



WHITE PAPER

# Social Currency

How Social Executives Are Transforming The  
Financial Services Industry In Australia



# Foreward

The financial services industry is in an era of unprecedented disruption.

Suffering from a loss of customer trust since the global financial crisis (GFC), economic uncertainty and technological innovation has seen non-traditional players enter the market, causing a shift in customer channel preferences.

As the customer experience digitises, business models are changing and so too is the role of executives within the industry. Individuals and organisations are able to access new and sophisticated services, enabling more choice and control of their financial requirements.

Hootsuite has partnered with LinkedIn to examine the value and impact of executive social media activity across Australia's financial enterprises. This report explores the role of the social executive within the Australian financial services industry and the impact of disruption, while showcasing the opportunities executives have to lead, engage, and empower their employees.

# Introduction

A Hootsuite Whitepaper

It's rare today to find someone who's not on social media—unless that someone happens to be a CEO. Recent analysis shows that 61 percent of Fortune 500 CEOs globally have no social media presence at all. However, the same study found that 76 percent of executives prefer to work for a social CEO<sup>1</sup>.

Focusing on Australia, there are over 3,440 financial institutions that employ more than 179,400 people, and another 62,000 employed by global financial institutions<sup>2</sup>. With approximately 5,100 C-suite executives in Australian Financial Institutions maintaining an active social media presence, the under-representation of C-suite from the industry is alarming<sup>3</sup>.

Thanks to social media, individuals and organisations expect more transparency and immediacy from companies than ever before. As the customer experience becomes increasingly digital, traditional financial business models are changing—as is the role of executives within the industry.

## Introducing the social executive.

The social executive positions their financial institution as a thought and industry leader. Building trust through transparency, social executives empower their employees to share the organisation's story and enable sales teams to deliver insights and thought leadership aligned to customer expectations on social media.



More than **95%**  
of all **Australian  
financial service  
professionals** have  
a **LinkedIn profile**

*LinkedIn, September 2016*



**57%**

At socially-engaged companies, employees are 57% more likely to leverage social media to drive sales



**40%**

Socially-engaged companies are 40% more likely to appear more competitive



**58%**

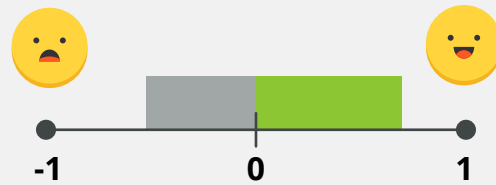
Socially-engaged companies are 58% more likely to attract talent

Hootsuite, in partnership with LinkedIn found strong correlation between the social media activity of social executives and the engagement, activity, and performance of employee social media activity across the Australian financial services industry.

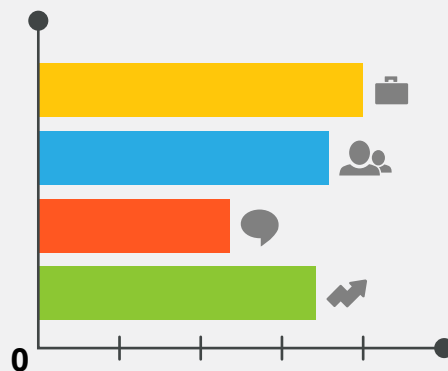
In the research, executives were defined as having a role of Vice President and above within the Financial Services Industry in Australia. Social media engagement of executives and their organisations was measured by LinkedIn's Social Selling Index. To measure brand perception and sentiment, Hootsuite developed a proprietary measure, Digital Perception Index (DPI).

### Definitions

Digital Perception Index (DPI) provides an indication of public sentiment towards a company. It compares the proportion of positive and negative commentary of a brand across the social web. The index is interpreted upon a scale whereby -1 implies 100% negative perception, 0 implies neutral perception, and 1 implies 100% positive perception.



Social Selling Index (SSI) is LinkedIn's proprietary measure of an individual's social media performance against four pillars. Measured against multiple activities related to a professional brand, trusted relationships, engagement and leading with insights. The index is a scale with a base of 0 to 100.



# The Australian Financial Services Industry

Australia's financial service sector is in the midst of astounding growth, in stark contrast to the economy of other developed countries affected by the global financial crisis. There are however, more challenges facing the industry as customer preferences and experience become digital.<sup>4</sup>

Homegrown and international startups are emerging to take advantage of customer pain points, eroding margins at traditional institutions. SocietyOne are making peer-to-peer lending simple and profitable. Prospa, a startup that helps people with small business loans, is another example. Alternate payment solutions are gaining momentum, with players like BitPOS and Tyro Payments becoming the new norm for consumers. Showing no signs of slowing, the domestic FinTech sector is poised to grow at a compound annual rate of 76.36% and reach A\$4.2 billion by 20206. In 2015, it was estimated at A\$247.2 million<sup>5</sup>.

