



# CASE STUDY

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**Virtual vs Brick-and-Mortar  
Banks: Who is Winning the  
Social Media Battle**

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The Internet is quickly becoming the go-to place for every aspect of life. From shopping for groceries and books to scheduling a medical appointment, these days we take care of everything via the web. Banking and finance transactions are no exception to this and they have become an equally integral part of our new online habits.

The online reputation and social media presence of banks is an increasingly important factor we take into account when choosing a bank to suit our needs. While “online” offers to accompany services at brick-and-mortar locations have been around for quite some time – the first offers came up in the early 1980s in the US and the UK – it took until the end of that decade for the first direct banking offers to appear. One of the first banks to launch in this area was First Direct, which launched its telephone banking offers in 1989.

Online banking services only started becoming more popular when the Internet became accessible to a broader audience. Recent analysis shows that over the next five years, more than **two-thirds of banking customers in Europe** are likely to be “self-directed” and highly adapted to the online world. As today’s customers move online, traditional brick-and-mortar banks have to follow.

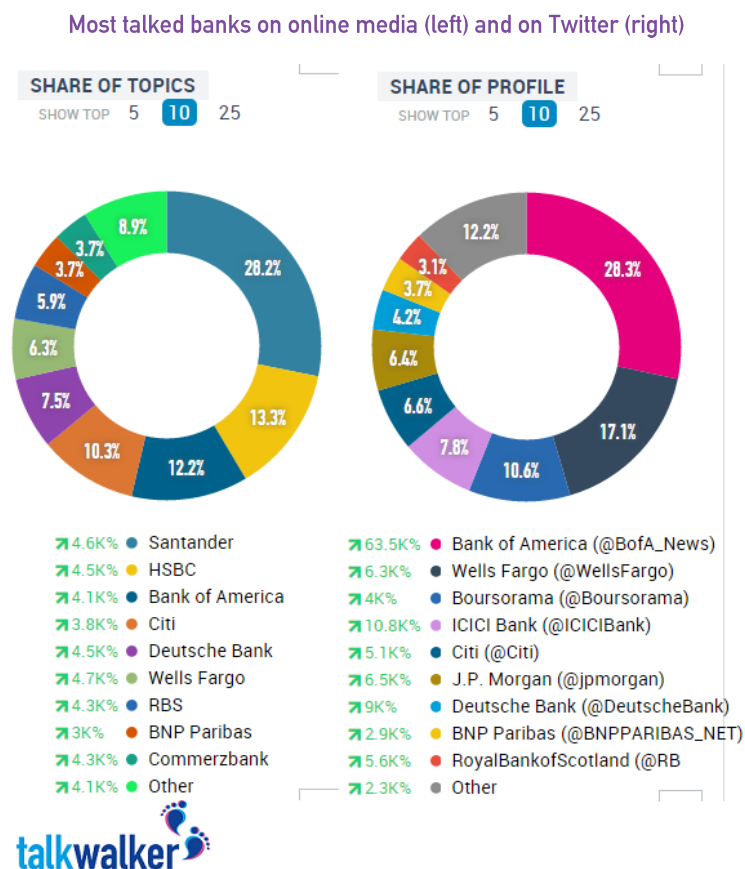
But who is performing better online? Virtual banks that have only just started growing, or traditional banks, some of which are still hesitant to use the full potential social networks offer? In our case study we will use social listening to see how both are **perceived online** and which has the **more engaged and active audience**.

# 1 Social media performance: Which banks are the most talked about?

Both digital-only and traditional banks have realized that there is no way to avoid social media in today's connected world of customers. While established banks have been around for a long time, many of them were hesitant to jump on the social media train and use Facebook, Twitter and other platforms to establish an online presence. They often limited themselves to their company website as a unique channel to connect with their customers online.

Virtual banks, in contrast, are a product of the Internet age. While they have not been around as long as their more traditional counterparts, they were established in a time when the Internet became the go-to source for everyday tasks, including banking.

