

The Banking & Payments Show: Leveraging Finfluencers

Audio



Today's podcast episode of The Banking & Payments Show examines if the financial services sector should leverage social media influencers. In 'Story by Numbers,' we discuss how the majority of users have seen someone reviewing or recommending financial products on social platforms and what this means. In 'For Argument's Sake,' we argue nicely about whether the

risks of using influencers outweigh the rewards. Listen to the conversation as host, Rob Rubin, welcomes analysts Jasmine Enberg and Lauren Ashcraft to the podcast.

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Episode Transcript:

Rob Rubin (00:00):

Partner with EMARKETER on data-driven marketing materials. Our custom reports give EMARKETER media solutions clients the opportunity to generate new category insights through original surveys and analysis. Visit emarketer.com/advertise to learn more. Hello everyone and welcome to The Banking & Payments Show, a Behind the Numbers podcast from EMARKETER. Today is July 16th, 2024. I'm Rob Rubin, head of Business Development at EMARKETER and your host. Today I'm joined by our leader of social media marketing research, VP Jasmine Enberg, and Lauren Ashcroft, the banking analyst on our FinServ desk. Hi Jasmine. Hi Lauren.

Jasmine Enberg (00:45):

Hi, Rob. Hello everyone.

Lauren (00:46):

Hello.

Rob Rubin (00:47):

How are you guys doing today? Staying cool?

Lauren (00:50):

Yes, thankfully. Thankful for ACs.

Rob Rubin (00:54):

Lauren, you've been on a couple of times on the Banking & Payments Show, and Jasmine while a lot of folks who listen here know who you are. You've never been on the Banking & Payments Show. So first, welcome. Thank you for coming.

Jasmine Enberg (01:05):

Thanks for having me. I'm excited to be here.

Rob Rubin (01:08):

I wanted to do a little icebreaker just because I do and because it'll help our banking folks get to know you a little more. You are Finnish, but you live in LA, so my question is, aside from the weather, what is similar and different between Finland and Los Angeles?

Jasmine Enberg (01:28):

Well, I have to talk about the weather because it's one of the big reasons why I live in LA. I mean, except for today when it's pretty rainy, it's normally very sunny and nice here whereas in Finland we have very long, dark, cold winters. Culturally pretty different. Finns are much more reserved than Californians. It's normal to see people smiling and saying hello to you on the street whereas I think it takes a little bit longer to get to know Finns, but who are very warm and welcoming once you do. One similarity though is both places have a huge active and sports culture. So in LA you'll see people running and exercising on the beach. I mean, I live in Santa Monica, so see people come from surfing in the morning. There's not surfing in Finland and people aren't really on the beach exercising, but they are playing a lot of sports and working out. So I think that's one big similarity between the two places.

Rob Rubin (02:26):

My next question is more related to our topic, which is because you have family and friends in Finland obviously, do you use different social media platforms to keep up with them or is it mostly just like Facebook and things like that?

Jasmine Enberg (02:38):

So one app that I use a lot to keep up with people in Finland and in the rest of Europe actually is WhatsApp, which is not one that we would necessarily think of first as social media. It's more of a messaging app. But it's what I use really to text with all of my friends in Finland. Otherwise, they're mostly the same. Instagram, Facebook, a lot of Facebook actually. Finnish people use a lot of Facebook.

Rob Rubin (03:05):

My friends use a lot of Facebook. My kids' friends don't even know what it is. I mean, they do.

Jasmine Enberg (03:08):

Yeah. I think that's pretty common, or they know what it is, but they're not on it.

Rob Rubin (03:14):

Yeah. Well that was fun. I want to mix it up today and start with our segment called Story by Numbers. To frame the topic, which is why FinServes need to understand how to leverage social media influencers. And my first stat that I want to pull out is that 80% of surveyed social

media users have seen someone reviewing or recommending financial products on social media. And this is per our March 24th survey among social media users. Lauren, as you're on the FinServ desk, maybe I should ask you, how should a FinServ evaluate social media influencers to work with?

Lauren (03:59):

Well, that stat is really eye-opening and I have another one to back it up too.

Rob Rubin (04:06):

All right.

