

BANKING ON SOCIAL MEDIA (B)

Luisa Mazinter, Nicola Kleyn, Michael M. Goldman and Jennifer Lindsey-Renton wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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Version: 2015-01-28

On January 17, 2013, First National Bank (FNB) launched a campaign comprising television and print advertisements, as well as video clips of research interviews undertaken in the making of the campaign. The TV advertisements showed a child actor playing a young girl from Naledi High School in Soweto reading out her dreams for South Africa, while the video clips, which were aired on the bank's blog as well as on YouTube, included the original research interviews conducted with South African children from all walks of life.

The "You Can Help" brand campaign called for change in South Africa and was based on FNB's research on South African children's hopes for the country. According to the *Mail & Guardian* newspaper, many of the children interviewed spoke about South Africa's challenges, from unemployment to high rates of crime. "South African people need to wake up — 1994 is gone! It is gone!" said one of the participants. "This very minute South Africa faces unemployment, poverty and nationwide strikes, and a government rife with corruption."¹ Another read that, "The challenges before us cannot be solved by money, petty politics, protests or violence. All the great things we've done, we've done by helping each other."²

The children also offered their ideas of how to solve some of South Africa's problems, with one girl suggesting that people should "stop voting for the same government in hopes for change — instead change your hopes to a government that has the same hopes as us." Other messages criticized the use of public funds to upgrade President Jacob Zuma's private residence, while some used the opportunity to condemn the government for the Limpopo province textbook debacle, where some learners were not provided with workbooks and textbooks for much of 2012.³

The campaign received mixed reactions from political parties, with the African National Congress (ANC) declaring on the day the campaign launched that, "This isn't an advert — it's a political statement. An attack on the president, his ministers and government as a whole."⁴ They added that there was no evidence that the views articulated by the children were in fact their own, and said that "the series of adverts were disingenuous and did nothing to highlight some of government's successes since 1994. They have drawn a line on how they view the government. They have chosen to attack the state instead of working together to solve the country's problems."⁵ A spokesperson for the ANC, Keith Khoza, declared that the party intended to engage FNB to "find out what its true purpose is. This is not assisting this

country. People are allowed to raise their opinions, but a bank using children to articulate a controversial standpoint such as this is wrong.” He added that it was evident from the advertisement that the views presented had been “engineered and doctored.”⁶ Although the ANC ultimately retained its accounts with FNB, the ANC said that its leadership and members were “strongly raising a question why the organization should bank with a bank that has adopted an oppositional stance.”⁷

The ANC Youth League, meanwhile, called the campaign “treacherous.” “FNB,” it said, “in an obviously lame attempt to recreate an Arab Spring of some sort in South Africa, uses children to make unproven claims of a ‘government rife with corruption.’ Business as a whole has more than enough platforms from which to raise any issues with the ANC government, and this they have been doing, there is no basis for such insults and treasonous attacks on our government.”⁸

In addition, the ANC Women’s League demanded an apology from FNB, stating that, “It is concerning that a financial institution holds such strong political views and it is clear from the content of these adverts that FNB has a distinct anti-government stance.”

It added that,

We further demand an apology as well as an explanation from FNB, more especially for the most offensive video clip, where the president of the women’s league was said to be without brains. President Angie Motshekga [also the Basic Education Minister] is a highly educated woman who has lectured at a University level and holds a number of degrees related to education. To have a school child slur scripted insults over an international platform is unacceptable and FNB should be ashamed of themselves.⁹

Adding its view was the South African Communist Party (SACP), which said that the advertisement was a “regime change” agitation. “The SACP strongly condemns this action as highly irresponsible, reckless and unbecoming of any institution calling itself a bank,”¹⁰ said spokesperson Malesela Maleka.

In its response, FNB claimed that its objective had been to send a message that would inspire the nation. “The intention of the campaign is not to talk about ourselves, but rather to be a brand for betterment by providing the youth of our country with a stage to voice what impacts the daily reality of many South Africans,” said Bernice Samuels, chief marketing officer of FNB. “Perhaps it’s time for us to listen to the voices we seldom hear, the youth of our country, because it is the South Africa we build today that will be the country they inherit tomorrow.” According to an official statement released by the bank, “The allegations of treason are particularly tasteless and we strongly deny that FNB has acted in any manner which gives rise to such malicious allegations.”¹¹

The ANC and its Youth League were not the only ones to find the campaign disconcerting, however. According to Stiwe Chireka, a communication specialist at the International Data Corporation, the series had a “strong message” but an “unclear purpose.” “There is a disconnect between the advert and what FNB is normally about, so it leads to the assumption that it is not strictly an advert or marketing campaign — I don’t even think this would have been flighted if it were a series of TV commercials,” said Chireka.¹²

Chireka’s views were echoed by communications strategist Sarah Britten, claimed the *Mail & Guardian*. “It fails to achieve its supposed goal by leaving people hanging as you are not left with any idea of how you can actually help the country. And the ads felt quite scripted too,” she said. “More common sense could have been applied with regards to the content in this campaign. Using schoolchildren as proxies for corporate communication is problematic,” Britten added.¹³

Media planner Gordon Muller's view of the campaign was that it "looks quite high risk." "As a rule of thumb, 'keep out of politics when you're advertising' is a good one and 'keep out of party politics' an even better one," he commented.

