


The Putnam Social Advisor Survey

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April 2019



The Putnam Social Advisor Survey of 1,021 U.S. financial advisors currently advising retail clients and have been doing so for more than two years, was conducted online November 28, 2018, through December 24, 2018, in partnership with NMG consulting. This is the sixth annual iteration of the survey.

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Putnam Retail Management
4/19

Key findings

The Environment

From the periphery barely five years ago, social media has evolved into a critical tool for business development and client service for almost all wealth management advisors. Advisors today are seeing more and more success from their social media initiatives and are more confident in and enthusiastic about social media than ever before:

- More than nine advisors in ten (92%) who use social media for business (83% of all advisors) say social media has helped them gain new clients, up from 86% last year
- Average new AUM resulting from social media initiatives is \$4.9 million, including \$1.4 million in the past 12 months
- The median age of a new client gained through social media jumped to 40 from 35 last year as social media matures beyond its youthful origins and develops traction with older (and potentially higher asset) prospects
- Almost half of advisors (48%) agree strongly that social media has changed the nature of their relationship with clients, up from 39% last year. Another 43% agree somewhat.
- The changes are all positive, and several are picking up steam. More than two thirds (67%) say they have more frequent communication with clients as a result of social media (up from 59%), and nearly six in ten (57%) say decision-making is faster and easier (up from 50%)

Key findings

The Environment

- Advisors are getting more comfortable with their fluency in social media, with fully 61% describing themselves as expert, up from an improbably high of 46% just last year
- Advisors are having modestly greater success leveraging referrals using social media; almost half (47%) use social media a great deal to connect with clients' heirs and adult children (up three points). Almost six in ten (57%) use social media a great deal to make initial contact with referrals from existing clients, up five points
- More than six advisors in ten (61%) consider social media more efficient than traditional business development initiatives, about the same as last year
- Nearly nine advisors in ten (86%) say social media plays a significant role in their marketing efforts, with the proportion saying "a very significant role" leaping to 47% from 34% last year. As recently as 2014, fewer than a quarter of advisors (23%) took this position

Key findings

The Networks

- While the proportion of advisors using LinkedIn for business flatlined in the low 70s beginning in 2015, business use of other networks (especially Facebook and Twitter) continues to grow apace
- The share of advisors designating Facebook their primary social media network for business declined sharply (to 30% from 36%) this year after years of steady growth. LinkedIn is essentially unchanged at 52% (and virtually unchanged since 2014). Qualitative responses point to security and data policy issues as a potential cause of Facebook's decline
- Frequency of business use of all networks tested is up marginally over last year, but LinkedIn is up more
- An increasing number of advisors have an appetite for using YouTube, Instagram, and Snapchat; interest in Facebook, LinkedIn, and Twitter hasn't changed appreciably
- LinkedIn continues to be seen as the site to "improve my referral network" (on which Facebook tanked this year, down seven points)
- Facebook is seen as excelling in enhancing current client relationships

Key findings

The Networks

- The trend profile for LinkedIn is impressively positive:
 - In terms of use for business purposes, LinkedIn is clocking solid, sustained growth in many areas, especially advisors using the network to follow companies; like, comment on or share others' LinkedIn updates; requesting recommendations and posting to groups or pages
 - The share of advisors who use LinkedIn only passively has declined steadily since 2014 to 20% (from 33%)
 - The use of LinkedIn for most business development initiatives is up over last year, especially connecting with other financial professionals; enhancing current client relationships; expanding advisors' professional knowledge and cultivating prospective clients
- The trend profile for Facebook is unremarkable:
 - In terms of use for business purposes, Facebook is relatively flat. Exceptions are solid growth in liking, commenting on or sharing content, and on posting personal content
 - The share of advisors who use Facebook only passively has declined modestly since 2015 to 15% (from 23%)
 - The use of Facebook for most business development initiatives is virtually unchanged since last year with the exception of expanding advisors' knowledge, up strongly
- The use of Twitter for most business development initiatives is up compared to last year, most conspicuously on "promoting myself as a thought leader" (up 25 points!)

Key findings

The Networks

- The credibility of LinkedIn as a source of information is growing faster than the credibility of Facebook. The share of advisors who consider LinkedIn more relevant than traditional media increased 10 points, to 52%, over last year. Facebook crept up only four points, to 48%
- Many more advisors increased their use of LinkedIn for business purposes this year than last (57%, up from 47%); Facebook is unchanged at 60%, and Twitter is essentially flat at 47%
- LinkedIn and Facebook share honors for being used because they deliver attractive prospects, clients, and results. Other networks are far behind

Key findings

The Winners

What types of advisors are getting the greatest lift out of social media? Of the 14% of advisors who have used social media to grow AUM by 10% or more (our highest category):

- Three quarters are male (versus 68% of all advisors)
- Almost half (46%) are between 30 and 39 (versus 35% for all advisors)
- Nearly six in ten (58%) say social media plays a very significant role in their practice (versus 47%)
- They are much likelier to pay for enhanced services from a social media network (80% versus 62%)
- They are likelier to have been trained on social media by colleagues from their firms or offices (50% versus 39%) or by a wholesaler or representative from an investment partner firm (42% versus 37%)
- Their next big move is to integrate social media data into their CRM systems (57% versus 45%)
- Their average AUM gained through social media is about three times the average for all advisors (\$15.3 million versus \$4.9 million)

Key findings

The Details

In the familiar but still important category, the profile of advisors in Social Media 6 generally resembles advisor profiles in earlier social media studies:

- 68% male; 32% female
- Average age of 43.7; in practice an average of 11 years
- Distributed across the advisory channel, predominantly in financial planning companies, banks, wirehouses, insurance companies, and regional BDs
- Stubbornly high proportion of transactional business (46% versus 54% fee), virtually unchanged since 2015
- Net business use of social media (83%) virtually unchanged since 2015 — higher, but only somewhat higher, among younger advisors

Key findings

What's Next?

Among advisors already using social media for business:

- Going deeper with existing social media presences (60%)
- Integrating social media data into marketing automation system (53%)
- Adding staff dedicated to social media (47%)
- Integrating social media into CRM (45%)

Among advisors not currently using social media for business:

- Big increase (to 28%) saying they are “absolutely certain” to start using social media for business in the next three years (response to this question in four previous cycles was in the single digits)

Profile: Advisors using social media

Profile comparison

	Dec-18	Nov-17	Jul-16	Jul-15	Jul-14	Jul-13
N =	1,021	1,014	1,018	816	729	408
Male	68%	68%	62%	74%	74%	88%
Female	32%	32%	38%	26%	26%	13%
Age:						
18–29	9%	14%	11%	7%	10%	1%
30–39	35%	31%	30%	28%	20%	18%
40–49	26%	22%	21%	21%	22%	30%
50–64	26%	26%	30%	33%	37%	45%
65+	4%	7%	8%	11%	11%	7%
Average age	43.7	43.6	45.5	47.6	48.5	50.1
Average # of years as an advisor*	11	13	13	14	15	14
Median # of years as an advisor	10	10	10	11	14	15
Median # social media networks used for business	3	3	3	2	2	1
Median # times per month used LinkedIn for business	18	13	14	14	9	8
Median # times per month used Facebook for business	30	30	30	30	30	11

Note: *Question format change starting in wave 2 to numeric open end. Wave 1 asked in ranges.

Profile: Advisors using social media

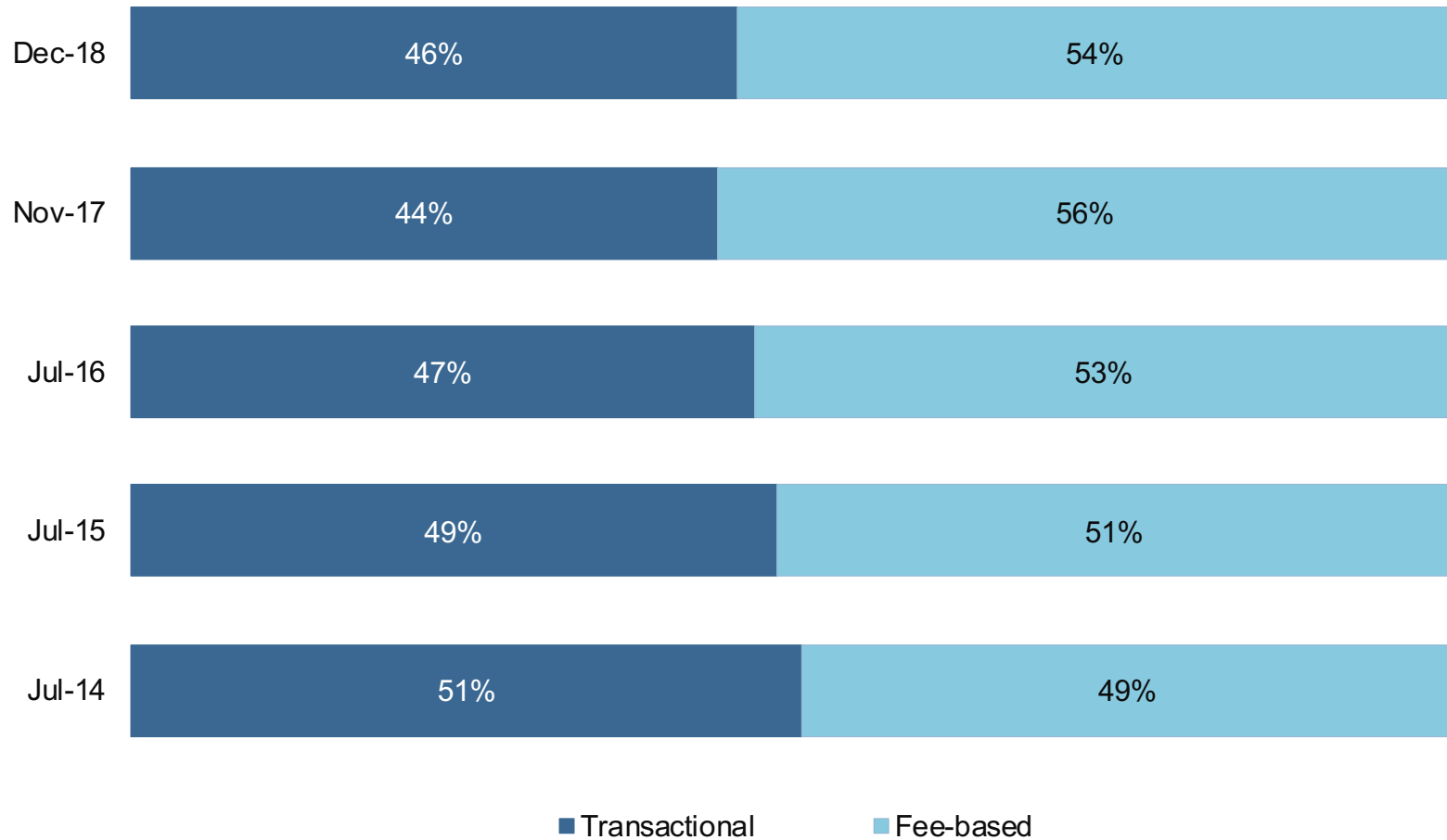
Profile comparison: Channel

	Dec-18	Nov-17	Jul-16	Jul-15	Jul-14	Jul-13
Financial Planning Co.	29%	27%	26%	24%	19%	56%
Bank	24%	17%	16%	17%	8%	6%
Wirehouse	21%	21%	20%	21%	21%	17%
Insurance	12%	15%	18%	19%	21%	8%
Regional BD	5%	7%	7%	6%	13%	12%
Other	4%	4%	4%	4%	4%	n/a
Discount brokerage such as Fidelity or Charles Schwab	3%	4%	4%	5%	n/a	n/a
RIA	2%	5%	4%	4%	10%	n/a
Benefits consultant/broker	1%	1%	1%	2%	5%	n/a

Note: Question not consistent across the 4 waves.

Profile: Advisors using social media

Advisor compensation method Trend



Note: Average %.

Q54 About what percentage of your business in the past year was:

Profile: Advisors using social media

Social network usage Trend

	Dec-18	Nov-17	Jul-16	Jul-15	Jul-14	Jul-13
Net: Personal use	97%	96%	95%	93%	92%	92%
Net: Business use	83%	84%	85%	81%	75%	76%
Personal use only	14%	13%	12%	14%	19%	19%
Business use only	1%	1%	3%	2%	2%	3%
Both business and personal use	83%	83%	83%	79%	73%	73%
Neither personal nor business use	2%	3%	3%	6%	6%	4%

Note: Question structure and social media network list modified in 2018 (from 9 networks in 2017 to 6 networks in 2018 — all asked as part of Q7).

Q7 Which, if any, of the following social networks have you utilized by active participation, or by passively consuming content, for business and/or personal purposes during the past year?

Profile: Advisors using social media

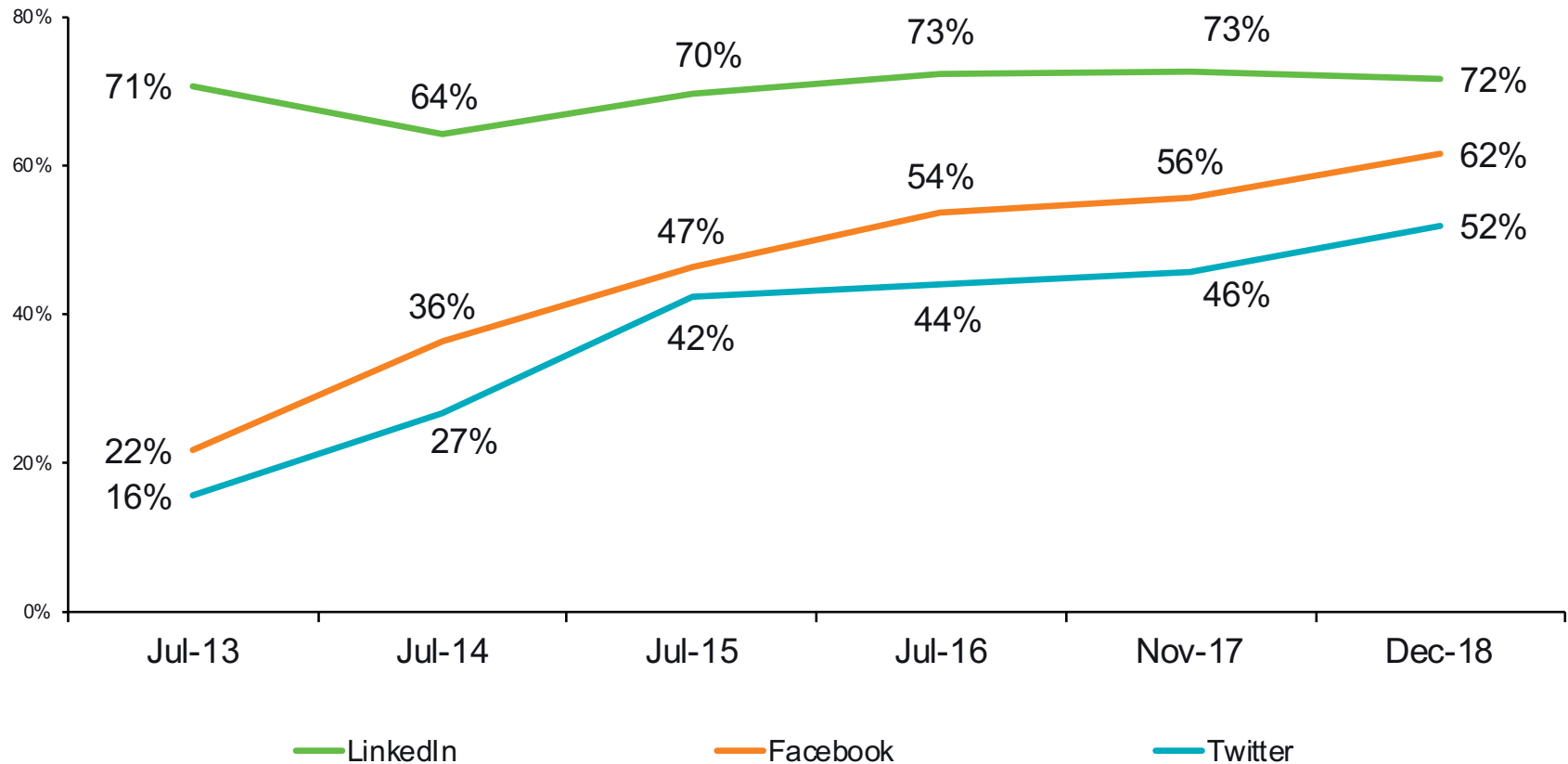
Social network usage By age

	Total	18–29	30–39	40–49	50–64	65+	50+
N =	1,021	101	350	259	266	45	311
Net: Personal use	97%	99%	100%	99%	94%	77%	92%
Net: Business use	83%	88%	86%	83%	83%	55%	79%
Personal use only	14%	12%	14%	16%	12%	24%	14%
Business use only	1%	1%	0%	0%	1%	2%	1%
Both personal and business use	83%	87%	86%	83%	82%	53%	78%
Neither personal nor business use	2%	0%	0%	1%	5%	21%	7%

Q7 Which, if any, of the following social networks have you utilized by active participation, or by passively consuming content, for business and/or personal purposes during the past year?

Which sites?

Social network use: Net business Trend

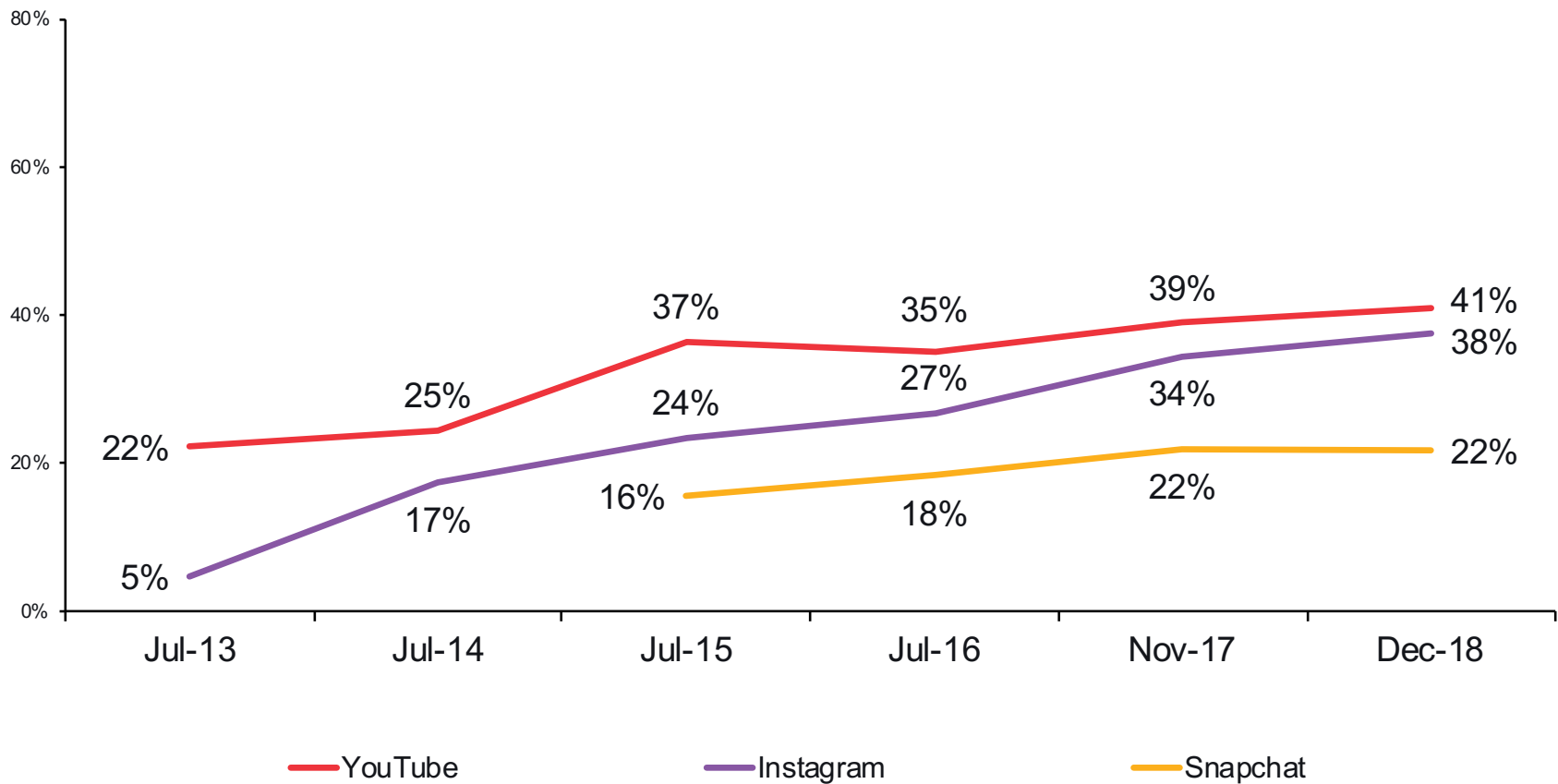


Note: Question structure and social media network list modified in 2018.

Q7 Which, if any, of the following social networks have you utilized by active participation, or by passively consuming content, for business and/or personal purposes during the past year?

Which sites?