Lauren (04:07):

Half of Gen Z social media users use influencer content to evaluate banking products and services. So it's an important component to bank marketing. But as you're asking, it's also very important to thoroughly vet content creators, influencers before partnering. That includes evaluating their content for accuracy to make sure that their personality aligns with your brand. And because it is such a regulated industry and accuracy in actual partner content is so important, we do recommend working with a script, making sure that everything you want them to say is said correctly. But there definitely is risk to it.

Rob Rubin (05:04):

Jasmine, do you know any, I know FinServ particularly isn't your space, but I think we were chatting and you were talking about things that Visas doing for example.

Jasmine Enberg (05:14):

Yeah. I mean there are quite a few FinServes that are active and have become more active in the influencer space recently and Visa is a great example. I think a lot of what Lauren laid out is a rule of thumb across the board for working with creators and influencers. I mean, there is now so many pools and resources out there for brands from any industry really to be able to vet and do their research on the creators that they want to partner with before they do. So that's recommended across the board probably even more important in an industry like financial services that is highly regulated. What I will say though, and this is probably more of a question for Lauren actually, when you say script, do you mean a full script for what they need

to produce in the video or the piece of content or is it just a script around the regulatory things and the compliance that you have-

Rob Rubin (06:07):

Like the do's and the don'ts.

Jasmine Enberg (06:07):

Yes.

Rob Rubin (06:16):

Don't say this, that or the other thing, but you can say these things.

Lauren (06:17):

Definitely it is more of the latter and then just making sure once it is recorded that the bank or a financial institution does watch the content and make sure that it is as it was.

Rob Rubin (06:29):

I've worked with a lot of banks over the years and that seems to me it sounds so easy, just someone has to look at the content. But they're so bureaucratic that when you say that there's going to be a whole string of people that have to sign off on the content. And the thing about social media and influencers is the real time, near real time aspect, the frequency of producing content. So doesn't that stifle the opportunity?

Lauren (06:58):

It does make it more challenging than it seems for sure. There's a lot of time that goes into it and it isn't just signing up for an influencer to make a couple of videos. It's a whole research project and it does require bags to keep up with what the influencer does end up saying.

Jasmine Enberg (07:18):

But I also think it's a bit of a misconception that you have to be jumping on every trend or be completely real time when it comes to influencer marketing. I mean now we've seen this shift in social media overall where it's less about the trends and more about longer form storytelling. And I don't necessarily mean longer video, but just more telling an actual story through the content. So I think there is a way for companies to get involved in influencer

marketing that doesn't necessarily, again, just mean that you have to respond to everything that's happening.

Rob Rubin (07:51):

Also, it's not current events a lot of this content, it's sort of if influencer would say, here's 10 tricks to save \$5,000. That's evergreen, that anyone will want to look at that at any time.

Jasmine Enberg (08:06):

And the reality is people are talking about FinServs and they're talking about finance on social media. And for me it's a missed opportunity to not at least be exploring it. I mean, I'm not Z, I'm a millennial. I follow finance experts on Instagram. I learn a lot from them. One of my favorite creators to follow is Mrs. Dow Jones, and she calls herself the zillennial finance expert and she has tons of great information. So there are plenty of people out there who are either working with brands or would be willing to work with brands in that industry.

Rob Rubin (08:40):

For sure. It's a perfect time because we're talking about how widely used it is for the next step which is lines up perfectly Lauren with what you threw out there originally, which is in 2023, and this isn't our survey. This was a survey from GWI. In 2023, more than half, 51% of Gen Zers worldwide use social media as their primary platform to search for more information about brands, products and services, compared with only 45% who use search engines. And that's the reason why I brought it up is because, so for Gen Zers, they're more likely to use social media than search. And if you go particularly to a smaller bank, a big chunk of their budget is search engine marketing. They're product oriented, they're buying a lot of keywords to drive acquisition for new products.

(09:34):

So the stats suggests 51% that any company who's not yet leveraging finfluencer is already behind. And I think that means that there's a lot of FinServs, especially banks who are behind. So a little different than the first question. What are some of the basics banks should consider? What are the goals that banks should consider when working with a finfluencer?

Lauren (09:58):

Definitely, again, making sure that they're overall-

Rob Rubin (10:00):

Well obviously vetting. What about reach? Does reach matter?