Over the next five years, the speed of change is expected to increase and it's influence expand with automated services like digital wallets and robo-investing becoming mainstream. Digital will ultimately become the final platform for all banking services, and institutions will need to break organisational silos to complete digital transformation and deliver contextual customer experiences.



## Digital disruption and the role of social media

In any form of evolution, agility is key. Emails and pre-approved press releases can lack the interaction and transparency that customers crave. Through social media, social executives champion their organisation's values by being open, honest, and accessible. They have the potential to restore the trust Australians have in banks. Getting there, however, means addressing several factors.

### Top challenges facing the industry



#### Results

Measuring the effectiveness of social media activities to business goals



#### Security

Compliance with ASIC regulations for outbound social marketing communications and advertising of financial products and services



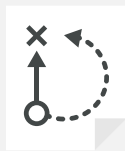
#### Data

Taking social data and turning it into actionable insights



#### Brand

Linking social activities and strategies to business objectives



#### Scaling social

Aligning social media strategies throughout different departments within the company



#### Adoption

Educating and empowering employees across the organisation to ensure compliant adoption and usage

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## Mobile-first

Australia is the world leader in contactless payment adoption. Our appetite and adoption of new technologies drove the success of Apple Pay<sup>6</sup>, and foreshadows the rise of mobile interactions. Mobile is no longer a choice; it is mandatory for revenue growth and customer retention. By 2020, 80% of Australians, will have a smartphone, regardless of age<sup>7</sup>. Key players in the market such as Commonwealth Bank Australia, ANZ, NAB and Westpac have already tapped into improving the customer experience with native mobile solutions.

## Changing the narrative

Transparency and efficiency are the main currencies in how customers handle their money today. This is what draws Australians to new alternative FinTech solutions. Banks have the technology and funding to build digital solutions, but they lack the openness and straightforward narrative of startups. Communicating through social media can help financial institutions drive customers to their platforms.

A 2015 report by Putnam Investments found over 80% of financial advisors in Australia gained new clients through social media, up from 66% since 2014. The most popular network was LinkedIn, with 70% adoption compared to 47% for Facebook<sup>8</sup>.

The shift in digital services has seen the emergence of new roles and opportunities for executives. Just because customers are choosing digital options over tellers doesn't mean they don't want to put a face to the name of their financial service provider.

Beyond customer service, social media can completely transform your company into a digitally-focused one. It allows companies to be part of the public dialogue about their product or service, leading to real growth opportunities. In fact, just this year, ANZ saw a 20% increase in online credit card applications since Apple Pay was announced<sup>9</sup>.

Across the social web in Australia, there is a significant upward trend in the volume of conversations regarding financial services, such as AMEX, Apply Pay, and Eftpos, rather than financial institutions. 90% of all posts can be attributed to conversations relating to ten major financial providers in Australia<sup>10</sup>.

People want to talk to people, not brands, and starting the conversation should come from the top. If an executive speaks directly to customers through a LinkedIn Pulse post about his personal journey, values, or leadership best practices, this humanises the company as a whole.

Take a page from Alex Malley, Chief Executive of Certified Practising Accountants (CPA) Australia. Malley's posts cover topics such as "Why I hire people without experience" and "The biggest mistakes new leaders make" which don't directly relate to accounting. However, the discourse offers solutions around common workplace pain points that influences *the perception* of his ability to lead.

# The Social Executive

Today's top performing executives are social executives.

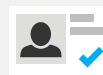
Just as technology led to a shift in the average Australian's attitudes and expectations of financial institutions, it has also shifted the way they consume information. The type and volume of content has also evolved. The rise of TED Talks, podcasts, and online learning resources have fuelled the emergence of an innovation and entrepreneurial culture, where CEOs are the new celebrities.

Part of what sets the top CEOs and executives—like Elon Musk, Sir Richard Branson and Warren Buffet—apart from their peers is an active and engaged presence on social media.

LinkedIn has identified nine core activities that leading social executives are partaking in on a regular basis, above and beyond their peers.