Social network use: Net business (cont'd) Trend

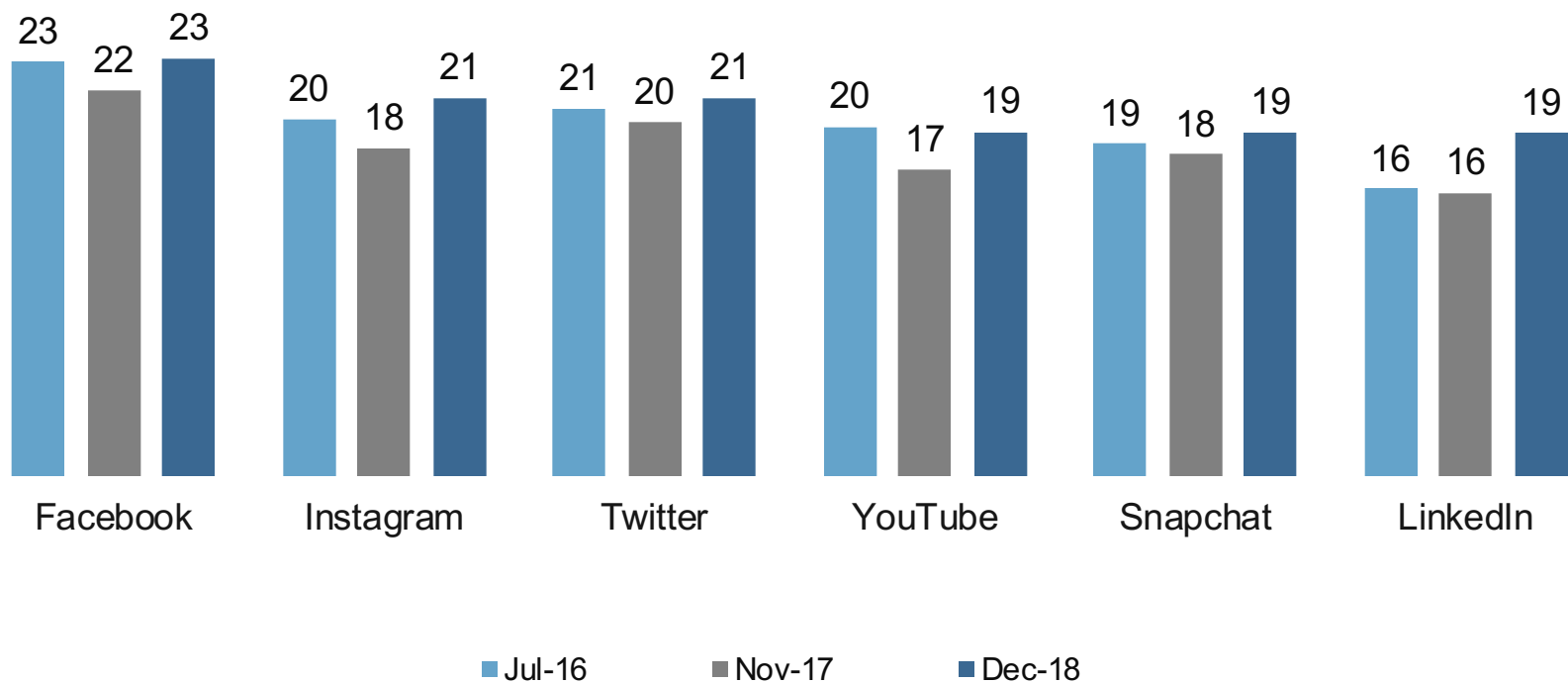


Note: Question structure and social media network list modified in 2018.

Q7 Which, if any, of the following social networks have you utilized by active participation, or by passively consuming content, for business and/or personal purposes during the past year?

Which sites?

Frequency of using social media for business Trend

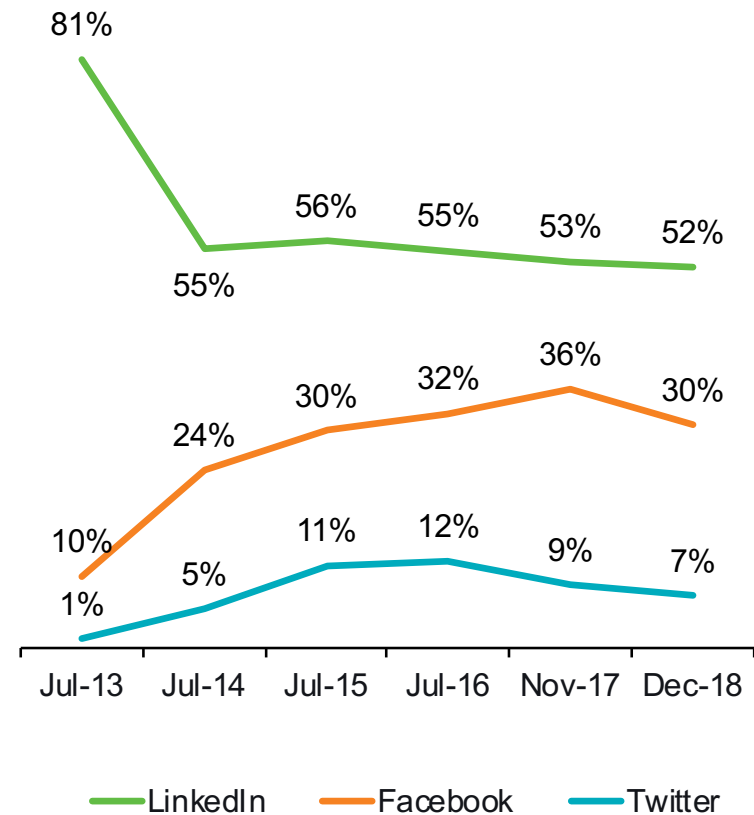
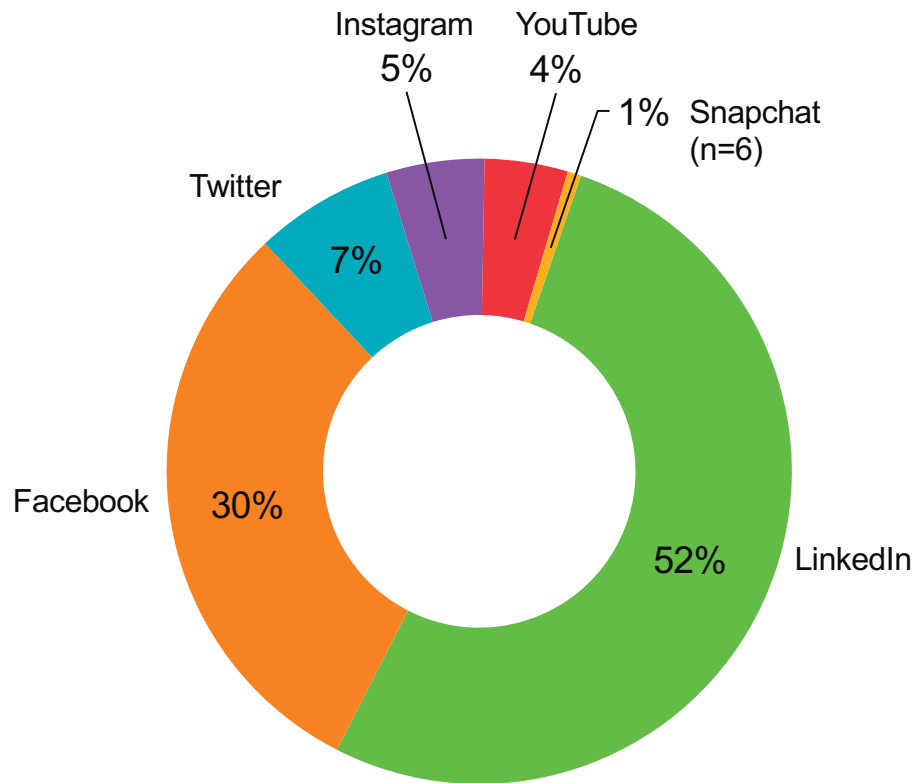


Note: Base: This social media network used for business; average # times per month.

Q14 For each network that you have used for business purposes, please tell us how frequently you used this network for business purposes in the past month:

Which sites?

Primary social media network for business



Note: Base: Social media networks used for business (83%).

Q15 Which, of these do you consider your primary social media network for business use?

Which sites?

Reasons this network is primary for business — verbatims

LinkedIn

- “It’s a **more professional** network of business minded clients and individuals that are looking for the type of services my company and I offer.” (Male, 38, Independent, \$100M–\$149.9M AUM)
- “Not only are my clients here, but some of my **biggest mentors** are located here too. It is also just a **more professional** locale than a site like, for instance, Snapchat.” (Male, 44, Wirehouse, \$25M–\$49.9M AUM)
- “LinkedIn provides access to the widest net of like-minded individuals that fit well with our industry.” (Male, 36, \$50M–\$99.9M AUM)
- “It seems to be the **culturally accepted standard**.” (Male, 37, Independent, \$150M–\$200M AUM)

Facebook

- “Facebook is the most widely used social media platform and it is where I have **the most access to my current and future clients**.” (Female, 27, National Full Service, \$50M–\$99.9M AUM)
- “I have a lot more connections on Facebook. The platform is easier for many people to follow at once. I feel like you have a lot more options when it comes to picking what you want to share and post.” (Male, 33, Bank, \$200M+ AUM)
- “Facebook has **more people like my clients** than like my competition. **LinkedIn, for example, is a lot of people just like me looking at other people just like them.**” (Male, 65, Independent, \$50M–\$99.9M AUM)

Q17 Are there any other reasons (primary from Q15) is your primary network?

Which sites?

Reasons this network is primary for business – verbatims

Twitter

- “**Super convenient** — It’s available on phone, tablet, and computer. Also, it’s very easy to customize.” (Female, 60, \$50M–\$99.9M AUM)
- “The **BEST** way to communicate **quickly** to business associates and friends.” (Male, 40, Wirehouse, \$150M–\$200M AUM)

Instagram

- “People are **moving away from Facebook because of all the security problems** and moving to Instagram.” (Female, 65)
- “It is trending better than most social networks for business right now (in my opinion).” (Male, 30, Independent, \$150M–\$200M AUM)

YouTube

- “Being able to get the information you want out in a personal fashion. **You can show emotion and attitude** when presenting content.” (Male, 38, Bank, \$50M–\$99.9M AUM)
- “Short videos allows to be very explicit with our clients and can be played when needed.” (Male, 67)

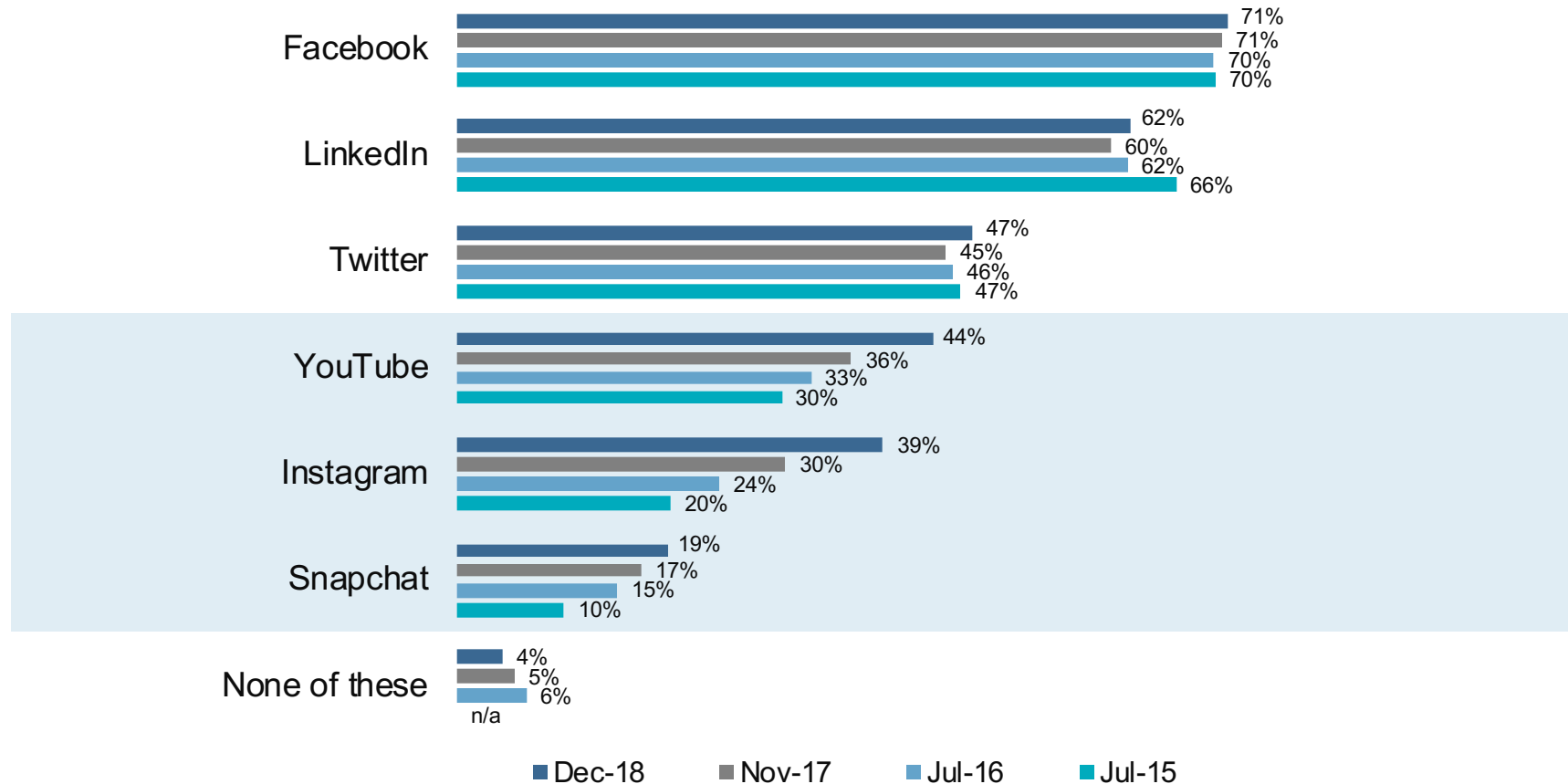
Snapchat

- “I just love the creativity they have.” (Male, 30, Regional BD, \$100M–\$150M AUM)

Q17 Are there any other reasons (primary from Q15) is your primary network?

For what?

Social networks would use Trend



Note: Base: Social media networks used for business or personal use (98%).

Q26 If there were no compliance restrictions for social media usage at your firm, which social media networks would you be using for business? Please consider both current social media networks used as well as others you might wish to use.

For what?

...And purpose for which would use them

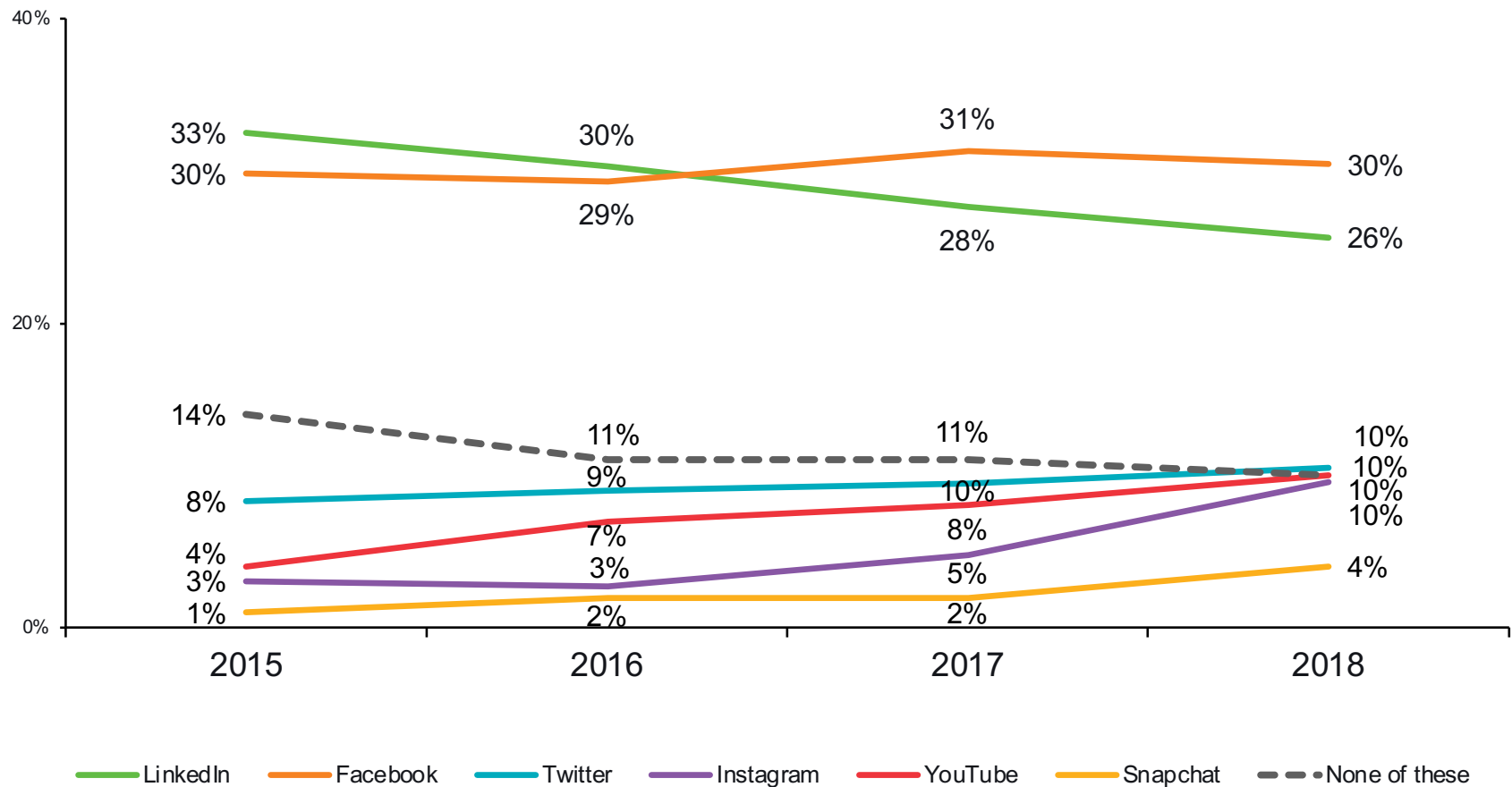
	Building my brand	Improving my referral network	Cultivating new prospects	Enhancing current client relationships	Promoting myself as a thought leader
LinkedIn	26%	32%	27%	24%	24%
Facebook	30%	24%	24%	31%	20%
Twitter	10%	12%	14%	11%	11%
Instagram	10%	10%	9%	10%	9%
YouTube	10%	10%	10%	9%	11%
Snapchat	4%	3%	4%	3%	4%
None of these	10%	10%	11%	11%	21%

Note: Base: Social media networks used for business or personal use and excludes none from Q26 (94%).

Q27 And for which purposes would you use them? Please select only one primary network for each purpose. If none of the networks would be primary for a purpose please select "none of these" for that column. Note each column must have one selection.

For what?

...And purpose would use them: Trend on “Building my brand”

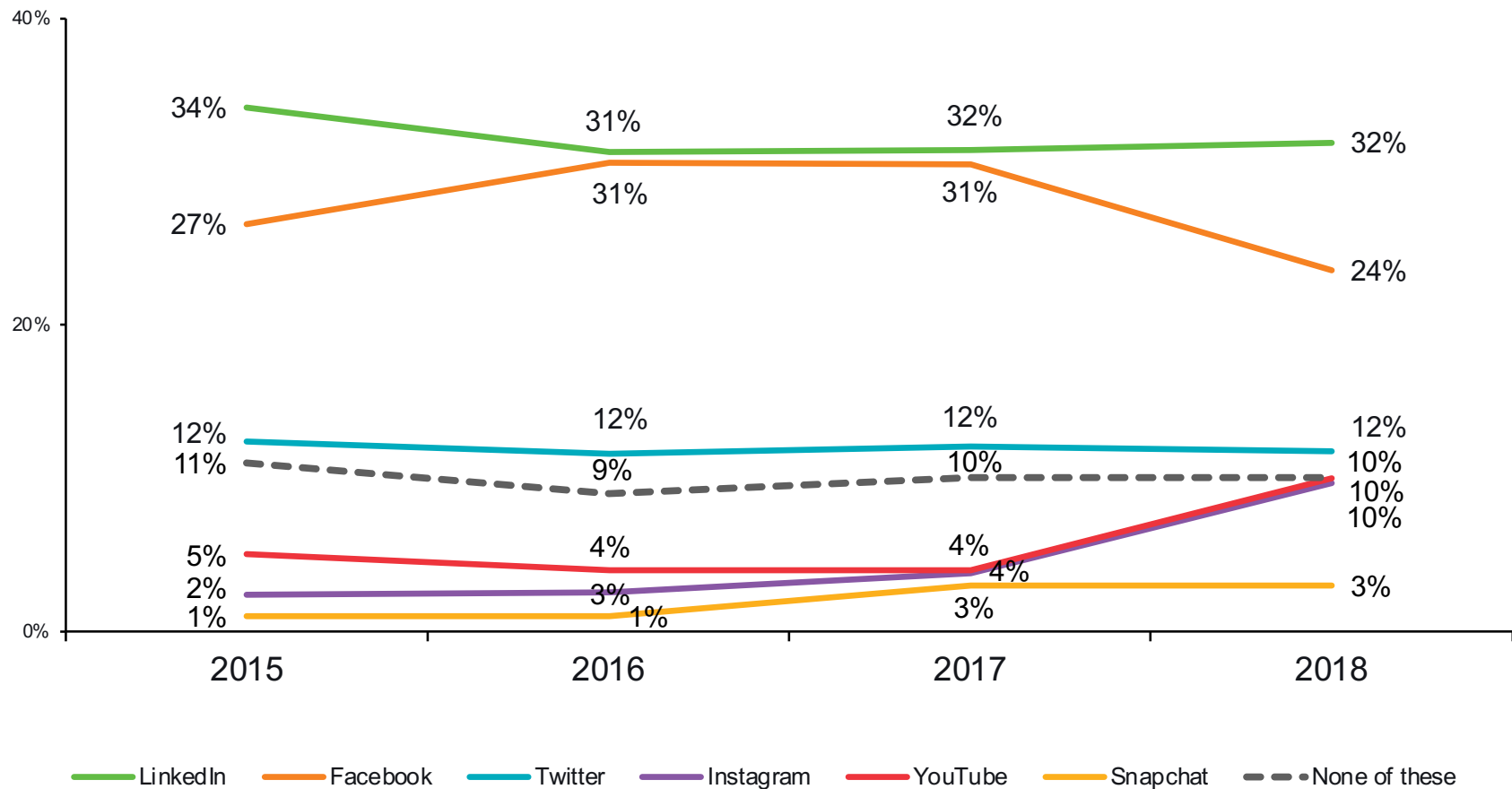


Note: Base: Social media networks used for business or personal use and excludes none from Q26 (94%).

