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THE EVOLUTION OF SOCIAL MEDIA IN EQUIPMENT FINANCE
By James M. Johnson, PhD, and Suzanne E. Henry
This article examines two leasing industry segments’ social media activity, offers a snapshot of recent changes in the social media space, and makes three recommendations for leasing companies in developing their social media strategies in 2013.

CANADA: GETTING THE DEAL DONE – UNDERTAKING DIRECT CROSS BORDER TRANSACTIONS
By Jonathan E. Fleisher and Hugh Swandel
Could a “hybrid lease” lead to more U.S.–Canada transactions? This article addresses such a concept and highlights particular differences between U.S. and Canadian leasing practices and regulations. It explains why, if a Canadian transaction is presented to a U.S. finance company, the reaction should not be a straight no.
The Evolution of Social Media in Equipment Finance

By James M. Johnson, PhD, and Suzanne E. Henry

Just a few years ago, the introduction of social media had many predicting the dawning of a new communications power. People could post video, audio, papers, articles, and more online; comment about content they found, and share that content without gatekeepers or filters. At first the social media was seen as merely a way to boost entertainment and personal connections. However, as large brands and organizations witnessed the growth of personal activity, they realized there was gold to be had. People were sharing their habits and preferences; moreover, they began abandoning their traditional channels, such as paper copies of newspapers, instead putting their time and attention into social channels. It was then that corporate entities began testing the social media waters themselves.

Rather than present readers with an endless listing of statistics of the social media realm, the authors refer readers to TheSocialSkinny.com, which provides hundreds of statistics on the growth and usage of social media. The statistics show that social media today is decidedly mainstream. For instance, according to Facebook’s 2012 S-1 filing, more than four million businesses have a brand page on the social network.

Visit any website of most any company and you will find the organization directing its audiences to a Facebook page or Twitter feed, or encouraging comments on its blog or website. Once the darling of trend-watchers and marketing mavens, social media is now ubiquitous.

Of course, many marketers grew excited at the promise of social media almost from the start. With promises of gleaning insights from customers and potential customers to deepening relationships and boosting an organization’s relevancy and reach, sales and marketing leaders led the charge into social media.

However, given the very public nature of social media, with anyone being able to talk about a company online and have an instant audience, it was no wonder that social channels, at first, were met with trepidation and anxiety by executive leaders. Even the most accepting business leaders who began exploring the vast opportunities – and potential threats – around social media waded into the social media waters carefully. The equipment leasing and finance industry was no exception.

To help make sense of the growing power of social media, the Equipment Leasing and Finance Foundation commissioned a research report in 2010, Social Network-
The evolution of social media in equipment finance. The study gave an overview of the social media business-to-business (B2B) landscape and a guide on how a leasing organization could successfully incorporate social media for marketing efforts. At that time, equipment finance organizations were just beginning to explore social media. The learning curve on the opportunities, strategies, and threats around using social media for marketing was steep for any organization, perhaps especially for the equipment finance industry, which is engaged in sensitive information and operates in a somewhat regulated environment.

Since 2010, many changes have occurred in the social media realm as well as the organizations taking advantage of it. The rise of the visually rich Pinterest (a website that enables users to “pin” images to online bulletin boards), new Facebook capabilities, the upsurge in Twitter’s influence, the growth of LinkedIn, the introduction of Google Plus, and more have proved the Foundation report’s original premise: the social media arena will be an ever-evolving, growing communications and connection tool.

**BY THE NUMBERS**

Over summer 2010, researchers for the Foundation’s social media research report surveyed 1,000 equipment finance industry professionals on their current attitudes and behaviors around social media adoption and social networking. With a 14% response rate, the survey findings showed the industry was in the nascent stage of adopting social media. However, 41% of survey respondents reported their organization would be more active and expand into new social media in the near future, while no one reported that his organization would reduce its activity.

More recent data compiled between February 2012 and October 2012 on the social media activity of The Monitor’s top 20 equipment finance independent companies and top 20 U.S. bank affiliates (USBAs) showed that the leasing industry is catching up, social media-wise.

For one, the use of social media among independent equipment lessors was more robust than first reported in 2010, when all lessor types reported using social media minimally. They appear to be embracing it, and in fact increased their usage greatly just this last year. Most of the companies monitored showed they significantly increased their usage of YouTube, LinkedIn, and Facebook in the last year.

USBAs, however, did not seem to increase their activity much over the last two years, at least not evidenced by their adoption of standalone social channels and independent presence in social media. Figure 1 shows bank and independent social media activity in 2012.

For independents, LinkedIn was the most frequently employed social channel. Most of the companies reviewed had a strong LinkedIn presence. This is demonstrated by the number of people who listed the company in their employment history or current employment situation. An average of 3,855 individuals per company were found (after removing the outliers of the smallest and largest numbers) on LinkedIn.

All 20 independent companies reviewed also had LinkedIn company profile pages. However, with one exception, most independents averaged just 255 followers of their profile pages, down from 373 earlier in the year.

