

THE NEXT LEVEL IN SOCIAL MEDIA:

How Banks Are Ramping Up Digital Engagement to Build Sales



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The power of social media is undeniable. The ability of banks to engage with and influence customers and prospects via interactive digital channels is an essential tool and a cornerstone of marketing. Gone are the days when it was “nice to have” a presence on platforms such as Facebook, LinkedIn, Twitter and Instagram. Today, these pathways are helping banks to build relationships that were historically cultivated by tirelessly walking up and down Main Street, shaking hands and leaving behind business cards.

Those tried-and-true techniques have not disappeared—but social media has supplemented them. We live a world in which Americans average more than 3.5 hours a day on social platforms, according to a recent study. Facebook leads the way, capturing an average 58 minutes a day, or 325 hours a year, for older consumers. Younger consumers favor Instagram and TikTok.

Unsurprisingly, the vast majority of banks are active on social media, and at least 7 in 10 have been for five or more years. “Every bank is on a different path to getting there,” says Shelly Loftin, ABA’s senior vice president for retail banking, payments and lending. “Banks understand that engaging on social media is table stakes. They have to be there, but how they do it will vary.

Being active and being effective are often two separate things. A key question for banks today is how to move beyond using social media to promote and strengthen their brand, and harness these platforms to foster sales.

Where the Users Are

Facebook dominates the online landscape, with **69%** reporting in 2021 that they have used the site. Facebook usage reached **77%** among women. A majority of 18 to 29-year-olds, meanwhile, said they use Instagram (**71%**) or Snapchat (**65%**), while roughly **48%** said the same for TikTok.

Source: Social Media Use in 2021, Pew Research Center



Just as importantly, how can banks use social media to keep existing customers coming back for financial solutions? Consider the fact that borrowers purchase an average of 11 mortgages in their lifetime, yet lenders retain fewer than 20% of past customers on average. Banks can't afford to let those opportunities slip away to someone who's better at grabbing and holding customers' attention. They have to step up their game.

The answer to these challenges is to adopt a social selling program. This means using social media platforms to help lenders, financial advisors and other key producers to be active, visible and relatable members of their communities—all while ensuring that they remain compliant.

“It's time for banks to think differently about why social media matters,” said Doug Wilber, CEO of Denim Social, an ABA-endorsed partner. “You can no longer look at it through the lens you historically used. It's not about getting 13 likes on a Facebook post or announcing the bank is closed on Christmas Eve. Social media is about empowering your producers to connect with their customers and prospects.”

Banks understand instinctively how important it is to deepen customer engagement. After all, the rule of thumb in bank marketing is that it costs approximately five times as much to acquire new customers as it does to keep current ones. An increase in customer retention rates by a mere 5% can boost profits by 25 to 95%.

Banks cannot ignore the fact that generations of social media natives are entering their prime income-earning, home-buying and wealth-building years. Turning Millennials—born between 1982 and 2000—into lifelong customers must be a priority for all banks.

“We are seeing more and more banks leveraging their social media presence as a business tool, and demonstrating that they can produce a return on this investment,” said Helen Sullivan, ABA senior vice president. ABA recently authorized Denim Social to create an ABA Social Media Content Library, she added, and this move gives members easy access to ABA-vetted, consumer-facing content and collateral.

Reflecting the growing belief in social media as a business tool, bank spending on digital marketing is rising. In a recent ABA survey about planned marketing budget increases for 2022, the largest group of bankers (87%) said they planned to increase digital advertising budgets, and 59% said they would increase social media spending—ranking third behind search engine optimization with 61%.

The Denim Social Difference

With built-in publishing, advertising and compliance tools, Denim Social excels at helping banks blend personalized social media with a digital advertising strategy. The dynamic results can help banks notch a 200% to 400% improvement in click-through rates compared to financial services industry averages, said Wilber. If that means a community banker can close even one more loan a month, the bottom-line impact can be meaningful.

