

Predicting Trends and Measuring the Economy: Benefits of Social Data Intelligence for Banks

by **talkwalker** 

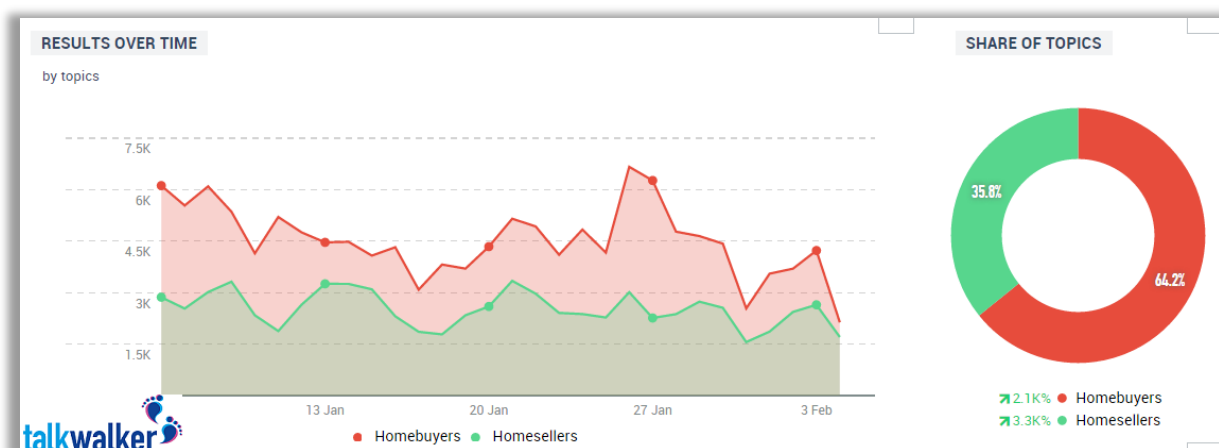
Data from social media is an increasingly valuable source of information for all companies. From influential industry experts tweeting market moving news, to disgruntled customers venting their anger on corporate Facebook pages, the variety and quantity of data produced every second on social media can provide important insights for every business. Basic social media monitoring and data collection allowed companies and organisations to see how often their brand, product or campaign was being mentioned or get a broad view of the topics of online conversation. But social data intelligence allows companies to take their analysis to a higher level. As well as being able to use social data to improve products and services and tailor them to customer needs, the increasing relevance of social networks and the information shared on them allows companies to **predict future developments**. Predictive analyses can prove especially useful for banks. From monitoring general public sentiment about the economy to predicting fluctuations in the housing market, social data intelligence is a field that banks can no longer ignore.

Here are **5 ways banks can leverage from social data intelligence** to improve their overall strategies.

1. Analysing public sentiment towards the economy

The overall economic climate has a large impact on all areas of the financial industry as well as people's everyday lives. From the banks that lend and borrow money to the people looking to invest or make larger purchases (e.g. buying a house) everyone in the industry is affected by changes in the economy. An **analysis of overall public sentiment** can tell banks early on if people are optimistic about economic development and want to spend money or if they feel insecure and are therefore more likely to save their income. By following these conversations, banks can **adapt and refine their business strategy** according to these trends.

Social data intelligence offers real-time insights that can be delivered at the right time to the right departments of a bank. By monitoring different key phrases and terms, for example **unemployment-related mentions** or discussions about **home loans and mortgages**, banks can easily see where the economy may be heading. Using these insights gives banks, especially specialists focused on economic development, a great advantage over using "official" statistics and records. The collection of data for records often takes a long time, making the data almost outdated by the time it gets to banks and financial institutions. In contrast, social data intelligence can be collected quickly and reflects current developments in real-time.



