



Asset Managers – Investing in Social Media

Presented to:



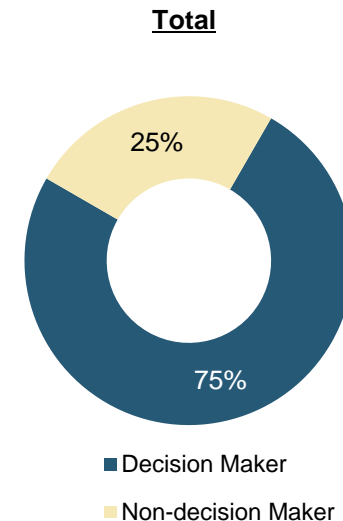
November 2016

Background & Interview Distribution

- Between June and August 2016 Greenwich Associates, in partnership with PAICR, the asset management marketing association, surveyed senior marketing executives within asset management companies to assess their use of social media marketing.

- We sought to understand:
 - The extent to which asset management companies are marketing through social media
 - The use of Organic vs Sponsored social media marketing
 - Preferred channels used for social media marketing
 - The content generation process
 - How firms manage compliance considerations when marketing on social media

Who we interviewed

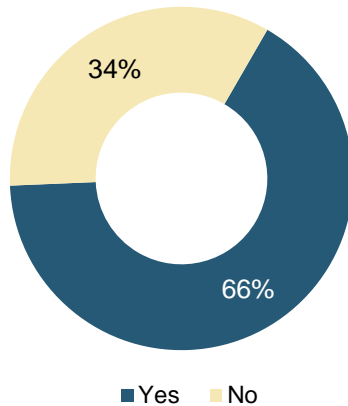


Source: 2016 PAICR Social Media Survey.
Are you a marketing decision maker at your firm? Base = 71

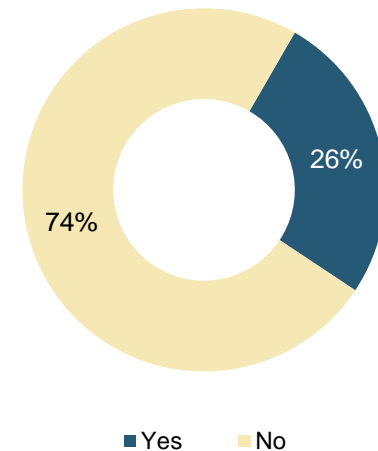
Marketing Through Social Media Channels

- Two thirds of asset management companies actively use social media channels for marketing
- And 75% of those firms that are not actively using social media today have a plan in place to begin using it over the coming year
- Those who do not use social media cite reasons such as compliance, budget and lack of internal resources

Marketing Through Social Media Channels



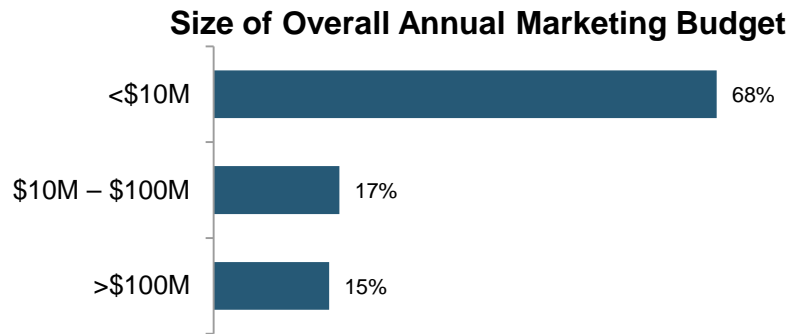
Plan in Place to Start Marketing Through Social Media Channels in the Next 12 Months?