## Key Behaviours of the Social Executive on LinkedIn

### Passive activity



Profile views



Connections



Skills endorsements

### Publishing activity



Publishing frequency



Page views of articles



Engagement of articles

### Social activity



Share frequency



Engagement on content shared

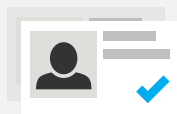


Company or brand follows



While there are subtle behavioural variations across each segment, social executives as a whole within the Australian financial services industry receive 6.54 times more engagement than their peers.

## Social Executives within the Australian Financial Services Industry



**4.7x**

more profile views



**10.8x**

more engagement on long form posts



**4x**

more connections



**7.4x**

shares of content published



**4.2x**

more endorsements



**8.5x**

more views on long form posts



**14x**

more engagement on content shared

*\*Source: LinkedIn, Australian Financial Service Professionals of VP seniority and above, September 2016.*

Financial services institutions are still learning how to integrate and scale social media across their organisation. This challenge has been observed industry-wide, and is not restricted to institutions of a specific size or segment.

# Industry Insights and Executive Opportunities

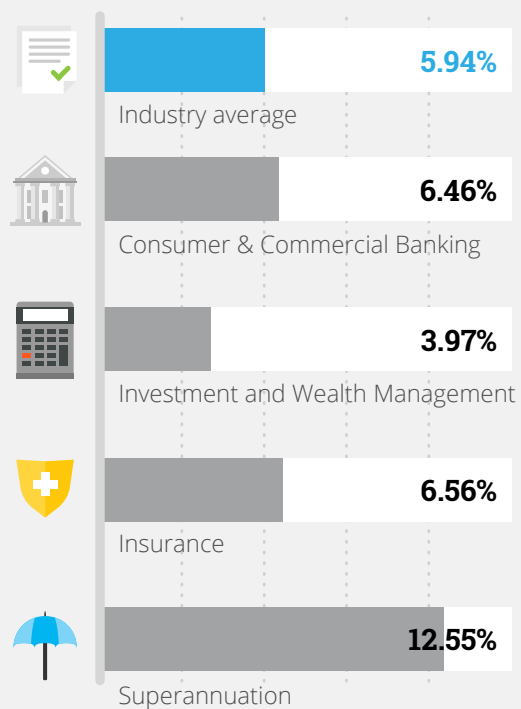
## Perception

Assessing the digital perception of the industry reveals unique insights, which helps build the case for the social executive. While Consumer and Commercial Banking along with Insurance tightly align to the industry mean, variations across other segments indicate underlying challenges and opportunities for firms.

Many Investment and Wealth Management institutions are still bearing perception scars from the GFC, meaning there is a huge opportunity for firms to upweight their social media activity to rebuild trust and provide transparency through thought leadership. In the case of Superannuation, the renewed focus on retirement fund management and the increasing popularity of Self Managed Super Funds (SMSF) has built a strong demand for insights.

With a perception index of +5.94 percent for the industry as a whole, the positive neutrality positions all executives— independent of their firm's size or segment—upon a solid basis to spearhead perception and awareness initiatives externally. Within the institution, the opportunity for executives to lead, engage, and empower their employees through social media activity is significant.

## Digital Perception Index of Australian Financial Services Industry



Source: Hootsuite Digital Perception Index, Australian Financial Services Industry. Sample of 110 organisations, May-September 2016. Total validated post volume: 340,300.

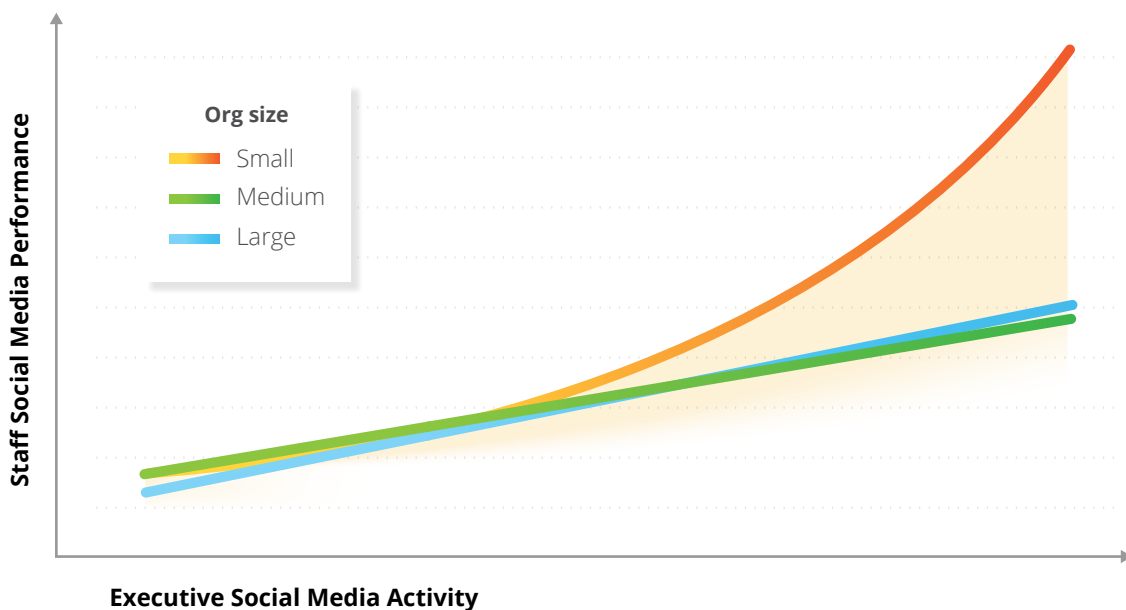
## Executive impacts on staff and sales enablement

