

Driving Growth, Trust and Loyalty in the Age of Social Media

SIFMA Social Media & Digital
Marketing Seminar

February 23, 2017

charles
SCHWAB

CORPORATION

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Today's Discussion...

- State of trust in global institutions, including financial services
- Why trust matters, and how it's earned
- Growing demands for our attention
- Using social media to establish and deepen relationships

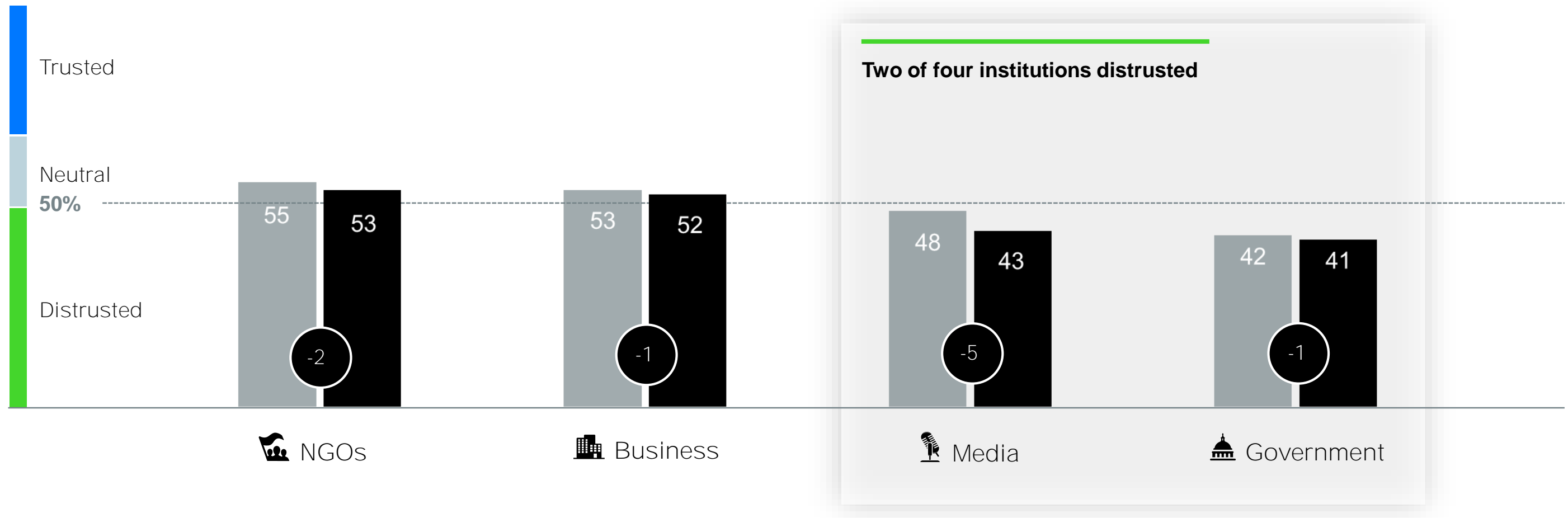
“Trust is everything.
Earned over time.
Lost in an instant.”

- Walt Bettinger, President and CEO Charles Schwab

Trust in All Institutions Declined

■ 2016 ■ 2017

Percent trust in the four institutions of government, business, media and NGOs, 2016 vs. 2017

