

INFLUENCING THE MASS AFFLUENT

Building relationships on social media

LinkedIn®



Executive Summary

Social media is becoming a central part of how consumers discover and evaluate information. When the Mass Affluent engage with financial institutions on a trusted social media platform, the outcomes are more than just education and validation – these highly sought-after consumers are driven to action.

With nearly all Mass Affluent using social media, it's not surprising that their expectations for financial institutions on social have moved beyond simply having a presence. In order to provide value and differentiate from competitors, companies must now enable financial solutions through the content and service that Mass Affluent seek on relevant social channels.

Yet across the board, financial institutions are falling short in meeting the expectations of this segment, and in doing so, risk the ability to attract and retain customers. By providing a more robust understanding of Mass Affluent needs and preferences across all life stages, this research uncovers key insights to help financial institutions maximize the impact of social on trust, relationships, and ultimately, influence.

Objectives

In order to understand how these social trends converge with a drive toward improved financial decision-making, LinkedIn teamed up with Cogent Research to study the value Mass Affluent derive from social media use, particularly as it relates to financial education and decision-making.

The research also uncovers gaps in how financial institutions engage with this audience relative to expectations, highlighting opportunities to maximize impact of social experience on trust, relationships, and influence.

Key Findings

- Nearing total adoption of social media (87%), the Mass Affluent use a range of social networks and tools; for professional purposes, they most likely turn to LinkedIn.
- Almost half engage with financial institutions on social media (44%), while one-third engage with content shared by financial institutions on social media (34%).
- Nearly two in five use social media for discovery or consideration of financial companies, products, policies, or accounts (36%); among Mass Affluent who use social for both purposes, nearly two in three (63%) take action as a result of what they learn.
- The Mass Affluent consider improved customer service, timely updates, and relevant content the most valuable outcomes of a company's social media presence.
- While they expect certain types of information from financial companies on social media, there are big gaps between what they want and what they actually receive.
- LinkedIn is the most trusted social source to provide Mass Affluent with financial information.



“Nearly 9 in 10 Mass Affluent have used social media in the past year”

A Highly-Valued Segment

The Mass Affluent are current investors with \$100,000 to \$1 million in assets, excluding the value of their homes - criteria which, according to Forrester, apply to an estimated 40 million people across the United States.

Seeking content, guidance, and decision-making tools in a trusted context, the Mass Affluent's desired experience with financial institutions has moved beyond the transaction to relationships that are delivered through multiple channels dictated by the customer.

Overall Social Media Adoption

Nearing total adoption of social media, the Mass Affluent use a range of networks and tools for varying purposes, both personal and professional in nature.

Nearly nine in ten Mass Affluent have used social media in the past year (87%); this usage is slightly higher among those in earlier life stages who are still accumulating wealth, but remains consistently high across all asset ranges.

Overall, about half of Mass Affluent use LinkedIn, while 72% use Facebook and 27% use Twitter. With a variety of platforms and tools at their disposal, Mass Affluent are not just using social media for personal purposes, but professional purposes as well:

- **1 in 2** use social to **CONNECT** with professionals.
- **1 in 3** use social to **CONSUME** professional content.
- **1 in 4** use social to **CREATE** professional content.

If Mass Affluent are using social media for any professional purpose, they are most likely doing so on LinkedIn over other platforms. As far as time spent on Facebook, Mass Affluent are primarily using the platform to keep up with friends and family or post personal updates.

Social Engagement With Financial Institutions

When it comes to using social media for professional purposes, Mass Affluent aren't just making connections with other professionals - they are highly engaged with companies as well.

Almost half are engaging with financial institutions on social media (44%), and this engagement remains consistently high across asset ranges.

44% of Mass Affluent social media users engage with financial companies



31%

Read content from financial companies on social media



30%

Follow or like financial companies on social media



23%

Review multimedia content from financial companies on social media

Mass Affluent are not only consuming content from financial companies, they're actually engaging with the content they consume. More than one in three engages with content from financial companies on social media (34%), most notably by reading comments on the content (27%) or liking the content (13%).