Today's online audience is immune to marketing jargon and the hard sell from financial institutions, however customers are happy to engage in conversations about products and services. To build customer relationships that lead to conversions, financial institutions need to leverage social to engage with prospective clients, and social executives can lead the way.

In a sample of 851 institutions across the Australian financial services industry, 41.9 percent of the social media performance of staff was attributed to the behaviour of the social activities of executives on LinkedIn. This supports previous insights which found teams that embraced social were 51 percent more likely to reach their quota, while 78 percent of social sellers outsell their peers who aren't on social media.

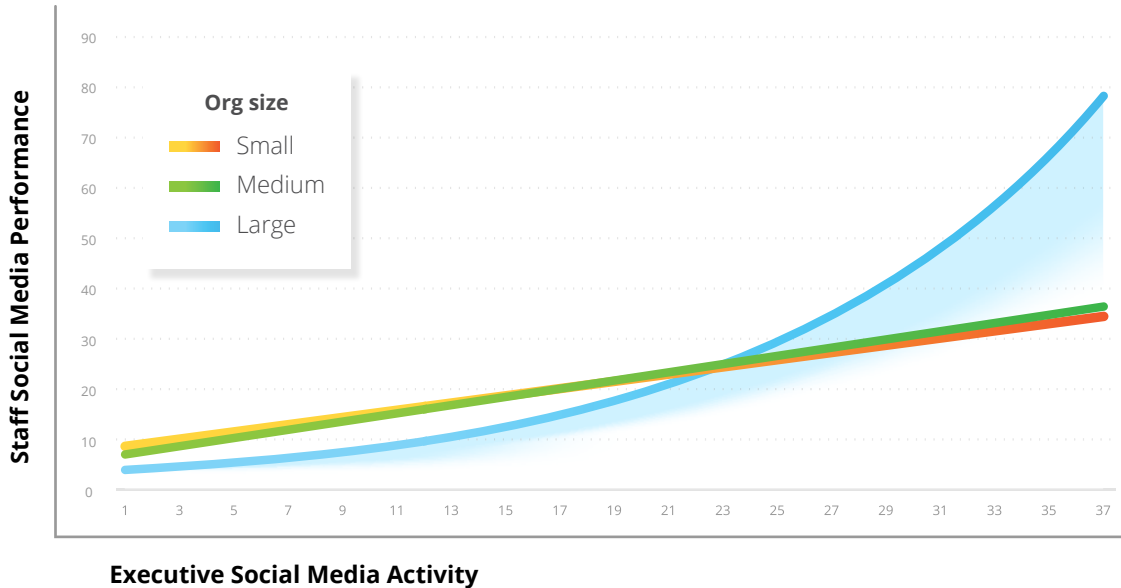
Larger institutions are spearheading the executive social activity. To better understand the correlation between company size and social media adoption, look at the insurance industry as a macro FSI trend story. The data reflects the social maturity model presented in this paper, which is observed across industries and enterprise organisations around the world.

The data shows an exponential relationship between executive social media activity and the performance of staff on LinkedIn for smaller institutions. Whilst the correlation is low, this can be attributed to an underrepresentation of social executives from small companies and the social maturity of smaller firms. As the organisation's investment in social increases, executive social engagement becomes a key driver for company-wide adoption and the success of staff, including sales teams.





## Consumer & Commercial Banking



Sample: 4,762 Executives from 575 companies representing 67.57% of the total LinkedIn industry sample. Comprising of 359 institutions with 51-500 employees, 138 institutions with 501-10,000 employees, and 78 institutions with over 10,000 employees.

