Lovin' the Influence Craze

Kamiu Lee, a VP at influencer marketing network Activate by Bloglovin', explains how financial companies are social media-savvy.

Your team reported an increase in interest from banks, insurance companies and savings apps to utilize influencers for brand recognition. Is this surprising to you?
KAMIU LEE: "Not at all. We have seen a strong uptick in influencer marketing across a number of verticals in the last year, and financial brands were not an exception. When you think about it, financial services brands are also consumer brands — they are trying to reach consumers that are looking for banking or insurance solutions. And financial brands, especially after the 2008 financial crisis, have an even larger task at hand in humanizing their brands to consumers. Influencers represent a unique way for these brands to tell a personal story — for example, an Instagram star can talk about planning for her wedding and saving for the honeymoon with a savings app, or an entrepreneur (with a healthy social media following) can talk about financing her business with the help of a small-business lender. All of this can be done in a personal, funny and authentic way that resonates with the consumer that has elected to follow the influencer."

What are the top ways financial companies can benefit from this strategy?
KL: "We are seeing financial brands work with influencers to drive personal, authentic stories about how financial products can help to achieve personal and professional goals. We are also seeing financial brands involve influencers to amplify philanthropic efforts."

Which financial brands are profiting from their use of influencers?
KL: "American Express tells a story around their new #PayItPlanIt tool through personal journeys on Instagram. Qapital, a financial app, shared with us how they are working with influencers to tell a story of wellness (both lifestylewise and budgetwise). And Ellevest, a financial platform for women, has an ongoing series titled 'Five Minutes With' where they highlight interviews with female entrepreneurs. All these companies found ways to connect a financial product to a more personal, relatable story."

What can footwear labels and retailers learn from financial firms that focus on social media and influencer marketing?
KL: "Without physical product, financial brands simply cannot rely on product placement-driven content and instead have to push further into storytelling when it comes to partnering with influencers. While certainly plenty of consumer brands work with influencers closely to draw out a personal and authentic connection, there are also plenty that simply ship a product to the influencer and dictate that they say 'XYZ' about the brand. Today's consumer expects some value (a story, humor, information) when being shown sponsored content on social media and is savvy enough to see through anything that is overtly promotional." ▮

Keith Vercauteren and Lynn Whitmore

PRO TIPS

Two Wells Fargo execs weigh in on what footwear brands and retailers should keep in mind considering the complex, evolving retail environment.

WHAT TO KNOW:

"With the incredible evolution occurring across the retail landscape, **we believe maximizing flexibility from a financial perspective is paramount for brands and retailers in every segment, including footwear.** As retailers and consumer brand companies work to ensure their businesses resonate with their customers and are positioned for long-term success, having maneuverability in their capital structure is key. By maintaining manageable levels of balance sheet leverage and supportive investors, these companies can focus on the importance of growing their business and maximizing their own profitability."
— Lynn Whitmore, managing director

WHERE THE SOLUTIONS ARE:

"Across our commercial platform, Wells Fargo has specialized, dedicated teams that oversee the entire retail industry so that we are able to provide financial solutions to retailers of various sizes and market segments over varying business cycles. The strength and coordination of our retail team allows Wells Fargo to customize solutions that are tailor-made for each individual retailer: Asset-based lending, cash flow lines of credit, term loan financings, traditional treasury services, investment banking and advisory engagements are all areas in which we excel. **In laymen's terms, we help retailers understand all the ways they can utilize their current financial situation to get capital to reinvest into their business.**"
— Keith Vercauteren, senior managing director

Some Key Words

Aaron Sanders Jr., director of finance at Key Financial Solutions Inc., talks asset-based lending.

"Financial institutions will continue to have to meet the needs of the underbanked and unbanked — those retail shops who don't quality for conventional bank loans — who make up a large portion of small retail owners. Simply put, the secondary market is stronger than ever, and the surge to own and operate small retail shops is even greater despite the fact that many current or would-be entrepreneurs have bad credit and low cash flow but somehow seem to make it happen. This fact is what financial firms will need to start ignoring, and they will need to instead begin courting these business owners by offering asset lending and other alternative financing options."

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