
HANDLING NEGATIVE CUSTOMER SENTIMENT ON YOUR BANK'S SOCIAL MEDIA PAGES

To delete or not to delete? Aye, there's the question

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The rise of social media presents unprecedented opportunities for banks to generate mindshare, build brand loyalty, increase referrals, and ultimately sell more financial products to more customers. Last year, bank marketers scrambled to popularize Twitter hashtags that reference their brands; add social icons to their websites, brochures, and television commercials; and create lead generation tabs that lived within their Facebook pages. This year banks are creating compelling Facebook cover photos for their timelines, enabling their employees on LinkedIn, buying sidebar ads on Twitter, and optimizing their social pages for SEO.

Where social platforms and traditional customer service intersect

These tools and practices have undoubtedly set new standards for cross-channel marketing in financial services. But in my view, the power of good old-fashioned customer service remains one of the most underestimated and overlooked marketing initiatives in the banking sector. This is especially true for community, mid-sized, and regional banks, which may have limited budgets, staff, and design resources for social media and other forms of digital marketing.

Studies show that banks risk becoming irrelevant or even offensive without proper social media initiatives and staffing in place. In fact, "Predicts 2012: The Rising Force of Social Networking and Collaboration Services," a recent Gartner study, predicts that "[b]y 2014, refusing to communicate with customers via social channels will be as harmful as ignoring emails or phone calls is today."

Author to speak at ABA compliance meeting

ABA's Regulatory Compliance Conference, set for Orlando, Fla., from June 10-13, will feature a social media session including author Ally Basak Russell. Here's the description from ABA's advance program:

Go Social! New Opportunities And Compliance Challenges

Your HR department uses LinkedIn. Marketing now "friends" on Facebook. Your younger new-hires tune in to Twitter and stay in touch on personal email. How can you take advantage of the social web while protecting your bank from compliance, reputation and legal risks? Our panel of experts will discuss the changes in the social media landscape, provide tools for successful implementation of social media strategy, and identify common compliance and legal challenges that, if left unmonitored, could become a compliance and public relations nightmare.

[Learn more about the conference](#)

By publicly servicing customers on corporate and local branch pages and Twitter feeds, banks can resolve support and service problems in a timely and efficient manner. Likewise, banks demonstrate integrity by owning up to problems and letting consumers watch them make amends.

When consumers see their peers' issues being resolved, positive sentiment about the bank is reinforced. Customer servicing through social sites is especially powerful when positive experiences are shared, liked, commented on, or retweeted. As bank employees resolve concerns or support issues, they promote their corporate values and model their brand attributes through the tone and quality of responses.

The downside of social networks is that they also create very public forums for disgruntled customers, ex-employees, or others to criticize bank products, services, or corporate leadership. Without the right support and planning, social media sites can also cause banks to run into regulatory and legal problems, especially when employee discussions involve highly regulated financial products such as checking accounts, credit cards, and mortgages.

These risks present a bank's social media marketing manager with a serious dilemma: To delete or not to delete posts on the bank's social media pages. Here are some practical points on when to remove and when to respond to negative consumer posts.

Removing vs. Deleting Data

To be clear, there is a big difference between removing a post from your bank's Facebook wall or Twitter feed and deleting social media data permanently.

After all, customer complaint reporting, FINRA Advertising and Communications with the Public, SEC Books & Records, and even Truth in Lending regulations require financial services organizations to keep records of social messaging. To meet these requirements, many banks use enterprise platform vendors to capture, archive, serialize, and retrieve complete records of social media data. (Hearsay Social is a vendor of such services.)

1. When to Delete

Some marketers would caution against deleting comments in any situation. One recent study by BNY Mellon Corporation and St. John's University concluded that "large corporations do not generally approach negative comments as public relations opportunities, but prefer to censor or ignore critical feedback."

However, the following situations call for removing posts from a risk management, compliance, legal, or public relations standpoint. Be sure to contact your compliance and/or legal team before deleting or responding to a consumer's post on behalf of your bank--it is crucial that marketing staff and financial advisors alike are trained on the compliance and legal significance of social networking.

Profanity: If customers and prospects will likely be offended by viewing the post, this trumps any positive sentiment the consumer will feel toward the bank for addressing the criticism head on. Most banks choose to delete such posts and even use automated platforms to detect and automatically delete posts that contain profanities.

Discriminatory statements: Banks must also be on the lookout to delete comments that could violate anti-discrimination laws. Conversations about mortgage rates or loans could trigger fair-lending issues.

Misleading advertisements: If your bank has launched a "local" social initiative and has regional or office pages or accounts, your bank should also remove posts that could be considered misleading advertisements by regulators. For example, conversations around credit cards could violate fixed vs. variable APR guidelines. Without proper disclosures, employees could violate Truth in Lending (Reg Z) laws around interest rates or payments. Consider prohibiting the discussion of specific financial products in your bank's social media policy.

Non-public (private) customer data: In some situations, customers will post their physical address, date of birth, social security number, phone number, or social security number on social sites. As with profanities, many banks delete such posts immediately. Maintaining customer privacy is not just a security or regulatory issue--it also makes good business sense. Private customer data on your pages are likely to attract fraud and/or spam.

2. When to respond

Thankfully, there are times when the bank and the customer can get some use out of social platforms. Care is still

required.

Respectful customer complaints: When customers get answers to their questions quickly, they feel valued. Keep up the conversation until the issue gets resolved. Apologize for inconvenience. Remember that if you don't answer customers' questions or negative comments, someone else may. Address any negative conversations early so they do not spread. Banks can demonstrate customer appreciation by interacting with customers in their preferred mode of communication. This will be especially important as Generation Y becomes the banking industry's core customer base. Consult legal, compliance, and risk management teams often.

Mentions of competitors: As in any industry, the social team at your bank is probably inclined to delete or ignore questions or comments about competitors' products or services. Consider this carefully.

Consumers know that no bank will get only positive feedback on its pages. Deleting praise of, or comparisons to, competitors could actually hurt your brand by impeding perceived transparency. If no other response is appropriate, acknowledge the criticism politely and move on.

Make your approach systematic

Customer servicing on social sites is an economical, effective, and authentic way to increase customer satisfaction, brand awareness, and bank affinity without utilizing overt marketing techniques. Perhaps nowhere else are customer service, marketing, public relations, and legal/compliance so intertwined as on a bank's Facebook or Twitter page.

Training your social media marketing team on the regulatory and legal risks of responding to and removing consumer posts is crucial to any successful social servicing strategy. By doing so, you can take advantage of the tremendous upside of social media---creating an authentic, transparent, and meaningful dialogue with your bank's customers and prospects.

About the author

Ally Basak Russell is a lawyer, early adopter of social media, and Head of Compliance at Hearsay Social, provider of an enterprise social marketing platform. Russell helps financial services companies understand how to avoid the regulatory and legal risks of social media while fully realizing the business value. She has authored several white papers that interpret FINRA, SEC, and state insurance regulations, and helped executives draft effective social media policies. She will be speaking at the ABA Regulatory Compliance Conference and ABA Risk Management Forum this year.