Consumer and commercial banking organisations were among the first within the industry to move onto social media, and with this maturity comes a strong correlation between the social media activity of executives and the performance of staff on LinkedIn.

On average, 42 percent of employee social media performance can be attributed to executive activity on LinkedIn.

Executives within smaller institutions (with 51-500 employees) are underrepresented. Given the higher DPI of smaller players, such as community banking organisations, there is a huge opportunity for these institutions to scale up and leverage the trail blazed by larger institutions.

### Consumer and Commercial Banking social executives



**6.3x** Profile views



**5x** New connections



**4.4x** Endorsements



**5.9x** Views on long form posts



**6.5x** Engagement on long form posts



**8.7x** Shares on content published

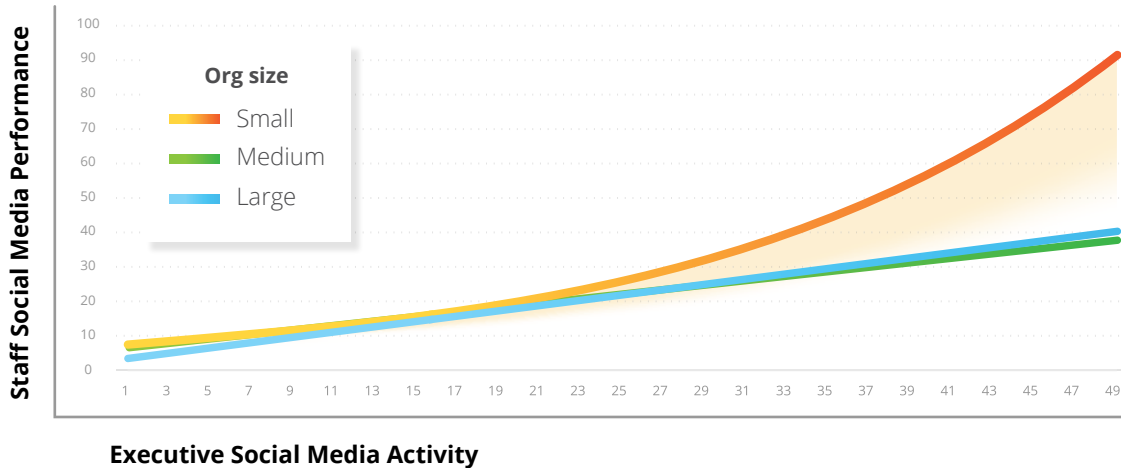


**13.8x** Engagement on content shared

*In comparison to their peers*



## Insurance



Sample: 923 executives across 164 companies representing 19.27% of the total LinkedIn industry sample. Comprising of 81 institutions with 51-500 employees, 61 institutions with 501-10,000 employees, and 22 institutions with over 10,000 employees.








As mentioned earlier in the paper, the insurance segment demonstrates the trend of social media maturity, which Hootsuite and LinkedIn have observed across Australia at a macro level. Three quarters of large Australian businesses have a social media strategy, compared to one-third of small Australian businesses<sup>10</sup>.

Within large Australian insurance companies, 57 percent of the social media performance of staff can be attributed to executive activity on LinkedIn, scaling down to 40.27 percent for medium-sized organisations, and 29.27 percent for the smaller players.

While recording the lowest attributable correlation, the relationship between executive activity and staff performance for small insurance firms is exponential, showcasing a significant opportunity.

There is significant behaviour by company size within the insurance segment, as investment and impact of executive social media performance varies over time, with a large volume of smaller players with relatively inactive executives.

