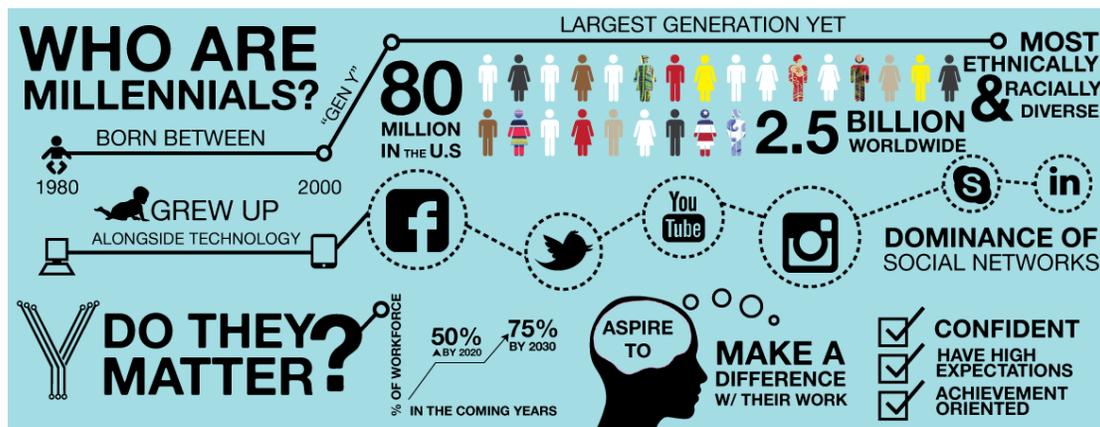


How to Use Social Media to Attract Millennials

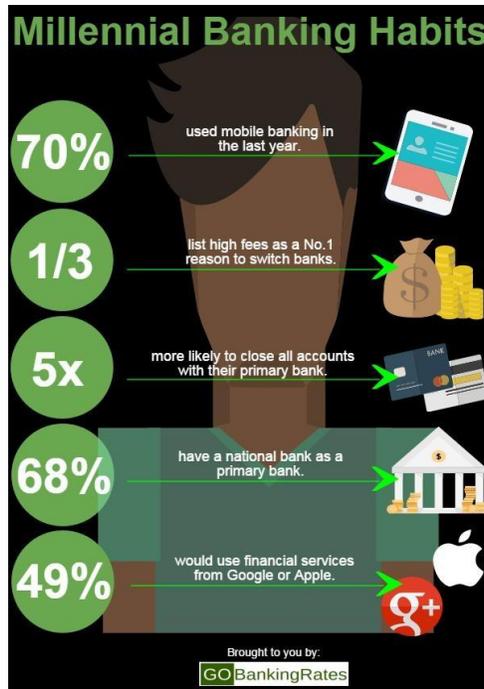
Millennials are general defined by demographers and researchers as having birth years in the early 1980s through the mid-1990s to the early 2000s.

[Goldman Sachs](#) reports that “One of the largest generations in history is about to move into its prime spending years. Millennials are poised to reshape the economy; their unique experiences will change the ways we buy and sell, forcing companies to examine how they do business for decades to come.”

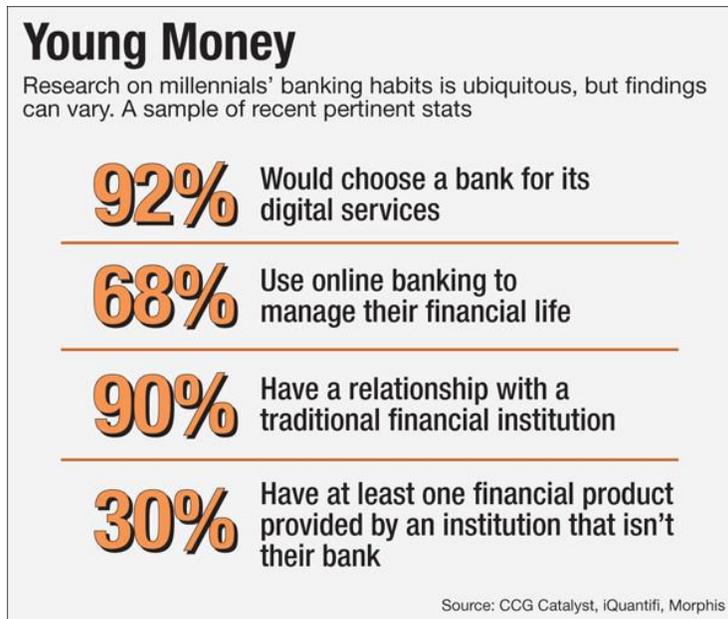


Source: *The Odyssey Online*

Just what does this diverse group of 18 – 36 year olds mean to the financial services industry? Plenty! Based on the research already compiled, digital banking is a key indicator of which bank they will choose as their primary bank. While 68 percent currently use a national bank as their primary bank, nearly half would be willing to use Google or Apple if they launched a banking product. Banks need to be perceive that FinTech start-ups are serious competition and could pose a customer attrition threat to the traditional banking industry.