Lauren (10:05):

Reach does matter. And that actually brings up the affordability because there's something called micro influencers which have between 5,000 and 30,000 followers that might be more affordable for smaller or more local financial institutions. And then the larger ones like Ms. Dow Jones that you mentioned, Jasmine, that probably would be in more of an upper echelon for cost.

Rob Rubin (10:33):

So for a local bank or a bank that focuses in on marketing much more localized, they should be looking for influencers who are more local versus trying to get, I'm going to show my age, Dave Ramsey...

Jasmine Enberg (10:49):

Well, I think to Lauren's point, I mean reach matters depending on the goal of the campaign. So if you're trying to make a big splash and raise brand awareness, the bigger the better. But I think a lot of times if you're trying to really drive sales or get more engagement, it's better to work with a smaller or a mid-sized influencer because they tend to have more engagement on their posts.

Rob Rubin (11:19):

I just think that it might be hard for smaller banks to find local influencers, like micro influencers that have reach within their local market. And that's some of the challenges is that a lot of financial service companies in the US are geographically bound to where their branch networks are. How do you tackle that?

Lauren (11:43):

They don't necessarily need to be local, but they could just be smaller accounts with less followers than big influencers with millions.

Rob Rubin (11:53):

But if you have a national base of 30,000 followers, that's micro. But if you're a bank in Detroit and you only care about the Detroit metro area, you don't want to work with that 30,000. How many people within their area that they're trying to influence are going to be within that person's reach?

Jasmine Enberg (12:14):

Yeah. And Rob, I think that's a great point. I also think we need to reframe what we mean when we're talking about influencers. I think especially in an industry like banking, we see this also in politics. Working with local creators and influencers is a great idea if you're trying to reach a very specific target audience. It doesn't have to be the biggest names on social media. I mean, I think about financial services sometimes similarly to B2B because they both have long buying cycles or high consideration purchases. So reframing that thinking of who an influencer is, is really important. So in the B2B space, it could be an employee, it could be a CMO, it could be a store associate, and really working with those people to connect with audiences in whatever market you're looking to target.

Rob Rubin (13:06):

Yeah. I think this is a perfect time to transition because we've been talking a lot about how can a bank or a financial service company, like what types of influencers should they look for? What are some of the things to do? And I want to have an argument about it. So in our final segment for argument's sake, we're going to argue nicely about whether the risks of using influencers outweighs the rewards. And like a lawyer, I'm going to take the position that for most FinServes, and I'm thinking about regional banks in the US as the top of my head. The risks aren't worth the rewards. So before you guys chime in, because I think you're going to disagree with me. Why do I think it's risky?

(13:53):

The biggest reason is because it's super hard to attribute conversions to influencers. So you don't really know how much revenue they're helping you generate. But if they do or say something that's going to stain your brand, it's going to cost you a lot. But yet you're not sure how much value they brought. And I just don't think that's worth it. Who wants to tell me I'm wrong?

Jasmine Enberg (14:19):

I will, but I'll let Lauren go first.

Lauren (14:21):

I think influencers strategies should certainly be at least a consideration for financial institutions, at least something they discuss whenever deciding marketing strategies going forward. And that includes looking at various influencers that might align with a brand and who their followers are, not just the numbers, but along the lines of what you've talked before, Rob. Where are they? Are these potential customers for the financial institution or are they totally outside of what a customer base would look like? And if there is alignment then, right, like you said Rob, there are a lot of considerations to keep the content aligned with the financial institution's brand to keep it compliant. So yeah, there is a lot of risk. There's a lot to consider, and it's definitely not a simple strategy. So I'm somewhere in the middle. It should at least be on a bank's radar.

Rob Rubin (15:27):

All right. Jasmine?

Jasmine Enberg (15:28):

Yeah. So Rob, the argument that you made is a common argument that I hear across industries when it comes to why brands aren't working with creators and they talk about playing it safe. And a lot of times I feel like yes, brand safety is part of that, but the bigger risk that they're talking about is not being able to prove the value of these partnerships, especially if something goes wrong. And I think that's definitely heightened in an industry like banking which is heavily regulated. I think you also have to remember that if you have done your research and you have vetted these potential partners, creators also want to make this work. They are not out there to get you-

Rob Rubin (16:12):

They're trying to make money, right?

