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Engage Your Clients with Social Media



It seems as though everyone is jumping into social media for business and personal communications, from blogs to social networking sites such as Facebook, LinkedIn and Twitter. Usage has grown exponentially over the past few years and continues to do so every day. Social media is rapidly becoming a powerful alternative marketing channel.

While the popularity of social media sites has continued to grow with the general public, most fund families and investment advisors have been reluctant to use the various platforms due to advertising restrictions and lack of clear guidance from regulators. Yet, based on a survey conducted by On Wall Street and LederMark Communications in early March 2010, 85% of financial services professionals under the age of 50 are using social media. That means that many of the people who sell your products are being influenced by this new media.

If you've been sitting on the edge wanting but afraid to dip your foot in the pond, there is good news. Industry giants are leading the way, and FINRA has been active in providing guidance on what can and cannot be done with regard to postings on blogs and social networking sites.

In this issue, we pose questions to Anthony Massucci, director of social media for SunStar Strategic, to take a look at how fund firms are using the new media.



Q: Which fund companies are using social media today?

A: We've seen social media activity from quite a few firms, including American Century, Fidelity, Legg Mason, Lord Abbett, MFS, PIMCO, among others.

Q: What are the benefits for a fund company?

A: The key sites include Facebook, YouTube, and Twitter. Facebook provides a forum where customers can share their thoughts on the firm's products. YouTube is great place to post company videos that are directed to customers. Twitter allows you to engage with customers each day, or even around the clock, all over the world.

By reaching out to their clients, forward-thinking firms are connecting with them as individuals. This gives them a strong advantage over their competitors who are not venturing into this world where many clients are wanting and willing to hear from investment managers. Whether it's a Facebook page or a Twitter account, it's a way for companies to talk to clients and prospects on their own turf, when it's convenient for them and in a place where they're comfortable.

Q: How successful do you think the fund companies you mentioned have been to date?

A: I believe that despite the compliance and regulation hurdles, the fund companies who've ventured out appear quite successful online. And, they have the opportunity to gain a strong competitive advantage. Engagement is the key. When you offer meaningful content, interested people on Twitter and other social networking sites will come. Why? They are looking for ways to easily get information such as:

- Upcoming TV appearances, recent news coverage, speaking engagements, trade show participation or webinars.
- Current market commentary,
- Progress of philanthropic activities your firm sponsors,
- Specific product, investment planning tool or research papers.

Q. What about FINRA compliance?

A: There's a lot of discussion around the FINRA guidelines released in January. In a nutshell, static information that will appear in a social media setting is subject to the same rules as other advertising. Interactive content is considered similar to emails and instant messaging and the applicable rules about supervision and retention apply. Take a look at FINRA's educational webinar on compliance considerations.

Q: How would you recommend a company get started?

A: The key is developing a strategy for what you want to accomplish – and then what and how you will communicate. Many firms have developed white papers or other valuable educational content that would entice potential investors. In today's world, simply having this information on your website is not enough; by tweeting and posting links on Facebook, you open the door to reaching a host of new prospects as readers re-tweet and share your content.

Don't simply recycle what's on your website and put it on social media pages. At a minimum, take that information and tailor it to the client. Make it conversational and interesting to read. Put yourself in the place of the investor. Be ready to talk with them. What would you want to know from your fund company and how would you want to hear from them?

Q: What do you think is necessary for a fund company to do this “right” at this point?

A: Social media presence should be woven into your overall marketing plan. A static Facebook page is a start, but the idea behind social media is conversation, so a commitment to adding content is required. And, there's no denying that compliance is an important consideration, so I'd recommend upfront discussions with your compliance resource to determine what kinds of posts can be templated and in essence pre-approved and what kind of turnaround can be expected for other posts/responses.

For example: if your portfolio manager will be appearing on CNBC, you might have a template tweet that says “name name, portfolio manager for name funds, will appear on CNBC today at 11 am.” And, if you post the interview on your site later (following normal compliance procedures), you could tweet out a link to your site with the message “name name shared investment views with CNBC’s name name.”

We at SunStar Strategic are available to help you develop a social media strategy and then work with you on an ongoing basis to develop content. Email me or call 703-894-1046 for more information.



SunStar Strategic works with retail and institutional investment managers and mutual fund firms to attract investors, strengthen distribution and build brands through structured news generation programs and smart marketing. We know the industry and the reporters who cover it. We also understand the often challenging legal, regulatory and compliance issues facing clients.

Find more about smart marketing and successful public relations campaigns in our blog: FundFactor.net