Mentions of "selling" vs "buying" homes over a 30-day period since beginning of January

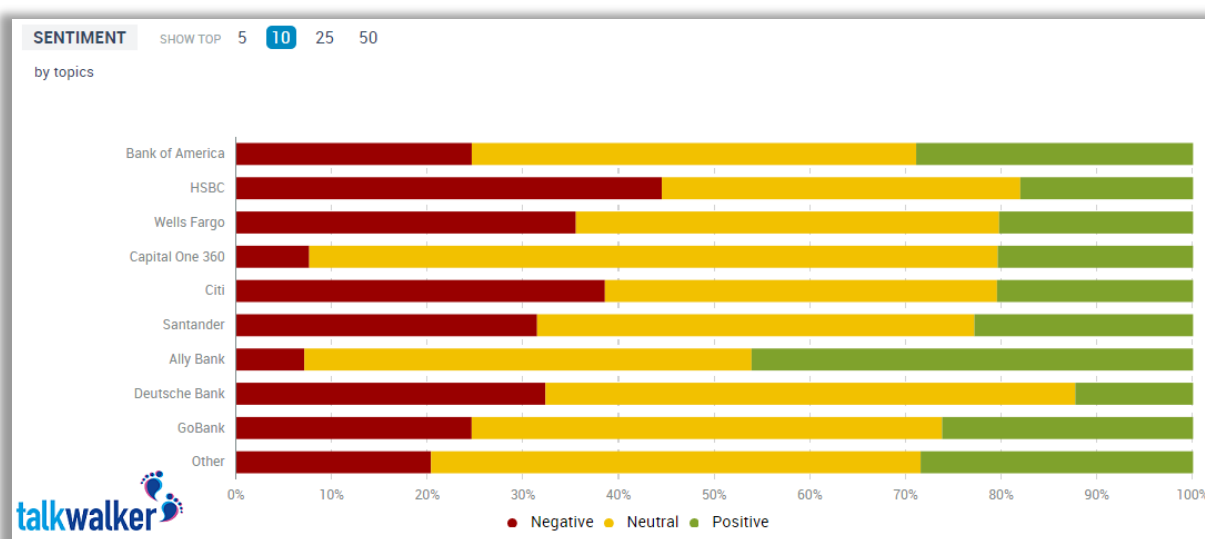
Since the beginning of the year, mentions of buying a home have been at almost double the number of those related to selling a house or apartment. [Low interest rates on mortgages](#) are making the investment into a house or apartment a much-discussed topic.

For banks, monitoring these conversations is an opportunity to **target their marketing and communications** specifically on these topics. For example, in areas where many people are looking to purchase a home, it makes sense for banks to focus marketing on low-interest mortgages.

2. Understand consumer opinion about your products

Before taking out a loan or mortgage or investing money, people will always research their options and compare different offers. Finance review sites or advice blogs are just as valuable sources for this as friends and family – so banks should be aware of the **how their products are perceived online**.

Monitoring the conversation about their products as well as their competitors' allows banks to see what matters most to their customers and how their products are perceived in comparison with others. Social data intelligence then allows banks to make well-founded decisions on which aspects of their **products need improvement** and which entirely **new products ideas** could be worth further development.



A sentiment analysis for a number of different banks, filtered for mentions of their checking and savings account offers

In the graph above, online bank **Ally** receives the **highest share of positive mentions (46%)** for their checking and savings account offers. Many of the positive mentions were related to the comparatively **high interest rate** Ally customers receive on the money in their accounts, showing the bank its **position in the market** as well as the **competitive advantages** it has over other institutions. In contrast, Citi receives a lot of negative mentions – a result of their recent deal with New York's Attorney General about their [screening process for applicants trying to open a checking account](#).

Since banks rely heavily on their customer's trust, they need to be aware of the **overall conversation about them** as well as product-related discussions. Deeper analysis of product-

related discussions gives banks detailed insights into potential issues. It also enables them to see how much of an impact a certain topic could have on their [online reputation](#). Looking at the conversation allows them to see what people like and why – and then **adapt their offers as well as their marketing and communications strategy** accordingly.



A theme cloud of emotions most associated with Ally Bank's checking and savings accounts offers

The emotion theme cloud above shows the most-mentioned keywords in relation to Ally Bank's offers. While saving money is generally considered an important issue, another frequently mentioned term is "**popular**", an indication that **customers are generally happy** with the service and offers they receive.

For **product development departments** of banks, this kind of information is also useful in creating entirely new products based on what their customers are looking for or are likely to need, e.g. investment opportunities or loans for specific purposes like education.

[3. Identifying opportunities for customer interaction](#)

Over the course of a lifetime, there are many occasions where people rely on their bank for support and advice on different topics, ranging from advice on saving for future goals – retirement or an education fund for future children – to mortgages and other large investments.

One way to spot these opportunities to engage with customers is to search for relevant hashtags – **#isaidyes**, for example, is a popular hashtag among newly-engaged couples that are likely to start planning their wedding soon, while **#howeowner** or **#homebuyer** are often used by people who purchased a house and so on.