Jasmine Enberg (16:12):

Right. They are trying to make money. This is a career for them, for many of them. So they really want to form this into a partnership and they're going to want to have another deal with you. So they're not looking to get you in any way. So yes, mistakes can happen and they can

have really terrible consequences, but that doesn't necessarily mean that the risk outweighs the reward. I also think that focusing too much on the lower funnel and the sales is wrong. I mean, we know that the path to purchase is not linear, and people need to be reminded of products many times before they make an actual purchase. And I imagine that that is true for banking as well when you're making a decision over who to bank with, it's a big decision. And especially as Gen Z grows up, their purchasing power expands. We know that they're looking to influencers and creators for information. And if you are not the one working with those influencers and creators, another bank is going to be.

Rob Rubin (17:19):

I agree with you. I just think the question really is how well do you know your influencer and how do you build trust? So maybe the solution is to have them do things small for a while until you build a level of trust with them.

Jasmine Enberg (17:35):

For sure. You don't have to go out with some massive campaign right away. It can take a while to build up and then create a longer term relationship where you not only build trust with the creator, but the audience trusts the creator in terms of what they're promoting.

Rob Rubin (17:53):

And I would also say just like if any partnership when you're evaluating it, do they have a business plan? Do they have a particular strategy? Do they have a type of content that they're specialized in? Do they have a process for producing the content so that you're not getting someone that's not serious? Like finding serious people who are doing it for a living is different than finding someone who has a good Instagram following but hasn't really done much with it.

Jasmine Enberg (18:20):

Absolutely. And working together with that creator influencer to form that strategy, I think that is the key. I think sometimes, and this is not just for financial services, but really across the board, there isn't enough communication between brands and creators. And I think it would be really important to bring that creator into the strategy, the marketing strategy, so that they have a better understanding of what the goals objectives are and what it is that the brand is looking for.

Rob Rubin (18:48):

So I guess my argument now about being too risky, I'm going to edit it. I'm going to say, unless you have internal people that can really manage the situation and manage the influencers and manage the relationships, it's too risky. In other words-

Jasmine Enberg (19:03):

Does that mean I persuaded you at least a little bit?

Rob Rubin (19:05):

A little bit. But I'm basically saying to a bank, you need to have somebody in your organization whose job it is to make sure that this is working.

Lauren (19:15):

That's right.

Jasmine Enberg (19:16):

Absolutely. An influencer specialist or an influencer team is incredibly important.

Rob Rubin (19:21):

Yeah. Some of the bigger brands that use influencers, what kinds of teams do they have?

Jasmine Enberg (19:27):

The teams have grown significantly over the past couple of years. So most, well, it's hard to say most, but many brands now have a dedicated influencer team. A lot of brands also work with agencies, and agencies can do a lot of that work on their behalf. So there's plenty of different ways that you can set up an influencer strategy, both in-house and by outsourcing. But to your point, you're absolutely right that every brand that's thinking about working with influencers does need a specialist.

Rob Rubin (19:58):

And should work with serious creators who are trying to do it for a living and have organized themselves to do so. That's my opinion.

Jasmine Enberg (20:09):

I mean, I guess I would say most creators are serious. Yes. I mean, I am not talking about people who are just posting on TikTok shop, for example. But the people who are really looking to make a living out of this, they are serious about it.

Rob Rubin (20:24):

But that's why I think when you're getting into the micro, the folks that don't have big followings that are doing it and they're fresh at it, maybe for financial services, that's more risky than someone that has a good following and a long history.

Jasmine Enberg (20:41):

Sure. I'll give you that.

Rob Rubin (20:43):

There you go.

Jasmine Enberg (20:45):

We're both convincing each other.

Rob Rubin (20:46):

We are. Well, this was a lot of fun. I want to thank, Lauren. Thank you so much for coming again, Jasmine. I hope we get to have you on again.

Lauren (20:55):

Thanks for having me.

Jasmine Enberg (20:56):

Thanks so much for having me.

Rob Rubin (20:57):

Yeah, I really loved it. And thank you to everyone for listening to the Banking & Payments Show, an EMARKETER podcast. Also, thank you to our editor, John. Our next episode is August 13th, so be sure to check it out. See you then. Bye, Jasmine. Bye, Lauren.

Jasmine Enberg (21:14):

Bye.

Lauren (21:14):

Bye-bye.