Wilber advocates social selling—the process of building relationships and brand awareness through selected social media platforms, with the aim of boosting the bank’s sales results. It’s a way of connecting directly with prospects, and can be a powerful complement to tried-and-true methods such as cold calling and email marketing.

But, Wilber said, it’s critical to ensure that employees are active on social media in a way that is coordinated and well-governed. Denim Social provides tools that enable banks to curate, create, schedule and deliver compelling content that speaks directly to targeted audiences.

He noted that in the highly regulated banking industry, avoiding unnecessary reputational and regulatory risk is a high priority for banks. That’s why compliance is a centerpiece of Denim Social’s approach. Bankers say they value the compliance component, which helps them adhere to a dizzying array of rules and regulations. Denim Social also creates a social media archive for each client, enabling banks to pull reports and respond swiftly with appropriate detail if questions about social media activities arise in a supervisory context.

Ranked by return on investment

- **Digital advertising**
(e.g., pay-per-click, Google ads)
- Search engine marketing or optimization
- **Social media**
- Email
- Content marketing

Source: 2021 ABA Bank Marketing Survey



“Effective use of social media can help banks understand their audience and what’s important to them, target their messaging strategically and deliver engaging content,” Wilber said. “The data banks gather and analyze through social media engagement can help them personalize the customer’s digital journey. This helps customers feel understood and engaged while providing the bank with insights to cross-sell in a targeted, personalized way.”

What do banks have to say about working with Denim Social? Read on.

1st Security Bank of Washington

Mountlake Terrace, Washington

\$2.3 billion assets (June 2022)

Donna Jacobson, vice president and director of marketing at 1st Security Bank of Washington, says the company has been on a growth path since she joined in 2013, acquiring 12 branches for a grand total of 21 and increasing its assets more than fivefold. Its social media presence has accelerated, too.

“When I got here, we had just been on Facebook for a year, and there was a very low level of comfort with it. Like most financial institutions we had to move forward with caution.” Jacobsen noted, once the bank gained experience with social media, “Over the years, we’ve added Twitter, Instagram and LinkedIn. Now we have a real fan club, and we get a lot of engagement inside the bank and from customers.”



A key turning point was teaming up four years ago with Denim Social. The bank's compliance department wanted assurance that we would be within the guardrails of the various entities we report to as a bank, Jacobson recalls. "In the beginning, we kept records of posts in screenshots and Word documents. It was less than ideal but it worked." With the introduction of Denim Social's platform, "we brought a new level of assurance to the compliance department with tools that show we have speed bumps in place. We get reports daily, and we can go back any time and pull records if examiners want to see them."

Many of the bank's social media efforts are broad-based, utilizing bank-created content that emphasizes telling human interest stories about its employees. Jacobson says the bank has found that customers connect strongly with stories about real people, such as a business banker who wrote a 300-page book about astronomy and a compliance team member who teaches Tae Kwan Do.

In addition, 1st Security Bank makes use of the Denim Social content library as well as ABA's content, which is offered via the platform and enables the bank to weave in ABA's messaging on themes such as elder abuse and homeownership.

The bank also has social media initiatives focused on mortgages. A home lending marketing specialist is dedicated to supporting 32 of their 41 loan officers through Denim Social, Jacobson says. "Our loan officers are super busy, and we use Denim Social to help them deepen their relationships."

All of the content, whether original or curated, is teed-up on the Denim Social platform. "We use it as a tool for compliance approval and retention and approval, and it's great for organization of our social media. We can pre-plan our campaigns. Last summer, when we did a promotion of a new 1st Rewards app we released, we used the platform to distribute clues for the contest."

Jacobson says she typically plans posts a month in advance. "We love the feature that we can schedule content ahead of time," Jacobson says. Additionally, "The bank sponsors a weekly financial education series in the Seattle Times newspaper called Finances FYI, and that has been a great source of material."

The opportunity ahead is "to stay on top of social media and do it well," Jacobson says. "That doesn't necessarily mean posting more. It means finding our sweet spot with content that gets great engagement, and helps our communities to see the human side of the bank."