Monitoring the conversation around these hashtags helps bank to **segment their potential customer base** into different groups with different needs and goals. Clearly distinguishing between those groups then enables banks to target their communication or marketing strategies specifically to those customer segments and offer them exactly the right products at different stages in their lives.



A theme cloud related to mentions #homeowners and #homebuyers

The theme cloud above shows the most mentioned keywords in relation to #homebuyers and #homeowners. Keywords that are mentioned quite often in this context are “**mortgage**”, “**buying**” and “**first time**”, indicating a large number of people interested in **buying their first house**. Banks can use these insights to better shape their strategy towards these customer segments. For example they can offer seminars on what first-time homeowners need to be aware of when buying their home. This not only helps to increase the awareness about the bank among potential customers, but also improves the overall bank’s image and positions it as an advisor bringing expert knowledge to its customers.

By giving out solid advice, banks can establish a relationship with these potential homebuyers, which increases the chances of them becoming long-term customers. At the same time, establishing themselves as a knowledgeable and trustworthy source of information helps them further improve their online reputation.

Making use of social data intelligence: Bank of England & Wells Fargo

The **Bank of England** introduced social media monitoring to gain real-time insights into economic developments in Great Britain. Monitoring different aspects of the overall conversation allows their specialists to see which issues are most pressing on people's mind. "How best to gauge

sentiment in financial markets? [...] By looking at the words people are using to describe their actions in financial markets. Are they feeling exuberant? Are they feeling panicked?" chief economist Andy Haldane said in [an interview](#).

Social listening enables the Bank to find out how many people are talking about issues like unemployment by looking for conversations about "job seeker's allowance", but it also keeps an eye on price developments and the growth of the digital economy. The main focus is the monitoring of current developments. Giving a recent example of the impact of social media, Haldane referred to the implementation of [new constraints on the UK housing market](#) in 2014 and said "some of those interventions were calibrated by analysing this big database on mortgage borrowing by pretty much everyone in the UK."

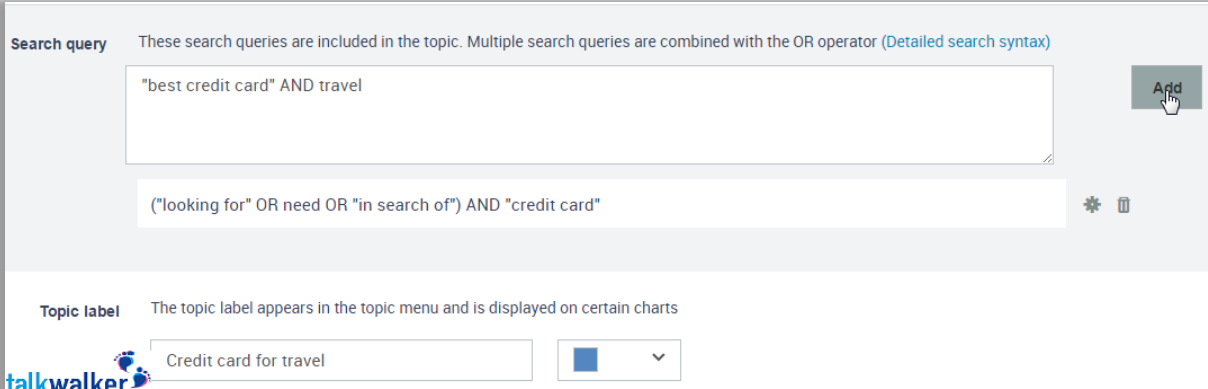
Another example of the increasing relevance of social data intelligence for banks is **Wells Fargo**. The US-based retail bank set up [two "social media war rooms"](#) in 2014 to monitor what customers are saying about them on line. The head of the bank's enterprise social media team calls social media "a fundamental change to consumer behaviour." To reflect this change and be able to respond to customers as quickly as possible, the command centre is staffed by a specialised team that keeps tabs on all Wells Fargo-related mentions online.

Both Wells Fargo and Bank of England have made major investments in dedicated teams and high-level technology to monitor the conversation on social media and online platforms. Their investments show how important social data intelligence has become for the banking industry.