Regarding other channels, 13 of the independent companies (or 65%) had Facebook company pages, but most did not engage in Twitter heavily. Five of the companies (or 25%) had YouTube channels with an average of 6,912 views of their videos. Both Facebook and YouTube usage increased greatly later in 2012 from earlier in the year.

Naturally, more can always be done. For instance, as of the writing of this article, just six of the 20 independent equipment leasing and finance companies assessed had social “buttons” on their website home pages, although posted at the bottom of the page, as opposed...
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On the other hand, USBAs seemed to be much less active in the social media arena. If the managing of stand-alone social channels is any indication, bank parents appeared to be leading the social charge for the entire organization. They may not allow or encourage much independent social media activity for their leasing arm, which is shown by the lack of such independent bank lessor channels.

Very few USBAs appeared to be using Twitter (just 15%), whereas most of the parents did have a strong presence (95%). The parents’ Twitter feeds averaged 2,863 followers, showing a fair amount of parent activity on Twitter.

All 20 bank parents had Facebook company profiles, and the pages averaged just under 190,000 “likes.” In contrast, just three U.S. bank affiliates had a Facebook profile page.

As with the independents, USBAs’ LinkedIn presence was significant. Bank parent companies, all of whom had company profiles on LinkedIn, averaged 43,781 followers of those profiles. Additionally, an average of just over 96,000 people reported on their LinkedIn profiles that they had worked or are presently working for that bank. Yet just six USBAs had LinkedIn company profile pages, with an average of fewer than 2,000 followers.

The bank parents also seem committed to social media. Just four of the 20 USBAs evaluated had social media buttons on their website home pages, while 10 of the 20 bank parents did include buttons or links to their social channels on their home page.

RECOMMENDATIONS FOR NEXT STEPS

As social media usage is expected to grow, more equipment leasing and finance companies will likely expand their presence online, incorporating social channels more fully into their traditional marketing. While many strategies and tactics are available to try in the social

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**Figure 1**

Use of Social Media by Independents, Bank Subsidiaries, and Parent Banks

<table>
<thead>
<tr>
<th></th>
<th>YouTube % using</th>
<th>LinkedIn % using</th>
<th>Twitter % using</th>
<th>Facebook % using</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independents</td>
<td>February 2012</td>
<td>5</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>(20 largest)</td>
<td>October 2012</td>
<td>25</td>
<td>90</td>
<td>20</td>
</tr>
<tr>
<td>Bank subsidiaries</td>
<td>October 2012</td>
<td>15</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Parent bank</td>
<td>October 2012</td>
<td>60</td>
<td>100</td>
<td>95</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>YouTube average views</th>
<th>LinkedIn average followers*</th>
<th>Twitter average followers</th>
<th>Facebook average likes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independents</td>
<td>February 2012</td>
<td>6</td>
<td>373</td>
<td>4</td>
</tr>
<tr>
<td>(20 largest)</td>
<td>October 2012</td>
<td>6,912</td>
<td>255</td>
<td>925</td>
</tr>
<tr>
<td>Bank subsidiaries</td>
<td>October 2012</td>
<td>17,506</td>
<td>1,988</td>
<td>0</td>
</tr>
<tr>
<td>Parent bank</td>
<td>October 2012</td>
<td>577,712</td>
<td>43,731</td>
<td>2,863</td>
</tr>
</tbody>
</table>

Companies are the top 20 organizations in each category as reported by the Monitor.

*Company profile pages

realm, a few actions could prove most useful for marketing and image purposes.

In 2013, the three activities the authors recommend to leasing companies are:
1. Understanding the competition’s use of social media
2. Monitoring their own LinkedIn presence, both in employee and company profiles
3. For USBAs specifically, having the conversations with parents around social media usage and the different purposes for which an equipment finance arm might use it

The Competitive Landscape

Understanding the industry’s usage of social media is important for benchmarking purposes. However, understanding how competing forces or organizations are using social media is critical to understanding how a company’s content will be received by audiences. Social channels, by their very nature, offer vast amounts of content. It is not enough to just have helpful videos, promotions and offers, interesting personal dialogue, white papers, and thought leadership, although this type of content is fundamental.

Companies should know how to differentiate themselves from the crowd, understand what is being received well (especially competitors’ content), and identify what is readily shared and referenced. Moreover, the company's content has to be different: more and better than what competitors are offering – at least part of the time.

Conducting a competitive social media assessment of content should be on every marketer’s to-do list in 2013.

Diving Into LinkedIn

LinkedIn is an interesting social media channel for the equipment finance industry. Primarily used for business, it offers opportunities for individuals to show their expertise; help other people with thorny issues; and network with customers, colleagues, and other stakeholders.

First, organizations need to know that a company’s reputation on LinkedIn is developed at a grassroots level. Individuals list their employment (current and past) on their individual profiles, and their activity on LinkedIn can be seen as a reflection of the type of people a company hires and retains. They answer others’ questions, participate in discussions and groups, refer people, and basically offer their services online.

As reported, of the independents assessed in 2012, thousands of individuals showed their current or previous involvement with a single company. That is a lot of personal social activity being conducted with a company’s name attached.