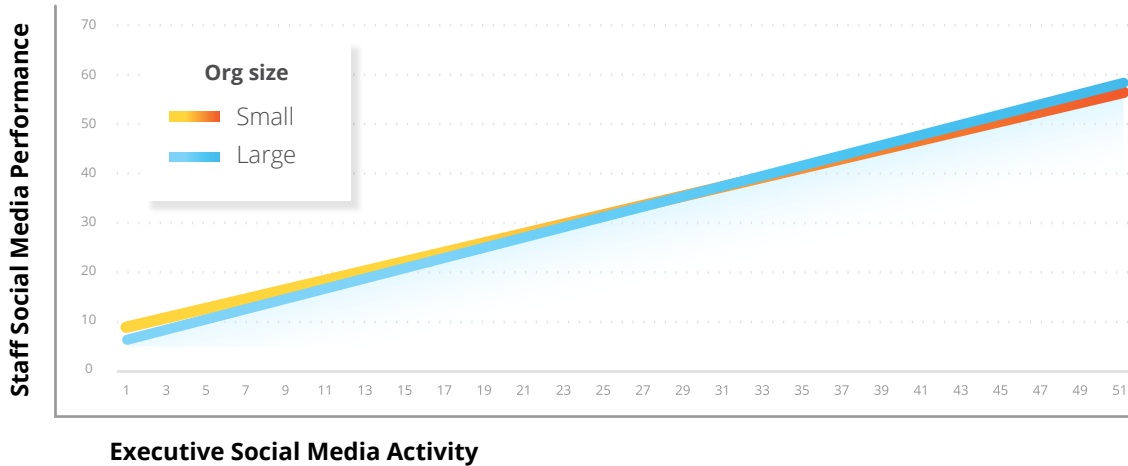
### Insurance social executives

-  **5.4x** Profile views
-  **54x** New connections
-  **3.2x** Endorsements
-  **5.6x** Views on long form posts
-  **5.5x** Engagement on long form posts
-  **7.3x** Shares on content published
-  **10.9x** Engagement on content shared

*In comparison to their peers*



## Investment & Wealth Management



Sample: 268 executives across 83 companies representing 9.8% of the total LinkedIn industry sample. Comprising of 52 institutions with 51-500 employees, 31 institutions with over 501 employees.








Institutions within the investment and wealth management segment suffered from a loss of consumer trust following the global financial crisis. With the lowest observed DPI of all segments, the reputation of institutions has been slow to recover in the face of continued economic uncertainties.

The investment and wealth segment has the highest average correlation of executive social media activity to the performance of employees across small and medium enterprises, with an average of 43 percent of change.

Traditional players in this segment have been disrupted by the emergence of new and innovative services, which enable investors and wealth managers to access information and trade faster than ever before.

This presents an opportunity for executives to improve the perception of their firms and build trust through transparency, leveraging social media as a thought leadership platform.

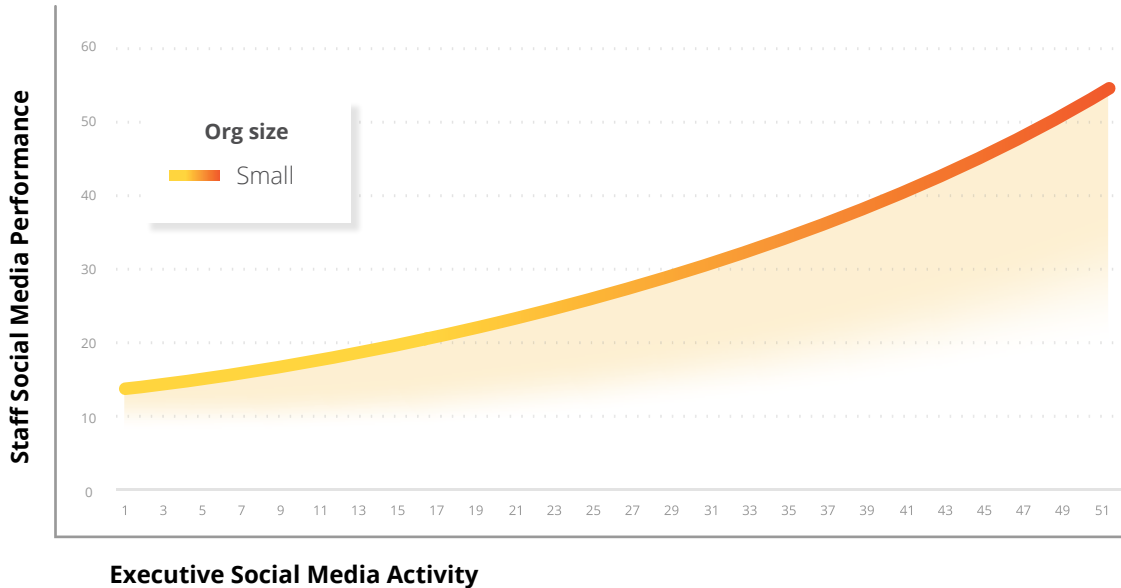
### Investment and Wealth Management social executives

-  **3.9x** Profile views
-  **3.9x** New connections
-  **5.2x** Endorsements
-  **8.7x** Views on long form posts
-  **25x** Engagement on long form posts
-  **6.5x** Shares on content published
-  **17.9x** Engagement on content shared

*In comparison to their peers*



## Superannuation



Sample: 226 executives across 29 companies representing 3.4% of the total LinkedIn industry sample.

