digital branches, which were primarily advertised through social media channels. Increased usage of digital banking due to awareness created by social media channels led to high transaction volumes through internet banking and m-banking (>55% share).
2. The Ghar Se Banking campaign launched during the pandemic pushed downloads for YONO, SBI Quick, BHIM SBI Pay, and other SBI apps. The bank was able to achieve this with the help of conversational AI and marketing via Facebook Messenger, thus expanding the base of customers using digital banking.



## JP Morgan

- JP Morgan has digitally transformed the business by investing in innovative ways to reach customers remotely. The bank has exponentially expanded its presence on social media channels such as Facebook and Twitter.
- JP Morgan actively uses social media platforms for providing customer service by responding to customer queries and offering solutions to their banking problems.
- The bank aims to continuously improve its customer engagement, satisfaction levels, and profitability using digital channels. It intends to offer end-to-end digital experience with capabilities across the lifecycle of customers, from account opening to account-related services.

**As of 2020, the bank had:**



### **Impact of Social Media on Business:**

JP Morgan capitalized on social media channels to gain followers across the globe. Due to its vast follower base, the company ventured into different countries through digital operations such as in the UK. This led to business expansion in new geographies without heavy capital investments.

## Citibank

- Citibank manages more than 200 million customer accounts and operates in over 140 nations across the globe. Social media is instrumental in the bank’s interaction with customers on a larger scale.
- The bank has in-house social media management teams that design strategies to bring existing and prospective clients closer to the bank through meaningful engagement and experiences. Citibank has a separate customer service account (@AskCiti) targeted directly at consumers.
- The bank’s key social media objectives are “favorability,” “engagement,” “traffic driving,” and “brand lift.” It runs several campaigns on social media platforms to achieve these objectives.

### As of 2020, the bank had:



### Impact of Social Media on Business:

Citibank gains much of its social media traction through campaigns. For instance,

1. During 2019–20, the bank conducted several women empowerment campaigns with hashtags such as #StandForProgress, #IWD2021, and #WomensHistoryMonth. These campaigns led to a lot of conversations, shares, likes, and retweets.
2. Riding on the back of positive follower sentiment, the bank issued bonds worth USD 4 Bn in March 2020, which were distributed to investors through nine women-owned broker-dealer firms to mark the Women's History Month.

## Wells Fargo

- Wells Fargo's core marketing plans include social media usage to directly contact customers and potential clients in a real-time online environment. The bank leverages social media to build its clientele and address its customers at large.
- The bank has an internal social media team and a social media command center that runs several blogs and microblogs that are effective in building the customer base and gaining customer loyalty. These blogs are also helpful in addressing the concerns of customers.
- On social media channels such as Facebook and Twitter, the Wells Fargo team has an issue management plan in place to quickly address customer concerns and queries. The bank's posts focus on better customer engagement, education, and branding.

### As of 2020, the bank had:



### Impact of Social Media on Business:

1. Wells Fargo's social media efforts are primarily aimed at customer engagement and delight. Social media channels, such as Twitter, have helped the bank in addressing millions of customer queries, resulting in satisfied loyal customers and thereby generating more business.
2. Social media has helped Wells Fargo in raising awareness about its initiatives and products. For instance, at the beginning of the pandemic, Wells Fargo partnered with the Red Cross to raise USD 1 Mn by asking followers to post on social media with #WFGivesThanks and donating \$5 against every customer post to the Red Cross.

## Commonwealth Bank

- Commonwealth Bank's main goal on social media channels is to provide customer support and develop trusted content to educate them about personal banking and finance as well as the bank's new product offerings.
- The bank strategizes its social media content around four areas:
  - *Engaging customers with continued conversations on social media channels to better understand their preferences*
  - *Posting customized, personalized content to develop customer loyalty*
  - *Building trust relationships via social and emotional content such as raising voice in support of women empowerment*
  - *Providing seamless customer experience through social media and other digital channels*

### As of 2020, the bank had:



### Impact of Social Media on Business:

1. Commonwealth Bank utilizes social media as part of its core marketing strategy. The bank uses Facebook as its primary social media channel and uses it along with platforms such as Salesforce to encourage conversations and find opportunities to make customer experience personal and relevant. This also aids in generating substantial business for the bank.
2. The bank employs Facebook Messenger to address customer complaints and queries. As a result, it has multiple channels to attend to customers remotely.

## Key Takeaways for Planning a Social Media Strategy for Your Bank

- Digital transformation is the trending topic in the financial space these days and has a crucial role in:
  - *Garnering brand loyalty*
  - *Enabling cost-effective and simpler acquisition and onboarding of customers*
  - *Providing personalized offerings*
  - *Facilitating innovation and adaptability, especially in new and emerging channels such as shopping portals and integrated mobile applications*
- While digital transformation encompasses various elements, one of the initial aspects in developing a digital strategy is to effectively leverage social media. A strong social media presence can:
  - *Create more customer awareness as it allows banks to run targeted marketing campaigns with greater reach and lower marketing costs*
  - *Provide improved customer insights as banks can utilize customer data on social media to derive a holistic view by interlinking and leveraging both internal and external data*
  - *Improve customer engagement and experience as social media platforms allow real-time interaction that enhances the ability to respond to customers in a timely, intuitive, and personalized manner*
  - *Reinforce brand equity and loyalty among customers as social media platforms have a broad reach and are not bound to a region. Such platforms can help in setting up a feedback loop between the marketing department and customer responses, while also allowing campaigns to become more interactive and responsive to customers*

## How Aranca Can Help

- This report is just a sample of the analysis that can be conducted on this topic; we can customize this to delve deeper or look at other banks based on the client's specific requirement.
- Aranca can assist banks in various aspects of the digital transformation strategy. From a social media standpoint, we can conduct digital channel benchmarking exercises, provide detailed case studies on how various banks and organizations are using social media more effectively, and so on.



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