

2019

The State of Social Media in Banking

Results of an American Bankers Association research study

The American Bankers Association asked nearly 430 banks what they are doing with social media, where they see challenges and opportunities, and what the future is likely to bring.



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Contents

Showcase the human side of banking	3
The reach of social media	5
Are banks taking full advantage?	5
How banks are using social media	7
Social media for community engagement	9
Social media to humanize the brand	10
Social media for deepening customer relationships	12
Social media for recruiting.....	13
Social media to attract new customers	13
Social media for customer service	14
Could banks do a better job with social media?	15
What banks wish they could do better	16
Generating the right content	17
Listening and responding	18
Addressing issues of governance and control	19
Social media regulatory concerns	19
Reputational risk.....	20
Who can post on social media on behalf of the bank?	21
Developing employee advocates	23
Is social media delivering results?	24
Connecting clicks to dollars	25
The soft benefits of social media	26
Big return on modest investment.....	27
Closing thoughts	28

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Showcasing the human side of banking

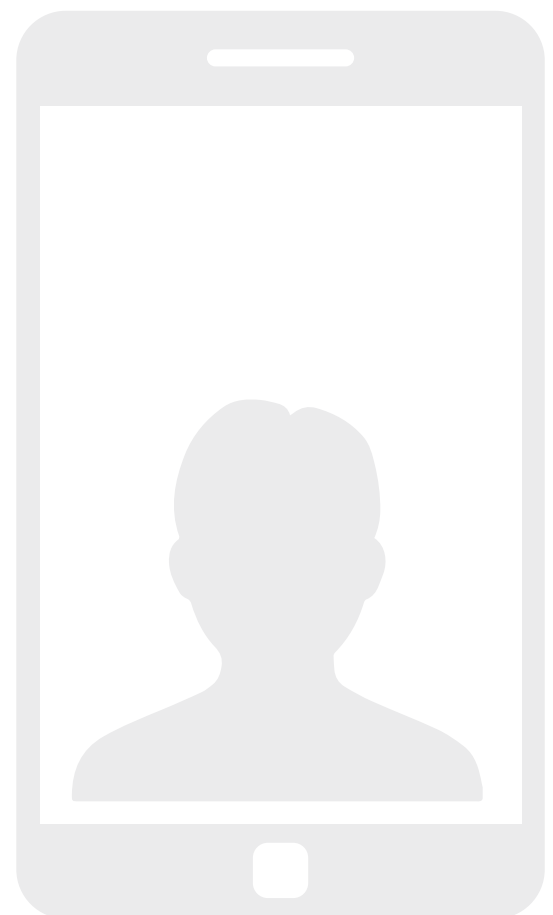
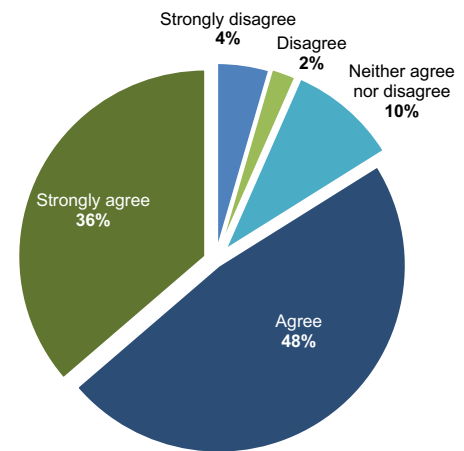
Innovative banks are shedding their staid reputations with engaging content shared on social media. For example:

- Peoples Bank hid 250 piggy banks in parks located near the bank's 23 branches in Washington. Piggy bank hunters had three weeks to find one and bring it to a Peoples Bank branch. Clues could be found on Instagram. The reward: a pair of sunglasses and entry into a grand prize drawing. The "Pigs in Parks" contest raised awareness about the importance of saving, encouraged people to get outside and enjoy community parks, drove visitors to the bank's Instagram account – and brought people into branches. Score!
- Grand Savings Bank of Bentonville, Ark., created its own mascot – "Grandy" – a life-sized emoji based on its logo. Wherever the bank is, Grandy can be there too, and the bank has a lot of fun with it. Grandy marches in hometown parades, makes appearances at special events, dresses up for holidays and has become a de facto member of the Grand Savings Bank team. Even the bank's chief administrative officer takes a turn at being Grandy.
- When the city couldn't afford to host the monthly First Friday Poughkeepsie festival of food, art and music, Rhinebeck Bank took it on as lead sponsor. The bank raised \$50,000, hired an event planner, and encourages businesses, nonprofits and educational institutions to participate. The lively vendor fair, held six times a year, attracts some 2,000 people and stimulates economic development in Poughkeepsie. In the process, it generates lots of photos and stories for the bank's Facebook and Instagram accounts.

Note: Gremlin Social is now Denim Social

Figure 1:

Social media is important to my bank



Banks use their social media in creative ways to educate, inform, entertain and celebrate. They use social media to:

- Promote bank-sponsored causes, such as a charity 5K race, a canned food drive or pet adoptions.
- Showcase employees at events such as ribbon cuttings or chamber of commerce meetings.
- Congratulate local students for their activities, awards and college scholarships.
- Welcome new hires, profile an employee of the week and celebrate promotions.
- Create fun contests and giveaways, such as \$5 vouchers to use at local businesses.
- Spread the word about local news, events and businesses.
- Honor citizens at special times such as Police Appreciation Week and National Teacher Day.

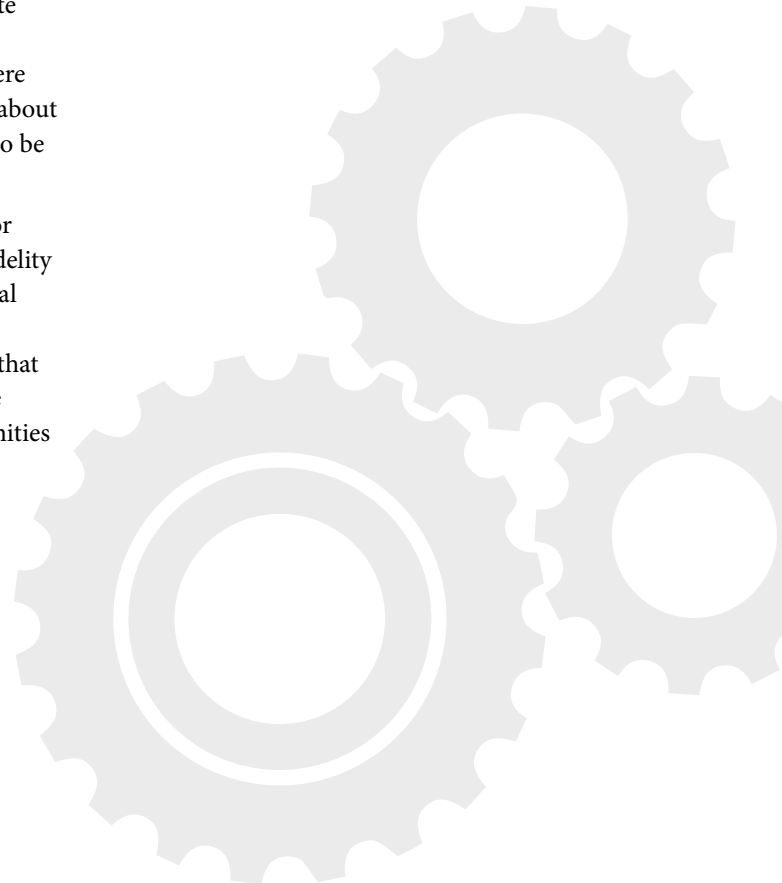
Social media tweets and feeds are helping to transform bank personas from anonymous institutions into friendly and approachable members of the community.

“Social media is marketing today,” said Michelle Barone-Lepore, senior vice president of marketing at Rhinebeck Bank in upstate New York. “I don’t think you can run an effective marketing program without social media. It’s a must. You have to be where customers are talking about you. They are going to be talking about you whether you are on there or not, so it’s important for you to be there.”

“I don’t think we could be without it,” says Joann Marsili, senior vice president and director of marketing and digital sales at Fidelity Bank in northeastern Pennsylvania. “Social media is an integral part of our public relations strategy and our brand strategy. It enables us to control the message. We have a local paper here that is not as responsive to our press releases as we’d like. So we are able to communicate directly with our customers and communities through social media. In a way, we’re our own publisher.”

“Social media is marketing today. I don’t think you can run an effective marketing program without social media. It’s a must.”