"We have definitely increased our followers, and social media has been a great tool for rallying internal staff to be brand ambassadors for the bank," Jacobson says.

Jacobson says robust tools with a strong compliance component can help marketing teams gain senior management support for social media initiatives.

“When we started, it seemed universal that the marketing department had a difficult time selling the idea of social media to traditional banking leadership. For us, this platform has created a level of comfort that makes full transparency possible,” Jacobson said. “There are a lot of choices out there, but Denim Social works with us, listens to us and constantly strives to make the platform better.”

Evolve Bank & Trust

Memphis, Tennessee

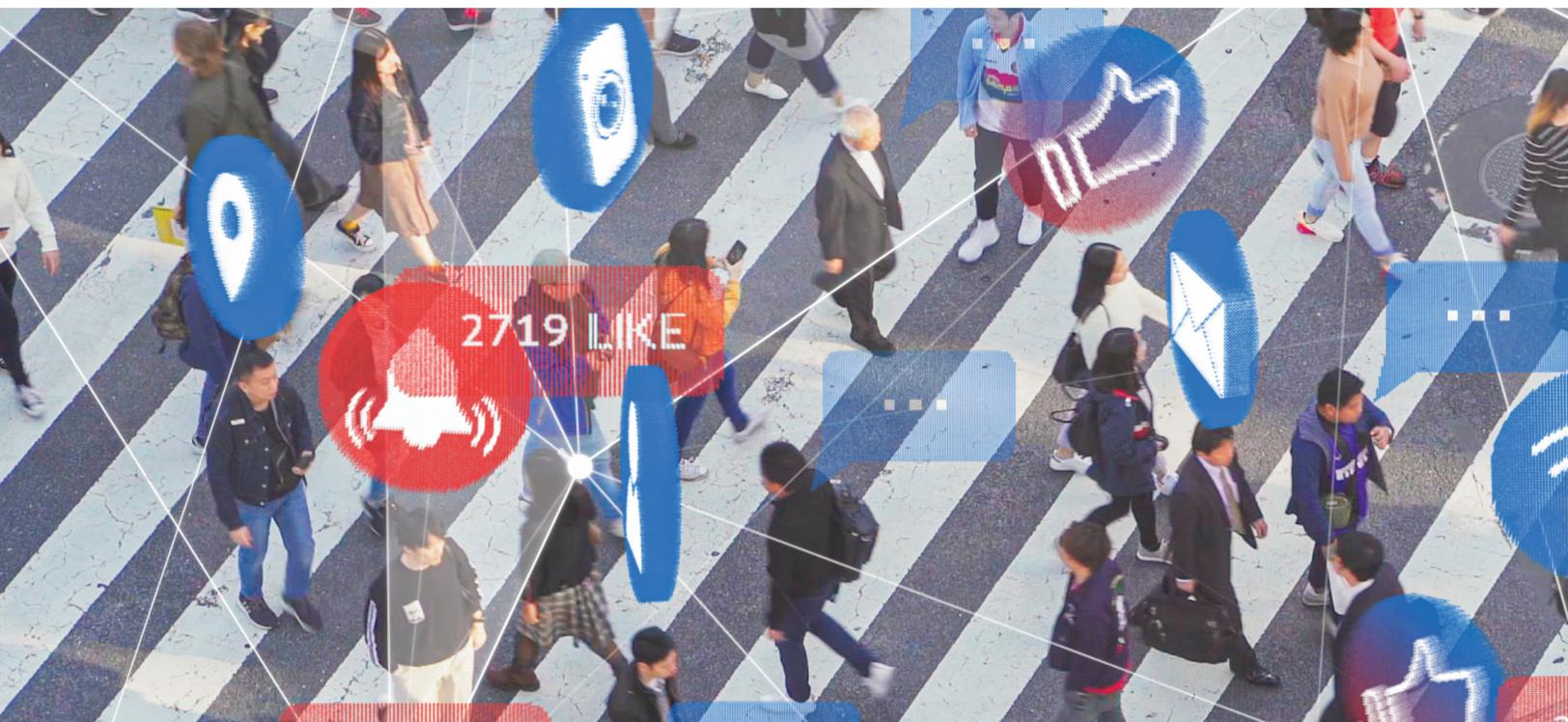
\$1 billion assets (June 2022)

Evolve Bank & Trust doesn't fit the classic bank mold. It has a branch presence in Arkansas and Tennessee, but primarily it serves a nationwide clientele via open banking with specialized services such as banking-as-a-service.