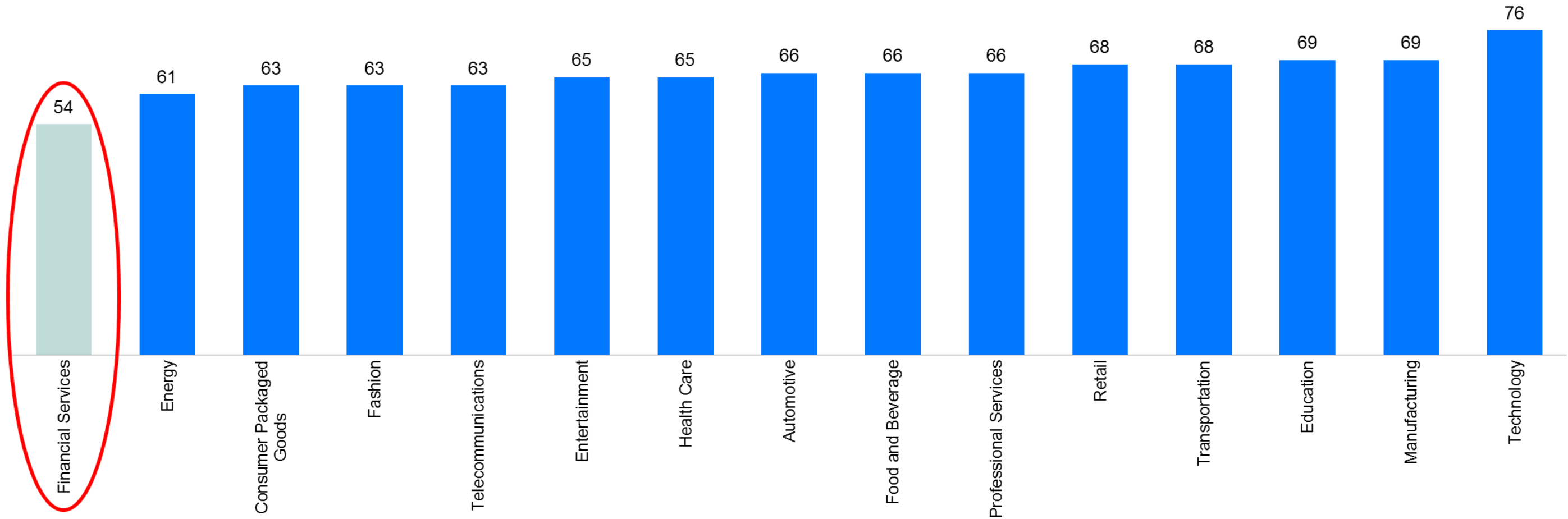


Source: 2017 Edelman Trust Barometer Q11-620. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale, where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” (Top 4 Box, Trust) General Population, 28-country global total.

Financial Services Least Trusted

Percent who trust each industry

Distrust Neutral Trust



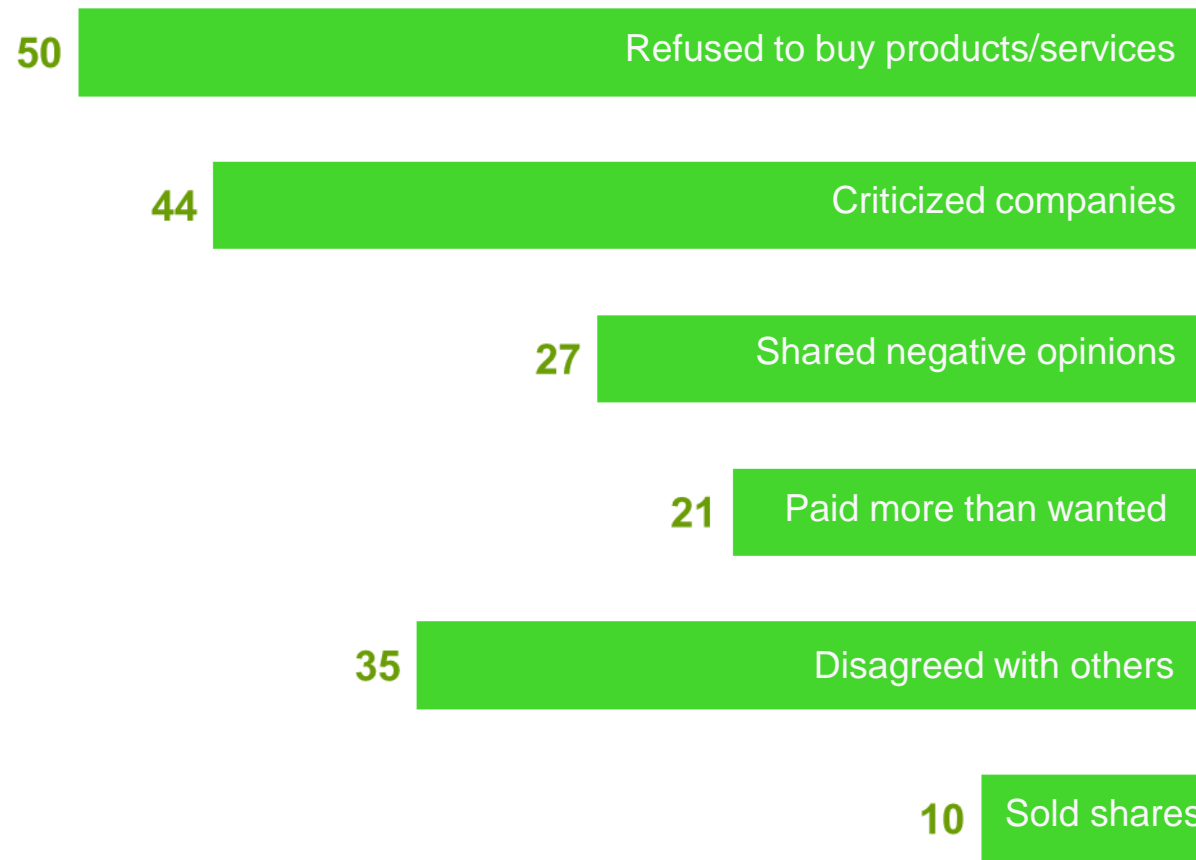
Source: 2017 Edelman Trust Barometer Q45-429. Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) General Population, 28-country global total.

