



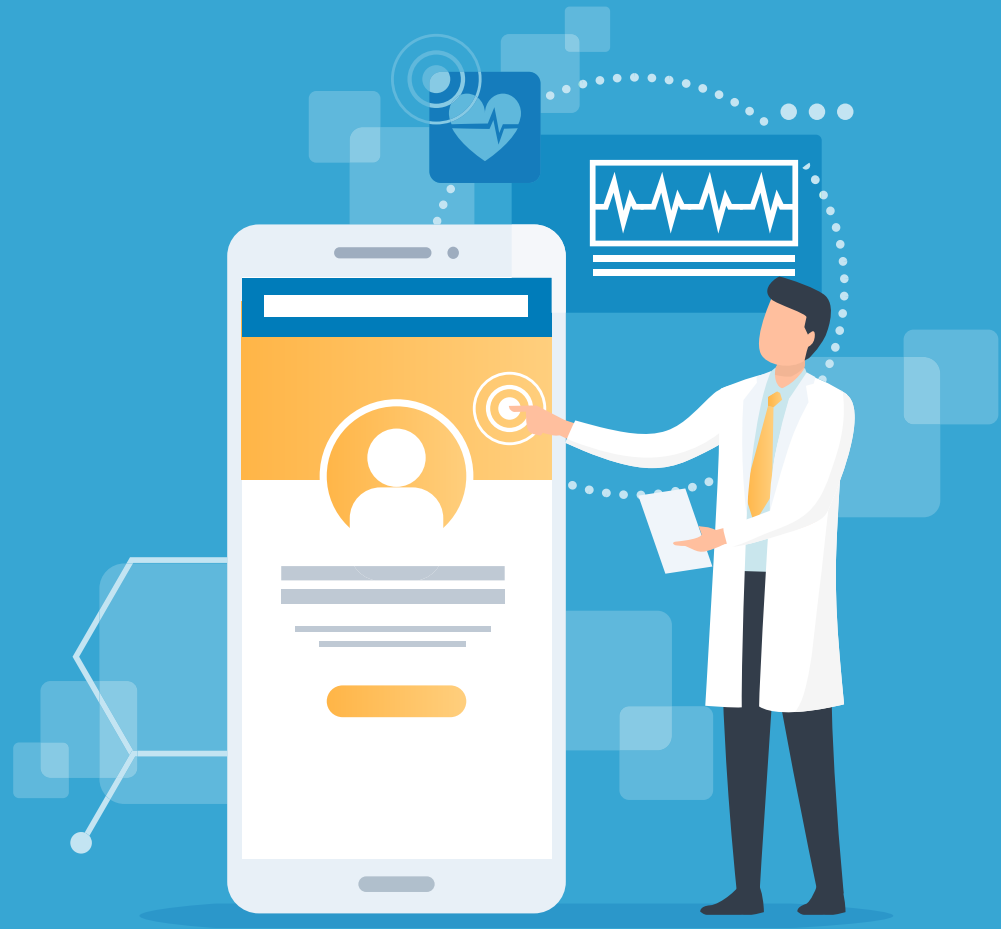
SOCIAL MEDIA

Compliance Check-Up

You've probably heard it before -- compliance is a constantly moving and evolving practice. And when you combine the shifting nature of compliance with the lightning-fast pace of social media change, your marketing team's policies and practices could unwittingly be out of date. Even worse, out of date could mean you're also exposing your financial institution to risk.

Just as an annual physical can keep your body running in tip-top shape, so too can a social media compliance check-up. Taking the time to review and assess your practice could save you serious headaches later!

This guide will help you think about your all-important social media policy and thoughtfully consider how changes in social media tech and even your bank's structure may impact compliance.



Read this guide if you're asking yourself:

Is my social media policy current and comprehensive?

How do I ensure social media compliance during M&A?

What do I need to consider for direct messaging compliance?