“We take pride in our innovations in banking. As a technology-focused company, we are helping the fintech world revolutionize banking. That's why digital marketing and how we harness social media are key,” says Eric Helvie, a former broadcast journalist who serves as the bank's digital marketing strategist.

Helvie is in the midst of taking the organization's social media strategy to the next level by taking the existing elements of social media—the bank's presence on platforms such as LinkedIn, Facebook, Twitter and Instagram—and uniting them thematically. Denim Social's platform is facilitating these efforts.

“We're in a phase of seeing what works and what doesn't, taking a hard look at analytics and adding layers,” Helvie says. “Right now, we have different posts on different platforms, but pretty soon, all our platforms will have similar messaging but will be more customized.”



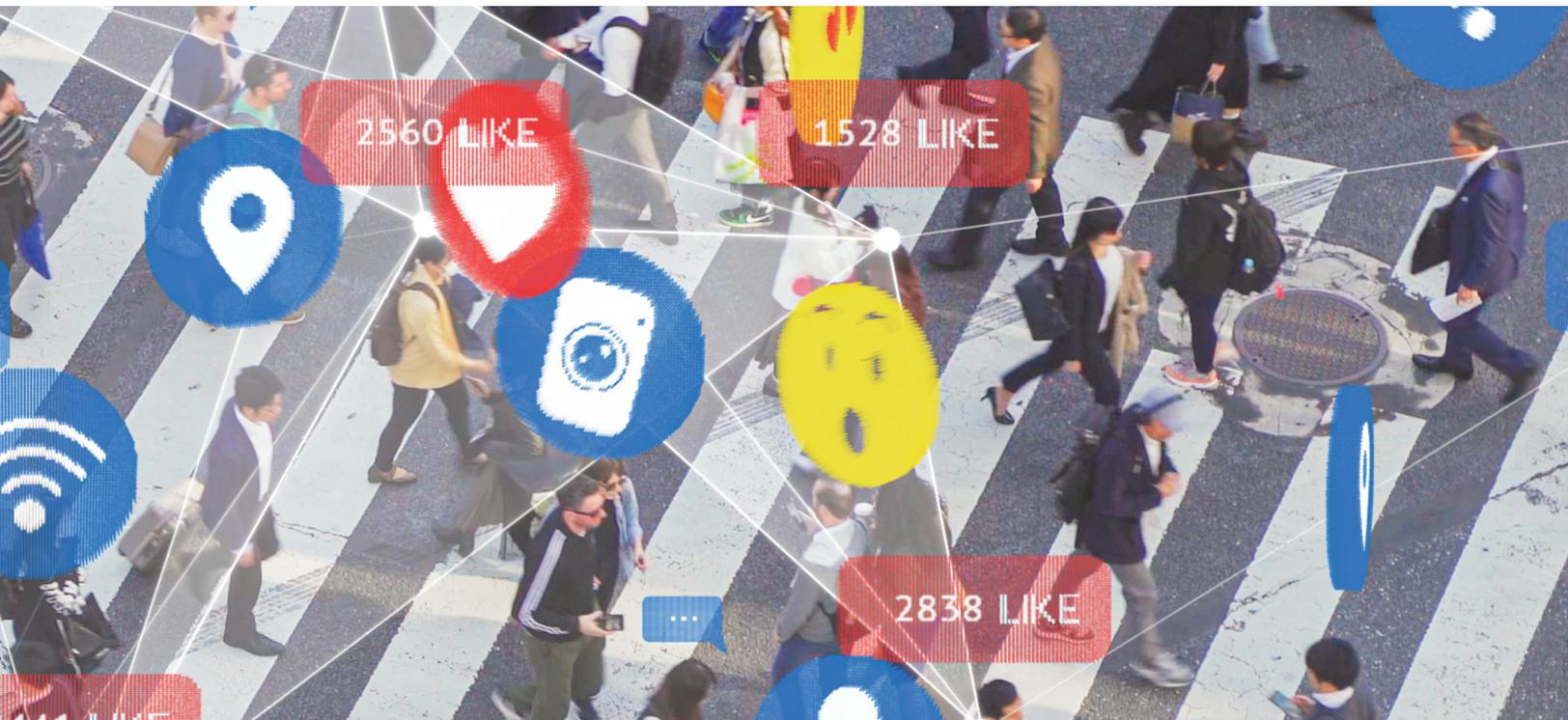
Denim Social's planning tools simplify the process of scheduling content, enabling users like Evolve Bank & Trust to prepare stories and articles weeks ahead of time. While users can choose from Denim Social's content library, they can also bring their own content into the system.

