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Building social following no guarantee for business

By Staff Reporter
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Advisers should 'tap in' to networks strategically.

Social media has rapidly become an essential tool for financial advisers to attract and retain new business, but a targeted approach is needed to convert followers to clients.

i-Impact Group president and founder Claudio O. Pannunzio said that although financial advisers like to accumulate social media followers, that is not enough to help them grow their business.

The American Century Investments' *2011 Financial Professionals Social Media Adoption Study* shows that, in 2011, social media usage by financial professionals surged to 86 per cent from 73 per cent in 2010.

Use of social media for customer feedback also jumped to 21 per cent in 2011, up from 12 per cent in 2010.

But Mr. Pannunzio said that advisers still appear to be preoccupied with how many followers or 'likes' they have on their social media pages.

"The goal of a social media strategy for financial advisers is to position yourself with your target audiences as an expert and trusted source, providing them with valuable information, actionable ideas and tips that motivate," he said.

He explained that the first step for financial advisers is to direct social followers to their website to share the content designed to give a clear understanding of the adviser's capabilities and expertise, as well as to familiarize them with the business brand.

"If your followers do not find value and are not engaged by what you say, the odds they will convert into clients or generate high-value leads for you will be nominal at best," Mr. Pannunzio said.

"That's why it is imperative to understand that your followers' networks do not hold value until you tap into it - strategically.

"As an integral part of a financial adviser's overall marketing mix, the social media strategy must include very specific and well-defined goals for connecting with people that go beyond amassing sheer numbers. Advisers who fail to do that are in all likelihood, wasting their time."

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