

# Institutional Investing in the 21st Century:

The Growing Influence of Digital  
and Social Media around the World



GLOBAL

LinkedIn



# Social Media and LinkedIn Shape Investment Decisions

In 2014, we delivered a groundbreaking report providing insight into the role social media plays in financial decision-making. The eye-opening findings were based on our survey of how approximately 300 Institutional Investors and Institutional Asset Managers use LinkedIn for investment decisions.

Late last year we decided to validate our findings and gain an even deeper understanding into the use of social media and types of information Institutional Investors find valuable. We did so by partnering with Greenwich Associates to conduct a research study among a broader audience beyond the LinkedIn platform.

For the purposes of this study, Institutional Investors were defined as those employed by institutions across four sectors (Corporate Pensions, Insurance, Public Pensions, Endowments and Foundations) with occupations relevant to investing. Institutional Investor respondents were also decision makers or influenced decisions about their institution's investments.

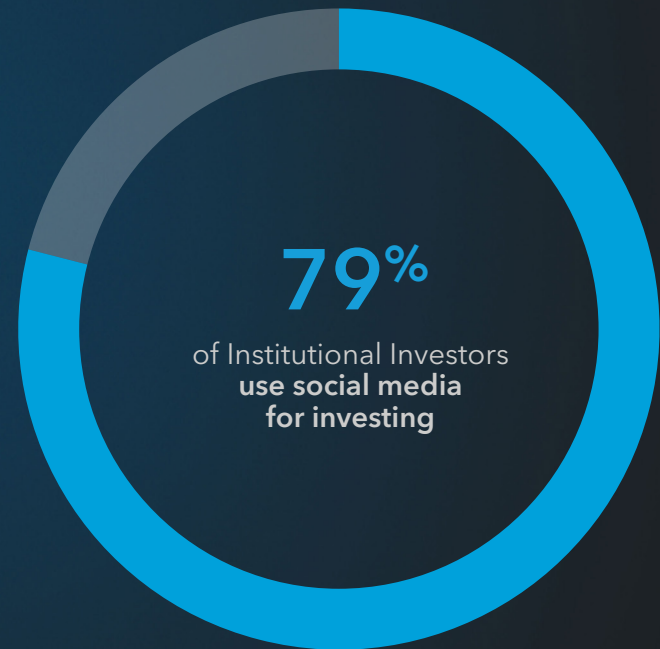
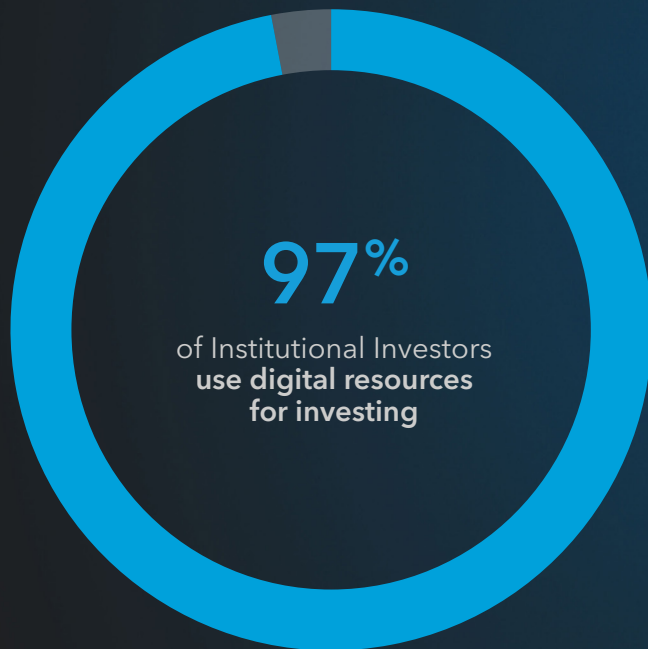
This report highlights responses from Institutional Investors in North America, Asia Pacific, and Europe, providing a glimpse into how they educate themselves on industry trends, industry news and investment products and services, and what impacts their investment decisions. Though we noticed some significant regional differences, the following findings are consistent across geographies:

- Nearly all (97%) Institutional Investors use digital media sources for professional purposes
- 79% use social media at work
- LinkedIn is the preferred social media source with 48% of all Institutional Investors using the platform
- 61% of Institutional Investors who use social media utilize LinkedIn as a source
- The vast majority (98%) of those Institutional Investors that use LinkedIn for professional purposes do so at least monthly and 85% do so at least weekly

While this research delivers new insights, the key findings jibe with the conclusion we drew from our LinkedIn-specific research: investors are actively seeking investment-related information via social media. Insightful information spurs them to take action, whether that be sharing information, making an investment decision, or deciding to work with a certain firm. Asset Managers that satisfy this demand can secure and enhance relationships with institutional investors, and influence investment decisions in their favor.