Michelle Barone-Lepore, senior vice president of marketing, Rhinebeck Bank



The reach of social media

Worldwide, 3.2 billion people use social media, about 42% of the population (Emarsys 2019). About two-thirds of adults are on Facebook; that's more than 2.32 billion active users a month. (Pew Research Center 2018).

Social media is not just the playground of the younger set. Although 90.4% of millennials and 77.5% of GenXers embrace social media, so do 48.2% of Boomers. On average, users spend 2 hours 22 minutes a day on social media and messaging (GlobalWebIndex, 2018). What an opportunity to be seen and heard.

And social media is not just a sandbox for arguing with strangers and sharing cat photos and memes. It has matured into a serious business tool: 73% of marketers believe social media has been 'somewhat effective' or 'very effective' for their business (Buffer, 2019), and 54% of social browsers use social media to research products and services before they buy (GlobalWebIndex, 2018).

It's important to be where this conversation is happening. For very little cost, banks can reach a large and fast-growing target audience – mobile, online and socially connected.

The majority of banks in our survey (71%) use paid advertising on social media, mostly on Facebook, which has moved to more of a pay-to-play platform for businesses to get visibility with consumers.

Are banks taking full advantage?

The American Bankers Association wanted to determine how banks take advantage of these trends, where they see challenges and opportunities, how they're managing social media, what they wish they could do better, and what the future is likely to bring. We collected survey data from more than 430 US banks of all sizes – those with less than \$500 million under management (28%), \$500 to \$999 million (19%), \$1 billion to \$9.9 billion (28%), \$10 billion to \$99.9 billion (8%) and more than \$100 billion (4%).

Since ABA conducted a parallel study in 2016, this latest survey revealed some interesting trends. For one, banks' use of social media has matured with 40% saying their bank has used social media for five years or more – up from 25% two years ago. Most everybody is on board. Only 3% of respondents said their banks do not use social media but will adopt it in the next year or two, and only 3% have no plans to fritter with Twitter, or any other social media channel, for that matter.

The preferred platforms are Facebook (97%), LinkedIn (76%) and Twitter (59%), followed by Instagram (48%), YouTube (45%) and blogs (21%). SMS text, Snapchat and Pinterest barely register at 6%, 5% and 5% respectively.

Whatever the platform, there is overwhelming consensus about the

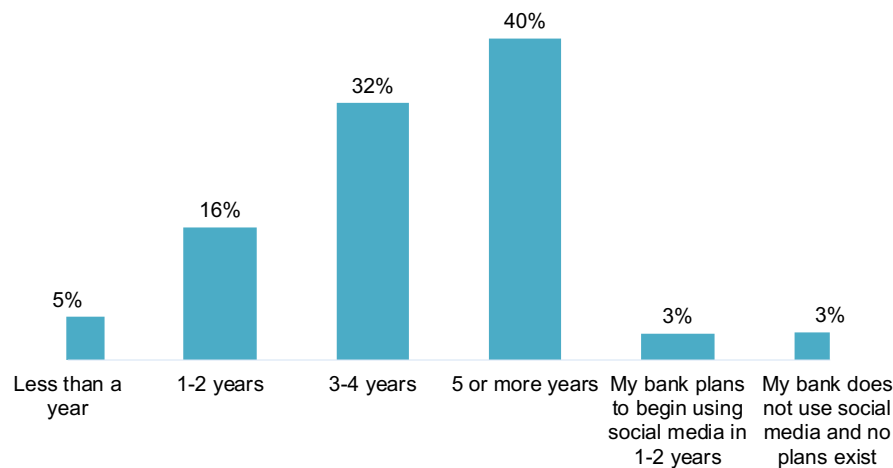


power of social media: 84% of respondents ‘agree’ or ‘strongly agree’ that social media is important to the bank – increasing from 76% in 2016.

“I’ve noted the maturity of banks engaging with social channels and how that’s been evolving,” said Denyette DePierro, regulatory counsel at ABA and an expert on social media policy and practice. “Ten years ago, there was a lot of hesitation about engaging on social channels. There was even a level of discomfort with developing content, being open

Figure 2:

How many years has your bank been using social media?



to customer complaints on a social channel, and a lot of questions around compliance – how to take rules that were written for TV, print and radio and reinterpret them for social media and digital communications. That required a lot of thoughtful consideration as we entered this new era of communications. But you have to go where your customers go.

“From those beginnings, we’re seeing many banks becoming very sophisticated users of social media, very open to having a social media presence. They’re engaging sometimes with very formal, financial education type content, and sometimes almost silly with contests, giveaways, videos of staff, and bank mascots having their own Facebook pages. It has been intriguing to see the transition from the start to where we are today. Banks, especially community and mid-sized banks, are involved with their communities in a lighthearted way, and to see them engage that way through social media, it’s really lovely to watch.”

The ABA survey confirms DePierro’s observations. Banks have stepped up their social media activities in the last two years; 87% are somewhat or very active, while only 13% are dormant or not very active on their social media accounts – compared with 27% being light users or absent two years ago.

“When I came here in February of 2017, I completely overhauled the bank’s social media strategy,” said Natalie Bartholomew, vice president and chief administrative officer of Grand Savings Bank. The bank had a Facebook page and Twitter account for three years but was not very actively using either one. Bartholomew added Instagram and LinkedIn, and then got busy growing the audience. In two years, Facebook followers doubled. “That’s hard for a bank,” said Bartholomew. “We’re not a cute boutique or a fun blogger, the things that usually draw people to social media. For a small community bank in northwest Arkansas and northeast Oklahoma, that’s a real accomplishment.”

These results are testament to the influence of social media to grow the bank’s brand footprint and business potential.

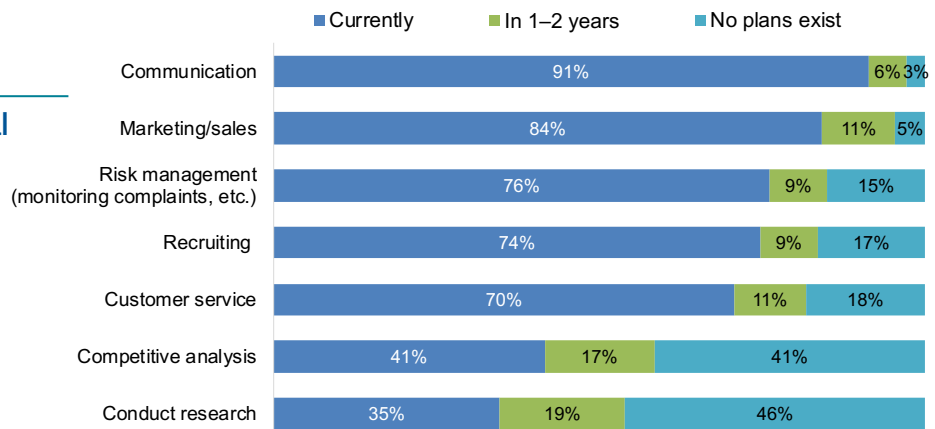
“I’m always listening, watching and analyzing, so we stay relevant as these platforms are changing. Don’t be stuck on that Facebook is where it’s at. Just because that’s where you are today with your customer base, that may change tomorrow.”

**Natalie Bartholomew,
vice president and chief
administrative officer,
Grand Savings Bank**

How are banks using social media?

Figure 3:

Does your bank use social media for the following activities?



Banks represented in our survey use social media to varying degrees for the following purposes:

- Communication – 91%
- Marketing and sales – 84%
- Risk management (monitoring complaints, etc.) – 76%
- Customer service – 74%
- Recruiting – 70%
- Competitive analysis – 41%
- Conducting research – 35%



Surprisingly, a notable percentage of respondents in the ABA study said their banks do not use (or have no plans to use) social media for monitoring customer complaints (24%), recruiting (26%) or providing customer service (29%) – areas where banks are seeing some strong successes.

When asked to rank from 1 to 10 the reasons their banks use social media, topping the list is community engagement, followed by the desire to deepen existing customer relationships by providing such content as financial tips and updates on new products or services. Also important to banks is the way social media generates brand awareness and thought leadership. The rest of the list, in order of importance:

1. Attract new customers.
2. Send general alerts to customers about holiday hours, branch closings, etc.
3. Engage employees and potential employees.
4. Respond to customer service needs.
5. Advertise depository products and service.
6. Advertise investment services.
7. Advertise trust and wealth management services.

Banks have largely avoided overt product promotions due to concerns about regulatory compliance.