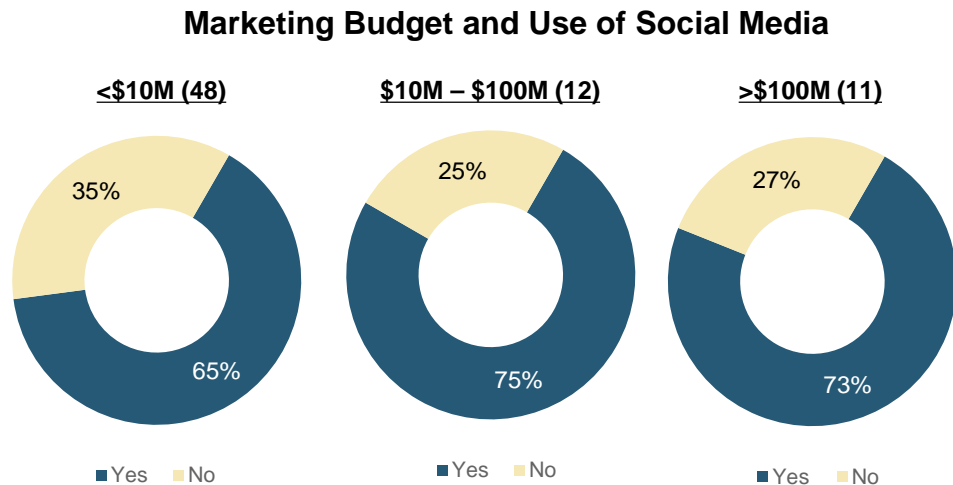
Source: 2016 PAICR Social Media Survey.
Are you marketing through social media channels? Base = 71
Do you have a plan in place to do so this in the next 12 months? Base =23

Penetration of Social Media Marketing

- Most firms had an annual marketing budget less than \$10 million...



- ...however, the size of the overall budget has little effect on their propensity to use social media



Source: 2016 PAICR Social Media Survey.
Base: 71 (Total).

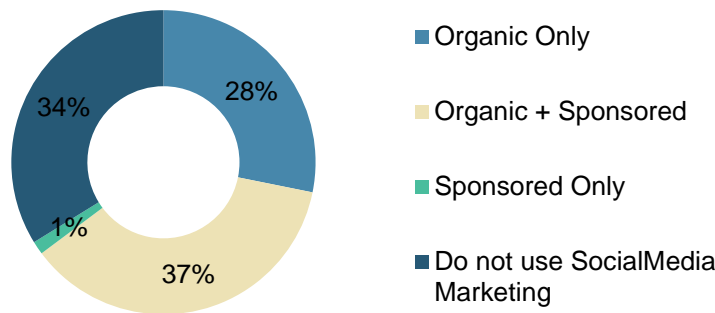
Source: 2016 PAICR Social Media Survey.
Are you marketing through social media channels?

What is the size of your overall annual marketing budget?

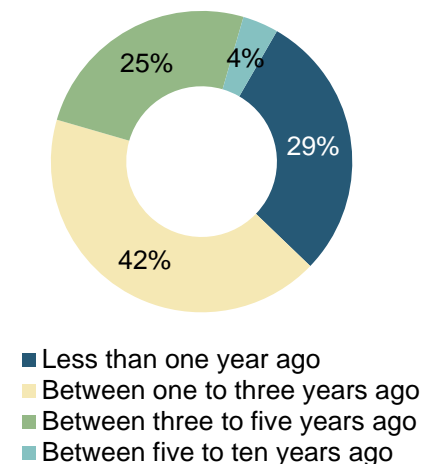
Use of Social Media Marketing

- “Organic” refers to independently posting on social media sites, “Paid” also referred to as “Sponsored” describes the strategy of paying a social media company for promoted, targeted postings
- Most firms only began using social media in the last 3 years and seventy-two percent of firms make fewer than 5 organic posts per day on social media
- Organic social media marketing is attractive because of its low (or no) cost and its ability to reach an audience who are already at least somewhat interested in the products and services offered (followers)