If you're a really edgy niche brand go for it, but as we've seen, even Nando's has a limit. When I run training session[s] for media owners, I ask them one question... 'Do you want to be right, or do you want to be rich'? FNB might be right, but given that the vast majority of South Africans actually support the ANC, the potential to piss off your customers is quite high, I would have thought.¹⁴

Marketing specialist Chris Moerdyk agreed that it was a risky strategy for the bank to take. "It seems to me to be more of a public relations or brand building campaign by FNB in terms of 'telling it like it is,' and bringing issues out into the open that previously weren't made public by the private sector and in that way garnering consumer loyalty. It's risky marketing but I suppose if one has deep enough pockets it could be a risk worth taking. FNB has certainly been getting its marketing right for a while now and it's pretty predictable that the envelope will be pushed." He concluded that, "The ANC is taking this far too seriously. As it has shown in its reaction to political cartoonists, for example, the ANC seems to be unable to prevent itself from knee-jerk responses which it clearly regrets later. I think this kind of advertising has a role to play in South Africa but purely from a corporate social investment point of view."¹⁵

Meanwhile, *MarkLives* editor Herman Manson said that part of the social contract between business and the communities in which they operate is

surely to engage with those communities on issues relevant to them, be that education, health care, service delivery, the environment, and yes, politics. For the most part business avoids taking a stance around potentially controversial issues — it's much easier to just support sports teams and buy soccer uniforms for kids in rural schools, or to try and save the rhino. A few South African CEOs have made tentative steps in this direction. Usually the governing party, better known for crass invective it uses against even the mildest of critics and its thin skin when it comes to any debate that doesn't overtly toe its line, than say delivering school books to kids, swiftly shuts them down with labels like 'treason,' 'counter-revolutionary.' This effectively disallows an important voice in debates around issues of national importance. Importantly, it disallows an important voice with the financial muscle to actually be heard, something less and less common in a time where (seemingly often-corrupt) money seems to swing the pendulums of power.¹⁶

FNB also found some support from the Democratic Alliance (DA), which believed that the ANC and its Youth League's objections were "reminiscent of apartheid censorship." "One can only surmise that the ANC felt threatened by the school girl's references to greed, corruption, crime and illiteracy," said DA national spokesman Mmusi Maimane in a statement. For his part, Maimane claimed that he thought the advertisement was "inspirational and positive." "During apartheid," added Maimane, "whenever opinions were raised that questioned the actions of government, those opinions would be branded as treasonous."¹⁷

Following the harsh criticism by some parties, select clips were taken off YouTube, with FNB saying in a statement on January 21 that the intention of the advertisements was "not to criticize, but to galvanize the nation into helping to build a stronger, unified values-based nation." The children's statements were unscripted, captured live and uncensored on camera, said the bank. The decision to remove the clips, it added, was "in the best interests of the children until the misunderstanding is resolved."¹⁸

Meanwhile, the TV advertisement, outdoor messaging and “You Can Help” blog continued. Speaking on Talk Radio 702 on January 22, CEO Michael Jordaan clarified that the bank was not “kowtowing to pressure from the governing party,”¹⁹ with FNB taking out full-page advertisements in four national Sunday newspapers on January 27. The advertisements, published in *The Sunday Times*, *City Press*, *The Sunday Independent* and *Rapport*, were written to look like a poem, each beginning with the line “We help because we believe” and concluding in bold type: “We help because we believe where there’s help, there’s a way.”²⁰ (See Exhibit 1.)

The Sunday Times reported that FirstRand CEO Sizwe Nxasana sent a text message to Minister Angie Motshekga on January 21 after a child called her “brainless” in one of FNB’s “You Can Help” videos. “Good Morning Minister. I have instructed FNB to remove the video clips from their website this morning. I will investigate how and why the clips ended [up] on their website. Sincere apologies for this. Sizwe,” the text message read.²¹ FNB’s social media handle @RBJacobs confirmed via Twitter that it had not pulled its ad, but rather the research videos “to protect the children that commented.”²²

In addition, FNB executives met with ANC leaders on Thursday, January 24, at which time the ANC reportedly claimed that the campaign “sought to project the party and government in a negative manner.” They also claimed that the clips had a “negative impact on business confidence and could undermine investment in the country.” FNB apologized to the ANC the following day, which led to a rumour circulating on Twitter that the CEO, Michael Jordaan, had resigned, however Jordaan responded on Friday morning by tweeting: “I am not resigning as CEO [of] the most innovative bank in the world.”²³ The apology received harsh criticism on social media sites over the weekend. University of the Free State vice-chancellor Jonathan Jansen wrote on Facebook on Saturday, January 26: “I am deeply disappointed by FNB for running to apologize/explain to a political party for airing the voices of children. Does FNB realize how much blood was spilt for the right to say what you think? I fear for my country.”²⁴

