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# EVOLVING USES FOR SOCIAL MEDIA



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# 6 EVOLVING USES FOR SOCIAL MEDIA

*Credit unions concerned only with hard-dollar ROI are missing the point of social media. These channels offer nontraditional ways to interact with members. Interra Credit Union (\$720.0M, Goshen, IN) and BECU (\$13.0B, Seattle, WA) get that, and here they outline six ways to mine extra value from social media investments.*

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BY AARON PUGH

When social media first arrived on the scene in the 2000s, experts touted how credit unions absolutely, positively needed a presence in these new channels. But once on board, many institutions — particularly those looking to directly glean a traditionally defined ROI from these interactions — were left scratching their heads and asking, “What now?”

Interra Credit Union (\$720.0M, Goshen, IN) and BECU (\$13.0B, Seattle, WA) have little in common. Aside from the great difference in their asset and membership size, Interra also serves a mix of urban and rural areas and demographics, including members of the local Amish community, while BECU started out as a credit union for Boeing workers and continues to serve a predominantly high-tech-oriented membership today.

Yet with roughly a decade of combined social media experience between them — running the gamut of Facebook, Twitter, Instagram, Pinterest, and Yelp — these two top-performing financial institutions do share an understanding of how to get the best value from low-cost social channels.

“Our staff really had to develop and present a business case to our leadership before they were able to implement any social media,” says Karen Steffensen, chief marketing officer at Interra. “For us, having that foundation and our desired outcomes set in advance has been key.”

At BECU, where social media has been a learning process, the ultimate goal of these interactions is to build a sense of community online and connect that group to the credit union’s actual community offline.

“Our initial social strategy was built on four pillars: listen, learn, interact, and share,” says Tom Berquist, the credit union’s senior vice president of member

strategies. “The first step was to start listening to what members and consumers were saying about BECU, and we did this by subscribing to a listening platform from Radian6. Then, based on what we learned, we determined how and when we should interact with them. The last step was focusing on how to more proactively share our brand through our social sites.”

Below, we profile several nontraditional activities that these two institutions have successfully deployed to mine extra value out of each and every log-in, like, follow, comment, and retweet, as well as highlight some additional, untapped opportunities available to credit unions within the social media pantheon.

## A FACE FOR THE BRAND

If you do a quick search for Interra’s Facebook page, you’ll probably find another account simply labeled Collette at Interra. This informal page run by Collette Troyer, a marketing specialist at the credit union, successfully blurs the lines between Interra the brand and the people behind it.

“When we started with Facebook, we knew we needed someone who really used it themselves and understood what the voice and engagement of that channel was,” says Steffensen. “But the next step for us was really having someone who could take ownership of that.”

In some ways, Troyer acts as a content aggregator, pulling information from both internal and external sources and filtering it through the context of what a social media user would find helpful.

As a result, these interactions come across as more authentic, and consequently more effective, than if the credit union was merely trying to promote its own products and services through an official spokesperson.

“If someone does post a critique or something negative but it’s not offensive, we leave it up because that’s an important part of maintaining the authenticity of our channels.”



“I’ll take any interesting posts that I think the friends of Collete at Interra would like to see, such as budgeting best practices, and put my own spin on it,” Troyer says. “Other times, I may just be sending people messages wishing them a happy birthday. The account is always morphing into something new based on what people are interested in and responding to.”

#### PROMOTIONS ON A BUDGET

While they often go unused by financial institutions, third-party social media applications can create a wealth of new efficiencies, engagement opportunities, and business purposes within these channels.

“We use a local provider to create tabs on Facebook for our newsletters, alerts, special promotions, seminars, webinars, and anything else we want to promote,” Troyer says. This format allows users to easily like, share, or even transfer content among many different social media venues.

One of the main ways Interra itself deploys this enhanced interactivity is through its monthly social media contests.

“We can set these up in different ways, so that a person has to like our page to enroll in the contest or they get additional entries for each friend they share it with,” Troyer explains.

For example, last Easter, the credit union bought a \$50 candy basket, took a picture of it on Instagram, linked it through Facebook, and tied it to a quiz asking how many people only eat the ears off of their chocolate rabbits. In all, the campaign reached roughly 7,800 people and generated around 345 entries and 40 likes.

Both Interra and BECU have also successfully deployed promotions that allowed members to upload photos of outdated or messy portions of their homes on sites like Instagram or Pinterest and win money to makeover that property, which helps to educate and create a buzz about the credit unions’ respective HELOC products.

“For our contest, you had to be a member to enter, but anyone could cast a vote,” Steffensen says. “That allowed us to successfully get in front of people who had never really heard of us before.”