Q27 And for which purposes would you use them? Please select only one primary network for each purpose. If none of the networks would be primary for a purpose please select “none of these” for that column. Note each column must have one selection.

For what?

...And purpose would use them: Trend on “Improving my referral network”

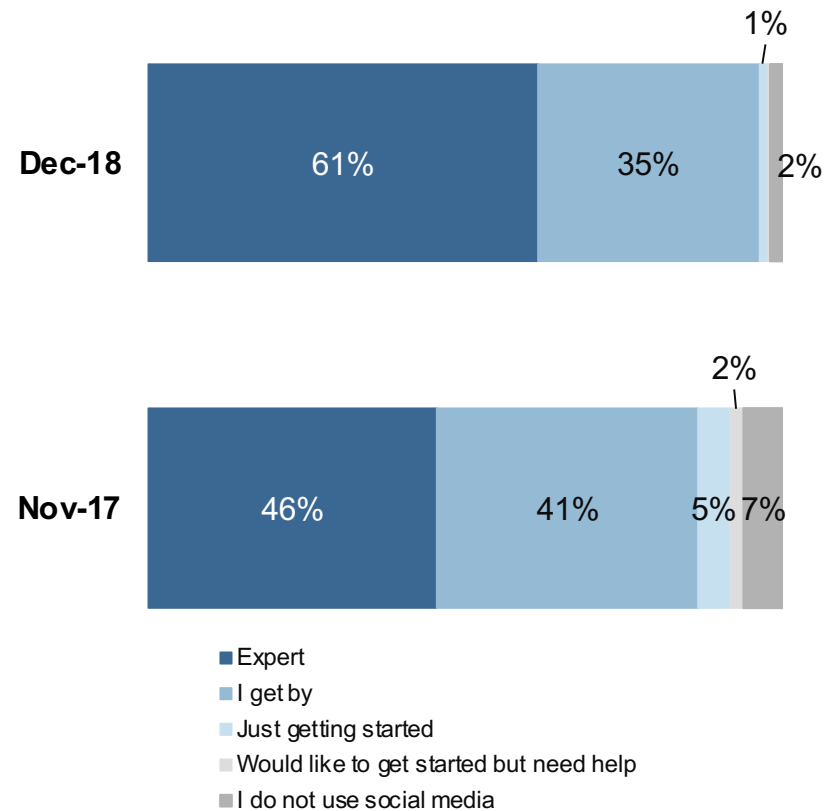
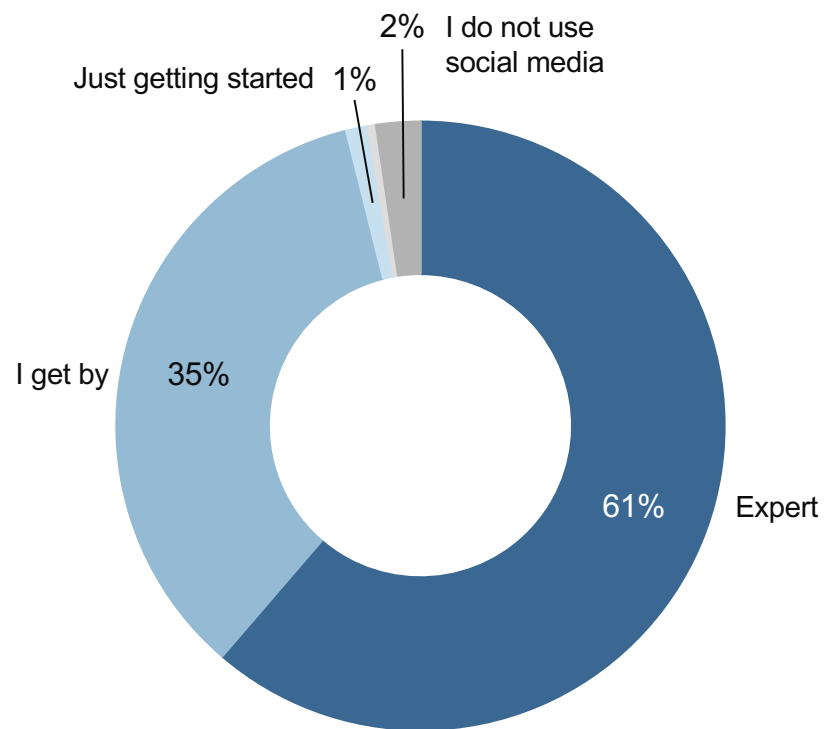


Note: Base: Social media networks used for business or personal use and excludes none from Q26 (94%).

Q27 And for which purposes would you use them? Please select only one primary network for each purpose. If none of the networks would be primary for a purpose please select “none of these” for that column. Note each column must have one selection.

For what?

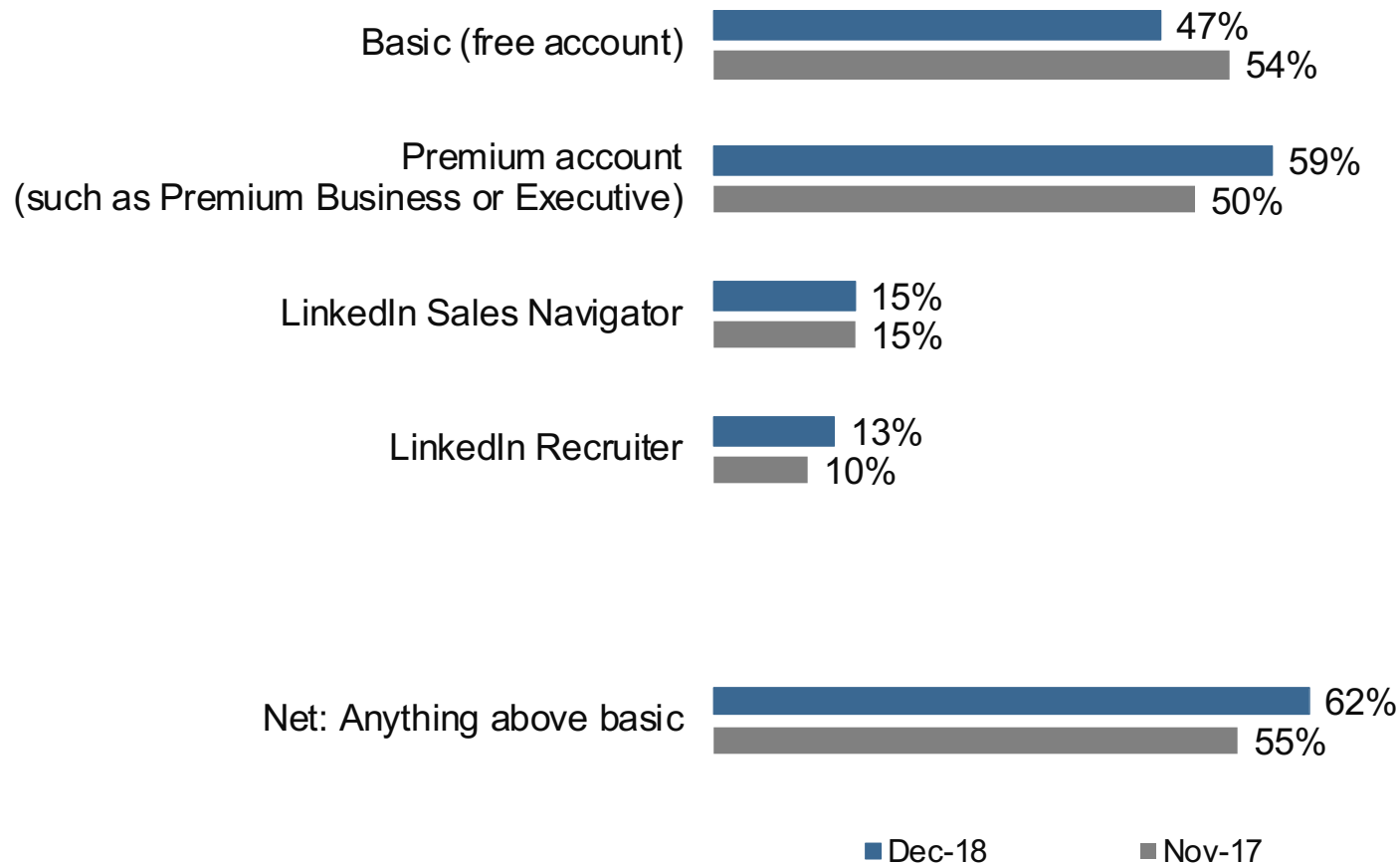
Fluency in social media



Q10 How would you rate your fluency in social media?

For what?

LinkedIn memberships Trend

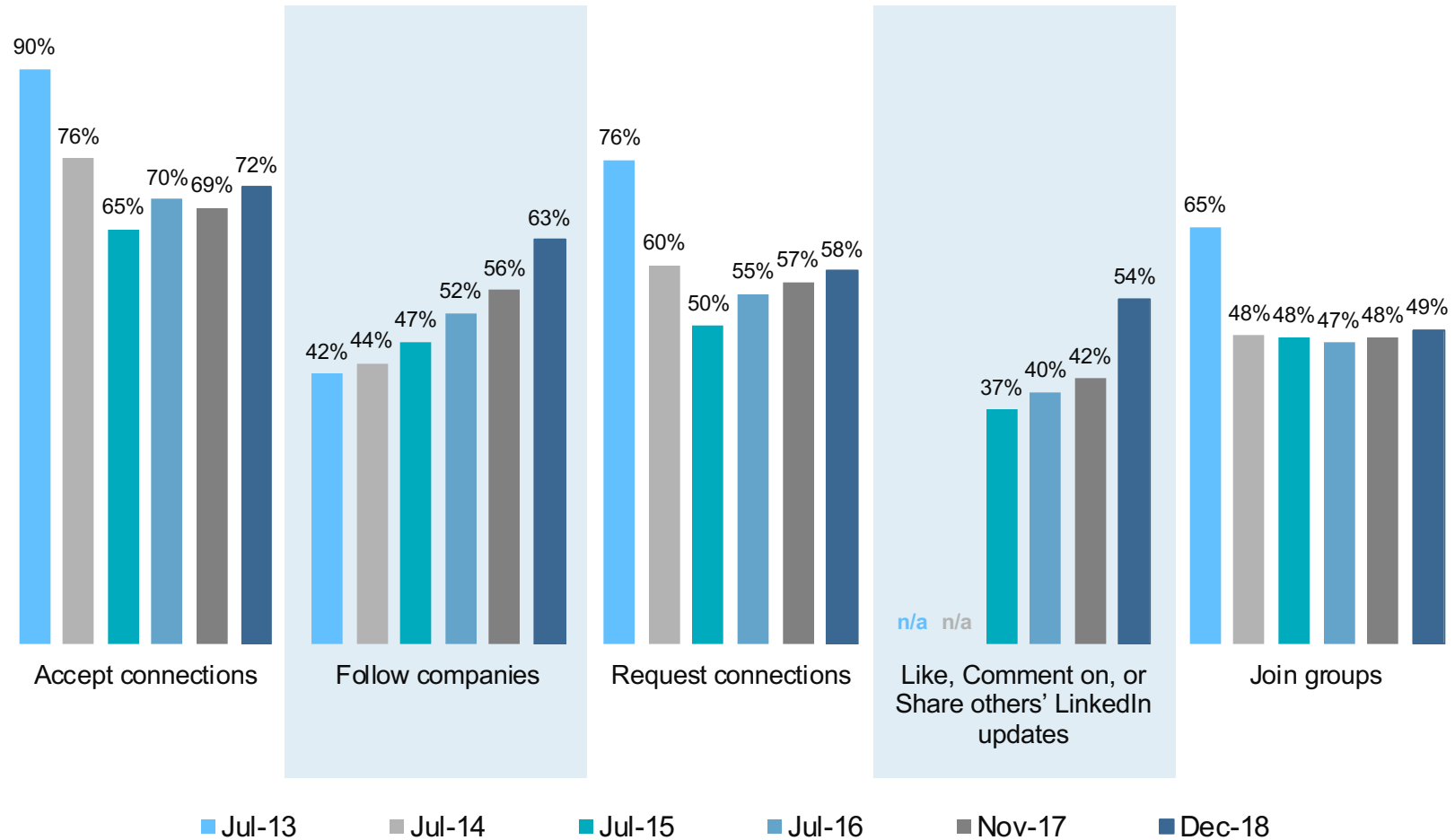


Note: Base: LinkedIn used for business or personal use (84%).

Q8 Which of the following LinkedIn membership levels do you use? Select all that apply.

For what?

Current actions for business purposes — LinkedIn Trend

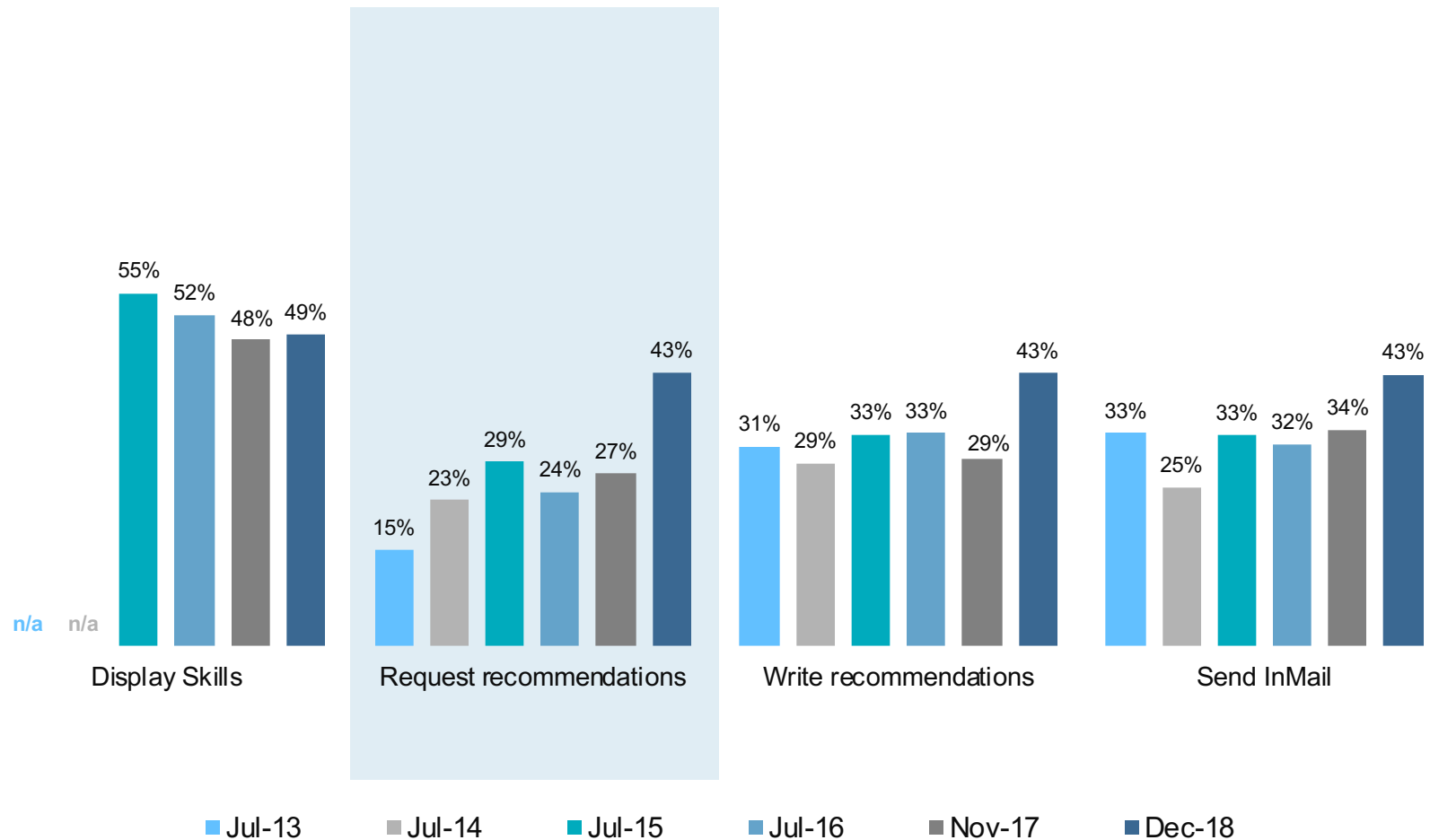


Note: Base: LinkedIn is primary social media network for business (44%).

Q22_1 Which, if any, of the following actions have you performed on LinkedIn for business purposes?

For what?

Current actions for business purposes — LinkedIn (cont'd) Trend

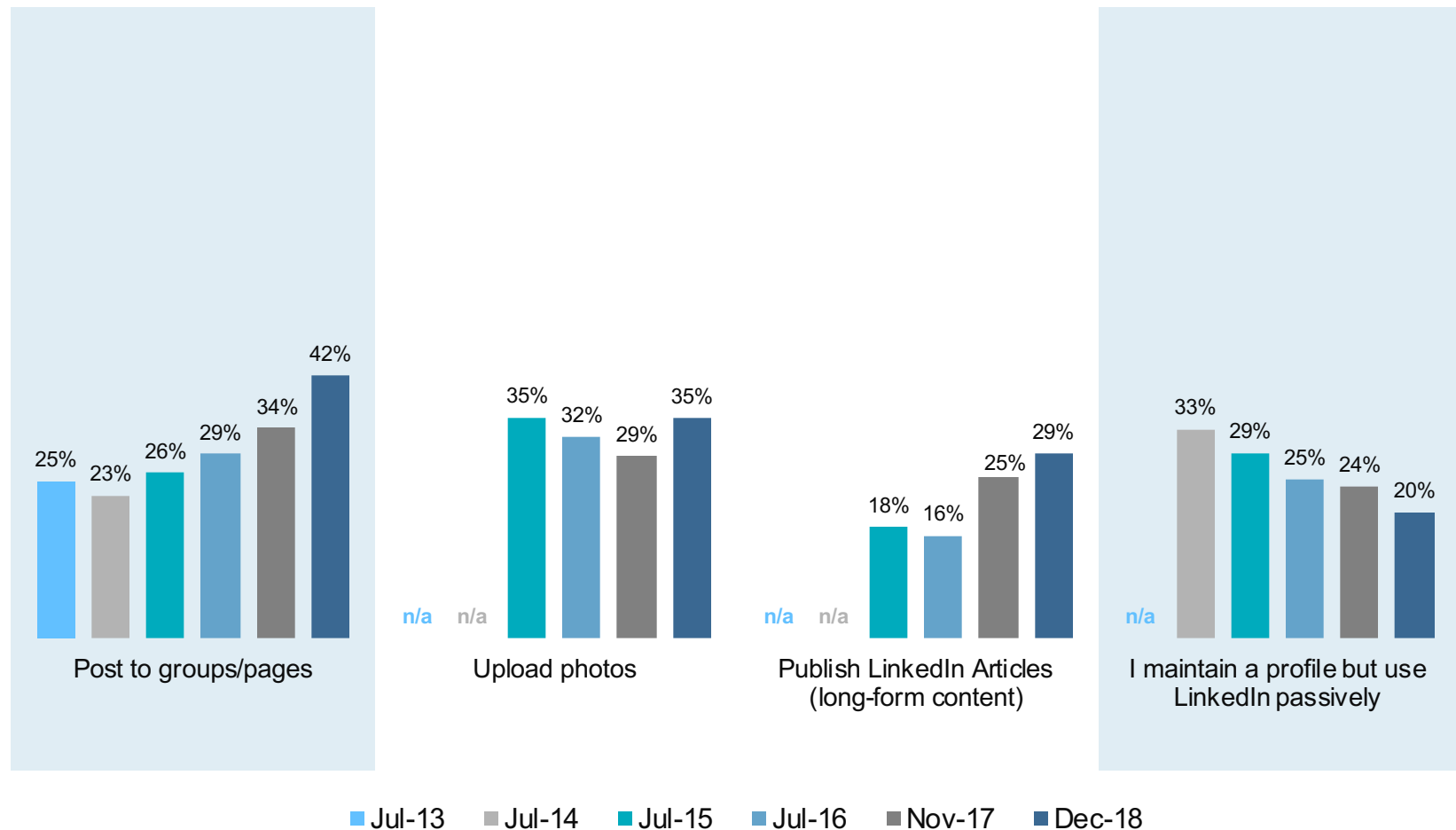


Note: Base: LinkedIn is primary social media network for business (44%).

Q22_1 Which, if any, of the following actions have you performed on LinkedIn for business purposes?

For what?

