

# Banking<sup>on</sup> 2011 Social Media Guide



## How is Social Media Relevant to Banking?

In a time when financial chaos and consumer distrust are at an all-time high, businesses have to go above and beyond to secure their reputations and establish brand loyalty effectively. There is no industry for which this statement is more applicable than that of banks and financial institutions.

Gone are the days when everyone had a friendly banker that knew the names of their children. Banks are no longer trusted as the sole safe-haven for savings, investments, and financial planning. Despite these setbacks, all hope is not lost. Many banks and big brands are reaching out to their audience via social media. Through social media's unique strengths, such as its viral nature and word-of-mouth trust component, banks and financial institutions are leveraging themselves back into society's good graces.

Social media has proven to be an effective tool for building relationships with individuals and communities, both locally and globally, by providing an open communication platform. Not only does this open communication increase customer satisfaction and establish banks as community players, but it also allows banks to gain specific insight into their customers' needs. Through listening and interacting with their audience, they discover wants and needs that lead to the creation of services that satisfy the customer. By customizing services offered, banks can set themselves apart from competitors based on the very important ingredient of customer satisfaction.

Many community banks are adopting the use of social media to connect with their customers. They focus on extending their customer service online and fostering a community surrounding their brand, which ultimately creates brand evangelists and measurable success.

## Common Social Platforms for the Banking Industry

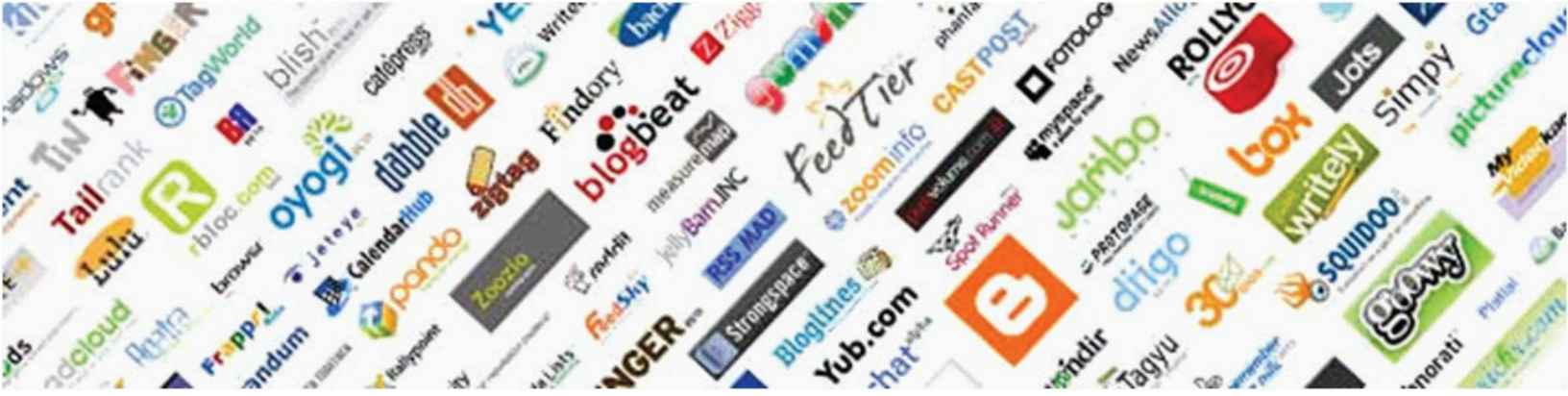
### Facebook

Facebook is a social networking tool that allows banks to create an online communication channel where they can share new information and events with their audience, while also engaging in conversations with customers.

Through Facebook, banks can position their brand as an expert information source on the financial industry or their local community. Through this social media network, banks can use conversations to build relationships, increase website traffic, or share important company news and industry updates. Facebook is also a great way to promote events, networking opportunities, community projects, or charities that banks may sponsor. By using Facebook in valuable and innovative ways, banks can overcome negative reputations and create a unique competitive advantage.

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## Twitter

Twitter is an online microblogging service that allows users to post short updates with less than 140 characters – similar to a text message. While Twitter may limit the character space in each tweet, that does not limit the potential success a bank can see while incorporating Twitter into its marketing plan. Twitter creates a vast online, viral, and word-of-mouth, which is optimal for establishing brand loyalty and monitoring reputation. A variety of industries have seen huge success by using Twitter as a customer relations tool. Brands, including banks, can show appreciation for loyal followers that re-tweet, or re-publish, the brand's information as well as personally and publically handle any negative feedback about the brand.