Use of Social Media Marketing



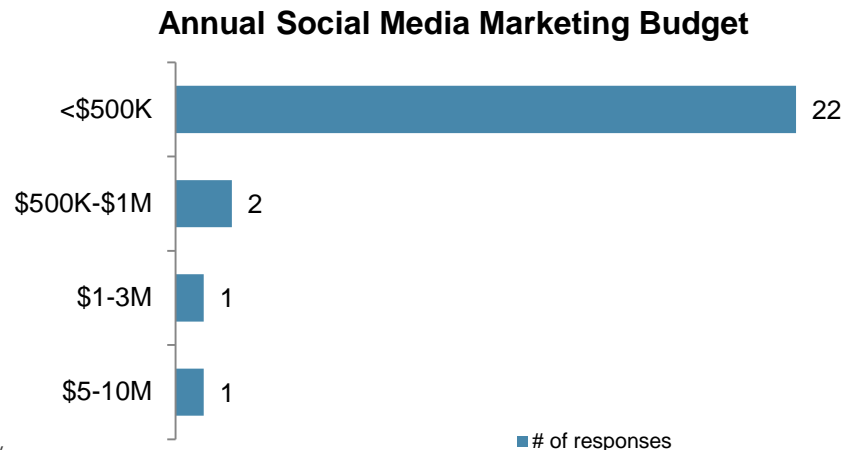
First Started Marketing via Social Media



Source: 2016 PAICR Social Media Survey.
Do you use organic social media marketing? Base = 71
Do you use paid social media marketing? Base = 71

Paid Social Media Marketing

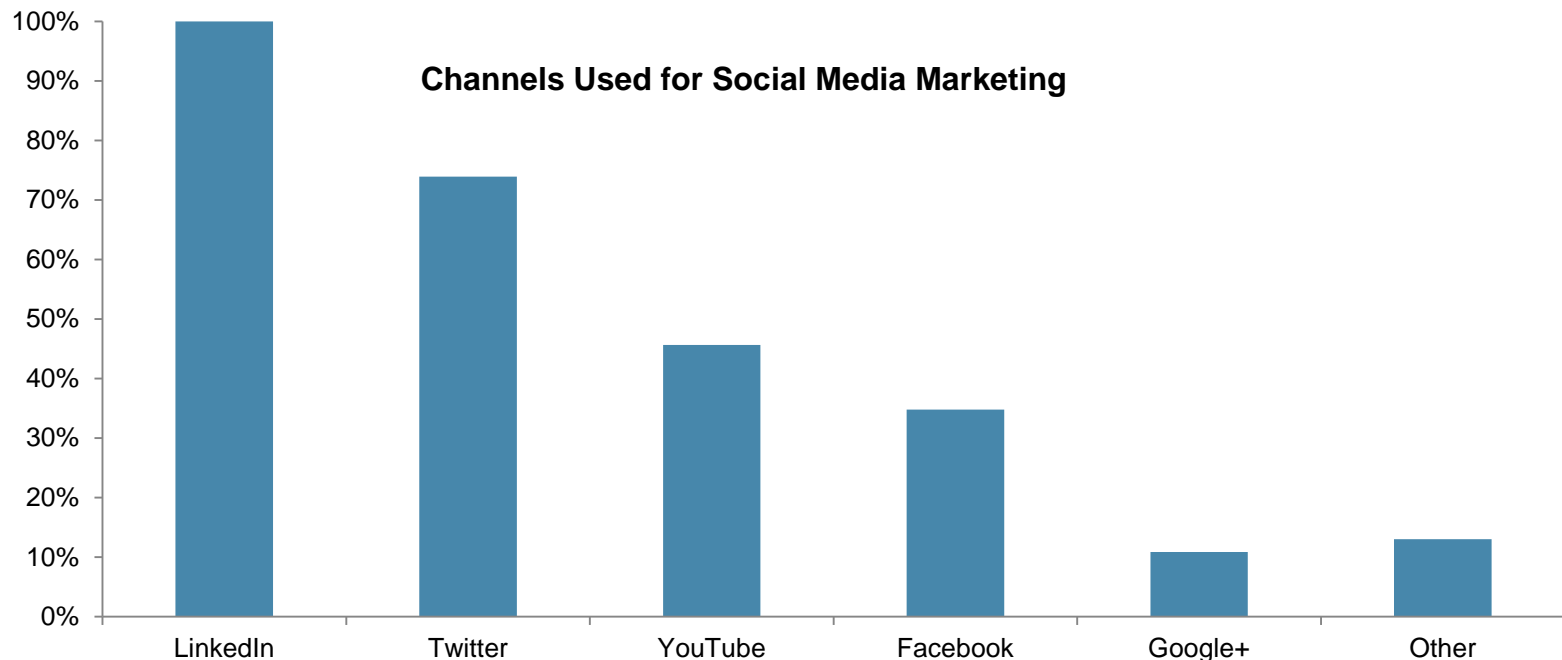
- Of the 38% of firms who use sponsored social media marketing, most have a budget less than \$500k
- Some firms felt that organic social media marketing was sufficient, and others simply stated they did not have budget for sponsored social media marketing
- However, the majority recognized that paid social media will allow them to target specific demographics, who may not currently be aware of the firms products or services



Source: 2016 PAICR Social Media Survey.
Q6. Do you use paid social media marketing?
Q7. If yes, what is your annual social media marketing budget?
Q8. If no, why not?