Current actions for business purposes — LinkedIn (cont'd) Trend

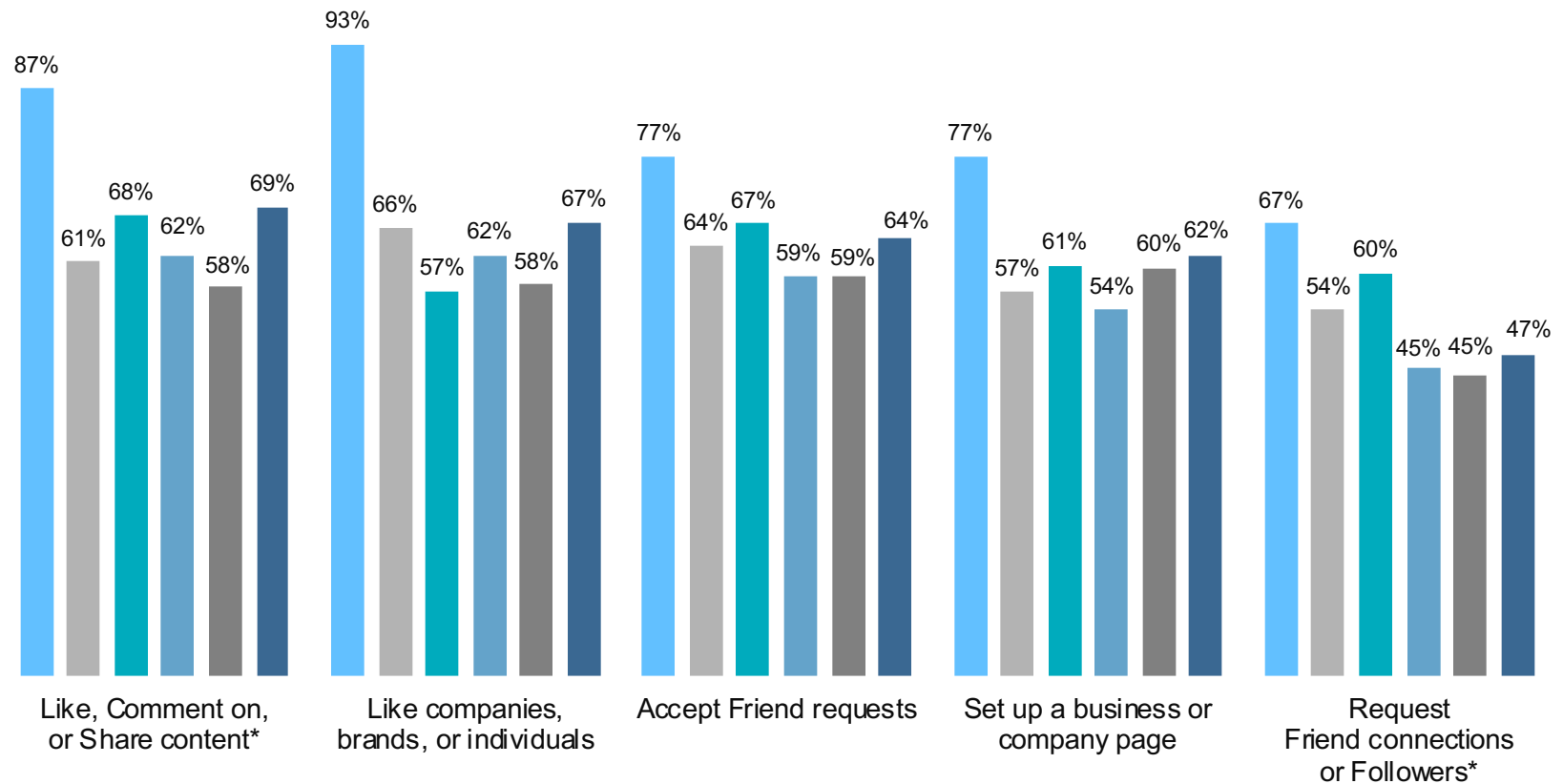


Note: Base: LinkedIn is primary social media network for business (44%).

Q22_1 Which, if any, of the following actions have you performed on LinkedIn for business purposes?

For what?

Current actions for business purposes — Facebook Trend



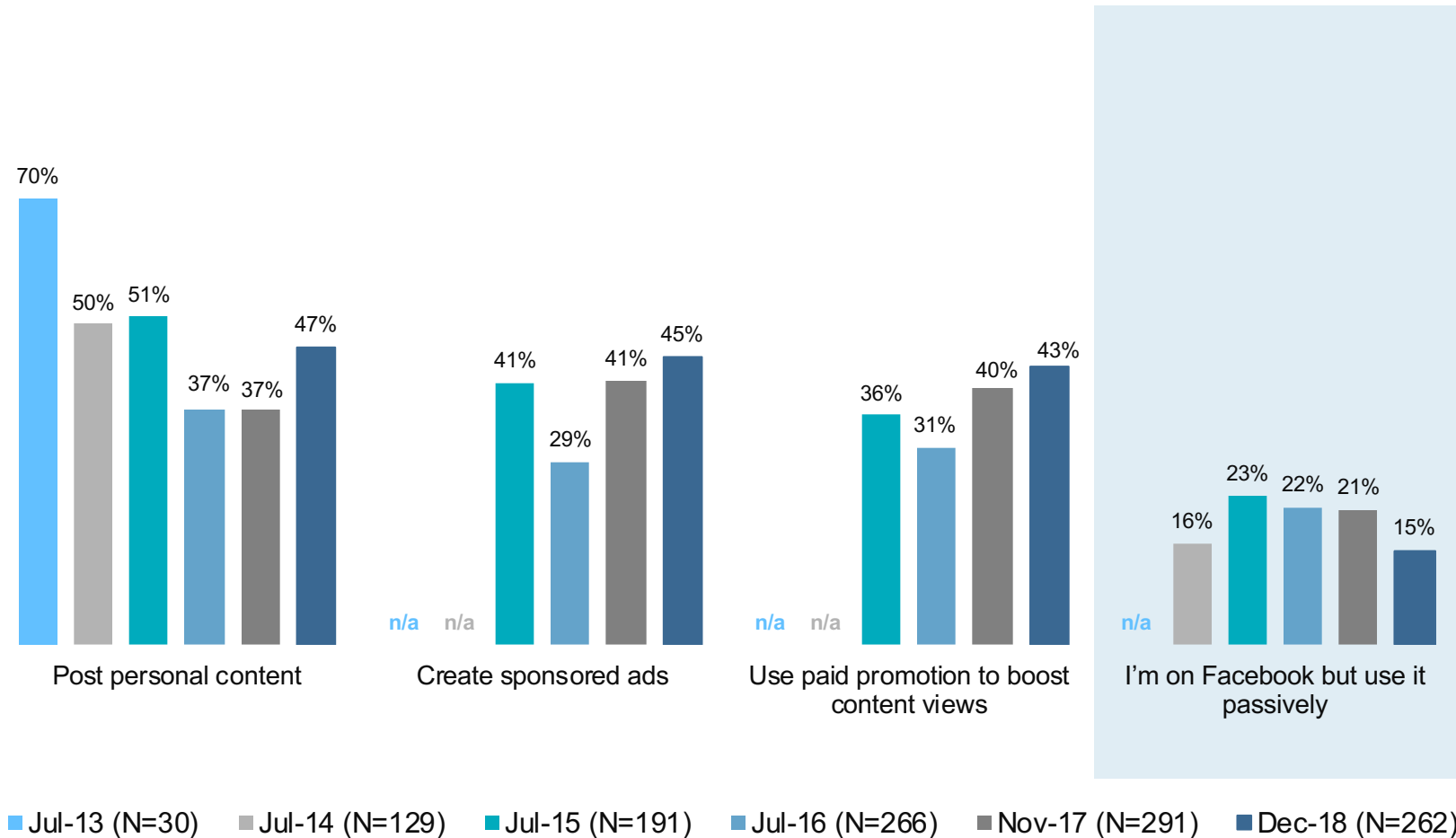
■ Jul-13 (N=30) ■ Jul-14 (N=129) ■ Jul-15 (N=191) ■ Jul-16 (N=266) ■ Nov-17 (N=291) ■ Dec-18 (N=262)

Notes: Base: Facebook is primary social media network for business (25%); *Changes to item in 2015.

Q22_2 Which, if any, of the following actions have you performed on Facebook for business purposes? Please select all that apply.

For what?

Current actions for business purposes — Facebook (cont'd) Trend

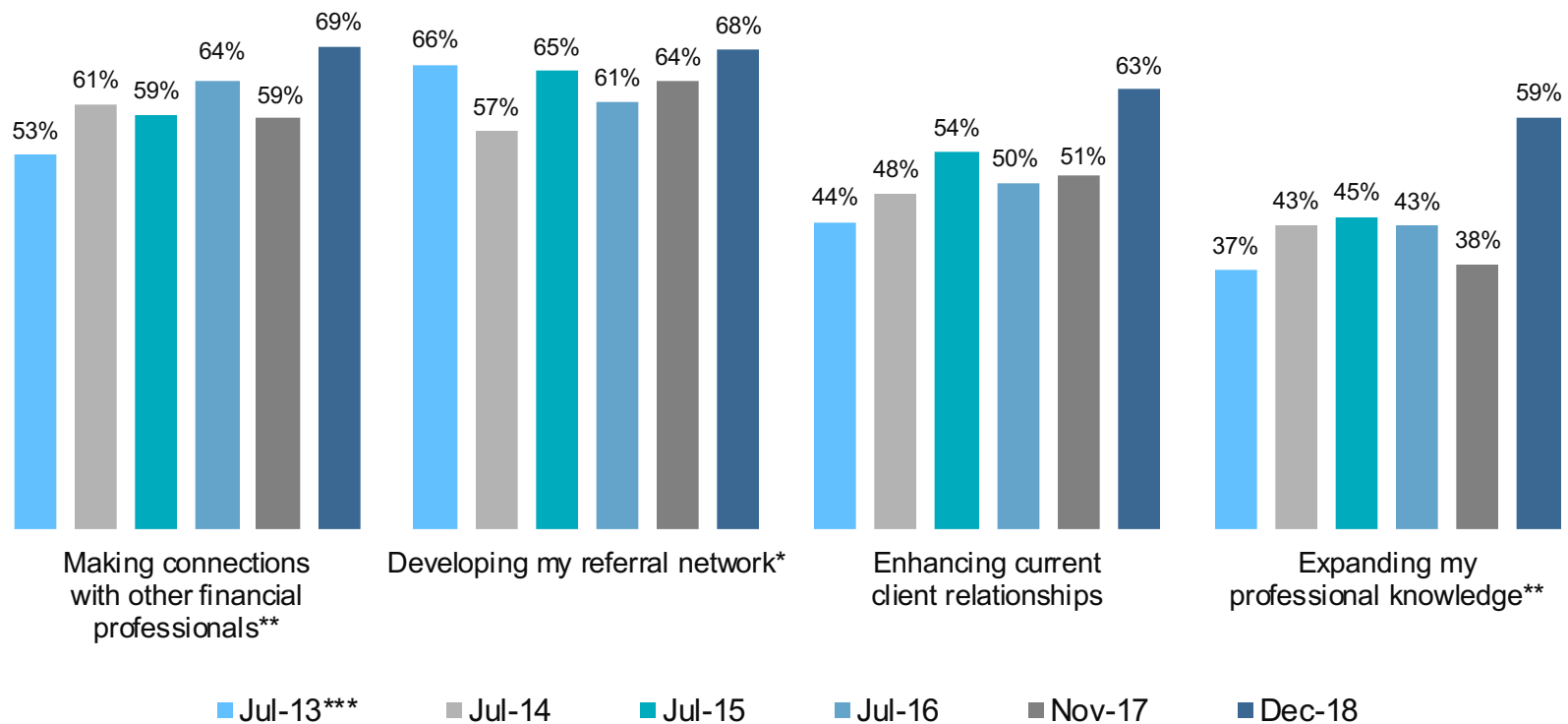


Note: Base: Facebook is primary social media network for business (25%).

Q22_2 Which, if any, of the following actions have you performed on Facebook for business purposes? Please select all that apply.

For what?

Leveraging LinkedIn Trend—generally up

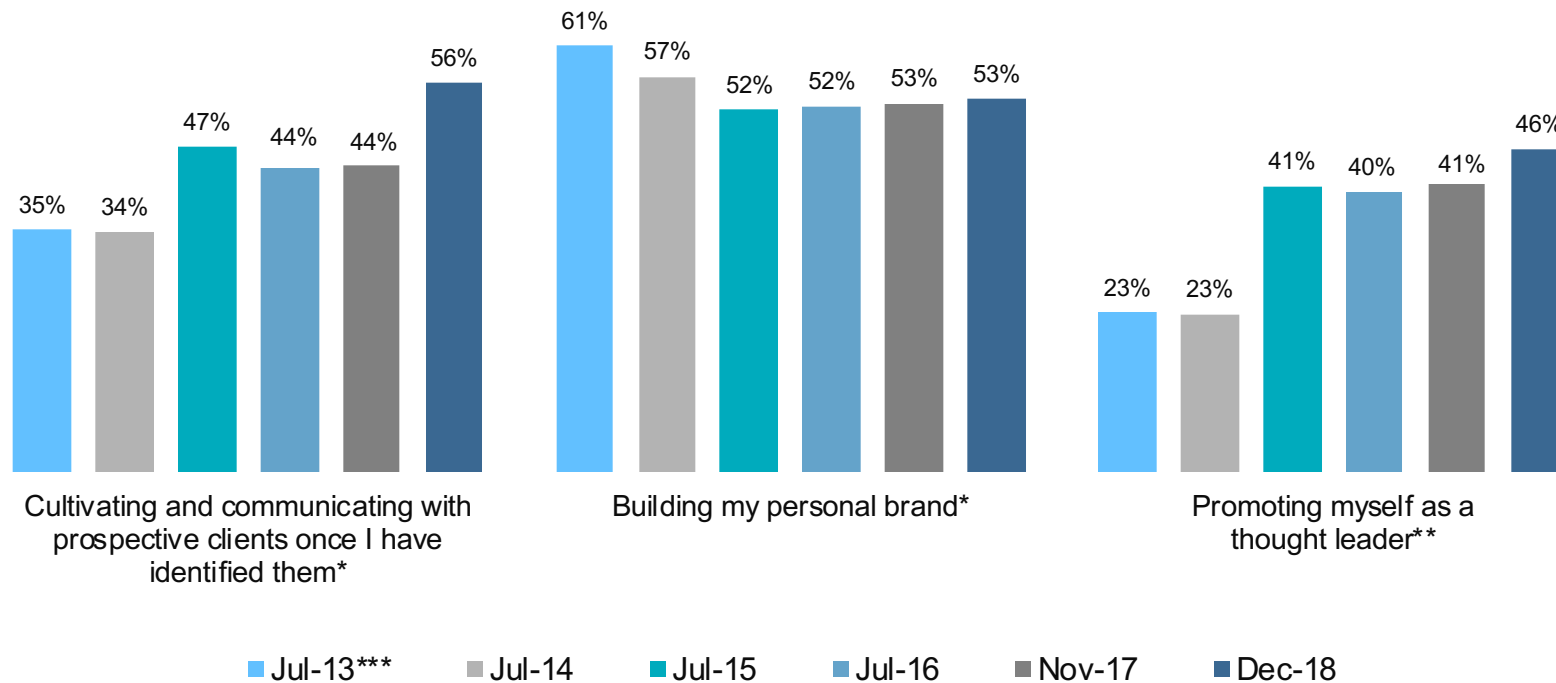


Notes: Base: LinkedIn is the primary social media network used for business (44%); *Items changed in 2015 and 2018; **2013 Base: Used this social media network for business.

Q30_1 For which, if any, of the following business purposes have you leveraged LinkedIn? Please select all that apply.

For what?

Leveraging LinkedIn Trend—generally up

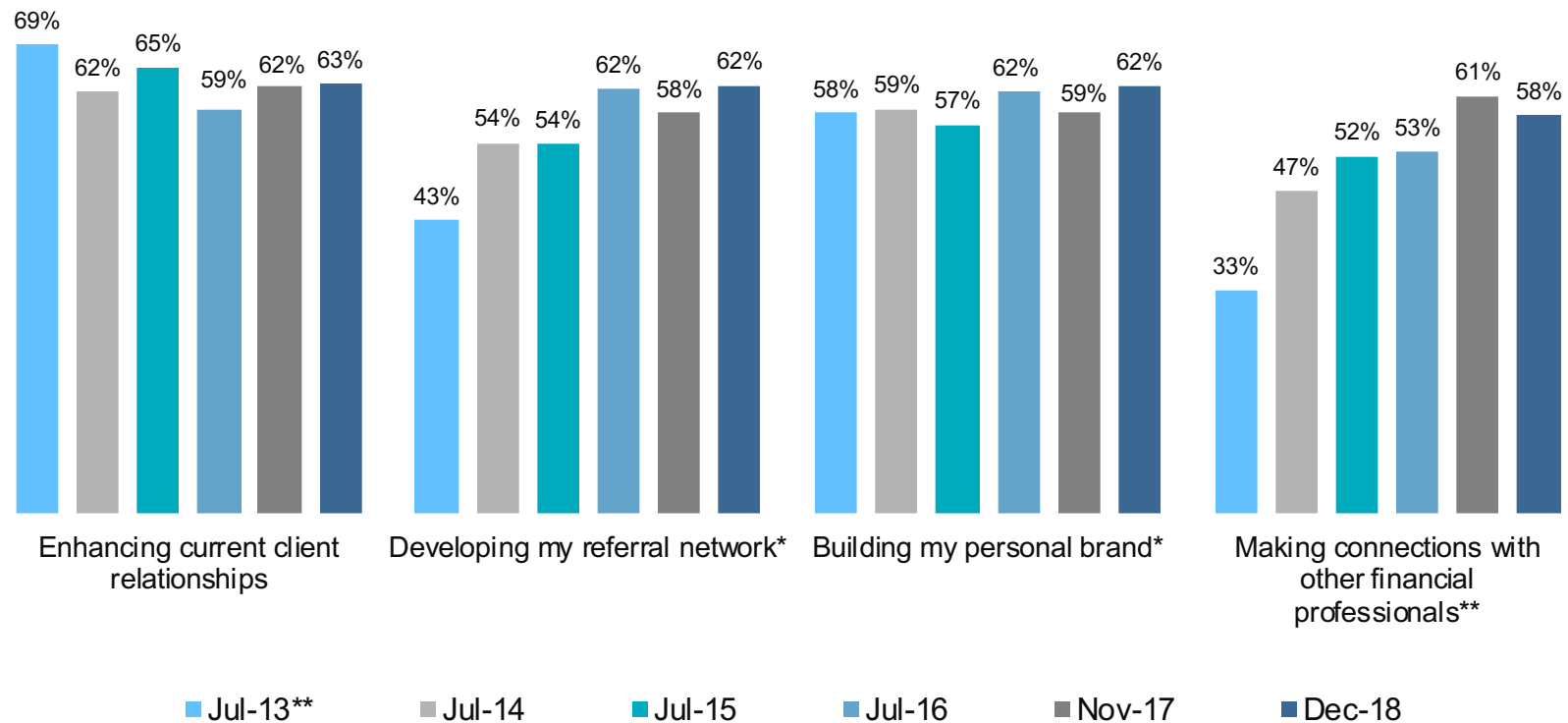


Notes: Base: LinkedIn is the primary social media network used for business (44%); *Items changed in 2015 and 2018; **2013 Base: Used this social media network for business.

Q30_1 For which, if any, of the following business purposes have you leveraged LinkedIn? Please select all that apply.

For what?

Leveraging Facebook Trend—generally flat

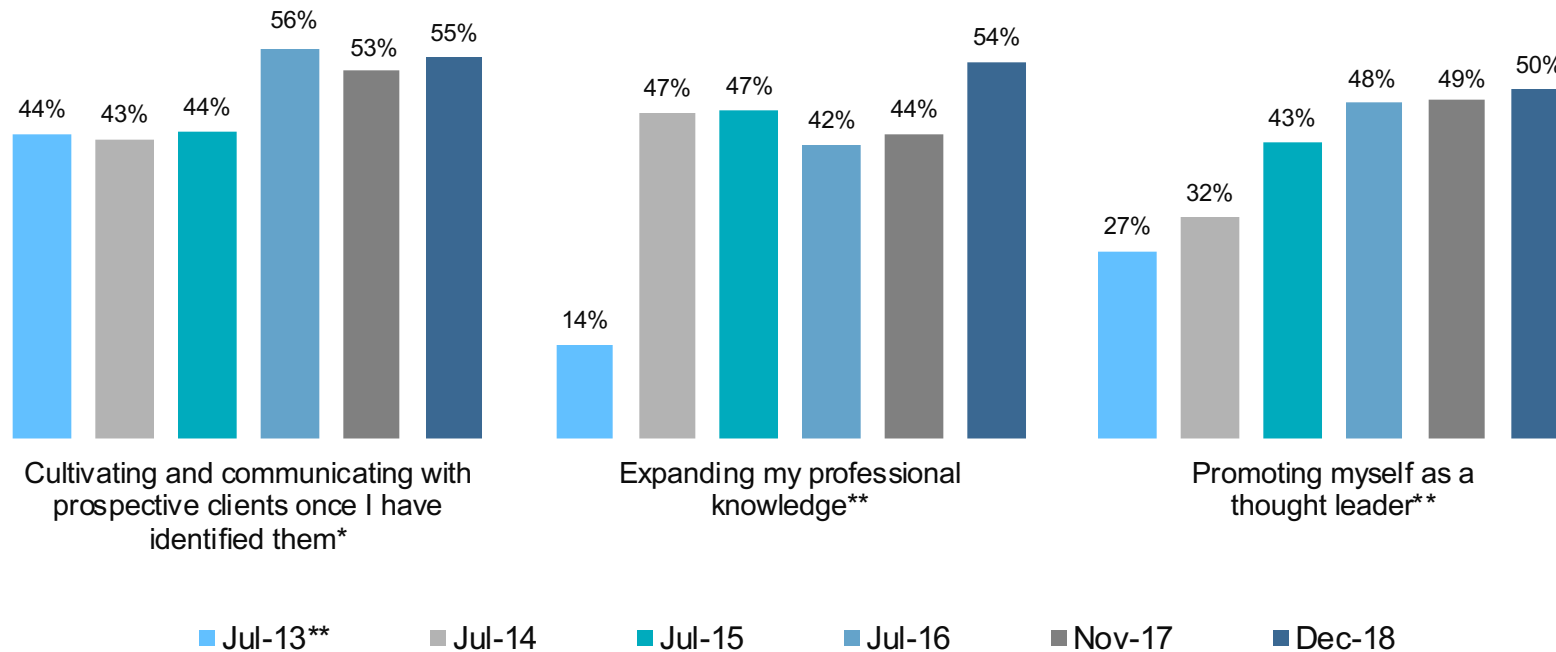


Notes: Base: Facebook is the primary social media network used for business (25%); *Items changed in 2015 and 2018; **2013 Base: Used this social media network for business.

Q30_2 For which, if any, of the following business purposes have you leveraged Facebook? Please select all that apply.

For what?