Trust Matters

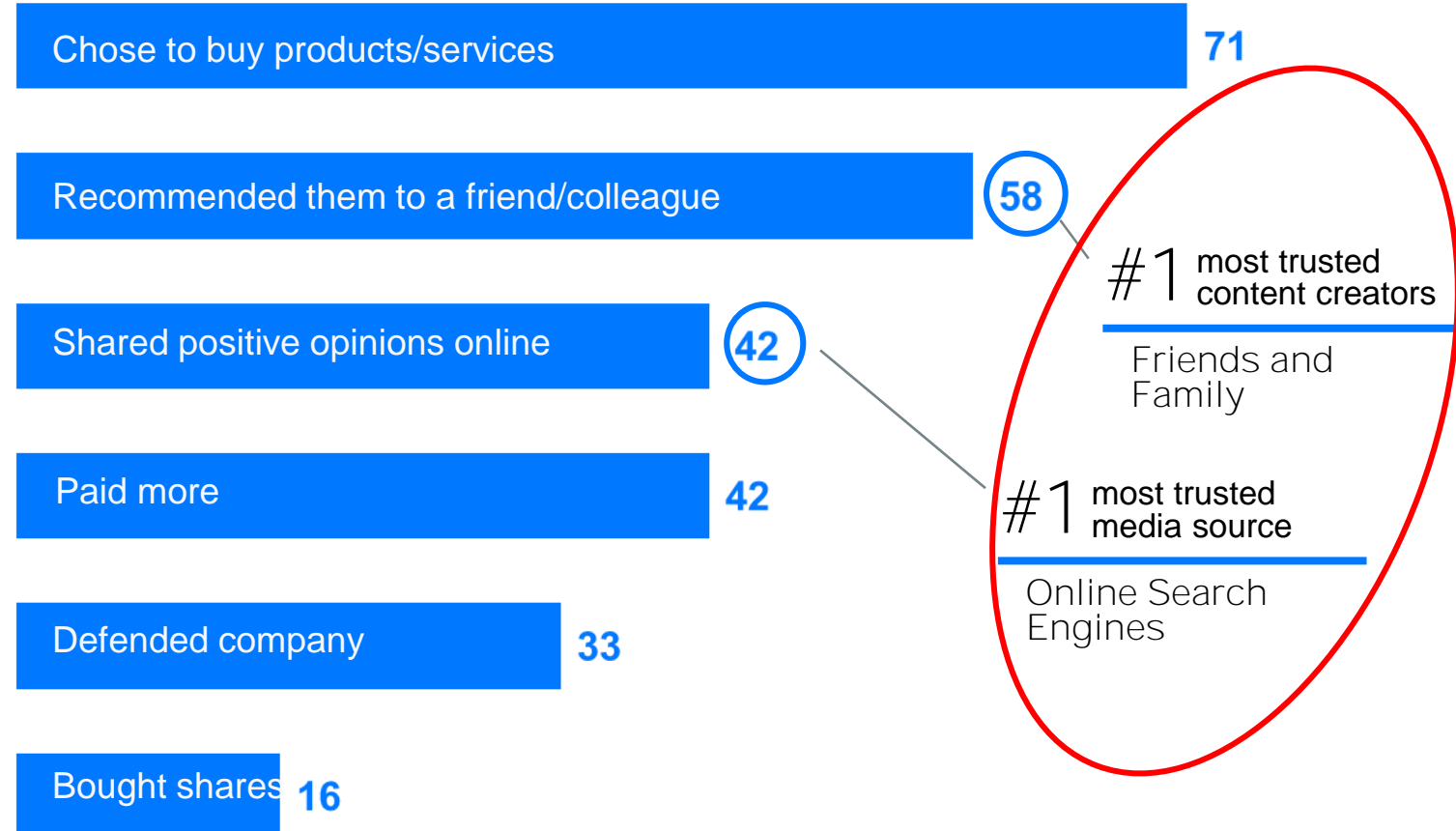
Percent who engage in each behavior based on trust

