

Social Media

Guide for CDFIs



Social Media: Why do I need it and how do I use it?

Social media is a way for people to communicate and interact online. It has redefined how we communicate with customers and is everywhere. In 2017, 81% of U.S. Americans had a social media profile, representing a 5% growth compared to the previous year¹. So, if everyone has a social media presence, does your CDFI need one? This is not a yes or no answer. It truly depends on what you want to put into it.

Social media plays a defining role in persuading borrowers to interact with your CDFI through credibility, awareness/marketing, and customer service. Each play an important role in shaping the customer's perception of your business.

- **Credibility** - Establishing your presence on social media can translate into business credibility in the eyes of potential customers. Credibility is how people view your business based on what others are saying.
- **Awareness/Marketing** - Increased awareness is a benefit of social media use, and one of the primary functions of small business' social media is to directly market to your target audience. Social media sites like Facebook and Twitter offer marketing tools to aid in advertising on their platform.
- **Customer service** - Great customer service can shape the narrative of your CDFI. Social media has played a crucial role in providing high-quality, rapid responses to customer inquiries. This is critical in a world where people are always digitally present and have little to no patience for slow responses or phone support only. In a recent study, *The Impact of Technology on Small Businesses*, close to one in five respondents reported that they will avoid small businesses that are unresponsive to critical comments about the business.

A critical step in your decision process to social media usage is understanding your target audience's habits before investing time and money into social media. Not every demographic is going to be active on social media, so find out if they are and adjust accordingly (the Pew Research Center has detailed stats on social media demographics).

It is also necessary to know how your CDFI would flourish (or not) on specific platforms. Facebook and Twitter are generally used by most industries. Each audience consumes content differently; be wary of what appeals to them and how you can utilize their likes and dislikes to your advantage in content creation.

The age of your customers should determine the ways you communicate to them online. One survey indicated that millennials typically want to know who the owner of a business is, more so than older customers. 73% of people in the 18- to 34-year-old segment want to see a business owner's photo with the company's history on its website, while 63% of people 55 and older feel that the owner's photo and company's story is important². Millennials don't just want to purchase products and services from a brand; they want to engage with that brand, narrowing the gap in the customer/company relationship. They won't be moved to buy a product based on a sales pitch. They want to interact with you to learn more about your brand and share their own experiences online.³

Additionally, it is always best to show the personality of your business. If you can connect emotionally with a potential or return customer you are more likely to foster greater brand loyalty.

Even with the advantages, you should be wary of how you implement a social media plan. Know what you're getting into before jumping in. You will need to post content regularly and understand how your audience consumes said content through social media. You may need to allocate resources to manage multiple accounts. If you don't use social media effectively, you may be doing more harm to your business than good.

According to a recent survey⁴, up to 30% of people responded that they would not do business with a company without a social media presence. It is no surprise that a solid digital media presence is important for a company, but knowing that not having a presence could deter potential customers is crucial knowledge as to whether a business needs a social media strategy.



Examples of Facebook Posts



Facebook

On a global level, the market leader in social media is Facebook. In fact, Facebook is the first social media platform to surpass 2 billion registered accounts on both its desktop and mobile versions⁵.

Tips for Facebook posts:

- Keep posts between 40-80 characters.
 - A character is any keystroke you make. This includes spaces and punctuation.
 - Posts with 40 characters receive 86% more engagement than posts with a higher character count.⁶
- Share content that is interesting and relevant.
 - Images and videos are particularly engaging, so make sure you structure your content around something eye-catching that will make people stop and play as they scroll down their newsfeed.
 - Videos should be 2 minutes or less and include subtitles.
 - Image size for post sharing should be 1200x630 pixels.
- Use questions to engage users and prompt discussion.
- Add value to the conversation by sharing content that will make your customers' lives easier, bonus points for tips and tricks that help them use your services.
- Invite people to like your page. It's alright to ask people to like your page. You might start with friends and family, so that you've built up some likes. Ask your networking contacts, suppliers, and customers to like your page too.
- Drive the viewer to a page on your website that relates to your post for a good user experience.
- Hashtags do not increase engagement on Facebook. Do not use them or use them for emphasis only. Keep the hashtags to a minimum of two or three per post.