#### PROBLEM RESOLUTION

A generation ago a member’s first instinct would have been to dial the call center or visit a branch to resolve an issue, but today’s members are more likely to make a beeline to their favorite online community in order to vent.

“If someone does post a critique or something negative but it’s not offensive, we leave it up because that’s an important part of maintaining the authenticity of our channels,” Steffensen says.

At the same time, these critiques also give the credit union a viable, visible opportunity to address and correct negative impressions, which might have festered in a less accessible channel if the problem wasn’t resolved.

One of the first investments BECU made in its social media efforts was a listening tool that constantly tracks any mention of the credit union across multiple sites.

“Social members tend to be engaged with the credit union, so there’s often a service response element involved in their post,” Berquist says. “For localized issues, we’ve developed processes to quickly respond to these folks with the right answer or, if needed, divert them off of the social channel to a contact center or branch.”

For example, if a member has a problem with an account, BECU migrates that discussion to avoid the risk of the member posting sensitive information online.

When a scenario is more widespread, social media offers another environment outside of BECU’s own website to acknowledge the issue and show how the credit union is actively addressing it.

At Interra, social media staff members receive a small stipend to monitor these channels and follow up on comments, particularly after business hours and on weekends.

Sometimes, these members may not even have a problem but just want to get information in a more convenient way than visiting a branch or contacting a call center.

“People will frequently contact me though Facebook or Twitter messaging just to ask questions about Interra or get pointed in the right direction for their needs,” Troyer says.

## BUSINESS INTELLIGENCE

The same third-party features that allow for votes and surveys in online contests can also be deployed by credit unions as a critical intelligence-gathering tool.

From surveys on what products or services you could improve or introduce to general crowdsourcing, social channels can allow direct access to public and member sentiments and ensure more democratic access for members in everyday decision making.

“We have a program called the People Helping People Awards where we give out around \$100,000 worth of grants, and we use Facebook comments to allow members to nominate nonprofits and determine where that money should go,” Berquist says.

BECU also tries to present content that encourages discussions and gets people talking about their particular needs. From those conversations, the credit union is often able to respond with custom offers based on what members indicated they needed. Those offers typically receive a much higher acceptance rate than other traditionally marketed ones.

At times, social commentary at BECU has driven particular infrastructure investments, such as adding its own or a partner’s ATMs at the credit union’s self-service locations to make access more convenient.

Segmentation and specificity are the keys to making these social dialogues actionable, Berquist advises. For example, each of BECU’s branches currently has its own dedicated Yelp page, which allows the credit union to separate issues and opportunities in a more localized, actionable way.

## RECRUITMENT

Perhaps one of the most valuable resources that a credit union can acquire from social media is its next key employee or institutional leader.

According to the 2012 Social Job Seeker Survey from Jobvite, 76% of employees and a whopping 92% of employers reported using social media to find their next job or new hire.

LinkedIn was rated the most valuable channel, as

it was used by 93% of companies with an 89% success rate. However, roughly two thirds of companies reported using Facebook (with a 25% success rate), and more than half have used Twitter (with a 15% success rate).

“Sought-after, higher skilled, and educated professionals are becoming much more passive in their career management,” said Dan Finnigan, the CEO of Jobvite, in a press release about these findings. “As a result, recruiters are finding that the talent they seek isn’t where it used to be.”

And it’s not just employees who are migrating to social channels to uncover new opportunities. Consumers also rely heavily on reviews and the commentary of others when selecting their financial institution.

“At Interra, we plan to offer online account opening by the end of the year and this will create an easy, natural next step for those people who find us through social channels,” Steffensen says.

## GENUINE TESTIMONIALS FOR AD CAMPAIGNS

BECU has used members in its advertisements since 2007, but last year it began asking individuals who had posted positive comments on social channels if it could use those comments for some of its advertising campaigns.

“BECU has always been fortunate enough to see mostly positive comments, both on our sites and third-party sites such as Yelp,” Berquist says. “So we were trying to figure out how we might better leverage that commentary and combine this new media with our traditional advertising.”

By piecing together clips of people sharing their genuine thoughts about the credit union, BECU created a candid view of the co-op, avoiding the canned feel of more traditional testimonials.

“There was no script, just their original comments made on those social networks, but we found that once they started talking about BECU, they just kept going, and it created a whole additional layer of content that we weren’t expecting but proved valuable,” Berquist says.

This approach not only reduced some of the ads’ production costs but also helped motivate nonmember-facing employees by demonstrating that these success stories do exist and that the staff’s daily efforts really matter.