- Behaviors for Trusted Companies
- Behaviors for Distrusted Companies

Behaviors for Distrusted Companies



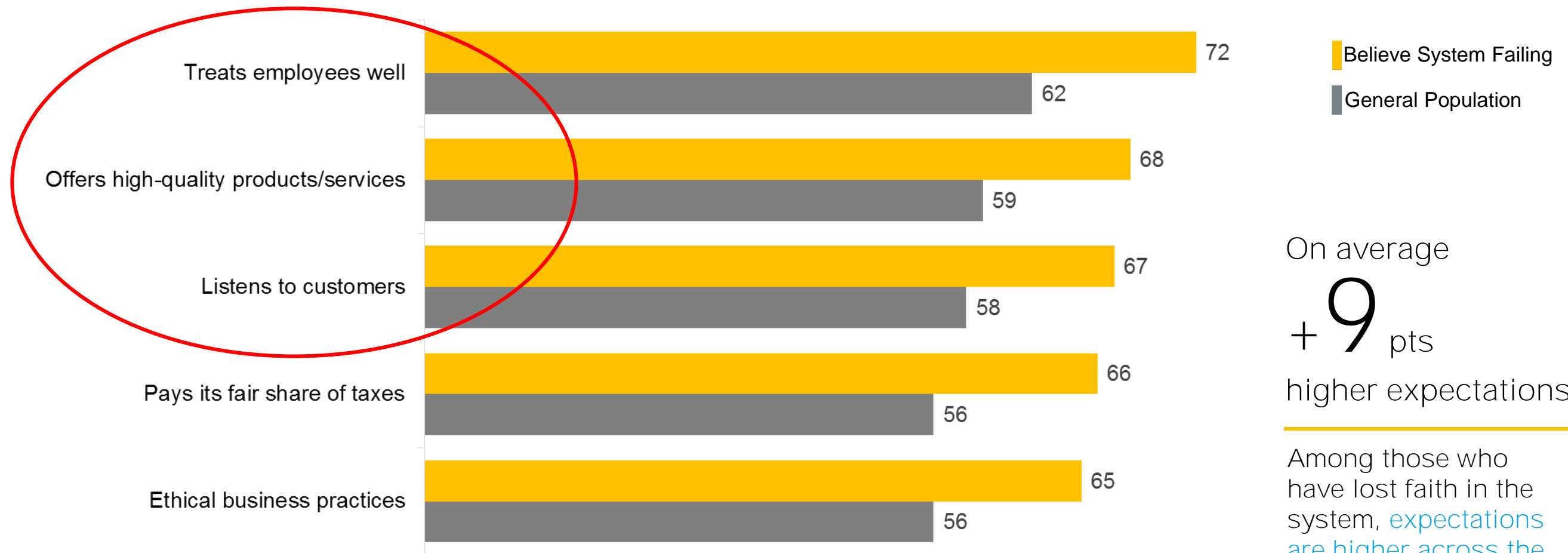
Behaviors for Trusted Companies



Source: 2017 Edelman Trust Barometer Q371-589. Thinking back over the past 12 months, have you taken any of the following actions in relation to companies that you trust/do not trust? (Yes Summary) Q598-609. Thinking about the information you consume, how much do you trust the information from each of the following authors or content creators? (Top 4 Box, Trust) Q178-182. When looking for general news and information, how much would you trust each type of source for general news and information? Please use a 9-point scale where one means that you “do not trust it at all” and nine means that you “trust it a great deal”. (Top 4 Box, Trust) General Population, 28-country global total, question asked of half the sample.

Rising Expectations of Companies

Percent who rate each attribute as important in **building trust in a company** (top 5 most important shown)



On average
+9 pts
higher expectations

Among those who have lost faith in the system, **expectations are higher across the board**

Source: 2017 Edelman Trust Barometer Q80-639. How important is each of the following attributes to building your TRUST in a company? Use a 9-point scale where one means that attribute is “not at all important to building your trust” and nine means it is “extremely important to building your trust” in a company. (Top 2 Box, Importance) Data displayed is mean Top 2 Box rating for the listed items. Items were included if they were considered important by 50% or more of those who believe the system is failing. General Population and cut by “the system is failing segments”, 28-country global total. Q672-675, 678-680, 688-690. For details on how the “system failing” measure was calculated, please refer to the Technical Appendix.