Conducting a thorough analysis of a company’s listings and mentions on LinkedIn could be a critical 2013 social media strategy. A first step would be to take stock of how many people have listed their company as a past or present employer and, secondly, to understand how current employees are using groups, referrals, and other capabilities of LinkedIn to the company’s advantage (or disadvantage).

Understanding the activity that involves the company’s brand will give some indication of what potential employees, customers, and partners are being exposed to about one’s company. This activity also can unearth individuals attending to customer service (or lack thereof), individual opinions that are being shared as corporate policy or beliefs, “natural” brand ambassadors who portray the company well online, and the like.

Companies also should consider positioning their own appropriate staff on LinkedIn as leasing and finance experts who have information and advice from the field that can help support better equipment acquisition decisions.

Opportunities for U.S. Bank Affiliates and Their Parents

If a USBA has not already had a conversation with the parent about the unique opportunities that social media offers it, this year would be the year to do it. Now that business-to-business markets are experiencing positive marketing effects of engaging social channels, the
customer’s expectation that a company will be able to handle its social media needs will rise with it.

While the larger banks clearly are heavily involved in social media, often attributed to their business-to-consumer connection, U.S. bank affiliates may be missing opportunities – either without a clear presence within parent social media channels or by not having their own channels. For instance, questions about leasing on a parent’s channel may be redirected by a well-meaning individual to a loan department instead.

As stated before, social media allows greater dialogue with people online, provides the ability to test ideas and gain feedback, and allows companies to engage in light market research. But the goals and objectives of a USBA around these activities could vary from a parent company’s ideas.

A lack of social presence also is meaningful. For a leasing company today, having no social media presence can portray a lack of transparency, can reduce relevancy, and may frustrate individuals trying to find the company online. In essence, people can lose trust in organizations that are hesitant to engage in social media dialogue at some level. Companies don’t need necessarily to permeate the social space, but they do need a social existence.

Bank affiliates should take an in-depth look at how social media could boost their marketing efforts and take a social strategy to their parent for consideration. Using existing bank parent channels may work well – or not. The bank parent and leasing arm should work together to ensure the bank lessor is leaving – and leading – the appropriate online trail. There may be ways for the USBAs social experience to help boost the overall bank

**WHAT’S THE BIG DEAL?**
**SOCIAL MEDIA CHANNELS EXPLAINED**

**Twitter**

Twitter is often likened to a very public instant messaging vehicle. An individual “follows” people’s tweets (what they post in a maximum of 140 characters), and in turn can generate his own feed of tweets. Twitter has 500 million registered users, so anyone doubting its influence need only think back to the 2012 Summer Olympics, the U.S. presidential election, and any natural disaster, where updates and outcomes were posted by people on the ground even before the officials and newscasters could get the word out. The “people” can report what happens in real time because of Twitter.

**Facebook**

Often called a big “cocktail party,” Facebook is where people share a personal profile and connect with others’ profiles. Robust content can be shared, including polls, video, pictures, thoughts, and links – all with the potential for comments, accolades (“likes”), and sharing. The majority of Internet users in the United States have a Facebook profile. Users rose to one billion in October 2012. Those billion profiles are often likened to leaving a trail of breadcrumbs to people’s unfiltered preferences, true beliefs, and ideals by what people post or “like.”

**LinkedIn**

With 187 million members, LinkedIn is the largest professional networking site in the world. LinkedIn profiles sometimes are characterized as a “souped-up resumes.” This channel has some unique capabilities for individuals wanting to demonstrate their expertise by helping other LinkedIn users with questions and discussion; seek jobs and help others in job searches; connect to colleagues, customers, and stakeholders; network with one another; and establish a professional identity online. Members are, in essence, sharing their professional life.

**YouTube**

Known as the king daddy of all video sharing sites, YouTube has grown from frat boys sharing drinking games and pet owners sharing cute animal tricks to one of the fastest growing professional social media channels. How-to videos, corporate messages, conference and speech summaries, product demos, and more can be found on YouTube. In fact, many professionals say when they have a question about how to do something – whether attempting to fix a computer problem or developing a sales strategy – they often go to YouTube first. Four billion videos stream across this visually based channel each day, and the channel receives around 800 million unique visitors every month.
brand at the same time. Regardless, investigating ways that social media will directly benefit the leasing company should be considered an essential move in 2013.

**FINAL OBSERVATIONS**

Social media’s importance will continue to rise regardless of how much activity the equipment leasing and finance industry engages in. It is a two-way street. How an organization works with “the people” on that two-way street will impact brand and reputation – and therefore sales and marketing. Savvy leasing companies will be proactive and understand that “what happens online, stays online” (read: your activity is listed forever), but online they must be. As Brian Solis wrote in his 2007 *Social Media Manifesto*, “Monologue has given way to dialogue.”

**Endnotes**


2. U.S. Securities and Exchange Commission, Form S-1, Registration Statement, Facebook Inc. [http://www.sec.gov/Archives/edgar/data/1326801/000119312512034517/d287954ds1.htm#toc287954_3a](http://www.sec.gov/Archives/edgar/data/1326801/000119312512034517/d287954ds1.htm#toc287954_3a)


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