## INTERNAL MEMO

**To:** GMD

**Thru:** Group Head, Corporate Development

**From:** Strategic Planning

**Date:** 7 September 2011

Subject: Social Networking Media Campaign for Sterling Bank

**Overview**

A project team comprising representatives of ***Strategic Planning, Brand Management, Customer Care and Technology*** was mandated to explore the possibility of establishing a social media campaign for the Bank and ascertain the resources which would be required. The primary objective of the campaign is to enhance the Bank’s visibility by bringing Sterling Bank into the conversations of its target market, with a focus on our core values and brand benefits.

**Methodology**

The project team was sent on a formal training programme on implementation of social media marketing. Presentations by the team were subsequently made to a wider audience (within the four Units mentioned) as well as the various Group Heads and representatives of all the Units within the Bank. In essence, the presentations highlighted the potential opportunities of social networking media for the Bank while seeking useful feedback for improvement. Overall feedback for the initiative was positive. Market intelligence by the team also revealed that leading international and domestic financial institutions (**including Bank of America, Deutsche Bank, First Bank, GT Bank and Access Bank)** have well established social media campaigns running in response to the increasing dynamism of customer engagement. Furthermore, the advent of cheap internet connectivity in Nigeria has led to an increasing youth population that spends more time on the internet.

**Cost Benefit Analysis**

Market intelligence has revealed that the average cost of running a successful social media campaign is significantly lower than costs of traditional media like television, radio and print media as shown below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Facebook** | **Newspaper** | **Radio** | **TV** |
| Cost | < N5,000 | N500,000 | N25,000 per minute | 100,000 |

**Overall Benefits for the Bank**

The following are core benefits to the Bank:

* Ability to reach a wider target audience with a strong online presence
* Ability to engage in useful dialogue with customers, unlike what pertains with traditional media such as radio, television and print media
* Ability to tailor products, services and processes to meet customer requirements and preferences
* Better understanding of customer behaviour – habits, likes, dislikes

**Proposed Theme for Social Networking Media Campaign**

A review of the nature of international best practice showed a greater focus on customer engagement in a sublime and entertaining manner, yet with value addition for the institutions in question. Sterling Bank’s proposed social networking media campaign will therefore focus on:

* Participation of the Bank’s staff to drive customer engagement positively
* Competitions and trivia offering financial incentives to encourage high-value influencers to spread positive information about the Sterling brand
* Collaboration with customers through providing a forum for partnership on ways to improve the Bank’s products and service offering

**Campaign Operation & Management**

The Bank’s social networking media campaign will be run and managed chiefly by Brand Management and Customer Care. Whilst participation of the Bank’s staff is vital towards the success of the campaign, appropriate communication policies will be put in place to mitigate institutional and reputational risk. These policies will specify acceptable means of communication via social media and will be enforced with disciplinary measures where breaches occur.

**Cost Implication**

The following is a breakdown of the costs associated with running a social media campaign for the Bank:

* Advertisements on popular websites in order to enhance the Bank’s visibility
* Images to be used on the proposed Facebook page
* Incentives (prizes) to accompany quarterly competitions
* Miscellaneous costs to cover exchange rate movements or upward price reviews by the vendors of the advertisement rates and the prizes.

This is further highlighted below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost Elements** | **Daily Rate** | **Exchange Rate** | **Amount per Annum (N)** |
| Facebook | $25 | N161/$1 | 1,469,125 |
| Google | $30 | N161/$1 | 1,762,950 |
| Yahoo | $30 | N161/$1 | 1,762,950 |
| Competition Prizes | N300,000 (quarterly) | n/a | 1,200,000 |
| Site Images | $200 | N161/$1 | 32,200 |
| Miscellaneous | n/a | n/a | 750,000 |
| **Total** |  |  | **6,977,225** |

This is considerably lower than the N19 million which would be incurred if outsourced to external consultants (please find attached).

**Key Success Factors**

In order to achieve consistency in the Bank’s brand promise via social media communication and in physical service contact points i.e. our branches and other delivery channels, it is imperative that adequate frameworks be put in place to address negative feedback received via social media.

**Recommendation**

In view of the inherent benefits to the Bank and the considerable cost savings from in-house implementation, we seek your kind approval for the following:

* The establishment of a social networking media campaign for the Bank
* Resources to be mobilized towards corrective measures within 72 hours in instances of proven breach of Service Level Agreements

Thank you.