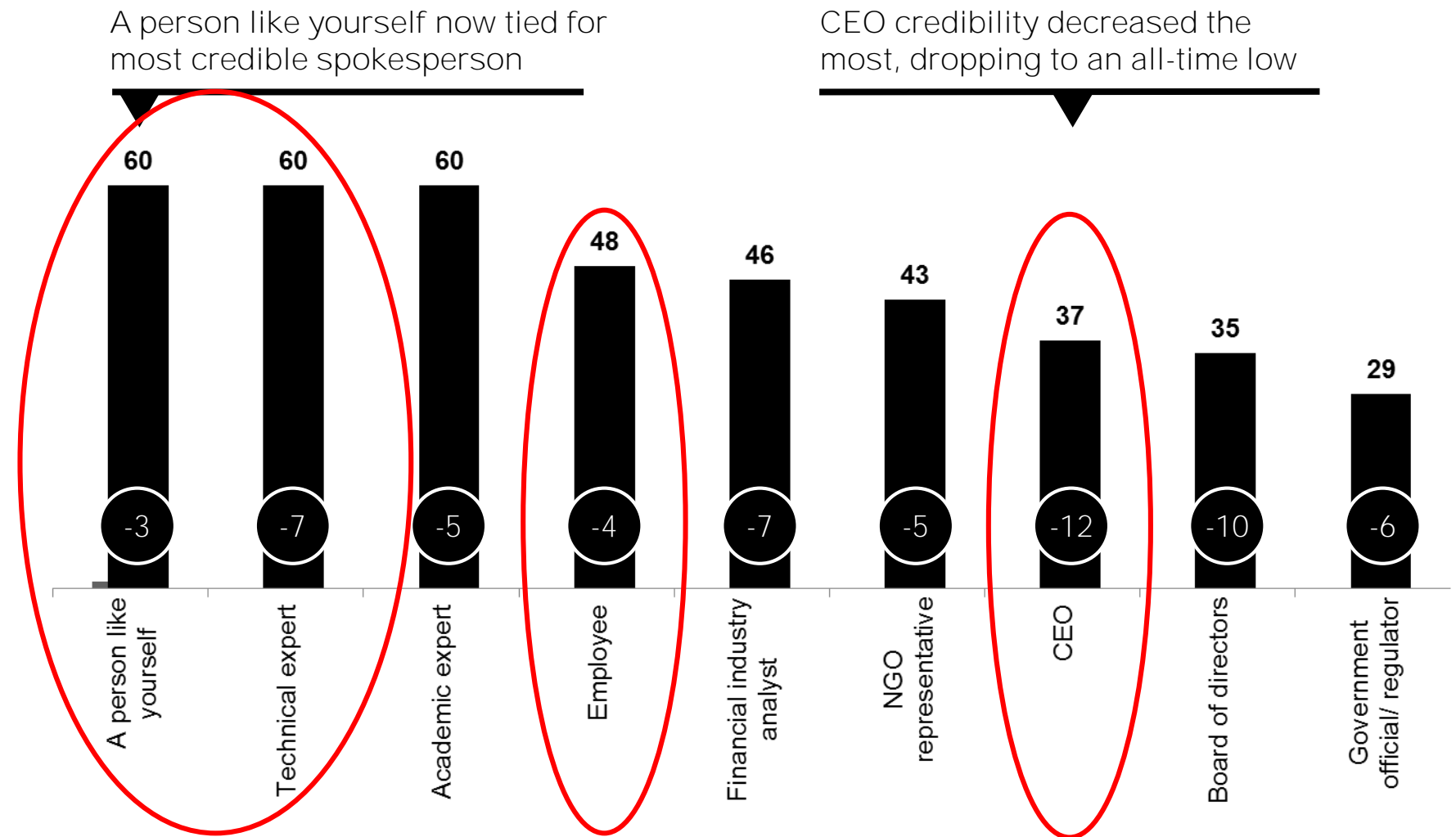
Peers Now as Credible as Experts

Percent who rate each spokesperson as extremely/very credible, and change from 2016 to 2017

– + Y-to-Y Change