Examples of Tweets



Twitter

Twitter is a fast way to spread your message. You can instantly let customers know your news, whether it's an announcement or a new product, a happy borrower's testimony, or an upcoming workshop that they may be interested in attending. It will also keep you current on the latest happenings in your industry. Using Twitter Search, you can quickly tune into what people are saying about a particular topic, allowing you to keep your ear to the ground about your company and the competition.

- A tweet can contain text, photos, videos and more.
- It was previously constrained to 140 characters, but was recently expanded to 280.
 - That count does not include images, videos, polls, or quotes tweets.
 - Tweets under 100 characters have a 17% higher engagement rate⁷.
- Retweet is used to share someone else's tweet with the people who follow you.
- Use # (hashtags) to link all content related to a given topic. You can click on a hashtag to go directly to the search results for that term. #CDFI #smallbiz #CDFIInvest
- Increase your impact by using Twitter to regularly communicate with your followers and attract new followers.
- Provide timely customer service. People often talk about the products they use on Twitter, so it's a natural place to provide customer service. Reply to a tweet to show you're engaged on the topic or to respond to a customer.
- Twitter allows you to follow and interact with people outside of your personal network and discover new circles that you never knew existed. Use Twitter to join, or even start discussions with influencers and industry experts to help you raise your profile and build valuable connections.

Instagram

An example of a financial organization's Instagram: Citibank is engaging in human stories and experiences on their Instagram account, thanks in part to their excellent use of imagery.



Instagram

Instagram is more of a niche platform, but can be utilized regardless of industry (as long as you can create compelling, visual content). Instagram is more of a photo-sharing platform, but, when used efficiently, can show the human side of your organization.

- Tell a visual story with each post
 - *It may be family walking into a home, a person standing in front of a new car, or a young adult heading off to college*
- Customer-centric posts will resonate with your followers. Demonstrate what your CDFI can do without saying it.
- Find one or two common themes for your CDFI and use those themes along with a hashtag that is associated with your CDFI.
- Post employee-centric posts showing your employees helping customers. It's a great way to create priceless good vibes with those involved. This approach can be further enhanced when the stories involve the customers themselves.
- Have an Instagram contest and request followers to post their own pictures. Make sure to have them use a hashtag that you create.



The Bottom Line

There are a number of tools out there that can help you manage social and digital marketing. For example, Hootsuite. This allows you to manage all of your social media marketing from a simple dashboard. In essence, Hootsuite gives you control in what you post over all of your social media profiles, while giving you analytics to track the effectiveness of the post for each platform. Hootsuite offers multiple plans, including a free option, which most services do not offer. The free plan limits you to three social media profiles. Also included in the free plan is simple analytics for your social media and a content calendar to schedule posts.

When all is said and done, social media is an extremely versatile and beneficial tool for CDFIs. The decision is yours on how and to what extent you should utilize social media platforms.

Sources:

¹ www.statista.com/statistics/273476/percentage-of-us-population-with-a-social-network-profile/

² <https://business.timewarnercable.com/content/dam/business/pdfs/resource-center/Infographics/TWCBC-Small-Business-Technology-Impact-Study-Infographic.pdf>

³ <https://www.entrepreneur.com/article/273191>

⁴ <https://business.timewarnercable.com/content/dam/business/pdfs/resource-center/Infographics/TWCBC-Small-Business-Technology-Impact-Study-Infographic.pdf>

⁵ <https://techcrunch.com/2017/06/27/facebook-2-billion-users/>

⁶ <https://marketinginsidergroup.com/content-marketing/ideal-length-social-web-content/>

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