Just a few short years ago, hard-line traditionalists could still make the case that social media was just a passing fad, and far too unpolished and unprofessional to add any real value in the business environment. Those days are officially over.

As a successful Financial Advisor, you don’t need to agree with the direct uses of social media in the business world, the effectiveness of the platforms from a marketing or retention standpoint, or the merit of creating a strategy to use Facebook, LinkedIn and Twitter in your own financial practice, but it’s vitally important for you to understand that your competitors are already using these tools to their advantage.
Your Competitors Are Using Social Media
...And It’s Working!

A recent survey from LinkedIn and FTI Consulting found that Financial Advisors are not only using social media more than ever; they are winning more business than ever with these platforms. Take a look at the following statistics*:

- **71%** of Advisors said that they are using social networks to do business, with 91% of Advisors on social media using LinkedIn and over 60% using Facebook.
- **60%** of Advisors stated that social media has had a positive impact on their business.
- **29%** of Advisors say that social media plays a significant role in their marketing efforts today, with 52% expecting social media to play a significant role in their marketing in 2013.
- **53%** of more than 180,000 Advisors use LinkedIn at least once a week.
- **60%** of more than 60% of Financial Advisors on LinkedIn have used the platform to gain new clients, and of that group, 32% have used the platform to bring in $1 million or more in assets under management.

Translation? Historically, the conversion rate of traditional direct marketing programs (such as direct mail) generally hovers around 2%, and is often even lower. Considering that direct marketing programs can cost thousands of dollars, wouldn’t you be interested in a platform that is already generating warm leads and conversions for Advisors, and is completely free? This is the power of social media, and why Advisors are beginning to realize that it might be time to set aside their biases and fears, and see what Facebook, LinkedIn and Twitter have to offer their businesses.
Your Clients and Ideal Prospects Are on LinkedIn

Even with Advisors around the nation finally dipping their toes into social media, the statistics are proving that they still aren’t providing the engagement that their clients and prospects are looking for.

For example, of the investors who already have a Financial Advisor and are using social media, more than half (52%) say that they would like to interact with their Advisor using social media — yet only 4% of them are actually doing so. This disparity highlights the scope of the major opportunity for Advisors to not only retain existing clients, but to also increase their assets under management.

How about high-net-worth investors, the potential “A” client that every Advisor dreams of? They’re on these platforms too. Consider the following**:

More than 5 million high-net-worth investors are actively using social media to help them make financial decisions.

Only half of the high-net-worth investors actively using these platforms currently have Financial Advisors.

73% use LinkedIn and they use it much more than Facebook or Twitter to engage in professional discussions.

“Ultra affluent investors” with $5 million or more in investable assets are 37% more likely to trust information shared by their LinkedIn network than any other outlet.

The point being that your current clients and your ideal clients don’t just have profiles on these mediums, they are also using LinkedIn and Facebook as major sources for financial information, news and updates. If you don’t join the conversation, you are missing an amazing opportunity to get in front of your best prospects... without ever leaving your office. Social media allows you to position yourself as a credible expert to your top prospects and to build your brand identity with hundreds of followers before making face-to-face contact.

That said, your concerns are certainly not unfounded, and you are smart to keep them at the forefront of your mind. We believe that, as long as you fully understand the risks and have taken the steps to protect yourself, the benefits of using social media far outweigh the potential dangers.

If you create and implement your social media strategy with compliance in mind, you already have an advantage over those who choose to dive in without the benefit of research and forward-thinking vision. Don’t wait any longer - join the social media revolution today!

Was this white paper useful to you? If so, don’t miss our next edition of “Financial Advisors & Social Media,” titled “The First Step – A Focus On Compliance.”

If you’re interested in learning more about how National Planning Corporation® can help you use social media to promote your practice, engage with clients and prospects, and build your brand organically, contact us today at (800) 881-7174 or recruiting@natplan.com, and make sure to check out our website at www.joinnpc.com!