[4. Planning & fine-tuning product launches](#)

Banks and other financial institutions launch new products on a regular basis. In order to find out which **features these products should have** to best serve customers' needs, banks can rely on social media monitoring to give them a clearer picture.

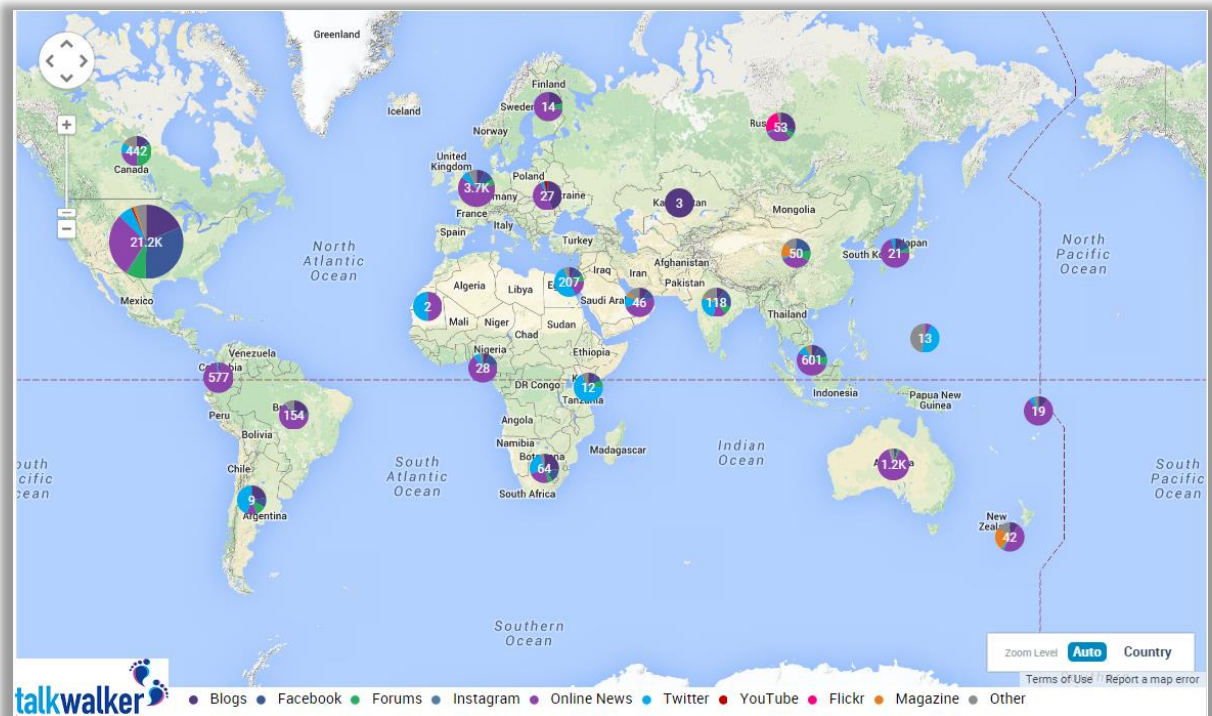
For example, for many people who travel a lot – either on business or just for fun – credit cards are a must-have. But just as many people are looking into switching their credit card provider because they are unhappy with certain features or about fees they have to pay. A search to find these people could look like this:



The screenshot shows the Talkwalker search interface. At the top, there's a section for 'Search query' with a note: 'These search queries are included in the topic. Multiple search queries are combined with the OR operator (Detailed search syntax)'. Below this, there are two input fields. The first field contains the text '"best credit card" AND travel'. To the right of this field is a button labeled 'Add'. The second field contains the text '("looking for" OR need OR "in search of") AND "credit card"'. To the right of this field are icons for settings (a gear) and deletion (a trash can). Below the search fields, there's a section for 'Topic label' with a note: 'The topic label appears in the topic menu and is displayed on certain charts'. Below this note, there's a text input field containing 'Credit card for travel' and a dropdown menu with a blue square icon and a downward arrow. The Talkwalker logo is visible in the bottom left corner of the interface.

Search query to find users interested in a new credit card

The results here will include people who are looking for a new credit card in general as well as existing offers. If a bank can offer especially attractive conditions on their credit card, for example the chance to earn bonus miles or fee-free use abroad, they can easily use this opportunity to let their potential customers know about it.