Figure 4:

Rank, in order, the reasons your bank uses social media: (Rank 1–10 with 1=top reason)

Reason
1. Community engagement
Deepen existing customer relationships
2. (e.g., providing updates on new products/services, financial tips)
3. Thought leadership/brand awareness
4. Attract new customers
Send general alerts to customers
5. (e.g., branch closings, holiday hours, changes in hours, etc.)
6. Employee or potential employee engagement
7. Respond to customer service needs
8. Advertising depository products and service
9. Advertising investment services
10. Advertising trust and wealth management services



Social media for community engagement

Bankers we spoke to confirmed the survey findings, agreeing that community engagement is the most powerful (and compliance-safe) use of social media. And they have been inventive about it. For example:

- Fidelity Bank has a presence at the Scranton, Pa., St. Patrick's Day parade, the fourth largest in the country. "On a beautiful day, it will draw 100,000 people downtown," said Marsili. "We do a bank-branded Snapchat filter for the parade and other big events in the market. People can take selfies and put the Fidelity Bank virtual frame around their photo. We have gotten a lot of engagement with the brand that way."
- Peoples Bank, which focuses much of its planned giving around local agencies that serve the homeless, launched a sock drive. They called for donations, posted photos of employees and customers showing off their zany socks, and got a visit from the larger-than-life ModSocks sock monkey. "The fun part was engaging people by encouraging them to take and share photos of their crazy socks," said Hollie Brown, associate vice president and marketing manager. For every social media post, the bank donated a pair of socks on the poster's behalf. The bank ultimately collected more than 7,000 pairs of socks to donate to charity. Get people involved, and social media takes on a life of its own.
- Community Spirit Bank runs a financial literacy program for K-12 students in its Alabama and Mississippi markets. The program is actually included in the curricula of a number of schools. "In the beginning, we posted about these educational sessions just because we were just looking for things to post about the bank, and we always got a big ROI about those posts," said Emily Mays, vice president and senior marketing director. Today, the program has become a cornerstone of the bank's community engagement efforts. "Schools like the recognition for doing this; students like seeing themselves on social media; parents say, 'That's awesome. We didn't even know our kids were doing this in school.' And we like sharing the investment we're making, because we put a lot of money into that program and we're proud of it. One feeds off the other in a beautiful way." Social media awareness provides momentum and awareness for the program, and in turn the program provides popular content for social media posts.

Curiously, even negative community sentiment can be a boost. DePierro recalled a case of a banker who spoke up in a fierce debate over the future of a historic property – a theater that had been vacant for 20 years as preservationists fought with owners and developers over its future. Many hoped the building could be resurrected as a performing arts and community center. A national drug store chain planned to turn it into a retail store.



The banker was willing to talk with preservation groups to find ways to fund their vision, while suggesting that if funding couldn't be obtained, the proposed conversion to a retail store actually made a lot of sense. He said so on a community blog, speaking in a passionate and articulate way, posting under his real identity as a person who grew

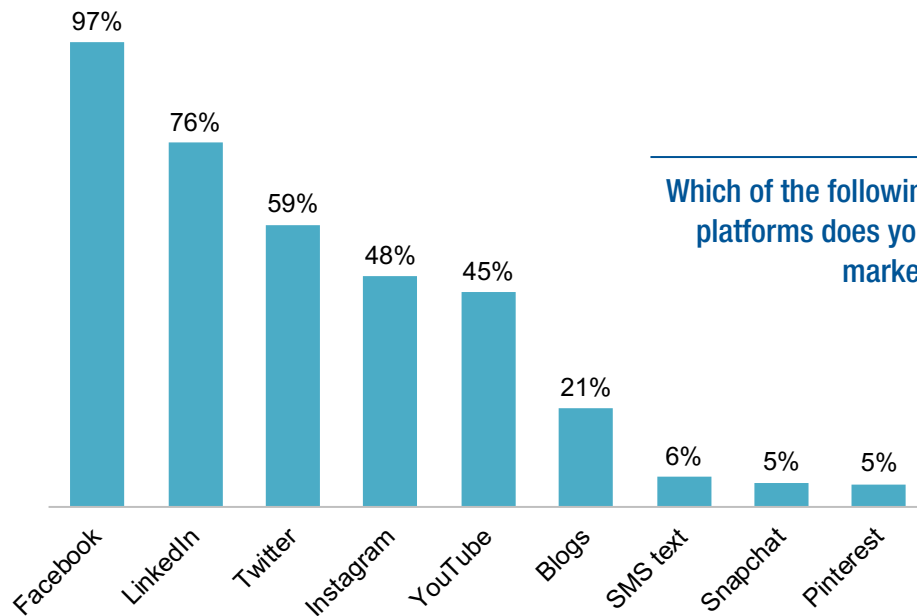


Figure 5:

Which of the following social media platforms does your bank use for marketing purposes?

up in the community, cared about its economic progress, and identifying himself as a representative of his bank.

“People had strong opinions on this issue,” said DePierro. “The online conversation grew hostile and contentious. People used derogatory terms. The banker felt like he was on the edge of serious reputational risk.

“But over the course of the next quarter, the bank’s deposit rate increased significantly, and there was nothing to which they could attribute the increased local deposits except the banker’s engagement with the community. It actually came out to the bank’s benefit, just his engagement in a local matter in a passionate way.”

Social media to humanize the brand

Grand Savings Bank launched a blog to shine an appreciative light on people within and outside the bank. It’s what the bank’s audience wants to see, said Bartholomew.

“We look at analytics on social media post performance, so we can look at the type of content we’re pushing out and evaluate what’s working and what’s not. Day in and day out, the posts about people are performing the best. We may talk about a special CD so customers will know about it, but it won’t ever get the same response as posts about our people.

“The ‘Life is Grand’ blog exists only for the purpose of being able to tell the stories of our communities, our customers and our employees. We want to do things that are fun, and not get too ‘bank-ey.’ ‘Life is Grand’ highlights new employee hires, events we’ve got going on, a customer or employee – just fun little snippets that can give a little more insight on a human level into who we are and what we do.”

“Any time we showcase our employees – we’ve been doing a series of employee spotlights – I’m always impressed with the organic reach of those posts,” said Mays. “People like knowing the personal things about our employees, that they like Dr. Pepper or going to the beach. Within a couple of hours we’re getting 1,000 responses and all these comments – all this goodwill and good wishes sent their way.” A heartfelt tribute post from the bank’s president on the passing of a teller drew 18,000 comments and reactions, pretty remarkable given that Community Spirit Bank has only 2,800 followers.

For humanizing the brand, Peoples Bank still banks on the pigs. “Anything with the pigs has been a highly successful social media initiative for us,” said Brown. “We thought our very first Pigs in Parks would be just a fun community thing, and it became more of a social media win than we anticipated. It turned into part of our brand, really making us more approachable in our communities. It humanized the work that we do, let people know that we really care about them, and about savings.”

Naturally, that first success called for encore pig specials. In a ‘Pay It Forward’ promotion, branches hid the softball-sized piggy banks nearby. Each contained \$30 in cash – \$15 for the finder and \$15 to make someone else’s day better – \$5,000 in all for the promotion. The piggy banks served as a reminder of the importance of saving for the future, while encouraging people to pay it forward with acts of kindness.

Those who shared photos on Instagram with explanations of how they paid it forward, (whether they found a pig or not) were eligible to win a grand prize of \$500 – \$250 for the winner and \$250 for the charity of their choice. The bank also hosted a similar ‘Pay It Forward’ promo for its 430 employees.

“It was fun to watch the way people were paying it forward,” said Brown. “Some pooled their money to have a greater impact. One family went to their vet to take food for dogs, some gave to their church, some bought food for the homeless, some pooled money to buy school supplies for kids. It was very successful.” The resulting social media posts highlighted the giving spirit of the bank, its employees and the heart of the community.

.....

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Emily Mays,
vice president and senior
marketing director,
Community Spirit Bank

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Social media for deepening customer relationships

“Traditional investments – retirement, mortgages, wealth management investment – are by and large based on relationships and the ability to build trust with the customer,” said Doug Wilber, CEO of Gremlin Social (now Denim Social), which offers the only ABA-endorsed social media management platform for financial institutions. “Yet look at how many banks have billboards as part of their core advertising budget. Why would you try to promote your product and service when your prospect is screaming down the highway at 80 mph?”

In contrast, social media is fertile ground for forming relationships and maintaining a top-of-mind presence in customers’ lives. Just ask Rhinebeck Bank, which has had great success with its biweekly “Wake Up with Rhinebeck Bank” show on Facebook, hosted by an upbeat Barone-Lepore. “Everywhere I go, people talk about the show, want to be on the show. It becomes a routine for our viewers. People would literally stop me and sing the theme song.”