“These comments are something our employees can actually see rather than just read about in a report,” Berquist says. 🌐

# ONLY VIDEO APPLICANTS NEED APPLY

*To attract a special kind of employee to attract members from the mobile generation, Listerhill Credit Union (\$657.9M, Sheffield, AL) asks applicants to submit videos that became a clever marketing tool, in addition to a standard resume. The credit union even offers to help applicants put together the video portion of the application if necessary.*

BY DREW GROSSMAN

When Listerhill Credit Union (\$657.9M, Sheffield, AL) opened a campus branch at the University of North Alabama in 2010, the cooperative knew it needed a special kind of employee to attract members from the mobile generation. Affectionately known as The Hill, the branch already had the ambiance. Smack in the middle of the student commons and open on all sides, the branch is more student hangout than stuffy financial institution, complete with couches, a TV, a charging station, and an eating area.

Instead of ordinary tellers, a team of universal employees called financial gurus staff the student-run branch, which also has a manager. Like a credit union version of Apple store geniuses, gurus offer quick and easy expertise, doing anything for campus members that can be done at a regular branch, says Ann Davis, vice president of human resources at Listerhill.

But such a high-profile, front-line position also meant rethinking how students should apply for those jobs. Consequently, in addition to a standard resume, Listerhill asks applicants to submit a video application as well. The credit union even offers to help applicants put together the video portion of the application if necessary.

“We were looking for a certain personality type, outgoing and easy to talk to,” says Kristen Mashburn, vice president of marketing at Listerhill. “It’s easier to see that on video.”

## VIDEO APPLICATIONS WITH STYLE

The videos show tons of personality and are downright clever, with most taking a

page out of “Saturday Night Live” using songs, spoofs, and skits. One video applicant even posed as a caped superheroine — Listergirl — offering her services to the credit union so that together they can “save the world from bank fees.”

The idea to use video applications came from the Young & Free program, an organization that 31 youth-friendly credit unions from the United States and Canada help sponsor. Each credit union in the program has a spokester, who represents the young people in that cooperative’s state.

In 2009, when Listerhill served as Alabama’s Young & Free credit union, it started accepting video applications from 18-to-25-year-olds who wanted to be the spokester. Chris Anderson submitted the winning video application, complete with a catchy tune that he co-wrote and helped sing, to become spokester for Listerhill’s Young & Free campaign. After graduation, Anderson joined the credit union’s marketing department and now works as marketing manager for Listerhill.

After the success of the Young & Free application process, Listerhill decided to use the same tactic in 2010 to find staff for its new on-campus branch, and Anderson, who by then had become part of the Listerhill marketing team, made a video to launch the financial guru search. He even gave applicants tips, suggesting they make the video entertaining and just have a good time with it.

## A BUILT-IN MARKETING TOOL

There was an added benefit of collection video applications — free marketing.

Because students shared their application videos with friends and family, Listerhill became the beneficiary of a waterfall of good publicity. Those video applications helped promote Listerhill’s new presence on campus.

“We wanted to do something that would build recognition,” Mashburn says. “Something that would be interesting and get students involved.”

The videos were the perfect tool, simultaneously bringing quality applicants while announcing to everyone else that Listerhill was opening a branch on campus. Meanwhile, the credit union made sure to get the word out that it was hiring.

“We had flyers all over campus and signs. We went and talked to certain classes that we thought might be more interested in those types of positions,” Mashburn says.

The credit union also gave out prizes, including an iPad for the job applicant whose video won the most votes on Listerhill’s website. The voting drove traffic to the site, bringing in even more attention to the soon to open branch.

Although the credit union doesn’t ask applicants for other positions to submit videos, the unusual application process for campus branch jobs certainly livened up things in human resources.

“From an HR standpoint, it was innovative and it was fun,” Davis says. “When your main job is reading resumes all day long, this was a fantastic change.”

Now in its fourth year, the campus branch is graduating its first batch of four year employees who started as freshman in 2010. 🎓

# SMART SEO TACTICS FOR REACHING MEMBERS

*There are more than 12,000 financial institutions competing for your members' attention. Tailoring online offerings to engage a credit union's specific membership is the key to connecting with a broader array of members through search engines.*

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BY JENNIFER ROSENBAUM

There are more than 12,000 financial institutions competing for your members' attention in the US alone, and it's a safe bet that every single one of them has a website. Fortunately, credit unions have an advantage that big banks don't — their own fields of membership. Tailoring online offerings directly to your field of membership is the key to connecting with new or existing members through search engines.

With search engine optimization (SEO), web content is tweaked according to a number of evolving rules so that the information appears among the top results on three major search engines: Google, Yahoo, and Bing. All three provide targeted results using an algorithm that determines which websites best meet the searcher's criteria.