"We've decided to make LinkedIn our biggest play for new audiences, and also keep our audience growing on Facebook because of the sheer number of people there. It's two different audiences," Helvie explains. Facebook connects the bank with the general population, while LinkedIn enables it to target fintech decision-makers and other professionals who are making major purchases.

Helvie says he typically plans content two to three weeks ahead on Facebook, which feeds into Twitter, and a month ahead on LinkedIn.

One area where he is using Denim Social is to support the bank's 200-plus home loan advisers. With such a large cadre of lenders, it's not realistic for his team to provide tailored marketing support to each one—but it is important for everyone to be marching to the same rhythm.

With Denim Social's tools, Helvie has been able to equip home loan advisers to handle their own marketing on-demand, while maintaining a consistent look and feel that is approved by the bank. For example, during June—American Housing Month—the bank provided at least 25 "evergreen" posts that they could use throughout the month that tied thematically to the topic of homeownership, he explains. "If I didn't have Denim Social to be able to organize things the way I can, none of that would happen. They make it easy."



Helvie adds, “So far, the growth of our audience on Facebook and LinkedIn has been tremendous. I would say 15% to 17% of our Facebook follower audience group was built between March and May 2022. The metrics show we are strongly outpacing our peers in other banks.”

This growth has been organic—that is, it has not been supported by advertising. “That’s part three of my grand scheme,” Helvie jokes. “Right now, we’re just trying to build a foundation of consistency of the brand.” What’s part two? That’s working with executives to get them more active on LinkedIn.

“That’s the low-hanging fruit, not only to raise their brands and position them as thought leaders, but also for people to know their names and trust them. And it’s a good recruitment tool,” he adds.

Coming from outside the banking industry, Helvie has received a crash course in how seriously bankers take compliance—and he says Denim Social has built-in guard rails designed to identify key words, terms and phrases that could trigger concerns. Between February and March, the bank had posted approximately 200 posts over the Denim Social platform, and had not encountered a single compliance concern, he adds.

Peoples Bank of Washington

Bellingham, Washington

\$2.8 billion assets (June 2022)

The ability to monitor loan officers’ social media content for compliance was a top-of-mind consideration when Peoples Bank of Washington teamed up with a forerunner of Denim Social in 2018, says Jennifer Evans Thompson, the bank’s executive vice president and director of mortgage banking.

There’s a simple reason for that, Thompson says. “Social media moves so fast and compliance and manual monitoring can’t always keep up.” Working with a partner that is exclusively focused on social media and has a strong compliance focus gave Peoples Bank peace of mind that it could manage a ramped-up social media initiative successfully, she says.

“Denim Social has truly been a great partner and has grown with us, and we with them,” Thompson says. “They are very open to ideas, and they’re always building their system out.”