Leveraging Facebook (cont'd) Trend—generally flat

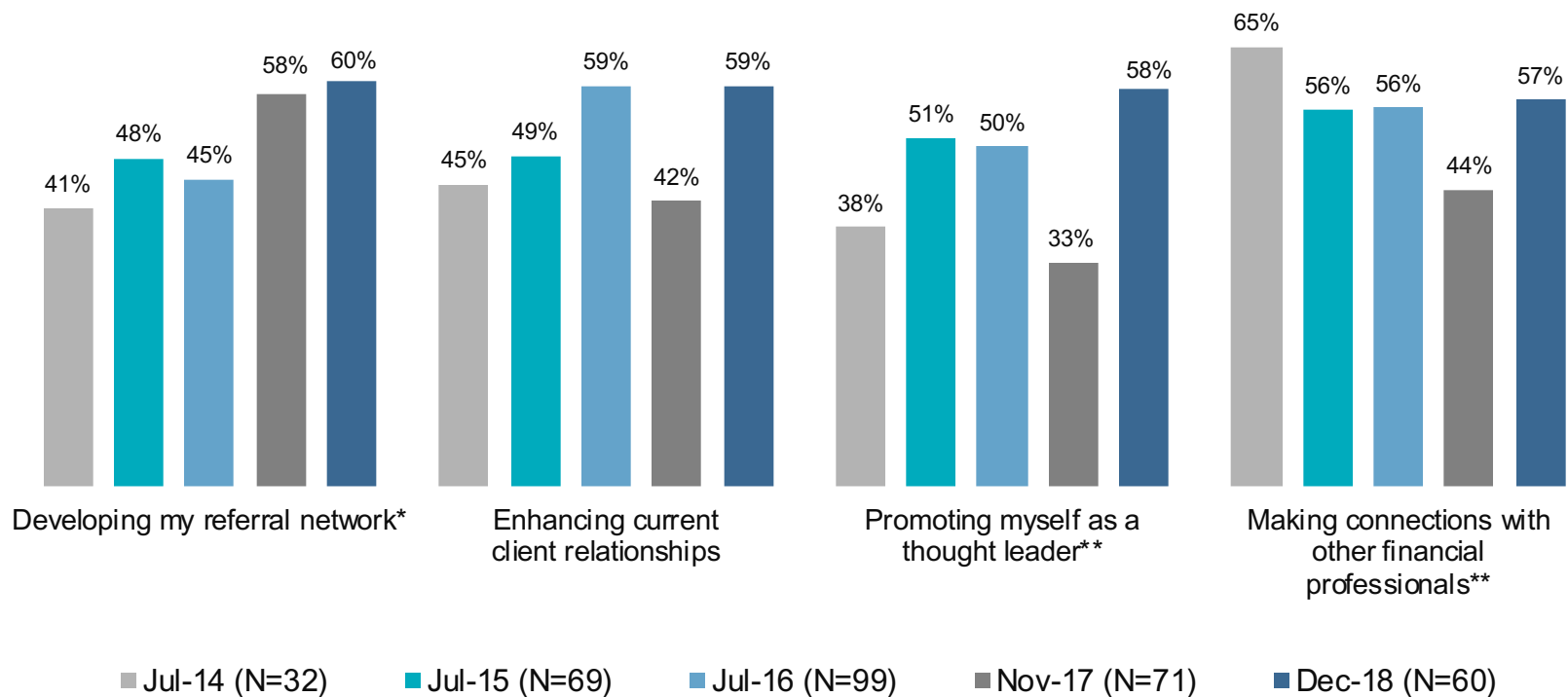


Notes: Base: Facebook is the primary social media network used for business (25%); *Items changed in 2015 and 2018; **2013 Base: Used this social media network for business.

Q30_2 For which, if any, of the following business purposes have you leveraged Facebook? Please select all that apply.

For what?

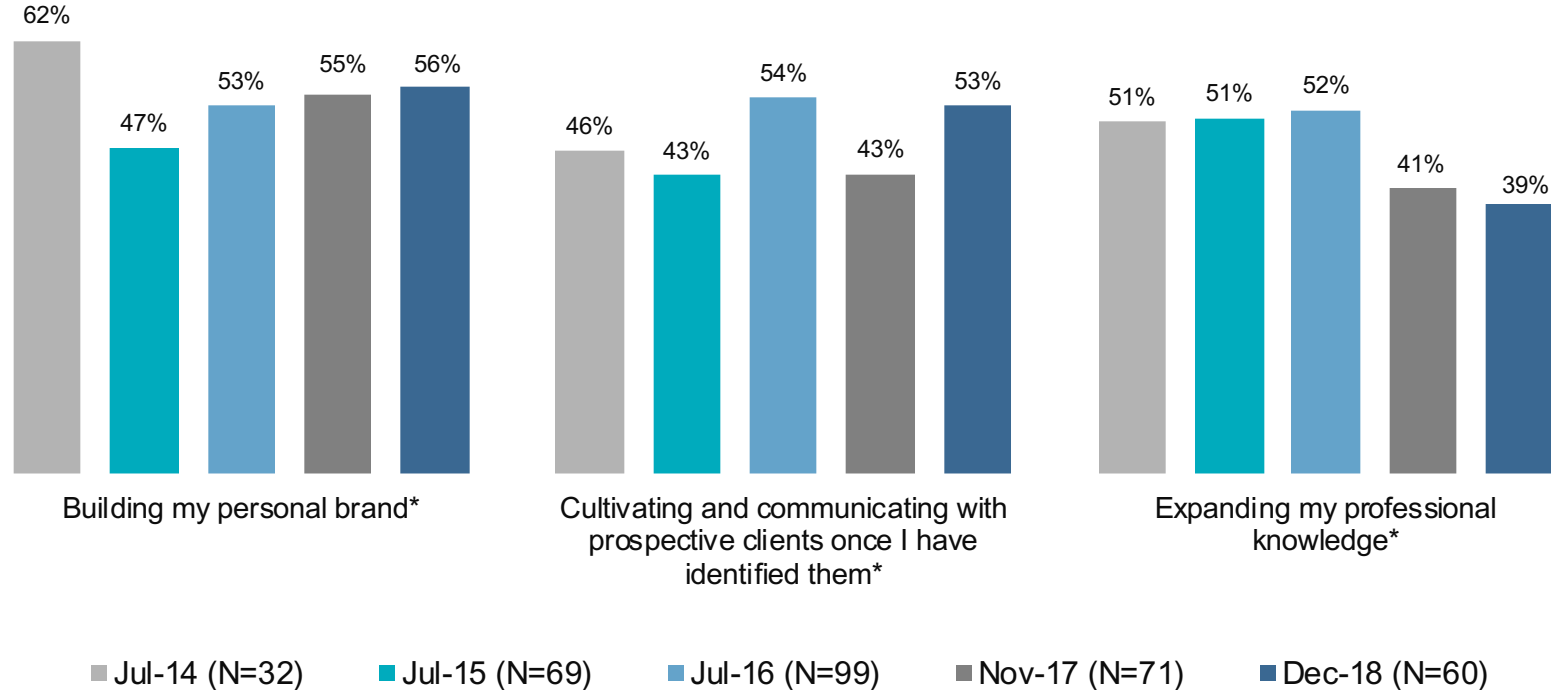
Leveraging Twitter Trend—mixed to up



Notes: Base: Social media networks used for business and Twitter is the primary social media network (6%); *Items changed in 2015 and 2018.
Q30_3 For which, if any, of the following business purposes have you leveraged Twitter? Please select all that apply.

For what?

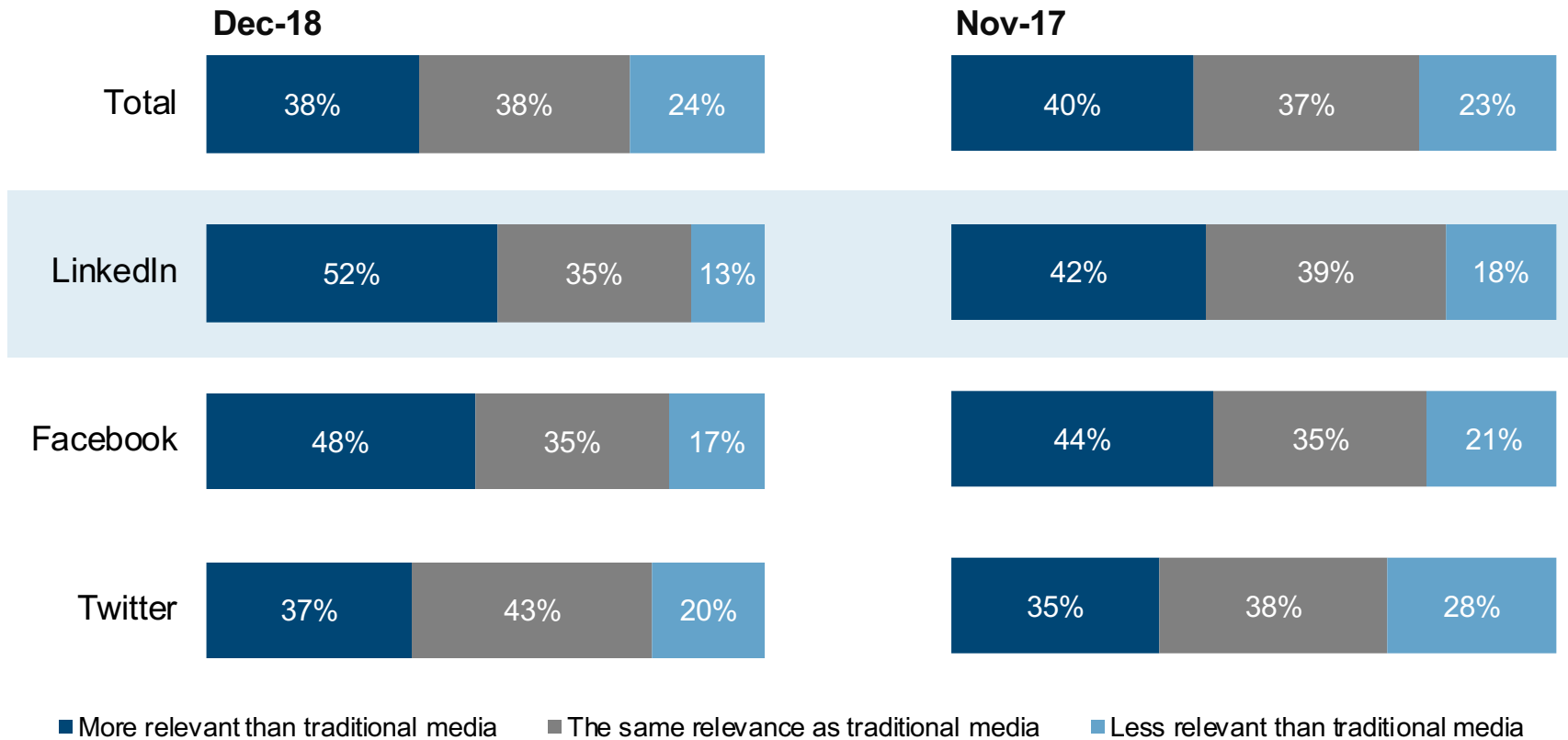
Leveraging Twitter (cont'd) Trend—mixed to up



Notes: Base: Social media networks used for business and Twitter is the primary social media network (6%); *Items changed in 2015 and 2018.
Q30_3 For which, if any, of the following business purposes have you leveraged Twitter? Please select all that apply.

For what?

Social media vs. traditional media Trend

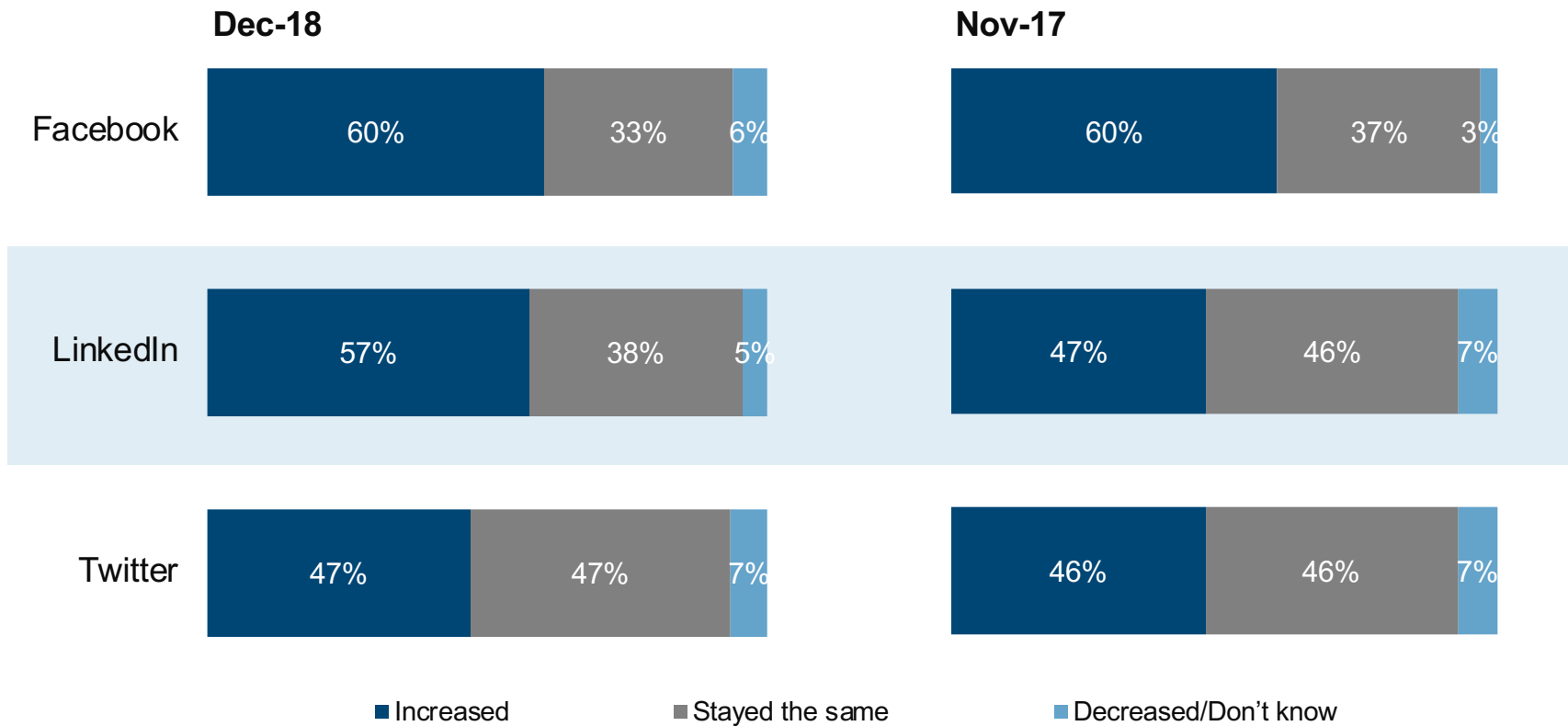


Note: Base: Social media networks used for business or personal use (98%); question expanded in 2018 in also include networks beyond LinkedIn, Facebook and Twitter.

Q29 When compared with traditional media sources do you consider the information you generally find through each of the following social media networks as having more/less/the same amount of relevance?

For what?

Direction of social media network usage Trend



Note: Base: This social media network used for business.

Q24 Compared with one year ago, would you say your usage of this social network for business purposes has increased, stayed the same or decreased?

For what?

Reasons for increased social media usage for business

	LinkedIn	Facebook	Twitter	Instagram	YouTube	Snapchat
The clients and prospects I am trying to reach are active on this network	65%	65%	50%	57%	45%	46%
I'm seeing results from using this network	65%	65%	54%	50%	55%	51%
I now have a better understanding of how to best leverage this network for business	59%	53%	52%	49%	53%	47%
I have had more of a business need to use it than before	58%	51%	47%	46%	45%	53%
Of less stringent company compliance policies	34%	33%	32%	32%	29%	35%

Note: Base: This social media network used for business and direction is increasing.

Q25 Which, if any, of the following reasons describe why your usage of this social network for business purposes has increased over the past year? Please select the items that apply to each network (column).

For what?

Needed to better leverage social media — verbatims

- “I would like it if *LinkedIn* had a one-button signup for a newsletter, built in CRM capabilities for sending emails or if it allowed for live private chats with my clients or prospective ones. It may have these features now and if so they really need to do a better job of educating us. I don’t have the time to learn new tech and new features so it is vitally important that social networks make new features idiot-proof.” (Female, 51, \$200M+ AUM)
- “It is complicated to get information approved by compliance therefore it is hard to keep a social media presence. However if there was *access to pre-approved newsletters/articles* that would be very helpful.” (Female, 36, Independent, \$100M–\$150M AUM)
- “More training on how the platform works as it is constantly changing. *Tutorials would be great!* The more people understand a product, the more that they will use it.” (Female, 56, \$200M+ AUM)
- “They should provide *better analytics and reporting tools*, as well as better tutorials on how to use analytics and reports to find more clients and improve your ROI.” (Male, 40, \$25–\$49.9M AUM)
- “Teach us how to *segment and focus* our social media accounts *towards certain demographics*.” (Male, 32, Insurance, \$150M–\$200M AUM)
- “A way of *targeting people* in my geographic area that have been seeking financial information or news.” (Male, 35, Wire, \$0–\$25M AUM)

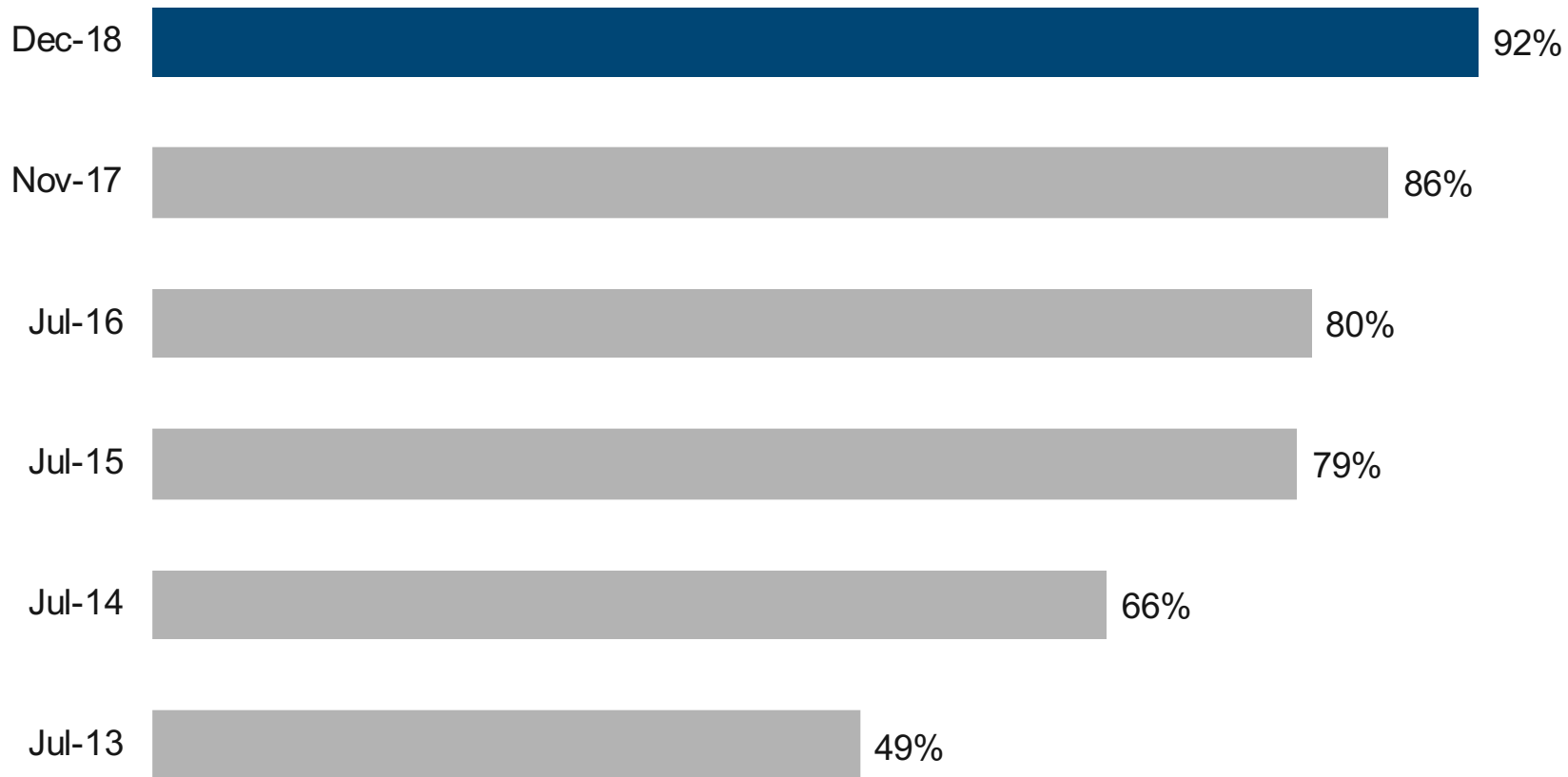
Q51 What could your firm, or perhaps social networks themselves provide (features, products, tools, education, training, etc.) to help you better use social media in your business?

Contents

1. Methodology
2. Profile: Advisors using social media
3. Which sites?
4. For what?
5. Corporate policies
- 6. Is social media working for advisors? Where is it going?**
7. Advisors NOT using social media for business
8. Profiles

Is social media working for advisors? Where is it going?

Social media helped gain clients Trend



Note: Base: Social media networks used for business (83%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q31 Now, let's look at success metrics. Has your use of social media or social networks helped you gain new clients?

Is social media working for advisors? Where is it going?

Social media helped gain clients: total gain in AUM Trend

	Dec-18	Nov-17	Jul-16	Jul-15	Jul-14	Jul-13
Has helped gain clients	92%	86%	80%	79%	66%	49%
\$ Gains*:						
Less than \$500,000	17%	23%	19%	20%	23%	40%
\$500,000 to \$999,000	27%	24%	24%	23%	24%	17%
\$1,000,000 to \$4,999,999	28%	22%	27%	26%	23%	17%
\$5,000,000 to \$9,999,999	15%	16%	16%	17%	13%	7%
\$10,000,000 to \$25,000,000	7%	8%	6%	8%	10%	2%
More than \$25,000,000	5%	4%	5%	2%	4%	3%
Don't know	2%	3%	4%	4%	4%	16%
Average \$ in millions	\$4.9	\$4.8	\$4.9	\$4.6	\$4.9	\$2.7
Median \$ in millions	\$1.8	\$1.2	\$1.9	\$1.9	\$1.2	\$0.8

Notes: Base: Used social media networks for business (83%) *and has helped gain clients (76%), base for gained in 2013 based on advisors who use any of LinkedIn, Twitter, Facebook, or Google Plus for business purposes AND to build brand identity. Starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q31 Now, let's look at success metrics. Has your use of social media or social networks helped you gain new clients?