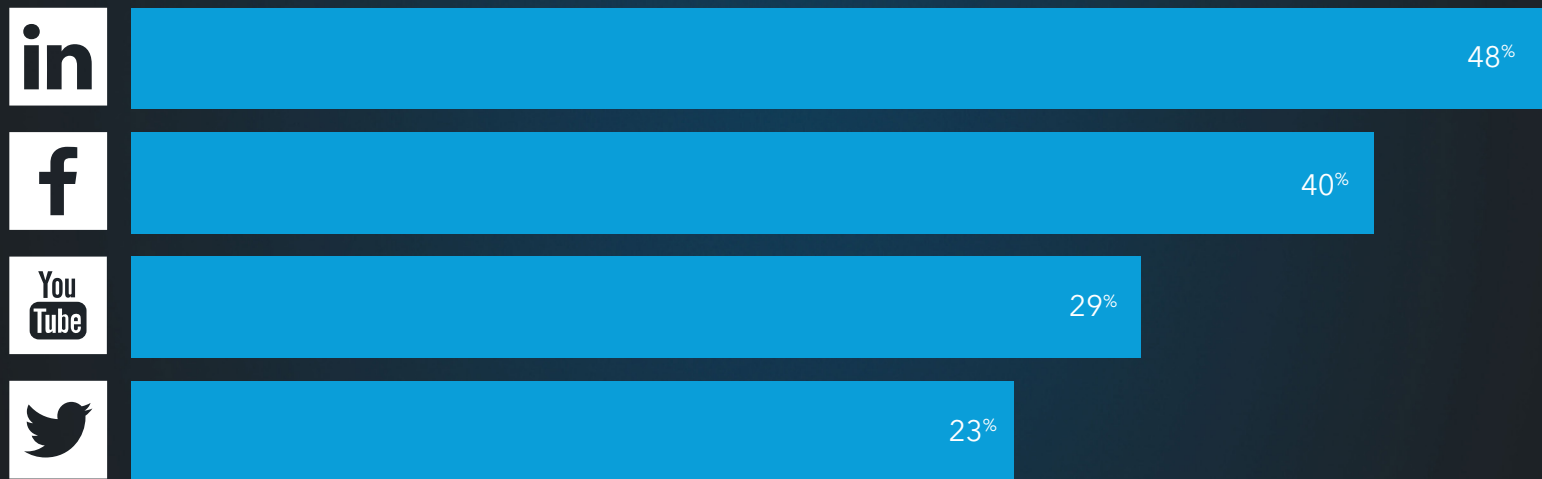
## Using Both Digital and Social Media Sources for Financial Information

Institutional Investors consult a mix of digital and social media in the course of their daily work. Their visits to news sites, niche publications/sites, blogs, discussion forums, and financial firms' websites or blogs are largely holding steady and in some cases climbing (35% increase). Similarly, they are consistently turning to major social media channels, including LinkedIn, for information about financial topics – and have increased their usage by 40%.



# LinkedIn is the Preferred Social Media Platform

Built for business, LinkedIn is the preferred social media source, with 48% of all Institutional Investors using the platform. In addition 61% of Institutional Investors who use social media utilize LinkedIn as a source – and they turn to it frequently.

