Social Media in Wealth Management; Reaching clients and prospects on social media

Description: Summary

The majority of investors are now active on social media on a daily basis, and wealth managers should embrace this both on the company-level and on the relationship manager-level. Social media adds value in a number of ways. Companies can benefit from social media in promoting their brand, enhancing thought leadership and investment opportunities, reaching out to a younger target audience, as well as servicing customers. Relationship managers can leverage social media in researching and reaching out to prospective clients, nurturing client relationships, and building their personal brands.

Key Findings

- While the majority of consumers are now active on social media on a daily basis, the frequency of social media use decreases with age: 94.2% of investors aged 18-24 use social media at least daily, while just 44.1% of those aged 65+ log in daily.

- Company policy and the feeling that social media is too public are the most often cited reasons for wealth managers not being active on social media channels.

- The most popular activity companies undertake on social media is brand promotion, at 72.6% of respondents, followed by the promotion of new investment opportunities, thought leadership, and services.

- Client servicing is not yet among the activities wealth management companies regularly practice via social media. Only 31.7% of firms respond to client queries via social media - a very low percentage given the amount of time customers spend on social media.

- For relationship managers contacting prospects, the leading use of social media is the opportunity to build their personal brand followed by the opportunities to research and contact prospects.

Synopsis

This report analyzes how wealth management companies and relationship managers can benefit from using social media. The report is based on our proprietary Global Wealth Managers Survey.

Specifically the report:

- Analyzes how social media can be useful across the client value chain and what the barriers are to social media use in companies.

- Provides context on how common social media usage is across different demographic segments.

- Examines how wealth management companies can use social media to promote their brand and promote thought leadership and investment products, and analyzes the most popular platforms for each purpose.

- Examines how relationship managers can leverage social media in researching and contacting clients and prospects as well as use it in strengthening client relationships and building their personal brand.

- Analyzes the use of social media in client servicing and analyses the most popular platforms for each purpose.

- Analyzes how wealth management companies tackle social media compliance issues.

- Provides an international overview of the recent regulatory developments on social media

Reasons To Buy
- Review your current social media strategy and benchmark your social media activities against competitors.

- Understand how to tailor content and social media strategy to fit each platform and benefit from competitor examples across different platforms and use cases.

- Proactively shape social media activities in light of emerging platforms and social media trends.

- Broaden the use of social media from mere marketing or brand-building activities.

Contents:
1. Executive Summary
   - Key findings
   - Critical success factors

2. Demonstrating The Value Of Social Media
   - Social media can add value across the client value chain
   - Wealth management companies can reap a variety of benefits from social media
   - Relationship managers benefit from the vast amount of information on social media

3. Social Media In Context
   - Social media is now ubiquitous among investors
   - Young investors are the most prolific users of social media
   - Asian investors tend to be heavy users of social media
   - Retail investors are the most prolific users of social media, reflecting their younger composition
   - Facebook is the leading platform in terms of audience penetration and engagement
   - While Facebook is the clear leader, Instagram and Snapchat also clock in strong engagement figures among millennials
   - Of the social networks, Facebook and LinkedIn have the oldest average user bases
   - Not all relationship managers have realized the social media opportunity
   - 37% of wealth management companies do not engage with HNW clients via social media
   - Company policy prevents wealth managers from using social media

4. Using Social Media For Marketing And Brand Promotion
   - Brand promotion and thought leadership are the primary drivers for social media use among wealth management companies
   - The use of social media as a brand promotion platform will increase
   - Wealth managers are employing a range of social media tactics for brand promotion
   - Globally Facebook is the preferred platform for brand promotion
   - The largest wealth managers dominate the top social media influencer list
   - Thought leadership efforts should not be limited to a single platform
   - Start by sharing existing content via different platforms
   - Thought leadership is mainly distributed through regional platforms and on LinkedIn
   - Social media allows for targeting the young as the audience is already there
   - Facebook is the preferred channel for targeting the young
   - Target a younger audience by picking the right content tailored for the platform
   - Increase awareness of new investment opportunities on social media
   - Factoring life events into marketing can make promotions more engaging
   - Facebook and LinkedIn are the main channels for promoting opportunities and services

5. Servicing Clients On Social Media
   - Uptake of social media in client servicing remains modest
   - Looking forward use is expected to pick up
   - The preferred channel for responding to client queries varies by region
   - Clients can be serviced through a variety of platforms
   - While relationship managers use social media for multiple purposes, it is not utilized enough
   - Information shared on social media will help in tailoring service offerings
   - Relationship managers will increasingly extend their personal brands to social media
   - Relationship managers rely on LinkedIn and regional platforms for client interaction
   - Researching and contacting prospects: social media offers vast amounts of information
   - Social media is a key aid in researching prospective clients
   - Investors also turn to social media when researching
   - Maintaining client relationships: relationship managers should take advantage of the information on social
media
- Software solutions can help in picking out relevant information
- Company-led social networks could also help relationship managers build on client relationships
- Building a personal brand: relationship managers can develop this by providing thoughtful commentaries
- LinkedIn is an excellent platform for sharing insights, while Twitter lends itself to shorter market commentary

6. Navigating Social Media Compliance
- Most companies have social media compliance teams in place
- Only a fraction of wealth managers have no social media compliance guidelines
- Collaborating with software providers can offer efficiency gains
- Regulators have responded to the growing social media activity by updating their rules
- The FCA published its social media guidelines in 2015
- FINRA regulates advertisements and online communications in the US
- The Hong Kong Monetary Authority has noted the risks of online banking via social media

