

## Social Anxiety

*The possibilities and pitfalls of social media for community institutions*

### **FOR community institutions**

facing stagnant margin growth and increased competition on multiple fronts, the prospect of maintaining an active presence on social media may be far down the list of pressing business priorities. Add in the potential barriers to entry – from limited resources to a lack of knowledge to compliance concerns – and social media can suddenly seem like a lot of work and a lot of potential headaches for a tool that may not offer any clear, tangible benefits for the institution.

However, the argument on the other side of the debate may get to the heart of what a community institution is all about in the first place – that is, social media these days is as much of a vibrant and real (albeit virtual) community as any town or geographic area. In other words, at a time when they can ill afford to ignore potential new customers, institutions may in essence be turning their backs on a growing portion of their “communities” by opting out of social media.

“Social media today is the new word of mouth,” says Jeff Harper, president of BSG Financial Group. “A few decades ago if you had a good or bad experience at the bank or credit union, you would tell your neighbors in the driveway or maybe your friends or family over the phone. But today, with very little effort – literally a few taps on

a phone screen – an experience can spread very quickly over social media, and it’s these experiences that have the potential to make or break businesses. So why would you ever choose to ignore them?”

### **Getting Started on Social**

While not every institution will choose to test the waters of social media by jumping in with both feet, Harper believes that at the very least they should be aware of the conversations that are going on around them.

“The idea of getting started on social media can be intimidating or overwhelming for institutions that haven’t done it before, so many simply decide to do nothing,” Harper says. “However, at the very least it’s important to be an active ‘listener’ to social media, even if you don’t participate with responses or content of your own. Chances are someone is mentioning your institution on social media. Why not be listening? Once you get more comfortable with listening, you might decide you want to join the conversation.”

For those institutions that decide to join the conversation, it’s not as simple as setting up a Facebook account and hoping good things happen. Like any other business decision, a move into social media requires careful planning and analysis. Harper says that

institutions should observe several broad best practices with regard to establishing their social media presence, including:

### **Establish a social media policy**

A document laying out goals, practices and responsibilities will be useful not only for staff, but examiners as well (see sidebar). Even if the ultimate decision is for the institution to not be active on social media, having that fact memorialized as policy is always a good idea.

### **Listen**

Monitor the institution’s reputation across social channels and the web, and have a plan for dealing with issues that may arise – even if you aren’t active on social networks. In addition to listening for mentions of your own institution, you can also monitor social media for mentions of vendors and competitors as well.

### **Take advantage of technology**

Especially if staff resources are stretched thin, tools specifically designed for the financial industry to help efficiently manage social media and stay compliant may be worth exploring.

### **Be timely**

What’s worse than not participating on social media? Participating, but not staying on top of it. One of the benefits and drawbacks of social

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media is its real-time immediacy. For better or worse, customers expect lightning-fast responses on social media, so be prepared to respond right away.

program draws on the entire team for different types of expertise," Harper explains. "Ideally, the team will include an administrator or two, along with representatives from

and has established a clear social media policy, discussions need to get much more specific about where to post (see sidebar on page 5), what to post and how often to post. These considerations naturally lead to the question of content.

## *Chances are someone is mentioning your institution on social media. Why not be listening?*

*Jeff Harper, President – BSG Financial Group*

Harper says that while all of the above practices are important, the establishment of a social media policy is without question the one that is absolutely essential. Not only does a policy clearly lay out what the institution intends to convey via social media and helps tie it in to larger organizational goals and strategy, it helps bring everyone together with one vision.

"A well-executed social media

marketing, legal, IT, HR and customer service, with each team member having a specific role and contribution. Not only is this kind of team concept especially helpful for content creation, but it also refers back to the FFIEC guidance calling for a social media policy and plan that outlines who is responsible for what."

### **Content Concerns**

Once an institution has decided to actively participate on social media

While some institutions are perfectly satisfied with simply maintaining a social media presence with straightforward customer updates (branch hours, closings, etc.), philanthropic efforts and community announcements, others prefer a more robust social strategy that might include product promotions, thought leadership or financial education. The key is to determine exactly what the institution is looking to communicate with its social media content, rather than posting haphazardly and hoping for the best.

"Content is what makes people

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## Social Hubs

Not every social media outlet is a good fit for financial institutions, and even those that do have appeal for the industry won't necessarily fit into every institution's social media strategy. With those qualifiers in mind, Jeff Harper says that the following social media outlets tend to be the most widely and most successfully utilized among financial institutions.

### **Facebook**

Harper says the world's most popular social media platform offers institutions all the space they need to really build a social community, resulting in more content options. Potential uses include announcements about partnerships, sponsorships, community events, etc.

### **Twitter**

While the platform's 140-character limit obviously limits how much you can say, Harper says Twitter is a quick and easy way to shoot out timely information, link to more extensive content elsewhere and connect on a one-to-one basis with customers. "This is a great place to post outgoing messages about holiday schedules, website issues, community involvement, etc. It's also a platform where customers can easily reach out to you with a question and you can respond quickly."

### **LinkedIn**

If one of the institution's goals on social media is to recognize employees, find good new hires

or support local business partners, Harper says LinkedIn can be a good option.

"LinkedIn is a great way to show how much you appreciate your team and attract the best candidates going forward," he explains. "It also creates relevance among other network members."

### **YouTube**

Before dismissing the massive video site as little more than a place to waste time watching cats chase light beams and teens skateboard off of garage roofs, Harper says institutions should consider the possibilities of reaching new and existing customers with commercials, tutorials and educational videos.

interact with your brand and keeps them coming back for more," Harper says. "However, keeping your content fresh and compelling on social media is often easier said than done. Customers want multiple ways to consume information, so one idea is to constantly re-create your most popular content into other types of digestible bits. For instance, a speech your CEO made can be posted as a video, but a significant point in the speech might also work as a chart or graph that conveys the same information but in a different way."

Harper further recommends keeping a number of other basic go-to rules in mind when creating content for social media, including:

- Focusing on content that is meaningful (such as financial tips

or advice), specific, easy to consume, actionable and not too sales-y

- Interspersing educational content with news about the institution's involvement in the local area, school presentations, scholarships, sponsorships and spotlights on local business partners
- Customizing content to maximize the benefits of each social media network, from the obvious 140-character restriction of Twitter to the networking nature of LinkedIn

So is social media a must-do for every community institution? If not already than very soon, Harper believes, because institutions can't afford to get left behind as their customers spend ever more time in

the social realm.

"You might look at the added work or the compliance requirements and ask yourself, 'why do I need to do this? Isn't it just more work and more opportunity for risk?' But if your customer base can find your institution on social networks, that just makes you more real and more relevant." ■

## Doing Right by the Regulators

While they may be enthused by the potential of social media, the last thing most community institutions are eager to sign on for is more regulation. But like most of their other activities, social media too has its own set of compliance considerations, largely outlined in FFIEC guidance from December of 2013 that includes the following specific requirements:

- A governance structure with clear roles and responsibilities, directing how using social media contributes to the institution's strategic goals
- Policies and procedures regarding the use and monitoring of social media, including compliance with applicable consumer

protection laws and regulations

- A risk management process for third-party relationships
- An employee training program
- An oversight process for monitoring information on social media sites
- Audit and compliance functions to ensure ongoing compliance
- Parameters for providing appropriate reporting and evaluation of the social media program's effectiveness

A link to the FFIEC social media guidance is available in the online edition of *FMS Update* at [www.fmsinc.org](http://www.fmsinc.org).

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