Back in 2005, SEO functioned by matching the keywords searched with those appearing on a website. If someone searched for best credit union in Washington, DC, the top spot would go to the site that had the most instances of best credit union in Washington, DC in its text — simple as that.

Now, however, when someone types best credit union in Washington, DC, Google uses its mind-boggling powers to check that person's history online before coming up with an answer. For example, Google will check the person's Yelp reviews or YouTube views, even likes from Facebook friends. It checks which other sites the search engine user has visited, and it traces the individual's IP address to see where the person is located. In this case, the top credit union will be the one with the most likes by the searcher's Facebook friends, is near restaurants that the individual has Yelped, is located close to the person's office in Washington, DC, and serves the same SEG. Is the person consistently reading online medical journals? Then NIH Federal Credit Union is a contender. Has the

searcher pre-ordered tickets for an Army Navy game? Navy FCU comes out on top instead. Is the individual reading blogs written by federal employees? Maybe NARFE Premier is a good fit. One-size-fits-all has no place in search results, and this gives credit unions a huge opportunity to shine.

## OWN LOCAL SEARCH RESULTS THROUGH BRANCHES

It's no secret that credit unions tailor their services to suit their members' needs. Fortunately, this effort translates extremely well to SEO. The most obvious example is branch locations. Credit unions put tremendous effort into deploying a branch strategy. To reap the rewards of this strategy online, take advantage of all of the location-based business profile websites. Start with the biggest — Facebook — and trickle down to sites like Yelp, YellowPages.com, FourSquare, Google+, LinkedIn, ReachLocal, and Local.com to name a few.

By filling out listings on each of these sites, credit unions can achieve three goals at once.

- Increase online surface area by creating more opportunities for members to find them in diverse locations.
- Appear in more than just the number one spot. Why stop there when numbers two, three, four, and five are equally important? Each of these listings is a stand-alone website so if several branches are equidistant from your member's Internet connection, they will all show up in the search result, providing multiple opportunities for engagement.
- Ensure that only targeted individuals see the results. If a credit union's local listings are set up properly, it can effectively rule out people who



aren't existing or potential members.

As a bonus, this strategy also allows credit unions with a wide field of membership to have a strong presence in their members' virtual lives when a physical presence isn't always possible. InTouch Credit Union (Plano, TX, \$826.0M) had several goals in mind when it created a Facebook page for each branch. Although SEO was certainly on the radar, the goal behind this online strategy was to engage with potential and current members. By starting with Facebook instead of other listings, InTouch essentially created multiple opportunities for the credit union or one of its branches to appear on search engines. In addition, these pages helped members establish a connection with not just the credit union but their branch as well.

The positive SEO effect was a nice by-product, but the primary result was creating a virtual hub for people with an actual or potential connection to the credit union.

"If we wanted to get up to 1,000 likes overnight, we could," says VP of Marketing and E-Commerce, Tim McCoy. "However, we would have no guarantee that we'd be reaching our members or people who could be members. Just getting numbers for the sake of it would not help us reach our goals in a way that provides value to the credit union and our members."

This statement sums up the difficulty of a modern online marketing strategy because getting ranked number one doesn't necessarily produce a tangible return. But being number one for a specific financial product or service is incredibly valuable. That's how credit unions can connect with new or existing members seeking a financial service that the cooperative already provides.

## USE DIVERSE CONTENT TO CONNECT WITH MORE PEOPLE

Although local listings are the most obvious way to reach members, people typically use other financial terms in the search, such as a certain type of loan, perhaps one for a wedding or for a borrower with weak credit. Specific product offerings help financial institutions stand out to those search engine users.

Most credit union websites have sections on loans but don't draft the content about specific types of loans for SEO. Organizationally this makes sense, but it's not congruent with the way people search. As of May 2014, the most widely used online search related to loans isn't loans; it's loans for bad credit. The second most widely used search is loans with the lowest rates. When drafting the content for any website page, credit unions need to include terms such as lowest rates or bad credit to appear in response to the two most common loan-related searches. However, when

the page offers limited space for content, another option is to add a blog or create separate microsites on a related topic. A well-maintained blog on a website is just as valuable as several badly maintained microblogs or Tumblrs.

InTouch Credit Union currently maintains multiple blogs, including one on its website, and another that is in the process of moving from a separate domain. Topics run the gamut from property reclamation to the occasional health and wellness post, and the overall theme of the blogs is information that enhances financial well-being.

"For the most part we want to keep it in line with what the credit union is about," McCoy says. "We will post about rest and relaxation or physical wellness because financial health is affected by everything."

