

## Are Banks and Credit Unions Ready for Pinterest?



There's no doubt that Pinterest is an exciting new social media platform. With over 11 million unique visitors a month (and growing fast!), banks and credit unions are wondering if they should start to "pin". Ron Shevlin, Senior Analyst with the Aite Group, sparked a great conversation on The Financial Brand blog. His article prompts an interesting question: can banks and credit unions capture enough of a measurable benefit from Pinterest to generate a positive ROI?

While there will be a calculus unique to each financial institution, there are three key business drivers to consider:

- **Acquire:** Will Pinterest enable my bank to attract new customers?
- **Transact:** Will this social platform drive incremental revenues from cross-sell, up-sell, or "more sell"?
- **Retain:** Will it help us to better understand customer preferences, meet customer needs, and build loyalty?

The Pinterest audience is enticing for banks and credit unions. The average household income is over \$100,000. Social media news portal Mashable also estimates that over two-thirds of the visitors are women, more than half have kids, and fewer than 5% are under age 18. These demographics help to explain why Nordstrom®, Whole Foods®, and West Elm® are a few of the brands that are represented on the platform.

Leveraging social media for customer engagement is not free and the time and resources needed to establish an effective presence quickly add up. Financial institutions need to tailor their content, social media monitoring, and engagement strategies to reach the audience that is attracted to each social media platform. There will be an inevitable cycle of experimentation and refinement as a financial institution works to express its brand voice in these new social conversations. And there will be real costs incurred along the way.

On the positive side of the ledger balance, not enough of the benefits can be quantified. Awareness and brand recognition are important, but how well can your bank measure that value? Pinterest can help your business to foster a sense of community, but is that relationship going to be strong enough to drive revenues or help reduce attrition?



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There is a passive risk in social media, if your company is too slow to establish a presence on popular social media channels. TD Bank and Standard Bank have been proactive in mitigating that risk and protecting their brands on Pinterest ([pinterest.com/tdbank](http://pinterest.com/tdbank) and [pinterest.com/standardbanks](http://pinterest.com/standardbanks)). They have not started to utilize the social platform to engage with prospects or customers, but they are ensuring that no one assumes their online identity. This is a good defensive move and something that all financial institutions should do.

Social media can be an effective business tool, but only if social media efforts are tied to measurable business objectives. In the case of Pinterest, it is still too soon to include this channel in your marketing efforts. Keep it on the radar, but hold onto those pins for a little while longer.

**Pinterest**

*Banks and credit unions should establish a Pinterest account to protect their brands, but focus on other social media priorities before launching a campaign.*

### Let's Talk

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