## Blogging

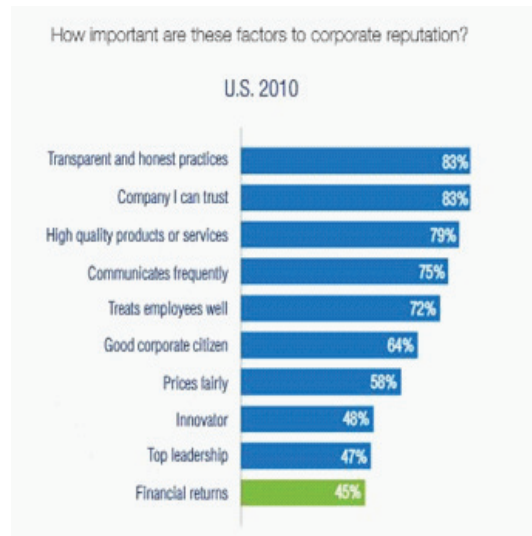
Blogs are great for creating online communities where customers can seek out information and answers to all of their questions. In the current economic climate and with recent negative press for big business, particularly financial institutions, customers are demanding transparency and honesty from brands that want their trust. Blogs provide an outlet for behind-the-scenes information, direct communication with or from the bank's CEO, and place to have questions and concerns heard and addressed. By creating an active, content-rich blog, banks can move consumer trust to a new level.

## Key Benefits of Social Media & Banking

### Trust Building

Consumers value trust more than ever and it is important to earn, develop, and maintain trust in business relationships (See the 2010 Edelman Trust chart). Social media helps to start this relationship by allowing

businesses to be transparent with open communication. They can share up-to-date information on events and actions within the company making customers feel more empowered and connected. Communication is the first step in building trust. Thankfully, social media brings communication right to the fingertips of both the bank and the customer.



### Marketing and Promotions

Included in this communication to customers are the company's marketing events and other promotions. It is important to include the audience in all public activities to help develop relationships. Banks want to be perceived as positive influences in the community, and to achieve this, appropriate marketing tactics must be used to interact with the members of the community and maintain relationships. Social media allows banks to network with customers and quickly notify them of important events and promotions while also inviting them to join in spreading the word. In order to be a part of the community, banks must be active in the community.

## Remember

Word-of-mouth spreads fast, and in the virtual world, it spreads even faster to a much wider audience. Positive interactions are important to build relationships and brand loyalty. It is important to be a reliable source of accurate information so users know they can trust the content they read. Engaging in social media is best when there is genuine interest in helping others solve their financial needs, not constant self-promotion.

## Customer Interaction

Social media provides a type of customer interaction unlike any other. Your customers are reading up on what other people are asking and how their bank responds. Whether it is on Facebook, Twitter, or a bank's blog, the exchange of information has opened up active dialogues between banks and customers. Without having to go to the bank several times and work with several different people on multiple issues, customers are able to answer all of their preliminary questions on their own time. This allows for time spent with a banker be used more wisely and efficiently, which makes both the customer and the bank happier in the long run.

## Practical Applications of Social Media in the Banking Industry

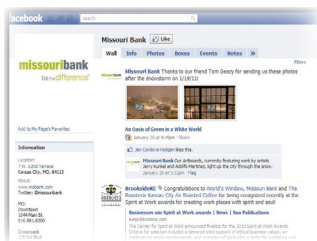
Social media platforms that reach a mass audience have proven successful for banks through customer interaction, brand and trust building. The following case studies reveal how some banks have found real success from engaging in social media:

### Case Study: Missouri Bank

Missouri Bank, known popularly as Mobank, is a financial institution with a trendy vibe that makes them a natural fit to utilize social media. They serve a customer base of visionaries and artists — people known to take chances, and though they have only three branches, they're located in areas where people are invested in the community. They're not using social media to "sell" anything, but instead utilize social media as a way to build upon the community-minded philosophy that they have spent years developing. The bank parlays their hip, young, and cool image on a Facebook Page that acts as an online neighborhood for their customers to interact with each other and the bank — much like their branches.

MoBank is so involved in their community that they reached out to artists on their Facebook Page to submit artwork that will be displayed on their branch's walls. Featured pieces will be displayed for one month.

Mobank was confident when considering the implications of launching a Facebook Page, where anyone could post anything about the bank. If someone was going to talk negatively about Mobank in a public setting, they'd find a way, but if it occurred on their Facebook Page, MoBank could respond to concerns on the spot.



## Banking Checklist

1. **Use a relevant name.**  
Make your account names easily searchable and relevant to your brand.
2. **Strategically create content.**  
Don't just push out information. Think about what content would be most valuable to your audience.
3. **Remember, it's a conversation.**  
Talk to your audience like you would talk to real people. Avoid contrived speech or industry jargon. Use content that is open-ended and inviting.
4. **Consistently update your content.**  
Manage the sites effectively by being current and up-to-date with content so customers return to the site for new updates and information.
5. **Integrate your efforts.**  
Tie social media into your other marketing efforts by focusing on the same underlying message about your brand and adding your social sites to your print materials.

