



White Paper



Using Social Media to
Enhance Client Profiles &
Improve the Customer
Experience

Using Social Media to Enhance Client Profiles & Improve the Customer Experience

By now, there should be no doubt that social media has irrevocably changed the way businesses interact with their clients, their employees and their stakeholders. For Financial Service and Insurance firms, the rise of social media signals a new dawn; an evolution that offers significant opportunities and challenges. ¹

Today's socially connected customer expects that Financial Service and Insurance companies:

- 1 Will support both traditional and social channels (e.g. Facebook, Twitter etc...) and have them covered by appropriate staff;
- 2 Deliver a seamless customer experience regardless of their channel of entry; and
- 3 Understand who they are (beyond their holdings and policies) and offer them only relevant products based on their life stage, interests and personal investment/insurance needs.

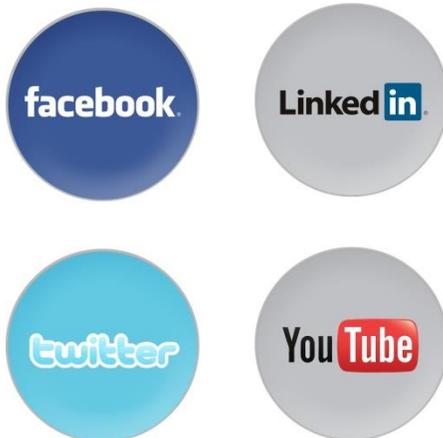
In order to meet and exceed these consumer expectations, Financial Service and Insurance companies must integrate social media into their customer relationship management (CRM) system. Doing so provides customer-facing staff with the tools and information to conduct proactive, intelligent interactions consistently across all channels. It also provides the ability to build customer knowledge from social media channels and to use that knowledge to fulfill and surpass client expectations and ultimately improve the customer experience.

CUSTOMERS EXPECT YOUR FIRM TO SUPPORT ALL CHANNELS

The volume of interactions taking place outside of traditional channels is exploding. While traditionally an interaction between a customer and their Financial or Insurance Company was limited to in-person and telephone banking/conversations, social networks (e.g. Twitter, Facebook, LinkedIn, YouTube etc.) have dramatically increased the number of channels through which customers conduct business. Today, customers expect that they will find their financial institution (and advisor)/insurance company (and agent) via traditional channels and will be able to get information and support through one or more social channels of their choosing.

Moreover, as customers share their experiences on social media networks any interaction (good or bad) is amplified and the likelihood that existing customers and potential customers will be influenced increases. Fortunately, Financial Services and Insurance companies don't have to play a passive role in these interactions. They now have the unique opportunity to interact with customers across these channels and to become a

positive part of the conversations taking place about their brand, service or products.



Making a commitment to social channels requires that Financial Service and Insurance companies invest in time, training and appropriate tools for their social media teams. This includes creating a social media policy to ensure that the social networking team adopts the appropriate tone and is authorized to solve problems as they occur. It also includes proactively reaching out on social channels to customers who express a need for assistance. In either case, it is important that companies take action to build their social media presence on the social networks their customers frequent and ensure they are prepared for two-way interactions on Facebook, Twitter, LinkedIn, Google+ and YouTube (the world's second largest search engine). ²

An integrated CRM solution can boost these efforts by providing the social media team with the information they need to personalize conversations, improve service, and record interactions (regardless of channel) for future reference.

CUSTOMERS EXPECT A SEAMLESS CUSTOMER EXPERIENCE

Customers demand a seamless customer experience regardless of which department they reach and are not sympathetic when various parts of the organization have different information about them. When communicating over social networks, customers expect their financial institution or insurance company to have a single holistic view of all of their interactions and accounts/policies. It is frustrating for customers to repeat information or be told that the person managing their money needs to compile information and call them back to give a current picture of holdings and interactions. Therefore, while building out a presence on social media sites is important, it is not enough to simply have the conversations saved on the social media site. Financial Service and Insurance companies must also ensure their social media teams are trained and versed on an enterprise CRM system that provides all users (whether an advisor, social media manager or call center employee) with a customer-centric single view that includes all interactions from traditional and social channels and the complete transaction history.



