



Advisors Reveal Their Biggest Marketing Challenges

By Harriet Davies

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Some 55 per cent of advisors think their biggest marketing challenge is differentiating their practice and generating new business, and a vast majority of advisors think they are not doing enough to market their business, according to a survey of around 200 advisors polled by Peak Advisor Alliance. Meanwhile, many advisors are unclear how to make social media work for them.

A total of 89 per cent of advisors said they weren't doing enough, and 66 per cent aren't engaged in any form of social media for promotion. This ties in very closely with the results of a survey released by Aite Group in December, which revealed only 35 per cent of advisors use social media professionally.

The recent survey found that many believed social media could help their business, but were unsure as to how to benefit from it, and were also concerned over compliance issues. Differences existed though between the different social media sites, with many more respondents knowing how LinkedIn can help their business than Twitter.

In fact, 60 per cent of respondents used LinkedIn, and 40 per cent knew how it helped their business, whereas only 10 per cent used Twitter. Furthermore, 88 per cent were unsure how Twitter could help their business.

The findings highlight some of the ambiguity around the social media space, with the medium often being touted as critical in this day and age, but with little hard evidence on the tangible benefits. One factor to consider, though, is that according to the Institute of Private Investors in a survey released last year, wealth management clients are increasingly using social media as a forum to discuss their issues and experiences.

In the earlier Aite Group survey, of the advisors using social media professionally, 36 per cent said it had helped them reach new prospects, and around one in five thought it had increased awareness of their practice and helped them differentiate.

Another big barrier to the uptake of social media is compliance. However, it hit the news recently that Morgan Stanley Smith Barney was allowing a select group of its brokers to "tweet", as part of a larger roll-out strategy at the firm – reportedly the first big player to allow its staff to do so.

In a recent article on the compliance issue, Chad Bockius, CEO at Socialware, told Family Wealth Report that these fears can be overblown, as compliance solutions that monitor, review and archive communications are available. He also added that, as a strategy, prohibition carries its own dangers, as it can lead to unmonitored activity.

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