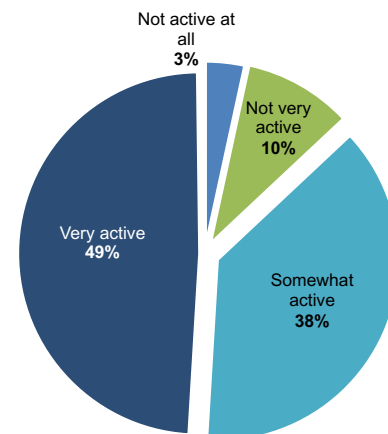
The show – which gets 3,000 to 35,000 views per episode – isn’t about promoting the bank; it’s about what’s happening in the Hudson Valley. Instead of just engaging with local businesses via social media, the show makes them the stars and helps them share their stories. “It has been a huge differentiator,” said Barone-Lepore. “The show has really built our page as a whole. Viewers might not be looking at a loan product when they see our show, but they’ll think of us later when they are. In fact, in 2017 views of the show had a high correlation with the number of residential mortgage applications – they almost mirrored each other.”

What about deepening customer relationships by grasping for the proverbial “share of wallet” – pushing products and services? The bank marketers we spoke to said don’t go there. Or if you do, tread lightly and with a spirit of helpfulness rather than selling.

“We have gone back and forth over the last few years with product-focused content,” said Mays. “We found that people really like knowing us as a team, getting to know our people. They love the behind-the-scenes; they like to see us out in the community. We typically only talk about products when we have something that might make their life better. ‘Here, this can make your life easier. If you’re a customer, check it out.’ We have done only one CD promotion in the bank’s entire social media tenure.”

Figure 6:

How active do you feel your bank is currently in social media?



*NOTES: The rest of this report is based on responses from banks that currently use or plan to use social media in 1–2 years.



Social media for recruiting

Facebook, Twitter and LinkedIn have proven to be valuable platforms for finding qualified job candidates, especially when social media represents the bank as a great place to work. In fact, this is one area where there was substantial increase in the use of social media. In 2016, 56% of respondents were using social media for recruiting but that has risen to 74%.

Grand Savings Bank seeks every possible advantage in a very competitive hiring environment, said Bartholomew. “Whenever you’re building your personal brand as a employer and a bank, it helps with recruitment efforts,” she said. The more people know you and your social media platform, and they see these fun lively people, the easier it is to attract good talent.”

When the bank had dire need for a training specialist, Bartholomew knew right where to go – to a follower of her ‘the Girl Banker’ blog, which advocates for women in banking. The two women were already connected on LinkedIn, so it was an easy matter to connect over coffee. “We did, and we hired her, and she has been a game changer for us. She and I will say social media is how we connected. She looked through our social media and immediately connected with our people, felt like we were a family. That’s a unique way to look at a social media win as a community bank, but it was definitely a win for us.”

Social media to attract new customers

For most banks, social media takes its place alongside (rather than supplanting) traditional marketing and advertising channels. Most banks continue to reach new customers through print display ads (88%), local in-person events (86%), direct mail (75%), email (73%), radio ads (72%) and internet display ads (66%).

While attracting new customers is not the banks’ primary goal for using social media, it is a happy side effect. “I think the best outcomes have been our ability to reach people who are not our customers and to tell our story and to create a brand awareness of our bank when they have no knowledge of us,” said Fidelity Bank’s Marsili. “We’ve been able to do that pretty well. For instance, we connect with a lot of people who are not our customers when they sign up via email for our ‘Financially Fit with Fidelity’ blog. So we’re actually talking to them directly and they have no relationship with us. If people feel like they can get some useful content from us, they tend to follow us. As a result, we have a nice steady trajectory of growing followers every month. To me, that’s a win.”

“The ultimate goal is always just brand recognition. We just want people to feel like they know us, who we are as a company, who we are as a brand, as a bank before they ever come through our doors in need of a service.”

Emily Mays,
vice president and senior
marketing director,
Community Spirit Bank



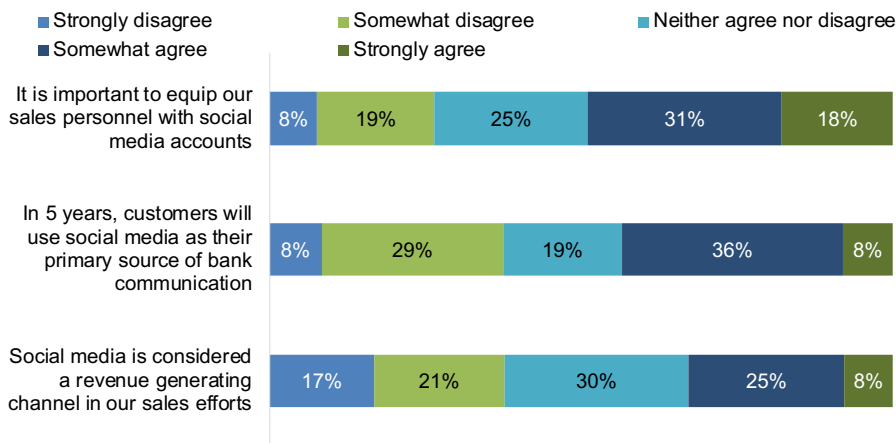


Figure 7:

Please indicate the degree to which you agree or disagree with the following statements:

Then again, if you want to attract an audience, freebies on social media really help. Every year Rhinebeck Bank gives away tickets to the Dutchess County Fair, normally \$15 for adults. “This is definitely one of our most popular social media activities,” said Barone-Lepore. “We get more than 300,000 views to our Facebook page in that time frame of about a month. That’s only one initiative, but our impressions and engagement are extremely high, especially for this industry.”

New visitors who come for contests or promotions might stay for a closer look at what the organization has to offer in financial services.

Social media for customer service

Some banks fear a social media presence will give customers a high-profile platform to complain. What if someone posts something negative? But what if they do, and you’re not there to listen?

“People are more willing to use social media as a communication tool to the bank than they were before,” said Marsili. In fact, 46% of our survey respondents agree that in five years, customers will be using social media as their primary source of business communication. “That’s something we have to be careful with. If someone does post a question or a problem, we try to take that off-line and communicate directly via email or through our customer care center.”

But you have to respond. “We have to meet customers where they are,” said Brown of Peoples Bank. “Some like to use our contact center, but some use Facebook, and they also contact us after hours and weekends, and we respond.”

“We like to have a very quick response time, because we know we have a captive audience, and we want to take everyone’s concerns into consideration,” said of Peoples Bank Barone-Lepore. “It’s also about driving an excellent customer experience, and the only way to do that is to really know what people are thinking. People will post if they’re disgruntled, and it’s so valuable to hear from them, because right or wrong, it’s their reality.”

“We’ve had bad reviews, just like anybody’s going to get, and we give our people training on how to handle them,” said Bartholomew of Grand Savings Bank. “We know how to go and at least address it and assure the customer that we’re here, and we’re listening. You don’t want to draw any additional attention to negative comments or reviews, but you can often defuse the negativity just by going on social media and showing you’re listening.”

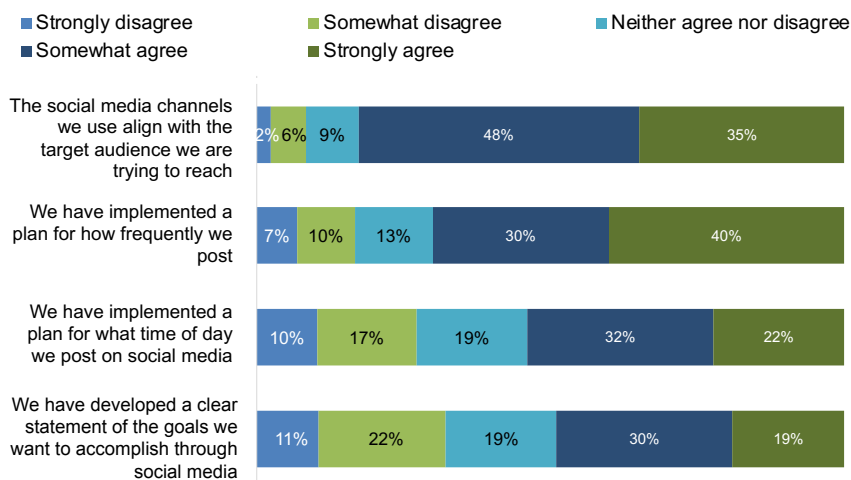
Could banks do a better job with social media?

Most bankers in our survey were relatively unconfident about their bank’s social media prowess. When asked how their banks compared with peers on social media use, two-thirds felt their institutions were “average,” “somewhat behind” or “significantly behind.” Only 6% felt their social media programs were leading-edge.

