



# Off the Press - October 2010

PENNSYLVANIA ASSOCIATION OF COMMUNITY BANKERS

THE VOICE FOR COMMUNITY BANKING IN PENNSYLVANIA SINCE 1876

## How to Promote Your Bank's Image with Social Media

*By Anne Deeter Gallaher, CEO/Owner, Deeter Gallaher Group LLC, and  
Jeff Marsico, Executive Vice President, The Kafafian Group, Inc.*

Banking is under assault in the media, the halls of Congress, and the court of public opinion. What began as a mortgage crisis devolved into a global banking crisis. During recovery, we must earn back our customers' confidence—banking is a trust business, burnished by our collective industry and individual bank reputations.

There is little we can do to change the thrashing our industry is taking—and some of it is deserved. But customers' perception of a bank and its employees remains critical to its success in the community and that's something we can change. According to J.D. Power and Associates, when customers were asked which banks they would avoid and why, bad reputation was the second most-cited reason, behind poor performance/service. Customers will leave a bank, and prospective customers will avoid a bank, as a result of its image.

How do we build a strong bank brand and restore confidence and respect to the industry? Among the most effective tools for brand building is social media. Twitter, Facebook, YouTube, LinkedIn, Foursquare, and blogs have exploded as communication platforms.

Why hasn't this medium been widely accepted by community banks? During a bank strategy session, a CEO quipped about social media, "Pioneers get arrows, settlers get land." Perhaps bankers assume that only Generation Y (ages 16-27) uses Facebook and YouTube. If bank revenues are driven by balances, and expenses are driven by number of accounts; and if younger customers tend to bring the latter, and not the former, bank executives will continue to ignore new channels. Why dedicate resources to improve our image to a group that contributes so little to profits?

A closer examination tells a different story and here is where banks must charge their marketing departments with due diligence on where customers are and how they wish to interact with you.

The facts: There are 500 million users on

Facebook; 1 billion YouTube views per day; 64 million global LinkedIn members; and over 75 million Twitter users generating 10 billion tweets per year. In addition, 82% of US adults are active cell phone users and one in four US adults uses mobile applications. Chances are high that each of these users is someone's bank customer.

"Aggregation of traffic and demographic data shows that social networks are dominated by the 35-44 age bracket. That flies in the face of conventional wisdom which asserts that Web 2.0 is a Y-Gen dominated arena," states Brett King, author of Bank 2.0 and founder of the International Academy of Financial Management. \*<http://www.banking4tomorrow.com/?p=146>. How can a bank engage on Twitter or Facebook? Here are 3 steps:

**1. Start the conversation.** To assume your banking customers are not included in the 400 million Facebook users or 75 million Twitter users is a failure to recognize where your image is built or deconstructed. The first time a bank is alerted to social media may be through a customer's vocal dissatisfaction with a service or an associate. Now they've taken their experience—and your bank's name—to Twitter, and it's broadcast on the public timeline. If your ATM machines are down for a weekend, and customers are stranded without access to their cash, you'll learn of their dissatisfaction on Twitter long before Monday morning's news headline. And if your bank's name appears in a hashtag # with the words FAIL behind it, your Marketing Department will be dusting off the crisis communications manual. Conversely, a bank's immediate responsiveness directing customers where to find an operable ATM or an 800 number to call for help is priceless customer service.

**2. Appoint a communications professional to monitor and listen on social media.** Even if you're unsure how to structure a content strategy or what to tweet, waste no time



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in using the Search capabilities of all the social channels. Listen to local businesses and media on Twitter; listen to your competitors and to their customers; read what they comment on blogs; listen for trends in finance and lending; ; listen on Facebook for ways to increase service to your customers. Recently on Twitter, I shared that I liked a Quicken Loans commercial on CNBC; I quickly received a reply from @quickenloans: "We're glad you liked the commercial. How can we help you?" Of note is that @quickenloans has over 11,000 Twitter followers. When you respond to a tweet and provide a solution to a person's banking problem, you're building a strong business relationship that says, "I care."

**3. Amplify your image.** Banking at its core is a service business. Customers can readily find competitive mortgage rates, CD rates, and

lines of credit. What customers expect now are fair rates and genuine responsiveness. And if the responsiveness comes from the C-suite, the ROI (Return on Image) is gold. Peter Aceto, CEO of ING Direct in Canada, is a leader in social media communications and customer engagement understanding that happy bank customers are brand builders.

Creating brand and bank advocates calls for creativity, open communication, and a clear understanding of the customer. If it matters to your customers, it should matter to your institution. Let's start the conversation.

*Ms. Gallaher can be reached at (717) 766-2344 or [adg@deetergallahergroup.com](mailto:adg@deetergallahergroup.com)*

*Mr. Marsico can be reached at (973) 299-0300 x120 or [jmarsico@kafafiangroup.com](mailto:jmarsico@kafafiangroup.com)*