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.

- Examines 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
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

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- Definitions
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- HNW
- Mass affluent
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