There’s clearly room for improvement. Only a minority of respondents strongly agreed with the following statements that characterize a robust social media strategy:

- The social media channels we use align with the target audience we are trying to reach. (35%)
- We have implemented a plan for how frequently we post. (40%)
- We have implemented a plan for what time of day we post on social media. (22%)
- We have developed a clear statement of the goals we want to accomplish through social media. (19%)

By and large, banks have done well choosing the right social media channels on which to focus. Their confidence in their choices rose from 23% in 2016. Now they need to do more about establishing measurable



“We have to meet customers where they are. Some like to use our contact center, but some use Facebook, and they also contact us after hours and weekends, and we respond.”

Hollie Brown,
associate vice president and
marketing manager,
Peoples Bank

Figure 8:

Please state the degree to which you agree or disagree with the following statements about your bank’s social media use:

What banks wish they could do better

When asked to name one thing they would change about their banks' use of social media, 265 survey respondents had something to say, generally revolving around the desire to have more and do more. The themes we heard most often were that banks want to:

- Engage more staff to contribute content.
- Add staff and time resources to be more effective with social media.
- Use more video content.
- Participate more frequently on social media, in real time where possible.
- Be more strategic in how the bank creates engagement and meaningful conversations.
- Add new platforms and channels to reach the bank's audience where they are.
- Use stronger analytics to better target audience groups and drive conversions, such as new account openings.

When asked to name their biggest challenges in achieving these objectives, we heard the following:

- Tracking results and measuring the impact (54%)
- Building engagement/followers (45%)
- Lack of clearly defined strategy and objectives (44%)
- Shortage of dedicated marketing staff (44%)
- Social media management tools (30%)
- Budget (25%)

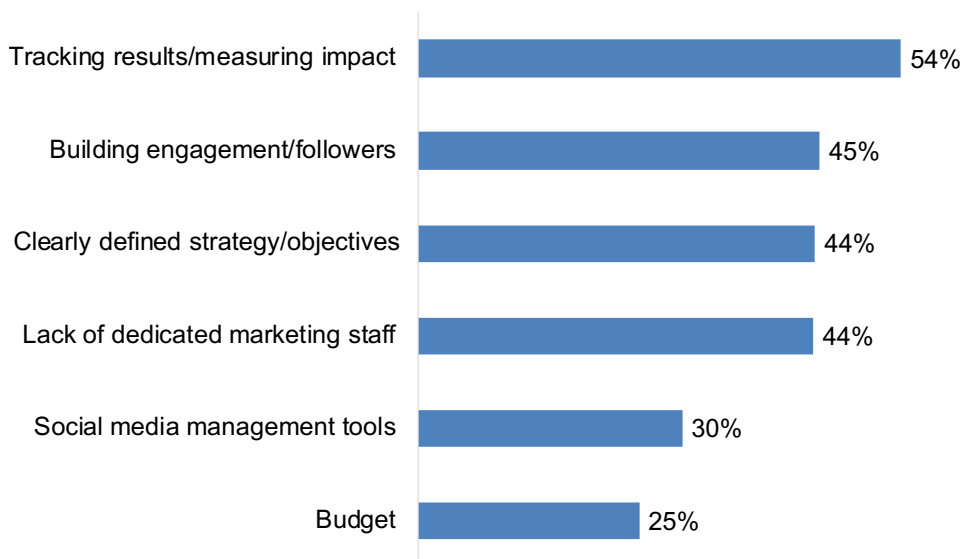


Figure 9:

What challenges do you face when implementing your bank's social media initiatives? (Select all that apply)



These challenges are intertwined. Banks must provide great content to build an audience, but to have great content, they must understand what resonates with audiences, have creative people who can generate great ideas – and connect it all to tangible business value.

The good news is that many banks are taking social media seriously as a must-have proficiency. They are actively learning about social media trends and best practices to continue to improve their programs. They are turning to informative websites and blogs (67%), attending social media conferences or seminars (46%) and taking advantage of educational resources from social media providers such as LinkedIn, Facebook and Twitter.

Generating the right content

“The hard part is content creation and content management,” said Marsili of Fidelity Bank. “When you have a small staff, generating interesting content gets hard, and just having the time to do that on a regular basis is a challenge.”

So is determining what viewers want to see. “We’re always trying to reach new followers, but it can be difficult to gauge what kind of content they want to see,” said Mays. “So even if you’ve got some money behind it and it’s a sponsored post, you have to be dynamic in reaching that new market where they are. We’re doing new things, always coming up with new concepts and having new content to push out, but sometimes it feels like we’ve recreated the wheel a multitude of times.”

As with all forms of marketing, the right content type will vary by audience. Consumers of retail banking services may be drawn to breezy and fun contests, tips and tales, but your wealth management clients will likely prefer something quite different and perhaps more substantial.

At Commerce Bank, investment professionals write a variety of commentaries, and the bank publishes outlook reports twice a year as well as quarterly economic check-ins. “These are pretty popular,” said Paul Lewis, chief marketing officer at Commerce Trust Company, a division of Commerce Bank, the top-ranked Missouri bank (17th in the nation), named by Forbes as one of ‘America’s Best Banks.’

ABA resources for social media marketing

<https://www.aba.com/Tools/Comm-Tools/Pages/social-media.aspx>

Gremlin Social (now Denim Social) resources for social media

<https://denimsocial.com/Resources>

“People want to see what you’re doing today. The social world moves so fast, it seems like it’s moving faster than the actual world. They don’t want to see what you did last week, because for them, it’s over. So we like to give them the moment in the moment.”

Emily Mays,
vice president and senior
marketing director,
Community Spirit Bank



“So some of the more popular pieces of content that we engage our audience through social media are not so different from what we do with our website.”

The focus is on useful advice and guidance. “We have a tremendous team of resources here – whether our financial planners, portfolio managers, tax folks – who can speak on a variety of topics and issues depending on what’s going on, the economy, the time of year. Our marketing folks will sit down with these specialists and write up a Q&A or commentary-style piece. We share that with clients and anyone who wants the content.

“The way we use social media has primarily allowed us to stay top of mind with our prospects, people that we have some connection to but they are not currently doing business with us. Connecting on social media with prospects allows us to stay present, and to demonstrate some thought leadership in the content. Some companies will hide or restrict that content for clients only. We’ve been sharing more of that and trying to expose it to folks who aren’t customers or clients of ours today.”

Listening and responding

“The challenge with social media is that everyone has a voice,” said Barone-Lepore of Rhinebeck Bank. “It’s no longer that you can put out an ad and be in control of the conversation. You always have to be on top of it and should be prepared for the unexpected. So there’s a challenge in mitigating all of that. You always have to listen. And that’s where so many companies fall short.”

“The biggest challenge for the bank is just monitoring what’s said on social media – and then concerns over what you’re not monitoring,” said Mays. “Being aware of what’s going up on your page, keeping up with comments that are there, either positive or negative.”

Community Spirit Bank has two automated monitoring tools in place, and it still isn’t enough, said Mays. “You feel like it’s enough because you’re receiving all these notifications and emails, but it doesn’t feel adequate for all the content that’s out there. For instance, we can’t see what’s on personal pages unless we’re connected with that person. We had a situation where someone wasn’t happy and posted it on their personal page. One of our people saw it, took a screen shot, and I got it at 11:30 on a Friday night. So the monitoring is the toughest, and sometimes it seems like you can’t keep up.”

Figure 10:

What type of content drives the most engagement for your bank? (Rank 1–8 with 1=top content)

Content
1. Photos
2. Videos
3. Graphics
4. Product promotions/offers
5. Written articles
6. Infographics
7. Polls/quizzes
8. Blogs

.....

“Connecting on social media with prospects allows us to stay top of mind, to stay present, and to demonstrate some thought leadership in the content. Some companies will hide or restrict that content for clients only. We’ve been sharing more of that and trying to expose it to folks who aren’t customers or clients of ours today.”

Paul Lewis,
chief marketing officer at
Commerce Trust Company, a
division of Commerce Bank

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Addressing issues of governance and control

In the early days of social media, banks definitely worried about participating in such an open forum. What if we inadvertently create a megaphone for people’s grievances? What if an employee posts something inappropriate for the brand, or worse, something that would rile regulators? How do we manage and monitor our social media program and prove to regulators we are being diligent about it?

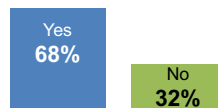
Those concerns have subsided as regulators become more social media-aware, banks gain maturity in managing social media programs, and automated tools provide an essential layer of governance.