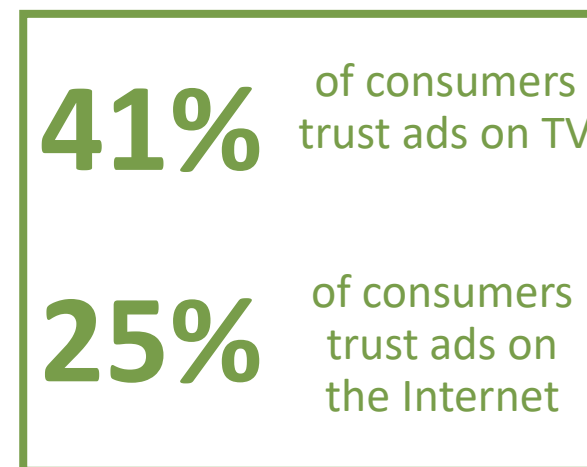
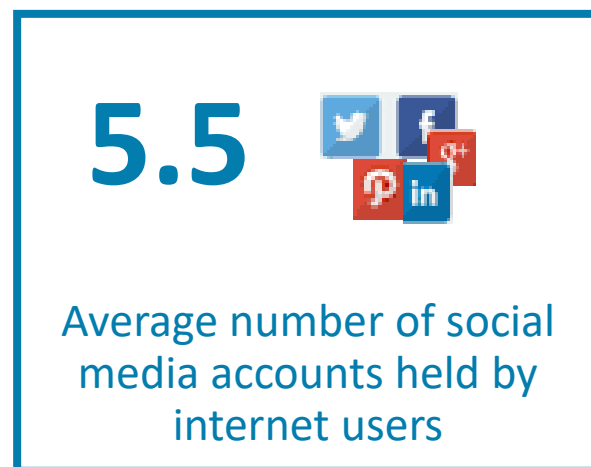
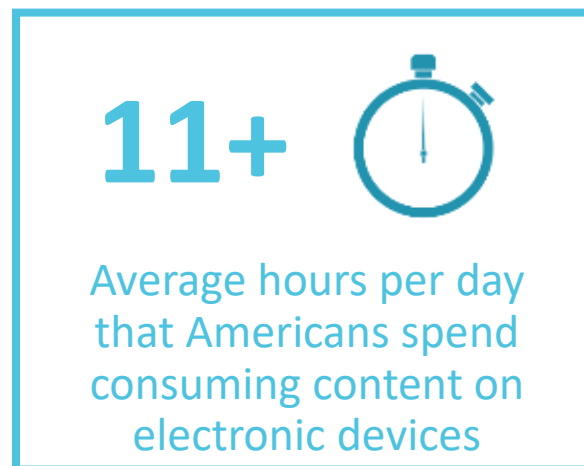
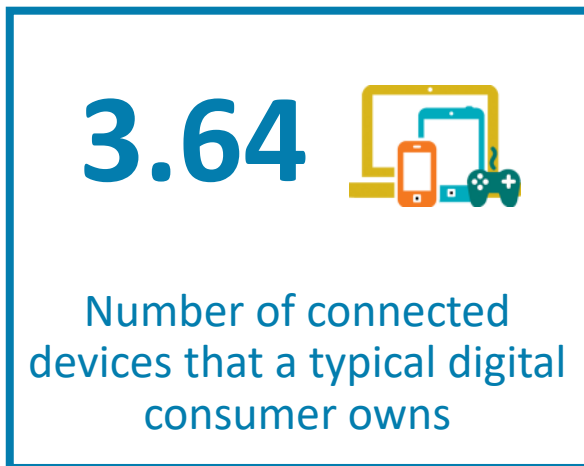
“People in this country have had enough of experts.”