Your Social Media Policy

Is Your Bank's Social Media Policy Compliant? Here's What the FFIEC Says:

Today's financial institutions are faced with a dilemma. They can't afford to not empower their employees to engage customers via a social selling strategy, but their electronic communication is heavily regulated by the FFIEC and FINRA, and failure to comply doesn't come cheap.

Thankfully, a well-defined social media policy (and the right tools) can help your bank stay within the boundaries of compliance while also turning your employees into your company's best advocates.

WHY A SOCIAL MEDIA POLICY IS WORTH THE EFFORT

Social selling has grown popular for one simple reason: It works. Consumers trust content that your employees share on social media way more than they trust content posted from your brand's page. Although it's not in the financial sector, Whole Foods proved just how powerful social selling could be a few years ago. The company asked employees to share the same post it shared on its brand page and determined that posts shared from employees' personal pages generated [eight times more engagement](#).

Employees are able to give branded content a more relatable voice because, well, they're living, breathing humans. However, humans are inherently imperfect, and while Whole Foods doesn't necessarily have to worry about the regulatory ramifications of a well-intentioned but non-compliant post, banks certainly do. That's why even if a social media policy wasn't explicitly required by the FFIEC — which it is — it would be a fantastic idea for your bank to craft one.

DON'T SET IT AND FORGET IT

Social media policies are an important requirement for banks, and regulations closely dictate what needs to be included. But banks should go a step further to be sure they're making the most of this tool. So once you've crafted your policy, review and update it regularly to account for staffing changes, tool technology updates, and key insights from your ongoing social media activity.

Additionally, a coordinated social media workflow and robust employee training program are must-haves. Your policy should outline individual roles and responsibilities in the reviewing, approving, and posting process. Train employees on what constitutes approved content, and have a clearly defined approval workflow to quickly review their posts and comments. Consider also providing preapproved content for employees to post at will.

A good social media policy isn't just an FFIEC requirement; it's necessary for banks to be as present as their customers demand without stepping out of bounds. With these few tips in mind and your social media policy in place, your bank can be social selling before you know it.

Social media has a pulse, and your policy has to be living and breathing to keep up with it.

A Policy Primer

SO WHAT DOES YOUR SOCIAL MEDIA POLICY NEED TO INCLUDE?

Per the FFIEC's "[Social Media: Consumer Compliance Risk Management Guidance](#)," your policy should include:

- ✓ A governance structure with clear roles and responsibilities
- ✓ A risk management process for selecting and managing third-party relationships in connection with social media
- ✓ Audit and compliance functions to ensure ongoing compliance with internal policies and all applicable laws and regulations
- ✓ An employee training program that incorporates the institution's policies and procedures
- ✓ Parameters for providing appropriate reporting... that enables periodic evaluation of the effectiveness of the social media program
- ✓ An oversight process for monitoring information posted to proprietary social media sites administered by the financial institution or a contracted third party
- ✓ Policies and procedures regarding the use and monitoring of social media



Undergoing An M&A?

Here Are 4 Key Social Media Considerations

Earlier this year, BB&T and SunTrust Banks announced that they would be merging. Combined, they created the sixth-largest bank in the United States. With big banks growing more powerful by the day, regional banks have started to realize that if they hope to compete, they need to consider their own M&A options.

There's much to consider in a merger — and social media should be near the top of the list. Social channels are often a bank's first line of communication with customers, so don't get caught up in the excitement and let it become an afterthought. Whether your bank is acquiring or being acquired, it's vital to maintain connections to the community and reinforce commitment to customers -- and social media can help. If your bank is contemplating or going through a merger, be sure to take the following points into consideration.

