



Social Media: Do You Know What Your Customers are Tweeting?

Experts, Practitioners Offer Tips for Safer Social Networking

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Twitter, Facebook and LinkedIn are among the top social media sites on the Internet - and they're all part of a new movement of immediate, instantaneous communication among an organization's employees and with its customers.



In the blink of an eye - or at the speed of a tweet -- people around the globe can send messages and relate what is important to them. And now, industry experts and practitioners say, it's time for financial institutions to embrace these new forms of communication, or else be left behind.

Whether banks like it or not, social media are part of the online world and must be addressed, says Jacob Jegher, a banking analyst at Celent, a financial services industry research and consulting firm. Many financial institutions are still choosing to ignore social media, he says. Others are dabbling in it, and "A few are going full force."

The time of statement stuffers and marketing emails is over, Jegher says. The interactivity of social media makes communication a two-way street. "Banks should capitalize on the stream of data, information and interactivity that is headed their way," he says.

Case Study: Navy Federal

Earlier this year, Navy Federal, the country's largest credit union (3.5 million users and \$40 billion in assets), put together a discovery team charged with coming up with best practices in the use of social media.

"The team did a lot of research on the use of social media and put together recommendations to present to the board of directors," says Jennifer Sadler, Public Relations Manager at the Vienna, VA-based institution. Once the board approved the credit union's social media strategy, work began on a policy statement and an overall plan to approach the foray into social media.

Navy Federal now has a Twitter presence-- "a listening post," as Sadler describes it. "We see a lot of our members commenting on Navy on Twitter," Sadler says. Navy responds to inquiries, questions and statements. Currently 20 Navy employees are authorized to talk on social media networks on behalf of Navy, Sadler says. Each one of them went through social media training and follows guidelines on responses Navy set forth in its strategy.

Navy's plans include establishing a social media architecture, which Sadler says will help the credit union decide how it will approach the use of different social media, such as Facebook. "Our plan is to not design the architecture to a specific platform, but we're looking to combine the use of different

platforms," Sadler notes. "Once something is syndicated to Twitter or Facebook, it then can be distributed to the other."

Navy's employees are curious about how the credit union plans to use social media. "They are excited about this new opportunity to explore and engage members," Sadler says. "Members are also excited that we're listening to them. The fact we're reaching in and asking 'what else can we do for them' is meeting with positive response."

Navy Federal plans to launch its Facebook page in early 2010. Much of the information and approach the institution is using was drawn out from work done by the Air Force in its development of social media strategies, Sadler says.

Lesson Learned: Follow a Plan

It doesn't matter what size institution you are, Sadler says. The first step in social media is to form a strategy. "Develop who you are talking to, and policies and procedures, before you get involved in social media," Sadler advises.

The military's approach to social media is good example to follow. "Especially the Air Force approach in using social media," she says. "The Air Force has a good template to look at and see the things addressed there, including a solid social media governance model."

She cautions institutions to go slowly, and not jump into social networks without a plan. "You don't have a second chance to go back and redo something," she notes. "First impressions on the Internet, like anywhere else mean a great deal."

Policy is Key to Protect Reputation

An institution's reputation is at stake if a social media policy isn't in place, says Matt Speare, SVP of IT at M & T Bank, Buffalo, NY. The institution's reputation must be considered when employees engage on social networks, says Speare, who has put together a webinar entitled [Social Networking: Is Your Institution Ready for the Risks?](#)

"From a reputation standpoint, it is very typical for an individual to reference where they work on a social network site," Speare explains. Yet, this seemingly innocuous connection could tarnish the institution just by being associated with that employee's non-work activities. Speare gives the example of a mayor in an upstate New York township who posted nude photos of himself online. "On his Facebook page he said he was mayor of that township, so by association the township is tarnished," Speare says.

The reputational status is increased in financial institutions, "when we're dealing with customers in a trusted relationship," Speare says. Even in a reference where they work, employees should be told to adhere to the institution's guidelines.

The anonymity of the Internet is one attraction for many users. But while a person may think they're anonymous, whatever they post on the Internet exists forever, Speare says. "Think of previous versions of websites -- those are cached for infinity. So I'm always telling my employees, once it is out there, it is discoverable," he warns.

"I tell them 'Act as if your mother was looking over your shoulder,'" Speare says. If a mom would approve of what you've posted, he notes, then it's fairly safe.

M&T Bank recently added a portion in its training about the use of social media by employees. "Initially, when we didn't have a policy or training in place, there wasn't much we were able to tell employees," Speare says. "We failed to realize just how quickly the MySpace, Facebook, Twitter movements took off. But once we introduced the policy and training, it has been generally accepted by employees," he notes.

His advice, "Tell your employees the reason why you're implementing the social media policy, and they'll be willing to accept it."

Social Media Policy: Do's and Don'ts

M&T Bank's Speare offers some general guidelines and examples of communications that should not happen when employees are using social networks:

- Assume at all times that you are representing the institution when engaging in any form of social networking. "If you wouldn't say it on the air or have a reporter write it in a column, don't tweet it, post it on Facebook or post it on any public web page," Speare says.
- Exercise discretion, thoughtfulness and respect for colleagues, business associates, customers and partners.
- Don't discuss internal policies or operations issues in any manner that could reflect poorly on the institution.
- Don't engage in public criticism or disparagement of the institution's employees, customers, partners, suppliers or competitors.
- Confidential or proprietary company information or similar information of third parties who have shared such information with the institution shouldn't be shared on any social networking site.

Social Media Is 'No-Brainer'

If an institution has developed an employee policy on social networks, the next step is to decide when to establish a presence on social network sites, says Navy Federal's Sadler. "Folks are talking about you in social media, whether you're in it or not," she says. "From a business perspective, and at least among our members, it's important to be part of the conversation."

Using social media to connect with customers is a no-brainer, according to Speare. The case for making the move into social media is just like the crossroads many institutions faced when it came to web banking.

"If you weren't on web banking, you were listed as missing in action," Speare says. "By 2013, if you haven't started [leveraging social media], you will be irrelevant."

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