Q34 Thinking about the new clients you have gained through your use of social media or social networks, please select the range that best represents your **total corresponding gain** in assets under management:

Is social media working for advisors? Where is it going?

Assets gained in the past 12 months Trend

	Dec-18	Nov-17
None	1%	2%
\$1 to \$249,999	25%	28%
\$250,000 to \$499,999	24%	25%
\$500,000 to \$749,999	16%	13%
\$750,000 to \$999,999	10%	9%
\$1,000,000 to \$2,499,999	13%	9%
\$2,500,000 to \$4,999,999	6%	8%
\$5,000,000 to \$9,999,999	3%	4%
\$10,000,000 to \$25,000,000	1%	2%
More than \$25,000,000	0%	1%
Don't know	1%	2%
Average \$ in millions	\$1.4	\$1.6
Median \$ in millions	\$0.5	\$0.4

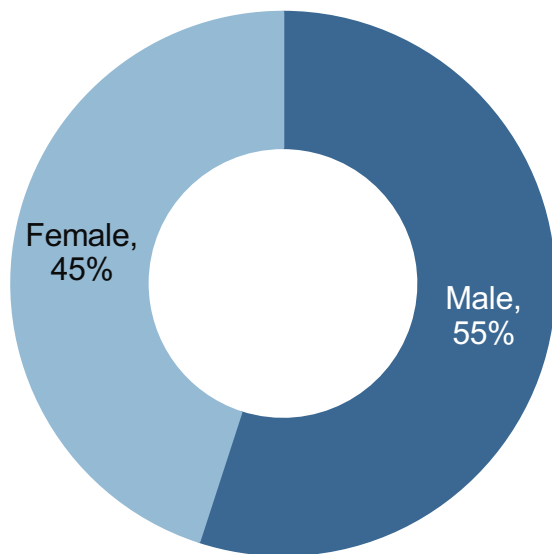
Note: Base: Used social media networks for business and gained assets and provided a value in Q34 (75%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q35 And how much of that (value from Q34) was gained in the past 12 months?

Is social media working for advisors? Where is it going?

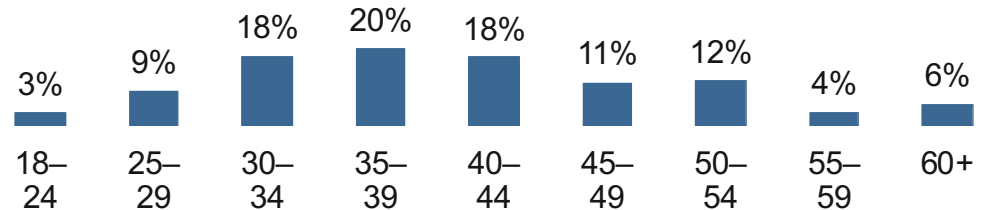
Typical prospect identified through social media:

Gender



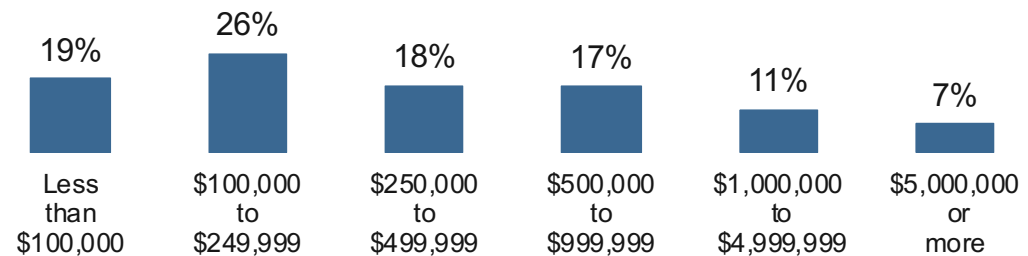
Age

Average age 40, median 40 years old



Investable assets

Average \$1.6 million, Median \$0.3 million



Note: Base: Used social media networks for business, gained assets and value provided in Q35 (73%).

Q36 Thinking about the clients and prospects you gained through using social media or social networks in the past 12 months, how would you best categorize them:

Is social media working for advisors? Where is it going?

Typical client gained through social media: Age Trend

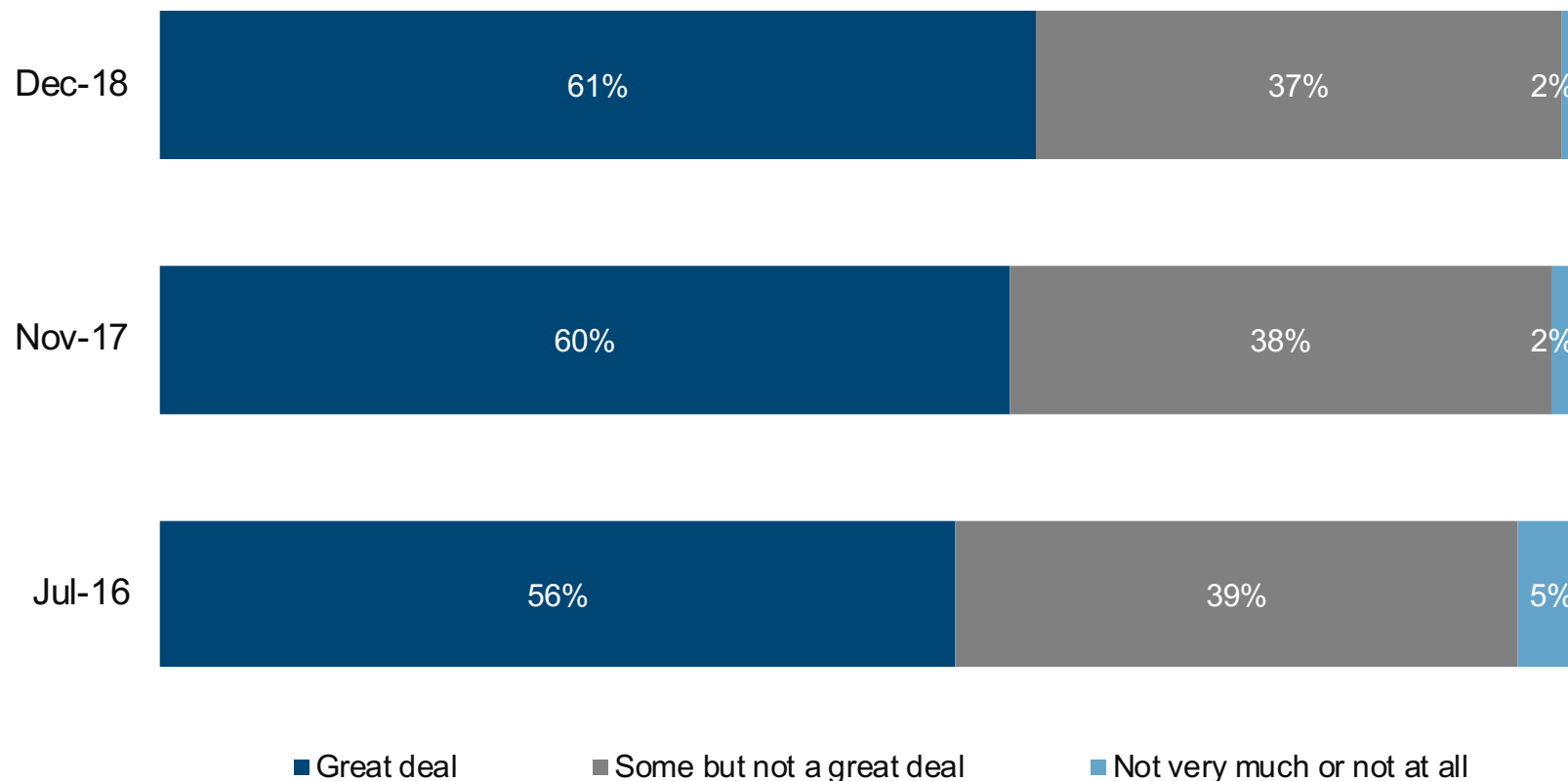
	Dec-18	Nov-17
18–24	2%	4%
25–29	6%	12%
30–34	15%	18%
35–39	21%	23%
40–44	18%	15%
45–49	16%	13%
50–54	10%	8%
55–59	5%	4%
60+	6%	2%
<i>Average age</i>	41	38
<i>Median age</i>	40	35

Note: Base: Used social media networks for business, gained assets and value provided in Q35 (73%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q36 Thinking about the clients and prospects you gained through using social media or social networks in the past 12 months, how would you best categorize them:

Is social media working for advisors? Where is it going?

Social media impact on efficiency Trend



Note: Base: Used social media networks for business and has helped gain clients (76%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q38 Compared with traditional networking activities such as participating in civic organizations or attending events, how would you best describe how social media has improved your efficiency?

Is social media working for advisors? Where is it going?

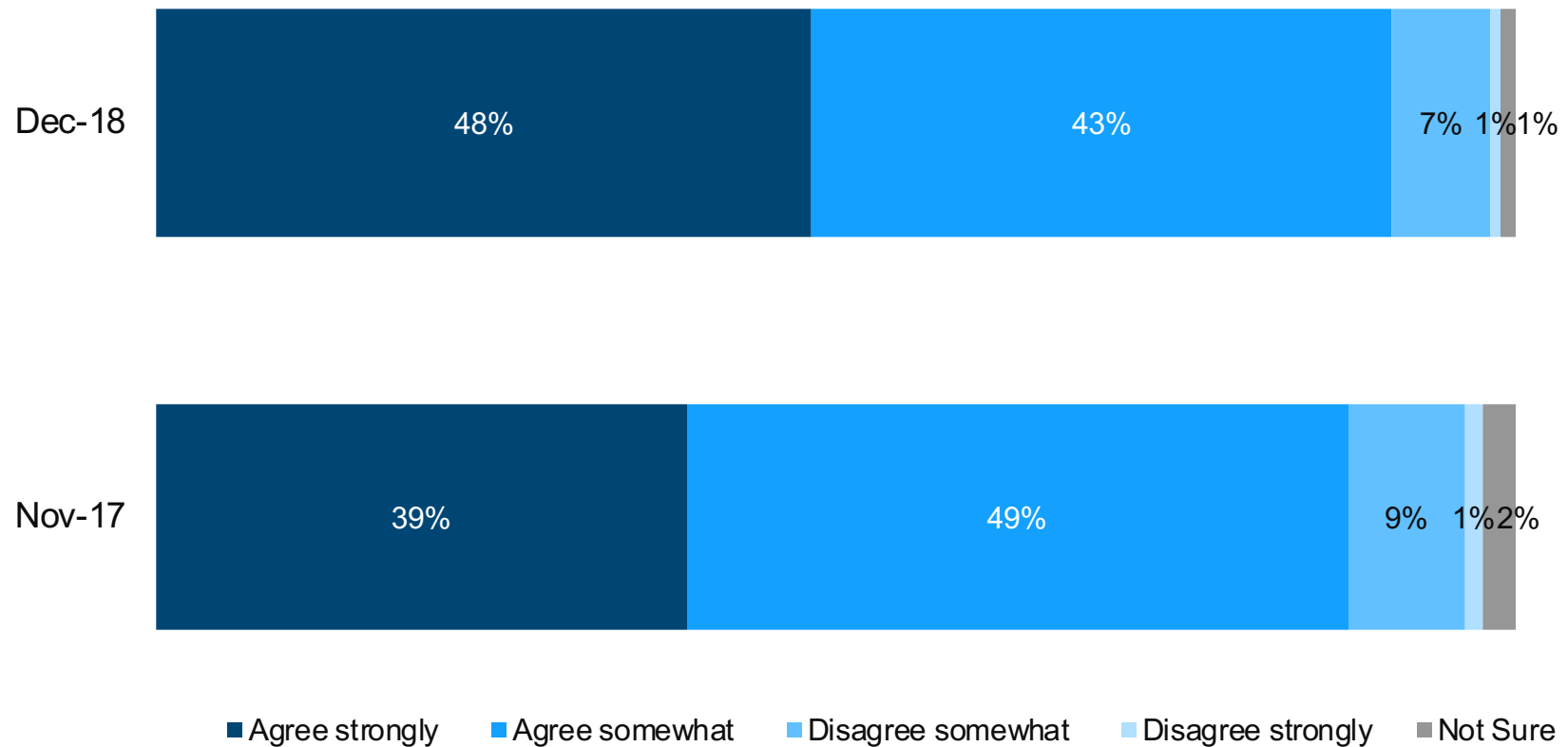
Success stories shortening sales cycle — verbatims

- *“In August after I posted an article on LinkedIn a prospect direct messaged me and we talked back and forth for a few days about where he was financially and where he wanted to be by the time he retired. We set up an appointment within a few days and **he said he felt like he knew me already and was comfortable discussing his goals and risk tolerance right off the bat.** I took over as his financial planner and added over \$500k to my book of business.” (Female, 51, \$200M+ AUM)*
- *“I had a client who had a death in the family and inherited a large amount of money. A friend recommended that she contact me and shared my contact info on Facebook. We met a few days later and before she finalized the paperwork for the inheritance I was able to advise her **and took her on as a client. It was less than a week.**” (Female, 37, National Full Service, \$50M–\$99.9M AUM)*
- *“Retained a new client via social media due to shared content from a current client. I received a warm request for information, which led to a meeting and bringing on a client. **Normal process would have taken 7–8 months; with the help of social media this was accomplished within 3 months.**” (Male, 43, National Full Service, \$0–\$25M AUM)*
- *“Another client thanked me for my services on their own Facebook page and tagged me in it. I replied and one of their Facebook friends also replied in less than an hour and asked if they could contact me via private message. The rest is history.” (Female, 53, \$150M–\$200M, AUM)*

Q41 Please share an example of an instance when you quickly added a new client to your book in a shortened period of time due to your use of social media:

Is social media working for advisors? Where is it going?

Impact of social media on client relationships Trend



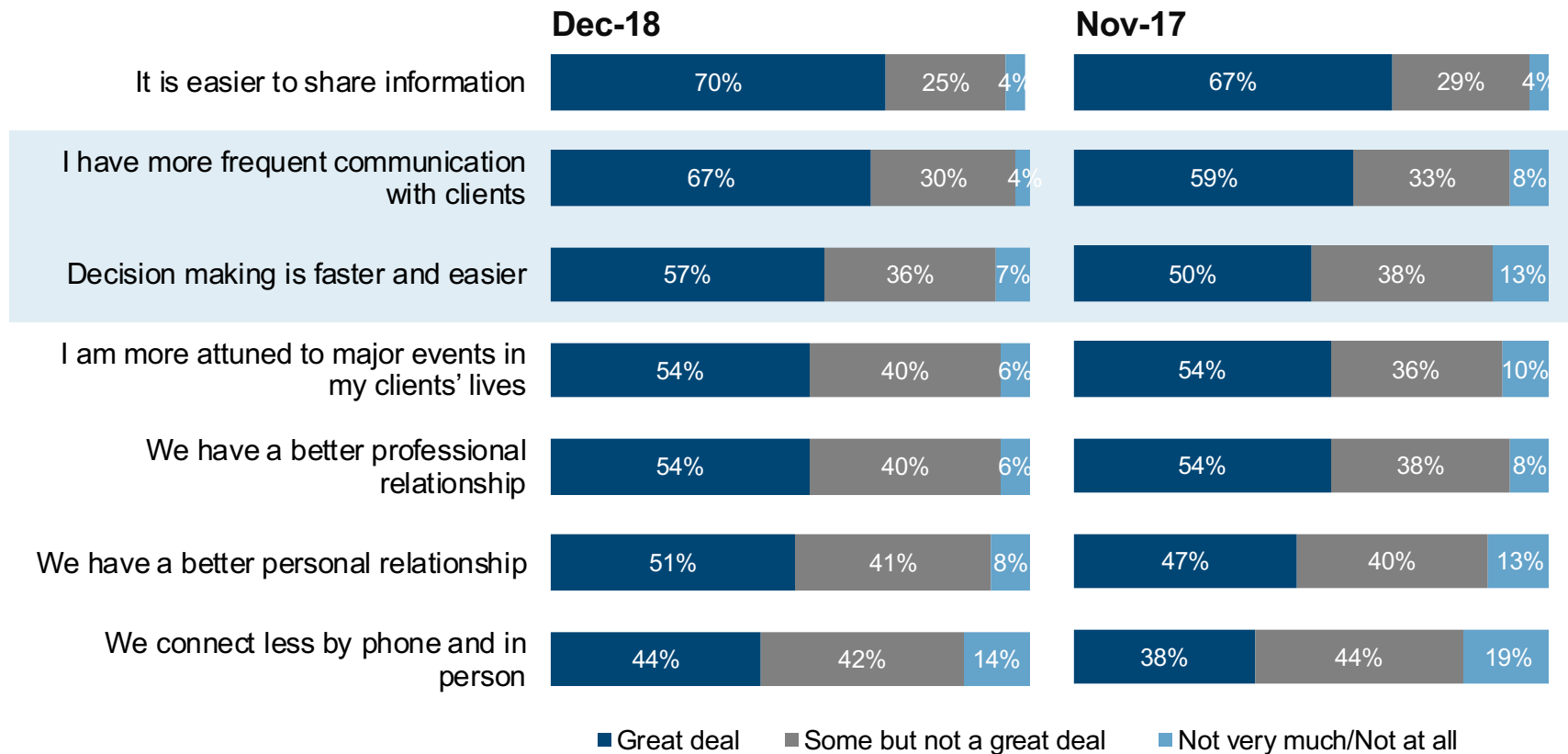
Note: Base: Used social media networks for business and has helped gain clients (76%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q42 Consider this statement: "Social media has changed the nature of my relationship with my clients." Do you:

Is social media working for advisors? Where is it going?

How social media has changed client relationships

Trend



Note: Base: Social media networks used for business or personal use (98%); question expanded in 2018 in also include networks beyond LinkedIn, Facebook, and Twitter.

Q29 When compared with traditional media sources do you consider the information you generally find through each of the following social media networks as having more/less/the same amount of relevance?

Is social media working for advisors? Where is it going?

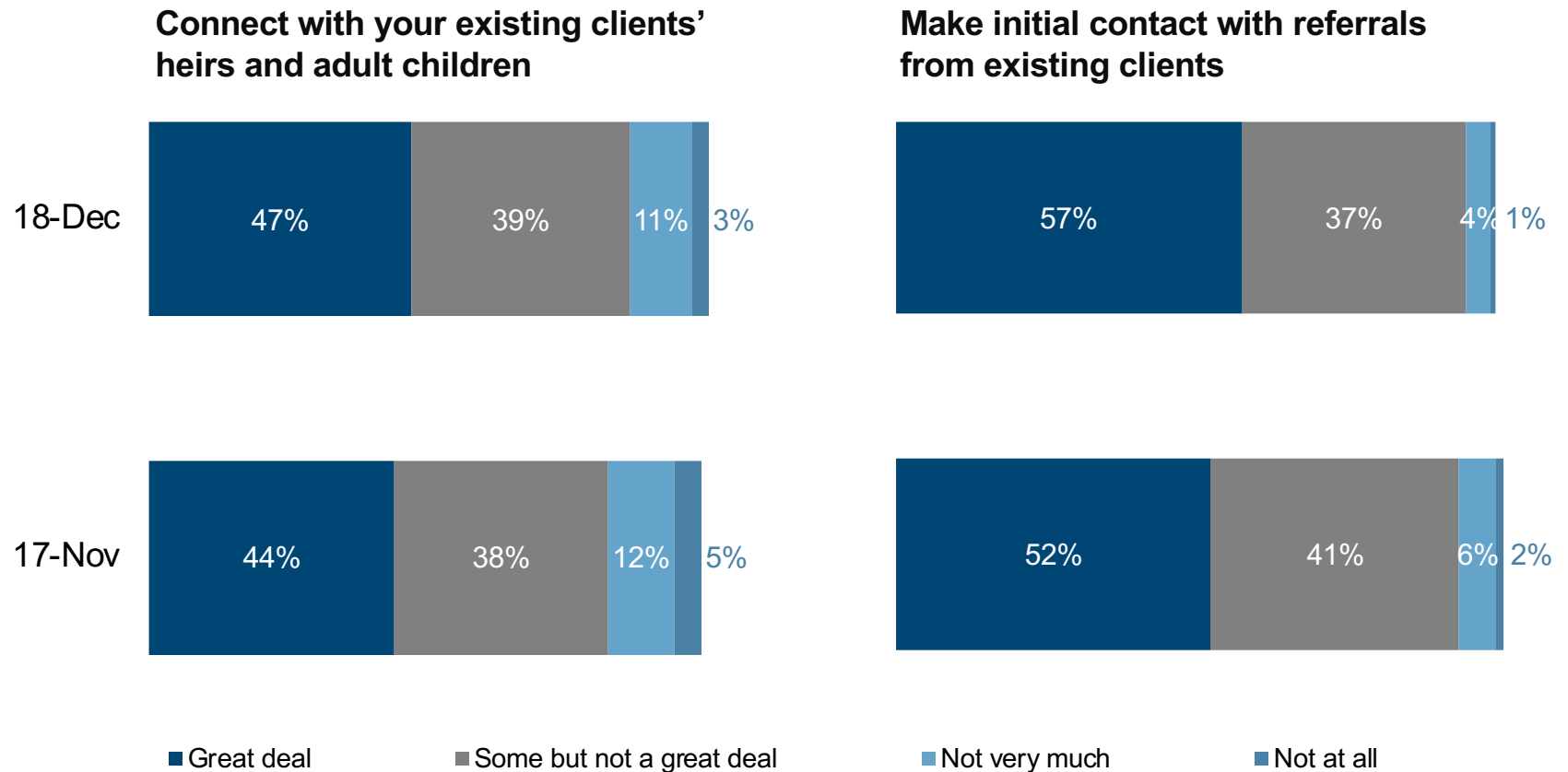
Success stories from using social media for business — verbatims

- *“I have a client I have been taking care of for over 20 years. Even though he is an older gentleman he is extremely tech savvy. Only recently did he inform me he is on **LinkedIn**, although that in and of itself was no big surprise. He added me to his network and we started having more conversations and communications. In other words it increased the relationship in a different way. I’m not sure exactly how it came about — I don’t know all the ins and outs of LinkedIn and how its algorithms work **but shortly thereafter I was contacted by one of my customer’s contacts**. He asked me (but not specifically) what I was doing for my customer. I told him generally and for how long. **We had several communications and shortly after that I had a new high net worth client.**”*
(Male, 56, \$100M–\$150M AUM)
- *“I had been promoting my business on **Instagram** for quite a while now and a woman had actually reached out to me over ‘DM’ to discuss her inheritance from her late parents. It turns out she had gotten over \$300,000 in funds from them and needed to settle the dispute with her brother, as he believed he was the sole inheritor. So not only did she need to receive financial advisory from us but legal advisory from others. **She is now a permanent client of ours, all thanks to Instagram.**”*
(Female, 23, Independent, \$100M–\$150M AUM)
- *“A neighbor of mine heard that I am a financial advisor and was interested in investing and retirement. He found my business through referencing my name and contacted me and we talked immediately. **It was quicker through social media than coming to my door one block away.**”*
(Female, 42, Bank, \$150M–\$200M AUM)

Q45 In your own words, please describe a success story you have from leveraging social media or social networks for business purposes:

Is social media working for advisors? Where is it going?