In a segment led by SMSFs, strong public focus on retirement fund management and demand for information from superannuation firms places the segment at the top when it comes to perception, with a DPI of +12.55 percent.

The positive perception towards superannuation firms, fosters an openness to engage with social executives. Long-form content published by social executives within the segment receives 13.6 times the views than their peers, with 13.4 times higher engagement on content shared across LinkedIn.

Examining approximately 12 percent of ARPA registered funds in the analysis, the relationship between executive activity and staff performance is exponential. In fact, 30 percent of the social media performance of staff is attributed to executive activity on

LinkedIn, placing all firms in a strong position to leverage social media to discover and share conversation-worthy updates, create and grow relationships.

### Superannuation social executives

- 3.3x** Profile views
- 3.1x** New connections
- 3.9x** Endorsements
- 13.6x** Views on long form posts
- 6.3x** Engagement on long form posts
- 7x** Shares on content published
- 13.4x** Engagement on content shared

*In comparison to their peers*

# Guide for the Social Executive

## Putting a face to financial services

The Australian financial services industry is now at a pivotal point in its adoption of social media. Regulatory demands, bureaucratic inertia, and legacy technologies continue to pose challenges, but many organisations and their executives are now taking their first social steps after years of apprehension.

Industry leaders have identified social media as a strategic force that can unlock billions of dollars of value in customer experience, employee engagement, productivity, and retention.

To better understand their present situation, organisations must audit where they fit within a **Social Media Maturity Model**. This will help them prepare to scale and expand a social offering.

The model consists of four stages: Social Advocate, Social Team, Social Organisation, and the Social Executive stage. It's important to note that the social digital transformation cannot begin or end without the buy-in and engagement from the company executive. The preceding stages are the building blocks to institutional and executive public opinion, helping to convey the sentiment that someone at the top has the individual customer's best interest at mind.

With the top players in the industry being led by social executives, there is opportunity for organisations of any size to turn the social maturity model on its head. Executives can now also sit at the top of the pyramid and inspire teams within the organisation to get active on social media. As nearly every sector is at some stage of digital transformation, the need for thought leaders is more in-demand than ever. A company that starts with, or is able to identify a Social Executive has the power to leverage organisational resources to drive an army of employee advocates and social selling champions.



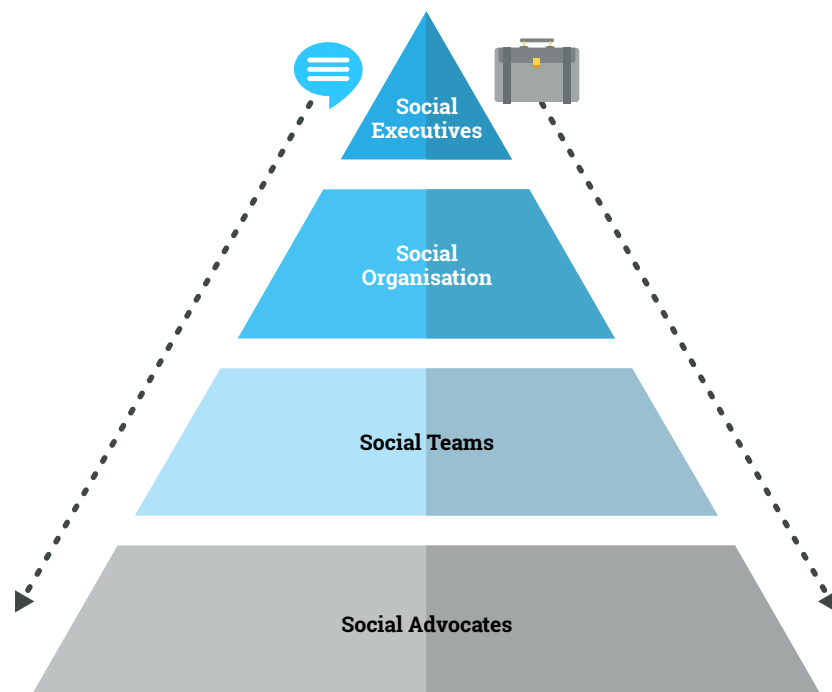
## Social Executive

Executives tend to be leveraged only once digital transformation has been completed within a Social Organisation. The unique position of the Social Executive places them atop their organisation with a passive opportunity to leverage the infrastructure and teams within their organisation, or proactively power social media adoption across their organisation, to lead, engage and empower employees and sales teams.