Channels Used for Social Media Marketing

- If asset management companies are using social media, they are using LinkedIn – its business/corporate approach has strong appeal
- Twitter is also very popular and is often used in corporate communications and messaging

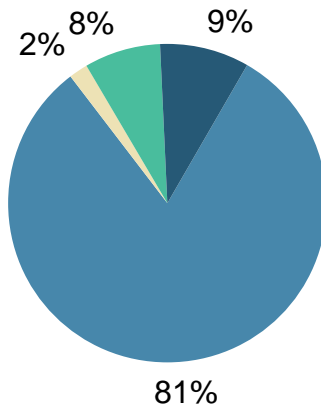


Source: 2016 PAICR Social Media Survey.
Which channels do you use for social media marketing? Base: 53

Managing A Social Media Presence

- 81% of firms say their social media presence is owned and managed by the marketing organization
- Nearly half of firms look to their portfolio managers for content. Thought leadership from the firms best investors can create a strong incentive for prospective clients to click through

**Manages Firm's
Social Media Presence**



■ Marketing ■ Compliance ■ PR ■ Other

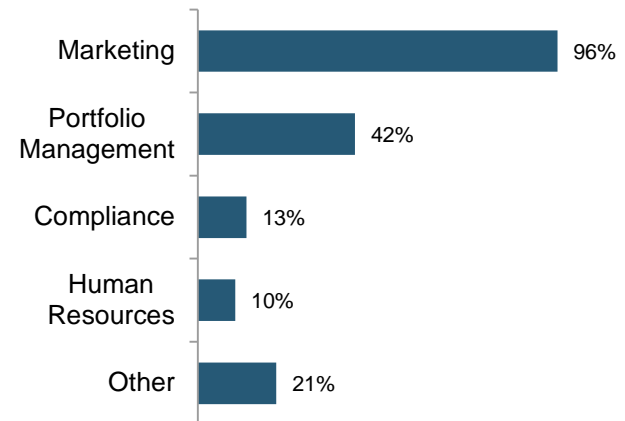
Source: 2016 PAICR Social Media Survey.

Base: 52 (Total).

Who manages your firm's social media presence?

Who is actively involved in providing content to social media?

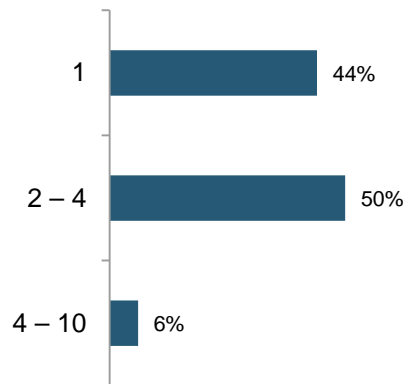
**People Actively Involved in
Providing Content to Social Media**



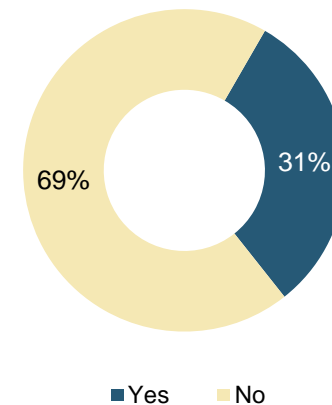
Managing A Social Media Presence

- Among 44% of firms responsibility for supporting social media fell on just one individual, but 50% of firms had 2-4 people involved in social media marketing
- For the most part, asset management companies leverage internal resources for ad placement on social media; only 31% use an ad agency to place ads on social media
- By leveraging external resources, asset managers could gain better information into the effectiveness of their social strategy and insight into how it could be optimized

Number of Full Time Employees Involved in Supporting Social Media



Use of an Agency to Place Ads on Social Media



Source: 2016 PAICR Social Media Survey.