So which of the two **performs better on social media**? We took a look at the Twitter accounts of selected traditional and digital-only banks to see which are the most talked about, which are the most active and which has the most engaged audience.



Traditional banks are mentioned more often in the overall online conversation (left). But on Twitter (right), virtual banks are catching up quickly.

For the period between the end of December and the end of January, [Santander](#) earns the lion's share of the overall conversation online at 28.2%. Online banks, on the other hand, don't even place among the top 10. The highest share goes to [Boursorama](#) at just 0.8%.

A search focused solely on Twitter shows a different picture. While the conversation is still dominated by traditional banks – [Bank of America](#) and again, [Wells Fargo](#) – online banks are following suit. With 10.6% for [Boursorama](#) and 7.8% for ICICI, online banks are not nearly as far behind on the microblogging service. Is that because they are more active on Twitter? Let's see.

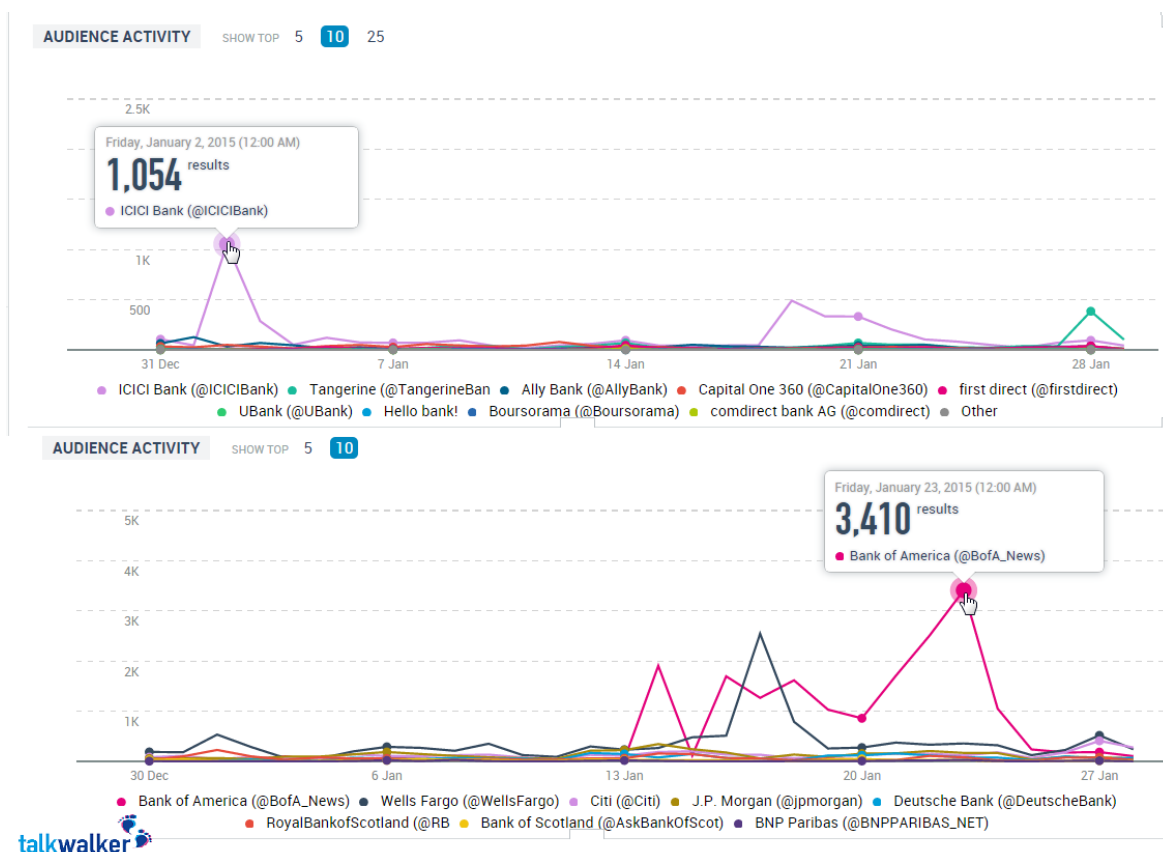
#### Most active banks on Twitter

	Owner Activity ↓	Owner Tweets ↓	Owner Replies ↓	Owner Retweets ↓	Avg Owner Activity/Day ↓
Boursorama (@Boursorama)	920	719	200	1	30.7
Bank of Scotland (@AskBankOfScot)	589 ↑4.1K%	9 ↑800%	580 ↑4.4K%	0	19.6 ↑4.1K%
ICICI Bank (@ICICIBank)	585 ↑29.1K%	488 ↑24.3K%	37	60	19.5 ↑29K%
Groupe BPCE (@GroupeBPCE)	355	144	4	207	11.8
comdirect bank AG (@comdirect)	327	149	169	9	10.9
Hello bank!	317 ↑15.8K%	113 ↑5.5K%	187	17	10.6 ↑15.7K%
Bank of America (@BofA_News)	306	280	2	24	10.2
Capital One 360 (@CapitalOne360)	252 ↑12.5K%	35	217 ↑10.8K%	0	8.4 ↑12.4K%
Tangerine (@TangerineBan)	238 ↑4.7K%	101 ↑5K%	119 ↑3.9K%	18	7.9 ↑4.7K%
Wells Fargo (@WellsFargo)	210	82	96	32	7

The top 3 among the most active banks on Twitter are Boursorama, Bank of Scotland and ICICI Bank for the period between mid-January and mid-February