1

INTEGRATE WORK-FLOWS AND SOCIAL MEDIA POLICIES

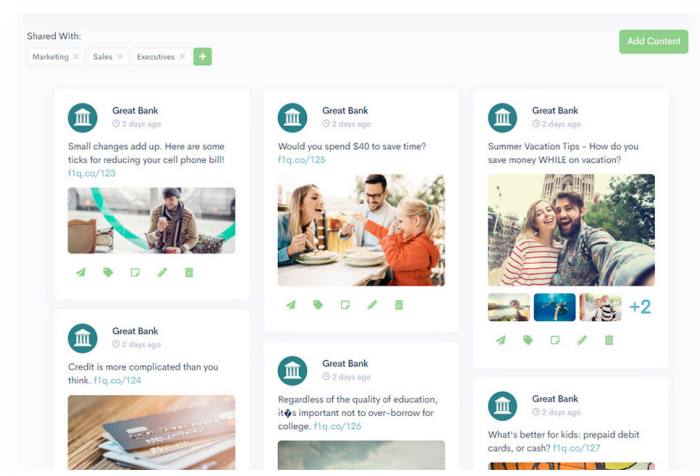
Social media approval processes and workflows are rarely the same across different companies. When merging, examine both parties' workflows, pinpoint differences, and marry the two to create a new one. Because social policies are mandated by the FFIEC, it's likely that both parties will have one — but just like workflows, there will be important differences.

Again, examine each policy for these differences, then create a new policy that reconciles them and streamlines guidance. Be sure to include the workflow processes, guidelines like when employees can post and what they can say to customers in direct messages, and any other important information about your brand messaging.

2

CREATE BRAND AND CONTENT CONSISTENCY

When two companies merge, it usually means more than just a name change. It also means a brand overhaul. The name change will be reflected in your new social media channels as well as any brand mark and logo updates. Social media is a great way to publicly communicate branding, and a consistent narrative helps create trust and a sense of order for customers who may be worried about their assets during a change. They're looking for straightforward answers, and that means it's imperative that all parties are rowing in the same direction. This is where a content library comes in handy: It can not only help keep your brand messaging consistent, but also compliant.



By populating your content library with preapproved messaging that's shared company wide, employees will be able to share branded content on their social networks without worrying about compliance concerns or brand misalignment. Make it easy for employees to maintain a clear, accurate message about the brand and the merger.



3

PRIORITIZE PROPER ARCHIVING

Archiving all social media posts and engagement is important for compliance. However, it will be especially important during a merger for tracking complaints that could relate to the Community Reinvestment Act, which requires that banks retain comments made on sites that are run by or on behalf of the bank that specifically relate to its performance in helping to meet community credit needs.

Customer complaints, concerns, and responses can skyrocket during a merger, and banks need to keep accurate, up-to-date records of those responses. Doing so manually, however, is nearly impossible. Fortunately, digital social media platforms can automate archiving, so you don't have to keep track of disparate compliance records. Every post, comment, and response from every employee will be digitally archived, including posts that employees share on their personal accounts on behalf of your bank.



4

TRACK, MEASURE, AND MONITOR AUDIENCE RECEPTION

To formulate your new communication strategy post-merger, you must measure and monitor activity on both parties' social media channels throughout the merging process. People will inevitably talk, and you need to know what customers find positive, frustrating, worrisome, etc.—as well as what they appreciate about your bank's messaging.

Tracking and monitoring every mention of your bank or merger on every social media channel is overwhelming without the help of the right social media management software. Find something that not only tracks mentions, but also categorizes those mentions so you can accurately gauge the public's perception.

It's easy to get swept up in and overwhelmed by all the hubbub of a merger, but remember that your customers are watching you. Don't let your social media strategy fall by the wayside. Even when things are hectic, you have to maintain a solid social presence for your customers, and that presence has to remain compliant. Fortunately, the right tools can help.

Direct Messaging Is a Great Idea for Banks.

Here Are 3 Tips to Make It Compliant.

By now, most banks have realized the need for an effective social strategy to engage their customers. But simply being on social isn't enough. Now, bank employees need to be available for immediate two-way dialogue with customers through direct messaging.

After all, [24% of consumers born between 1981 and 1999](#) identify social media and messaging over the internet as their favorite channels of communication, with emails and text messages followed closed behind (21%). It's clear that direct messaging is an important form of communication. If your financial institution isn't using it, it's missing a big "in" with customers.