Publishing a blog and creating content that addresses multiple topics is a necessity when search results are so personalized. A potential member looking for a loan might be reading some health and wellness blogs first. Assuming two financial institutions offer the same loans but only one publishes a blog with an occasional health and wellness article, the top ranking will go to the credit union with the more diversified content because it satisfies more of the searcher's online history. By connecting with members through a variety of topics, InTouch is also working in tandem with SEO.

Like local listings, this tactic also addresses multiple goals simultaneously.

- By ranking in response to a specific term, the credit union has the chance to acquire a member just when that person needs a personal touch the most.
- Because microsites are separate URLs, the same credit union might dominate the top five spots that come up in the search engine, thereby increasing the cooperative's online surface area.
- As useful as trusted local and social media sites are, a website is the institution's primary vehicle for introducing itself to a potential member. By creating multiple websites, credit unions can ensure greater diversity among search results.

The rules for optimizing search engines are constantly evolving, but they actually follow a cooperative spirit that credit unions will recognize. The idea behind SEO is to provide users with the best search results that meet their needs. Credit unions practice this every day by adapting their products and services to the needs of their members. The challenge is taking the personal relationship credit unions have with members and transferring it online. By using certain keywords and strategically placing them on various web pages, credit unions can use search engines to expand their membership and their reach. 🌐

# ENGAGING MEMBERS WHERE THEY ARE

*In this Q&A, Don Manuel, president of APCO CUSO, and Dennis Washington, social media consultant at APCO Employees Credit Union (\$2.4B, Birmingham, AL), discuss how the credit union connects with members and the opportunity in collaborative social media.*

BY SHARON SIMPSON

**A**PCO Employees Credit Union is a \$2.4 billion financial cooperative headquartered in Birmingham, AL. The Southern credit union with a closed field of membership primarily serves employees of Alabama Power Company, although its 72,300 members also represent a variety of smaller select employee groups. At midyear, its 12-month member growth fell between its state and asset-based peers' growth — 2.61% versus 2.35% and 6.06% — however, its market penetration was notably higher. APCO Employees reached 52.82% of its possible membership as of December 31 versus 6.98% for Alabama credit unions and 8.24% for credit unions with \$1 billion or more in assets, according to Search & Analyze data on CreditUnions.com. What's more, those members hold higher balances in their accounts. The average member relationship at APCO Employees was \$41,597 at midyear versus \$13,133 for Alabama credit unions and \$19,810 for asset-based peers.

The credit union reaches and courts members in a variety of ways, including through its wholly owned CUSO, APCO CUSO, Inc. Here, Don Manuel, president and CEO of APCO CUSO, and Dennis Washington, APCO's social media consultant, discuss how the credit union connects with members today and the collaborative social media opportunity they see on the horizon.

## IS THERE A SOCIAL MEDIA OPPORTUNITY ON THE HORIZON FOR APCO'S CUSO?

**DON MANUEL:** Yes, the line of business we started most recently is a division for our social media efforts. In the past, the credit union was not up to speed in that area and we didn't have the right expertise in-house, so we outsourced it. The gentleman we brought on, Dennis Washington, has an expanded role now and has been able to take our social media efforts to another level. In a matter of six months, our Facebook likes have quadrupled and we've been able to improve on-line communications with our members. Dennis works for the CUSO and currently handles all of APCO Employees Credit Union's social media channels including Facebook, Twitter, and our new Blog, APCO news. Our goal is to offer this service to other credit unions.

## HOW LONG HAS THE CUSO BEEN INVOLVED IN SOCIAL MEDIA?

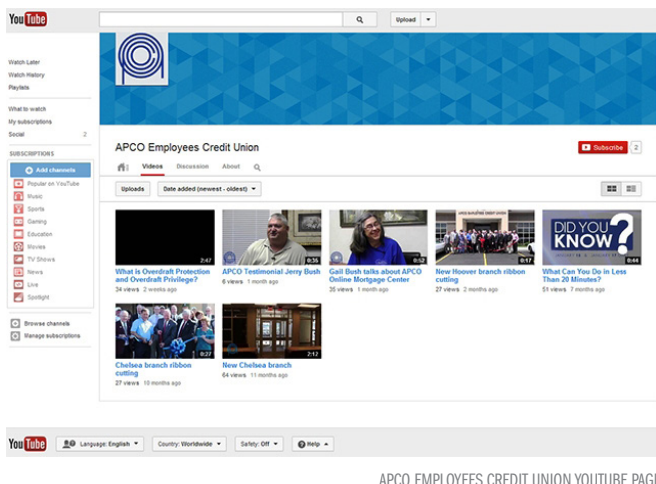
**DM:** We started in the summer of 2012. We are definitely still learning. It is an area you have to be on top of on a daily basis. Members ask questions and we have to answer them. It takes an expert to do that and coordinate [the other channels].