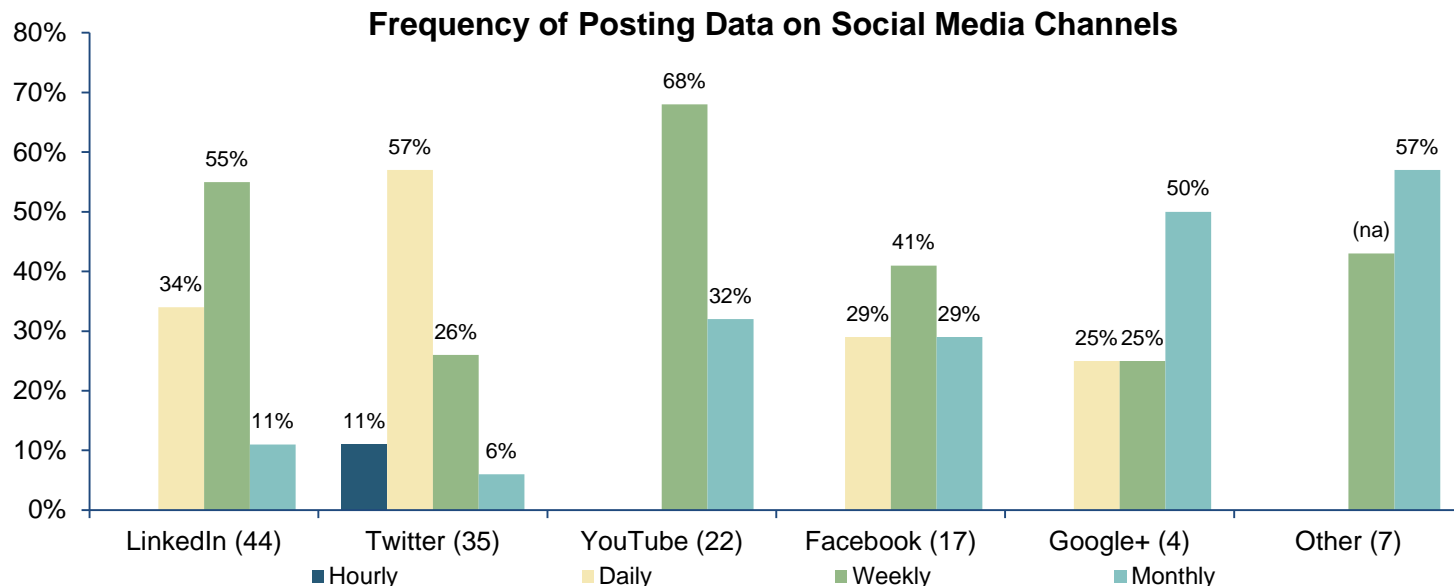
Base: 52 (Total).

How many full time employees are involved in supporting social media?

Do you use an agency to place ads on social media?

Frequency of Posting on Social Media

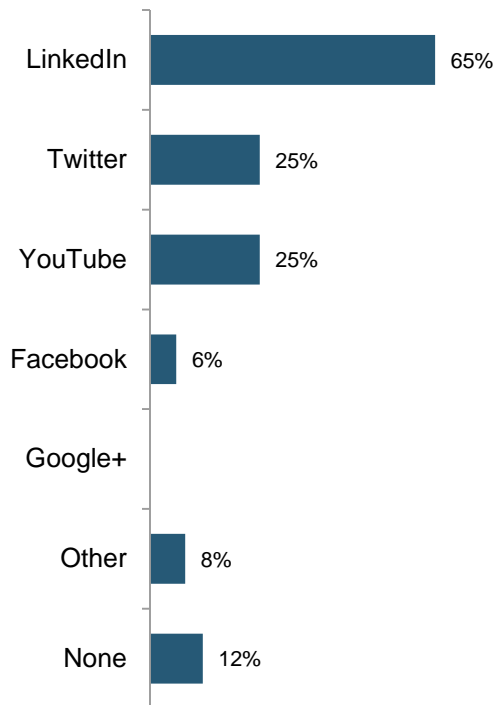
- Twitter is much more likely to be used on a daily basis and, for 11% of firms, on an hourly basis. This reflects the more real time, news based nature of the platform.
- YouTube is only used on a weekly or monthly basis, reflecting the fact that video content is more time consuming to create, but also has a longer shelf-life.
- LinkedIn and Facebook fit somewhere in between – they are not seen as platforms for real-time delivery, but keeping the firms' feed updated at least weekly is critical to keeping clients and prospects engaged