### Case Study: Wachovia

Wachovia is engaging in social media, particularly Twitter, to demonstrate its commitment to customers and solving their problems. Wachovia started actively using Twitter to help mediate the merger of Wachovia into Wells Fargo. Their Twitter quickly evolved into a customer service tool. In one case, a woman was angry about an overdraft fee and was voicing her opinion via Twitter. Wachovia was quick to reply back on Twitter and asked to connect the user with a specific person who could help. By using the Twitter feed to reply, not only can Wachovia followers see the complaint, they can also see how Wachovia has reacted to it and offered to help.



Similarly, another Wachovia customer was tweeting about this positive experience with a customer service representative when much to his surprise, Wachovia replied. They wanted to know who the specific customer service representative was so that he could be thanked for providing good service. The customer's followers and those reading Wachovia's Twitter feed saw this positive interaction. The interaction supported Wachovia's stance on providing great customer care and demonstrated that service and customer satisfaction is a priority. Actions such as these can be what set a bank apart from its competitors.

## Case Study: Bank of America

Bank of America (BoA), one of the largest financial institutions in the industry, has made pointed efforts to expand into social media. Their social media website even boasts the tagline “We are here to stay in touch and serve you better.” Their Twitter feed is almost nothing but responses to customers’ needs. One tweet actually invited a follower to direct message BoA with a time that they could be reached via telephone after they had not answered or responded to a voicemail.



One unique feature of BoA’s Twitter feed is that they have used the customizable background feature to upload photos of their Twitter responders. Each tweet on their feed is initiated by one of the brand’s official Twitter representatives, and thanks to the photo wallpaper in the background, users put a face

with the name. This helps customers feel more connected to BoA and establishes more personalized relationships via Twitter because they can see who is helping to solve their problems.

BoA has even developed its own micro-site geared directly to small business owners. This online community positions BoA as a resource for small businesses and provides information, industry experts, and up-to-date market news. The online community also allows small business owners to connect with each other and share experiences. This custom community can be a great tool and source of guidance, especially for new business owners.

With innovative efforts across the board, BoA is making impressive strides in maintaining an active and large online presence that is engaging and interactive for both BoA and its customers.

## Mistakes Banks are Making with Social Media

Given the viral nature of social media, it is inevitable that some banks may find that the incorrect use of it has actually damaged their reputations. Their audience may view them as unavailable. As a bank, you may be left wondering why your social media efforts aren’t going anywhere. Here are a few of the more common mistakes that banks make.

### Total Ignorance

When a new social media site or tool comes out, some banks just simply ignore it and don’t see the value of social media. By making assumptions or drawing conclusion too

soon, banks miss out on connecting with their audience and becoming a part of the community.

### I Still Don’t Get it...Where’s the Money?

You built a Facebook Page for your bank but you don’t see much return on your investment. The community isn’t there, or isn’t talking...and you’re wondering if it is worth your time, effort, or investment to manage the page.

Social media is a time investment, and builds slowly, like an annuity. If you are consistent about posting engaging content, and understand that ROI can be measured in more than sales volume, progress will happen.

### Unpreparedness

You realize the value of social media a little too late. In a frantic effort to catch up, you create profiles without a goal in mind and push out too much content without listening to your audience. It’s time to slow down, think about your goal with social media, and respond to your audience.

## Legal Considerations

Banks and financial institutions represent a unique category within social media. Unlike other industries, banks must comply with specific regulations when approaching their marketing efforts. When utilizing social media, banks must remember the power and viral nature of the online marketplace. Regulations regarding bank consumer compliance, such as fair lending, Regulations E, Z, and DD, and more, still apply when marketing a bank’s brand through social media.

Banks can be proactive when addressing legal concerns about using social media. Employee training is invaluable for banks and financial institutions and dealing with this “human element” of technology can help banks avoid any legal pitfalls down the road. Other legal tactics, such as disclaimers, terms of use, easily accessible privacy policies, and third-party linking notifications, can help banks easily avoid undesirable and unnecessary legal situations.



## How Should YOU Use Social Media?

Social Media is an excellent tool to positively promote banking to your desired audience, by allowing them to become actively involved. We have created a list of tools that we recommend your brand should consider engaging in to increase your popularity and brand evangelists.

- Create a Facebook page – be sure to continuously add engaging content and respond to posts.
- Actively involve yourself in a Twitter account, & show participation by following others.
- Create a blog where your audience can find industry-related tips and trends while communicating their opinion on current topics.
- Use multimedia sites, such as YouTube or Flickr, to personalize your brand. Show your employees involved in the community with event photos or videos. Your bank will look less like a corporation and more like a part of the community.
- Create an internal social media policy that details how your brand should be handled by employees in the online space, as well as addresses legal requirements for banks using social media.

## About Social Media Solutions LLC

Many social media campaigns transcend across channels such as marketing, public relations, and sometimes even customer service, depending on the goals of the campaign. To effectively manage these needs, a social media agency must essentially be an extension of the client, involved with various communication channels within the client's organization in order to communicate the right content and the right time.



Social Media Solutions prides itself on becoming an extension of your business. Not only will we work your account as if we were promoting our own business, but we will also continue to brainstorm and develop new online marketing and social media strategies to optimize your business.

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