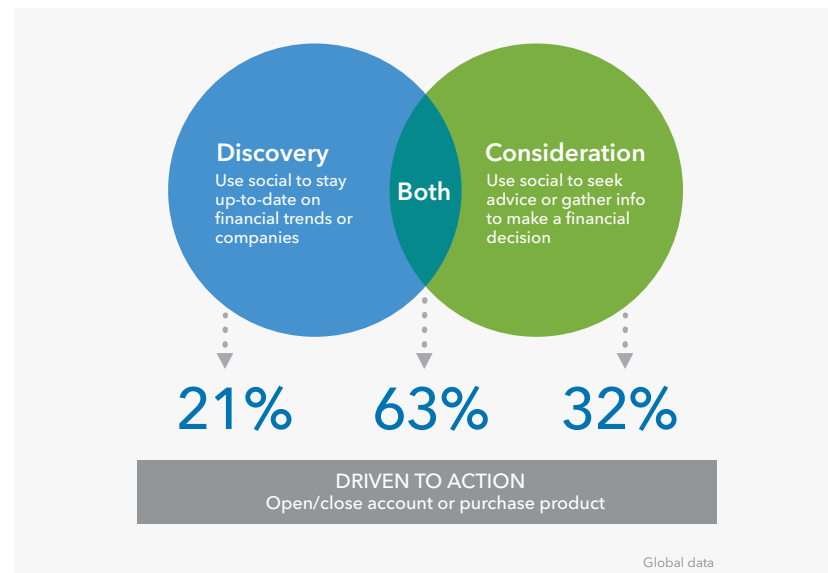
Financial Research and Education on Social

Mass Affluent use social media as an educational resource for financial information and are greatly influenced by what they learn.

Nearly two in five Mass Affluent turn to social media for financial education or research (36%), whether learning about financial trends, companies, products, or accounts (**discovery**), or seeking advice or further information to evaluate what they've learned (**consideration**).

Highlighting the compounding influence of discovery and consideration on Mass Affluent financial decisions, nearly two in three who use social for both purposes take action - whether opening or closing an account, or purchasing a new product or policy - as a result of what they learn (63%).

Among Mass Affluent who use social for BOTH discovery and consideration, nearly two in three are driven to action.



Companies are a key source of information on social media. In fact, information learned on social about a financial company or product most likely comes from an ad or company sponsored content.

Ads and brand content are key sources of learning

"What was the specific source of the financial information you learned via social media?"

	Info about financial company	Info about financial product or account
An advertisement	60%	55%
Company sponsored content/updates	38%	34%
A member of my social network	34%	25%
An industry expert/executive	30%	28%

Expectations and Outcomes

Financial institutions can impact relationships with Mass Affluent through social media, but in order to do so, they must first understand what content is most valuable to their audience.

For banks, credit card companies, and brokerages alike, Mass Affluent consider improved customer service, timely updates, and relevant content the most valuable outcomes of a company's social media presence.

Top 3 most valuable results Mass Affluent receive from financial institution's presence on social media:

1. Improved customer service
2. Timely updates
3. Relevant content

To build relationships with the Mass Affluent, a social presence is most important for banks, credit card companies, and brokerages. Nearly one in four expect banks to have a current social presence, while one in five expects credit card companies to do so. These expectations are especially high among Mass Affluent in earlier life stages.

While improved customer service would be valued slightly more for credit card companies and banks than for brokerages, the desire for relevant content is consistent across sectors: at least one in five Mass Affluent consider relevant content the most valuable result from a financial company's social presence.

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Expectations Differ By Life Stage

The current life stage of Mass Affluent consumers – whether they are accumulating wealth, within 10 years of retirement, or retired – presents a critical distinction for financial institutions to consider.

Accumulating wealth:

- More likely than those in any other life stage to value relevant content from financial institutions, particularly brokerages, on social media.
- Most likely to expect credit card companies to have a presence, and this expectation decreases through retirement.