Regulatory concerns around social media

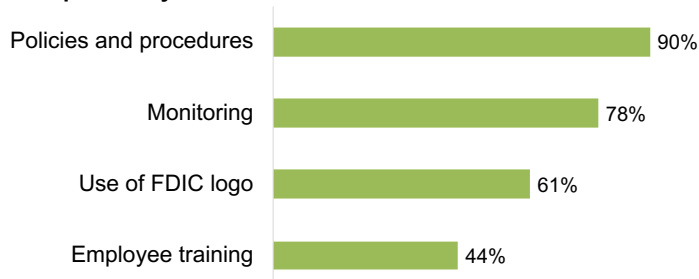
“If there’s a bleeding-edge legal issue with social media, it’s around compliance, especially when using social media for business development,” said ABA’s DePierro. “I hear from banks that business development and lending staff want to get on social and have their individual business pages and use those to engage with their borrowers and clients.

“It’s completely allowed – there are no prohibitions against that – but the moment you step away from a primary bank portal and unified voice of bank-approved content, and allow individual employees to engage on their own social media channels, that becomes more complex. Those employees need to be educated and sophisticated around social media – its potential vulnerabilities, rules and threats.”

Bank’s use of social media reviewed in last regulatory exam?



If “Yes,” what specifically was reviewed?



Many banks avoid regulatory issues by choosing not to talk about products or services. They will post about community engagement, financial education and fun contests – making social media more social than business.

Figure 11:

In your last regulatory exam, was your bank’s use of social media reviewed?

Banks are well aware that regulators are watching social media with a jaundiced eye. In the ABA survey, 68% said their bank's use of social media was reviewed in their last regulatory exam. Specifically, regulators looked at policies and procedures (90%), monitoring (78%), use of the FDIC logo (61%) and employee training (44%).

The bankers we talked to had no concerns. "Regulators are becoming more aware about social media," said Barone-Lepore. "As long as you have strong procedures of your marketing approval process, you advertise cautiously and you make sure you are complying with banking regulations, you should be able to mitigate most risks associated with social media advertising."

Marsili's experience with Fidelity's last exam was the same. "They were pleased to see that we had a tool to control, a tool to approve, that we had a very specific and well-thought-out procedure to be able to use social media. They were happy that the whole bank took social media training.

Don't let compliance wag the dog. Don't be one of the banks that are not on social media because their compliance officers are afraid of risk. The reality is you have to communicate with your customers and that's where your customers are today." You're not in the business of mitigating all risk, you're in the business of mitigating some risk. You have to be there."

Reputational risk

"I'm excited about the opportunity to deepen relationships with clients and prospects in the social media space, but doing so also opens us up to other potential risks," said Lewis of Commerce Trust Company. "That's true for any organization that is active in social media, but more so in our regulated industry. We can't have people talking about things they shouldn't be. For example, a portfolio manager can't be talking about preferred companies or recommended stocks, whether speaking on behalf of the brand or not. Anyone who can be identified as an employee of the bank is representing our brand, no matter where they are, no matter what they're saying or doing, so with that comes reputational risk.

"That part of it I lose a little bit of sleep over. I make sure our folks understand the roles and the risk of being out there on social media – personally and professionally."

"Don't let compliance wag the dog. Don't be one of the banks that are not on social media because their compliance officers are afraid of risk. The reality is you have to communicate with your customers and that's where your customers are today."

Joann Marsili,
senior vice president and
director of marketing and
digital sales, Fidelity Bank



Figure 12:

Does your bank have social media policies or procedures in place?



The gap in social media training and policy

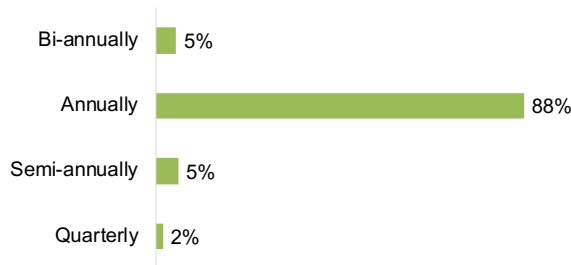
Although 95% percent of respondents in our survey said their banks have written social media policies and procedures in place (and most update these policies annually), they gave only fair grades on how well banks train people on those policies and procedures.

Only 6% of respondents said their bank did an excellent job educating employees about effective and compliant use of social media for the bank's purposes; 43% said good or very good; while 50% deemed their bank's training as average or poor.

“You can really amplify your messages by using social, and even more so by using your employees, most of whom will be in your footprint. Supervisory agencies have actually appreciated the ability of bank-wide use of social media to communicate with customers quickly to combat fraud or in response to natural disasters.”

Denyette DePierro,
 vice president & senior counsel,
 Payments & Cybersecurity, ABA
 American Bankers Association

If “Yes,” how frequently are such policies and procedures reviewed/updated?



Who can post on social media on behalf of the bank?

More than one-third of respondents in our survey (35%) said client-facing employees (such as personal bankers, loan officers and financial advisors) are not allowed to use social media for an online business presence, such as on Facebook or LinkedIn. Another 25% said employees can post, but the rules are unclear, while 27% said employees are encouraged to post, and the bank provides social media training to them.

There is more restriction on client-facing employees posting content for business purposes on their personal social media accounts – 45% of banks say no to that. Another 23% allow employees to publish content but are not sure of the best way to manage it, while 21% of respondents said their banks encourage employees to post bank-related content on their personal pages, profiles and feeds, and they provide training for this. It is noteworthy that support for employees as voices of the bank spiked 13 percentage points in two years. In 2016, 58% of banks said no to bank-related content on personal social media accounts.

“There are banks pushing out the bank-approved content and allowing individual employees to post on their personal pages, and that can be incredibly useful,” said DePierro. “Use employees to amplify your message. In some instances, such as a natural disaster or fraud incident, we’ve seen banks push out informational messages very quickly and easily through their employees. ‘Due to this weather event, these branches are closed and these other branches that are not affected by the event are offering extended hours.’ Social media is incredibly valuable for that kind of immediate messaging.”

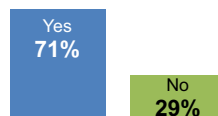
At Fidelity bank, most content is generated by the marketing team, who are the only ones allowed to post. Marsili hopes to modify that. “We’ve been trying to coordinate digital ambassadors, people within our branch networks who could post on behalf of their local markets. We’ve struggled with that. We would be able to monitor and manage that activity through the Gremlin tool, so nothing would get out without our approval. The struggle we’ve had is just the branch bankers, universal bankers having enough time in their day to do that.”

“Our policy restricts employees from speaking on behalf of the bank with posts on their personal pages,” said Community Spirit Bank’s Mays. “But they are encouraged to share the bank’s posts and add an encouraging top comment, or posting when they’re out in the community on behalf of the bank, such as attending a grand opening or ribbon-cutting. Thankfully we haven’t had anybody saying anything inappropriate. That day may come and that policy will change. Everyone who shares on social media knows how we sound, so they’re aware.”

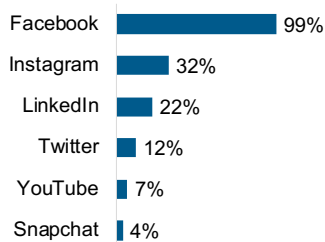
Figure 13:

Are you doing any paid advertising on social media?

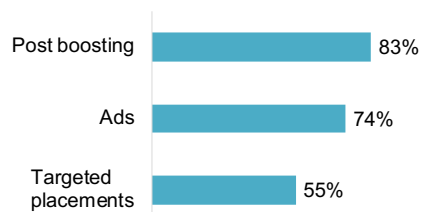
Doing paid advertising on social media?



If “Yes,” what platform? (select all that apply)



If “Yes,” what kind? (select all that apply)



A creative work-around for a Facebook boost

There are secondary advantages to having employees post the bank’s content, said Lewis. Employees can attract engagement banks may not otherwise get.

“Years ago, anytime you posted on your company Facebook site, the post went to everybody who followed you and everybody who followed them. Facebook changed and no longer allows content to be pushed out from company or corporate pages – at least not for free. That really throttles content distribution for people. We’re putting out free content, free access to our outlook reports, but for anybody to see it, we have to pay.”

Through a Gremlin Social tool, Lewis can confidently push content through individuals’ social media accounts, which enables the bank to reach all of those people’s followers even better than a paid boost. “There are more advantages to having your employees representing your brand and connecting to the right people you’re trying to reach,” compared to just paying to boost to anyone who Likes your page.