## Social Organisation

Once you have a number of social teams operating in separate departments, you're on your way to the Social Organisation stage. The true mark of a social organisation, however, is having a standardised system and guidelines for social media use within the organisation to drive true value through these technologies. You're turning the tools you've used to engage outwardly with customers inward to foster better internal collaborative practices.

## The Social Media Maturity Model



## Social Teams

A Social Advocate can only do so much. Enter the Social Team. Typically the Social Team is departmentally focused. In the early days of social, these teams were nearly all centered around marketing or PR, but more recently we're seeing the spread of social teams throughout an organization. These teams can emerge organically, without central direction, and may adopt diverse technologies and procedures.

## Social Advocates

This is social engagement at its simplest stage. At this stage, social is in the hands of a single individual within an organization. This person usually has strong personal social involvement and may have emerged from within the organization as a logical leader in social, pioneered social involvement from within, or may have been hired specifically to tackle social for the organization—the social expert.

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## **Employee advocacy and sales enablement**

It has never cost so little to reach so many of the right people. Social platforms allow for a fast, affordable, and effective way for social executives to visualise a real-time portrait of their company's reputation. By encouraging their clients, prospects, and employees to post their thoughts online while monitoring the accounts, social executives can quickly formulate a real-time portrait of the company's perception and reputation.

Online conversations about a brand allow executives to understand customer concerns, sentiments, questions, and even inspire campaign ideas. This type of listening allows for a proactive, rather than a reactive social strategy, enabling social executives to create 45 percent more opportunities per quarter than their peers.

## **Inspiring an army of advocates**

Executives are in a unique position at the top of an organisation's social maturity pyramid, with the option to passively leverage organisational resources once developed, or proactively lead digital transformation from the top down. The chance to take a position of industry and thought leadership, or post opinion pieces on public platforms engages employees.

There is often a fear of exposure amongst executives when it comes to being active on social media platforms. Whether reactions are positive or negative, the presence and sentiment of accessibility is a welcome one, recognised by employees and leaders within their organisation and across the industry.

Social Advocates and Teams rally behind Social Executives, and are willing to promote and defend them both online and off.

With more than 450 million members on LinkedIn, there is huge potential for Social Executives to enable sales leads with content. Executives have the means and reach to dramatically increase the value of LinkedIn for demand generation. Regular engagement on the platform has proven to be effective for closing deals and relationship management.

# The Future of the Social Executive in the Financial Services Industry

It's not a matter of if an executive should go social or not, it's a matter of when. Social is a vital part of the financial purchase journey. Importantly, this allows executives to have direct influence over the success of their institution.

42 percent of the social media performance of staff within the Australian financial services industry can be attributed to the activities of executives on LinkedIn. This correlation qualifies an enormous opportunity for social executives to improve the public perception of their institutions and gain consumer trust. In addition executives can deliver measurable business impact through revenue attainment as social organisations create 45 percent more opportunities a quarter and are 51 percent more likely to achieve quota.

While executives are able to express their values, thoughts, and deliver business success through social, they are largely underrepresented on public platforms such as LinkedIn and Twitter. As FinTech

companies are wooing the mobile-first generation with alternative banking solutions and traditional banks rapidly digitising, the social executive has the opportunity to be a much-needed thought leader in the evolving space.

Digital will ultimately become the final platform for all banking services. Leading from the top, social executives can inspire and activate an army of brand advocates within their organisations. This will drive insights in real time that allow executives to build deep, long lasting relationships with customers. Executives have to stop thinking only in terms of B2B or B2C, but rather enable a human-to-human communication model via social in order to gain trust.

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# About Hootsuite Enterprise

Partner with Hootsuite to accelerate your social transformation



Hootsuite is the most widely used platform for managing social media, loved by over 10 million people around the globe and trusted by more than 800 of the Fortune 1000. Hootsuite Enterprise empowers organisations to execute business strategies for the social media era and scale social media activities across multiple teams, departments, and regions. Our versatile platform supports a thriving ecosystem of social networks complemented by 200+ business applications and integrations, allowing organisations to extend social media into existing systems and programs.

Along with our channel and agency partners, we help organisations build deeper relationships with customers, stay connected to the needs of the market, grow revenue, and draw meaningful insights from social media data. Innovating since day one, we continue to help organisations pioneer the social media landscape and accelerate their success through product training, group training and tailored organisational training, as well as security and compliance services.

Request a custom demo today by visiting [enterprise.hootsuite.com](https://enterprise.hootsuite.com)

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