Social Speaking

by Steve Brown

The biggest of the social media platforms is Facebook, which launched in 2004 and now has about 1.6B users worldwide. That is about 23% of the total population globally or about 1 in 5-ish. Given the power of online platforms to connect people with one another, it is no wonder that social media has exploded.

For bankers seeking small business customers, the attraction of LinkedIn has also increased over the years as a way to do so. In fact, LinkedIn boasts 433mm cumulative members at the end of Q1, making the company the worlds largest professional network. That is amazing when you consider that it originally started as little more than an online rolodex and way for job seekers to connect with potential employers.

It has evolved a lot since those early years and now offers targeted advertising to members, sponsored content, dynamic ads, job recruiter tools, job openings, recruiting advertising and social selling (lead generation, sales prospecting), among various products and services.

Bankers and customers alike can control their individual profiles and leverage those profiles to connect with possible customers, peers and others in the world of business.

Today in fact, there are more than 4mm company pages on LinkedIn, representing about 17% of US businesses. Many in this group use the platform to actively market themselves and expand their branding.

Unlike traditional advertising where too much information can be off-putting and prohibitively expensive to produce, the idea behind LinkedIn is to be more targeted in your approach. Potential customers only click on the things they are actually interested in learning about, generating you warmer leads in real time.

Banks are also expanding their brand by making sure the product tabs for the bank's profile page include as much detailed information as possible about the various products and services offered. This is also where banks can highlight even more to help set your bank apart from the competition.

Other areas where banks are tinkering here is on the credit side of the fence. American Banker even ran an article on this subject late last year that discussed whether or not leveraging data from the social world could not only provide an advantage but also perhaps be a better credit barometer than basic loan applications. The author put forth that people who regularly update their profile may also behave in a certain and more predictable way when it comes to paying back their debts. We are not sure this is causal, but it does point out the huge amount of research going on right now by the biggest banks and online lenders to try and gain an edge. Over time, who knows where it may go.

Given so many ways these days that a customer or potential can interact with your bank, we find bankers constantly adjusting and refining their approaches. Customer behavior is tricky and it changes quickly and sometimes based on industry subsector, demographics or other factors so bankers must constantly test and retest to gain an advantage. Whether that means sending your teams online to search or to the local Starbucks or both, it means community bankers remain busy.

No matter what you do to capture customers or where you go to do it, we wish you luck along the way and know your persistence will eventually pay off.

BANK NEWS

Bad Trend

J.D. Power & Associates reports that for the first time in 11Ys, the largest banks have outscored the smaller banks in customer satisfaction. Analysts say the shift is due to the generational change in the workplace and the fact that younger people prefer digital delivery seen more commonly at the largest banks (so tend to stay there).

Fintech Pressure

All is not good in the financial technology world right now as pressures continue to mount. Consider that Square shares tanked 20% after it reported a larger than expected quarterly loss. Meanwhile, the CEO of online lending marketplace LendingClub resigned after the company said an internal review found sales of $22mm in low credit score loans were sold outside the criteria of the investor who purchased the loans. LendingClub's shares are down about 56% in the past 12 months.

M&A Activity

1) The Farmers National Bank of Canfield ($1.9B, OH) will acquire Bowers Insurance Agency for an undisclosed sum. Bowers has annual revenues of about $2mm.

Closure (#3)

The FDIC closed First CornerStone Bank ($107mm, PA) and sold it to First-Citizens Bank & Trust Co ($31.3B, NC) under a purchase and assumption agreement.

College Shift

Things are now so bad out there that a survey by Discover Financial Services finds about 48% of parents say kids should pay all or a portion of the cost of college vs. only 39% just 4Ys ago - a 23% jump.

Regulatory Costs

Research from the National Association of Home Builders finds the average cost for home builders to comply with regulations for new home construction has increased by 30% over the past 5Ys.