World map with “travel credit card”-related mentions, split by media type

A look at the results shows that much of the conversation about this type of product originates in the **United States**, but it is also mentioned a lot in Europe. Splitting the results by media types then shows that many results are located on **blogs** and **Facebook**. Since many people blog about their adventures and experiences when travelling or write travel advice blogs, these results are not surprising. However, they do show **where banks should be present, which countries they should target and which channels are best suited to reach the intended target audience for their products**. With this knowledge, banks can pay closer attention and answer any questions or provide information customers may need.

These insights also help banks to **draw up new offers or products** and give them the opportunity to **adapt existing ones**. Going back to the example of travel credit cards, if a large number of people are asking about certain benefits attached to a card, this could be an incentive for banks to look into potential partnerships with companies in the tourism industry to offer rewards for using the card, or with banks abroad to offer fee-free money withdrawals at ATMs in other countries.

Rank	Influencers	Number of Posts				Reach ↓	Engagement ↓
		Total ⬆	Positive ↓	Neutral ↓	Negative ↓		
1	TravelSeries (@TravelSeries)	32	9	18	5	2471	3
2	Trusted Villas (@trustedvillas)	29	8	18	3	27142	0
3	Voyagester (@voyagester)	17	2	15	0	119	0
4	Weekly Travel (@WeeklyTravel1)	16	6	8	2	29482	0
5	Andy Shuman (@FREETRAVELBOOK)	14	14	0	0	20674	2
6	Sherman (@ModernShoppingX)	13	0	13	0	3666	0
7	CreditBorrow.com (@CreditBorrow)	12	6	5	1	621	0
8	TravelAbouts (@travelabouts)	12	0	9	3	50043	0
9	Jase CG (@CGJase)	11	2	7	2	2633	0
10	George (@FlyerTalkerInA2)	11	1	8	2	36898	0

Twitter Influencers that talked most about travel credit cards over a 7-day-period at the beginning of February

Once banks have identified customers' needs and are ready to launch a new product, they need to make the new product known to a large audience. Social media monitoring can help them achieve this goal, too, by giving them the opportunity to **find influencers in their area of expertise and shape opinion about specific products**. After identifying these influencers, banks can give them the chance to try out new products exclusively and see what they think. Asking for their feedback will not only encourage them to review the new product, but also already give banks an idea of which features might need further improvement before officially launching the new product. Over time, establishing a relationship can turn these influencers into **brand ambassadors** as well.

5. Staying on top of industry & economic developments

Since banks deal not only with large sums of money, but also with **sensitive customer information**, they are a favourite target for criminal activity. Attempted security breaches, attempts to steal customer data and phishing emails that are sent out to customers and non-customers alike are all regular occurrences. Since it is not always easy to spot these fraudulent emails in time, **banks need to be aware** if there is a new wave attacks to warn their customers and take measures to protect sensitive information. It also gives them a chance to focus the conversation on how much importance they place on the safety of their customers and data.

Alert subscription

Alert name Enter a name for the alert. The name is useful to differentiate between alerts

Alert recipients Email addresses of the recipients of the alert. Multiple addresses can be separated by a comma

Alert format Format of the content of the alert

Max number of results in the alert

Sort results by

Trigger type Type of trigger used to generate the alert

Trigger

- New results
- New results
- Irregular activity during last days (absolute)
- Irregular activity during last days (%)
- Irregular activity week-on-week (%)
- Schedule