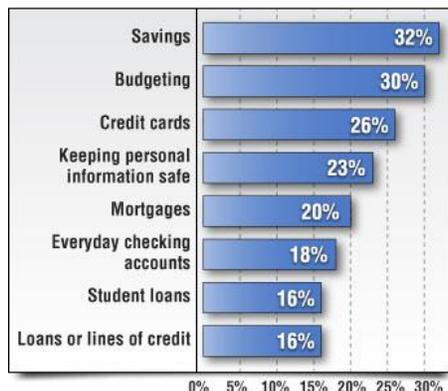


Considering that 90 percent have a relationship with a traditional financial institution, one third of those customers have at least one financial product provided by another financial services provider.



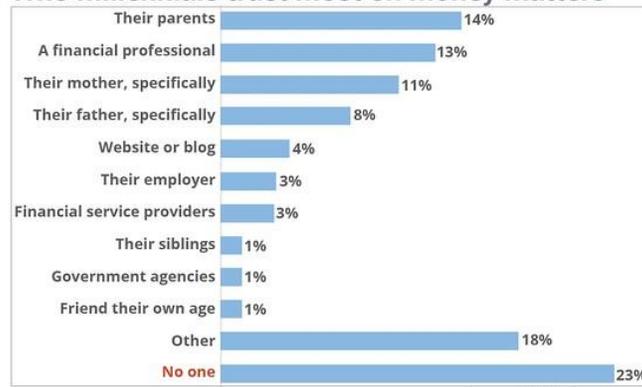
Millennials still need advice on traditional products such as savings accounts and credit cards, but they trust their parents, no one, and "other" more than a financial professional. Millennials tend to distrust banks in general, and banks must fight an uphill battle to win back that trust.

Millennials say they need financial advice on...



Source: Angus Reid Public Opinion for TD Bank CreditCards.com

Who millennials trust most on money matters



Source: Fidelity Investments

[American Banker](http://AmericanBanker.com) reported on a Scratch project, called the Millennial Disruption Index, which interviewed 10,000 Millennials, that banks are among the most unlikable brands and one third believe they will not need a bank at all in the future. American Banker believes that “Millennials don’t necessarily dislike banks – they just want them to be better.” The project also revealed that 71 percent of Millennials would rather visit the dentist than listen to advice from a bank.

Paul Schaus, CCG Catalyst’s President and Chief Executive, states “As banks transform their business strategy to cater to this generation, they must understand that while this group wants more automated functionality, they still expect to maintain control over their banking but want human connection when they need it.”

Banks are approaching this new generation with different strategies.

- Avidia Bank launched Cardless Cash. They plan on rolling out cardless ATMs, a real time payments service and a mobile wallet.
- BB&T has U platform where customers can customize a personal financial dashboard, view accounts from multiple financial institutions, make person-to-person payments, and schedule an appointment with a banker.

Millennials also consume digital content in an effort to make informed decisions. Banks have a unique opportunity to present content on areas such as investing, managing finances, and savings plans every time a customer uses digital banking.

BBVA Research published “[The Millennials Paradox](#)” and outlined a strategy banks should follow to attract Millennials:

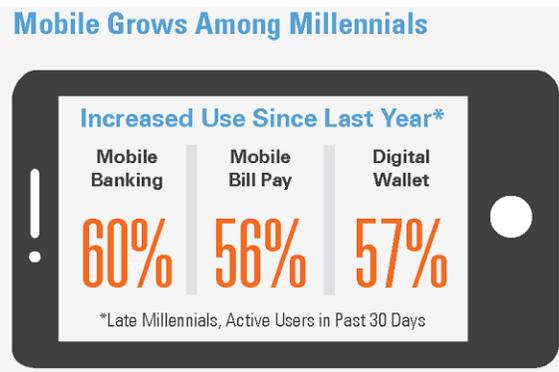
- Avoid transactional relationships and commoditization – in short, provide customized services;
- Turn Millennials into your champions – seek Millennials feedback, listen, and respond promptly and personally;
- Speak their language – hire Millennials to interact digitally with customers;

- Embrace their values – demonstrate your commitment to social and environmental causes;
- Pay special attention to the youngest – build a stable customer base over time.

How Can Banks Reach Millennials?

Brochures are not going to be useful in reaching the Millennial generation. Instead, banks should concentrate on:

- Interactive approaches: YouTube videos, webinars, and infographics;
- Transparency: Explain all fees in detail and highlight your bank’s involvement in social causes
- Providing choices: Offer a variety of banking capabilities such as branch, online, and through mobile apps.



Source: Paybefore

As Millennials increasingly use mobile banking services, banks should remain proactive. Global social media usage is also on the rise and will continue to do so. Innovative banks are changing the way we bank globally using social media and it is paying off.

- Rakuten Bank in Japan – Transfer by Facebook
- Royal Bank of Canada – Royal Bank’s iPad app
- ASB Bank (New Zealand) – P2P payments app
- FNB Bank (South Africa) – FNB Facebook
- Commonwealth Bank (Australia) – CommBank Kaching
- GT Bank (Nigeria) – GT Facebook

See “How Facebook Can Be Utilized to Provide Online Banking.”



In “[How Can Banks Build Trust with Millennials](#),” BlueSky ETO advises financial service providers to gain traction with Millennials through:

- Position staff as experts and brand ambassadors, not as financial advisors;
- Diversify products and your marketing methods;
- Build brand trust through activism;
- Transparent marketing through personalized interactions;
- Leverage peer reviews to build brand trust;
- Advertise on social media through entertainment;
- Add value, don’t “push” your marketing message.