Source: 2016 PAICR Social Media Survey.
What is your frequency of posting data on:..

Social Media Channels with Best 'ROI'

Social Media Channel Giving the Best Return on Investment



- LinkedIn also scores highest when respondents were asked to name the company that gave them the best return on investment
- The primary metrics used to make this assessment were followers gained and conversion rate. Respondents also looked at engagement metrics such as likes, shares, and retweets...however these metrics do not allow one to calculate a true ROI
- When using sponsored advertising, the social media companies are able to provide additional, detailed analytics and metrics that deliver a better measure of the company's return on investment
- Third parties such as advertising agencies are also able to better analyze and deliver campaign success metrics, often accompanied by recommendations of what to do next

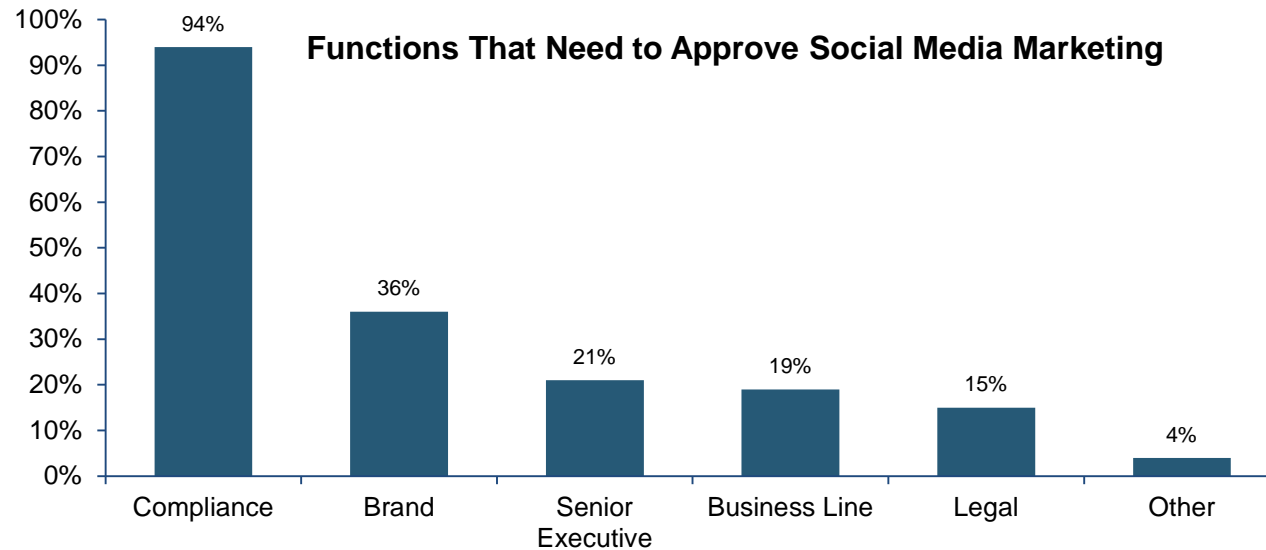
Source: 2016 PAICR Social Media Survey.

What channel do you feel is giving you the best return on your investment? Base = 51

What key performance metrics (KPIs) do you use to track the effectiveness your social media marketing programs? Base = 51.

Approval of Social Media Marketing

- In 94% of firms that we spoke with, the compliance department had to approve social media marketing. (more surprising, 6% of firms said this was not necessary)
- Other functions mentioned being involved in the process include brand management, senior executives, business heads and legal.