Developing employee advocates

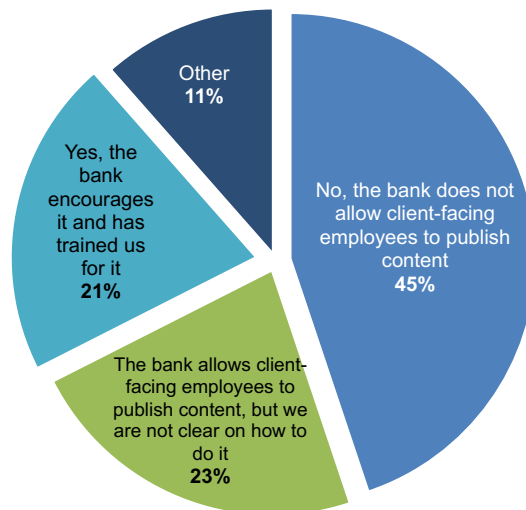
“Many banks are on social; they’re just really struggling with how to get organized in a way that will deliver the results they’re looking for,” said Gremlin Social’s Wilber. “The best way to really deliver on social is to harness the collective power of your employees.”

The concept really resonated with Bartholomew, since Grand Savings Bank has such diverse and widespread locations. “We have three locations in Oklahoma, nine in Arkansas, some in rural areas, some in more metropolitan areas. Those markets all look very different, what works there is very different. So being able to get good content from every market was a challenge for me personally.”

Bartholomew created the Grand Ambassador program to have designated, trained employees serve as the bank’s eyes and ears at the market level. They develop content, such as photos of the team at a local event, and send it for approval and posting. “Grand Ambassadors get quarterly incentives and biannual reviews, so we know if we need to provide coaching. From tellers and CSRs to managers, this expanded role empowers them and builds brand buy-in.

Figure 14:

Does your financial institution allow client-facing employees (i.e. personal bankers, loan officers, financial advisors) to post content for business purposes on their personal social networks like Facebook, LinkedIn and Twitter?



A tool for social media governance

For many banks, the content creation, approval and posting process is highly manual. A team member creates a post in Microsoft Word and sends it to the compliance team for review. A compliance officer amends or approves it and sends it back, and then the content is recreated in the social media platform. However, there’s no guarantee that what is approved is what is posted, and process controls are difficult to show to auditors.

Banks are coming up to speed here. In our survey, 59% of respondents said their banks are using software or technology from a third party provider to monitor or manage social media content or compliance.

Commerce Trust Company has adopted a platform from Gremlin Social that enables the bank to maintain a library of approved content that individual users can post on their social media accounts. “That is one way for us to have readily available legally and compliance-approved content that’s been vetted,” said Lewis. “And then we can either push that out through client-facing officers’ accounts or let them select from the repository and post on their own. The tool enables us to do that pretty seamlessly, as well as archiving activity and tracking our response time.”

“With this platform, the brand managers can create an editorial schedule, create a cadence for posts, engage them on social and do it at scale,” said Wilber. “So rather than having 200 mortgage officers and loan officers posting willy-nilly, it’s the brand people who can create and schedule this content.”

“I probably break the mold here and will freak out a lot of people with this, but our motto is that people bank with people. There’s really nothing sexy about banking, let’s be honest. At the end of the day, with a community bank, people are banking with us because of the people we have with us. By giving them the Grand Ambassadors and officers – we’ve done personal brand training with them as well – we just tell them keep it simple, and if you go and represent the bank at an event, post a picture of yourself at the event, do our hashtag #LifeIsGrand, and that’s great.”

Don’t underestimate the morale-boosting effect of being a brand ambassador, said Wilber. “There’s a whole halo effect with employee satisfaction. Employees who are able to publicly represent the brand feel more valued at work. It becomes a tool for employee advocacy, retention and recruitment. If I’m a mortgage loan officer and looking to either stay with my present bank or switch to another bank, the bank that provides me with more tools and more ability to connect with customers – and ultimately close more loan volume – that’s where I’m going to go.”

From the ABA’s perspective, the key to a successful employee program is robust employee training coupled with a strong social media policy. Providing posting guidelines, rules for type of content that can be posted and even pre-approved content can increase employee participation while helping ensure compliance.

Give employees good training on the bank’s social media policies and provide preapproved content they can use – perhaps a library of 30 messages created by the marketing department and approved by the legal team. By giving employees a choice from approved content, you can engage a broader pool of employees to be social media advocates, without fear.

Is social media delivering results?

In our survey, 69% of respondents reported being satisfied or very satisfied with the results of their social media efforts (compared with 44% in 2016). Another 44% of respondents reported being somewhat satisfied with the results of their social media efforts (only 9% were extremely satisfied). Another 15% were neither satisfied nor dissatisfied. Another 16% are not satisfied with their results, but at least that figure is down from 24% two years ago.

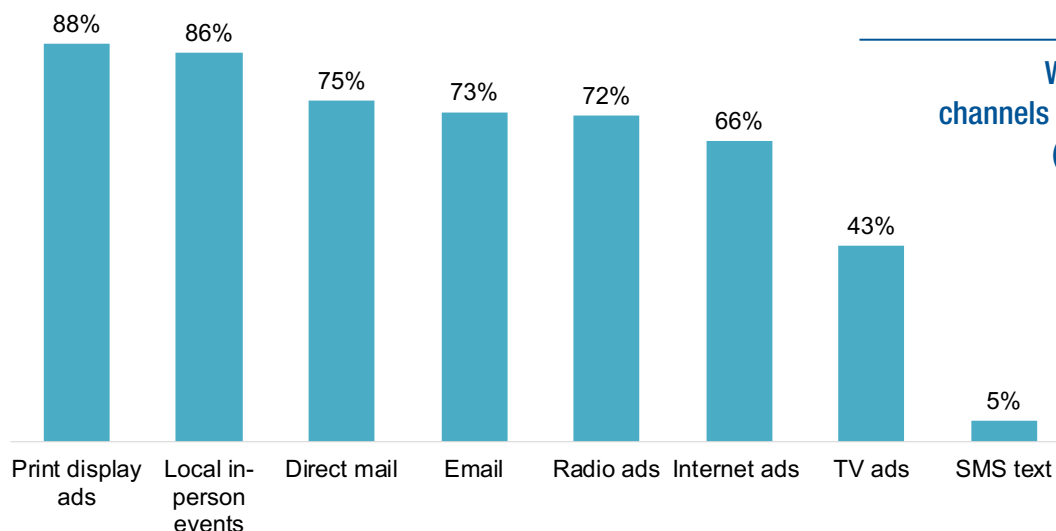


Figure 15:

**What other marketing channels does your bank use?
(Select all that apply)**

This mixed report card may be a reflection of the way social media is being measured. For starters, 34% of banks in our survey don't measure the impact of their social media use. It's hard to be pleased with results you don't know about. The top categories of metrics tracked, in order of perceived importance, were:

- Engagement (number of comments/retweets/shares)
- Reach (number of followers/likes/page views)
- Action taken (number of registrations/number of leads)
- Audience engagement, share of voice and sentiment analyzed by a third-party service

None of these measures links social media activities to business results. Sometimes that connection could be clear – a campaign led to x clicks on the blog which led to y click-throughs to an online loan application, for example. But more often the benefits are intangibles – awareness, relationship-building, goodwill – that lead to business wins in ways that are almost impossible to trace or to attribute to social media alone.

“The banks that are going to perform well aren't on social just for the sake of being on social. They're on social because they have a specific business need and a business goal that they want to achieve, and social media is an intrinsic part of that.”

Doug Wilber,
CEO, Gremlin Social (now Denim Social)

Connecting clicks to dollars

“The challenge has been is that many banks are trying to just leverage the metrics that come from the networks natively to measure the Likes, Shares, how many retweets,” said Wilber. “I call these vanity metrics – how popular am I? And to me that's not necessarily the right way to approach it. The right way is to measure how the bank is using social as part of an overarching communications strategy, to put interesting and relevant content in front of the customer so that when customer is ready to make a financial services decision, the bank is top of mind.”

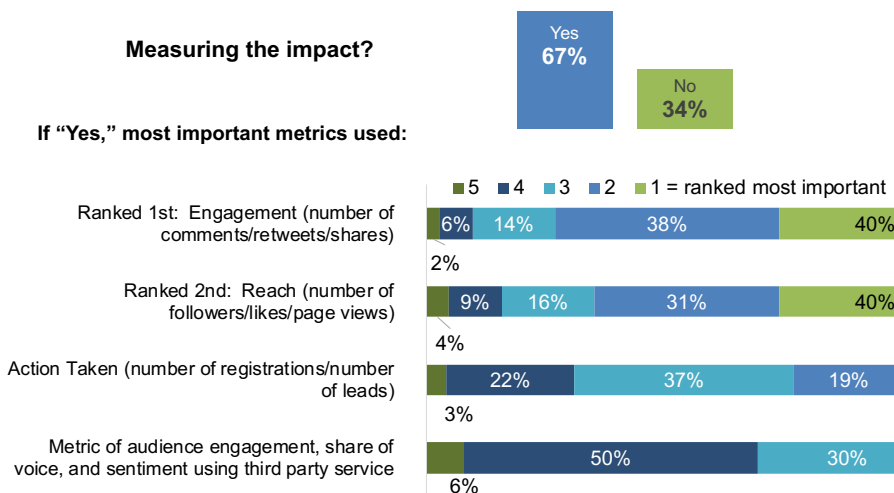


Figure 16:

Does your bank measure the impact of its social media use?