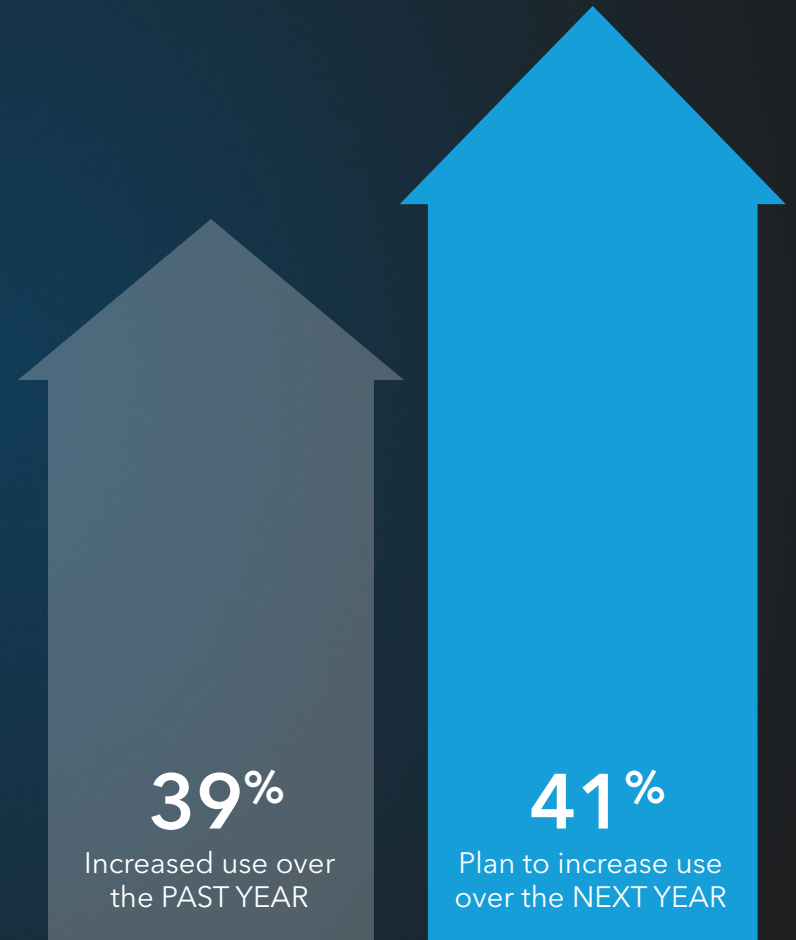


# Rapid Adoption and Growing Use of Social Media and LinkedIn

More than four in five Institutional Investors who use LinkedIn for their role are doing so weekly or more, and many plan to increase their usage



More than two in five users plan to increase their use of LinkedIn for financial information over the next year



% OF LI USERS WHO INCREASED / PLAN TO INCREASE USAGE

## Asia Pacific Leads the Way

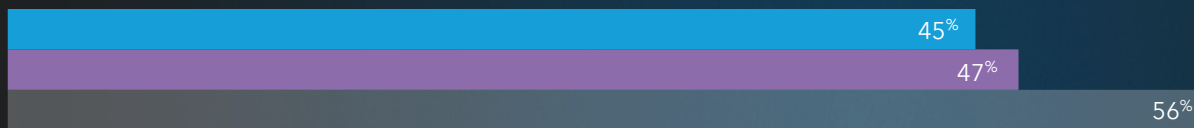
Worth noting is that Institutional Investors in Asia Pacific are consistently higher users of all forms of social media sources than their counterparts in North America and Europe. This may be attributable to several factors including:

- A more social-media- and mobile-savvy population with better internet connectivity in Asia Pacific
- The expense and lower availability of professional data (for example, Bloomberg) in Asia Pacific
- A less developed investment consultant marketplace in Asia Pacific than in North America and Europe, forcing Institutional Investors in Asia Pacific to consult other information sources

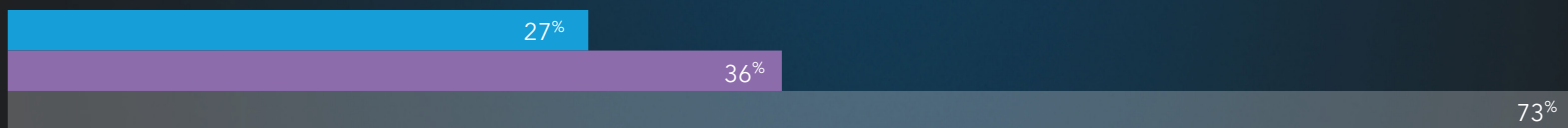
### RECENTLY USED SOCIAL MEDIA RESOURCES FOR FINANCIAL TOPICS