How to Build a Compliant Direct Messaging Strategy

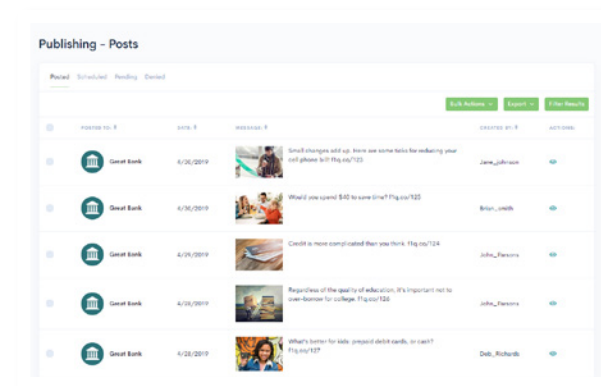
While direct messaging opens a lot of doors, it also increases the possibility of violating important compliance rules. The good news is that you can enable convenient two-way dialogue between your employees and your customers without compromising compliance.

Despite the spontaneous nature of social media, your bank is still responsible for safeguarding users' privacy and adhering to regulations. In addition to typical marketing guidelines on social media, you also have to protect all incoming communications. Therefore, your social selling strategy should be guided by a policy that balances privacy and open communication. If you want to take advantage of direct messaging, fold it into your social media policy by addressing its uniquely fast nature. Start with these few tips:

1

UPDATE YOUR POLICY AND ARCHIVE EVERYTHING.

A social media policy that takes privacy and regulation into account isn't just a good idea; it's mandated by the FFIEC. Direct messaging needs to be covered in this policy. Have guidelines for when and how employees should respond to direct messages, explain possible violations clearly, and detail the consequences of those violations. Your efforts to remain compliant will mean nothing, however, if you can't prove compliance. [FINRA's Regulatory Notice 10-06](#) dictates that financial institutions that communicate with consumers via social media or other online sites [must retain records of the correspondence](#). When regulators request proof that you've followed proper protocol, you'll want to make sure you have what they need.



Keeping a full archive of all digital communication between employees and consumers may seem time-consuming — and without the right tools, it is — but an auto-archiving tool can automatically record every piece of correspondence (including usernames and time stamps) to ensure accountability and prove compliance.



2

REVISIT SOCIAL MEDIA TRAINING FOR EMPLOYEES.

Armed with a compliance-oriented social media policy, employees will be better able to understand the nuances of compliant direct messaging. As an immediate two-way communication channel, social media messaging is equal parts marketing and customer service. So train employees on what an approved message looks like, new security protocols, and new compliance concerns before you let them loose.

Because it's just as much about customer service as it is marketing, issues will come up, so institute protocols to address them in real time. Draft a plan to manage common customer concerns and complaints, and provide pre-approved responses for employees to use. For the inevitable unforeseen problems, have a clear internal workflow process so you can address curveballs as quickly as possible.



3

PROTECT CONSUMERS' INFORMATION.

Aside from meeting regulations with direct messaging, banks should also understand that they have a responsibility to keep consumers' data and information secure. In a Pew Research survey, 74% of consumers said it was "very important" for them to be in control of the data collected about them, yet only 9% reported feeling confident that they had that control.

Build consumers' trust by guaranteeing that you'll protect the information they share. Be sure your social media policy highlights the importance of keeping consumers' information secure, and have a procedure in place for handling privacy issues. For example, employees should know exactly what to do if a customer shares confidential information such as a Social Security number.

Direct messaging isn't just hype anymore; it's quickly growing into consumers' preferred communication channel. It can offer your customers an easy-to-use tool for interacting with your employees — but only if you take the correct security and compliance measures.

Denim Social

Tools For Success

Whether you're firing up a social selling plan, trying to stay above water during M&A or simply dusting off your social media policy, remember that compliance needs to evolve, too.

FEELING INSPIRED? OR MAYBE OVERWHELMED?

If you've got some compliance work to do, there are tools that can make your job a lot easier. The Denim Social team is here to help.

LEARN MORE

[Schedule a demo](#) to learn more and see the tools that can help you manage social media and stay compliant.