Among the ten Twitter accounts with the highest owner activity, more than half are digital-only banks. The top tweeter is a virtual bank [Boursorama](#), with the account showing 920 posts and replies over the 30 day period. Most of these tweets were replies to customer inquiries – at a rate of 8 times more tweets than the brick-and-mortar [Bank of Scotland](#), which tweeted 589 times over the same period bringing their level of average owner activity to just 19.6 interactions per day vs. 30.7 for Boursorama. So while traditional banks have the larger audience and their accounts show more engagement due to this larger followership, online banks are more aware of the importance of regular activity on Twitter.

## Most active audience



The direct comparison shows that the overall audience activity for traditional banks (bottom) is significantly higher than for digital-only banks (top).

In terms of overall audience activity on Twitter, the traditional banks show a much higher level. The peak of audience activity among online only banks happened for Indian [ICICI Bank](#) at the beginning of the year, with a visit from India's Prime Minister Narendra Modi at the event to celebrate the bank's 60<sup>th</sup> anniversary.

In contrast, among the traditional banks, [Bank of America](#)'s highest spike towards the end of January 2015 shows 3 times more mentions than the one for ICICI Bank. Much of the conversation here is related to the [World Economic Forum in Davos](#). Bank of America tweeted a lot about the main topics on the agenda of the WEF's annual meeting mid-January. They also smartly engaged with their audience by asking their followers' stance on some of the issues. As a result, they received a lot of replies and increased the overall activity level. Leveraging from current events to engage with the audience is a great way to increase audience interaction while gaining insight into which topics are especially important to the public.