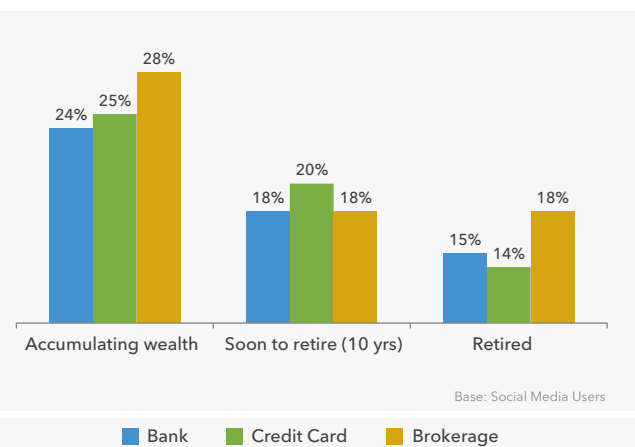
Within 10 years of retirement:

- Especially likely to value timely updates from financial companies on social media, due not only to proximity to retirement, but also the impact from the financial crisis and concern that they will not have enough income for retirement.
- More likely than those in any other life stage to expect brokerages to have a presence on social.

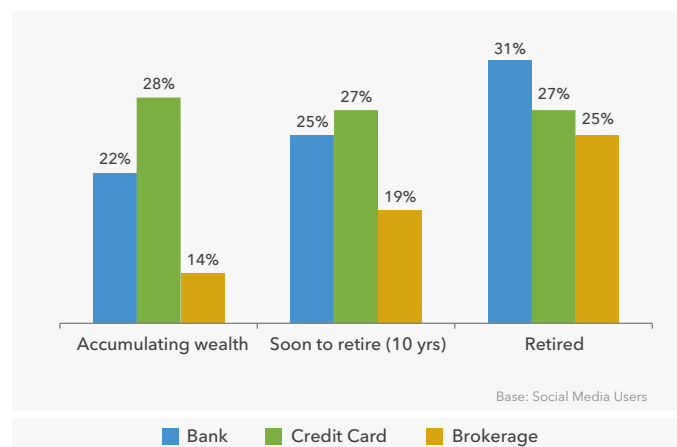
Retired:

- Most likely to consider improved customer service the most valuable outcome of a bank's or brokerage's social media presence. For credit card companies, a consistently high number of Mass Affluent in each life stage cite improved customer service as the most valuable outcome for credit card companies using social.

% who consider relevant content the most valuable result of a company's social presence (by Life Stage):



% who consider improved service the most valuable result of a company's social presence (by Life Stage):



Opportunities To Build Relationships and Drive Influence

By understanding Mass Affluent needs, financial institutions can lay the foundation for relationships through relevant content and service in a trusted context – but in order to drive influence, they must go beyond static engagement.

What content is most relevant to the Mass Affluent on social? From brokerages, banks, and credit cards, they are looking for new information on products and services. Brokerages must also provide market commentary and product performance updates, while banks and credit card companies should deliver updates on account changes and general company info. Across the board, there is a 25-40% opportunity gap between the information they expect and what they actually receive, representing a significant opportunity for marketers to fill that need.

Top 3 information wanted vs. received via financial companies on social media.

	Brokerage		Bank		Credit Card	
	Wanted	Gap to received	Wanted	Gap to received	Wanted	Gap to received
New product or services information	47%	-40	53%	-39	52%	-39
Market and economic commentary	42%	-35	29%	-25	19%	-15
Product performance updates	41%	-34				
Updates on plan or account changes	32%	-26	42%	-33	46%	-33
General company information	38%	-29	39%	-27	36%	-28

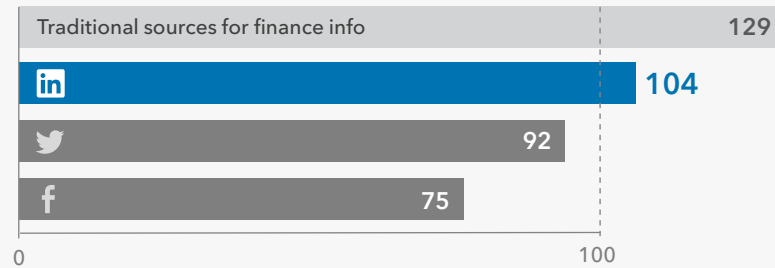
Base: Social Media Users



LinkedIn is the Most Trusted Social Media

With a number of opportunities to reach Mass Affluent with the information they seek on social media, financial institutions must turn to relevant, trusted channels to provide this information. When looking at relative trust levels of financial information shared by companies, articles, and experts on a variety of social and traditional channels, LinkedIn is the only social network to over-index, making it the most trusted social source for financial information.