■ North America ■ Europe ■ Asia Pacific

#### LINKEDIN



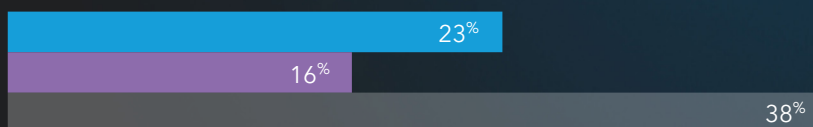
#### FACEBOOK



#### YOUTUBE



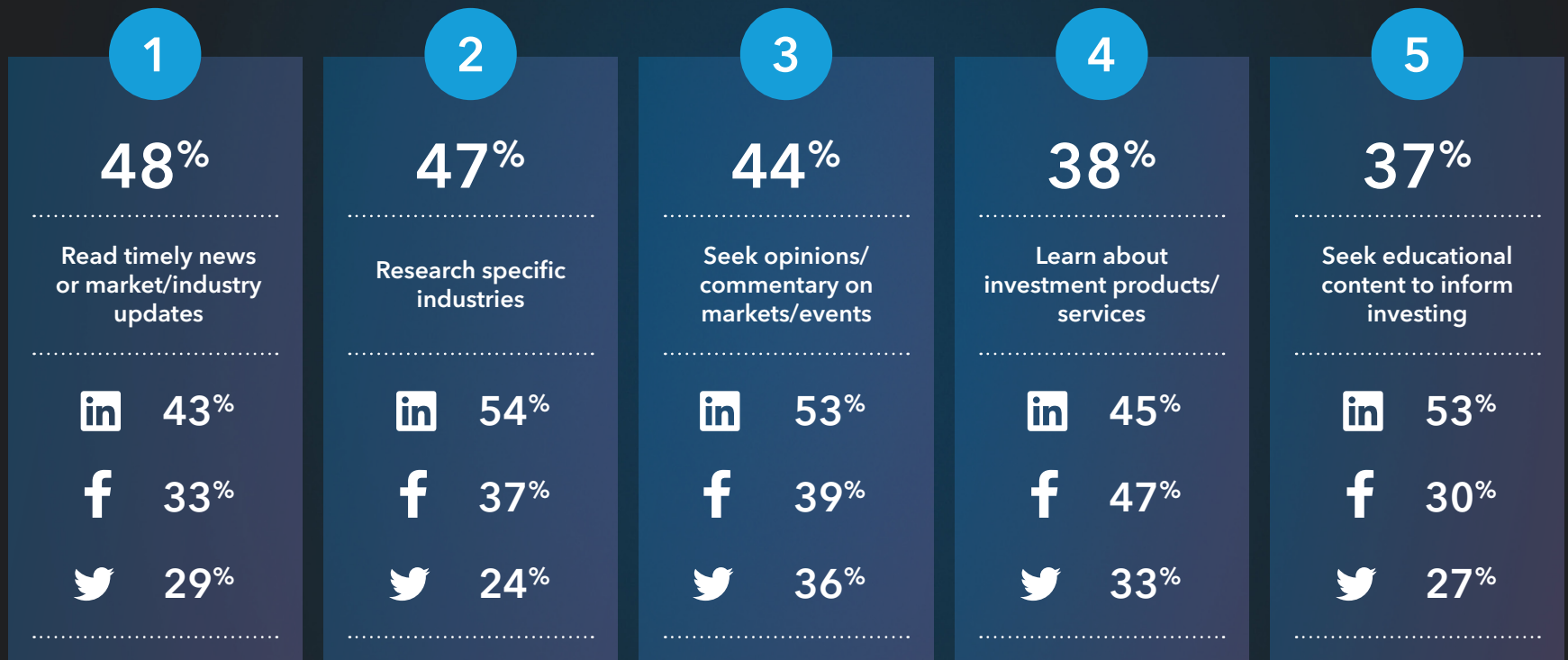
#### TWITTER





# Beyond the mainstays of news and researching companies, Institutional Investors are tapping into social for relevant insights

Institutional investors who use social media for each of the top purposes are more than likely turning to LinkedIn vs. Facebook or Twitter