– Michael Gove,
Member of Parliament, U.K.



Source: 2017 Edelman. Trust Barometer Q130-747 Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Very/Extremely Credible) General Population, 28-country global total, question asked of half the sample.

We live in a connected, noisy and social media-driven world



Note: Electronic devices include TV, radio, and smartphones.

Source: Digital Consumers Own 3.64 Devices, Global Web Index, 2016; Americans Use Electronic Media 11+ Hours a Day, Statista, 2015; Consumers Trust Print Ads More than Other Mediums, Web Graphics Inc., 2016; The Importance of Online Customer Reviews, The Invesp Blog, Marketing: 96 Amazing Social Media Statistics and Facts for 2016, Brandwatch, 2016

Evolving Social Landscape at Schwab

The collage features a variety of social media content from Charles Schwab:

- Tweets:** A tweet from Charles Schwab Corp (@SchwabService) dated Oct 23, 2014, replying to YManCyberJude. Another tweet from Charles Schwab Corp (@CharlesSchwab) dated Feb 2, announcing "Reduced costs & Satisfaction Guarantee starting tomorrow." A tweet from Jeffery Kleintop (@JefferyKleintop) and Liz Ann Sonders (@LizAnnSonders) dated Feb 1, asking "What inspires you to own it? We want to hear your stories! #Ownyourtomorrow". A tweet from Randy Frederick (@RandyFrederick) dated Oct 19, 2014, mentioning "Schwab Research". A tweet from Walt Bettinger (@WaltBettinger) dated Nov 16, 2016, mentioning "Discovering your future starts with exploring your independence". A tweet from Chris Reedy (@ChrisReedy) dated Nov 16, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst". A tweet from kpfled (@kpfled) dated Nov 22, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst".
- Facebook Posts:** A post from Charles Schwab Jobs (@SchwabJobs) dated Jan 13, 2013, mentioning "Visit our Career page @ aboutschwab.com/careers". A post from Charles Schwab (@CharlesSchwab) dated Feb 1, 2016, asking "What inspires you to own it? We want to hear your stories! #Ownyourtomorrow?". A post from Charles Schwab (@CharlesSchwab) dated Nov 16, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst". A post from Charles Schwab (@CharlesSchwab) dated Nov 22, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst".
- LinkedIn Profiles:** Profiles for Jeffrey Kleintop (@JefferyKleintop), Liz Ann Sonders (@LizAnnSonders), Randy Frederick (@RandyFrederick), Kathy Jones (@KathyJones), Walt Bettinger (@WaltBettinger), Carrie Schwab-Pomerantz (@CarrieSchwabPomerantz), and Charles Schwab (@CharlesSchwab).
- Other Content:** A post from Charles Schwab (@CharlesSchwab) dated Feb 1, 2016, asking "What inspires you to own it? We want to hear your stories! #Ownyourtomorrow?". A post from Charles Schwab (@CharlesSchwab) dated Nov 16, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst". A post from Charles Schwab (@CharlesSchwab) dated Nov 22, 2016, mentioning "Excited to see Schwab on this list as a company that customers respect! #ClientsFirst".