Democratic Alliance leader Helen Zille tweeted the same day: “Saying that #FNB caved in order to protect the kids in the advert is a more devastating statement on the ANC govt than anything the ad said,” while Ambassador to Argentina and former DA leader Tony Leon tweeted: “The ANC must be laughing all the way to the bank.” *City Press* editor Ferial Haffajee tweeted: “I wonder when we who get bullied say so far and no more? Not a good feeling at all.”²⁵

In an editorial in *Business Day* on February 7, Jordaan wrote that FNB had not apologized for the online component of its advertising campaign. He attempted to outline the facts of the situation: “FNB believes in the power of help to make a difference; the TV advertisement seeks to inspire all South Africans to help each other; there is nothing wrong with the advertisement; we have not apologized for the advertisement; and the advertisement is still being aired on TV and is available on YouTube.”²⁶ Jordaan went on to argue: “Understanding that a better society is a side effect of doing good business, FNB has always sought to transcend mere product advertising and seek instead to fill South Africans with pride, raise their morale and remind them of their own value as some of the most passionate, compassionate, proud and helpful individuals in the world.” Economist Dawie Roodt, however, explained that as FirstRand CEO, Nxasana had no choice but to apologize for the posting of the research clippings online and assure the ANC that “this regrettable incident will not be repeated.” “The FirstRand group could be holding between R20 billion (US\$2.6 billion) and R60 billion (US\$7.7 billion) of government funds,” said Roodt. “That’s a lot of money. If it’s taken away by the client, what do you do? How do you replace it? So, he had to apologize.”²⁷

FNB had previously faced criticism from the ruling ANC for a multimillion-rand anti-crime campaign, which was scheduled for the major Sunday newspapers, just days before then President Thabo Mbeki’s

state-of-the-nation address. The emotive newspaper insert, inviting the public to contribute, sign and post the insert to the presidency, was cancelled at the last minute. FNB was also not the only bank to have faced censure from the ANC. In 2012, Reuel Khoza, the chairman of one of FNB's competitors, Nedbank, was strongly criticized for questioning the quality of South Africa's political leadership in the bank's annual report.²⁸

JORDAAN'S RETIREMENT

The first news report debating Michael Jordaan's retirement surfaced in January 2013 on *Moneyweb* at the time of the controversial ad campaign. At the time, Jordaan and the bank denied that he had resigned, however on May 22 an official announcement was made that Jordaan was resigning as CEO of FNB but would "stay involved with the FirstRand Group in a non-executive capacity on various boards and committees." The statement confirmed that Jordaan had indicated his intention to step down as CEO to the FirstRand board in 2010.²⁹

Responding to a question on why he earlier denied that he was leaving the bank, Jordaan stated that there was a process to follow — selecting the candidates, identifying the successor, getting regulatory approval and so on, and that the queries did not come at an opportune time. He added that while he was sad to be leaving, the bank was in "great shape." "Recently voted the most innovative bank in the world and with a clear leadership position in digital banking and innovative banking channels, FNB will continue with its successful strategy of generating new technologies and cost-effective products for our customers," he said.³⁰

According to *TechCentral*, as the CEO of FNB Jordaan had used technology as a differentiator for the bank. "Under his leadership, for example," said the website, "FNB offered South Africa's first transactional banking application for smartphones. FNB recently won the BAI-Finacle Global Banking Award for most innovative bank worldwide. The bank was also the first in South Africa to offer access to PayPal."³¹

FNB was the first bank to launch a mobile banking app for South African consumers and Jordaan was instrumental in the launch of the bank's eBucks rewards program in the late 1990s. In 2011, Jordaan made *TechCentral*'s top five list of the newsmakers of the year for his social media presence, the smartphone app and the bank's discounted phones and tablets and free fixed-line and 3G broadband offers.³²

"After 10 years at the helm of the bank that clinched the 'Most Innovative' award in 2012, South Africa's golden boy of banking, is largely recognized as for re-positioning the FNB brand, establishing the bank at the forefront of digital innovation in South Africa, and scooping up market share from competitors," said the *Mail & Guardian* upon Jordaan's resignation. "When he took the reins in 2004, FNB Retail had a profit before tax of R1.3-billion. It had no distinguishable presence in social media and no phone or tablet banking applications. 10 years later, Jordaan leaves the company with a profit before tax of more than R8-billion, and a comfortable market lead in all things digital."

According to a *Sunday Times* survey, FNB is "'South Africa's coolest bank,' . . . has the most number of cellphone banking customers, and trumps other banks on Facebook, with more than 370,000 followers."³³

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**EXHIBIT 1: COPY FROM ADVERTISEMENTS PLACED IN FOUR NATIONAL NEWSPAPERS
ON JANUARY 27, 2013**

We help because we believe

Help is a bridge.
It makes the impossible possible.
And has the power to change can't to can.

We help because we believe

Help creates hope.
It takes us forward and upwards.
And makes giant leaps feel like small steps.

We help because we believe

Help is the seed of opportunity.
It connects dreams to promises.
And puts stars within reach.

We help because we believe

Help is what turns a great country
into a great nation.
We help because to help is our passion.

We help because we believe

**Where there's help,
There's a way.**

Source: Sunday Times, January 27, 2013.

ENDNOTES

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