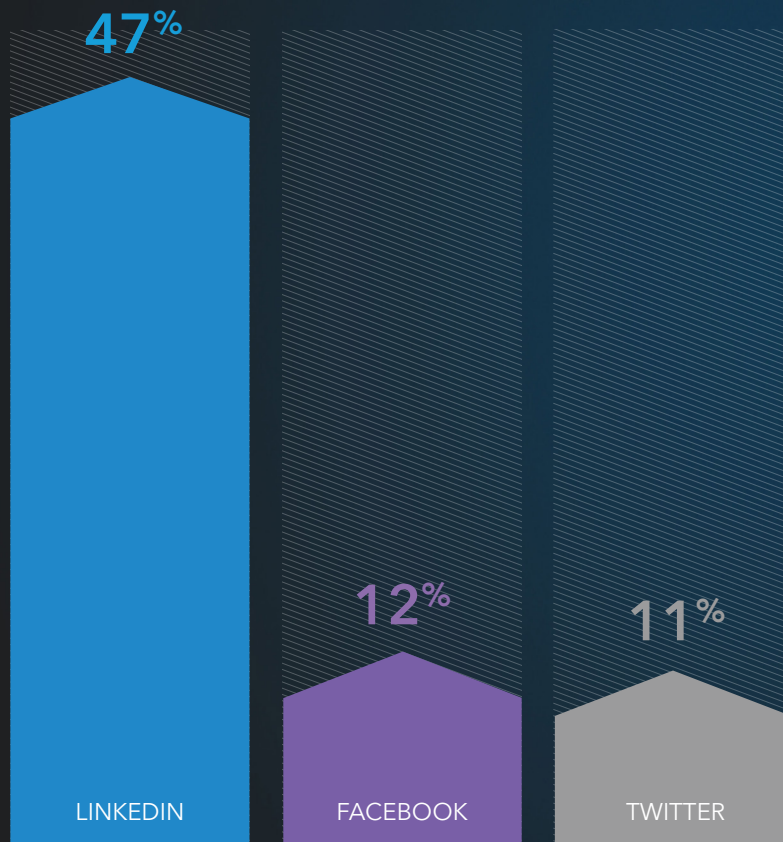


“LinkedIn has made it easier to learn and follow what other people think about the markets”

- Institutional Investor

## Finding Deeper Insights on LinkedIn

As they seek investment-related information and recommendations, Institutional Investors around the world are most impressed by the deep subject matter expertise on LinkedIn as compared to other major social media sources. In fact, LinkedIn is used 4X more than other social sources by global Institutional Investors for deep subject matter education.



4x

as likely to use LinkedIn for subject matter education

"[LinkedIn is a] Better source for reliable information and contact with other professionals who can provide me with additional insights."

- Institutional Investor



# Social Media Insights Trigger Action

Though all of these research findings are notable, what Institutional Investors do after consuming financial-related information on social media is most interesting. Once these investors find the information for they are seeking, they respond by taking action. The top actions they take are to:



Conduct further research on an industry issue or topic

**48%**



Share the information with decision makers at their company

**37%**



Choose to work with a particular company or client

**34%**



Start a discussion with their investment consultant

**33%**



Make an investment recommendation or decision

**31%**



Consult that social media source more regularly

**23%**

# Key Findings



**Nearly all Institutional Investors use digital media sources for their roles (97%), and 79% turn to at least one social network.**

- » Financial news sites, social media, and financial institution websites/blogs are the top digital destinations for financial topics.
- » LinkedIn is the preferred social source, with 48% of all Institutional Investors using the platform for their roles.



**Institutional Investors in Asia Pacific are consistently higher users of all social sources vs. their counterparts in North America or Europe.**

- » This may be attributable to varying availability of professional data (e.g., Bloomberg terminals) as well as investment consultant relationships across regions.



**Institutional Investors are turning to social media for insights, opinions and content relevant to their roles in investing:**

- » Top information sought: News/market updates, industry research, opinions on markets/events, product info, educational content.
- » For deep subject matter education, Institutional Investors are 4X as likely to turn to LinkedIn vs. other social sources.



**Insights that investors are gaining from social media use are influencing critical decision-making at their organizations:**

- » One-third who use social media have learned something that influenced a decision to work with a company or client (34%).
- » Nearly as many investors say something they learned via social influenced an investment recommendation or decision (31%).

# Seize the Opportunity: Position Your Firm as an Influencer Using These Guiding Tips for an Effective Content Marketing Strategy



## Best Practices

- Set aside budget for increasing brand awareness
- Get creative when it comes to expanding your targeting methods
- Create an evergreen content calendar to ensure you have a plan and enough material for an 'always on' approach
- Ensure your content always complements and supports your company's business objectives
- Work with compliance to set up a policy that addresses turnaround time and a set of general rules of thumb to follow when creating content
- Measure the effectiveness of your content efforts when you are actively engaging Institutional Investors versus relying on organic means



## Pitfalls to avoid

- Don't force content into channels that are not appropriate for distributing your message or engaging your target audience
- Don't create content without first involving legal and compliance for guidance
- Don't work in a silo; instead partner with internal subject matter experts and the appropriate colleagues to maintain an always-on marketing approach
- Don't set it and forget it; continually attend to and optimize your content marketing