Peoples Bank saw two immediate benefits when it teamed up with Denim Social. “We got the ability to search for keywords that were trigger terms we wanted to avoid from a compliance perspective.” Additionally, the bank could retain access to the website content of employees if they departed the company, something that generally wasn’t possible before.

Exerting some centralized control over social media content—including retaining history—is important to the bank from a compliance standpoint. Even when loan officers want to be proactive and drive their own marketing, banks are expected to keep them on the right side of the complex array of regulatory requirements that govern financial services. “Now we can help make sure they’re compliant before they start to post anything,” Thompson notes.

Using Denim Social helps the bank simplify its social media management so that loan officers can help themselves as much as possible. Tessa Holleman, mortgage loan administrator, assists loan officers with a content library for their social media and email marketing needs, all of which runs through the Denim Social platform. The bank uses a mix of Denim Social content and articles and posts that it creates or curates from other resources.

“The way we have it set up, we have folders in the content library that loan officers can choose from,” Holleman explains. “All the content is pre-approved. We’ve found this is a good way to encourage loan officers who may not want to create content. We don’t post it for them, so it gives them the responsibility to create their own posting strategy. We do allow them to compose their own posts, provided they go through the approval pipeline on Denim Social.” The Denim Social platform is used for all scheduling, posting and archiving.



Peoples Bank has been pleased to see that the content Denim Social provides is updated regularly, and provided weekly. “It caters to what we want,” Thompson says.

Thus far, about a third of the bank’s 28 mortgage loan officers have regularly availed themselves of Denim Social’s offerings, but Thompson expects to see that number climb as mortgage production slows down from a fevered pace.

When markets are red hot, the tendency is to do less marketing, because there’s little time for anyone to think about initiating a social media presence, Thompson says. But now, “the focus is really on customer retention and outreach, and Denim Social is very strong in helping lenders stay in the forefront of people’s minds.”

Thompson adds, “there is a growing understanding that because so many people are engaging on social media now, if our loan officers don’t get themselves out there, others will fill the void.” Lenders definitely see a payoff, she adds, recounting how one loan officer who attended Denim Social training excitedly reported that she had already received calls from prospects by the time she got back to the office.

The bank’s dominant social media platform is Instagram, and it also makes use of Twitter. On the mortgage side, Instagram, LinkedIn and Facebook are important outlets. In the mortgage operation, social media is viewed not just as a way to connect with customers, but also with real estate agents who can be a powerful source of referral business, Thompson says. Instagram, with its strong visual focus, also appeals to a young demographic, which happens to include a lot of the bank’s loan officers.



Conclusion

Building customer connections. Empowering top producers. Publishing engaging content. Targeting key audiences with paid advertising. Staying on the right path with compliance. These are just some of the reasons banks are turning to Denim Social for its turnkey social media marketing solutions.

While most banks are already pursuing a social media strategy, many are underusing its capabilities, Wilber said. But as competitive pressures mount, it's prudent for banks to take a fresh look. Effective social media is more than announce when branches are closing for the holidays and or fielding complaints about an out-of-service ATM.

“Banks can flip the switch and go on the offensive by using social media as a business development tool,” Wilber says. Competition for loans is at a fever pitch, with community banks under pressure from their peers, from large banks and from a growing assortment of fintechs. By harnessing social media, banks can help their top producers drive deal flow.

Denim Social continues to fine-tune its offerings. Current plans including expanding analytics to “make more insightful recommendations about what topics banks should be talking about as they share content,” Wilber said.

“A strong social media marketing strategy is an excellent means of collecting and acting on valuable data, and with the right approach, it can be easy to pull off at scale,” Wilber added.



About Denim Social

Denim Social is a Software as a Service (SaaS) provider that powers social selling programs. Its platform helps brands empower their intermediaries to compliantly communicate, share and sell on their social channels of choice. Trusted by more than 250 institutions in banking, insurance, mortgage and wealth management, Denim Social supports compliant organic social media publishing, paid social media advertising and content distribution. Denim Social is the only ABA-endorsed social media management platform for banks and financial services firms. Learn more at DenimSocial.com.