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Total Assets **\$4,510,405.25**
 Total AUM **\$4,510,405.25**
 Available Cash **\$150,000.00**

Detail **Journal** Portfolio

Activities Conversations Calendar Opportunities Campaigns Service Requests Business Processes

+
🔍
Showing all items

<u>Description</u>	<u>Status</u>	<u>Priority</u>	<u>Start</u> ▼	<u>Due</u>
Yesterday				
🗓️ Prepare for Quaterly Review with...	Outstanding	B	7/16/2012 3:00 PM	7/16/2012 5:00 PM
📊 Financial Review	Outstanding	B	7/16/2012 8:00 AM	7/16/2012 8:30 AM
Two Weeks Ago				
🐦 Twitter - Apple Stock	Outstanding	B	7/5/2012 3:31 PM	7/5/2012 12:00 AM
Older				
🗓️ Discuss Risk and Investments	Outstanding	B	11/3/2011 10:00 AM	11/3/2011 11:00 AM
🌐 LinkedIn Message - Seminar Atte...	Completed	B	11/1/2011 3:28 PM	11/1/2011 5:00 PM

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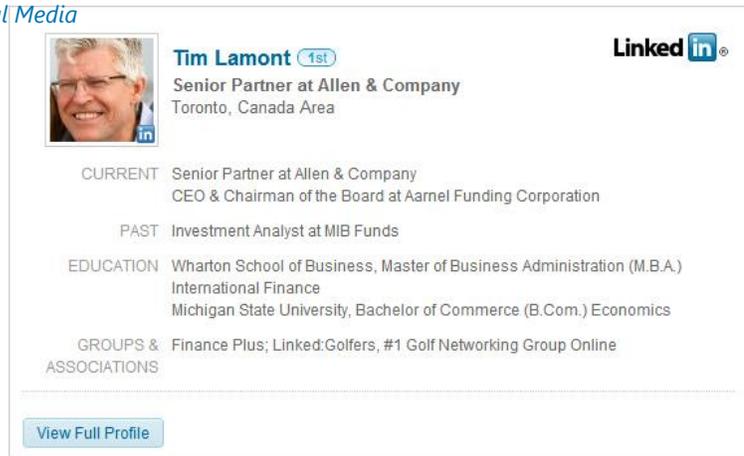
“I recognize and appreciate the power of social networks: the ability to interact with customers through the channel of their choosing; to respond to complaints and feedback in real time... Banks will need to adopt social media in some form or other to stay competitive in the marketplace and remain relevant to their customers.”⁵

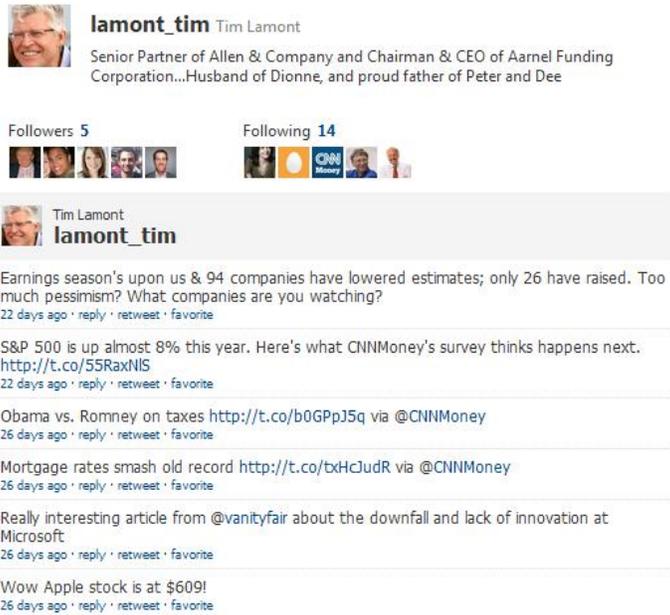
Figure 1: Archive Social Media Conversations