## HOW DID YOU DECIDE WHICH SITES APCO SHOULD HAVE A PRESENCE ON?

**DENNIS WASHINGTON:** Some of the larger social media sites like Facebook were pretty obvious to us because of the amount of traffic that is already there. We also thought Twitter had a lot of potential. Those are the primary two we use; however, we're constantly evaluating other channels. Every platform has a different audience so we typically evaluate each to see if there is a fit with our target market. For example, YouTube is a channel that is not always considered a social media platform. We use it and consider it part of our social media strategy because of the ability for members to comment and interact with us.

APCO EMPLOYEES CREDIT UNION TWITTER PAGE





APCO EMPLOYEES CREDIT UNION YOUTUBE PAGE

**HOW IMPORTANT IS THE BLOG IN YOUR SOCIAL MEDIA EFFORTS?**

**DW:** From my perspective, the blog is the hub of everything else we do. I've used the analogy of a wheel many times with staff. The hub is our blog and our website and everything else we do

called BufferApp.com, which is basically a way to queue the posts. It is a fantastic service we have been using to schedule posts in advance when there is a lot of new information to release. However, I try to keep the responses as manual as possible so we can have true conversations with our members. Social media is most effective when it's being used as a conversation tool — we don't want to automate too much and be seen as robotic.

**HOW CLOSELY DO YOU WORK WITH THE MARKETING DEPARTMENT TO COORDINATE WHAT IT IS DOING WITH YOUR SOCIAL MEDIA EFFORTS?**

**DW:** I work closely with the marketing department. In fact, there is nothing I do that does not go through the marketing department first. APCO has a full-time marketing coordinator and a team from various parts of the credit union that work together as the core marketing group. We have regular meetings to discuss upcoming projects, brainstorm, and ensure we are communicating well with our members.

**WHY DO YOU THINK SO MANY CREDIT UNIONS FIND SOCIAL MEDIA CHALLENGING**

**DM:** A lot of credit unions can't afford to outsource social media. They might have someone in-house handling it that lets it go for weeks with no comments. Even though many credit unions can't or won't pay a lot for it, there is still a definite need.

**ARE THERE ANY LESSONS LEARNED YOU'D SHARE WITH OTHER CREDIT UNIONS?**

**DW:** The biggest lesson learned for me is that you cannot rest on your success — you have to constantly evaluate new platforms and decide if those will help your members. You also have to look at where your members are and make sure you are engaging with them. It is easy to think you have a good website and are covered, but that isn't enough anymore. Communication, both internal and external, is also critical. We make sure employees are informed of events and promotions before we notify members via social media or any other channels. We also work closely with the call center so we know what questions members are asking and, if appropriate, we address those on social media. 🗣️



**DON MANUEL**  
PRESIDENT, APCO CUSO

— Facebook activity, email marketing — branches out like the spokes of the wheel. Every method we use to reach people has the same goal of driving traffic back to our blog and website to engage members digitally.

**DOES APCO PROVIDE FINANCIAL EDUCATION ON SOCIAL MEDIA?**

**DM:** Yes. We have a lot of people at the credit union who are experts in different areas, and we asked them to write news content and share their expertise. We were pleasantly surprised at how many people stepped forward to write articles for APCO. We've centralized the management with Dennis, but this gives the employee a sense of contributing, and the members have been reading and responding. We give credit to the employee that writes the article and provide contact information so the member can contact that person directly with questions.

**ARE THERE ANY LIMITATIONS TO HOW MANY CREDIT UNIONS ONE PERSON CAN SUPPORT ON SOCIAL MEDIA?**

**DM:** With technology the way it is, I think the CUSO could support dozens [of credit unions]. I don't see a cap on it. Our focus, like many credit unions, is educational. This makes it easier to develop financial news and information that is important to all members while still making it distinct to that credit union. Dennis can customize things for each credit union efficiently.

**DO YOU USE ANY TYPE OF MANAGEMENT SYSTEM TO HELP MANAGE MULTIPLE SOCIAL MEDIA SITES?**

**DW:** Yes, I have started using a service



**DENNIS WASHINGTON**  
SOCIAL MEDIA CONSULTANT,  
APCO EMPLOYEES CREDIT UNION

# CREDIT FOR SOCIAL MEDIA MASTERY

*Employers and HR departments have used social media as another information source to bolster hiring and firing decisions for years. Now, alternative lenders are looking at social media to determine an applicant's creditworthiness.*

BY DREW GROSSMAN

**S**tories of employees terminated for bad behavior on social media are rampant. And there are undoubtedly countless cases of that “perfect” employee who was never hired because of a telling photo or morally questionable tweet that calls their judgment into question. Employers and human resources departments use social media as just another information source to bolster hiring and firing decisions. In a similar light, now some alternative lenders are looking at social media as a way to help them determine an applicant's creditworthiness.