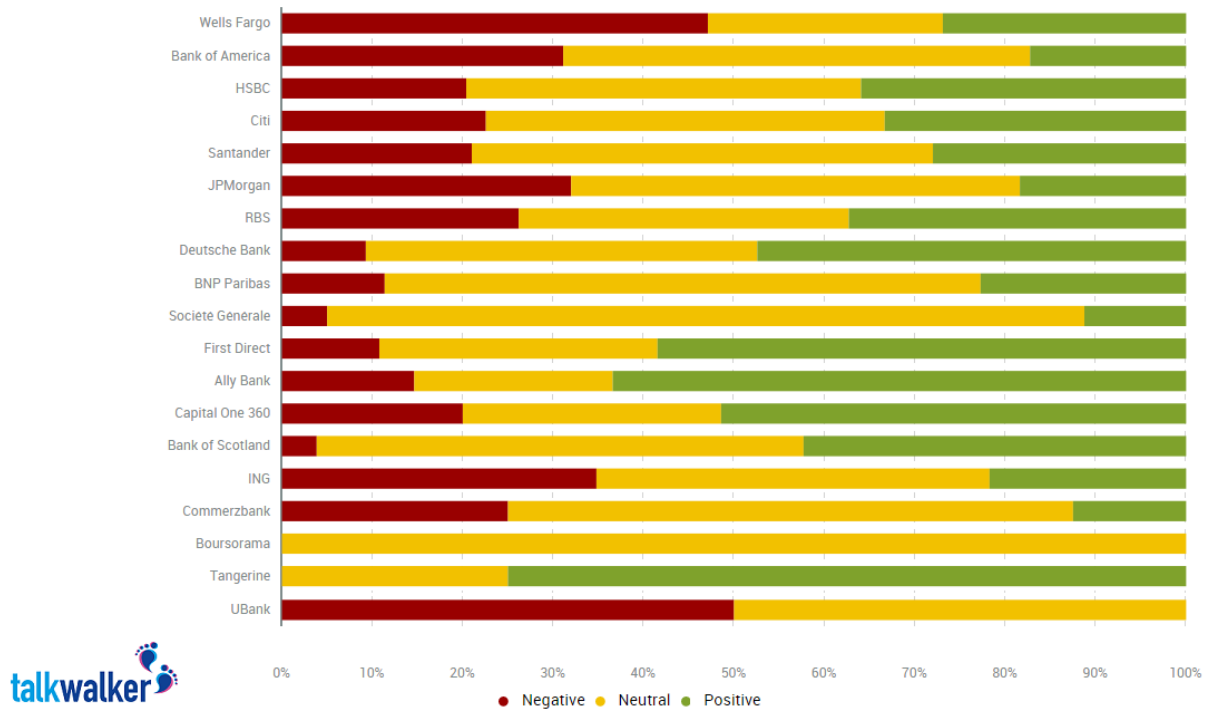
## 2 Sentiment towards traditional and digital-only banks

The most obvious differences between digital-only and brick-and-mortar banks are **location** and **accessibility**. While traditional banks usually have a wide network of branches available to their customers, their business hours are somewhat limited. In contrast, digital banks can offer around-the-clock service to many of their customers. Automated processes and a lack of brick-and-mortar locations enable them to keep their operating costs relatively low. But many customers still appreciate face-to-face interaction with a consultant or bank teller. Especially since entrusting someone else with your money often requires a great deal of trust – and trusting someone is much easier after talking to someone in person. But the relationship between customers and banks is also shaped by their interactions – bad customer service can easily **ruin customer's overall impression** of a bank as a whole.

The question then is, what is more important to customers – the **convenience of banking online** or being able to have **direct access to a teller** at the local branch of their traditional bank?

Digital-only banks are champions in terms of positive sentiment

by topics



A sentiment comparison for some of the most-discussed traditional and digital-only banks, filtered for the term "customer service".

A first glance at the sentiment of customer service-related mentions for a number of different banks shows a clear preference towards online banks. Mentions of Canadian online bank [Tangerine](#) show 75% of positive sentiment for this topic, followed by [Ally Bank](#) with 63%. [Deutsche Bank](#) wins the highest share of positive mentions for their customer service among traditional banks, at just 47%.

"Awesome" and "amazing" virtual banks





Positive emotions are at the top of a theme cloud for virtual banks on Twitter

A look at the theme cloud with attitudes towards virtual banks on Twitter shows a **large share of positive emotions**. The three most-used keywords in this context are “**sharing**”, “**awesome**” and “**amazing**”, most of them related to quick and efficient customer service. Mentions also include features like [ICICI](#)’s Twitter pay feature, which customers consider innovative and useful, as well as the security measures put into place to protect customers’ accounts.

Most of the people turning to social to look for customer service or support are also part of a younger generation which grew up with the Internet and online services. Constant availability is the norm for them. It is therefore not surprising that they also prefer online customer service over standing in line and waiting for service at physical locations. Being constantly on the go, online banks offer an alternative that suits their lifestyle much better than traditional banks.