To date, this has proven difficult for both Financial Service and Insurance companies, as most financial institutions hold customer data in siloed systems. Ultimately this means that a customer’s data could reside in multiple systems and, depending on the customer service channel they use, the representative they’re speaking with may not have the information they need to provide effective service. This would prove frustrating, for example, to the customer who has already described the issue to a company representative and now has to explain it to a second individual in the same company. This structure exists, in part, because “banking communications have traditionally either been one-way (advertising, direct mail, statements, etc.) or one-on-one (customer service, branch banking, telephone banking, etc.). As a result, many banks may be unprepared for the changes that must occur to make social media strategies succeed.”³

Specifically, “integrating all of that (customer) data into a single and accessible customer record will not be an easy task for most banks. It will require disparate technology systems to interoperate in real time, sometimes across geographies and distinct technology platforms.”⁴

Figure 2: Enhance CRM Contact Profiles with Social Media





An enterprise CRM solution that seamlessly integrates with data at source can roll this comprehensive customer view out to all users in the most rapid and cost-effective manner by leaving data where it lies in siloed back office and legacy systems. With this approach, organizations can easily add or retire data sources as systems evolve. Users can access a single source of all customer data across the enterprise, including accounts, policies, transactions, meetings, distributed documents, and interactions in all channels, in the comprehensive customer view, and use it to deliver consistent service that reflects each customer's needs.

Few other industries have access to the depth of information (financial statements, spending patterns, demographics etc.) that Financial Service and Insurance companies have about their customers. "Existing

modes of customer communication tend to view customers in one dimension: as a bank customer. In reality, however customers are multi-dimensional and motivated by a range of different influences. Social media enables banks to achieve a more holistic view of their customers based on their social interactions, and therefore allows banks to develop more targeted approaches to new product promotion, collect more valuable customer information and create a better customer experience." ⁶

In today's socially connected business world, customers expect you to know their needs and preferences and personalize services and offerings accordingly. They do not want to be serviced by an advisor or agent who only offers products and services based on their net worth. They want offerings that also reflect their life events and demographic profile and are personalized based on their interactions with the advisor or agent.

Financial Service and Insurance companies have a wealth of information about a customer's demographics and financial profile that can be combined with further demographic and psychographic information available on social media to build a more complete picture of a customer. By integrating social media with an enterprise CRM system to build a more complete customer profile from information on social media, companies can increase their personalization of marketing communications, customer service and product suggestions.

NEXJ SYSTEMS INC.

NexJ Systems delivers enterprise CRM solutions for the Financial Services and Insurance industries that are designed for tight integration, massive scalability, and easy customization. NexJ combines best-of-breed CRM functionality with industry best practices and data from back office systems and social media sites, customer interactions from all channels, and third party news feeds to deliver a comprehensive customer view to users across the enterprise.

NexJ can integrate seamlessly with social networking tools such as Facebook, LinkedIn, Twitter, and Google+ and present that information to customer-facing staff to enhance their understanding of customer needs and motivators to improve service, foster loyal customer relationships, and increase cross-sell or upsell opportunities.

NexJ's intelligent business layer recognizes specific events such as life events and specific areas of interest and can drive users to take action. NexJ's integration with social media can also help organizations identify leads and

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model client relationships to generate referrals or deliver improved service that reflects the needs of the entire household. All social media interactions and follow-up tasks can be saved with the customer record in NexJ for easy retrieval and future reference.

The screenshot displays a client profile for Mr. Tim R Lamont. The profile includes a photo, name, title (Senior Partner at Allen & Company), and contact information. A social media feed shows a tweet from @lamont1 about welcoming a second baby. A 'Baby' event notification is overlaid on the profile, listing recommended products: Life Insurance, Disability Insurance, Mortgage Insurance, 529 Plan, and Line of Credit. The interface also shows a 'Detail' tab with contact details and a 'Twitter' tab with a list of tweets.