## ONE PIECE OF THE PUZZLE

Social media won't replace a FICO credit score; however, social media credibility can be a useful tool for determining whether to lend to applicants with missing or marred credit histories. Considering social media behavior can be especially useful when working with Gen Y and Millennials, whose youngest members might not have developed much credit.

Community development credit unions can use social media to find information about a loan applicant with spotty credit. An in-depth search of Facebook or Twitter provides insight into nonfinancial activities that convey responsible behavior. For example, members that post pictures of themselves volunteering with United Way or at their local community center, church, or synagogue likely have a larger stake in the community — and are therefore less likely to skip town — than a member who boasts about their transient lifestyle.

## A SOCIAL CREDIT SCORE

International startup companies like Lenddo, Neo, Kreditech, and Movenbank are looking to social media to determine

the credit worthiness of loan applicants, and they're making a splash in the financial services pool. Many major trade publications, including *The Economist*, *The Wall Street Journal*, *CNN Money*, and *American Banker*, have covered them.

Founded in 2011, Lenddo asks users to link social networks — including Facebook, LinkedIn, and Twitter — to its site to create a “LenddoScore” social credit score. The LenddoScore measures character on a scale of 0 to 1,000, with 1,000 being the most trustworthy. Lenddo builds the score by looking at a borrower's social media relationships, connections to other Lenddo users, and Lenddo loans history. If a borrower makes a Lenddo loan payment early or on time, their own Lenddo score increases and brings with it the scores of people with whom they're connected.

Lenddo offers low-balance, short-term personal loans for borrowers in Columbia and the Philippines; however, the company does have a New York office. An average LenddoScore for a Lenddo Philippines user will earn the borrower a 36% interest rate for 12 months on a \$1,000 loan. That rate might seem exorbitant for an American borrower, but average loan rates differ depending on the local loan market.

## FOUR WAYS TO USE SOCIAL MEDIA TO EVALUATE AN APPLICANT

Alternative lending companies have varying niche offerings, but the metrics they use to judge creditworthiness can be useful across the traditional lending landscape as well. For example:

### LINKEDIN

Professional contacts on LinkedIn indicate whether an applicant's job is real, says Navin Bathija, founder of Neo, a

startup that assesses the creditworthiness of car loan applicants. By looking at an applicant's LinkedIn contacts at other companies, the lender can estimate how easily the employees will be able to find a new job if they are fired, Bathija told *The Economist*.

### PAYPAL/EBAY

With the permission of applicants, online small business lender Kabbage accesses their PayPal and eBay accounts to obtain real-time sales and delivery data. Kabbage also checks a company's Facebook and Twitter channels to see how it leverages social media for marketing and customer service, Kabbage co-founder Marc Gorlin told *CNN Money*.

### FACEBOOK/TWITTER

Facebook and Twitter have become so ubiquitous that it raises a red flag if an applicant doesn't have an account, says Ken Rees, CEO of Think Finance, an alternative online lender. Rees told *American Banker* that not having at least one of these accounts is like walking into a brick-and-mortar branch without a driver's license.

### PROFILE PRESENTATION

According to Douglas Merrill, founder of online lending company ZestFinance, applicants that type only in lower-case letters or ENTIRELY IN CAPS are less likely to repay loans, other factors being equal. The American lender knows what it is talking about; Merrill told *The Economist* ZestFinance's default rate is roughly 40% lower than that of a typical payday lender. 🌐

# LET YOUR CONTENT BE THEIR GUIDE

*There are more than 200 million live websites today. That means there is plenty of useless content out there. It also means quality content has the opportunity to shine. The widespread availability of computers, Internet access, social media, and smartphones have taken the pain out of content production and distribution, so creating top-notch content should be an online marketer's top priority. Here are four ways to improve your own content marketing strategy.*

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BY JENNIFER ROSENBAUM

Many online marketing techniques have gone the way of the Commodore 64 — anyone remember pop-ups? — but content marketing is one strategy with proven results. With content marketing, a credit union writes thoughtful pieces about topics that are relevant to members and posts the articles online where members can easily find them. Unlike banner ads, white papers, or landing pages, the goal of content marketing isn't to generate leads or sell a product. Instead, articles highlight the character, values, and strengths of the credit union in a way that puts the organization top of mind when a consumer needs a financial product or service.

