

The Social in Social Media – Financial Communications and Digital Media



It is hardly an overstatement to say that the financial industry is undergoing a radical change. The signs are hard to miss: Digitisation, as driven by fintechs, is putting the established banking and investment business to the test, while the industry appears to be dominated by discussions about artificial intelligence, big data and deep learning. Moreover, concepts such as the oft confused Blockchain and cryptocurrency are even [beginning to gradually shape legislation](#).

Digitisation, then, has entered everyday business operations in the financial sector, yet hardly all the way. The very state of disruption begs the question why it hasn't yet extended to PR and investor relations with equal vehemence. There is social media presence here and there, yes, and output frequency may be high (up to the point of the so-called "[content shock](#)"), but genuine community management is hardly anywhere to be seen. Consequently, target group participation is often meagre and raises a serious question: Is social media a reasonable instrument for financial PR? The answer is exceedingly simple – it depends.

Communicating Finance in the Digital Age

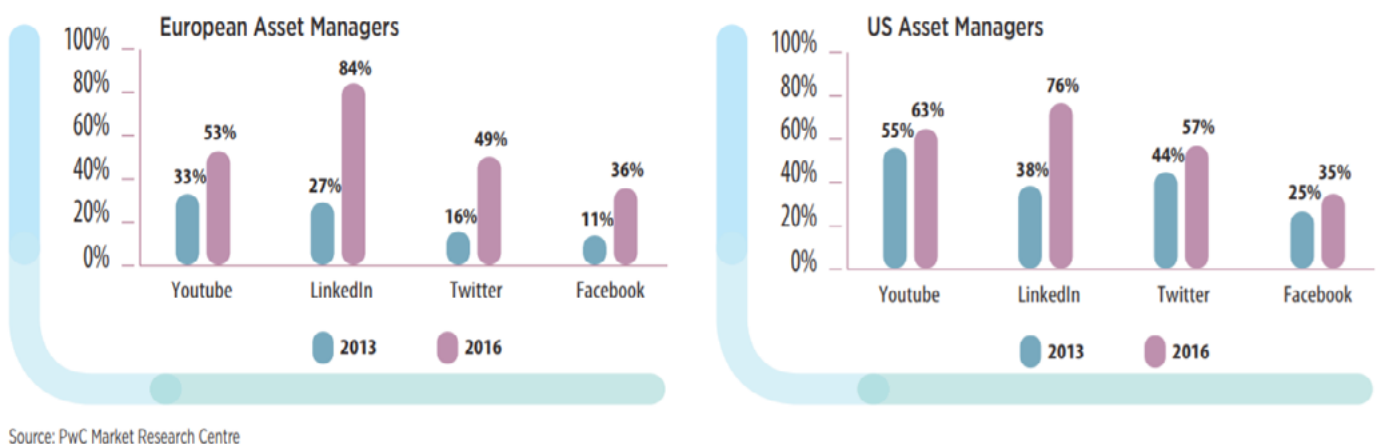
Neobanks, i.e. banks that operate 100% digitally and rely heavily on mobile app solutions (think Monzo and Starling in the UK, N26 in Germany, Nubank in Brazil, and Tinkoff in Russia), appeal to a younger clientele particularly through this business model. British bank Monzo's vision even captures the lifestyle of an entire generation of customers: "We are a

bank that lives on your phone.” A claim by Bill Gates, made as early as 1994, would therefore prove to be true: “Banking is necessary, banks are not.”

Little wonder, then, that many neobanks display a marked affinity for social media. Twitter, Facebook and LinkedIn profiles are the gold standard; YouTube and Instagram occasionally complement brand presence, but are still far from usual. Nonetheless, there are showcases: [N26](#) and [Nubank](#), for example, use Instagram’s strong visual focus to promote their products, thereby creating a distinct recognition value as well as a tangible lifestyle association. Banking is a broad and varied sector, so in the light of the platform this article is published on, a closer look shall be devoted to European and US asset managers. What about the aforementioned affinity here?

As a study by PwC and French asset servicing provider CACEIS indicates, usage for all major social media platforms increased between 2013 and 2016.

