

Strategic Insight: The Social Private Banking Network

June 2011

The RFI logo consists of the letters 'RFI' in a white, sans-serif font, centered within a dark blue square. The 'R' and 'F' are connected at the top, and the 'I' is positioned to the right of the 'F'.

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Introduction

The world is rapt in a frenzy of social interaction. The online environment is volatile because it is relatively anonymous and mostly unregulated – and volatility is not a bank's favourite word. It is even more of a concern for a private bank, due to the higher expectations held by private bank clients and the larger amounts of wealth clients bring to the relationship.

This report addresses some of the issues surrounding social media, and particularly those issues which may be encountered by a private bank when implementing a social media strategy. It does not seek to answer the question, 'How do we use social media?'. Rather, it seeks to orient a private bank's views towards an appropriate, client-centric model of social media interaction and the possibilities that lie within.

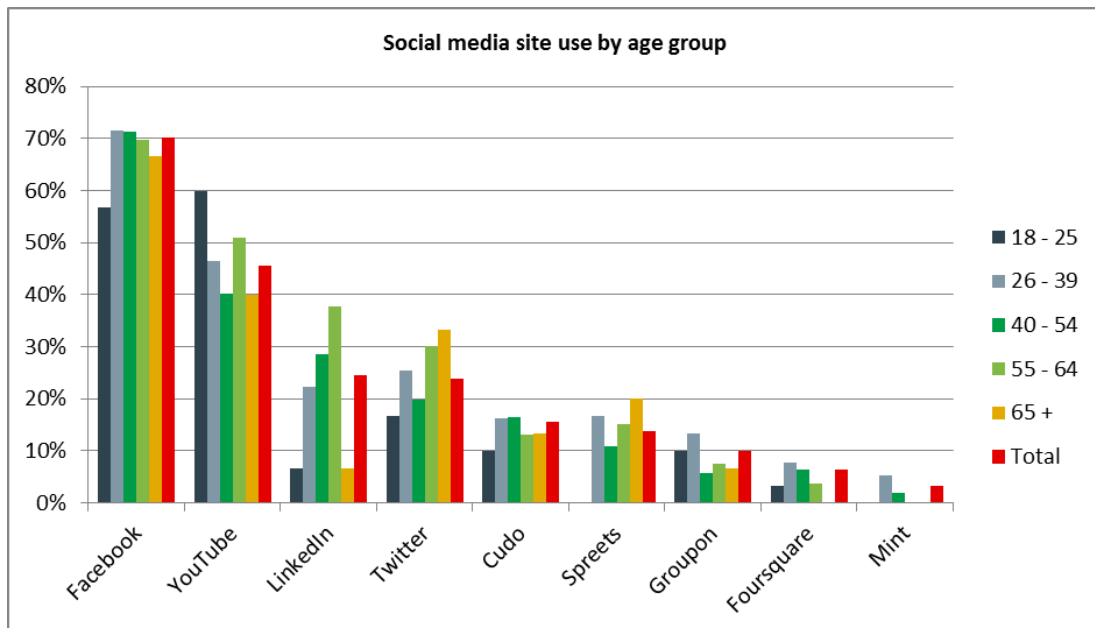
Highlights

Research into social media demonstrates that consumers use *Twitter* and *Facebook* to lodge complaints, with statistics showing that 58% of *Twitter* users say that if they tweet about a bad product or issue, they would like the brand/company to respond to their tweet. More than 80% of Private Bank clients are aware of *Facebook*, meanwhile, 70% of private banking clients use *Facebook*, while just under half use *YouTube*, and about a quarter use *Twitter* and *LinkedIn*.

Surprisingly, given public perceptions that social media is a young person's toy, RFi research shows that many older private bank clients are building strong social media habits.

RFi research shows that interestingly it is not Gen Y who are the biggest users of *Facebook*, but rather Gen X. *Facebook* usage of clients aged above 25 was close to the overall average of 70%, and clients aged between 18-25 use *Facebook* substantially less.

Private bank clients in executive management roles are more likely than average to use social media sites, business owners are more inclined than average to use *Twitter*, but are less inclined than average to use most other forms of social media.



Features and Benefits

- Know the competition by gaining insights into how leading banks have successfully used social media to keep customers informed.
- Do not miss out on getting relevant messages to an aging client base by understanding what social media sites the +65 year olds prefer using.
- Leverage social media to strengthen client relationships via RFi detailed research into appropriate site selection via age and income segmentation.

Key Questions Answered

- What are the awareness use and relevance of various social media sites for Private Bank clients?
- How does a client's primary form of income affect social media usage?
- What Social media sites will be most beneficial to Private Banks?