This strategy isn't particularly novel; however, it is easy to get wrong. There are more than 200 million live websites today, which equates to plenty of useless content. Fortunately, in this sea of missteps quality content can really shine. So what to write? As long as every piece is thoughtful and audience-appropriate, topics can run the gamut. The widespread availability of computers, Internet access, social media, and smartphones have taken the pain out of content production and distribution, so creating top-notch content should be an online marketer's top priority.

## CONTENT MARKETING IN ACTION

The best way to put content in front of current members is to add a blog to the credit union's existing website. Blogs are a great way to catch the attention of members who are logging in to check balances and pay bills on a regular basis. Several credit unions have already adopted this strategy. Great Basin Federal Credit Union (\$130.1M, Reno, NV) uses what it knows about its members' financial activities to craft

appealing content for its blog. Multiple authors, including the credit union's certified financial planners, tellers, and other staff members representing various demographics, write about topics ranging from mortgage refinancing to household budgets.

Navy Federal Credit Union (\$63.6B, Merrifield, VA) tailors its blog posts to military personnel and even includes a section on preparing for deployment. Spokane Federal Credit Union (\$133.9M, Spokane, WA) takes personalization a step further by highlighting individual members' achievements. And Mid-Atlantic Federal Credit Union (\$272.6M, Germantown, MD) has cut out the middle man and recruited a member to blog about issues that affect her life. Katie's Corner is a financial blog for women that focuses on managing a household on a budget. Although she references Mid-Atlantic loans and services, she does so to demonstrate how the credit union enhances her life instead of directly pitching its services.

All of these blogs cover topics that relate to the credit union's products and services, but they also address issues that members face daily, such as paying down their mortgage or finding the right savings plan for their children. Members refinancing their mortgages might not be opening an account for their children any time soon, but when they do, they'll know they can turn to their credit union.

## REACHING FUTURE MEMBERS

In the case of personalized content, closed-charter credit unions have an easier time determining what topics are best. Credit unions that serve specialized industries should already be watching websites and blogs that are popular among their SEGs. Most web-

“The best way to put content in front of current members is to add a blog to the credit union’s existing website.”



sites are often searching for new content, so offer to write a post or two, free of charge, that includes a link back to the credit union’s website. The best way to reach future members is to have current members share your posts; however, publishing content on websites frequently visited by your target audience is a second option that is almost as beneficial.

For credit unions with open charters, reach out to small member businesses that have active websites. Offer to draft some content to help them reach new clients via their website or online newsletters. Consider writing a partner piece for the credit union’s blog that promotes their efforts. In addition to supporting the credit union’s content marketing strategy, you’ll be supporting its members.

#### FOUR CONTENT MARKETING MUST-DOS

With the advent of social media, “word-of-mouth” now equates to “likes,” “reads,” and “forwards.” People are more likely to become a member if someone they trust has already indirectly endorsed the credit union by sharing its content. But if the idea of launching a content marketing strategy is daunting, just break it down into these four steps.

1. Become a publisher. If the credit union doesn’t have a blog or other space where it can regularly publish content, BUILD ONE. Reserve space on the credit union’s primary website, like Navy Federal Credit Union or Great Basin Federal Credit Union, or sign up for a free WordPress blog like Hopewell Federal Credit Union (\$75.3 M, Heath, OH). Don’t get hung up over sleek design or cool infographics; the most important part of this process is producing quality content on a regular basis.
2. Find out which websites members visit most. Ask tellers and other member service representatives to talk with members about the websites they visit. If the credit union’s website includes polling functionality, then ask members what their favorite websites are or which local businesses they support. National banks are not as involved in local communities as credit unions, and this information will make it possible to craft useful content that resonates with members.

3. Establish a relationship with these websites. If a large portion of your member base visits the local library website each month, then it is 100% worth the time to write an email or call the library to let it know it is making a difference in members’ lives. In your communications, determine whether there is an opportunity to share content (see No. 4 below). Establishing a relationship with influential organizations ingrains the credit union in the community and supports its content marketing efforts.

4. Become a content distributor. Now you know on which sites members are most likely to see the credit union’s content. So how can the credit union’s knowledge best serve the people who are most likely to read it? Draft a couple of pieces for these influential sites and offer to let the sites run them free of charge. SEGs might like content to release via e-newsletter or internal communications distributed by HR departments. There are several ways the credit union’s content can serve consumers, so work with external partners on a case-by-case basis to determine the best vehicle for distribution. Worst case scenario: The other group says “no” and you run the content on the credit union’s own blog. Best case scenario: The credit unions gets to publish thoughtful articles on a website its members frequently patronize. The good far outweighs the bad.

Content marketing isn’t a new idea; it’s not a passing trend; it’s a viable way to build the credit union’s reputation in a forum that’s accessible to anyone 24/7. 

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