USE OF SOCIAL MEDIA BY PLATFORM 2013 – 2016, EUROPE AND US



Source: PwC/CACEIS – Social Media Studies: Asset Management in the Social Era

More than three years later, this trend is likely to have continued. BlackRock, for example, publishes industry, company and career news preferably via [Facebook](#) (34.7K followers), [Twitter](#) (main channel with 392.7K followers) and [LinkedIn](#) (654K followers). In addition, the asset manager also maintains [YouTube](#) profiles (totalling 11.6K subscribers) through which videos on trending topics such as diversity and corporate social responsibility are distributed. In various campaigns, BlackRock presents women in management („Her advice” series), highlights alternative working models, and conducts interviews with employees acting as corporate or brand ambassadors („Life at BlackRock”). Explanatory videos on current topics such as ETFs as well as expert market outlooks are also part of the channel strategy. Campaigns are complemented with photo and video stories via Instagram (20K followers). English is the predominant channel language, with some German spinoffs on Twitter, LinkedIn and YouTube.

German asset manager Deka's social media presence is yet another example worthy of note. Just like BlackRock, Deka chooses to publish industry, company and career news via [Facebook](#) (24.9K subscribers), [Twitter](#) (1.1K followers) and [LinkedIn](#) (5.7K followers), and complements this presence with a profile on the German job networking platform [XING](#) (5.5K followers). A [YouTube channel](#) (3K subscribers) offers an additional outlet for campaigns, commercials, product films and explanatory videos. Employee initiatives (e.g. charity events and fundraisers), staff news, awards and corporate governance statements are the most popular content on Facebook and Twitter, while TV spots and campaigns rank most favourably on YouTube. German is the exclusive channel language.

It should be noted that while some providers from the financial industry, such as American Express and Bank of America, can be found on Pinterest, this is still a niche phenomenon. Plenty of progress, then, regarding channel presence, but still plenty of room for improvement as well. A dependable communications strategy, including channel and media mix, relies on finding and using synergies (holding true not just for PR and communications, but at the same time sales, CRM, and marketing). Knowing your channel's stand-out feature brings you one step closer to a competitive edge.

Relevant Channels – An Overview

	Facebook	YouTube	Instagram	LinkedIn	Twitter
Monthly Active Users (MAU)	2.44B	1.9B	1B	303M	330M
Daily Active Users (DAU)	1.62B	30M	500M	132M	134M
Most Relevant User Group	25-34 yrs. University degree	35-44 yrs. Male University degree	18-34 yrs. Male University degree	30-49 yrs. University degree	18-29 yrs. Male University degree

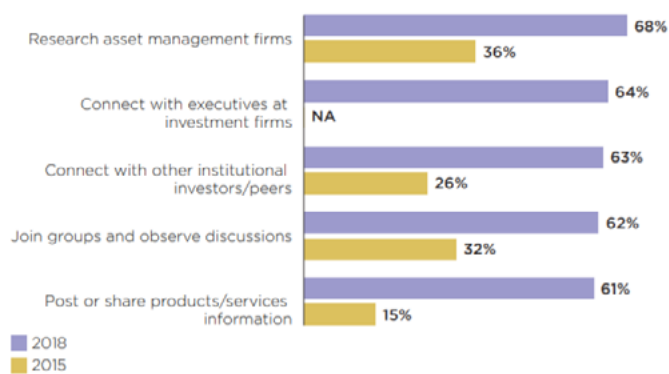
The social networks discussed here all feature different unique selling points – since each platform would justify a separate article, only a few can be dealt with in detail here.

The clear and major advantage to using a Facebook channel is the network's enormous reach, allowing for a precise target group approach. At the same time, the platform's own target group is constantly growing older – the platform is experiencing enormous growth especially among the „silver surfers“, i.e. users over 60 years of age, and is already the most popular social medium among people aged 50+. A major shortcoming, however, is the uncontrollable and shadowy in-house algorithm.

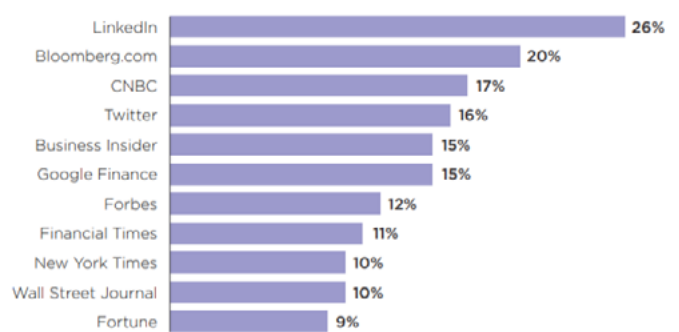
LinkedIn's biggest advantage is certainly its professional audience, an audience willing to read longer articles and niche content. LinkedIn's status as the largest online job network

also means it is home to an overwhelming number of DAX and Fortune 500 companies and so-called [hidden champions](#), i.e. medium-sized market leaders with global reach. As per network visibility, comments play a huge role for the algorithm; corporate ambassadors are highly relevant, not least since personal accounts rank higher than corporate accounts. LinkedIn is especially interesting for asset managers as the platform is frequently and extensively used to identify investment vehicles. 59% of investors spend 15-30 minutes reading a single piece of content, using additional social media to analyse investment companies (68%) or to get in touch with their executive management (64%):