Traditional banks lose at customer service

RESULTS

SHOW TOP

10

25

50

100


250

GROUP

None

SORT BY


Engagement



**Lou Attanasio** @LouAttanasio shared a link

#Video: @TangerineBank delivers good **customer service** by quick testing, building & deploying new apps w/ #PureApp [ibm.co/1AWDIJI](https://ibm.co/1AWDIJI)


published on 14 January 2015 at 18:48 | Twitter | United States | [twitter.com](https://twitter.com)



**Kira Grossman** @KiraLee711 tweeted

100% appalled at the horrible **customer service** of @wellsfargo #droppedcalls #zerofraudprotection #noresponses #noduediligence


published on 21 January 2015 at 21:06 | Twitter | United States | [twitter.com](https://twitter.com)



**rissa** @tac0sandb3ans tweeted

Hey @WellsFargo your **customer service** department sucks and is incredibly rude and unhelpful. Work on that.


published on 06 January 2015 at 20:35 | Twitter | United States | [twitter.com](https://twitter.com)



**SUNNY SWEENEY** @GettinSweenered tweeted

Hey @WellsFargo bank... you have fantastic **customer service**. SAID NO ONE. EVER!


published on 27 January 2015 at 23:17 | Twitter | United States | [twitter.com](https://twitter.com)



**Siavash Mahmoudian** @siavash tweeted


.@bankofamerica charged me annual fee on a card that doesn't have one. Had bad experience w/ their **customer service** @bofa\_help @bofa\_news

published on 20 January 2015 at 18:15 | Twitter | United States | [twitter.com](https://twitter.com)




MATCHES Customer Service

METRICS 361 Potential Reach , 4 Engagement , 4 Retweets , 361 Twitter Followers




MATCHES Customer Service

METRICS 184 Potential Reach , 3 Engagement , 3 Retweets , 184 Twitter Followers




MATCHES Customer Service

METRICS 134 Potential Reach , 3 Engagement , 3 Retweets , 134 Twitter Followers



MATCHES Customer Service

METRICS 61.3K Potential Reach , 2 Engagement , 2 Retweets , 61.3K Twitter Followers



MATCHES Customer Service

METRICS 65.5K Potential Reach , 2 Engagement , 2 Retweets , 65.5K Twitter Followers

talkwalker



“Customer service”-related tweets for both digital-only and traditional banks show a strong negative attitude towards the traditional institutions.

Digging deeper into the overall results reinforces the first impression. Looking at Twitter mentions over a 30-day period, most mentions addressed the Twitter handles of traditional banks – and most were complaining about bad experiences the users had with their bank’s customer service representatives. The traditional bank [Wells Fargo’s account](#) is the main target here, with three out of five most engaging tweets from that period containing a complaint. The most engaging tweet overall – which is also the only one with a positive tone - from that period addresses [Tangerine](#).