Leveraging referrals through social media Trend

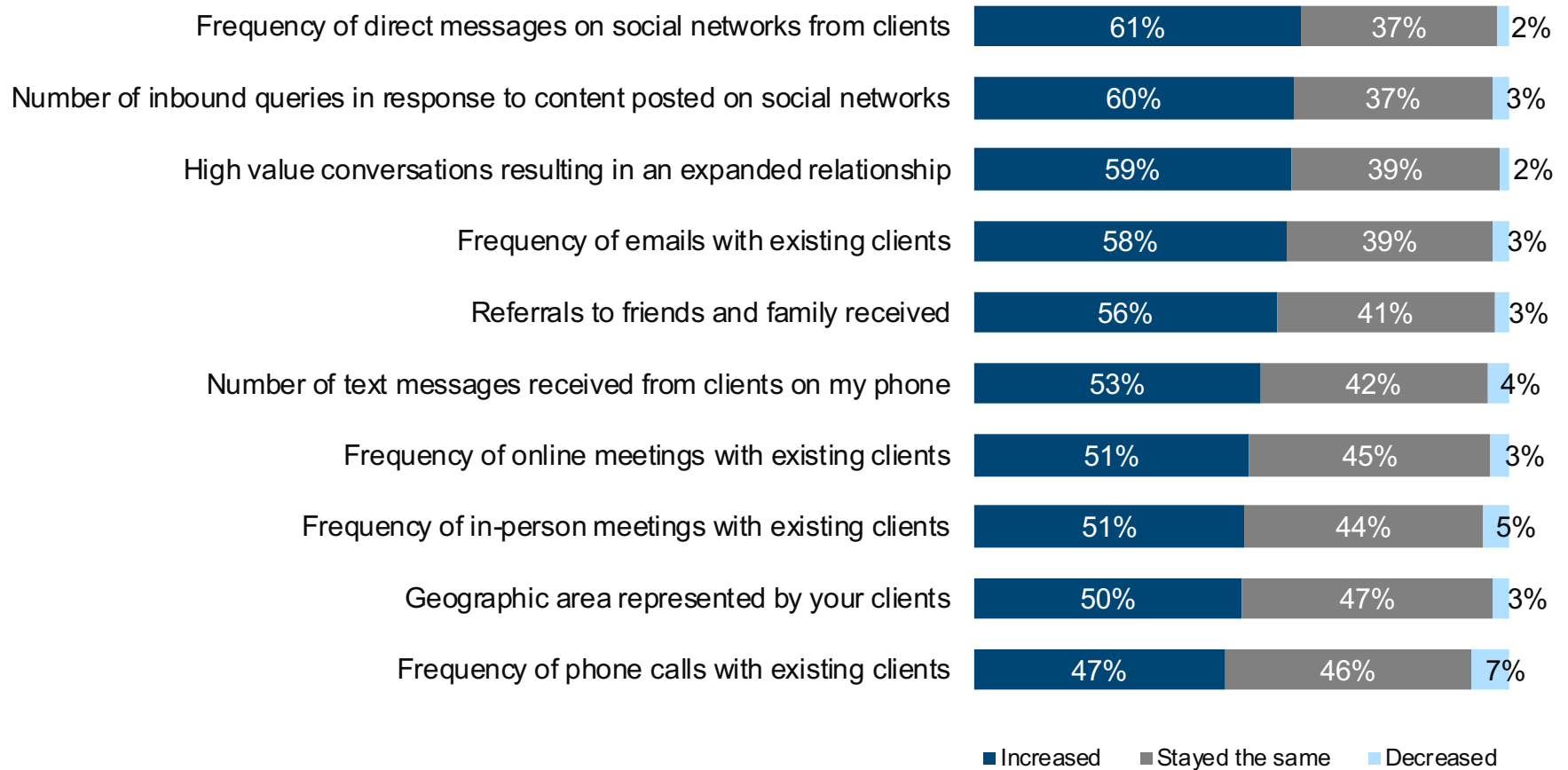


Note: Base: Used social media networks for business and has helped gain clients (76%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q44 How much have you used social media networks to...

Is social media working for advisors? Where is it going?

Influenced practice with existing clients

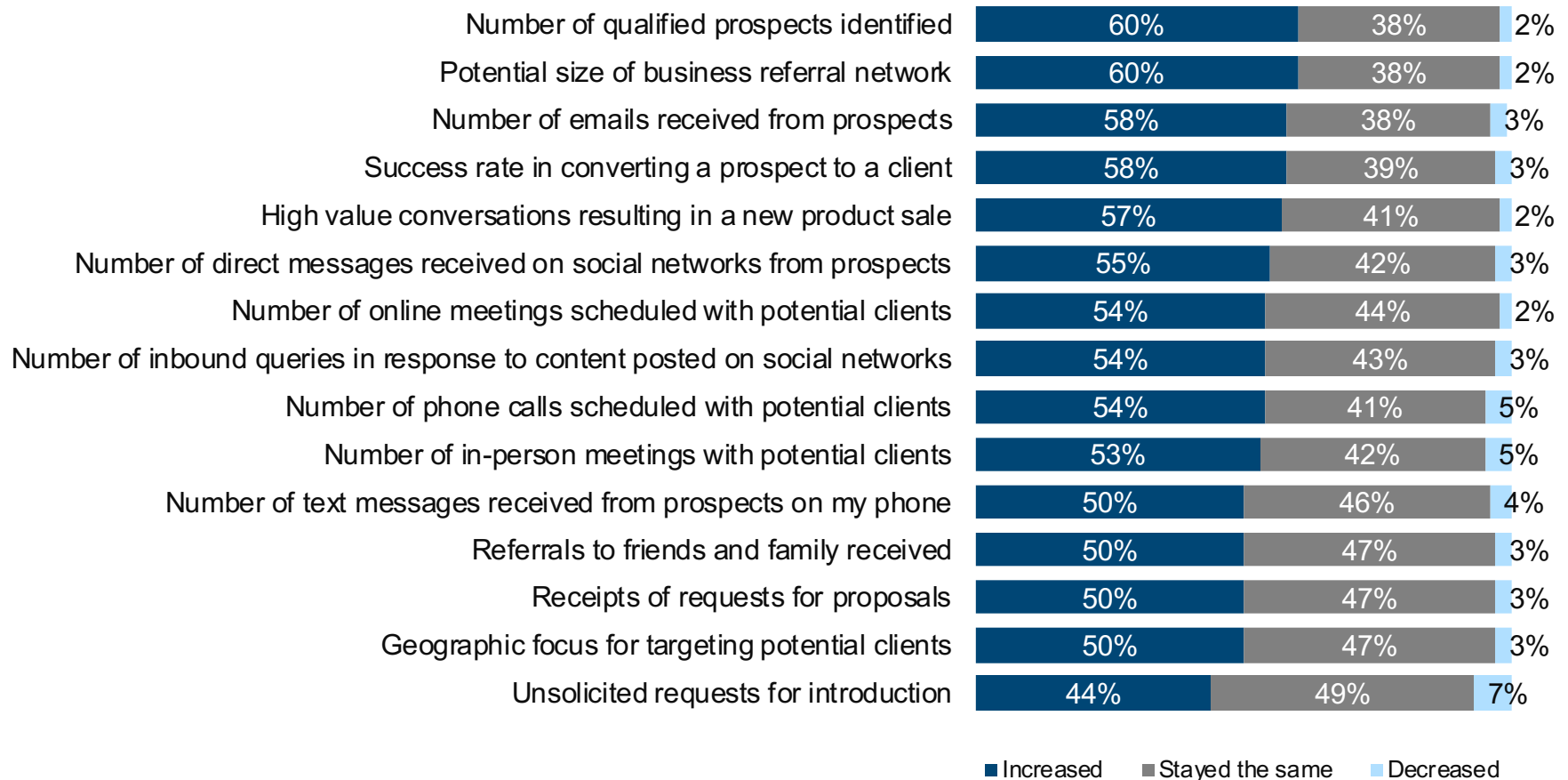


Note: Base: Used social media networks for business (83%).

Q32 Thinking about how the use of social media has benefited your relationships with existing clients over the past year, please indicate if each item below has increased, stayed the same, or decreased as a result of integrating social media into your practice:

Is social media working for advisors? Where is it going?

Influenced practice with prospects

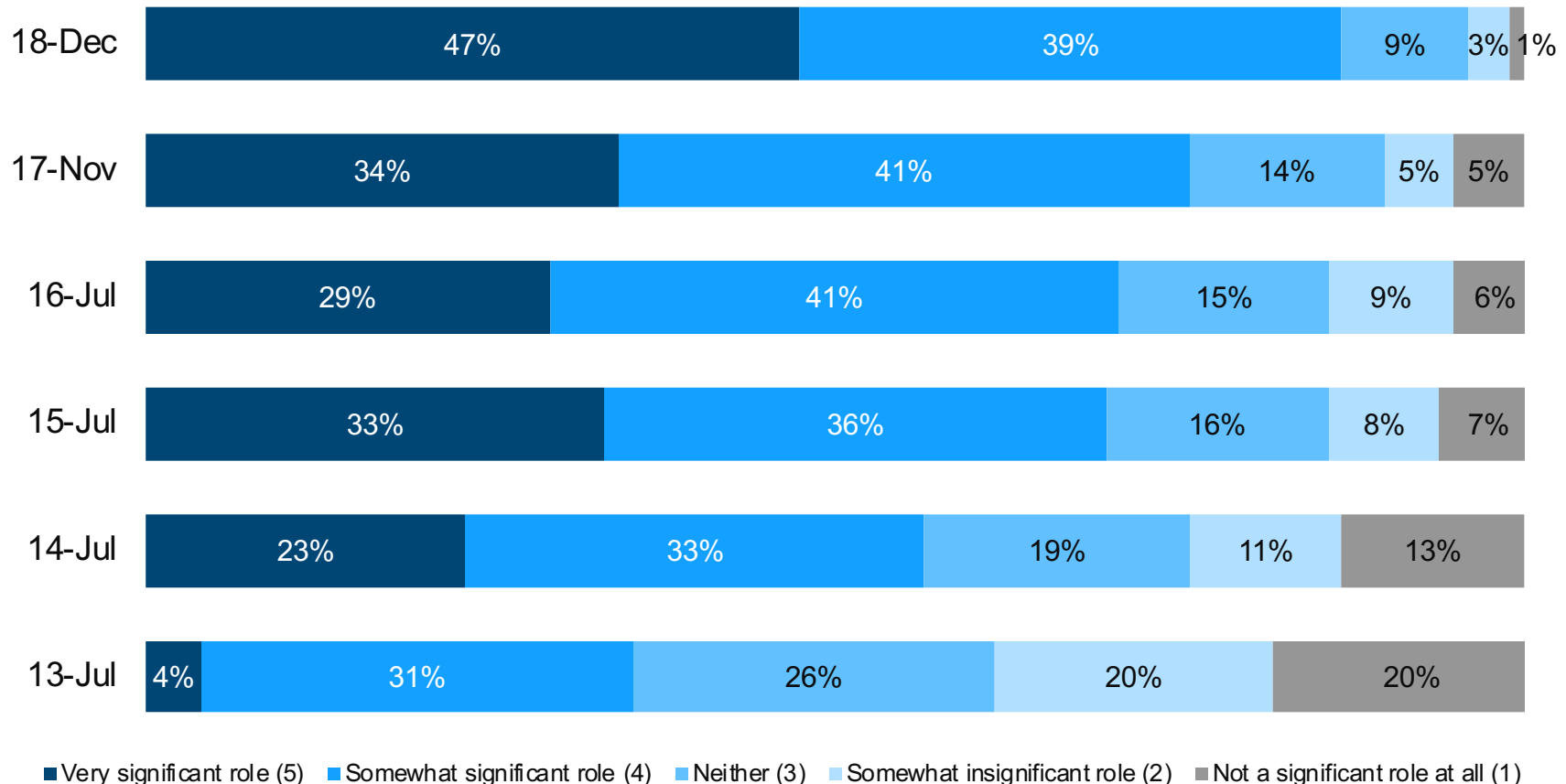


Note: Base: Used social media networks for business (83%).

Q33 Thinking about how the use of social media has influenced your business building efforts with potential clients over the past year, please indicate if each item below has increased, stayed the same or decreased as a result of integrating social media into your practice:

Is social media working for advisors? Where is it going?

Significance of social media to current marketing effort Trend



Note: Base: Social media networks used for business (83%); starting in 2018 question expanded to additional networks beyond LinkedIn, Facebook, and Twitter used for business.

Q46 On a scale of 1 to 5, please rate how significant a role social media plays in your current marketing efforts as a financial advisor/securities broker:

Is social media working for advisors? Where is it going?

Social media expected to be significant: Verbatims

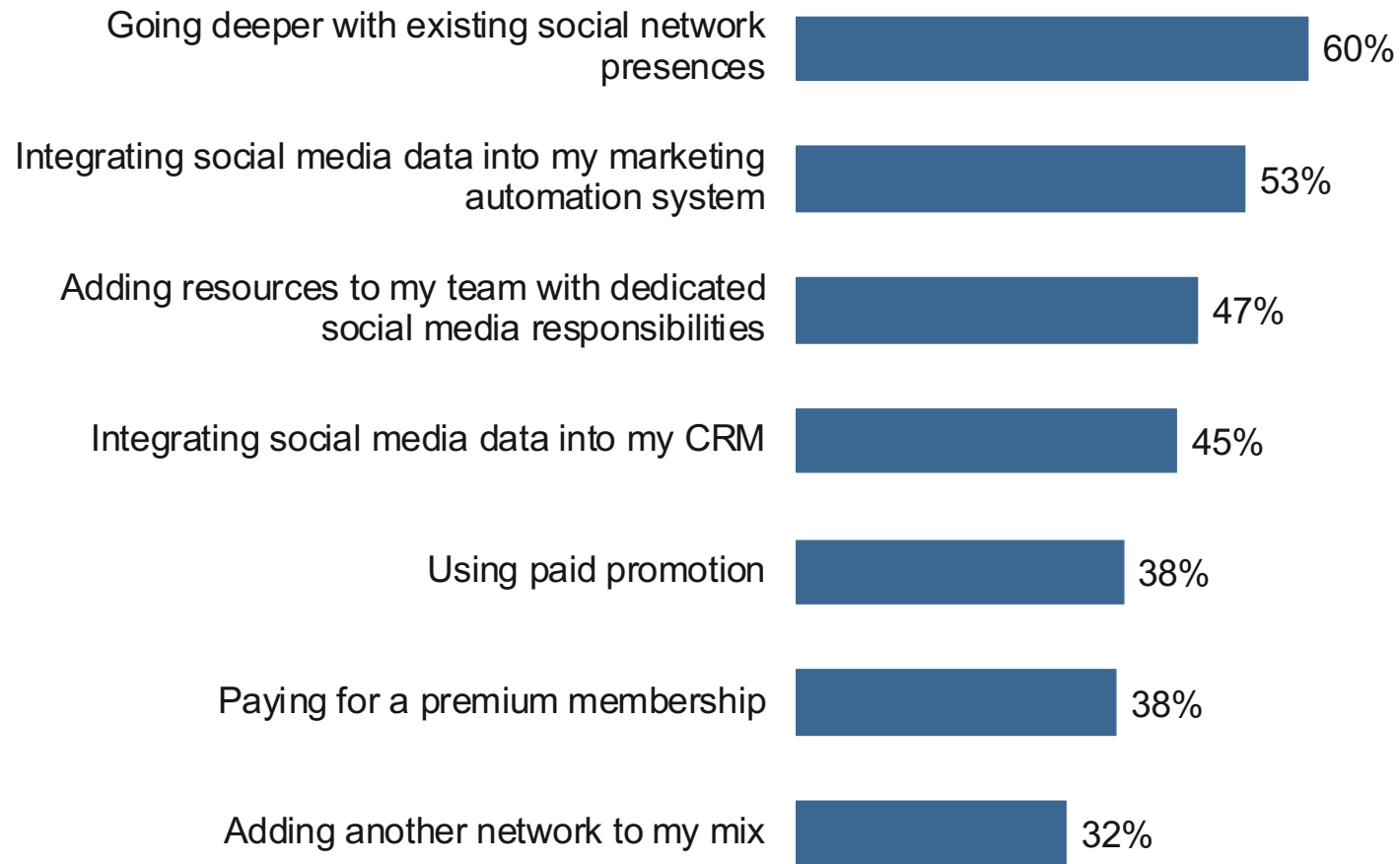
- *“Social media is taking the world by storm. People are scrolling through feeds multiple times a day; They are scrolling through while watching tv. So the old marketing way of commercials is becoming irrelevant because no one watches commercials anymore and with social media, you can reach people anywhere. Social media people can spread the word much faster.”*
(Female, 26, Bank, \$150M–\$200M AUM)
- *“More and more people are using social media platforms to connect and transact many aspects of their lives. Buying financial products and services is no different, as there is a greater audience for doing financial transactions via social media.”* (Female, 35, National Full Service, \$150M–\$200M AUM)
- *“More and more individuals are becoming increasingly comfortable with social media. Typically the vast majority of our customers have been an older demographic and have not use social media in the past. Over the course of the last couple of years they have become more comfortable and have used it more.”* (Female, 46, \$0–\$25M AUM)
- *“It’s a hub for people looking for certain type of business partners. It’s often used to learn more in-depth things about a person, which helps to develop trust. Therefore, social media is a perfect marketing platform to reach clients and potential prospects.”* (Male, 38, Independent, \$100M–\$150M AUM)
- *“Social media sets forth a trend of global instant communication—something that has and will define the coming decades.”* (Male, 58, Bank)

Note: Base: Used any social media networks for business and expected to play a significant role.

Q48 In your own words, please describe why you expect social media to play a significant or very significant role in your marketing efforts one year from now:

Is social media working for advisors? Where is it going?

Strategies for growing social media participation



Note: Base: Social media networks used for business and expect social media to play a significant role one year from now (73%).

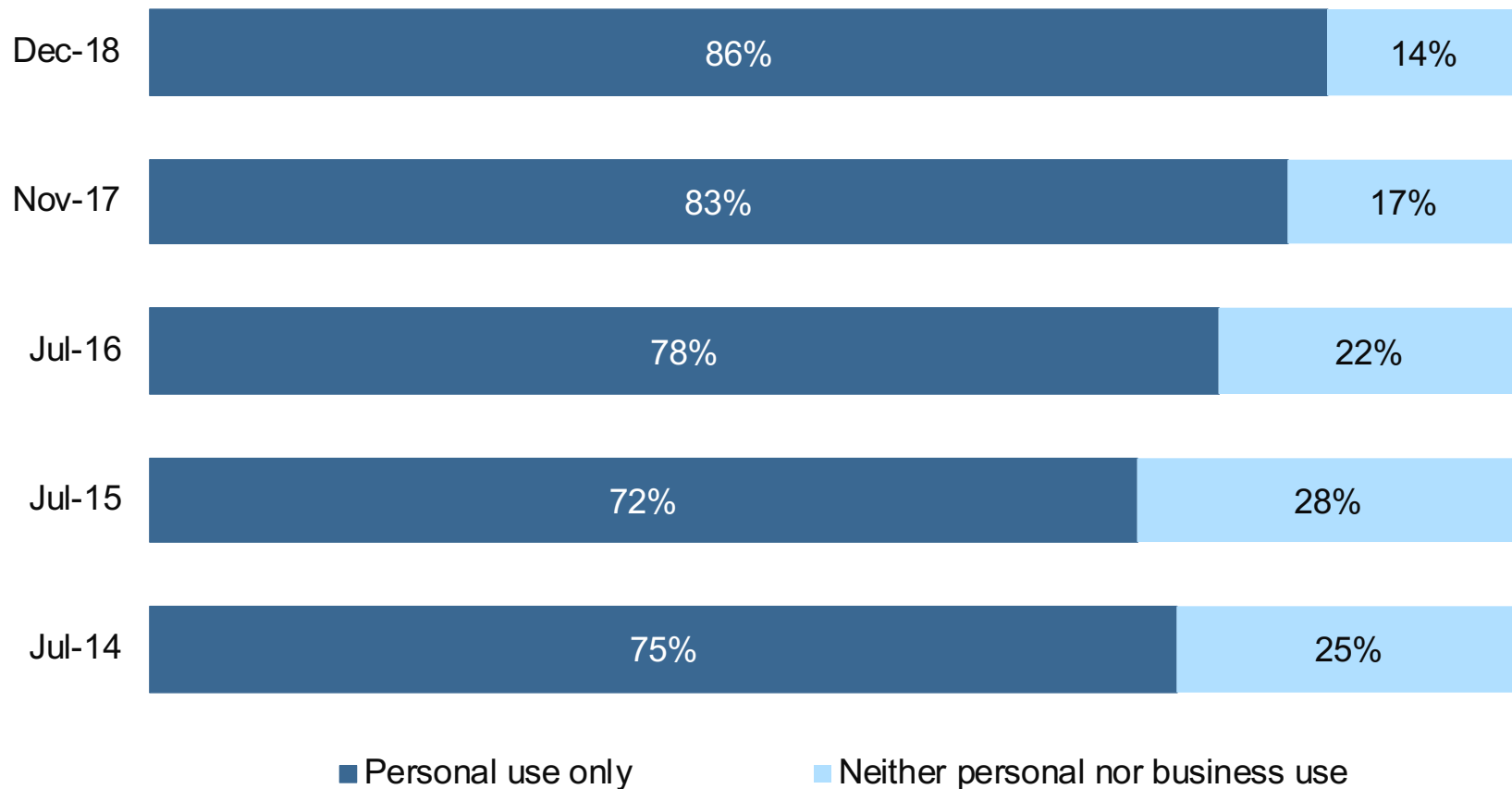
Q49 As you grow your participation in social media, how do you plan to achieve these goals?