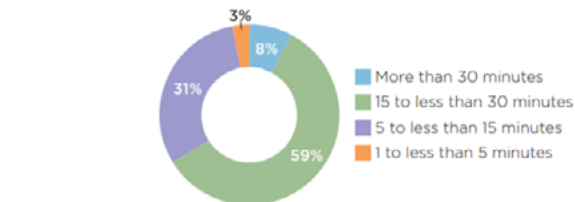
TOP 5 REASONS INSTITUTIONAL INVESTORS TURN TO SOCIAL MEDIA AND/OR NEWS MEDIA



BEST MEDIA SOURCE FOR DISTRIBUTING OR COMMENTING ON MARKET UPDATES



AVERAGE LENGTH OF TIME SPENT CONSUMING A PIECE OF CONTENT FROM AN ASSET MANAGER



Investing in the Digital Age – Media's Role in the Institutional Investor Engagement Journey

And yet: Common to all the platforms mentioned here is the possibility of actual bi-lateral communication, that is the lively and prompt exchange with the target group in question – the key aspect of using social media. So far, this appears to have been strongly neglected in digital financial communications and must therefore be strategically taken into consideration.

Social Media Strategy – Quoi Faire?

To paraphrase Seneca: If you do not know the port to which you are sailing, no wind is favourable. If an asset manager plans on using social media as part of its overall corporate communications, a strategy ought to be outlined here as well. Goals, topics and content need to be carefully drawn up, strategic management and tracking require sufficient internal and external resources. Above all, selecting suitable channels and defining the target group is essential: Are you addressing an affluent and mostly settled part of the population? Or

rather, are you trying to convince younger people of the inherent savings potential of funds? What is the focus – is it overall security, asset growth or perhaps financing a certain lifestyle?

On the other hand, a solid content strategy does not begin with channel selection, but rather ends there. Ask yourself about the story first, then about topics: What does the company stand for as a provider and/or employer in the financial sector? Who are the protagonists and which formats are effective? Mind you, the shallows of [content saturation](#) may easily turn into the deep water of the above-mentioned content shock, so there are challenges even for experienced marketers: The overall volume of published content continues to increase, new subjects are quickly saturated. On LinkedIn, for example, a continuous increase in content engagement can be observed, albeit from a relatively small base. According to a Buffer survey, the sheer number of Facebook postings is increasing, while the relevance of organic content is in rapid decline. Or, in other words – if you want the attention, pay for it. Expenses for paid content therefore ought to be carefully considered in advance, especially when resources are already limited.

The importance of ‘the social in social media’ can therefore not be overestimated. What was established early in the field of blogging also creates added value for all channels mentioned in this article. Constantly communicating relevant, high-quality content must not be conducted on a unilateral or purely KPI-centred basis. Instead, enter into a dialogue with your target group, invest in first-class content which – precisely through interaction – has a longer life expectancy in such fast-paced environments. Complemented by effective monitoring, relevant trends and topics can be tracked and used in a targeted, efficient manner.

Conclusion

To sum up: Digitisation has entered the financial world. Pursuing mobile-first strategies makes the use of new and social media a logical step, yet not under every condition. Financial players in general and asset managers in particular represent an industry sector tailored to highly specific target groups. It is hence of paramount importance to meticulously draw up media use in advance and keep up with the latest developments.

As a general rule, channel strategies should not be isolated but part of a whole. Each of the channels mentioned here and already in use in the financial services sector has at least one stand-out feature. Yet, only in combination of these platforms can various formats (text, image, video) show their full strength. When it comes to content, quality trumps quantity – high-quality content is and shall remain the (increasingly paid-for) key to high and steady user engagement. However, it is precisely from the point of participation that we can see the greatest potential of social media: Continuously engaging and interacting with users, customers and – through means of content curation – even competitors. Only then can financial information become financial communication.

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