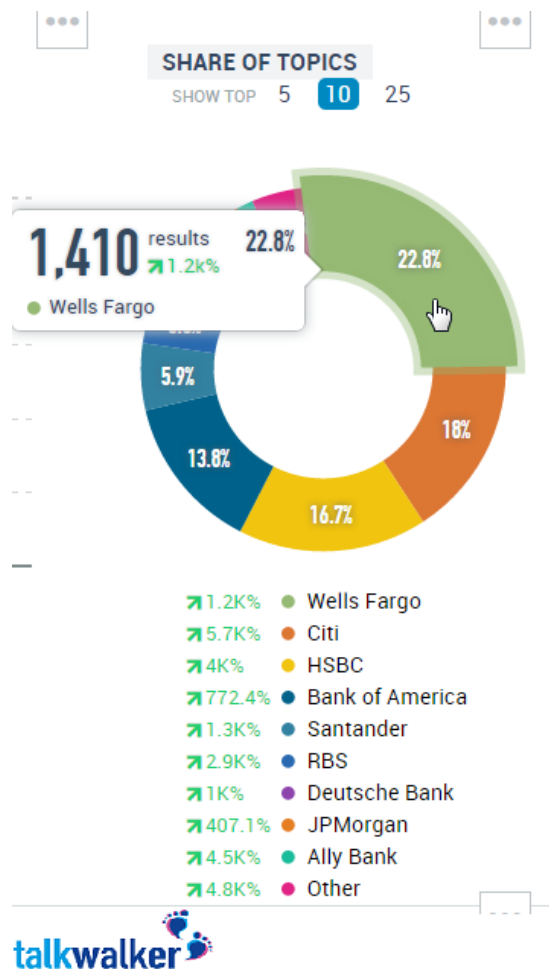


Figure 1 Customer service-related conversations for traditional banks happen much more than for online banks

A look at absolute numbers, however, shows that the conversation for traditional banks is much **more extensive** than for online-only banks. Wells Fargo's customer service for example was mentioned more than 1,300 times. The most conversation about a virtual bank is less than 10% of that over the same period.

But traditional banks have created and established their brand over years, reinforcing it through intense marketing and ad campaigns. It is therefore no surprise that they are much more present in our minds than the much newer brands of virtual banks.

While customers do appreciate the ease and comfort of online banking, digital-only banks still have a long way to go until they have caught up with established institutions when it comes to achieving high levels of customer engagement and interaction.

### 3 More competition through new forms of banking

In many regards, online banking can be seen as the new "established" form of banking. Many people throughout the world have switched from banking at brick-and-mortar locations to taking care of everything from the comfort of their own home. But with the increase of mobile devices and the Internet being available almost anywhere, banking preferences continue to shift.

The latest development is **mobile banking**. Research suggests that that use of [mobile banking has increased by 52%](#) compared to two years ago. Ease of use and better features compared to other forms of banking are the main reasons mobile devices are increasingly relevant for banking.

Even more relevant is the growth of **new banking applications** that are not backed by established banks. Their users can take care of all banking needs within the app itself. From depositing checks to moving money between accounts and even paying for purchases via their smartphone, these apps enable customers to take care of all finance matters via their smartphone. In some poorer countries, [the rise of mobile banking has revolutionized the economic system](#) and empowered people to take charge of their finances. When asked about this development, Bill Gates stated that “by then [2030], mobile money providers will be offering the full range of financial services, from interest-bearing savings accounts to credit to [insurance](#).”

RESULTS		SHOW TOP	10	25	50	100	250	GROUP	None	SORT BY	Engagement
	<b>Moven brings its banking app to Samsung's Moto360 and Gear smartwatches</b>	ruth reader	Moven is launching its tech heavy <b>banking app</b> on Samsung's Moto360 and Gear smartwatches today to help consumers rein in excessive spending. Moven's technology has been on...						published on 02 January 2015 at 19:00   Online News   United States   <a href="#">venturebeat.com</a>		
			MATCHES Mobile banks						METRICS 17.7M Potential Reach, 464 Engagement, 315 Twitter Shares, 48 Facebook Shares, 101 Facebook Likes, 17.7M Alexa pageviews		
	<b>How Big Data Can Build Trust in Banking</b>	Guest Contributor	It's an unpleasant visceral experience ... the sound of your heartbeat, the scramble to a laptop or <b>banking app</b> to check balances and, in the worst case scenario, the frustrated disappointment to learn...						published on 05 January 2015 at 06:01   Blog   United States   <a href="#">thefinancialbrand.com</a>		
			MATCHES Mobile banks						METRICS 550.0K Potential Reach, 314 Engagement, 276 Twitter Shares, 16 Facebook Shares, 22 Facebook Likes, 550.0K Alexa pageviews		
	<b>Bank of America</b>	shared an image	Getting organized? Check your balance, transfer money and deposit checks with our Mobile Banking App. Learn more: <a href="http://go.bofa.com/k52g">http://go.bofa.com/k52g</a>						published on 14 January 2015   Facebook   United States   <a href="#">facebook.com</a>		
			MATCHES Mobile banks						METRICS 2.1M Potential Reach, 283 Engagement, 11 Facebook Shares, 264 Facebook Likes, 8 Comments, 2.1M Facebook Fans		
	<b>2 ways to revamp Nepal's economy</b>	bill gross	...platforms which allow banks to connect with customers. The creation of <b>mobile bank</b> accounts also brings in deposits that were previously not present in the banking system, and this would increase an institution's...						published on 23 January 2015 at 13:26   Blog   United States   <a href="#">weforum.org</a>		
			MATCHES Mobile banks						METRICS 263 Engagement, 61 Twitter Shares, 48 Facebook Shares, 154 Facebook Likes		
	<b>BankMobile Introduces First Fee-Free Branchless Banking</b>		...America's first only no fee <b>mobile bank</b> . Throughout the press conference, CEO Jay Sidhu, a co-founder... The launching of a new mobile-only <b>banking app</b> comes at a time when consumers are looking for an improved...						published on 19 January 2015 at 01:03   Blog   United States   <a href="#">thefinancialbrand.com</a>		
			MATCHES Mobile banks						METRICS 550.0K Potential Reach, 252 Engagement, 142 Twitter Shares, 24 Facebook Shares, 86 Facebook Likes, 550.0K Alexa pageviews		