Our Vision

To empower our sales professionals to use social media to develop, engage, and deepen relationships with clients and prospects.

Drive business and referrals through relevancy

Sales professionals can better engage with clients and prospects and do the necessary discovery to close business and generate referrals

Demonstrate expertise

Sales professionals can present expertise authentically in the context of current events and most recent news

Gain insight on clients' life events

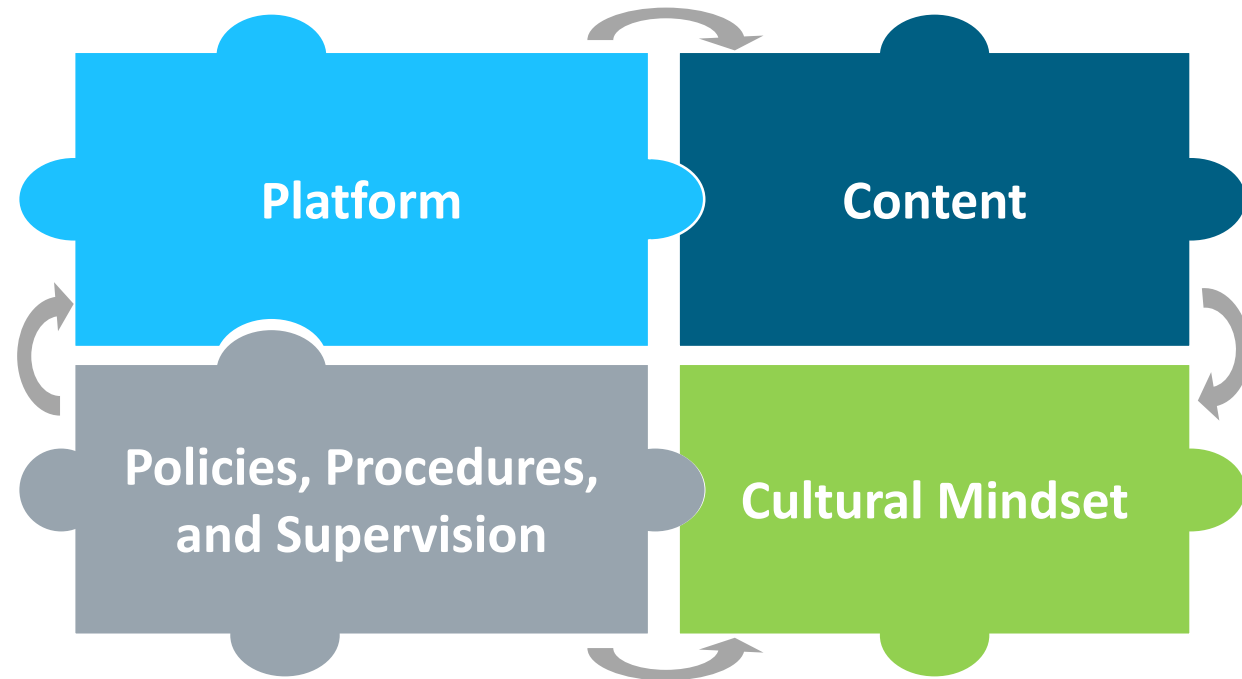
FCs will win more "jump balls" by proactively reaching out to clients when they experience significant life events

Identify decision makers

B2B sales professionals can more quickly find the decision makers at the firms *and* cultivate their network to connect and develop relationships with prospects

Our Approach

Four key elements of social program model



Each element is of equal importance and has its own programmatic requirements

Platform

- Platform capacity
- Governance

Content

- Content curation

Policies, Procedures, and Supervision

- Centralized supervision

Cultural Mindset

- Role modeling
- Communications strategy



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Questions?