In short, the social media strategy needs to be an intrinsic part of the pathway to a business goal. Wilber pointed to First State Bank of St. Charles, which found that loan officers who are active on social media tend to close one more loan per month.

Commerce Trust Company, where the main focus of social media is prospecting, tracks social media encounters through to action. Said Lewis. “Obviously we track impressions, how many times our message is being served up and building our brand awareness, but ultimately we’re tracking clicks that then drive visitors to our website.

“Once they’re on our website, we have a whole set of analytics to measure just how much they’re engaged with us. Did a prospect go to our locations page, our ‘Contact us’ page, or raise their hand by filling out a form asking someone from the bank to call them? We monitor a lot of different types of conversion, levels of engagement and repeat engagements with us to come up with an engagement score. Based on those results, we can then see if we’re sharing content that is worthwhile and informative, or we need to circle back and rethink the editorial calendar for the year.”

The soft benefits of social media

If the primary goal of the social media program is community goodwill and brand awareness, success can be fairly measured on how many people respond positively and Like and Share your content.

“Market visibility has been the largest thing for us,” said Bartholomew of Grand Savings Bank. “We have been in growth mode ever since I joined the bank. We originated in northeast Oklahoma, so that’s where the majority of our market share has been. As we have moved into northwest Arkansas, which is more populated and urban, our expanded social media presence has certainly increased our visibility in the community. People know who we are now. They know who works for us. That awareness has changed dramatically over the past 24 to 30 months. The board is recognizing it. Management is recognizing it. That’s a win, and it’s essentially for free.”

“I hope our metrics such as followers and click-throughs are always good, but at the end of the day, my objective is to make sure that people see us as a viable alternative to any other bank or financial institution in the marketplace. I’m looking at those metrics that actually lead to a sale.”

Joann Marsili,
senior vice president and
director of marketing and
digital sales, Fidelity Bank



Big return on modest investment

For most banks, the social media budget is a scant sliver of the overall marketing budget. For half of banks surveyed (48%), social media expenditures represent less than 2% of the marketing budget.

More than half of the banks in our survey (52%) expect to increase spending on social media resources in the year ahead; 8% will significantly increase that budget. About one-third (31%) will hold the budget steady, and only a few banks (fewer than 1%) plan to spend less on social media.

It's no wonder banks are bullish on investing in social media. It delivers big for very little. Beyond the direct effects, a bank's social media presence can also generate more local media attention for the bank, creating a rippling circle of mentions, interviews and free advertising.

"It's so inexpensive," said Brown. "We do everything in-house, even the videos, so our typical costs are about \$100 per campaign. Our annual expenditure for social media is probably less than \$2000." That's more money available to stuff into piggy banks.

Social media can potentially perform similarly to advertising, according to Gremlin Social's Wilber. One bank's analysis showed that if it had 50 broker/dealers post on social media, each one with a network of about 500 followers, the bank would be within striking distance of the impressions of a display ad, for a more favorable CPM (cost per thousand impressions).

Closing thoughts

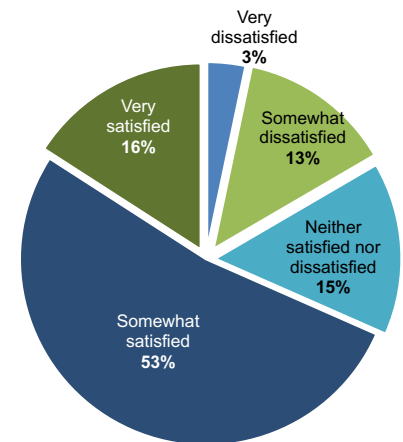
"Social media is a very powerful tool if used correctly, and that means not just using it but embracing it," said Barone-Lepore. "Without social media, I don't think the Rhinebeck Bank brand would be where it is today. I hope that overtime the increased scrutiny and controls on social media sites don't become so restrictive that they stifle creativity, fun and innovation. I'm really proud to be a part of a bank that is so engaged with the community through social media."

"We are very satisfied with the bank's social media program, from the board of directors down to me," said Mays of Community Spirit Bank. "We can't think of a better way to let people know who we are and what we're about, at least at this point. A lot of directors at banks aren't this way, particularly at smaller institutions. Our directors are aware of our social media presence and support us. We just want to keep getting better."

"Social media has given us visibility, it's given us a voice," said Bartholomew. "It has empowered our entire organization through the Grand Ambassador program. It has increased our personal brands as bankers, and it has given us the ability to tell our stories as a community bank amidst some bigger regional banks."

Figure 17:

In general, how satisfied are you with the outcome of your bank's social media activities?



"Social media has given us visibility, it's given us a voice," said Bartholomew. "It has empowered our entire organization through the Grand Ambassador program. It has increased our personal brands as bankers, and it has given us the ability to tell our stories as a community bank amidst some bigger regional banks."

Natalie Bartholomew,
vice president and chief
administrative officer,
Grand Savings Bank

Top 10 takeaways

- 1. Social media is one of the most effective ways to humanize the brand.**
Social media tweets and feeds are helping to transform bank personas from anonymous institutions into friendly and approachable members of the community. A small bank can gain the market awareness of a much larger institution.
- 2. Social media is an essential part of the marketing mix.**
Most survey respondents (84%) 'agree' or 'strongly agree' that social media is important to the bank – up from 76% in 2016. For very little cost, banks can reach a broad target audience that is mobile, online and socially connected.
- 3. Banks' social media programs have gained a lot of maturity.**
In the ABA survey, 40% of respondents said their banks had been using social media for five years or more – up from 25% two years ago. Only 3% are shunning social media.
- 4. Banks are stepping up their social media activities.**
The overwhelming majority (87%) are somewhat or very active, while only 13% are dormant or not very active on their social media accounts – compared with 27% being light users or absent two years ago.
- 5. Social media can have a big return on modest investment.**
For most banks, social media represents a scant sliver of the overall marketing budget, yet it delivers big for very little. Beyond the direct effects, the social media presence can generate more local media attention for the bank, which leads to a rippling circle of mentions, interviews and free advertising.
- 6. Clearly defined policies and procedures are a must. So is social media training.**
In the ABA survey, 68% said their bank's use of social media was reviewed in their last regulatory exam, with regulators looking at policies and procedures (90%), monitoring (78%), and employee training (44%). Having a tool and specific, well-thought-out procedures on the use of social media can help address potential regulatory concerns.
- 7. Many banks aren't tapping all the potential of social media.**
A surprising number of respondents in the ABA study said their banks did not currently use (or had no plans to use) social media for monitoring customer complaints (24%), recruiting (26%) or providing customer service (29%) – areas where other banks are seeing some strong successes.
- 8. Engaging employees as brand ambassadors amplifies the voice.**
Employees can be your best brand ambassadors. The risks of expanding employee advocacy can be mitigated by providing preapproved content, strong policies/procedures and social media training.
- 9. Content is king.**
Continuously generating fresh content can be difficult for some community banks. Keep it simple with checklists, how-to videos and tool kits that have value for retail and commercial customers, especially around themes such as Financial Literacy month (April), Home Ownership month (June) and Cybersecurity Month (October).
- 10. Consider automating for editorial control and compliance.**
In our survey, 59% of respondents said their banks were using third-party software or technology to monitor or manage social media content or compliance. It then becomes efficient to maintain a library of approved content, set an editorial calendar and cadence, engage employees on social, archive activity and track response time – and do it at scale, in a well-orchestrated way.

Learn More

Conferences/Schools/Training

Social Media: Managing the Risks
(Free for ABA member banks)

Marketing in a Digital World: Social Campaigns

ABA Bank Marketing Conference
September 22-24, 2019 • Austin, TX

Guide Books/Webinars

ABA Social Media and Digital Security
webinar series

2019 ABA Communications Guide

Social Media Campaigns/Sample Posts

Gremlin Social (now Denim Social) – Free Resources for Banks

Building a Content Marketing Strategy for Financial Services (guide book)

Social Selling for the Mortgage Industry (webinar)