Trust Index of Channels for Financial Information:



Trust Index is comprised of the following attributes average scores equally weighted and indexed to 100:

Social platforms: Trust of financial information shared through an article on my network, by a financial company or institution, by a financial professional/expert

Traditional sources: Trust of financial information from peers, friends and family across non-social platforms (websites and offline)

Influence decision-making with group discussions

Providing information, content, and service to Mass Affluents on LinkedIn will allow financial institutions to lay the foundation to influence financial decision-making, but engaging through activities like group discussions is what will actually drive higher influence.

With an increased likelihood to help avoid low influence, company posts or content are considered key “table stakes” that financial institutions need to provide on social media. Once this foundation for influence is set, financial institutions are most likely to drive higher influence on financial decision-making through company-hosted group discussions.

On LinkedIn, company posts are table stakes; engaging in discussion drives higher influence

Build the Foundation with:

- Company posts or content
- Service or support

Accelerate influence with:

- Group discussions hosted by company
- 1:1 communication

Conclusion

With unprecedented opportunities to move beyond static engagement, successful companies understand the importance of content and context in reaching the Mass Affluent in trusted social channels.

While this paper concentrates on the specific implications for the U.S. Mass Affluent audience, the key takeaway for financial marketers is consistent across the globe: **Simply having a presence on social channels and providing information sought by Mass Affluent is only the first step towards impacting financial decisions. To really drive influence and engender long-term relationships, marketers must engage with relevant discussion and direct communication with their audience on social.** Those who do so successfully will pave the way for rewarding relationships.

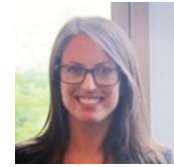
Social Media Best Practices for Marketers

- **Mindset matters** - Understand the mindset of your customer on different social platforms and align your campaigns to the context that best fits with your marketing objectives.
- **Relevance is key** - Develop content that is relevant to the Mass Affluent by life stage and by sector, and deliver it in a timely fashion—which improves the value exchange and the likelihood that your messages are shared.
- **Discussion drives influence** - Status updates and company posts are table stakes on social. To drive higher influence and trust, engage the Mass Affluent through group discussions and direct communication.
- **Highlight new products** - new product info is the most desired information on social media across all sectors.
- **Tailor your strategy by life stage** - younger Mass Affluent expect relevant content, soon-to-retire want timely updates, and the retired expect improved customer service.

Methodology

This report is based on a study conducted in March 2013 by LinkedIn in partnership with Cogent Research. A 15-minute online survey was conducted among 502 U.S. individuals with between \$100,000 and \$1 million in investable assets. This included cash, savings, mutual funds, stocks, bonds, retirement accounts, and all other types of investments and real estate ventures, but excludes primary residence and vacation homes. Readable base sizes were targeted for key financial organization types - banks, credit card companies, and brokerages. These individuals did not have to be social media users to participate. Thus, results are meant to represent the greater Mass Affluent population.

About the Authors



Emily Friedman is a Research Consultant at LinkedIn, where she leads global primary audience and industry research for the Marketing Solutions business. Her experience includes extensive qualitative and quantitative research and analysis covering a broad range of industries, including financial services, consumer and business-to-business technology, education, and travel.



A senior project director at Cogent Research, **Christopher Savio** has eight years of experience conducting market research in the financial services field. His experience includes quantitative and qualitative research techniques, and has spanned a broad segment of the financial services industry, including the advisor and investor universes, retirement services, and retail and institutional asset management.



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