7. Appendix
- Abbreviations and acronyms
- Definitions
- Emerging affluent
- HNW
- Mass affluent
- Retail market
- Methodology
- 2015 Global Wealth Managers Survey
- 2015 RBI Survey
- Bibliography
- Further reading
- About the Author
- Disclaimer

List of Figures
Figure 1: Social media can be a valuable tool for building business and creating value
Figure 2: The majority of investors under 65 use social media daily
Figure 3: Across all age segments Asian investors use social media more than the global average
Figure 4: Most investors now log on to social media daily
Figure 5: Over 90% of US adults aged over 35 use Facebook
Figure 6: Snapchat and Instagram trail Facebook in terms of social media engagement among millennials
Figure 7: Nearly half of Snapchat users are under 25
Figure 8: Not all relationship managers have seized the social media opportunity
Figure 9: Wealth managers cite company policy as the main hurdle to taking up social media
Figure 10: The leading use of social media is brand promotion
Figure 11: The use of social media as a brand promotion tool is expected to increase the most
Figure 12: Facebook and LinkedIn are the leading platforms for brand promotion
Figure 13: Deutsche Bank has an impressive Twitter following
Figure 14: CreditEase targets clients through WeChat's Moments
Figure 15: North Americans rely on LinkedIn in when sharing thought leadership
Figure 16: Deutsche Bank tweets market views under #DrStephan
Figure 17: Wealth managers reach out to the younger target audience on Facebook
Figure 18: UBS has a number of accounts on Instagram
Figure 19: JPMorgan ran a Snapchat ad and a geo-filter targeting graduates
Figure 20: Western European wealth management companies prefer LinkedIn for promoting investment opportunities
Figure 21: Nutmeg takes note of the FCA's guidelines when promoting its LISA 333 or Lifetime ISA products
Figure 22: Only a third of companies use social media to respond to client queries
Figure 23: Facebook and LinkedIn are the leading platforms for handling client queries
Figure 24: The "Need help?" tab on Fidelity's Facebook page illustrates to users that the company can be reached through multiple channels
Figure 25: AJ Bell has demoed a live share on Facebook Messenger
Figure 26: Brand building is the leading activity taken by relationship managers in social media
Figure 27: Use of social media in building relationship managers' brands will increase
Figure 28: LinkedIn and regional platforms are the main social media platforms used by wealth managers to
target clients
Figure 29: Financial professionals find that LinkedIn helps them to strengthen their profile, enhance their business opportunities, and improve referrals
Figure 30: US millennials find online reviews as important as peer recommendations when selecting a financial advisor
Figure 31: Vouched For allows clients to review their advisors online
Figure 32: LinkedIn ProFinder links customers to professionals
Figure 33: Social Content Recommendation pulls news articles from different sources and matches them with clients’ interests
Figure 34: Hearsay Social automatically notifies advisors of their network’s life events
Figure 35: Josh Brown, the CEO of Ritholtz Wealth Management, boasts more than 144,000 Twitter followers
Figure 36: In-house compliance teams are the most common social media control
Figure 37: Gremln makes sure that messaging is compliant with set guidelines
Figure 38: The FCA's Finalised Guidance offers clear examples of compliant and non-compliant promotional tweets and other social media promotions

Order by Fax - using the form below
Order by Post - print the order form below and send to

Research and Markets,
Guinness Centre,
Taylors Lane,
Dublin 8,
Ireland.
Fax Order Form
To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit http://www.researchandmarkets.com/contact/

Order Information
Please verify that the product information is correct and select the format(s) you require.

- Product Name: Social Media in Wealth Management; Reaching clients and prospects on social media
- Web Address: http://www.researchandmarkets.com/reports/3775925/
- Office Code: SCPLCV27

Product Formats
Please select the product formats and quantity you require:

<table>
<thead>
<tr>
<th>Format</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic (PDF) - Single User</td>
<td>□</td>
<td>USD 5250</td>
</tr>
<tr>
<td>Electronic (PDF) - Site License</td>
<td>□</td>
<td>USD 10500</td>
</tr>
<tr>
<td>Electronic (PDF) - Enterprisewide</td>
<td>□</td>
<td>USD 15750</td>
</tr>
</tbody>
</table>

Contact Information
Please enter all the information below in BLOCK CAPITALS

Title: [ ] Mr [ ] Mrs [ ] Dr [ ] Miss [ ] Ms [ ] Prof
First Name: __________________________ Last Name: __________________________
Email Address: * __________________________
Job Title: __________________________
Organisation: __________________________
Address: __________________________
City: __________________________
Postal / Zip Code: __________________________
Country: __________________________
Phone Number: __________________________
Fax Number: __________________________

* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)
Payment Information

Please indicate the payment method you would like to use by selecting the appropriate box.

☐ Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

☐ Pay by check: Please post the check, accompanied by this form, to:
Research and Markets,
Guinness Center,
Taylors Lane,
Dublin 8,
Ireland.

☐ Pay by wire transfer: Please transfer funds to:
Account number 833 130 83
Sort code 98-53-30
Swift code ULSBIE2D
IBAN number IE78ULSB98533083313083
Bank Address Ulster Bank,
27-35 Main Street,
Blackrock,
Co. Dublin,
Ireland.

If you have a Marketing Code please enter it below:

Marketing Code: ____________________________

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at http://www.researchandmarkets.com/info/terms.asp

Please fax this form to:
(646) 607-1907 or (646) 964-6609 - From USA
+353-1-481-1716 or +353-1-653-1571 - From Rest of World