

Learning to listen

Learning to listen... Web 2.0 tools may help to ease customer's financial anxiety by providing a forum for their fears.

I recently attended a presentation by Chris Caton from BT Financial Group, where the attendees were presented with statistics and graphs that might provide grounds for what some of my peers have been referring to recently as the "perfect storm". Alongside negative indicators for jobs growth, a US recession, and spiralling petrol prices there is increased anxiety from financial services customers. Current financial market jitters, combined with the recent poor performance of super funds and increasing mortgage interest rates are likely to be a catalyst for customers to consider alternatives.

The benefits will be reaped by the financial institution that is able to demonstrate it can adapt to changing markets and prove it is listening to customers. One of the best ways institutions can listen to their customers is by embracing Web 2.0 tools to give customers a platform to interact with each other. This might help financial institutions to differentiate whilst also making it easier to retain customers and even grow revenues in a down market.

Financial institutions are innovators in Enterprise 2.0 and I have heard some great stories of employee collaboration leading to increased productivity and better staff retention. Maturing knowledge management and Intranet applications, including a convergence of guided navigation, workflow and business intelligence, are all contributing to the Enterprise 2.0 phenomenon. That is a great start, but in Australia we are seeing very little innovation when it comes to implementing customer-facing applications. There are a number of roadblocks and delays with compliance, IP, legal and technical considerations that might make a project intimidating and challenging - but with risk there can be reward.

Social finance communities are being driven by the tendency for online users to be more interested in the opinions of their peers over industry experts. With the emergence of sites such as Geezeo.com and Buxfer.com you can see the potential for people to interact with peers, compare their situation and then reach out to find someone that can help them to implement their ideas - maybe even a trusted financial institution.

Opportunity awaits the brave. The Australian financial services environment is encountering a rush of marketing directed towards increasing the deposit book and increasing mortgages online, which are typically the events that will take place at the very end of a buying cycle. These offers will be useful to customers once they have considered their current position, encountered some trigger or compelling reason to change, and investigated and evaluated the opinions of others. A social finance community is the ideal environment for people at the beginning of the buying cycle.

Australians love to compare, and we are seeing a number of "arms length" websites devoted to helping financial services customers to evaluate their options. Local sites like compareyourbank.com.au, moneybuddy.com.au and helpmechoose.com.au are all interesting case studies for lead generation, but are yet to empower users with the ability to interact with each other. These sites are successful in their ability to offer free "independent" information to help consumers with the right home loan, credit card and the like, but may leave the user wondering whether they are really getting the best option in the market or instead an option determined by which bank is paying for the sales leads.

These comparison websites may get more quality throughput from a community environment with recommendations and observations from peers making the experience more authentic.

Such an offering could be a totally different experience if it was set up behind a secure login, developed by a well known financial institution and using existing customer information that gave the customer a feeling that their financial institution could actually help them make an informed choice. If such a website included the ability to collaborate, it could be very compelling.

Assuming that you want to increase the average wallet share per existing customer, the business value question that could be worth asking is "If I can help my customers with useful information and give them a safe environment to discuss issues that are not necessarily related to my products, will it make them more or less likely to choose my product when I present that to them at a later stage?"

One example of a website that is using interactive tools to provide a targeted experience for visitors is www.carbonblack.com.au. Although it is not a financial services company, Carbon Black is a good example of how you can turn a website into an online community with voting, recommendations, reviews and useful search capabilities that become more helpful over time as more people contribute. According to BRW this site has produced more than \$1.75 million in sales leads to tyre dealers. Visitors can even receive discount incentives if they are willing to contribute.

This approach could also work for financial services - for example, think of someone moving into retirement. If their online experience has been useful and helpful and personalised in context, reinforced by interactions with like-minded peers, then when that person is about to go ahead and roll over their superannuation they would be more likely to understand that you offer something for them. The financial services customer would be more attuned to your offers when the time is right for them and would feel more empowered to act.