The top results for a search on mobile banking and banking apps show the topic's increasing relevance.

Another trend in banking is **paying via social media**. [Indian bank ICICI](#) and [French Groupe BPCE](#) both offer the option to transfer money to someone solely via Twitter. All it takes is the amount, the payee's Twitter handle and possibly their email address. Rakuten, a Japanese bank, offers a similar [payment function via a Facebook app](#). More and more daily tasks are aggregated within social networks. It is therefore no surprise that banking is becoming increasingly relevant in social media as well.

## 4 Paradigm shift in modern banking

Digital banking continues to shift and grow with new developments in technology. As more and more new players appear on the financial market, traditional banks need to be aware of their **growing competition** not only from virtual banks, but also from other companies that are not necessarily connected to the finance industry. British retailers Tesco and Sainsbury for example offer their customers a number of banking services online, as do the Canadian Tire Financial Services in North America. In the United States, [WalMart has teamed up with GoBank](#), with a number of the retail giant's branches now serving as physical locations for the online bank as well.

A look at the Twitter results show that major banks, which have had time to grow their presence, have a significantly **larger audience on social media** than the relatively new online-only banks. They reach more people and in turn, get more people to engage with their postings. However, when it comes to key aspects in banking, such as customer service, **virtual banks are ahead**. While their audiences might be smaller, their customers enjoy the benefits of banking online. Due to their ease of use and **benefits like higher interest rates** on savings, which are made possible by a lack of physical infrastructure, online banks and digital banking apps continue to increase in popularity.

With the continued development of new technologies, switching banks has become as easy as downloading a new app onto your phone. With that in mind, established banks should keep a critical eye on the conversation about them and their competitors [to spot new developments](#) as early as possible and adapt their strategies accordingly.

## About Talkwalker

Talkwalker is one of the world's leading social data intelligence companies. Its 1500 servers process 500 million posts from 150 million websites every day. Talkwalker's state of the art social data intelligence platform monitors and analyses online conversations on social networks, news websites, blogs, forums and more, in over 187 languages.

Talkwalker's unique social data intelligence software was selected to be a Twitter Official Partner in 2014. Its cutting edge technology enhances the speed and accuracy of decision-making through real-time social media listening and multi-faceted social media analytics.

The Talkwalker social data intelligence platform is used by over 500 clients around the world, including Volkswagen, Benetton, KPMG, Merck, BASF, Ogilvy, Publicis, Peppercomm and Weber Shandwick.

## Get in Touch

Talkwalker Americas: +1 646 712 9441

Talkwalker EMEA: +352 20 33 35 3 43

[contact@talkwalker.com](mailto:contact@talkwalker.com)

[@Talkwalker](https://twitter.com/Talkwalker)