Contents

1. Methodology
2. Profile: Advisors using social media
3. Which sites?
4. For what?
5. Corporate policies
6. Is social media working for advisors? Where is it going?
- 7. Advisors NOT using social media for business**
8. Profiles

Advisors NOT using social media for business

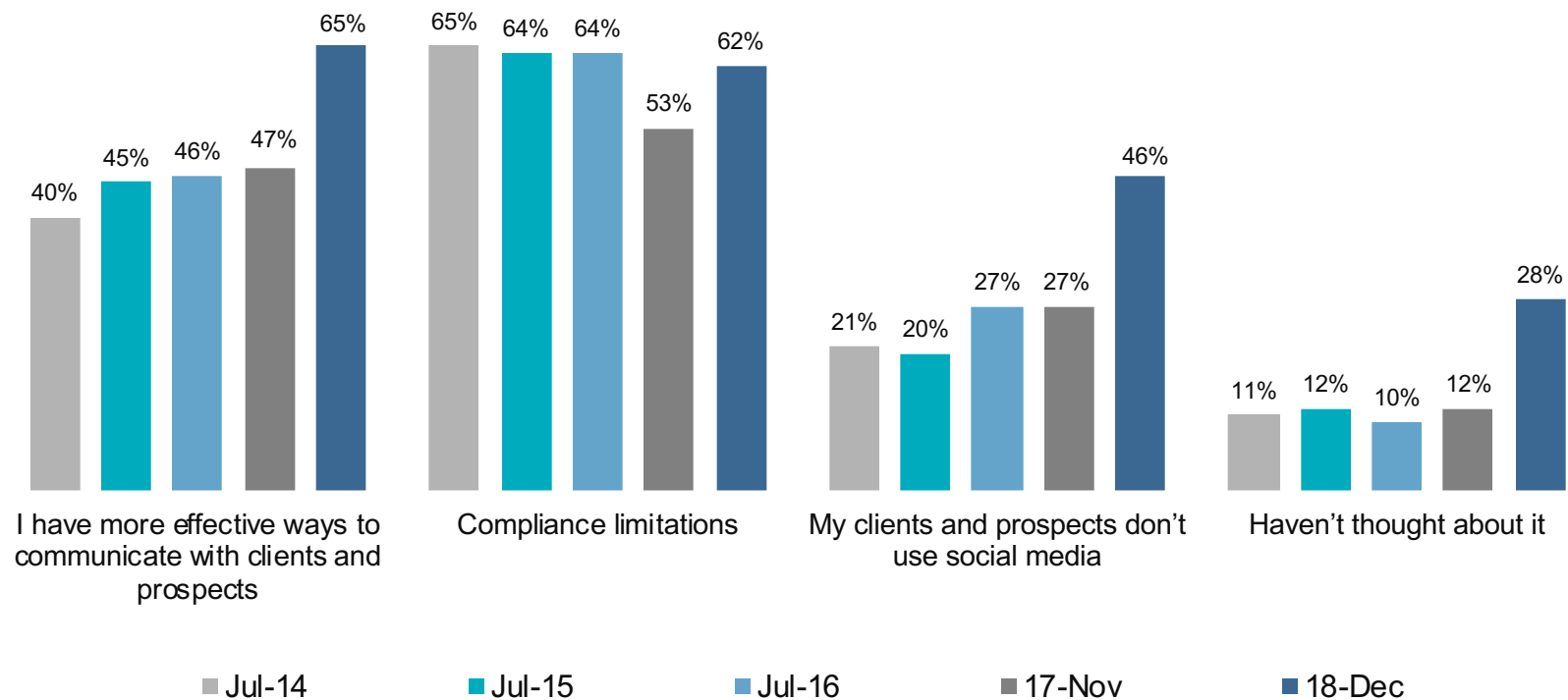
Social media participation when not using for business Trend



Note: Base: No social media networks used for business (17%).

Advisors NOT using social media for business

Reasons social media not used for business Trend

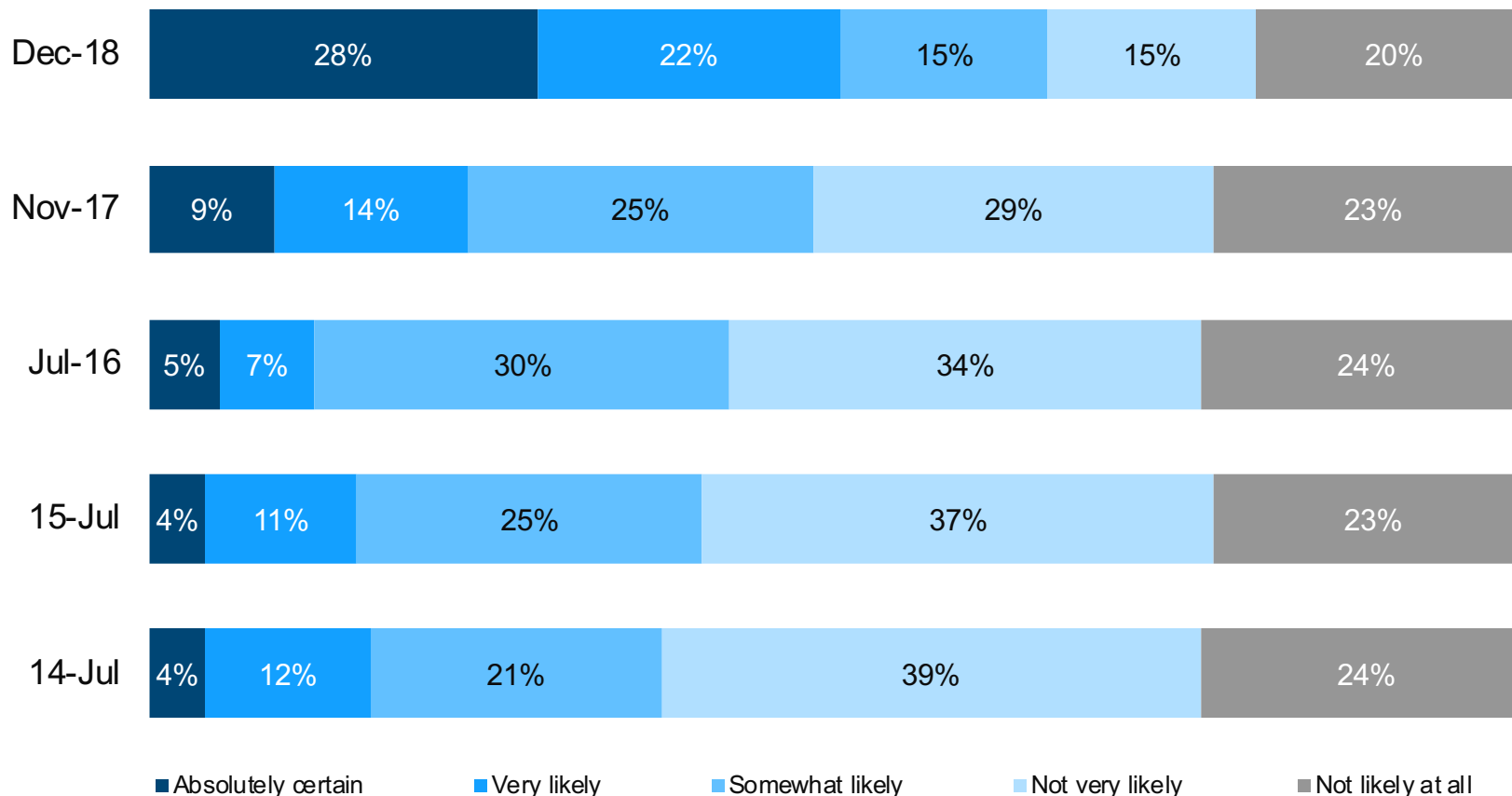


Note: Base: No social media networks used for business (17%); list of networks reduced in 2018.

Q12 Please indicate below the top two or three reasons you aren't currently using social media for business:

Advisors NOT using social media for business

Likelihood of using social media for business Trend



Note: Base: No social media networks used for business (17%); list of networks reduced in 2018.

Q13 In the next three years, how likely do you think you are to start using social media for business?

Contents

9. Profiles

- **By social media maturity**
- By channel
- By tenure as an advisor
- By primary social media network for business
- By gaining clients through social media
- By social media use

Profile by social media maturity

Segment profile

By assets gained through social media as percent of AUM

	Total	Total use for business	Gain AUM Percentage of IA				
			None (24%)	0.1%– 1.4% (18%)	1.5%– 2.9% (19%)	3.0%– 9.9% (21%)	10.0%+ (14%)
N =	1,021	848	244	180	198	212	143
Male	68%	68%	66%	62%	65%	75%	75%
Female	32%	32%	34%	38%	34%	25%	25%
Age:							
18–29	9%	10%	7%	7%	10%	14%	11%
30–39	35%	36%	28%	37%	37%	33%	46%
40–49	26%	25%	27%	24%	26%	25%	24%
50–64	26%	26%	28%	29%	23%	26%	18%
65+	4%	3%	9%	3%	4%	2%	1%
Average age	43.7	43.0	46.6	43.9	42.8	42.0	40.2

Profile by social media maturity

Segment profile

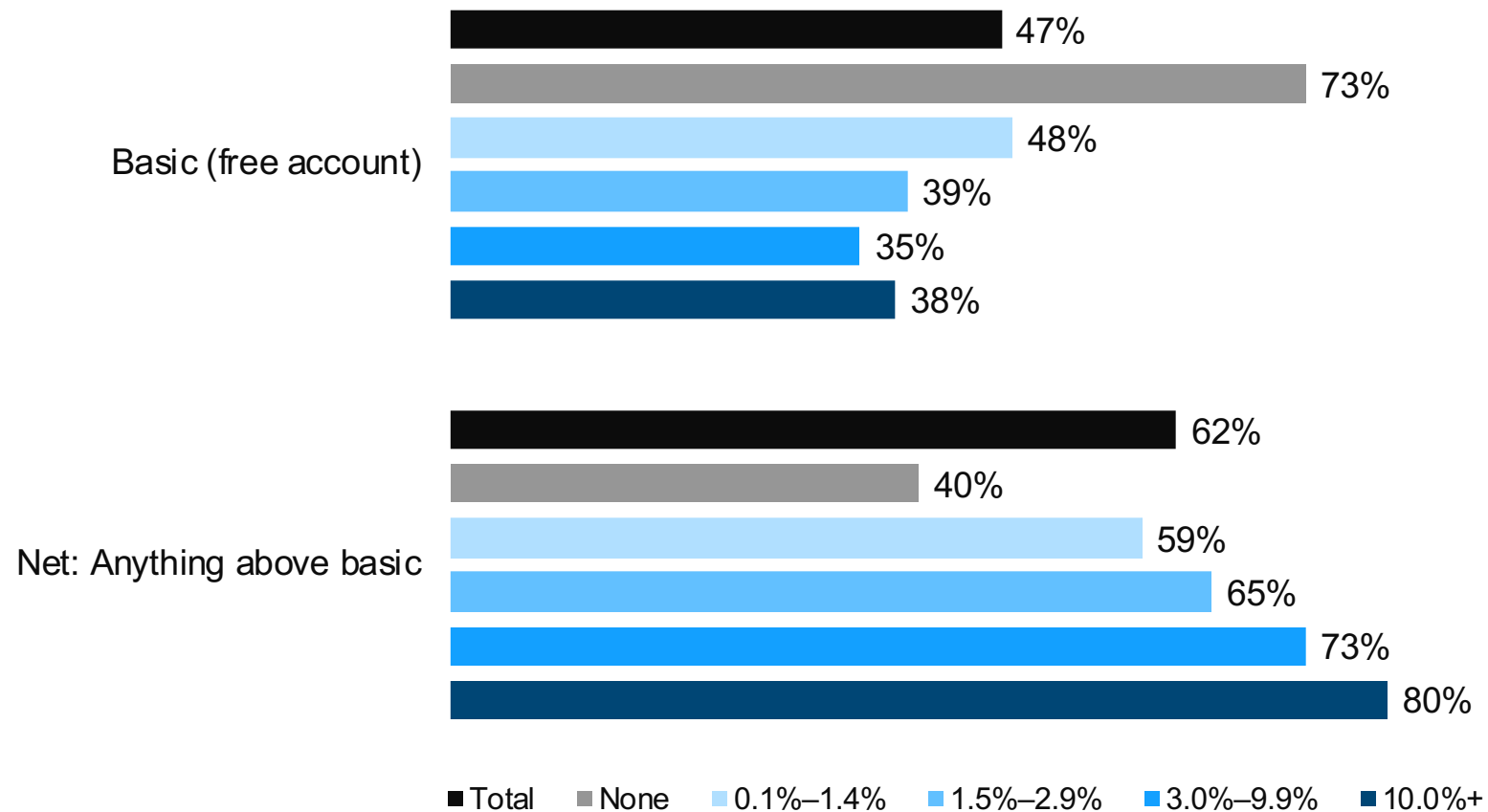
By assets gained through social media as percent of AUM (cont'd)

	Total	Total use for business	Gain AUM Percentage of IA				
			None	0.1%– 1.4%	1.5%– 2.9%	3.0%– 9.9%	10.0%+
Average # of years as an advisor	11.4	11.1	12.7	11.8	10.3	11.2	11.0
Total investable assets (average \$ in millions)	\$101	\$100	\$101	\$135	\$70	\$100	\$98
Very significant role in current marketing	47%	47%	16%	49%	47%	50%	58%
Insignificant role in current marketing	5%	5%	33%	2%	4%	2%	2%
Have used social media to gain clients	92%	92%	0%	100%	100%	100%	100%
Assets gained through social media (average \$ in millions)	\$4.9	\$4.9	N/A	\$0.8	\$1.5	\$5.0	\$15.3
Median gained through social media (average \$ in millions)	\$1.8	\$1.8	N/A	\$0.7	\$0.8	\$3.9	\$11.9

Profile by social media maturity

LinkedIn memberships

By assets gained through social media as percent of AUM



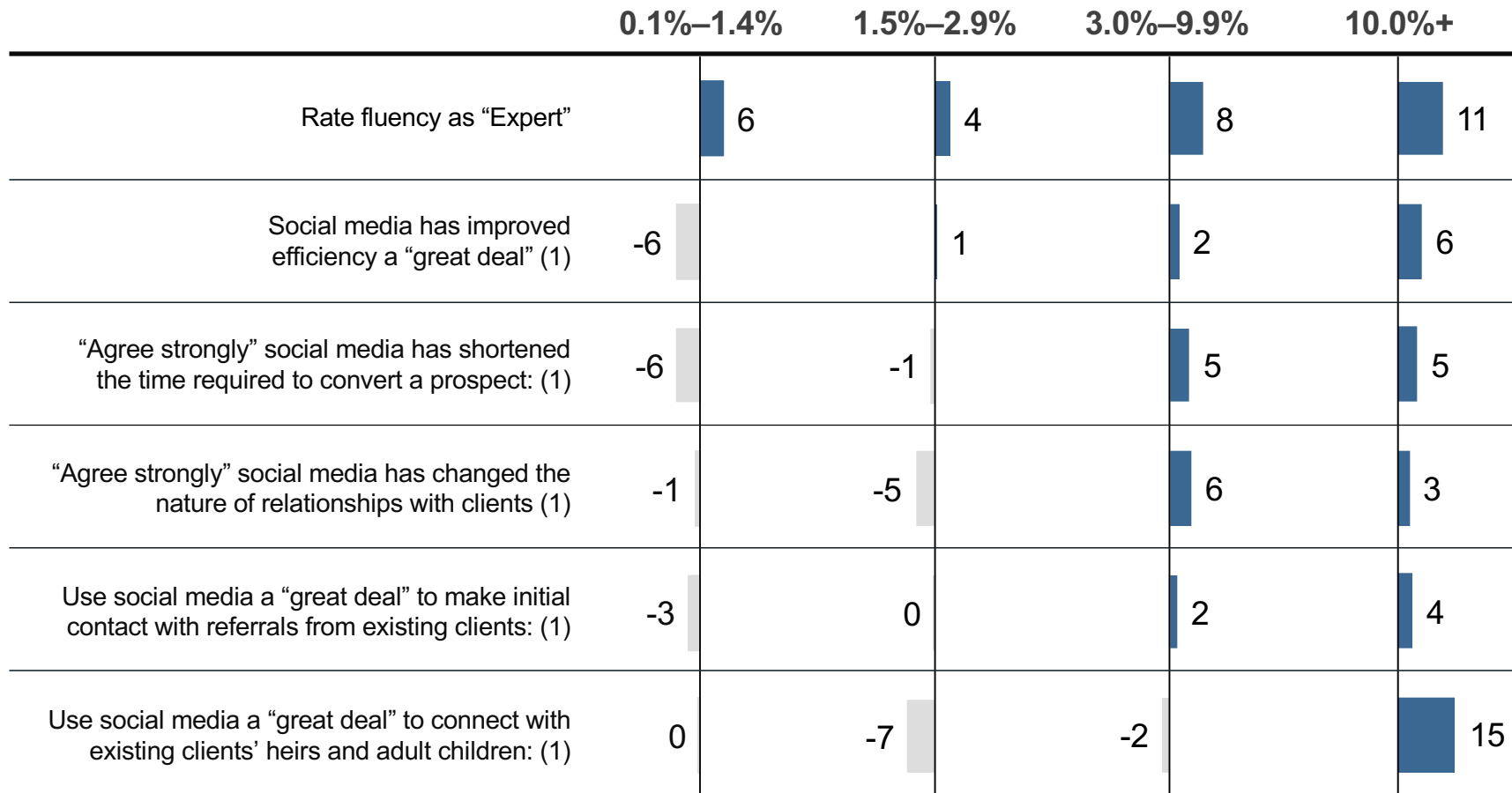
Base: LinkedIn used for business or personal use (84%).

Q8 Which of the following LinkedIn membership levels do you use? Select all that apply.

Profile by social media maturity

Social media impact on practice promotion

By assets gained through social media as percent of AUM



Note: Points off total; Base: Used social media networks (Q7) for business and has helped gain clients (76%).

Profile by social media maturity

Fluency and training By assets gained through social media as percent of AUM

	Total	Total use for business	Gain AUM Percentage of IA				
			None	0.1%– 1.4%	1.5%– 2.9%	3.0%– 9.9%	10.0%+
Rate fluency as:							
Expert	61%	64%	44%	67%	65%	70%	73%
I get by	35%	35%	42%	32%	34%	29%	27%
Less than getting by or do not use	4%	1%	14%	0%	1%	1%	0%

Top 3 effective training and education programs (excludes do not use social media)

Hands-on learning-by-doing	69%	69%	70%	77%	65%	68%	64%
Self-directed online training	54%	55%	48%	63%	57%	50%	56%
Training by colleagues in my firm or office	39%	39%	36%	33%	37%	41%	50%
Training by an investment partner firm, such as a wholesaler or investment company representative	37%	39%	31%	33%	39%	46%	42%
Assistance from friends and family	36%	34%	52%	37%	35%	29%	24%
Training by my firm's home office	33%	32%	32%	32%	37%	30%	33%
Training by a hired third-party specialist	27%	27%	24%	21%	26%	34%	32%

Base for Q11: Use social media in Q10.

How would you rate your fluency in social media? Q11 What are the top three education and training formats have been most effective for you in gaining fluency in social media? Rank most effective as 1, second most effective as 2, and third most effective as 3.

Profile by social media maturity

Strategies for growing social media

By assets gained through social media as percent of AUM

	Total	Total use for business	Gain AUM Percentage of IA				
			None	0.1%– 1.4%	1.5%– 2.9%	3.0%– 9.9%	10.0%+
N=	743	743	40	169	173	189	132
Going deeper with existing social network presences	60%	60%	32%	64%	62%	62%	56%
Integrating social media data into my marketing automation system	53%	53%	36%	57%	48%	60%	54%
Adding resources to my team with dedicated social media responsibilities	47%	47%	26%	46%	48%	51%	50%
Integrating social media data into my CRM	45%	45%	30%	44%	38%	48%	57%
Using paid promotion	38%	38%	23%	38%	41%	40%	39%
Paying for a premium membership	38%	38%	30%	28%	39%	42%	47%
Adding another network to my mix	32%	32%	36%	31%	31%	30%	39%

Base: Social media networks (Q7) used for business and expect social media to play a significant role one year from now (73%).

Q49 As you grow your participation in social media, how do you plan to achieve these goals?

Methodology

National online survey of 1,021 financial advisors currently advising retail clients and doing so for more than two years

- Wave 6 conducted online November 28, 2018, through December 24, 2018
- Wave 5 conducted online November 2, 2017, through November 20, 2017
- Wave 4 conducted online July 6, 2016, through July 18, 2016
- Wave 3 conducted online July 7, 2015, through July 17, 2015
- Wave 2 conducted online July 21, 2014, through July 30, 2014
- Selectively trended to a comparable survey conducted by another research firm in July 2013, among 408 financial advisors



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Putnam Retail Management
4/19