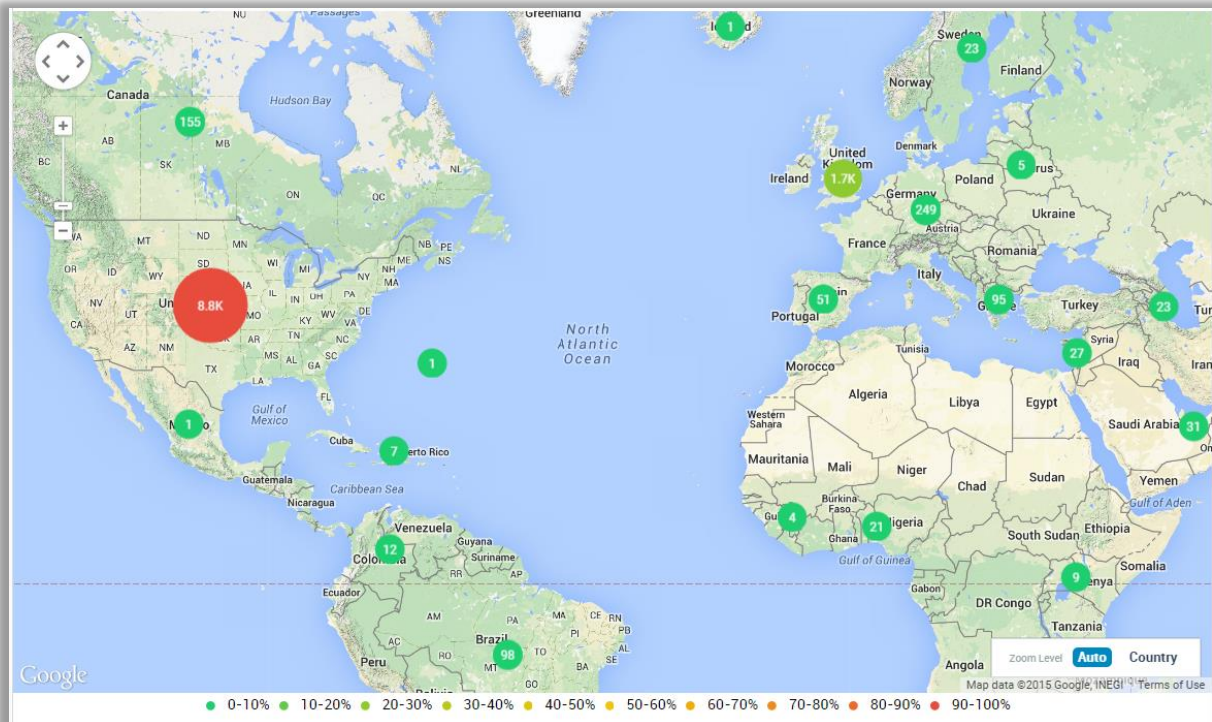
Create Alert

talkwalker

Setting up alerts, in this case for mortgage-related discussions, is an easy way to stay on top of potentially critical topics.

Other areas bank should keep a close eye on are **trends in real estate and housing**. Since few people can afford to pay for their home outright, they rely on banks to help them out with loans or mortgages. But the recent past has shown tides can turn very quickly in this area. To keep up with the latest developments, mortgage consultants or other specialists should set up **alerts to make sure they are notified of potentially critical developments** as early as possible. If, for example, a high number of people suddenly mention the idea of selling their house instead of buying one or there is an increase in mentions of "loan defaults" or "payment plans" and similar keywords, this can indicate an impending crisis.

Since the global economy is interconnected on so many levels, it is also important for banks to be aware of major events or other factors that can have an impact on them, such as new regulations about business transactions or changes in interest rates decided by central banks, like the [recent decision of the Swiss National Bank](#).



Much of the conversation about the Swiss Franc is centred in the US, but the topic is heavily discussed in Great Britain as well.

Overall benefits of social data intelligence for banks

Social data intelligence offers valuable insights and benefits on a wide variety of topics and for different departments at banks and other financial institutions. It delivers key data to related departments at critical moments and gives them the opportunity to react to upcoming issues in close to real-time.

Being aware of **how people perceive them** and what they think is especially important for banks. By keeping a close eye on the conversation about **new products or offers**, banks can react quickly to criticism or take customers' feedback into account when drafting new products or campaigns. Taking into account how customers feel about a new product gives banks the opportunity to show that they value their customers' opinion and increase their trust – an essential part of being successful in the financial industry. If they know what their customers are thinking, banks can also offer them additional resources and information on topics (e.g. through seminars for home-buying), establish a relationship and position themselves as trusted sources of information for finance-related matters.

At the same time, monitoring the conversation around keywords like unemployment or job searches can give a **glimpse into current economic developments**. The examples of **Wells Fargo** and **Bank of England's** investment into a social intelligence infrastructure show how significant the growth of social media has become and how relevant it is for the finance industry as a whole.

Social data intelligence allows banks to **make the most of new information**. It enables them to find relevant results and structure them according to the **needs of specific departments**. This in turn gives them the opportunity to react to the inquiries of potential new customers, address concerns of existing customers and **make better informed decisions** about new approaches and strategies for their business endeavours.

Get in touch with us if you want to learn more and try for yourself!

contact@talkwalker.com