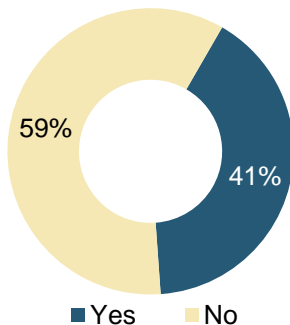


Source: 2016 PAICR Social Media Survey.
Which of the following functions need to approve social media marketing? Base = 47

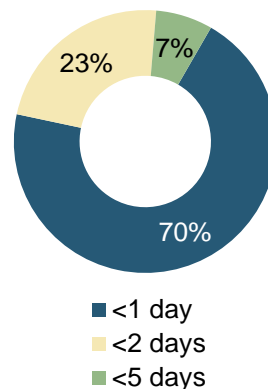
Compliance Considerations

- Asset management companies face significant compliance protocols when posting on social media. For example: requiring firms to maintain records of all social media communications, to pre-approve of certain types of content and to have supervisory procedures in place regarding social media postings.
- In nearly four out of five instances, the compliance officer approves 80+% of social media content. This level of oversight is not proscribed by regulations, but given the possible significant negative consequences of a lapse, it is an area where strict compliance oversight is mandated internally
- At 59% of companies, there is a dedicated person in the compliance department who is responsible for reviewing social media postings, and in most cases the turnaround is less than one day.
- This demonstrates the extent to which a compliance department within asset management companies has structured its processes to be as responsive to the business as possible.

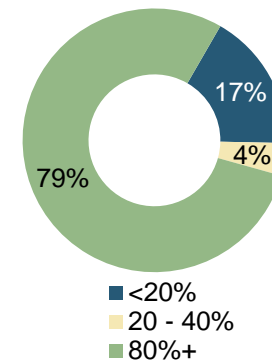
Do you have a compliance person dedicated to Social Media?



What is compliance turn-around on social media content?



What percentage of social media content is pre-approved by compliance vs. post-reviewed?



Executive Summary

- For many executives today, social media is an important part of their professional lives. Asset management companies are sophisticated organizations, increasingly comfortable with technology and expert at leveraging data to their advantage. **So it is surprising that nearly one third have no social media strategy at all, and of those that do, nearly half rely only on organic social media postings.**
- **Organic activity can deliver a message to their current followers, but has limited reach beyond that.** Sponsored content allows them to target new and existing demographics that match and align with their marketing strategy and product initiatives.
- Social media companies are very effective at targeting towards specific demographics, but need to provide analytics to demonstrate that the marketing message is hitting home.
- **For those firms just getting started with social media advertising, it may make sense to engage with an agency** initially to gain experience and help them identify key performance indicators, measure ROI more effectively and refine and optimize their marketing strategy.
- Compliance concerns are a priority for asset managers advertising on social media. **A structured social media advertising program** with specific content for each demographic and platform, **is less likely to run afoul of the rules than an ad hoc strategy relying on organic postings.**
- **Social media is a key marketing channel, and growing in importance.** Asset management firms need to embrace the power of social in their overall marketing strategy.

Contact Information

UNITED STATES

Greenwich Associates
6 High Ridge Park
Stamford, CT 06905
USA
Tel: +1 203.625.5038

Javelin Strategy & Research
4301 Hacienda Drive, Suite 550
Pleasanton, CA 94588
USA
Tel: +1 925.225.9100

EUROPE

Greenwich Associates UK
90 Basinghall Street
1st Floor
London, EC2V 5AY
United Kingdom
Tel: +44.207.726.9400

CANADA

Greenwich Associates Canada
14 Prince Arthur Avenue
Suite 208
Toronto, Ontario
Canada M5R 1A9
Tel: +1 416.925.0197

1220 Sheppard Avenue East,
Suite 201
Toronto, Ontario
Canada M2K 2S5
Tel: +1 416.493.6111

JAPAN

Greenwich Associates Japan K.K.
8-6-9-414 Akasaka
Minato-ku, Tokyo 107-0052
Japan
Tel: +813.3475.5212

ASIA

Greenwich Associates Singapore
137 Amoy Street
#03-05 Far East Square
Singapore, 049965
Tel: +65.6236.0142

Email ContactUs@greenwich.com

or visit www.greenwich.com

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