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Total Assets \$4
 Total AUM \$4
 Available Cash \$4

Baby 20 hours ago
 @lamont1 says:
 Welcoming my 2nd baby to the family!!! High

Products
 Life Insurance
 Disability Insurance
 Mortgage Insurance
 529 Plan
 Line of Credit

Email · Call · Create Follow-up · Schedule Touch False Lead

Detail Journal Portfolio

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 Mobile 416-555-1149
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 Twitter @lamont_tim
 Work Email tlamont@allencompany.com

LinkedIn **Twitter**

Tim Lamont
lamont_tim

Welcoming my 2nd baby to the family!!!
 20 hours ago · reply · retweet · favorite

Earnings season's upon us & 94 companies have lowered estimates; only 26 have raised. Too much pessimism? What companies are you watching?
 23 days ago · reply · retweet · favorite

S&P 500 is up almost 8% this year. Here's what CNNMoney's survey thinks happens next. <http://t.co/55RaxN1S>
 23 days ago · reply · retweet · favorite

Obama vs. Romney on taxes <http://t.co/b0GppJ5q> via @CNNMoney
 27 days ago · reply · retweet · favorite

Figure 4: Monitor Social Media for Life Events & Combine with Recommended Products

CONCLUSION

While critics may say that customers do not want to be friended or tracked by their Financial Service or Insurance company, a recent KPMG International survey proves otherwise. According to the survey, 62% of consumers said that under the right circumstances they are willing to have their online usage (and profiles) tracked if the activity leads to better service and valuable deals.⁷

“While a lack of clarity will continue to cause some uncertainty in the market, it does not excuse a ‘wait and see’ approach to social media. Banks must forge ahead regardless; there is a far greater risk in doing nothing at all.”⁸

John Hair
Director, IT Advisory
KPMG

Further anecdotal evidence shows that financial institutions like First National Bank (FNB) are successfully using social media as a way to become closer to their customers. According to CEO Michael Jordaan, “social media is a critical part of FNB’s strategy...It allows us to build and reinforce ongoing relationships with both existing and potential customers right across the business: marketing uses social media to drive awareness, deliver valuable information and enable discovery; customer support leverages social channels to enhance education, solicit feedback and respond to complaints; our sales departments increasingly look to social media to support our customer acquisition strategies.”

While the work by FNB required change in processes and approaches, Jordaan notes “it has also delivered unprecedented dividends in customer acquisition, retention and service.”⁹

Using social media to know your clients will help Advisors and Agents deliver more welcomed and personalized service to clients, ultimately proving to be a valuable and indispensable relationship-building and sales tool.

END NOTES

- 1 The Social Banker – Social media lessons from banking insiders – KPMG – April 2012
- 2 comScore Releases April 2012 U.S. Online Video Rankings – <http://bit.ly/LXfrCe>
- 3 Through the eyes of the customer – Marty Carrol, KPMG in the UK – April 2012
- 4 Integrating IT to enable value in social media – Saul van Beurden, CIO, ING Retail Banking Direct & International – April 2012
- 5 A measured yet active approach to social success – David Bell, General Manager, Corporate Affairs & Sustainability, The Westpac Group – April 2012
- 6 Integrating IT to enable value in social media – Saul van Beurden, CIO, ING Retail Banking Direct & International – April 2012
- 7 Going social at China’s banks – Xie Hong, General Manager, Mobile Finance Department, Shanghai Pudong Development Bank – April 2012
- 8 The Social Banker – Social media lessons from banking insiders – KPMG – April 2012
- 9 Remaining compliant in a social world – John Hair, Director, IT Advisory, KPMG – April 2012
- 10 Banking on social media: The secret to FNB’s success – Michael Jordaan, CEO of FNB – April 2012



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About NexJ Systems

NexJ provides enterprise customer management solutions to the financial services and insurance industries. Our solutions, which integrate information from multiple systems into a unified view, include industry-specific customer relationship management (CRM) for multi-channel engagement and collaboration; customer process management for client onboarding and KYC; and customer data management to better understand customers across line of business and regional data silos.

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